

David Harting
Surveyors Limited

HOMEBUYER

S U R V E Y & V A L U A T I O N

Property:

Seaham
Co Durham
SR7

Client:

Inspected on:

1 October 2009

Inspected by:

David Harting BSc (Est. Man) MRICS Chartered Surveyor

THE SURVEY

INTRODUCTION

PLEASE READ THIS PAGE WITH EXTRA CARE

Please note that this Report is solely for you and your professional advisers and no liability to anyone else is accepted. Should you not act upon specific, reasonable advice contained in this Report, no responsibility is accepted for the consequences. [Standard Terms of Engagement, Clause 6]

The Report has been prepared in line with the Description of the HOMEBUYER Service (a copy is attached). If any addition to the standard Service was agreed before the Inspection, this is confirmed at the foot of the last page.

OBJECTIVE

The principal objective of the Report and Valuation is to assist you to:

- 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 contracts are exchanged; In Scotland to be clear about what decisions and actions should be taken before an offer is concluded.

CONTENT

The general condition and particular features of the Property are covered, but the Report focuses on the matters that the Surveyor judges to be urgent or significant.

Urgent matters are defects judged to be an actual or developing threat either to the fabric of the building or to personal safety; it will be advisable to have these put right as soon as possible after purchase (in some cases even before). Significant matters are those that, typically, in negotiations over price would be reflected in the amount formally agreed.

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 legal and safety considerations) are reported where the Surveyor judges this to be helpful and constructive.

ACTION

If-after reading and considering all the information and advice in the Report you decide to proceed with the purchase, then there are probably some things on which you should take action at once. Each such item is highlighted in the Report with the word ACTION and is also listed in Section F: Summary together with advice on what to do next.

OVERALL OPINION

Below are the Surveyor's conclusions, in brief, on whether or not this Property is a reasonable purchase at the agreed price, and on particular features that affect its present value and may affect its future resale. The opinion takes no account of factors outside the scope of the HOMEBUYER Service.

It is hoped that this overall view will help you to keep in perspective the detailed facts and advice which follow. You are asked to bear in mind particularly that it can be misleading to treat individual matters in isolation. So that you may use this Report to best advantage in reaching your decision on whether or not to proceed with the purchase of this Property, ***you are most strongly advised to read and consider its contents as a whole.***

OVERALL OPINION

This property is considered to be a reasonable proposition for purchase provided that you are prepared to accept the cost of the various repairs/improvements required and any associated inconvenience. Such work is quite common in properties of this age and type. Provided the work is carried out to a satisfactory standard there is no reason why there should be any special difficulty on resale, under normal market conditions.

B: THE PROPERTY AND LOCATION

B1 - THE PROPERTY

PLEASE READ THESE NOTES

This section covers the important general background information on the Property and its location, including amenities and features of the vicinity as well as any environmental and other wider considerations. It also includes the state of occupation and the weather at the time of the Inspection.

TYPE AND AGE

The property comprises a three storey mid terraced house built circa 2006.

We understand the property to be covered by a builder's NHBC warranty.

For the purposes of this report, unless otherwise stated, the front of the property is considered to be that which faces the public road or path from which access to the property is given, and all references to the left and right hand are given as if viewing a plan of the property, with the front elevation located to the bottom, and the rear elevation located to the top of the plan.

The front of the property faces approximately north.

CONSTRUCTION

The building is of conventional construction:

Main Roof -This is of pitched design covered with natural slate. The single storey bay and upper dormer roofs are of similar construction.

External Walls -These measure some 280mm thick, are rendered externally and are assumed to be of cavity brick/block construction.

Floors are of mixed suspended timber and composite construction.

ACCOMMODATION

The accommodation briefly comprises:-

Ground Floor: Entrance hall, Stairs, Cloakroom/wc, Lounge, Kitchen.

First Floor: Landing, 2 bedrooms, Bathroom/wc.

Second Floor: Landing with storage area, Bedroom 3.

GARAGE AND OUTBUILDINGS

There is neither a garage nor space for one. There are no permanent outbuildings.

GROUNDS

The property occupies a generally level site with small front forecourt area and small enclosed rear garden. There are designated parking bays and additional visitor parking on site.

The property is situated within a secure gated development.

B2 - THE LOCATION

XXX is situated in a mixed residential and commercial area convenient for Seaham town centre, and lies within close proximity to the sea front, cliffs and harbour mouth.

