

TECHNICAL BULLETIN

FOR RESIDENTIAL SURVEYORS

ENERGY PERFORMANCE CERTIFICATES AND VALUE

ENERGY PERFORMANCE
CERTIFICATES AND VALUE

OFFICE TO RESIDENTIAL
CONVERSIONS

PROTECTED ANIMAL
SPECIES

CLIENT MANAGEMENT AND
TECHNOLOGY

CONDENSATION



THE TECHNICAL BULLETIN

FOR RESIDENTIAL SURVEYORS

Welcome to the Technical Bulletin. This Bulletin is designed primarily for residential surveyors who are members of RICS and other professional bodies working across all housing sectors. Other professionals may also find the content useful.

Produced by Sava, you will find technical articles, regulation updates and interpretation and best practice. We hope you find this useful in your day-to-day work and we welcome any feedback you may have and suggestions for future publications.

Who we are

We are a team of building physicists and engineers, statisticians, software developers, residential surveyors, gas engineers and business management specialists.

CONTACT

Head office

4 Mill Square Featherstone Road,
Wolverton Mill,
Milton Keynes,
MK12 5ZD



01908 672787



bulletins@sava.co.uk



www.sava.co.uk
<https://resources.sava.co.uk>

CONTENTS

04

ENERGY PERFORMANCE CERTIFICATES AND VALUE

HILARY GRAYSON BSC EST MAN (HONS)
LARRY RUSSEN MA BSC FRICS FCABE C.BUILD.E MFPWS PGCE
ANNE HINDS BSC (HONS) FRICS

12

OFFICE TO RESIDENTIAL CONVERSIONS

LIAM SHUTT ASSOCRICS, INTERIM HEAD OF NEW BUILD, E.SURV CHARTERED SURVEYORS

17

PROTECTED ANIMAL SPECIES

HAYLEY BOWKETT, SAVA
HILARY GRAYSON, SAVA

24

CLIENT MANAGEMENT AND TECHNOLOGY

MATT NALLY, SURVEY BOOKER

27

CONDENSATION

ALAN MCKEOWN MA ASSOCRICS DIPRSV, PLUMB STONE SURVEYORS

IGS BETTER



ENERGY PERFORMANCE CERTIFICATES AND VALUE

COULD EPCS HAVE AN IMPACT ON THE VALUATION OF RESIDENTIAL PROPERTY?

HILARY GRAYSON BSC EST MAN (HONS)
LARRY RUSSEN MA BSC FRICS FCABE C.BUILD.E MFPWS PGCE
ANNE HINDS BSC (HONS) FRICS

This year, one of the major high street lenders introduced new valuer guidance asking valuers to consider the EPC in their valuation process. We are writing this article as COP26 Glasgow has just completed.

With the UK government committing itself to cut greenhouse gas emissions to “net-zero” by 2050 (June 2019), stating an ambition for as many homes as possible to be EPC band C by 2035 (the average energy rating band for properties in the UK is D) and climate change shooting up the agenda, now is the time to consider EPCs, how they might impact values in general, and to question the role of the residential surveyor and valuer to help the UK hit its net-zero targets.

Net-zero means that in 30 years’ time the UK commits to emitting no more greenhouse gases than it takes out of the atmosphere, to keep the UK in line with the commitments it made as part of the 2016 Paris Agreement to keep global warming under 2 degrees.

A brief history of the EPC

EPCs were originally included as part of the Home Information Pack (HIP) introduced by the [Housing Act 2004](#) and [The Energy Performance of Buildings \(Certificates and Inspections\) \(England and Wales\) Regulations 2007 \(S.I.2007/991\)](#) after the introduction of the Energy Performance of Buildings

Directive (EPBD). The EPBD is an EU directive on the energy performance of buildings. The implementation is still an important part of the strategy to tackle climate change. In 2010 the EPBD was recast, Home Information Packs were no longer mandatory, and the role of the EPC was strengthened. The European Commission explained:

“The Energy Performance Certificates (EPCs) are important instruments that should contribute to the enhancement of the energy performance of buildings. EPCs play a central role in the context of the Article 20 (2) EPBD, which asks Member States to provide information on the energy performance certificates and the inspection reports, on their purpose and objectives, on the cost-effective ways and, where appropriate, on the available financial instruments to improve the energy performance of the building to the owners or tenants of the buildings.”

The purpose of the EPC

As quoted by the European Commission, the purpose of the EPC was to provide information on cost-effective ways (and available financial instruments, where appropriate), to improve the energy performance of the building. In the UK, an EPC is needed whenever a property is built, sold, or rented (although listed buildings are exempt).

Over the years, and as regulation has changed, the EPC has been used in various schemes and incentives such as the ‘Green Deal’ scheme, the ‘Renewable Heat Incentive’ scheme (RHI), and the ‘Minimum Energy Efficiency Standards’ (MEES).

Minimum Energy Efficiency Standards (MEES)
 In 2018, the MEES for privately rented properties was introduced. MEES means that from 1 April 2020, landlords cannot let or continue to let properties covered by the MEES Regulations if they have an EPC rating below E unless they have a valid exemption in place. (The rental market is currently the only market that imposes minimum energy efficiency standards.)

That said, there is a cost cap currently set at £3,500 (including VAT) on energy efficiency improvements and if a property cannot reach EPC E within this sum, then the landlord can make all the possible improvements up to that amount and then register an ‘all improvements made’ exemption. Read more on MEES [here](#).

The Clean Growth Strategy

In 2017, the government published a strategy that set out the actions it would take to cut carbon emissions, increase efficiency, and help lower the amount consumers and businesses spend on energy across the country. This [“Clean Growth Strategy”](#) defined clean growth as growing the national income while cutting greenhouse gas emissions. The strategy dealt with more than just buildings and reported on ‘green jobs’ (including green energy generation) and transport etc.

The Heat and Buildings Strategy

In October 2021, the government published the [“Heat and Buildings Strategy”](#) which sets out the latest vision for a green future and how the UK will decarbonise our homes and our commercial, industrial and public sector buildings as part of

setting a path to net-zero by 2050.

As the graph below shows, overall, the UK’s carbon emissions—from all sources—have already fallen by 43% since 1990. This is largely accounted for by the decarbonisation of the electricity grid and improvements in energy efficiency. Sometimes it is easy to think we’re not making any progress against these massive carbon reduction targets. But as this demonstrates, we are.

Our performance has not been so bad, particularly if you compare our performance to other G7 economies.

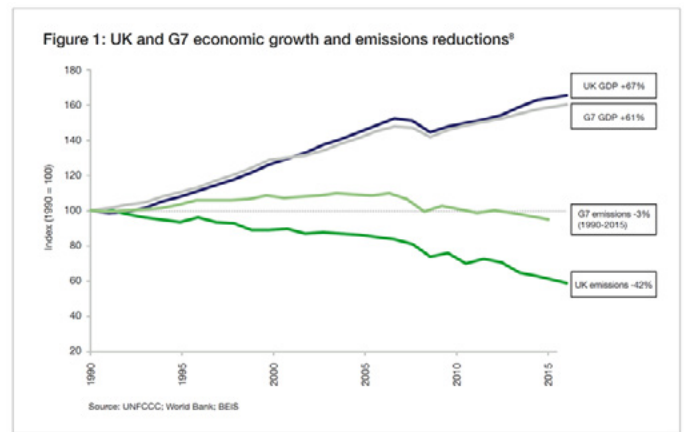


Figure 1: UK and G7 economic growth and emissions reductions

According to the Clean Growth Strategy, in 2016, 47 per cent of the UK’s electricity came from low carbon sources, approximately twice that of 2010. The UK has the largest installed offshore wind capacity in the world, and homes and commercial buildings have become more efficient in the way they use energy (the average household energy consumption has fallen by 17 per cent since 1990.)

This means the UK has been one of the more successful countries in the developed world in growing the economy while reducing emissions. Since 1990, emissions have been cut by 42 per cent while the economy has grown by two thirds. The UK has reduced emissions faster than any other G7 nation.

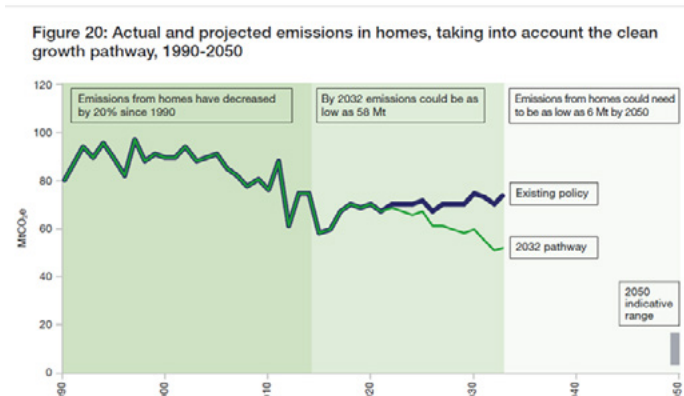


Figure 2: Actual and projected emissions in homes, taking into account the clean growth pathway, 1990-2050

The graph above relates to the carbon output of homes. As you can see, from 1990 to 2020 (another 30-year period), emissions from the energy we use in our homes has fallen

by about 20%. This is also reflected in the average SAP rating from UK homes. Back in the mid-90s, the average SAP rating across all tenures was 4.6, but it's now around 6.2. We have made solid progress.

UK homes play a very significant part in UK overall emissions. Heating and hot water for UK homes make up 25% of the total energy use and 15% of the UK carbon emissions. And a further 4% of carbon emissions are the result of electricity used in the home for appliances and lighting. So, by tackling emissions in our homes, we are contributing to the shift towards zero carbon. However, this is not to say we can be complacent. As the graph below shows (the blue line is our own addition to the diagram), we have to accelerate progress if we are to hit the 2050 target.

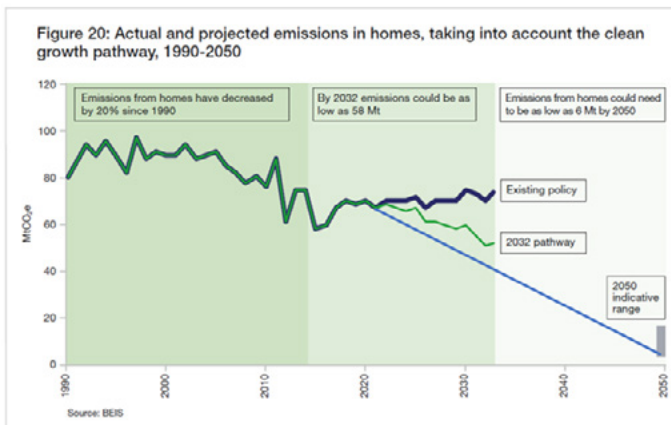


Figure 20: Actual and projected emissions in homes, taking into account the clean growth pathway, 1990-2050

How can we get to Zero Carbon?

