



Consultation Response

Response to the Scottish Government consultation
on the Home Report

Submitted by:

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The Scottish Association of Landlords (SAL) welcomes the opportunity to comment on the Home Report, which is increasingly playing a vital role in aiding the investment and asset realisation activities of our members.

CONSULTATION QUESTIONS

Section 1

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

Yes ✓ No

Q1a) If yes, please explain why

a) In relation to property condition, more problems are being identified and rectified at the point of sale/purchase because the survey undertaken is more detailed than most purchasers commissioned in the past. Lenders are sometimes requiring that problems with the property are rectified as a condition of the loan.

b) Buyers are now rarely having to pay for a valuation/survey as most lenders accept the Home Report valuation/survey provided by the vendor.

c) Most properties are now marketed at or near their valuation figure.

Q1b) If no, please explain why

Comments

Q2) Are the original Home Report objectives still appropriate?

Yes ✓ No

Q2a) If yes, please explain why

Yes, there is a risk that the historic problems with the operation of the market for selling properties would return if the requirement for Home Reports was removed.

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 No ✓

Q3a) If yes, please explain why

Comments

Q3b) If no, please explain why

We believe that the measures currently in place in the Home Report are sufficient to promote energy efficiency and property condition improvements among conscientious home owners.

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

Yes, this would be beneficial for monitoring and statistical purposes. As Home Reports are prepared by members of the RICS, that organisation

would be best placed to be responsible for the development and maintenance of a national register.

Q4b) If no, please explain why

Comments

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

Estate agents sometimes run promotions offering cut price or free Home Reports as part of the package that they offer sellers.

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

Yes No

Q7a) If yes, please explain why

The only issue is that sellers may not pay a competitive rate for the Home Report if it is commissioned through the seller's agent. They may be able to have it carried out cheaper if they shop around.

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

If Home Reports are carried out by organisations other than the RICS then they may not be accepted by lenders which would result in the buyer having to pay for a survey/valuation as well. In order to prevent this and ensure consistency and quality of reports, they should be completed by members of just this one organisation.

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

For conscientious home owners who have maintained their property well, the Home Report is a useful marketing tool in demonstrating the high standard of maintenance of their property.

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

This timeframe allows the seller time to carry out maintenance/repair works identified by the report before putting the property on the market, while at the same time ensuring that the report is reasonably current for prospective purchasers.

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 No

Q12a) If yes, please explain why

There are a number of valid reasons why a property may need to be temporarily removed from the market and it isn't reasonable to expect sellers to pay for a new Home Report each time. The 28 day period is sufficient for the majority of eventualities and we don't see any need to shorten or lengthen this period.

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

Comments

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

Comments

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

In the interests of good service/advice and ensuring a smooth transaction, most reputable estate agents tend to ensure that the surveyors they use are approved by lenders, so in the majority of cases the valuation report is accepted by lenders (although sometimes it needs to be updated as it is more than 3 months old when presented to the lender).

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

Comments

Q17) Do these exceptions need to be amended?

Yes 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 No

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

Our members (and their lenders) would welcome the addition of a rental valuation figure in all Home Reports to aid them in their investment decisions.

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

Comments

Q19b) If no, please explain why

The repair categories in the Home Report are easy for the public to understand. We feel it is better to stick with the current system in order to ensure the report is easy to understand and to maintain consistency with reports that have already been produced over the last few years.

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

Q20a) If yes, please explain why

Yes, it is viewed as an essential element by prospective purchasers, although as mentioned above we would like to see a rental valuation figure being included in all Home Reports to aid investors and buy to let lenders.

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

It provides purchasers with an indication of the energy efficiency of the property in a manner which allows them to compare different properties easily. The recommendations for efficiency improvements (and associated funding options) are also useful as a guide to what purchasers could consider in the way of future upgrading work.

Q21b) If no, please explain why

Comments

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

Q22a) If yes, please explain why

If the questionnaire is completed fully and thoroughly, it provides useful and relevant information for purchasers on a variety of aspects of the property.

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

All costs associated with the ownership of the property should be included somewhere in the Home Report.

Q23b) If no, please explain why

Comments