

The headings contained in this framework for a report are based directly upon the list of mandatory required content set out in VPS 3 para 2.1, and the commentary which follows in RICS Valuation – Global Standards Effective from 31 January 2022. The report contains much of the material agreed in the terms of engagement which affords the opportunity to copy and paste this material thus eliminating repetition, ambiguity, contradiction and omission.

## VALUATION REPORT

### Name of the firm

Identification and status of the valuer	<p>The valuation has been carried out by Name:</p> <p>Qualifications:</p> <p>Registered valuer status:</p> <p>Experience and expertise:</p> <p>Internal / external status: (if applicable)</p> <p>Rotation policy (if applicable)</p> <p>Previous involvement with the property or parties to the case:</p> <p>Declaration of independence, objectivity and competency:</p>
Client and any other users	<p>The valuation has been carried out for <i>Full name, Company Name, Full Address and Postcode</i></p>
Property valued	<p>Address of the property:</p> <p>Interest to be valued:</p> <p>Tenancies, if any:</p> <p>Location</p> <p>Description</p> <p>Accommodation</p> <p>Floor areas</p> <p>Site areas</p>
Currency	<p><i>(State the currency in which you will report value) eg All currency in this report is in Pounds Sterling (£), Euros (€), Dollars (\$) etc.</i></p>

Purpose of Valuation This valuation has been carried out for the purpose of...*(State the precise end use of the valuation i.e. what the client is going to do with the valuation eg for first mortgage purposes, for the assessment of inheritance tax.*

Basis of Value *(Delete as appropriate. Market Value and Market Rent are included here for ease of reference. If another basis of value was used it should be stated with its current IVS definition taken from Red Book VPS 4)*

The following definitions of Basis of Value have been used. They are derived from the International Valuation Standards.

Market Value.

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Statutory definition of Market Value (capital gains tax, inheritance tax and stamp duty land tax).

Summary definition derived from legislation, for example: 'The price which the property might reasonably be expected to fetch if sold in the open market at that time, but that price shall not be assumed to be reduced on the grounds that the whole property is to be placed on the market at one and the same time.' (Source: section 272 Taxation and Chargeable Gains Act 1992. Section 160 Inheritance Tax Act 1984, Section 118 Finance Act 2003).

Market Rent.

The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Our assumptions of what are 'appropriate lease terms' for this property have been set out in our report.

Valuation date *(You must have chosen a specific date. That can be defined as 'date of report' or 'date of inspection' if that is what has been agreed. Some purposes will require a specific date e.g. date of death or a financial year end. Three dates could be used for clarity: Date of Inspection, Date of Valuation and Date of Report).*

Special Assumptions

*(Special Assumptions are those things which are not true but have been assumed to be true e.g. vacant possession when the property is in fact occupied, or that planning consent has been obtained, or that building works are completed. For further guidance see Red Book VPS 4.8).*

Nature and extent of the valuer's work – including investigations, any limitations on the scope of work, and related Assumptions

*As far as possible you should copy and paste what was agreed in the agreed terms of engagement so that there is no ambiguity or contradiction between the two documents. Having repeated what you said you should then state what was actually done and what your findings were. You should then either re-state your assumption if appropriate or re-define your assumption in the light of your findings. Once gain we make clear that the Firm/Valuer must take responsibility for providing statements which reflect the nature of the specific property, the purpose of the valuation and their own professional judgement.*

In order to provide a valuation report within a reasonable timeframe and at an economic cost the following limitations in the scope of inspections and due diligence in enquiries were agreed together with the necessary assumptions which have been adopted to cover uncertainties:

Title:

We have examined Title obtained from the Land Registry (or client legal advisor *insert name*). We have reported our findings in the report. Our valuation has been based upon those findings which we have assumed to be correct. We have recommended advice from your legal advisor if we think it necessary. Our valuation is, where such legal advice is recommended, provisional upon that advice being received.

OR

We have relied on information about Title supplied by your legal advisor. We have assumed that the information provided is correct.