If we are to have any hope of hitting the zero-carbon target, then there are two big things we will all have to change: the way we heat our homes and how we travel.

According to the Energy Savings Trust, most household CO₂ emissions come from heating (including generating hot water). Energy Catapult Analysis shows that in 2017, the average household generated 2,745 kg of CO₂ emissions from heating which is around 31% of the total. To reach the net-zero 2050 target that the UK has now adopted, we need to go even further and reduce heating emissions to 138 kg CO₂ per household – a reduction of 95%.

We cannot reduce carbon emissions from heating sufficiently if we continue to use natural gas or oil to heat our homes. This level of reduction requires a substantial shift in heating technologies towards renewable energy. Home renewable heat energy can come from a wide variety of sources: from solar water heating or by extracting the latent heat in the soil, outside air or a nearby water source using a heat pump.

The following diagrams illustrate the scale of the issue.

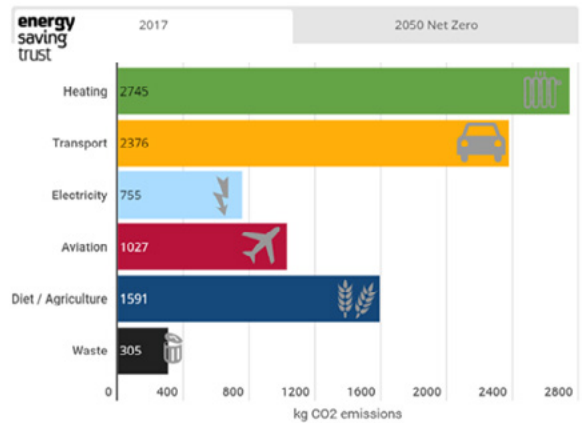


Figure 4: 2017 UK average household CO₂ emissions in kg based on Energy Systems Catapult analysis

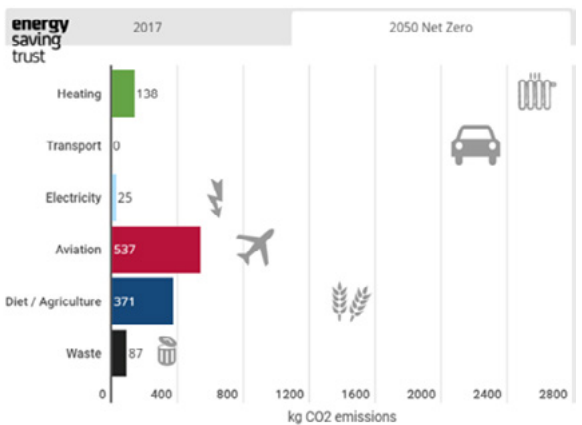


Figure 5: UK average household CO₂ emissions in kg based on Energy Systems Catapult analysis 2050

What does this all mean for EPCs?

All of the above suggest that EPCs are not going to go away any time soon since there is no other method for measuring the energy efficiency of the UK housing stock.

Possibly in recognition of this, in September 2020, the Departments for Business Energy and Industrial Strategy, and Housing Communities and Local Government published the “[EPC Action Plan](#)”. The aims of the plan are to deliver:

- An EPC system that produces accurate, reliable and trusted EPCs;
- An EPC that engages consumers and supports policies to drive action; and
- A data infrastructure fit for the future of EPCs

The plan sets out a preliminary road map for making several changes to the way the EPC is produced, notably a revised RdSAP data set and an investigation to determine if it would be possible to make available the additional information used for calculating EPCs so that property owners (and of course ‘others’) can sense check the EPC. As we shall see when considering the case study later, this will be essential if valuers are expected to realistically consider EPCs when valuing a property.

Improving Home Energy Performance through Lenders - the role of mortgage lenders

In late 2020, the government released a consultation called “[Improving home energy performance through lenders](#)”. Feedback is currently being analysed and the government will publish the response in due course, but it seems likely that changes will be coming, and lenders will ultimately play a key role in helping the drive to net-zero carbon. The consultation paper says:

“...mortgage lenders could play a vital role in driving the home energy performance improvements required to meet our Carbon Budgets and net zero target. They are uniquely placed to influence mortgagors at critical trigger points, such as home purchase, renovation or re-mortgage.”

Possibly linked to this (and possibly to the earlier requirement from the banking regulator for financial institutions to show climate change resilience), we believe that at least one major high street lender has recently issued a requirement for its valuers to consider EPCs when assessing the value of property. This is for both the subject property and of the comparable properties considered by the valuer.

What does the EPC tell us?

The EPC is a digital certificate produced using RdSAP (Reduced data Standard Assessment Procedure). Data is fed into a software engine derived from the Government’s national calculation methodology. This enables an energy assessor to generate an Energy Performance Certificate (EPC) with a **cost-based energy efficiency rating**. In other words, the energy rating will be given as a score within a defined scoring band. The bands are between A and G with A being the most energy-efficient and **with the lowest fuel bills**.

The EPC also provides information about the property on:

- Its environmental impact (CO₂ emissions)
- Typical energy/running costs
- Recommendations that can be carried out to improve the property’s energy efficiency, such as loft and wall insulation

For EPCs to be comparable **standard assumptions** are used in the calculations, and therefore, the EPC is not based on how the actual occupant uses the property or indeed the actual energy efficiency of the property. For example, U-values are assumed based on the date of construction and the insulation measures required by the building regulations in place at the time rather than by accurate calculation of the subject property’s building elements and or services. Domestic Energy Assessors who produce EPCs are also required to follow strict conventions so that the EPCs are standardised and theoretically comparable.

Recommendations for improving the energy efficiency

Recommendations in the EPC are generated through the calculation engine based only on the data input by the energy assessor. The improvements are cumulative, so to reach the potential energy rating, all the recommended measures will need to be installed. If they are installed individually or in a different order, the actual result may differ from the potential result.

How realistic are the recommendations on the EPC?

The recommendations do not consider the actual

condition of the property or the suitability of the property for the recommendations made. The energy assessor, the person collecting the data and inputting that data into the calculation engine, is a ‘data collector’. They simply record ‘what is at the property’ – or in other words, they collect the relevant data set. They make no evaluation as to the suitability or otherwise of the recommendations generated for that property. For example, the EPC might make recommendations for solid wall insulation without considering the specific features, defects and or issues at the subject property.

Can we trust the EPC to be a true reflection of the energy performance of a property today?

There are two issues to consider relating to the trustworthiness of the EPC rating:

- Is the EPC current; and
- Is the EPC correct?

Or, to put it another way, how reliable is the EPC?

1. How old is the EPC? – an EPC is valid for 10 years, irrespective of any material changes that might have been carried out to the property since the EPC was created. In other words, it is perfectly legal to market a property with an EPC that is, say, 8½ years old and the property has been substantially refurbished in the meantime. If you go into the government EPC register you can see the date the EPC expires and so, by definition, the date the EPC was generated. But a lot can happen in 10 years.

2. How accurate is the data collected by the energy assessor? – the EPC Action Plan acknowledged that consumers and others need to have confidence in the information on EPCs. However, only 3% of the respondents to the July 2018 “Call for Evidence on Energy Performance Certificates (EPCs)” answered that they believed the reliability of EPCs was good. The government acknowledged in the Action Plan that unless people could trust the EPC, they would not take the rating into account when considering a purchase or acting on the recommendations.

Is this lack of trust down to poor data collection or more a distrust of the EPC in general? 85% of the respondents to the survey thought that the proposal to strengthen the quality assurance processes for EPCs would go some way to improve EPC reliability, and 60% mentioned assessor inputs as a reason for variations in EPC quality. But this might be too simplistic. When the recommendations generated are completely inappropriate, it would be easy to blame poor data input unless you have a clear understanding of the conventions underlying the data input. That said, EPCs are cheap to procure because they are not seen as having any value, so cutting corners in the data collection is understandable.

For example, in attributing for different wall thicknesses the BRE guidance says:

Wall thickness

Measure wall thickness in mm of each external wall (elevation) and any alternative wall within a building part. It can be measured at door or window reveals or by internal/external measurement comparison (which can be direct measurement or estimated by counting bricks). Where

thickness varies, obtain a weighted average. For example, a detached house with all side of equal length where the rear wall is 250 mm thick and the remaining walls are 350 mm thick, the average is $(0.25 \times 250) + (0.75 \times 350) = 325$ mm.

It would be wrong to assume that an energy assessor never does this because it is not worth their while, but totally understandable if they don't.

3. Do the conventions give an accurate report on the energy efficiency? – assuming the data input is accurate, how realistic are they anyway? This again comes down to the conventions.

One such is the 'alternative wall'. The conventions allow for up to 4 different extensions of different ages, but not for different walls of different ages. So, if a Victorian house was altered in the 1980s with a cavity wall, then although that cavity should be built to 1980s insulation standards the EPC conventions would actually assume a Victorian cavity. It is not clear how big an impact this convention has overall since most new walls are likely to be associated with extensions rather than just repairs or alterations. Nevertheless, it does illustrate one of the restrictions on the conventions likely to contribute to inaccurate EPCs.

Finally, it is again worth noting that the SAP methodology itself was **not actually designed to assist the drive to zero carbon**, but rather as a running cost indicator (as we have already seen), so it will sometimes penalise actions that lower the carbon output of a building (such as installing a heat pump) without sufficiently lowering its running costs. SAP ratings can therefore have a perverse and negative impact on decarbonisation.

The following illustration comes from the Committee on Climate Change, an independent, statutory body established under the Climate Change Act 2008 with the specific purpose of advising the UK and devolved governments on emissions targets, reporting on the progress being made in the reduction of greenhouse gasses and advising on how to prepare for and adapt to the impacts of climate change. This committee has publicly announced several strategies to help the UK move towards zero carbon, as illustrated here, and few of those strategies or technologies are covered by the EPC.

