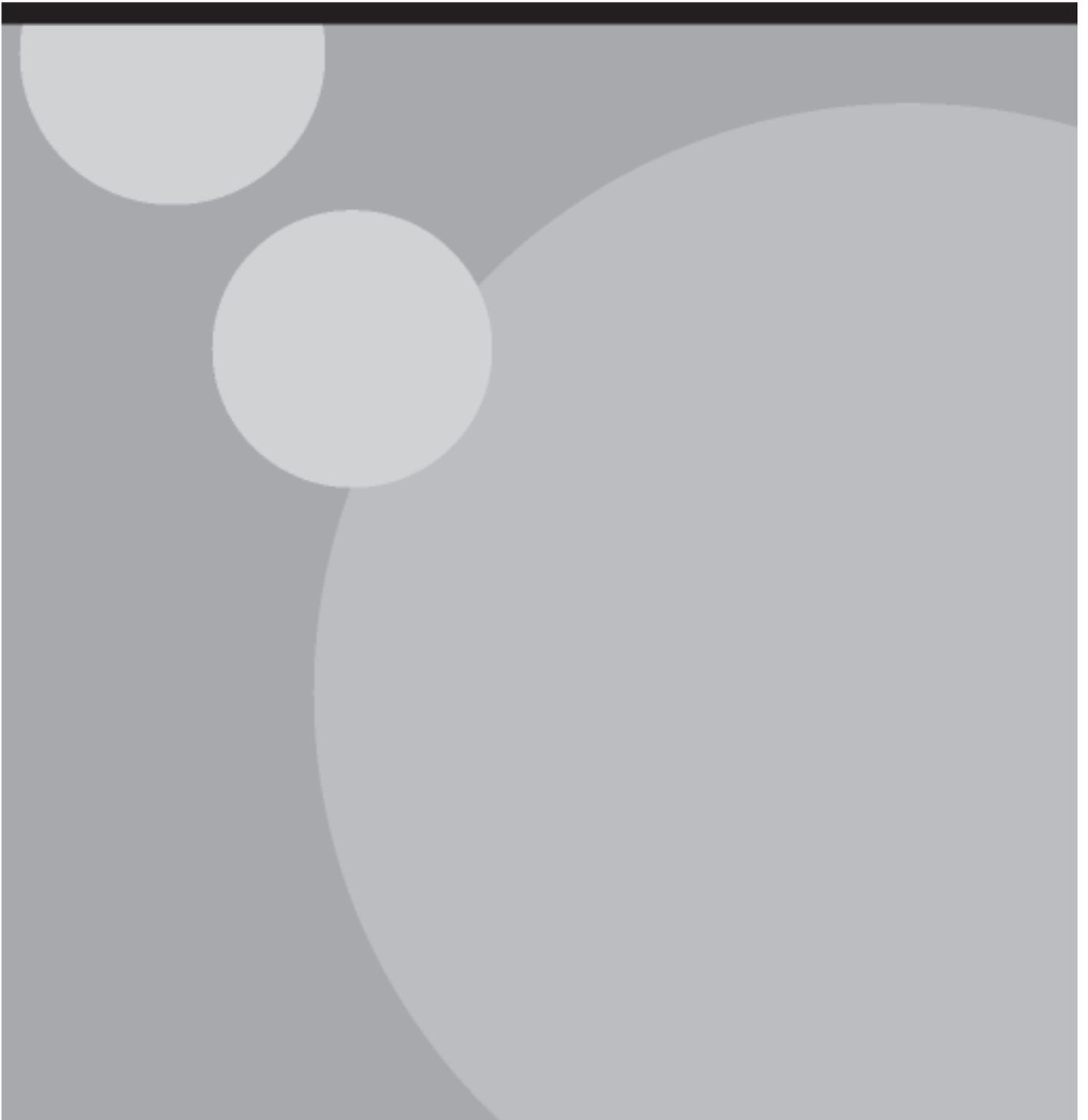




The role of condition information in the home buying
and selling process

**Findings from an online survey and qualitative research among
home buyers and sellers**





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among home buyers and sellers**

Ipsos MORI

September 2010
Department for Communities and Local Government

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Summary

Background

- This research was commissioned on behalf of the CLG Working Group on Condition Information in the Home Buying and Selling Process. The research was commissioned to assist in developing an evidence base for the development of market-led condition products that can be delivered by existing practitioners, as well as to inform future broader policy decisions on condition related information in home buying and selling.
- Ipsos MORI conducted an online survey in June 2009 of 2,000 people in England and Wales who had bought or sold a property in the last three years; are currently trying to sell their home or who are considering buying in the next two years, to assess the appetite for condition information in the home buying and selling process.
- We supplemented this with four discussion groups covering locations in Banbury and Harrow involving a mix of buyers and sellers with different levels of experience and understanding of home buying and selling.
- Throughout both strands of the research we found low awareness of the different types of condition information available and confusion over information that would be provided in searches rather than surveys. However, these findings are presented as a reflection of the present public perception of condition information.

Home buyer and seller awareness of valuation and condition information

- Awareness of the role of surveyors in providing condition information is high (95%). Most respondents understood that an assessment of the condition of a property covers structural issues (90%), condition of internal aspects (82%), exterior aspects (81%) and major repairs (69%). Only a third thought it covered minor repairs (34%).
- Nearly all respondents had heard of mortgage valuations (97%) and building surveys (98%). However, fewer than two in three respondents (64%) thought that they had a good understanding of the different types of survey that are available. In the qualitative research, experienced buyers not only had a better understanding of the different types of survey but were far more confident in their personal opinions about when to commission condition reports and who from.

Home buyer and seller experience of valuation and condition information

- Those who have bought a property, or who are in the process of buying one, have usually had at least one survey completed. However, when presented with a list of surveys ranging from a basic valuation to full building survey there seems to be confusion over what types of reports were received. Whilst 58 per cent reported commissioning a mortgage valuation, 54 per cent reported paying for a full building survey, over three times the level found in the Home Information Pack area trials who reported commissioning full structural surveys. It appears that while CLG and the surveying industry use the term building survey, there is still little public understanding of its definition.
- Understanding and experience of mortgage valuations is higher than the other types of surveys and participants in the discussions revealed how many have relied solely on a valuation as a basis for purchase. Discussion group participants in London were more likely to consider the mortgage valuation to be an accurate assessment of market value whilst those in rural areas had their doubts given the uniqueness of many properties in rural markets.
- Whilst nearly two-thirds of respondents (65%) say that they would pay for the most comprehensive survey they could afford, in practice, at least half of purchasers remembered spending less than £500 on their valuation or survey. However, over three in ten buyers could not remember what they paid.
- Surveys commissioned by the buyer tend to have been undertaken between initial offer and exchange of contracts. However, a quarter of buyers (23%) reported seeing a home buyer's report before making their initial offer. One in six buyers (16%) reported seeing a building survey and nearly one in five (18%) reported seeing a mortgage valuation before making their initial offer. The discussions in the qualitative research would lead us to conclude that many buyers are confusing these surveys with the information now provided in the Home Information Pack.
- Of those who commissioned a survey, two-thirds did not recall it highlighting any particular issues about the condition of the property but where it did, the majority of these issues related to minor repairs (54%). Of those who discovered condition issues in the survey on the property they bought, over one-third (37%) lowered their offer, and one in five (20%) insisted the seller undertake work on the property. A third (35%) did not take any action as a result of the issues highlighted. The qualitative research revealed how buyers and sellers find the process stressful and exhausting and are not willing to seek redress if they feel that they were misled about condition information at an earlier stage.
- One in ten (11%) respondents said they did not have any survey conducted. Of these nearly one in five accepted the condition information provided by the seller (18%), and a similar proportion stated that the property purchased was nearly new and covered under NHBC (19%). Of those that did not commission a survey, the qualitative research revealed that many experienced buyers are asking local builders, plumbers or electricians to take a look at the property and consider this to be better value for money.

- Most buyers do not conduct a survey after purchase. Those that do tend to be commissioning valuations for further borrowing or specialist surveys.
- Almost all (96%) respondents considered condition information in the home buying and selling process to be important, and seven in ten (70%) found the condition information they received from any source to be useful for informing their decisions about the property overall.
- Half of respondents (52%) who have bought or are in the process of buying believe that condition information makes no difference on transaction times, although three in ten (30%) said it had increased the duration of the transaction.

Attitudes to the usefulness of condition information

- All respondents were posed questions about their preferences when buying or selling a property regardless of their current situation.
- If buying, respondents would like condition information to cover structural issues (94%), major repairs (88%) and the condition of the internal aspects (87%) and exterior aspects (89%) of the property. Less than half seek information on minor repairs (45%).
- The majority (87%) of home buyer and sellers thought that condition information should be available as early on in the process as possible and seven in ten (71%) believe this should be available to home buyers when viewing a property. Similarly, three-quarter of sellers (75%) said they would be comfortable with providing full details about the condition of their property. The qualitative research revealed the strongest support for this among those who think that an offer on a property should be binding.
- When selling a property, respondents felt information should be provided by the seller on structural issues (92%) and major repairs (83%) as well as exterior (83%) and internal aspects (80%). New buyers were more enthusiastic about the provision of condition information than those who already owned properties.
- If looking for initial advice and guidance about condition information when buying a property, four in five (82%) would expect it from an appointed surveyor although estate agents (57%) also feature prominently as playing a role.
- When it comes to supplying a condition report, respondents most frequently thought it should come from the buyer's surveyor (37%), whilst fewer considered that the report should be supplied by the seller (22%) or their estate agent (16%). In practice some participants in the discussion groups felt they had been misled by the seller or their estate agent about condition issues that were later revealed by a survey.
- More generally, 64 per cent of respondents agreed that the seller should be responsible for supplying information on the condition of their property, fewer than one in seven (16%) would trust condition information if it came from the seller. Instead, 78 per cent agreed that they would only trust condition information provided by an independent surveyor that they had appointed. Similarly in the

discussions buyers are looking for simplicity, transparency and independence in the provision of condition information.

Conclusions

- There is considerable public confusion about condition information and an appetite for independent advice on the type of surveys to commission.
- The research has revealed the discrepancy between the extent people say they are interested in condition information and prepared to pay for it and the reality once they have found the property they want.
- There is also a tension between the strong desire for upfront condition information and the lack of trust in anyone that the buyers have not commissioned themselves. Buyers would need to perceive that the condition information was coming from a completely independent and authoritative source if they are to change that view.

1. Introduction

1.1 Background and objectives

Since July 2006 the home condition report (HCR) has been an authorised, but strongly recommended, component of the Home Information Pack (HIP). Having an HCR in the HIP can help prevent costly delays to transactions caused by discovery of condition related problems at a late stage. However, as a voluntary component of the pack, take up of HCRs has been lower than anticipated.

The CLG Working Group on Condition Information in the Home Buying and Selling Process was established by the Minister for Housing in December 2008 to explore options for making sure that home buyers and sellers have appropriate information about a property's condition. This research contributes to the evidence based commissioned on behalf of the group, to inform the development of market-led condition products that can be delivered by existing practitioners, as well as considerations of future policy in relation to the use of condition information in home buying and selling.

This research aimed to assess home buyer and seller appetite for condition information. It complements other research being conducted to assess the attitudes of lenders to the availability of condition information plus an analysis of the costs and benefits of including more condition information as a minimum for any mortgage valuation¹.

1.2 The online survey methodology

Ipsos MORI conducted an online survey between 5 and 10 June 2009 of 2,000 people in England and Wales who had bought or sold their home in the last three years; were currently trying to sell their home, or were considering buying within the next two years. All respondents were members of the Ipsos MORI online panel. Our online panel comprises members of over 160,000 households in England and Wales. Respondents were recruited face to face to verify their social and demographic characteristics and then invited to take part in online surveys. Further details of our online interviewing process are contained in the Appendix.1

This type of large online panel is highly suitable when you are conducting fast turnaround research among a minority of the population – in this case people with recent or impending experience of home buying and selling. However, we do not claim that the panel is entirely representative of the population. In 2008, 65 per cent of households in Great Britain had internet access at home² but rates are considerably higher among younger and middle to higher income households. These

¹ DTZ (2009) The role of condition information in the home buying and selling process *An assessment of the projected costs and benefits of upfront condition information on the home buying and selling process, and the potential cost savings for consumers: Main and Supplementary Cost Benefit Report*, submitted to CLG July 2009

² National Statistics *Internet Access 2008: Households and Individuals*
<http://www.statistics.gov.uk/STATBASE/Product.asp?vlnk=5672>

factors make an internet survey appropriate for the population who are likely to be buying and selling homes.

