

The RICS/ISVA HOMEBUYER Survey and Valuation Service (Scotland)

PS II.1	Requirements	<p>Those who accept instructions to provide reports in accordance with the RICS/ISVA HOMEBUYER Survey and Valuation (HSV) Service ('the Service') must:</p> <p>(a) satisfy PS 5.1 I (qualification requirements) and be competent to undertake the surveys;</p> <p>(b) fulfill the commissions in compliance with this Practice Statement, the Standard Terms of Engagement ('the Terms') including the Description of the HOMEBUYER Service ('the Description'), reproduced as Annexe A to this Practice Statement, adopting without amendment the reporting headings and standard material reproduced in Annexe B to this Practice Statement, and the Practice Notes in PSA I 2; and</p> <p>(c) add to the Service, as allowed for in Clause I of the Terms, only where a client requires some addition to and, subject to PS II.6 below, such addition is capable of being reported upon within the HSV reporting format and does not alter materially the concept of the Service.</p>
PS II.2	Application	<p>This Service must not be applied to property which is not used primarily for residential purposes or to a unit in a building not primarily used for residential purposes.</p>
PS II.3	Relationship to the rest of the Manual	<p>Other material in this Manual has no application to work pursuant to this Service, except:</p> <p>(a) PS 4.2 (the definition and commentary on OMV);</p> <p>(b) PS 6.2 (material considerations);</p> <p>(c) paragraph 4. (valuation assumptions) of Annexe A to Practice Statement 9;</p>

(d) PSA 3.2 (radon) and PSA 3.7 (high voltage electrical supply apparatus); and

(e) GNA2 (recommendation for works in respect of listed buildings etc.).

PS II.4 Before the Service is provided

Before a legal commitment to provide the Service is entered into in respect of a specific property, the prospective Client must be provided with:

(a) the complete Terms in Annexe A to this Practice Statement;

(b) a statement in writing of the other terms upon which the Surveyor is prepared to provide the Service, including the fee and any other charges reasonably incurred which would be payable, or the basis thereof, with a statement that these may have to be revised by agreement if the Client requires any addition to the Service as specified in the Description, or if it is found on arrival at the property that it is substantially different from what has been described to the Surveyor;

(c) if the Surveyor is not prepared to accept instructions to provide the Service in respect of particular types of dwelling, a statement to that effect in which those types are noted; and

(d) where the model descriptive material in Annexe C to this Practice Statement is not used, a brief description of a residential building survey.

PS II.5 Additions to the Service

The Surveyor must confirm in writing, either before or at the time of provision of his Report, any agreed addition to the Service. As stated in PS II. 1(c), such additions must be capable of being reported upon within the HSV reporting format and not alter materially the concept of the Service. Such additions are likely to be a more extensive inspection or an investigation to address a particular concern of the Client.

PS II.6 Extra services

This Service is designed for lay clients interested in obtaining an economical professional service in which non-significant defects are in general not reported and where there is therefore an element of risk that defects will not be discovered which would be reported if testing and/or a fuller inspection had been undertaken. It is not permitted

to report within the format minor defects which do not fall to be reported by virtue of paragraphs C1 and C2 of the Description. If a Client requires concurrently information or advice which is outside the concept of the Service (for example, a list of 'non-significant' defects, tests of services, sales/marketing advice), this is a different, extra service which must be provided outside the Terms and the HSV reporting format.

PS II.7 Competence and responsibilities

Particular attention is drawn to PS II.1(a) above. This implies the possession of sufficient knowledge of the area in which the subject property is situated. It also demands adequate competence in the survey of the sorts of dwelling for which the Service is suitable. It does not imply that the Surveyor can avoid expressing opinions and advice relating to condition which can be formed on the basis of the defined level of inspection. Reports should include caveats and recommendations for further investigation only when the Surveyor feels unable to reach necessary conclusions with reasonable confidence. In such cases it may be appropriate to provide the valuation on a special assumption as to the outcome of such further recommended investigation, or to defer providing the valuation until the results of such further investigation are available.

Note to *PSI/for Information*: the RICS/ISVA HOMEBUYER Survey and Valuation Service may be provided only on the forms purchased from, or pursuant to a licence granted by, RICS Books.

PS II Annexes: Text and Presentation The text of the Annexes to PS II appears here in the standard format for the RICS *Appraisal and Valuation Manual*. In the printed version seen by the public, the style of presentation (in layout, type, etc.) is different but the wording remains unchanged

The RICS/ISVA HOMEBUYER Survey & Valuation Service (Scotland): Standard Terms of Engagement

PLEASE NOTE These Standard Terms of Engagement form part of the contract between the Surveyor and the Client for properties in Scotland. A different form of the HOMEBUYER Survey & Valuation Service applies in the other parts of the United Kingdom.

Part I: General

1 The Service. The standard HOMEBUYER Survey & Valuation Service ('the Service') — which is described in Part 2 of these Terms ('the Description') — applies unless an addition to the Service is agreed in writing before the Inspection. (An example of such an addition is reporting upon parts which are not normally inspected, such as the opening of all windows.)

2 The Surveyor who provides the Service will be a member of The Royal Institution of Chartered Surveyors, or a Fellow or Associate of the Incorporated Society of Valuers & Auctioneers, who is competent to survey, value and report upon the Property which is the subject of these Terms.

3 Before the Inspection. The Client may inform the Surveyor of any agreed price for the Property, or more commonly the asking price for the Property and of any particular concerns (such as plans for extension) which he or she may have about the Property.

