



HIP Baseline Methodology

Consultation



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On 5th May 2006 the responsibilities of the Office of the Deputy Prime Minister (ODPM) transferred to the Department for Communities and Local Government

Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 020 7944 4400
Website: www.communities.gov.uk

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Communities and Local Government Publications
PO Box 236
Wetherby
West Yorkshire
LS23 7NB
Tel: 08701 226 236
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Textphone: 08701 207 405
Email: communities@twoten.com
or online via the Communities and Local Government website: www.communities.gov.uk

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Executive Summary

This baseline methodology report covers the strategies used to establish the baseline for home buying and selling activity in England and Wales. The research investigates the processes involved in buying and selling a home with the express purpose of providing a benchmark against which the impact of the national rollout of Home Information Packs (HIPs) across England and Wales can be measured.

The detailed aims of the research were closely linked to the Key Performance Indicators (KPIs) for HIPs identified by the Department in their specification for contract number RAE 3/14/25. The methodology ensured that the KPIs were considered throughout the study.

A two-stage sampling methodology was used. The first stage was a random selection of 600 Post Towns (later increased to 646) from across England and Wales. Within each Post Town, up to five estate agents were selected as a second selection level. The highest ranking estate agency (earliest randomly selected) who responded positively to participating in the study was included in the sample to represent their Post Town.

This provided a wide distribution of 361 estate agents from the whole of England and Wales. Of these 361 estate agents 61.2% made some form of response (transaction data, withdrawal data or both) within the data collection phase of the study.

The initial acceptance form asked the estate agents to estimate the number of completed transactions expected in May and June 2006, the average of which was used as an estimate for the total number of forms expected during the 4-week collection period. Using the data provided by the agents on these forms we expected 3,398 completed transactions from the 361 estate agents, which equates to an average of 9.4 transactions per estate agent. At the end of the collection phase data were actually provided for 962 transactions (out of an expected 2,057) from 221 estate agents – an average of 4.4 per agent.

The methodology used to obtain the transaction data from 2006 is outlined in detail in this report. It is possible to use this report to repeat the data collection process sometime in the future, allowing direct comparisons to be made between pre-HIP and post-HIP transactions.

With the benefit of hindsight, the methodology could be improved in certain areas. The Conclusions section of this report discusses measures which could be considered if the methodology is to be repeated.

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Section 1: Introduction

This baseline methodology report covers the strategies used to establish the baseline for home buying and selling activity in England and Wales. The research investigates the processes involved in buying and selling a home with the express purpose of providing a benchmark against which the impact of the national rollout of Home Information Packs (HIPs) across England and Wales can be measured.

The detailed aims of the research were closely linked to the Key Performance Indicators (KPIs) for HIPs identified by the Department in their specification for contract number RAE 3/14/25. The methodology ensured that the following KPIs were considered throughout the study:

- 1.1 Overall increase in satisfaction with the buying and selling process.
- 1.2 To have in place for the consumer, fast and effective redress schemes.
- 2.1 Reduce the number of transaction failures in particular caused by survey or inspection findings.
- 2.2 Reduce the time taken from offer acceptance to exchange of contract in the overall buying and selling process.
- 2.3 Reduce abortive costs to consumers and the industry.
- 3.1 Increased awareness and understanding of better housing maintenance and energy efficiency.
- 3.2 Common Standards across the industry to help quality and consistency.
- 4.1 More affordable entry costs and simpler process for first time buyers.

The report provides details of the research process alongside an evaluation of the methods.

Section 2: 1998 methodology

The research team considered a variety of approaches to investigating the process of home buying and selling property and were aware of previous research in this area. In 1998, the Department carried out research into the home buying and selling process in England and Wales. Details of the method used during that study is available on the the Department website¹. The 1998 study, ‘Key research on easier home buying and selling’,² looked at the process of buying and selling, satisfaction with the buying and selling process, and ways of improving it. While the findings of that work are of key importance, BRE proposed that the same method should not be directly repeated in order to establish the 2006 baseline. The baseline study still investigates the processes involved in buying and selling a home, but with the express purpose of providing a benchmark against which the impact of the national rollout of HIPs across England and Wales can be measured.

The 1998 study comprised the gathering of quantitative and/or qualitative data from the transaction parties (buyers and/or sellers) and their associated professionals using a variety of approaches, as illustrated in **Table 1** below.

Table 1: 1998 data collection methodologies			
Study parties and types of data (1998)		Quantitative	Qualitative
Transaction Tracking	Buyers’ diary and 2 interviews	Transaction dates and costs	Experience and perceptions
	Sellers’ diary and 2 interviews	Transaction dates and costs	Experience and perceptions
Professional interviews and/or questionnaires	Estate agents’ interview	Costs	State of Market and problems
	Solicitors’ interviews	Costs and timescales	Problems and perceptions
	Mortgage lenders’ questionnaire	Costs and timescales	Problems and perceptions
Recent buyers’ survey interview		Transaction dates and costs	Experience and perceptions

The transaction tracking part of the study was a forward-looking exercise starting with one or both of the parties from the point of an offer being accepted (start of Key Stage 2). This was a three-phased exercise. Information was gathered from a diary used to track progress from offer acceptance to completion, plus two face-to-face interviews.

There are benefits and limitations to the tracking surveys.

Benefits of the Tracking Survey:

- The diary approach captured data on key events as they happened – limited reliance on recall.
- Estate agents did the hard work of recruiting the parties only.

¹ <http://www.communities.gov.uk/index.asp?id=1151084>

² ‘Key research on easier home buying and selling’ DETR Housing Research Report 1998

Limitations of the Tracking Survey:

- Only covered break-down of transaction following a particular offer acceptance – did not track all pre-Stage 2 cases.
- Placed too much burden on the estate agent to recruit buyers and sellers.
- Limited number of buyers and sellers recruited with disappointing drop-out rate for diaries and exit interviews.

Due to the limited time available to track transactions and the low number of buyers and sellers generated by the tracking methodology a further survey of recent buyers was undertaken. The Recent Buyers study was a retrospective survey of buyers only that had ‘recently’ completed a purchase since 1st October 1997. This comprised a single face-to-face interview to record much the same set of data recorded from tracked buyers via the diary and two interviews.

The recent buyers were identified from the Land Registry listing. This study supplemented the data provided by the tracked buyers and was considered to provide “a more accurate assessment of the length of time taken to complete a transaction”. This guaranteed data source and single interview approach yielded more buyers than the combined buyers and sellers from the tracking survey.

Benefits of Recent Buyers’ Survey:

- Provided additional data on the whole of the transaction cycle – marketing to completion.
- Covered those transactions not marketed through estate agents.
- Yielded more data than the tracking study with just one interview.

Limitations of Recent Buyers’ Survey:

- The interview-only approach relied on memory recall for both dates and experiences.
- No access to professionals.

The 1998 study was designed to provide a sample that was representative of housing activity in England and Wales, but it was not specifically designed to provide a methodology and baseline that could be replicated and compared with data from another year. The sample size achieved in 1998 would not prove statistically different (using 95% confidence limits) from the results in a repeat study for a reduction in typical transaction times of less than one week (five working days). Furthermore, the 1998 study technical report stated in its concluding chapter that “an important consideration is the extent to which the effects of changes in the process can be measured without having to repeat an exercise as complex as the one undertaken.” Clearly even those conducting the work would choose not to repeat this methodology if at all possible.

An explicit requirement of the 2006 study was the provision of a database that would form the benchmark for the Key Performance Indicators (KPIs) that would provide a measure against which the findings of a comparative future study could be compared. However, the sample size of the 1998 study is not considered robust enough to show a significant difference in key transaction times between 2006 and a later date. Further, the 1998 methodology was planned over eight months, with the tracking study running over six months. Applying the same methodology to a shorter timescale (there were only four months available to collect the data before July 2006 as required by the Department) would yield a far lower volume of completions. The 1998 methodology was therefore also rejected on the grounds of the amount of time required to repeat the process and the potential cost of collecting and analysing all the information provided.

It is therefore important to remember that there are substantive differences between the 1998 study and the 2006 research methodology. The key differences are highlighted in **Table 2**.

Table 2: Key differences between the 2006 and the 1998 methodologies	
HIP Baseline study 2006	Key research on easier home buying and selling 1998
Fixed start and end date (15th May 2006 to 9th June 2006)	No fixed start date (trackers).
Estate agents' records	Self-completion
Start date marketed with agent	Date started looking for property, or first put property on the market.
Unlimited timeframe <ul style="list-style-type: none"> • Records all completed transactions or withdrawals • Records snapshot of the state of market at given time 	Fixed timeframe <ul style="list-style-type: none"> • Recorded progress over time. • Recorded numerous outcomes over time
Records limited set of opinions	Completely subjective records
Short telephone interview provides key information from buyers and sellers	Extensive qualitative data from diaries or long interview.

The 2006 methodology that follows provides a robust baseline, that allows the data to be obtained within a defined period of time, efficiently and at a reasonable cost to the Department; and significantly, it is repeatable at a later date.

Section 3: Methodology

BRE developed a methodology and sampling strategy that was consistent with evaluating the Department's KPIs. The strategy involves the participation of a number of stakeholders in the research process – namely estate agents, home sellers, home buyers and solicitors/conveyancers. In designing the sample, the key aim of the study was considered, which was to collect data on the length of time a house sale took to complete, from the date the property was put on the market to the date of completion. The collected data had to be robust enough to be compared with data intended to be collected at a later date, post implementation of the HIP.

Estate agents routinely gather information on transaction dates and other aspects of individual house sales and therefore this group were central to the study methodology. A survey method that drew on the responses of a representative sample of stakeholders was selected to achieve the aim of the study. The survey design sampled a number of estate agents from across England and Wales. Agents would then be required to provide details of the transaction process of home buying and selling. From this sample of agents a sample of home buyers and sellers and solicitors were to be gathered and these stakeholders would also be surveyed.

