



MBI SURVEYORS



AGENCY, VALUATION, MANAGEMENT AND BRAND EXPANSION

Terms of Business – Surveys

MBI Group incorporating

MBI Surveyors Limited and MBI Surveys Limited

RICS Regulated

These terms are updated November 2019 and are made in accordance with the RICS Professional Statement 'Home Survey Standard'



1. **COMMERCIAL SURVEYS:**

Property surveys including photographic schedules of condition, building surveys and dilapidation surveys

The service

- an inspection of the commercial property (see 'The inspection');
- a photographic schedule on the inspection (see 'The report');
- an assessment and negotiation on costs (see 'The report');

The inspection

The surveyor inspects/photographs the inside and outside of the main building and all permanent outbuildings – usually limited to your demise or freehold title. The service is for the supply of a photographic schedule or dilapidations assessment and this means that the surveyor does not take up carpets, floor coverings or floorboards, move furniture, remove the contents of cupboards, roof spaces, etc., remove secured panels and/or hatches or undo electrical fittings.

If necessary, the surveyor carries out parts of the inspection when standing at ground level from public property next door where accessible. The surveyor may use equipment such as a torch, and may use a ladder for flat roofs and for hatches no more than 3 metres above level ground (outside) or floor surfaces (inside) if it is safe to do so.

Outside the property

The surveyor inspects/photographs the condition of boundary walls, fences, permanent outbuildings and areas in common (shared) use if applicable. To inspect these areas, the surveyor walks around the grounds and any neighbouring public property where access can be obtained.

Buildings with swimming pools and sports facilities are also treated as permanent outbuildings, but the surveyor does not report on the leisure facilities, such as the pool itself and its equipment, landscaping and other facilities (for example, tennis courts and temporary outbuildings).

The report

The surveyor produces a photographic schedule of condition, building survey, or schedule of dilapidations for you to use, but cannot accept any liability if it is used by anyone else. The report is intended for information only and to be used as a guide to assess condition by way of photographs at the time of lease commencement (if applicable). The report focuses on matters that, in the surveyor's opinion, may need to be highlighted/recorded.

The report is in a standard format and includes the following sections:

Introduction to the report

Photographs

Schedule of costs (if instructed to carry out)

Recommendation and advice (if instructed to carry out)

Photographs

The report with photographs will be supplied electronically in PDF format only and in paper form if so requested at cost only. Additionally, the photographs can be supplied electronically.

This report has been prepared by a surveyor ('the Employee') on behalf of a firm or company of surveyors ('the Employer'). The statements and opinions expressed in this report are expressed on behalf of the Employer, who accepts full responsibility for these. Without prejudice and separately to the above, the Employee will have no personal liability in respect of any statements and opinions contained in this report, which shall at all times remain the sole responsibility of the Employer to the exclusion of the Employee. In the case of sole practitioners, the surveyor may sign the report in his or her own name unless the surveyor operates as a sole trader limited liability company. To the extent that any part of this notification is a restriction of liability within the meaning of the Unfair Contract Terms Act 1977 it does not apply to death or personal injury resulting from negligence.

Legal matters

The surveyor assumes that:

- the property is sold/let with 'vacant possession' (your legal advisers can give you more information on this term) unless otherwise stated;
- the condition of the property, or the purpose that the property is or will be used for, does not break any laws;
- no particularly troublesome or unusual restrictions apply to the property, that the property is not affected by problems which would be revealed by the usual legal enquiries and that all necessary planning and Building Regulations permissions (including permission to make alterations) have been obtained and any works undertaken comply with such permissions; and
- the property has the right to use the mains services on normal terms, and that the sewers, mains services and roads giving access to the property have been 'adopted' (that is, they are under local-authority, not private, control).

The surveyor reports any more assumptions that have been made or found not to apply. If the property is leasehold, the general advice referred to earlier explains what other assumptions the surveyor has made.

The information in this document, and the aforementioned detail, and following terms are owned by the RICS. MBI Surveyors acknowledge this and provide this as best practice guidelines for their clients.

2. RESIDENTIAL SURVEYS

Home Condition Survey and Report

A residential property survey comprises an inspection, report and advice of the condition of residential property 'RICS Home Survey Standard 2019'.

