

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

As a company we carry out in the region of 15,000 Home Reports per annum so the information provided is based on extensive market experience.

In the first few years lenders based in England struggled to get to grips with this so called "strange system" in Scotland and as a result they instructed their own valuation on many cases. In the past three years however the system has been refined and they are now much more comfortable with Home Reports and understand them better and have now systems in place to deal with Scottish cases. This has all but negated multiple surveys.

The valuation in the Home Report is a clear indication of the seller's expectation as the property has been valued by a professional surveyor so estate agents have stopped the practice of low and unrealistic asking prices.

People are very proud when it comes to their own home and a large percentage of the Single Surveys we do are put on hold for a period of time while the owner rectifies identified defects prior to marketing the property.

Buyers are therefore much more aware of the condition of the property they are buying and can then budget accordingly reflecting the condition of the property in the offer they make. This has the overall beneficial effect of improving the condition of the housing stock

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 general acceptance of Home Reports by all parties involved in the process has resulted in an organic growth of the benefits of the Home Report system and as the housing market gathers pace these benefits and the achievement against objectives will be even more profound.

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

In the 5 years since its inception we are aware that purchasers are paying much more attention to the content of the Energy Report now than at the beginning. The estimated energy costs and potential savings on energy conservation methods may be promoted more clearly within the document. I do not think an executive type summary is the answer as experience has shown that consumers will just read this part and ignore the rest of the document which could be damaging to them.

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

This would only add additional costs to the process with no real benefit. The costs are clearly shown in the Energy Report central register.

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

Most surveyors and some estate agents operate a deferred payment scheme where the seller can pay in instalments but this only occurs on a very small percentage of cases. Lenders have shied away from providing this service. Close brothers ran a very good scheme for about 18 months but withdrew due to the lack of volume/demand and high level of bad debt. I believe a central fund would be abused but some allowance needs to be made for emergency cases.

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

In most cases the process works well as the agent is generally the first point of contact. The seller also has the option of getting their own home report direct from the surveyor prior to marketing and this will happen more as the public become more familiar with the process. Anecdotal evidence exists that some large corporate estate agencies keep the process internal and discourage sellers to get their own home report.

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

RICS is one of the most heavily regulated professional organisations we

have. The members have to comply with a very strict set of rules in order to be part of RICS and this instills a huge trust in the profession from the public. They must have PI Insurance and a compliant complaints procedure ensuring appropriate redress in the event of mistakes or errors being made.

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

If done properly. The home is exposed to the market warts and all and allows potential purchasers to compare other properties that are on the market. The property with the more positive results in the Home Report in terms of condition and Energy Efficiency is likely to sell quicker and for a better price.

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 timescale is about right but can only be a generality. It is very unlikely that the condition of the property or its value will have materially changed in that time frame. The restriction on timescale also motivates the seller to complete the documentation and prevents agents from undermining the regulations.

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

Clearly there are circumstances when a property is removed from the market for a short period of time without any material change however this is a particularly difficult rule to police and prevent.

Q12b) If no, please explain why

Comments

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

Yes x No

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

Some agents only provide the single survey when asked for a home report. Some agents who do not use a free system like Onesurvey do not keep a record of who obtains a copy and therefore disputes can arise later. Some solicitors will only give the Home Report to purchasers after they have made an offer.

Q14) Is this the most appropriate way to enforce home report legislation?

Yes No x

Q14a) If no, please explain why and how this could be improved

Trading standards do not appear to have the resources to police implementation and the fine is only a little more and sometimes less than the actual cost of the Home Report. The deterrent must be greater. I am afraid there is no silver bullet for enforcement other than the threat of a severe penalty for non compliance.

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

The lenders were slow to adapt to the Home Report but have over time put policies in place to deal with the process. Their policy is however inconsistent and varies from lender to lender. At present lenders receive a "free" report from the surveyor but this is not sustainable as there is a significant cost to the surveyor for providing this report.

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

Consideration should be given to include sheltered housing.

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 content and categories are fine but the surveyor should be given more freedom to provide his professional opinion and general thoughts on the property.

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

Very few members of the public understand or see the Scottish house conditions survey and it is created for an entirely different purpose. The three repairs categories are fine and already are the biggest cause of discussion between surveyor and owner. More categories would cause more confusion.

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

The Scottish legal system for buying property is the envy of many countries and should be supported rather than thwarted. A buyer need to be in possession of as much information as possible so that he can make an informed decision based on their own circumstances when they offer for a property. When an offer is made this is and should remain binding. In order to make that offer the buyer needs to know the condition of the property AND the VALUE. The valuation in the home report is an essential part of it and supports Scots law.

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

The report gives clear indications on the energy efficiency of the house, an indication of the energy costs and advice on how to improve this and

reduce costs. All there.

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

This takes away a lot of the “buyer beware” scenario involved in the house purchase. The seller cannot hide issues which they are aware of or they will be founded in law.

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

I think this would come under any other information and I am not sure the general public would understand the issues.

Comments