

Here's your 3-minute-read update from the RPSA



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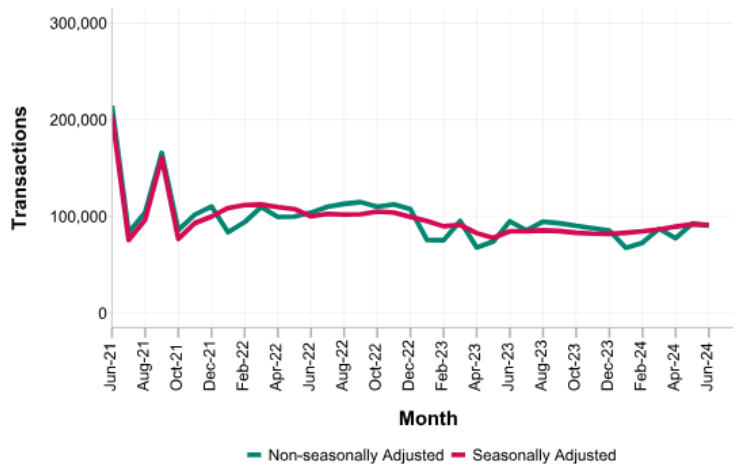
RPSA – Industry update for surveyors – August 2024

What's the property market doing?

The first half of 2024 has been remarkable, if only for it's un-remarkability!

With stable interest rates and lenders becoming more competitive, hopefully helped by the more recent drop in bank base rate, the property market has remained consistently active.

While (seasonally adjusted) Government UK residential property transaction figures show a marginal fall of less than 1% from May 24 to June 24 with 91,370 transactions, they are still running around 8% higher than in June 23. And prices are showing modest increases, up 2.2% between May 23 and May 24 to an average UK price of £285,201.



Surveyors are generally reporting good levels of activity with lead times of 1-4 weeks, though, of course, not at the levels of demand we saw in 2020-21.

Whether we can believe the recent research published by Countrywide Surveying Services, suggesting that only 10% of home buyers chose to pay for a home survey in the first 3 months of 2024 is a matter of debate, and may say more about their own business approach than that of the general market.

While there are the common complaints of “a race to the bottom on fees”, there is no evidence that fees are unusually low, though at the bottom of the market there may be some more aggressive marketing by those firms who are struggling to equate increased overheads, the need to keep their workforce occupied, and a lack of effective USP’s to differentiate their offerings.

A new Government – Back to the future?

While the new Government have hit the ground running in many areas of activity, they have remained relatively silent about factors that are likely to affect residential surveyors. Their key policies are focussed on housebuilding, landlord and tenant relationships (for example, ending Section 21 “no fault” evictions), planning reforms, leasehold reforms, and improving housing conditions.

What is absent (at least for the moment) is any talk of reform of the home buying and selling process, regulation of property agents, alterations to stamp duty, or any other areas likely to significantly affect the work of surveyors.



At the end of July Energy Security and Net Zero Secretary, Ed Milliband MP, announced in a recent session in the House of Commons, that landlords would need to meet an EPC rating of C by 2030. He did not, it seems, provide any details on how this would be achieved or what exemptions may be available. So we can expect more details to follow.

On 6th July MP for Greenwich and Woolwich, Matthew Pennycook, was appointed Minister of State at the (newly renamed) Ministry of Housing, Communities and Local Government. The track record for Housing Ministers isn't great, there having been 16 previous of them in the past 14 years, and 9 under 13 years of the previous Labour administration. Time will tell whether the current minister will stay in the job very long, or become directly involved in issues that could affect our areas of interest.



Whether or not it is relevant, on 5th July 2024, MP for Pontefract, Castleford and Knottingly, **Yvette Cooper**, was appointed as Home Secretary.

This is the very same Yvette Cooper who, as Housing Minister, on Tuesday 18th July 2006 announced that the Home Condition Report would no longer be a mandatory part of HIPs, effectively killing the idea of a pre-marketing survey being offered by a seller to a buyer, and ending the ambitions of many who had trained as, or were training as, Home Inspectors....including me!....but see the next item.....

