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The Hong Kong Institute of Surveyors

Practice Guidelines

for the

Survey of Residential Property

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Editorial

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1. Introduction

- 1.1 These Practice Guidelines provides guidance to Professional Building Surveyors who are commissioned to carry out surveys of residential property in Hong Kong for the purposes described below.
- 1.2 These purposes could be summarized as follows:
 - (a) Condition Survey;
 - (b) Real Estate Investment Trust;
 - (c) Mortgage;
 - (d) Sales and Purchase;
 - (e) Commencement of Tenancy; and
 - (f) New property.
- 1.3 For litigation cases, the surveyor will need to confine the inspection and report to the specific issue, the format of which is not covered in these Practice Guidelines.
- 1.4 The surveyors providing building survey services are advised to assess the needs of the client in detail and to undertake an impartial and professional assessment of the property and its condition, in a manner necessary to provide a balanced professional opinion to the extent required by the client's instruction.
- 1.5 Even though surveys for different purposes may require varying details of inspection and reporting, there are common requirements which will be the subject of these Practice Guidelines.
- 1.6 The conditions of residential properties vary. In order to record the exact external and internal conditions of the property, a thorough understanding of the common construction methods used in Hong Kong is required. The surveyor will require considerable practice and experience in order to pinpoint salient and sometimes even latent conditions.

- 1.7 A successful inspection and subsequent report requires the surveyor's initial diligent perusal of relevant documents and information before the inspection is carried out with careful planning.
- 1.8 Observations and findings would need to be systematically recorded to facilitate analysis and reporting.

2. Taking and Agreeing Instructions

- 2.1 A member of the public or an institution who contacts a surveyor about a survey of residential property will rarely have sufficient knowledge to give clear instructions and is likely to require advice on the type and extent of the survey needed. This advice shall be given freely, without charge. It is essential that the true nature and extent of the obligation being assumed by the surveyor is understood by and agreed in writing with the client or his representative.
- 2.2 It is also essential to determine the client's precise requirements in order to avoid misunderstanding. The surveyor is advised to ask sufficient questions in order that a proper offer to carry out the building survey can be made. It is recommended that the following questions should be asked as far as possible.
- (a) General particulars of the prospective client;
 - (b) General particulars of the property and/or the building;
 - (c) Purpose and extent of inspection required;
 - (d) Possible restrictions to access;
 - (e) Nature of any special instructions or requirements;
 - (f) Nature of any special client concerns;
 - (g) Timing and method of delivery of report; and
 - (h) Any special local considerations.
- 2.3 As the delay between receiving instructions and undertaking the inspection should be kept to the minimum, the appointment for inspection should be made promptly. If made by telephone, the appointment should be immediately confirmed, in writing, referring to the likely extent of the inspection.
- 2.4 It is important that the surveyor promptly agrees or confirms in writing the client's instructions to the client or his representative, as the surveyor's contractual obligations become more and more difficult to establish as time passes. Some problems may arise a long time after the contract is completed. Unless a document contemporaneous with the agreement is sent to the client and a

copy retained by the surveyor, both the client and the surveyor may encounter great difficulty in establishing their respective rights and remedies. As a minimum, the following matters where applicable, and others where appropriate, should be covered:

- (a) Extent of inspection and tests
 - (i) Extent of proposed inspection of 'unit';
 - (ii) Extent of inspection of common areas and/or external areas;
 - (iii) Extent to which building will be opened up; and
 - (iv) The extent to which the surveyor will test the drains, plumbing, electrical and other installations. If a specialist is to be engaged by the surveyor on behalf of the client, this should be made clear, with a statement that the specialist will be directly liable to the client.

- (b) The nature of the service to be provided
An Inspection Report based on an inspection as defined above with or without an estimate of the cost of reinstatement of the property on a defined basis, with any caveats and/or assumptions.

- (c) Extent of enquiries to Buildings Department, Lands Department and the Land Registry.

