

**TERMS OF ENGAGEMENT FOR A VALUATION REPORT OF RESIDENTIAL PROPERTY FOR MORTGAGE PURPOSES**  
**(Institute of Surveyors of Trinidad and Tobago Version 2 – 2017-08-03)**

**Name of Firm:**

1. **The Requirement for Terms of Engagement:** Terms of Engagement are mandatory according to the RICS Valuation Professional Standards (Global) July 2017 and the International Valuation Standards 2017 (IVS);
2. **Identification and status of the valuer:** Name of the valuer responsible; Qualifications; Registered valuer status; That the firm is registered for regulation; External status; Previous involvement with the property or interested parties; Declaration of independence and objectivity: We will act 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 client and we are not aware of any conflict of interest;
3. **RICS Valuation Standards and departures from those standards:** The valuation report will be in compliance with the RICS Valuation Professional Standards (Global) July 2017 and the International Valuation Standards 2017 (IVS). Compliance with these standards may be monitored under RICS' conduct and disciplinary regulations;
4. **Matters excluded:**
  - a. Matters that are personal to the mortgagor/borrower and/or normally dealt with by mortgagee/lender, staff, attorneys or other professionals;
  - b. Matters for which the valuer has no training, equipment or required legal authority;
  - c. Matters that are (i) not supported in the mortgage finance sector, (ii) undefined or ill-defined and (iii) have no application in mortgage valuation.
  - d. In the matter of incomplete or vandalized Buildings, we will not provide a market value but can provide one as if completed;
5. **Property to be valued:**
  - a. Address: \_\_\_\_\_
  - b. Interest to be valued: \_\_\_\_\_
  - c. Tenancies: \_\_\_\_\_
  - d. Type and use of property: \_\_\_\_\_

In the case of leasehold property, the length of the lease, the date of commencement of the lease, the unexpired term lease rent and permitted use(s) will be provided once such information is available.
6. **Type of Property:** This is a dwelling-house/duplex/terrace house/apartment/townhouse.
7. **Purpose of the valuation:** To provide an opinion for mortgage purposes on the market value of the subject property as at the valuation date;
8. **Description of the valuation report:** The valuation report contents will be as specified in IVS 103. Reporting will be completed on the standardized Valuation Report of Residential Property for Mortgage Purposes; The report will not contain sales and rent comparables and the calculation of the values
9. **Lender/Mortgagee:** \_\_\_\_\_
10. **Borrower/Mortgagor:** \_\_\_\_\_
11. **Bases of Value:**
  - a. **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;
  - b. **Market Rent:** the estimated amount for which a property would be leased 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;
12. **Valuation date:** This is the date on which the opinion of value applies which will be the date of the inspection;
13. **Report date:** this is the date on which the report is issued;
14. **Assumptions:**
  - a. Good and marketable title;
  - b. Vacant possession is available unless otherwise stated in the report;

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- c. Planning permissions and statutory requirements for the existing building and its use including any extensions or alterations have been granted;
  - d. There are no deleterious or hazardous materials;
  - e. There is no contamination;
  - f. There are no unusual or onerous outgoings and restrictive covenants;
  - g. There are no encumbrances or encroachments;
  - h. 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 alter the valuation materially;
  - i. There are rights to use the roads, drains and all communal areas and facilities;
  - j. No account has been taken of any additional bid by a prospective purchaser with a special interest;
  - k. All information, data, title documents and plans provided by the client and mortgage applicant which were relied upon by the valuer are true and correct;
  - l. There are no outstanding taxes, rates or charges associated with the property;
  - m. The services and any associated controls or software are in working order or free from defect; and
  - n. Where the property is part of a building and/or development (e.g. industrial condominium):
    - i. There is a properly formed and operated management company;
    - ii. The cost of repairs and maintenance to the building and grounds are shared equitably;
    - iii. The leases of all the properties in the building/development are materially the same and there are suitable, enforceable covenants between leaseholders;
    - iv. 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;
    - v. Where the subject property forms part of a mixed development, there will be no significant changes in the existing pattern of use;
15. **Special Assumptions:** The proposed building or work would be completed in accordance with the plans and specifications supplied; and Planning permissions and statutory requirements have been, or will be granted for the proposed building or work;
16. **Highest and Best Use:** The opinion of the valuer will suffice in the absence of planning permission or an approved development plan or formal advice from the planning authorities.
17. **Currency:** The opinion of the valuer will be expressed in Trinidad and Tobago Dollars (TT\$);
18. **Extent of investigations:**
- a. A visual inspection of the parts of the property which is visible at the various floor levels will be carried-out and not a structural survey therefore, covered, unexposed or in accessible parts will not be inspected and services will not be tested;
  - b. A land survey will not be undertaken therefore we cannot determine the legal boundaries and size of the site;
  - c. A soil survey into the type and stability of the soil and an investigation into whether or not the soil is contaminated will not be undertaken;
  - d. The basis of the size of the building is the International Property Measurement Standard 1 (IPMS1 is similar to Gross External Area and is the area of a building measured externally at each floor level, and International Property Measurement Standard 3 (IPMS3 - offices is similar to Net Internal Area and is the area of a building measured to the internal face of the perimeter walls at each floor level and excludes common areas, service rooms, washrooms, etc.)
  - e. Covered and enclosed areas will be separated from covered and open sided areas. Measurements and statement of areas will be reviewed when the International Property Measurement Standards for all non-residential property has been published; and
  - f. No investigation will be undertaken with the land registry, regional corporations, public utilities, town planning department or any other government body in preparation of this report;
19. **Condition:** Condition will be expressed in one of five standard categories:
- a. At the date of inspection, 20xx/xx/xx, the property appeared to be in a poor/fair/good structural and decorative repair; it was new, recently constructed, never occupied, no physical deterioration, requires no repairs.
  - b. At the date of inspection, 20xx/xx/xx, the property appeared to be in a poor/fair/good structural and decorative repair; it was recently refurbished and updated, no physical deterioration, requires no repairs.

