

Homebuyer's Report

This type of survey, which is instructed by the applicant, is carried out to a specific format approved by the Royal Institute of Chartered Surveyors and gives an indication of the condition, quality and estimated current value of the property.

As with the basic valuation for mortgage purposes, services to the property 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.

Although both valuations may appear to be similar, the important difference is that the basic valuation is instructed by the lender whereas the homebuyer's report is instructed by the prospective purchaser.

So if a basic valuation is carried out and any defects come to light at a later stage you would not have any recourse to sue the valuer for negligence because the valuation was instructed by the lender and not by the prospective purchaser.

On the other hand if you have given instructions for a homebuyers report to be carried out and major defects come to light which were not initially stated in the report, you may be able to sue the valuer for negligence.