



E-Homebuying Forum

Towards Faster Certainty

January 2011

A Blueprint for the Future of Homebuying

This Blueprint has been created to set out a platform for improving the process of buying and selling property and related transactions.

While borne out of frustration with collective industry and Government lack of progress to date, the Blueprint is, in fact, very much a forward looking document. It identifies the key ways in which we can benefit the consumer through **greater transparency, commitment and efficiency in home buying and selling.**

The Blueprint has not been created to serve the interests of a particular property professional or business (e.g. estate agent, surveyor, lender, conveyancer or search company), nor a sector of the property market. Rather, the Blueprint has been developed in the public interest by **the E-Homebuying Forum** – an industry-wide grouping of businesses spanning the property transaction from marketing to completion. It sets out the vision of the Forum for much-needed ways in which our industry can better serve the consumer.

The E-Homebuying Forum represents the ideal interface between Government and industry. While it sets aside business or professional self interest, it retains the commercial perspective necessary to identify practical ways in which the industry can deliver benefits for the consumer.

The Blueprint is effectively a strategic high level “call to action” for Government and industry. We hope that this will create momentum to secure the necessary actions.

**The message for industry is this – read the Blueprint.
If you can give it your broad support, join the E-Homebuying Forum to
build the necessary momentum for change.**

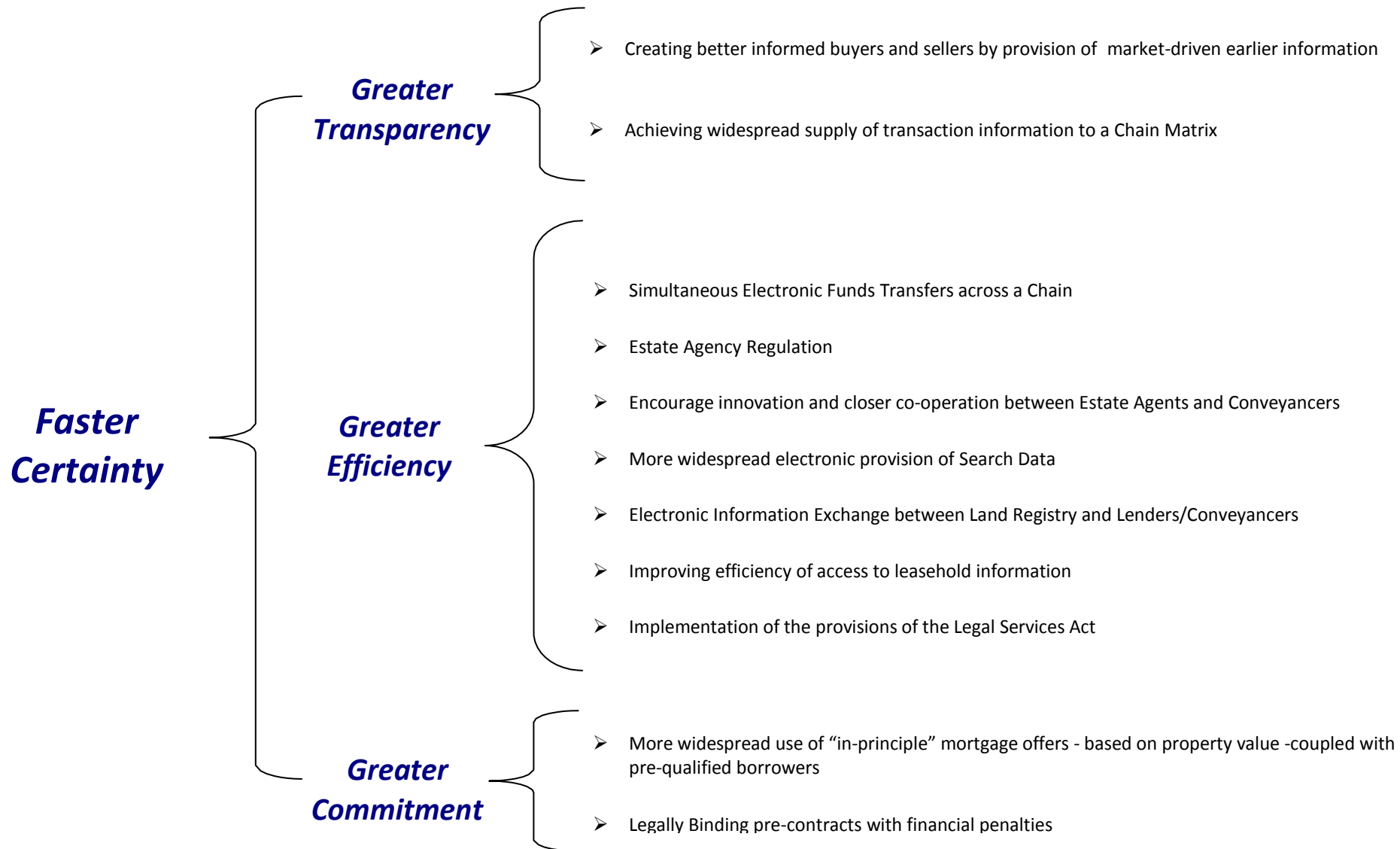
Sir Bryan Carsberg
President

Tom Parker
Chairman

**E-Homebuying Forum, 3 Priory Court, Pilgrim Street, London EC4V 6DR
Tel: 020 7618 9100. E-mail ehomebuyingforum@luther.co.uk**



A Blueprint for the Future of Homebuying



A Blueprint for the Future of Homebuying – Explained

Greater Transparency

- *Creating better informed buyers and sellers by provision of market-driven earlier information*
 - For most people, buying or selling a home is the most important financial transaction they will undertake. Customers will experience a satisfactory transaction only if the market is working well and the market will work well only if people are well informed. The Forum therefore believes it is vital that both the buyer and the seller have the necessary information at the outset in order to understand the processes involved in all aspects of a complete transaction and the possible role of different businesses in helping them with that transaction; buyers and sellers also need information about choices they can exercise to achieve more efficient completion of the transaction. Examples of such choices include commissioning a home condition report before a property is offered for sale and executing a preliminary agreement as soon as offer and acceptance have taken place.
- *Achieving widespread supply of transaction information to a Chain Matrix*
 - The creation and effective use of a Chain Matrix, essentially a list of prior transactions on which the transaction of interest depends, would ensure all parties involved in any homebuying or selling process were fully aware of progress. In order for the Chain Matrix to be successful and have sufficient industry support, we believe that widespread participation needs to be achieved from the outset.

