

BlueBox Newsletter

Technical briefing for property professionals

Issue 13 June 2010

Can a garden weed really stop the sale of a property?

The answer to this question will depend on who is financing the deal but in a growing number of cases, the answer will be definitely 'Yes'. It is early summer and as the weather warms up and new plants break cover and head for the sky, the Japanese Knotweed silly season starts all over again.

This year, top billing goes to Santander who refused a further advance to one of their existing customers because a Valuer found Japanese Knotweed in the garden. The story got space in several national newspapers, ITV and even Radio Four's 'Today' programme (it must be serious). The facts were straightforward; the bank has a clear policy of not lending on properties where '*...Knotweed is found, either currently growing or having been treated...*'. Where it is suspected or evident in proximity to plot boundaries, they recommend specialist advice should be sought and '*...it would be appropriate to make a whole advance retention, pending this advice*'. Other large banking groups adopt a similar approach making properties with Knotweed very difficult to sell.



Is Knotweed really that bad?

Most commentators agree this non-native invasive plant can have a number of adverse effects:

- It can crowd out existing plants and shrubs ruin gardens, and reduces biodiversity;
- The roots and vigorous stem growth can disrupt paths, hard standings, retaining walls, and drains;
- In a few cases, the Knotweed can push through small gaps between wall and foundations and get into houses;
- Getting rid of Knotweed can be expensive and troublesome.

Putting aside lender policies, a healthy growth or 'stand' of Knotweed will also prevent the 'quiet enjoyment' of a property.

What's in this issue?

- Japanese Knotweed;
- Unauthorised building work;
- Incorrect drainage connections;
- HBR Factsheet - section H; Outside issues

If you have any comments on this newsletter or would like to make a contribution, please contact the Blue-Box partners office on 0845 260 3500.

How can Knotweed be eradicated?

Not very easily. On development sites, some developers remove all the affected soil and installing thick root barriers beneath all the new buildings. Work of this scale can cost as much as £8m²; a considerable addition to any project.

Where the knotweed is found on an existing property, the only practical option is to treat the Knotweed with a herbicide. Although the plants will die back quickly, repeat treatments over three or four years are required to kill the roots.



There are some other complicating factors:

- Under the 1981 Wildlife and Countryside Act only licensed contractors can transport Knotweed to designated landfill sites. This makes removal very expensive;
- Because these plants are so bulky, they have to be composted or burnt on site;
- The local authority has no power to intervene and treat Knotweed; it is up to the property owner. As growth in one garden soon spreads to the neighbouring properties, it can soon become the cause of neighbour disputes.

How does this affect the residential practitioner?

Japanese Knotweed is so widespread and invasive that practitioners in all areas need to be 'Knotweed aware'. The seriousness of the problem depends with whom you discuss the matter. For example, we talked to a leading contractor who saw Knotweed as a threat to the urban fabric and is quoting £1 600 for a three to four year chemical treatment programme for a typical three bedroom semi detached house. Conversely, we discussed the matter with an ecologist from a large metropolitan authority who admitted Knotweed is a nuisance but can be cleared by the careful use of weed killer available from the local DIY store.

As with all problems of this kind, the reasonable approach is somewhere between the two views. In our opinion, there are a number of clear conclusions:

- Some lenders do not want to lend on properties that have Knotweed within or close to the property boundaries;
- These policies are affecting value and saleability;
- Knotweed is expensive to eradicate and will affect an owners 'quiet enjoyment' of their property.

Consequently, the Knotweed is likely to affect a client's purchase decision.

Inspection tips

In our view, the growing problem of Japanese Knotweed should not change our inspection routines. What it should do is create an additional 'trail of suspicion' that may have to be occasionally followed. Here are a few tips:

- Get to know what Japanese Knotweed looks like. The links at the end of this article include many useful photographs (especially the Devon County Council website);
- If you use a 'seller's questionnaire', ask the owner if the property or its neighbours has ever had (or been treated for) Japanese Knotweed;
- Look out for areas of wild and overgrown areas within the boundaries or close by. Be especially cautious if there are adjacent railways, watercourses or other embankments. The likelihood of Knotweed in these areas will be high;



Knotweed after it has died back following treatment



- In the summer, look for areas of large dead and dry stems amongst other growing vegetation;
- In all seasons, look for piles of rotting stems and leaves left on the ground;
- Be suspicious if areas of the ground has been recently and roughly 'scraped', cleared, or covered with landscape fabric and gravel. This could indicate the owner may be concealing a growth of the plant.

We do not think practitioners have to become Knotweed experts and crawl amongst the undergrowth but they do have a duty to identify and report on the plant where it can be reasonably identified during the course of a normal inspection. The test of reasonableness will apply (as always!).

