PROPERTY TRANSACTION DATA INSIGHTS 2007-2023

Why are property transactions taking so long?

Perspectives from across the property value chain

February 2024

Landmark
Information Group

contents

01 INTRODUCTION

One thing is for certain, the low volume of transactions in 2023 can't be blamed on a lack of capacity. Apart from property listing volumes, Landmark data showed all other transaction milestones – such as SSTC and completion levels – dropped by at least 30% compared to 'normal' levels last seen in 2019.

Furthermore, despite the lowest mortgage approval volumes in a decade, transaction times for purchases only decreased by 10 days vs 2022, from 133 days to 123 days. On the sales side, the process was extended by a further 15 days vs 2022, from 144 days to 159 days.

If we compare this with consumer expectations, with most home movers stating that an 8-week offer-to-completion timeframe* would be ideal, then the gap between expectation and reality is stark.

However, our industry experts see reason for hope as our data also identifies where the inefficiencies in the home buying process sit.

So, where can we make improvements? Our data for 2023 found that conveyancing queries took an average of 60 days, a 7% increase from 2022 – despite the much lower volumes. This is a 50% rise from 2019 and an astonishing 131% increase compared to 2007.

The good news is that the length of the enquiry cycle could be a thing of the past due to the changes to material information requirements, which will ensure that all properties enter the market with questions comprehensively answered at point of listing. Home movers should now have all the information they need before making an offer, which in turn should alleviate queries, as well as the likelihood of chains collapsing due to frustration or a change of mind.

But for this change to be most effective, we need to pull together as an industry to create a coherent ecosystem. By sharing, communicating and working collaboratively, we build trust, and with that, we facilitate the timely distribution of the right information at the onset of the home-buying process.

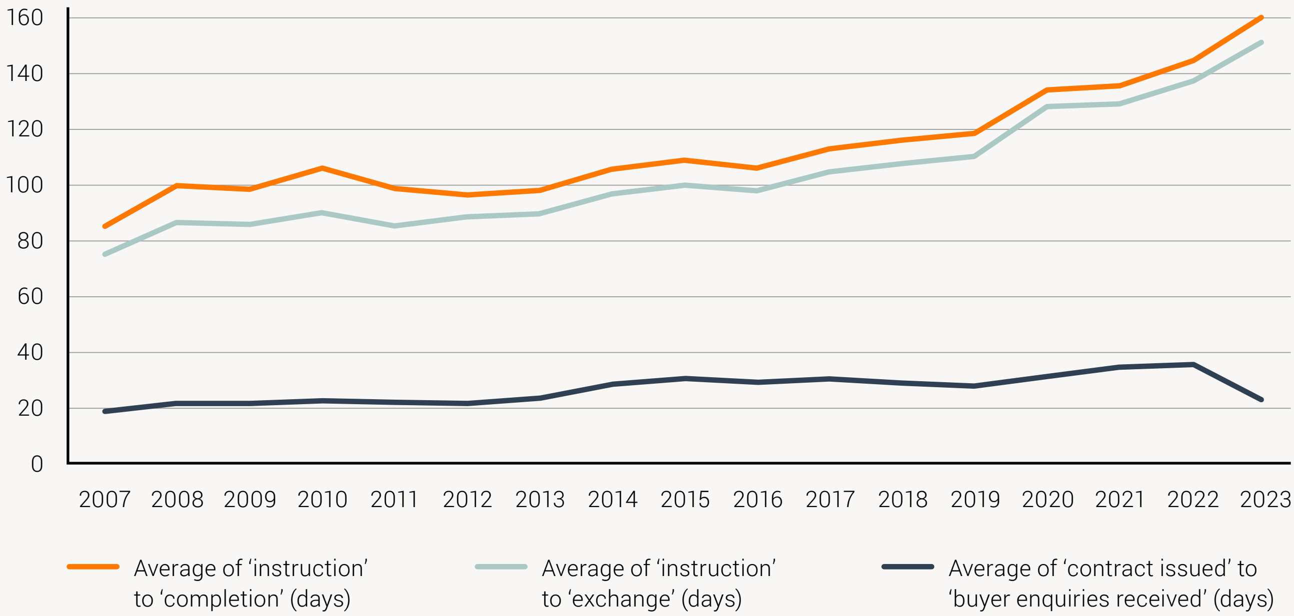
Positive change may present some hurdles, but the result can yield significant rewards.

Simon Brown
CEO, Landmark Information Group
February 2024

*Landmark Market Research: Future Thinking: what's driving property professionals into 2024.

