

Legal Alert

May 2007

Home Information Packs – Implementation delayed from 1 June to 1 August 2007

Following the recent Government announcement a Home Information Pack, or HIP as they are known, will now only become a mandatory part of the residential conveyancing process from 1 August 2007, rather than 1 June 2007 as originally planned. Initially only houses with four or more bedrooms will require a HIP, but the Government plans to gradually phase HIPs in over time and it is envisioned that the information below will eventually apply to all residential sales. Further consultation is planned and a further announcement by the Government is expected.

HIPs contain information about the property for sale, a large part of which is of a legal nature. From 1 August 2007 you will only need a HIP before you can market a property with four or more bedrooms. Estate agents will not market any of these properties without a HIP because to do so would put them in breach of the new regulations and liable to a fine. The obligation to have a HIP in place will also apply if you decide to advertise such a property for sale yourself. Homes with three or fewer bedrooms will be unaffected by HIPs for the time being.

Contents of a HIP

The contents of a HIP are very precisely specified by the new legislation. In each case a HIP must contain a number of mandatory items (or Required Documents), and can also include some or all of the Permitted Documents. The Required documents that must be included in each HIP are:

- An index (i.e. a list of the contents of the Pack)
- An Energy Performance Certificate which provides details of the energy efficiency of the property
- A sale statement (summarising the terms of the sale)
- Evidence of title
- Standard searches (i.e. local authority enquiries and a drainage and water search)
- Where appropriate, commonhold information (including a copy of the commonhold community statement)
- Where appropriate, leasehold information (including a copy of the lease, information on service charges and insurance)
- Where appropriate, a New Homes Warranty
- Where appropriate, a report on a home that is not physically complete

Permitted Documents that can be included on a voluntary basis include a Home Condition Report, any relevant warranties or any design information for the property. Documents other than the closed list of Required or Permitted Documents are not allowed to be included.

Our HIPs strategy

Maples Teesdale is fully prepared for the coming changes, and in addition to providing your conveyancing services in the usual way we can provide you with the HIP you will need to put a property on the market. As soon as you instruct us in relation to a sale we can get to work on the preparation of the HIP for you.

- Our search provider is the only one to have direct electronic access to the local authority searches, which are an integral part of the pack.
- By involving us at the start of the sale process we can acquaint ourselves with the property in question, which will assist us when it comes to the conveyancing stage of the sale.
- We will not charge you for providing the HIP, but you will be responsible for the cost of the HIP and the amount which we are charged for obtaining the HIP for you. It is anticipated that a number of parties will be looking to mark up the cost of their HIPs so they can make a profit on preparing them.

From 1 August 2007 if you would like Maples Teesdale to act in the sale of a residential property you should make us your first port of call, and we will do what we can to ensure that you will not be adversely affected by the far-reaching changes that are coming into force.

For further details please contact Roger Blanking or Chris Wilkinson