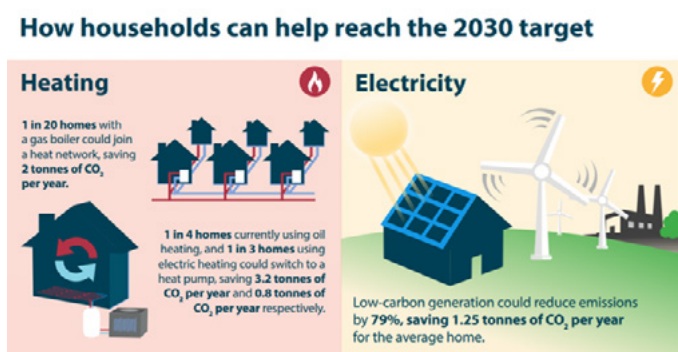


Figure 6: Committee on Climate Change illustration

EPCs and the approach to valuation

The Green Finance Institute notes in its lender guidance:

“...accuracy and quality of EPCs is likely to become an increasingly important issue. Future regulations targeting the buying and selling process could give EPCs financial value, which means they will need to be consistently reliable and replicable.” (Green Finance Institute: Lenders Handbook on Green Home Retrofit and Technologies)

As mentioned, one of the 'Big 6' high street lenders has already issued guidance that requires the valuer to consider EPCs when undertaking the valuation. They require the following actions for the 'subject' property:

- For the valuer to 'consciously consider' the EPC rating, and if there is no EPC then to consider the likely rating in relation to other 'comparable' stock. (Clearly, for a marketed sale there should be an EPC—unless the property is 'listed'—but might not be for a revaluation);
- For the valuer to review the EPC certificate and take note of both the work required and the cost of that work to upgrade the property to a C rating and to make reference to the EPC rating and cost of works etc. in relation to the subject property and comparables in the SCT rationale;
- For the valuer to be especially cognisant of older style or 'non-traditional' housing where the cost of the improvement works will likely prove inhibitive, and although 'protected' to a degree by the cap on expenditure, consideration should be given to the simple fact that their energy performance will be poor in comparison with 'conventional' units which may reduce appeal, demand and value.

And for the comparable properties, the valuer should:

- Consciously consider the EPC rating of each comparable
- Take into account that the EPC rating will more likely be a critical factor in relation to price and value at either extreme of the range [“if the subject is an A or B rating then comparables below a D will likely require adjustment (notwithstanding that adjustment would be required in any event to reflect condition and state of modernisation). Conversely the same will apply if valuing an F or G rated property and using A or B rated comparables.”]
- Consider if the property is indeed 'comparable' where the ratings are significantly different.
- If there is a wide variation between ratings, “specifically review the EPC certificate of the number one comparable, note what works are required (and the cost) to enable comparison and consider if adjustment is appropriate (either to the comparable or the subject) if not already reflected in price. This will be of particular relevance and importance where the subject property and comparables are below a C rating”
- In each instance, whether adjustment is or isn't needed (or considered appropriate), the lender expects to see reference to considerations and thought process in the SCT rationale.

It is interesting to note that this lender does not ask the valuer to record the age of the EPC, or indeed, if they have any opinion as to the accuracy of it (for either the subject

property or the comparables being considered).

So does the EPC impact value?

“The Green Age”, which describes itself as “the UK’s premier energy saving advice portal, covering heating, insulation and renewable technologies”, wrote a blog post in 2019 stating: “A good EPC can certainly improve how attractive your home is to potential buyers. This is because energy efficiency means lower bills. Studies by both the UK government Department of Energy and Climate Change, and an independent study by My Money Supermarket, have shown how much an EPC can improve the value of a home. In fact, the average English home could increase in value by up to 14%, if improved from a G rating to D.”

Further research quickly reveals a ‘Money Supermarket’ article, probably the same referred to by The Green Age. You can find it [here](#).

There are some heady figures – for example, they make the claim, based on average property values in England, that they can “see a correlation between a stronger energy efficiency rating and a higher house price” and that “raising your EPC from a G rating through to a higher A ratings, where property value can be as much as 14 per cent higher.”

The article also claims that “Homes in the North East see the greatest percentage increase in value, where an improved efficiency rating sees property value increase by 12.2% which equates to £16,219. However, as a result of a higher average property prices the South West sees the highest monetary increase from an improved energy efficiency rating with the average property value increasing by £19,576, an improvement of 7.7 %.”

It is not clear when the post was written (the actual figures will be out of date) but it is the overall picture rather than the detail that is important. However, what both articles fail to do is consider the correlation between EPC, property condition, and value. A property with an A rating will almost certainly be in better condition and have better amenities than a G rated property.

For example, compare these two houses in MK13.

Property 1 - EPC F https://media.rightmove.co.uk/13k/12663/108093572/12663_9848198_EPC_00_0000.pdf
 This is a 3-bedroom property with front and rear gardens. According to the EPC, it is 87m². It was being marketed following the death of an elderly person. The photographs clearly illustrate the property needs improvement and does not have a modern kitchen or bathroom.



Figure 7: Property 1 front elevation



Figure 8



Figure 9

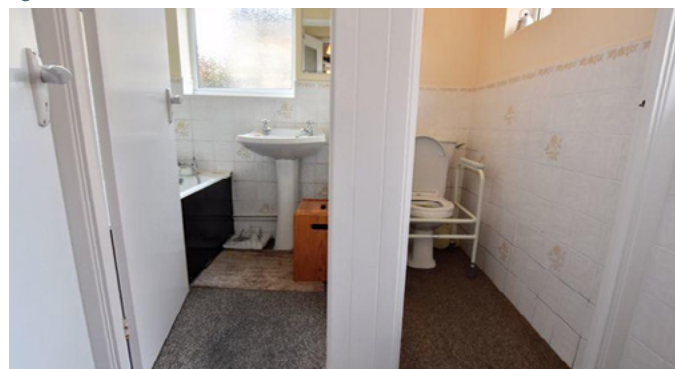


Figure 10

This property is listed on Rightmove at £275,000.

Property 2 EPC C-<https://find-energy-certificate.digital.communities.gov.uk/energy-certificate/2801-3910-1200-0279-6204>

This is also a 3-bedroom property, about a 5-minute walk from the first property but does not have a front garden and the rear garden is smaller. The photographs clearly illustrate a modernised property. According to the EPC, it is 100m². The property was marketed at £290,000.



Figure 11



Figure 12

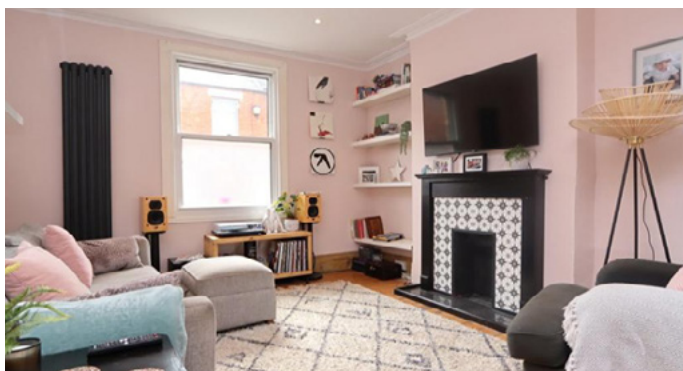


Figure 13

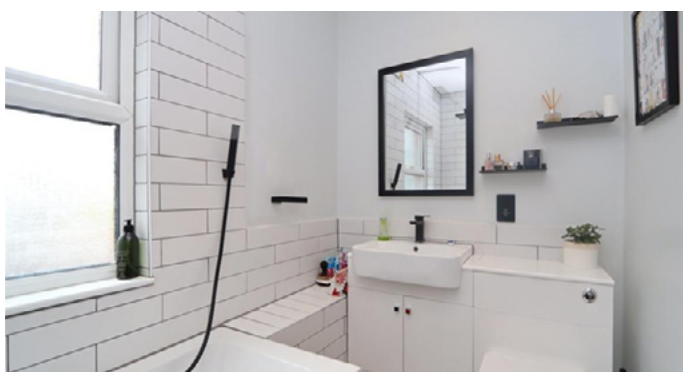


Figure 14

Property 2 with the better EPC was marketed and we presume sold (at the time of this article, both properties were shown as ‘Under Offer’ on Rightmove) for more than Property 1 with the poorer EPC. But, as the photographs clearly illustrate, to say that Property 2 was worth more because of the EPC is factually incorrect. It is worth more than Property 1 but, factors other than the EPC will come into play.

But what about the Private Rented Sector?

At a recent CPD event, one of the writers asked the surveyors present if they thought EPCs affected value. For the owner-occupied sector, no one thought they did, but for the private rented sector, approximately 40% of the valuers in the room expressed the opinion that EPCs did affect value. This poll was not scientific – it was just a show of hands – so it is far from conclusive; however, it does comprise an example of anecdotal evidence from around 40 Chartered Surveyors who are practising in the real world, carrying out surveys and valuations. Of course, some boundaries between the private-rented and owner-occupied sectors are blurred, meaning that while it is

feasible MEES regulations might impact an individual’s decision to proceed with a purchase, that is not the same as saying that MEES impacts the price at which to purchase. Furthermore, MEES might impact value in a slow market, but in the current market where properties are being quickly snapped up, this is less likely to be the case. However, whilst there may currently be no direct evidence regarding any effect EPCs might have on private-rented residential property values, most surveyors are likely to intuitively accept the probability such evidence will eventually be forthcoming. As the minimum rating for let properties is upgraded, and political, legal, and financial pressure builds on landlords who are required to spend on improvements to achieve the ‘improved’ ratings, there is likely to be corresponding impacts on values. (If the government were to begin introducing similar ‘carrot and or stick’ policies on owner-occupied properties, similar impacts could result?)

Do surveyors have a role in the drive towards zero carbon?

Surely the answer must be yes. If the UK is to hit the zero carbon targets, then there is a lot to do and residential surveyors and valuers are well placed to help the UK and the world achieve a positive result. We can raise awareness now by commenting on the EPC, the possible improvement measures and zero-carbon technologies in survey reports. Indeed, the Home Survey Standard addresses this directly:

Section 4.7 Energy matters

Concerns over climate change and legislative and commercial changes in the energy sector have created a demand for clear and objective guidance on energy matters. Consequently, energy advice will be of great value to many clients. We will definitely have a role to play as other lenders start to take account of the EPC. The nature of this service will be influenced by a range of factors that may change over time, for example, global, regional and national legislation and practice; the nature of the subject property and the competence and technical knowledge of the RICS member or RICS regulated firm.