- (d) Standard insurance exclusions clauses, if any.
The actual wording required by the surveyor's professional indemnity insurance policy must be used.

- (e) The fee to be charged to the client and any additional expenses to be charged to the client.

2.5 Surveyors will wish to have model conditions of engagement for residential property inspection, for use with or without amendment to suit the circumstances of the particular case.

2.6 When instructions are received through a client's representative, the surveyor should take reasonable steps to ensure that his acknowledgement of instructions is forwarded to the client in full.

3. Preparation for the Inspection

- 3.1 The surveyor should be physically fit to carry out the inspection, and adequately equipped. He should undertake his own inspection and should not delegate his responsibilities to others.
- 3.2 The surveyor is advised to carry out a desk top study before any site inspection so as to ensure that all the necessary background information for a professional assessment is taken into account. Documents such as the land lease, deed of mutual covenant, statutory order being served, details of previous alterations and maintenance works carried out should be examined as far as practicable unless excluded explicitly in the appointment agreement.
- 3.3 Tools and Equipment.
The equipment required will depend to a large extent on the preferences of the individual surveyor and the particular circumstances, but he should consider taking the following items of equipment, or the equivalent.
 - (a) Measuring – 30m linen tape, 5m pocket tape, 2m folding rule/rod;
 - (b) Tools (essential) – spirit level, dumpy level, pocket knife or probe, screwdriver;
 - (c) Tools (optional) – binoculars or telescope, simple pocket compass, claw hammer, bolster, length of galvanized tube, calipers, thickness gauge, profile measuring device, manhole keys;
 - (d) Equipment – folding aluminium ladder, camera, torch (plus spare bulb and battery), metal mirror, moisture reading meter;
 - (e) Clothes – overalls/dungarees, head protection, waterproof protection, pocket to coat, stout shoes; and
 - (f) Others – mill board and paper, notebook, writing equipment, chalk.

Other probes, cover meters and similar specialist equipment are not normally included. However, the surveyor is recommended to be sufficiently supplied with all necessary health and safety equipment

such as face mask, protective gloves, mobile phone and personal identification document.

3.4 Initial Reconnaissance.

The surveyor should familiarize himself with the district and particularly the character and nature of properties surrounding the unit to be inspected. On arrival at the premises the identity of the property should be confirmed and the client's instructions checked.

3.5 Accommodation.

The principal design features and the extent of the accommodation should be noted.

3.6 Measurements.

Detailed measurements need not be taken but the surveyor should note any critical dimensions.

3.7 Site Notes.

It is suggested that details of the property and inspection be recorded in a bound booklet of paper, with the date of inspection, the names of individuals present at the time, weather conditions affecting the inspection, sources of information and any other relevant matters such as records of all tests carried out. These notes, either typed or handwritten, should be retained for as long as legal liability exists. The surveyor should never rush note taking, and should ensure that all the information needed is carefully recorded, as a second visit may not be possible. It is recommended that, during the inspection, the vendor or occupier is asked questions concerning the history of the property as known to them. Any replies of significance should be noted and reported, with their source. The primary purpose of this procedure is to assist the surveyor in establishing matters of relevance which may not be apparent at the time of inspection. Typical enquiries are:

- (a) What is the age of the property?
- (b) Have there been any alterations to the property?
- (c) Have there been any repairs carried out to the property?
- (d) How long has the vendor occupied the premises?
- (e) Any disputes with/between the adjoining occupants?

Information provided by the vendor should not be regarded as true statements of fact unless a full investigation has been made by the surveyor to verify the information.

4. Field Inspection

4.1 General Considerations.

It is advisable that surveyors carrying out building surveys identify where practicable, the type of construction and materials which have been used in the property under inspection. Unless the particular construction and materials used have been identified, the surveyor may not be able to report the possible consequences of any defect revealed.