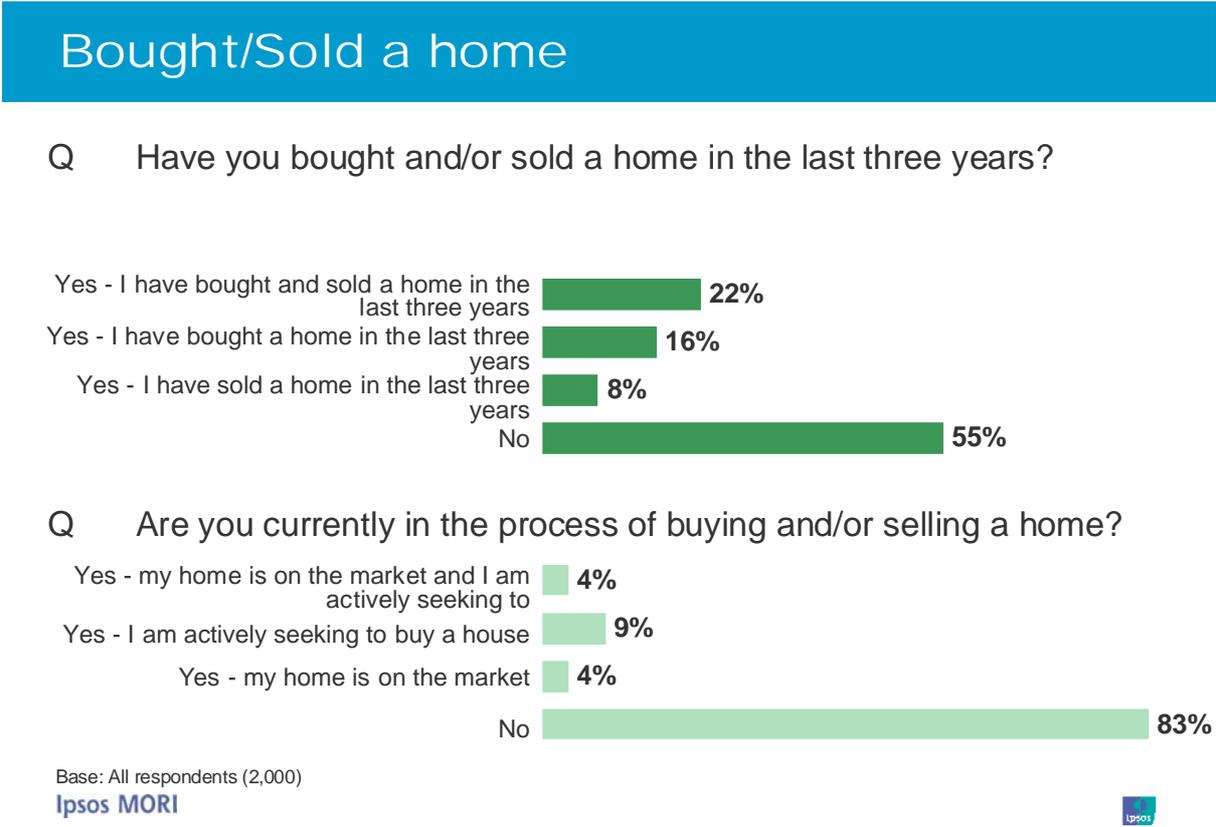
A screener questionnaire was used in order to find eligible respondents and, in total, 2,000 respondents passed the screener and went on to complete the survey. For more information on the profile of these participants, please see Appendix 1 as well as a copy of the online questionnaire in Appendix 2. Full tables of all responses to the questionnaire are supplied separately to this report.

As part of this research we investigated options for weighting the data to improve representativeness of the home buying and selling population. We discuss in Appendix 1 our reasons for not pursuing this option, mainly because of the absence of National Statistics on the characteristics of interest to this study against which to compare our sample.

SAMPLE CHARACTERISTICS

All respondents met the sampling criteria of having bought or sold their home in the last three years, having their home on the market currently, or looking to buy now or within the next two years. Many respondents met more than one criteria given that those trying to sell were usually also looking to buy a property (Figure 1.1).

Figure 1.1

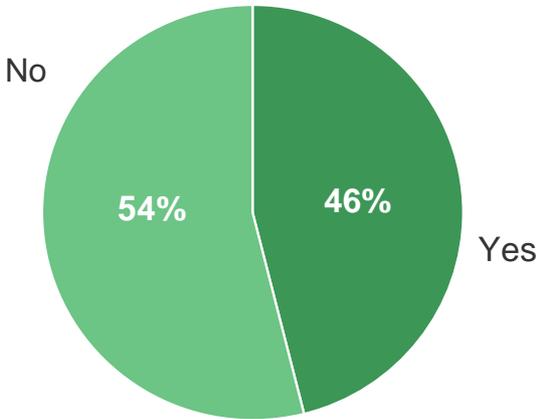


In total, 44 per cent of the sample were looking to buy a home within the next two years (Figure 1.2). Within this group, around 11 per cent hoped to move in the next year. These are the respondents who either have their home on the market or are first time buyers actively looking to buy. The majority (70%) of the group are considering buying in the next one to two years.

Figure 1.2

Possibility of buying a home

Q Are you considering the possibility of buying a home in the next two years?



Base: All respondents (2000)
Ipsos MORI



The type of property being bought or sold reflects the characteristics of the regional property market. Most respondents (86%) have bought, or are seeking to buy, a house or bungalow although the proportion who have sold or are seeking flats is higher in London. Similarly over seven in ten (72%) have sold or are seeking a freehold property but this proportion is lower in London where flats are more prevalent.

1.3 The qualitative research methodology

The main aim of the qualitative research was to better understand valuation and condition information from home buyers' and sellers' point of view.

The groups explored:

- individual views on the buying and selling process
- understanding and knowledge of valuation and condition information
- the difference between valuation surveys and any other condition surveys undertaken as part of the transaction, and where these fit into their overall experience of buying and selling their home
- how valuation and condition information is currently gathered and used
- the valuation and condition information buyers and sellers believe would be useful to improve the home buying and selling experience

To answer the objectives four focus groups took place, two in Harrow, and two in Banbury. Participants were given timeline questionnaires to encourage them to think about their experiences before the groups took place. By giving each participant a chance to consider their story at the beginning participants were encouraged to get fully involved in the group.

The groups included a good variety of participants from people still buying their first home, to people who regularly buy and sell properties and people from town, urban and rural locations. Full details of how participants were recruited for the discussion groups are contained in Appendix 1 and a copy of the group discussion guide is presented in Appendix 3.

QUALITATIVE RESEARCH AND ITS USES

Qualitative research involves an interactive process between the people carrying out the research and those being researched. It provides a way of probing the underlying attitudes of participants, and obtaining an understanding of the issues of importance. The real value of qualitative research is that it allows insights into the attitudes, and the reasons for these attitudes, which could not be probed in as much depth with a structured questionnaire. The flexible nature of this research method allows participants to define their own issues and raise their own problems.

However, it must be remembered that the findings are based on a small sample and are therefore illustrative rather than statistically representative. Qualitative research focuses on *perceptions*, not facts; participants may hold views that are based on incorrect information.

Throughout the report, use is made of verbatim comments from participants. These have been selected to exemplify a particular view, although it is important to remember that the views expressed do not always represent the views of all the participants as a whole. Verbatim comments have been attributed based on the group the participant attended.

In both the survey and qualitative research we have found many misunderstandings about the definitions and current use of condition information and our reporting reflects this.

2. Home buyer and seller awareness of valuation and condition information

2.1 Knowledge of information included in surveys

Awareness of the role of surveyors in the home buying and selling process is high. Ninety-five per cent of all respondents were aware that surveyors are regularly used to collect condition information about a property, rising to 97 per cent among those who have had a survey completed.

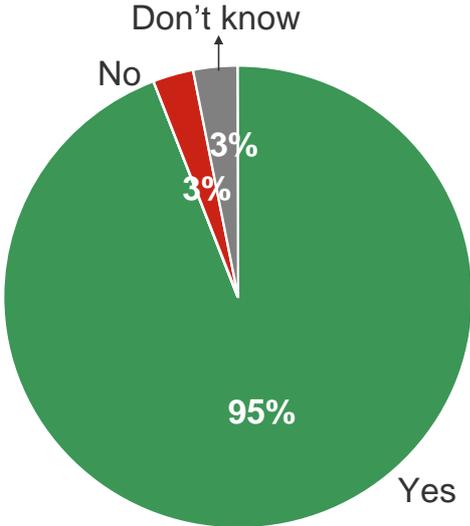
When it comes to buying or selling a property, most respondents felt that an assessment of the condition of a property covered information on structural issues (90%) the condition of internal aspects (82%) and exterior amenities (81%). They were, however, less sure it covered the condition of internal aspects (44%), health and safety risks (40%) and minor repairs (34%).

There were some differences between the views of those who are owner-occupiers and those who are not³. Owner-occupiers were more likely to say that assessments covered exterior aspects (83% versus 77% of non owner-occupiers). Those who were currently buying and selling were much less likely to say that condition assessments covered interior aspects than those who are not.

Figure 2.1

Awareness of surveyor role

Q Generally, are you aware that qualified surveyors are regularly used in the home buying and selling process to collect condition information about a property?



Base: All respondents (2,000)
Ipsos MORI



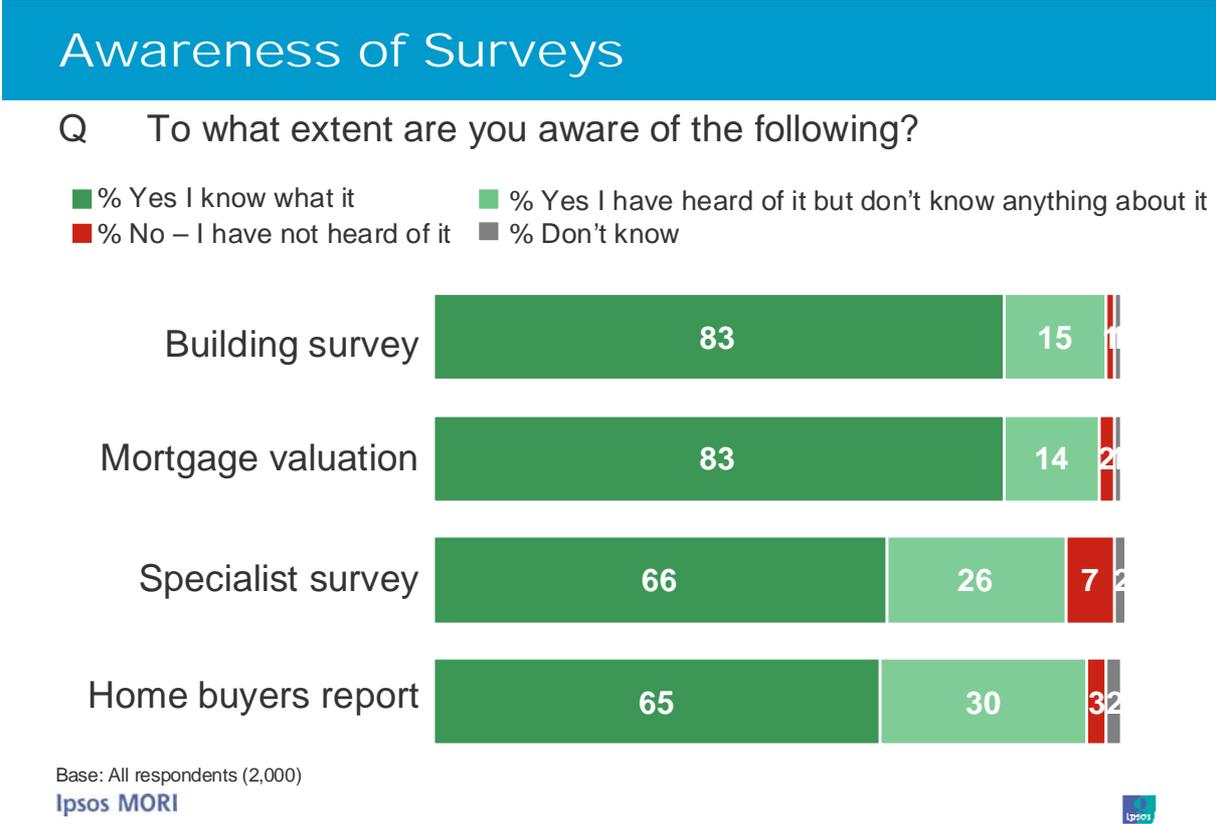
³ First time buyers were not specifically identified in this survey but we can presume that most living in rented accommodation or with friends or family are buying for the first time.

2.2 Knowledge of different types of survey

If buying a property with a mortgage, purchasers will be required by their lender to commission at least a mortgage valuation, a product which simply checks the property is viable for lending and assesses its market value. A more detailed ‘home buyer’s’ report which, whilst not providing a complete assessment of the property will highlight areas that need urgent attention, such as damp or visible woodworm. A full building survey provides the most thorough report on the condition of a property and is especially suitable for older properties or properties requiring extensive renovation⁴.

Almost all respondents (98%) said they had heard of a building survey, and over four in five of these (83%) considered they know what it is (Figure 2.2). A similar proportion had also heard of a mortgage valuation (97%), and over four in five (83%) knew what it is. Additionally, 95 per cent had also heard of a home buyer’s report, and 92 per cent had heard of a specialist survey, although slightly fewer (65% and 66% respectively) knew what they are.

Figure 2.2



Knowledge of surveys was based on experience. Current owner-occupiers were most likely to know what the different types of survey are compared to those not currently in owner-occupation who are looking to buy, usually for the first time. (Table 2.1)

⁴ See the product definition issued by RICS http://www.rics.org/Practiceareas/Property/Residential/survey_building_survey.htm

Table 2.1 Variation in awareness of surveys by current tenure

	Owner occupier	Renter or living with friends/family
	% who know what survey is	% who know what survey is
Building survey	89	65
Home Buyer's Report	71	45
Mortgage valuation	90	64
Specialist survey	72	49
<i>Base</i>	1496	480

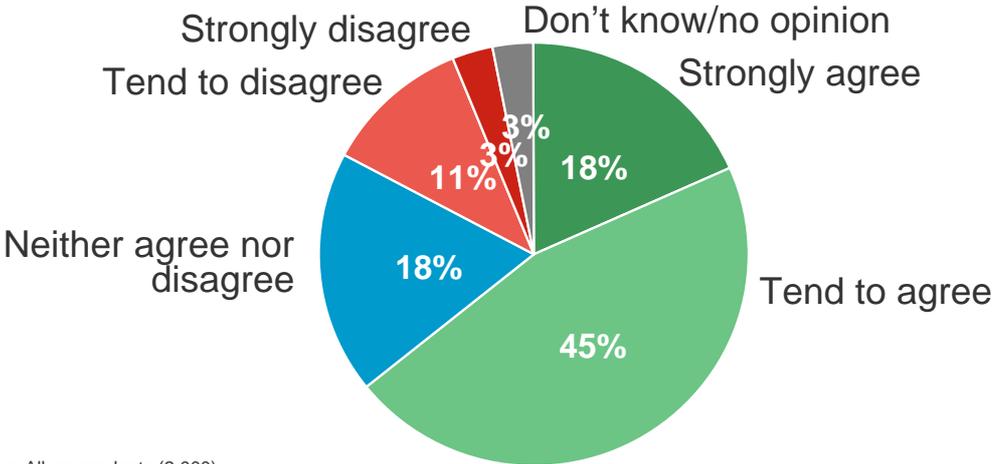
Nearly two-thirds of respondents (64%) felt that they have a good understanding of the different types of survey that are available and their advantages and disadvantages but the remaining third were not confident in their knowledge.

