

# RICS Framework: valuation report

The headings contained in this framework for a report are based directly upon the list of **mandatory** required content set out in **VPS 6 para 2.1**, and the commentary which follows in *RICS Valuation – Global Standards* effective from 31 January 2025. The report contains much of the material agreed in the terms of engagement which affords the opportunity to copy and paste this material thus eliminating repetition, ambiguity, contradiction and omission.

*[Please note: The further guidance denoted in italics [and square brackets] are for information purposes only and are not intended to be included in the content of any document prepared using this framework.]*

## **[DISCLAIMER**

*These documents are intended as a general framework only to assist suitably qualified valuation practitioners to comply with the requirement for minimum content of terms of engagement and valuation reports specified in **VPS 1** and **VPS 6** of the current RICS Valuation – Global Standards. RICS makes no representation as to their suitability to any particular situation or set of circumstances. The practitioner shall need to exercise their own skill and judgment to form a view as to their suitability to a given situation and will need to tailor them as they see fit in each case. Please note that the documents have been designed as a single suite and are intended for use in conjunction with each other and as such we recommend that care is taken to ensure that the individual documents remain consistent with each other. In particular, it is recommended that special care is taken to ensure statements describing the scope and depth of inspection and investigations and the attendant valuation assumptions referred to within the terms of engagement are consistent with corresponding statements made within the valuation report itself.]*

*[Framework overleaf;- ]*

# Valuation Report

## Name of the Firm

|                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| Identification and status of the responsible valuer       | <p>The valuation will be the responsibility of <b>Name and qualifications:</b></p> <p><b>Registered valuer status:</b></p> <p><b>Experience and expertise:</b></p> <p><b>Internal / external status:</b> <i>[if applicable]</i></p> <p><b>Rotation policy:</b> <i>[if applicable]</i></p> <p><b>Previous involvement with the property or parties to the case:</b></p> <p><b>Declaration of independence, objectivity and competency:</b></p> |
| Identification of the client and any other intended users | <p><b>The valuation has been carried out for</b> <i>[Full name]</i></p> <p><b>Full Address:</b></p> <p><b>Postcode:</b></p> <p><i>[Make sure you also declare if there are any other parties who have the right to use the report]</i></p>                                                                                                                                                                                                    |
| Purpose of the valuation                                  | <p><b>This valuation has been carried out for the purpose of</b> <i>[State the precise end use of the valuation i.e. what the client is going to do with the valuation e.g. for first mortgage purposes/for the assessment of Inheritance Tax etc]</i></p>                                                                                                                                                                                    |
| Identification of the asset(s) or liability(ies) valued   | <p><i>[Note that this is not always a property.]</i></p> <p><b>Address of the property:</b></p> <p><b>Interest to be valued:</b></p> <p><b>Tenancies, if any:</b></p> <p><b>Location:</b></p> <p><b>Description:</b></p> <p><b>Accommodation:</b> <i>[with Floor areas/Site areas as applicable]</i></p>                                                                                                                                      |
| Basis(es) of value adopted                                | <p><i>[Delete as appropriate. Market Value and Market Rent are included here for ease of reference. If another basis of value is to be used it should be stated with its current IVS definition taken from <b>Red Book VPS 2]</b></i></p> <p>The following definitions of Basis of Value will be used. They are derived from the <i>International Valuation Standards [or UK Legislation where applicable only]</i>.</p>                      |

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|                         | <p><b>Market Value</b></p> <p><i>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.'</i></p> <p><b>Market Rent</b></p> <p><i>The estimated amount for which an interest in real property should 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.'</i></p> <p><b>Statutory definition of Market Value (Capital Gains Tax, Inheritance Tax and Stamp Duty Land Tax)</b></p> <p>Summary definition derived from legislation, for example: <i>'The price which the property might reasonably be expected to fetch if sold in the open market at that time, but that price shall not be assumed to be reduced on the grounds that the whole property is to be placed on the market at one and the same time.'</i></p> <p><i>(Source [as applicable]: section 272 Taxation and Chargeable Gains Act 1992 [OR] Section 160 Inheritance Tax Act 1984 [OR] Section 118 Finance Act 2003).</i></p> <p><i>[Where applicable] Our assumptions of what are 'appropriate lease terms' for this property have been set out in our report.</i></p> |
| Valuation date          | <i>[You must choose a specific date. This can be defined as 'date of report' or 'date of inspection' if that is what has been agreed. If so, the Date of Inspection must be declared in the report. Some purposes will require a specific date e.g. date of death or a financial year end. Three dates should be included for clarity: Date of Inspection, Date of Valuation and Date of Report.]</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Extent of investigation | <i>[As far as possible you should copy and paste what was agreed in the agreed terms of engagement so that there is no ambiguity or contradiction between the 2 documents. Having repeated what you said you should then state what was actually done and what your findings were. You should then either re-state your assumption if appropriate or re-define your assumption in the light of your findings. Once again we make clear that the Firm/Valuer must take responsibility for providing statements which reflect the nature of the specific property, the purpose of the valuation and their own professional judgement.]</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

