



HOME INFORMATION PACK

FAST FACTS GUIDE FOR SELLERS

THINGS TO REMEMBER WHEN PROVIDING HOME INFORMATION PACKS

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- ◆ Before you market a property, check the Home Information Pack website to confirm whether the property requires a Pack: www.homeinformationpacks.gov.uk/industry
- ◆ If a Pack is required, it is your responsibility as an estate agent to ensure the Home Information Pack has been ordered before the property goes on the market.
- ◆ You must be able to provide a copy of the Pack to potential buyers on request
- ◆ You are responsible for making sure the documents in the Pack are authentic
- ◆ You must have joined an approved redress scheme by 1 August, when the first phase of Home Information Packs will start. For more information visit: www.dti.gov.uk/consumers/business/estate-agents/index.html
- ◆ The scheme duties will be enforced by Local Authority Trading Standards Officers, who can issue warnings or a fixed penalty of £200. Breaches of the Home Information Pack duties will be referred to the Office of Fair Trading who will take further action if necessary

WHAT IS A HOME INFORMATION PACK?

A Home Information Pack contains the key information about a property, such as an Energy Performance Certificate, standard searches and evidence of title.

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WHO COMPILES THE PACK?

Whoever is marketing the property is responsible for ensuring a valid Pack is available. Sellers have a number of options; they can compile it themselves, ask their solicitor, licensed conveyancer, estate agent or a dedicated Home Information Pack provider.



COMPULSORY DOCUMENTS

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The following are needed for every home that requires a Home Information Pack:

- ◆ An Index
- ◆ An Energy Performance Certificate (EPC) or predicted energy assessment
- ◆ A Sale statement
- ◆ Standard searches – e.g. local land charges register, local enquiries, drainage and water searches
- ◆ Evidence of title

If there is any delay in getting the EPC, searches or evidence of title, you must include proof that they have been ordered and where necessary paid for.

LEASEHOLD PROPERTIES

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These documents are also compulsory for leasehold properties:

- ◆ A copy of the lease
- ◆ Management regulations not mentioned in the lease and any proposed amendments
- ◆ Statements or summaries of service charges for the previous 36 months
- ◆ Requests for payment of service charges, ground rent or insurance claims made for the previous year
- ◆ The name and address of the current landlord and any managing agent
- ◆ Summary of any work being undertaken

If there is any delay in getting the leasehold information, you must include proof that they have been ordered and where necessary paid for.

THESE DOCUMENTS ARE COMPULSORY FOR COMMONHOLD PROPERTIES:

- ◆ Individual register and title plan for the common parts
- ◆ Commonhold community statement
- ◆ Management regulations not described in the commonhold community statement and any amendments
- ◆ Requests for payments, made for the previous 12 months, for commonhold assessment, reserve fund levy or insurance
- ◆ The name and address of any managing agent
- ◆ Summary of current or proposed work affecting the commonhold

If there is any delay in getting the commonhold information, you must include proof that they have been ordered and where necessary paid for.

OPTIONAL DOCUMENTS

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Sellers can choose to include the following:

- ◆ Home Condition Report
- ◆ Home use form
- ◆ Home Contents Form
- ◆ Legal summary of a Pack, or a Pack document
- ◆ Other searches
- ◆ Warranties and guarantees

Please note: this is not a complete list of the optional documents that can be included. Full details of what can and can't be added to the Pack can be found in the Home Information Pack Regulations:

www.homeinformationpacks.gov.uk/industry/137_pubregulations.html

The Pack must not contain any form of advertising of goods and services.

WHAT IS AN ENERGY PERFORMANCE CERTIFICATE?

This is the only new component in the Pack. Energy Performance Certificates highlight how energy efficient a property is by giving it a rating from A – G, where A is the most energy efficient. They also offer advice on how to save energy and reduce fuel bills.

Please visit the following website to view a sample Energy Performance Certificate:
http://www.communities.gov.uk/pub/856/ExampleofEPC_id1504856.pdf

HOW WILL THE SELLER BENEFIT FROM IT?

The Energy Performance Certificate will identify cost effective improvements to reduce fuel bills and make the property a more attractive prospect.

WHY SHOULD SELLERS TRUST THE ENERGY ASSESSMENT?

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All Domestic Energy Assessors must be members of an Accreditation Scheme set up to ensure that their work can be trusted by sellers, buyers and lenders.

These schemes are designed to ensure Assessors are properly qualified, have had a criminal record check and have adequate insurance cover for any claims that may be made. Any Assessors who do not meet the necessary standards can be suspended.

There is a public register of Domestic Energy Assessors at www.epcregister.com

Alternatively, you could search business listing services or the internet for Domestic Energy Assessors. A list of the accreditation centres is available at:

www.homeinformationpacks.gov.uk/industry/91_How_do_I_find_an_Energy_Assessor.html

WHAT IS A HOME CONDITION REPORT?

The Home Condition Report contains information about the physical condition of the property, and highlights work that needs doing. Both buyers and sellers will then know about any repairs, and lenders can use the report to help with their evaluation.

WHY SHOULD SELLERS GET ONE, AND HOW CAN THEY TRUST IT?

Providing the report means buyers will be much better informed about any problems with the property upfront, and will be less likely to look to renegotiate later on. If you need to find a Home Inspector, you can do so by searching your local directory or online business listings.

If your search is unsuccessful, you could contact one of the Certification schemes who have details of their members. Full details of all schemes are available at:

http://www.homeinformationpacks.gov.uk/industry/88_How_do_I_find_a_Home_Inspector.html

AT WHAT STAGE CAN MARKETING BEGIN?