Figure 2.3

Understanding of condition information

Q To what extent do you agree or disagree with the following statements ...

I have a good understanding of the different types of survey that are available and their relative advantages and disadvantages



Base: All respondents (2,000)
Ipsos MORI



Not surprisingly, 70 per cent of existing owner-occupiers felt they had a good understanding of the different types of surveys compared to only 38 per cent of those who have not bought or sold in the last three years and are not current owners. This difference was explored in more depth in the discussion groups. Experienced buyers and sellers had a better understanding of surveys, but also felt far more confident in their judgement of when it was necessary to commission condition information. They explained how they had made mistakes the first time they had bought a property and learned lessons for the future. One buyer, for example, intends to always ask for a woodworm inspection on any property she buys after experiencing problems in her first home.

3. Current home buyer and seller experiences of valuation and condition information

3.1 Attitudes to buying and selling

The qualitative research explored general attitudes to buying and selling that provide a context in which to understand views on the role of condition information. As might be expected both buyers and sellers found the property transaction process to be extremely stressful and time consuming:

“It is a huge step especially if you are a first time buyer and it is such a lot of money. It’s stress, it’s the most stressful thing you can do, emotions are running very high.”

Buyer and seller, Banbury - town

“I remember it being very stressful. It was all on a knife edge and we were never sure whether it was going to happen or not.”

Buyer, Harrow - lower understanding

Many discussion group participants accepted that the stress reflected the amount of money involved, (a number mentioned that a house is the most expensive thing they were likely to buy). Another key reason for the process being difficult is that the legal and technical aspects of the process (perhaps inevitably) are not always understood by buyers and sellers, especially if they are inexperienced.

Both buyers and sellers described how they had suffered delays in transactions or in some cases transactions falling through. The causes included major problems being identified in the surveys, problems with the lease, and buyers and sellers changing their mind. Buyers resented spending time and money on commissioning valuations or surveys without any guarantee that the sale would go through or that the asking price for the property would not be changed at a later stage.

Sellers were also concerned about the sale falling through at a late stage, or (in this economic climate) being ‘gazundered’ by a buyer who feels that they are in a strong position.

In general, buyers and sellers (particular those who are less confident about the house buying process) both had negative perceptions of the process and in particular comment on the lack of apparent structure. Inexperienced buyers do not have a sense of the steps they need to follow and the processes that need to occur for their property transaction to go through. They also feel that buyers and sellers suffer from a lack of protection throughout the process, and so can easily be conned:

“There’s no-one to talk to really, [you] felt quite alone. There seems to be no real structure. You’re lucky if you aren’t tricked.”

Seller, Harrow - lower understanding

Some buyers and sellers had far more positive experiences with the property transactions working well. For example, one seller explained that after receiving an offer on a property within a day of putting it on the market, she was:

“Delighted with how quickly things went through.”

Seller, Harrow – higher understanding

The discussion groups also explored the different attitudes and behaviours found among buyers and sellers that could influence their use of condition information. The key difference was found to be whether buyers would use the flexibility of the present system of buying and selling where an offer is not binding until exchange of contracts or not. Some buyers explained that they would not put in more than one offer on a property at a time, and would not change their offer unless there was a very good reason, such as structural problem revealed by the survey. Others would put more than one offer in to increase their chances of getting the property they want and some would also use surveys as a method of re-negotiating their offer:

“I would put a few offers on, test the market to see if I could get a good deal, but at the same time follow the process to see that there is nothing wrong with the property.”

Buyer, Banbury – rural

Participants from all groups suggested that an offer should be accompanied by a deposit as incentive for buyers and sellers not to pull out. They argued that the deposit should be held by an independent organisation. If one party withdraws from the process without good reason, their deposit should go to the other party. They argued that the deposit should be enough to pay for their legal costs:

“I would like the vendors to put a sum of money in an account so that if they pull out of the sale this money is given to the purchaser”

Buyer, Harrow - lower understanding

Whilst not having a detailed knowledge of the legal framework, some participants mentioned a preference for the Scottish system where they understood an offer to be binding.

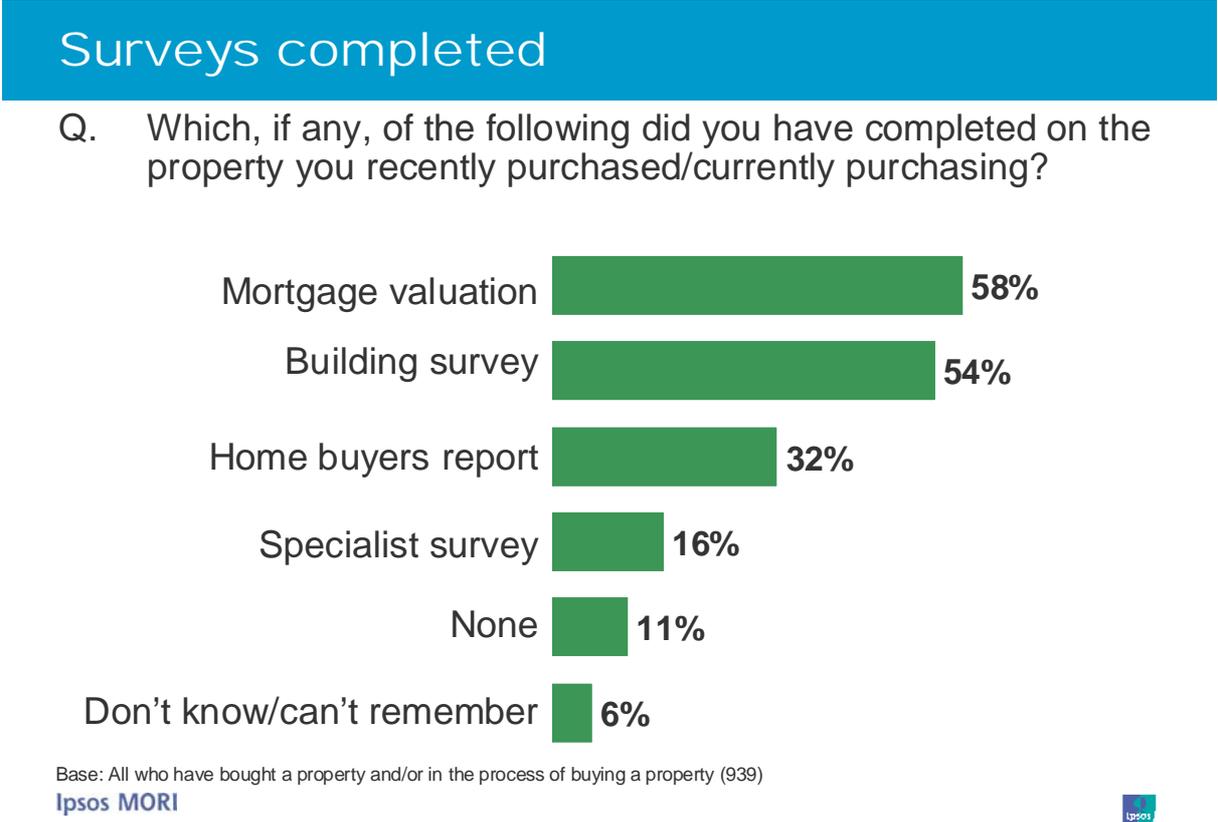
3.2 Types of surveys used and their cost

In the online survey, those who had bought a property in the last three years, or who are in the process of buying one, reported that they commissioned at least one survey on the property, with mortgage valuation and building surveys the most common (mentioned by 58% and 54% respectively). A third (32%) have had a home buyer's report completed and one in six (16%) have had a specialist survey completed on the property.

The proportion reporting that they have commissioned a building survey is unfeasibly high in the context of industry knowledge and when compared to the 16 per cent of buyers who reported that they commissioned a full structural survey in the HIPS Area Trials⁵. Using the industry term, *building survey*, in this study appears to be ahead of public understanding that it refers to only the most comprehensive of condition surveys.

Those who did not recall having any survey commissioned were most likely to say this was because they had accepted the condition information provided by the seller (18%) or the property was nearly new and covered under NHBC (19%). However, almost half (46%) said it was for another reason, but unfortunately were not asked for further details. From the qualitative research we can conject that a considerable proportion of more experienced buyers are relying on informal inspections by builders, plumbers or electricians that they know. This is discussed later in this report in relation to trust in condition information.

Figure 3.1



Respondents who have bought, or are in the process of buying flats are less likely to remember commissioning a survey. Twenty-one per cent of flat owners do not recall any survey or report (although many are likely to have received a mortgage valuation) compared to 6 per cent overall.

⁵ <http://www.communities.gov.uk/documents/housing/pdf/hiptrialareas.pdf>

3.3 The usefulness of mortgage valuations

In the discussion groups, when definitions were available to participants, all buyers and sellers reported that they used a mortgage valuation and read it carefully. Most buyers and sellers in the London (Harrow) groups felt the valuation was an accurate assessment of the property value whilst rural participants were more likely to doubt its validity given the uniqueness of many properties within rural markets. This urban/rural split merits further investigation than was possible with only four discussion groups.

The mortgage valuation was seen as a useful tool to help buyers understand the market value of a property and some discussed relying solely on the valuation as a basis to proceed with the purchase.

Buyers and sellers diverged in their opinions of the quality of mortgage valuations. Sellers' descriptions of the valuation are often based on their observations of the surveyor looking around their house. Some describe seeing a surveyor examining the property in some detail whilst at the other extreme some explain that their valuation was conducted by the surveyor driving past their property.

Buyers on the other hand are more likely to judge the quality of the mortgage valuation on the amount of information that they receive from it. Several buyers explained that a mortgage valuation had revealed problems with the property they were looking at, and had encouraged them to withdraw their offer:

“The mortgage was already in place, process quite easy but time consuming, put in an offer for a property but the valuation revealed a lot of damp, this led to the offer being withdrawn.”

Buyer, Banbury - rural

Nevertheless in general sellers described themselves as being unconcerned about the mortgage valuation. This contrasts with a full condition survey where sellers suggest that they would have some concerns that faults would be found, and they might have to renegotiate their price.

As well as the timing of condition information (discussed later in this report), the discussion group participants were asked if there was value in simply having the property valuation available before putting an offer in on a property. Buyers and sellers generally felt this could be a positive move, and could ease the stress and problems they encounter when buying and selling properties. Some sellers argued:

"I like to know before the house goes on the market so I know it is on for the right amount."

Seller, Harrow – higher understanding

"It would be much clearer if things were sorted out earlier to save negotiations later!"

Seller, Harrow – higher understanding

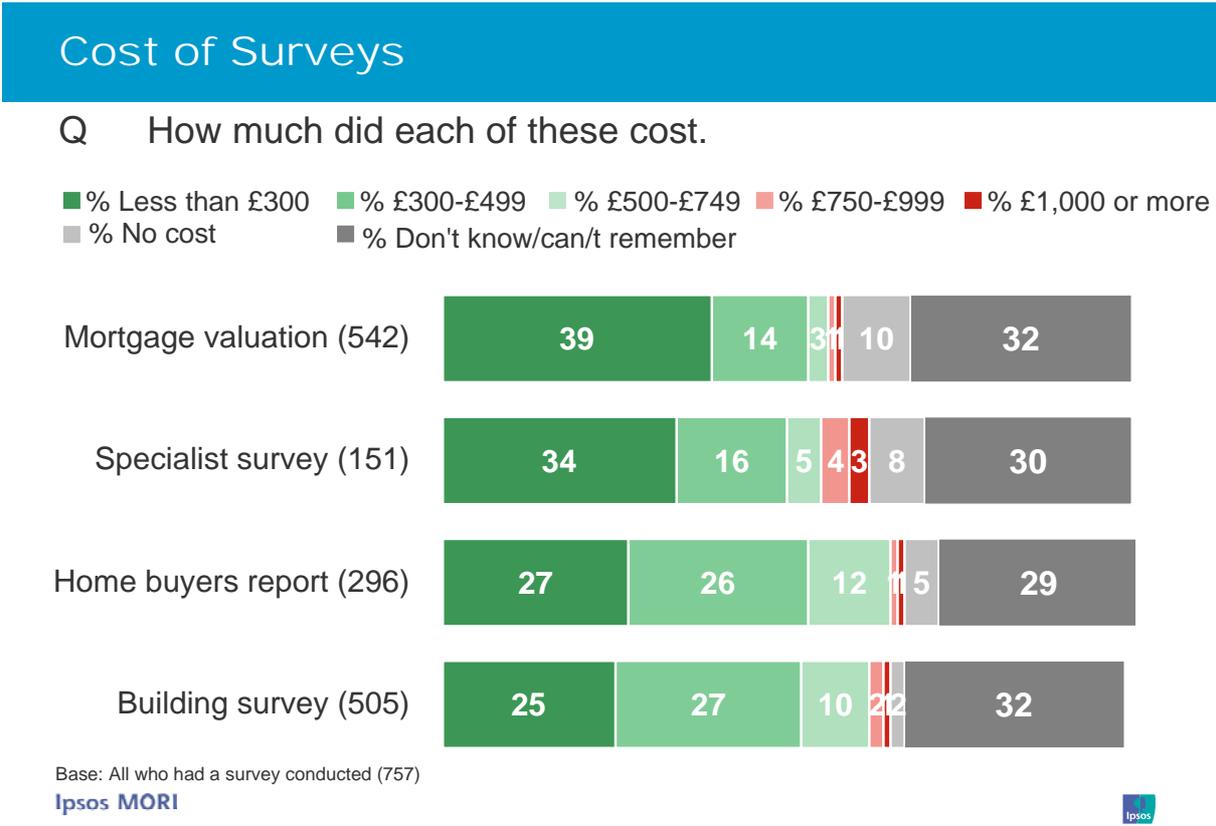
Participants were not convinced that seeing a mortgage valuation alone early in the process would make much difference to the transaction time and effort. They felt that a valuation is already done quite promptly after an offer, especially if they have already completed the mortgage application forms. They also felt that the transaction time really begins when the valuation is received by the estate agent and they are more likely to take the property off the market.