There are 3 levels of survey and inspection (a home condition survey):

Level 1: each element is described so it is identifiable by the client, with an assessment of each part or element along with reasoned justification on judgement. The assessment should help the client gain an objective view of the condition of the property and made a decision. Once in ownership, the client can establish repair / improvement priorities. A condition rating system is one way of achieving this. Any risks to occupants will be listed with no further explanation.

Level 2: a similar format and structure to level one, but with more information without jargon or unhelpful details. It should remain to be concise. Material defects will be

described and the identifiable risk of those that may be hidden. Additional characteristics include comment on design and materials used in the construction that may result in more frequent / costly maintenance, likely remedial work should be broadly outlined along with by whom and timing, explanations of not addressing the identified problems and finally, cross-references to the overall assessment should be included. This level of report will also make it clear that the client should obtain further advice and quotations recommended before the client enters into a legal commitment. Risks to occupants will be identified and explained.

Level 3: a thoroughly detailed report describing in detail performance characteristics especially important for older or historic buildings where the movement of moisture through building materials can be critical to how the building performs. Obvious defects should be described and the identifiable risk of those that may be hidden should be stated. Remedial options should be outlined and if serious, the likely consequences if the repairs are not done. A timescale for work should be proposed and recommendations for further investigation. Future maintenance of the property should be discussed and the nature of risks of the parts that have not been inspection should be identified. Prioritisation of issues should also be outlined. Risks to occupants will be identified, explained and the client will be advised on potential resolution or ways to reduce.

The service

- an inspection of the property (see 'The inspection');
- a report based on the inspection (see 'The report'); and
- a valuation, which is part of the report (see 'The valuation').

The Surveyor providing the report and survey will provide the client with a sample report that will enable the client to make an informed instruction and to detail the professional manner in which they will act, so that the client can make informed decisions on their property purchase. The client's decision should consider any requirements of their bank / lender if applicable, and whether this survey type is suitable and acceptable to them.

The inspection

The surveyor inspects the inside and outside of the main building and all permanent outbuildings, but does not force or open up the fabric. This means that the surveyor does not take up carpets, floor coverings or floorboards, move furniture, remove the contents of cupboards, roof spaces, etc., remove secured panels and/or hatches or undo electrical fittings.

If necessary, the surveyor carries out parts of the inspection when standing at ground level from public property next door where accessible. The surveyor may use equipment such as a torch, and may use a ladder for flat roofs and for hatches no more than 3 metres above level ground (outside) or floor surfaces (inside) if it is safe to do so.

Services to the property

Services are generally hidden within the construction of the property. This means that only the visible parts of the available services can be inspected, and the surveyor does not carry out specialist tests. The visual inspection cannot assess the efficiency or safety of electrical, gas or other energy sources; plumbing, heating or drainage installations (or whether they meet current regulations); or the inside condition of any chimney, boiler or other flue.

Outside the property

The surveyor inspects the condition of boundary walls, fences, permanent outbuildings and areas in common (shared) use if applicable. To inspect these areas, the surveyor walks around the grounds and any neighbouring public property where access can be obtained.

Buildings with swimming pools and sports facilities are also treated as permanent outbuildings, but the surveyor does not report on the leisure facilities, such as the pool itself and its equipment, landscaping and other facilities (for example, tennis courts and temporary outbuildings).

Flats

When inspecting flats, the surveyor assesses the general condition of outside surfaces of the building, as well as its access areas (for example, shared hallways and staircases). The surveyor inspects roof spaces only if they are accessible from within the property. The surveyor does not inspect drains, lifts, fire alarms and security systems.

Dangerous materials, contamination and environmental issues

The surveyor does not make any enquiries about contamination or other environmental dangers. However, if the surveyor suspects a problem, he or she should recommend a further investigation.

The surveyor may assume that no harmful or dangerous materials have been used in the construction, and does not have a duty to justify making this assumption. However, if the inspection shows that these materials have been used, the surveyor must report this and ask for further instructions.

The surveyor does not carry out an asbestos inspection and does not act as an asbestos inspector when inspecting properties that may fall within the Control of Asbestos Regulations 2006. With flats, the surveyor assumes that there is a 'dutyholder' (as defined in the regulations), and that in place are an asbestos register and an effective management plan which does not present a significant risk to health or need any immediate payment. The surveyor does not consult the dutyholder.

