



Office of the  
Deputy Prime Minister

Creating sustainable communities

# *The Home Information Pack*

Making the home buying and selling process more transparent, more certain, consumer friendly and faster



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*The Government is committed to making it easier for people buying and selling homes in England and Wales through the home information pack.*

*The current home buying and selling process is slow, wasteful, stressful and causes far too much delay and failure. Home information packs are due to be introduced throughout England and Wales from the beginning of 2007 to tackle these problems.*

*They will make the home buying and selling process more transparent, more certain, consumer friendly and faster.*

## *Benefits of the Home Information Pack*



**Home information packs will improve the home buying and selling process. They will:**

- provide key information needed by home buyers and sellers at the start of the process, enabling people to be better prepared before they make decisions and negotiate terms
- supply information in an understandable, user friendly format
- reduce frustration and stress
- cut wasted costs by reducing the high rates of failed transactions

## *When They Will Be Used*

**Home information packs will apply to most residential property sales of homes marketed for owner occupation. A home information pack will not apply to:**

- Non-residential property
- Mixed commercial and residential property
- Sales of tenanted properties
- Leases of less than 21 years



## Key Documents

**The contents of the home information pack will be set out in regulations. The Government is consulting with consumer representatives and key industry stakeholders on the final detail, but the pack is likely to contain the following documents and information:**



- terms of sale
- evidence of title
- replies to standard searches
- planning consents, agreements and directions, and building control certificates
- seller's property information form
- warranties and guarantees
- a report on the physical condition of the property – a home condition report – including an energy efficiency assessment



### **and additionally for leasehold properties**

- the lease
- recent service charge accounts and receipts
- current and planned future works
- insurance for the building and receipts for premiums
- regulations made by the landlord or management company
- memorandum and articles of the landlord or management company

## *Reducing Time*

Home information packs will reduce transaction time. It currently takes about 8 weeks between acceptance of offer and exchange of contracts in England and Wales compared to an overseas average of 4 weeks

They should:

- shorten the period of uncertainty between offer acceptance and exchange of contracts
- reduce the risk of terms being renegotiated due to late disclosure of information
- help the parties commit more quickly to the transaction
- bring transaction time more into line with the overseas average



## *Reducing Transaction Failures and Costs*



Home information packs will also cut the number of transaction failures and wasted costs.

The current process of buying and selling homes currently costs consumers and industry at least £1 million a day in wasted costs. Currently, more than one in four transactions fail (28%). Of these, 43% are because of survey or valuation findings (source: ODPM research).

Home information packs will substantially reduce the number of failed transactions because the information which usually causes transactions to slow down or fail will be known at the outset, not halfway through.

The average cost of producing a home information pack will be about £635, but this is not an additional cost. Most of the items in the pack already have to be provided at some stage under the present system.

In many cases people will be able to defer these costs until later, as is usually the case with estate agents' fees now.

## *Increasing Consumer Satisfaction*



Up to 9 out of 10 consumers are dissatisfied with the current system of buying and selling homes.

Home information packs should increase customer satisfaction because they will reduce:

- costs
- transaction failures
- the time it takes to buy and sell a home and
- the stress involved in the home buying and selling process



## *Timetable for the Home Information Pack*



### **November 2004**

Housing Act 2004 became law

### **Spring 2005**

Consultation with stakeholders on detailed contents of the pack

### **Summer 2005**

Regulations made regarding the contents of the home information pack and any exceptions to duties

Regulations made for the home condition report

At this stage industry have full details of the information that will be required for home information packs

### **Autumn 2005**

Certification scheme for home inspectors approved in readiness to issue licenses early in 2006

### **Summer 2006**

National voluntary 'dry run' of the home information pack

### **Early 2007**

Introduction of the home information pack



## *Implementation of the Home Information Pack*



Home information packs will not be introduced until everything is in place. To help ensure a smooth and successful implementation of the statutory scheme, the Government intends to facilitate a 'dry run' of the packs on a voluntary basis in England and Wales in 2006.

The Government will also discuss with industry and consumer representatives whether to make this 'dry run' compulsory in a selected area.

The 'dry run' of the home information pack scheme will:

- give industry the opportunity to operate the full home information pack scheme ahead of statutory introduction
- prepare the home buying and selling public for the new system
- allow Government and industry to identify and address any outstanding problems



### *But don't wait...*

An increasing number of estate agents, surveyors and conveyancers are already offering home information pack services.

[www.odpm.gov.uk/homeinformationpacks](http://www.odpm.gov.uk/homeinformationpacks)

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