

# LANDLES - Valuation Terms of Engagement (LVTE)

1. **Opinion of Value:** The valuer shall advise the client as to his opinion of value of the freehold / leasehold interest in the property as specified by the client.
2. **Agreed purpose of valuation:** The purpose for which the valuation is required shall be as agreed between the client and the Valuer and the valuation will be prepared in accordance with the *Practice Statements* in the *RICS Valuations Standards (The Red Book)*.
3. **Market Value (MV):** Unless otherwise specifically agreed the value advised by the valuer shall be the *Market Value* current at the date of valuation (excluding VAT – if applicable).
4. **Inspection:** Subject as herein after provided, the valuer shall carry out such inspections and investigations as are, in his professional judgement, appropriate and possible in the particular circumstances.
5. **Information to be relied upon:** The valuer, unless otherwise expressly agreed, will rely upon information provided to him by the client or the client's legal or professional advisors relating to tenure, tenancies and other relevant matters, and that such information is both accurate and true.
6. **Repair and condition:** The valuer shall have regard to the apparent state of repair and condition of the property but shall be under no duty to carry out a Building Survey of the property nor to inspect woodwork or other parts of the structure which are covered, unexposed or inaccessible. Neither shall they have a duty to arrange for testing of electrical, heating or other services.
7. **Valuation assumptions:** In making the report, **the following assumptions** will be made by the valuer (*and these are therefore matters for which no responsibility can be accepted by the valuer*):
  - i that no high alumina cement, concrete or calcium chloride additive or other potentially deleterious material was used in the construction of the property or has since been incorporated;
  - ii that the property is not subject to any unusual or especially onerous restrictions, encumbrances, covenants, charges or outgoings and that good title can be shown;
  - iii that the property and its value are unaffected by any matters which would be revealed by a local search or replies to the usual enquiries or by any statutory notice and that neither the property nor its condition nor its use nor its intended use is or will be unlawful. Title deed will not be inspected;
  - iv that an inspection of those parts which had not been inspected would neither reveal material defects nor cause the valuer to alter the valuation materially;
  - v unless otherwise stated that no contaminative or potentially contaminative uses have ever been carried out on the property and that there is no potential for contamination of the subject property from past or present uses of the property or from any neighbouring property, and that the ground is not land-filled, and that the ground or adjacent ground is not affected by any hazardous ground gases;
  - vi We will not undertake specific investigations as to the presence or otherwise of invasive species. Should the possibility of any invasive species be observed in the course of our inspection, comment will be made in the report.
  - vii that there are no proposals of the Local Authority or Highways Authority that would affect the property in the foreseeable future. Enquiries in all instances should be made to the relevant authorities to confirm this;
  - viii that all necessary *Planning Permissions*, *Building Regulation Consents* and satisfactory *Completion Notices* (including for any alterations) have been obtained and complied with;
  - ix that the property has the right to use the main services on normal terms; and the sewers, main services and road giving access to the property have been "adopted" (i.e. are under Local Authority not private control);
  - x that the property is connected to and there is the right to use the reported main services, and that the supply pipes, apparatus for the main services whether concealed and / or buried or otherwise are of satisfactory gauge / size / specification for the normal or anticipated use of the property.
  - xi A search of the database for Energy Performance Certificates for commercial and residential property will be undertaken as part of the valuation process. Comment as to the rating of the property will be included in the report where a certificate is available. If an Energy Performance Certificate is not available for the property, we will assume for the purposes of valuation that property will meet or be capable of meeting the minimum standard required by the Energy Act 2011. The valuer will not make detailed enquiries of the Environment Agency regarding the risk of flooding to the asset and the enquiries into flood risk will be limited to a search of the Environment Agency website. The valuer will assume that there is no risk of flooding to the asset unless it is indicated as being at high risk of flooding on the Environment Agency website. The valuer will not undertake any tests to determine the ground conditions and, for the purpose of the valuation, it will be assumed that the ground conditions are sound, stable and sufficient to support the buildings constructed or to be constructed.
  - xii No allowance will be made for the existence of any mortgage, charge or similar financial encumbrance on or over the property. The valuation will exclude any allowance for Capital Gains, VAT or other tax. The valuation will not reflect the cost of realisation.
  - xiii That the property / premises are fully insurable / insured under a normal buildings insurance policy with a bona fide reputable insurer at an average prevailing market premium levels and that the property because of its construction, location, condition etc. have not been refused buildings insurance.
  - xiv If the property is held on a long lease and details are not provided it will be assumed that the lease term remaining is at least 80 years and that the service charge and ground rent payments are not of a level that would affect our valuation.
  - xv It will be assumed that any residential property less than 10 years old will have NHBC, Zurich or similar guarantee available which will be acceptable to a lending institution.  
*The valuer shall be under no duty to verify these assumptions and prior to a commitment to purchase or sale you and / or your legal advisor should make further enquiries to verify the above.*
8. **Properties forming part of a block (eg; flats):** Where the subject property is part of the building comprising multiple properties eg; flats, it will be assumed, unless instructed otherwise to the contrary, that the cost of repairs and maintenance to the building and grounds are shared proportionately between all the properties forming part of the block, and that there are no onerous liabilities outstanding.
9. **Statutory regulations:** The Equality Act 2010 requires service providers to make reasonable alterations to properties in order to assist disabled people to use their services. We are not "access auditors" and will not undertake a disability audit or assess the cost of complying with the Act in our valuation. We may make comment as to potential issues if we consider it to be relevant to future occupation of the building.  
The Regulatory Reform (Fire Safety) Act 2005 requires occupiers of non-domestic property to undertake a risk assessment of buildings. We will not undertake a fire safety audit and will assume, unless provided with evidence to the contrary, that an audit would not reveal any significant costs of compliance which would affect our valuation.  
The Control of Asbestos Regulations 2012 requires non-domestic property to have management plans for asbestos in place. We will not undertake an asbestos survey as part of the valuation. Materials which may contain asbestos are noted in the course of our inspection. This may be reported but we will otherwise assume that the property is free from asbestos or, if it is present, it is suitable for retention in the building.  
Residential Let Property: If the asset to be valued is fully or partially let as a residential dwelling, we will assume, unless advised to the contrary, that all necessary documents have been provided to the tenant to enable a Landlord to serve a Section 21 Notice for possession, that smoke and carbon monoxide alarms are present and operational, that all tests of services are up to date where these are required by statute, that the tenant's deposit, where held is properly documented and held in a recognised scheme and that any current government "How To Let" prescribed information has been duly served on the tenant.
10. **Limitation of liability:** The Royal Institution of Chartered Surveyors recommends the use of liability caps to members as a way in which to manage the risk in valuation work. Our aggregate liability arising out of, or in connection with this valuation, whether arising from negligence, breach of contract, or