02 PROPERTY TRANSACTION DATA, 2007-2023

England and Wales property transaction data, 2007-2023: Sales



Key data points

Instruction to completion

- The average time from instruction to completion in 2007 was 85 days
- The average time from instruction to completion in 2019 was 119 days
- The average time from instruction to completion in 2022 was 144 days.
- The average time from instruction to completion in 2023 was 159 days
- Comparing 2022 to 2023, this represents an increase of 10%. Comparing 2019 to 2023, this represents an increase of 34%. Comparing 2007 to 2023 represents an increase of 87%

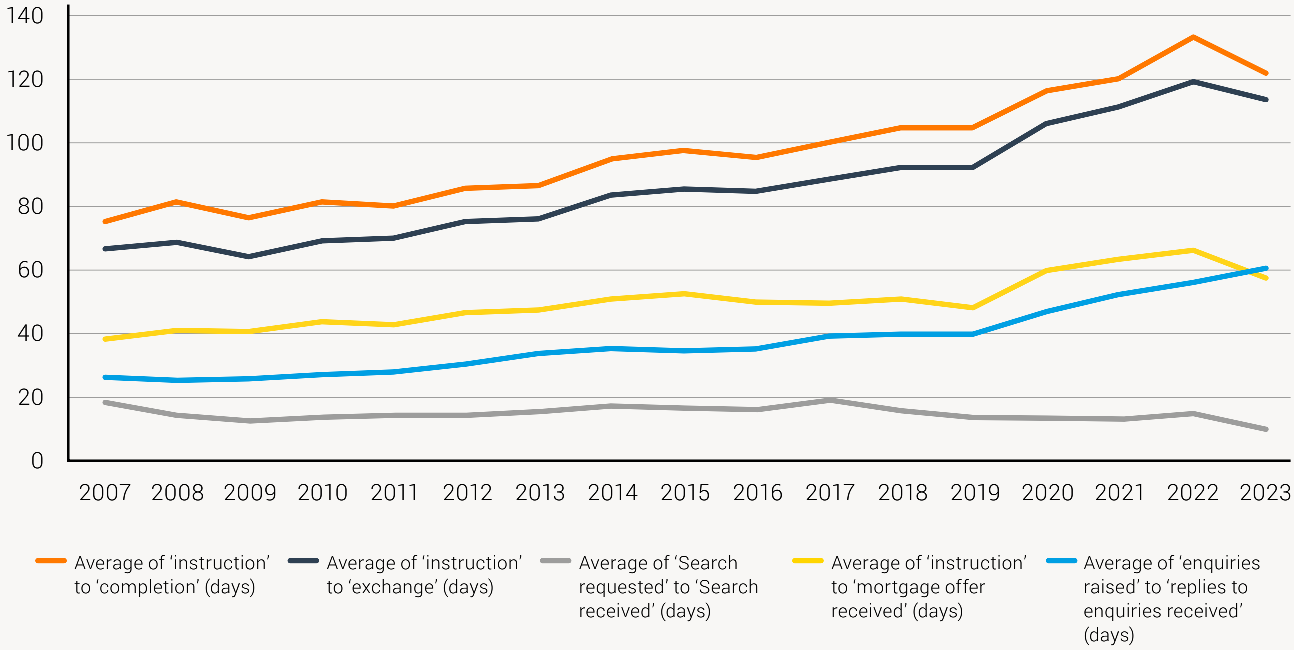
Instruction to exchange

- The average time from instruction to exchange in 2007 was 75 days
- The average time from instruction to exchange in 2019 was 110 days
- The average time from instruction to exchange in 2022 was 137 days
- The average time from instruction to exchange in 2023 was 150 days
- Comparing 2022 to 2023, this represents an increase of 9%. Comparing 2019 to 2023, this represents an increase of 36%. Comparing 2007 to 2023 represents an increase of 100%

Contract issued to buyer enquiries received

- The average time from contract issued to buyer enquiries received in 2007 was 18 days
- The average time from contract issued to buyer enquiries received in 2019 was 27 days
- The average time from contract issued to buyer enquiries received in 2022 was 35 days
- The average time from contract issued to buyer enquiries received in 2023 was 24 days
- Comparing 2022 to 2023, this represents a decrease of 31%. Comparing 2019 to 2023, this represents a decrease of 36%. Comparing 2007 to 2023 represents an increase of 100%

England and Wales property transaction data, 2007-2023: Purchases



Key data points

Instruction to completion

- The average time from instruction to completion in 2007 was 75 days
- The average time from instruction to completion in 2019 was 104 days
- The average time from instruction to completion in 2022 was 133 days
- The average time from instruction to completion in 2023 was 123 days
- Comparing 2022 to 2023, this represents a decrease of 7%. Comparing 2019 to 2023, this represents an increase of 3%. Comparing 2007 to 2023 this represents an increase of 64%

