

# CONVEYANCING MARKET TRACKER

Q4 2020 EDITION

## PROPERTY TRANSACTIONS JUMP 27% IN ONE MONTH AS CONVEYANCERS RUSH TO MEET THE STAMP DUTY CUT OFF

- Conveyancing volumes rise 27% in one month, with 73,142 transactions occurring in December 2020, up from 57,632 in November 2020
- Numbers of active Conveyancing Firms continues recovery from troughs of first lockdown – now up to 3,800
- December 2020 was the busiest month for transactions since the onset of pandemic
- Annual transactions in 2020 almost one third lower than 2019 due to Covid-19

**23 February 2021** - The number of property transactions registered in England and Wales jumped 27% in just one month between November and December 2020, according to our latest edition of the **Conveyancing Market Tracker**.

The final month of 2020 saw 73,142 completed transactions logged by conveyancing firms, up from 57,632 in November 2020. The rise in transactions has been driven by the Stamp Duty holiday stimulating activity in the residential property market. Conveyancers have rushed to help prospective buyers get their foot in the door and complete transactions ahead of the window closing, which is currently due on 31 March 2021.

The tracker – which monitors business performance and competitive pressures in the Conveyancing market using data from HM Land Registry – shows December 2020 represented the busiest month for activity since the onset of the pandemic. Completed transactions registered recovered to levels last seen in February 2020 where 76,935 transactions took place.

**Number of active conveyancing firms continues to rise but remains lower than any point pre-pandemic**

Our analysis shows conveyancing volumes jumped 14% in the last quarter alone, rising to 192,063 in Q4 2020, up from 169,143 in Q3 2020. From Q3 to Q4 2020, firms that ranked 501 to 1,000 saw the biggest proportional increase in business activity, with a 16% rise in registered transactions.

The uptick in demand in the property market resulted in firms benefiting from stronger trading conditions. The number of active conveyancing firms continued to recover from the troughs of the first pandemic-induced

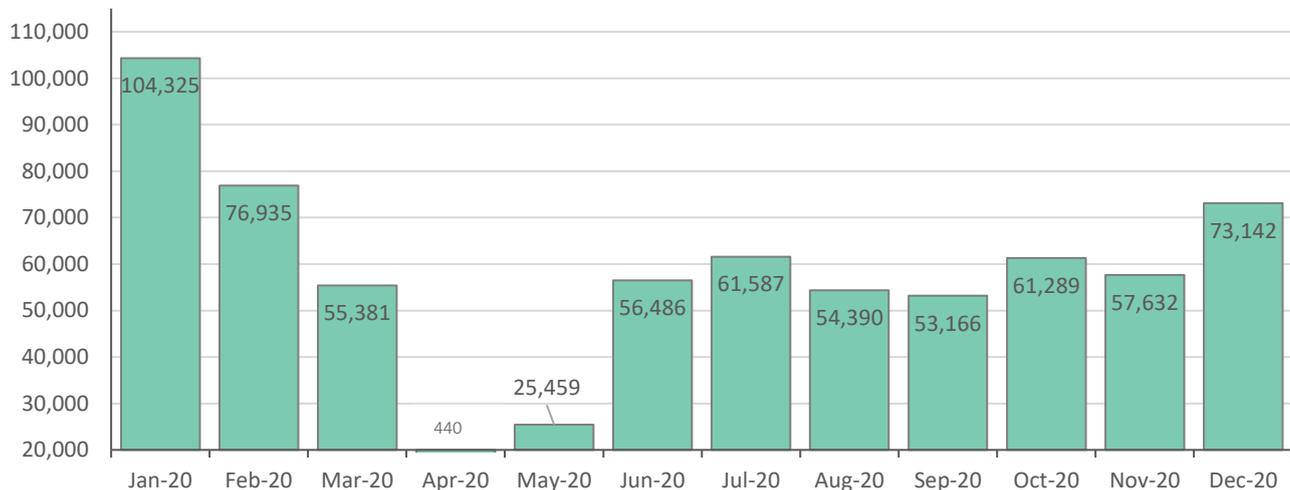
“THE STAMP DUTY DEADLINE HAS PUT ENORMOUS PRESSURE ON THE CONVEYANCING INDUSTRY AND THE TRADITIONAL PROCESSES UNDERPINNING MUCH OF IT, NOT TO MENTION PUTTING LAWYERS’ STRESS LEVELS AND PATIENCE TO THE TEST. THIS CAPACITY CRUNCH IS SET TO ESCALATE OVER THE NEXT FEW MONTHS AND STRETCH THE LIMITS OF EXISTING WORKING PRACTICES. THE CONVEYANCING MARKET IS CRYING OUT FOR INNOVATION TO BETTER RESPOND TO CONSUMER DEMAND.”

Andy Sommerville,  
Director of Search Acumen

lockdown, increasing by 58% to 3,808 in Q4 from a low of 2,411 in Q2 2020.

