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GOVERNMENT TIMELINE FOR HOME INFORMATION PACK REFORM PUBLISHED

Key milestones for the Home Information Pack programmes are published today, setting out what Government and industry need to do to ensure that Home Information Packs are successfully launched to consumers on 1 June 2007.

Home Information Packs are a key part of a programme of reforms including electronic conveyancing, improved search processes and an estate agents redress system which will ensure consumers get a better deal when it comes to buying and selling a home.

Housing Minister, Yvette Cooper said,

“Currently, one million pounds a day is wasted on buying and selling homes. Buyers often spend hundreds of pounds on valuations, legal advice and searches on sales that ultimately break down. By providing key information at the beginning of the process, Home Information Packs will prevent waste and significantly cut the number of sales that fall through. That is why consumers groups have been calling for them for years.”

The published timeline, which has been developed in partnership with industry, provides a clear path to implementation on 1 June 2007. It will help to ensure that industry and the Government remain on track to deliver a product that makes a real difference to buying and selling a home. Pack providers, Home Inspector training providers and others involved in delivering the packs to consumers are key to the success of this programme, as are the Consumer organisations who have been calling for these reforms for years.

Key points in the timeline include:

- **March 2006** - Government gave the go ahead for multiple certification schemes, meaning lower set up costs for industry and robust standards set by Government to ensure quality Home Inspectors and a trusted, objective Home Condition Report for consumers. A number of organisations who are interested in becoming certification schemes have already come forward and the Government is considering their proposals and over 3,000 people are already going through training for the Home Inspector qualification;
- **April 2006** – Government launch a HIP publicity campaign to industry and details of a three-phased product launch and dry run will be published;
- **June 2006** - draft regulations are made setting out the detailed contents of Home Information Packs, rules governing the availability of packs, exceptions from the pack duties and arrangements for enforcement;
- **June 2006 – June 2007** a three phase approach to product testing - that builds up to Government and industry testing across all aspects of the process, involving estate agents, solicitors, pack providers, lenders and others who play a part in delivering Home Information Packs to consumers, from ensuring that Certifications Schemes are up and running, so that Home Inspectors can register Home Condition Reports, to offering voluntary packs to consumers in advance of mandatory implementation. The Summer of 2006 will also see the launch of a series of geographical industry led trials;
- **September 2006** – Government approve the first Certification Schemes to oversee the work of Home Inspectors. The schemes will be set up and run by industry. Government will set the standards that the schemes will operate. In **September** the Home Condition Report Register contract will be agreed. A fully operational register will follow as soon as possible afterwards;
- **November 2006 - June 2007** – the product testing continues with phase two and three leading the programme into implementation on 1 June 2007. By now, lenders will be able to use information from the Home Condition Report for valuation purposes, resulting in less on site valuation and costs savings for consumers;
- **April 2007** – public awareness publicity campaign is launched;
- **March 2007** Review of the outcomes of the final phase of the product launch make final adjustments ready for going live 1 June 2007

The detail of the timeline will be further developed in partnership with industry and be continuously updated.

Notes to Editors:

1. Access the <http://www.odpm.gov.uk/index.asp?id=1164360>

2. Home Information Packs: Key Facts.

Benefits to First Time Buyers:

- **First time buyers** are the most vulnerable and least experienced participants in the home buying process. They need hard reliable information to inform their decisions. Home Information Packs will provide this;
- **First time buyers** will receive pack information ‘free’, thus reducing the cost of entry into home ownership;
- At present **first time buyers** waste £100s on searches and surveys only to find that the sale falls through (*£140m wasted each year -NOP World research - Springmove*). This is an expense **first time buyers** are least able to afford. It means they have to save up the money all over again before they can attempt to buy a home - Home Information Packs will provide this information upfront;
- The Home Condition Report in the Pack will provide **first time buyers** with all the information they need about the condition of the home and its energy efficiency. This will save **first time buyers** the cost of commissioning their own survey, and put an end to people buying their first home only to find out afterwards that there are expensive problems that they cannot afford to put right, or costly utility bills they hadn't planned for;

The current system doesn't work:

- Currently, **one million pounds a day is wasted** on failed transactions and buyers often spend hundreds of pounds on valuations, legal advice and searches on transactions that ultimately break down. By providing key information at the beginning of the process, Home Information Packs will prevent waste and significantly cut the number of sales that fall through;
- Only between 20 and 30 per cent of buyers carry out a survey at all - that's **7 out of 10 people** who do not;
- Nearly 30 per cent of transactions collapse after terms have been agreed;
- Over 40 per cent of failed transactions collapse because of an unfavourable survey or valuation inspection, so property condition is a major reason for failure;

- Only 2 per cent of buyers have a full structural survey carried out when buying a home.

HIPs will deliver:

- **Transaction Improvements** by reducing the abortive costs to consumers and the industry as well as reducing the number of failed transactions caused by survey or valuation inspection finding.
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 - **Housing Stock Condition Improvements** by a reduction in the incidence of unexpected repair bills and encouraging better maintenance of homes.
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 - **Greater Consumer Choice** by reducing the entry costs to first time buyers and creating a market of serious sellers.
3. Further information, including detailed Q & A's can be found at www.odpm.gov.uk/homeinformationpacks
 4. A dedicated Government HIP website is being launched in April 2006 at www.homeinformationpacks.gov.uk
 5. Stakeholders can register for free copies of the HIP Industry e-Newsletter at: www.odpm.info/subscribe.cfm
 6. For background information please visit www.odpm.gov.uk/homeinformationpacks

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