Instruction to exchange

- The average time from instruction to exchange in 2007 was 66 days
- The average time from instruction to exchange in 2019 was 92 days
- The average time from instruction to exchange in 2022 was 119 days
- The average time from instruction to exchange in 2023 was 115 days
- Comparing 2022 to 2023, this represents a decrease of 3%. Comparing 2019 to 2023, this represents an increase of 25%. Comparing 2007 to 2023 this represents an increase of 74%

Search requested to search received

- The average time from search requested to search received in 2007 was 18 days
- The average time from search requested to search received in 2019 was 13 days
- The average time from search requested to search received in 2022 was 15 days
- The average time from search requested to search received in 2023 was 10 days
- Notwithstanding peaks averaging 18 and 20 days in 2016 and 2017, this metric remains stable.

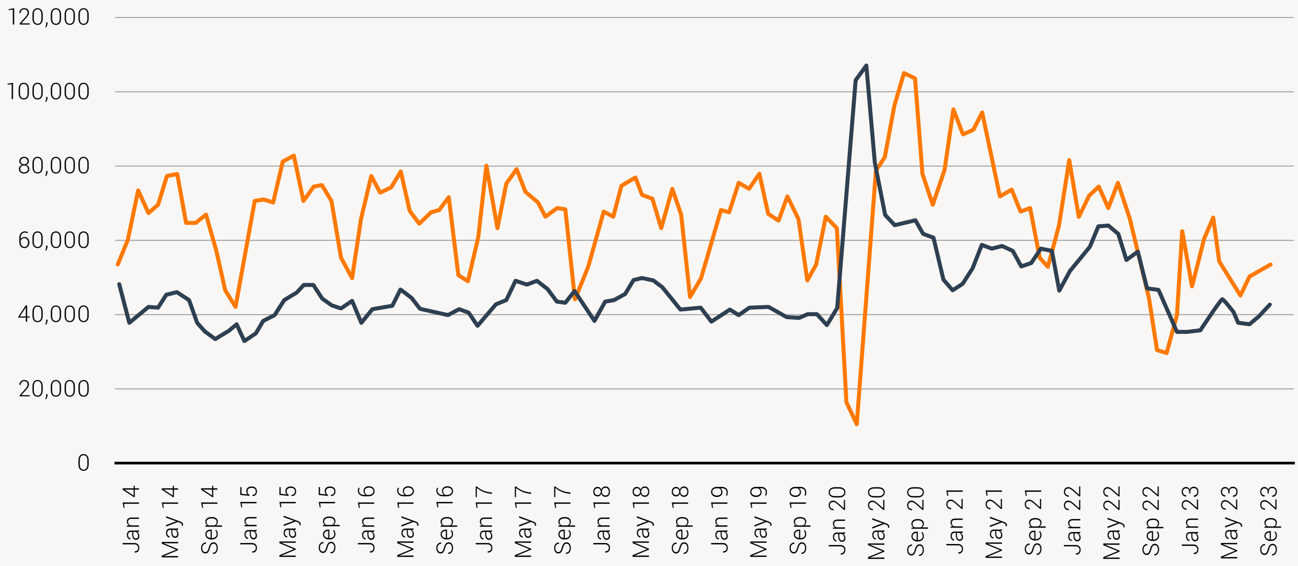
Instruction to mortgage offer received

- The average time from instruction to mortgage offer received in 2007 was 38 days
- The average time from instruction to mortgage offer received in 2019 was 48 days
- The average time from instruction to mortgage offer received in 2022 was 66 days
- The average time from instruction to mortgage offer received in 2023 was 58 days
- Comparing 2022 to 2023, this represents a decrease of 12%. Comparing 2019 to 2023, this represents an increase of 21%. Comparing 2007 to 2023, this represents an increase of 53%

Enquiries raised to replies received

- The average time from enquiries raised to enquiries received in 2007 was 26 days
- The average time from enquiries raised to enquiries received in 2019 was 40 days
- The average time from enquiries raised to enquiries received in 2022 was 56 days
- The average time from enquiries raised to enquiries received in 2023 was 60 days
- Comparing 2022 to 2023, this represents an increase of 7%. Comparing 2019 to 2023, this represents an increase of 50%. Comparing 2007 to 2023, this represents an increase of 131%

England and Wales property transaction data, 2014-2022: Valuation turnaround times



Key data points

Mortgage approvals overview

The chart shows approvals for purchase mortgages by month between 2014 and December 2023.

There was a 26% increase in approvals in the 18 months post lockdown (July 2020 – December 2021), compared to the 18 months from July 2018 to December 2019.

