

CONVEYANCING MARKET TRACKER

Q1 2022 EDITION

BUSIEST FINANCIAL YEAR ON RECORD LEAVES CONVEYANCERS JUGGLING A 60% RISE IN TRANSACTIONS

- With the average firm clocking up 311 transactions from Q2 2021 to Q1 2022, conveyancing firms are more than twice as busy as they were in the credit crunch which followed the 2007/08 financial crisis
- The number of active firms returned to growth, ending nine years of declining participation as buyers rushed to secure stamp duty discounts and revisit property-buying plans paused due to the pandemic
- An unprecedented 1.26m completed transactions were logged with HM Land Registry between Q2 2021 and Q1 2022, as the conveyancing backlog and end of pandemic restrictions drove volumes up
- Figures mean the average firm registered more than one transaction each working day in 2021/22

7 June 2022 – A 60% annual rise in transaction activity for the average conveyancing firm in 2021/22 saw property lawyers across England and Wales clock up their busiest financial year on record, according to the latest edition of our **Conveyancing Market Tracker**.

The analysis uses completed transactions at HM Land Registry to examine business activity and competitive pressures among conveyancing firms. It shows the 87% annual rise in conveyancing activity across the market for the year ending March 2022, far outstripped the 17% rise in active firms over the same period of time.

With Covid-19 pandemic restrictions lifted and industry scrambling to process a backlog of transactions, high registration volumes during Q1 2022 contributed to a total of 1.26m completed transactions in total that were processed by HM Land Registry during the 2021/22 financial year.

Not only was this 87% up on the previous year, when just 675,377 transactions were recorded as the market was knocked off course by the coronavirus pandemic, but it also represented a 34% increase compared with the 2019/20 financial year before the pandemic first took hold.

Search Acumen's analysis shows the rush of activity brought more firms back into the conveyancing market. An average of 4,058 firms were active each quarter during 2021/22, up from 3,483 in year one of the pandemic during 2020/21. However, growing case volumes still left the average firm handling 60% more transactions than a year earlier, and 32% more than in 2019/20, to register their busiest financial year since records began.

“EXPANDING CASELOADS HAVE REVERSED THE DOWNWARDS TREND OF ACTIVE CONVEYANCING FIRMS, BUT DESPITE RISING PARTICIPATION, AVERAGE WORKLOADS ARE STILL STACKING UP.

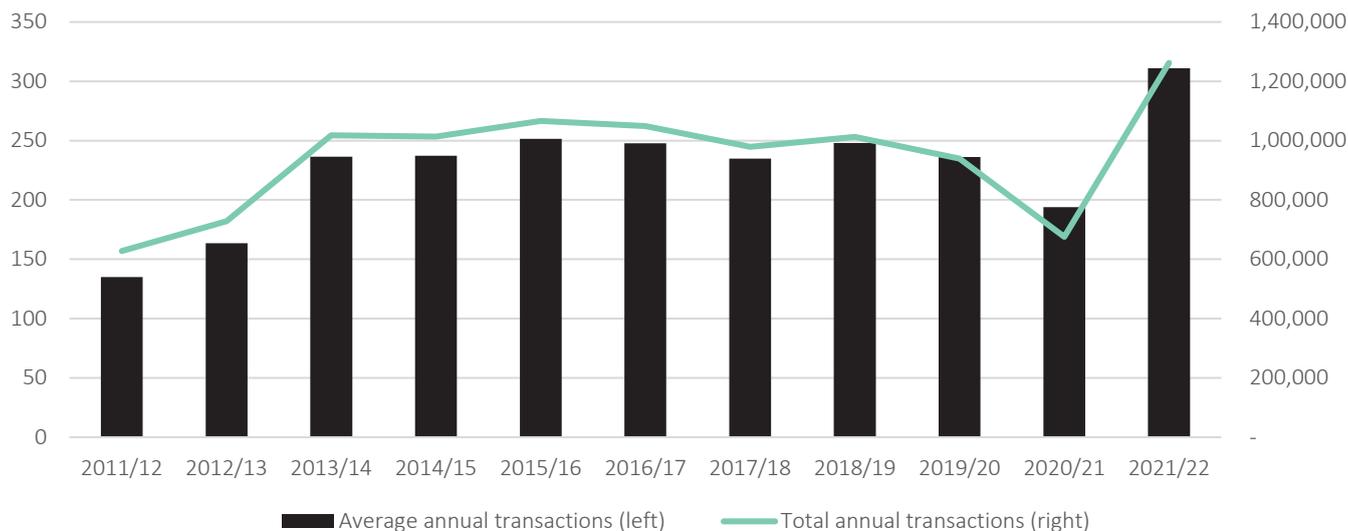
“FIRMS OF ALL SIZES HAVE HAD TO SHOULDER THE TASK OF HANDLING RECORD-BREAKING ACTIVITY. WITH LEGAL PROFESSIONALS WORKING AT BREAKNECK SPEEDS, THE MOST DIGITALLY-ENABLED FIRMS WILL BE BEST PLACED TO MANAGE CLIENT NEEDS EFFECTIVELY.”

