



MERIT ESTATES

MERIT ESTATES (YORKSHIRE) LTD Level 3 Residential Survey Terms of Engagement

A. Confirmation of appointment

This is to confirm that this firm (referred to as 'we' and 'us' from here on) has been appointed by the Client (referred to as 'you' from here on) to set out brief details of instructions, nature and intended use of property, and client objectives. This document covers our terms of business upon which we shall deliver the service to you.

B. The service

Merit Estates shall provide the **Level 3 Residential Survey** service, which is regulated by RICS for the provision of surveying services. This means we agree to uphold the RICS Rules of Conduct and all other applicable mandatory professional practice requirements of RICS, which can be found at www.rics.org. As an RICS regulated firm we have committed to cooperating with RICS in ensuring compliance with its standards. The firm's nominated RICS Responsible Principal is Will Parker, Managing Director, e: will@merit-estates.co.uk m: 07863 209382. This is for a **Level 3** only.

Residential Survey (Level 3 Survey) –

This level of service is for clients who are seeking a professional opinion based on a detailed assessment of the property.

The service consists of a detailed visual inspection of the building, its services and the grounds and is more extensive than a level two. Concealed areas normally opened or used by the occupiers are inspected if it is safe to do so (typical examples include roof spaces, basements and cellars). Although the services are not tested, they are observed in normal operation – in other words, they are switched on or off and/or operated where the occupier has given permission and it is safe to do so.

The report objectively describes the form of construction and materials used for different parts of the property. It describes the condition and provides an assessment of the relative importance of the defects/problems. Additionally, it should:

- describe the identifiable risk of potential or hidden defects in areas not inspected
- propose the most probable cause(s) of the defects based on the inspection
- outline the likely scope of any appropriate remedial work and explain the likely consequences of non-repair
- make general recommendations in respect of the priority and likely timescale for necessary work and,
- only where the Surveyor is able to so, an indication given of likely costs. In times of labour and material price volatility, this may not be possible.

Where an RICS member feels unable to reach the necessary conclusions with reasonable confidence, they should refer the matter for further investigations. However, at survey level three such referrals should be the exception rather than the rule. A survey level three report should aim to provide the client with all the information they need to make a decision.

This level of service will suit any domestic residential property in any condition depending on the competence and experience of the RICS member.

Benchmarking the Levels of Inspection:

• Windows

- (Level 2 survey): We will attempt to open a sample of the windows. For example, this might include one on each side of the dwelling and one of each type of window where there is a variety.



