

Sellers Survey

Background

The legislation for the Sellers Survey is contained within the Housing (Scotland) Act 2006 which plans to introduce Purchase Information Packs (**PIPs**) across Scotland from 2008. This will mean that those selling houses from this date must provide a PIP which contains, as presently proposed, a survey of the property and a valuation. The intention of introducing this "seller's survey" is to avoid the perceived need of potential purchasers commissioning their own individual survey.

Whilst the Property Sales Questionnaire and Energy Efficiency Report elements of the PIP are to be welcomed, we believe that the rationale behind the introduction of the seller's survey is flawed and that that part of the legislation is not necessary.

Arguments against the Seller's Survey

- Forcing seller to commission and pay for a survey before selling their house adds to their upfront costs and is no longer necessary, as most offers for the house purchase are now made "subject to survey".
- The financial impact of having to pay for a survey will be most heavily felt by the less well off seller and discriminate against the poorer sections of society.
- It is naïve to expect purchasers to accept a seller's survey as their sole guide to the value of the house. Most purchasers will want to commission their own surveys after their offers have been accepted, in order to get their own independent view on condition and value.
- At present purchasers and their solicitors can speak to their surveyor to discuss the report. This channel of communication will not be available. The only person who will be able to speak to the surveyor is the seller, not the
- The seller's survey may not be accepted by the purchasers' lender. It may be "out of date" by the time the loan application is made. The surveyor may not be on the lender's panel or (as was the case in England) the lender will insist on having a fresh valuation done by a surveyor for their use.
- The delay in having to get a seller's survey prepared in advance of the sale will delay marketing properties and will make purchasers very cautious of concluding missives for their own purchase and is likely to result in the import into Scotland of the detestable English "chain" system, so that buyers may well make their purchases conditional upon a satisfactory sale.
- The seller's survey has already been tried, and abandoned, in England.
- The Scottish Executive should remember that there are two "consumers" in any purchase and sale transaction. The seller is a consumer as well as the buyer.
- There is a real concern that stagnation of the system caused by the seller's survey and the lack of independent advice could result in a slump in property values.
- The Scottish Executive's own pilot scheme failed; it was hoped that 1,200 seller's surveys would be commissioned, but in 7 months there were only 74 instructed – 65 in Glasgow, 5 in Inverness, 3 in Dundee and only one in Edinburgh!
- At the moment the system is working as well as it has done for decades. If it is not broken why try to fix it?

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