**Date of Inspection:**

**Extent of Inspection:** *[including reference to any part of the property to which access was not possible (see VPS 4)]*

**In order to provide a valuation report within a reasonable timeframe and at an economic cost, the following limitations in the scope of inspections and due diligence in enquiries were agreed together with the necessary assumptions which will be adopted to cover uncertainties**

**Title:**

We have examined Title obtained from the Land Registry (or client legal advisor insert name). We have reported our findings in the report. Our valuation has been based upon those findings which we have assumed to be correct. We have recommended advice from your legal advisor if we think it necessary. Our valuation is, where such legal advice is recommended, provisional upon that advice being received.

*[OR]*

We have relied on information about Title supplied by your legal advisor. We have assumed that the information provided is correct.

*[OR]*

We have not made any enquiries regarding Title. We have assumed that the property has good title, free from onerous or restrictive covenants, rights of way, easements etc, which might adversely affect value.

**Condition of buildings:**

We have carried out a building survey of the property. This is the subject of a separate report. Our valuation has taken into account the findings of that report and our assumed cost of carrying out any repairs recommended in that report.

*[OR]*

We have not carried out a building survey. A survey of that depth is outside the scope of your instructions. We therefore have not reported in detail on the condition of the property.

*[OR]*

We have carried out a brief examination of the land and buildings internally and externally. The purpose of the examination was to establish the apparent condition of the building, and to note its construction, accommodation and services. Unless we have found otherwise, we have assumed that the property is in generally satisfactory repair and condition consistent with its age and nature.

[OR]

We have examined the site and buildings from the kerb of the road only. We have reported our findings. We have assumed that the property is in generally satisfactory repair and condition unless we found evidence to the contrary.

**Services:**

We arranged for tests to be carried out of electrical wiring, gas installations, drainage, room heaters and flues. Our valuation has taken into account the likely cost of any repairs or improvements recommended in those reports.

[OR]

We have not arranged for any testing of electrical wiring, gas installations, room heaters and flues, drainage. We have observed what services were available and have made only a cursory assessment of their apparent condition and have made assumptions about the likely cost of dealing with any repairs or improvements a formal test may reveal. Where we feel it necessary, we have recommended testing. Our valuation has taken into account those assumed costs.

**Planning:**

We have interrogated the Planning Portal to establish any planning applications granted or refused in the past for the property. We have established the land use zoning for the site. We have established that it lies/does not lie (delete as applicable) within a Conservation Area. Those findings have been reported to you and have been reflected in our valuation.

[OR]

We have not made any planning enquiries and have assumed that the existing use of the building and any alterations or extensions are lawful.

**Building Regulations:**

We have made enquiries to establish whether or not a certificate of compliance with Building Regulations exists for the building and any alterations or extensions. Our findings have been reflected in our valuation.

[OR]

We have not made enquiries to establish whether or not a certificate of compliance with Building Regulations exists for the building and any alterations or extensions. Our valuation assumes that the building complies with building regulation requirements.

**Highways:**

We have made enquiries to establish the presence of any proposals to alter the highway which might affect the property. Our valuation reflects our findings.

*[OR]*

We have not made any enquiries to establish the presence of any proposals to alter the highway which might affect the property. We have assumed that the property is not affected by any proposals.

**Contamination and hazardous or deleterious materials:**

We have arranged for an environmental report to be produced for the property. Our valuation takes into account its findings and the likely cost of dealing with any issues raised.

*[OR]*

We have not arranged for an environmental report to be produced for the property. We have relied on information supplied by you or your legal advisor regarding environmental matters. Our valuation takes into account the information supplied and our assumptions regarding the costs of dealing with any issues raised.

*[OR]*

We have not arranged for an environmental report to be produced for the property. We have assumed that the property is not adversely affected by such matters.

**Environmental Matters****Mining:**

We have arranged for a mining report to be obtained. Our valuation takes into account the likely cost of dealing with any issues reported.

*[OR]*

We have not arranged for a mining report to be obtained. We have relied on information supplied by you or your legal advisor. Our valuation takes into account our assumptions regarding the likely cost of dealing with any issues.

*[OR]*

We have not arranged for a mining report to be obtained. We have relied on our local knowledge of mining in the area. We have assumed that, as all mining activity is now historic, that all subsidence has now completed and that the property is not affected by any issues resulting from historic mining.