The development comprises a mixture of new build and conversion of the Grade 2 listed former Police HQ. No XX forms part of the new build sector.

There is no known risk of flooding in the area. (See also Section E4).

You should familiarise yourself with the locality and amenities before purchase.

The property is situated in a former coal mining area and a written report on mine workings in the vicinity should be obtained from the relevant authorities. The valuation assumes this does not reveal the property to be at risk of movement from mining (See also Section E4).

B3 CIRCUMSTANCES OF INSPECTION

During the inspection the weather was dry and bright. The weather in previous weeks has been generally varied.

The property was vacant and unfurnished. The presence of floor coverings throughout prevented a full inspection.

C: THE BUILDING

PLEASE READ THESE NOTES

Movement, timber defects and dampness are, in their various forms, the three greatest potential threats to the structure of a building. Where evidence is found of any of these conditions, advice is given on what action should be taken. (Where a problem is judged to be serious, it might prove necessary for a separate, detailed examination to be undertaken - perhaps by specialists. For example, the foundations might have to be laid open to analyse the cause of some structural movement, or the full extent of timber rot might require further investigation.)

CI - MOVEMENT

No evidence of significant structural movement was noted.

C2 TIMBER DEFECTS

A representative sample of timber has been inspected and the possibility of concealed defects being present cannot be entirely ruled out. No obvious sign of significant rot or wood beetle infestation was found to exposed timbers at the time of this inspection. Ventilation to the composite ground floor appears adequate, but vegetation should be cleared from the living room bay airbrick.

C3 DAMPNESS

DAMP-PROOF COURSE

There is evidence of a plastic damp-proof course to the external walls. External ground levels are set at an adequate height in relation to internal floor levels and the damp-proof course.

A distance of 150mm (6") should be maintained between external levels and the damp-proof course in order to prevent the risk of damp penetration.

RISING AND PENETRATING DAMP

Random checks for damp were made wherever possible using an electronic damp meter but none of significance was noted.

CONDENSATION

No signs of significant condensation were noted at the time of inspection.

C4 -INSULATION

Thermal insulation in this property includes roof insulation and double-glazing. We are unable to confirm the full extent of insulating materials within the roof structure due to limited accessibility.

C5 - THE EXTERIOR

PLEASE READ THESE NOTES

The roofs, chimneys and other external surfaces of the building are examined from ground level, where necessary from adjoining public property and with the help of binoculars. The roof structure is examined from inside the roof space where accessible (insulation material, stored goods and other contents are not moved or lifted). The efficiency of rainwater fittings (gutters and downpipes) can only be assessed properly during the Inspection if there is heavy rain.

ROOF COVERING AND STRUCTURE

There are four roofs to this property: main, bay and dormers to front and rear.

The main roof is of pitched design covered with natural slate, clay ridge tiles and proprietary ventilators.

The dormer roofs are of pitched design covered with natural slate, clay ridge tiles and metal valley gutters to the main roof abutments. The dormer structures are assumed to be of timber frame with slate cheeks and plasterboard internal finish.

The bay roof is of pitched and hipped design covered with natural slate, clay hip tiles and metal flashings to the main wall abutment.

The roof coverings are in a serviceable state of repair with no significant defect noted.

CHIMNEYS

There are two chimneystacks of brick construction to the main ridge line. Flashings where visible are of lead construction. These chimneys are assumed to be decorative only and do not appear to service any operational fireplaces within the house.

Chimney stacks are particularly exposed to the weather and so regular maintenance must be carried out to ensure their stability and weather tightness.

No significant defects requiring immediate attention were observed from ground level.

RAINWATER FITTINGS

Rainwater fittings are formed in a mixture of plastic and metal. They show no signs of significant defect or leakage but will require routine maintenance/clearance.

MAIN WALLS

Where visible the brickwork courses are generally evenly laid and adequately pointed. The external rendering is serviceable at present.

EXTERNAL JOINERY

Windows are of timber sash type incorporating sealed unit double-glazing. External doors are of double glazed timber. Roofline and dormer cladding components are of timber.

Timbers are in a generally serviceable condition showing no signs of significant defect but regular maintenance will be essential to reduce rot.

Double-glazing has a limited life due to deterioration of the edge seals. See Section E3 regarding guarantees.

Sash windows can be ill fitting and prone to problems such as defective sash cords. Proper maintenance is important.

Woodwork at roof or eaves level is commonly affected by weathering and rot, and the need for repairs in future years should be anticipated.

