



Home Information Packs – Property Searches

The Council of Property Search Organisations (CoPSO) is the trade association for property search companies and its members undertake over 1.3 million searches each year. CoPSO believes that each Home Information Pack (HIP) should include an environmental search, a local search and a drainage and water search to ensure that the buyer can make an informed decision on whether to purchase a property.

1. Property searches play an important role in the home buying process. They provide consumers with essential information they can use to decide whether to buy a particular property and at what price. These searches include:

- **Environmental screening reports** looking at the environmental factors affecting an individual property or area. Over 60% of residential property transactions now include an environmental report.
- **Personal searches of local authority information** including matters such as proposed road and traffic schemes together with planning applications. It is estimated that 30% to 35% of all local searches are now carried out by private search companies.
- **Drainage and water searches** undertaken by the regional water services companies, confirming connections to water mains and public sewers. Approximately 75% of conveyances include a drainage and water search.

2. This factsheet provides an overview of these three core searches and what information they provide the homebuyer, lenders and conveyancers.

Environmental Screening Reports

3. Environmental risks can affect the value of a property and the health and enjoyment of the home owners. It is essential that environmental searches provide an accurate and user-friendly guide to these risks which include, for example, contamination, subsidence, flooding and radon and so enable the homebuyer to make an informed decision about the property.

4. Under the Contaminated Land Act 1990, if land is found to be contaminated and the original polluter cannot be traced, the current owner must pay for remediation which can cost hundreds of thousands of pounds. A number of such cases have already occurred, leaving the home owner, lender and conveyancer to pick up the pieces. CoPSO believes that it is strongly in the interests of consumers to have a comprehensive user-friendly environmental report in the HIP. The report should cover the risks outlined above and include an assessment of risk by a chartered surveyor or environmental consultant, which provides a clear statement as to the risk of contamination for the homebuyer.

Personal searches of local authority information.

5. All conveyancing transactions require a local search to be carried out to ensure there are no issues that might adversely affect the property which the buyers (and their lenders) should know about. Search companies are commissioned by conveyancers to carry out personal searches of public information held by local authorities, so they can confirm the position to their buyer clients.

6. In recent years, the number of personal searches has risen to approximately 30% to 35% of all local searches. This rapid growth has come about because personal searches can be significantly quicker compared to the time taken by local authorities to carry out searches and the search fees are generally lower.

Drainage and Water Searches

7. Over £250m is spent each year on repairs to private drainage alone in the UK. For individual property owners, the liability for private sewers and water mains can be significant and if problems arise it can adversely affect a property's value and result in unexpected maintenance bills. The standard Drainage and Water Search (Con 29DW) is recommended by the Law Society for use in all property sales and provides the homebuyer with important information on what services the local water company provides a particular property, how these are charged for, the distance of the property from public sewers and water mains and any restrictions on both existing and future development and extensions. During 2003, approximately 800,000 drainage and water searches were carried out.

Do lenders and solicitors accept these searches?

- A third of lenders want to see environmental screening reports and Law Society guidance requires conveyancers to consider contamination risk in each transaction.
- More than 80 lenders (including many of the largest lenders) accept personal searches as part of a conveyancing transaction. Together, these lenders account for nearly 80% of all mortgage lending in the UK.
- The Law Society recommends the use of a drainage and water search in each conveyance.

What standards are in place for property search companies and what protection is available if the search information provided is incorrect?

8. All members of the Council of Property Search Organisation (CoPSO) comply with a Code of Practice that requires:

- Professional indemnity cover of £5m (Full members) or £1.5m (Affiliate members) per transaction to ensure that there is robust protection available for both consumers and property professionals.
- Staff to be properly trained to undertake searches with thoroughness and diligence.
- The independent adjudication of complaints.

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