

Valuation of residential property in Ireland

Part of the *RICS Valuation – Professional Standards*
(the ‘Red Book’)

September 2015

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Ireland valuation standard and appendices

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Please note: references to the masculine include, where appropriate, the feminine.

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VPGA 2 Valuation for secured lending

Valuation of residential property for mortgage purposes shall be in accordance with the RICS Ireland/Society of Chartered Surveyors Ireland (SCSI) residential mortgage valuation specification (see IRL appendix 1).

Commentary

1. When valuing residential properties on behalf of building societies, banks and other lenders for mortgage purposes, the valuer shall comply with the specification reproduced in IRL appendix 1, unless otherwise agreed in writing, in advance, with the client.
2. The *RICS Valuation – Professional Standards* (the ‘Red Book’) applies to the provision of valuation advice for residential mortgages. Specific attention is drawn to the requirements in PS 2, ethics, competency, objectivity and disclosures and VPGA 2 Valuation for secured lending.
3. The mortgage valuation specification may also be relevant to the provision of advice for the following purposes:
 - re-inspections;
 - further advances;
 - valuations without internal inspection; and
 - retrospective valuations.

Guidance on the provision of advice for these purposes is in IRL appendix 2.

IRL appendix 1

RICS Ireland/SCSI residential mortgage valuation specification

1 Introduction

1.1 This specification provides a standard approach to the provision of valuation advice to prospective lenders where the security offered is either:

- (a) an individual residential property that is intended to be occupied, or is occupied, by the prospective borrower; or
- (b) an individual residential property purchased as a buy-to-let investment.

Where the instruction is to provide one valuation of two or more individual securities, the valuation approach will not be in accordance with this specification but should comply with VPGA 2, Valuation for secured lending.

1.2 It is recognised that although the report is provided to the lender, there is established case law that the valuer may have a duty of care to the prospective purchaser, who may or may not be provided with either a copy of the report or a summary of its relevant recommendations.

1.3 The specification is limited to providing advice on the property being valued and does not comment on the lending policies of the lender. Any additional advice relating to the property and individual lender policy requirements on inspection or suitability of construction will need to be agreed with the lender and included in their terms of engagement.

1.4 The specification has been arranged under the following headings:

- application of the Red Book;
- inspection;
- basis of value;
- factors that may have a material impact on value;
- assumptions and special assumptions;
- the form and content of the valuation report;
- reporting factors that have a material impact on value.

1.5 The report will include the valuer's opinion of value at the specified date, together with comments on the factors that may materially impact the value established during the inspection and any matter identified that is not in accordance with the standard assumptions.

2 Application of the Red Book

2.1 Valuers are reminded that the Red Book applies to the provision of valuation advice for residential mortgages. Specific attention is drawn to the requirements in PS 2 - Ethics, competency, objectivity and disclosures, and VPGA 2.

2.2 The role of the valuer is to advise the lender:

- (a) on the nature of the property and any factors revealed during the inspection that are likely to materially affect its value;
- (b) the market value (and/or market rent if required), with specified assumptions or special assumptions;
- (c) where there are serious cases of disrepair or obvious potential hazards revealed during the inspection that have a material impact on the value; and
- (d) where requested, on the suitability of the property for a mortgage loan advance.

2.3 Valuers must not accept instructions to make recommendations as to the length of the term, or the amount to be advanced. These decisions are solely the responsibility of the lender.

2.4 When agreeing terms of engagement the valuer must comply with the requirements of VPS 1. Reference to this specification will provide the information required under the minimum terms (a) to (o) of VPS 1.

2.5 It is recognised that some lenders may have standard terms of engagement that refer to this specification. The valuer must ensure that in confirming the terms, whether as a generic standing instruction or for an individual instruction, all the requirements within VPS 1 are addressed. Where generic standing terms of engagement are in place, these must be assumed to apply in all subsequent cases, subject to any specific amendments that may be required.

2.6 Where a request incorporates special requirements – for instance, a limited or no inspection, or special assumptions – the valuer must clarify them and consider any potential impact on the fee before accepting the instruction.

2.7 In some cases – for instance, where the property is known to be exceptional; has extensive grounds; is of architectural or historical interest; is located in a conservation area; or is of unusual construction – consideration should be given as to whether the valuer has the appropriate knowledge and skills to undertake the valuation competently on standard terms. If not the instruction should be declined (see PS 2 Ethics, competency, objectivity and disclosures.) Where it is discovered on arrival at the property that it is exceptional or even includes some commercial property element, consideration should be given to referring back to the lender and further instructions should be sought.