Several defects were noted to the front entrance door including damaged handle surround and screwed shut letterbox.

EXTERNAL DECORATION

External decoration to woodwork is generally poor for a property of this age. Redecoration is required now.

The external paintwork should be maintained to a good standard to reduce the risk of damage and timber decay. Due to the exposed location, redecoration may be required more often than normal.

ACTION – You should obtain an estimate from a reputable decorator for the preparation and repainting of all exterior woodwork.

OTHER

In line with the standard terms and conditions of this report, this document concentrates on significant and urgent defects. There are, however, a number of minor defects that are beyond the scope of this report.

C6 - THE INTERIOR

PLEASE READ THESE NOTES

Floor surfaces and under-floor spaces are examined so far as they are accessible (furniture, floor coverings and other contents are not moved or lifted). If a part or area normally examined was found to be not accessible, this is reported; if a problem is suspected, advice is given on what action should be taken. It is not possible to assess the internal condition of any chimney, boiler or other flues. (In some cases, when furniture and pictures are removed internal decorations may prove to be damaged or faded.)

ROOF SPACE

The main roof space houses the top floor accommodation and consequently much of the roof frame is concealed. Only very limited inspection of the roof space was possible, via the access hatch within the second floor landing cupboard.

Where visible the roof structure is of traditional timber construction but featuring steel sectional purlins, with insulating materials to the underside of the roof slopes. Party walls where visible appear to be of brick/block construction. There are no apparent defects requiring attention.

CEILINGS

Ceilings are of plasterboard construction. Minor irregularities and undulations were noted although these are not considered unusual in the type and age of property.

Cracks have appeared mainly as a result of shrinkage but are not considered to be of structural significance and some making good will be required when these areas are next redecorated.

FLOORS

All floors were covered with carpets or other fixed coverings which were not lifted. Consequently floor surfaces and sub-floor areas could not be inspected.

Timber floors to a bathroom are often affected by dampness due to leaking pipes, condensation etc. Fitted coverings prevented inspection of floor surfaces. Closer examination is recommended. See also Section C2.

Suspended floor surfaces where walked on were found to be generally firm and even to the tread with no signs of excessive spring or distortion.

The composite "sandwich" ground floors are level and firm.

INTERNAL WALLS AND PARTITIONING

Internal walls and partitions are of lightweight construction.

The internal faces of the outside walls are partly dry lined and partly surfaced with plaster.

There is a risk that dry linings may conceal dampness or defects which would otherwise be identified. However, there was no apparent surface evidence of such problems.

Minor shrinkage cracks were noted in the plasterwork although these are not considered to be significant in a property of this type and age. Some making good will be required prior to next redecoration.

FIREPLACES

There are no fireplaces within the property. The external chimneys to the main roof appear to be decorative only.

INTERNAL JOINERY

Internal joinery is generally satisfactory but displays evidence of wear and tear excessive for age. There is impact damage to the first floor front bedroom door.

From random sampling windows and doors operated freely.

Kitchen fitments are a modern range of wall and floor units with roll top work surfaces and stainless steel single sink and drainer. The fitments have suffered some wear and tear (particularly the sink) but were not inspected in detail.

Built in appliances have not been inspected or tested.

INTERNAL DECORATION

Internal decorations are poor for a property of this age and full redecoration is required.

ACTION – You should obtain an estimate from a reputable decorator for a full programme of internal redecoration.

OTHER

In line with the standard terms and conditions of this report, this document concentrates on significant and urgent defects. There are, however, a number of minor defects that are beyond the scope of this report.

D: THE SERVICES AND SITE

DI - THE SERVICES

PLEASE READ THESE NOTES

The efficiency, compliance with regulations and adequacy of design of services can only be assessed by tests conducted by suitably qualified specialists. Although surveyors are not specialists in these particular areas, an informed opinion can be given on the basis of the accessible evidence. Where possible, drainage inspection-chambers are examined (except in the case of flats), but drains are not tested during the Inspection. However, in all cases advice is given if there is cause to suspect a problem. Leisure facilities and non-permanent outbuildings are noted but not examined.

ELECTRICITY

Mains electricity supply is installed. The meter is located in an outside box. The consumer unit is located in the cloakroom.

At the time of inspection the supply was turned off and the possible cost of re-connection should be investigated. The missing door to the meter box needs replacing.

