

A guide to property valuations

In light of the recent changes to lockdown measures in England, we have been working with our valuation provider to re-introduce physical valuations where it is safe to do so. This means that we will introduce a dual approach to valuations. **You can quickly navigate to the relevant sections by clicking on the links below:**

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Key Summary

- We are **re-introducing physical valuations in England** where it is **safe** to do so. We will re-introduce physical valuations for properties in Wales and Scotland when there is a change in Government guidance. Our number one priority is the health and safety of clients and the valuers who visit their homes.
- As part of the booking process, our valuation provider will carry out a **risk assessment** to check that **it is safe** to visit a property and that clients are happy to have a valuer in their home.
- We are prioritising physical valuations for **existing pipeline cases** where a **desktop valuation was not possible**. We will contact you separately if you have such cases. For these cases, you won't need to reapply and we'll be **honouring interest rates** at the time of the initial application as long as the physical valuation is instructed by 5 June.
- We will be **instructing physical valuations** for other **pipeline cases** and **new applications from Monday 1 June**. If you have a client that is particularly **vulnerable, financially distressed** or needs to be **considered urgently**, please let us know.
- **For new applications**, you can now select your **client's preference** for a physical or desktop valuation on ApplyOnline. Please note this is only a preference and the actual valuation method will depend on our valuation provider's risk assessment.
- We will **no longer need you to reduce the property value by 5%**. You should enter the **estimate of the client's property** as normal. When we calculate the amount we can lend, this will be based on **100%** of the value following a **physical valuation** and **95%** following a **desktop valuation**.
- For all cases that complete on a desktop valuation, we will conduct a physical valuation at a later stage. This is for informational purposes, however, where the valuation is higher the client will have 6 months after the physical valuation to apply for and complete on a **further advance** (minimum of £5,000) without arrangement or valuation fees.

Our approach to valuations

Our **number one priority** is the **health and safety** of clients and the valuers who visit their homes. As part of the booking process, our valuation provider will carry out a **risk assessment** to check that it is **safe** to visit a property and that clients are happy to have a valuer in their home. Valuers will follow the Government guidance, wear the **appropriate PPE** throughout the valuation and take a number of precautions to **minimise additional risk**.

A physical valuation will not **necessarily be appropriate** or **possible for everyone** - including if people in the property are shielding, high risk or isolating. Going forward, you will have the ability to **select the client's preference** for a desktop or physical valuation. Please note this is only a preference and the actual valuation method will depend on our valuation provider's risk assessment. Our **dual approach** will help to provide an option for the vast majority.

Pipeline cases

I have a client where a desktop valuation was not possible. What happens now?

We will shortly be contacting firms with pipeline cases that were unable to have a desktop valuation due to the fact that the property was not suitable at outset (e.g. purchase cases / flats / properties over £2million) or a desktop valuation was attempted but the valuer was unable to provide a valuation figure.

- For these cases, we'll be **honouring interest rates** at the time of the application as long as the physical valuation is instructed by 5 June.
- Where a client wishes to proceed, we will **re-instruct a physical valuation**. You will not need to re-apply.
- The client will be contacted by our valuation provider to check that a physical valuation will be **safe**.
- We will follow the **normal offer process** following the valuation.

My client is still waiting for a desktop valuation / has received a desktop valuation but has not completed. Can they change to a physical valuation?

We will first be prioritising those cases where a desktop valuation was not possible, as per the above. We will be able to instruct physical valuations for other pipeline cases and new applications from 1 June. We will prioritise those that are still awaiting a desktop valuation first as we believe this is the fairest way to approach our pipeline. If your client wishes to have a physical valuation, please contact your Account Manager. If you have a client that is particularly vulnerable, financially distressed or needs to be considered urgently, please let us know.

Please note that if a physical valuation is performed, the value provided will prevail over the desktop valuation, even if it is lower.

Existing customers

Will porting and further advances be possible?

For existing customers looking to **move home** (and port their mortgage) and those seeking a **further advance**, we will now be able to accept applications that are able to have a physical valuation.

Previously we had taken the decision to **temporarily suspend** new applications and pipeline cases where a physical valuation had not yet been undertaken. This was because any other valuation method is unlikely to result in a good outcome. With the introduction of physical valuations, we will now be able to re-consider these requests again on request.

For customers who have had their lifetime mortgage for more than 12 months, they will now be able to request a further advance, as per the product terms. For those who accepted an offer based on a desktop valuation, please see the answer below.

My client completed following a desktop valuation; will you re-visit the value of the property?

As per our initial guidance, we will be conducting physical valuations for customers who completed following a desktop valuation of their property. We will not be able to do this immediately, but plan to re-visit these cases when social distancing measures are lifted further.

This is for informational purposes and will not impact the amount the client has borrowed from us. However, where the valuation is higher the client will have 6 months after the physical valuation to apply for and complete on a **further advance** (minimum of £5,000) without arrangement or valuation fees.

New applications

What is the process for new applications?

CREATE A KFI

You should enter the **estimate of the client's property** as normal. We will **no longer need you to reduce the property value by 5%** for desktop valuations.

When we calculate the amount we can lend, this will be based on **100%** of the value following a **physical valuation** and **95%** following a **desktop valuation**.

APPLY ONLINE

You will be able to select a client's preference for a **desktop or physical valuation on ApplyOnline**. Please note this is only a preference and the actual valuation method will depend on our valuation provider's risk assessment.

There will be different suitability criteria depending on the selection. You can find our desktop suitability criteria below. For physical valuations we will follow our original suitability criteria.

Will you re-introduce physical valuations for properties in Wales and Scotland?

We will continue to follow Government guidance and will re-introduce physical valuations for properties in Wales and Scotland when there is a change in Government guidance and we are advised it is safe to do so.

Further information on desktop valuations

How do desktop valuations work?

A desktop valuation is completed by an independent valuer using publicly available information to assess the value of a home. This includes getting details about your client's property from the Land Registry and using online information to review any previous sales history. The final valuation figure will also consider the actual sale prices of similar properties in their area. Desktop valuations are completed by Registered Valuers that use a RICS risk managed, data enabled Digital Valuation tool. This process is also supported by enhanced centralised property risk checks.

As well as our existing lending restrictions, not all properties are suitable for a desktop valuation. Some of the additional exclusions are set out below:

- Properties valued above £2m
- New build properties (up to 2 years old or being occupied for the first time)
- Flats
- No purchase applications
- Annexes
- Any listed buildings (Grade 2 E&W and Grade C Scotland now excluded)
- Properties with land exceeding 5 acres
- Age restricted, sheltered accommodation or retirement villages
- Bed & Breakfast
- Properties originally built with a flat roof
- Properties with extension comprising more than 50% of the floor area
- Solar panels, leased or owned outright

Please refer to our desktop [suitability criteria](#) for further information.

How will we know the condition of the property from a desktop valuation?

We will not understand the condition of the property until the restrictions are lifted and we are able to conduct a physical valuation. However, we will be asking your clients to sign a declaration at Offer stage to declare they are not aware of any issues that may affect the valuation and there are no essential repairs required to their property.