



# RICS Help to Buy Valuation

## What is a Help to Buy Valuation?

Help to Buy was a government scheme to assist first-time buyers to purchase a property with just a 5% deposit. You could borrow 20% of the purchase price (40% in London) interest-free for five years - the scheme was open until 31 October 2022.

If you purchased a home using this scheme, when you come to sell the property or repay the government loan you will need to get an independent valuation. The reason for this is that the amount needing to be repaid depends on the value of the property at that point in time.

## Help to Buy redemption options

**Full redemption:** if you decide to sell your property, you will have to pay back all of your Help to Buy loan.

The amount that needs to be repaid depends on the value of the property at that moment in time (as determined through a RICS Help to Buy Valuation), or the agreed sale price (whichever is higher).

**Staircasing:** If you decide to partially repay your loan without selling the property so that you can increase the share that you own, you will also need a RICS Help to Buy Valuation.

## What does the valuation include?

- ✓ a surveyor who is local to the area will come and inspect your property
- ✓ they will prepare an overview of the property including its construction, location and accommodation
- ✓ this will include details of the property's condition and they will take photographs to support their findings
- ✓ to help with the valuation they will find three comparable properties nearby that have been sold in the past 12 months
- ✓ the surveyor will then prepare a valuation report of the property which will include a details of their findings.



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**Get in touch**

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## Help to Buy surveyors must use strict valuation criteria

In order to be a Help to Buy Surveyor, they must meet all of the Help to Buy Valuation criteria:

- ✓ they must be a RICS Certified Help to Buy Surveyor and Valuer
- ✓ valuations are carried out in accordance with RICS Valuation Red Book Standards
- ✓ they must be completely independent from any estate agency
- ✓ reports will be dated with the inspection date and will be supplied on headed paper. It will be signed by a member of RICS and addressed to *Homes England* (The Government approved body)
- ✓ they will provide at least three comparable sales (matching property type, size, and age and within a two mile radius of the property in question)
- ✓ they will carry out a full conflict of interest check upon inspection
- ✓ they will inspect the interior and exterior of the building and provide a full report.

## How long are Help to Buy Valuations valid?

In accordance with government requirements, Help to Buy Valuations are valid for three months.

If the valuation report expires before you repay your equity loan, you'll need a desktop valuation which will extend the original valuation by three months. The report must be made within two weeks of the expiry date of the original valuation report and completed, signed and dated by the same RICS surveyor.

If the two week expiry date is missed, a new valuation will be required.

## Understanding your Help to Buy Valuation report

The report is made up of several pages.

- ✓ The first page will provide an overview of the property, detailing information regarding its location, size and tenure. It will tell you when the property was built and whether or not it is of standard-construction. If there is any data on any previous sales this will also be included here.
- ✓ You will next see a list of the three comparables that were used to help determine your home's market value. Comparables are similar properties nearby. These are assessed against your property for things like location, condition size and fittings. This will help the surveyor decide whether the comparables have a higher, lower or similar value to your property.
- ✓ The end of the report will have the surveyor's assessment of the current housing market in your area. They will advise whether it is rising, static or falling.
- ✓ Finally you will find the estimated market value, along with any pertinent notes and evidence on how that value was determined.