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- (Level 3 survey): Attempt to open all windows where possible.
- **Floors**
 - (Level 1 survey): We will closely inspect the surfaces of exposed floors but will not lift carpets, floor coverings or floorboards. We will not lift hatches or look below the floor.
 - (Level 2 survey): In addition to that described for Level 1, where floors have unfixed access hatches/panels or floorboards, we will inspect subfloor areas by an inverted 'head and shoulders' inspection where appropriate and safe to do so. We will not enter the subfloor area.
 - (Level 3 survey): The RICS member will inspect the surfaces of exposed floors and will lift the corners of any loose and unfitted carpets or other floor coverings where practicable. The RICS member will assess all floors for excessive deflection by a 'heel-drop' test. For a more complete assessment, the magnitude of any identified deflection/slope should be measured. Where the subfloor is inspected, an inverted 'head and shoulders' inspection will be carried out at the access point (either physically or using mirrors, cameras and the like). If it is safe to do so, the RICS member will enter the under-floor area to carry out a more thorough inspection.
- **Grounds**
 - (Level 2 survey): We will visually inspect the garden/grounds during a general walk around and, where necessary and appropriate, from adjoining public property.
 - (Level 3 survey): As in level two, the RICS member should perform a comprehensive inspection of the grounds, noting any limitations. Specific defective features and other matters associated with the grounds can be costly to resolve and may affect the client's decision. Consequently, the RICS member should fully account for these during a level three service and be prepared to follow the trail of suspected problems to a greater extent than at levels one and two. Examples include assessing retaining walls in danger of collapsing, deeply sunken paths or driveways, and dilapidated boundary walls or fences, as well as the legal and insurance implications.
- **Roof**
 - (Level 1 survey): The RICS member will not remove secured access panels and/or lift insulation material, stored goods or other contents. The RICS member will visually inspect the parts of the roof structure and other features that can be seen from the access hatch.
 - (Level 2 survey): In addition to that described for level one, the RICS member will enter the roof space and visually inspect the roof structure with attention paid to those parts vulnerable to deterioration and damage.
 - (Level 3 survey): The RICS member will enter the roof space and visually inspect the roof structure, with attention paid to those parts vulnerable to deterioration and damage. Although thermal insulation is not moved, small corners should be lifted so its thickness and type, and the nature of the underlying ceiling can be identified (if the RICS member considers it safe to do so). Where permission has been granted and it is safe, a small number of lightweight possessions should be repositioned so a more thorough inspection can take place.
- **Inspection Chambers and Underground Drainage**
 - (Level 1 survey): The RICS member will not lift inspection chamber covers to drains or septic tanks.
 - (Level 2 Survey): The RICS member will lift accessible inspection chamber covers to drains or septic tanks (where it is safe to do so and without causing damage) and visually inspect the chamber(s).
 - (Level 3 survey): The RICS member will lift accessible inspection chamber covers to drains and septic tanks (where it is safe to do so and without causing damage) and observe the normal operation of the drains in everyday use. This will be restricted where properties are empty and drained down.
 - Where the RICS member considers it appropriate, and where practical, to the assessment of the system, 'everyday use' will usually include turning on water taps to sanitary ware and flushing toilets so the



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performance of visible drainage pipework can be observed and the nature of the below-ground connections identified.

• Other Services

- (Level 1 survey): The RICS member will visually inspect an identified sample of the parts of the different service systems that can be seen.
- (Level 2 survey): The RICS member will visually inspect all parts of the different service systems that can be seen within the normal course of the inspection.
- (Level 3 Survey): In addition to those actions described under 'Inspection chambers and underground drains', the RICS member will observe the normal operation of the services in everyday use (where it is safe to do so and without causing damage) including operating an identified sample of lights and extractor fans and asking the occupier to operate the heating.

C. The surveyor

The service will be provided by an AssocRICS, MRICS or FRICS member of the Royal Institution of Chartered Surveyors (RICS) who has the skills, knowledge and experience to survey and report on the property. They may be accompanied by a Graduate/Trainee Surveyor.

Where the surveyor is also providing a valuation of the property, they have the skills, knowledge and experience to provide such a valuation and are a member of the RICS Valuer Registration Scheme.

D. The inspection

Before the inspection, you should tell us if there is already an agreed or proposed price for the property, and if you have any particular concerns about the property (such as a crack noted above the bathroom window or any plans for extension).

E. The report

We will provide a property-specific report for the service in accordance with the current edition of the Home Survey Standard RICS Professional Statement. The nature and content of the report will vary between the different levels of service. The report will include images of main areas and specific defects.

F. Exclusions

The service does not include identifying defects, remedy or cost of repair for defects where it is not possible to identify them visually on the inspection, nor will it report on likely end values after improvements. Where areas are of concern, further investigation by invasive measures or specialist equipment will be recommended. E.g. wall tie survey, CCTV drain survey, thermographic surveys.

F a) LIMITATIONS AND SCOPE OF REPORT:

The RICS Level 3 Survey is an invasive survey (only where it is safe to do so and with the expressed consent of the vendor to lift floor coverings and move personal belongings to gain access to enclosed areas or voids. The survey does not cover assessment of wall cavities or any other areas that require drilling or removal of plaster or render.) that can only comment upon accessible elements of the property. The main focus of the survey is on the structure, damp, roofing and main services. Comments cannot be made on all concealed or inaccessible areas of the property, including but not limited to pipework, conduits, sewers and drains. The Surveyor will endeavour to comment on any items that are of concern, but Merit Estates will not be liable for any areas of the property that are concealed or inaccessible. The survey requires the surveyor to lift some carpets, move furniture or any personal possessions obstructing view where safe to do so and only when permitted by the vendor. Merit Estates cannot be held liable for any areas that the vendor has hidden or restricted access to, nor can Merit Estates be held liable for any false statements provided by vendors/agents during the survey. The Surveyor is required to test all doors and windows where able to do so. The surveyor may inspect drains, test services or appliances, but may comment on any obvious defects or issues that can be seen through visual external inspection where it is safe to do so. If the surveyor identifies potential defects or risks that require more specialist assessment, then a recommendation will be provided within the report. The RICS Level 3 survey is not intended to be used as an



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exhaustive schedule of works for minor repairs (or snagging report), but as an overall survey to gather the professional opinion of the surveyor as to whether the purchase is considered acceptable or not. Comment will not be given on decorative items or items of very minor significance.

The result of the survey will be a general recommendation whether you are advised to proceed, not proceed or to proceed subject to further surveys or a re-negotiation of price (where an opinion of value is instructed). If you have instructed Merit Estates to include a valuation within the report, the valuation is the professional opinion of the surveyor on the date of the survey and it cannot be used for borrowing purposes or tax purposes.

G. Charges and terms of payment

Once the survey has been carried out, we will aim to complete the report within 10 working days. We will submit our invoice on or before the day of the survey by email to the email address you have provided. Once the report is completed and your payment is confirmed, we will email a pdf copy of the report to the same email address. Paper copies of reports and invoices can be supplied at no extra charge upon request.

The invoice payment details are provided at the bottom of the invoice. However, we have no facilities to accept card payments. Any invoices settled by cheque will incur a delay in the delivery of our services whilst the cheque is banked and cleared. We strongly encourage clients to pay by online transfer.

Any fees taken in advance of the service are not client money and not subject to the RICS Client Money Protection Scheme.

H. Complaints handling procedure

If there is any aspect of our service with which you are not happy (including complaints about our bills), please contact our complaints handling partner, Will Parker MRICS. A copy of our Complaints Handling Procedure has been supplied to you separately, which can also be found on the Contact Us page of www.merit-estates.co.uk.

I. Retention of documents

We will retain all files and documents for a reasonable period, which will in any event be not less than 6 years after completion or termination of the service(s). These will be securely stored and available for future inspection, if required, for up to a maximum of 15 years.

J. Audit of files

As an RICS regulated firm, external organisations may conduct audit or quality assurance reviews on our practice. Your file may be subject to monitoring and review, and we will need to provide this to RICS on request in accordance with RICS Rules of Conduct for Members and/or RICS Rules of Conduct for Firms.

K. Referral fees

We are duty bound under our regulations to inform you that we have not received any referral fees through your instruction, nor have any been granted.

L. Execution or acceptance of the terms

To proceed, **please complete and return the attached APPENDIX FORM by email or post. YOUR SURVEY WILL NOT BE BOOKED IN WITHOUT RECEIPT OF THE ATTACHED APPENDIX AND ID DOCUMENTS. PHOTOGRAPHS ON SMART PHONES OF THE APPENDIX ARE ACCEPTED BY EMAIL OR SCANNED PDFs.**

As an RICS regulated company, we are obliged to verify the identity of all of our clients. **To confirm this instruction, please send by email a copy of your passport or driving licence and a recent utility bill.**

We can confirm that we have conducted internal checks within our company to ensure that there are no conflicts of interest with delivery of this service. If such a conflict arises in the future, you will be informed immediately and given the opportunity to withdraw your instruction.



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M. Cancellation

You should seek advice on your obligations under The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 ('the Regulations') and/or the Consumer Rights Act 2015 in accordance with section 2.6 of the current edition of the Home survey standard RICS professional statement. In particular, once we have provided you with our report, you will lose your right to cancel during the 14-day 'cooling off' period provided by the Regulations.

You will not be entitled to a refund if you cancel our instruction after the survey has taken place. The invoice for the survey will be payable in full, including any interests or other charges owed. You may cancel/postpone the survey up to 3pm the day before the survey is scheduled without charge, after which you are liable for the full invoice.