2.8 Some lenders may specify within their lending policies certain types of property that are unsuitable for lending, or certain conditions that would make a property unsuitable. Such properties may be identified only during the inspection or when making enquiries, and in such cases the valuer will advise the lender and await further instructions.

3 Inspection

3.1 The purpose of an inspection for a mortgage valuation is to provide a valuation upon which the lender can base the terms of a loan, and to identify and report those matters that may have a material effect on the value.

3.2 The valuer will inspect the property to be valued and provide a photograph.

3.3 The visual inspection is of as much of the exterior and interior of the property as is readily accessible without undue difficulty or risk to personal safety. Although personal judgment has to be used, this inspection should include all of the property that is visible when standing at ground level within the boundaries of the site and adjacent public/communal areas, and when standing at the various floor levels.

3.4 In all cases the valuer will provide the current area of the main building (based on the SCSI Measuring Practice Guidance Notes (2006)* and the site area.

3.5 More specifically, and subject to the assumptions set out in VPS 4, are the following:

- 1 Roof voids and underfloor voids are not to be inspected. Furniture and effects are not to be moved, and floor coverings are not to be lifted. Cellars and basements should be inspected where there is safe access.
- 2 The availability of services, including green technologies, should be recorded but are not tested.
- 3 The inspection includes garaging, car parking, other outbuildings (excluding leisure complexes) of permanent construction and any other structures attached to the dwelling. If relevant, their impact on the value of the property is to be noted.
- 4 The valuer is not expected to comment on the size, condition or efficiency of any leisure facility in the grounds of the property. However, comment may be expected where:
 - (a) there is obvious evidence of serious disrepair;
 - (b) the siting of the installation (for example, of a swimming pool) is a potential hazard to the dwelling, or poses a threat in other terms; and
 - (c) the installation covers an unacceptably large area in relation to the constraints imposed by site boundaries.

3.6 The land within the ownership should be inspected, subject to the comments in paragraphs 2.6 and 2.7, and any material matters recorded and reported. This includes any obvious access restrictions and easements.

3.7 Where there are locational factors that may impact on the value they should be recorded and reported. Certain problems, such as flooding, mining settlement, subsidence, woodworm, invasive vegetation, radon gas, pyrite or other issues are particularly prevalent in certain districts. If appropriate, the valuer should make some reference to these defects, even if the subject property does not appear to be affected at the time of the inspection. Where appropriate, the valuer should advise that an environmental assessment or a mining report should be obtained.

*At the time of publication, the International Property Measurement Standards (IPMS) was in the process of being adopted. Members should make themselves aware of any implementation of the IPMS standards for residential measurement in Ireland.

3.8 Where the property is part of a multi-unit development or building, the following additional requirements will apply:

- The external inspection will be of the main building within which the subject property is located.
- The external inspection will include the primary communal access areas to the property and any communal areas on the floor on which the unit is located.
- Where communal services are provided it may be assumed that the right to use these and have them maintained passes with the property, subject to an appropriate and reasonable service charge.
- The general standard of management and maintenance may have an impact on the service charge, and the possibility of the owner having to contribute to capital expenditure may have a substantial effect on the value. The valuer does not have to provide any estimates of such costs but will have to draw attention to them in the report.

3.9 To be able to respond to a future enquiry, legible notes and photographs of the findings, and particularly the limits of the inspection and the circumstances in which it was carried out, must be made and retained. The notes should also include a record of any comparable transactions and/or valuations considered when arriving at the valuation. Such documentation can be maintained in any recognised and acceptable business format.

3.10 In relation to inspections generally, regard should be had to the current edition of the RICS guidance note, *Surveying safely*.

4 Basis of value

4.1 The basis of value to be adopted is market value as defined in VPS 4.1.2.

4.2 Where an existing property has planning approval for future development, or there is a reasonable prospect of obtaining such approval, that value is to be excluded from the assessment of market value by way of a special assumption, unless instructed otherwise by the lender.