The observed wiring and fittings are of modern style. Nevertheless, current guidelines recommend that electrical installations should be tested every five years, or upon change of ownership.

ACTION - It is recommended that all electrical installations should be checked at least once every 5 years in order to keep up to date with frequent changes in safety regulations. If no recent test certificate is available you are advised to arrange for a test and report to be carried out by a qualified NICEIC registered electrician. See also Section FI.

Replacement of the missing meter box door is required for health and safety purposes.

GAS

In view of the complexity of regulation and safety implications, we recommend an inspection of the installation etc by the appropriate gas company.

Mains gas supply is installed with the meter located in an external access box.

At the time of inspection the supply was turned off and the possible cost of re-connection should be investigated.

The defective meter box cover needs attention.

ACTION – Repair/replacement of the defective meter box cover is required for health and safety purposes.

WATER

Mains water supply is available. Plumbing where seen is run in a mixture of copper pipe and flexible hose although a number of areas were hidden from view.

A stopcock is located under the kitchen sink.

At the time of inspection the supply was turned off and the plumbing system and heating system drained down. You should have the installation re-commissioned by a competent plumber prior to occupation. The need for repair or alterations cannot be ruled out.

Sanitary fittings are modern and apparently serviceable although they were not inspected in detail. Some wear and tear was noted.

HEATING

Hot water and central heating are provided by a gas fired combination boiler located in the kitchen, serving wall mounted radiators. This type of boiler has certain limitations as it has a direct feed from the cold water mains and hot water temperatures can rise if hot and coldwater taps are opened simultaneously.

Pressurized systems of this type require correct servicing and maintenance to ensure efficiency and safety. A precautionary safety check is essential.

You should confirm whether there are any maintenance records, and if not, the system should be serviced prior to legal commitment to purchase. See also Section E3.

The gas-fired boiler is fitted with a fan-assisted flue that discharges through the kitchen wall.

OTHER

There are mains powered smoke alarms installed.

There are certain other facilities to this property including e.g. burglar alarm but these are outside the scope of this inspection. If you require further information, appropriate enquiry should be made prior to purchase.

D2 - DRAINAGE

Drainage is assumed to connect into the public sewer via a system that is likely to be shared with adjoining owners.

It was not possible to locate an inspection chamber within the site. Therefore, it is not possible to give an indication of the condition and efficiency of the drainage system. Future maintenance of the installation could also prove costly.

Surface water is believed to drain into the mains system via gullies at ground level.

D3 - THE SITE

GARAGE AND OUTBUILDINGS

There is no garage and there are no permanent outbuildings.

GROUNDS AND BOUNDARIES

The property occupies an average size generally level site. To the front is a small lawned forecourt with concrete paving and open plan boundaries. To the rear is a small garden (currently overgrown) with wrought iron railings. Condition is consistent with a lack of maintenance.

Communal areas comprise secure gated grounds laid to lawn/borders with concrete paving and tarmac access road, designated parking spaces and visitor parking spaces. These areas are generally well maintained but it was noted that several illuminating bollards have been impact damaged and need repair, including one in front of no.XX.

Whilst the property is located in close proximity to the cliffs and embankments sloping down to the beach and coastline, it is not considered to be at significant risk from flooding or coastal erosion in the short to medium term. However, the possibility of such factors becoming a significant risk over the longer term must always be accepted when buying a property in such a location.

E: LEGAL & OTHER MATTERS

PLEASE READ THESE NOTES

Your Legal Advisers are responsible for checking relevant documents relating to the Property (these might include servicing records and any guarantees, reports and specifications on previous repair works) as well as for carrying out all the standard searches and inquiries. However, if any specific matters are identified which the Legal Advisers should investigate on your behalf, these are reported in this section.

You are asked to pay particular attention to the ACTION paragraph at E4 below.

E1 - TENURE

It is understood that the property is leasehold. It is assumed that the lease (which has not been inspected) contains the usual conditions for a building of this type. Your legal advisers should obtain full details of the lease, with particular regard to unexpired term, ground rent/service charge payable, repairing/insuring liabilities and your obligations in respect of the maintenance and repair of the communal grounds. It is assumed that the affairs of the development as a whole are controlled by an appropriate managing agent or management company.

E2 - REGULATIONS ETC

There are no obvious signs of structural alteration or extension to the property since original construction.

