



# home report

Focus on the Single Survey

Bulletin 5 – September 2008

[www.homereportscotland.gov.uk](http://www.homereportscotland.gov.uk)

Home Report: 11 weeks to go

The way that homes are bought and sold in Scotland is changing from 1 December 2008. This bulletin is for professionals involved in the house buying and selling process. This edition focuses on the Single Survey.

## Latest news

**Introduction of the Home Report** – Over the course of the summer there has been considerable comment and discussion about the right time to introduce the Home Report. The Scottish Government has considered carefully the arguments which have been put forward and has concluded that the 1 December date should stand.

**Autumn training dates announced** - The Law Society of Scotland, the Royal Institution of Chartered Surveyors and the National Association of Estate Agents (NAEA) have autumn dates for their Home Report training courses. The Council of Mortgage Lenders is hosting a Home Report conference in October. For more information please go [here](#).

### Issues and decisions for selling agents

To help estate agents and solicitors prepare their businesses for the introduction of the Home Report, the Scottish Government has published a summary of some of the issues they may wish to consider. The summary is derived from NAEA material used at its training courses in the spring. A copy of the paper can be found [here](#).

### Making the public aware

The Scottish Government will launch a public information campaign in October 2008 to inform buyers and sellers of homes in Scotland about the introduction of Home Reports.

## The Single Survey

The Single Survey is a detailed survey of a house at a level akin to the existing 'scheme 2' Homebuyers Survey and Valuation report. Its purpose is to ensure that sellers and buyers of houses in Scotland have detailed information about the condition and value of a home before offers are submitted. To download an example document [click here](#).

It includes information on the type, accommodation, age and construction of the house and information about the neighbourhood. It provides a detailed report on the condition of the house, with repairs allocated to one of three categories according to their urgency. It also includes a short audit of the house that details its accessibility features.

The report format is based on a product commercially available from a major UK lender. The product has been thoroughly market tested with very favourable customer feedback.

## **Can a house buyer rely on the Single Survey?**

Yes. Buyers will have a statutory right<sup>1</sup> to damages if the survey does not meet legal requirements. Buyers will have a survey report that is not only prepared by a professional and backed up by professional standards and the obligation to be objective, but is also underpinned by specific legal liability. The liability to a buyer is similar to that which the surveyor has towards the seller who commissioned the survey. An independent Surveyors Ombudsman Scheme provides a route for buyers and sellers whose complaints are not resolved by the surveyor.

We have worked closely with the Royal Institution of Chartered Surveyors on this issue. Graeme Hartley, Director of RICS Scotland said:

‘Chartered surveyors are fully qualified, strictly regulated professionals. There is an independent redress system should the buyer or seller be dissatisfied with the service they provide. The single survey and valuation will be produced in an objective way and can be trusted 100% by both the seller who commissioned it - and the buyer. If either the buyer or seller is in any doubt about the survey or valuation contained in the Home Report, they can take independent advice or contact the independent surveyor ombudsman service if they have a complaint. The Home Report can be trusted. The public should remember that the law requires the Single Survey to be prepared by surveyors registered with or authorised to practise by the Royal Institution of Chartered Surveyors.’

## **Information for Mortgage Lenders**

The Royal Institution of Chartered Surveyors and the Council of Mortgage Lenders have worked together to agree an approach which will allow the Surveyor who has carried out the Single Survey to provide a mortgage valuation to either the lender for the successful purchaser or lenders to prospective purchasers. Along with the Single Survey, the surveyor will provide a standard Mortgage Valuation report which will include a statement of ‘mortgageability’ and other information that lenders will need to assess mortgage risk. The lender to a prospective purchaser or the successful purchaser will be able to obtain a Mortgage Valuation Report in its own format for the purposes of processing a mortgage application. Lenders will need to decide whether a Mortgage Valuation from the Surveyor who undertook the Single Survey is acceptable to them.

## **Will mortgage lenders rely on a Mortgage Valuation from the Surveyor who undertook the Single Survey?**

The Council of Mortgage Lenders has made it clear that lenders would not wish to see the full Single Survey report. It has also said that there will be many cases, particularly where the surveyor who carried out the single survey is on the lender’s panel, where a Mortgage Valuation Report in the lender’s format provided by the Single Survey Surveyor will be acceptable. Lenders will use the Mortgage Valuation Report in the same way as they currently do but will of course, as at present, look more carefully at some applications depending on the property and the client’s circumstances and may seek further information or instruct its own valuation for that purpose.



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<sup>1</sup> The statutory right was created by an Order under Section 104 of the Scotland Act 1998 by the Minister of State at the Scotland Office on 14 July. The Order relates to consumer protection which is a reserved matter under the Scotland Act 1998.