3.1 Sample size

A sample of estate agents from across England and Wales were sought for the study. This sample forms the basis of the study, where individual estate agents would complete details of transactions for residential properties completed within a set period. These agents would also act as gatekeepers, providing contact details for buyers, sellers and solicitors for each transaction. Transaction details for residential property sales in England and Wales in 2006 are intended to be compared with transaction details to be recorded using a similar methodology sometime in the future. As such, the number of transactions recorded during the study was important to ensure that the study was robust and that it produced sufficient information to be directly comparable with data intended to be gathered after the implementation of the HIP.

Accordingly, a calculation of sample size and statistical power was carried out to determine the necessary number of transactions needed for the study. A sample size calculator available on the Simple Interactive Statistical Analysis (SISA) website (<http://home.clara.net/sisa/index.htm>) was used. Using this calculator, the estimated mean transaction time for residential property sales in 2006 could be compared with the estimated mean transaction time for residential property sales sometime in the future. The statistical test likely to be used to compare these means would be the 'T-test'. The sample size calculator produces the appropriate sample to gain a statistically significant result, at a required significance level, if the difference in means between the samples is at least as great as that predicted. For this calculation it was necessary to provide the expected mean transaction time and standard deviation both in 2006 and for when the study would be repeated at some later date. It was also assumed that the sample size would be the same on both dates. In 1998, a similar study was conducted, which collected information on the transaction time for property sales, and provided estimates for the mean transaction time – offer to completion – of 82 days and standard deviation of 25 days³.

³ 'Key research on easier home buying and selling' DETR Housing Research Report 1998 (Annex of tables – table A3.1)

Using these data it was possible to calculate the sample size needed for the study. **Table 3** shows the result of the calculation to identify an appropriate sample size. All calculations were based on a power level of 0.8. The power of a test is the probability that the test will reject the hypothesis tested when a specific alternative hypothesis is true, which means that when there really is a difference in means, the statistical test used will be 80% certain that the hypothesis that there is no difference between the means will be rejected. The table provides details of the required sample size depending on whether the test is two or one tailed. The sample size at each significance level (Alpha) is calculated. Standard confidence levels are presented at 99.9%, 99% and 95%, for example an Alpha of 0.01 corresponds to a 99% confidence that the difference found between the two samples is genuine.

Table 3: Sampling size					
Two-Tailed	Difference in days				
Alpha	2	2.5	3	3.5	4
0.05	2463	1576	1095	805	616
0.01	3662	2344	1628	1196	916
0.001			2379	1748	1338
One-Tailed	Difference in days				
Alpha	2	2.5	3	3.5	4
0.05	1941	1243	863	634	486
0.01	3147	2014	1399	1028	787
0.001			2153	1582	1211

For a two-tailed test, there is 95% confidence that a difference of two days in the mean transaction time with a sample of 2463 transactions would be found. Using these calculations the study aimed for a sample of 2500 transactions (property sales) in England and Wales. A sample of 2500 transactions would provide a 99% confidence in any difference greater than 2.5 days and a 99.9% confidence in any difference greater than 3 days.

It was intended that these transactions would represent homes sold right across England and Wales, and would involve homes in both urban and rural environments with a reasonable distribution across property age and house type. Previous sales had shown that there were approximately 250,000 transactions in England and Wales in the 2nd quarter of any year, with up 100,000 in any one month. Given the estimated number of estate agents in England and Wales, it was estimated that, on average, each agency will sell nine properties a month. Therefore, to gain details of 2500 transactions within a four-week sampling window it is necessary to sample a large number of estate agents across England and Wales. From a sample of 600 estate agents from different geographical locations, if each provided details of 5 transactions, on average, then this would achieve a maximum sample 3000 transactions. Allowing for non-response and missing data it was likely that 600 estate agents would achieve a sample of 2500 transactions within a four-week period.

3.2 Sample of estate agents

The sample of estate agents is not evenly spread across the whole of England and Wales, with the greatest proportion of estate agencies found in urban areas (i.e. located in close proximity to the majority of the housing stock). To increase the representation from rural areas within the final sample, providing a better spread across the whole sample frame, a stratified sample method was used to select the estate agents to be involved in the study.

A two-stage approach was applied: the first stage selected which geographical areas were to be included in the study and the second stage determined which estate agents would be selected.

The sampling unit of the first stage was Post Towns in England and Wales, taken from the population of Post Towns indexed in the Post Town Gazetteer published in March 2006. The Post Town Gazetteer is available from the Royal Mail, and is updated monthly. Post Towns are a primary indicator for locating properties used for delivering mail. The Royal Mail may see fit to make changes to the number of Post Towns between 2006 and the date that the study is repeated, although any future list is still likely to represent the majority of housing in England and Wales.

The Post Town Gazetteer provides an index of Post Towns in England, Northern Ireland, Scotland and Wales. It contains an index of Post Towns in Postcode order showing their Postal County and Postcode district. To create the sampling frame needed to gather a representative sample of 600 Post Towns in England and Wales the data from the Post Town Gazetteer was filtered. For example, the Post Town Gazetteer may have several entries for each Post Town as it lists all Postcode districts contained within the Post Town; Wembley appears twice in the index as it contains two Postcode districts HA9 and HA0. Other Post Town names appeared more than once in different counties therefore the Gazetteer was cleaned to ensure that there was one entry per Post Town. In all cases except London each Post Town was featured only once in the sampling frame.

London can be treated as an anomaly as the Post Town Gazetteer lists 180 Post Towns within the geographical boundary of London, with each London Post Town equivalent to a Postcode district. This warranted attention as the Postcode districts in parts of the London area related more to businesses than homes. The magnitude of the London areas meant that it could not be regarded as a single Post Town. It was agreed that there would be 8 London Post Towns representing an amalgamation of the Postcode districts under the Postcode areas. The Post Town Gazetteer listed SE1, SE2 etc as Post Towns; the strategy would be to unite all the Postcode areas in the South East (SE) and establish a Post Town. Therefore 8 Post Towns replaced the 180 in the original index. The Post Towns formed for the purpose of the study were East Central (EC), West Central (WC), North (N), East (E), South West (SW), South East (SE), West (W), and North West (NW) and are shown in **Figure 1**.

Once a list of individual Post Towns had been compiled the database was expanded to include geographical regions and country using the Post Town's county as reference. Using this database it was possible to identify Post Towns in England and Wales. The total number of Post Towns in England and Wales was recorded as 1161.

A random number was allocated to each Post Town using a software program. This list was then sorted by the random number into ascending numerical order (Post Towns allocated the lowest number at the top of the list). The sample included the first 600 Post Towns in the list. The sample of Post Towns was used as the basis for gathering a sampling frame of estate agents.

For each of these 600 Post Towns a search for businesses operating as estate agents was carried out. The source used for the search was a commercially purchased business directory called **UK-Info Pro V12**. The software was released in 2006, the database is available on a CD and licensees also have access to a web-based version that is regularly updated.

Using the database it was possible to carry out a search for business type, business description, and locality. For each selected area in the sample the search was carried out using the specified Post Town, some Post Town names occur more than once, therefore each locality was checked to ensure that it was in the correct region and postcode district. Once the Post Town had been verified a search for businesses described as estate agents was carried out. In order to include all companies that might act as estate agents the search string was “estate agen”, this would include estate agents, estate agent, estate agency etc. A second search for “surveyor” in each Post Town was also undertaken; this was to include those estate agent businesses provided by surveying practices. There was a risk that this strategy might include a number of surveying firms into the sample that did not provide estate agency business, however in many rural areas surveying practices do run residential estate agencies and therefore it was pertinent also to include this type of search.

Entries for each sampled Post Town found in the database were copied to a spreadsheet to create a sampling frame for estate agents. The number of estate agents recorded for each search ranged from 0 to 200. Two hundred was the maximum number of entries available per search, and Post Towns in the sample did not exceed this maximum except in central London where a postcode district search was undertaken. All entries for each Post Town were allocated a random number. This list was then sorted into ascending numerical order. The first 5 from the list were then numbered accordingly and were regarded as the sample of estate agents. The allocation of a rank for each estate agent per Post Town determined which agents would be included in the study. Further details about the significance of the rank can be found in the section on Recruitment. Using this method it was proposed that 3000 estate agents would be sampled for recruitment to the study. However, because the total number of estate agents in a Post Town could be less than five, it was unlikely that a full sample of 3000 would be drawn.

During the process of sampling estate agents it was notable that a number of Post Towns did not have any estate agencies. It had been assumed that there would be a few Post Towns in this situation but the number located in Wales falling into this category was quite high. It had been planned that each Post Town without a listed estate agent was removed from the sample and replaced with another Post Town. However, the number of these based in Wales may have had an impact on the number of estate agents in Wales that were included in the sample. The Department were made aware of the situation and agreed to the method of random Post Town replacement.

As there were a number of Post Towns without agents it was decided to over sample the Post Towns that would act as replacements; therefore a sample of 110 Post Towns were

added to the original sample of 600, replacing those that were no longer viable. From this number 601 Post Towns that had estate agents were listed; there were 2464 estate agents in the sample.

The recruitment process began using these 2464 estate agents, however a further 45 Post Towns were added to the sample increasing the sample of estate agents for recruitment to 2663. The increase was dictated by an issue that arose during recruitment, namely a lack of response from all five agents within a particular Post Town. **Figure 2** shows the locations of the 646 Post Towns where estate agents were sought for the project.

