

## CONSULTATION QUESTIONS

### Section 1

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

Yes  No  **Only partially**

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

Eliminates the need for purchasers to commission surveys for each property they are interested in (therefore a cost saving to the purchaser), and provides a realistic valuation for the property. Also ease of access to the reports via for example, the estate agent's website allows prospective purchasers to narrow their search, through access to comparative information on valuation, level of potential property disrepair and energy performance.

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

The Single Survey tends to provide only partial information on common element conditions. It is focussed on the *individual* property to be placed on the market. (The Single Survey) did not appear to have been designed to address the problem of serious hidden disrepair where the property is part of a tenement or terrace, and where it is difficult to gain access to common areas such as roof spaces and solums. The purchaser is generally not provided with enough information on common building elements and any actual or potential major disrepair requiring attention arising from lack of communal maintenance. These repairs may turn out to be much more expensive than could reasonably be anticipated by the purchaser.

The 2010 research suggested that a substantial number of additional surveys were required (30% - Para 4.25 of the full research report) for a variety of reasons including that the survey was not carried out by a surveyor on the lender's panel of approved contractors.

There appears to be no regulation or checking of the content of the seller's Property Questionnaire (PQ). At Para 5.9 of the full 2010 report, reference is made to the purchaser having insufficient information on this section of the Home Report. This pre-supposes that the seller has sufficient knowledge of the property's repair and improvement history, common property obligations, notices, title conditions, burdens etc. There may be a case for obliging the seller to source legal documents pertaining to these issues as part of the PQ completion process.

Relatively speaking, costs of commissioning surveys appear from the research to be high and in some cases disproportionate, and the difficulty of sellers being sure of fair charging (Para 4.35 of full research report).

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

Yes  No

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

Provides the purchaser with basic information required, provided that the information contained therein is accurate and verifiable

**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**

The Home Report, if efficiently managed can provide almost all of the information which prospective purchasers need to know before committing to a substantial investment and committing to borrowing to make this happen. More importantly, it should form the basis of a long term maintenance and thermal efficiency plan for the property, establishing a benchmark from the outset which can be improved upon with the necessary investment and support (e.g. in terms of providing assistance to meet a higher energy efficiency standard, improving the condition of common areas for the benefit of all residents in the block)

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

Comments

**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**

It is likely that Home Reports would quickly become out of date (currently only valid for up to 12 weeks).

The Home report will only apply to properties which have been marketed, leaving a substantial number of properties without any assessment (including those which are currently exempt), and which are unlikely to go on the market within a reasonable period of time.

The cost of setting up and maintaining such a register may therefore not represent good value for money.

## **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.**

Most sellers and purchasers probably recognise the value of the Home Report, and are willing to comply with the law

**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 would make sense to have a nationally approved list of surveyors, rather than allowing the success of the current system (as shown in the research) to be dependent on the conditions imposed by lenders. Provided selling agents signed up to a nationally approved list, this matter could potentially be resolved.

**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**

Provided they are nationally approved and qualified surveyors, able to meet a wide variety of lender criteria. This might mean that representatives of the finance industry would need to agree this criteria across the industry.

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

Comments

**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  Probably not

**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**

The demand for instant access to such reports electronically is likely to grow

**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  No opinion

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

Comments

**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  No opinion

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

Comments

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

Comments

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

Yes  No  No opinion

**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  No opinion

**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?**

Lenders may have good reason to reject Home Report valuations if they have been carried out by surveyors who are not on their panel of approved contractors. It is clear that a way needs to be found to ensure that a valuation is acceptable, and the suggestion at 7a above that there should be a nationally approved list of surveyors should be considered.

**Q16) Are the re-dress options available to buyers reasonable and appropriate?**  
Yes  No

**Q16b) If no, please explain why and how these could be improved**  
The question of completion of the Property Questionnaire remains problematical, especially in relation to common property condition, title conditions and potential hazards such as subsidence, liability to flooding, presence of asbestos and so on. The only option which appears to be available to the purchaser is to make specific queries on these matters through their solicitor or commission a more expensive invasive survey. Usually, during conveyancing, mineral reports and other important information relating to title conditions have to be sourced by the purchaser's solicitor, and the cost is included in the conveyancing fee once the offer has been made and provisionally accepted. There may be a case for compulsory disclosure of information on title conditions and other key information on repair and underground conditions, which arguably could be included at an appropriate section in a revised Home Report. It is likely that there will have been historical searches made e.g. on mineral conditions which must be sourced by the purchaser's solicitor. However, if this information is a matter of public record, then it could be sourced by the seller or his or her agent in advance and included in the Property Questionnaire or in new section of the Home Report

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

Yes  No

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

Comments

A **converted property** could still be in a poor condition overall, and there may be issues with common property elements, so it is not clear why there should be an exemption.

It is not really clear why **seasonal or holiday homes** should be exempt, as they may be in more or less permanent use. If the owner is an absentee landlord, there may actually be a stronger case for providing more detail on the extent of regular maintenance being carried out.

It is not clear why in a **dual use** situation there should be an exemption for the residential part of the property – again in relation to common repairs and title issues. The same reasoning could be applied to “**mixed sales**”

The fact that non-residential properties fall out-with the Home Report system appears at odds with problems experienced subsequently by owners who find specific issues with repair, maintenance and burdens directly arising from the ownership and factoring arrangements associated with these commercial premises, especially when they lie vacant and unmaintained for any length of time. In Glasgow, there are situations where titles are shared across tenement blocks which are physically separated from each other, and often there are commercial premises at ground floor level.

### **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**

The Single Survey should include a more thorough and meaningful report on the condition of common property elements where the property to go on the market is part of a tenement, terraced or semi detached building. As noted at Question 1b, the purchaser is generally not provided with enough information on the physical condition of common building elements and any actual or potential major disrepair requiring attention arising from lack of communal maintenance. These repairs may turn out to be much more expensive than could reasonably be anticipated by the purchaser.

**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**

This would allow for consistency in assessment of repair standards, and could strengthen the case for developing a better data base should the condition element in Home Reports be collated in a national or local data base (as opposed to a register)

**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 one of the core reasons for having a Home Report, as it is crucial to both the purchaser and lender. The original argument for avoiding multiple surveys still appears to apply, especially if the property market picks up again, as it appears to be the case as at early 2014.

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

Comments

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

Yes  No  **But could be improved**

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

Currently very comprehensive, however, see below

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

Report appears technical and difficult for a lay person to read. We would suggest, on the basis of several years experience of providing energy advice and grants to homeowners and landlords from across the housing tenures that a simple summary be included at the beginning of the report which states whether or not the property meets an acceptable standard and what in very simple terms is required to bring it up to a minimum standard. There could also be signposts to existing grants and incentives to encourage take up of current schemes

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

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

Comments

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

There are too many opt outs. Whilst the right questions are being asked, the problem is that the seller is under no real and enforceable obligation to disclose important information which could affect not only the valuation of the property but also its long term sustainability. We would re-iterate our suggestions at Q16b. The question of completion of the Property Questionnaire remains problematical, especially in relation to common property condition, title conditions and potential hazards such as subsidence, liability to flooding, presence of asbestos and so on. There is a case for ensuring that the seller is legally obliged to disclose such information up front in order to mitigate against consequential legal action arising from issues where the seller could have or should have known about concerning defects or expensive burdens. The onus is currently on the purchaser to commission a full invasive survey and minerals search or make a conditional offer dependent on such further research.

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

Yes  No

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

This fits with the general issue raised about information on title conditions. If a question on land maintenance is to be included, then the same logic should apply to other title conditions and burdens – why would this be the only exception?

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

Comments