



A Guide to Home Information Packs

Home Information Packs (HIPs) were introduced in 2007 and now apply to all residential property. Wards are committed to providing a quality HIPs service for our clients. Our extensive branch network means that we enjoy close business relations with local estate agents and other key professionals, and work together to provide successful and speedy property transactions for our clients.

What is a HIP?

HIPs are similar to the 'contract packs' we send to a buyer's conveyancer once a sale has been agreed. So, this is not something new to property lawyers. However, the Government imposed a regulatory framework, as it hopes that requiring a seller to have documents available when the property is marketed, rather than after a sale has been agreed, will mean transactions can proceed more quickly and that costs will be saved.

Who needs a HIP?

Any residential property being marketed for the first time must have a HIP in a form that complies with the regulations, so that a copy can be supplied to a buyer. This applies whether the property is marketed privately or via an estate agent. The requirements do not extend to the sale of tenanted property.

What if my property was on the market before 14 December 2007?

The requirements relating to HIP's were phased in, based on bedroom numbers, and finally apply to all sized properties, with effect from 14 December 2007. A HIP is not required for a property which was placed on the market before the date the regulations applied to it. The fact it is on the market, is to have been made public and marketing to have been sustained for a reasonable extent for this exemption to apply. Such properties however do now still require an Energy Performance Certificate (EPC).

What will it cost?

Our basic HIP price starts from as little as £225*, inclusive of VAT. We accept payments by credit or debit card or cheque. If you later instruct us to act on the sale of the property, we will credit you £65* plus VAT against our usual fee for acting on the sale, on completion. Terms and conditions will apply.

What does a HIP contain?

The documents and information which must be included in the HIP are:

- **An Energy Performance Certificate and recommendation statement**
- **A Sales Statement** (a basic statement that includes the names of the sellers, the property address, whether it is freehold or leasehold and whether the title is registered or unregistered)
- **Title details**
- **Local search**
- **Drainage and water report**
- **Lease** (an official copy or original if leasehold).

In addition a **Property Information Questionnaire** completed by the Seller will be required from 6 April 2009.

What is an EPC?

This is a certificate which will rate on a scale of A-G:

- How energy-efficient the property is, and

- The impact the property has on the environment.

The most efficient property that has the lowest running costs will come into band A. Recommendations are included in the certificate about ways to improve energy-efficiency, to save costs and environmental impact. Your estate agent is obliged to include these two ratings in the property's sales particulars.

Who will obtain the EPC?

Wards can provide this as part of the HIP. We have a panel of Home Inspectors committed to providing a competitive and efficient service for our clients.

What about Home Condition Reports?

These are a limited form of survey which is not an obligatory part of a HIP. One can be included voluntarily but to be called a Home Condition Report and be included, it must comply with the regulations.

Can the property be marketed before the HIP has been obtained or is complete?

Basically yes, and temporarily, until 6 April 2009, provided the required documents have been commissioned, a property may be marketed even though the HIP is not actually available. The HIP duties however arise as soon as the EPC is available. Continuing efforts have to be made to obtain all documents required for the HIP once commissioned. From 6 April 2009 the HIP must be in place before any marketing is permitted.

How long does the HIP last?

While the property is on the market, there is no obligation to update the HIP. If the sale of the property stops and then starts again, it may be necessary to compile a new HIP and provide up-to-date documents.

However, a seller can carry on using the same HIP without the need to update any of the documents where:

- marketing stopped because an offer was accepted and the sale has fallen through (but remarketing must start within one year of the date when marketing first began or, if later, within 28 days of the sale falling through)
- marketing has stopped for any other reason and the seller remarkets the property within one year of the date when marketing first began.

The effect of this is that the HIP has a shelf-life of at least 12 months for the seller.

What if a buyer asks for a copy of the HIP?

The estate agent will arrange this, or we will if we have produced the HIP for the Seller. There is however no requirement to hand out copies of the HIP on demand. If a copy is requested, then there is a duty to supply this within 14 days. However, there is no duty if the estate agent thinks the potential buyer could not afford the property, is not really interested in it, or the Seller would not wish to sell to them anyway. Terms can be imposed for supplying copies, such as for payment of copying charges.

Does the use of HIPs speed up my transaction?

In principle, the idea of having a full 'sales pack' early on in the transaction should assist and therefore, speed things up, and to have a solicitor involved early also enables issues to be identified and resolved at the outset. The obligatory content of a HIP is, however, quite limited and does not amount to a full 'sales pack', particularly in the case of leasehold sales.

Sellers are always well advised to gather information relating to their property prior to agreeing a sale, (regardless as to the regulations) in order to reduce delays.

Can other information be included in the HIP?

The regulations set out a list of documents and information which may also be included in the HIP, but which are optional. It is open to a seller to supplement the HIP content and include additional documents.

I have heard that a buyer may still need to obtain their own searches, is this correct?

Mortgage lenders require a buyers solicitor to have obtained searches which are no more than 6 months' old when a purchase is completed. Therefore, if the searches in the HIP are older than that, a buyer may have to repeat them. In addition, personal searches (that is, personal searches of the data held by local authorities, as opposed to official searches where the information is supplied direct by the authorities) are mostly used in HIPs, as they are cheaper but may not always be acceptable to a buyers conveyancer or lender.

There are also other searches which a buyer is commonly advised to obtain and which are not in the pack, such as Coal and Environmental searches.

What if a Seller decides to market a property without a HIP?

The HIP duties are enforced by the Local Authority Trading Standards Officer, who can issue a fixed penalty notice of £200. More than one notice can be served. For an estate agent, a breach of the HIP duties can also be treated as an 'undesirable practice' under the Estate Agents Act and could give rise to the risk of a 'banning order'.

Is there any redress scheme?

The Ombudsman for Estate Agents is responsible for any complaints arising between buyers and estate agents with regard to HIPs, and for administering the redress scheme. All estate agents marketing with HIPs must belong to this scheme.

And if we have any further questions?

This guide is only a summary of the main provisions which may affect you and is not intended to be definitive or to act as a substitute for legal advice.

For more information, please contact your local conveyancer, or:

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** Note: prices quoted may be subject to change*