

CONSULTATION QUESTIONS

Section 1

Q1) Do you think the Home Report is meeting its original objectives?

Yes

Q1a) If yes, please explain why

The home report has reduced the number of multiple surveys carried out and therefore the wasted cost of surveys for potential purchasers of properties where their offer was unsuccessful.

The home report has also brought stability to the market and to pricing. No longer are there artificial asking prices set at a low level to stimulate interest as potential purchasers have all the information they require in order to make informed judgement on whether to proceed with a purchase. The valuation figure provided means that all parties can establish their financial arrangements prior to submitting an offer. Due to all parties having access to the same level of information the process of offering for a property is now more stable with no party at an advantage over any other. This would appear to be the key issue in the establishment of the home report.

The general housing stock has also have improved as sellers are keen to expose their property to the market in a reasonable condition which is then reflected in the home report. Where issues arise from the surveyors inspection, the seller does have the opportunity to rectify these issues prior to exposing the property to the market.

Q1b) If no, please explain why

Comments

Q2) Are the original Home Report objectives still appropriate?

Yes

Q2a) If yes, please explain why

The need to eradicate multiple surveys and the setting of artificially low asking prices would appear to have been largely achieved. The stabilising effect of the home report on asking prices is key to the housing market and ongoing. The valuation is therefore of crucial importance.

The general improvement in the condition of the housing stock is an ongoing issue but has improved due to the home report.

Q2b) If no, please explain why

Comments

Q3) Should the Home Report play a more central role in promoting energy efficiency and property condition improvements among home owners?

No

Q3a) If yes, please explain why

Comments

Q3b) If no, please explain why

The energy performance report is important but would not appear to be the single most important factor in whether potential purchasers make an offer for a property. The property itself and the condition of same is crucial along with the value. It has yet to be established that purchasers are prepared to pay a premium for a property with a better energy rating than a similar property in the same location and therefore the layout of the report and the role of the EPC within the report should remain.

Q4) Should a national register of Home Reports be established?

No

Q4a) If yes, please explain why including who should have responsibility for development and maintenance

Comments

Q4b) If no, please explain why

Whilst there is not a single national register, home reports are accessible through selling agents and therefore there would not appear to be a requirement for such a register.

Section 2

Q5) Do you think the upfront cost of Home Reports is preventing potential sellers from putting their property onto the market?

No

Q5a) If yes, please provide details.

Comments

Q6) Are you aware of any schemes available (e.g. deferred payment) to help potential sellers to pay for home reports?

Yes

Q6a) If yes, please provide details

I understand that some Chartered Surveying practices offer payment plans or in some cases "payment on account" from the proceeds of sale.

Q7) Are there any issues with the majority of Home Reports being commissioned through selling agents?

Yes

Q7a) If yes, please explain why

Provided the selling agent and the surveyors are independent of each other there are no issues. However, where selling agents and surveyors are owned by the same corporate organisation conflicts can exist. In these cases an explicit statement should be made by the selling agent that there is a relationship between the agent and the surveyor. Ideally the selling agent and the surveyor would be independent of each other.

Q7b) If no, please explain why

Comments

Q8) Should other organisations be allowed to carry out the Single Survey (including valuation) and/or the Energy Report?

No

Q8a) If yes, what other organisations and why

Comments

Q8b) If no, please explain why

It is essential that the home report (including valuation) and EPC are carried out by Chartered Surveyors and no other party. Chartered Surveyors are trusted by lending institutions to provide independent and accurate valuation advice and professional RICS members should be the only parties carrying out Home Reports. Lenders must be able to rely on the valuation figures

provided and this can only be done by RICS members.

Q9) In your experience is the requirement for a home report before marketing a property leading to delays in properties coming onto the market?

No

Q9a) If yes, please outline the implications of this.

Comments

Q10) Are home reports a useful marketing tool for sellers?

No

Q10a) If yes, please explain why

Comments

Q10b) If no, please explain why

Home reports are seen as objective reports and whilst commissioned by the seller, they are relied upon by the purchaser therefore not produced as a component part of the marketing material.

Q11) Is the 12 week deadline for marketing a property after completion of a home report appropriate and reasonable?

Yes

Q11a) If yes, please explain why

Most lending institutions do not accept reports over 12 weeks old and therefore they would have to change their policy. It would seem reasonable to assume that most purchasers would also prefer to rely on a report recently produced rather than one where the surveyor inspected the property in excess of 12 weeks ago.

Q11b) If no, please explain why

Comments

Q12) Is the 28 day provision for removing a property from the market without requiring a new home report appropriate and reasonable?

Yes

Q12a) If yes, please explain why

Given the 12 weeks issue above, the 28 day provision would seem appropriate.

Q12b) If no, please explain why

Comments

Q13) Are there any issues with potential buyers accessing home reports?

No

Q13a) If yes, please provide an overview and outline the implications of this

Comments

Q14) Is this the most appropriate way to enforce home report legislation?

Yes

Q14a) If no, please explain why and how this could be improved

Comments

Q15) What are your views on mortgage lenders' acceptance of home report valuations?

Provided home reports are carried out by fully qualified RICS members, experienced in the valuation of residential property in their local area there should be no issues for lenders. Problems may arise where firms try to move into new areas without the appropriate experience and lack of market knowledge.

Firms listed on the panels of the various lenders are best placed to provide valuation advice which can be relied upon.

The issue of corporate organisations owning both agents and surveyors may potentially cause conflicts to which lenders should be aware.

Q16) Are the re-dress options available to buyers reasonable and appropriate?

Yes

Q16a) If no, please explain why and how these could be improved

Comments

Q17) Do these exceptions need to be amended?

No

Q17a) If yes, please explain what amendments are required and why

Comments

Section 3

Q18) Does the single survey element of the home report provide an appropriate and useful level of information?

Yes

Q18a) If no, please explain why and what information should be removed and/or added

Comments

Q19) Should the repairs categories in the single survey be amended to make them consistent with the categories used in the Scottish House Conditions Survey?

No

Q19a) If yes, please explain why

Comments

Q19b) If no, please explain why

The repair categories would seem appropriate and a straight forward way to report defects, along with an appropriate comment in the relevant section of the report. The definitions of each repair category are clearly explained and provide potential purchasers with accurate information.

Q20) Is the valuation element of the single survey a useful element of the home report? Yes

Q20a) If yes, please explain why

This is the most crucial element if the report is to be used for bank lending purposes. The removal of the valuation element would result in multiple surveys having to be carried out and delays to the conclusion of sales. The valuation must only be carried out by fully qualified RICS members who are registered on the various panels of the lenders if the report is to remain credible.

Q20b) If no, please explain why

Comments

Q21) Is the information provided in the energy report appropriate and useful?

Yes

Q21a) If yes, please explain why

The EPC provides useful information to compare houses against each other in terms of energy efficiency.

Q21b) If no, please explain why

Comments

Q22) Is the information provided in the property questionnaire appropriate and useful? Yes

Q22a) If yes, please explain why

Sellers can disclose information about the history of the property they are selling. Surveyors and agents may also use the information in the preparation of their respective reports.

Q22b) If no, please explain why

Comments

Q23) Should an additional question on land maintenance fees be added to the Property Questionnaire?

Yes

Q23a) If yes, please explain why

If deemed appropriate then yes as any information provided to enable a potential purchaser to made an informed decision is welcome.

Q23b) If no, please explain why

Comments