

## Home Information Pack Pilot Scheme

The Government recognised that buying and selling a house can take 2 months before the contracts are exchanged and the house is sold. In this time the seller could accept a higher offer at the last minute or the buyer could find out something they do not like about the property. So the Government needed a solution and the idea of the Home Information Pack was formed.

Before they proposed the idea as legislation they needed to test the Sellers Packs to see if the concept worked in a practical environment. So the Home Information Pack pilot scheme was developed and tested in Bristol December 1999 to the end of July 2000. The pilot scheme intended to help make house buying:

- \* More transparent and promote honesty
- \* To give an impression to the buyer, the sellers seriousness and discourage time wasters
- \* Shorten the period where the offer is accepted and contracts are exchanged
- \* To help inform a leasehold buyer what extra aspects they have to consider
- \* To help the buyer to agree and name a price for the property
- \* So there is no need to agree on a new price

The Home Information Pack pilot scheme was entirely voluntary and was only offered to selected estate agents in the Bristol area which meant the Sellers packs was tested in a voluntary scheme rather than a compulsory scenario.

The pilot scheme resulted in, involving just fewer than 160 houses being sold by private owners and 30 new houses being sold by a popular real estate company. The Government paid for the packs but the seller had to pay for the solicitor or legal work of their property. The conditions for a seller to use the pack to sell their house using the pilot scheme were the following:

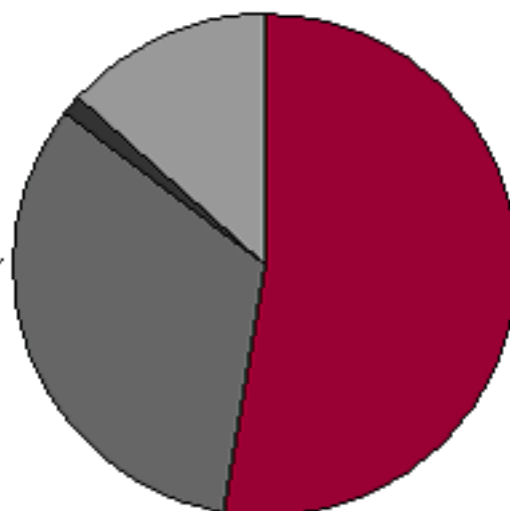
- \* The Home Information Pack was only available to estate agents which were the members of the Ombudsman for Estate Agents scheme. This included small and big estate agents.
- \* Legal Part of the Sellers pack had to be assembled by 1 of 9 Conveyancers.
- \* All sellers participating in Home Information Packs must agree in participating with research during and after the pilot scheme.
- \* The pack must be assembled before the property went on the market.
- \* The property had to be owned and occupied with the exception of new homes built by Beazer Homes.
- \* If the seller decided to move their business to another estate agents, they could do but the new estate agents would have to be 1 of the selected or the Sellers Pack would be invalid.
- \* The Home Condition Report must be put together by 1 in 6 selected surveyors.

The target was for 250 Seller Packs to be given out to property sellers but only 189 were given out. This was due to the time it took assembling the Home Information Packs to give to the property owner (2 weeks). The high demand and the busy buying and selling property Bristol endured during December 1999 meant that Sellers wanted to sell their property sooner rather than later and 2 weeks was too long to wait. Another reason was a media survey found only 6% of people were selling their house and only two-thirds of the 6% were selling their property through estate agents. 18% of the people selling their property were offered a Home Information Pack. This was possibly due to the Estate Agent's offering the Seller Packs to selected properties in certain post codes or districts.

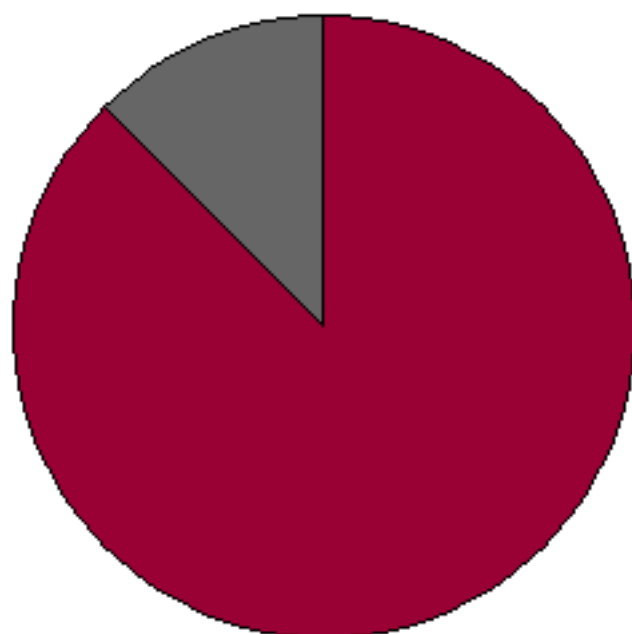
After the pilot scheme had finished it found that out of the 189 houses that accepted the Home Information Packs, 99 had an offer accepted and 90 of these had contracts exchanged. 29 of which, new homes by Beazer Homes had an offer and contracts had been accepted. The chart below summarises the Sellers Pack success:

## BRISTOL PILOT SCHEME SUMMARY

- Number of offers accepted
- Number where buyer not found and still in the pilot
- Number that withdrew from the scheme
- Number that took property off market before an offer was made



## SUCCESS RATE OF ACCEPTED OFFERS



- Contacts Exchanged
- Failed Sales