

ASTASPS34

Agree client requirements and prepare terms of engagement



Overview

This unit covers those activities that are carried out in preparation for the valuation of property i.e. confirming client requirements and preparing a quotation for valuation work.

Throughout your work, you are expected to adhere to accepted standards, guidance and protocols relating to the valuation of residential properties, such as those outlined in the RICS Appraisal and Valuation Standards (the 'Red Book') and, in particular, UK Appendix 3.2 (RICS Mortgage Valuation Specification).

Element 34.1 requires that you clarify and confirm client requirements, and assess the circumstances of the proposed valuation. You must check that you have time to undertake the work, assess any legal, contractual and ethical issues, and ensure that you have the necessary competence and expertise to proceed. You must also recognise and manage any conflicts of interest that arise. Should you identify any circumstances that prevent you from undertaking the valuation, you must explain the reasons to the client promptly and clearly.

Element 34.2 covers the preparation of a quotation for valuation work. Whilst it is understood that much valuation work will fall within the scope of an existing contract with the client, it is important that you are able to prepare accurate and realistic quotations if required. In addition to providing a written quotation for valuation, you must confirm the terms and conditions and any limitations and constraints that apply to the valuation. In addition, you are expected to deal with client data and quotation information correctly with particular regard for data protection.

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Performance criteria

Confirm client requirements

You must be able to:

- P1 clarify and confirm with the client their requirements and expectations regarding the valuation of **properties**
- P2 respond clearly and promptly to any concerns raised by the client
- P3 check that you have sufficient time to undertake the valuation
- P4 assess legal, contractual and ethical issues affecting the planned valuation service
- P5 assess whether the valuation required falls within the limits of your own competence and expertise
- P6 recognise and manage any potential conflicts of interest that may arise during the valuation
- P7 identify any **circumstances** that may prevent you from undertaking the valuation and explain the reasons to the client promptly and clearly

Quote for valuation work

You must be able to:

- P8 prepare an accurate quotation which includes the terms and conditions under which you will undertake the valuation and any limitations or constraints that may apply
- P9 submit the terms to the client and respond to any issues about which they are unsure
- P10 ensure that client data and quotation information is recorded correctly and stored in a suitable manner
- P11 recognise the limitations of your authority in preparing a quotation and refer elsewhere in your organisation as needed

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Knowledge and understanding

You need to know and understand:

Confirm client requirements

- K1 the client's specific lending criteria and valuation requirements
- K2 how to clarify and confirm with the client their requirements and expectations regarding the valuation
- K3 the concerns that may be raised by clients regarding the valuation and how to respond to them
- K4 the time constraints that may impact on your ability to undertake the valuation
- K5 the legal, contractual and ethical issues that may affect the valuation service, and how to assess their significance
- K6 the client's requirements for professional indemnity insurance cover
- K7 the importance of professional indemnity insurance, and the potential consequences of making mistakes when providing valuations
- K8 the implications of third party liability
- K9 the extent and limits of your own competence and expertise and the importance of not working beyond these
- K10 the duty of care owed by you and your organisation to the client
- K11 the range of potential conflicts of interest that you may encounter and the actions required to manage these
- K12 the details of the formal complaints procedure that covers your work, and any specific organisational procedures with regard to complaints
- K13 how to identify circumstances that prevent you from undertaking the valuation, and the way in which these should be explained to clients

Quote for valuation work

You need to know and understand:

- K14 client fee structures
- K15 the importance of confirming the terms and conditions under which you will undertake the valuation
- K16 the importance of confirming any limitations or constraints that may apply to the planned valuation
- K17 the importance of agreeing the details of the quotation in accordance with your organisation's requirements and procedures
- K18 the format in which the terms and conditions should be submitted to the client in accordance with organisational procedures
- K19 the importance of offering to clarify with the client any issues about which they are unsure
- K20 how to record and store client data and quotation information
- K21 the current legislation and national guidelines that relate to data protection

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Additional Information

Scope/range

Confirm client requirements

1. identify whether any of the following **circumstances** prevent you from undertaking valuations:
 - 1.1. time constraints
 - 1.2. legal, contractual and ethical issues
 - 1.3. your own competence
 - 1.4. potential conflicts of interest
2. assess client requirements regarding the valuation of a broad range of **properties** that vary in
 - 2.1. location
 - 2.2. age
 - 2.3. type
 - 2.4. size and plot
 - 2.5. construction
 - 2.6. condition

Quote for valuation work

3. There is no scope for this element.

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