OR

We have not made any enquiries regarding Title. We have assumed that the property has good title, free from onerous or restrictive covenants, rights of way, easements etc which might adversely affect value.

Condition of buildings:

We have carried out a building survey of the property. This is the subject of a separate report. Our valuation has taken into account the findings of that report and our assumed cost of carrying out any repairs recommended in that report.

OR

We have not carried out a building survey. A survey of that depth is outside the scope of your instructions. We therefore have not reported in detail on the condition of the property.

OR

We have carried out a brief examination of the land and buildings internally and externally. The purpose of the examination was to establish the apparent condition of the building, and to note its construction, accommodation and services. Unless we have found otherwise, we have assumed that the property is in generally satisfactory repair and condition consistent with its age and nature.

OR

We have examined the site and buildings from the kerb of the road only. We have reported our findings. We have assumed that the property is in generally satisfactory repair and condition unless we found evidence to the contrary.

Services:

We arranged for tests to be carried out of electrical wiring, gas installations, drainage, room heaters and flues. Our valuation has taken into account the likely cost of any repairs or improvements recommended in those reports.

OR

We have not arranged for any testing of electrical wiring, gas installations, room heaters and flues, drainage. We have observed what services were available and have made only a cursory assessment of their apparent condition and have made assumptions about the likely cost of dealing with any repairs or improvements a formal test may reveal. Where we feel it necessary we have recommended testing. Our valuation has taken into account those assumed costs.

OR

Planning:

We have interrogated the Planning Portal to establish any planning applications granted or refused in the past for the property. We have established the land use zoning for the site. We have established that it lies/does not lie (*delete as applicable*) within a Conservation Area. Those findings have been reported to you and have been reflected in our valuation.

OR

We have not made any planning enquiries and have assumed that the existing use of the building and any alterations or extensions are lawful.

Building Regulations:

We have made enquiries to establish whether or not a certificate of compliance with Building Regulations exists for the building and any alterations or extensions. Our findings have been reflected in our valuation.

OR

We have not made enquiries to establish whether or not a certificate of compliance with Building Regulations exists for the building and any alterations or extensions. Our valuation assumes that the building complies with building regulation requirements.

Highways:

We have made enquiries to establish the presence of any proposals to alter the highway which might affect the property. Our valuation reflects our findings.

OR

We have not made any enquiries to establish the presence of any proposals to alter the highway which might affect the property. We have assumed that the property is not affected by any proposals.

Contamination and hazardous or deleterious materials:

We have arranged for an environmental report to be produced for the property. Our valuation takes into account its findings and the likely cost of dealing with any issues raised.

OR

We have not arranged for an environmental report to be produced for the property. We have relied on information supplied by you or your legal advisor regarding environmental matters. Our valuation takes into account the information supplied and our assumptions regarding the costs of dealing with any issues raised.

OR

We have not arranged for an environmental report to be produced for the property. We have assumed that the property is not adversely affected by such matters.

Environmental matters:-

Mining:

We have arranged for a mining report to be obtained. Our valuation takes into account the likely cost of dealing with any issues reported.

OR

We have not arranged for a mining report to be obtained. We have relied on information supplied by you or your legal advisor. Our valuation takes into account our assumptions regarding the likely cost of dealing with any issues.

OR

We have not arranged for a mining report to be obtained. We have relied on our local knowledge of mining in the area. We have assumed that, as all mining activity is now historic, that all subsidence has now completed and that the property is not affected by any issues resulting from historic mining.

Flooding:

We have examined the flood map to establish if the property is liable to flooding. Our valuation takes into account the likely incidence of flooding.

OR

We have not examined the flood map to establish if the property is liable to flooding. We have relied on our local knowledge. Our valuation assumes that the property is not adversely affected by flooding.

Radon gas:

We have examined the Radon map to establish if the property lies in an area affected by Radon gas. Our valuation takes into account our findings.

