

## **MORTGAGE VALUATION CONDITIONS OF ENGAGEMENT**

A valuation for mortgage purposes is a limited inspection and report produced for Building Societies, Banks and other Lenders to enable them to make a lending decision. The Firm reserves the right to make the mortgage information available to other parties, lenders, or prospective borrowers. **IT IS NOT A SURVEY.** Unless otherwise stated the date of valuation will be the date of inspection.

We confirm that our mortgage valuation is prepared in accordance with the latest edition of RICS Valuation – Professional Standards UK Edition (Red Book) and, unless otherwise stated, we are External Valuers as defined therein. When required to depart from these standards, or in expectation of a requirement to depart from these standards, in respect of a specific action, this will be stated in the body of the report and must not be taken to imply departure from the standards in any other respect. Further information may also be obtained from the Royal Institution of Chartered Surveyors in Scotland, 3<sup>rd</sup> Floor, 125 Princes Street, Edinburgh, EH2 4AD Tel No 0131 225 7078

The report is used to guide the lender on the market value of the property for mortgage purposes, and is carried out for this purpose alone. Although the inspection will be carried out by a valuer who will usually be a qualified surveyor it is not a detailed inspection of the property, and only major visible defects will be noted. The surveyor will not inspect roof spaces, under floor areas or other parts not readily accessible. The exterior and roof of the property will be inspected from ground level only from within the boundaries of the site and adjacent/communal public areas. The area of the property will be taken into account, and the rooms individually inspected, but floor coverings and furniture will not be moved. Services (such as water, gas, electricity, heating, green technologies and drainage) will not be tested and we will not advise as to whether these comply with regulations in respect of these services.

The surveyor may recommend that a part of the mortgage be retained by the lenders until such time as particular repair works are carried out. Similarly the report may suggest that the borrower should undertake to carry out certain repairs or commission more extensive investigation where hidden defects are suspected since these may have a material effect on the value of the property. If a retention is recommended then the figure should not be regarded as an estimate of repair costs. Its purpose is to protect the interests of the lending institution. It is recommended that detailed estimates be obtained before proceeding with the purchase. Attention is drawn to the fact that if a subsequent transcription of this report is prepared on a lender's form, then in order to comply with the lender's specific requirements, the wording, phraseology or valuation may differ. There are also a number of lenders that do not accept transcriptions from reports instructed by the applicants or their agents.

Many people rely on the Mortgage Valuation Certificate in the mistaken belief that it is a detailed survey. The report is often made available to house buyers by lenders, but this does not mean that it should be relied upon as a report on the condition of the building.

The definition of 'market value' is the estimated amount for which an asset or liability should exchange on the valuation date, between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. For the purposes of this market value we have assumed that vacant possession will be provided. Unless otherwise stated we have valued the interest on a Comparable Basis.

The definition of market rental value (when reported) is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arms length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The valuation assumes that the let complies with Houses in Multiple Occupation legislation if appropriate.

The inspection that has been undertaken should not be regarded as a survey. We did not inspect parts of the property which were covered, unexposed or inaccessible and are therefore unable to report that any such part of the property is free from defect. Defects which are not considered materially to affect the value of the property or other matters which would be attended to during maintenance, may not have been mentioned. If defects have been mentioned in this report, they should be regarded as indicative and not exhaustive. Notwithstanding the above comment we would also recommend a more detailed inspection and report. For the purposes of this valuation we have assumed that all uninspected areas are free from defect which would have a material effect on value.

In accordance with our normal practice, we must state that this report is for the use only of the party to whom it is addressed or their named client and no responsibility is accepted to any third party for the whole or any part of its content. In addition, we would bring to your attention that neither the whole nor any part of this report, nor any reference thereto, may be included in any document, circular or statement without prior written approval of the form and context in which it will appear.

The Valuer shall, unless otherwise expressly agreed, rely upon information provided by the Client and/or the Client's legal or other professional advisers relating to tenure, leases and all other relevant matters.

For the purposes of this valuation we have assumed that all ground burdens are nominal or have been redeemed and that there are no unusual outgoing or onerous restrictions contained within the Titles of which we have no knowledge. We have further assumed that the subjects are unaffected by any adverse planning proposals.

Unless otherwise stated, it is assumed that all the required valid planning permissions and statutory approvals for the buildings and for their use, including any recent or significant extensions or alterations, have been obtained and complied with. Works not requiring consent have been assumed to meet the standards required by the building regulations or are exempt. It has been further assumed that no deleterious or hazardous materials or techniques have been used in the construction of the subjects and that there is no contamination in or from the ground or from the immediate surrounds.

The valuer will not carry out an asbestos inspection and will not be acting as an asbestos inspector in completing a valuation inspection of properties that may fall within the Control of Asbestos Regulations 2012. No enquiry of the duty holder, as defined in the Control of Asbestos Regulations 2012, of the existence of an asbestos register, or of any plan for the management of asbestos will be made. Your legal adviser/conveyancer should confirm the duty holder under these regulations, the availability of an Asbestos Register and the existence and management of any asbestos containing materials. For the purposes of this valuation, we have assumed that there is a duty holder, as defined in the Control of Asbestos Regulations 2012, and that a Register of Asbestos and effective Management Plan is in place which does not require any immediate expenditure or pose a significant risk to health or breach the HSE Regulations.

The valuer will not carry out an inspection for Japanese knotweed. Unless otherwise stated, for the purposes of the valuation we have assumed that there is no Japanese knotweed within the boundaries of the property or in neighbouring properties. The identification of Japanese knotweed should be made by a specialist contractor. It must be removed by specialist contractors and removal may be expensive. Where the valuer does report the presence of Japanese knotweed within the boundaries of the property, further investigations may be recommended

As part of our remit, we may, where we feel qualified and experienced to do so, provide general comment on standard appropriate supplementary documentation, presented to us by the client's lender and conveyancer. In the event of a significant amount of documentation being provided to us, an additional fee may be incurred. Any additional fees will be agreed.

The firm has a complaints procedure in accordance with the Royal Institution of Chartered Surveyors Rules of Conduct. A copy of this procedure is available on request.

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In the event that this report is received before or at the same time as receipt of our Confirmation of Instructions we have departed from the requirements of the RICS Valuation – Professional Standards UK Edition (Red Book) to have previously confirmed in writing to you certain information and our Conditions of Engagement. This results directly from the time constraints created by the traditional Scottish property purchasing procedures