3.4 The costs of valuations and surveys

Respondents were generally prepared to pay for a survey. Nearly two-thirds of respondents (65%) said that they would always pay for the most comprehensive survey that they could afford; while only a fifth (20%) believe that condition surveys are only necessary on old properties or those with particular problems.

In practice, at least half of those who had any survey conducted could remember spending less than £500 on it. Only one in twenty of those commissioning a mortgage valuation (5%) believed they paid £500 or more compared to 12 per cent commissioning a specialist survey, 13 per cent a building survey, and 14 per cent a home buyer's report. A small number did not recall spending anything on a survey and around 30 per cent simply did not know. This can occur if a mortgage valuation fee has been subsumed in administrative fees from a mortgage lender (Figure 3.2).

Figure 3.2



3.5 The timing of valuation and surveys

Of those who commissioned a survey, it was most common for the survey to take place between the initial offer and exchange of contracts but up to one in four reported that their survey took place *before* they made their first offer. This including 23 per cent of those with home buyer reports, 13 per cent of those with specialist surveys and 18 per cent of those with mortgage valuations.

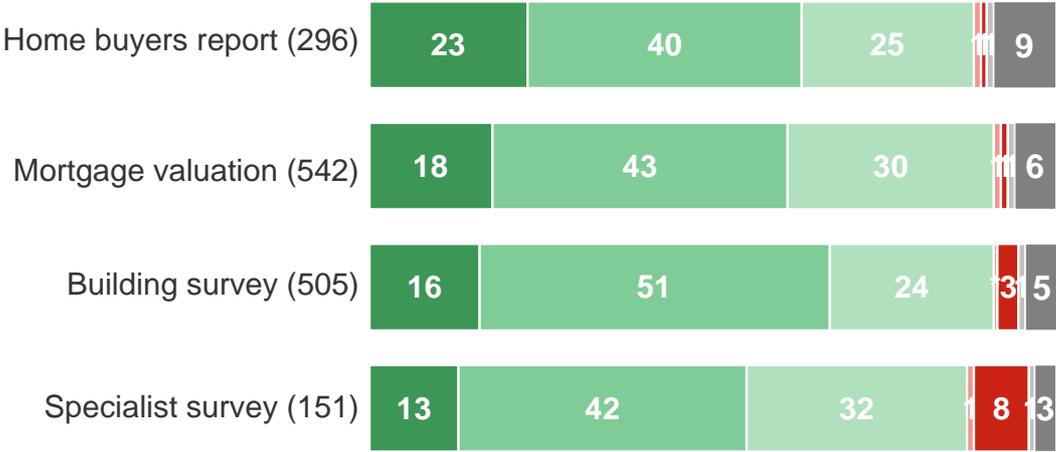
These figures seem high in the light of standard practice for the buyer to commission a survey after making an offer. We believe that respondents have confused these types of survey with the information contained in the Home Information Pack.

Figure 3.3

The stage at which the surveys took place

Q At what stage were the following undertaken?

- % Before I/we made our first offer ■ % After the first offer was made ■ % Before I/we exchanged
- % After I/we exchanged ■ % Before completion ■ % Did not see the information
- % Don't know/can't remember



Base: All who had a survey conducted (775)

Ipsos MORI



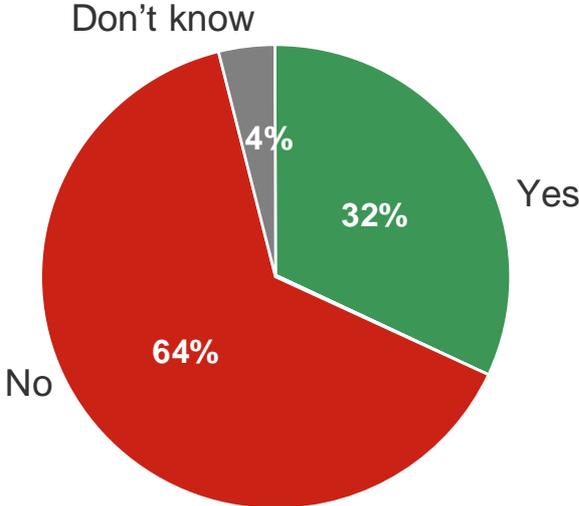
3.6 The results of receiving condition information

Nearly two-thirds (64%) of respondents who did commission a home buyer’s report or Building Survey did not recall it highlighting any particular issues about the condition of the property compared to nearly one-third (32%) who said it did.

Figure 3.5

Issues highlighted?

Q Did the condition information about the property highlight any particular issues about the condition of the property?



Base: All who had a survey conducted (775)
Ipsos MORI

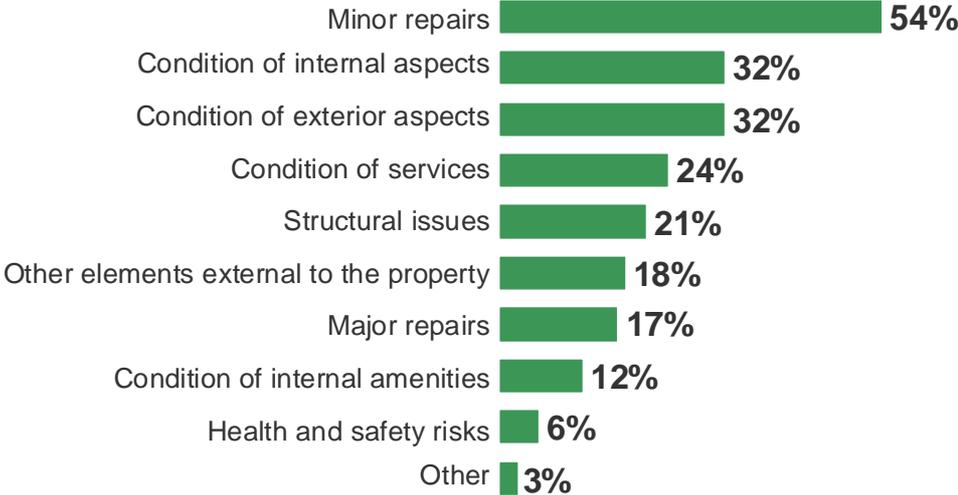


For the third of respondents who did discover any issues as a result of the survey, the majority of these issues related to minor repairs (54%). A further third related to the condition of both internal (32%) and exterior aspects of the property (32%).

Figure 3.6

Issues survey highlighted

Q What did it highlight?



Base: All who mentioned that the condition information highlighted issues about the properties condition (248)
Ipsos MORI



Of those who bought or were buying a property where a condition survey had identified defects, 37 per cent used the information to renegotiate price and a further 20 per cent insisted the vendor undertake repairs, but over one-third (35%) did not take any action. Those who lowered their offer overwhelmingly found that the final purchase price changed as a result (99%).

Figure 3.7

Action taken as a result of information

Q What action, if any, did you take as a result of the condition information?



Base: All who mentioned that the condition information highlighted issues about the properties condition (248)

Ipsos MORI



Over four in five of those who have bought in the last three years (86%) have not commissioned any of the surveys. Those that have tend to have needed valuations or surveys, possibly for further borrowing, or specialist surveys on aspects of the property.

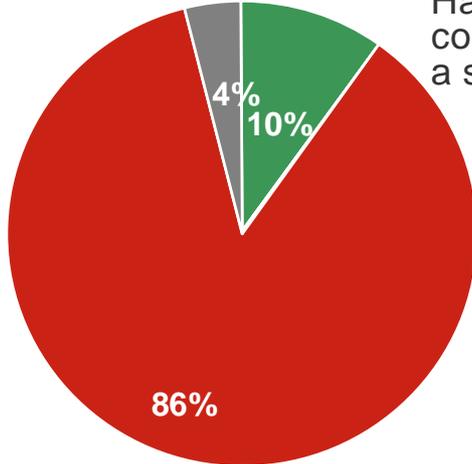
Figure 3.8

Purchasing new surveys

Q Since purchasing your property, have you commissioned any of the following [surveys]?

Don't know/ can't remember

Have commissioned a survey



Have not commissioned a survey

Surveys commissioned

- 5% Mortgage valuation
- 3% Specialist survey
- 3% Home buyers report
- 1% Building survey

Base: All those who have bought in the last three years 437

Ipsos MORI



4. Attitudes to the usefulness of condition information

4.1 The usefulness of condition information

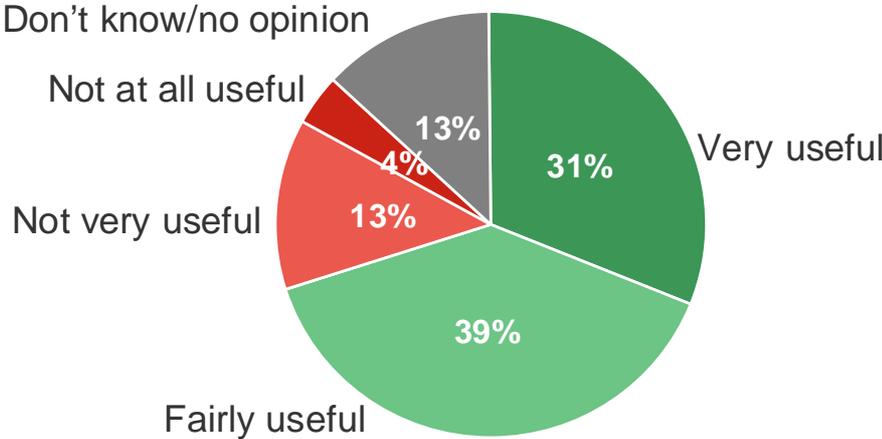
Almost all respondents (96%) considered condition information in the home buying and selling process to be important and almost three-quarters (74%) of them said it was *very* important. Fewer than one in twenty (3%) said condition information is *not very* or *not at all* important. Those who consider it to be unimportant are more likely to have their home on the market currently and are also less likely to have had a survey completed themselves.

Of those who have bought a property, or who are currently purchasing one, seven in ten (70%) found any condition information they received to be useful for informing their decisions about the property overall but one in six (17%) felt it was not useful (Figure 4.1). Understandably, those who have not found condition information to be useful in the past are also the ones most likely say that condition information is not important.

Figure 4.1

Usefulness of the survey/condition information

Q And for the property you recently purchased, how useful for informing your decisions overall about the property was the condition information you received or commissioned?



Base: All who have bought a property and/or in the process of buying a property (939)
Ipsos MORI

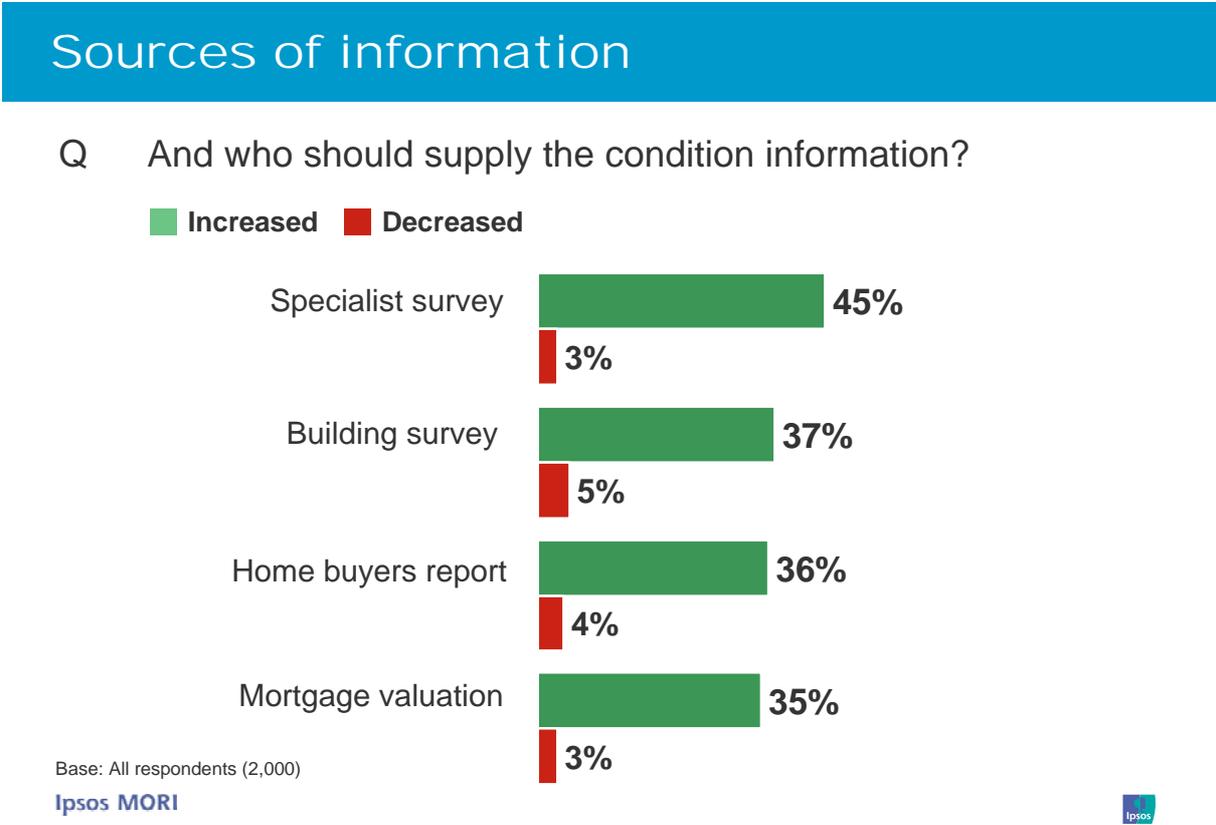


In the discussion groups there was support for increasing the uptake of condition information, potentially requiring a condition report to every mortgage valuation. Some participants who had experience of commissioning a separate survey and valuation thought this might be more cost effective although, in the case of many home buyer's surveys, this is effectively current practice.