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- c. At the date of inspection, 20xx/xx/xx, the property appeared to be in a poor/fair/good structural and decorative repair; it was well maintained with limited physical deterioration due to normal wear and tear. Requires minor repairs that are.....
  - d. At the date of inspection, 20xx/xx/xx, the property appeared to be in a poor/fair/good structural and decorative repair; it was poorly maintained with obvious deferred maintenance and physical deterioration. Nevertheless still livable. Requires significant repairs and rehabilitation that are.....
  - e. At the date of inspection, 20xx/xx/xx, the property appeared to be in a poor/fair/good structural and decorative repair; it exhibited severe defects and/or damage to major components that affect occupier safety, soundness and structural integrity. Not livable. Requires professional engineer's structural survey;
20. **Sources of information:** We require a copy of the Title document, leases, Building Plans, Statutory Approvals, Cadastral Plan. We shall assume that all the documents and information provided and relied upon are true and correct;
  21. **Restriction on use:**
    - a. The valuation report shall only be used for mortgage purposes;
    - b. The valuation report will be provided for your benefit alone and solely for the purposes of the instruction to which it relates.
    - c. The valuation report, which will be prepared in accordance with these terms of engagement, is not a Court document and is not to be used in any Court proceedings. On acceptance of these terms of engagement, the parties have accepted that no representative of this firm will give testimony or appear in Court by reason of having prepared a valuation of the property;
  22. **Restriction on publication:** The whole or part of the report or any reference to it shall not be included in any published document, circular or statement, nor published in any way without the prior written approval from the valuation firm of the form and context in which it may appear;
  23. **Third Party Liability:** Our valuation may not 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 party is deemed to have accepted the terms of our engagement.
  24. **Confidentiality:** The valuation report will be confidential to the client and it or any part thereof may not be disclosed or included in any published document or statement without our previous written permission.
  25. **Excluded localities:** Valuation assignments will not be undertaken in dangerous and/or remote localities; a list of excluded localities will be provided upon request;
  26. **Data:** Data derived from the valuation assignment will be used by the valuer in his professional work and shared on a confidential basis with other valuation professionals but not given to other parties.
  27. **Insurance Recommendation:** Only where it is a very simple structure, will we recommend a replacement cost new of the building. This is a preliminary sum and an estimate from a Quantity Surveyor is strongly recommended. Replacement cost is the calculation of the cost to reconstruct the building excluding retaining walls, boundary walls and fences, hardstandings, Professional Fees, Site Clearance and VAT;
  28. **Access:** We require the name, telephone number and email address (if available) of the person who would provide access. The valuer requires access into all the parts of the property;
  29. **Delivery:** Once all documents, requirements and access are provided delivery would be within 5/7/10/15/20 working days depending on the type of property and the location.
  30. **Fees:** The fees for a valuation would be at a rate of % of the market value plus VAT. Subject to a minimum fee of \$? plus VAT; fees are due within 30 working days from the date that the client is notified of the completion of the report; payments made after this deadline are subject to interest of 1% per day.
  31. **Terms of business:** Settlement is due within 5 days of notification of completion of the report thereafter interest at a rate of 2% per month will be charged on the outstanding balance. Values will not be disclosed nor reports delivered until settlement of our fees. A full refund is only applicable where no work has been undertaken. In event of termination of our engagement prior to the completion of the valuation but after the execution of this Agreement the deposit or part thereof is forfeitable at the discretion of the firm as being reasonable compensation for work done as at that date;
  32. **Amendment:** This Agreement may be amended only by an instrument in writing signed by duly authorized representatives of each party;
  33. **Invalidity of any provision:** If any of the provisions of this Agreement is or becomes invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired. The parties shall nevertheless negotiate in good faith in order to agree

