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Guide to Home Information Packs



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Introduction

The Home Information Pack (also known as the HIP) is compulsory for most homes on the market in England and Wales. Before HIPs were introduced, buyers usually had to wait until after they had made a formal offer before they saw essential information on the property. As a buyer, you would usually have to apply for and pay for this information yourself. The HIP gives you a chance to see these important documents free of charge before you make an offer. Once you are interested in a property, you should ask to see the Home Information Pack.

From 6 April 2009, the HIP must be available on the first day a property is marketed for sale. This means better information will be available from the first day a property is put on the market.

HipShop provides a comprehensive and efficient service producing HIPs for homebuilders and developers across the UK.

Whether you are building a single unit or a large development of properties to sell, or whether you're just looking to move home, HipShop can help you. We offer a flexible approach to all of our customers in relation to the information included in the Home Information Pack. We can provide all the necessary documentation (including EPCs and Code for Sustainable Homes assessments) and we will keep you up to date with the progress of your HIP at every stage.

If you are a developer looking for multiple HIPs, we have the ability to upload generic documents to a large number of plots simultaneously whilst being able to add specific information to individual plots.

HIPs Guide

What is A HIP?

The Home Information Pack (also known as the HIP) is a collection of documents that provides a buyer with key information on the property and must be provided by the seller or the seller's agent. This is compulsory for all homes on the market in England and Wales.

Why do I need a HIP?

The benefit to the seller is that this process makes it easier for buyers to make an informed decision on the quality of the home and reduces the risk of problems occurring later.

One of the aims of the HIP is to raise awareness of the energy efficiency of homes and, as a result, tackle climate change.

What type of buildings require a HIP?

From 6 April 2009, the HIP must be available on the first day a property is marketed for sale.

You will not require a HIP if you are selling:

- a non residential property;
- residential property which is unsafe or due for demolition;
- mixed commercial and residential property;
- a portfolio of residential properties sold as a single lot;
- within a right to buy scheme;
- properties sold without complete vacant possession (e.g. with a sitting tenant who will remain living in the property after the sale);
- to a family member, neighbour or friend where no marketing has taken place.

What is required in a HIP?

The following documents are mandatory within a Home Information Pack:

- **Index** - this lists the documents in the pack and acts as a checklist for all parties involved in the sale.
- **Predicted Energy Assessment (PEA)** - for newly built homes that are usually marketed before they are complete. This should be replaced by a full EPC when the home is built.
- **Energy Performance Certificate (EPC)** - this shows a property's energy efficiency, recommends ways to improve efficiency and explains its environmental impact in terms of carbon emissions. An EPC derives from the Standard Assessment Procedure (also known as SAP assessments). If your property is already built, you may require an RdSAP to obtain your EPC.
- **Sale statement** – basic information about each individual property.
- **Standard searches** – these include local land registry charges, other records held by the local authority and provision of drainage & water services to the property.
- **Evidence of title** – to prove that the seller owns the property.
- **Code for Sustainable Homes** - a HIP for a newly built home must have a certificate (or interim certificate) showing the rating that the home has received in reference to the Code for Sustainable Homes.
- **Property Information Questionnaire (PIQ)** - providing a summary of information about a property, which will further aid buyers to make an informed decision on purchasing the home.
- **Copy of the lease** - for leasehold properties, where applicable.

Optional documents

- **Home Condition Report** - describes the property's physical condition.
- **Additional leasehold documents** – e.g. information on service charges.
- **Legal summary** - provides a plain English explanation of legal information in the HIP.
- **Home use/content forms** - provides information on boundaries, notices, services, sharing with neighbours, planning permissions, fixtures/fittings/contents included in the sale.
- **New Home Warranty** – certificate of insurance from your warranty provider.
- **Other documents** - such as non-standard searches, rights of way, guarantees for maintenance and renovation work carried out.

What do I need to include in my sales statement?

A sales statement needs to state the following:

1. What is the address of the property to be sold?
2. Is the property freehold, commonhold or leasehold?
3. Is the title to the property registered, unregistered or not yet registered but there is another registered title for the land?
4. Who is selling the property?
 - The owner or owners;
 - a representative with the necessary authority to sell the property for an owner who has died;
 - a representative with the necessary authority to sell the property for a living owner (or owners);
 - other (further details will be required).
5. Is the property being sold with vacant possession or with one or more occupants in a sub divided building?

For companies requiring HIPs, you must produce the sales statement on company headed paper. For an example of a sales statement, please refer to the sample HIP available on our website.

How do I make the HIP available to buyers?

The responsible person (i.e. the seller or the seller's estate agent) can provide an electronic version or a printed version depending on the potential buyer's preference.

When should the HIP be produced?

A Home Information Pack (HIP) must be available when you start to **market the property**. At this time, reservations can usually be taken for individual properties and the HIP is designed to help buyers make better informed decisions.

