



Section 1

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

Answer – No, none of them

Q1b) If no, please explain why

Answers –

- Objective: *To improve information about property condition and thereby provide an incentive for repair or maintenance works to be carried out.* The Single Survey is considered by us and by Chartered Surveyors with whom we have dealt to be “more like a Scheme 1 type Report than a Scheme 2 type Report” and to have “limitations “ which result in inadequate information for a buyer. Whilst a Scheme 1 Report was in the past often broadly acceptable for modern houses constructed to recent building standards, many solicitors advised purchasers to obtain a Scheme 2 or more for older properties. The Single Survey, with its formulaic layout, is inadequate on its own for older properties and does not achieve the objective. Additionally, sellers did and do receive advice from their selling agents on repairs and improvements to enhance the saleability and value of their property prior to sale, rendering the Single Survey substantially redundant in this respect.
- Objective: *To address the problem of buyers paying for multiple valuations and surveys which was prevalent in market hotspots.* This matter had been recognised and addressed pre Home Report by solicitors almost universally making offers subject to survey. Multiple valuations and surveys still occur for a variety of reasons (some resulting from the limitations of the Single Survey), namely: passage of time from original Single Survey, mortgagor requirements, specialist reports on damp, etc and lack of purchaser confidence in the Home Report system. In one recent case of which we have detailed knowledge, there was a total of 8 surveys.
- Objective: *to address the problems created by the practice of setting artificially low asking prices.* We acknowledge this problem, but believe that it was and is simply market driven and is not solved by the Home Report. Current anecdotal evidence suggests that at the lower/middle end of the market in Edinburgh, purchasers are offering well above Home Report valuations. The reality is that valuations are based on historical evidence. In the years leading up to 2008, valuations were below the fast moving market. In the years since, Home Report valuations have typically been above the stagnant or falling market (witness the common practice of advertising houses for sale at a specific discount to Home Report valuation). In the latter market, Home Reports can have the perverse effect of creating a new problem: sellers expecting a price higher than prevailing market levels and effectively delaying or forgoing sales thereby limiting supply.



Section 1

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Section 1

Q2 – Are the original Home Report objectives still appropriate?

Answer – Yes, but all can be achieved by other means

Q2a) If yes, please explain why

Answers –

- Objective: *To improve information about property condition and thereby provide an incentive for repair or maintenance works to be carried out.* Lay house owners do need guidance on property condition, and house sale and purchase are a good time to provide this. A purchaser-commissioned survey (at a Scheme level advised by the purchaser's solicitor) and relevant specialist reports are the most straightforward means of achieving this objective.
- Objective: *To address the problem of buyers paying for multiple valuations and surveys which was prevalent in market hotspots.* Already addressed as far as possible by purchasing solicitors, as noted in answer 1b) on page 1.
- Objective: *to address the problems created by the practice of setting artificially low asking prices.* Market forces drive these problems and sound advice from selling agents and solicitors are the only realistic means of minimising these problems.

Section 1

Q3 – Should the Home Report play a more central role in promoting energy efficiency and property condition improvements among home owners?

Answer – No

Q3b) If no, please explain why

Answer –

- We believe that purchasers are more savvy than the Home Report regime seems to give them credit for. Energy and maintenance costs are normally pretty high on purchasers' lists of priorities.


Section 1

Q4 – Should a national register of Home Reports be established?

Answer – No

Q4b) If no, please explain why

Answer –

- We have no strong views on this question, but doubt that the expense of creating such a register, which would rapidly become out of date, could be justified.

Section 2

Q5 – Do you think the upfront cost of Home Reports is preventing potential sellers from putting their property on to the market?

We have no experience or evidence on this question.

Section 2

Q6 – Are you aware of any schemes available (eg deferred payment) to help potential sellers pay for Home Reports?

Answer – Yes

Q6a) If yes, please provide details

Answer –

- Only as described by Willie Hunter article in Scotsman 21st March, 2013, but danger of overvaluation and ‘free’ reports unacceptable to lenders


Section 2

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

Answer – Yes

Q7a) If yes, please explain why

Answer –

- In our experience, communication and enquiries between the purchaser and the surveyor are made much slower and more difficult, because clarification and elaboration of points raised in the Home Report have, in practice, to be sought via both the purchaser's and the seller's solicitors. Also, a suspicion of conflict of interest is more likely to arise in the purchaser's mind.

Section 2

Q8 – Should other organisations be allowed to carry out Single Survey (including valuation) and/or the Energy Report?

Answer – Yes

Q8a) If yes, what other organisations and why

Answer –

- A consulting services engineer could provide a more credible Energy Report.

Section 2

Q9 – In your experience is the requirement for a Home Report before marketing a property leading to delays in properties coming on to the market ?

Answer – Yes

Q9a) If yes, please outline the implications of this

Answer –

- Our comments in Question 1b), page 1 indicate our view of the implications - 'In the latter (stagnant or falling) market, Home Reports can have the perverse effect of creating a new problem: sellers expecting a price higher than prevailing market levels and effectively delaying or forgoing sales thereby limiting supply'.



Section 2

Q10 – Are Home Reports a useful marketing tool for sellers?

Answer – No

Q10b) If no, please explain why

Answer –

- In our opinion, well prepared sales particulars are a far superior marketing tool.

Section 2

Q11 – Is the 12 week deadline for marketing a property after completion of a Home Report appropriate and reasonable?