Useful contacts

If you want more information, the leading authorities on Japanese Knotweed include:

- **Cornwall County council** - one of the most badly affected areas of the country
<http://www.cornwall.gov.uk/default.aspx?page=13789>
- **Devon County council** - this has a very good range of photographs of the plant across all the seasons.
http://www.devon.gov.uk/index/environmentplanning/natural_environment/biodiversity/japanese_knotweed.htm
- **Environment Agency** - a free guide called 'Managing Japanese Knotweed' can be downloaded from this site.
<http://www.environment-agency.gov.uk/business/sectors/31364.aspx>
- **Royal Horticultural Society** - the RHS give an objective view but admit that '*eradication requires steely determination*'.
<https://www.rhs.org.uk/advicesearch/Profile.aspx?pid=218>

Unauthorised building work

Residential surveyors and Valuers regularly encounter poor quality alterations, extensions, and other DIY work. Many of these are unlikely to have the relevant approvals from the Local Authority or an Approved Inspector. The client is usually advised to refer the matter to their legal adviser but what then? How does a property owner or potential purchaser resolve the problem?

To help explain this process, the Building Control Professional Group of the RICS have recently published a new technical guide titled *'Unauthorised building work'*. This describes the process laid down in the Building Regulations (Amendment) 1994: Regulation 13a and permits a building owner to apply for retrospective permission under the Building Regulations for any work carried out on or after 11 November 1985.



Hopefully, this building work is unauthorised!

The Guide explains the meaning of 'work', the regularisation procedure, local authority site inspection, and the dispensing or relaxation of the regulations. The most useful section of this publication is a two page flowchart that illustrates how Regulation 13A is applied.

Adding value to reports

Spotting work that is likely to be unauthorised is the main role of the practitioner but can we add value to reports by sketching out the implications? For example, to get a *'regularisation certificate'*, a building owner may have to:

- Appoint a professional adviser to put together an application to the local authority;
- 'Open up' the work if the construction details are concealed;
- Carry out the necessary remedial work, and;
- Get the local building control department to inspect and approve the work.

Depending on the nature of the project, this could cost many thousands of pounds. Here is a short phrase we use in some of our reports: *The (describe the feature) is unlikely to have been approved by the local authority and you should ask your legal adviser to investigate the matter and explain the implications.*

If the work has not been approved, a 'regularisation certificate' will have to be obtained from the local authority. This can be disruptive and take some time.

To download this guide, paste the following link into your internet browser:

http://www.rics.org/site/download_feed.aspx?fileID=6563&fileExtension=PDF

New 'Misconnections' campaign



The new 'Misconnections' campaign has been launched by a partnership of national agencies including the Environment Agency and DEFRA. The aim is to reduce water pollution and although the website is designed for the public, it does include some useful information.

The focus of their website is to reduce the number of incorrect grey and foul water connections into surface water systems. These misconnections can have a dramatic impact on rivers and is a problem for water companies who have to meet strict standards for water quality.



This shows a rain water pipe from a flat roof that connects into a separate surface water drain. No prizes for guessing what used to discharge into the new connection!

Where pollution occurs and the water companies manage to trace the source, the property owner responsible can face a big fine. It might not be very useful for the experienced practitioner but we think it could be useful source of information for clients. For more information see:

www.connectright.org.uk/

Section H: Grounds (including shared areas for flats)

As many of you will now know, the focus of section H is on matters outside and is split into three sections:

- H1 Garages
- H2 Other
- H3 General

A more precise description of what should be reported can be found on page 60 of the HomeBuyer Service Practice Notes. Rather than repeat this here, this HBR Factsheet concentrates on the debates we have encountered during our HBR workshop sessions around the country.

What do we condition rate?

The Practice Notes and the report itself make it clear that H1 and H2 are always condition rated while features under H3 are simply described. However, the Practice Notes also includes the following paragraph:

Specific defective external features, which may affect value, must also be condition rated and reported under this section (H2). Examples include:

- retaining walls in danger of collapsing
- deeply sunken paths or driveway
- dilapidated boundary wall or fence.

The Practice Notes go on to say:
There must be a clear impact on value so inclusion in this section is likely to be the exception rather than the rule.

We call this provision a surveyor's 'wriggle room'. It gives us the flexibility to use our professional judgement to 'promote' a general feature from H3 to H2 so its importance can be further emphasised through the condition rating system.

This provision must be reserved for issues that '*...have a clear impact on value...*' and the following photographs illustrate typical examples.

The HBR Factsheet

Now the new HBR is up and running, we have combined the HBR Factsheet with our regular monthly newsletter. This month we look at section H and in particular H2 and H3.



This retaining boundary wall is leaning over so far, it could soon collapse. The property is in a conservation area and so will be very expensive to rebuild. The wall could also pose a safety hazard to people passing by. We would 'promote' this to H2, give it a CR3 and also mention the safety hazard under J3.

We use this dilapidated green house in our workshops and it always creates a debate. It is a 'non permanent' outbuilding and although it poses a clear risk to the users of the garden, it is unlikely to have an affect on value.



Consequently, we would leave this in H3, not apply a condition rating, describe its condition including a mention of the clear safety hazard and include it in J3. For those who have attended of our workshops, you will see this different to what we have originally said! It just goes to show that we listen and change our minds!

This shows a healthy growth of Knotweed creeping towards a property. Taking on board our article on page 1, we would move this to H2 because it will affect value and apply a CR3 (further investigation). We would also include the issue under J2 (risk to grounds). We think this would properly emphasise a serious problem.



Do you agree? Let us know your views.

Contact

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