At all levels of service RICS members and regulated firms must be able to identify and advise on defects and deficiencies caused by inappropriate energy efficiency measures implemented at the subject property. In addition, the different levels should include the following particular features:

- *Level 1 – where the EPC has not been made available by others, the RICS member should obtain the most recent certificate from the appropriate central registry where practicable. The relevant energy and environmental rating should be reviewed and stated.*
- *Level 2 – in addition to that described for level 1, checks should be made for any obvious discrepancies between the EPC and the subject property, and the implications explained to the client.*
- *Level 3 – in addition to that described for levels 1 and 2, at this level the RICS member should give advice on the appropriateness of any energy improvements recommended by the EPC.*

Conclusions

There is currently no statistical evidence confirming EPCs impact on value, but it is very likely that they will, either by consumer recognition driven by rising fuel prices or by lender policy as government and the banking regulator enforce

legislation arising from climate change policies.

If we agree that the EPC rating is not yet impacting on value, we still need to start thinking about them, and energy and carbon in general; and given all of the above, it is useful to start thinking about them in the context of value. We suggest a simple practice to start employing would be:

- The valuation rationale should reflect and confirm that the EPC has been considered in the inspection and review of the property (as required by the Red Book);
- Note if the EPC is 'current' or not;
- Note that the recommended improvements might be only partially realistic (where the EPC is current);
- Note the upper band according to the EPC and the costs suggested in the EPC to achieve the rating; and
- Confirm that this does not impact (yet!) on value.



Hilary Grayson BSc EST MAN (Hons)



Larry Russen MA BSc FRICS FCABE C.Build.E MFPWS PGCE



Anne Hinds BSc (Hons) FRICS

We are looking for experienced Residential Surveyors to become assessors

- No prior assessment experience needed
- Flexible to fit it around your surveys
- Help to develop new aspiring Residential Surveyors
- Income potential of £2035 for each learner

hello@sava.co.uk | 01908 442158



OFFICE TO RESIDENTIAL CONVERSIONS

THE PERMITTED DEVELOPMENT RIGHTS AND THE CHALLENGES FOR VALUERS

LIAM SHUTT ASSOCRICS, INTERIM HEAD OF NEW BUILD, E.SURV CHARTERED SURVEYORS

In this article, we look at the recent changes to Permitted Development Rights and discuss the implications for residential valuers.

History and Overview

Permitted Development Rights (PDR) are the rights to undertake certain types of building or conversion work without the need to first apply for planning permission.

In effect, PDRs are a general form of planning consent granted by central government rather than by the relevant local planning authority. For example, subject to certain conditions, you would not usually need to obtain planning consent if you wanted to build a conservatory, though it is worth remembering that PDRs for many common projects for houses do not automatically also apply to flats or maisonettes and that commercial properties have different PDRs to dwellings.

PDRs do not apply automatically for every property. In some locations, known generally as 'designated areas', permitted development rights are restricted. For example, properties in:

- Conservation Areas
- National Parks
- Areas of Outstanding Natural Beauty

- World Heritage Sites
- The Norfolk or Suffolk Broads

Since 2013, the right to convert office space to residential homes has come under Permitted Development Rights.

In October 2018, the government launched a consultation proposing to amend PDRs to explore permitting the demolition of commercial buildings to provide new housing, allowing certain types of buildings to be extended upwards and extending PDR to include retail to residential conversions.

In January 2019, the then Ministry of Housing, Communities and Local Government defended the use of PDRs saying they were good for regeneration – something Labour does not agree with having previously pledged to scrap office to residential conversions.

In February 2019, the think tank 'Centre for Cities' was also critical of some of the effects of office to residential conversions, arguing that this permitted development right

had made it more difficult to address competing demands for commercial and residential use when allocating land.

One of the aims of readily enabling office to residential conversions was to help those high streets and town centres suffering economic decline by making it easier to convert empty offices into homes. However, not everyone wants to live in struggling town centres as they do not offer the benefits that people look for from city centre living in the major cities. Consequently, this policy has had little impact in the centres of struggling towns, while in some of the major cities, where industrially inspired ‘loft’ dwelling is aspirational, the policy has almost been ‘too successful’.

For example, between 2014 and 2017, there were just six conversions across the whole of Barnsley (not just in the city centre), while in Blackburn only one took place. Whereas in Manchester, for example, PDR has impacted already successful city centres creating competing demands for both commercial and residential space. Parts of Manchester city centre are exempted from this PDR to manage this competition and much of central London has been fully exempted to stop any such conversions.

Even with this development right in place, there are concerns that returns on UK commercial property will continue to deteriorate. High streets and shopping centres are continuing to see vacant premises suggesting the scope for such development rights will continue.

What’s new in permitted development for 2021?

In March 2021, Robert Jenrick, then Secretary of State for Housing, Communities and Local Government, announced a big change to PDRs in England & Wales, and on 1 August 2021, the government introduced the new Class MA change of use permitted development rights.

What is Class MA?

Class MA is intended to offer a solution for struggling high streets and town centres by offering a new opportunity for commercial to residential conversion to either retail buildings that have never recovered from the financial crash a decade ago or vacant offices unlikely to recover from the working from home trend, post-COVID. These buildings and spaces could offer a unique opportunity to meet the unending housing crisis.

All permitted development rights have certain clauses and restrictions, and Class MA is no different. The restrictions for the use of Class MA extend to location, size and historical use and occupation.

Use Class E

In order to understand Class MA, it is essential to understand Use Class E as under Class MA, commercial buildings can only be converted to residential if they fall under ‘Use Class E’.

Use Class E is itself a new category having been created in September 2020 by combining several other use classes (the old use class system having been introduced to protect traditional retailers and town centres).

These are the property uses that now come under E:

- Retail/shops (previously Use Class A1)

- café and restaurants (previously A3)
- financial and professional services (previously A2)
- indoor sport and fitness (previously within D2(e))
- medical or health services (previously D1(a))
- crèche, day nursery or day centre (previously D1(b))
- office (previously B1(a))
- research and development (previously B1(b))
- light industry (previously B1(c))

In other words, the use classes of A1 (shops), A2 (financial and professional), A3 (restaurants and café) as well as parts of D1 (non-residential institutions) and D2 (assembly and leisure) are no longer individual use classes, they have all been regrouped under Use Class E. And under the new Class MA, any Class E building can be converted to residential.

Use Class E was introduced to support ailing high streets. Even before COVID-19, town centres have been in decline for years due to the combined effect of Amazon and other online retailers and high business rates. The thinking was that if you combined several use classes into one new use class, thereby removing the necessity for planning permission to change the use, it would help property owners and occupiers be more creative and agile in the way they brought previously redundant buildings, and thus locations, back to life. The government has a laudable vision for the high street where a greater mix of retail, leisure, and business activity will engender life and prevent urban decay.

And Use Class MA is a natural progression to this strategy, but there is one important restriction on E to MA and that is that the property in question must be vacant. In other words, Class MA only applies to vacant buildings. There can be no tenants in situ and the property **MUST BE vacant for a minimum of 3 months** before this point and have been in Use Class E for at least 2 years prior to the proposed change. Also, unlike other use classes, work cannot just commence on a residential conversion. An application does have to be made to the local planning authority for ‘prior approval’ before doing anything – not quite the same as a full planning application – and the authority can consider the suitability of the conversion.

The rules associated with Class MA Permitted Development Rights are contained in detail in the General Permitted Development Order (the GPDO) here: <https://www.legislation.gov.uk/ukxi/2015/596/contents>, but some other key points are:

- The total accumulated floorspace of the building to be converted cannot exceed 1,500 square metres (all previous applications under Use Class MA count towards this total area – so say you apply first to convert a ground floor, but later under a separate application, the first floor, then the total area converted cannot exceed 1,500 square metres).
- Listed buildings and scheduled monuments are excluded
- If the property is located on a site of special scientific interest (SSI) or within an area of outstanding natural beauty (AONB) it is excluded and it is also excluded if it sits in the Norfolk or Suffolk Broads, a National Park or a World Heritage Site.

Also, when an application for prior approval is made, the

local planning authority can assess the following issues:

- Transport and parking
- Contamination
- Flooding
- Noise from nearby commercial premises
- The impact on the character and sustainability of a conservation area if the subject property is within a conservation area
- Whether there will be adequate natural light in all habitable rooms of the proposed dwellings

And what about Class O?

Class O was the class that authorised a change of use from office to residential use. To be clear, with the introduction of the new MA class, this PDR was removed.

However, when considering the points covered above in relation to Class MA, it is obvious that the Class MA requirements are likely to be more onerous in a straight office to residential conversion, principally because of the new cap of 1,500sqm. There was some speculation that this might cause a rush of Class O prior approval applications being submitted before 31 July 2021, but a swift search of the internet cannot confirm, or otherwise, this thought.

Are these conversions any good?

On the face of it, this question may imply an existing prejudice, but it was the Ministry of Housing, Communities and Local Government that commissioned research into the quality standard of homes delivered through permitted development rights for the change of use.

Published in July 2020, the research, commissioned from UCL and Liverpool University, found:

- In terms of access to services, transport and green space, and the general level of deprivation within a neighbourhood, there is overall little difference between PDR and planning permission schemes.
- PDR schemes were more likely to be in primarily commercial or industrial areas than the planning permission schemes, with some offering very poor residential amenities.
- Of the schemes studied as part of the research, only 22.1% of the dwellings created through PDR would meet the nationally described space standards (NDSS), compared to 73.4% of units created through full planning permission.
- A greater proportion of the PDR residential units were found to be one-bedroom or studio accommodation.
- A greater proportion of the PDR units had single aspect windows (72%, compared to 29.5% of planning permission developments, suggesting worse natural daylight; indeed, some units covered by the research had no access to natural light and others had such contrived floor layouts as to make any daylight far removed from the useable floor space).
- Having regard to amenity space, the research found only 3.5% of the units they considered had access to private amenity space compared to 23.1% of the planning permission units.

Overall, it concluded “... *it is the combination of very small*

internal space standards, a poor mix of unit types, lack of access to private amenity space/outdoor space, and inadequate natural light which can provide such a poor residential experience in some permitted development units. Looking within the categories of change of use, space standards, window arrangements and access to amenity space are all worse in office-to-residential schemes than the other categories of PD.”

The full report can be found here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/902220/Research_report_quality_PDR_homes.pdf

And there can be vocal opposition to some developments. Recently a long-vacant office building in a good location on Portsmouth Harbour was described as ‘rabbit hutch flats’ and slums of the future: <https://www.portsmouth.co.uk/news/politics/portsmouth-rabbit-hutch-flats-listed-ps825-rent-month-former-office-block-prove-popular-3082609>

Where does all this leave the valuer?

