

# CONSULTATION QUESTIONS

## **Section 1**

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

Yes x No

**Q1a) If yes, please explain why**

The HR has reduced the incidence of multiple surveys and reduced the perception of the buying public of “wasted survey fees”. The HR condition ratings have flagged up to sellers the pertinent property condition items or areas of concern and have led to some sellers improving or remedying defects prior to marketing their property. This has helped to improve the condition of the national private housing stock. The valuation within the HR has brought a degree of stability in pricing and reduced the incidence of unrealistic or artificially high upset prices.

**Q1b) If no, please explain why**

Comments

**Q2) Are the original Home Report objectives still appropriate?**

Yes x No

**Q2a) If yes, please explain why**

The HR is still only 5 years old and there requires to be a reasonable lead in time for the buying and selling public to engage with the product.

**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?**

Yes x No

**Q3a) If yes, please explain why**

This ties into SG commitment to reduce carbon and move to a more sustainable economy. Against a backdrop of increasing fuel costs and reports of fuel poverty, the contents of the HR , especially the EPC, are a good starting point for informed purchase decisions to be made. For sellers a poor EPC rating may persuade them to upgrade their property prior to marketing.

**Q3b) If no, please explain why**

Comments

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

Yes  No x

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

Comments

**Q4b) If no, please explain why**

An extra level of bureaucracy in times of market recovery would be unwelcome and any extra fee/payment would be resisted in the market, unless the national register can be provide free of charge for all users and suppliers.

## **Section 2**

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

Yes  No

**Q5a) If yes, please provide details.**

The market has seen an increased demand for HRs as sellers come to market, and the free market supply & demand economics have seen HR fees fluctuate to meet seller appetite

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

Yes  No

**Q6a) If yes, please provide details**

J & E Shepherd offer tailored payment plans and deferred payment options.

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

Yes  No

**Q7a) If yes, please explain why**

There is a concern re transparency and CONFLICT OF INTEREST in the commissioning and production process in some instances. Surveyors may be instructed by selling agents such as Estate Agents who are owned by the same parent company without this relationship or possible conflict of interest being made clear to the vendor or the purchaser. There should be a clear and explicit statement made on all reports which makes an unambiguous declaration of any such connection. And preferably a rule that prevents estate agents instructing in-house surveyors to carry out the HR

**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?**

Yes  No

**Q8a) If yes, what other organisations and why**

Comments

**Q8b) If no, please explain why**

Chartered Surveyors have the expertise and proven ability to produce

valuation reports and HR's and are regulated by various professional bodies. Indeed Chartered Surveyors are one of the most heavily regulated professions in the UK, as indeed stated by RICS Scotland in a recent press release. It is usual practice that the Surveyor who carries out the Single Survey will also carry out the EPC at the same time and without additional cost. This obviates the requirement of multiple inspections. Even though the HR is not in itself a mortgage product, it has gained credibility in the public eye by including a generic mortgage valuation report which lenders can use to advance funding. It is arguable that without such lender support, the credibility and usefulness of the HR would be irrevocably diminished. If non-RICS members are permitted to produce HR's the lenders would have to instruct additional mortgage type valuations from approved valuers and this goes against the key objective of reducing multiple surveys.

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

Yes  No

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

Comments

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

Yes  No

**Q10a) If yes, please explain why**

Experience has demonstrated that properties that are exempt have agents asking for HR's as they see the value in having the document available for prospective buyers. Sellers view the HR as a requirement but also as most sellers will be buyers, it allows the process to be made clear and can offer a degree of comparison to be made with other properties on the market.

**Q10b) If no, please explain why**

Comments

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

Yes  No

**Q11a) If yes, please explain why**

The speed of instruction, inspection and report currently gives, in our view, ample time for marketing in the vast majority of instances.

**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 x No

**Q12a) If yes, please explain why**  
Allows for holiday periods adequately.  
**Q12b) If no, please explain why**

Comments

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

Yes  No x

**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 x No

**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?**

It is our understanding that mostly all lenders accept transcribed generic mortgage valuations carried out within a HR as long as the firm is on their approved panel list and subject to time limitations from inspection date to transcription. This is an area of lender policy and can not be influenced by Surveyors. However, education of lenders in respect of the process would alleviate some issues caused by a lack of understanding and some of the large in-house corporate firms manipulate the process in order to take the instruction as a mortgage valuation and charge a fee, for what would be a free retype.

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

Yes x No

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

**Q17) Do these exceptions need to be amended?**

Yes  No x

**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 x No

**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?**

Yes  No x

**Q19a) If yes, please explain why**

Comments

**Q19b) If no, please explain why**

The market has come to understand the easy to rank 1,2, 3 system and the descriptive rubric accompanying each page and heading is sufficient.

**Q20) Is the valuation element of the single survey a useful element of the home report? Yes x No**

**Q20a) If yes, please explain why**

It is crucial for offer and for lending purposes. The valuation in the Single Survey is value in current condition and the generic mortgage valuation report allows there to be a value now and value after repairs for example which gives a purchaser extra information.

**Q20b) If no, please explain why**

Comments

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

Yes x No

**Q21a) If yes, please explain why**

Not overly technical and now provided in terms of savings to be made over a three year period. Highlights areas which may be considered for Green Deal Finance.

**Q21b) If no, please explain why**

Comments

**Q22) Is the information provided in the property questionnaire appropriate and useful? Yes x No**

**Q22a) If yes, please explain why**

Level of information required should be within most sellers ability to provide and anymore may dissuade those who are not perhaps comfortable with form filling.

**Q22b) If no, please explain why**

Comments

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

Yes x No

**Q23a) If yes, please explain why**

Especially with reference to ownership of the land and the legal responsibilities of the occupiers. Some land maintenance companies actually own the land upon which charges are levied on the occupiers.

**Q23b) If no, please explain why**

Comments