

Guide

Homeowner & Buyer Down Valuation



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What is a Property Valuation?

A property valuation is a survey carried out to determine the value of a property. This process is typically arranged by the lender (e.g., the bank) when you apply for a mortgage. The valuation helps the lender decide whether the property meets their lending criteria.



Who Conducts the Valuation?

Chartered Surveyors:

Experts in property value and structure.

Approved Firms: Lenders often rely on the same trusted firms or specialists for valuations.



What is the Purpose of the Valuation?

Property valuations benefit the lender, not the buyer or seller. It gives them an independent confirmation of the property's value and checks for any issues that could affect their decision or conditions of lending.

This includes looking at the market value, condition, and location of the property.



What Happens After the Valuation?

The lender may approve the mortgage, usually with an offer letter.

If specific concerns arise (e.g., the property is in poor condition, located in a flood zone, or above a shop), the lender might refuse the mortgage application.



Can You Arrange Your Own Valuation?

You're not limited to the lender's valuation.

You can:

Arrange an independent survey for your peace of mind.

Request a second valuation from the lender, if you disagree with the initial findings or asking for a review of a down valuation.



Reasons for a Down Valuation.

Property's condition or structural issues

Location (e.g., flood zones or high-risk areas)

Recent sale prices of similar properties in the area

Changes in the economy affecting property values



Solution Focused.

When a down valuation happens, everyone has their own opinion.

The buyer may feel they're paying too much, the homeowner believes the agreed price is fair, and the valuers (lenders & SBK) are confident in their figures.

That's why it's important for everyone to work together to find a solution.



Options if You Receive a Down Valuation?

Valuer Research

At Sheldon Bosley Knight, our valuers follow a consistent and thorough process to ensure accurate property valuations. We align our methods with RICS standards, analysing comparable properties, floor areas and unsold listings on platforms like Rightmove, giving our valuers confidence in their figures.

We don't overvalue to win business, we provide honest and reliable valuations. If you'd like to see our research on the down valued property, just send us an email with the valuation you've been given.

Request a Review of the Valuation

Ask the lender to review the initial valuation. They may consider any additional evidence, especially if there's a misunderstanding about the property's details or market.

Get a Second Valuation

Arrange a valuation by an independent RICS-accredited surveyor. Property values can be somewhat subjective, so a second opinion may differ significantly from the original valuation.

Negotiate the Sale Price

Use the down valuation as a basis to negotiate a lower price with the seller. Ensure you've considered the above first to demonstrate fairness—you don't want to appear opportunistic.

Decide to Continue or Walk Away

If negotiations fail and the price isn't reduced, you'll need to decide whether to proceed at the original price or withdraw from the purchase altogether, but this should now be an informed decision.



Quick Tips.

Always communicate clearly with the agent. Keep them informed of the down valuation and any actions you plan to take.

Property valuations can differ between valuers, so consider the steps above. If you purchase the property through See It Here First, be aware that a slight premium may have been offered to secure the property and prevent it going on the live market such as Rightmove.



Actions to complete:

Buyer:

Inform SBK of Down Valuation

Request a Review from Lender

Consider Second Valuation

Negotiate the Sale Price

Resolved

Update Milestones:

Mark the milestone as complete in your portal to notify everyone.

Tick it off your checklist.

Important Disclaimer.

The materials in this guide are provided for general information purposes only and do not constitute legal or financial advice. Whether express or implied, no warranty is given, nor shall Sheldon Bosley Knight be liable for errors, omissions, or content on associated weblinks.

For personalised advice, consult your legal or financial advisor.

We look forward to assisting you every step of the way! If you have any further questions, please don't hesitate to reach out.



Final message from the team.

A property valuation is an essential process where a property's value is assessed, typically by a Chartered Surveyor, to help lenders decide if it meets their lending criteria for a mortgage.

While valuations primarily benefit lenders, homebuyers can arrange independent valuations for peace of mind. Sometimes, properties are down-valued, meaning the lender values them lower than the sale price, often due to issues like structural concerns, location risks, or market trends.

If a down valuation occurs, options include requesting the research behind the valuation, pursuing a second valuation, negotiating with the seller, or deciding whether to proceed or withdraw from the purchase.

By staying informed and proactive, you can approach valuations more confidently and resolve challenges effectively.

Got any ideas how we can improve this guide?
Please share them -
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