



COUNCIL of MORTGAGE
LENDERS

Home inspectors and valuations

New update 05/02/2007

Part 5 of the Housing Act 2004 introduces a new statutory requirement on sellers to compile a Home Information Pack (HIP) before a property is put on the market. In July 2006, the government decided that home condition reports (HCRs) would be voluntary, but energy performance certificates (EPCs) would be mandatory. The intention is that HIPs will be introduced on 1 June 2007. It has been confirmed that home inspectors will be able to carry out EPCs and HCRs. Further information about HIPs can be found on the Department for Communities and Local Government's (DCLG) dedicated [website](#) for industry and consumers.

It is not clear what the take-up of voluntary HCRs will be. Unless take up is significant lenders will not use HCRs routinely as they might have done if HCRs had been mandatory.

Before the change in the government's position, the CML and RICS had been working with Asset Skills to develop a new national occupational standard for valuation for home inspectors. As that work had already reached an advanced stage it was continued and a new national occupational standard and qualification is available.

Further information on the standard and qualification can be found from [Asset Skills](#) and the [Awarding Body for the Built Environment?s](#) (ABBE) websites. Individual members of the CML's Valuation Panel have been involved with the development of the national occupational standard (NOS) and the qualification, and they are satisfied that both the NOS and the qualification are fit for purpose; that is, that a home inspector with the valuation qualification would be technically qualified to carry out valuations for lenders.

A home inspector with a valuation qualification would also need to be a member of a professional or other regulatory body acceptable to lenders, as the CML will not be responsible for certifying or regulating home inspectors with, or without, the valuation qualification. This body will be responsible for complaints and discipline, continuous professional development, overseeing professional indemnity insurance requirements and other conduct issues as they relate to valuation. Professional or regulatory bodies will need to have robust governance structures covering these issues.

It will be for individual lenders to decide whether they will accept valuations from home inspectors with the valuation qualification. However, in principle, a number of lenders have indicated that they will be prepared to consider accepting them.

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