OR

We have not examined the Radon map to establish if the property lies in an area affected by Radon gas. We have relied on our local knowledge. Our valuation assumes that the property is not adversely affected by Radon gas.

Sustainability:

We have noted the thermal efficiency rating of the building if one exists. We have noted any alternative energy sources if they exist. Our valuation reflects these factors where there is evidence that they affect value.

Environmental, Social & Governance (ESG):

The valuer should take reasonable steps during inspection of real estate, to consider including those matters that fall within the general heading of 'sustainability and ESG matters' and consider any sustainability and ESG factors that could affect the valuation. This should be collected and recorded where appropriate.

*(You may also wish to consider making statements under other headings such as Local property tax, Fire, Disabled access, Coastal erosion, Brine extraction and any other matters which affect value which may be relevant to the particular property and location. We strongly recommend that you cover off as many matters as possible either by enquiry or by excluding them from the scope of work and covering with an assumption. This is a matter of agreement with your client.)*

Nature and source of information

*State the actual sources of information used and whether or not you have checked them and the extent to which you have relied on them. (Here state the actual sources of information you have used and the extent to which you have checked the information and relied on it. You cannot simply accept information supplied at face value but must apply professional scepticism. The attempts taken to verify information should be stated. The degree of assumed reliability of information should be stated.)*

In arriving at our valuation, we have received information from yourself, your advisers, public and subscription websites, other estate agents and valuers and from our own records. We have applied professional scepticism and have checked the information where reasonably possible. In the absence of evidence to the contrary, we have assumed that information used in the valuation is correct.

Restrictions on use, distribution and publication

*(Where it has been considered necessary or desirable to restrict the use, distribution or publication of the valuation advice or those relying upon it, the restrictions must be clearly communicated) For example This valuation report is not be relied upon, distributed to or communicated with any third party without the express written consent of the valuer, which consent, if any, will be at the valuer's sole discretion.*

Third party liability      *For example* There is no third party liability for the valuation and no party should rely upon the valuation figure or report without the express written consent of the valuer, which consent, if any, will be at the valuer's sole discretion.

RICS Valuation Standards (and departures from those standards)      The Valuation and Report have been prepared in accordance with the International Valuation Standards and the RICS Valuation – Global Standards effective 31 January 2022 (change the effective date as each revised version is published), as well as *(Also, as appropriate, declare the UK national supplement standards, UK VPGAs and any other regulation of statute which have been complied with).*  
*(and where appropriate)*

In accordance with your instructions in preparing our valuation report we have departed from the mandatory requirements of Red Book in the following regards:

Valuation      Method of valuation: (market approach / income approach / cost approach).  
Market commentary:  
Summary of comparables:  
Summary of key inputs into the valuation and reasoning.  
Valuation: £numbers (words).

Market uncertainty      *(see guidance in VPGA 10)*

Limitations on liability      *(Here state any limitation on your liability for the valuation which were agreed with the client). An example could be* The liability in respect of this valuation assignment will be no more than £x,000 or a reasonable percentage of the valuation figure, and in any event within the limits of our indemnity cover.

Name of Valuer .....

Name of Firm .....

Date of report.....



## DISCLAIMER

*“These documents are intended as a general framework only to assist suitably qualified valuation practitioners to comply with the requirement for minimum content of terms of engagement and valuation reports specified in VPS 1 and VPS 3 of the current RICS Valuation – Global Standards. RICS makes no representation as to their suitability to any particular situation or set of circumstances. The practitioner shall need to exercise their own skill and judgment to form a view as to their suitability to a given situation and will need to tailor them as they see fit in each case. Please note that the documents have been designed as a single suite and are intended for use in conjunction with each other and as such we recommend that care is taken to ensure that the individual documents remain consistent with each other. In particular, it is recommended that special care is taken to ensure statements describing the scope and depth of inspection and investigations and the attendant valuation assumptions referred to within the terms of engagement are consistent with corresponding statements made within the valuation report itself.”*