

CONVEYANCING MARKET TRACKER

Q3 2021 EDITION

TOP 100 CONVEYANCING FIRMS' TRANSACTIONS LIFTED TO SEVEN-YEAR HIGH AS STAMP DUTY HOLIDAY ENDS

- The top-ranking conveyancing firms by volume of activity collectively registered 79,402 transactions between July and September, the biggest total at this end of the market since Q4 2014
- Across the whole market, completed transactions dropped to 279,689 in Q3 2021, a 4% decrease from the previous quarter but still a 65% rise on Q3 2020 as activity continues to run hot.
- The number of active conveyancing firms has recovered to pre-pandemic levels, stabilising at just over 4,000 for the second quarter in a row.
- Business levels for the average firm remain elevated at 70 transactions during Q3 – up 54% annually from 45 in Q3 2020.

30 November 2021 – The 100 most active conveyancing firms across England and Wales collectively registered nearly 80,000 completed transactions between July and September this year, according to our latest edition of the **Conveyancing Market Tracker**.

With the top 100 ranked firms averaging 794 completed transactions each during Q3, their collective performance soared to a seven-year high with a combined total of 79,402 transactions – rivalling the 80,307 seen in Q4 2014.

The top 20 conveyancing firms recorded the strongest quarterly performance, with activity rising 4% from Q2. This came despite a 4% drop in transactions across the market as a whole, as activity cooled slightly following the tapering of the Stamp Duty Land Tax (SDLT) holiday from £500,000 to £250,000 at the end of June 2021.

Our analysis shows the total number of completed property transactions registered in England and Wales decreased to 279,689 in Q3 2021, having soared from 241,916 to 290,248 between Q1 and Q2. The fluctuations can be attributed to buyers flocking to take advantage of the larger Stamp Duty discount and the loosening of Covid-19 restrictions.

Those firms operating at the highest tier of the market – ranking in the top five positions for completed transactions – also experienced a slight slowdown in Q3, with total transactions activity down by 3% from 14,895 to

“THE TAPERING OF THE STAMP DUTY HOLIDAY DURING Q3, BEFORE THE FINAL CURTAIN FELL, MEANT ACTIVITY DIPPED SLIGHTLY COMPARED TO THE STAGGERING HEIGHTS SEEN EARLIER IN THE YEAR. HOWEVER, THE CONVEYANCING MARKET CONTINUES TO OPERATE AT AN ELEVATED LEVEL, AND FIRMS RANKING IN THE TOP 100 ARE JUGGLING CLOSE TO RECORD LEVELS OF BUSINESS TO KEEP THE NATION MOVING.

“AS ANOTHER TURBULENT YEAR APPROACHES ITS CLOSE, I WOULD URGE THE ENTIRE INDUSTRY TO TAKE TIME FOR REFLECTION. CONVEYANCERS HAVE MOVED MOUNTAINS TO HELP PEOPLE COMPLETE MOVES THIS YEAR, AND THE SPIRIT OF INNOVATION AND OPENNESS TO CHANGE MUST CONTINUE INTO 2022.”

Andy Sommerville,
Director of Search Acumen

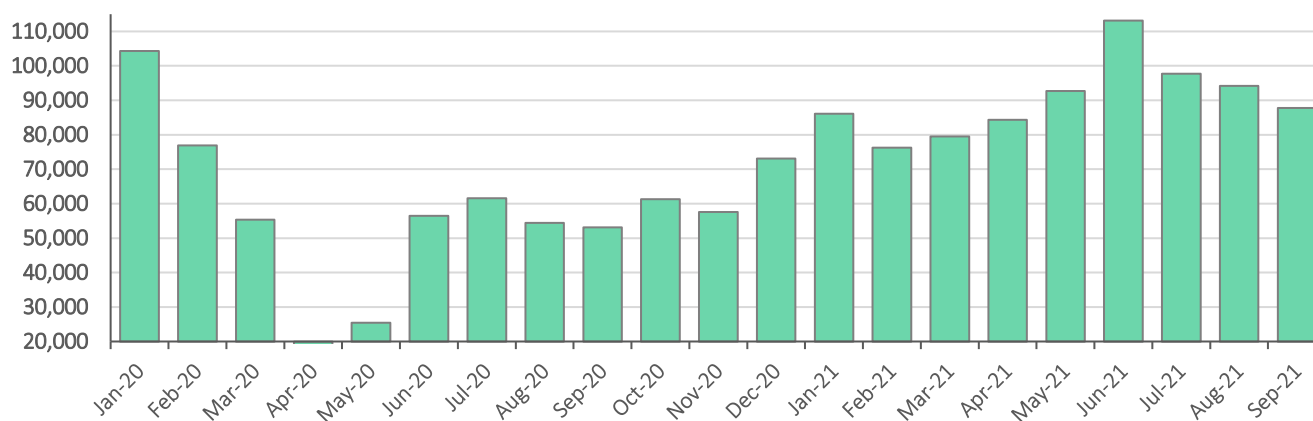
14,392. However, this remained 39% higher than their performance a year earlier in Q3 2020, while the top 200 as a whole made 64% annual gains.