E3 - GUARANTEES

Your legal adviser should be asked to verify existing guarantees/contracts and their validity in respect of the following: -

Central Heating System Service Agreement
NHBC/Builders Warranty
Alarm Systems

E4 - OTHER MATTERS

Your legal adviser should be asked to verify the legal position and advise upon the implications of the following:

Any adverse easements, servitudes or wayleaves affecting the property. There are no obvious indications but this needs to be clarified.

Adoption status of the road adjoining the property.

If alterations or repairs are likely to affect party walls, you should obtain advice on the implications of the Party Wall Act 1996.

A coal mining report and details of any previous claims.

Listed Building/Conservation Area status and associated obligations.

The precise maintenance and repairing responsibilities in respect of shared drains/sewers.

The property is reached by a communal access road. Confirm the ownership and rights of access. The valuation assumes there are no onerous restrictions or liabilities.

The responsibility for maintenance and repair of boundary walls and fences prior to any works being carried out.

Full details on former land use, contamination and any remediation.

Availability of main services and connection status.

Ascertain from the managing agents whether there are any existing or foreseeable management problems or disputes or known outstanding or programmed works which would affect the level of maintenance charge payable.

Consider all aspects of the lease to ensure there are no restrictive covenants or other clauses that could adversely affect the property.

The affairs of the building are controlled by managing agents. The standard of maintenance and repair of communal parts is generally reasonable for its type and no significant management problems are apparent.

Investigate the adequacy of the maintenance fund to meet any contingent expenses and to establish whether or not there are any major repair works required on the building in the near future.

ACTION - You should immediately pass a copy of this report to your legal adviser with the request that, in addition to the necessary standard searches and enquiries, checks are made to confirm each and every one of the items referred to in Sections E1-4 above, as well as all the assumptions made in arriving at the market value (these are noted in Section G1 and the Appendix).

Please let the surveyor know if any of this information is found to be inaccurate, as this may have an adverse effect on the valuation given in Section G.

F: SUMMARY

PLEASE READ THESE NOTES

Assuming that you decide to proceed with the purchase of this Property, there may be some things on which you should take action *before you exchange contracts* - such as obtaining competitive quotations for urgent repairs. (If any further investigation of some urgent matter is recommended, this will involve a second visit to the Property, perhaps by an appropriate specialist who will submit a separate report.)

FI - ACTION

Send a copy of this report as soon as possible to your legal adviser. Please draw to their attention the whole of Section E, and in particular the paragraph headed ACTION at Section E4.

URGENT REPAIRS

Urgent repairs/further investigation -You should treat the following matters, all of them significant items referred to earlier in this report, as urgent repairs to be investigated fully before purchase. You must obtain competitive quotations from reputable contractors before you commit yourself to purchase.

C5 – Preparation and repainting of exterior woodwork.

D1 – Replace missing electric meter cupboard door.

D1 – Repair/replace defective gas meter cover.

ADVISORY REPAIRS/FURTHER INVESTIGATIONS

C6 – Full internal redecoration.

As soon as you receive the quotations and reports for the work specified above, and also the responses from your legal adviser, the surveyor will be pleased to advise whether or not these change the advice or valuation given in this report. Only when you have all this information should you decide whether or not to proceed with the purchase. We recommend you remain in control of obtaining quotes rather than rely on those provided by others.

You are advised however that if you should decide to legally commit yourself to the purchase without obtaining the above information, you will have to accept the risk that adverse factors might come to light in the future.

Please see comments made above.

F2 MAINTENANCE CONSIDERATIONS

Although this report refers to a number of other matters requiring attention, these are not considered to pose an immediate threat to the property and can be dealt with as part of a general programme of maintenance. You are, however recommended to obtain formal builders and other estimates for such items before you legally commit to purchasing the property.

F3 OTHER CONSIDERATIONS

The following factors may influence future saleability:

It is noted that a significant number of properties within XXXX are presently occupied on a private residential lettings basis, and this could deter some potential owner - occupiers. This factor could also adversely affect future demand.

G: VALUATION

PLEASE READ THESE NOTES

In arriving at the opinion of the Property's Market Value as defined in Section D2 of the Description of the **HOME BUYER** Service (attached), a set of standard assumptions* is adopted, subject to any change stated below. Legal Advisers, and others who undertake property conveyancing, should be familiar with the assumptions and are responsible for checking those concerning legal matters. The opinion of the Market Value given below could be affected by the outcome of the inquiries by your Legal Advisers [Section E] and /or any further investigation and quotations for urgent repairs [Section F]. The valuation assumes that your Legal Advisers will obtain satisfactory replies to their inquiries relating to the assumptions made in this Report.

