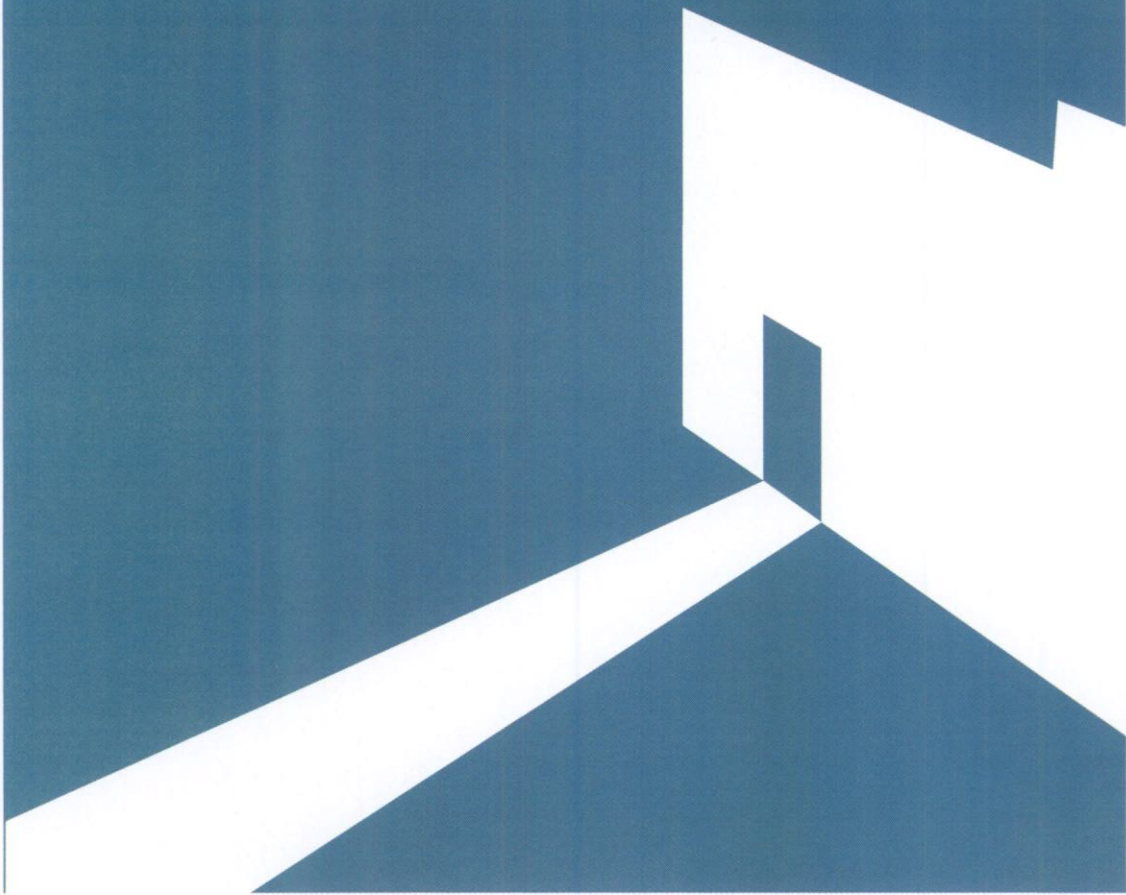




CHANGES TO HOME BUYING AND SELLING

Updates to Home Information Packs



What are Home Information Packs for?

HIPs were introduced to bring information up-front, to increase certainty and inform buyers about a property before they incur costs. Informed choice by buyers at the start will help reduce delays later on and wasted time for sellers. From 6 April 2009 this information **must** be available from the first day the property is put on the market.

Remember buyers will benefit from seeing the pack early, so don't wait for them to ask for a copy.

Who needs a Pack?

Home Information Packs are now needed for most homes put on the market with vacant possession on or after 14 December 2007. Exceptions from the duty to have a Pack include:

- Mixed use properties (eg a flat and shop being sold together)
- Portfolio sales
- Leases of less than 21 years.

Whoever is marketing the property is responsible for ensuring a valid Pack is available. This will either be the seller or their estate agent.

What is new in the Pack?

From 6 April 2009, the Pack will include the **Property Information Questionnaire as a mandatory** document. The new form should be completed by the seller and will provide simple, useful information about a property that can help inform a prospective buyer's decisions about whether to view, or make an offer. Sellers can still choose to include other permitted information (eg additional leasehold information, a Home Condition Report, guarantees or additional searches), if they feel this would improve the Pack.

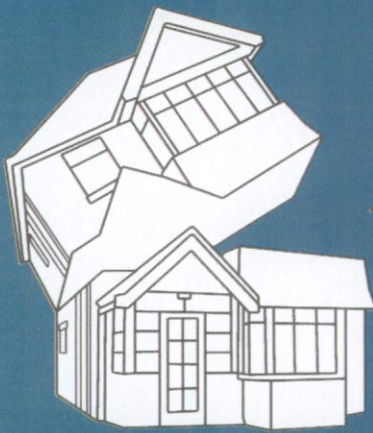
Changes to Home Information Packs?