**Flooding:**

We have examined the flood map to establish if the property is liable to flooding. Our valuation takes into account the likely incidence of flooding.

*[OR]*

We have not examined the flood map to establish if the property is liable to flooding. We have relied on our local knowledge. Our valuation assumes that the property is not adversely affected by flooding.

**Radon gas:**

We have examined the Radon map to establish if the property lies in an area affected by Radon gas. Our valuation takes into account our findings.

*[OR]*

We have not examined the Radon map to establish if the property lies in an area affected by Radon gas. We have relied on our local knowledge. Our valuation assumes that the property is not adversely affected by Radon gas.

**Sustainability:**

We have noted the thermal efficiency rating of the building if one exists. We have noted any alternative energy sources if they exist. Our valuation reflects these factors where there is evidence that they affect value.

**Environmental, Social & Governance (ESG):**

We have taken reasonable steps during our inspection and investigations to consider any significant sustainability and ESG factors that could affect the valuation. However, within the limitations of our valuation report, it does not constitute an ESG risk assessment or ESG rating. *[or expand depending on the particular requirements of the client in this respect.]*

*[You may also wish to consider making statements under other headings such as Local property tax, Fire, Disabled access, Coastal erosion, Brine extraction and any other matters which affect value which may be relevant to the particular property and location. We strongly recommend that you cover-off as many matters as possible either by enquiry or by excluding them from the scope of work and covering with an assumption. This is a matter for agreement with your client.]*

*[The valuer must make it clear if the valuation has been made without an opportunity to carry out an appropriate inspection (see VPS 4 paragraphs 1.2 and 1.7) or equivalent check]*

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|                                                                                                           | <p><i>[Where the valuation is undertaken on the basis of restricted information, or is a revaluation without an inspection, the report must include full particulars of the restriction (see also <b>VPS 1 paragraph 3.2(i)</b>)]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>Nature and source(s) of the information relied upon, including sources of key data and inputs used</p> | <p><i>[Here state the actual sources of information you have used and the extent to which you have checked the information and relied upon it. You cannot simply accept information supplied at face value but must apply professional scepticism. The attempts taken to verify information should be stated. The degree of assumed reliability of information should be stated.</i></p> <p><i>Refer to Responsible use of artificial intelligence in surveying practice <a href="#">Responsible use of artificial intelligence in surveying practice</a>]</i></p> <p>In arriving at our valuation, we have received information from yourself, your advisers, public and subscription websites, AI sources <i>[if applicable]</i> other estate agents and valuers and from our own records. We have applied professional scepticism and have checked the information where reasonably possible. In the absence of evidence to the contrary, we have assumed that information used in the valuation is correct.</p> |
| <p>Assumptions and special assumptions</p>                                                                | <p>All assumptions and any special assumptions (where applicable), as previously agreed with the instructing client, are set out in this report in full under the appropriate headings, together with any associated reservations.</p> <p><i>[All assumptions and any special assumptions must be set out in the report in full, together with any reservations that may be required and a statement that they have been agreed with the client]</i></p> <p><i>[Special Assumptions are those things which are not true but will be assumed to be true e.g. vacant possession when the property is in fact occupied, or that planning consent has been obtained, or that building works are completed. For further guidance see <b>VPS 2 para 10</b>]</i></p>                                                                                                                                                                                                                                                       |
| <p>Restrictions on use, distribution and publication of the report</p>                                    | <p><i>[Where it is necessary or desirable to restrict the use, distribution or publication of the valuation advice or those relying upon it, the restrictions must be clearly communicated – for example]</i></p> <p>This valuation report is not to be relied upon, distributed to or communicated with any third party without the express written consent of the valuer, which consent, if any, will be at the valuer's sole discretion.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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| Confirmation that the valuation has been undertaken in accordance with IVS and/or RICS Red Book Global Standards | <p>The Valuation and Report has been prepared in accordance with the <i>International Valuation Standards</i> (IVS) and the current <i>RICS Valuation – Global Standards</i> effective 31 January 2025 [<i>change the effective date as each revised version is published or (if applicable) where an earlier version of the RICS standards were operative on the valuation date.</i>] as well as [<i>where appropriate, declare the relevant UK National Supplement Standards, UK VPGAs and/or any other regulation or statute which have been complied with.</i>]</p> <p><i>[And where relevant]</i></p> <p>In accordance with your instructions, in preparing our valuation report we have departed from the mandatory requirements of the Red Book Global Standards in the following regards:</p> <p><i>[Add details of any departures agreed with the client]</i></p>                                            |
| Valuation approach and reasoning, including any valuation method(s) and complex or proprietary model(s) used     | <p><i>[Make reference to the approach(es) adopted, the method(s) and model(s) applied, key inputs used and the principal reasons for the conclusions reached. This requirement does not apply if it has been specifically agreed and recorded in the terms of engagement (scope of work) that a report will be provided without reasons or other supporting information.]</i></p> <p><b>Valuation Approach(es) adopted:</b> <i>[market approach/income approach/cost approach as appropriate]</i></p> <p><b>Valuation Method(s) applied:</b></p> <p><b>Valuation Model(s) applied:</b> <i>[Refer to VPS 5 in respect of the use of complex or proprietary valuation models]</i></p> <p><b>Market commentary:</b></p> <p><b>Key Inputs used:</b> <i>[Summary of comparables relied upon in the valuation]</i></p> <p><b>Valuation reasoning:</b> <i>[Detail the principal reasons for the conclusions reached]</i></p> |
| Amount of the valuation or valuations                                                                            | <p><b>Valuation:</b></p> <p><b>in figures (and in words)</b> <i>[Expressed in the applicable currency]</i></p> <p><i>[If there has been a material change in market conditions, or in the circumstances of an asset or portfolio, between the valuation date (where this is earlier than the date of the report) and the date of the report, the valuer should draw attention to this. It may also be prudent in appropriate instances for the valuer to draw the client's attention to the fact that values change over time, and a valuation given on a particular date may not be valid on an earlier or later date.]</i></p>                                                                                                                                                                                                                                                                                      |