As has been discussed, the market for some residential conversions has already been established; lofts in city centres such as Manchester and parts of London and, of course, the well-established barn conversion are all aspirational living. But, as the Home Owners Alliance correctly points out in this article <https://hoa.org.uk/2020/07/permitted-development-rights-office-to-residential/> some conversions just don’t carry that aspirational tag, and if a property is less attractive by definition, there will be fewer buyers interested (or at a significantly reduced sum) and lenders are concerned about the ‘risks’ associated with its lending book.

The relevant guidance

When undertaking valuations of conversions, the valuer must be familiar with the various relevant practice and guidance notes issued by RICS and, when acting for a lender, the guidance issued by that lender.

The Red Book will apply, but for new conversions, the ‘Valuation of individual new build homes – 3rd Edition December 2019’ will apply and the ‘Valuation of residential leasehold properties for secured lending purposed – 1st Edition May 2021’ is also very likely to apply – particularly for the Class O conversions which did not have the ‘size cap’. (Sava published an article on the new build valuation guidance note here <https://resources.sava.co.uk/kb/articles/valuing-new-build-property>).

Inspection, Valuation and Acceptability

Since we know that many conversions do not have the same amenities as planning permission developments when considering suitability for secured lending, valuers should take care to address the following points:

Inspection/Access/Marketing

- If a new conversion and work are still underway, ideally, the valuer should have a look at the site access and view the subject flat/dwelling or ‘show’ accommodation. Does it live up to the marketing hype?
- Are floor plans available? Where they are, the valuer should consider all the units in the development in terms of:

- general suitability for residential use
- any access issues
- is the level of natural lighting suitable?
- size of rooms and overall size of the accommodation (Several conversions struggle to work within the limitations of the original building, leaving small bedrooms or living accommodation, for example)
- other amenities such as poor views
- Is there a local sales office to make the appropriate enquiries?

In addition, if there are scaffolding or developer hoardings shielding the development, it should be noted that it is difficult to ascertain the external appearance.

Location

As some PDR schemes are more likely to be located in non-residential areas, careful consideration should be given to the following locations/scenarios:

- Properties located on, forming part of, or adjacent to;
 - Light industrial/industrial parks
 - Business Parks
 - Retail Parks
 - Distribution/Warehouse parks
- Located in an area that is predominately commercial/retail/business and there is no other residential
- Areas with no residential infrastructure i.e., amenities such as transport/schools/shops etc.
- Areas subject to excess heavy-duty traffic/deliveries/distribution
- Access via commercial areas
- Impact of any adjacent restaurants/food outlets/public houses
- Parking: some city-centre developments may not have parking, it should be considered if this is in keeping with other developments in the area.

Construction and Condition

Valuers should be aware of the limitations of the original structure, suitable construction types (lender specific) and, of course, any concerns around claddings. Some lenders will require a structural engineers report. Consideration should also be given around any borrowed light, suitability for conversion, and condition of key elements.

Design and Exterior Appearance

- Generally, the external elements of an office/commercial building should be updated/modified to not have such an appearance. The impact of the appearance should be considered for demand and saleability
- Buildings with atriums/borrowed light should be considered carefully, and any impact this may have on saleability/marketability
- Limited privacy i.e., atriums or being overlooked
- Window size and height/adequate ventilation/heating/cooling systems should be considered
- Poorly planned or badly managed common areas

Lease terms

Individual lenders have different requirements when it comes to lease terms and the specific lender requirements, in terms of acceptability, must be considered. In general, consideration should be given to;

- The unexpired lease term (ULT)
- The starting ground rent

- Ground rent escalation terms and whether this is acceptable regarding specific lender guidelines.

Service Charge

Valuers should review the service charge and deem whether this is reasonable when compared to other comparable buildings in the immediate area.

Warranty

For new build/conversion/initial occupancy, a suitable warranty is required, as per specific lender policy.

UK Finance Disclosure of Incentives Form (UKDIF)

For newly converted/initial occupancy cases, a UKDIF is required. Any disclosed incentives (financial and non-financial) should be treated in accordance with standard practice and reported in line with specific lender policy.

Market Appeal/Demand/General Lending

Consideration should be given as to where the demand will come from, for example, schemes that are aimed at BTL/Investor sectors may be unsuitable for some lenders, and more generally whether the proposed market rents can be justified by comparable rents in the area.

Lenders are also understandably nervous of future problems arising in an unproven market, for instance where a location is predominantly PRS, and, as with all 'new developments', do not want to be exposed in an area where sustained values are not proven. Consequently, acceptable developments will usually have a mix of both owner-occupier and BTL purchasers.

Valuers need to be aware of marketing schemes that may offer furniture packs or guaranteed rental returns. As with any new build, careful consideration should be given to how these 'first-time owner incentives' are likely to impact second-hand sales.

Valuation

The more relaxed attitude towards planning controls has led to smaller developers appearing without a track record of large-scale projects, and they often appear as limited companies and are not seen again after the project is completed. If sales rates are low, they can often sell the remaining scheme to investors. The legacy, in terms of quality, is questionable on some sites that have progressed via this route.

As with all valuations, careful consideration must be given to the selection of appropriate comparables. There are no hard and fast rules to determine what makes a good comparable, but you should be thinking about similar converted units, in similar locations, with similar demand. Adjustments should be made to reflect any differences, and also consideration of new-build premium and incentive and what impact these may have on valuation.

Although several issues have been noted, not all schemes are of concern. Valuers should however consider all factors before committing a valuation or a recommendation that units are a suitable security.

Summary

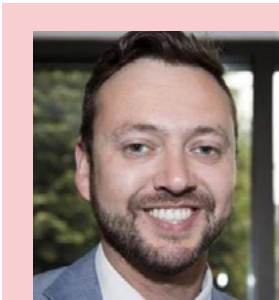
Whilst PDR schemes have helped to address the national housing shortage and without doubt, do offer scope to rejuvenate stagnant commercial areas, as valuers and surveyors, we need to remain alert to the concerns and potential issues with office/such commercial to residential conversions may bring. The above is not an exhaustive list but is intended to highlight some of the issues and assist valuers in considering whether a development is suitable for mortgage lending purposes (and indeed for purchase in general). Of course, each lending establishment will have their own specific lending requirements, and these should be followed in each instance.

It will be interesting to see how these schemes develop in the future.

This article refers to the former Ministry for Housing, Communities and Local Government (MHCLG), but in the July 2021 government reshuffle, the ministry was renamed the Department for Levelling Up, Housing and Communities (DLUHC). It is hard to keep up because MHCLG itself succeeded the Office of the Deputy Prime Minister.

DLUHC is the UK Government department responsible for housing, communities and local government in England, together with the 'levelling up' policy (which aims to reduce the economic and social imbalances, across the country). Headed by Michael Gove, the Secretary of State, it includes other ministries of state, including Housing (Christopher Pincher MP) and Building Safety and Fire (Lord Stephen Greenhalgh).

Currently based at Marsham Street in London, Robert Jenrick announced that it would be the first government department to move out of London and would relocate Wolverhampton.



Liam Shutt AssocRICS
 Liam is Interim Head of New Build at e.surv Chartered Surveyors
<https://www.esurv.co.uk/>

Certificate in Residential Valuation

- The Certificate in Residential Valuation is a fully packaged training and assessment programme that allows existing professionals (e.g. RICS or CIOB members) to offer valuations on residential property
- The qualification has been mapped against the RICS Valuation Registration Scheme making it straight-forward to apply
- Delivered entirely online so can be undertaken in your own time
- Training material and webinars delivered by industry leaders

hello@sava.co.uk | 01908 442158



PROTECTED ANIMAL SPECIES

AN OVERVIEW FOR SURVEYORS

HAYLEY BOWKETT, SAVA
HILARY GRAYSON, SAVA

There are many protected species across the UK, and from time to time, residential surveyors may come across certain protected animal species whilst inspecting property. In this article, we have provided a roundup of the most likely protected animal species you may come across (or see signs of) during your inspection of residential property. We have broken each species down with information about the law, the signs they may be present, defects that could result from their presence, and what you should report to your

client. It should also be noted that if you suspect or come across any protected species, you should not disturb the area and inform the homeowner or person in charge of the property of your findings and the implications of disturbing the species, as described in this article.

We are going to focus on:

- Bats
- Breeding birds
- Barn owls
- Badgers
- Great crested newts

We will also briefly touch on Dormice.

Bats

There are 18 species of bats in the UK and Ireland. Pipistrelle bats are the smallest weighing around 5 grams (less than a £1 coin). The largest is the Noctule with a wingspan of 33-45cm.

Bats are protected because bat population numbers have been declining and they play a significant role in terms of biodiversity. Some bats are 'indicator species' meaning changes to these bat populations can indicate changes in aspects of biodiversity. For example, bats might suffer when there are problems with insect populations as UK bats feed on insects, or when habitats are destroyed or poorly managed.

The Law

[The Wildlife and Countryside Act 1981](#) is the primary legislation which protects animals, plants, and habitats in the UK by prohibiting and limiting actions involving wild animals. Prohibitions include taking, injuring, killing, and disturbing. It is also an offence to disturb places used for shelter and protection.

In Britain, all bat species and their roosts are legally protected by both domestic and international legislation. This means you may be committing a criminal offence if you:

- Deliberately take, injure, or kill a wild bat
- Intentionally or recklessly disturb a bat in its roost or deliberately disturb a group of bats
- Damage or destroy a place used by bats for breeding or resting (roosts), even if bats are not occupying the roost at the time
- Possess or advertise/sell/exchange a bat of a species found in the wild in the EU (dead or alive) or any part of a bat
- Intentionally or recklessly obstruct access to a bat roost
- Set and use articles capable of catching, injuring, or killing a bat (for example a trap or poison), or knowingly cause or permit such an action. This includes sticky traps intended for animals other than bats.

Breaking the law can incur significant fines of up to £5000 per incident or even per bat, up to six months in prison and forfeiting the equipment used to commit the crime. The penalty could be even greater for harming a large number of bats. Bats are a European Protected Species (EPS), so they receive full protection under [The Conservation of Species and Habitats Regulations 2010](#).

Signs they may be present

There will be some tell-tale signs, even if the bats are not in residence. Look for bat droppings on windows, walls, or sills. In the roof void droppings may be below the gable ends or in a line under the ridge. Bats may be visible on ridge beams inside the roof void but as they are very small they can easily tuck themselves away from sight.