Figure 1: The eight London Post Towns

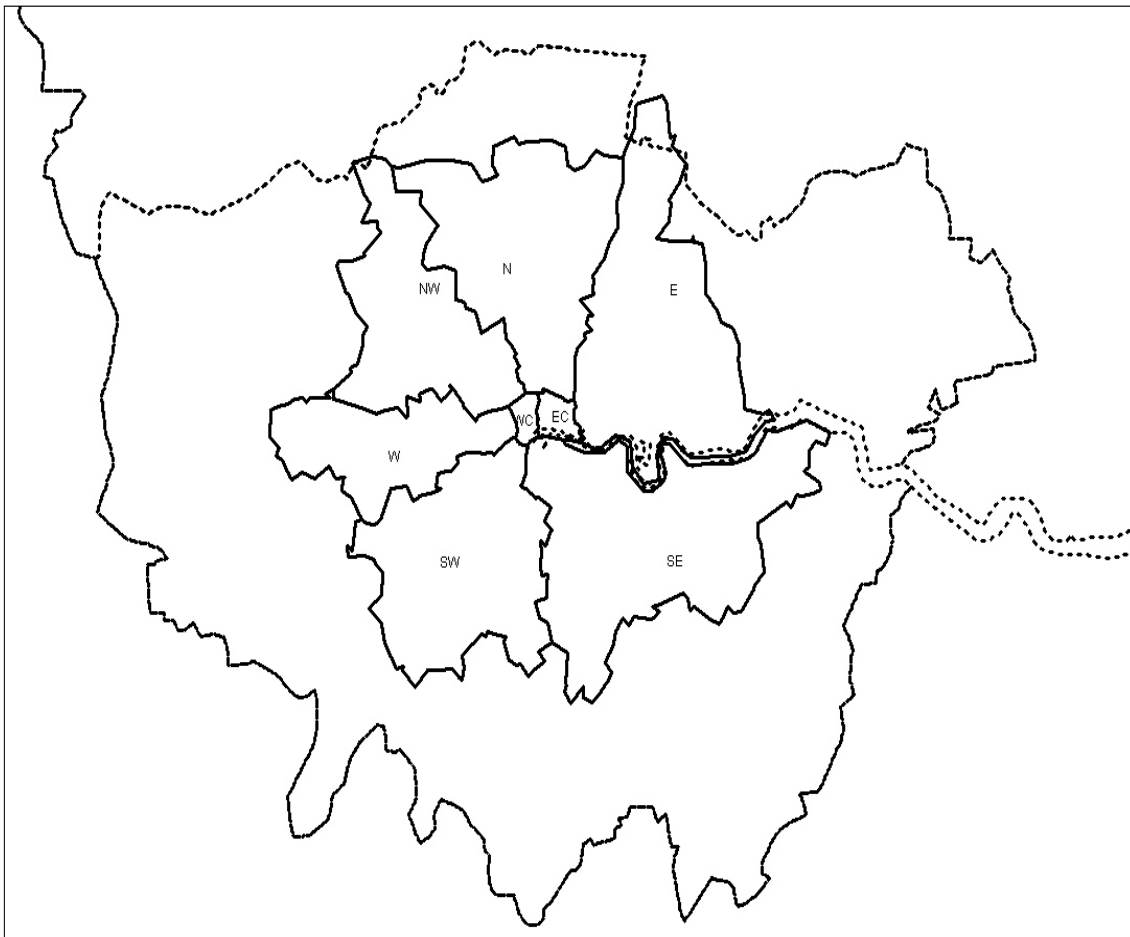
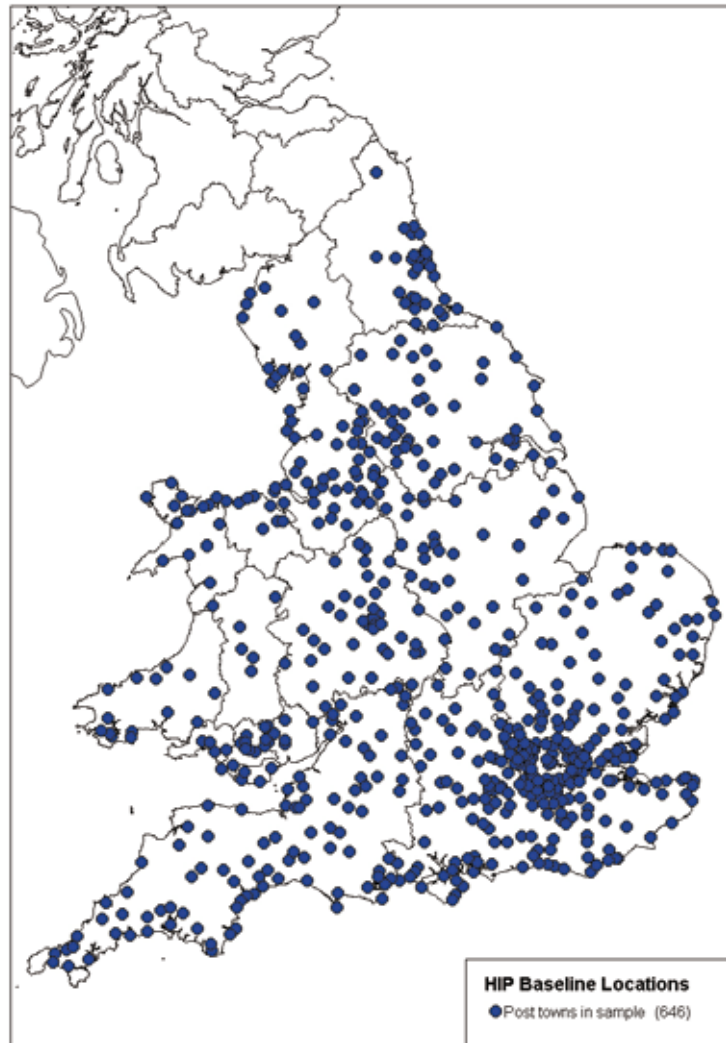


Figure 2: Post Towns in sample



3.3 Recruitment

Recruiting estate agents to the study involved three main processes – gaining support and publicising the project; developing recruitment packs and mailing them to the sample, and chasing the sample for a response.

3.3.1 Gaining support and publicising the project

To publicise the project and gain support from the maximum number of estate agents the National Association of Estate Agents (NAEA) were contacted as were high-level contacts at a number of national chains and franchise groups. The NAEA have 10,000 members and claim to represent over 50% of estate agents. The NAEA were approached by the project manager and agreed to a statement which expressed their support for the project and urged participation. The statement was emailed to all NAEA members in a weekly newsletter on 21 April 2006. It was also included in two other weekly newsletters during the study period. The statement of support was also included in recruitment packs, see Appendix A. It was designed in the style of a ‘post-it’ note and was attached to the inside sleeve of the folder, see Appendix B, that would contain all the information about the baseline study.

Twenty eight national chains were contacted to urge their support for the study during April and May. A list of the national chains and franchise groups was taken from the League Table of Residential Estate Agency Offices compiled by Estate Agency News (<http://www.estateagencynews.co.uk/league.asp>). **Table 4** shows the organisations that were initially contacted and asked to lend their support to the study.

Estate Agency Group	Affinity/Franchise Group
Acorn Estate Agents	Home Sale Network (Cendant)
Andrews Estate Agents	The Guild of Professional Estate Agents
Arun Estates	The TEAM Association
Chancellors Estate Agents	Mayfair Office
Connells	National Homes Network
Countrywide plc	The London Office
Halifax Estate Agency	Fine & Country
Jump Estate Agents	RE/MAX
Kinleigh Folkard & Hayward	Xperience (formerly Legal & General)
Knight Frank	
Lane Fox	
Lending Solutions (Your Move/Reeds Rains)	
Movewithus	
Nottingham Property Services	
O’Riordan Bond	
Right Move	
Savills	
Spicerhaart	
Winkworth	

The head office of each national chain and affinity group was contacted by email (see Appendix E). Due to the short timescales involved, the majority of the emails were effectively ‘cold calls’, addressed to “The Business Manager”, and some were submitted via general web-based enquiry forms. They were followed up where appropriate, and email and telephone dialogues took place. National chains with more than 10 branches in the sample that had not responded to previous requests for support were specifically targeted.

Gaining support in this way was a slow process. The main problem was the inertia inherent in their business processes, e.g. in obtaining full Board approval even when a key Director had committed in principle. Another common feeling was that “Head Office was taken by surprise” when the mail out hit their branches. With hindsight it might have been useful to have primed the corporate estate agents to expect the study, and/or for the Department to have lobbied key contacts at high level, although this was considered and rejected on the grounds that it would potentially introduce a bias into the sample.

The following nine national chains explicitly agreed to support the research, and all but one of these agreed to support the statement in Appendix A.

- Arun Estates
- Countrywide
- Halifax
- Howards
- Lane Fox
- Reeds Rains
- Right Move
- Xperience (Legal & General)
- Your Move

When targeting specific chains from the sample we had to be mindful of the fact that companies such as Countrywide may trade under one of more than 20 company names, therefore tracking down these companies proved quite difficult. It did, however, result in considerably more participating national ‘brands’ than is apparent from the list of nine above.

‘Connells’ and ‘Spicer Haart’ expressed support in principle but felt unable to participate for various business reasons as discussed above. There were also other major players who supported the research (and participated) but who did not specifically make themselves known to us at this ‘gaining support’ stage.

‘Chancellors’ refused to participate on grounds of principle.

3.3.2 Recruitment packs

In the weeks prior to the mail out the information contained in the recruitment packs were developed and then approved by the Department. The packs included several items and were contained within a card folder designed for the study. The folder contained a covering letter, an acceptance form, the statement of support, information for estate agents, frequently asked questions, a transaction and withdrawal form, and a prepaid envelope. The style of the folder and the contents can be viewed at Appendix B.

It had been proposed that an email to the sample of estate agents introducing the study and informing them of the imminent arrival of information packs was to be the first stage of the direct recruitment of estate agents. This did not occur however, as the database used to gather details of estate agents did not provide an email contact address.