Material Information – HIPs reborn?

Back in November '23 National Trading Standards issued guidance for Estate and Letting agents detailing the information required prior to marketing a property. They have christened this “Material Information” (MI). While section A covers simple and obvious details such as tenure, Council tax band and asking price, parts B and C go much further in requiring information about the physical characteristics of the property, materials used in its construction, and building safety including the risk of collapse, presence of asbestos cladding, restrictions etc.



It's important to appreciate that there is no “commencement date” by when agents and others must comply with this guidance as Trading Standards stress that it has ALWAYS been a requirement of the Consumer Protection from Unfair Trading Regulations 2008 (CPR's). They say they have simply clarified it.

While estate/letting agents and conveyancers may rely on property owners and sellers “self declaring” information about their property, how many of those are likely to even know what the construction is or whether their property has safety concerns....and even if they do know, how likely are they to be honest?

Those best qualified to determine the construction and safety of a property are, of course, surveyors. And so it seems to be pretty obvious that we should be involved in the preparation and delivery of MI. Which, perhaps, brings us all the way back to a pre-marketing survey....see above!

Professional Indemnity Insurance market conditions – You can't insure your Range Rover, but what about your work?

We've all heard the stories about the inexorable rise in insurance costs for our cars and other possessions, but what about our PI?

PI broker UKGlobal are one of the leading providers of PI insurance to residential surveyors so have a good overview of current market conditions.

Director Tim Grant (tim.grant@ukglobalgroup.co.uk) reports.....



“ We are currently seeing a consistent approach from insurers in the Professional Indemnity market with a sensible approach to underwriting of cases. Market rates are decreasing slightly, with insurers still keeping an eye on the current economic

climate we face and the impact this may have on the property market and the professionals involved in this area. We are seeing an increase in the number of notifications made against surveyors and property professionals at the moment but there doesn't seem to be a specific trend in relation to the type of notification. We believe this may be down to continued financial circumstances many people find themselves in currently."

And in light of recent stories about cyber attacks and events such as the CrowdStrike file update catastrophe, Tim explains *"The offering we provide to RPSA members does include an element of cyber insurance within the policy as an added benefit (no charge) but it a more basic level of cover.*

Insurers genuinely are worried at the moment around the threat of cyber criminals/hackers and attackers as incidents are on the rise. The worry of cyber crime is still significant as is extortion in order for the company to be attacked to allow them to have access to their systems and data bank. There is also the issue of notification to the ICO (Information Commissioners Office) within the 72 hour time frame (and advise those who may be impacted) and the business interruption claims that may arise from no access to their systems/computers.

It is key that companies have taken time to invest in the correct IT systems and software, update their systems and software when advised and don't click on links and documents they don't recognise or are wary of. A strong business continuity plan is key as well, to ensure they have a plan to allow themselves to get back up and running as soon as possible."

Notes

The Residential Property Surveyors Association is a not-for-profit company limited by guarantee and overseen by a representative Council.

Key contacts are:-

Alan Milstein (chairman@rpsa.org.uk): Director for outward communication, oversight, media and external affairs.

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Jerry Quinnell (jerry@rpsa.org.uk): Director IT, systems, financials and membership.

Through its business exchange panel, the RPSA offers a range of survey products including Home Condition Surveys, Building Surveys and the unique Buy-To-Let Survey, all based on the same, comprehensive, industry-leading inspection standard, and all delivering a report more targeted towards the nature and use of the property. The RPSA also sets the only industry standards for new build snagging inspections.

The RPSA panel delivers residential surveys to consumers through its national team of member surveyors, receiving instructions directly from consumers and from third party introducers, supported by bespoke survey software and a robust quality assurance programme.

The RPSA represents the interests of independent residential property surveyors at local, national and Government level and is involved in a range of activities focused on improving the home buying and selling process for consumers.

The RPSA is referenced by respected organisations such as [Which?](#) and [The Government How To Buy Guide](#)

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