Andy Sommerville,
Director of Search Acumen

The average number of transactions per firm weighed in at 311 for the 2021/22 financial year, surpassing the previous record of 252 set in 2015/16 when the introduction of higher stamp duty land tax rates for landlords and second home buyers in England and Wales sparked a rush of transactions to beat the March 2016 deadline.

This time around, the effort to clear the Covid-19 induced backlog and keep pace with buyer demand meant the average conveyancing firm registered more than one completed transaction per day throughout the year (311 transactions vs. 255 working days = 1.22 transactions per day). This is more than twice the pace of activity seen during 2011/12 when the housing and mortgage markets struggled to recover from the 2007/8 financial crash, and the average firm conveyancing completed just 135 transactions at a rate of 0.53 per day.

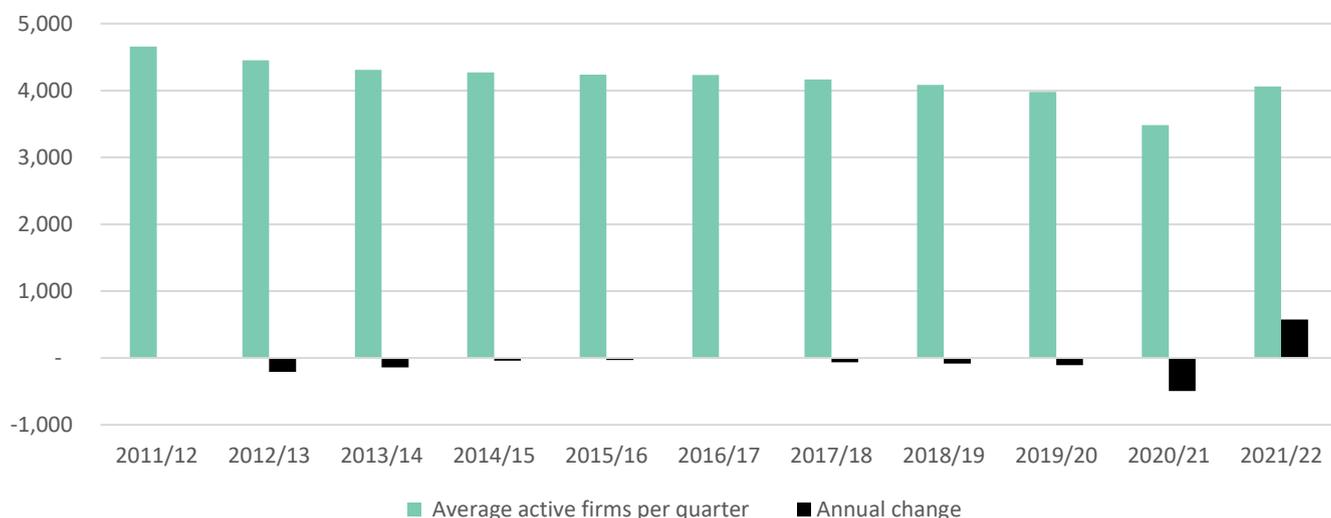
GRAPH 1: AVERAGE AND TOTAL ANNUAL TRANSACTIONS



The rush of transactions has served – at least for now – to reverse the trend of declining participation in the conveyancing market. Search Acumen’s analysis shows that 2021/22 halted a nine-year sequence whereby the average number of active firms per quarter fell year-on-year.

While participation fell the steepest during 2020/21 as the pandemic temporarily halted transaction activity and shut the housing market, activity has more than bounced back with the number of active firms (4,058) creeping back towards levels last seen in 2018/19 (4,083).

