



J & E Shepherd, Chartered Surveyors, 20 Melville Terrace, Stirling FK8 2NQ  
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Date : 23 September, 2009

To : Name  
Address 1  
Address 2  
Address 3

**COMMERCIAL PROPERTY INSTRUCTION  
ACKNOWLEDGEMENT AND CONDITIONS OF ENGAGEMENT**

Dear Sir

We write to confirm our recent discussions and your instructions to inspect, report upon and value the property at:-  
**Property To Be Valued**

The instruction is based on the following information and is subject to the undernoted Terms and Conditions of Engagement.

INFORMATION

**DATE: Date** DATE OF VALUATION: **Date of Valuation**

**INSTRUCTING PARTY: Instructing Party**

**CLIENT (if different from above): Client (if different)**

**PRICE QUOTED (if known):**

**SELLING AGENT: Selling Agents**

**ACCESS ARRANGEMENTS: Access arrangements**

**PROPOSED MAXIMUM FEE: A maximum of £** excluding VAT and any additional costs/fees associated with separate specialist investigations. Unless otherwise agreed, the fee invoice will be made out in the name of the instructing party who will be liable for payment. It is expected that payment will be received within 14 days of issue.

**THE VALUER: J & E Shepherd, Chartered Surveyors at the address shown above.**

PURPOSE OF VALUATION

The Valuer shall inspect the property to be valued and shall provide a written report and valuation prepared in accordance with the RICS Appraisal and Valuation Manual. The valuation shall not include fixtures, fittings, plant and machinery unless specifically agreed in writing.

Following discussion with the instructing party and/or client it is understood that the valuation is **PURPOSE OF VALUATION**. If the instructing party/client requires the Valuer to make any specific assumptions in relation to the valuation, these will be specified in writing by the instructing party/client and agreed by the Valuer prior to the inspection of the property and preparation of the report. On this understanding the Valuer will assess the valuation on the basis of **TYPE OF VALUATION**.

DEFINITION OF VALUE

The agreed basis of valuation is **TYPE OF VALUATION** which is defined in the RICS Appraisal and Valuation Manual and is reproduced over the page.

ASSUMPTIONS RELATING TO VALUATION BASIS

Subject to the following, the Valuer shall carry out such inspection and investigations as are, in the Valuer's professional judgement, appropriate and possible in the particular circumstances.

- a) The report to be provided by the Valuer is a valuation and not a building survey. Regard will be had to the apparent state of repair and condition of the property but an exhaustive and detailed search of the property for defects will not be carried out by the Valuer. Those parts of the property which are covered, unexposed or inaccessible will not be inspected and it will be assumed that such parts are in good repair and condition.
- b) The Valuer will not be under a duty to arrange for the testing of electrical, heating, plant or other services.
- c) The Valuer shall rely on information provided by the instructing party/client, or legal or other professional advisers, in relation to tenure, leases, tenancies or other matters relevant to the property to be valued.
- d) In reporting on the property to be valued the Valuer will meet the relevant requirements of the RICS Appraisal and Valuation Manual and will make the following assumptions, which the Valuer will be under no duty to verify:
  - (i) that no harmful or hazardous material has been used in the construction of the property or has since been incorporated, and that there is no contamination in or from the ground and it is not land filled ground;
  - (ii) that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings;
  - (iii) that the property and its value are not affected by any matters which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice and that neither the property, nor its condition, nor its use, nor its intended use, is or will be unlawful;
  - (iv) that inspection of those parts which have not been inspected would neither reveal material defects nor cause the Valuer to alter the valuation materially.
- e) The Report will be provided for the stated purpose(s) and for the sole use of the named client. It will be confidential to the Client and the Client's professional advisers. The Valuer accepts responsibility to the Client alone that the Report will be prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor, but accepts no responsibility whatsoever to any parties other than the Client. Any such parties rely upon the Report at their own risk. Neither the whole or any part of the Report nor any reference of it may be included in any published document, circular or statement nor published in any way without the Valuer's written approval of the form and content in which it may appear.

The foregoing Instruction Acknowledgement and Conditions of Engagement sets out the basis upon which we are to prepare a report and valuation on the property at **Property To Be Valued**.

**Please check that these incorporate your instructions and if we do not hear from you by return, we shall assume that all matters are in order and we will proceed with our inspection.**

If appropriate, please pass the enclosed copy Instruction Acknowledgement and Conditions of Engagement to your client.

To comply with the regulations of the Royal Institution of Chartered Surveyors this firm has a written complaints procedure.

Yours faithfully

**J & E Shepherd**

J & E Shepherd

## DEFINITION OF VALUE

### MARKET VALUE (MV)

Market Value is the estimated amount for which the property should exchange on the date of valuation, assuming:

- a) a willing buyer and a willing seller;
- b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale;
- c) the transaction is an arm's-length transaction between parties who do not have a particular or special relationship which may bring about a price level uncharacteristic of the market;
- d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

### EXISTING USE VALUE (EUV)

An opinion of the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

- a) a willing seller;
- b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale;
- c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- d) that no account is taken of any additional bid by a prospective purchaser with a special interest;
- e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion;
- f) the property can be used for the foreseeable future only for the existing use; and
- g) that vacant possession is provided on completion of the sale of all parts of the property occupied by the business (save that, solely where the property is owned by a public or other non-profit-making body for the delivery of a service, it is to be assumed that the property will continue to be occupied or let for its existing use).

### OPEN MARKET RENTAL VALUE (OMRV)

An opinion of the best rent at which a new letting of an interest in property would have been completed at the date of valuation assuming:

- a) a willing landlord;
- b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the rent and other letting terms and for the completion of the letting;
- c) that the state of the market, levels of values and other circumstances were, on any earlier assumed date of entering into an agreement for lease, the same as on the date of valuation;
- d) that no account is taken of any additional bid by a prospective tenant with a special interest;
- e) a stated length of term and stated principal conditions applying or assumed to apply to the letting and that the other terms are not exceptionally onerous or beneficial for a letting of the type and class of the subject property;
- f) that no premium passed and that any rent free period is in respect only of the time which would have been needed by the incoming tenant to make the subject property fit for occupation; and
- g) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.