Half of respondents felt that the condition information they received tended to make no difference to the length of time it took to complete the purchase of their property (52%). Three in ten (30%) felt it had increased the length of transaction and only 4 per cent considered it had reduced the time.

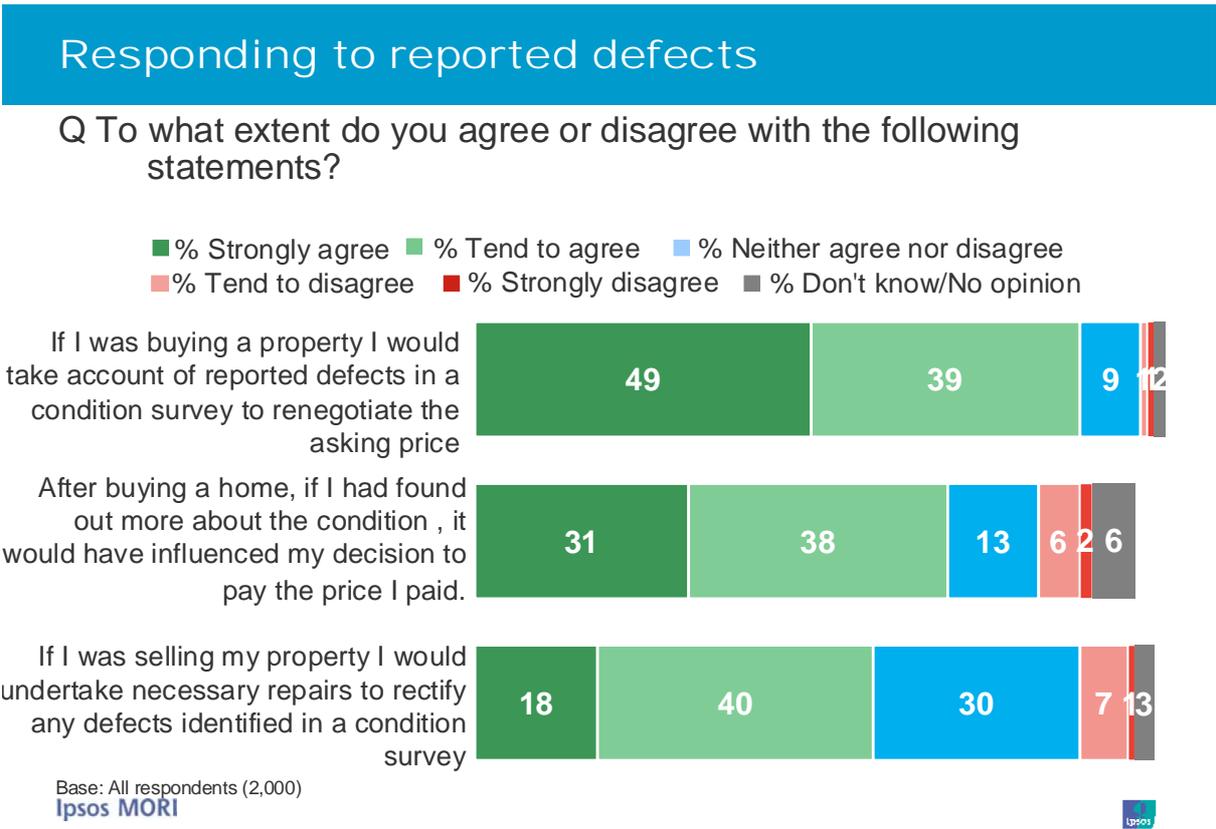
However, those who had commissioned condition surveys were more negative. The proportion of those who felt that the condition information had increased the length of timing of the transaction is highest among those who had a specialist survey conducted (45%), potentially reflecting the more thorough information produced in this type of survey and its implications for the home buying decision (Figure 4.2). This finding was supported by participants in the qualitative groups who suggested that survey information as well as searches can be key reasons for delays occurring in the buying and selling process.

Figure 4.2 Attitudes to transaction time by type of survey commissioned



When asked for their potential responses to condition information, nearly nine in ten (88%) of all respondents reported that they would take account of reported defects in a condition survey to renegotiate the price, while seven in ten (69%) of respondents suggest that as a buyer, finding out more about the condition of property would influence the price they paid. Three in five say that, if selling, they would undertake any necessary repairs to rectify any defects identified in a condition survey (59%) (Figure 4.3). This kind of response was reflected in the discussion groups where buyers generally felt that condition information from either home buyer’s reports or full structural surveys saved them hassle or allowed them to reduce their offer or pull out if there was a major problem.

Figure 4.3



When looking at these survey results it is important to note that respondents often over estimate their own intentions to do things. For example, whilst 88 per cent said they would use condition information to renegotiate the price, we saw in the previous chapter that only 37 per cent actually did for the property they eventually bought.

The discussion groups revealed how, in reality, both buyers and sellers become exhausted towards the end of the process after often having to repeatedly chase estate agents, solicitors or lenders dealing with their transaction. This can undermine the ability to act on information that comes to light late in the day. A buyer explained that after a fairly long process she was informed a week before moving into a property that she could no longer purchase it due to a problem with the lease. She stated that she felt:

“Exhausted and emotionally drained. I would have tried to sue the estate agent if I had any energy left.”

Buyer, Banbury - town

Further, even full structural surveys are not guaranteed to identify all potential faults. In one case a major structural problem not spotted on a full structural survey:

"I have a Victorian conversion with a 'dodgy' roof which was not picked up during the survey but then it also wasn't picked up when I sold it on later!"

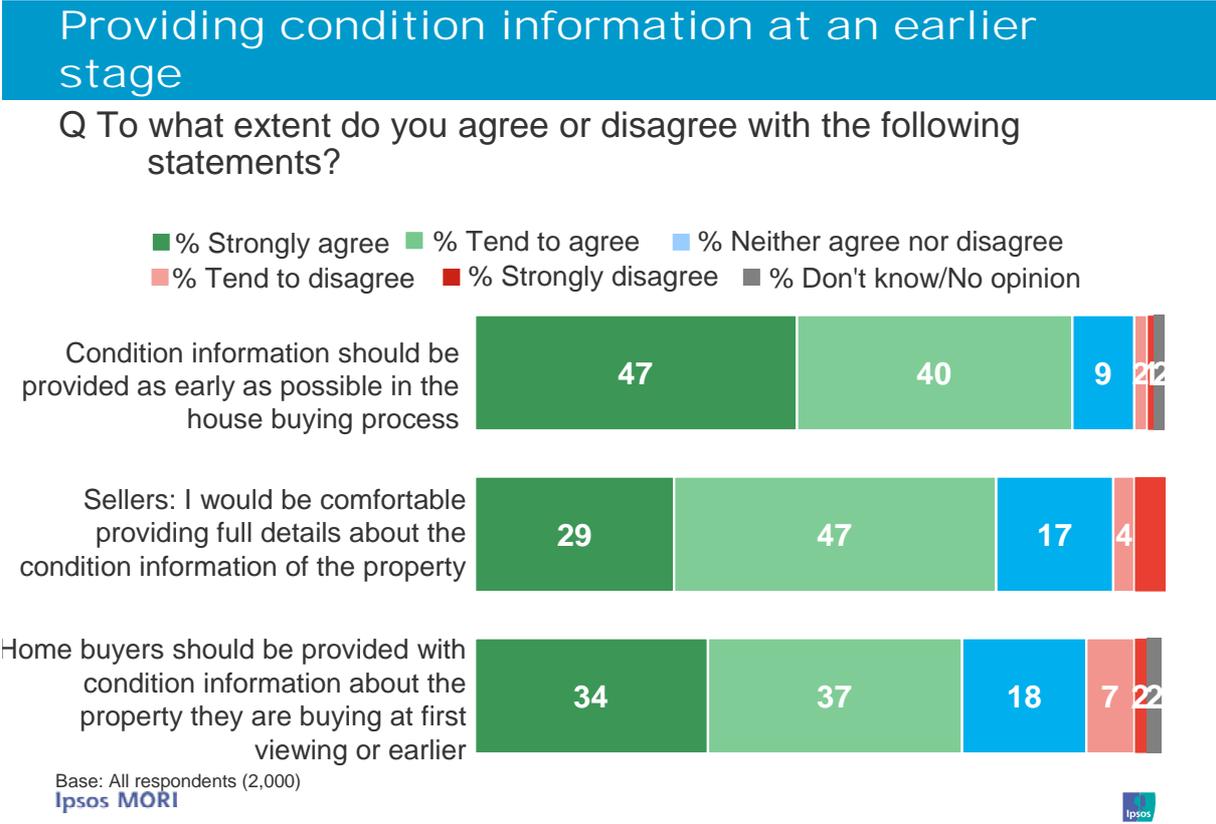
Seller, Banbury - town

Buyers with experience suggested that current surveys do not provide sufficient guarantees that the property they buy will be in a good condition. Buyers believed that surveyors make little effort to check the condition of the property (i.e. by moving carpets up or looking at the loft). This was seen to be a particular problem for home buyer's surveys but was also seen as a potential problem with buildings surveys. They also believed that taking a seller to court can be very expensive and complicated and, as such, offers them little redress if something goes wrong.

4.2 The timing of condition information

When asked for their opinions on what ought to happen with home buying and selling, most respondents believed that condition information should be provided as early as possible in the home buying process (87% agree). Seven in ten (71%) said that home buyers should see condition information about the property they are buying when they are first viewing the property, while one in ten disagree (9%). Over three-quarters of respondents (75%) say that as sellers they would be comfortable with providing condition information at this time.

Figure 4.4



When this was explored in the qualitative research, buyers who felt strongly that a purchaser should not put in more than one offer were often the most enthusiastic about up front condition information. However, even those who do find it acceptable to put in offers on multiple properties generally felt that early condition information would be fairer and reduce the risk of transaction failure.

In discussion, buyers and sellers both felt that the most stressful period of a property transaction is the period between an offer being accepted and completion. Providing buyers with more information about a property before the offer was felt to be a good way of reducing the risk associated with this crucial time of buying and selling. Similarly in the groups, buyers had often made offers based on word of mouth information from sellers and estate agents that frequently turned out to be inaccurate. Many suggested that the process would work more effectively if they could receive independent condition information when they are ready to put in an offer, so that they can be confident in the property they are buying and not be landed with complications after completion:

“The vendor can lie. I am trying to sue the vendor but there is no legal body to talk to. Only expensive solicitors. I own the property but cannot find information about what happened to it prior to my ownership”.

Buyer, Harrow - lower
understanding

Many participants argued that a really detailed independent search should take place before a property is marketed and considered the reduction in stressful negotiations based on emerging information that would result. Preferences for full structural surveys were stronger among rural participants, reflecting the more unique and often older properties in rural markets:

“The problem is you don’t get a surveyor report until you put the offer in then you find out that there is something wrong with the property so you have to reduce your offer which causes hassle. So it would be more useful to have got the information before you made the offer”.

Buyer, Banbury - town

“You would never put an offer on a car without knowing if it is safe to drive so you should do the same with a house. You should have the info there to know this house is up to this standard before anymore should be discussed.”

Buyer Harrow - lower
understanding

“Rather than the HIP, the valuation survey, any other survey at different times, have it all at one go at the start. Then it saves so much time going through stuff in dribs and drabs.”

Buyer, Harrow - lower understanding

As an independent search would have to be commissioned by the vendor, some sellers were concerned that the upfront cost of selling could increase if such a policy was implemented – however they argued that they could probably recoup the cost in their subsequent purchase – so there would be no increase in the net cost of such a system.

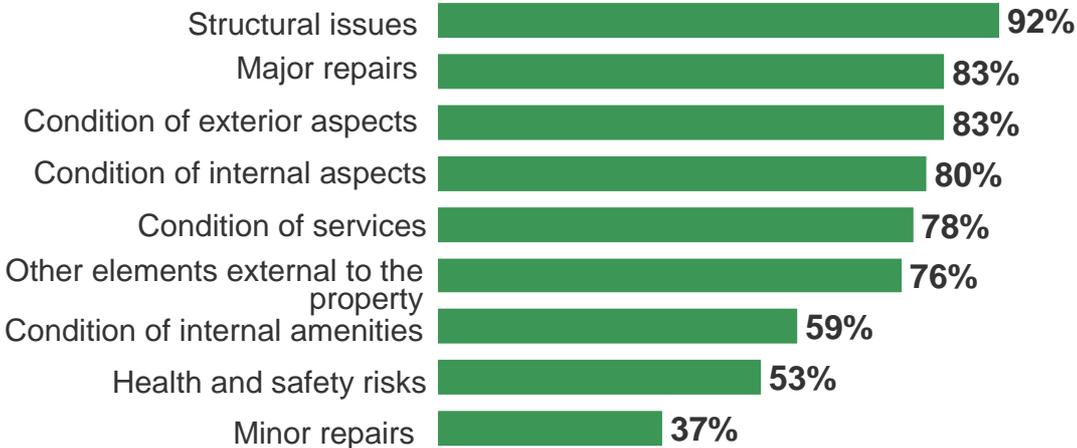
4.3 Condition information preferences

When selling a property, it was felt that information should be provided on structural issues in particular (92%), major repairs (83%), the condition of exterior aspects (83%) and the condition of internal aspects (80%). Minor repairs and health and safety risks were seen as less important. Respondents had similar priorities when answering from the view point of buyers.

Figure 4.5

Condition Information sellers should provide

Q Now thinking more generally about selling a property. When selling a property, what information about the condition of the property do you think should be provided? Information on . . .



Base: All respondents (2,000)
Ipsos MORI



When considering their preferences, renters or those living with friends or family were amongst the most likely to suggest that sellers should provide more condition information, while owner occupiers are less enthusiastic fearing the implications for their own sale (Table 4.1).

