

Appendix I

Definitions of Inspections and Surveys of Buildings (CIC Explanatory Leaflet)

Introduction

Professionals carry out many different types of inspections, each for a particular reason and each resulting in a report with specific information produced for a particular purpose. The professional undertaking any of the services described in this leaflet should be suitably qualified, and may be a member of one or more professional bodies. The professional undertaking any particular service must ensure the client is clear as to which type of inspection is required, and must work to the agreed brief. It is in the interests of both the professional undertaking the service and the client that the conditions of engagement, incorporating a definition of the brief and the extent of the inspection to be undertaken, are agreed in writing at the outset.

This document has been prepared by organisations representing the various professionals whose work includes inspecting existing buildings or those in the course of construction. It is intended to define clearly the various types of inspection normally undertaken, with a view to avoiding different interpretations between the professionals involved and their clients.

The term 'structural survey' has come into common use to describe a survey which covers all visible and accessible parts of a building, including those which are not part of the structure, such as the roof covering, windows and drains. The term should be avoided since misunderstandings with clients have arisen when, for example, a 'structural survey' has concentrated on the structure alone. Similarly, some clients have been confused when a 'structural survey' report has included a recommendation to commission a 'structural investigation'.

In view of this the CIC and the contributing organisations have agreed to urge their members not to use the term 'structural survey' to describe any of the services defined in this leaflet.

When a structural engineer is engaged to investigate the structure of a building, it is recommended that the work should not be referred to as a 'structural survey'; the terms 'inspection', 'appraisal', 'investigation' or 'assessment' are more appropriate.

(1) Valuation

The primary purpose of a valuation is to provide an opinion of the price a property might achieve if it were sold, or of the rent if it were let. Whilst other types of survey and inspection focus on condition, constructional issues and associated remedies, a valuation inspection normally precedes a valuation, which advises on the value of a legal interest in property.

Valuations may be undertaken for a variety of reasons and the following issues need to be understood and agreed between the parties before the valuation is carried out:

- The purpose and date for which the valuation will be required.
- The interest to be valued.
- The assumptions upon which the valuation will be made.

The extent of the inspection will usually be defined by reference to guidance published by the body to which the professional belongs. The valuation inspection will take account of relevant factors affecting condition, location and aspects of construction that are readily observable on a walk-round inspection.

It will not be usual for the professional to be under any contractual duty to advise in detail as to defects or as to their remedy, neither will he or she be obliged to uncover, open-up or investigate individual features of a property.

A valuation should not be interpreted as, or used in substitution for, a survey report. Generally, the scope of a valuation inspection, and any measurements taken, will be confined to what is necessary to establish aspects or factors material to value.

In some cases the person undertaking the valuation may need more detailed advice on condition before completing the valuation.

(2) Property purchase survey and valuation

A property purchase survey and valuation will advise on value as well as giving factual information on significant aspects of the condition of the property, usually a home, to the prospective purchaser.

The survey will be carried out under conditions (or terms) of engagement agreed with the professional undertaking the work. For straightforward properties where the client requires no out-of-the-ordinary advice, the report may be in a standard format and under the relevant standard conditions of engagement, such as those produced by the organisation of which the professional undertaking the work is a member.

Minor items of disrepair that do not materially affect the value will not normally be reported. Whether services will be tested or not will be agreed between the parties beforehand. Whilst a property survey and valuation may be undertaken

for the prospective purchaser or lessee of a commercial property, it may be more appropriate for a valuation (see (1)) together with a building survey (see (3)) to be carried out in respect of larger, older or non-standard buildings, or buildings of a commercial or industrial nature. Prospective lessees may often need to arrange for the preparation of a schedule of condition (see (8)) before the commencement of the lease.

(3) Building survey

A building survey is an investigation and assessment of the construction and condition of a building and will not normally include advice on value. A member of any of the contributing organisations who has appropriate experience may carry this out. The survey will generally include the structure, fabric, finishes and grounds. The exposure and testing of services are not usually covered.

The extent of the survey will be subject to specific agreement between the professional and the client and advice on costs of repair will be subject to such agreement. The report will include reference to visible defects, and guidance as appropriate on maintenance and remedial measures.

The report may recommend that elemental or specialist investigations (see (4)) are undertaken or other specialist advice obtained relating to specific issues.

(4) Elemental or specialist investigation

An elemental or specialist investigation will be carried out when concern exists over specific parts of, or defects in, a property. Examples of this specialist work are the detailed study of movement, cracking, bulging, timber decay or the testing of building services such as wiring, heating, drainage, etc.

The scope of this type of investigation will be specific to each individual job and, if necessary, the brief may be altered as findings on site dictate.

(5) Investigation prior to alteration

An investigation prior to alteration will sometimes be required when alteration work is to be undertaken on a building. Subject to the necessary authority, it may involve opening up, measuring, calculations to check the adequacy of structural and service elements and detailed tests.

This investigation can be more detailed than the building survey referred to earlier (see (3)) and is likely to involve the services of a number of specialists. The scope of this type of survey will be specific to each individual job and, if necessary, the brief may be altered as findings on site dictate.

(6) Reinstatement cost assessment for insurance

A reinstatement cost assessment for insurance will advise on the anticipated cost of reconstructing a building in the event of damage by an insured risk and will have no direct relationship to the market value of the property. Usually a Reinstatement Cost Assessment will be made by reference to figures published by the Royal Institution of Chartered Surveyors/Building Cost Information Service (RICS/BCIS).

When this is not appropriate, for example in the case of a listed or non-standard building, it may only be possible to assess reconstruction costs by the preparation of approximate building quantities and costing them. In such instances the method of assessment is to be agreed in writing by the parties beforehand.

(7) Stock condition survey

A stock condition survey will be commissioned to assess the state of repair or condition of an organisation's current building stock in connection with the preparation of a maintenance programme. The results of stock condition surveys will often be stored on a database.

(8) Schedule of condition

A schedule of condition will record the condition of the building at that particular time and may be supported by photographs, sketches and drawings. It may be prepared at the beginning of a lease or prior to commencement of adjacent construction work or in connection with litigation.

(9) Schedule of dilapidations

A schedule of dilapidations will identify the wants of repair of tenanted premises in relation to the repairing obligations under the terms of the lease. It may be prepared for service on the landlord or tenant, depending on their respective lease obligations.

(10) Measured survey

A measured survey, sometimes referred to as a *dimensional survey*, will involve taking measurements of a building and/or its site in order to prepare accurate drawings to scale. Such a survey may include taking levels. The purpose for which the drawings will be required, their scale, detail and acceptable tolerances, need to be agreed between the parties beforehand.

(11) Inspection of buildings under construction

Inspections of buildings under construction are required for a variety of purposes, including statutory requirements, which will dictate the frequency and scope of inspection and the reporting format, and these must be agreed between the professional and the client.