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Until 31 December 2007, a property can be put on the market as soon as compulsory documents in the Pack have been ordered. It will not be necessary to wait until the documents have been received. However, you are obliged to obtain the documents as soon as possible and you must provide a Pack for potential buyers as soon as the Energy Performance Certificate has been received.

From 1 January 2008 a seller or their agent will have to obtain the Energy Performance Certificate and other key documents before they put their home on the market, unless there are exceptional circumstances or delays in getting hold of searches or leasehold documents.

WHEN WILL SELLERS NOT NEED A PACK?

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Packs are not required for properties that are:

- ◆ unsafe and not fit for human occupation
- ◆ due to be demolished
- ◆ sold without vacant possession
- ◆ non-residential
- ◆ used as holiday or seasonal accommodation
- ◆ mixed use (e.g. a shop and flat above) and being sold as one lot
- ◆ dual use (e.g. a property that can be used for residential and non-residential purposes at the same time such as a guesthouse)
- ◆ part of a private sale (where the property is not marketed)
- ◆ part of the sale of a property portfolio

HOW LONG WILL PACKS BE VALID?

The Evidence of title and the searches cannot be over three months old when a property is first marketed. Energy Performance Certificates cannot be more than a year old. For the latest information on the validity of Energy Performance Certificates visit: www.homeinformationpacks.gov.uk/industry

WHAT HAPPENS IF SELLERS TAKE THEIR PROPERTY OFF THE MARKET?

If a seller takes a property off the market and then puts it back on, the same Pack can be used, provided remarketing starts within a year of it first being marketed.

HOW MUCH WILL PACKS COST SELLERS?

The cost of a Pack will be set by the market and not by Government, although we expect the average cost to be around £300-£400, including the Energy Performance Certificate. It will also depend on which optional documents the seller decides to include.

HOW CAN SELLERS PAY FOR THE PACK?

If you're offering Packs directly to sellers, you have a number of options for how to receive payment. You might choose to:

- ◆ charge upfront
- ◆ include the cost as part of your commission
- ◆ defer payment until completion
- ◆ offer Packs on a no sale, no fee basis

IN WHAT FORMAT CAN PACKS BE PRODUCED?

You may provide the Pack electronically if the potential buyer agrees. Otherwise you must provide a paper copy. You can make a reasonable charge to meet the cost of copying and posting a paper copy of the Pack.

WHAT SHOULD YOU DO IF THE SELLER ALREADY HAS A PACK?

If the seller has compiled their own Pack, or had it compiled by someone else, you can still use it, providing it complies with all the legal requirements.

To check if a Pack is valid, visit:

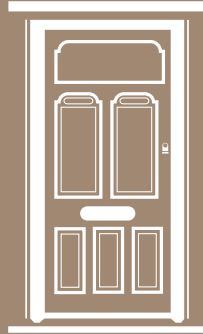
www.homeinformationpacks.gov.uk/industry/137_pubregulations.html

WHEN AND HOW SHOULD SELLERS INVOLVE THEIR LEGAL REPRESENTATIVE?

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Sellers can choose to ask their solicitor or licensed conveyancer to compile the Pack for them, in which case they will already be familiar with the contents.

However, if sellers compile the Pack themselves, or ask the agent to compile it, then it's a good idea for them to show their legal representative a copy as soon as they have accepted an offer.



IF THE SELLER MOVES TO ANOTHER AGENT, CAN THEY TAKE THE PACK?

Whether a seller can take the Pack with them to another agent depends on how they have obtained it.

- ◆ If they compiled the Pack themselves, they own it and can give it to any agent they wish – this is also true if the seller’s solicitor or licensed conveyancer put the Pack together
- ◆ If you, the agent, have compiled the Pack for the seller, ownership should be made clear in any written agreement you have with them

If agents provide Packs on a “no sale, no fee” basis, they will often ask the seller to sign an agreement that specifies whether or not the seller may give the Pack to another agent, and any cost involved.

WHERE CAN SELLERS GO FOR MORE INFORMATION?

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Sellers should visit the relevant section of the Home Information Pack website at:
www.homeinformationpacks.gov.uk/consumer/44_For_sellers.html

The agent should also have copies of the leaflets entitled '**What to look for in your Home Information Pack**' and '**Home buyers and sellers' guide to Home Information Packs**' ready to give out.

These are available to order from:
www.homeinformationpacks.gov.uk/marketing

For further information email:
homeinfopacks@communities.gsi.gov.uk

WHERE SHOULD SELLERS GO WITH ANY COMPLAINTS?

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A number of complaints services and redress schemes exist. The right one for the seller depends on the nature of the complaint, and who it's about (i.e. solicitors, licensed conveyancers, energy assessors etc). Every Estate Agent must now belong to a redress scheme – agents should provide confirmation of details to the seller.

Consumer Direct, the government funded consumer advice line from the Office of Fair Trading, provides a single point to which sellers can go to get advice on where to take their complaint.

Further information can be found on their website at: www.consumerdirect.gov.uk or the Home Information Pack website at: www.homeinformationpacks.gov.uk/consumer/68_Complaints_procedure.html

FIND OUT MORE

For general information about the Packs and a list of useful publications agents should visit: www.homeinformationpacks.gov.uk/industry

To order copies of the marketing material available, contact:

Communities and Local Government Publications

PO Box 236

Wetherby

LS23 7NB

Tel: **0870 1226 236**

Fax: **0870 1226 237**

www.homeinformationpacks.gov.uk/marketing

Email: communities@twoten.com