



The Law Society

Home Information Packs Consumer questions and answers

Business development and best practice
29 May 2006

What is a HIP?	2
Cost - How much will a HIP cost?	2
When will HIPs be introduced?	2
Not using a HIP - What happens if I market my property without a HIP?	2
Cost of buying a home – will this go down?	2
Properties on the market when HIPs come into force on 1 June 2007 - If I'm trying to sell my property before that date and it still hasn't sold, will I need a HIP? ...	2
Who will provide me with a HIP?	3
Solicitors - Will solicitors provide HIPs	3
Properties not sold - Do I still pay for the HIP if I don't sell the property?	3
Ownership of the HIP - Who will the HIP relating to my property belong to?.....	3
Legal proceedings - Will having a HIP change the legal proceedings when buying a house?	3
Internet sales - Will I need a HIP if I sell the house myself on the internet, without using an estate agent?.....	3
Disadvantaged groups - Will everyone benefit?.....	4
The Government's view - How do they think HIPs will help the house buying process?.....	4

What is a HIP?

A HIP is an information pack that contains a number of legal documents such as title deeds, search information and a Home Condition Report (HCR) which will contain information on the condition, services and energy efficiency of the property. Marketing of a property can not commence without a Hip which will be paid for by the seller.

Cost - How much will a HIP cost?

The cost of the HIP will depend on the value, type and location of the property – and will also depend on which provider you use to obtain your HIP. The cost of a HIP will also depend on the Home Condition Report (HCR). The cost of a HCR will be determined principally by the size of a house. For example a large 5 bed detached house could cost £2-3,000 but a one bed flat could cost £6-700.

When will HIPs be introduced?

The Government hopes to introduce them on 1 June 2007 on a compulsory basis. Many solicitors, estate agents and conveyancers are already offering home information packs on a voluntary basis.

Not using a HIP - What happens if I market my property without a HIP?

A fine of £200 for every day a property is marketed without a HIP will be imposed. However it is not a criminal offence.

Cost of buying a home – will this go down?

According to the Law Society if Home Information Packs are introduced it will make no difference to fixed costs like Stamp Duty Land Tax and Land Registry charges when buying a home.

In the UK, solicitors' fees for conveyancing are the cheapest in Europe and the existence of the HIP will not reduce the buyers costs because they will still have to ask their solicitor to look at all documents and probably make further enquiries for information that will not be in the HIP.

Properties on the market when HIPs come into force on 1 June 2007 - If I'm trying to sell my property before that date and it still hasn't sold, will I need a HIP?

If your property is still on the market by 31 August 2007 you will have to take it off the market or provide a HIP.

Who will provide me with a HIP?

It is likely that there will be many organisations offering and providing HIPs to the public and estate agents. One thing to remember is that contents of the pack itself is regulated by statute, but HIP providers, currently, are not. Solicitors will provide packs and are regulated by the Law Society. whereas estate agents, high street providers and other companies are not regulated.

It is essential that any pack you use is accurate and complies with the regulations – therefore sellers must make sure that whoever provides the pack is competent to do so.

Solicitors - Will solicitors provide HIPs

Almost certainly all solicitors will provide HIPs. They are ideally placed to provide much of the information included in a HIP and will ensure that the HIP fits properly with normal conveyancing processes which follow on. HIPs provided by a solicitor will belong to the seller and can be moved from one estate agent to the next. The Law Society has developed a HIP solution which will be available to all solicitors and carry the Law Society brand.

Properties not sold - Do I still pay for the HIP if I don't sell the property?

YES – the cost of a HIP must be paid by the seller of the property, even if the property does not sell.

Ownership of the HIP - Who will the HIP relating to my property belong to?

Ownership of a HIP depends on your arrangements with whoever prepares it for you. Sellers should ensure they own the HIP, otherwise they will find it impossible to change estate agents if the house doesn't sell. Sellers should beware of tie-ins which restrict the ability to use your HIP with other agents.

Legal proceedings - Will having a HIP change the legal proceedings when buying a house?

No - there will be no change in the present arrangements as there will be many things the buyer will want to know about a property that will not be included in a HIP. For example information on building regulations; planning consents and searches is all crucial before exchange and is organised by a solicitor.

Internet sales - Will I need a HIP if I sell the house myself on the internet, without using an estate agent?

YES – Because a HIP is required every time a property is marketed – whether that is privately, through an estate agent or on the internet. If no marketing of any kind takes place i.e. someone knocks on your door and asks to buy your property then a HIP is not required.

Disadvantaged groups - Will everyone benefit?

One group which will be disadvantaged by the introduction of HIPs is the growing elderly population, who are often forced to sell to move into sheltered accommodation and pay for care. They will therefore have to pay for a pack but have no hope of ever seeing any benefit.

The Government's view - How do they think HIPs will help the house buying process?

The Government says the pack will bring together important information at the very start of the process. It is hoped that this will help address a number of problems by providing essential information at a very early stage on the condition of the property which the government hopes will put an end to the high number of failed transactions.

Most importantly the seller will have to pay for a pack which is a cost they have not had to pay in the past. Stakeholder groups are sceptical about the cost savings in the entire conveyancing process.