

## CONSULTATION QUESTIONS

### Section 1

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

Yes  No

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

The principal objective has been met in that it is providing better information to sellers and buyers about homes to be sold on the market and provides very useful information to all parties.

- a.) Repairs – In our experience sellers are most certainly carrying out repairs pre-report in anticipation that they may get a poor score. Also having had their property reported many sellers are carrying out repairs and addressing matters highlighted in the report. This is our first hand experience in carrying out many hundreds of reports.
- b.) Multiple Valuations – These have gone along with the old fashioned Solicitors' upset price where large numbers of people were gathered to a property on a group basis. Under this system consumers were misled into thinking they had a chance of buying a property below market value. Having a genuine pre-estimate of valuation based on a valuation method has eliminated that.
- c.) Lower Asking Prices – The Home Report has certainly addressed the problem of low asking prices. Initial enquirers first question is often enquiries about the Home Report value and the scores. There is a considerable public demand to check out the Home Report even before viewing particulars or sales information. This is entirely legitimate and a sensible practice on the part of the enquirer.

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

Comments

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

Yes  No

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

Given that the Home Report has met its three main objectives it should be developed as a fuller offering within its existing template by incorporating photographs and also the registered title plan in colour. There is no reason why technology can't offer this up. There seems to be a reticence to develop the reporting format and move it on to a better offering and a higher quality report. We believe this is the way forward and that reports should be available on a completely unrestricted basis. The energy element of the Schedule 1 document requires the Surveyor to take a library of mandatory photographs yet the consumer is denied access to these photographs. This does not make sense.

**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**

Energy issues are important; householders are fearful of rising energy costs and want to keep these to a minimum. Energy savings and green initiatives are vital. We think that the reports should include say photographs of the insulation in the attic, photograph of boiler, position of boiler, location of solar panels, etc, and any other plant related to energy efficiency.

**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**

If a fuller report with photography and more information was freely available as a specification sheet for every property there would be no need for a register. If reports were more openly available and online that information would in any event be recorded for all time due to the nature of the internet; therefore there is no requirement for a register beyond what is already recorded. The Home Report mandatory photography is already captured through the audit process of energy reports and the easiest way is to make this available in the report to benefit the consumer rather than having a parallel register for the Schedule 1 document.

## **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**

Yes there are schemes which involve credit from banks, lenders, etc. Given that a Home Report is costed out at around £300 Surveying business should be sufficiently well capitalised to arrange deferred payment say over three months to facilitate clients getting their home on the market.

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

Yes  No

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

Comments

**Q7b) If no, please explain why**

We estimate that most Home Report clients contract directly with the Surveyor/Home Report provider and pay for reports directly. Only executry sales are payments made by someone other than the seller; usually the Solicitor or Executor. The seller mainly pays the Home Report supplier/Surveyor directly.

**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**

The creation of a profession is necessary for the delivery of a prescribed product as it would be in any other prescribed product as in opticians, pharmacists, etc. The experience in England of home inspectors with a limited amount of training was a failure and should not be repeated in Scotland.

**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**

As explained in a previous question there is a desire for persons when viewing the stock of property in a particular area to view or enquire about the Home Report contents at the very earliest opportunity and these should be made currency of the marketplace at that stage. We have yet to encounter a seller that would not want the information out there at the earliest opportunity. Restricting access to reports only to say those who have viewed or have noted interest goes against how the public want to access reports.

**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**

Although this is reasonable and was referred to as the vintage period in the pre-legislation deliberations it is being confused in the minds of the public and indeed a number of property professionals as being the shelf life of the report and consumers are being double charged at the end of the three month period by some unscrupulous players in the marketplace. This is a widespread misconception.

**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**

Comments

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

Three months would be a more reasonable period. Properties don't tend to lose or gain condition or value within a three month period. It would also allow for certain arrangements to be addressed in the Schedule 2 document which could not be obtained within a 28 day period, e.g, tidying up on Local Authority consents, accessing certificates, corrective conveyancing, etc. A longer period would allow the seller to address these without the expense of the survey element.

**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**

The substantive issue is that Home Reports in a fuller form should be made available. We can see no rationale in holding back making a report public given that it is a marketing requirement. Anybody with an interest in the property and that includes lenders should have the fullest access to the report in its whole terms. The redaction and reduction of reports for lending purposes strikes us as most odd. It is beyond comprehension that a lender would not want the fullest possible information on the property. Certainly a private lender would e.g. a relative or parent who are often bankers of first choice nowadays. Agents and Solicitors who are reticent about releasing reports only to people who have viewed and/or noted interest are doing their seller clients no favours. The public want full access to reports and this should not be impeded. The report should be a parallel specification document of the house to be read before or in conjunction with the sales literature.

**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**

If the report was developed as a more useful product and a parallel document with the sales information then enforcement would hardly be necessary but if it was a local trading standards office is probably the best vehicle for enforcement. It does not seem to make sense to have a nine day timescale when the legislation requires the report to be complete in advance of marketing. The requirement to show the energy efficiency rating in any form of advertisement signals that the report is available. Anybody that sees the energy banding should immediately be able to access the report. The nine day rule is inconsistent with the advertising of bandings.

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

Many lenders are not prepared to accept Home Report valuations and have an agenda of attempting to undermine the consumer benefits of the Home Report. We can see no reason, particularly if reports are made publicly

available and include photographs and perhaps a quick copy of the registered title plan, why lenders would not want to check these out before making a decision.

From the beginning lenders have been out to wreck the concept of the Home Report and have engaged in restrictive practices such as panels and more so now single supplier arrangements with only one particular firm. The time span of the Home Report has seen the market change and failure in the lending sector particularly in Scotland. The report should concentrate on its fundamental tenets as it has been successful in that regard. Lenders should be taken out of account in the hybrid form of report although it should be made clear that any responsible lender private or trade (CML) should review the report in addition to instructing their own diligence.

**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**

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

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

Comments

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

A simple three stage traffic light system for repairs is easily understood and sellers are certainly addressing maintenance and repair issues on that basis. It should not be over complicated.

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

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

A genuine pre-estimate according to a recognised valuation method is the very mechanism which has cured unrealistically low asking prices and multiple surveys. These were the product of the traditionally low Solicitors' upset price.

**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**

There is a growing interest in heating efficiency and the wider issues of climate change, flooding, etc. That is the biggest issue and is good that Scotland is leading the way in some of these matters. Possibly more emphasis should be put on this aspect of the report. Again, the RdSap form requires much more information than actually appears on the report and photographs should be used.

**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**

It allows the valuer to know exactly what he/she is valuing particularly in terms of common areas and repair responsibilities. That said, it would be better to have a quick copy of the title and have that as an appendix to the conveyancer issues. Very often the questionnaire is incorrectly completed all be it inadvertently or because the owner does not have the titles to hand.

**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**

Anything which impinges on the value should be made available.

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

Comments