

# CONSULTATION QUESTIONS

## Section 1

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

Yes  No

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

Comments

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

My experience is based on reading or paying for a number of Home Reports since they were introduced, since I am a private landlord and have bought or re-mortgaged a few times in the last few years. I have also had to commission a number of Energy Reports for all my properties, and had to repeat these twice in order to claim some of the Green Appliance and Green cashback scheme grants.

a)The Single Survey part of the Home Report doesn't provide any more information about the condition of a property than prospective buyers could see with their own eyes, or by bringing an experienced builder friend to the viewing. Nor does it seem likely that a vendor would make any significant improvements as a consequence of adverse reports, since they would need to commission a new report to prove the work had been done. It might provide scope for negotiation on the price, but since any defects will have been taken into consideration in the report, the valuation price should reflect this. The buyer will decide whether s/he is prepared to do the work or not, depending on whether or not they like the property or location enough to go ahead with the purchase. The price they pay will be the price THEY think the house is worth to them, subject to the availability of mortgage finance if needed.

b)The price of the Home Report is more than twice that of the previous standard mortgage valuation survey, even though in my experience and that of anyone else I have spoken to, the surveyor does not spend any more time or go into any more thorough detail than they did previously. Many of us now already have Energy Reports for our homes, which may be only months old, but these do not count and have to be repeated. Finally, the third part of the Home Report is the Homeowner's questionnaire, costing virtually nothing to the surveyor, which arguably is the only useful part, adding information not previously provided without specifically enquiring. In my experience, few lenders will accept the vendor's Home Report for mortgage purposes, even if less than 12 weeks old, and insist on the buyer paying for another one anyway. This will often be performed by the same surveyor, who can charge another full fee for essentially copying and pasting the bulk of the earlier report, having made a cursory five minute re-visit to the property. I myself have been asked by Buy-to-Let lenders to have an otherwise acceptable Home Report "refreshed" to include a rental valuation, which is not included as standard. For this I have been charged a "reduced" fee in the region of £170, and the surveyor did not even require to re-visit the property.

c) It may have helped to eliminate the artificially low “offers over” prices, but most people understood that system anyway and knew to allow for it. My feeling is that it has played a part in depressing the market generally, especially in slower or cheaper areas of the market, since buyers can’t afford to offer much over the valuation price even if they would like to, due to the high deposits they have to pay to begin with, and vendors often hold out for the price they feel their house is worth, so a stalemate is reached where nothing is moving. In highly desirable areas it probably doesn’t influence what people are prepared to pay, as people will stretch to their limit to get the property they want, and there will always be buyers in these areas who can afford to offer more.

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

Yes  No

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

Comments

**Q2b) If no, please explain why**

a)The objective of encouraging improvement in the standard of housing stock is all very well, but it’s hard to see how the Home Report could have achieved this. Private homeowners will look after their own homes in whatever way they see fit, or can afford. It would be unfair to compel vendors to make the suggested improvements, and there will always be buyers who are prepared to buy a run-down property, either to live in as it is, or to refurbish to their own tastes to live in, or sell on.

b) The objective of saving buyers the cost of multiple surveys seemed like a good idea at the time, but has just resulted in excessive cost to vendors, while most buyers will still end up paying for at least one survey to obtain mortgage finance.

c)The credit crunch has probably been the main reason for the end of the silly “offers over”, rather than the Home Report.

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

Yes  No

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

Comments

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

In what way could it achieve this? The Energy Report is there already to supposedly promote this. The Home Report should not be further altered in a way that would bring any element of compulsion or coercion to force vendors into more expense. Financial hardship might be the very reason many people are trying to sell. No-one is forcing buyers to buy. Energy efficiency measures cost what they cost, and people will decide for themselves how much they are prepared to pay for measures, whether it’s

to save on energy or save the planet. Some of the most “desirable” properties have very little scope for improvement (eg old sandstone villas and townhouses packed with traditional features in the leafy West End of Glasgow), but people are still happy to pay top dollar for them and just put up with high energy costs. Incentives in the form of grants or low cost loans or the like might help but blanket penalties affecting rich and poor alike are unjust.

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

Yes  No

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

Comments

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

There's enough information already available to all and sundry, which previously was private, without adding any more. Anyway, how would the information be compiled, for every property in the country, and how could it possibly be kept current?

## **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 is depressed just now anyway, but many people would like to try marketing their property to see what sort of interest is forthcoming. However, the idea of having to pay £300-400 just to test the market deters them from doing so. I have been deterred from trying to sell some of my rental properties for this reason. I don't expect to receive any realistic offers in the current market, but I would give it a try if it wouldn't cost me several hundred pounds to do so.

**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**

Comments

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

Yes  No

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

It makes it easy for cosy relationships to form between agents, surveyors and lenders, rarely to the benefit of vendors or buyers.

**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**

Surveyors are qualified by profession to do this, though there is a lot of scope for overcharging for very little work, which could be addressed. Energy Reports can already be carried out by all manner of people who have been on the relevant course. I don't see the point of introducing more

half-baked pseudo qualifications to enable more people to jump on the bandwagon of performing the latest compulsory inspection scheme.

**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.**

Due to the cost of a compulsory Home Report, people are not able to test the market. For all they know there would be a buyer out there waiting, but they don't want to risk it. This must reduce the number of properties on the market, especially at the lower price bracket. With no sales or movement in the market, people might conclude there is no demand, making them even more afraid to risk the expense. Having decided to market, the Home Report can cause a delay of up to two or three weeks waiting for it to be performed and the Report finalised.

