

HOME INFORMATION PACKS CAMPAIGN

Conservatives today launch a national campaign against the Government's expensive and widely criticised plans for Home Information Packs. The packs, due to be introduced in June 2007, will require a potential seller to pay up to £1,000 to put their home on the market.

Key message

Moving home is one of the most stressful things anyone can do. Yet Labour's new rules threaten to make it worse, not better. Rather than protecting consumers these Sellers' Packs are set to undermine the stability and health of the housing market.

Conservatives believe in wider home ownership as a matter of basic social justice. We want to sweep away the barriers to getting on the housing ladder, to sharing prosperity, to giving families the scope to grow and to fulfilling people's aspirations of having a place of their own. Labour's new red tape will create an extra barrier to home ownership.

Ten reasons to scrap the packs

1. Valuations still needed: The Council for Mortgage Lenders (CML) advise that buyers will still have to commission and pay for valuations, particularly if the Loan to Value Ratio of the mortgage is over 80 per cent (which affects most first time buyers) or the property is a flat. Even after five years, physical valuations will still be needed for six out of ten home purchases say the CML.
2. Deficient on home risks: Home Information Packs will not have to include information on flood risk, natural subsidence, electrical safety, radon gas or land contamination. Such information is purely voluntary, which means many buyers will not trust the limited information in the Pack.
3. Structural surveys still needed: Home inspectors are not trained or qualified as chartered surveyors. Many buyers will want to commission an extensive structural survey for complex or older properties since the Pack will be limited and deficient in its content.
4. Double whammy costs: If a home is taken off the market for more than 28 days, and subsequently put back on the market, the seller is likely to be forced to pay for an updated Pack, potentially costing hundreds of pounds. Even if a home remains on the market, many lenders will not trust a Pack that is older than six months, requiring the seller to pay again for an updated pack.
5. Hitting £1,000: The Government's estimate of the cost of a Pack for an 'average' semi-detached home is £776 including VAT, but it admits that the location, size and condition of the property could mean even higher prices. Experts predict £1,000 as the actual cost for many homes - and will be even higher for complex or larger properties. There is no cap. Estimates suggest that Gordon Brown will rake in £111 million a year in additional VAT receipts.
6. Regressive: Packs will still be required for low-value homes or low-demand areas, adding a significant additional cost and barrier to selling a home in such places.
7. Undermining the economy: An independent survey by academics and economic experts, Oxford Economic Forecasting, has warned that the Packs will have a significant effect in cutting the number of housing transactions, reducing labour mobility and

depressing consumer spending. The experts suggest that the net result will be higher unemployment and lower economic growth.

8. Lack of a proper pilot scheme: The Government originally promised a full regional pilot of the Packs. This has now been downgraded to a voluntary, small-scale 'dry run', carried out by the (less than impartial) Home Information Pack industry. There will be no compulsion on sellers to provide Packs. The electronic register of Home Condition Reports (part of the Pack) will not be available. This will not be a proper test of the new system.

9. Shortage of inspectors: The Government has estimated that 7,500 home inspectors will be needed. Yet only 232 'home inspectors' have currently completed their training, which can typically cost £7,000 for the courses. Chartered surveyors will still be busy with surveys. This raises serious concerns that the Government may downgrade the quality of the training in order to tackle the shortage of inspectors.

10. Unnecessary: The Government claims that the Packs are necessary to implement an EU Directive to provide Energy Condition Reports when a home is sold. Yet in Northern Ireland, the Directive is being implemented by the Government without the introduction of Home Information Packs.

A helping hand on the housing ladder

David Cameron's modern Conservative Party wants to help families and young people get on the housing ladder, whilst protecting the environment. We will:

- Help more people get onto the first run of the housing ladder by extending support for shared ownership schemes and new flexible forms of home ownership.
- Ensure that new homes are made more eco-friendly, and remove Whitehall rules that are stopping new homes being built with the parking and garden space that families want.
- Give local communities, via their elected local councillors, a stronger say on where new homes are built, and abolish unelected regional assemblies.