How long does a HIP last for?

The seller does not have to renew their HIP as long as the property remains on the market. If the seller decides to stop marketing their home, they can go back on the market with the same HIP provided they do so within 12 months of the first point of marketing.

Even after one year, if a property is taken off the market where an offer has been accepted only for the transaction to fall through, the seller can go back to the market with the original HIP as long as remarketing starts within 28 days of the sale falling through.

If the property is not remarketed within 28 days, the HIP will need to be re-commissioned. This is because the legislation sets limits on the age of mandatory documents when they are included in the HIP. It may be possible to reuse the Energy Performance Certificate as long as it is not more than three years old.

Do I need to update the HIP?

If the searches are more than 3 months old and the property is not on the market yet, then the searches will not be valid and you must request them again.

While the property is on the market continuously, the HIP contents do not have to be updated, except to replace the PEA with an EPC when it becomes available.

What is the purpose of the Property Information Questionnaire (PIQ)?

Sellers must answer all questions within the PIQ for it to be used within the HIP. The HIP is not complete until the PIQ is included and therefore you will not be able to market your property. We advise that you think about gathering the information needed to complete the PIQ as early as possible to ensure it is available for when you require your property to go on the market.

Buyers can use the PIQ to make a well informed decision on their choice of home. It is also useful as buyers can check details such as council tax, heating, car parking arrangements etc.



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What if you are renting a property?

Rented properties do not need a HIP; however, you will need an Energy Performance Certificate (EPC). This document will last for 10 years; you will not need a new EPC every time a new tenant moves in.

HipShop can also provide EPCs for your rented properties. For more information, contact us on 0845 055 0572 to speak to our customer service team.



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About HipShop

HipShop is part of MD Insurance Services Ltd, who has become a major provider of structural warranties and developer support services to homebuilders across the UK.

HipShop has access to a national team of accredited assessors who can provide EPC's and Code for Sustainable Homes assessments across the UK.

We aim to provide all of our clients with an exemplary service by working closely with them and listening to their requirements. We are completely independent of any estate agents, lenders, search or conveyancing companies meaning we are fully committed in supporting our clients in the production of their HIPs. We will provide advice and support regarding your pack and specific requirements and are here to help ensure that buyers can make an informed decision based on the information provided.

We are affiliate members of the Association of Home Information Pack Providers (AHIPP) and our HIPs comply in all respects with the Property Codes Compliance Board (PCCB). We are also members of the Independent Pack Providers Association (IPPA) and HIP Code. Our collaboration with these organisations ensures you and your clients are receiving a service of the highest quality.

How to order your HIP with HipShop

Contact us on **0845 055 0572**, email us at **info@hipshoponline.co.uk** or visit **www.hipshoponline.co.uk** and fill in our enquiry form to receive a quote.

When you accept the quote and agree to the Terms & Conditions, you will need to send payment to HipShop (details of payment included in your quotation).

Once payment is received, the hosting service is activated. We will then send you confirmation of the username and password to enable you to upload the postal addresses.

We will upload all the relevant information (including searches) into the required fields until all the fields are completed.

When we have received and uploaded all the mandatory and, where required, additional documents, an email will be sent which will contain the access code for you or purchasers to view the completed HIP.

Frequently Asked Questions (FAQ's)

Do vendors still need a solicitor?

Yes, the HIP does not replace the need for legal representation.

Who owns the pack?

The pack is owned by the vendor.

How long does it take to produce a Pack?

Timescales will vary for each individual HIP. However, HipShop will work with you to make sure your HIP is compiled as quickly as possible as we realise this is an important part of your Customer Care process.

Is a Pack required for new residential properties in the social housing sector?

If the properties are being marketed for sale to the general public a HIP is required.

If the properties are being sold to the next person on a waiting list and no marketing is taking place a HIP is not required.

Will any penalty be payable for sellers who do not provide a HIP?

The penalty charge for breach of the HIP duties is £200. This will increase for repeat offenders. However, in certain cases, a banning order can be imposed preventing some sellers from continuing to trade.

Why should a seller commission environmental (or other authorised) searches?

Other searches may be done if it is thought that these would improve the saleability of the property or if it is an area where a specialist search would be suitable (e.g. in an area affected by mining). This information will bring greater transparency into the process and the authority of the searches may help dispel any potential doubts that a potential buyer might have on matters such as contamination or flooding. For example:

- A property may be, technically, on a flood plain but there is no historic record of it ever having been flooded; or
- There may have been historic contamination of the actual site or adjoining land that has been properly remediated.

Should a seller include a legal summary within a HIP?

It is recommended that this be considered. The legal content of a HIP might otherwise be complicated and unfamiliar to homeowners. In the interests of transparency and clarity a legal summary can explain in understandable terms the main points and will assist sellers and buyers to make informed decisions.