

First of all you have to see what a Home Report involves. If you click here you will go to the government website which gives you their explanation of Home Reports <http://www.scotland.gov.uk/Topics/Built-Environment/Housing/BuyingSelling/Home-Report>

Now that you have seen what a Home Report is here is why we have joined with other solicitors, surveyors and property professionals who have opposed it.

In short for the seller there is a lot of pain and no gain. The seller pays for the cost of the Home Report which is compulsory. A seller can no longer advertise “next day” – it takes time to prepare the Home Report. The seller will need to employ a surveyor for the Single Survey and for the Energy Report. The seller must personally answer the nine page Property Questionnaire which goes into the Home Report.

The government believes that Home Reports will smooth the path of house sales. Why are they wrong? Here are the difficulties as we see them:-

1. For a seller there was nothing wrong with a selling system which allowed you to place a “For Sale” board in your garden or in your window or to instruct an advert in your local paper or to ask a solicitor or estate agent to advertise for you. The house would sell depending on price, market conditions and property condition. The system of house sale in Scotland has been entirely changed with the seller paying an additional fixed cost. Home Reports are compulsory and are paid for by the seller who has to provide a Report which is intended for the benefit of the buyer.
2. Here we have a Report paid for by the seller but for the benefit of the purchaser. Is there not a conflict of interest? We believe that a Single Survey prepared by a surveyor employed and paid for by the seller and to be used by a purchaser is flawed. The same man cannot fully and fairly act for both parties. You are forcing him to travel a middle road or to fence sit. His report will be bland. For a buyer there will be a lot of opinion and not enough factual reporting. Instead of direct information the condition of the house will be awarded points (1-3) and worst of all the buyer cannot speak to the sellers’ surveyor.
3. For buyers we see a position that in order to protect and inform them fully we will as responsible solicitors acting only in the purchasers interests recommend that purchasers instruct their own survey where they can receive direct professional advice and a proper narrative of the condition and faults of the property they are seeking to purchase.

4. For buyers the Home Report was meant to guarantee no need for anything beyond the Single Survey in the Home Report but if a buyer cannot speak to the surveyor because the surveyor is employed by the seller then what use is a Single Survey to a purchaser? Worst still the Council of Mortgage Lenders have said that if a Single Survey is carried out in, say December, and a loan is requested, say, the end of January or beginning of February, then they will not rely on the Single Survey and will need a fresh survey report. In other words when it says “Single Survey” it does not deliver what it says on the packet.
5. Time is important here. If houses are selling in four to six weeks there is at least some chance that the Single Survey will not need updated. If houses are selling in two to three months then sellers have to be aware that the Home Report will need updated and so the seller will pay extra while the buyer is guaranteed to need his own survey.
6. Buyers beware. A seller can choose his surveyor. There can be honest differences of opinion amongst separate surveyors by as much as 20%. If the seller asks two or three surveyors for a value and chooses the best for him then he does not need to tell you, the purchaser, that he has “shopped around”. This is another clear area of conflict of interest.
7. Sellers beware and buyers too!! A Home Report has three elements, the Single Survey which is flawed, the Property Questionnaire and the Energy Report. The Energy Report is a matter of European Law and is essential from January 2009 but the Property Questionnaire is yet another aspect of Home Reports which cannot deliver for both buyers or sellers. The Property Questionnaire can be answered “don’t know” which can be the honest answer for a repossession or for a sale by Executors following death but will give a buyer no information. Honest answers here could however adversely affect a sale not smooth the path of a sale and so there could be pressure on the seller to fudge or mislead and the buyer will not be able easily to seek redress from the seller if the Property Questionnaire is wrong. Look at question 9(a) or 13(a) and see what you think.