The inspection should be carried out with due care in order to avoid damage to the property whilst still fulfilling the instructions. When it is necessary to move around items to make way for inspection, it is essential that removed items should be replaced to their original uninterrupted state. Surveyors develop their own sequence of inspection but it is essential that all relevant parts of the property are inspected closely and their inter-relationship with each other considered. The Surveyor should also develop an inquisitive mind and look around to check whether a particular defect or condition is of one-of-a kind or a typical one commonly found under similar circumstance in adjoining premises. The surveyor must accept that, however inconvenient, it is their responsibility, with the limit of the agreed instructions, to see as much of the property being surveyed as practicable. The surveyor should note areas that cannot be seen, with appropriate recommendations on further opening up.

4.2 Roofs.

Particular attention should be given to the drainage of the roof areas if the residential unit is under the main roof of a building or when it is an independent building. The roof area should be inspected as closely as practicable and the surveyor should look out for any potential problematic areas such as ponding, cumulation of debris near surface drainage outlets, damage to the waterproofing, deterioration or protection to expansion joints and growth of vegetation. It would also be prudent to inspect the roof water tanks and note their conditions. The condition of the protective cover to

the potable water tank is of particular importance as the cleanliness of the water affects the health of the occupants of the premises. The surveyor should recognize possible hazards when entering into confined spaces, and should observe the necessary requirements of the Factories and Industrial Undertakings (Confined Spaces) Regulations in respect of risk assessment and necessary safety measures.

4.3 Ceilings.

Leakage of the roof will be apparent at the underside of the roof, that is the ceiling. Bulging of the ceiling finishes is a sign of the spalling of a concrete roof. The presence of mould is an early sign of dampness as a result of water penetration. The extent and location of concrete spalling in the elements of construction should be carefully noted. Sometimes it would be advisable to recommend their early or immediate removal of loose concrete to prevent possible injury to occupant.

4.4 Floors and Floor Finishes.

The surface of all floors should be inspected to check for the presence of cracks. The common types of floor finishes found nowadays in residential units are: parquet, teak, oak, pinewood, and other types of timber. The properties of some of these timber floorings when subjected to severe dampness might have been changed. It is common to find bulging of flooring. Tapping of the flooring to check for voids and likely deterioration and development of rot. The condition of kitchen and toilet floors should be inspected and the fall of the floor to allow drainage of water noted.

4.5 Walls.

Defective external wall construction may lead to the penetration for dampness when subject to the elements. All vulnerable areas of the walls should be tested with a moisture reading meter. Particular attention should be paid to the junction between the external wall and window heads, sills and jambs. The exposed elements of all walls should be inspected internally and externally with the aid of a pair of binoculars or a telescope. The surveyor should note signs of bulging of finishes. Hammer tapping should be carried out on readily reachable areas to detect voids. If in doubt, a separate specialist inspection should be recommended.

4.6 Windows.

Windows, including fixed lights, fan lights, casements, etc., should be checked for water-tightness and ease of operation. The surveyor should watch out for signs of water penetration. The construction and materials of the windows should also be noted. For aluminum windows, special attention should be given to the types of material and condition of hinges and rivets. Any alteration to fire-rated windows should also be recorded.

4.7 Doors.

It should be noted that no alteration has been made to the fire resisting doors.

4.8 Sanitary Fittings and Services.

Sanitary fittings and associated plumbing should be visually inspected and tested by normal operation or the passage of water. Tests are not carried out by the surveyor but he should be prepared to give an opinion on the need for tests. Since gas companies maintain regular maintenance of their installations, the inspection of gas installations should not be included in the surveyor's inspection.

4.9 Drainage.

The foul and sewage drain pipes should be visually inspected and supplemented with simple tests by flushing the units, draining the appliances, pouring water into floor drains, etc. The surveyor should open up all accessible manhole covers, record the routes of the drains and subject them to a minimal test by watching the flow through the system. The surveyor should recognize the possible hazard when entering into confined space, and should observe the necessary requirements of the Factories and Industrial Undertakings (Confined Spaces) Regulations in respect of risk assessment and necessary safety measures. As regards to the drainage system inside a domestic unit, the surveyor should check for the presence of a trap where a bathtub has been changed to a shower tray.