5 Factors that may have a material impact on value

5.1 The inspection, and enquiries made, may reveal various factors that could have a material impact on the value. These include:

- the tenure of the interest offered as security and, if known, the terms of any tenancies to which that interest is subject;
- the location, age, type, accommodation, fixtures and features, and amenities of the property;
- the apparent general state of – and liability for – repair, form of construction and apparent major defects, liability to subsidence, flooding and/or other risks;
- any easements (to which the property is subject or has the benefit), servitudes, burdensome or restrictive covenants, and any third-party rights;

- any obligations relating to planning conditions, for instance, financial contributions, development levies, restrictive covenants or restrictions related to social and affordable housing conditions; and
- whether or not the property qualifies for Designated Area Relief or similar.

5.2 The valuation of a new-build property should be approached in the same way as any other valuation. There are, however, specific aspects of the new-build residential market that have led certain mortgage lenders to require an alternative approach to valuation. In all instances, the notified sale price must be treated with caution. The current edition of the RICS guidance note, *Valuation of individual new-build homes*, although applicable only in the UK, may assist when valuing these types of property (see also paragraph 8).

6 Assumptions and special assumptions

6.1 Considering the limited nature of an inspection for a mortgage valuation, as set out in paragraph 3.5, the valuer is entitled to make reasonable assumptions with regard to the state of the property and other factors that may affect value.

6.2 Unless instructed otherwise the following assumptions and special assumptions may be made without verification:

- (a) The property will be transferred with vacant possession.
- (b) All required, valid planning permissions and statutory approvals for the buildings and for their use, including any extensions or alterations, have been obtained and complied with. It is not necessary for the valuer to make enquiries into town planning and other matters. These should be left to the lender's or borrower's legal advisers. Any obvious breach of planning control, however, should be reported. The lender should be advised of any obvious, recent and significant alterations and extensions, so that the lender's legal adviser is alerted to the possible need to make enquiries. The valuer is not obliged to search for statutory notices, although the lender's legal advisers may ask if any such matters that come to light during searches have a material effect on value. Consideration may have to be given to known, or suspected, planning restrictions or conditions. The valuer is under no duty to search, but may be called upon for advice as to any material effect on value, if they are disclosed.
- (c) In the case of a building that has not yet been constructed, the valuer provides, unless instructed otherwise, a valuation on a special assumption that the development had been satisfactorily completed, as at the date of the inspection, in accordance with planning permission and other statutory requirements.
- (d) No deleterious or hazardous materials have been used in the construction. However, if the limited inspection indicates that there are such materials, this must be reported and further instructions requested.
- (e) The site is not contaminated and is free from other environmental hazards. No enquiries regarding contamination or other environmental hazards are to be made, but if a problem is suspected, the valuer should recommend further investigation.

- (f) The property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings, and good and marketable title can be shown.
- (g) The property and its value are unaffected by any matters that would be revealed by a local search, by replies to the usual pre-contract enquiries or by any statutory notice which may indicate that the property and its condition, use or intended use are or will be unlawful.
- (h) An inspection of those parts that have not been inspected, or a survey inspection, would not reveal material defects or cause the valuer to alter the valuation materially.
- (i) There is unrestricted access to the property, and the property is connected to, and has the right to use, the reported main services on normal terms.
- (j) Sewers, main services and the roads giving access to the property have been adopted, and any lease provides rights of access and egress over all communal estate roadways, pathways, corridors, stairways and use of communal grounds, parking areas and other facilities.
- (k) In the case of a newly constructed property, it has been built under a recognised builder's warranty or insurance scheme approved by the lender, or has been supervised by a professional consultant suitably qualified to issue a compliance certificate acceptable to the lender.
- (l) There are no ongoing insurance claim or neighbour disputes.

6.3 Where the inspection reveals matters that affect any assumption or the value of the property, the details are to be included in the report together with, if appropriate, recommendations for further action to be taken.

6.4 Where the proposed security is part of a multi-unit development or building, the following assumptions will also be made, unless instructed to the contrary:

- (a) The costs of repairs and maintenance to the building and grounds are shared equitably between the individual units.
- (b) There are suitable, enforceable covenants between all leaseholds, or through the landlord or the owner.
- (c) There are no onerous liabilities outstanding.
- (d) There are no substantial defects, or other matters requiring expenditure (in excess of the current amount or assumed amount of service charge payable on an annual basis), expected to result in charges to the leaseholder or owner of the subject property, during the next five years, that are equivalent to 10% or more of the reported market value.

