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# Estate agents and environmentalists round on Kelly as Hips scheme is thrown into confusion

## August 1 new deadline for four-bedroom homes

### Warning that sellers will bend rules to avoid charge

**Hugh Muir**

Experts yesterday predicted chaos for Britain's housing market as a result of the government's attempt to avoid a humiliating defeat in the Lords over the introduction of Home Information Packs.

Housing industry groups and green campaigners warned that the new proposals announced by Ruth Kelly, the communities and local government secretary, would probably make matters worse.

The scheme – originally designed to cut the number of house deals which fall through and promote energy efficiency – will now be pushed back two months. As of August 1 sellers of four-bedroomed properties will be required to provide potential buyers with a Hip, including the document assessing the property's energy efficiency, the Energy Performance Certificate. Hips for smaller properties will be required from a later date.

But the National Association of Estate Agents warned that the announcement will merely lead to a rush of home-owners putting their properties up for sale before the deadline, skewing the market. The decision to focus Hips on four-bedroomed properties in the first instance will also cause problems. "I have just heard one man saying that the four-bedroomed property he is selling has suddenly become a three-bedroomed property with a study. There is scope for all sorts of abuse," said Charles Smailes, the association president. "I am glad I am not the director of fair trading."

Mr Smailes said he is relieved that the government has finally listened to concerns his organisation have raised. But he added: "One has to use the word chaos to describe what has happened here. It took them until 10 days to the implementation

of this policy to announce this delay."

The new arrangements also prompted one senior figure to hit out at what he called "staggering ministerial incompetence".

Robert Bryant-Pearson, chief executive of Allied Surveyors, said: "Judging from past experience, Yvette Cooper and Ruth Kelly are both too churlish to resign gracefully and, having destroyed their credibility, will merely wait to be sacked."

He said the earlier decision to strip Home Inspection Reports from the Hips package had already damaged the initiative. "In July 2006, I witnessed personal tragedy when people who had given up other lines of work to train to be home inspectors had their expected new career snatched away from them.

"We now have a situation where individuals have made similar sacrifices with a view to seeing their way clear to a new income from June 1 only to discover with only a week to go that their livelihoods are thrown in to confusion."

Ms Kelly said that there were only 520 fully trained and accredited energy assessors, 1,500 short of the number needed.

Paul Broadhead, deputy director general of the Association of Home Information Providers called on all sides to find a compromise and said ministers must get a grip if the policy is to be successful. "People are starting to lose confidence in what the government tells them," he said.

There were also harsh words from the Law Society which called the plans "fundamentally flawed" and the Council of Mortgage Lenders, whose director general Michael Coogan said: "Today's hasty announcement marks the latest in a series of climbdowns and opportunistic amendments. This cannot be an appropriate way to make policy."

Environmentalists feared the energy performance certificates might be killed off by the wider political row. Friends of the Earth, WWF-UK and the Council for the Protection of Rural England have been calling on MPs and peers to back the introduction of Hips because of the inclusion of the energy certificates. But activists were

angry yesterday at ministers and at opponents of Hips whose campaigning forced the government into a corner.

Dave Timms from Friends of the Earth said: "This measure was first discussed in parliament 20 years ago. Everyone says they are in favour of tackling climate change but are they in favour of prioritising climate change at the expense of short-term political gain and cheers from certain newspapers. It is a mess."

He said the government encouraged critics, particularly the Royal Institute of Chartered Surveyors, which was poised to take the government to court. "Our homes are responsible for over a quarter of UK carbon dioxide emissions. These measures have been planned for years; they must be urgently implemented, not watered down," he said.

## FAQ Hips

### What is a Home Information Pack?

The pack was to become a legal requirement on June 1, providing prospective buyers with documents to prove what a seller says about a house is true. The seller would collate the pack, including an energy performance certificate, before the property went on the market.

### So what's changed?

The government has postponed the Hips launch until August 1 – and even then it only applies to houses with four bedrooms or more. Hips for smaller homes will be rolled out on an as yet unspecified timetable.

### How much will a Hip cost?

Estimates say £400 – paid by the seller – although the buyer might have to pay for printing and postage.

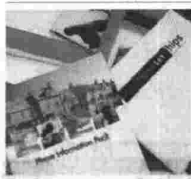
### What's the problem?

The government says 2,500 inspectors would be needed by the end of June to carry out the energy assessments, but so far only 520 have



accreditation. The Royal Institute of Chartered Surveyors was also poised to challenge the initiative at the high court and Tory and Lib Dem peers were gunning for it in the Lords.

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**Home Information Packs were designed to prevent so many agreed sales from falling through**



**Estate agents warn of a rush to sell homes before the deadline** Photograph: Alamy