4.10 External Areas.

The surveyor should also inspect all external areas that are associated with the unit under inspection. The external ground area should be checked for signs of subsidence and cracking.

4.11 Adjoining Properties.

The surveyor should consider the general condition, construction, design and perceived uses of properties adjoining the subject property in order to identify and report upon any special factors adversely affecting the subject premises. This will enable comparison of the conditions of the property with that of the adjoining properties.

4.12 Noise.

Noise from aircraft, rail, traffic and other sources should be noted if it is significant at the time of inspection or could reasonably be anticipated.

4.13 Durability and Structural Stability.

Look for signs of structural distress in the structural elements, such as columns, beams, slabs, load-bearing walls, projections, etc. In case of doubt, an in-depth structural investigation should be recommended to the client.

4.14 Unauthorized Building Works.

Check if any unauthorized building works have been made to the unit under inspection, such as removal of or openings in structural walls, removal of fire doors, obstruction of means of escape including refuge area and its associated access, projections from the building, extension to flat roofs, works that may affect the structural stability of the building. The surveyor's attention is drawn to building works that are exempted from approval and consent procedures under the Building Ordinance clauses 41(3) and (3A).

4.15 Building Services Installations.

It is advisable that all building services installations are visually inspected to the extent sufficient for the surveyor to form an overall opinion on the condition, material used, its obvious age and the need for further investigation. The surveyor is not expected to carry out testing of building services nor comment on design, other than on the normal operation from the point of view of a layman.

4.16 Environmental Issues.

The surveyor is advised to take into consideration possible adverse effect of the following factors.

- (a) Availability of natural or mechanical ventilation to all habitable areas.
- (b) Occurrence of any noise effects from external sources on the living conditions of the subject property.
- (c) Presence of hazardous materials such as asbestos.
- (d) Consideration of basic hygienic and health aspects affecting the property.
- (e) Consideration of basic security aspects affecting the property, for example window grille to protect child from falling from height, insufficient lighting in some areas, etc.

4.17 Post Inspection Enquiries.

Enquiries from people with past knowledge of the area can sometimes be very productive in identifying other factors that may not be apparent during the inspection.

5. Report – General Guidance

5.1 The report is the result of the inspection and the effectiveness of the service provided will be judged on it. It should:

- (a) provide a record of the building, its construction and materials;
- (b) give the reader a balanced view of the property and describe separate elements in sufficient detail to identify their position, construction and condition accurately;
- (c) give advice on the necessary repairs or modifications required to remedy reported defects; or describe the further investigation necessary to support a firm opinion;
- (d) express an opinion on the development and its described conditions and, where appropriate, the effect of indicated preventive measures;
- (e) advise on the likely scale of maintenance required and on the performance of the various elements of construction; and
- (f) describe the identifiable risk of potential or hidden defects if possible.

5.2 To achieve these purposes the report should:

- (a) be prepared in simple and direct language;
- (b) be free of specialist technical expressions, unless they are defined;
- (c) be presented in a logical sequence which can be followed readily by a client and which allows a variation of emphasis to be applied to matters of varying significance;
- (d) be factual wherever possible and unambiguous. Reservations should be specific and relate only to the condition of elements which cannot be accurately established within the terms of agreed instructions;
- (e) be seen to differentiate between indisputable fact, the surveyor's firm opinion, and any necessary speculative comments included for guidance or prognosis;

- (f) be clearly typed and set out with sufficient headings and sub-headings to help the reader to digest the contents and facilitate future reference. Each page should indicate the address and reference of the property surveyed;
- (g) identify the timescale of necessary work; and
- (h) advise on the likely consequences of non-repair.

