

PRESS RELEASE

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The scrapping of mandatory Housing Condition reports is “a deeply regrettable loss of nerve” says CIC Chairman.

Speaking in the recent Parliamentary debate on Home Information Packs, as the MP for Greenwich and Woolwich, the Chairman of CIC, the Rt Hon Nick Raynsford MP has described the Government's decision to scrap the mandatory introduction of Housing Condition Reports as a requirement within the Home Information Packs as:

‘..a result of cynical, short-sighted opportunism from the Conservative party and a deeply regrettable loss of nerve on the part of Her Majesty’s Government.’

He expressed his considerable disappointment that:

‘ a long overdue reform that held out the prospect of radically transforming and simplifying the home buying and selling process, cutting out waste and abortive costs and reducing the scope for failed transactions, disappointment and heartache has been seriously put at risk.’

Mr Raynsford continued:

‘There is a very strong case for the introduction of HIPs. Today’s debate should have been about how we can achieve that in the most effective way and with the least possible delay. Instead, we have an Opposition gloating in their ability to frustrate and derail something that is clearly in the public interest, and a Government who are backtracking from one of their manifesto commitments. What could possibly justify that? What are the arguments against HIPs, apart from the vested interests of certain groups, including some estate agents and mortgage lenders who do very nicely out of the current arrangements and do not want changes that will threaten them?’

He then proceeded to dismantle the four main arguments against HIPs, namely cost; scope; insufficient trialling/testing; and the impact upon the market.

Mr Raynsford acknowledged that:

‘there is ground for concern about the speed of implementation and the adequacy of the number of home inspectors’

but concluded that:

‘the Government’s decision to pull the plug on the mandatory home condition reports is precipitate and wrong.....the training of inspectors, although slow to start, has been

gathering pace this summer. Indeed, there will be many upset and angry individuals who have invested much time and money in preparation and training for the introduction of the reports. They will feel badly let down. All the evidence that I have gleaned from those with genuine experience of the market shows that the June 2007 date was achievable and that, even if some difficulties had occurred around the start of the new arrangements, they would have been overcome in a relatively short time.'

With regard to the likely impact on the market, Mr Raynsford said that:

'there has probably been more ill-informed speculation, scaremongering and nonsense aired in recent months about that than about any other aspect of the scheme. The suggestion, which has been put about, that HIPs will lead to a massive slump in the market and that 90,000 estate agents will consequently be out of work—incidentally, that was seen as a downside—are, frankly, not worth the newspaper on which they are written.'

He concluded by saying:

'I greatly regret yesterday's announcement that home condition reports will not be a mandatory component of home information packs when they are introduced next June. The suggestion that they can be introduced on a voluntary basis is wishful thinking. I am sorry that the Government, whom I support and as part of whom I served for many years, have made such a grievous error of judgment, which will make it much harder to achieve the fundamental reform to the home buying and selling process in England that is so overdue. I hope that my hon. Friend the Minister for Local Government and my hon. Friend the Minister for Housing and Planning will realise before too long that they have made a mistake, which must be reversed, and that they must introduce HIPs, with the full mandatory home condition report, in the lifetime of the Parliament.'

The CIC working group on Home Information Packs will meet shortly to consider the impact of the Government's announcement.

ENDS

Notes to the editor

1. CIC is the representative forum for the professional bodies, research organisations and specialist trade associations in the construction industry. It provides a single voice for professionals in all sectors of the built environment through its collective membership of 500,000 individual professionals and 25,000 firms of construction consultants. www.cic.org.uk

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