Answer – Yes

Q11a) If yes, please explain why

Answer –

- Market conditions, energy prices and property condition can change quickly and significantly. Delay could render a Home Report misleading.

Section 2

Q12 – Is the 28 day provision for removing a property from the market without requiring a new Home Report appropriate and reasonable?

Answer – We have no experience or opinion on this question.

Section 2

Q13 – Are there any issues with potential buyers accessing Home Reports?

Answer – No



Section 2

Q14 – Is this the most appropriate way to enforce Home Report legislation?

Answer – No

Q14a) If no, please explain why

Answers –

- Trading Standards penalty of £500 for failure to obtain a Home Report is inadequate, as it could well be less than the cost of a Home Report. We suggest that a penalty of the higher of £500 or double what a Home Report would have cost would be a meaningful incentive to conform to legislation.
- Further, we strongly suggest that the Property Questionnaire should be a legally binding document on which a purchaser could rely.

Section 2

Q15 – What are your views on mortgage lenders acceptance of Home Report valuations?

Answer –

- Lax property lending standards contributed greatly to the financial crisis and bank & building society collapses in and after 2008. Mortgage lenders are fully justified in applying the highest standards in their lending criteria, in the interests of their depositors and shareholders, and the wider public interest. They must not be constrained by any limitations in Home Report legislation and must continue to be free to require their own surveys.



Section 2

Q16 – Are the re-dress options available to buyers reasonable and appropriate?

Answer – No

Q16a) If no, please explain why

Answers –

- Our experience with redress through the Ombudsman Services – Property is that it takes very considerable skill, determination and time to obtain redress, and that the redress falls well short of the loss to a purchaser. The criteria for redress should be changed to reflect the expense of remedying defects, rather than an opaque and theoretical reduction in value. On the positive side, there is no cost chargeable by the Ombudsman to a complainer.
- Our answer to Q14 on page 8, that the Property Questionnaire should be a legally binding document on which a purchaser could rely, would concentrate the minds of sellers & their advisers, and provide additional redress where sellers act carelessly or in bad faith.

Section 2

Q17 – Do these exceptions need to be amended?

Answer – No

Q17a) If no, please explain why

Answer –

- The exceptions to Home Report requirements appear to apply to professional property investors who should be able to abide by *caveat emptor*.



Section 3

Q18 – Does the Single Survey element of the Home Report provide an appropriate and useful level of information?

Answer – No

Q18a) If no, please explain why and what information should be removed and/or added

Answer –

- As explained in 1b) on page 1, The Single Survey is considered by us and by Chartered Surveyors with whom we have dealt to be “more like a Scheme 1 type Report than a Scheme 2 type Report” and to have “limitations “ which result in inadequate information for a buyer. If the system is to remain (which we question – see covering note), then a full Scheme 2 report, prepared in an independent format and not on the formulaic basis which appears to have become standard, should be required.
- Thorough details of heating systems and controls should be included in the Single Survey element (where they are more likely to be read and understood) as well as in the Energy Report.
- Matters referred to in the Property Questionnaire should be commented on in the Single Survey element.
- All of this combined would result in a more user-friendly, comprehensive and cohesive document.

Section 3

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?

Answer – No

Q19b) If no, please explain why

Answer –

- Although there is a case for harmonisation of the repairs categories, the categories used in the Scottish House Conditions Survey appear more complicated and are less likely to be clearly understood by house sellers and purchasers.



Section 3

Q20 – Is the valuation element of the Single Survey a useful element of the Home Report?

Answer – No

Q20b) If no, please explain why

Answers –

- In the light of our answer to question 15 on page 6, we suggest that mortgage lenders either (1) rely on the valuation in a survey commissioned by the purchaser and approved by the lender or (2) commission a valuation survey directly.
- It has been argued that the valuation element in the Single Survey allows sellers to set a fair price at the outset. However, it had been the practice for some time in the legal profession to commission a pre-sale valuation (at relatively modest cost to the seller) where the house to be sold was difficult to price, due to its unusual character and/or lack of recent comparisons. The valuation element of the Single Survey provides no better information that would be obtained in such pre-sale valuations.

Section 3

Q21 – Is the information provided in the Energy Report appropriate and useful?

Answer – Yes (a qualified Yes)

Q21a) If yes, please explain why

Answers –

- It is helpful as a general guide to the efficiency and improvement options available. In our experience, it overstates the energy costs, although it is acknowledged that there are caveats in the Energy Report pointing out the basis of the calculations therein.
- We also draw attention to our answer to question 18 on page 8, suggesting incorporation of details of heating systems and controls in the Single Survey element.



Section 3

Q22 – Is the information provided in the Property Questionnaire appropriate and useful?

Answer – Yes

Q22a) If yes, please explain why

Answers –

- This is perhaps the most valuable part of the Home Report and must be very carefully considered by the seller.
- It would be even more helpful if a portfolio of Property Questionnaires, built up over a series of transactions, was required. This would provide a cumulative history of alterations, problems arising & solved, etc,etc
- We also refer to our answer to question 14 on page 6 ‘...the Property Questionnaire should be a legally binding document...’

Section 3

Q23 – Should an additional question on land maintenance fees be added to the Property Questionnaire?

Answer – Yes

Q23a) If yes, please explain why

Answer –

- Maintenance obligations are established by purchaser’s solicitors from title deeds and will be reported by them to purchasers. It would provide very useful information to purchasers if the amount of costs related to these obligations were added to the Property Questionnaire (by expansion of Q11 in the Property Questionnaire).