Average valuation turnaround times

- After the impacts of the lockdown cleared, turnaround times crept up again and the average post lockdown valuation turnaround time peaked in July 2022
- Since July 2022, turnaround times have dropped to 45% lower than in July 2022.
- It was only in February 2023 that turnarounds dropped below the pre-covid level
- The average valuation turnaround time in 2023 was 5.7 days

03 THE ESTATE AGENCY PERSPECTIVE

Ben Robinson, Managing Director, Landmark Estate Agency Services

In a quieter year, transaction times for sales data should drop – but last year this didn’t happen.

In fact, timelines increased, and that has put a lot of pressure on estate agents who are only paid after completion. Furthermore, the longer a property takes to sell then the longer they wait to be paid.

In 2023, we shifted to a buyers’ market. This put less pressure on buyers to act quickly and gave them the luxury of time to be more particular in their queries and negotiations. Wary of high interest rates and the likelihood of less spare cash after moving, buyers wanted to get the most for their money. In addition, there were ever-shifting interest rates to contend with, leading to increased negotiation and fall throughs.

Most agents are owner-operated, and the longer transaction times caused by the enquiry cycle means agents are making less money. This often results in personal cashflow problems and high levels of stress around business-as-usual tasks, such as paying staff, office rent and subscriptions. Financially, 2023 was incredibly difficult – and it remains challenging.

In a normal year, estate agents close the last quarter of the year on a high as money comes in from spring and summer sales. After this, they hunker down for a tight start to the year. But sales throughout 2023 were incredibly poor, so cashflow is going to be hard for at least another six months.

Even when the market eases it will take a lot of time for agencies to recover cash flow, given they are generally paid on completion.

Control and invest in the controllable

The changes to material information requirements – albeit seem at first glance to be an additional burden – offer an opportunity to improve cashflow. Preparing information early increases the chance of a quick and successful transaction. Swift sales make an estate agent stand out, so leaning into this change could make a tangible difference both financially and in terms of reputation building. Also, as parts B and C of the material information requirements are a new legislative burden, it may be fair to charge the home mover for this time upfront – just like with Energy Performance Certificates – further enhancing cash flow. It might seem small at first glance, but £50-£100 for every listing, alongside 10% more of your pipeline coming in a month sooner, would make a dramatic difference for most agents.

Agents, in collaboration with proactive solicitors, can develop commercial models to gather information upfront and efficiently plan data collection from homeowners and digital platforms, ready for sharing with relevant parties when needed. This makes the process less of a burden and even more effective in aiding speed and certainty.

Trust building

As an analogy, imagine a dysfunctional relay team on a track where the lanes do not align for each leg. The team, a group of strangers who have never met, are reliant on each other to win the race. It just won't work. Everyone is trying their best in their own leg, so the lack of success is then blamed on the others for not doing their bit. This is very similar to the way our market functions; but it doesn't have to be that way.

A functioning relay team has a coach overseeing everything; the team members know each other's strengths and they pass the baton at the right moment on a track in which the lanes flow. Each one works hard on their own section. But they respect that they all have the same objective, so remove blame and work together to enhance their performance as a team.

Gathering data once at the start and sharing it with others when they need it will help. However, for that to work we must be able to trust the data gathered by other stakeholders. To support this, industry bodies and the government need to encourage trust between stakeholders and implement ways to streamline the residential property market if we're going to win this race together.

> *As an industry, we should accept that we all have the same objective and work together to optimise the process – putting the home mover at the heart of everything we do.*

About Ben

Since joining Landmark in 2016, following the acquisition of ETSOS where he managed the estate agency arm of the business, Ben has integrated Landmark's estate agency portfolio of services to develop a value-added proposition for estate agents. The division includes the Landmark Agent, Metropix and Compliance in a Box brands.

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04 THE LENDER PERSPECTIVE

Mike Holden, Divisional Director, Landmark Information Group

While work by lenders and surveyors to reduce the waiting time for mortgage offers and valuations was effective, enquiries in 2023 rose – extending transaction times even further. Those transaction delays cause risk for everyone in the process.

As a example, lenders only make money when they issue the loan. The longer the transaction takes, the greater the delay in revenue generation. Longer transactions also increase the risk of it falling through and the deal collapsing altogether – leaving the lender with no earnings. To mitigate the impact of these delays, lenders have teams to support enquiries, either answering them or passing them to the valuer or handling questions from the customer or broker. Furthermore, the cost of this processing lands on the lender.

