

21/11/23

Valuation FAQs – Central West

I disagree with how the valuation has been produced?

The valuation has been undertaken by an independent valuation consultant in line with the Global Red Book Standards, a copy of those standards can be viewed, [here](#).

The comparison method is the standard method for these types of valuations and is based on the expert opinion of the valuer utilising comparable evidence that is stated in the report. As previously communicated, leaseholders can pay for an alternative RICS accredited valuer to conduct a Red Book valuation of their property. If the third-party valuation differs to the Newman Webb valuation, they will take it under consideration and provide a response that either justifies their original report or provide an updated report if there is reasonable cause to do so.

I have done my own research and do not agree with valuation?

Leaseholders were advised in the letter setting out the valuation process that we are only able to accept valuation reports based on a Red Book valuation produced by a RIC's accredited valuer. Evidence from leaseholders own research or from Estate Agents cannot be accepted as SBHA is required by the Regulator to conduct all property transactions based on a Red Book report.

RICs valuers typically have access to confidential data and sources which are not typically available to the general public which they use on top of publicly available data to arrive at their expert opinion of value.

My mortgage provider or estate agent has valued my property at a higher value than the Redbook. Can we use this?

This will not be possible, as the mortgage valuation is likely only a desktop valuation and not based on a full property inspection in the same way that the Newman Webb report is.

Estate Agent valuations are not acceptable as a Red Book is required and estate agents are not usually RICS accredited valuers. We are required by the Regulator of Social Housing to conduct property transactions of this type based on a Red Book report.

Why are the values lower than Red Lion Court?

Red Lion Court is a new purpose-built block. The flats within the block come with larger balconies, allocated parking and also benefit from a large communal landscaped garden which is why values within that block are likely to be higher.

Is this my final offer?

The valuation undertaken by Newman Webb was not a formal offer by SBHA; it was a valuation of your property. SBHA plans to make a final buy-back offer in January 2024, alongside setting out the plans for remediating Central West should this option be required.

The buy-back offer will be reflective of the share you own in your property should you not own 100% of your property.

My Redbook is different to the desktop valuation why is this?

Desktop valuations are valuations that provide ballpark figures only, unlike a Red Book report which reviews market evidence alongside a full property inspection.

I have improved my home, is this included in my valuation?

Yes, the condition of each property has been factored into the valuation save for where the valuer has been specifically instructed to ignore a matter under a special assumption. However, if you have improved your home by installing, for example, a £10,000 new kitchen, this does not mean the value of your property will increase by £10,000.

Newman Webb made the special assumption that the homes at Central West required no remediation works in relation to fire safety, gas or the window repairs which are needed should remediation proceed.

Equivalence and market evidence?

The comparable evidence used is the most relevant comparison in regards to the subject properties. If evidence is taken from further afield, this is because there is a lack of evidence in the area which is close to the subject and adjustments are made where applicable.

What if some households refuse to engage with the valuation process?

If a formal red book valuation is not conducted on a property at Central West, we plan to table an in principle offer that will be based on red book valuations Newman Webb has undertaken for similar properties at Central West. If the ballot is unanimous, in favour of buy-back, any in principle offer would be conditional on an inspection taking place within 4 weeks (from the ballot) in order to validate the condition of the property and produce a red book valuation. If the ballot is not unanimous (in favour of buy-back), the inspection does not take place within 4 weeks or the leaseholder does not accept the subsequent red book valuation, the in principle offer will be withdrawn and we will proceed with remediation.