Table 4.1 Variation in expectations of what condition information should be provided by sellers, by current tenure

	Owner occupiers	Renters or living with friends/family
	% saying information should be provided on...	% saying information should be provided on...
Minor repairs	34	45
Major repairs	82	84
Structural issues	92	90
Condition of internal aspects	78	81
Condition of internal amenities	57	64
Condition of exterior aspects	76	84
Condition of internal amenities	82	
Health and safety risks	50	62
Other elements external to the property	75	79
Base	1496	480

When discussion group participants were asked what should be included in condition information, their concerns reflected their previous experience and their local market. However, their concerns covered issues far broader than just condition information from flooding to subsidence, boundaries, and future developments being considered as having the greatest impact on the value of their properties.

Whatever the consensus on what should be in condition reports, there was a common strand in the qualitative research of wanting to simplify the process by co-ordinating the inspections and bringing it up front:

“It would be nice if the surveyor made one visit and brought the electrician or gas specialists for example with him. Then it is done all at once and you have the information you need, instead of at different stages with different people you have it all at once. If that information was together and was legally binding and the estate agent didn’t offer it would be appealing.”

Buyer, Banbury – town

“When you get a valuation and pay how ever much for that, then get a structural engineer in and look at all that, then you may find there are problems so have to change the offer. It would be nice to have all of that first of all. If we pay for a HIP pack why not have that?”

Buyer, Banbury - rural

4.4 Who should provide condition information?

INITIAL ADVICE AND GUIDANCE

Respondents would largely expect to receive advice or guidance on obtaining information about property condition from their appointed surveyor (82%), however, around three in five (57%) would also expect some condition information from the estate agent. Around half would expect to receive this information from the seller (48%), from the solicitor (49%) or from the mortgage lender’s surveyor (48%), and only a quarter would expect it to come from the seller’s solicitor (23%).

There is a close relationship between how respondents expect to receive advice or guidance and how much they trust those sources. Respondents overwhelmingly trust the advice and guidance they receive from an appointed surveyor (95% say they are ‘likely’ to trust this information). Four in five (79%) would also trust the information they received from their mortgage lender’s surveyor.

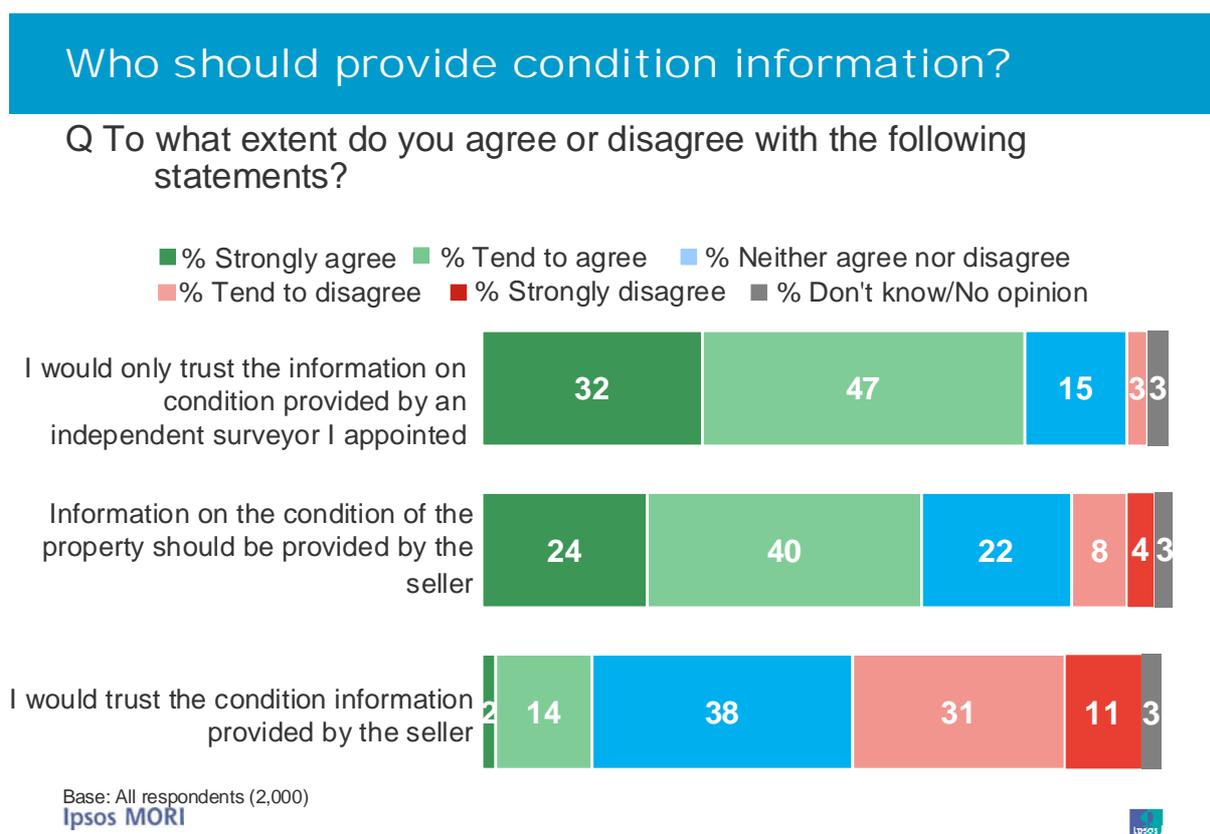
However, only a third (36%) would trust the advice or guidance given to them from an estate agent and only three in ten (30%) would trust information received directly from the seller. Despite not expecting to receive advice or guidance from a solicitor, they are seen as a trusted source. Almost nine in ten (86%) would trust the information they received from their solicitor. However, less than half (48%) would trust the information they received from the seller’s solicitor.

DELIVERY

When asked ‘who should supply the condition information’ opinion was a little more divided. Over one-third felt that the buyer’s surveyor should provide this (37%) whilst around one in five (22%) thought the seller should supply a condition report. One in six (16%) thought it should come from the estate agent and only 4 per cent thought it should come from the buyer’s solicitor.

Four in five (78%) agreed that they would only trust any condition information they received that had been provided by *“an independent surveyor I appointed”*, this contrasts with fewer than one in seven (16%) who agree they would trust condition information provided by the seller. Despite this nearly two-thirds (64%) agreed that condition information on the property should be provided by the seller.

Figure 4.6



In discussion, buyers talked about placing their trust in their own abilities to check a property and will often use a builder, plumber or electrician to provide a cheaper assessment of a property (but potentially one without the legal protection of an official survey):

“We have a builder friend who we use a lot because he really knows his stuff, almost as good as a survey. The thing with surveyors anyway is that they don’t always rip the floor boards up or look that thoroughly. Then at the end you have them saying if we didn’t spot this because of so and so then we are not going to be responsible.”

Buyer, Banbury – town

Younger buyers are more likely to trust the views of their parents and other older relatives, and in turn, their contacts with people able to provide informal inspections. These younger buyers are looking for more advice about which type of condition information they should consider. They suggested that additional independent guidance (perhaps a tick-list of searches or a handbook) would help them feel more confident about the decisions they (or their solicitor) are making:

“A handbook may be helpful. I felt that sometimes the knowledge from the “experts” was varied and unhelpful.”

Buyer Banbury – rural

If information were to be provided by the seller, the qualitative research revealed how buyers would want condition information provided by the seller to be supplied by a completely independent surveyor to receive buyers' trust. They would also look for more legal guarantees and opportunities for simple redress rather than face trying to sue a surveyor.

"If that information was together and was legally binding ... it would be appealing."

Seller, Banbury – town

5. Conclusions

Both the online survey and qualitative research revealed that there is a considerable amount of confusion about what constitutes condition information and a discrepancy between the extent people say they will go to gather condition information and the reality once they have found the property they want.

There is also an underlying contradiction between the strong desire for upfront condition information to prevent stressful and costly delays after the offer has been made but a lack of trust in any information not provided by someone who the buyer has commissioned themselves. Buyers would need to perceive that the condition information was coming from a completely independent and authoritative source if they are to change that view.

Appendix 1: Methodology and sample profile

A1.1 The Ipsos MORI online panel

The Ipsos MORI panel contains members of over 185,000 households in England and Wales. It differs from many others online panels in the way that it is recruited via face to face interviews to verify respondent characteristics and ensure representativeness by actively recruiting those who are traditionally under-represented in online surveys.

We also work hard to maximise fieldwork time to allow time for reminders to those less likely to take part because they are busy or have a lower interest in the subject. In this project, the timetable was compressed to meet reporting deadlines; however we still issued a reminder to improve response towards the end of the week that the survey was in the field.

There are two potential drawbacks of online panels that in the case of this home buyer and seller research were judged not to pose a threat to the quality of the data:

- Internet use among those over 65 is still lower than the younger population (although rising rapidly) and those that do have access tend to be from more professional and managerial groups.
- Internet use is also lower among those on the lowest incomes, concentrated in the social rented sector. Ipsos MORI has worked hard to raise participation rates among lower income groups to much higher levels than simply 'opt in' online polling.

In both of these instances, home buyers and sellers will be on moderate or higher incomes amongst whom we have thorough coverage.

A1.2 The profile of respondents

The proportions of respondents who have bought and/or sold a home in the last three years, or who are currently in the process of buying and/or selling a home, who were interviewed for this survey are as follows:

	Number of people	Percentage of respondents %
	2,000	100
Gender		
Male	618	31
Female	1382	69
Age		
18-24	62	3
25-34	543	27
35-44	547	27
45-54	419	21
55-64	324	16
65-74	92	5
75+	13	1
Government Office Region		
North East	73	4
North West	243	12
Yorkshire & Humberside	190	10
East Midlands	160	8
West Midlands	187	9
East Anglia	252	13
South West	207	10
Greater London	221	11
South East	366	18
Wales	87	4
Ethnicity		
White	1859	93
BME	131	7
Social Grade		
AB	749	37
C1	665	33
C2	416	21
DE	170	9

Source: Ipsos MORI

A1.3 Options for weighting

For every survey, we consider how representative we judge the respondents to be of the target population in which we are interested and, where possible, take action to reweight the data using authoritative National Statistics such as the Labour Force Survey as our basis for comparison.

Where the survey was intended to be of the general population or all homeowners, for example, this is a relatively straightforward process of matching the two samples by common characteristics such as age, sex and sometimes socio-economic characteristics and adjusting the importance of responses given by some subgroups according to whether they were over or under-represented in our survey.

This survey differs in that there is no known national survey of the characteristics of people who have bought a home in the last three years; are in the process of buying or selling; or intend to buy in the next two. Given the frequency of home moves among those in their 20s and 30s compared to older groups, and the higher likelihood of women buying a property at a younger age than men, we can expect this population to be younger and contain a higher proportion of women than the total home owning population, and this is indeed reflected in the sample profile. Similarly, home buying and selling is more frequent in regions with younger populations, notably London and the south east.

One source against which we may compare, but not match, our survey is the age profile of owner occupier household reference persons who have moved in the last year, collected by the Survey of English Housing (SEH)⁶.

Table A1.1 Comparison of age profile of Condition Information Survey respondents with owner occupier household reference persons who have moved in the last year from the Survey of English Housing, 2007

	Condition Information Survey 2009	SEH %
	%	
Age		
18-34	30	40
35-44	27	26
45-54	37	26
65-74	5	5
75+	1	1

⁶ Survey of English Housing 2007: Live Table S244
<http://www.communities.gov.uk/housing/housingresearch/housingsurveys/surveyofenglishhousing/seh/ivetables/newrecently/>

Whilst there are some differences in the age profile of the two samples, both reflect the activity of the housing market among the working age population. We cannot, however, draw conclusions given the different groups that we are comparing, specifically:

- The SEH interviews the household reference person. The condition information survey included respondents who were single or joint householders, and therefore not necessarily the head of household.
- The SEH figures are based on those who are currently in owner occupation and moved in the last year. The condition information survey includes those who have bought or sold in the last three years, so not necessarily still in owner occupation, plus those who are seeking to buy in the next two years who may come from a variety of tenures.
- The surveys have been conducted two years apart. In the current economic climate the characteristics of those currently moving or intending to buy could have changed.

We therefore concluded that the SEH is not an appropriate source for weighting information.

Secondly, we considered simply using the characteristics of either the general or specifically home owning, population, easily obtainable from surveys such as the Labour Force Survey, to weight our results. When we tested these options, weighting to the profile of the general population has the unwanted impact of massively increasing the importance of the responses of the population under 25, who have not yet generally entered the home buying and selling market and therefore form a small group in our survey. By contrast, when reweighting according to the known homeowner population, the attitudes of older homeowners, particularly the retired population, who are not representative of those buying and selling homes, are given excessive importance.

In conclusion, in the absence of a suitable dataset against which to match our data we do not recommend reweighting of the data. The age, gender and regional profile of our sample is broadly as you would expect from a study of this type and we would recommend no alterations are made to the data that can be argued to introduce unwanted biases to the data.

A1.4 Qualitative research recruitment

Our in-house qualitative recruiters were issued with a structured recruitment questionnaire, and corresponding interviewer instructions, which assessed the eligibility and suitability of people to take part. The recruiters were given quotas with the aim of achieving a good mix of the different types of home buyers and sellers. During recruitment all quotas were filled and turn out was exceptional. Below is a brief breakdown of the numbers who attended each group as well as the breakdown of buyers and sellers.

Group	One	Two	Three	Four
Location	Harrow	Harrow	Banbury	Banbury
Area participants from	Urban	Urban	Town	Rural
Experience	High understanding of condition information	Lower understanding of condition information	Mixed understanding of condition information	Mixed understanding of condition information
Number who attended group	12	12	12	12

A2 Online survey questionnaire

DEMOGRAPHIC INFORMATION FROM PANEL

- **Employment Status**
- **Marital Status**
- **Social Grade**
- **Household Size**
- **Region**

S1
SP
ASK ALL

Have you bought and/or sold a home in the last three years?

