

Estate agents celebrate the end of HIPs

● Move to save sellers time and cash

By VICTORIA CORBETT

THE scrapping of Home Information Packs (HIPs) has been welcomed by estate agents and the town's MP.

However, the sudden announcement on Thursday last week sparked anger among homeowners who had already paid for HIPs to be produced.

Acorn HIPs, which is based in Shinfield, was inundated with calls and emails last week from customers who had paid for HIPs recently and want their money back.

The firm was set up two-and-a-half years ago by Diana Sivertsen and Peter Roberts. They will continue to provide Energy Performance Certificates (EPCs), as European legislation still requires home sellers have these.

They say HIPs were not given a chance to work when they were set up, as searches carried out as part of putting the document together were often repeated by solicitors, who charged sellers for the same searches to be conducted again.

Ms Sivertsen, a former nurse, said: "We have put so much into this and it is a shame for us.

"We have just started to reap the benefits and now it has been suddenly scrapped."

The firm's business was growing by a quarter each month this year and employed one full-time member of staff, but also had dozens of others working on a job-by-job basis.

Mr Roberts, who worked in a building firm before the HIPs business began to take off, added the knock-on effect from losing HIPs was huge.

He said water firms such as Thames Water charge for contributing to the production of HIPs, while there are dozens of individuals who carry out searches for Acorn HIPs.

Mel Bury, director of 3Counties Local Home Inspectors Ltd, a local HIP provider in Rose Street, said: "The scrapping of HIPs is a disappointment to numerous com-

panies, many of whom have invested heavily in order to provide a good service. However our core business has mainly been the provision of EPCs (Energy Performance Certificates) and Property Condition Surveys since the start in 2007, so although this is a minor setback to our business prospects we do provide additional services."

Neal MacKenzie, managing director of Michael Hardy estate agents, said he believes the loss of HIPs will be a good thing.

He said: "From our point of view the effect is neutral as a company.

"To the public, it means we can take a house on on a Monday morning and we can be offering it to somebody by Monday afternoon.

"It is quicker and it saves Joe Public a lot of money."

However, he said he does not agree with some commentators who have claimed it will release the housing market.

Mr MacKenzie said: "I do not really follow that logic. All it means is more housing will come on the market, it doesn't mean more will sell.

"The effect could be house prices will flatten out because there is more supply than demand.

"What has been keeping them going is a lack of supply with fairly strong demand."

He added his office has received numerous calls from people who have paid for HIPs in the last two or three days asking for advice on whether they can get their money back.

Peter Coles, managing director of Romans estate agents, also welcomed the news, saying it would mean homes could be put on the market quicker.

He said: "The HIPs were lauded as something that was intended to make the home moving, buying and selling process less stressful and run more smoothly, but they really did not live up to expectations."

Mr Coles added he feels for the people who will lose work as a result of the move, however

described it as a "business built on sand" because there was such scepticism about the value of HIPs from the start.

Steve Jones, managing director of Richard Worth estate agents, described the news of HIPs being scrapped as "fantastic".

He said: "For us there is no loss of revenue [because we do not provide HIPs] and no time delay in getting a property to market.

"Also, vendors do not have to waste money on a wasted document.

"The whole idea of HIPs was they were meant to provide information to a purchaser before he makes an offer.

"I would suggest no more than five per cent have ever asked to see a copy of a HIP before making an offer, if any at all.

"It was going to speed up transactions by supplying lawyers with necessary searches, but lawyers do not trust the searches in the HIPs so nine times out of 10 they were doing the searches again themselves and that costs the seller more again, so the HIPs were useless."

Russell Mitten, sales director at Carsons estate agents, said the move would "bring a lot more confidence into the market place".

He said: "There are people that would normally have held off with a spur of the moment sale, but those people will be encouraged now to test the market. I think there will be far more properties coming onto the market."

Wokingham's Conservative MP John Redwood said the scrapping of HIPs was a promise his party had made before coming into power as a coalition Government with the Lib Dems.

He said: "I am very pleased we will keep our promise. When they were first introduced I issued a warning to anyone getting into that business saying we do not think these are sensible, they shouldn't be compulsory and a Conservative Government would get rid of them."