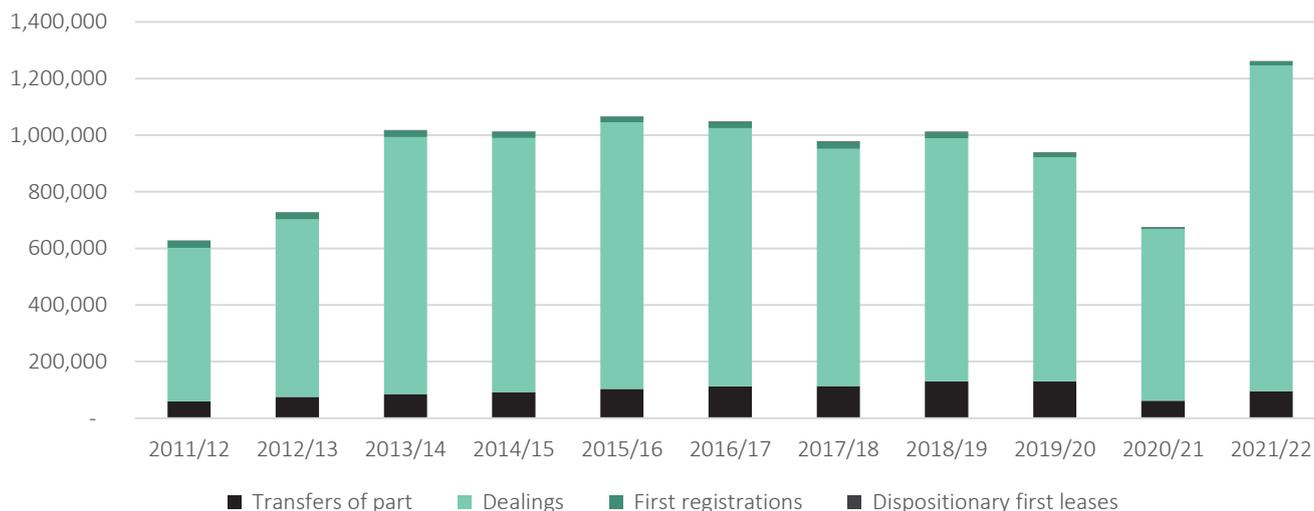
GRAPH 2 - VOLUME AND ANNUAL CHANGE IN ACTIVE FIRMS



The breakdown of conveyancing transaction volumes during 2021/22 shows that almost every category of activity witnessed growth. On an annual basis, the volume of first registrations saw the strongest growth with a 228% increase in registered completions compared with 2020/21, from 4,478 to 14,668.

Dealings, which make up the bulk of activity and refer to applications in respect of registered land – including transfers of title, charges and notices – rose by 89% annually, while transfers of part increased by 56%. Only dispositional first leases – applications to register a new lease granted by the proprietor of registered land – bucked the overall trend, falling 7% annually from 1,953 in 2020/21 to 1,812 in 2021/22.