6.5 Where the dwelling is long leasehold, and it is not possible to inspect the lease or details have not been provided, the following assumptions will be made, unless instructed to the contrary:

- (a) The unexpired term of the lease is assumed to be 70 years, and there is a right to purchase the 'fee simple' under the relevant ground rent legislation.
- (b) There are no exceptionally onerous covenants upon the leaseholder.
- (c) The lease cannot be determined, except on the grounds of a serious breach of covenant in the existing lease agreement.

- (d) If there are separate freeholders, head and/or other subhead leaseholders, the terms and conditions of all the leases are in the same form and contain the same terms.
- (e) The lease terms are mutually enforceable against all parties concerned.
- (f) There are no breaches of covenant or disputes between the various interests concerned.
- (g) The leases of all the properties in the building/development are materially the same.
- (h) The ground rent, stated or assumed, is nominal, is not subject to review and is payable throughout the unexpired lease term.
- (i) In the case of blocks of flats or maisonettes with 5 or more residential units, there is an appropriate management structure in place.
- (j) There is a duty holder, under the *European Communities (Protection of Workers) (Exposure to Asbestos) (Amendment) Regulations 2000* (SI 74/2000), and in place are an occupational health register and an effective management plan that does not require any immediate expenditure, pose a significant risk to health or breach safety, health and welfare at work regulations.
- (k) Where the subject property forms part of a mixed residential or commercially used block or development, there will be no significant changes in the existing pattern of use.
- (l) Where the property forms part of a development containing separate blocks of dwellings, the lease terms of the property apply only to the block. There will be no requirement to contribute towards costs relating to other parts of the development, other than in respect of common roads, paths, communal grounds and services.
- (m) Where the property forms part of a larger development whose ownership has since been divided, all necessary rights and reservations have been secured.
- (n) There are no unusual restrictions on assignment or subletting of the property for residential purposes.
- (o) There are no outstanding claims or litigation concerning the lease of the subject property or any others within the same development.
- (p) Where the property benefits from additional facilities within the development, the lease makes adequate provisions for the occupier to continue to enjoy them without exceptional restriction, for the facilities to be maintained adequately and for no charges being over and above the service charge for such use and maintenance.

In respect of insurance, the following assumptions will be made, unless instructed to the contrary:

- (a) The property can be insured under all-risks cover for the current reinstatement cost and is available on normal terms.
- (b) There are no outstanding claims or disputes.
- (c) Where individuals in a block make separate insurance arrangements, the leases make provisions for mutual enforceability of insurance and repairing obligations.

- (d) Any landlord responsible for insurance is required to rebuild the property with such alterations as may be necessary to comply with current Building Regulations and planning requirements.

Reinstatement cost

6.6 An insurance reinstatement cost, often referred to as a 'fire insurance valuation', will not be provided unless specifically requested.

6.7 Where the lender requests that an insurance replacement cost be provided it shall be in accordance with the current SCSI Guide to House Rebuilding Costs, which is updated annually. The rebuilding costs used refer to the expense of demolishing and clearing away the existing structure, and rebuilding it to its existing design in modern materials, using modern techniques, to a standard equal to the existing property and in accordance with current Building Regulations and other statutory requirements. The figures also allow for professional fees incurred in reinstatement and VAT currently at 13.5% on building costs and 23% on professional fees.

6.8 Where the building is not of modern materials, or is a protected structure that is required to be reinstated exactly and is therefore outside the scope of the SCSI *Guide to House Rebuilding Costs*, the reinstatement cost should not be provided unless the valuer has expertise in that type of property. In these circumstances a professional cost assessment should be recommended.

6.9 Where the subject property is part of a multi-unit development or building, it is the lender's responsibility to enquire whether a management committee or the landlord arranges insurance for the building as a whole, and whether that cover is adequate.

6.10 Any exceptional risks likely to affect the premiums for insurance purposes should be reported. There is, however, no obligation for the valuer to seek out such factors. The duty is limited to factors which are noticeable during the ordinary course of inspection.

7 The form and content of the valuation report

7.1 The lender will often provide a general valuation report format. Whatever format is used the information provided in the report should comply with VPS 3, Valuation reports. It should be sufficient to enable the prospective lender to understand the nature of the security being offered, although unnecessary detail should be avoided.

7.2 The valuer's duty is to prepare a report on the basis of the information or questions contained in the instructions received, unless there are obvious errors or inconsistencies.