It might have been possible to collate a number of email addresses from internet searches, although this manual process would likely have taken many hours to prepare and resulted in an incomplete list of email addresses. Instead, the recruitment packs were mailed to the sample and would have been the initial introduction to the study for most recipients, although at around the same time the NAEA had sent out its electronic newsletter to its members.

The covering letter

The covering letter was contained within the recruitment pack and would have been an introduction to the planned research for the majority of recipients.

The acceptance form

A hard copy of the A5 sized acceptance form was provided in the recruitment pack. Both the covering letter and information for estate agents referred to it. The information for estate agents also provided details of an electronic form that could be completed online.

The acceptance form asked respondents to complete the following information:

- Contact name
- Telephone number
- Email address
- Agency name
- Agency address including postcode
- Estimated sales in May 06
- Estimated sales in June 06
- State preference for completing transaction and withdrawal forms (paper or electronic)
- Detail the type of information that they collect about sales

Contact details were necessary to ensure that the willing participant was always contacted. Details about the agency were helpful as they enabled an update of the database. Information about the likely sales in the months of May and June were needed when information packs were sent out as they determined the number of forms and information leaflets to be included in each individual pack (See 3.6 Information packs).

A key element of the acceptance form was whether agents would prefer to process paper or electronic forms. These would be the transaction and withdrawal forms to be completed as part of the study. Estate agents included in the study would be provided with slightly different information packs depending on whether they opted for paper or electronic forms.

The purpose of the final question on the acceptance form was to ensure that the estate agents involved in the study could provide the details necessary to achieve the projects aim. The majority of agents routinely gather the information requested.

Information sheets

The recruitment pack endeavoured to inform estate agents about the purpose of the study and the level of involvement necessary from each agent. The provision of such information ensured that those agents completing the acceptance form were fully informed. Two information sheets were provided – information for estate agents and frequently asked questions.

Transaction and withdrawal forms

Examples of the transaction and withdrawal forms were included in the recruitment pack to provide agents with sufficient understanding of the task that they were being asked to carry out. At the time that the recruitment packs were sent the transaction and withdrawal forms were yet to be finalised. The finalised forms are shown in Appendix C and D.

3.3.3 Recruitment

Recruitment packs were mailed to 2464 estate agents over the weekend of 21 April to 24 April 2006. Some of the packs were returned undelivered because the address details were incorrect or the business was no longer trading. In some Post Towns the packs were received by surveyors and/or non-residential agents only, who were unable to participate. As a result of the number of recruitment packs that were not delivered to the target sample and the number of Post Towns failing to produce a willing estate agent it was considered appropriate for a further round of sampling to take place. Using the existing sampling frame of Post Towns a further 45 Post Towns were drawn adding a further 199 estate agents to the sample. These were mailed a recruitment pack on 8 May 2006. The total number of agents sent recruitment packs was therefore 2663.

3.4 Chasing estate agents

The sample of 2663 estate agents was in excess of the number that was to be included in the study. The sampling strategy had been to over sample the number of agents needed and then draw an actual study sample from those agents that responded to the recruitment pack. Therefore, it was necessary to have a systematic way of creating a random sample from those estate agents that responded to the recruitment pack. When estate agents were sampled they were ranked 1-5. If all estate agents had responded then only those ranked 1 would be included in the sample.

Agents ranked 1 were given a set period of time to respond to the recruitment pack, as ideally the agents ranked 1 would be included in the sample, since they were randomly selected as the representative agency. Where no agents in a Post Town responded within 10 working days of the mail out, the estate agent ranked 1 was contacted via telephone and encouraged to participate. During the weeks of chasing, a daily update of figures was sent to the Department. See **Table 5** as an example.

In **Table 5**, the blank column lists those estate agents that had not responded. Details of the following were also provided to the Department:

- Total number in sample;
- Total number of towns rejected;
- Number of responses.

Count of TOWN	Willing to participate: Yes-No-n/a				
Rank	n/a	no	yes	(blank)	Grand Total
1	33	54	79	435	601
2	6	4	43	505	558
3	10	3	33	459	505
4	10	7	23	393	433
5	7	4	19	335	365
Grand Total	66	72	197	2127	2462

The original process for selecting estate agents, i.e. contacting rank 1 estate agents, was adhered to between 3-9 May. Any Post Town with a positive response from a rank 1 estate agent was included in the final sample. However, as the response rate was still low by 10 May, the strategy for chasing estate agents was reviewed. An alternative strategy focusing on Post Towns where a positive response had not been received was initiated. All agencies within a Post Town were contacted via the telephone for a positive response. Once those agents ranked 1 had refused or were rejected, agents ranked 2 could be selected. This process continued through the selected five agents until a positive response from the highest possible rank was achieved. When all selected estate agents refused to participate another Post Town was selected and the process repeated.

In Post Towns that already had a positive response from at least one estate agent regardless of rank, the rank 1 agent was contacted and told that an estate agent in their Post Town had already responded, and a response was required from them if they wished to participate. Often this provided a quicker response, allowing the rank 1 in that Post Town to be selected or, more likely, the agent who had already responded became the highest ranking agent available to participate. Where more than one estate agent had responded from an individual Post Town, priority was given to the agency ranked highest, i.e. an agent ranked 2 would be selected before another agent ranked 4 within a Post Town, even if the rank 4 agent responded first.

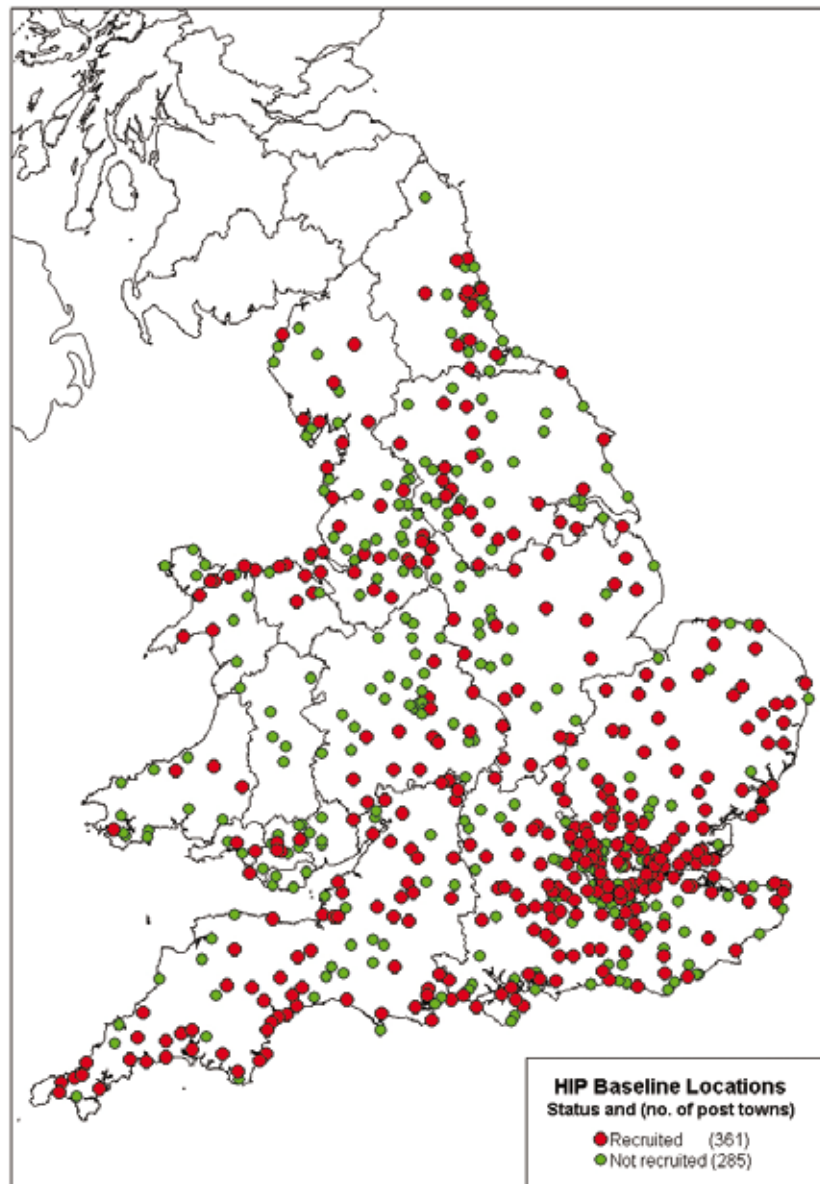
Estate agents were contacted by BRE staff between 3-19 May. The number of staff involved in contacting agents ranged from 3 to 8 at the peak of chasing. The exercise, lasting a total of 13 working days, involved telephone calls and emails. On 15 May an email was sent to all estate agents that were willing to participate in the study. This holding email was sent because the period for recording transactions was due to begin on this date and the email was sent to reassure participants that the study was definitely taking place and to keep them informed of progress. Any email addresses that failed were checked by contacting the agent by telephone, the email was then resent. Different emails were sent to estate agents depending on their status in the sample (see Appendix F).

BRE in conjunction with the Department decided to continue chasing activities until 19 May. At this time it was possible to evaluate the true status of the sample. On 19th May 2006 the highest ranked agent responding to the recruitment pack was included in the study even if a response had not been received from a higher ranking agent. Although chasing had ended it was anticipated that some acceptance forms would still be received by post or electronically. Any acceptance form received after 19 May from a Post Town that was not already included in the sample would be included in the selection of estate agents regardless of its rank. Acceptance forms received from estate agents in towns that were already included in the sample were collated but the sample was not changed regardless of the rank of the additional estate agent.

3.5 The achieved sample

At the end of the recruitment period 360 estate agents from 360 Post Towns across England and Wales were selected. The geographical spread of this sample is shown in **Figure 3**. There were a further 72 estate agents that were willing to participate but that were not selected following the sampling strategy based on the inclusion of only one estate agent per Post Town. At this stage of the research it was estimated that the target number of transaction forms was achievable. Using the average expected transactions provided by the sample of agents 3,200 transactions were expected during the 4-week period between 15 May-9 June 2006. With a 75% response rate it would have been possible to achieve the desired 2,500 transaction forms.

