# REF: ?????

Company Name and Details on the front page of the report

VALUATION REPORT FOR RESIDENTIAL MORTGAGE

(in compliance with the RICS Valuation - Global Standards November 2019 Incorporating the IVSC International Valuation Standards)

# ON (PROPERTY ADDRESS)

FOR

CLIENT

(APPLICANT or INTENDED USER)

MORTGAGOR (NAME)

DATE

Version April 2021 © ISTT

EXECUTIVE SUMMARY

|  |  |
| --- | --- |
| LEGAL INTEREST | FREEHOLD |
| LAND SIZE | ??? m2 (???? ft2) |
| BASIS OF VALUE | MARKET VALUE |
| VALUATION APPROACH | MARKET APPROACH |
| METHOD OF VALUATION | DIRECT SALES COMPARISON |
| MARKET VALUE | PRESENT CONDITIONAS IF INFRASTRUCTURAL WORKS ARE COMPLETED | TT$???,000TT$???,000 |
| EXCEPTIONAL FINDINGS | NONE NOTICED ON DATE OF INSPECTION |
| INSPECTION/VALUATION DATE | ??? |

LOCATION PLAN OF NO. ???

CADASTRAL SURVEY PLAN OF NO. ???

PHOTOGRAPHIC VIEWS OF NO.

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| LABEL | LABEL |
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| **1.0** | **TERMS OF REFERENCE** |
| To provide an opinion/s for mortgage purposes on the market value/s of the real property in its present condition/as if infrastructural works are completed as at the Inspection/Valuation Date, ????, in accordance to the Terms of Engagement dated ?????.: ???/ |

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| **2.0** | **NEIGHBOURHOOD** |
| Location: |  |
| Character: | Type: | Rural/Suburban/Urban | Extent of Development | Undeveloped/developing/developed |
| Income Group: | Low/Lower-middle/Middle/Upper-middle/Upper | Value Trend: | Increasing/Stable/Decreasing |
| Property’s Rating ToNeighbourhood: | Inferior/Similar/Superior |
| Infrastructure: | Asphalt-paved roads; concrete-paved drains; side walks of grass verges; fire hydrants. |
| Utilities: | Electricity mains; water mains; telephone/internet mains; sewerage via septic tank & soak-away. |
| Amenities: | Community park; tennis court; swimming pool; |
| Facilities | School, shopping and health facilities are within 2 kilometres. |
| Comment: There are signs of land movement. |

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| **3.0** | **PROPERTY** |
| Type: | Parcel of land |
| Legal Interest: | Freehold/Leasehold |
| Title Document RegistrationNo.: | DE??? |
| Existing Use: | Residential | Highest and Best Use: | Residential |
| Demand of Neighbourhood: | Strong/Moderate/Low | Marketability of property: | Strong/Moderate/Low |
| Comment: The marketability of this property is low because it is significantly outside the range of the neighbourhood/ It may not be suitable for a mortgage due to......../The marketing period is the term between the start of marketing of the property andcompletion of the sale. PROMPT TO INSERT UNDULY RESTRICTIVE COVENANTS IN THIS COMMENT SECTION. |

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| **4.0** | **SITE** |
| A land survey was not undertaken therefore we cannot determine the legal boundaries and size of the site. |
| Data Source | Attached survey plan/Relevant deed. |
| Location InNeighbourhood | A location plan is attached for identification purposes only. |
| Frontage | 15.24 metres\*(50.0 feet) | Av. Plot Depth: | 30.48 metres\*(100.0 feet) | Size: | 464.4m2\*(5,000sq.ft) |
| Topography | Totally flat. |
| Prone to Flooding | No known history/Infrequent/Frequent | Shape: | Regular/Irregular. |
| BoundaryEnclosures |  |
| Comment: There appears to be an encroachment because …... |

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| **5.0** | **CONDITION** |
| Condition | A visual inspection of the site for the purpose of a valuation survey was undertaken and not any other specialist surveys a survey into the type and stability of the soil. We have assumed that all parts of the property which area covered, unexposed or inaccessible are in satisfactory condition and an inspection of those parts which have not been inspected, or a specialist survey inspection carried out would not reveal material defects or cause the valuer to alter the valuation materially. |
| On the date of our inspection, the property was ............ |
| Comment: Any offer or advance should be subject to a satisfactory report from an independent professional in respect of the signs of land movement noted nearby. |

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| **6.0** | **PROPOSED WORKS** |
| Data Source | Quantity Surveyor’s Report; Engineer’s Documentation; letter from developer. |
| Details | These include paving the roads in the development with asphalt and the installation of electricity and water mains. Include details of other associated works. |

