



**Prospect Mortgage Services**  
expert advice - professional service

*What you need to know...*

## Surveys



*Offering Independent Mortgage Advice*

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## A valuation is not a survey

A survey should not be confused with a mortgage valuation report. The mortgage valuation will give your mortgage lender assurance for its loan. It will not give you an assessment of the condition of the property, or advice about repairs and maintenance.

According to a recent survey of home buyers, of the one in four who relied solely on a mortgage valuation report, **25% needed to undertake unplanned work in the first year, amounting to an average cost of over £1,100.** (RICS/GfK NOP Business research).

Even if you are looking for a mortgage and, as a result, may be paying for a mortgage valuation report, it is still recommended that you arrange a survey by your own surveyor. Both the Consumers' Association 'Which?' magazine and the Council of Mortgage Lenders also give this advice.

The reason for this is that the mortgage valuation report is prepared for your lender – not for you, the borrower. It answers only the lender's questions about whether the property offers suitable security for your loan. You cannot rely on it to answer the questions that concern

## Be prepared with an RICS Home Survey

RICS (Royal Institution of Chartered Surveyors) is an international professional body with over 100,000 members. They represent everything professional and ethical in land, property and construction. Their members are known as chartered surveyors and are recognised by the designation after their name: MRICS (Member), FRICS (Fellow) and AssocRics (Associate). Having a survey conducted by a RICS member will give you:

- Peace of mind that you know the property and the risks it may carry
- Confidence that you can make an offer that reflects the true circumstances of the property (e.g. how an owner maintains its condition or how a vendor protects the sale)
- Reassurance that your surveyor is delivering a high quality, reliable and cost-effective service based on RICS standards of practice
- A clear understanding of your property thanks to a report written in plain English with simple colour-coding to illustrate the surveyor's findings

**By commissioning an RICS Home Survey you can feel assured that the service you receive is impartial and reliable.**

## Choosing between surveys when buying a property

### Why do I need my own survey?

A survey will help you to make a reasoned and informed decision on whether to go ahead with buying a property. Before you decide to commit yourself legally, you can limit the risks by asking a chartered surveyor to answer the following questions for you.

*What is a reasonable price to pay for the property?*

*Are there any serious or urgent defects or specific risks with the property?*

Arranging your own survey is the simple, cost-effective way to help try to avoid unpleasant, and perhaps expensive, surprises after moving in. In some cases, the surveyor's report may allow you to renegotiate the price of the property.



## What choice of surveys do I have?

RICS surveyors offer two forms of survey that are specifically designed to help home buyers. These are a **Building Survey** and the **RICS HomeBuyer Report**.

### A Building Survey *(This used to be called a structural survey)*

A building survey is a customised service suitable for all residential properties and gives full details of their construction and condition. You are likely to need this type of survey if, for example, the property is unusually built or run-down, if the property has been significantly altered, or if you are planning a major conversion or renovation.

Building surveys are usually tailored to your needs. The report includes detailed technical information on materials and construction, as well as details of the whole range of defects.

In Scotland this type of survey is rarely needed, partly because of the speed at which house purchases normally take place but also because buyers will receive a survey of the property, known as the 'single survey', as part of the Home Report. Even in Scotland, however, you may choose to have your own building survey if you are planning a major renovation or conversion for the property.

### The RICS HomeBuyer Report

The RICS HomeBuyer Report includes an inspection, a report and a valuation, and these are all explained in detail in the 'Description of the RICS HomeBuyer Service' the surveyor will give you. The RICS HomeBuyer report is a standard format, and is different to a building survey in three main ways.

1. It is designed for particular types of home. These are houses, bungalows and flats that:
  - are of a traditional type and construction; and
  - are apparently in reasonable condition.
2. It identifies what the surveyor considers to be the most important issues. By applying condition ratings to elements of the building, the services and any garages and permanent outbuildings, the surveyor will tell you whether defects are serious or urgent.
3. It also includes the surveyor's opinion of the market value and reinstatement cost (which you will need for insurance purposes). It focuses on matters that, in the surveyor's opinion, may affect the value of the property if they are not dealt with.

**The report also includes other valuable information.**

## What else should I know about the RICS HomeBuyer Report?

Because of the practical limits on the type of property and what the service covers, the RICS HomeBuyer Report is priced mid-range – more expensive than a mortgage valuation, but cheaper than a building survey.

The surveyor's main purpose in providing the service is to help you:

- make a reasoned and informed decision on whether or not to go ahead with buying the property;
- make an informed decision on what is a reasonable price to pay for the property;
- take account of any repairs or replacements the property needs; and
- consider what other advice to take before exchanging contracts (if the property is in England, Wales, Northern Ireland, the Channel Islands or the Isle of Man) or concluding an offer (if the property is in Scotland).

The report covers the inside and outside of the building, the services and the site and includes:

- details of the general condition and particular features of the property;
- condition ratings for elements of the structure of the building, the services and any garages and permanent outbuildings;
- particular points you should refer to your legal advisers;
- specific risks associated with the property;
- other relevant considerations – for example, the location, the local environment and the energy performance of the property (if this information is available).



Any defects that the surveyor considers do not need repairing or replacing, or any minor matters that do not affect the value of the property, are generally not included in the report.

If you have a particular requirement that you would like the surveyor to consider, you should discuss this with the surveyor before they provide you with the service. The surveyor may be prepared to arrange extra services but these will probably need a separate contract.

### How much should I expect to pay for these Surveys?

Prices are dependent on the value of the property a Homebuyer Report starts from around £350 with a Building Survey costing around £550 upwards.

The main features of the RICS HomeBuyer Report are compared below with the features of a building survey.

	HomeBuyer Report	Building Survey
Type of property	Traditional houses, flats, bungalows and so on,	in apparently reasonable condition
Type of service	A shorter, less detailed report in a standard format	A detailed report that is tailored to suit your needs
Aims of service	<b>To help you:</b> <ul style="list-style-type: none"> <li>• Make a reasoned and informed decision on whether to go ahead with buying the property;</li> <li>• Make an informed decision on what is a reasonable price to pay for the property;</li> <li>• Take account of any repairs or replacements the property needs;</li> <li>• Consider what other advice you need to take before exchanging contracts</li> </ul>	<b>To give you:</b> <ul style="list-style-type: none"> <li>• A detailed assessment of the condition and construction of the property subject to access;</li> <li>• Technical advice on any problems and work needed to put them right</li> </ul>
Special features	Provides condition ratings for elements of the building, services and any garages and permanent outbuildings	Provides full details of the property's construction, materials, uses, defects, and need for future maintenance
Valuation	Included as part of the RICS HomeBuyer Service	May be provided as an agreed extra
Form of report	RICS HomeBuyer Report which is a compact, standard format	In the surveyor's own format and usually longer, more detailed and technical than the RICS HomeBuyer Report

### Want a Homebuyer Report or Building Survey?

If you would like to arrange a HomeBuyer Report or a Building Survey please speak to your mortgage adviser.

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