Figure 3: Location of Post Towns in sample and recruited



3.6 Information packs for participants

On 26 May 2006, information packs were mailed to estate agents that had agreed to participate in the study. This took place two weeks behind the original schedule to allow for an increase in response from agents. Agents had been informed that the study period would be 15 May-9 June.

The information pack provided agents with everything that they needed to complete the task. All the information was packaged within a folder in a similar fashion to the recruitment information. The pack included a covering letter, an information sheet with 'instructions for estate agents', information postcards for buyers and sellers, transaction and withdrawal forms and pre-paid envelopes. Each agent received a bespoke pack, as the majority of items were determined by previous information provided by each agent. Agents that preferred to complete paper forms received a specific covering letter with instructions on how to do this. Agents also received a number of transaction forms based on the number of likely sales in May and June as indicated on the acceptance form. We took the average of these two figures as the number of sales likely to be completed during the set period. Two withdrawal forms were included in the pack for the group preferring to complete hard copies.

Agents willing to complete electronic forms received a cover letter with instructions about this. They also received one copy of the withdrawal and transaction forms for reference. The information for buyers and sellers was dependent on the likely number of sales. The average sales likely in the period were doubled and this number of information postcards for buyers and sellers were included for all agents. All agents received a copy of the instruction for estate agents. The following items in the information pack are at Appendix G:

- Covering letter for Paper;
- Covering letter for Electronic;
- Information postcards for buyers and sellers;
- Instruction for estate agents

The transaction form is at Appendix C and the withdrawal form at Appendix D.

3.7 Estate agents' task

The information packs provided details of the study and included the instruments necessary to carry out this task. Agents were asked to complete transaction forms for properties that completed between 15 May-9 June. This was largely an administrative task completing questions about dates, the asking price, the sales price, etc. (see Transaction Form in Appendix C). The other aspect of the transaction form required agents to provide details of the seller and buyer for each transaction that completed within the specified time frame. The buyer and seller were to be fully informed of the research using the 'information postcard for buyers and sellers'. Once agents had sought consent from buyers and sellers they were to provide contact details on the transaction form. Where possible contact details of the solicitor/conveyor for the buyer and seller were also included.

Agents sent transaction forms to Ipsos MORI by post using a business reply envelope included in their pack or electronically via a web-based questionnaire that individual estate agents could log into using their unique identifier. During the study period many forms were also faxed to Ipsos MORI. The withdrawal form included in the information packs were to be completed for any property that was withdrawn from sale during the previously stated study period. This was an administrative task and agents used a number of methods to submit this form to Ipsos MORI.

3.8 Preparatory work for telephone interviews

Ipsos MORI were responsible for collecting data for the study from the sample of estate agents provided by BRE. Ipsos MORI collated details of the transaction and withdrawal forms and carried out telephone interviews with buyers, sellers and solicitors/conveyancers. As part of these activities some preparatory work was carried out to ensure that the survey instruments were fit for purpose.

The pilot study began on 22 May and was completed by 13 June. The transaction and withdrawal forms were tested and pre-test interviewing ensured that three questionnaires were trialled to allow improvements to be made before the mainstage data collection.

The aim of the pilot was to determine whether:

- processes worked;
- instructions were clear;
- forms were easily understood;
- contact details were accurate.

A number of estate agents that had signed up to the study were contacted by email. They were asked to complete one transaction form for a date prior to 15th May. All the information necessary for the pilot was sent via email, including a covering letter, transaction form, instructions for estate agents and information for buyers and sellers.

The purpose of the pilot was to test the processes involved in the study; therefore each transaction form was processed and the contact data necessary for the telephone interviews extracted. Telephone interviews with buyers, sellers and solicitors/conveyancers were carried out by MORI Telephone Surveys (MTS). The pilot study allowed each individual questionnaire to be tested. During a debrief interviewers commented on the interviewing process which led to improvements to the questionnaire. The pilots were run on the 8 and 9 June. Interviews were conducted with 10 buyers, 10 sellers, and 10 solicitors/conveyancers.

The questionnaires for both buyers and sellers were substantial in length, and there had been some initial concern that interviews would take a long time to complete. However, pilot interviews lasted 11 minutes (sellers) and 13 minutes (buyers) and as a result of the pre-test it was thought that there was some potential for additional questions. In a few cases, question wording and the range of scales used in the questionnaires for buyers and sellers were highlighted as needing improvement. These recommendations were acted upon and amendments made to questionnaires.

In the case of solicitors/conveyancers, the details gathered from transaction forms tended to be incomplete, often not including a named contact. Interviewers therefore provided the address and postcode details for the relevant transaction to a receptionist and were then directed to the appropriate person. The interviewers were aware that some firms were dealing with a significant number of transactions and it was assumed that transaction forms were providing information for conveyancers or legal clerks rather than solicitors.

Solicitors/conveyancers approached by telephone were often faxed a copy of the advanced letter. This was mainly because contact names had not been supplied on transaction forms and the relevant person had therefore not received the advance letter. As a result of the pilot advance letters were to be faxed to firms in similar situations during the mainstage.

Recommended improvements to the solicitors/conveyancers questionnaire focused on question wording, ranges and the need for additional questions. As some solicitors/conveyancers raised the issue of client confidentiality it was suggested that the introduction makes explicit that questions will not break client confidentiality.

The preparatory work for the baseline study confirmed that the process in place for data collection was in good order and ensured that the survey instruments were improved.

3.9 Data collection

Much the same processes described in the pilot were transferred to the mainstage project. Ipsos MORI were responsible for collating transformation and withdrawal forms and carrying out telephone interviews with buyers, sellers, and solicitors/conveyancers. A key task for Ipsos MORI was to chase estate agents for transaction forms. The study relied heavily on this form as it provided details of transactions across England and Wales and contact details about the groups that were to be interviewed.

3.9.1 Chasing estate agents for transaction and withdrawal forms

Information packs were sent to 360 estate agents that had agreed to participate on 26 May. On 30 May, Ipsos MORI received a database of contact names and addresses of participating estate agents from BRE. From 8 June – 4 August Ipsos MORI were in continual contact with these agents; they dealt with queries and encouraged the return of forms.

Ipsos MORI and BRE worked closely to determine the appropriate level of contact between Ipsos MORI and agents. **Table 6** provides details of 9 weeks of chasing activities.

Table 6: Chasing activity				
Week commencing	Date	Chasing Activity	Purpose	Outcome
5 June	8 – 9 June	316 calls to EAs	<ul style="list-style-type: none"> • check if packs received • address any question • remind and encourage agents to complete TF 	<ul style="list-style-type: none"> • 30 EAs TFs have been sent • 103 EAs will send TFs soon • 172 EAs very busy • 11 EAs unavailable, message left
12 June	15 – 16 June	Call EAs	<ul style="list-style-type: none"> • address any question • gently remind agents to complete TF 	

Table 6: Chasing activity

Week commencing	Date	Chasing Activity	Purpose	Outcome
19 June	19 June	BRE to encourage support for the study from national chains and NAEA	<ul style="list-style-type: none"> • encourage agents to complete forms 	
	22 – 23 June	Call EAs	<ul style="list-style-type: none"> • address any question • gently remind agents to complete TF 	<ul style="list-style-type: none"> • EAs aware of packs and keen to complete forms but busy
26 June	27 June	Email sent to EAs	<ul style="list-style-type: none"> • remind agents to complete TF 	<ul style="list-style-type: none"> • number of EAs reported that they had completed the exercise • some EAs required packs or additional forms
	29 – 30 June	Call EAs	<ul style="list-style-type: none"> • EAs asked to determine if they have submitted all their forms • estimate number of forms to expect from remainder 	<ul style="list-style-type: none"> • EAs TFs pending • Some EAs reported that they had not received the original pack
3 July	6 – 7 July	Call EAs	<ul style="list-style-type: none"> • “aggressive calling campaign” – emphasise importance of study 	
10 July	10 – 11 July	Call EAs that had returned at least 1 TF	<ul style="list-style-type: none"> • 173 EAs reported that they had completed the exercise • 172 EAs to chase for TF 	<ul style="list-style-type: none"> • EAs emailed and phoned Ipsos MORI requesting packs and instructions for completing the forms online
	11 July	National chain (Countrywide) emailed agents involved in study	<ul style="list-style-type: none"> • remind agents to complete TF 	

Table 6: Chasing activity				
Week commencing	Date	Chasing Activity	Purpose	Outcome
10 July continued	13 July	Reminder note mailed to EAs	<ul style="list-style-type: none"> • encourage participation in study 	<ul style="list-style-type: none"> • some EAs requested packs • at least one participant had left the agency
	13 – 14 July	150 calls to EAs	<ul style="list-style-type: none"> • remind agents to complete TF 	<ul style="list-style-type: none"> • 77 EAs were contacted (57 expected to send forms soon) • 73 could not be reached directly after calling multiple times, after trying twice message was left
17 July	18 July	Calls to EAs	<ul style="list-style-type: none"> • remind agents to complete TF 	<ul style="list-style-type: none"> • some EAs dropped out of study
24 July	27 – 28 July	Approximately 130 EAs yet to respond were called	<ul style="list-style-type: none"> • encourage participation in study 	
31 July	31 July	Departmental headed letter sent	<ul style="list-style-type: none"> • encourage participation in study 	

Weekly calls to agents were regarded as the most efficient way of encouraging response. The first set of calls made between 8-9 June had the specific purpose of reminding and encouraging estate agents who had not responded to complete the forms. These first calls also acted as courtesy calls to check if they had received the pack. Ipsos MORI also addressed any questions that agents had while completing the forms both online and on paper. All calls were logged to track who had been contacted and the issues discussed. This call was important to ascertain if packs had been received by the contact at each agency, and also indicated to the project team that a number of agents were complaining of a busy work load for the lack of completed transaction forms.