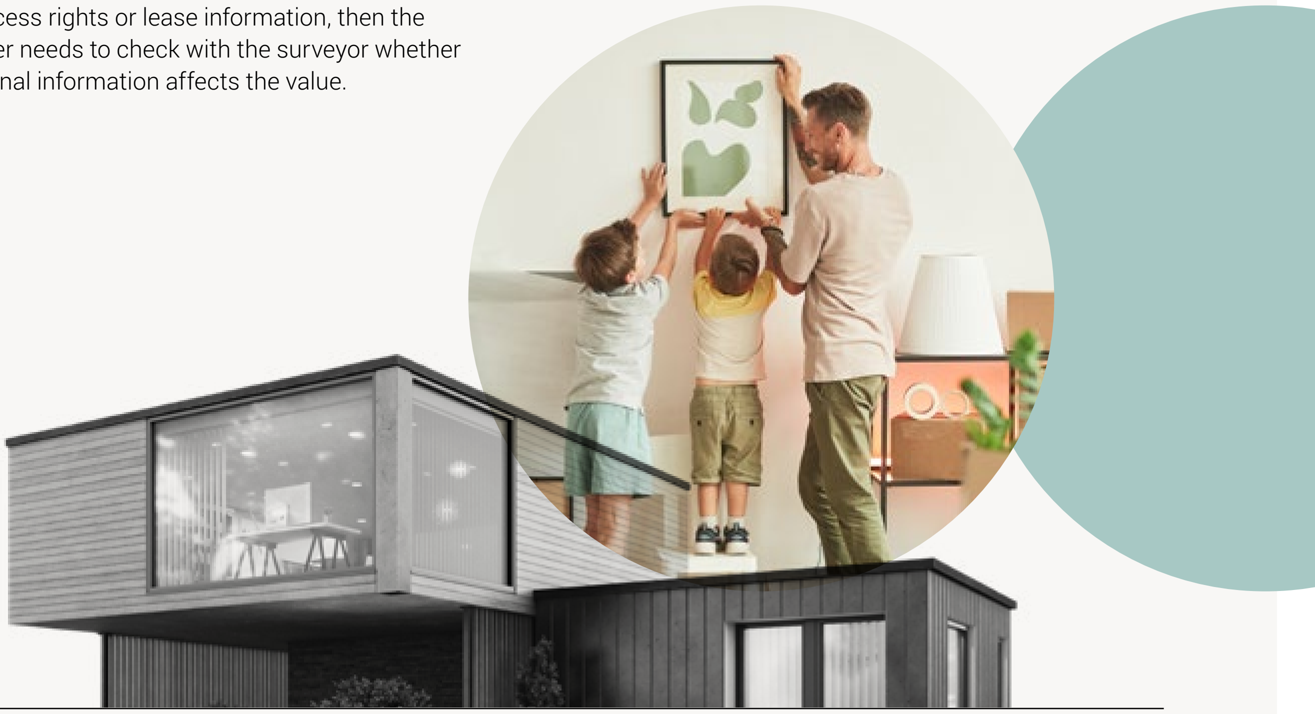
The danger of the PVQ

On the other hand, surveyors are involved – and paid – very early in the process. Having completed the valuation and with money in the bank, there is little risk. However, post-valuation queries (PVQs) come with overheads and risks for surveyors. When the conveyancer finds information that might affect the value of the property, such as access rights or lease information, then the conveyancer needs to check with the surveyor whether that additional information affects the value.

The further a query is from the valuation, the greater the risk to the valuers. Market changes, staff turnover, and even retrieving original documentation adds time, expense and risk to the valuer.

Upfront information

The hope is upfront information (UFI) will resolve most queries – but we need to find a balance. For example, say a valuer receives a hefty document of information for the property valuation. At the moment, a valuer can perform around six physical valuations each day, taking a little over an hour per valuation. If they add 30-plus minutes of reading information that may not even be relevant, then their daily valuation capacity is shortened. We need to streamline UFI, rather than expecting everyone to sift through reams of information, some of which might apply to certain property professionals. Crucially, this information must reach the right people to speed up the process and reduce risk.



Streamlined future

Surveyors are already using UFI to streamline their processes – and reduce the chances of PVQs. They screen inbound valuation requests using rules and data to identify any that might result in a PVQ – such as environment factors and lease information – and channel those requests into the relevant process. If the screening identifies a leasehold, the valuation enters a leasehold process to interpret information correctly and use it effectively for the valuation.

Currently, valuation turnaround time is five to six days, and there is a push to reduce that further with remote desktop valuations. These cut travel time and remove the need for an occupier to provide access to a property.

Similarly keen to improve, lenders are incentivised by their speed of application-to-offer process to create a service that appeals to the intermediary market. After all, mortgage brokers are most likely to favour the most efficient lender.