7.3 Lenders providing a standard report form may request the valuer to:

- (a) confirm that the property is suitable for mortgage purposes;
- (b) provide details of the comparables used in arriving at the opinion of value;
- (c) give an opinion of the suitability of the property for letting, potential demand and the estimated monthly rent;

- (d) confirm that the valuer's professional indemnity insurance exceeds a specified figure; and
- (e) confirm that the valuer or firm has no conflict of interest in respect of the property

7.4 If other assumptions are made in addition to those described in paragraph 6, they must be explicitly stated in the report.

8 Reporting factors that have a material impact on value

8.1 In addition to reporting the value, an important part of the report is to identify those factors that may have materially affected value, or may be expected do so in the future. Where such factors are identified the valuer will recommend appropriate action.

8.2 If it is suspected that hidden defects exist that could have a material effect on the value of the property, the valuer should recommend more extensive investigation. It may be appropriate, in exceptional circumstances, to defer making a valuation until the results of the further investigations are known.

8.3 If it is not reasonably possible to carry out any substantial part of the inspection this should be stated.

8.4 The report should include reference to:

- (a) the form of construction;
- (b) the existence of any obvious, recent and significant alterations and extensions;
- (c) any obvious evidence of serious disrepair or potential hazard to the property, and any other matters likely to materially affect the value, although minor items of disrepair, poor design or lack of decoration that do not affect the value of the security do not need to be reported;
- (d) items that are not serious at the date of inspection, but could become so if left unattended; and
- (e) other items of disrepair or poor design, or a lack of maintenance that may adversely affect the structure in the future and lead to a material effect on in the value of the security.

8.5 Where there is a basic structural defect, such that renovation ceases to be possible or economic, a valuation should not be provided, subject to the lender's more specific reporting requirements.

8.6 Where the proposed security is part of a multi-unit development or building, the valuer should comment on:

- (a) any apparent deficiencies in the management and/or maintenance arrangements observed during the inspection which materially affect the value;
- (b) the current amount of the annual service charges payable, if available; and
- (c) any situation where the apparent sharing of drives, paths or other areas might materially affect the value of the subject property.

8.7 If the valuer's inspection reveals anything that gives reason to suspect an encumbrance, for instance, easements and other rights pertaining to way, light and drainage, they must be reported even if the report is in the lender's format and no provision is made on the form for such information to be provided.

8.8 If the inspection reveals the possibility that third parties have the right of occupation, this must be reported in all cases.

8.9 Where the valuer does not have the necessary expertise to estimate any repair or maintenance costs and the impact on the value, specialist advice should be obtained or the instruction declined. One example would be a property of architectural or historic interest listed as a protected structure, or in a conservation area. Another would be a property of unusual construction, where any remediation of defects may require planning permission or other consent, and may also have to be to a standard that would not be detrimental to the property's architectural or historic integrity, its future structural condition or the conservation of the building fabric.

Treatment of incentives

8.10 Sales incentives and the marketing of property, especially new-build homes, have become increasingly more innovative and sophisticated. Incentives can differ between development sites, between properties being sold and between the types of purchaser being attracted by the seller (for example, owner-occupier or buy-to-let investor).

8.11 Where the property is a new-build, the valuer must endeavour to obtain information on incentives offered by the developer. More detailed guidance on the treatment of incentives and how to report on their impact is contained in *Valuation of individual new-build homes*.

8.12 Where the property is a new-build, it is recommended that the valuer considers including a statement to the following effect:

It should be appreciated that the valuation provided is for the property as new. It may not be possible to obtain the valuation figure if the property is resold as second-hand, especially if comparable new property is on offer at the same time.

IRL appendix 2

Application of the RICS Ireland/SCSI residential mortgage valuation specification to related purposes

1 Introduction

1.1 This appendix contains guidance on various matters related to residential mortgage valuation advice that are not dealt with in the residential mortgage specification. These are:

- re-inspections;
- further advances;
- valuations without internal inspection; and
- retrospective valuations.

1.2 Valuation advice may also be sought on a variety of other matters, such as mortgage rescue and accounts in arrears. Unless the instructions specify otherwise, the basis of value will be market value.

2 Re-inspections

2.1 A 're-inspection' is a further visit to a property for which the valuer has previously provided a report, where the lender has either imposed conditions or made a retention.