From 6 April important changes are made to the home buying and selling process:

- Introduction of the new Property Information Questionnaire (PIQ)
- Removal of the temporary first day marketing exemption
- All searches, whether produced by a local authority or a search company, must be complete with no gaps in the data covered by insurance.

From 1 January 2009 a copy of the lease is the only additional required document in a HIP for the sale of a leasehold property.

These are significant changes which estate agents and other property professionals will need to understand and be able to advise sellers on. More information is available at www.businesslink.gov.uk/homeselling. A separate leaflet for consumers is available as part of this series.



When does the Pack need to be available?

From the 6 April 2009 a property can only be put on the market when all the required documents have been requested and paid for, or a commitment to pay for them has been made, and a HIP is available with the following documents as a minimum:

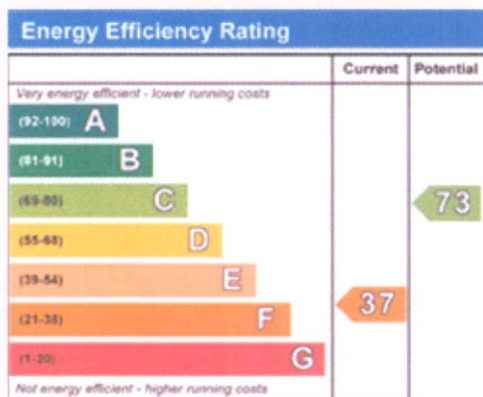
- An Index listing the contents of the HIP and noting any required documents that are missing
- A Property Information Questionnaire (PIQ)
- An Energy Performance Certificate (EPC) or Predicted Energy Assessment (PEA) for new homes marketed before completion
- For new homes only, a Sustainable Certificate, Interim Sustainability Certificate or nil-rated certificate as required under the Code for Sustainable Homes
- A Sale Statement summarising the terms of sale
- Evidence of title.

If the following documents are unavailable when marketing begins the responsible person must ensure they are included in the HIP as soon as possible and within 28 days of the first point of marketing:

- Standard Searches
- A copy of the Lease (where applicable)
- Documents showing proof of title (unregistered properties only).

Energy ratings and particulars

The EPC provides an energy efficiency rating for a home. The ratings range from A to G, where A is very efficient and G is least efficient. This is similar to the ratings now displayed for domestic appliances such as refrigerators and washing machines. The rating is based on factors such as age, property layout, construction and heating, lighting and insulation. The ratings are standard so consumers can easily compare the energy efficiency of one home with another.



The energy rating graphs from the EPC should be included in the written particulars or attached to them as a separate document. A sample EPC can be viewed at: www.communities.gov.uk/documents/housing/pdf/samplepropertywithhepc.pdf

You should ask for the graph to use on particulars as soon as it is available. In this context, 'written particulars' may be electronic or paper and contain at least two of the following:

- A photograph of the property or a room in the property
- A plan of the property
- A description of the room sizes.

Compiling the Pack

You should make sure that both the Index and Sale Statement have been correctly completed and that the documents are in the right order. The rules now require that the Index must appear first, followed by the PIQ. The EPC or PEA should come next followed by sustainability information where appropriate; the remaining documents can be in any order. You are responsible for ensuring that the HIP complies with the regulations. However, it is the responsibility of whoever provides a particular document to ensure the information is accurate.

How up to date do documents need to be?

The age limits on documents only apply when the property is first put on the market. Copies of Land Registry documents and the required searches should be no more than three months old at this point and the EPC no more than three years old.

The responsible person is not legally required to update the Pack once marketing has started, except where a further version of a document that is already in the pack is created or obtained eg an EPC should replace the PEA if a new home is still on the market when construction is completed. Where a seller decides to take their property off the market, they can return to the market with the same HIP so long as marketing restarts within 12 months of the first point of marketing.

Who can see the Pack?

Potential buyers are entitled to receive a copy of the Pack, or any part of it on request and this should be provided to them within 14 days. There should be no charge for this, but you can ask buyers to pay a reasonable charge to cover copying and postage for sending a paper copy. The HIP rules make no provision for charging for an electronic copy of a HIP.

Sellers should complete the PIQ and should also see the other documents in the Pack for their own home to ensure they are accurate. Again, the rules on HIPs make no provision for sellers to be charged for receiving a copy of their own Pack. Any other estate agents they have instructed will also need to have access to the Pack.

Sellers changing Estate Agent

Where a seller already has a Pack and decides to change their agent, there is no requirement for the seller to replace the Pack or refresh the documents within it.

Redress

Anyone acting as an estate agent is required to belong to an approved redress scheme. This covers all estate agency activities, including the duties to provide a valid Home Information Pack.

Enforcing the HIP duties

All of the duties described in this leaflet are enforced by Local Authority Trading Standards Officers. They are there to offer help and advice, but can also issue penalty notices to anyone not complying with the new Regulations. The current penalty is £200.

The Office of Fair Trading can ban agents who consistently breach the HIP duties.

More information is available at
www.businesslink.gov.uk/homeselling

Further copies of this leaflet are available from
www.communities.gov.uk/housing/buyingselling/homeinformation

or from:

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