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

Yes  No

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

Comments

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

It would only be useful to sellers whose property received a glowing report relative to others in the competition. For the majority it is just a par for the course standard report like any other. Surveyors are not in the business of providing glowing reports.

**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**

**Q11b) If no, please explain why**

If a Home Report remains compulsory, I would imagine most people prepared to pay for a report must be close to the point of marketing their property, so 12 weeks would seem reasonable in most cases. However, if some circumstances prevent them from marketing it within that time, it seems unfair to compel them to have a new one after say four months, when little will have changed in that time. Perhaps up to a year would be a more reasonable time period, and buyers would just have to make appropriate allowance for the age of the report.

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

Yes  No

**Q12a) If yes, please explain why**

Comments

**Q12b) If no, please explain why**

As long as the property is being marketed within the period of one year from commissioning the Home Report, it should still be valid, regardless of how long it is withdrawn in between times.

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

Yes  No

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

They do provide unlimited access to all and sundry who may or may not be interested in buying any given property, but are just being nosy. Another example of how we are giving up our right to privacy.

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

Yes  No

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

On the one hand, a £500 penalty is chargeable if the Home Report is not provided to potential buyers within 9 days, but on the other hand, the report can be withheld if the agent believes the enquirer is “unlikely to have enough money to buy the house; is not genuinely interested in buying the house; or is not someone the seller wants to sell the house to”. How is this going to be enforceable? Who decides if what the agent believes is true, what evidence is required, or is it sufficient that he just “believes” it? Clearly with these criteria, no-one is going to pay the penalty. Nor should they, as the Home Report is of little value to anyone, all things considered, except perhaps surveyors.

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

The home report was intended to stop buyers setting unrealistic asking prices? If the price is unrealistic, surely there would be no offers? As already stated, most lenders insist on a further mortgage valuation being carried out by a surveyor of their choosing, regardless of how old the report is. It wouldn't be so bad that the Home Report is over-priced, if lenders were at least compelled to accept it, within say a three to six month time limit. As it stands, the report is of little use to vendor or buyer, and just represents a nice little earner for surveyors.

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

Yes  No

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

The survey reports are so bland and full of caveats that is unlikely anyone would have grounds for redress.

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

Yes  No

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

Portfolio of properties- Presumably this is because the likely buyer will be a business person who can be assumed to be prepared to take the risk of buying without a Home Report. Also the cost of multiple Home Reports at once would be prohibitive to the vendor. Otherwise, the objectives of the Home Report really still apply, so is the exemption fair?

Seasonal and holiday accommodation – Again, the objectives still apply so this is just an exemption for business vendors and buyers.

Mixed sales- What does this mean? Selling residential and commercial property together, or some other combination? Either way, why should the residential property be exempted, again probably an exemption for business?

Dual use-Again, why should the residential component be exempted?

Unsafe properties- How would we necessarily know the property was unsafe without a survey?

New housing- Can probably be assumed to be structurally sound ( though not always the case in my experience) and complying with the latest energy efficiency regulations, but who has decided that the valuation is realistic, and buyers will still want to know things like council tax bands, management charges and so on?

Properties to be demolished-Fair enough, no report required.

Newly converted properties- More reason than any to provide a Home Report in these cases, to confirm that the conversion has been done to all the appropriate regulations and standards.

### **Section 3**

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

Yes  No

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

Although I have answered yes, the information provided is generally no more than could be spotted by any experienced home buyer or builder. The advantage is that surveyors are afforded more right to poke around and spend time looking at things than the average viewer would feel able to, and of course many viewers are not tuned in to notice everything that could be important.

**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

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

Yes, if this means providing a higher level of information than the Single Survey. However it's not clear in the guidance notes whether the SHCS is more detailed than the SS or just different in the way it describes the same things.

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

Comments

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

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

It is useful to an extent, but is often conservative. If based on recent sales of local properties, it can be falsely skewed, particularly in today's market, by the fact that the only people selling are the desperate, and the only people buying are business buyers who have the finance but are looking for a bargain. Local comparables also don't give any indication of the condition of the houses sold or the circumstances of the sale.

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

Comments

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

Yes  No

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

Comments



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

Most of the information in the Energy Report is based on assumptions, often inaccurate. The estimations of energy consumption are usually wildly inaccurate, and the cost estimates for the proposed measures are vastly over-estimated. I have seen reports for different flats in the same building rated between B and G, by different assessors. No distinction is made between twenty-five year old rotten wooden framed 18mm double glazing, and modern uPVC 27mm argon-filled double-glazing. The ER states that the average rating for a Scottish property is G, yet that is the lowest score available, so how can it be the average, when most reports I have seen are above G, though rarely above C. The Green Deal and most other grants and assistance available to householders amount to a charter to create "jobs for the boys", as hundreds of tradesmen do courses to perform Energy Reports, and become Green Deal Assessors and Approved Installers. By the time householders have paid for all these assessments and obtained over inflated quotes for the work from approved installers, in order to receive the grant or assistance, they would more than likely have been cheaper using any suitably qualified installer to install the measure without a grant.

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

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

This is the most useful part of the Home Report, containing information of relevance to prospective buyers that only the current home owner may know .

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

Comments

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

Yes  No

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

If there are any such fees, clearly they should be included.

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

Comments