



HOME INFORMATION PACK

29 March 2007

THE USE OF HIPs IN THE CONVEYANCING PROCESS

Home Information Packs (HIPs) will bring together information needed during the conveyancing process when marketing starts. Some of this information is already provided by sellers and other documentation is currently obtained by or on behalf of the buyer.

Legal obligations associated with HIPs are set out in Part 5 of the Housing Act 2004 and the Home Information Pack Regulations 2007, which have been laid before Parliament today. These Regulations replace the Home Information Pack Regulations 2006 – see today's newsletter for further information. These duties will apply to whoever is responsible for marketing and this will be either an estate agent (including a solicitor acting as estate agent) or the seller if he or she decides to market the property themselves.

A HIP should include documents that are either "required", and must be included in Packs, or "authorised". Authorised documents are described in the Regulations. The documents that are required to be in Packs are as follows:

- An Index (listing the content of the Pack)
- An Energy Performance Certificate
- A sale statement (a summary of the interest being sold)
- Evidence of title (Land registry documentation or other if unregistered)
- Standard searches (i.e. equivalents of LLC1, CON.29 Part 1 and CON.29 D&W)
- Where appropriate, additional information for leasehold/commonhold sales (e.g. copy of lease, management rules, details of service charges etc)

The required information must be in the Pack from the first day of marketing with the exception of searches and leasehold/commonhold information. The Government is initially allowing flexibility to allow marketing to begin on condition that this documentation is added to the Pack as soon as possible and that there is evidence in the Pack that they have been commissioned.

The new rules will not eliminate the principle of *caveat emptor* so buyers will still be well advised to seek professional help and advice. However, the contents of the Pack should be reliable and there should be no need to recommission documents in the majority of cases.

A number of issues are commonly raised by conveyancers and are covered in the following Q&As:

- ***Who is responsible if the HIP is defective?***
The person responsible for marketing the property is responsible for the provision of the HIP. The provider of any specific document within the HIP is responsible for the accuracy of that document.
- ***Why should my client trust searches etc provided by the seller?***
Searches may be provided by the relevant local authority or a private search company and must meet the requirements of the HIP Regulations. These set out the information that is required for a search to be valid for inclusion in the Pack and the minimum standards that must be met. The search provider and the information they provide must be backed by insurance and buyers and their mortgage lenders will have a legal right to rely on the searches required to be in the Pack. Personal search companies will be allowed to use insurance for those parts of the search where they cannot gain access to data, for a transitional period until April 2008.
- ***What if parts of the HIP are out of date – should the buyer update them?***
No this will be a matter for negotiation between the parties. However, if the property is taken off the market after a year from when it was first marketed, there may be an obligation under the Regulations to update certain time sensitive documents.
- ***What happens if extra information is needed – eg specialist searches and documents referred to in the register of title?***
These are authorised for inclusion in the HIP and sellers and agents are encouraged to include additional relevant information where appropriate.

For further information, please see the attached newsletter and visit the dedicated home information pack website at:

www.homeinformationpacks.gov.uk

If you haven't already done so, sign up to receive the HIPs e-newsletter to keep in touch with the latest news and information.

Please e-mail homeinfo@communities.gsi.gov.uk if you have any queries.