

## **A message from Jeremy Leaf, Chairman of RICS Residential Faculty to all Faculty Members**

For the benefit of RICS Residential Faculty members who are interested in developments on Home Information Packs and Energy Performance Certificates here is a summary of RICS' position, published on 15 March 2007.

RICS has taken the unusual step of expressing its concern over HIP implementation in a very public way as it is concerned at the increasingly real possibility of detriment to the public, the market and property professionals as a result of the government's approach.

### **Implementation and Timing**

- RICS has supported the principles of home buying reform and has worked with government to identify how best to achieve this.
- As implementation proposals have emerged we have become increasingly concerned at the workability of the scheme as designed by government
- HIPs are due to be introduced on 1 June which will allow no time be guided by feedback from the area trials.
- Government has not published an updated Regulatory Impact Assessment justifying its current approach; this is contrary to its own policy.
- RICS believes that the start date for HIPs should be postponed until all the elements of the HIP can be provided quickly and simply.

### **Content of the HIP**

- Under the current proposals, the only documents (of significance) which must be included in the pack as it is issued are the Energy Performance Certificate and, where the property is registered, title deeds.
- Last year, government removed the requirement for a Home Condition Report to be included and, in the case of leasehold information and searches, the requirement now is that these should have been requested. This leaves a pack containing very little useful compulsory information when first issued.

### **Energy Performance Certificate (EPC)**

- RICS unequivocally supports the government's commitment to improving the energy efficiency of homes
- Government has decided that EPCs must be supplied at the point of marketing. RICS believes that there should be greater flexibility on when the EPC may be provided in order to take account of market practice and to reduce carbon emissions from visits to homes
- The government's approach assumes that purchasers will require EPCs as essential information prior to taking a decision to view a property but they have not provided any evidence to support this.

## **Supply and quality of Domestic Energy Assessors (DEA)**

- Unnecessarily complex training and qualification requirements mean there is little prospect of recruiting the estimated 1600-4300 DEAs required by 1 June. 2007
- The existing cohort of property professionals (trained under DEFRA approved schemes) could carry out EPC work at minimal extra cost to the consumer
- RICS fears that the “open access” approach DCLG has adopted will lead to other problems. For instance, new entrants will not need to be Criminal Records Bureau checked as the government has not legislated in time for this.

## **Market Effect**

Key stakeholders have warned government of the market risks associated with the approach it wants to take. These include:

- Market detriment due to insufficient DEAs and chaotic implementation plans
- Detrimental effect on first time buyers in particular – shortage of housing supply leading to higher prices

RICS, with other key stakeholders, urges government to address the real problems associated with home buying.

RICS's suggested solutions include improving the searches system, streamlining the provision of leasehold documentation, regulating estate agents and allowing the market to provide consumer and environment- friendly solutions.

**[RICS view: Home Information Packs and Energy Performance Certificates.](#)**