

Changes to Home Information Pack requirements for both sales and rentals

October 2008



Changes to the Home Information Pack ('HIP') system mean that ALL homes which were previously exempt from providing a HIP because they had been marketed before the scheme began will, from 1st October 2008, be required to provide an Energy Performance Certificate ('EPC'). From 1st October 2008, owners of all commercial buildings also have to provide an EPC when they buy, sell or let commercial premises.

Previously, all homes were required to provide a HIP prior to marketing for sale unless existing marketing was in place before the relevant deadlines (see below). A small number of exceptions from the system, where a HIP was not required, have now been removed, including the sale of a property to an acquaintance or member of the family where the property was not placed on the open market. In these instances a HIP is now required.

The exemptions which no longer apply from 1st October 2008 are

- non marketed private sales (i.e. friend/family member)
- portfolio sales
- right to buy sales to a social housing landlord

Other exemptions may still apply, particularly for non-residential properties, although even these exempt properties will now require an Energy Performance Certificate.

Does your home need a HIP?

If you are currently selling a private residential property you will need a HIP. This pack can be prepared for you by your solicitor, who can provide you with a fully compliant pack to present to your Estate Agent for marketing with your home.

From the following dates a HIP was required for the sale of a property which had not previously been marketed:

- 1st August 2007 – properties with four bedrooms or over
- 10th September 2007 – properties with three bedrooms or over
- 14th December 2007 for all other properties

Properties within these categories which had been placed on the market prior to these deadlines can remain on the market without provision of a full but an Energy Performance Certificate will now be required.

Does your property need an Energy Performance Certificate?

The short answer is, in every case, yes!

From 1st October 2008 a number of previously exempt categories of property are required, by law, to provide an Energy Performance Certificate when marketing a property for sale or rental, even commercial premises. If you are in any doubt about the documents you need to advertise your property then please do consult us.

Energy Performance Certificates now needed for all Tenancy Agreements

From the 1st October 2008 every Landlord must now supply an Energy Performance Certificate for his rental property to the tenant on or before the commencement of the tenancy agreement.

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Currently, an EPC is only required for a property which is self-contained, and is valid for 10 years and an EPC is not required when a tenant rents a room and shares facilities.

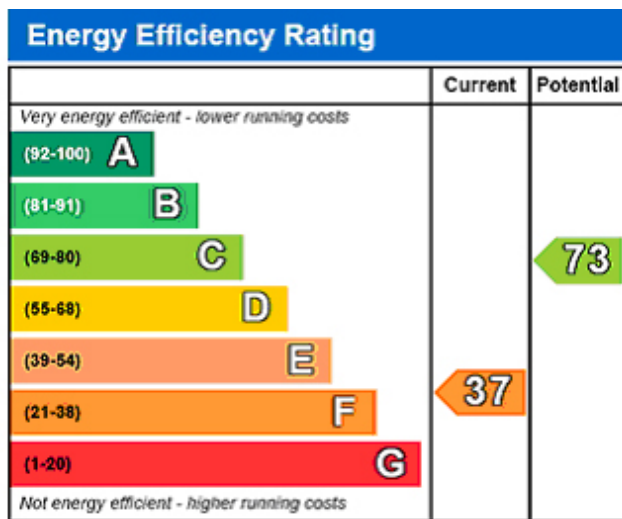
New Developments

From the 6th April 2008 any new development must have a OCECP (On Construction Energy Performance Certificate). An apparent anomaly within the Regulations may mean that the OCECP may even be required before completion on sales where exchange took place before the deadline, although this has still to be confirmed.

What is an Energy Performance Certificate

The Energy Performance Certificate (EPC) provides information on the energy efficiency of a property, allocating a standard energy and carbon emission efficiency grade from 'A' to 'G', where 'A' is the most efficient and with the average to date being D.

Example of Energy Efficiency Rating Graph for a Residential Property:



As all EPC's are produced by regulated and trained inspectors and measured using the same calculations, they allow you to compare the energy efficiency of different properties. The report also include a potential rating that the property in question could achieve if recommended changes were made, along with the associated costs and savings involved in effecting these changes.

Geographical Application

The requirement to provide an EPC only applied to properties within England and Wales. Northern Ireland and Scotland are producing their own regulations and further information on these areas are available through links on the DirectGov website.

For further information on Home Information Packs and other related matters you may wish to visit the government-run site 'Directgov - public services all in one place' at the following address:

http://www.direct.gov.uk/en/HomeAndCommunity/BuyingAndSellingYourHome/Homeinformationpacks/DG_076370

If you are looking to market your home for sale or rental, or want advice on any other aspect of Conveyancing or Property Law please contact us at law@pwjsolicitors.co.uk or by telephone on **020 8441 1556** or **020 8364 9955** and we can make an appointment for you.