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| Date of the valuation report                                   | <p><b>Dated:</b></p> <p><i>[The date on which the report is issued <u>must</u> be included. This may be different from the valuation date.]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Commentary on any material valuation uncertainty (MVU)         | <p>In relation to the valuation where it is essential to ensure clarity on the part of the valuation user.</p> <p><i>[This requirement is mandatory only where the uncertainty is material, meaning where the degree of uncertainty in a valuation falls outside any parameters that might normally be expected and accepted - see <b>VPGA 10</b> for further information]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Limitations on liability                                       | <p><i>[Here state any limitation on your liability for the valuation which are to be agreed with the client – examples might be]</i></p> <p>The liability in respect of this valuation assignment will be no more than <b>£xxx,000</b></p> <p><i>[OR]</i></p> <p>The liability in respect of this valuation assignment will be no more than <b>xx%</b> <i>[a reasonable percentage]</i> of the valuation figure, and in any event within the limits of our indemnity cover.</p> <p><i>[Familiarise yourself with the <b>UK Guidance Note: Risk, liability and insurance 1st edition, April 2021 (as updated)</b> where relevant. For further RICS advice on PII risk visit: <a href="#">Risk, Liability and Insurance, 1st edition</a>]</i></p> <p><i>[Here it may also be useful to state, for example, that]</i></p> <p>We will not accept any third-party liability for the valuation and no party should rely upon the valuation figure or report without the express written consent of the valuer, which consent, if any, will be at the valuer's sole discretion.</p> |
| Significant environmental, social and governance (ESG) factors | <p>In accordance with the scope of work (and your particular requirements <i>[only if relevant]</i>) agreed in the terms of engagement we have identified the following significant ESG factors and confirm the impact on our valuation figure as follows:</p> <p><i>[Guidance on the factors which may be of relevance in valuation reporting and documentation in relation to real property interests are listed at <b>VPGA 8 para 3.7.4</b>, broadly categorized between Environmental, Social and Governance matters, and should be considered where relevant and appropriate for the individual valuation instructions. The relevance of the items listed there will vary depending on the asset class, use of the property and the basis of value, and as such the list should not be read as a checklist.]</i></p>                                                                                                                                                                                                                                                    |

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|                 | <p><i>[Guidance on the steps to follow to comply with the ESG reporting requirements of <b>VPS 6</b>, are set out at <b>VGPA 8 para 3.7.1]</b></i></p> <p><i>[For further information see also, the current edition of RICS' <b>ESG and sustainability in commercial property valuation Global, 4<sup>th</sup> edition</b> which provides guidance on the identification, assessment and impact of ESG and sustainability issues for commercial property valuations, together with <b>ESG Data List for Real Estate Valuations – February 2024</b>, a practical reference document on legislative, market-driven and future ESG requirements for valuers and financial clients in the EU]</i></p> <p>Our comments in respect of the impact on our valuation and this valuation report should not be regarded as an ESG risk assessment or for any other use beyond the scope of the valuation.</p> <p>We have not reported or documented ESG factors which in the professional judgement of the valuer are not deemed significant.</p> |
| Other Standards | <p><i>[Undertake cross-referencing, reconciliation, and updates to align with all applicable valuation standards and National Supplements. <a href="#">Valuation Standards</a>]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

**Signed .....**

Name of Valuer and Qualifications

**For and on behalf of ..... [Firm]**

**Date of Report .....**