> *We are all working on processes that will make a difference. The greatest risk we have is another market increase – like the post-Covid boom – while initiatives are still taking shape, which would cause extended transaction times once again. We need a little more time to have everything ready, but we are moving in the right direction.*

About Mike

Mike joined Landmark Information Group in 2012 as head of client relationships at Landmark Valuation Services, before becoming managing director of the same business in 2019. In March 2023, he moved to become divisional director at Landmark Information Group, with oversight for businesses such as Landmark Valuation Services and Optimus.

Previously, Mike spent four years at The Digital Property Group, before moving into a key account director role with Zoopla Property Group.

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05

THE CONVEYANCING PERSPECTIVE

Rob Gurney, Managing Director, Ochresoft

Knowing how subdued the market was in 2023, we can say, quite definitively, that capacity is not the issue for why conveyancing takes as long as it does.

Lawyers were not overloaded last year, yet transaction times did not reduce in line with case numbers.

Meanwhile, the time to mortgage offer issued came down, and the time between searches ordered and searches received dropped. However, the time between enquiries raised and enquiries answered increased.

So, why was this the case?

The problem is the process

To date, we have been delaying information gathering until the buyer's offer is accepted and the transaction starts. As an industry, we need to instruct the seller's lawyer at the point of property listing rather than when the property sells. Only then will we see real efficiency gains in the conveyancing process, as lawyers grasp that golden window of opportunity afforded to them by having the time to put together the 'perfect contract park' and subsequently eradicating most of the frustrating additional enquiries that would otherwise get raised later.

The upfront information agenda has been building momentum over the last 12 months. We know it will benefit the conveyancing process, but conveyancers themselves cannot single-handedly change the behaviour of the other stakeholders in the process.

It's the selling agent that will have the biggest chance of altering consumer behaviour and encouraging the seller to instruct the lawyer early.

Crucially, they need fundamental support that does not require a huge technological leap. By taking it step by step, conveyancers can get comfortable with new workflows before the industry introduces standardisation and too much technology.

Keep talking

For this to happen, everyone – conveyancers, estate agents and consumers – need to pull together. The focus now should be on conversation and relationship building rather than forcing the profession down a wholly digital technological solution, which remains abstract to most practitioners. We all need to support conveyancers and guide them on this journey to reducing the endless cycle of avoidable queries, thus proving tangible benefits to embracing change.

The material information requirements – confirmed at the end of 2023 – will help considerably. This is because some of the information estate agents need to gather is traditionally in the conveyancer's realm. For example, is the property affected by restrictive covenants; or what rights and easements have been granted?

The tide is turning

If I were an estate agent mandated to comply with material information requirements, I would quickly be looking to build inroads with forward-thinking and proactive conveyancers so they can help me meet my compliance obligations. This relationship will also help the conveyancer too, as getting the preparatory work done upfront puts the property in a much better position to transact at pace once it sells. With a 'perfect' contract pack ready for the buyer's lawyer to approve as soon as an offer is accepted, the enquiries process all but disappears because the comprehensive pack answers all the questions.

Refining our workflows as an industry will put conveyancing – and the wider market – in a better position to face the future. With more manageable processes, firms will not needlessly lose good conveyancers to burnout or to other professions, and so keep the depth of knowledge and experience to bring on the next generation.

They will have the finances, energy and headspace to explore technology that will further lighten the load so they can roll with the ups and downs of the residential property market.

> ***With crystal-clear evidence that capacity is not the issue, we have an opportunity to use the material information agenda to make effective changes through collaboration. It's a win-win. This is a defining moment for the industry – one that I hope will be wholly grasped.***

About Rob

Rob was appointed managing director in March 2020 and is responsible for delivering Ochresoft's business strategy. Rob is a qualified property lawyer and was previously head of legal at Premier Property Lawyers. His track record is in streamlining legal processes and using data to provide high quality and consistent services to all parties in property transactions.

