

HOME REPORTS - Guidance Note

9 September 2009



Introduction

Should you wish to sell your home on the open market, you are now required by legislation to have a Home Report on the property prior to it being marketed. Below is some information on Home Reports for your guidance.

What is a Home Report?

From the 1 December 2008 legislation introduced in the Housing (Scotland) Act 2006, Section 3 states that when a property is put on the market for sale, the person responsible for marketing the property must possess certain information about it and must give a copy of this information to any potential buyer of the property.

This information is called a Home Report and is mandatory for properties that are put on the market on or after **1 December 2008**.

What information is given in a Home Report?

A Home Report will consist of three documents: a Single Survey, an Energy Report and a Property Questionnaire

The forms to be used for the Single Survey and the Property Questionnaire are prescribed in legislation. The legislation also prescribes the information that an Energy Report must include.

Only surveyors registered with or authorised to practice by the Royal Institution of Chartered Surveyors (RICS) may provide the Single Survey and Energy Report.

Only the seller of the home, or someone nominated by the seller, may complete the Property Questionnaire.

- **Single Survey**
 - Gives sellers detailed information about the condition and value of a property before it is marketed for sale.
 - Gives buyers better information about the condition and value of the property before they make an offer to purchase.
 - Includes an accessibility audit.

- **Energy Report**
 - Gives a property's energy efficiency rating and its environmental impact in terms of carbon dioxide emissions.
 - Recommends ways to improve the building's energy efficiency and gives contact details for further advice and information on how to make a home more energy efficient and save fuel costs.

- **Property Questionnaire**
 - Will include, for example: a home's council tax band, parking facilities, factoring arrangements, any local authority notices that affect it and alterations that have been made in the home.

How long can a Home Report last?

None of the documents have a prescribed period for which they remain valid. The users of any of the documents will judge the reliance to place on it according to the market conditions and the passing of time.

The Home Report documents cannot be more than **12 weeks old** when the property is marketed. The seller may withdraw the home from the market for up to 28 days on any number of occasions and remarket the home using the same Home Report documents.

How are Home Reports Issued?

Prospective purchasers receive copies of the Home Report from the owner or selling agent. Copies can be made available online or by hard copy. A fee can be charged by an agent to cover reasonable expenses (paper, printing, postage, etc). Names and addresses of anyone requesting a report must be recorded by the owner or selling agent.

Are any properties exempt from Home Reports?

Yes, some properties are exempt:

New housing - includes houses that may be sold 'off plan' to the first purchaser or sold to the first occupier.

Newly converted premises - means a property which is being, or has been, converted to a house if it has not previously been used in its converted state.

Right to buy Homes - as the sale of a house to a tenant under 'Right to Buy' does not involve marketing the duty to provide a Home Report does not apply.

Seasonal and holiday accommodation - this exception refers to seasonal and holiday accommodation, which only has permission to be used for less than 11 months in any year. It does not include second homes or holiday cottages that could be used all year should the owner choose.

A portfolio of residential properties - this means a house which is to be sold with one or more other houses and where it is clear from the manner in which the houses are marketed that the seller does not intend to accept an offer to buy one of those houses in isolation from another. Sales of a portfolio of residential properties are considered to be a commercial transaction.

Mixed sales - this occurs where a house is sold with one or more non-residential properties (provided it is clear that the seller does not intend to consider an offer to buy the house separately from the non-residential property). This might include farmhouses that are part of a working farm, or flats above shops or pubs that are sold with the shop or pub.

Dual use of a dwelling house - this describes the situation where the house is, or forms part of, a property most recently used for both residential and non-residential purposes, such as commercial studios where the owner also lives in the house.

Unsafe properties - unsafe properties are evidently in a condition that poses a serious risk to the health or safety of occupants or visitors, or where the way the house is marketed suggests it is unsuitable for occupation in that condition. There is little point in a condition survey being undertaken in a house that is unfit for occupation and is being advertised as such.

Properties to be demolished – where it is clear that the house is suitable for demolition and all the necessary consents have been obtained for demolition and consents obtained for redevelopment.

What are the penalties for not providing Home Report documents?

If the local authority Trading Standards Officer decides that the seller or the selling agent is in breach of their duties under the Housing (Scotland) Act 2006 to possess the Home Report documents and give them to prospective purchasers, then a penalty charge notice may be issued.

The amount of penalty charge is up to **£500** and it is a debt to the local authority.

A recipient of a penalty charge notice can ask the local authority to review the notice and also appeal against it if the review was not successful.

What is the Cost of a Home Report?

Costs for the production of a Home Report can vary, but members of RICS use a table of bandings of valuations on properties to determine the cost of a Home Report. A Home Report for a property valuing up to £150,000 may cost approximately £400, but cost can vary from company to company undertaking Home Reports.

Are there any Instances where a Home Report can be withheld?

The following are examples of where a Home Report can be withheld:

- Where you have reason to believe that the interested party has insufficient means to buy the property.
- The person is genuinely not interested in buying the property.
- Where the interested party is not a person to whom the vendor would be likely to sell the house to; this does not allow people to discriminate e.g. on grounds of race.

Disclaimer

The information given above is for guidance only and should you be selling your home, you should seek independent legal advice on the process.