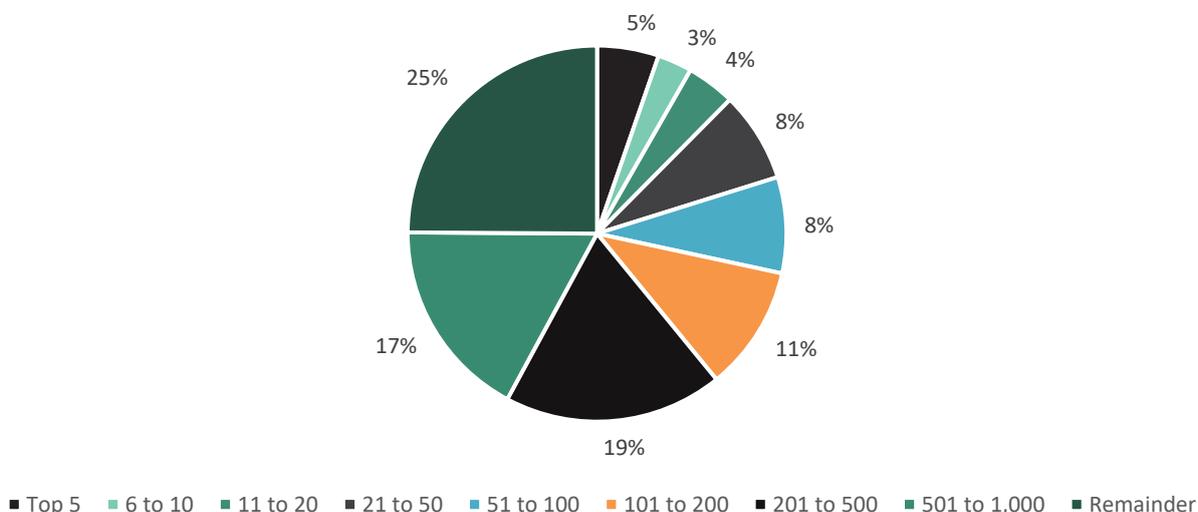
GRAPH 3 - BREAKDOWN OF TRANSACTIONS



Overall, Search Acumen’s analysis shows the five biggest firms by volume of activity saw their collective market share of transaction activity dip slightly to 5% in 2021/22, having stood at 6% during both 2019/20 and 2020/21.

More broadly, the top 500 accounted for nearly three in five (57%) registered transactions, while firms outside the top 1,000 shared one in four (25%). In both instances, these figures have remained relatively consistent throughout the pandemic period as large and small conveyancers alike have shared the load created by the market boom.

GRAPH 4 - COMBINED MARKET SHARE BY FIRM RANKING IN 2021/22



MARKET COMMENTARY

Andy Sommerville, Director of Search Acumen, comments:

“The conveyancing market has been turning the wheels at breakneck speed for over a year now, with a meteoric rise in transaction activity over the last financial year more than compensating for the initial pandemic lull. Expanding caseloads have reversed the downwards trend of active conveyancing firms, but despite rising participation, average workloads are still stacking up.

“Our analysis suggests firms of all sizes have had to shoulder the burden of record-breaking activity. With legal professionals working at breakneck speeds, we expect the most digitally-enabled firms will be best placed to manage client needs effectively and keep workplace pressures in check.

“The pandemic has proved that employing the latest technology is not a nice-to-have, but an essential part of the overall functioning of the property market and the legal processes underpinning it. While the sense of urgency that drove efforts to digitise in the face of a global crisis has slightly dissipated, the necessity of putting data at the heart of the transaction experience is here to stay.

“Clear, accurate and timely data holds the key to streamlining legal processes so the property market can operate as efficiently as possible. Having the right technology platforms and partner in place can shave hours off a grueling workday and we have seen firsthand the benefit on property lawyers’ working lives.

“Time savings from technology have transformational potential if they can be applied across the sector. The potential for tightening lending conditions and rising interest rates to dampen activity will make conditions even more competitive for conveyancing firms if they want to consolidate and grow their business in the months and years ahead. Technology that is fit-for-purpose should be a non-negotiable for conveyancing business leaders as they seek to turn client aspirations into successful transactions with maximum speed and minimum fuss.”



Andy Sommerville is the Director at Search Acumen. His 35 years of experience in property searches spans both public and private sectors. He is committed to advancing government’s digitisation drive and to using technology to deliver products and services for the next generation of property law.

NOTES TO EDITORS

METHODOLOGY

The Conveyancing Market Tracker examines competition in conveyancing by analysing business activity among those firms holding HM Land Registry client accounts, as well as assessing commercial pressures and the outlook among conveyancers. The Tracker was designed by Instinctif Partners. While care is taken in its compilation, no representation or assurances are made as to its accuracy or completeness.

For more information or media enquiries, please contact Andy Lane or Mike Norris at Instinctif Partners on **0207 457 2020** or searchacumen@instinctif.com



www.linkedin.com/company/search-acumen



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ABOUT US

Search Acumen is a property data insight and technology provider to conveyancers, solicitors and commercial property lawyers across the UK. Since taking its first order in October 2013, we have become the data supplier of choice for many leading residential and commercial firms.

Our business is dedicated to transforming the information processes to enhance and accelerate the practice of property law by delivering organised and prioritised property data. Our growth and success rests on working with data owners to understand, shape and deliver datasets that are essential and insightful for the next generation of property lawyers.

Our leadership team pioneered the original concept of property searches and built an entire industry in the process. Today we provide legal professionals with digital access to over 70 layers of essential property data on-demand, and work closely with HM Land Registry and other forward-thinking organisations to revolutionise the experience of buying and selling property.