

JOHN SMITH & ASSOCIATES

VALUATION SURVEYORS

555 MAIN ROAD, ABC TOWN

TRINIDAD & TOBAGO

Telephone: 868 665 0000/Fax: 868 665 000

Email: smittyval@gmail.com

REF: ??????

VALUATION REPORT FOR RESIDENTIAL MORTGAGE

(in compliance with the RICS Valuation - Professional Standards (Global) January 2014
and the International Valuation Standards 2013)

ON

(PROPERTY ADDRESS)

FOR

CLIENT

(APPLICANT or INTENDED USER)

MORTGAGOR

(NAME)

DATE

EXECUTIVE SUMMARY

LEGAL INTEREST	FREEHOLD	
LAND SIZE	??? m ² (???? sf)	
BUILDING SIZE	PRESENT/PRE-RENOVATION CONDITION AS IF COMPLETED	??? m ² (???? sf) ??? m ² (???? sf)
BASIS OF VALUATION	MARKET VALUE	
METHOD OF VALUATION	DIRECT SALES COMPARISON	
MARKET VALUES	PRESENT/PRE-RENOVATION CONDITION AS IF COMPLETED	\$???,000 \$???,000
MONTHLY MARKET RENTS	PRESENT/PRE-RENOVATION CONDITION AS IF COMPLETED	\$??,000 \$??,000
BUILDING INSURANCE RECOMMENDATION:	PRESENT/PRE-RENOVATION CONDITION AS IF COMPLETED	\$???,000 \$???,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.

FRONT ELEVATION	BACK ELEVATION
SIDE ELEVATION	SIDE ELEVATION/MAJOR DEFECT
KITCHEN	STREET

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

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 To Neighbourhood:	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.				

3.0	PROPERTY			
Type:	Single family house/Townhouse/Duplex/Apartment			
Legal Interest:	Freehold/Leasehold			
Title Document Registration No.:	DE???			
Restrictive Covenants:	Use as a single dwelling-house			
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 and completion of the sale.				

4.0	SITE				
A land survey was not undertaken therefore we can not determine the legal boundaries and size of the site.					
Data Source	Attached survey plan/Relevant deed.				
Location In Neighbourhood	A location plan is attached for identification purposes only.				
Frontage	15.24 metres* (50 feet)	Av. Plot Depth:	30.48 metres* (100 feet)	Size:	464.4m ² (5,000sq.ft)
Topography	Totally flat.				
Prone to Flooding	No known history/Infrequent/Frequent	Shape	Regular/Irregular.		
Boundary Enclosures					
Grounds & Landscaping					
Comment: There appears to be an encroachment because					

5.0		BUILDING						
Data Source: Inspection			Year Built/Approx. Age: 20 years					
Occupancy: Owner-occupied (state name & details if tenanted)								
Structure	Foundation	Assumed to be adequate and appropriate for this building.						
	Frame	-						
	Floor	Reinforced concrete slab finished in ceramic and porcelain tiles.						
	Walls	Rendered and decorated hollow blockwork.						
	Roof	Double-pitched steel framed covered with pre-painted metal sheets and drained by PVC guttering and down-spouting.						
	Ceilings	Gypsum.						
	Doors	Steel security doors; paneled timber; wrought iron gates.						
	Windows	Steel framed glazed casements and aluminium framed glazed sliders protected by wrought-iron burglar-proofing.						
	Staircase	-						
Accommodation		Gr	1st	2nd		Gr	1st	2nd
	Porches	2			Laundry	1		
	Living/Dining	1			Bathrooms	2		
	TV Room	1			WC's	2		
	Kitchen	1			Showers	2		
	Bedrooms	3			Wash Basins	2		
	Study	1						
	Comments: One (1) master							
Size	Basis: Gross External Area (GEA)				Source: Measurements taken			
	Main	185.8 m ² (2,000 sf)						
	Open-Sided	-						
	Total	185.8 m ² (2,000 sf)						
Features	Hardwood kitchen cupboards with granite counters and twin sink unit. Bedrooms with clothes-closets. Laundry with cupboards. Study with shelving.							
Comment:								

6.0		CONDITION						
Condition	A visual inspection of the property which was visible at the various floor levels was carried-out and not a structural survey therefore, covered, unexposed or inaccessible parts were not inspected and services were not tested.							
	Newly constructed/Newly refurbished/Normal wear and tear (Minor repairs required to be mentioned)/Deferred maintenance(Major repairs required to be mentioned)/Severe deterioration or damage (Repair uneconomic; recommending structural engineering report)							
	Grounds/Communal Amenities: Adequately maintained.							
Comment: Any offer or advance should be subject to a satisfactory report from an independent professional civil or structural engineer in respect of the cracking in the walls.								

