

Valuations

How they work when you buy or sell the equity in your home

If you own a shared ownership, Starter Home or Homebuy property, your lease sets out that you need a valuation if you want to buy or sell equity (a percentage share) in your home.

How your home is valued

The valuation must be made and certified by a qualified member of the Royal Institution of Chartered Surveyors (RICS).

In carrying out the valuation, the surveyor must:

- always follow RICS guidelines
- make no special provisions because your home is a shared ownership property (for example, they can't give your home a higher value than normal, just because shared ownership properties are scarce)
- provide a valuation as if your home were vacant
- provide a second valuation that disregards your improvements, if you have made any at your own expense
- provide a second valuation that disregards items of disrepair, if you have failed to maintain your home as set out in your lease.

The valuation is valid for three months, but we may request an extension after this time, or we may allow a valuation to stand for longer, to allow an agreed transaction to complete.

If the valuation is higher or lower than you expected, you can't get us to agree a different valuation, because our staff aren't qualified valuers. You should be aware that valuation is not an exact science, and a variation of up to five per cent is considered to be normal. You may well find this sort of difference between the valuation carried out before your home goes up for sale and the valuation carried out for your purchaser's lender. In a falling or stable market, mortgage lenders may view a loan on a shared ownership property as more of a risk than an outright sale.

You also need to bear in mind that the price a property actually sells for is often not the same as the asking price you see advertised in a paper or by an estate agent. Factors like the view from your home can also make a difference, for example if you overlook a park as opposed to looking out onto a blank wall.

Property prices can go down as well as up, particularly in the first few months after a home sells for the first time, when there is no longer a premium for being the first occupier. Information available on websites can give a general indication of property price movements, but they don't replace the individual expertise of a RICS qualified valuer.

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In deciding your property's current market value, the valuer has to take into account the price paid for similar homes where the sale has completed in the past three months (or six months at most). When we book a surveyor, we ask them to provide some actual sale prices, or prices subject to contract, to provide a comparison. It is not appropriate to ask the surveyor to comment on any difference in value between your original purchase price and the value now.

Disputing the valuation

If you intend to dispute a valuation, you should complete the form on the next page. We suggest you do this within ten working days of receiving the report, so that a re-assessment can be made in the same market conditions.

You should offer some evidence, as in the following examples.

- A similar property in a similar location recently sold outright for a different price.
- One of the valuer's property sale examples is not comparable to yours and no adjustments appear to have been applied to reflect the difference.
- You have evidence on how an improvement (such as a new kitchen) affected the actual sale price of a similar property.
- Property details quoted by the valuer are inaccurate, for example, on the availability of parking.
- Another, similarly-qualified valuer came up with a different valuation.

Where a re-assessment is carried out, the valuer will certify the three-month life of the valuation from the date of the re-assessment and not the original report.

Bear in mind that until we get signed agreement from you on the valuation, we can't take your transaction forward. We won't be able to instruct our solicitors or marketing agents.

For further information, contact the home ownership team on **08456 120 061** (9am to 5pm, Monday to Friday) or email us at homeownership@shgroup.org.uk

Valuations

Request for valuation re-assessment

Property address:	
Postcode:	
Property type:	
Valuer:	
Date of valuation:	
Purpose:	Sale of existing equity <input type="checkbox"/> Purchase of further equity <input type="checkbox"/>

Either: Please refer the following back to the valuer you instructed and request that they reconsider their decision. I understand that this may take up to seven working days.

Reasons for dispute	Evidence provided

Please continue on a separate sheet if necessary.

Or: I wish the decision to be referred to another valuer and I agree to pay the costs of this. I would prefer this to be:

- a District Valuer (costs normally £200 plus VAT)
- an independent valuer approved by RICS (costs vary)

Name:	Signed:	Date:
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Return this completed form to:

Southern Housing Home Ownership, Fivash House, 9 Denne Parade, Horsham, Sussex RH12 1JW
or fax it to 01403 224 802.