any other cause whatsoever, shall in no event exceed the lower of 10% of our valuation or £100,000. This clause should not exclude or limit our liability for actual fraud, and shall not limit our liability for death or person injury caused by our negligence. None of our employees, partners or consultants individually has a contract with you or owes you a duty of care or personal responsibility. In instructing LANDLES (a firm) to undertake this valuation on your behalf you agree that you will not bring any claim against any such individuals personally in connection with our services. If you suffer loss as a result of our breach of contract or negligence, our liability shall be limited to a just and equitable proportion of your loss having regard to the extent or responsibility of any other party. Our liability shall not increase by reason of a shortfall in recovery from any other party, whether that shortfall arises from an agreement between you and them, your difficulty in enforcement or any other cause.

11. **Confidentiality and exclusion of liability to third parties:** The valuer shall provide to the client a report setting out his opinion of the value of the relevant interest in the property. The report will be provided for the stated purposes and for the sole use of the named client. It will be confidential to the client and his professional advisors. The valuer accepts responsibility to the client alone that the report will be prepared with the skill, care and diligence reasonably to be expected of a competent surveyor, but accepts no responsibility whatsoever to any other person other than the client himself. Any other such person relies upon the report at their own risk.
12. **Restrictions on publication:** Neither the whole or any part of the report nor any reference to it may be included in any published document, circular or statement nor published in any way, nor copied in part or whole without the valuer's prior written approval of the form and context in which it may appear.
13. **Payment of fees and reasonable disbursements:** The client shall pay to the valuer in respect of the said professional advice a fee upon invoice, to be agreed between the client and the valuer. In addition the client will reimburse the valuer the cost of all reasonable out of pocket expenses which he may incur and pay the amount of any value added tax on the fee and expenses. Disbursements are charged at 6.5% of the Fee, subject to a minimum of £25, to cover postage, stationary, telephone, photocopying, printing of images, internet, email and travelling costs calculated at 60p per mile. In addition will be the cost of acquiring any OS plans minimum charge at £45 for A4 OS extract plan. Disbursements and other out of pocket expenses are plus VAT at the prevailing rate.
14. **Payment terms and fee basis:** Our fees are due for payment when billed. The persons to whom the accompanying letter is addressed (the Client) is responsible for the payment of fees and expenses unless it is clearly stated in writing that a third party is responsible. If this is the case, the name and addresses of any additional guarantors should be given in writing to Landles and failure to do so will mean that the persons who do sign will be fully liable. We reserve the right to charge an interim account should the production of the report be delayed due to circumstances beyond our control. If an account is overdue for payment we reserve the right:
  - i to charge interest on the amount outstanding (including any expenses and VAT) at a rate equivalent to 8% above the Bank of England's base rate; and
  - ii to suspend the provision of services to you and to retain documents and papers belonging to you irrespective of the matter to which they relate until sums outstanding to us are paid in full.
  - iii if your account remains outstanding after 60 days we reserve the right without further warning to instruct our solicitors to seek settlement of the account and our costs.