Greater Efficiency

- *Simultaneous Electronic Funds Transfers across a Chain*
 - Not only will the simultaneous completion of Electronic Funds Transfer greatly help fraud prevention in the marketplace it will also help deliver faster certainty to the consumer.
- *Implementation of the Provisions of the Legal Services Act*
 - In order to facilitate greater co-operation the Forum believes that industry must support the Legal Services Act 2007 which allows opportunities for solicitors to team up with non-lawyers and to attract capital for their businesses in a regulated environment.
- *Estate Agency Regulation*
 - Greater regulation of the Estate Agency marketplace would provide consumers with greater confidence in the homebuying and selling process. This might best be undertaken by “professionalization” of agency, with agents being required to be members of a professional body and subject to professional discipline.

- *Encouraging Innovation and Closer Co-operation between Estate Agents and Conveyancers*
 - The Forum believes this is important to support earlier and more efficient engagement between estate agent and conveyancers.
- *More Widespread Electronic Provision of Search Data*
 - The availability and easy access to this data is essential to achieving greater efficiency in the marketplace
- *Electronic Information Exchange between Land Registry and Lenders/Conveyancers*
 - The widespread use of electronic information exchanges is a key part of working towards faster certainty as it will remove significant time delays.
- *Improving Efficiency of Access to Leasehold Information*
 - Despite this information being essential for leasehold transactions, the requesting, pricing and timing of provision of this information creates significant inefficiencies in the property transaction process. As a first step, the E-Homebuying Forum has been working in collaboration with the Association of Residential Managing Agents (ARMA) to develop a standard form for pre-contract inquiries on a leasehold property.

Greater Commitment

- *More Widespread Use of “In-Principle” Mortgage Offers - Based on Property Value - coupled with Pre-Qualified Borrowers*
 - Whilst this concept already exists, its greater use to demonstrate credibility and facilitate mortgage processing would be of benefit.
- *Legally Binding Pre-Contracts with financial penalties*
 - The Forum believes that estate agents and legal advisers should make buyers and sellers aware of the benefits of executing a binding preliminary contract with a financial penalty at the time of offer acceptance and should facilitate the execution of such a contract if the parties wish it. Such a contract would help put an end to gazundering and gazumping and give greater certainty to buyers and sellers at an early stage.

Further Information

For further information please visit the E-Homebuying Forum website: www.e-homebuyingforum.com

Alternatively, please contact Natalie Bateman or Surinder Kaur Gill at Luther Pendragon on 020 7618 9100 or ehomebuyingforum@luther.co.uk

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