Bat droppings are dark brown or black and vary between 4 and 8mm long. They look very similar to mouse droppings but the way to tell them apart is the 'crumble test'. The Bat Conservation Trust suggests rolling a dropping in a piece of tissue between your finger and thumb and if it feels hard then it is probably mouse dropping. A bat dropping is small and dark and will crumble to dust when crushed because it consists of fragments of insect exoskeletons, the diet of UK bats.



Figure 1: Gable end wall in context with bat droppings on boarding



Figure 2: Close up of bat droppings on boarding



Figure 3: Bat droppings also on blockwork to gable end

Potential property defects

The main problem associated with the presence of bats is the severe limitation on the repair and development of a property and the fact that they interfere with the occupation of that property (for example, if you have bats in the loft, you cannot use the loft for storage or even enter the roof space).

However, very rarely, some buildings do have such a large number of bats that the bats themselves cause damage to the property. There is an interesting article on St Hilda’s church in Ellerburn, Ryedale that had a significant roost of bats. They caused considerable damage to some of the valuable artefacts in the church and even caused the parishioners to stop using the church for a period of time.

Large numbers of bats can also be associated with health problems in humans (this was reported in the St. Hilda’s case.) Histoplasmosis is a lung disease caused by the fungus associated with decaying bat faeces. In most cases, this is a very mild disease but may be more serious for people with underlying health problems.

Reporting to your client

You should report your findings in your survey for your client, explaining you suspect or identified that bats/a bat roost is present in the property and that it is illegal to disturb the roost. If they wish to use the loft for storage or are planning works that will disturb the roost, they will need to seek advice from a specialist.

Breeding birds

With more than 500 species of wild bird residing in the UK and around 200 species that breed here, it is important to understand the law and implications of breeding birds. Some birds, such as house sparrows and starlings, are declining in the UK partly as a result of the loss of nesting sites.

The Law

All wild bird species, their eggs and nests are protected by law under the Wildlife and Countryside Act 1981. You’re breaking the law if you:

- intentionally kill, injure or take wild birds

- intentionally take, damage or destroy a wild bird’s nest while it’s being used or built
- intentionally take or destroy a wild bird’s egg
- possess, control or transport live or dead wild birds, or parts of them, or their eggs
- sell wild birds or put them on display for sale
- use prohibited methods to kill or take wild birds

Penalties that can be imposed for criminal offences in respect of a single bird, nest or egg contrary to the Wildlife and Countryside Act 1981 is an unlimited fine, up to six months’ imprisonment, or both.

Signs they may be present

Birds breed between February to August, so be aware of their presence during this time. Birds can nest in gutters, eaves, and the roof itself. You may spot birds disappearing into the eaves when inspecting the property outside. If you have access to the roof space, look out for any physical evidence of birds nesting such as nesting material and bird faeces, and listen out too as you may hear any baby birds.

It may also be a good idea to ask the current owner or tenant if they hear any birds in the morning coming from the eaves area.



Figure 4: Starlings appearing from eaves of roof

Potential property defects

If birds are nesting in the eaves, it is more likely to result in blocked gutters where birds are taking nesting materials in.

Reporting to your client

If you identify breeding birds during your inspection, you can report this in your survey and advise the client of the implications of disturbing nests or killing or injuring breeding birds. It would be prudent to explain that activities such as trimming or cutting trees, bushes, hedges and vegetation can affect wild birds, particularly during the breeding season. They should also be aware of breeding birds if planning on renovating, converting, or demolishing a building.

Barn owls

There are 5 species of owl in the UK, but barn owl numbers have decreased since the 20th century by as much as 70%

between 1932 and 1985, according to the Barn Owl Trust. These declines are largely the result of improvements in the way farmers cultivate their land.



Figure 5: Barn owl

The Law

Barn owls have extra legal protection. For these bird species, in addition to the list in breeding birds above, it's also an offence to do the following, either intentionally or by not taking enough care:

- disturb them while they're nesting, building a nest, in or near a nest that contains their young
- disturb their dependent young

You could get an unlimited fine and up to 6 months in prison for each offence if you're found guilty.

Signs they may be present

As their name suggests, you may come across barn owls in barn buildings or outbuildings that aren't disturbed often, as well as tree hollows. Some properties may even have owl nest boxes built especially for breeding barn owls. Although rare, they have been known to nest in chimneys and roof structures.



Figure 6: External view of barn owl nesting box built into roof structure. Copyright: The Barn Owl Trust <https://www.barnowltrust.org.uk/>



Figure 7: Internal access of the barn owl nesting box. Copyright: The Barn Owl Trust

Look for signs of 'pellets'; these are regurgitated pellets of food the owl could not digest such as hair and bone.



Figure 8: The different pellets regurgitated by different bird species. Copyright: The Barn Owl Trust

Owl droppings are usually white and watery (but can be black or black and white). The Barn Owl Trust has a useful page on signs of occupation here: <https://www.barnowltrust.org.uk/barn-owl-facts/signs-barn-owl-occupation/>



Figure 9: Pellets and owl faeces present in this loft space, as well as a hole that has been cut in the gable end for access to the loft. Copyright: The Barn Owl Trust

Potential property defects

Generally, owls will not damage property, but of course, if they have been nesting in a roof, they will leave roosting debris, faeces, and possibly dead rodents.

Barn owls only need a gap of 7cm x 7cm to gain access, therefore, poorly maintained buildings may allow them access into roof voids etc. Be aware of this if inspecting property that is in a dilapidated condition. If you do find signs of barn owls in a roof void, it would suggest there are gaps in the building that may not be visible to you on your inspection.

Reporting to your client

If you suspect barn owls are present, you should report this to your client as well as notify your client about the law around barn owls and disturbing them.

Badgers

Badgers live in underground ‘setts’ (tunnels and chambers) in mixed-sex groups of four to eight, and they can grow up to 1 metre in size.



Figure 10: Badger in woodland

Although not endangered (there are an estimated 485,000 badgers in the UK), badgers are a protected species because of illegal badger baiting, a blood sport in which badgers are baited with dogs.

The Law

Badgers and their setts are protected by law under the [Protection of Badgers Act 1992](#). It is an offence to:

- Wilfully kill, injure, or take a badger (or attempt to do so)
- Cruelly ill-treat a badger
- Dig for a badger
- Intentionally or recklessly damage or destroy a badger sett, or obstruct access to it
- Cause a dog to enter a badger sett
- Disturb a badger when it is occupying a sett

If found guilty, offenders may be subject to fines or even custodial sentences.

Licences from Natural England may be granted to close down setts, or parts of setts, prior to development or to permit activities close to a badger sett that might result in a disturbance. A licence will be required if a sett is likely to be damaged or destroyed in the course of development or if the badger(s) occupying the sett will be disturbed.

Reporting to your client

Badger setts can extend to more than 50 metres and it is illegal to damage or destroy them. If present, homeowners may face some issues if they want to carry out works. You should report that you suspect badgers and provide information on the law relating to badgers.

Great crested newts *Triurus cristatus*

There are only three types of newt in the UK and the Great Crested Newt is the biggest and rarest. They can grow up to 17cm and have black or dark brown skin that is granular in appearance. They have a unique orange or yellow underbelly with dark spots. The males will develop their ‘crest’ in spring (at the beginning of the mating season). They spend the majority of life on land, and they migrate to ponds during spring when the mating season begins.



Figure 11: Male great crested newt (Source: Natural England)

Great nested newt eggs can be identified by a jelly capsule around 4.5 - 6mm long, with a light yellowish centre; they are usually deposited on leaves.

The Law

It is estimated that there are about 75,000 populations in the UK. A reduction in the water table, in-filling for development, agricultural intensification and the subsequent neglect of ponds and the stocking of ponds with fish has caused a reduction in the number of ponds suitable for breeding. In England and Wales, the great crested newt is protected under Schedule 2 of the [Conservation of Habitats and Species Regulations 2010](#) and under Schedule 5 of the Wildlife and Countryside Act 1981 (as amended).

It is an offence, with certain exceptions, to:

- Intentionally or deliberately capture, kill, or injure GCN;
- Intentionally or recklessly damage, destroy, and disturb GCN in a place used for shelter or protection, or obstruct access to such areas;
- Damage or destroy a GCN breeding site or resting place;
- Possess a GCN, or any part of it, unless acquired lawfully; and
- Sell, barter, exchange, transport, or offer for sale GCN or parts of them.

The penalty for committing an offence can be an unlimited fine. There was a case several years back where a civil engineering company was fined £50,000 for illegally dumping construction waste into a great crested newt habitat ([read more here](#)).

Signs they may be present

The great crested newt may be found over all of England, Wales and Scotland but need suitable ponds surrounded by good quality ground habitat if they are to thrive. They do not breed in small garden ponds but prefer middle-sized ponds (which can be artificial) and prefer semi-natural grassland and woodland for foraging etc. Therefore, you are unlikely to come across great crested newts in small urban gardens, but you might find them in larger, more rambling ‘less tidy’ locations.

Westbury Arts Centre in Milton Keynes, housed in a former farmhouse, has a known colony of great crested newts. The property is still in a semi-rural location, has the remnants of an old moat (seen more clearly on the map rather than the aerial photograph) and has a now disused swimming pool on site. While the gardens are managed, they are not pristine, providing ideal ground conditions for the newts.