Unless we agree otherwise with you, we shall not be required to update any advice for events occurring after the advice has been issued to you in final form. We cannot accept any responsibility or liability for changed circumstances after the original advice was given.
15. **RICS monitoring:** Any "Red Book" valuations carried out by a Chartered Surveyor may be subject to monitoring and to the RICS Conduct and Disciplinary Regulations. This valuation may therefore be subject to such monitoring
16. **Confirmation of information by others:** Where the valuer has recommended that information should be confirmed by Solicitors, Statutory Authorities or such bodies, these enquiries must be completed prior to any binding offer being issued or any exchange of contracts or any advances being made
17. **Variation in standard assumptions:** Any variation from the assumptions made in this report must be made to the valuer in writing so that the valuation can be reappraised. The valuer reserves the right to amend the valuation if information subsequently proves to be materially different from that upon which the report was based.
18. **Building survey:** For future maintenance and structural information a detailed survey and report will be needed. This work is outside the scope of this valuation and report and further instructions must be given if such information is required. The valuation report is not a "building survey".
19. **Insurance:** Where advice is required as to the cost of reinstatement of the asset, the valuer will give an indication for insurance purposes (which is given solely as a guide as a formal estimate for insurance purposes can only be given by a Quantity Surveyor or other person with sufficient current experience of replacement cost) of the current reinstatement cost of; The buildings in their present form (unless otherwise agreed); The buildings to be constructed in accordance with plans provided. Each reinstatement cost is on a "day 1" basis and will *include* the costs of demolition, clearance, statutory and professional fess but *excluding* VAT (except on fees), loss of rent, cost of alternative accommodation for the reinstatement period, abnormal costs of construction as a consequence of ground conditions, contamination or deleterious materials. If the Client is unable to recover VAT wholly or partially the Client's insurers should be notified and the reinstatement cost increased appropriately.
20. **Legal assumptions:** Certain assumptions may be made by the Valuer about the interpretation of legal documents. These assumptions must and will be checked by the Client's legal advisers and no responsibility or liability is accepted by the Valuer for the true interpretation of the Client's legal title in the property.
21. **Referral to Legal Advisor:** As no formal enquiries will be made by the valuer the Client's legal advisor should have sight of the report and be asked to verify the accuracy of;
  - i the assumptions given above;
  - ii any information provided to the valuer which is set out in the report;
  - iii in respect of leasehold properties the details and adequacy of the lease;
  - iv matters relating to town planning, statutory or environmental factors, mining, road or services or contravention of Building Regulations.

Note: Should it be established subsequently that the above assumptions are not correct this might alter the advice and value reported.
22. **General Assumptions:** The valuer will be entitled to rely upon statements made or information provided by the Client for the purposes of this valuation. The valuer will not include any element of value attributable to furnishings, removable fittings and sales incentives of any description when arriving at an opinion of value. Portable and temporary structures will also be excluded.
23. **CHP:** In accordance with *RICS Regulations* LANDLES operates a Complaints Handling Procedure, details of which are available upon written request.
24. **The Valuer:** TW Landles MRICS is a RICS Registered valuer. Surveyor number 91921. Elected 1993.. LANDLES is a firm Regulated by RICS. Firm number 4115.
25. **Files and document storage:** Files and other papers relating to the provision of our services to you will be stored for such time as we decide is reasonable and for such time as we are required by law to do so after which we will destroy them. Files or papers may be preserved on micro-film or by other means of image processing at our discretion. Where a file is archived on completion of a job there may be costs of recovery if it is subsequently required.
26. **LANDLES standard Terms of Engagement for Professional Instructions (LSTEPI):** The LSTEPI will operate and be effective on any matters where the above Valuation Terms of Engagement are silent. Where these valuation Terms of Engagement together with the Confirmation of Instructions Letter attached with them conflict, then the Valuation Terms of Engagement and Confirmation of Instructions letter will apply. The LSTEPI are available in writing upon request or as a PDF download at [www.landles.co.uk](http://www.landles.co.uk). Please see the LANDLES **Privacy Statement** which sets out how we deal with personal information that we may collect in carrying out our contractual instructions to you and other legal duties. This is available on-line or upon request from our offices.

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