4 Terms of payment. The Client agrees to pay the fee and any other charges agreed or notified in writing.

5 Cancellation. The Client will be entitled to cancel this contract by notifying the Surveyor's office at any time before the day of the Inspection. The Surveyor will be entitled not to proceed with the provision of the Service (and will so report promptly to the Client) if, after arriving at the Property, he or she concludes:

- a) that it is of a type of construction of which he or she has insufficient specialist knowledge to be able to provide the Service satisfactorily; or
- b) that it would be in the typical Client's best interests to be provided with a building survey, plus valuation, rather than the HOMEBUYER Service.

In case of cancellation, the Surveyor will refund any money paid by the Client for the Service, except for expenses reasonably incurred. In the case of cancellation by the Surveyor, the reason will be explained to the Client.

6 Liability. The Report provided is solely for the use of the Client and the Client's professional advisers, and no liability to anyone else is accepted. Should the Client not act upon specific, reasonable advice contained in the Report, no responsibility is accepted for the consequences.

**Part 2:
Description of
the
HOMEBUYER
Service**

A The Service

A1 The HOMEBUYER Service comprises:-

- *an **Inspection** of the Property* (Section B below)
- *a concise **Report** based on the Inspection* (Section C)
- *the **Valuation**, which is part of the Report* (Section D).

A2 The Surveyor's main objectives in the HOMEBUYER Service are to give guidance on value to Clients considering buying a particular Property. together with the professional advice which will assist them:

- to make a reasoned and informed judgement on whether or not to proceed with the purchase.
- to assess at what price it would be reasonable to purchase the property
- to be clear what decisions and actions should be taken before making an offer to purchase.

A3 The HOMEBUYER Service therefore covers the general condition of the Property and particular features which affect its present value and may affect its future resale. The Report focuses on what the Surveyor judges to be urgent or significant matters. *Significant matters are those which, typically, would be reflected in the offer made.*

B The inspection

B1 The Inspection is a general surface examination of those parts of the Property which are accessible: in other words, *visible and readily available for examination from ground and floor level/s, without risk of causing damage to the Property or injury to the Surveyor.* Due care is therefore exercised

throughout the Inspection regarding safety, practicality and the constraints of being a visitor to the Property (which may be occupied). So furniture, floor coverings and other contents are not moved or lifted: and no part is forced or laid open to make it accessible.

B2 The services are inspected (except, in the case of flats, for drainage, lifts and security systems), but the Surveyor does not test or assess the efficiency of electrical, gas, plumbing, heating or drainage installations, or compliance with current regulations, or the internal condition of any chimney, boiler or other flue. Also, the Surveyor does not research the presence (or possible consequence) of contamination by any harmful substance. However, if a problem is suspected in any of these areas, advice is given on what action should be taken.

B3 Where necessary, parts of the Inspection are made from adjoining public property. Such equipment as a damp-meter, binoculars and torch may be used. A ladder is used for hatches and also for flat roofs not more than three metres above ground level. Leisure facilities and non-permanent outbuildings (such as pools and timber sheds) are noted but not examined. In the case of flats, exterior surfaces of the building containing the Property, as well as the communal areas within the building, are examined in order to assess their general conditions; accessible roof spaces are inspected.

C The Report

C I The Report provides the Surveyor's opinion of those matters which are urgent or significant and need action or evaluation by the Client before an offer to purchase is made. It includes some or all of the following:

- urgent *repairs* (e.g. gas leak; defective chimney stacks) — for which the Client should obtain quotations where appropriate;
- *significant matters requiring further investigation* where essential (e.g. suspected subsidence) — for which the Client should obtain (and may have to pay for) reports and quotations from suitable contractors;
- *significant but not urgent repairs and renewals* (e.g. new covering for flat roof before long);
- *other significant considerations* (e.g. some potential source of inconvenience) which the Surveyor wishes to draw to the

attention of the Client;

- *legal matters* (e.g. a possible right of way) which the Client should instruct the Legal Advisers to include in their inquiries.

C2 Matters assessed as not urgent or not significant are outside the scope of the HOMEBUYER Service and are generally not reported. However, other matters (such as safety) are reported where the Surveyor judges this to be helpful and constructive. If a part or area normally examined is found to be not accessible during the Inspection, this is reported; if a problem is suspected, advice is given on what action should be taken.

C3 The Report is in a standard format arranged in the following sequence: *Introduction & Overall Opinion; The Property & Location; The Building; The Services & Site; Legal & Other Matters; Summary; Valuation.*

D The Valuation and Reinstatement Cost

D1 The last section of the Report contains the Surveyor's opinion both of the Open Market Value of the Property and of the Reinstatement Cost, as defined below.

D2 'Open Market Value' is the best *price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation.* In arriving at the opinion of the Open Market Value, the Surveyor also makes various standard assumptions covering, for example: vacant possession; tenure and other legal considerations; contamination and hazardous materials; the condition of uninspected parts; the right to use mains services; and the exclusion of curtains, carpets. etc., from the valuation. (If required. details are available from the Surveyor.) In the case of flats, the following further assumptions are made that:

- there are rights of access and exit over all communal roadways. corridors, stairways, etc.; and to use communal grounds, parking areas and other facilities;
- there are no particularly troublesome or unusual legal restrictions;
- there is no current dispute between the occupiers of the flats, or any outstanding claims or lawsuits; and

- the costs of repairs to the building are shared among the co-proprietors on an equitable basis.
- Any additional assumption, or any found not to apply, is reported.

D3 'Reinstatement Cost' is *an estimate for insurance purposes of the current cost of rebuilding the Property in its present form, unless stated.* This includes the cost of rebuilding the garage and permanent outbuildings, site clearance and professional fees, but excludes VAT (except on fees).