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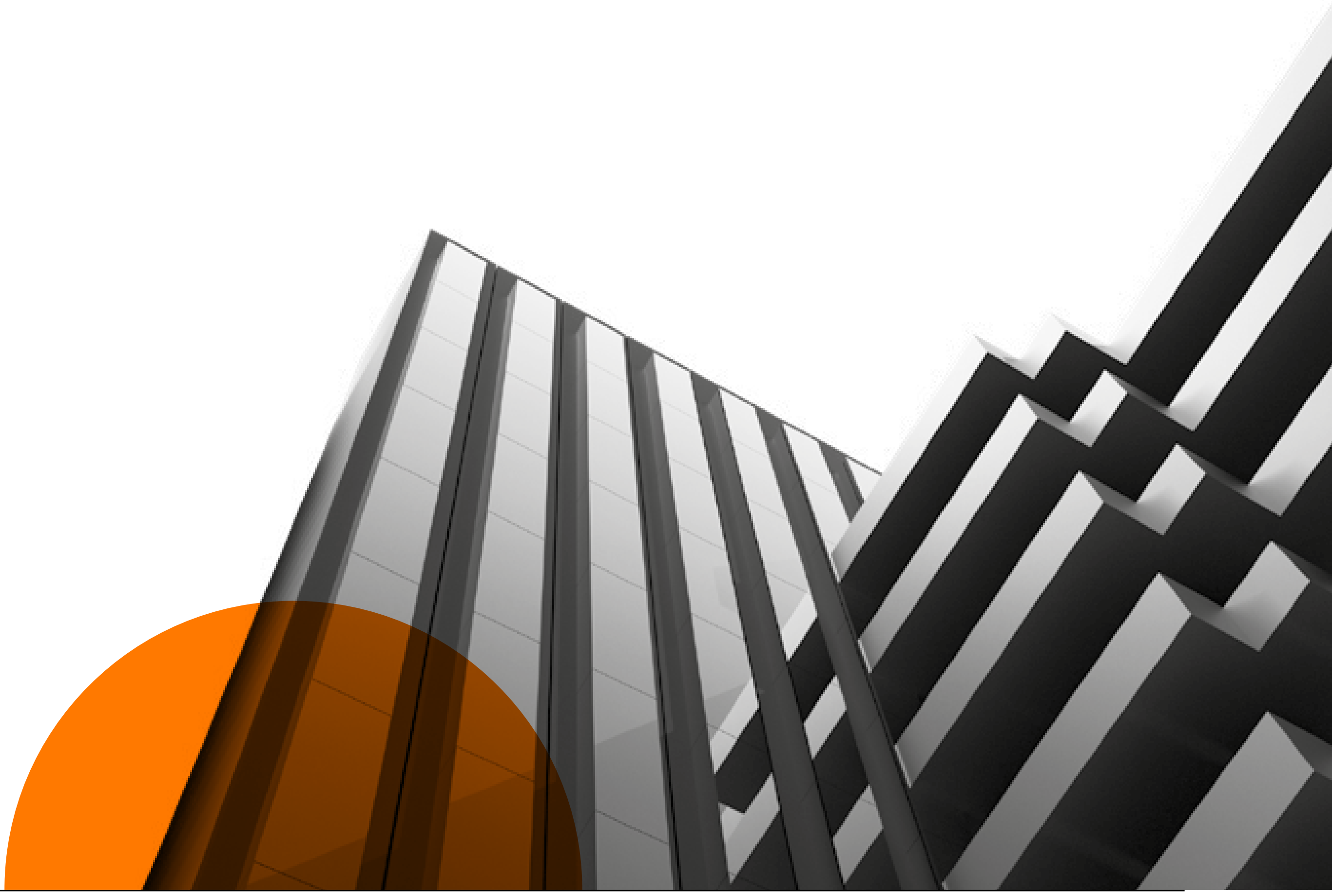
06 SUMMARY/KEY TAKEAWAYS

- Transaction times for sales have increased by 15 days vs 2022 to 159 days from instruction to completion.
- In 2023, we saw the lowest number of mortgage approvals for over a decade, with January to November volumes being on a par with 2010 and lower than every other year since.
- Average valuation turnaround times behaved as expected. With fewer transactions and more capacity in the market, turnaround times decreased by 30% when compared to the 2021 and 2022 stamp duty boom. Increased use of desktop or remote valuations thanks to increased technology mean fewer valuations need an in-person visit to the property and so can be completed much faster.
- The average valuation turnaround time in 2023 was 5.73 days. Turnaround times in 2023 were also below the pre-Covid average in every month.
- Material information requirements are an opportunity for estate agents and conveyancers to capitalise on upfront information process changes.
- Additional Enquiries continue to hobble the market despite all other elements of the home moving process having reduced their timescales.
- Post-valuation queries are the valuer's greatest challenge.