Please select one answer only

1. Yes – I have bought and sold a home in the last three years
2. Yes – I have bought a home in the last three years
3. Yes – I have sold a home in the last three years
4. No

S2
SP
ASK ALL

Are you currently in the process of buying and/ or selling a home?

Please select one answer only

1. Yes – My home is on the market and I am actively seeking to buy a house.
2. Yes – I am actively seeking to buy a house
3. Yes – my home is on the market
4. No

S3
SP
ASK ONLY THOSE WHO HAVE REPLIED “NO” TO S1 AND S2

Are you considering the possibility of buying a home in the next two years?

Please select one answer only

1. Yes, I am considering looking for somewhere to buy in the next two years
2. No, I am not interested in buying in the next two years.

PLEASE QUALIFY FOR MAIN SURVEY IF Q1= 1,2 OR 3 OR Q2=1,2 OR 3 OR Q3=1

PLEASE SCREEN OUT RESPONDENTS FROM SCOTLAND AND NORTHERN IRELAND

MAINSTAGE QUESTIONNAIRE

All consumers who qualify for the main survey

**S4
SP
ASK ALL**

What is your age currently?

Please select one answer only

1. 18 - 34
2. 35 - 44
3. 45 - 54
4. 55 - 64
5. 65 - 74
6. 75+

**S5
SP
ASK ALL**

Which of these best describes your ethnic group?

Please select one answer only

WHITE:

1. British
2. Irish
3. Any other white background

MIXED:

4. White and Black Caribbean
5. White and Black African
6. White and Asian
7. Any other mixed background

ASIAN, ASIAN BRITISH:

8. Indian
9. Pakistani
10. Bangladeshi
11. Any other Asian background

BLACK, BLACK BRITISH:

12. Caribbean
13. African

14. Any other black background

CHINESE, CHINESE BRITISH:

15. Chinese

16. Any other background

17. Refuse

S6
SP
ASK ALL
OPEN NUMERIC

How many children under 16 do you have in your household?

Please type in your answer

EXPERIENCE OF BUYING/SELLING A HOME

We would now like to ask you some questions about the process of buying and selling your property.

Q1
SP
ASK ALL IDENTIFIED FROM THE SCREENING QUESTIONS WHO HAVE BOUGHT OR SOLD A PROPERTY IN THE LAST THREE YEARS (CODES 1- 2 AT S1)

How long have you lived in your current home?

Please select one answer only

1. Less than 1 year
2. More than 1 year but less than 3 years
3. More than 3 years but less than 5 years
4. More than 5 years but less than 10 years
5. More than 10 years

Q2
SP
ASK ALL WHO ARE IN THE PROCESS OF BUYING A NEW HOME OR CONSIDERING THE POSSIBILITY OF BUYING A HOME IN THE NEXT THREE YEARS (CODES 1-3 AT S2 OR CODE 1 AT S3)

When do you hope to actually move to your new home?

Please select one answer only

1. Within the next three months
2. More than three months but less than six months
3. More than 6 months but less than 1 year

4. In one year or more

DETAILS OF THE HOME RECENTLY BOUGHT

IF S1 = 1 OR 2 THEN SHOW:

You told us you bought a home. The following questions are about the most recent property you have bought.

IF S2 = 1 OR 2 THEN SHOW:

You told us you are in the process of buying a home. The following questions are about the most recent property you are buying.

IF S3 = 1 THEN SHOW:

You told us you are considering the possibility of buying a home. The following questions are about the most recent property you are thinking of buying.

IF S1 = 1 OR 2 AND S2 = 1 OR 2 THEN SHOW:

You told us you bought a home. The following questions are about the most recent property you have bought.

Q3

SP

ASK ALL WHO HAVE BOUGHT A HOME AND/ OR WHO ARE BUYING/CONSIDERING BUYING (CODES 1-2 AT S1, AND/ OR CODES 1-2 AT S2 OR CODE 1 AT S3)

Q3 Is the property a house /bungalow or a flat?

Please select one answer only

1. House/Bungalow
2. Flat

Q4

SP

ASK ALL WHO HAVE BOUGHT A HOME AND/ OR WHO ARE BUYING/CONSIDERING BUYING (CODES 1-2 AT S1, AND/ OR CODES 1-2 AT S2 OR CODE 1 AT S3)

IF S1 = 1 OR 2 THEN SHOW:

Is the home that you bought freehold, common hold or on a lease?

IF S2 = 1 OR 2 THEN SHOW:

Is the home that you are in the process of buying freehold, common hold or on a lease?

IF S3 = 1 THEN SHOW:

Is the home that you are thinking of buying freehold, common hold or on a lease?

IF S1 = 1 OR 2 AND S2 = 1 OR 2 THEN SHOW:

Is the home that you bought freehold, common hold or on a lease?

Please select one answer only

1. Freehold
2. Commonhold
3. Leasehold
4. Don't know

Q5

SP

ASK ALL WHO HAVE BOUGHT A HOME AND/ OR WHO ARE BUYING/CONSIDERING BUYING (CODES 1-2 AT S1_f AND/ OR CODES 1-2 AT S2 OR CODE 1 AT S3)

Q5. And how many bedrooms does the home have?

Please select one answer only

1. Studio
2. 1 bedroom
3. 2 bedrooms
4. 3 bedrooms
5. 4 bedrooms
6. 5 bedrooms or more
7. Don't know

AWARENESS OF CONDITION INFORMATION

As part of the buying and selling process there are various types of information available about the condition of the property that is on the market.

Q6

SP

ASK ALL WHO QUALIFY FOR MAIN SURVEY (CODES 1 – 3 AT S1_f AND/ OR CODE 1-3 AT S2, OR CODE 1 AT S3)

Generally, are you aware that qualified surveyors are regularly used in the home buying and selling process to collect condition information about a property?

Please select one answer only

1. Yes
2. No
3. Don't know

Q7

MP

ASK ALL WHO QUALIFY FOR MAIN SURVEY (CODES 1 – 3 AT S1₇ AND/ OR CODE 1-3 AT S2, OR CODE 1 AT S3)

When it comes to buying or selling a property, what do you understand an assessment of the condition of a property to cover? Information on.....

Please select all that apply

1. Minor repairs
2. Major repairs
3. Structural issues
4. Condition of internal aspects – like roof structure, ceilings, internal walls, floors
5. Condition of internal amenities – like bathroom or kitchen
6. Condition of services – gas, electricity, heating, water, drainage
7. Condition of exterior aspects – like chimneys, roof covering, walls, windows, doors
8. Other elements external to the property – like boundary walls, outbuildings, garages
9. Health and safety risks

Q8

SP

ASK ALL WHO QUALIFY FOR MAIN SURVEY (CODES 1 – 3 AT S1₇ AND/ OR CODE 1-3 AT S2, OR CODE 1 AT S3)

Overall, how important do you consider condition information to be in the home buying and selling process?

Please select one answer only

1. Very important
2. Fairly important
3. Not very important
4. Not at all important
5. Don't know

Q9

GRID - SP PER ROW

ASK ALL WHO QUALIFY FOR MAIN SURVEY (CODES 1 – 3 AT S1₇ AND/ OR CODE 1-3 AT S2, OR CODE 1 AT S3)

And to what extent are you aware of the following?

Please select one answer per row

DOWN THE SIDE

- A Building Survey
- B Home Buyer's Report
- C Mortgage valuation
- D Specialist survey (e.g. services, drains, damp etc)

ACROSS THE TOP

Yes – I know what this is

Yes – I have heard of it but don't know anything about it

No – I have not heard of it

Don't know

CONDITION INFORMATION THEY SAW AS PART OF THEIR PURCHASE

And now thinking about the home you recently purchased or are currently purchasing.....

Q10

MP – CODES 5 AND 6 ARE EXCLUSIVE

ASK ALL WHO HAVE BOUGHT A PROPERTY AND/ OR IN THE PROCESS OF BUYING A PROPERTY (CODES 1-2 AT S1 AND/ OR CODES 1-2 AT S2)

Which, if any, of the following did you have completed on the property you recently purchased/currently purchasing?

Please select all that apply

1. Building Survey
2. Home Buyer's Report
3. Mortgage valuation
4. Specialist survey (e.g. services, drains, damp etc)
5. None
6. Don't know /can't remember

Q11

GRID - SP PER COLUMN

ASK ONLY IF A SURVEY WAS CONDUCTED AT Q10 (CODES 1-4).

OTHERS GO TO Q12.

SHOW ONLY THOSE CODED AT Q10

Approximately how much did each of these cost?

Please select one answer per column

ACROSS THE TOP

1. Building Survey
2. Home Buyer's Report
3. Mortgage valuation

4. Specialist survey

DOWN THE SIDE

1. Less than £300
2. £300-£499
3. £500-£749
4. £750-£999
5. £1,000 or more
6. No cost
7. Not applicable – no survey
8. Don't know /can't remember

Q12

MP – CODE 8 IS EXCLUSIVE

ASK ONLY IF NO SURVEY COMPLETED AT Q10 (CODE 5). OTHERS GO TO Q13.

Why did you choose not to have a survey completed on the property?

Please select all that apply

1. Mortgage lender accepted condition information provided by seller
2. Mortgage lenders did not require one
3. Property was nearly new, and covered under NHBC
4. Cost – too expensive
5. Personal professional knowledge
6. I accepted condition information provided by seller
7. Other
8. Don't know /can't remember

Q13

GRID – SP PER COLUMN

**ASK ALL WHO HAD A SURVEY AT Q10 (CODES 1-4)
ONLY SHOW THOSE CODED AT Q10**

At what stage were the following undertaken?

Please select one answer per column

ACROSS THE TOP

1. Building Survey
2. Home Buyer's Report
3. Mortgage valuation
4. Specialist survey (e.g. services, drains, damp etc)

DOWN THE SIDE

1. Before I/we made our first offer
2. After the first offer was made
3. Before I/ we exchanged
4. After I/we exchanged
5. Before completion
7. Did not see the information

6. Don't know/can't remember

Q14
SP
ASK ALL WHO HAD A SURVEY AT Q10 (CODES 1-4)

Did the condition information about the property highlight any particular issues about the condition of the property?

Please select one answer only

TICK ONE BOX ONLY

1. Yes
2. No
3. Don't know /can't remember

Q15
MP
ASK ONLY IF YES AT Q14 (CODE 1). OTHERS GO TO Q16.

What did it highlight?

Please select all that apply

1. Minor repairs
2. Major repairs
3. Structural issues
4. Condition of internal aspects – like roof structure, ceilings, internal walls, floors
5. Condition of internal amenities – like bathroom or kitchen
6. Condition of services – gas, electricity, heating, water, drainage
7. Condition of exterior aspects – like chimneys, roof covering, walls, windows, doors
8. Other elements external to the property – like boundary walls, outbuildings, garages
9. Health and safety risks
10. Other (please specify)

Q16
MP – CODE 6 IS SP
ASK ONLY IF 'YES' AT Q14 (CODE 1). OTHERS GO TO Q18.

What action, if any, did you take as a result of the condition information?

Please select all that apply

1. I/ we insisted the seller undertake work to the property
2. I/we lowered our offer
3. I/we had an additional survey completed
4. I/we did not take any action

5. Other (PLEASE WRITE IN')
6. Don't know/can't remember

Q17

SP

ASK ONLY IF SELECT "LOWERED OUR OFFER" AT Q16 (CODE 2)

Q17. And did the final purchase price change as a result of lowering your offer?

Please select one answer only

1. Yes
2. No
3. Don't know /can't remember

Q18

MP – CODE 5 IS SP

ASK ALL

Since purchasing your property, have you commissioned any of the following?

Please select all that apply

1. Building Survey
2. Home Buyer's Report
3. Mortgage valuation
4. Specialist survey
5. Don't know /never heard of any

USEFULNESS OF THE SURVEY/CONDITION INFORMATION

Q19

SP

ASK ALL WHO BOUGHT A PROPERTY AND/ OR ARE CURRENTLY PURCHASING ONE (CODES 1-2 AT S1 AND/ OR CODES 1-2 AT S2)

IF S1 = 1 OR 2 THEN SHOW:

And for the property you recently purchased, how useful for informing your decisions overall about the property was the condition information you received or commissioned?

IF S2 = 1 OR 2 THEN SHOW:

And for the property you are currently purchasing, how useful for informing your decisions overall about the property was the condition information you received or commissioned?

IF S1 = 1 OR 2 AND S2 = 1 OR 2 THEN SHOW:

And for the property you recently purchased, how useful for informing your decisions overall about the property was the condition information you received or commissioned?

Please select one answer

1. Very useful
2. Fairly useful
3. Not very useful
4. Not at all useful
5. Don't know/no opinion

Q20

SP

ASK ALL WHO BOUGHT A PROPERTY AND/ OR ARE CURRENTLY PURCHASING ONE (CODES 1-2 AT S1 AND/ OR CODES 1-2 AT S2)

Do you think the condition information increased or decreased the length of timing of the transaction?

Please select one answer

1. It increased the length
2. It decreased the length
3. It made no difference
4. Don't know/no opinion

CONDITION INFORMATION BUYERS WOULD WANT IN GENERAL

Q21

MP

ASK ALL

Now thinking more generally about buying a property. As a buyer, what information about the condition of the property would you like to be provided with?

Information on.....

Please select all that apply

1. Minor repairs
2. Major repairs
3. Structural issues
4. Condition of internal aspects – like roof structure, ceilings, internal walls, floors

5. Condition of internal amenities – like bathroom or kitchen
6. Condition of services – gas, electricity, heating, water, drainage
7. Condition of exterior aspects – like chimneys, roof covering, walls, windows, doors
8. Other elements external to the property – like boundary walls, outbuildings, garages
9. Health and safety risks

Q22
MP
ASK ALL

Are there any particular sources from which you would expect to receive advice/guidance on getting information about property condition?