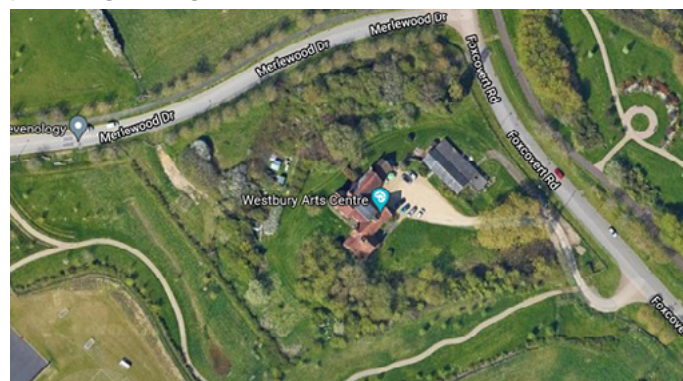


Figure 12: Satellite view of Westbury Arts Centre

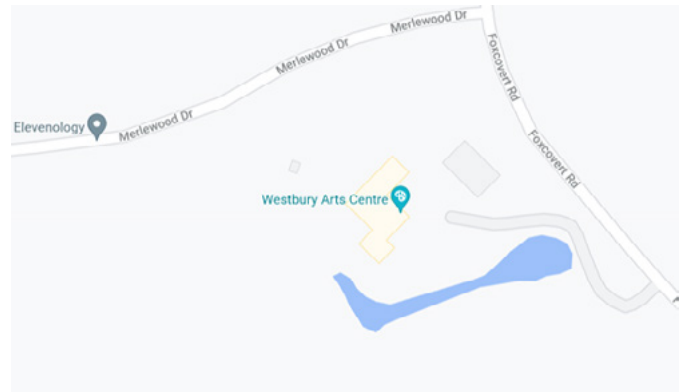


Figure 13: Map view of Westbury Arts Centre

Reporting to your client

If great crested newts are present, then they could be affected by the following work:

- Maintenance works to ponds, woodland, scrub or rough grassland.
- Removing dense, scrub vegetation and ground disturbance.
- Removing materials, such as dead woodpiles.
- Ground excavation works (including repairs to foundations).
- Filling in or destroying ponds or other water bodies.

If there is a possibility that great crested newts could be affected by any sort of development or maintenance work, surveys by an ecologist may be necessary and it is possible that a licence from Natural England would be needed before any work could commence.

It would usually be necessary to do this if:

- There are historical records of newts within the land or close to the land proposed for development (this might be verbal records. The presence of newts at Westbury is not documented but is known about by the local authority)
- There is a waterbody within 500m of the application site boundary.

If you identify or suspect the presence of great crested newts, you should report this to your client and make them aware of the law around great crested newts.

Dormice

There are six species of mice in the UK. There are five native species, including the native dormouse—also called the Hazel Dormouse or Common Dormouse (Latin name *Muscardinus avellanarius*)—but the sixth— the Edible Dormouse (Latin name *Glis glis*)—was introduced into a private collection in Hertfordshire in the early 1900s and subsequent individuals escaped into the wild and, there is now an estimated 10,000 of this species happily living in the wild. There is some confusion about the status of the two species of dormice.

The Law

The number of native Common or Hazel dormice have declined dramatically over the last century and continue to do so today. This is primarily due to the loss and fragmentation of woodland habitat as a result of forestry, urbanisation and agricultural practices. These native dormice are fully protected and an endangered species under Schedule 5 of the Wildlife and Countryside Act 1981, as amended.

Their cousin, the Edible dormouse—so-called because they were an edible delicacy in ancient Rome—is now classed as a non-native invasive species as it is not native to the UK. It is much bigger than the hazel dormouse being more ‘squirrel like’ in appearance.

The Bern Convention on the Conservation of European Wildlife and Natural Habitats, also known as (the Bern or Berne Convention), is a binding international legal instrument covering natural heritage in Europe and some African countries. The family Gliridae to which both species of dormouse belong is covered by the Bern Convention.

The Hazel dormouse is a rural dwelling animal, but the Edible dormouse will happily make itself at home alongside humans in loft spaces or cupboards, and several house fires have been attributed to damage to electric cables caused by them.

Although protected under the Bern Convention, it is now permissible to trap edible dormice under licence from Natural England for “ the purposes of preserving public health and public safety, and to prevent serious damage to crops, fruit, growing timber and other forms of property”. ([Read more here.](#))

Bat Case Study 1

St Hilda’s Church in Ellerburn near Pickering was closed for several months in 2011 due to a colony of Natterer’s bats which had been living in the church for ten years and eventually took over. This was a very large roost and eventually, it drove the congregation away from the church which had to hold services outside.

According to the churchwarden, the walls, floors and altar of the historic Saxon church were covered with bat droppings and sprayed with bat urine damaging the woodwork, church artefacts, stone flooring slabs, pews, choir stalls, pulpit and font. Some of the volunteers at the church became ill due to the large volume of droppings and urine present.

Eventually, the church was granted a licence from Natural England to block up some of the access points which the bats have been using to colonise the church. They could continue to live in the roof of the church, but not in the church itself. The clean-up operation was claimed to have cost thousands of pounds and took a specialist team of five people two days to complete and gather 13kg of bat droppings!

Bat Case Study 2

Westbury Arts Centre in Milton Keynes is known for both its bat and great crested newt populations.

Within the curtilage of the site is an old barn which is used during the warmer months. However, the barn roof and part of the gable wall were damaged in storm Dennis in early 2020.

Because of the known bat population, before essential repairs to the barn roof and gable end could be carried out, the Arts Centre had to commission a bat survey, necessitating the attendance at site on three separate occasions.

Then, the presence of bats was noted around the barn with evidence of bat droppings in the barn and a licensed ecologist was on site for the duration of the repairs. The additional costs on top of the essential repairs were in the order of £1500.

List of useful resources

Bats Conservation Trust: <https://www.bats.org.uk/about-bats>

The Barn Owl Trust: <https://www.barnowltrust.org.uk/>

The Badger Trust: <https://www.badgertrust.org.uk/badgers>

Great Crested Newt Conservation Handbook: https://www.froglife.org/wp-content/uploads/2013/06/GCN-Conservation-Handbook_compressed.pdf

The Wildlife Trusts: <https://www.wildlifetrusts.org/>



CLIENT MANAGEMENT AND TECHNOLOGY

HOW TECHNOLOGY CAN HELP YOU WITH CLIENT MANAGEMENT, COMPLIANCE, AND PREVENTING CLAIMS

MATT NALLY, SURVEY BOOKER

You can be an excellent surveyor, but that in itself does not necessarily mean you will never receive a complaint or claim. Having a strong client management process in place will not only provide a consistent customer experience for your clients, but it could potentially avert a claim or defend you in the event of one.

In this article, Matt Nally talks through the processes of a job from start to finish and highlights how technology can help to streamline them.

Dealing with multiple customers and properties each week makes it hard to remember the finer details from your conversations, emails, and calls. The more work you take on, the more you must remember. And even if you only handle low volumes of work, we all have external pressures from our personal lives; this all takes up memory space.

Complaints and claims aren't always immediate, and they can arise some years after a survey or valuation was undertaken. We're all notoriously [bad at remembering things accurately as time goes on](#), and so having consistent clear job records from start to finish is key for both giving the right advice at the time of a survey, as well as being able to back yourself up in the event of a claim several years later.

When does your job start?

Your job starts the first time you speak to someone as a potential customer, and it finishes with your last touchpoint with them. Why? This is the first time you'll provide information or advice to a customer based on the details they have provided. There is a subtle difference here (these are our opinions and not legal advice):

Information: This is where you highlight what is included in different reports and the types of properties it suits.

Advice: This is where you recommend that a particular survey is more appropriate to the customer's needs and influences their decision on which service to instruct.

It is important to note all of these conversations down so you can show the advice given to your customer was correct based on the details provided to you. Of course, if it later turns out that a different survey is needed, your advice to the customer on this should also be recorded.

You may provide a quote to a potential client which will have allowed for the factors requested. Your agreed terms should also outline them. The RICS Home Survey Standard provides clear guidance on what you need to list in your terms. Making sure you are compliant with these requirements is an important step in the process of documenting any special agreements and confirming the exact scope of your report.

- [RICS Guidance to members](#)
- [RICS Home Survey Standard](#)
- [Cover letter framework](#)

A clear job record with notes of all conversations (especially conversations where a client has specifically pointed out an area of their concern), supported by clear and compliant terms, will help you to cross-check and ensure everything is covered before you send your report. It will also show third parties (such as insurers, expert witnesses etc.) that you have diligent and consistent processes in place, which suggests the evidence you have provided is reliable. Remember, every touchpoint where you provide advice could also be a potential liability. This doesn't mean you shouldn't provide advice, but it's important to record exactly what you said and when. With the right processes in place, tracking all of this information is just as easy to remember in 5 minutes as it is in five years.

What information should you have records of?

There are a number of different touchpoints and types of data that you'll collect throughout a survey. These include items such as:

- Emails
- Calls
- Signed terms

- Invoice / payment
- Site notes, photographs, and desktop research
- Client notes of every conversation
- Advice on the survey required
- Final report
- Post report advice

Joining the dots with the right processes

There are numerous ways in which you can record and store this information to aid with both customer service and managing claims. How you store this information can make a big difference to your business, and which process is best depends on a number of factors:

- **Confidentiality** - ensuring that only the correct, authorised user can view, access, change, or otherwise use data.
- **Integrity** - ensuring that the system and information is accurate and correct.
- **Availability** - ensuring that systems, information, and services are available the vast majority of the time, and when you need it as well as how quickly you can collate all of the information for a job. Disconnected processes can be more difficult to implement consistently and make it harder for analysis and retrieval of information. This also includes your ability to easily comply with GDPR and answer customer queries about exactly what data you hold about them.
- **Retention period** - how long you are storing this data. You cannot store data indefinitely and you need to consider the cost of storing data for the duration of your retention period. The limitation period on most legal claims is six years and some claims can be brought up to fifteen years later, so you need to set a sensible retention policy for records should you need to defend a claim.

Some options available to you are listed below. Let's compare some of the pros and cons of these against the factors above (some may be obvious, others might not):

| Method | Availability | Integrity | Confidentiality | Retention | GDPR |
|-----------------------------------|---|---|--|------------------------------------|---|
| Paper files | High risk of loss with flood, fire etc. Storage can make it hard to access. | Risk of ink fading or damage to paperwork. | Secure storage and procedures required. | Can lead to high storage costs. | Potentially difficult to confirm all data held on a subject. |
| Local storage / hard drive | Risk if device is lost or damaged. All data must be manually added to a record. | Can view when a document was last modified. | Risk if the device is affected by malware or the device is lost. | Risk if device is lost or damaged. | Easy to locate data if all information has been stored in one location. |
| Cloud storage | High availability. Access data anywhere, any time. All data must be manually added to a record. | Can view when a document was last modified. | Easy to restrict user access for different files. | Low data storage costs. | Easy to locate data if all information is stored in one location. |
| CRM | High availability. Access data anywhere, any time. Automatic linking of data. | Activity logs show changes to job records. | Easy to restrict user access to each job record. | Low data storage costs. | Easy to locate all customer data. |

Each storage method has its pros and cons. Paper records are traditional but costly and it can be difficult to find all related records quickly if not correctly stored. Records could crossover for different customers or properties and, if not correctly referenced it would be easy to miss information when you need it.