2.2 The cases that may arise include:

- consideration of the release of money by way of staged payments applicable to the stage of construction reached;
- whether the (new, or newly converted or improved) property has been completed to the state assumed in the initial mortgage valuation report (where a mortgage offer has been made on this basis, but no advance has yet been made); and
- in circumstances where part of the advance has been retained until specified works have been undertaken, whether those works have apparently been

completed as assumed in the initial valuation report, or as otherwise specified by the lender, to a standard satisfactory to justify lending on them and without significant adverse effects on the value of the property.

2.3 The valuer may be asked to advise whether the previous valuation report (which must always be available to the valuer) is still sufficiently accurate for the lender to assess the adequacy of the security, when deciding whether or not to release a retention or stage payment. In this case the valuer's duty is to inspect only those parts of the property with which the lender is concerned. It is not the task of the valuer to inspect the whole property.

2.4 The lender must be advised if, during the re-inspection, the valuer:

- becomes aware of any material changes or factors additional to those in the previous report, which would materially affect the valuation of the proposed completed security;
- becomes aware of any other factor that might materially affect the valuation;
- is of the opinion that the valuation of the proposed completed security would be materially different from that previously reported;
- considers that the property may have been affected adversely by the works carried out;
- observes new defects and/or repair requirements and/or unsatisfactory workmanship; and/or
- becomes aware that the problem originally causing the need to carry out the remedial works is now affecting another part of the structure, or that part of the structure which is the subject of the required inspection is suffering from a further defect.

However, there is no requirement to provide a revised valuation unless requested to do so.

2.5 A new figure for reinstatement insurance purposes is not to be provided, unless requested by the lender.

3 Further advances

3.1 Where a property is already in mortgage to a lending institution, it may sometimes wish to consider whether a further advance, usually of a specified sum, can be made on the security of the property or the repayment of a loan rescheduled. The valuation may be of the property as it stands and/or with works proposed to it. The lender is expected to provide the valuer with the original report, or a copy, wherever possible.

3.2 The valuer's remit is to provide a report on all of the following:

- the current market value of the property in its existing state;
- the current market value in its future state, where defined works are contemplated on the special assumption that they have been satisfactorily completed;

- where previously provided, a revised estimate obtained for insurance purposes;
- any obvious factors likely to affect its value materially; and
- changes in the accommodation or its amenities since the previous inspection report.

4 Valuations without internal inspection

4.1 The valuer may be asked for a valuation without the benefit of an internal inspection, and with or without the benefit of an earlier report. This may be called a 'desk-top', 'drive-by' or 'pavement' valuation, or an 'external appraisal'.

4.2 When an opinion is provided on this basis, it must be confirmed in writing, and the manner of valuation and the restrictions under which it is given clearly stated (see VPS 1.2, Restricted information). The lender must be informed that the value stated in such a fashion must not be disclosed to the borrower or any other party.

4.3 Many lenders use a standard pro-forma report for valuations without an internal inspection. Where this is the case, the valuer does not need to comment on:

- the manner of valuation;
- the restrictions under which it is given;
- the non-disclosure to the borrower and/or other third parties; or
- where the pro-forma, or lender's terms of engagement or guidance manuals (or equivalent) already state the assumptions, restrictions and terms under which the valuer should prepare the report.

4.4 Where a desk-top opinion is sought without any form of inspection of the property itself, the valuer should exercise additional caution particularly as to the intended use of the valuation. It is likely to be used for a preliminary assessment prior to a more detailed investigation at a later date (and paragraph 5 may also apply). The valuer should ensure that the source of information and the rationale used in arriving at the desk-top valuation are documented and retained, given that there will be no site notes.

5 Retrospective valuations

5.1 A valuation may be provided at any historical date. However, a lender may be seeking a retrospective valuation as part of an internal process of reviewing a specific loan. It is therefore important that the valuer establishes the reason for the request before accepting the instruction.

5.2 Where an instruction is accepted, the terms of engagement must incorporate the following statements:

- The valuation will be in accordance with the residential mortgage specification existing at the valuation date.
- Where inspection is not possible, or expressly forbidden, a statement to that effect will be made.

- Because the valuation is based on restricted information, it is provided solely for the internal use of the lender. It is not to be used in any proceedings without the valuer's consent, because the opinion may change if the valuer is required to give evidence in formal proceedings.
- Where the lender decides to institute formal proceedings the valuer must be instructed to act as an expert witness and will follow the RICS mandatory practice standard, *Surveyors acting as expert witnesses*.

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