

HOME INFORMATION PACKS

Despite strong opposition from nearly all sectors of the property market, who see Home Information Packs (“HIPs”) as yet another piece of “red tape” involving extra expense for sellers and doing nothing to speed up or simplify the house moving process, the Government insisted on their introduction, linked with the European Union requirement for energy performance certificates to be produced.

The whole process of introduction was chaotic. Having only published the Home Information Pack Regulations 2007 a few weeks before 1st June 2007, the date on which HIPs were to become compulsory, the Government was then forced to postpone the launch at the last minute as not enough energy performance assessors had been trained! HIPs then became compulsory on different dates for sales of houses with 4 or more bedrooms, for properties with 3 bedrooms, and for smaller properties. They are now compulsory for the marketing of all residential properties, with a few specific exceptions, such as tenanted properties, working farms of a minimum specified size, properties which are uninhabitable or are being sold for, or converted to, a non-residential use, holiday accommodation, and certain “mixed use” properties. A HIP is also not required if the property is sold without being advertised or otherwise marketed. Some of the rules governing these exceptions are quite complicated. We will be happy to advise.

The Home Information Pack Regulations comprise over 50 pages of complex rules and regulations. In essence, they require the seller of a residential property to have a HIP prepared before it can be marketed, and specify in great detail the documents and information which must be included, the timescales for the addition of supplemental information, updating of the HIP and production of copies of the HIP to prospective buyers, and impose penalties for non-compliance. The required documents and information include:

1. An index of the contents of the pack
2. An energy performance certificate
3. A sale statement summarising the terms of the sale
4. Evidence of the legal title to the property
5. Standard property searches
6. Leasehold information (where appropriate) including a copy of the lease and rent and service charge details.

The much publicised Home Condition Report is not required at present, but could be a requirement in the future.

The documents and information to be included in the HIP have always been required as part of the conveyancing process (other than the energy performance certificate, which is a new European Union requirement), but they were previously only required once a sale had been agreed and the buyer had to carry out his or her own property searches and pay the cost of these. The seller is now required to obtain the full HIP at his or her own expense before the property can even be marketed.

Our intention, as always, will be to do our best to ensure that the process is as efficient, cost-effective and trouble-free as possible for our clients.

Numerous organisations have jumped on the HIPs bandwagon offering to package HIPs with other services and we are aware that there is some “hard selling” of their products. However, the HIP is a detailed and complex legal document which needs to be carefully prepared to comply with the law, and we firmly believe that experienced professional lawyers such as ourselves are best placed to prepare these packs for sellers and to interpret them for buyers.

We therefore provide our own HIPs service as part of our interactive “ConveyanceLink” conveyancing service, which combines advanced online communications with the assurance of expert and truly independent legal advice. We will make completion of the required documents

as simple as possible. The forms will be available online (or by post, if you prefer) and we will, of course, guide you through the information necessary to complete them if you so wish.

Please do not hesitate to contact any member of our Conveyancing Department for further advice. Most importantly, if you are planning to move house, please contact us as the first step so that we can advise you of the current rules relating to HIPs and, if applicable, prepare your HIP in advance and so avoid any delays or hitches in the marketing of your property.