The report

The surveyor produces a report of the inspection for you to use, but cannot accept any liability if it is used by anyone else. If you decide not to act on the advice in the report, you do this at your own risk. The report focuses on matters that, in the surveyor's opinion, may affect the value of the property if they are not addressed.

The report is in a standard format and includes the following sections:

- Introduction to the report
- About the inspection
- Overall opinion and summary of the condition ratings
- About the property
- Outside the property
- Inside the property
- Services
- Grounds (including shared areas for flats)
- Issues for your legal advisers
- Risks
- Surveyor's declaration
- Photographs

A Valuation and Reinstatement Value if required instructed by the client – note that there is an additional cost for this service

Photographs

The surveyor will take a detailed survey of photographs which are used to aid the client in making a decision about elements of the property, to assess any damage and necessary works. They are included to compliment and strengthen the written content of the report and to add further context and understanding.

Condition ratings

The surveyor gives condition ratings to the main parts (the 'elements') of the main building, garage and some outside elements. The condition ratings are described as follows:

Condition rating 4 – defects that are serious and/or need to be repaired, replaced or investigated urgently.

Condition rating 3 – defects that need repairing or replacing but are not considered to be either serious or urgent. The property must be maintained in the normal way.

Condition rating 2 – smaller defects that need repairing or replacing but are not considered to be either serious or urgent and are not entire 'elements' of a property. This may include standard items such as heavy 'wear and tear' and redecoration. The property must be maintained in the normal way.

Condition rating 1 – no repair is currently needed. The property must be maintained in the normal way.

NI – not inspected.

The surveyor notes in the report if it was not possible to check any parts of the property that the inspection would normally cover. If the surveyor is concerned about these parts, the report tells you about any further investigations that are needed.

The surveyor does not report on the cost of any work to put right defects or make recommendations on how these repairs should be carried out although general advice will be offered.

Energy

The surveyor has not prepared the Energy Performance Certificate (EPC) as part of the Service for the property. If the surveyor has seen the current EPC, he or she will present

the energy-efficiency and environmental impact ratings in this report. The surveyor does not check the ratings and cannot comment on their accuracy.

Issues for legal advisors

The surveyor does not act as 'the legal adviser' and does not comment on any legal documents. If, during the inspection, the surveyor identifies issues that your legal advisers may need to investigate further, the surveyor may refer to these in the report (for example, check whether there is a warranty covering replacement windows).

This report has been prepared by a surveyor ('the Employee') on behalf of a firm or company of surveyors ('the Employer'). The statements and opinions expressed in this report are expressed on behalf of the Employer, who accepts full responsibility for these. Without prejudice and separately to the above, the Employee will have no personal liability in respect of any statements and opinions contained in this report, which shall at all times remain the sole responsibility of the Employer to the exclusion of the Employee. In the case of sole practitioners, the surveyor may sign the report in his or her own name unless the surveyor operates as a sole trader limited liability company. To the extent that any part of this notification is a restriction of liability within the meaning of the Unfair Contract Terms Act 1977 it does not apply to death or personal injury resulting from negligence.

Risks

This section summarises defects and issues that present a risk to the building or grounds, or a safety risk to people. These may have been reported and condition rated against more than one part of the property or may be of a more general nature, having existed for some time and which cannot reasonably be changed.

If the property is leasehold, the surveyor gives you general advice and details of questions you should ask your legal advisers.

The Valuation (if instructed)

The surveyor gives an opinion and statement against the agreed Price (Value) with their assessment of fair Market Value of the property and the reinstatement cost at the time of the inspection (see the 'Reinstatement cost' section).

Market Value (if instructed)

'Market Value' is the estimated amount for which a property should exchange on the date of the valuation between a willing buyer and a willing seller, in an arm's length transaction

after the property was properly marketed wherein the parties had each acted knowledgeably, prudently and without compulsion. This is not an 'RICS or Red Book' Valuation and is not completed by an RICS Registered Valuer.

If instruction, we will provide a statement against the agreed price having regard to the condition of the property as stated within our report, and considering local comparable sales.