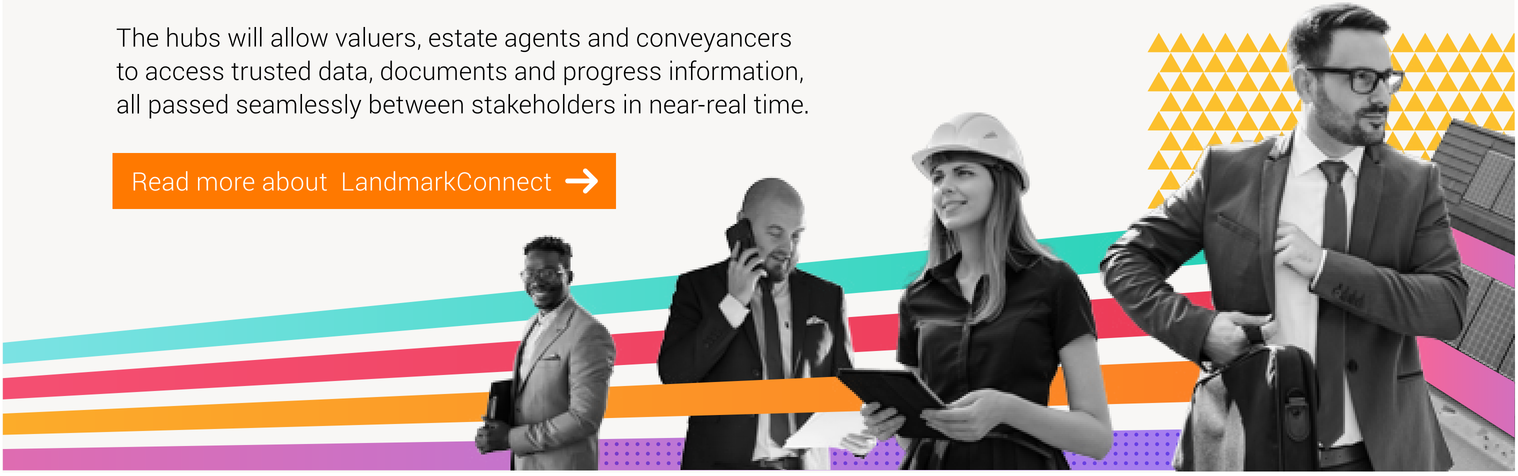


07 INTRODUCING LandmarkConnect

LandmarkConnect is series of open, accessible and standardised digital hubs for each of our industry sectors to help connect the home-moving market.

The hubs will allow valuers, estate agents and conveyancers to access trusted data, documents and progress information, all passed seamlessly between stakeholders in near-real time.

Read more about LandmarkConnect →



08 FURTHER READING

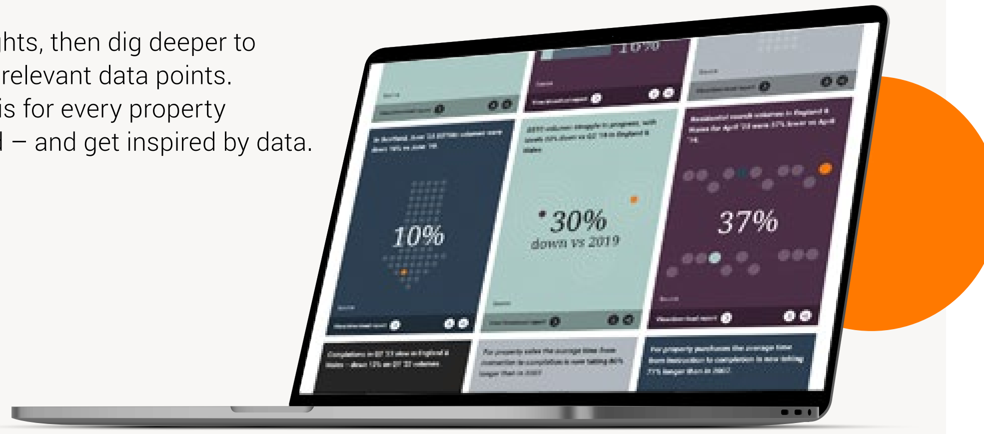
Stay up to date with the latest data insights, thought leadership and news on the property market from Landmark Information Group.

Read our latest quarterly Property Trends Report ***here***.

Keen to share some data? Visit Data to Go – our new property dashboard, which uses the latest transactional data and proprietary research to uncover the latest trends and patterns

Discover the pick of our latest data insights, then dig deeper to access expert commentary and further relevant data points. This free-to-use, open access resource is for every property professional to explore, share, download – and get inspired by data.

Visit Data to Go →



About Landmark Information Group

As the UK's largest property and land data business, Landmark Information Group supports the entire value chain of the property industry. With unrivalled datasets, a comprehensive team of in-house experts, an extensive partner network, and advanced technology innovations and system capabilities, our mission is to make every property transaction feel effortless; making it both simpler and faster while reducing risks for all stakeholders.

With more than 25 years' experience, we power confident property and land decisions for architects, surveyors, estate agents, environmental consultants, mortgage lenders, real estate professionals, land developers, property lawyers and search providers across all these markets.

Landmark Information Group is a UK national business and is a subsidiary of Daily Mail and General Trust plc (DMGT).

Further enquiries
Thank you for reading: Property Transaction Data Insights 2007-2022. If you'd like to find out more about what we can do for your business, then please get in touch.

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