

CONSULTATION QUESTIONS

Section 1

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

Yes No

Q1a) If yes, please explain why

Some home owners delay putting their property on the market to make good, or get quotes, for repairs that have shown up in the single survey. This helps with the objective of improving the housing stock as originally intended.

Sellers are now beginning to understand the 1,2,3 reporting on condition and will hold back to make repairs to avoid a 3 and are more involved in ensuring the information within the report is accurate a draft stage whereas this seldom happened at the introduction of the Home Report

There are no longer multiple valuations, however lenders tend to ignore the 'no shelf life' of home reports and require a 'replacement report' to be carried out, usually at a cost to the seller of around £150 dependent on market value. It is now commonplace for a buyer to request view of a home report before considering an offer on a property.

Due to the surveyor valuation the majority of sellers are more realistic about the value of their property.

Purchasers are now provided with more information and are more aware of the expenditure necessary to improve the property following the purchase and therefore more likely to carry out any repairs to be done.

Q1b) If no, please explain why

N/A

Q2) Are the original Home Report objectives still appropriate?

Yes No

Q2a) If yes, please explain why

There has been an organic growth of use of the home report by all parties; buyers, sellers and selling agents. The main objectives are still being met and are still important to the housing market, however, there is an additional benefit of 'peace of mind' for both seller and buyer, and an additional marketing tool for the selling agent.

As the property market improves both the objectives in respect of low asking prices and multiple surveys will be even more relevant.

Q2b) If no, please explain why

N/A

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

There is still a lot of misconception and a lack of understanding around the home report as well as the Energy report. Providing education to consumers would go some way to improving the understanding of the single survey and the energy performance certificate, and the benefit to the homeowner to have the best reports they can.

Providing a simple guide to sellers and buyers and using testimonials from proactive sellers could be one way of improving the understanding.

Providing a summary at the front of the report that shows the energy graph and saving bar; Any '3's from the single survey and the market value would draw the sellers attention to the areas that they could work on to improve their property for sale.

Q3b) If no, please explain why

N/A

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

Currently there is no way of recording how many home reports are carried out on one property. Occasionally buyers cannot locate the Home Report on a property and a central register could confirm the instructor.

A central register would make it easier to check for quality assurance and proper marketing being applied as it could be checked with properties for sale

The responsibility could lie with the Government or RICS

Q4b) If no, please explain why

N/A

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.

N/A

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

Most surveying firms and home report providers offer a spread payment option to sellers whereby they can pay 3 or 4 instalments over a period or when the property sells, whichever comes first. This option is seldom taken up by consumers.

There was a national commercial loan from Close Bros but was withdrawn due to losses incurred through bad debt and low take-up

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

Yes No

Q7a) If yes, please explain why

N/A

Q7b) If no, please explain why

Selling agents are the first port of call in the majority of cases and are therefore best placed to advise the client of the regulation with regard to marketing their property. Also the agent has the responsibility of making sure the property is not marketed illegally meaning that it is in their interest to have an active interest in the progress of the report.

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

Yes No

Q8b) If no, please explain why

For the documents within the home report to be viewed as a valid, professional document by the consumer, it is imperative that it is carried out by professionals who are answerable to the RICS as a highly regulated and professional body. This gives people confidence and generally creates consistency with reporting

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.

N/A

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

Yes No

Q10a) If yes, please explain why

Home reports put sellers in control of the date; they are taking a price for the property that can be considered fair as they are basing it on the information within the report. Therefore they are using the home report to market the property with transparency

Q10b) If no, please explain why

N/A

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

Having a 12 week deadline motivate the seller and the agent to complete all the documentation within the report to get the property to market quickly. It avoids sellers procrastinating about the report and focuses them on making good the repairs and completing the property questionnaire. Without the deadline some agents would use it to undermine the regulation

Q11b) If no, please explain why

N/A

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

28 days is an adequate period if the property has been taken off the market as sold. There is a huge amount of misconception regarding this rule among both selling agents and consumers and it should be made clearer as some consumers have withdrawn properties for a year or more and try to use the same report to re-market their property simply because they did not know any different or they had been ill-advised.

Q12b) If no, please explain why

N/A

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

Yes No - However there are instances where agents only provide a single survey on request to potential purchasers

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

N/A

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

The current penalty is too low as it is approximately the cost of a home report, so effectively there is no penalty. Also the seller has no incentive to stay within the law. The current method of enforcement cannot be appropriate due to a number of selling agents who commence marketing on instruction of the home report or when the report is still in 'draft' format. A penalty should be payable by both the seller and the selling agent as that would motivate both parties to keep within the regulation. A good way to ensure a home report is available would be to legislate that the link to the report must be on the property portals/websites, this would be simpler to police

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

Lenders should have a consistent approach to home reports and a genuine understanding of the Scottish market. The 3 month policy could be 6 months but whatever the period, it should be made clear to the consumer that they are paying more because of the lender requirement and nothing to do with the legislation.

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

N/A

Q17) Do these exceptions need to be amended?

Yes No

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

N/A

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

N/A

Q19b) If no, please explain why

The single survey scoring is a more positive style of reporting compared to the old 'buyer beware' of the Scottish House Condition survey.

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

Q20a) If yes, please explain why

Over the years the valuation element has helped speed up the process. It also give more value and weight to the report. buyers also trust the valuation provided by the surveyor.

Q20b) If no, please explain why

N/A

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

Yes No

Q21a) If yes, please explain why

The graph provided on the report gives a good visual accompanied with the bar showing how much they could save over 3 years as an incentive for change. the green deal ticks are a good guide but could be clearer to the consumer.

Q21b) If no, please explain why

N/A

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

Q22a) If yes, please explain why

If completed correctly, the information provided advises potential purchasers of additional cost i.e. factors charges, council tax etc.

Q22b) If no, please explain why

N/A

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

Yes No

Q23a) If yes, please explain why

N/A

Q23b) If no, please explain why

The house seller is often confused between factor/land maintenance and other fees paid for and this could just add to the confusion