5.3 In view of the great variety of building types, design and construction methods, no simple pro-forma report can convey effective, balanced and complete advice.

6. Contents of the Report

A report should include the following elements:

6.1 Instruction.

The client's instructions and the limitations of the Report as set out in the confirmation of instructions, and any variations found necessary on inspection.

6.2 Description of the Property.

An identification of the property followed by a general description of the design, principal methods of construction, location, character of the neighbourhood, its intended and current use, and other relevant matters relating to the environment, the topography and character of the immediate district. It is also advisable to describe the various elements or units of the property in relation to a chosen reference system so that the reader can readily understand the description.

6.3 Surrounding and Local Factors.

A general description of the main physical features of the surrounding areas should be provided including general topography and layout, trees and hedges that could have an effect upon the conditions of the property. It is also advised to provide information on elements such as slope and retaining structure located adjacent to or within the property boundary which may cause an obvious risk of flooding or erosion. Consideration should be given to the general condition, construction, design and perceived use of adjoining properties, in order to reveal any special factors (e.g. significant nuisance) which may have an adverse effect upon the subject property.

6.4 Limitation Clauses.

Limitation clauses in respect of the following:

- (a) The reservation or other clauses which purport to limit the rights of the client. The responsibility of the surveyor should be appropriate to the circumstances. The more important the limitations, the more prominent they should be in the report.

- (b) It is essential to state, verbatim, relevant insurance clause(s), if any, required by the surveyor's insurers.
- (c) In order to reduce the possibility of claims by persons other than the client, it is also common to include a clause along the lines of the following:

“This Report is for the private and confidential use of the client for whom the report is undertaken and should not be reproduced in whole or in part or relied upon by third parties with the exception of[.....]for any use without the express written consent of the surveyor(s).”

6.5 The Body of the Report.

Each element of the property should be separately addressed and described with the sequence depending upon the report format adopted by the surveyor.

In respect of each section of the report, the narrative should:

- (a) state the discovered facts;
- (b) identify the load-bearing structure and record the structural condition and any evidence of significant movement;
- (c) describe elements which could not be identified and indicate why;
- (d) state whether there is the presence of unauthorized building works or not, and make recommendations, if any;
- (e) indicate recommendations for further enquiries or investigation prior to any commitment;
- (f) describe defects and disadvantages in relation to contemporary standards and to those applicable to the period of construction, and the likely consequence of non-repair; and
- (g) make recommendations in respect of the timescale for necessary work and advise on any long term implications.

6.6 Repairs.

It is undoubtedly of value to a client to receive an estimate of the cost of recommended remedial works but if this is given the surveyor must be careful to state, at some length, the reservations and limitation of such advice.

6.7 The Summary and Conclusion.

The report should contain a summary and conclusion which:

- (a) provides a broad assessment of the construction and condition

- of the property relative to other similar properties;
- (b) advises the client to consider the Report as a whole rather than to take out of context conditions of disrepair which may be for the type and age;
- (c) emphasizes any serious reservation, defect or condition; and
- (d) offers to discuss and advise on any points of difficulty arising out of the Report.

6.8 Copies of the Report.

It is recommended that two copies of the Report be provided to the client or the client's representative.

7. Disclaimer

These Practice Guidelines are designed primarily to assist surveyors involved in building surveys and are not intended to be a statement of statutory requirements. These Practice Guidelines do not have either legal force or legal authority, nor are they claimed to be fully comprehensive. While the Institute endeavours to ensure the accuracy and reliability of the content of these Practice Guidelines and the information provided therein, the Institute does not guarantee their accuracy and reliability and accepts no liability (whether in tort or in contract or otherwise) for any loss or damages arising from any inaccuracies or omissions.

The surveyor should note that the building under inspection could have deteriorated to a state causing it to be dangerous and the surveyor's attention is drawn to the importance of personal safety when carrying out any inspection.

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