7.0		PROPOSED WORK						
Data Source	T & CP Approved Building Plans & Quantity Surveyors Report							
Details	This include remodeling the existing building to provide additional bedroom, sitting room and bathroom comprising 1 WC, 1 shower, and 1 washbasin; renew electrical wiring; renew plumbing; replace ceilings; and complete redecoration.							
Addition Size	118.5 m ² (1,275 sf)			Total (including addition)		118.5 m ² (1,275 sf)		

8.0	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.	
A structural survey due to the cracks.	
Any offer of a loan or advance should be conditional on the production of all relevant statutory approvals.	

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9.0	SPECIAL ASSUMPTIONS
(FOR PROPOSED BUILDINGS AND WORK ONLY)	
The proposed building or work would be completed in accordance with the supplied plans and specifications; and Planning permissions and statutory requirements have been, or will be, granted for the proposed building or work.	
Comment: The market value may not be realised if the proposed building or work is not completed in accordance with the supplied plans and specifications/planning permission and statutory requirements are not granted.	

10.0	VALUATION APPROACH
We are of the 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 of comparable properties.	

11.0	VALUATION OPINION
In its present condition: ONE MILLION TT DOLLARS (TT\$1,000,000).	
As if completed: ONE MILLION AND FIVE HUNDRED THOUSAND TT DOLLARS (TT\$1,500,000).	
Comments: The property is being marketed for \$..... which was/was not relied upon as market value./The property is subject to a contracted price of \$....which was/was not relied on as market value.	

12.0	MONTHLY MARKET RENT
In its present condition unfurnished: FOUR THOUSAND TT DOLLARS (TT\$4,000).	
As if the proposed work is completed: SEVEN THOUSAND TT DOLLARS (TT\$7,000).	

13.0	BUILDING INSURANCE RECOMMENDATION
The reinstatement cost of the building new is:	
In its present condition: SIX HUNDRED THOUSAND TTDOLLARS (TT\$600,000).	
As if completed: ONE MILLION TTDOLLARS (TT\$1,000,000).	
This is a preliminary sum and an estimate from a Quantity Surveyor is strongly recommended.	

14.0	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 any conflict of interest.	
Signature:	Date of valuation report:

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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 Rent: the estimated amount for which a property would be let on the *valuation date* between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion;
3. 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
4. Reinstatement Cost: the calculation of the cost to reconstruct the building only excluding retaining walls, boundary walls and fences, swimming pools and other water features, site clearance, professional fees and VAT;
5. Valuation Date: the date on which the opinion of value applies; and
6. Date of Valuation Report: the date the valuation report is completed.

The Assumptions

1. Good and marketable title;
2. Vacant possession is available;
3. Planning permissions and statutory requirements for the existing building and its use, including any extensions or alterations have been granted;
4. No deleterious or hazardous materials have been used;
5. There are no contamination;
6. There are no unusual or onerous outgoing 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 are covered unexposed or inaccessible are in satisfactory repair and condition and an inspection of those parts which have not been inspected, or a survey inspection carried out, would not reveal material defects or cause the valuer to materially alter the valuation;
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 building/development (e.g. townhouses and apartments):
 - (a) There is a properly formed and operated management company;
 - (b) The cost of repairs and maintenance to the building and grounds are shared equitably;
 - (c) The leases of all the properties in the building/development are materially the same and there are suitable, enforceable covenants between all leaseholders;
 - (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; and
 - (e) Where the subject property forms part of a mixed residential/commercial building or 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. The basis of the size of the building is Gross External Area (GEA), which is the area of a building measured externally at each floor level;/Gross Internal Area (GIA), which is the area of a building measured to the internal face of the perimeter walls at each floor level; and
4. 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.