As time progressed, other chasing activities were used to increase the response from agents. The statement of support was included in two further weekly newsletters produced by the NAEA. The national chains supportive of the study reminded staff to send forms and emails and letters were sent. On 31 July a letter on Departmental headed paper was sent to estate agents encouraging them to send in forms.

The research team was aware that during each round of calls to agents, there would be a number of agents claiming non-receipt of the information packs. It may have been beneficial to email agents immediately after the packs were mailed to ensure that all contacts had received the information. By the end of June agents had begun to call Ipsos MORI enquiring about a deadline for the study. A deadline had not been stated in any information provided to agents and it may have been helpful to agents to work to a deadline.

As response rates were below those expected the Department, BRE and Ipsos MORI conferred to discuss ways to increase the response. Increasing the study period and the chasing activity was confirmed as the way forward and Ipsos MORI continued to chase agents throughout July.

The surveys of buyers, sellers and solicitors/conveyancers relied on the data completed by estate agents. During the 9 weeks of chasing, every endeavour was made to ensure the greatest possible response from the sample.

3.9.2 Telephone interviewing

On receipt of transaction forms, Ipsos MORI extracted the client contact details including the seller's and buyer's name, address (including postcode), phone and mobile number. Estate agents were also asked to provide details of the solicitor/conveyancer for the seller and the buyer on the transaction form notably the firm's address (including postcode) and telephone number. The pilot study had pointed to inaccuracies and missing contact details in this section of the transaction form. As a result telephone interviewers found that advance letters had not always been received. It was anticipated that during the main stage this would also be an issue. The provided contact details were used to contact buyers, sellers and solicitors/conveyancers by mail and telephone, and hence only relevant and useable contact information was extracted from the transaction form.

Each week contact details were extracted from the transaction forms received in the previous period. These contacts were then sent an advance letter (see Appendix H). A few days later they would be called by interviewers to complete a questionnaire. The buyer's questionnaire is at Appendix I, the seller's questionnaire is at Appendix J and the solicitor's/conveyancer's questionnaire is at Appendix K.

MORI Telephone Surveys (MTS) carried out telephone interviews with buyers, sellers and solicitors/conveyancers using CATI (Computer Assisted Telephone Interviewing). MORI Telephone Surveys (MTS) is a wholly MORI-owned subsidiary company which was set up in 1988. MTS is a member of the Interviewer Quality Control Scheme (IQCS). Members of this scheme are required to follow strict quality control procedures, and are inspected each year to ensure the standards are being met and maintained. All MTS telephone interviewers are constantly supervised. This ensures that interviewers fully understand the questionnaire and that their queries are answered immediately, which avoids any misunderstandings being carried on throughout the survey. All interviewers working on a survey are monitored regularly, which comprises listening in to the interview as well as following it on screen. This enables study supervisors to assess interviewer accuracy at recording information, as well as hearing how well the interview is conducted.

On 23 June the Ipsos MORI project team briefed the MTS interviewers. MTS were tasked with conducting 1500 interviews, 500 with buyers, sellers, and solicitors. Interviews took place between 23 June and 11 August. Given the reduced sample of estate agents and transaction forms the target number of interviews with buyers and sellers was reduced to 250 each. MTS interviewed a total of 961 stakeholders – 257 buyers, 235 sellers and 469 solicitors/conveyancers.

The project team highlighted that a few solicitors raised issues about client consent. In most cases these issues were resolved. In one case the firm were given the client's name so that the solicitor could contact them to obtain independent consent. Another firm requested that interviewers speak to a specific solicitor regarding any transaction. Solicitors as a group were willing to participate in the study and regretted the fact that they were not asked to provide their opinions on the Home Information Pack.

As data were collected it became clear that there was some duplication between the buyers and sellers in the sample. Some individuals were listed as both purchasers and sellers. It was decided that where there were duplicates i.e. one estate agent has dealt with both sales then the data gathered from the buyer was to be retained.

By mid-July the telephone interviewers reported sample exhaustion for the surveys of buyers and sellers, they were reliant on contact details provided on transaction forms and due to a limited supply interviews ceased. Once a sufficient number of contact details were collected from the remaining forms the final round of interviews commenced.

3.9.3 Summary forms

Summary forms were sent to estate agents who had completed the study. The form is at Appendix L. These forms provide a summary of the activity within an estate agency, during the test period, and also allowed agents to give their opinion on the forthcoming Home Information Packs. Summary forms were sent to all 360 estate agents in our sample, but only the 221 estate agents who provided data were chased for completion. Chasing of summary forms finished on 31 August 2006. One hundred and eighteen summary forms were returned.

3.10 Response rates

Table 7 shows the response from estate agents recruited to the study. It also provides the number of telephone interviews carried out with buyers, sellers and solicitors/conveyancers. Of the 361 estate agents included in the sample 61.2% made some response. Figure 4 maps the responses of the estate agents in the sample.

Table 7: Response rates			
Transaction forms			
Total	962		
% of expected	38.5%		
	Total	% of total expected	Average number of forms per estate agents
Estate agents who responded	221	61.2%	4.4
Estate agents who dropped out	35	9.7%	
Estate agents who did not respond	105	29.1%	
Transaction forms with contact details			
	Buyers	Sellers	Solicitors
Number of interviews completed	257	235	469

3.11 Data cleaning

160 invalid transaction forms were received during the course of the study. Some were duplicates but many were for transaction dates that took place outside the specified time, i.e. between 15 May and 9 June.

Figure 4: Responses of estate agents in sample



Section 4: Conclusion and recommendations

The two-stage sampling methodology provided a wide distribution of 361 estate agents from the whole of England and Wales (60% of the original sample of 600 Post Towns). Of these 361 estate agents 61.2% made some form of response (transaction data, withdrawal data or both) within the data collection phase of the study.

The acceptance form asked the estate agents to estimate the number of completed transactions expected in May and June 2006, the average of which was used as an estimate for the total number of forms expected during the four-week collection period. Using the data provided by the agents on these forms we expected 3,398 completed transactions from the 361 estate agents, which equates to an average of 9.4 transactions per estate agent. At the end of the collection phase, data were actually provided for 962 transactions (out of an expected 2,057) from 221 estate agents – an average of 4.4 per agent.

With the benefit of hindsight, the methodology could be improved in certain areas. The following measures could be considered if the methodology is to be repeated:

- Multiple calls were needed to some estate agents before a specific individual was able to respond to the request to participate. Often they had not seen the information, and information packs were resent either in the post or electronically. Sufficient time should therefore be given to the recruitment phase to ensure all estate agents are in place prior to the study period.
- The acceptance form could have provided an easier method for the estate agents to decline participation in the study. The recruitment would be much easier and quicker if estate agents could decline participation through sending back the same form, enabling selection to move on more rapidly to the lower ranked agents in that Post Town. A small number of estate agents did this anyway, but most need to be contacted via the phone to confirm or decline acceptance.
- The forms required for the study are complete, and for direct comparisons the same forms should be used wherever possible. Even if changes are required, however, it would be beneficial if forms could be with the estate agents, and confirmation of receipt obtained, before the study period. This was not possible given the timeframe of this project and the delays in recruiting.
- During the final stages of completion an estate agent is likely to be in regular contact with both the buyer and the seller. Consent from buyers and sellers would be much easier to obtain via a regular phone call or face to face meeting at this stage.
- Solicitors were happy to provide information, and some even wanted to provide feedback on their opinions of the Home Information Pack. They could be a valuable source of further information in future studies.

- Good contact with a single named individual within an estate agency should be established as early as possible to make it easier to encourage agents to provide the data.
- The larger national chains should be involved, at Board level, much earlier in the recruitment process to ensure their members are able to participate in principle if selected.

Appendix A: NAEA Statement of Support

WHY YOU SHOULD PARTICIPATE IN THIS RESEARCH!

The National Association of Estate Agents, along with major national estate agencies, encourages you to get involved in the project as follows:

"We fully support the aims of BRE/MORI's benchmark research for ODPM. We welcome this important opportunity for estate agents to express their views and to help make improvements to the Home Information Pack before it is rolled out. This benchmarking also provides an opportunity to assess the formal dry run against any concerns which might exist.

Only a limited number of estate agent branches are being invited to participate in the research, and we strongly urge you to participate if you are one of them."



Office of the
Deputy Prime Minister
Creating sustainable communities



BASELINE

Ipsos MORI

bre

Appendix B: Recruitment Pack

Home Information Pack – Baseline Study Folder



Recruitment letter

Recruitment letter



**Office of the
Deputy Prime Minister**
Creating sustainable communities

Kevin Roper
Senior Research Officer
Office of the Deputy Prime Minister
3/A1 Eland House
Bressenden Place
London SW1E 5DU

Kevin.Roper@odpm.gsi.gov.uk

Web site: www.odpm.gov.uk

21st April 2006

Dear Sirs

The Office of the Deputy Prime Minister has commissioned BRE (the Building Research Establishment) and MORI to carry out research to evaluate the current buying and selling process of homes in England and Wales. The aim is to provide a benchmark against which to measure the impact of the national roll-out of the Home Information Pack. You are one of 3,000 Estate Agents who are being specially invited to take part.

This is an important opportunity to express your views, and we would very much encourage your participation. The information you provide will be invaluable in helping us to understand how the current buying and selling process is working, and is also an opportunity to tell us your views about the anticipated impact of the Home Information Pack on this process. Your views will help us to make improvements to the implementation of the Home Information Pack prior to its roll-out.

We will ask you to:

- Fill in a brief transaction form for each property that completes, or is withdrawn from sale, between 15th May and 9th June 2006.
- Fill in a feedback form at the end of the study.

