

## Basic Valuation for Mortgage Purposes

The building society or lender will arrange for the property to be inspected and valued and although you may be paying the cost of the valuation, you should be aware that it is carried out under the instructions of and for the benefit of the lender. In some cases the lender will supply a copy of the report to the prospective purchaser when the mortgage offer is issued.

The valuation which is called a “ valuation for mortgage purposes ” is not a survey but a basic valuation where a limited inspection of the property is carried out to establish if it represents suitable security for the loan. You should note that there could possibly be some defects in the property which will not be reported as they are not considered to be likely material to affect the value of the property, but which a more detailed inspection could reveal.

Services to the property such as electricity, gas, plumbing and central heating are not tested but any major or essential defects are listed and specialist reports recommended if further investigation is deemed appropriate.

If any reports are required or recommended these should be obtained before contracts are exchanged to allow you sufficient time to assess the cost of any potential repairs, if appropriate, and perhaps renegotiate the purchase price of the property or ask for a contribution from the vendor towards the costs of any essential repairs.

If you are concerned about the condition of the property you are recommended to obtain a more comprehensive homebuyers report for your own protection.