When commenting on the Market Value, the surveyor also makes the following assumptions.

The surveyor assumes that:

- an inspection of those parts that have not yet been inspected would not identify significant defects or cause the surveyor to alter the valuation; no dangerous or damaging materials or building techniques have been used in the property;
- there is no contamination in or from the ground, and the ground has not been used as landfill;
- the property is connected to, and has the right to use, the mains services mentioned in the report; and
- the valuation does not take account of any furnishings, removable fittings and sales incentives of any description.

Legal matters

The surveyor assumes that:

- the property is sold with 'vacant possession' (your legal advisers can give you more information on this term);
- the condition of the property, or the purpose that the property is or will be used for, does not break any laws;
- no particularly troublesome or unusual restrictions apply to the property, that the property is not affected by problems which would be revealed by the usual legal enquiries and that all necessary planning and Building Regulations permissions (including permission to make alterations) have been obtained and any works undertaken comply with such permissions; and
- the property has the right to use the mains services on normal terms, and that the sewers, mains services and roads giving access to the property have been 'adopted' (that is, they are under local-authority, not private, control).

The surveyor reports any more assumptions that have been made or found not to apply. If the property is leasehold, the general advice referred to earlier explains what other assumptions the surveyor has made.

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Reinstatement cost (if instructed)

Reinstatement cost is the cost of rebuilding an average home of the type and style inspected to its existing standard using modern materials and techniques and in line with current Building Regulations and other legal requirements.

This includes the cost of rebuilding any garage, boundary or retaining walls and permanent outbuildings, and clearing the site. It also includes professional fees, but does not include VAT (except on fees).

The reinstatement cost helps you decide on the amount of buildings insurance cover you will need for the property.

3. STANDARD TERMS OF ENGAGEMENT

1 The service – the surveyor provides the standard RICS Survey Service ('the service') described in the 'Description of Service', unless you and the surveyor agree in writing before the inspection that the surveyor will provide extra services. Any extra service will require separate terms of engagement to be entered into with the surveyor.

Examples of extra services include:

- costing of repairs;
- schedules of works;
- supervision of works;
- re-inspection;
- reinstatement cost;
- detailed specific issue reports; and
- market valuation (after repairs).

2 The surveyor – the service is to be provided by an AssocRICS, MRICS or FRICS member of the Royal Institution of Chartered Surveyors, who has the skills, knowledge and experience to survey, value and report on the property.

3 Before the inspection – you tell the surveyor if there is already an agreed or proposed price for the property, and if you have any particular concerns (such as plans for extension) about the property. There should be no conflict of interest and the Surveyor providing the service will raise this if there is a concern of or potential conflict of interest. The surveyor will be familiar with the locality.

4 Terms of payment – you agree to pay the surveyor's fee and any other charges agreed in writing, prior to the survey taking place.

5 Cancelling this contract – you are entitled to cancel this contract by giving notice to the surveyor's office at any time (working day) before the day of the inspection. The surveyor does not provide the service (and reports this to you as soon as possible) if, after arriving at the property, the surveyor decides that:

- (a) he or she lacks enough specialist knowledge of the method of construction used to build the property; or
- (b) it would be in your best interests to have a structural survey and a valuation, rather than the described Service as exemplified in the sample survey.

If you cancel this contract, the surveyor will refund any money you have paid for the service, except for any reasonable expenses. If the surveyor cancels this contract, he or she will explain the reason to you.

6 Liability – the report is provided for your use, and the surveyor cannot accept responsibility if it is used, or relied upon, by anyone else.

7 Referral fees – MBI Surveys and MBI Surveyors does not outsource its services for providing a survey. No referral fees are paid to any legal firms that may have recommended the service.

8 Recording information and data – the report is a written record for your use. Photographs and associated data where applicable, taken when on the inspection, will be held in a password-protected cloud-based system and can be made available to you on request. This information will be destroyed / deleted after 6 years along with any email and written paperwork unless otherwise requested.

4. Complaints handling procedure

The surveyor for MBI Surveys Limited will have a complaints handling procedure and will give you a copy should you ask for it.

Note: These terms form part of the contract between you and the surveyor.