

GUIDE TO HOME INFORMATION PACKS (HIPS)

The Government have implemented regulations introducing Home Information Packs. The Governments stated view is that "Home Information Packs will ensure that important information about a property is available to buyers and sellers early in the home buying and selling process, drawing attention to any problems before they delay the transaction or, possibly, cause it to fail."

The purpose is therefore to provide at the outset documentation available to the Seller that that would be required in any event once a Buyer is found thereby avoiding delay later in the process.

If you are considering selling we can arrange a HIP for you at a competitive price. The process is efficient and the HIP will be collated quickly without any delay.

There are a small number of exemptions where a HIP is not required as follows:-

- Non-residential properties.
- Where there is no marketing (e.g. sale to a member of the Sellers family).
- Properties subject to a condition limiting their use to occupation for less than 11 months per year or holiday accommodation.
- Mixed sales (e.g. shop with flat).
- Right to buy and similar sales.
- Sales of portfolios of properties.
- Properties not being sold with complete vacant possession.
- Unsafe properties and properties to be demolished.

The Government regulations define what must and can be included in the HIP. The regulations therefore distinguish between "Required" (mandatory) documents and "Authorised" (optional) documents.

The Required documents are:-

- An Index of the contents of the HIP.
- An Energy Performance Certificate (EPC).
- A Sales Statement.
- Evidence of title – usually Official copies from the land registry of the property registers and plan.
- A Local Authority Search.
- A Drainage and Water Search.
- Copy Lease under which the property is held if leasehold.
- Additional Leasehold information relating to matters such as ground rent and service charge etc.

The Authorised documents are:-

- Property Information Form.
- Building guarantees such as NHBC, Zurich etc.
- Architects certificate.
- Planning documents.
- Building Regulation documents.
- Other appropriate Warranties and Guarantees for works undertaken and services/appliances.
- Mining search.
- Environmental search.
- Home Condition Report (HCR).
- Fixtures Fittings and Contents Form.

At the present time the full regulations have not been implemented. In the fullness of time the regulations will provide that the HIP must be at least in part available before a property is marketed with a commitment to produce the outstanding documents within a specified period of time. However these "First Day Marketing" restrictions do not currently apply and under the current transitional provisions the HIP simply needs to have been commissioned, that is, ordered. In addition certain of the leasehold information/documentation do not need to be currently included although they are Required under the full regulations.

Many HIP providers only offer to supply basic compliant HIPs without the inclusion of any of the optional documents. This allows them to keep cost to a minimum but does not give the Seller the opportunity to enhance the HIP and improve the likelihood of a quick sale once a Buyer has been found. However if you arrange your HIP through us we have the flexibility to offer a bespoke service and can help you to provide an "Exchange Ready" Hip. Contact us to discuss this before you buy a HIP elsewhere.

Services available from Russell & Russell in respect of HIPs are as follows:-

- HIP compilation – we can arrange HIPs for Sellers whether basic or Exchange Ready.
- HIP validation – we can check the compliance of HIPs obtained by Sellers from other providers.
- HIP enhancement – we can upgrade basic compliant HIPs to Exchange Ready status.
- HIP regulation advice - failure to comply with the regulations could result in a fine of up to £200.
- HIP check – we can advise Buyers on the contents of a HIP.

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