**APPENDIX 2**

**HOMES ENGLAND**

**GUIDANCE NOTES TO VALUERS ON EXTERNAL CLADDING AFFECTED PROPERTIES**

Dear Valuer

You are receiving these Guidance Notes as a Borrower of a Help to Buy: Equity Loan (Equity Mortgage) has requested that you value their Property, for the purposes of their Equity Mortgage, to take into consideration the existence of any external cladding.

Under the terms of the Equity Mortgage your appointment must be agreed by Homes England before you can proceed with your valuation.

**Please do not value the Property without Homes England’s agreement.**

In order for Homes England to agree your appointment, you are required to read and countersign these Guidance Notes and email them to customerservices@myhelptobuyloan.co.uk. Homes England will then contact you directly to either confirm your appointment or inform you of any further assurances they may require.

If Homes England agree to your appointment you must be able to comply with Homes England’s following requirements:

**Your qualifications**

You must be either MRICS or FRICS qualified and must not be connected to the Borrower or any estate agent dealing with the sale of the Property.

**Required documents**

In advance of your valuation, you must obtain the following documents from the Borrower:

* A copy of the Help to Buy: Equity Loan (Equity Mortgage) relating to the Property;
* A copy of any completed Form EWS1 (if available);
* A copy of the Borrower’s Lease of the Property;
* Any estimates the Borrower have received regarding the costs of any remediation works;
* Evidence of the amount of service charge sinking fund;
* Any documents in respect of the acceptance of a buildings insurance or Building Warranty claim;
* Any documents in respect of the acceptance of any government fund to pay for the remediation works (such as the Building Safety Fund).
* Any documents in respect of any third party (such as the original developer) agreeing to pay for the costs of remediation.

**Basis of valuation**

Your valuation must value the Property in line with the definition of Market Value set out at Clause 1.1 of the Equity Mortgage. For your ease we have copied this below:

*‘****Market Value*** *means the price which the Property would fetch on the open market on a sale by a willing vendor to a willing purchaser on the assumption if not a fact that all the covenants on the part of the Borrower in the mortgage have been fully complied with and in the event of damage to the Property that it has been fully reinstated and disregarding any additions or improvements made by the Borrower with the written consent of the Lender provided that in the case of a Disposal where the Disposal price (disregarding any part the that price attributable to any additions or improvements made by the Borrower with the written consent of the Lender) is greater than the Market Value then the Market Value shall be substituted with such Disposal price when calculating the Repayment Sum;’*

When producing your valuation, you must also take into consideration both the existence of any external cladding and the Required Documents and their impacts on the market value of the Property.

You must also consider:

* the estimated costs of any remediation works;
* who is responsible for these;
* whether any claim for the remediation works have been accepted;
* whether the required funds are already available in the service charge sinking fund; and
* what a willing purchaser would be prepared to pay for the Property currently having regard to the existence of any external cladding and the stage of any remediation claim or works.

**Your valuation report**

You must inspect the interior of the Property and provide a full valuation report.

Your valuation report must:

* be on headed paper, signed by you, provided in PDF format
* addressed to the Homes and Communities Agency (trading as Homes England)
* posted to Help to Buy customer services, PO Box 5262, Lancing, BN99 9HE or emailed to customerservices@myhelptobuyloan.co.uk
* include at least 3 comparable properties and sale prices.
* the comparables provided must be like for like in terms of property type, size, and age and within a 2 mile radius to the property that is being inspected.
* clearly state the inspection date.

I ……………………………………………………… being a [MRICS]/[FRICS] valuer for and on behalf of

……………………………………………… acknowledge receipt of Homes England’s Guidance Notes

to Valuers on External Cladding Affected Properties and confirm that should Homes England agree to

my appointment in respect of ……………..……………………………………………………… **(“Property”)**

I will value the Property in accordance with these.

My contact details are …………..…………………………………………………………………………………

Signed ………………………………………..

Dated: …………………………………………