

# 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 Home Report was set up to address four main issues:-

- **Better information for purchasers**
- **Avoid multiple surveys**
- **Improvement of the Scottish Housing Stock**
- **Remove low upset prices**

All of the above criteria have been met and since the introduction of the Home Report many other solutions have also been addressed. The Home Report has however created some issues that are certainly not in the best interests of the Scottish house buying public. Some national estate agency groups also own chartered surveying firms and these agencies will only instruct their own surveying company to undertake Home Reports at the exclusion of others.

The vendors are not made fully aware of this “conflict” and in some cases are charged an additional fee by the agent if they have arranged their own Home Report with another firm. Fees are also paid to valuers of estate agents via bonuses to ensure the work remains with the particular organisation. With the work being exclusively held within a particular organisation the vendor is unable to select from a panel of surveyors who they may prefer and also as a result the fees are set and thus competitive bidding on fees is prevented.

From a purchasers point of view this “conflict”, no matter how remote, is not explained and professional advisers including solicitors, vendors and purchasers have felt duped.

Estate agents should be prevented from instructing their own in house surveying firms to avoid conflicts and to give the vendor the best value for money.

Any payments made to the agent should be fully disclosed. It is commonplace for agents to include an “administrative fee” in the Home Report charge and again this is not divulged to the vendor.

**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 objectives are still very appropriate but the issue of conflicts with agents / in house surveying firms and lack of transparency are now as important and require to be addressed.

**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**

The role of the EPC is important as energy costs increase. However not all recommendations contained in the EPC are appropriate and these need to be reviewed. The position regarding property condition improvements is one of the main driving forces and still remains so. The interaction of the EPC and property improvements can certainly be improved and better presented.

**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**

The cost and implications of creating a central register will only add additional cost onto the end user. There is no need for such a register and this has been proven since the introduction of the Home Report.

## **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.**

Comments

**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**

Some interest free schemes have been rolled out by a national agency but this is exclusive and to access this vendors need to use that agency and require to pass a credit check. A central government scheme that could be means tested would be beneficial for those in desperate need to sell their property.

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

Yes  No

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

Other than the concerns of conflicts and transparency raised in question 1) then no.

**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 are the only profession able to offer a report on condition and then provide an assessment of value based on that condition report. As the vast majority of firms are on lenders panels they can report to lenders thus avoiding additional surveys, one of the criteria for introducing the Home Report. Chartered surveyors also have to undergo extensive training to qualify as a surveyor and then further training to carry our Single

Surveys. They are backed by a comprehensive CPD requirement together with requirements of the RICS VRS scheme and other regulatory requirements. Surveying firms have in depth audit of work undertaking, a Complaints Handling Procedure and Professional Indemnity Insurance all of which provide the vendor and purchaser with first rate consumer protection.

**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**

With a Home Report vendors can market the property in confidence.

**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**

Comments

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

A Home Report can be completed within this time frame and if required repairs also carried prior to marketing.

**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**

No comment to add.

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

Comments

**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**

At present no but if the market does increase in activity levels it may prove to be an issue

**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**

The lack of enforcement by Trading Standards is an issue and some agents/ vendors are trying to look for ways to avoid instructing a Home Report. Better and more meaningful enforcement is now required.

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

It is lenders choice if they wish to accept a specific Home Report or not.

**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 existing format is now widely accepted and understood by the housebuying public. To change would only cause confusion.

**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**

Without the valuation the problem of multiple surveys and low upset prices would return.

**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**

No comment

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

Comments

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

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

The existing format and questions often causes confusion and a review of the format is required.

**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**

Comments

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

This is not an issue that I have come across.