N. Liability, Third Party Reliance and Governing Law

None of our employees, partners or consultants individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring any claim against any such individuals personally in connection with our services.

If you suffer loss as a result of our breach of contract or negligence, our liability shall be limited to a just and equitable proportion of your loss having regard to the extent of responsibility of any other party. Our liability shall not increase by reason of a shortfall in recovery from any other party, whether that shortfall arises from an agreement between you and them, your difficulty in enforcement, or any other cause.

Where applicable, 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.

Our contract with you for the provision of this valuation is subject to English law. Any dispute in relation to this contract, or any aspect of the valuation, shall be subject to the exclusive jurisdiction of the Courts of England and Wales, and shall be determined by the application of English law, regardless of who initiates proceedings in relation to the valuation.

O. Client liaison and additional service.

You are entitled to one free follow up call with the surveyor to clarify any points in the report. If you require further services with regards to re-inspections, boundary verification, etc. this will be provided under separate terms of engagement and further charges based on a time charge of £150 per hour plus VAT.

Please use the contact details in the report to liaise directly with your appointed surveyor.

P. Insurance and Liability Cap

Merit Estates (Yorkshire) Ltd carries £2,000,000 public liability and professional indemnity insurance. For this service, a **Liability Cap** is in place to limit the liability to the smaller of the following:

1. The true procured cost of repairing the defect that should have been identified by a reasonably competent surveyor under the requirements of a Level 3 Survey only. There is no liability for any defect that is hidden, obscured or does not form part of a Level 3 survey.
2. The diminution in value of the property directly stemming from a defect not being identified by a reasonably competent surveyor under the requirements of a Level 3 Survey only. There is no liability for any defect that is hidden, obscured or does not form part of a Level 3 survey.

The Liability Cap excludes the Client from making any claims against the Company for their own time, disturbance, financial loss related to investigating or consequence of a defect, or stress.



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Q. Health and Safety

RICS Surveyors may only inspect aspects of properties that are safe to do so. This limits ladder inspections to 3m and restricts certain small spaces and loft voids. During an COVID-19 or other pandemics, the surveyor may be restricted as to exactly what can be surveyed. The surveyor will detail any such limitations in the report.

R. Money Laundering Regulations

Our obligations in relation to The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (“the Money Laundering Regulations”) require Us to see evidence of identity and proof of address. We are not required to see a proof of source of funds. Copies of ID must be sent with the Appendix to confirm instruction. In most cases, your solicitor can provide copies of the ID that you have sent to them to confirm their appointment.

S. Data protection

Any personal or sensitive material will be deleted from our systems immediately whilst all correspondence data and material will be retained for the purposes of adhering to RICS regulation. Your contact details will not be provided to any third party without your prior written consent. You will not be added to any mailing lists unless you specifically request this. Clients are welcome to sign up to our quarterly newsletter via the form on www.merit-estates.co.uk. Our company privacy policy can also be found at this web address.

T. Confidentiality

Your report remains confidential to you and may not be shared by the Company to any third party without your written consent, other than for RICS audit purposes.

IN E-SIGNING THESE TERMS, YOU ARE CONFIRMING THE FOLLOWING:

Client acceptance of terms of engagement :

- I have read, understand and accept the service, the terms set out above and the conditions below.
- I authorise Merit Estates (Yorkshire) Ltd to immediately commence work on the report, and I accept that once the report has been provided to me I will lose my right to cancel during the 14-day ‘cooling off’ period (as provided by The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013).
- I accept that if I exercise my right to cancel after Merit Estates (Yorkshire) Ltd has commenced work on the report, but before the report has been completed, I am not entitled to a partial reduction or refund. I understand that no refund would be payable if the cancellation is received after 3pm on the day preceding the appointment to inspect (as provided by The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013).
- I authorise Merit Estates (Yorkshire) Ltd to process my personal data in accordance with these terms and its privacy policy.
- I have provided a copy of my true proof of identity and current address.



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