

HOME INFORMATION PACKS ("HIPs")

m u n d a y s

February 2008

HIPs were introduced by the government with effect from 1 August 2007. It was then not possible to put a home having four or more bedrooms on the market (either personally or through an estate agent) unless a HIP had been ordered. This was extended to homes having three or more bedrooms with effect from 10 September 2007 and finally to all properties from 14 December 2007. From 1 June 2008 it is proposed that the HIP will need to have been obtained (as opposed to merely ordered) before marketing.

The HIP is a collection of documents which must be provided to potential buyers of a home. It presently includes an Index, Sale Statement, Energy Performance Certificate, Local Search, Drainage Search and copy title deed. The government hopes that the early production of such documents will streamline the sale and purchase of homes resulting in less abortive transactions. The introduction of the Energy Performance Certificate is intended to improve the energy efficiency of the country's housing stock. It should be emphasised that the HIP is only a collection of documents. They need interpreting. The HIP does not replace the need for due diligence by the Buyer's Solicitor who may require much additional information e.g. where a house has been extended or is in a private estate. Nor does the HIP negate the need for the usual conveyancing process and legal documentation.

HIPs can be prepared by Solicitors, Estate Agents, financial institutions and newly formed dedicated HIPs suppliers. Many will charge a fee for doing so and/or seek to tie the Seller in to ancillary insurance, conveyancing, mortgage and estate agency services. We believe that preparation of the HIP is best carried out by Munday's as part of our conveyancing service in association with reputable local estate agents. A Seller should insist on the protection of our independent expert advice when selling an existing home or investing in a new home. We believe there are conflicts of interest which make it inappropriate for the same organisation to arrange the sale of a home, do the conveyancing (perhaps on a purchase as well as the sale), provide mortgage finance and insure the new home.

When Munday's act on a sale, we will quote one fee, which covers the preparation of the HIP and subsequent conveyancing. It lists the cost of obtaining the documents making up the HIP. We do not require any monies in advance.

To enable us to prepare a HIP, the Seller needs to;

- (i) register as a client of Munday's;
- (ii) appoint Munday's as the Seller's solicitors both to prepare the HIP and to act for the Seller in the sale of the property;

Energy
Performance
Certificate

meeting legal
challenges
with solutions

munday's
solicitors

mundays

Once the HIP has been prepared, the Seller's chosen estate agent can market the property. We will supply that agent with the HIP both electronically and in hard copy. We will also make it available to buyers approved by the Seller's estate agent by email.

There is of course no reason why Munday's cannot act on the sale of a property where the HIP has been obtained by an alternative HIP supplier. In this case, the Seller or his estate agent can supply us with a copy of the HIP and we will do the conveyancing.

We believe it is essential that Munday's continues to offer the public an independent high quality conveyancing service, which reinforces our name as the premier legal brand in the area.

Questions regarding HIPs should be addressed to;

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