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to the terms of a mutually satisfactory provision, achieving as nearly as possible the same commercial effect, to be substituted for the provision so found to be void or unenforceable;

34. **Liability:** Any liability on the part of the Company for breach of any provisions of this Agreement giving rise to liability or forming any cause of action whatsoever shall be limited to the Client's actual direct, provable damages in an amount not to exceed the total amount paid to the Company in the respect of Fees. The Client agrees that in no event will the Company be liable for damages in respect of incidental, punitive, exemplary, indirect, special or consequential damages, including but not limited to loss of business or revenue, lost profits, failure to realize expected savings, or loss of business opportunity. The Client further agrees that in no event will the Company's directors, officers, or employees, be liable for any damages arising out of or related to this Agreement. The Clients have confirmed that they have sought their own legal advice as regards this provision and they are satisfied that this provision is fair and reasonable.
35. **Complaints Handling Procedure** (CHP) - In the event of a dispute arising out of or related to this Agreement the Client must complete and submit the Complaints Form, a copy of which is attached or complete the Form.
- a. The Complaint's Review Period' -
  - b. If the issue is not resolved via the Complaints Review Period either of the parties to this Agreement shall submit the dispute to non-binding mediation using the services provided by the Trinidad & Tobago Dispute Resolution Centre ('the DRC') and shall make a good -faith effort to resolve the dispute through the mediation process in accordance with the rules of the DRC. Each party shall bear its own costs in respect of the mediation.
  - c. In the event the parties are unable to resolve their dispute through mediation after 14 days from the reference to mediation or such further period as the parties may mutually agree in writing, such dispute shall be settled exclusively and finally by binding arbitrator to be jointly appointed by the parties.
  - d. In the event either Party fails to agree to the appointment of an arbitrator such arbitrator shall be appointed, upon application by the interested party, by the DRC.
  - e. The award of the arbitrator shall be final and shall not be subject to any appeal or challenge whatsoever. The arbitrator will not be required to file his award with anybody or authority whatsoever. In the event arbitration proceedings are initiated under this arbitrator clause, pending such proceedings and until a final award is rendered pursuant thereto, any subsequent controversy arising between the Parties shall be exclusively submitted for final decision by the arbitrator in the arbitrator proceedings already pending.
  - f. The arbitration proceedings shall be conducted in accordance with the Arbitration Act Chapter 5:01 of the Laws of Trinidad and Tobago or any statutory modification thereof.

We accept these terms of engagement as an accurate summary of the instructions to provide a valuation.

Signed..... (Firm)

Signed..... (Borrower/Lender)

Dated.....

Dated.....

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**COMPLAINTS FORM**

Valuation Report Reference Number: \_\_\_\_\_

Address of Property that was valued: \_\_\_\_\_

Personal Information:

Name: \_\_\_\_\_

Contact Number: \_\_\_\_\_

Email address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Status of individual submitting complaint:

<input type="checkbox"/>	Client
<input type="checkbox"/>	Vendor
<input type="checkbox"/>	Owner

<input type="checkbox"/>	Bank/lending institution
<input type="checkbox"/>	Purchaser
<input type="checkbox"/>	Other:

Nature of Complaint:

<input type="checkbox"/>	Issue with valuation report
<input type="checkbox"/>	Issue with value
<input type="checkbox"/>	Fees

<input type="checkbox"/>	Customer Service
<input type="checkbox"/>	Delivery/delay
<input type="checkbox"/>	Other:

Please provide details of your complaint, you may attach a letter or supplementary sheet if necessary. (N.B. Complaints concerning the opinion of value must be supported with transaction evidence such as recent sales or rentals)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

In submitting this complaint, I understand and accept that the matter will be handled in accordance with Section 35 - Complaints Handling Procedure (CHP) of the Terms of Engagement under which the valuation exercise was conducted.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date (DD.MM.YY)