

VALUING AND SURVEYING HISTORIC BUILDINGS -THE FUTURE

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Contact (Donhead Publishing Ltd, Lower Coombe, Donhead St Mary, Shaftesbury, Dorset SP7 9LY - Telephone: 01747 828422)

An assessment of the influence of current housing market practices on the historic building stock of Britain.

The pressures of the housing market, through mortgage valuations and pre-purchase survey, is responsible for a considerable amount of damaging work to our historic buildings, undermining both the character and the value of these buildings. This damage largely goes on ignored and unquestioned. This paper offers an analysis of the problem together with a solution to mitigate this unnecessary damage being suffered by these buildings.

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When a residential historic building is put up for sale, it becomes subject to various external influences, including:

- the competitiveness of the mortgage lending market

- The demands and requirements of lending institutions

- The demands and requirements of professional indemnity insurers

- The lack of awareness, knowledge and training of valuers and surveyors in respect of the special needs and requirements of historic buildings

- The expectations and demands of potential home owners; and

- The demands of instant solutions, by both professionals and prospective homeowners, reflected in the driving desire for all works to be covered by guarantee

Clarification of terms: A historic building is defined one that is listed or situated in a conservation area.

The mortgage valuation is a brief inspection for a concise report, to assess that the building is a suitable security for the loan required, that it meets the lending criteria of the lender and to assess any factors likely to materially affect its value, forming.

The Red Book (The Royal Institution of Chartered Surveyors Appraisal and Valuation Manual) is the principal mandatory guidance for members of the RICS on how to approach and carry out valuation work. The important section for a listed building or building in a conservation area is Para 3.10 of Annex A to Practise Statement 9, which states:

Where the Valuer decides to report a necessity for works to be carried out to a property as a condition of any advance and the Valuer identifies the property as being:

- 3.10.1 of architectural or historical interest, or listed as such; or

- 3.10.2 in a conservation area; or

- 3.10.3 of unusual construction,

The Valuer is to advise that a person with appropriate specialist knowledge be asked to give advice as to the appropriate works unless, exceptionally, the Valuer believes he/she is competent to give advice which if adopted would not be detrimental to the property's architectural or historical integrity, its future structural condition or conservation of the building fabric.

The pre-purchase survey is a detailed report produced for the purchaser of a property, either a Homebuyers Survey and Valuation report or a building survey.

The existing situation

The Red Book (Guidance Note GNA 2.1.3) refers to considerable damage caused to historic buildings by the use of standard treatments to overcome common problems e.g. treatment of rising and penetrating dampness, repointing or re-rendering, structural movement, timber treatment and windows. The examples given illustrate that despite this, valuers and surveyors continue to rely on modern standard treatments in their recommendations, causing physical damage, accelerating the rates of decay and the loss of value to our historic building stock.

Why does this problem exist?

1. Lack of effective controls: Practice Statement 9 of The Red Book relates specifically to the valuation of residential property for mortgage purposes and that paragraph 3.10 will only apply where repairs are made a condition of a mortgage advance (i.e. where repairs have to be carried out as part of the mortgage agreement). Consequently, the Red Book does not apply to any survey work that does not include a valuation.

2. Lack of understanding or knowledge of the extent of legislation: for example Planning (Listed Buildings and Conservation Areas) Act 1990

3. The influence of the mortgage valuation in comparison to its limited nature and purpose. At present, the document does not in most cases even ask the question is the building listed or in a conservation area.

4. Energy rating reports, sold as part of a package to borrowers, can recommend 'improvements' detrimental to the historic building fabric and the performance of the building. These recommendations can be in contravention of the statutory protection, and therefore a criminal act.

5. The concise form of the Homebuyer's report is not designed for the complexities found in most multi-phased historic buildings.

6. The building survey also relies on the experience of the surveyor in question, the failure to recognise that modern materials and methods are incompatible with the traditional performance of historic buildings can lead to recommendations that are detrimental to the fabric of historic buildings.

7. The pressure of potential negligence resulting in defensive reporting by valuers and surveyors.

8. The reliance on 'specialist contractors' to undertake further investigations. Any recommendation in a valuation, homebuyer's report or survey for specialist damp and treatment report will almost always lead to unnecessary work being undertaken by companies who charge by the litre and square metre of chemical sprayed and injected and the area covered by dense cement renders!

9. The lack of education and training in building conservation means that many property professionals do not understand how historic buildings were constructed and perform. The reliance on 'specialist contractors' reflects the general lack of both training and confidence, especially in respect of damp and timber defects.

Richard put forward the case for a bespoke 'historic building survey' that was designed specifically for reporting upon the condition of listed, and where appropriate other historic buildings, this would:

· Provide a clear format for surveying highly individual and complex historic buildings

· Highlight to the surveyor the areas of significance when looking at historic buildings

Derive recommendations from reasoned and informed decisions.

Encourage the surveyor to provide positive advice and not to rely on those with a vested financial interest.

And could provide the following benefits:

A product that the public, professionals, lenders and insurers can identify with

A product that can be used by lenders, surveyors and conservation officers alike

A stand alone product free from external pressures

A benchmark for minimum standards for surveying historic buildings

A reduction in potential negligence problems for surveyors

A report the prospective purchaser can understand and use to develop their understanding of the issues

A tool to encourage the 'average' surveyor, who does not specialise in building conservation, to get it right and protecting the historical and financial value of the building

Summary

With no perceived incentive in our housing market to take into account the significance of our historic housing stock, these buildings are suffering at the hands. Unless the housing market and the professionals involved start to recognise and treat these buildings as 'special', the buying and selling process will continue to erode the very qualities and characteristics that make them special.

The idea of a bespoke 'historic building survey' has been developed in conjunction with some like-minded people and will hopefully result in specific guidance being produced by the RICS to assist surveyors who inspect and report upon historic buildings.

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