**EMBARGOED UNTIL 0001hrs Monday 8 March 2021**

RICS makes move to unlock market for flat-owners

**Valuation of properties in multi-storey, multi occupancy residential buildings with cladding - RICS guidance note March 2021**

The Royal Institution of Chartered Surveyors (RICS) today announces a crucial step forward in unlocking the flat market for buyers and sellers. The new guidance *Valuation of properties in multi-storey, multi-occupancy residential buildings with cladding*, clarifies types of properties which will, and those which will not, require additional inspections, as a result of concerns about fire safety.

The guidance is the result of painstaking consultation with valuers, leaseholders, lenders fire safety experts and government. Dame Janet Paraskeva, chair of the RICS Standards & Regulation Board which approved the guidance last week, said:

“We recognise the significant distress caused to leaseholders struggling to sell flats in blocks with external cladding. This announcement is a crucial step in unlocking the market, by ensuring that only those buildings where there are risks of costly remediation as a result of safety concerns from cladding are subject to additional checks. The guidance is anticipated to result in a reduction in the number of EWS1 requests which will therefore allow more focus on the assessments of higher risk buildings, which should speed up the overall process whilst ensuring appropriate protection for lenders and purchasers. “

RICS will now work with UK government and other stakeholders to ensure the guidance is implemented by 5 April 2021. In order to assist consumers, RICS will shortly produce consumer guidance to inform buyers and sellers about the information that might be available to help them understand the risks of a property in a multi-story, multi occupancy building.

The guidance creates clarity and consistency about when a valuer is not required to request further investigation of cladding through an EWS1 form before valuing a property in a building of multiple occupation.

As a result of the consultation, the new guidance makes clear that where a valuer or lender can establish that the building owner has met the advice in the consolidated advice note, an EWS1 form should not be required, nor would an EWS1 form be required for a building that is over 18 metres that has a valid building control certificate in place\*.

Safety requirements mean that, unfortunately, not all flat-owners can benefit from this measure. While originally not proposed in the initial document that went out for public consultation, but in the light of the evidence received during the consultation, buildings of any height that have high pressure laminate (HPL) cladding and those of five stories or higher with combustible cladding linking balconies, will stillneed an EWS1 form. This will provide appropriate protection for lenders and purchasers

Ben Elder, RICS’ Head of Valuation Standards, commented:

*“This guidance provides a framework for consistency across the mortgage valuation sector as to when an EWS1 form is required. We are pleased to see, from the consultation responses, that many believe that the guidance will reduce the number of EWS1 forms requested. We have reached our final position following very careful consideration of the evidence to ensure that buildings at higher risk of remediation work are appropriately investigated in the valuation process, to support reliable advice by valuers to their lender clients.*

*With the majority of lenders in support of the guidance, we now call on all UK lenders to support the guidance and work with their valuation providers to implement.”*

The guidance itself is for valuers and is not a life safety risk assessment. It is for the mortgage valuation process to determine when a valuer needs more information about whether remediation work affecting value is required

CRITERIA:

**For buildings over six storeys an EWS1 form should be required where:**

There is cladding or curtain wall glazing on the building **or**

there are balconies which stack vertically above each other and either both the balustrades and decking are constructed with combustible materials (e.g. timber) or the decking is constructed with combustible materials and the balconies are directly linked by combustible material.

**For buildings of five or six storeys an EWS1 form should be required where:**

There is a significant amount of cladding on the building (for the purpose of this guidance, approximately one quarter of the whole elevation estimated from what is visible standing at ground level is a significant amount) **or**

there are ACM, MCM or HPL panels on the building\*\* **or**

there are balconies which stack vertically above each other and either both the balustrades and decking are constructed with combustible materials (e.g. timber), or the decking is constructed with combustible materials and the balconies are directly linked by combustible materials.

**For buildings of four storeys or fewer an EWS1 form should be required where:**

* There are ACM, MCM or HPL panels on the building\*\*.

ENDS

**Supportive statements:**

**Peter Wilkinson of Institution of Fire Engineers: “**IFE welcomes the RICS guidance to support valuers in adopting a risk-based approach for valuation assessments. IFE will continue to engage with RICS, the government and lenders to help refine the guidance to ensure ongoing compatibility with other fire safety guidance and legislation."

MHCLG: *will be forwarded*

**Notes for editors:**

* **\*Building Control Certificates are valid if in accordance with The Building (Amendment) Regulations 2018**
* **\*\* Note: metal cladding and ACM/MCM/HPL are visually very similar, so if metal panel cladding is present, the valuer should confirm with the building owner or managing agent in writing that they are not ACM/MCM/HPL, or, if confirmation cannot be obtained, an EWS1 inspection should be requested.**
* The RICS Standards and Regulation Board was established in 2020 as the body responsible for entry to the profession, professional standards and conduct. It ensures that standards in the chartered surveying profession are maintained and upheld in the public interest. The board is led by an independent chair and its membership has both RICS members and non-members, with an independent (non-member) majority. The board was established through an independent appointment process.

<https://www.rics.org/uk/about-rics/corporate-governance/standards-regulation-board/>

* **RICS updates on fire safety including the Q&A for consumers can be found at** [rics.org/firesafety](file:///C:\Users\rhunt\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\JC3UCJQG\rics.org\firesafety)
* [RICS training](https://www.rics.org/uk/events/training-courses/external-wall-systems-assessment-training-certificate-programme/)**, available for RICS Chartered Building Surveyors and RICS Chartered Building Control Surveyors is now underway, with 450 professionals currently completing the course**
* **RICS continues to work with the insurance sector and Government to find solutions to the issues around Professional Indemnity Insurance.**

**About RICS**

**The work at RICS is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure.**

**Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.**

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