Please select all that apply

1. From the seller
2. From the estate agent
3. From my appointed surveyor
4. From my solicitor
5. From the seller's solicitor
6. From my mortgage lender's surveyor
7. From other sources

Q23
GRID – SP PER ROW
ASK ALL

And how likely are you to trust advice/guidance on getting information about property condition from each of the following sources?

Please select one answer per row

DOWN THE SIDE

1. From the seller
2. From the estate agent
3. From my appointed surveyor
4. From my solicitor
5. From the seller's solicitor
6. From my mortgage lender's surveyor

ACROSS THE TOP

1. Very likely
2. Fairly likely
3. Not very likely
4. Not at all likely

5. Don't know/No opinion

CONDITION INFORMATION SELLERS WOULD WANT IN GENERAL

Q24
MP
ASK ALL

Now thinking more generally about SELLING a property. When selling a property, what information about the condition of the property do you think should be provided?

Information on.....

Please select all that apply

1. Minor repairs
2. Major repairs
3. Structural issues
4. Condition of internal aspects – like roof structure, ceilings, internal walls, floors
5. Condition of internal amenities – like bathroom or kitchen
6. Condition of services – gas, electricity, heating, water, drainage
7. Condition of exterior aspects – like chimneys, roof covering, walls, windows, doors
8. Other elements external to the property – like boundary walls, outbuildings, garages
9. Health and safety risks

Q25
SP
ASK ALL

And who should supply the condition information?

Please select one answer

1. the seller
2. the estate agent
3. the buyers surveyor
4. the buyers solicitor
5. the seller's solicitor
6. the mortgage lender's surveyor

ATTITUDES TOWARDS THE HOME BUYING AND SELLING PROCESS AND CONDITION INFORMATION

We would now like to ask you about your views on the process of buying and selling properties in general.

Q26
GRID – SP PER ROW
ASK ALL

To what extent do you agree or disagree with the following statements about the process of buying and selling properties?

Please select one answer per row

ACROSS THE TOP

1. Strongly agree
2. Tend to agree
3. Neither agree nor disagree
4. Tend to disagree
5. Strongly disagree
6. Don't know/no opinion

DOWN THE SIDE

1. I have a good understanding of the different types of survey that are available and their relative advantages and disadvantages
2. Condition surveys are only necessary on old properties or those with particular problems
3. Condition information should be provided as early as possible in the house buying process
4. More condition information should be made available during the house purchasing process.
5. Home buyers should be provided with information about the condition of the property that they are buying at the time or first viewing a property or earlier.
6. After buying a home, if I had found out more about the condition, it would have influenced my decision to purchase the property at the price I paid.
7. If I was buying a property I would take account of reported defects in a condition survey to re-negotiate the asking price
8. I rely on my solicitor to advise me on whether I need a condition survey
9. I rely on my solicitor to advise me on what condition survey I need
10. I would only trust the information on condition provided by an independent surveyor I appointed
11. Before buying a property, I would always pay for the most comprehensive survey that I could afford
12. Information on the condition of the property should be provided by the seller
13. I would trust the condition information provided by the seller

14. If I was selling my property, I would be comfortable providing full details about the condition of my property
15. If I was selling my property I would undertake necessary repairs to rectify any defects identified in a condition survey

A3 Qualitative research group discussion guide

Objectives:

- Explore participants' experiences of buying and selling properties – find out where things have gone well and badly.
- Explore how mortgage valuation and condition information contribute to buyers and sellers experiences and “fit in” with other aspects of the buying and selling process.
- Consider their understanding of mortgage valuation and how they use it.
- Consider their understanding of condition information and how they use it.
- Consider what changes (if any) they would like to the way that mortgage valuation and condition information is currently organised.

Moderator notes:

Mortgage valuation: Buyers need a mortgage valuation before their mortgage company will risk lending them a mortgage in order to buy their property. This will affect most buyers. The valuation would not ordinarily include detailed information explaining why the mortgage company made the decision they did.

Valuation for sellers: Sellers will get a valuation from their estate agents – a prediction of the price their property will sell at considering issues such as size, location and condition etc.

Condition information: We are defining condition information as information telling buyers about the physical condition of their property. We can probe on what this means to the buyers and sellers.

Timing	Coverage	Objective	Materials
Timeline exercise/ Questionnaire (10 minutes)	<p>Welcome participants as they enter and serve tea and coffee</p> <p>As participants enter the group ask them to complete a short time-line exercise charting their “customer journey” of buying OR selling properties. There are also some questions on information provision.</p> <p>OUTPUTS: Timeline case studies that can be referred to throughout the group. After the groups we will write up some of the timelines as short case studies. They could be included within a summary report/ briefing.</p>	Will warm the group up and ensure they all have an opportunity to think about the subject independently. Ensures that the tone of the group is set by all the participants’ views rather than those of a vocal minority.	Timeline exercise to hand out

Timing	Coverage	Objective	Materials
Introduction (5 minutes)	<p>Start the group</p> <p>Introduce yourself, Ipsos MORI and the project. Explain about the length of the discussion. Reassure them there are no right or wrong answers. Explain about confidentiality and tape recording. (get permission to record)</p>	Consistent introduction. Ensure Market Research Society requirements met (i.e. respondents made aware that they are volunteers and their answers/ thoughts will be anonymous.	

Timing	Coverage	Objective	Materials
<p>Exploring different individual experiences</p> <p>Buying properties</p> <p>(15 mins)</p>	<p><i>Ask participants to use their timelines to summarise their own experiences to the group.</i></p> <p><i>Explain that you will be writing positive and negative experiences on the flipchart as we go through.</i></p> <p>Buying properties</p> <p>Moderator prompts: <i>Ask about different experiences of buying properties. Note similarities and differences across the group.</i></p> <p>Moderator prompts: What went well? What went badly? What were you concerned about?</p> <p>Ask the group:</p> <p>What are the similarities/ differences between these case studies?</p> <p>Look at the positive flipchart ...</p> <p>What is the most common positive experience? What experience is most important/ valuable?</p> <p><i>N.B. Prompt on positive experiences with valuation information and condition information/ surveys</i></p> <p>Look at the negative flipchart ...</p> <p>What is the most common negative experience? What experience is most important/ valuable?</p>	<p>What issues do participants spontaneously mention?</p> <p>Looks at the experience of buyers.</p> <p>Please note we are asking about general experiences but will prompt on valuation and condition information to ensure they are mentioned</p> <p>Moderator note: Make sure that we park the issue of HIPs if it is mentioned as a positive or negative aspect of home buying/ selling.</p>	<p>FLIPCHART</p> <p>Positive experiences</p> <p>Negative experience</p> <p>POSITIVE FLIPCHART</p> <p>NEGATIVE FLIPCHART</p>

	<p>What could help prevent further negative experiences?</p> <p>Where do people need more advice/ support in buying/selling properties?</p> <p><i>N.B. Prompt on negative experiences with mortgage valuation and condition information.</i></p>		
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Timing	Coverage	Objective	Materials
<p>Exploring different individual experiences</p> <p>Selling properties (15 mins)</p>	<p><i>Ask participants to use their timelines to summarise their own experiences to the group.</i></p> <p><i>Explain that you will be writing positive and negative experiences on the flipchart as we go through.</i></p> <p>Selling properties</p> <p>Moderator prompts: <i>Ask about different experiences of selling properties. Note similarities and differences across the group.</i></p> <p>Moderator prompts: What were you concerned about? What went well? What went badly?</p> <p>Ask the group:</p> <p>What are the similarities/ differences between these case studies?</p> <p>Look at the positive flipchart ... What is the most common positive experience?</p>	<p>What issues do participants spontaneously mention?</p> <p>Looks at the experience of sellers.</p> <p>Please note we are asking about general experiences but will prompt on valuation and condition information to ensure they are mentioned.</p>	<p>FLIPCHART</p> <p>Positive experiences</p> <p>Negative experience</p> <p>POSITIVE FLIPCHART</p> <p>NEGATIVE FLIPCHART</p>

	<p>What experience is most important/valuable?</p> <p><i>N.B. Prompt on positive experiences with valuation information and condition information/ surveys</i></p> <p>Look at the negative flipchart ...</p> <p>What is the most common negative experience? What experience is most important/valuable? What could help prevent further negative experiences?</p> <p>Where do people need more advice/support?</p> <p><i>N.B. Prompt on negative experiences with mortgage valuation and condition information/surveys</i></p>		
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OUTPUTS:

These two sections will help us to provide you with a summary explaining the role of the mortgage valuation and condition information and how they fit with the house buying and selling process.

Timing	Coverage	Objective	Materials
<p>Mortgage Valuation (15 - 20 mins)</p>	<p><i>Moderator to explain our research programme is primarily concerned with asking consumers about their views of mortgage valuations and condition information</i></p> <p>Who mentioned a valuation in their questionnaire?</p> <p>What do you understand about how valuation works in the home buying and selling process?</p> <p>What type of valuation do buyers</p>	<p>This section is key: We will be asking participants for their views of valuation information/ how important it is/where it fits with other</p>	

	<p>need? What about sellers?</p> <p>How would you normally set about obtaining valuation information? What steps would you take?</p> <p>How else could it be done?</p> <p>Do you trust the mortgage valuation that you receive/have received?</p> <p>What are your personal experiences of dealing with this type of information as a buyer/seller?</p> <p>PROBE FOR DIFFERENT EXPERIENCES Cost? How long does it take? Do you get the information you expect? Is the valuation fair? Is the valuation useful?</p> <p>Would you have done anything differently in terms of obtaining this information? Is this possible?</p> <p>Is there anything you had wished you had known?</p> <p>MODERATOR NOTE: THE “IDEAL SYSTEM” IS AN EXERCISE. DO NOT INCREASE PARTICIPANTS EXPECTATIONS THAT THE SYSTEM WILL CHANGE.</p> <p>IDEAL SYSTEM: FLIPCHART</p> <p><i>How should valuation work?</i></p> <p>Buyers questions:</p> <p>Are they happy with the way the process of valuation works at the</p>	<p>processes/ look for differences between buyers and sellers views.</p> <p>This section will look to see buyers and sellers aspirations for how valuation should work. Buyers and sellers are tackled separately to see if there are any differences in their views.</p>	
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	<p>moment, what would they prefer?</p> <p>What type of mortgage valuation would suit the buyer?</p> <p>When would you like to receive/see the valuation as buyers?</p> <p>How could this improve the buying process?</p> <p>Sellers questions:</p> <p>Estate agent valuation</p> <p>Could this be improved in any way?</p> <p>How?</p> <p>Mortgage valuation</p> <p>What information would you prefer buyers to receive?</p> <p>When would they like the valuation to occur and when would they like valuation information to be available to them?</p> <p>Should buyers be able to renegotiate the price based on the mortgage valuation?</p> <p>Ask all:</p> <p>What information would have been useful for both parties?</p> <p>How could the process of obtaining mortgage valuation be improved?</p> <p>What would you like to see taken out/included in the process?</p> <p>Should more information about valuation be available for less experienced buyers/sellers?</p>		
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	<p>OUTPUTS: Summary of buyers and sellers thoughts on the valuation process.</p> <p>Their understanding of it? How they use it/would like to use it? How it could be improved?</p>		
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Timing	Coverage	Objective	Materials
<p>Condition information (20 - 25 mins)</p>	<p>Moderator to introduce condition information and ask for understanding from both buyers' and sellers' perspectives.</p> <p>Who mentioned condition information in your questionnaire?</p> <p>FLIPCHART</p> <p>Ask All:</p> <p>What did you/do you understand condition information to mean/cover?</p> <p>What do you think condition information includes? What should it include?</p> <p>PROBE: Needs of different types of buyers (more less experienced/confident) Different properties (older, modern, different types of condition, flats, houses etc.)</p> <p>Sellers: Would you be happy to provide condition information? In how much detail? Have you provided this type of information in the past?</p> <p>What impact do you think the inclusion/exclusion this information</p>	<p>This section is key: This section will focus on views of condition information</p> <p>Again we will look at their ideal system – this should help suggest any potential problems with the present system.</p>	<p>FLIPCHART</p> <p>FLIPCHART</p>

	<p>could have on the value of the property? Has it had an impact on past transactions?</p> <p>Buyers:</p> <p>Have buyers seen this information before? In what form? In how much detail? Was it useful?</p> <p>What would they like to have seen?</p> <p>Did it impact on the price of the property/negotiation?</p> <p><i>Try to make sure that the groups suggestions are based on the needs of different types of buyers and sellers ...</i></p> <p><i>i.e.</i> <i>Different levels of experience</i> <i>Different values of properties and amount of money to spend on surveys etc.</i> <i>Different attitudes/ assessments of risk</i> <i>Different types of properties</i></p> <p>MODERATOR NOTE: THE “IDEAL SYSTEM” IS AN EXERCISE. DO NOT INCREASE PARTICIPANTS EXPECTATIONS THAT THE SYSTEM WILL CHANGE.</p> <p>IDEAL SYSTEM: FLIPCHART</p> <p><i>How should condition information work?</i></p> <p>Buyers questions:</p> <p>What would suit the buyer? When would they like to see the condition information? What would they like to see? (if</p>		
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	<p>anything)</p> <p>How would this improve the buying process?</p> <p>Would they like a solicitor/other parties to be involved?</p> <p>Sellers questions: When would they like the condition information survey to take place?</p> <p>What would they like to be included as part of the survey?</p> <p>How would this improve the buying/ selling process?</p> <p>To what extent would they like a solicitor/other parties to be involved?</p> <p>Ask all:</p> <p>What information would have been useful for both parties?</p> <p>How could the process of obtaining condition information be improved?</p> <p>What would they like to see taken out/included in the process?</p> <p>Should more information about condition surveys be available for less experienced buyers/sellers?</p> <p>OUTPUTS: Summary of buyers and sellers thoughts on condition information</p> <p>Their understanding of it How they use it/ would like to use it How it could be improved</p>		
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Timing	Coverage	Objective	Materials
Concluding Comments (5 minutes)	Ask each participant to explain their key message to CLG Thank participant. Give out incentives and close.	Ensures that we are capturing the participants' key concerns. Bring group to a close.	

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