

Title:

Hip's - The Full Story

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508

Summary:

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Article Body:

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Much has been written about the Home Information Packs (HIP's). Here we aim to examine the final details, just released.

From June 2007 it will be compulsory for all sellers to produce a dossier containing certain basic facts regarding the sale of the property. Ministers estimation of the costs of this survey are £776, a figure that the experts dispute. They say the figure is much more likely to be £1000. These figures are based on an average semi.

The information given in the dossier includes searches, deeds, description of the property and an energy efficiency rating. However, it appears that there are some rather worrying exclusions in the list. For example, there is no reference to rights of access, ground stability, natural subsidence or effects of mining. Risks of flooding are not included; neither is contamination from radon gas or

other substances. Telecommunication links seem to have been overlooked too.

Despite this cost to the seller, it appears that if a buyer is borrowing in excess of 80% of the property value, they'll still be expected to commission and pay for valuations.

With regard to the three month time limit on sales, it appears that mortgage lenders will refuse to advance cash to buyers where the HIP is over three months old. Also, if house is taken off the market for over 28 days within those three months, a new HIP will have to be obtained. Where the reason for the property being off the market for 28 days was connected with a sale, the rule would not apply.

Where a property is marketed for sale on a private website or even by a for sale sign in the garden, the failure to supply a HIP will result in a fine of £200 per day.

In reaction to the announcement of these regulations, a Tory spokesman was quoted as saying the packs were "expensive, deficient and dangerous. The refusal to tell families whether the back garden will be safe for their children or of potential flood risks, delivers a serious blow to the credibility of these packs."

.The Law Society are concerned that there may be significant defects in the scheme in the there is no provision in the regulations for information within the HIP to be authenticated or confirmed by the seller. They are of the opinion that there should be a warning that reinforces to the buyer the risk of taking on substantial liabilities and commitments.

When you take into consideration the fact that the VAT alone from these packs will bring in £111m per year into the treasury you realize why the Government has been accused of yet another stealth tax implementation.

So there you have it. It appears to be that, for better or worse, HIP's are here to stay.