The transaction form will ask you to provide the key transaction dates for each property you have sold, which is information that most Estate Agents routinely collect. The feedback form will ask for your views on the Home Information Pack and current market conditions. To show our gratitude for your participation we will include you in an exciting prize draw for a 'red letter day' experience for staff in your office.

Further information and a list of FAQs are enclosed in this pack. Please now return the enclosed acceptance form, and BRE/MORI will include you in the sample and contact you in due course.

We sincerely hope that you see this as a real opportunity to be involved in important Government research on the impact of the Home Information Pack. Please be assured that all the information you provide us with will be treated in the strictest confidence. It will only be used for the purposes of the study and will not be passed onto any other parties. When the findings from the study are published, you and your clients will not be identifiable.

If you have any queries at this point please contact Alex Chester at BRE (chestera@bre.co.uk, tel. 01923 664523)

Yours sincerely

Kevin Roper
ODPM

Acceptance Form

ACCEPTANCE FORM

My office would like to be put forward for selection as the Estate Agent representing our post town.

The main contact in the office will be:

Contact name:

Telephone:

Email:

Agency name:

Agency address:

Post code:

Please give an indication of the likely number of property sales that will complete in the following months

May

June

Would you prefer to fill in paper forms or electronic forms accessible over the internet?

Paper

Electronic

Do you routinely collect the following information on all your sales? (please tick all that apply)

Key dates

Seller's details

Offer details

Buyer's details

Sale price

Solicitor details



39570



Information for Estate Agents Page 1

INFORMATION FOR ESTATE AGENTS

WHAT IS THE HOME INFORMATION PACK (HIP) BASELINE STUDY?

The Government is committed to making the home buying and selling process in England and Wales more transparent, certain and consumer friendly through the introduction of the Home Information Pack.

Please go to <http://www.homeinformationpacks.gov.uk/home.aspx> for more information on HIP.

From 1st June 2007 nearly every home for sale in England and Wales must have a Home Information Pack.

This Baseline Study has been commissioned to evaluate the current buying and selling process of homes in England and Wales in order to provide a benchmark against which to measure the impact of the national roll out of the Home Information Pack.

The Office of the Deputy Prime Minister has appointed BRE and Ipsos MORI, independent consultants, to gather information from estate agents, sellers, buyers and solicitors on the selling and buying of their homes. The aims of the Baseline Study are explained below.

WHAT ARE THE AIMS OF THE BASELINE STUDY?

The main aims of the Baseline Study are:

- To establish the benchmark for home buying and selling activity in England and Wales in 2006.
- To assist with understanding the impact of the Home Information Pack, especially with regard to the transactional benefits and consumer satisfaction, when it is followed up with similar studies:
 - a dry run study which will take place prior to June 2007, to explore the impact of the Home Information Pack on property transaction that are already using the Home Information Pack
 - a repeat baseline study in 2010.

HOW ARE ESTATE AGENTS BEING SELECTED TO TAKE PART IN THE STUDY?

The baseline information is being gathered from 600 randomly selected post towns, roughly half of all post towns in England and Wales. In each selected post town, five estate agents are being randomly selected and asked if they are willing to participate in the study. You have been selected as one of the estate agents in your post town. There will be only one estate agent to represent your town, which will be drawn from those that agree to participate. We want to encourage you to put yourselves forward to the next selection process.

WHAT WILL PARTICIPATING ESTATE AGENTS HAVE TO DO?

For all property sales that complete between 15th May 2006 and 9th June 2006 you, or one of your colleagues, will be required to complete a transaction form. The form should only take 15-20 minutes to complete. The transaction form will ask for background information on the property and details of the key transaction dates. You will also need to obtain permission from buyers and sellers to provide their contact details on the transaction form.

Full address and telephone numbers will be required. Contact details for both parties' solicitors will also be required on the form. We will provide you with an information leaflet suitable for passing on to sellers and buyers to encourage them to take part in the study.

You will also be asked to provide a small amount of information on all property sales withdrawn from the market during the same period.

Finally you will be asked to complete a short feedback form. The feedback form will provide participating estate agents with the opportunity to give their views about Home Information Pack and general information on the state of the market.

Information for Estate Agents Page 2

INFORMATION FOR ESTATE AGENTS

WHEN WILL PARTICIPATING ESTATE AGENTS BE INVOLVED IN THE STUDY?

Estate agents will be involved in the study from 15th May 2006 to 9th June 2006.

WILL PARTICIPATION IN THE BASELINE STUDY BE TIME CONSUMING?

All of the information collected on the transaction form should be data you routinely collect for each sale. We will only be obtaining data for sales that complete during the timeframe outlined above. This task should take no more than 20 minutes as the sale draws to a close and can occur anytime after the completion date has been set. Taking part in the Baseline Study will therefore only take a little extra time over and above the normal property details filing process. We will aim to make the task as easy as possible for all participating estate agents. MORI will telephone all participating estate agents at regular intervals to encourage the completion of forms and to provide support.

WHAT ARE THE BENEFITS FOR ESTATE AGENTS TAKING PART IN THE BASELINE STUDY?

This is your opportunity to give your views on the selling and buying process, and to raise any issues you may have with the introduction of the Home Information Pack. You will be given the chance to provide your views at the end of the study on a short feedback form. We will also ensure that you are disseminated with the findings as soon as they are publicly available.

In addition, to show our gratitude for your participation, we will also include you in an exciting prize draw scheme.

WHAT DO ESTATE AGENTS NEED TO DO TO PARTICIPATE IN THE STUDY?

If you are willing to take part in this study, please complete the acceptance form included in this pack and return it to us in the prepaid envelope within 2 weeks of receiving this letter. Alternatively, if you are connected to the internet, you can log on to <http://form.bre.co.uk/39570/39570.htm> and complete the form on-line. If we do not hear from you in the next ten days, we will be chasing you for a response with a telephone call.

ANY QUESTIONS?

If you would like any further information about this study, please contact: Alex Chester, email: chestera@bre.co.uk, telephone number 01923 664523 or fax number 01923 664097.

Frequently asked questions Page 1

FREQUENTLY ASKED QUESTIONS

OVERVIEW/BACKGROUND

When will Home Information Packs become compulsory?

The Government will make Home Information Packs compulsory from 1 June 2007.

What's wrong with the current home buying and selling process?

Research shows that the current home buying and selling process:

- Is slow by international standards. Currently, in England and Wales, it takes an average of eight weeks to sell a home. In other countries it takes an average of four weeks.
- Is wasteful and inefficient resulting in high rates of failed transactions. More than one in four transactions currently fails between offer acceptance and exchange of contracts.
- Is particularly prone to delays and other problems during the period between offer acceptance and exchange of contracts.
- Causes considerable frustration and stress. Almost nine out of ten consumers are dissatisfied with it.

Currently buyers and sellers do not have access to key information to inform their initial decisions. This means that buyers and sellers are negotiating and agreeing terms without the benefit of all the facts, which often causes problems later in the transaction, or causes it to fail altogether.

How will the Home Information Pack help?

The Pack will provide up front important information which at present is collected piecemeal in the days and weeks after the offer has been accepted. This will:

- Ensure that buyers and sellers are well informed and better prepared by having as much information as possible right from the start.
- Secure faster mortgage offers and search replies.
- Reduce delays and uncertainties by making the process more transparent.
- Help address a number of problems caused by delays, including gazumping and problems in chains.

How much will a Home Information Pack, including a Home Condition Report cost, and who will pay?

We estimate that the cost of preparing a pack for an average home will be of the order of £600-£700. But:

- These are not additional costs, as most of the changes involve doing the same things as in the current home buying process but more efficiently and at an earlier stage.

- The Home Information Pack will transfer responsibility for obtaining local searches and a home condition report from the buyer to the seller. But, since the vast majority of sellers are also buyers these costs would usually be balanced by corresponding savings and benefits.
- We expect that most sellers will not have to pay up front for the pack, so Home Information Packs should not act as a brake on properties coming to the market.
- Market forces will keep prices low for consumers and those who are pricing Home Condition Reports and Home Information Packs at a premium will lose out to those who don't.
- Another factor is that at least £350 million is wasted each year by consumers on aborted transactions under the current process. The Home Information Pack will reduce substantially the number of failed transactions and hence these wasted costs.

When will sellers be required to pay for the preparation of a Home Information Pack?

Industry expectations are that the seller will not have to pay the full costs up front – in most cases these will be deferred until completion of the sale, like estate agents fees are now.

Won't the packs be open to fraud or misrepresentation by sellers?

Caveat emptor will apply as now. A buyer's conveyancer will be responsible for checking relevant documents. These will mostly contain much the same information as those used in the process now, with the exception of the home condition report.

Home Condition Reports will be provided by a qualified person who is a member of an approved Certification Scheme. The reports will be stored on a central register. Buyers and their advisers will be able to obtain copies from that source to ensure that the report provided by the seller has not been tampered with.

How can I get hold of a Home Information Pack?

Home Information Pack providers can be found through high street traders such as lenders and estate agents, through national, local and online advertising or via a public register of Home Inspectors, which will become available towards the end of 2006.

Can sellers assemble their own pack?

Yes.

Frequently asked questions Page 2

FREQUENTLY ASKED QUESTIONS

DRY-RUN

What is the purpose of the dry run?

The dry run will allow industry to test the practicalities of, or elements of, a Home Information Pack system, including assembling a Home Information Pack at the start of the process.

The dry run research, which will take place prior to June 2007, will be used to explore the impact that the Home Information Pack is having on property transactions that are already using the Home Information Pack.

INDUSTRY AND THE HOME INFORMATION PACK

Can a seller purchase a Home Condition Report from one organisation and then take this to another to be used as the basis of a mortgage offer?

Yes, the Home Condition Report should be "transportable" and it is intended to make regulations providing that it can be relied upon by the buyer, seller and lender irrespective of who paid for the report.

Who has HIP access in the industry and as buyers?