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| **7.0** | **RECOMMENDATIONS** |
| All recommendations will be prefaced and subject to review pending the findings relating to the recommendation. An investigation into the stability of the soil should be undertaken due to the signs of land movement nearby.A cadastral survey followed by a legal investigation due to the possible encroachment. Any offer of a loan or advance should be conditional on the production of all relevant statutory approvals. |

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| **8.0** | **SPECIAL ASSUMPTIONS** |
| Vacant possession is available |
| Comment:  |

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| **9.0** | **VALUATION APPROACH** |
| We are of the opinion that the subject property is most appropriately valued by adopting the market approach. The market approach is one that provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. The direct sales comparison method of valuation was adopted to arrive at the market value because it is the best reflection of the basis of valuation, market value./This approach was used due to the availability of sales ofcomparable properties. |
| Comments: In arriving at our opinion of value, comparable evidence of three (3) (ideal but can vary) comparable properties in the same or similar locations were analysed over a 1 (ideal but can vary) year period. The sale prices of these comparable properties ranged from $............. to $............., with land sizes ranging from …………. ft² to ………… ft²,. Adjustments to the comparable sale prices were then made for differences (e.g. location, size, gradient, shape, and other relevant factors) in order to arrive at our final opinion of value stated in this report. |

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| **10.0** | **VALUATION OPINION** |
| In its present condition: **ONE MILLION TT DOLLARS (TT$1,000,000).**As if the infrastructural works are completed: **ONE MILLION AND FIVE HUNDRED THOUSAND TT DOLLARS (TT$1,500,000).** |
| Comments: We are privy to the agreement for sale of the subject property dated ……….. in the sum of $.............. |

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| **11.0** | **VALUER’S STATEMENT** |
| I, ….........................................., acted as an independent external valuer and have the skills, understanding and current local knowledge of the particular market to undertake this valuation competently and objectively. We confirm that we have had no recent prior, present or possible future material involvement with the property and the client and we are not aware of anyconflict of interest. |
| Signature: Date of valuation report: |

## The Definitions

1. Market Approach: an approach that provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available;
2. 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; and
3. Valuation Date: the date on which the opinion of value applies; and
4. Date of Valuation Report: the date the valuation report is completed.

## The Assumptions

1. Good and marketable title;
2. Vacant possession is available (this can be a special assumption so adjust as necessary);
3. Planning permissions and statutory requirements for the existing use have been granted;
4. No deleterious or hazardous materials have been used;
5. There is no contamination;
6. There are no unusual or onerous outgoings and restrictive covenants and there have been no serious breaches of the lessee’s covenants to warrant a determination of the lease;
7. There are no encumbrances or encroachments;
8. All parts of the property which area covered, unexposed or inaccessible are in satisfactory condition and an inspection of those parts which have not been inspected, or a specialist survey inspection carried out would not reveal material defects or cause the valuer to alter the valuation materially
9. There are rights to use the adjoining roads, drains and all communal areas and facilities;
10. No account has been taken of an additional bid by a prospective purchaser with a special interest;
11. All information, data, title documents and plans provided by the client and mortgage applicant which were relied upon by the valuer were true and correct;
12. There are no outstanding taxes, rates or charges associated with the property;
13. The services and any associated controls or software are in working order or free from defect; and
14. Where the property is part of a development (e.g. residential sub-division):
	1. There is a properly formed and operated management company;
	2. The cost of repairs and maintenance that accrue are shared equitably;
	3. The leases of all the properties in the development are materially the same and there are suitable, enforceable covenants between all leaseholders;
	4. 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; and
	5. Where the subject property forms part of a mixed residential/commercial development, there will be no significant changes in the existing pattern of use.

## The Limitations

1. Our valuation is provided for your benefit alone and solely for the purposes of the instruction to which it relates. Our valuation may not, without our written consent, be used or relied upon by any third party, even if that third party pays all or part of our fees, or is permitted to see a copy of our valuation report. If we do provide written consent to a third party relying on our valuation, any such third party is deemed to have accepted the terms of our engagement;
2. The valuation report, which has been prepared in accordance with the terms of engagement, is not a Court document and is not to be used in any Court proceedings. On acceptance of the terms of engagement, the client had accepted that no representative of this firm will give testimony or appear in Court by reason of having prepared a valuation of the property;
3. No investigation has been undertaken with the land registry, regional corporations, public utilities, town planning department, EMA, or any other government body in preparation of this report.