

Survey Scotland's Guide to

# Home Reports

# What you need to know about the Home Report

**From December 1<sup>st</sup> 2008, the new law means that anyone selling a home needs to provide a Home Report to prospective buyers.**

## What's included?

### Energy Report

The Energy Report (EPC) is a document that is produced by a Chartered Surveyor. It is valid for 10 years and provides information regarding the energy performance of the building, most notably - energy use, carbon dioxide emissions and fuel costs of the building. The building is given a rating on a scale of A - G (A being the most efficient, G the least efficient).

### Single Survey

The Single Survey is also carried out by a Chartered Surveyor. It is an assessment of the condition and value of the property. It is intended to provide buyers and sellers with detailed information about the property's value & condition before any offers are submitted. The Single Survey also contains an accessibility audit for people with particular needs.

### Property Questionnaire

The Property Questionnaire is completed by the seller of the property. It provides useful information such as - the council's tax band, parking facilities and factoring arrangements, etc. This information will be useful for buyers before they decide whether to submit an offer. It will also reduce the risk of delay & difficulties in conveyancing.

# Sellers Frequently Asked Questions

## Do I need to get a home report?

If you are putting your property on the market, you must now by law have a Home Report available for interested parties, within 9 working days of the property coming on the market (unless the property was already on the market prior to 1st December 2008.)

## But I am a private seller, and do not plan on using a solicitor or estate agent to market my house. Do I still need a Home Report?

Yes, under Part 3 of the Housing (Scotland) Act 2006, a person who is responsible for marketing a house **must** provide a Home Report to any prospective purchasers. To do this you will need to find a Chartered Surveyor (or approved provider) to carry out the Single Survey and Energy Report. You must also complete the Property Questionnaire.

## Does everyone who asks have to be given a copy of the Home Report?

Basically yes. A penalty of up to £500 can be levied if the report is not provided within 9 working days of being requested. However, there are exceptions, it does not have to be provided to someone who:

- is not genuinely interested in buying the house,
- is not a person to whom the seller is likely to be prepared to sell the house.
- is unlikely to have sufficient means to buy the house in question,

## Who pays for the Home Report?

The seller is responsible for providing the Home Report. There is nothing in the legislation insisting that the buyer must reimburse the seller for the cost of the Home Report.

## How much will it cost?

We recommend that you shop around for quotes as prices can vary greatly from one company to another. We pride ourselves on our competitive prices. Our current price list is available on our website.

## Will the Home Report have a specified shelf life? *(I.e. should sellers have to pay for refreshed surveys if their houses have not sold after a few months?)*

The legislation does not impose a set shelf life or validity period for any of the Home Report documents. This reflects current practice for survey reports. Decisions as to whether any aspects of the Home Report need to be updated are for sellers, buyers and their professional advisers to take, depending on the circumstances of each case.

## So will the purchaser obtain their own survey?

In most cases it likely the purchaser will ultimately instruct their own survey. Please read the 'Purchasers Frequently Asked Questions' below.



## What if the Home Report discloses a problem with the property?

One of the advantages of the Home Report is that the seller will be forewarned about a problem before the property is marketed. Rather than find out about it at a later stage. For example, when a conditional offer has been accepted.

If the Home Report discloses problems, then the seller has a choice. The property can be marketed with the defects disclosed. In that case, it would be sensible to get an estimate of the cost of remedying the problem.

So for example, if the Home Report discloses dry rot, the seller may wish to get an estimate from a timber preservation company, and attach this to the Home Report.

Alternatively, the seller may wish to fix the problem at their own expense, and have the surveyor update the Home Report so that the report is clear.

# Purchasers Frequently Asked Questions

## **A Home Report is available: do I need to instruct my own survey?**

There is a potential conflict of interest between the seller (who wants as much as possible for the property) and the purchaser (who wants to pay as little as possible). Purchasers may still prefer to instruct their own Surveyor to survey the property.

## **Will my lender (bank or building society) accept the Home Report?**

As part of the Scottish Government's initiative to introduce the Home Report, it was crucial to them that they got the agreement of the Council of Mortgage Lenders to support it. The position however at this time remains unclear.

## **Do I have to pay for the Home Report if I am buying the property?**

It is the seller's responsibility to bear the cost of providing the Home Report to potential purchasers.

## **What if the Home Report discloses problems with the property?**

The advantage of the Home Report from the potential purchaser's point of view is that any defects will (hopefully) be revealed without the necessity of incurring the expense of a survey. This will enable a view to be taken about offering for the property, particularly if the seller has provided estimates of the cost of putting any problems right.

## **What if the Home Report is a few weeks old?**

The legislation allows that the Home Report can be 12 weeks old before the property is put on the market.