

UNDERSTANDING HIPs

WHAT ARE HIPs AND DO I NEED ONE?

If you are selling a property which has three or more bedrooms, new legislation requires you to provide a "Home Information Pack" (HIP) to prospective buyers. This is a fairly simple concept and involves you putting together a number of documents before you put your home on the market, rather than after you have agreed a sale. You are now legally obliged to have commissioned a HIP before you can market your property. This is a new process with the introduction of mandatory HIPs for four bedroom properties in August 2007 and three bedroom properties on 1st October 2007. It is important to gain an understanding of this legal requirement as it is expected that HIPs will be mandatory for all properties in the very near future.

"There is a great deal of apprehension about HIPs. People worry that it will cause delay. In reality there is nothing to worry about. You can generally place your home on the market the same day that you instruct us to put your HIP together."

Paulena Panayiotou, Partner, Van Baaren & Wright.

SO WHAT EXACTLY IS IN IT?

A HIP contains a number of mandatory documents including:

- An Index
- Energy Performance Certificate
- Sale Statement
- Searches – Local Authority and drainage
- Evidence of Title

If you are selling a leasehold property there are additional documents required including a copy of your lease and service charge information.

There are also a number of optional documents that can be included in your HIP such as planning permissions, other searches and guarantees that may smooth the way and speed up the selling of your home. Your HIP provider will be able to discuss your needs with you and help you decide exactly what you need to meet your requirements.

HOW DO I GET ONE?

There are a number of providers of HIPs. You can use your estate agent, your solicitor or a specialist HIPs provider.

Your HIP provider will co-ordinate and collate the necessary documents and searches. They will also arrange for an energy inspector to visit your home in order to produce the Energy Performance Certificate.

It is important that your HIP provider takes time to discuss your personal needs in order to help you decide which documents you wish to include. There is a difference in cost and value between personal and official searches. Making the correct decisions upfront could save you valuable time further down the line.

Your HIP will take between one and two weeks to compile, depending on your provider but you are free to start marketing your home as soon as you have commissioned it.

WHAT DOES IT COST?

There are certain standard costs involved when putting a HIP package together. For example, energy inspections and local searches are costs set by the energy inspector and your Local Authority. In addition your provider will charge you for the work involved in putting the HIP together. Depending on who you choose, you will be charged in different ways – from increased commission on a house sale to a direct flat rate. There is also the option for deferred payment. Again, your HIP provider will be able to advise you on what would best meet your needs.

WHAT WILL I ACTUALLY GET?

You will receive a bound pack containing copies of all the resulting documentation. You should be able to see a sample copy of a HIP from wherever you have picked up this information leaflet. Depending on your provider, you may also get a CD with electronic copies of the documents. You have to provide the information in your HIP free to your buyer, however you can charge reasonable costs for copying.

Your HIP has a natural life span of about 6 months after which the searches will be out of date. You should seek specific legal advice about this.

HOW CAN VAN BAAREN & WRIGHT HELP?

Van Baaren & Wright is a highly specialised practice with a strong focus on conveyancing. It is well documented that moving house can be one of life's most stressful events. Our professional conveyancing service at Van Baaren & Wright will advise and guide you through all aspects of the complex and sometimes frustrating process of buying and/or selling a home. We feel that that HIPs are now an integral part to the whole conveyancing process. Therefore clients who instruct us for their conveyancing will receive the legal work on their HIPS free of charge. For clients who would like to only instruct us to organise their HIP, we charge a flat rate of £500 plus VAT. At Van Baaren & Wright, customer service is imperative. We are friendly and approachable and aim to keep you informed at every stage of the process, explaining the implications of your matter in language you understand. We will provide you with quality information and a transaction to fit your timescales.

If you require any information please contact our specialist conveyancing team on 020 8940 2525.

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