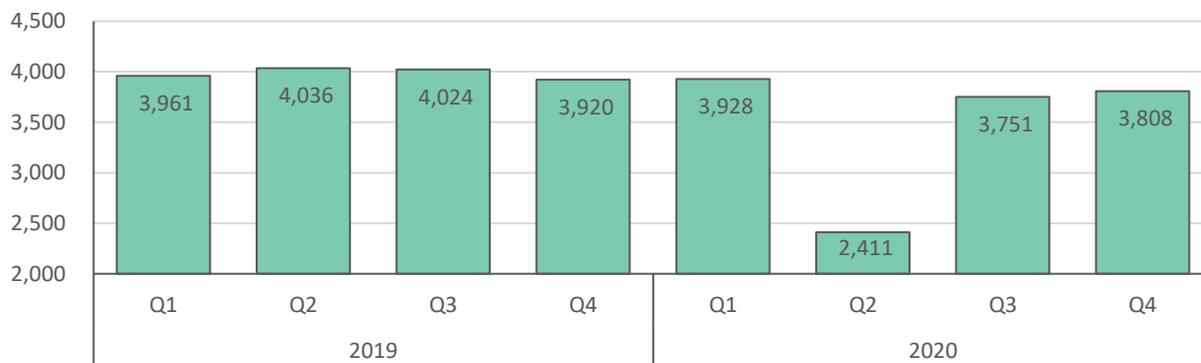
However, despite the recovery from the early stages of the pandemic and the closure of the UK property market, the number of active conveyancing firms in Q4 2020 is still 3% lower year-on-year. It also remains lower than at any point during the pre-pandemic period over the last decade from Q2 2011 to Q1 2020.

**GRAPH 1 - MONTHLY TRANSACTION VOLUMES**



The average number of monthly transactions for the typical firm rose 47%, up to 50 in Q4 2020 from 34 in Q2 but remained 20% below the pre-pandemic levels of Q1 2020 when firms averaged 60 transactions per month. Barring the pandemic period, the Q4 2020 figure represents the lowest level of business seen since Q3 2013.

**GRAPH 2 - NUMBER OF CONVEYANCING FIRMS**

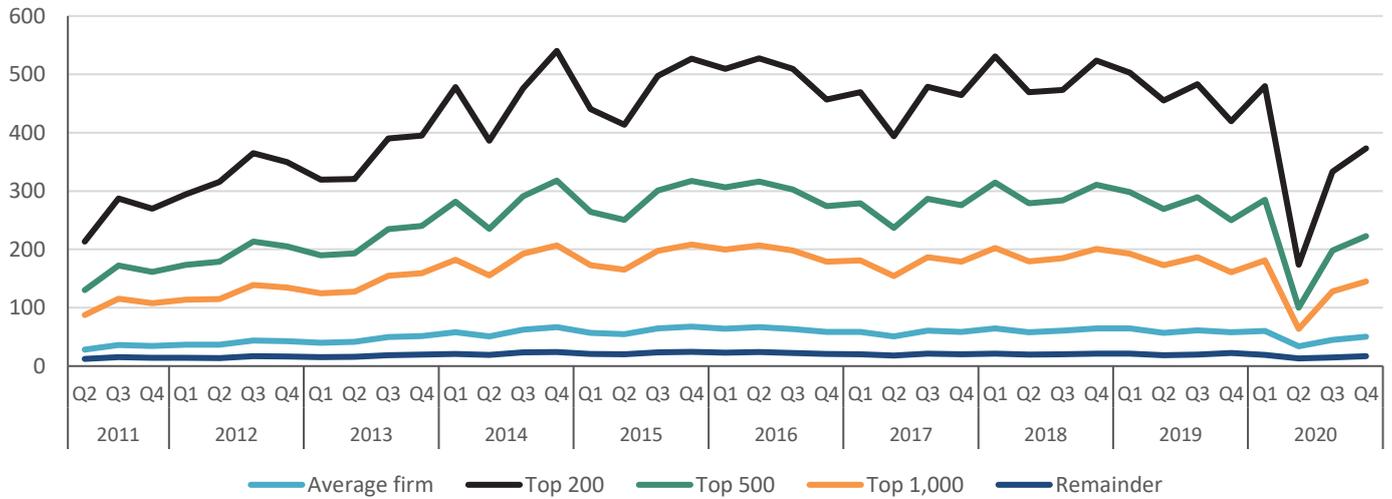


**Annual transactions drop by almost one third amid pandemic disruption**

Even with the year-end recovery in conveyancing activity, annual business volumes have remained acutely impacted by the disruption caused to the property market by the pandemic.

The tracker shows 680,232 completed transactions were registered in 2020, compared to 958,243 in 2019, representing a 29% fall. The average conveyancing firm completed 190 transactions in 2020, compared to 240 in 2019.

GRAPH 3 - AVERAGE QUARTERLY TRANSACTIONS



According to Search Acumen’s analysis, Q4 2020 volumes were down 28% compared to Q4 2019 across the whole of the market. Firms that ranked 51st to 100th were most insulated from the decline as their activity dropped by a relatively small 6%.

The top five Conveyancing Firms by volume of business retained a 6% combined market share, despite their activity levels remaining 16% lower in Q4 2020 compared to Q4 2019.

## MARKET COMMENTARY

Andy Sommerville, Director of Search Acumen, comments:

*“This latest data reveals how much more resilient the property market has been to pandemic-induced shocks compared to the wider economy.*

*“The surge in activity in the property market can be largely attributed to buyers rushing to capture the savings on offer through the higher Stamp Duty threshold. Demand has also been stimulated by a change in consumer appetite for properties outside of cities with access to green spaces, as more people than ever before are working from home.*

*“The Stamp Duty deadline has put enormous pressure on the conveyancing industry and the traditional processes underpinning much of it, not to mention putting lawyers’ stress levels and patience to the test. This capacity crunch is set to escalate over the next few months and stretch the limits of existing working practices. The conveyancing market is crying out for innovation to better respond to consumer demand.*

*“For too long the property market has had to rely on traditional ways of working that are a hangover from the last century. It is time to move away from creaking processes and equip lawyers with the data and technology to fully embrace a digital approach to completing due diligence requirements quickly and accurately. Innovation can not only address the current delays in the system but make the industry more robust in the long term.”*



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.