G1 VALUATION

Taking all of the above into account the current market value of the leasehold interest in this property in the condition found at the date of inspection is **£147,000** (one hundred and forty seven thousand pounds) with the benefit of full vacant possession.

G2 INSURANCE COVER

The estimated rebuilding cost of the property for insurance purposes is £140,000 (one hundred and forty thousand pounds).

The gross external floor area of the living accommodation is approximately 140 square metres.

No allowance has been made for inflation. This may not be suitable for all insurance policies and you should check the details with your insurer.

AGREED ADDITION TO STANDARD SERVICE

No addition to Standard Service.

- This Report is provided in accordance with the terms of the Description of the **HOMEBUYER** Service previously supplied, subject to any agreed addition noted below. (An additional copy is attached herewith.)
- The Report is solely for your use and your professional advisers', and no liability to anyone else is accepted. Should you not act upon specific, reasonable advice contained in the Report, no responsibility is accepted for the consequences.
- I hereby certify that the Property has been inspected by me and that I have prepared this Report, including the opinion of Market Value.

Signature of Surveyor



David Harting BSc (Est. Man) MRICS Chartered Surveyor

Details of Inspecting Firm

David Harting Surveyors Limited
20 Firtree Lane
Hetton le Hole
Tyne and Wear
DH5 0GA

Date of Report 2 October 2009

Agreed addition (if any) to the Standard Service

No addition

Tel No: 07951 177154

Date 2 October 2009

DESCRIPTION OF THE SERVICE

*** Full details of these assumptions are available from the Surveyor. The most important, in brief, are concerning the materials, construction, services, fixtures and fittings, etc., that:**

- No significant defects or cause to alter the valuation would be revealed by an inspection of those parts that have not been inspected;
- No hazardous or damaging materials or building techniques have been used in the Property; there is no contamination in or from the ground; and the ground is not land-filled;
- The Property is connected to, and there is the right to use, the reported main services; and
- The valuation takes no account of furnishings, removable fittings and sales incentives of any description.

concerning legal matters, that:

- The Property is sold "with vacant possession" (ie only you will be entitled to occupy it when it is sold);
- No laws are broken by the condition of the Property or by its present or intended use;
- The Property is not subject to any particularly troublesome or unusual restrictions; it is not affected by any problems which would be revealed by the usual legal inquiries; and all necessary planning permissions and building regulations consents (including consents for alterations) have been obtained and complied with; and
- The Property has the right to use the main services on normal terms; and the sewers, main services and roads giving access to the property have been "adopted" (i.e. are under local authority, not private, control).

LEASEHOLD PROPERTIES

PLEASE NOTE: This Appendix is an integral part of the HOMEBUYER Report for all Leasehold Properties.

Everybody planning to buy a Leasehold property (most flats and maisonettes and a few other properties are Leasehold) is advised to pay particular attention to the terms of the Lease.

Your Legal Advisers, who are responsible for checking the Lease for you, do not normally see the Property - so it is only the Surveyor who has the opportunity to note any specific features that may have legal implications.

Any such matters are reported in Section E: Legal & Other Matters (where you are advised to pass a copy of the Report immediately to your Legal Advisers).

In arriving at the opinion of the Market Value of the Property (Section G: Valuation), unless otherwise stated the Surveyor assumes that all the terms of the Lease which might have an effect on the value of the Property are standard ones*, and that only a small ground rent is payable. This should not be relied upon, however, without being checked by your Legal Advisers.

You are advised to ask your Legal Advisers to supply the answers to the following questions:

- a) Are the other flats occupied by owners or tenants?
- b) Is there a Management Company and/or Managing Agent correctly set up to deal with the running and maintenance of the block containing the Property?
- c) Does a suitable annual maintenance and replacement fund exist, with suitable reserves, to deal with general cleaning, maintenance and repair of the common parts, and repairs to the main structure, centralised heating installation, lifts, etc.?
- d) What is the ground rent; what sum was last paid as a maintenance/service charge, and what period did it cover; and are the maintenance/service charge accounts satisfactory and up-to-date?
- e) Is there evidence of regular maintenance of services; and are there satisfactory current certificates for the testing/servicing/maintenance of the following common services: (1) the lifts; (2) the fire escapes and fire alarms; (3) the security system(s); (4) any common water/heating system; and (5) other communal facilities?
- f) Are there any existing or foreseeable management problems or disputes, or any known outstanding repairs or programmed works, which would affect the level of the service/maintenance charge payable?
- g) Is the liability clearly set out - as between the Leaseholders, the Freeholder and the Management Company - for repairs to the Property and to the common parts and the main structure; is the liability shared equally between Leaseholders; and is there suitable machinery for settling any disputes which may arise in this area?

h) Is it the Management Company or each individual Leaseholder who is responsible for the building insurance, and is there a block insurance policy?

i) Are there any unusual restrictions on the sale of the Property?

