



A Brief Guide to Valuations and Surveys

A property will usually be presented to prospective buyers in the best possible light and it is amazing what a white coat of paint can hide! Whilst your mortgage lender (if you have one) will require a valuation survey, this will not be an in depth building survey and is unlikely to point out all but the most obvious defects.

There is no statutory protection for homebuyers in Jersey, so the old adage “buyer beware” is worth keeping in mind. To make sure that you are buying a property in sound condition, it pays to engage a chartered surveyor to conduct a building survey. Although this is likely to cost quite a bit, it could save you far more at a later date.

You should always remember that buying a property is a huge investment and regardless of how emotionally attached you are to the place you would like to buy, it will only be worth the money if it is structurally sound. If any defects are discovered you can use this information to strengthen your negotiating position.

Another benefit of engaging a surveyor is that should any defects appear later on, you may be able to claim compensation from the surveyor.

Basic (bank) valuations

Your mortgage lender will need a professional valuation by a chartered surveyor in order to know that the property you are buying is not worth less than the money they are lending you to pay for it. However, this is a very superficial survey and will not pick up on all of the defects with the property.

Although your lender will commission the survey, as the borrower, you will be expected to pay for it.

If the official valuation is lower than the agreed purchase price, the bank may refuse to lend the money or may require that certain works are completed before the money is lent to you. You can also use this information to strengthen your negotiating position and request a lower purchase price.

Homebuyer's report

A homebuyer's report is particularly useful for buildings that were constructed in a conventional manner within the last 50 years.

The report is very much for the buyer's benefit rather than the mortgage lenders and gives you the chance to evaluate the condition of the house before committing to a purchase.



When conducting a homebuyer's report, the surveyor will look at all the visible areas of the building, including the roof. If any work needs to be done, the surveyor will point this out in his report and may recommend that further specialist surveys are conducted on particular areas which may need significant attention.

As well as the condition of the property, the surveyor will note down areas of interest that you should discuss with your lawyer, such as rights of way and parking spaces. He will also provide a valuation, so you should speak to your lender about the possibility of having the report done at the same time as their valuation. Surveyors often give discounts to buyers who ask for a report as well as a valuation and in any case, having the two done together will probably cost less than two separate surveys.

The inspection should take no more than a couple of hours and the final report is likely to be up to twenty pages long. Costs are a lot less than those for a full building survey which makes a homebuyer's report a worthwhile expense for buildings which shouldn't have any major structural problems.

Building surveys

A building survey is a comprehensive survey of the property. It should be commissioned on older buildings, particularly those over 50 years old, building with extensions and other alterations as well as properties made from unconventional building materials.

The surveyor will thoroughly check the structure of the property, its general condition and noting all major and minor faults. They may also call in a specialist to report on issues such as tree roots, foundations and damp proofing.

The final report will almost certainly include a long list of findings. Don't be put off by this as surveyors are obliged by law to report everything they discover. You should also remember that surveyors will tend to present the worst-case scenario and will often overstate the costs of rectification.

Because of the cost of surveyors, it is worth shopping around for quotes. You should agree a cost in advance and specify the type of survey being undertaken. You should ensure that the surveyor you employ is a member of the Royal Institution of Chartered Surveyors (RICS).

One handy tip is to advise your lender that you are having a building survey conducted. This way you can get the valuation for the lender completed at the same time and save a bit of money.