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Briefing for the Citizen Participation and Public Petitions Committee on <u>petition PE2152: Review and update the</u> <u>Home Report system to ensure it protects both the seller</u> <u>and the buyer</u>, lodged by Lesley Roberts

Brief overview of issues raised by the petition

The petitioner bought a house in 2023, but quickly noticed that, "there were inaccuracies within the Home Report that were going to be costly to fix" and that, although there was evidence that the problems were there before the Home Report was provided, "there was no recourse to challenge the surveyor."

The petitioner indicates that the house was sold at a loss and states that:

"Whilst a rented house must be watertight and safe, there is no recourse to ensure that the same can be said for a purchased property. This puts the buyer at complete and utter risk, which in my view is inappropriate. There needs to be adequate scrutiny over the content of survey reports and the information provided to buyers, which would create accountability within the profession."

The petitioner calls on the Scottish Parliament to urge the Scottish Government to review and update the Home Report system to –

- require Home Reports to be updated every three months while a property remains for sale
- ensure surveyors are held accountable where they are found to have assessed a property inaccurately.

Home Reports

The petition is very similar to <u>petition PE1957</u>: Home – make surveyors more <u>accountable</u>. The Citizen Participation and Public Petitions Committee agreed to <u>close that petition on 21 February 2024</u> on the basis that:

- 1. the scope of the Home Report is outlined at the beginning of the report; and
- 2. members of the Royal Institution of Chartered Surveyors are subject to various requirements when drawing up Home Reports.

<u>The SPICe Briefing for petition PE1957</u> explains the background to the Home Report system. It explains that the "Single Survey" which is part of the Home Report, and

which is provided by the seller of most homes, is not the same as a structural survey which provides more detailed information on the structure and fabric of a property.

It also explains that the Single Survey has to be drawn up by a surveyor "registered with or authorised to practise by the Royal Institution of Chartered Surveyors" (Regulation 5(1) of <u>the Housing (Scotland) Act 2006 (Prescribed Documents)</u> (Regulations) 2008).

<u>The SPICe Briefing for petition PE1957</u> also outlines the various legal responsibilities which surveyors have in relation to information in the Single Survey, as well as the professional standards which they have to comply with.

Although the underlying legislation (Regulation 6 of <u>the Housing (Scotland) Act 2006</u> (<u>Prescribed Documents</u>) (<u>Regulations</u>) 2008) requires information in a Home Report to be no older than 12 weeks before the property is put on the market, Home Reports do not have an "expiry date" as such.

Mortgage lenders will, however, often require a Home Report to be "refreshed", i.e. updated after 3 months, before they will approve a mortgage. Buyers can also ask for a Home Report to be updated by the seller, although this is a matter for negotiation.

<u>The technical guidance of the Royal Institution of Chartered Surveyors on Single</u> <u>Surveys</u> includes guidance on the last section of the Single Survey which contains information relevant to the solicitor. This guidance states:

"Sellers or prospective Purchasers may consider it prudent to instruct a reinspection and revaluation after a period of 12 weeks (or sooner if appropriate) to reflect changing circumstances in the market and/or in the physical condition of the Property."

More information on the workings of the Home Report system and the potential liabilities of surveyors, as well as different views on the need for change, can be found in the written submissions in petition PE1957.

Scottish Government Home Report Review

The petitioner requests the Scottish Government to review the Home Report system.

The Scottish Government is planning to review the Home Report system. The Scottish Government's website states:

"We carried out a review of the Home Report to look at how it worked in its first five years. This included a <u>Home Report public consultation</u> held in December 2013 and a <u>Home Report research report</u> published in January 2015. A fresh review of the Home Report is planned for the second half of 2021."

In response to <u>Parliamentary Question S6W-22599</u> from Miles Briggs MSP on when the Home Report review will take place, the Minister for Housing, Paul McLennan, stated on 10 November 2023 that:

"The Scottish Government's Home Report Review is expected later in the current parliamentary term. The review will take account of the recommendations outlined in the five-year review published in 2015 and be informed by work on wider housing considerations including Housing Standards."

The Scottish Government has informed SPICe that the review of the Home Report system commenced in November 2024 and that it is anticipated that the working group carrying out the review will make recommendations to the Scottish Ministers by autumn 2025.

Angus Evans Senior Researcher 18 April 2025

The purpose of this briefing is to provide a brief overview of issues raised by the petition. SPICe research specialists are not able to discuss the content of petition briefings with petitioners or other members of the public. However, if you have any comments on any petition briefing you can email us at spice@parliament.scot

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