Access to a Home Information Pack is available to genuine prospective buyers, except where a seller has stipulated that they would not be prepared to sell to that person.

If first day marketing is allowed, clear rules must be in place for failure to commission a Home Information Pack.

There is no proposal to allow first day marketing.

Will there be a duty to provide a pack to all persons who wish to view a property or just the buyer that makes an 'offer'?

The duty to supply a copy of the pack applies to any requests made by a potential buyer. This applies at any time the property is on the market.

OTHER

Will this process slow things down?

Sellers and their agents will have to assemble a pack before marketing begins but this should take days rather than weeks. The delay in marketing should be more than cancelled out by time savings later in the process.

We need early confidence in ODPM's communication plans to ensure the public are aware of this new legislation.

Communications will form part of the overall implementation plan that is being developed jointly with industry. Government launched a stakeholder awareness campaign on 7 April 2006 and a public awareness campaign will follow during 2006, which will lead the programme into implementation on 1 June 2007.

Where can I go for further information?

<http://www.homeinformationpacks.gov.uk/home.aspx>



Office of the
Deputy Prime Minister
Creating sustainable communities



Ipsos MORI



Appendix C: Transaction form

TRANSACTION FORM

Estate agent ref no:

Form ref no:

INSTRUCTIONS

Please take the time to fill in one of these forms for **EACH** transaction you complete between 15th May and 9th June 2006.

Once completed, please return forms in envelope provided to: **Mark Tsagli, Ipsos MORI, 79-81 Borough Road, London SE1 1FY** or feel free to fax in completed forms to: **0207 347 3803**

This form can be completed electronically at www.mori.com/transactionform Please see covering letter for more details.

Please complete both sides of this form as accurately as you can and be sure to keep a copy for your records.

If you have any queries about this form or the project in general, please contact: Mark Tsagli directly on 0207 347 3096 or email mark.tsagli@ipsos-mori.com

TRANSACTION DETAILS

Address:

Postcode:

Original asking price: £

Final asking price: £

Selling price: £

Key transaction dates (dd/mm/yy)

Instructed to market: / /

Offer agreed: / /

Mortgage valuation: / /

Exchange: / /

Completion: / /

Other useful dates (dd/mm/yy)

Started marketing: / /

First viewing (buyer): / /

Buyer's solicitor instructed: / /

Seller's solicitor instructed: / /

Mortgage offer given: / /

CLIENT CONTACT DETAILS

Seller (main contact) Please read statement included to obtain consent before providing contact details. If consent is not given, please check here

Name:

Address (if different from above):

Postcode:

Phone number:

Mobile number:

Solicitor / conveyancer:

Firm's address:

Postcode:

Firm's telephone:

Buyer (main contact) Please read statement included to obtain consent before providing contact details. If consent is not given, please check here

Name:

Address (if different from above):

Postcode:

Phone number:

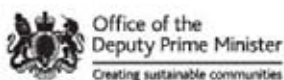
Mobile number:

Solicitor / conveyancer:

Firm's address:

Postcode:

Firm's telephone:



TRANSACTION FORM

Estate agent ref no:

Form ref no:

PROPERTY DETAILS (please tick as appropriate)

Dwelling Type

- Terrace house
- Semi-detached house
- Detached house
- Bungalow/chalet
- Purpose-built flat – low rise (less than 6 storeys)
- Purpose-built flat – high rise (at least 6 storeys)
- Converted flat
- Other
- Number of bedrooms:

Condition of property

- Very poor (in need of modernisation)
- Poor
- Average (well presented)
- Good
- Very good (outstanding example)

Original construction date

- Pre 1919
- 1919-1945
- 1946-1964
- 1965-1980
- Post 1980
- New Build

Is the property freehold or leasehold?

- Freehold
- Leasehold
- Other

Prior to sale, was the dwelling owner occupied, rented or vacant?

- Owner occupied
- Rented
- Vacant

OFFER DETAILS

- How many different parties put in offers on the property?
- Total number of offers
- Reasons for rejecting offers (if any):

Date of first offer from buyer (dd/mm/yy):

Date of response from seller (dd/mm/yy):

In your opinion, compared to similar properties, how would you rate the speed of the sale of this property?

- Very slow
- Slow
- Average
- Fast
- Very fast

In your opinion, were there any complications with the sale of this property?

- Yes
- No

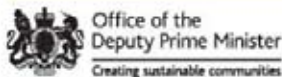
If yes, please provide details.

YOUR CONTACT DETAILS

Name:

Telephone:

Thank you for participating in this study. Please remember that any and all information you provide on this form will be kept in the strictest of confidence and that only your name will be used in response to direct queries from your clients. If at any time you have questions, do not hesitate to contact Mark Tsagli or Lisa Valade-DeMelo of Ipsos MORI on 0207 347 3000.



Appendix D: Withdrawal form

WITHDRAWAL FORM

Estate agent ref no:

Form ref no:

Please complete one block for each property that is removed from your books between 15th May and the 9th June 2006.
Complete as many fields as possible.

House Details

House number
 Property postcode
 Asking price £
 Number of bedrooms 1 2 3 4+
 Date to market / /
 Date withdrawn / /

Reason for withdrawal

Decided not to move Collapse of Chain
 Change of circumstances Change of Agent
 Lack of Interest Private Sale
 Other (please specify)

House Details

House number
 Property postcode
 Asking price £
 Number of bedrooms 1 2 3 4+
 Date to market / /
 Date withdrawn / /

Reason for withdrawal

Decided not to move Collapse of Chain
 Change of circumstances Change of Agent
 Lack of Interest Private Sale
 Other (please specify)

House Details

House number
 Property postcode
 Asking price £
 Number of bedrooms 1 2 3 4+
 Date to market / /
 Date withdrawn / /

Reason for withdrawal

Decided not to move Collapse of Chain
 Change of circumstances Change of Agent
 Lack of Interest Private Sale
 Other (please specify)

House Details

House number
 Property postcode
 Asking price £
 Number of bedrooms 1 2 3 4+
 Date to market / /
 Date withdrawn / /

Reason for withdrawal

Decided not to move Collapse of Chain
 Change of circumstances Change of Agent
 Lack of Interest Private Sale
 Other (please specify)

House Details

House number
 Property postcode
 Asking price £
 Number of bedrooms 1 2 3 4+
 Date to market / /
 Date withdrawn / /

Reason for withdrawal

Decided not to move Collapse of Chain
 Change of circumstances Change of Agent
 Lack of Interest Private Sale
 Other (please specify)

Appendix E: Email to national chains and affinity groups

FAO The Business Manager

The Office of the Deputy Prime Minister has commissioned BRE (the Building Research Establishment) and MORI to research and evaluate the current buying and selling process of homes in England and Wales. The aim is to provide a benchmark against which to measure the impact of the national roll-out of the Home Information Pack. We are inviting 3,000 estate agent branches, big and small, selected at random, to take part.

For your information, we will be asking participating agents to:

- fill in a brief transaction form for each property that completes or is withdrawn between 15 May and 9 June 2006.
- fill in a feedback form at the end of the study.

The first form will ask for the key transaction dates for each property, which is information that most estate agents routinely collect. The second form will ask for views on the HIP and current market conditions, enabling ODPM to make improvements to the Pack prior to its roll-out.

This is an important opportunity for estate agents to express their views. To boost participation we would very much like to communicate your support for the project to the participants, along with your encouragement for them to take part. We would therefore like to add the name of your company to the following statement, which we will circulate to the 3,000 potential participants:

“We fully support the aims of BRE/MORI’s benchmark research for ODPM. We welcome this important opportunity for estate agents to express their views and to help make improvements to the Home Information Pack before it is rolled out. Only a limited number of estate agent branches are being invited to participate in the research, and we strongly urge you to participate if you are one of them.”

We are working to very tight timescales, and are aiming to recruit the sample of agents immediately after Easter. I would therefore be very grateful if you would indicate your support for the above statement as soon as possible.

Thank you in anticipation.

Neil Cutland
Project Manager, HIP Research Team
BRE (Building Research Establishment Ltd)

cutlandn@bre.co.uk, tel. 01923 664131

Appendix F: Email contact with respondents

The following emails were sent on 15 May to those agencies that had responded to the recruitment pack:

1. Respondents definitely included in the sample.
2. Respondents from Post Towns that already had a higher ranked agency in the sample.
3. Respondents from Post Towns where an acceptance form was pending from a higher ranked agency.

1. Respondents definitely included in the sample

Estate Agent Contact Name

Thank you for completing an Acceptance form for the upcoming HIP Baseline study.

You have been selected to be the Estate Agent representing your town of (name of post town).

Your participation number for all future correspondence is X.

You will receive a new pack within the next five working days explaining what to do next.

Please wait for this pack before you do anything else.

Could you please check your address details below:

Agency address

If there is a mistake, please correct by return email.

Thank you for your patience.

Sincerely yours,

2. Respondents from Post Towns that already had a higher ranked agency in the sample

Estate Agent Contact Name

Thank you for completing an Acceptance form for the upcoming HIP Baseline study

We have received responses from more than one estate agent in your town of (name of post town).

Unfortunately the other estate agent was selected first in a random selection process.

We would like to keep your contact details on file should the circumstances of the selected estate agents change, making your agency the selected agency. Please let me know if this is not acceptable by return of email.

Thank you for offering to participate, and sorry that you were not selected.

Sincerely yours

3. Respondents from Post Towns where an acceptance form was pending from a higher ranked agency

Estate Agent Contact Name

Thank you for completing an Acceptance form for the upcoming HIP Baseline study.

We are currently awaiting response from a number of estate agents in your town of name of post town.

Should the other agent choose not to participate, then you will receive a new pack within the next five working days explaining what to do next.

Please wait for this pack before you do anything else, if it does not arrive you will not have been selected.

Thank you for your patience.

Sincerely yours,