Hard drives, whilst easier to search for data, have their own risks. Someone recently lost a hard drive containing £200m in cryptocurrency ([story here](#)) and they've still not been able to locate it. Losing customer data and your supporting records isn't something you'll want to do. If you use this method, backups of each hard drive should be kept, and data should be encrypted to keep it secure. However, you need to ensure you don't forget your encryption key so you don't lose access!



Cloud storage and CRM systems provide the quickest and easiest way to access data, but cloud storage doesn't offer the automation and record linking capabilities that a CRM can, meaning that whilst it is accessible, it may not easily offer you the whole picture of a customer or property with ease.

Client/Customer Relationship Management (CRM) - the modern tool for client management

The optimal solution in today's world is a Customer Relationship Management (CRM) system that **provides a centralised location for all of your customer records**. The difference between cloud storage and a CRM is that a CRM can automate a number of administrative tasks to help ensure your job records are consistently created and the information retained. The CRM system can handle this for you so you can focus your time on customers and ensure your reports are compliant with requirements.



A CRM system will enable you to search for a job, customer or property record and see everything you need immediately including other jobs linked to the customer or property. This

helps you to answer customer queries more efficiently and with confidence, whether you are booking a job, you are out on site, needing to double-check your customer requests during your report write up, or 5 years after your report was submitted. Your data is confidential with access easily provided to or revoked from other users (if any).

Survey Booker is a specialist CRM and survey management system for the surveying industry. It can feed all your leads from multiple sources into one dashboard, so you instantly have a record to work from. You can manage terms by automatically prefilling important data to save time, handle payments and invoicing, and provide updates throughout a job. All correspondence can be automatically stored, and you can add notes from every conversation to each record. If you need to find information about a job, it can be accessed in a few clicks.

The benefits of a CRM go beyond managing claims. By handling your processes more efficiently and consistently, a CRM can help you **grow sales, save time** by automating manual admin processes and **ensure compliance** with industry requirements. Automation of manual processes can also help to prevent data errors and ensure data integrity. During a claim, this could help evidence that you take the accurate management of your customers' requirements seriously.

Conclusion

Processes are key for ensuring that you can manage your clients effectively each and every time and are an important tool in providing a great customer experience. Technology can support you with implementing your processes whilst also helping you to save time, grow sales and support you in keeping your records confidential and safe.

A CRM is a modern solution used in many industries and suits companies of any size due to its ability to automate admin tasks and remove human error. Whilst many people may associate them with large firms who need to be able to manage huge volumes of data, they are just as important for small firms and individuals. By implementing a CRM like Survey Booker you can ensure you run your business with consistent processes, consistent client management and access to everything you need whenever, or wherever you need it.

About Survey Booker

Survey Booker is a Customer Relationship Management (CRM) and survey management system. Designed for the surveying industry, Survey Booker helps you to save time by automating manual admin tasks, grow sales by supporting your customers and nurturing new leads, improve compliance through clear job records, integrated terms and more and understand your business through reporting dashboards. Our unique software integrates with your website as well as with industry systems such as comparison sites and report writing software so you can focus on providing great surveys instead of admin.

Contact Survey Booker to find out more about how you can streamline your processes, boost your customer experience and ensure compliance with industry requirements. <https://surveybooker.co.uk>



CONDENSATION

A CASE STUDY

ALAN MCKEOWN MA ASSOCRICS DIPRSV, PLUMB STONE SURVEYORS

In this article, Alan McKeown, Building Surveyor at Plumb Stone Surveyors, shares a case study of a non-invasive damp survey he carried out. The scope of the survey, requested by the landlord of the property, was to determine the cause and extent of any dampness and recommended repairs.

The property

The property was a mid-Victorian, two-bedroom semi-detached house that was occupied by a family of four: two adults, a young child, and a newborn baby.



Figure 1: Front elevation

The wall construction was solid brick with a pitched roof covered in the original plain clay tiles. There is an extension to the rear and an attached outbuilding. The property was renovated around five years ago, including damp-proofing measures to the floors and main walls. The main walls were lined internally with insulated plasterboards. The property was in generally good condition, with some maintenance required to clear rainwater gullies and gutters. Biological growth was evident at the base of the main walls.



Figure 2: Biological growth externally

Investigation

Black spot mould was present to the door and window reveals on the gable side elevation and condensation was evident on the window surfaces and on the sarking felt within the roof space.



Figure 3: Condensation to windows internally



Figure 4: Black mould to corners of door reveals

The electronic moisture meter readings taken recorded no significant dampness to the internal wall surfaces or skirting boards. The relative humidity was recorded between 70-73% throughout, and internal air temperature ranged between 19-23 degrees Celsius.

Based on the relative humidity and air temperatures in the property, dew point ranged between 13-17 degrees Celsius (dew point is the temperature at which water vapour in the air condenses).



Figure 5: Dew point measurement

Humidity explained

As we all know, water can exist in three different states - as a solid (ice), liquid (water) or gas (steam from a kettle). Air always contains some water in a gaseous form which we refer to as humidity. The warmer the air, the more water it can hold (so air which is at 20°C will be able to hold more moisture than air at 10°C). Relative humidity is the term used to describe how much moisture air contains at a given temperature, or to put it another way, if the relative humidity is 100% then the air is holding as much moisture as it can at that temperature.

A good range of indoor humidity is needed for both comfort and health and is between 30-60% during the winter months. Where relative humidity is high for long periods of time, mould growth can occur. By controlling humidity levels, you can reduce the risk of both mould growth and also dust mites. But houses can be too dry and where humidity levels are consistently below about 30% this can lead to an increased risk of respiratory illnesses.

Dew Point

The 'dew point' is the temperature that air needs to be cooled to (at constant pressure) for a relative humidity of 100%.

At this 'point', the air cannot hold any more water in the gas form, so water vapour will be released in its liquid form. To put it another way, condensation will occur when the dew point is reached and describes the capacity of the air to hold the water.

Let us assume the 'weight' of the water in the air is the same in both instances and is 8.7g/Kg dry air - then when the air is 20°C, it will be 60% relative humidity, but when it is 12°C, it will be 100% RH and condensation will occur.

Condensation is associated with 'problem areas' in a property because the temperature of those areas/ points causes the air to cool to a lower temperature than the rest of the room, thereby releasing moisture in the form of condensation which would be retained in the air as water vapour in other parts of the room. So, condensation is often noted on or around windows or where there are 'cold bridges', perhaps where insulation has been breached.

Thermal imagery was used confirming areas of 'cold bridging' to window and door reveals and the rear of the fireplace.

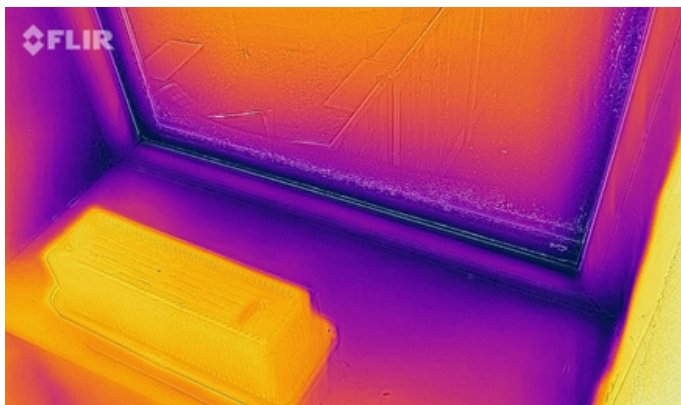


Figure 6: Cold bridging identified at window reveals



Figure 8: Water marks visible



Figure 7: Cold bridging identified at rear of fireplace



Figure 9: Black mould evident to corners of ceilings

Most wall surfaces recorded in excess of 20 degrees Celsius. The areas of cold bridging identified all recorded below the dew point level - between 13-16 degrees Celsius.

The causes

The issues present are the result of high humidity and resultant condensation. A healthy dry home requires a perfect balance between heating, insulation and ventilation.

During refurbishment, the owners included significant levels of insulation to the walls and roof space, and a modern central heating system.

However, the ventilation measures are inadequate. These include an intermittent extract fan to the bathroom and trickle vents to windows. The extract fan was recorded as moving air at 8 litres per second (regulations for bathrooms are a minimum 15 l/s).

Due to inadequate ventilation, airborne moisture produced by the occupants is not effectively purged from the building and consequently, the levels of humidity increase.

This high humidity condenses against the cooler surfaces. In this case, the increased insulation to wall surfaces highlights the cooler nature of the reveals and rear of the fireplace – areas not covered by insulation. Water vapour condenses in these areas and eventually forms as mould growth.

Further moisture rises into the roof space and condenses against the cool felt and timbers. This rises through unsealed down lights and loft hatch.



Figure 10: Condensation to rafter felt



Figure 11: Mould growth evident to rafters

The remedy

To remedy the problem the humidity levels need to be reduced. This can likely be best achieved by improving internal ventilation. As a minimum, humidity activated extract fans to the kitchen and bathroom will purge moisture at the source. Other measures, such as Positive Input Ventilation (PIV), can improve air circulation throughout and help in reducing condensation.

Whilst ventilation will significantly improve the situation, it will not prevent areas of cold bridging or balance heating. However, by reducing humidity, the significance or impact of the cold spots will be greatly reduced.

Achieving even surface temperatures can be difficult without significant alterations of the surface coverings. There are other measures, that although not a complete solution, can improve thermal values. These include thermal paints or cork boards (as insulation).

Lifestyle habits in the home inevitably affect levels of

moisture and humidity. To an extent, these habits can be better managed. However, this can often be difficult in busy households with newborn babies, particularly when the kitchen has no extraction system.

In summary, improvements in mechanical ventilation will be the most effective remedy.



Alan McKeown MA AssocRICS DipRSV
 Alan has a wealth of experience in home surveying, with a background expertise in ventilation needs and condensation problems, as well as damp issues and general defects.



Law and Management of Invasive Non-Native Plants

- > An online CPD qualification to develop your skills in the law and management of invasive non-native plant species, including Japanese Knotweed and Giant Hogweed
- > Understand the impact of high profile Invasive Non-Native Plants (INNP)
- > The legal implications in England and Wales relevant to UK INNP
- > Understand management solutions and what they achieve for treating INNP
- > Training material delivered by leading authority on non-native plant species
- > Provides in-depth training with assessment to demonstrate knowledge attained

www.sava.co.uk/education/identifying-invasive-non-native-plants