- Full details of these assumptions are available from the Surveyor. The most important are, in brief:
- If there are more than six properties in the building, the Property is managed either directly by the freeholder or by a professional managing agent;
- If there is more than one block in the development, the Lease terms apply (except for upkeep or common roads, paths, grounds and services) only to the block containing the Property;
- There are rights of access and exit over all communal roadways, corridors, stairways, etc., and to use communal grounds, parking areas and other facilities;
- Where there is more than one Leaseholder, all the Leases are the same in all important respects;
- The Lease has no particularly troublesome or unusual restrictions;
- There is no current dispute over the Lease or any outstanding claim or lawsuit concerning it;
- The un-expired term of the Lease is 70 years;
- The Property is fully insured.

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 below)

The **Valuation**, which is part of the Report (Section D below)

A2 The Surveyor's main objective in the HOMEBUYER Service is to give Clients considering buying a particular Property 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 contracts are exchanged; In Scotland to be clear about what decisions and actions should be taken before an offer is concluded.

A3 The HOMEBUYER Service therefore covers the general condition of the Property and particular features that affect its present value and may affect its future resale. The Report focuses on matters which the Surveyor judges to be urgent and/or significant.

Significant matters are defined as matters which could reasonably be expected in negotiations over price to be reflected in the amount finally agreed.

B The Inspection

The Inspection is a general surface examination of those parts of the Property which are accessible: Accessible is defined as, *visible and readily available for examination from ground and floor levels, 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 consequences) 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. Equipment such 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 out buildings (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 condition; accessible roof spaces are inspected and a damp meter, binoculars and torch may be used. A ladder is used for hatches and for flat roofs not more than three metres above ground level. Leisure facilities and non-permanent outbuildings (eg pools and timber sheds) are noted but not examined.

Flats: In the case of flats, exterior surfaces of the building containing the Property, as well as its access areas are examined in order to assess their general condition: roof spaces are inspected if there is a hatch within the flat. In Scotland, communal areas within the building are examined and accessible roof spaces are inspected.

C The Report

The Report provides the Surveyor's opinion of those matters that are urgent and/or significant and need action or evaluation by the Client before contracts are exchanged or an offer to purchase is made. The Report includes 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** (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
- **Matters identified by inspection** (e.g. a possible right of way) that 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 which may be of concern 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.* In the case of leaseholds, the Report is accompanied by a standard appendix called *Leasehold Properties.*

D The Valuation and Reinstatement Cost

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

D2 "Market Value" is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In arriving at the opinion of the 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 un-inspected parts; the right to use mains services; and the exclusion of curtains, carpets, etc., from the valuation. (If needed, the Surveyor can provide these.) Any additional assumption, or any found not to apply, is reported.

FLATS: In the case of flats, the following further assumptions are made:

- that there are rights of access and exit over all the communal roadways, corridors, stairways etc and to use communal grounds, parking areas and other facilities;
- that there are no particular troublesome or unusual legal restrictions;
- that there is no current dispute between the occupiers of the flats, or any outstanding claims or lawsuits;
- that the costs of the repairs to the building are shared among the tenants (in Scotland the co-proprietors) an equitable basis

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

HOMEBUYER REPORT STANDARD TERMS OF ENGAGEMENT

GENERAL

1 The Service. The standard HOMEBUYER Survey & Valuation Service ("the Service") laid out in the preceding Description of the Homebuyer Service ("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 that are not normally inspected, such as the opening of all windows.)

2 The Surveyor who provides the Service will be a Surveyor who is competent to survey, value and report upon the Property that is the subject of these Terms.

3 Before the Inspection. The Client will inform the Surveyor of the agreed or proposed 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 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 that:

a) 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) 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.

7 Complaints handling procedure. A copy of our complaints handling procedure is available on request.

Please Note: These Standard Terms and Conditions form part of the Contract between the Surveyor and the Client.

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