The monthly breakdown of transaction volumes shows the impact of the tapering of the SDLT holiday, which ended on 30 September 2021 after a final three months of discounts available on the first £125,000 of residential purchases.

Transaction volumes at the beginning of Q3 in July 2021 totaled 97,738, potentially boosted by some late registrations after the £500,000 cut-off point on 30 June. Monthly volumes then decreased over the quarter to reach 87,765 by September 2021, as the holiday deadline loomed and the chances of getting a transaction over the line in time to qualify for the discount dwindled.

However, transaction levels in Q3 2021 remained elevated in context of the pandemic period and were still 65% higher than in Q3 2020 when the SDLT holiday was first introduced.

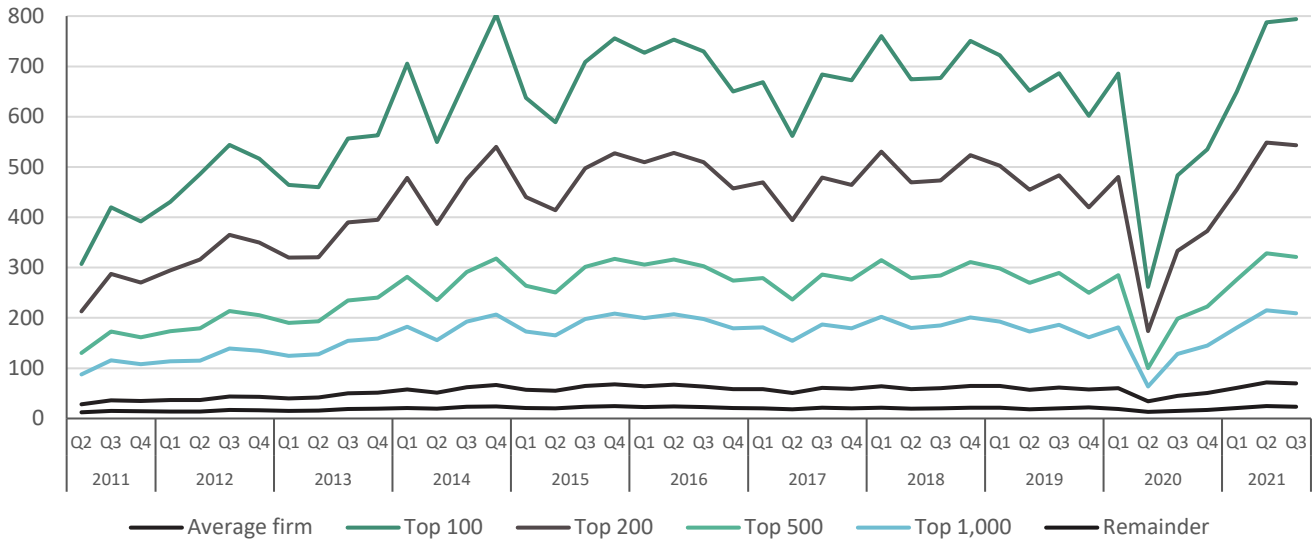
GRAPH 1 - MONTHLY TRANSACTION VOLUMES



The average firm continued to handle a heavy workload and undertook 70 transactions on average for the quarter. This represents a 54% annual increase from the 45 transactions that were processed on average in Q3 2020. It is also higher than the levels seen pre-pandemic and the second highest figure since records began.

This experience was mirrored among the top 100 ranking firms, whose quarterly average for completed transactions has only been exceeded once in over a decade since records began.

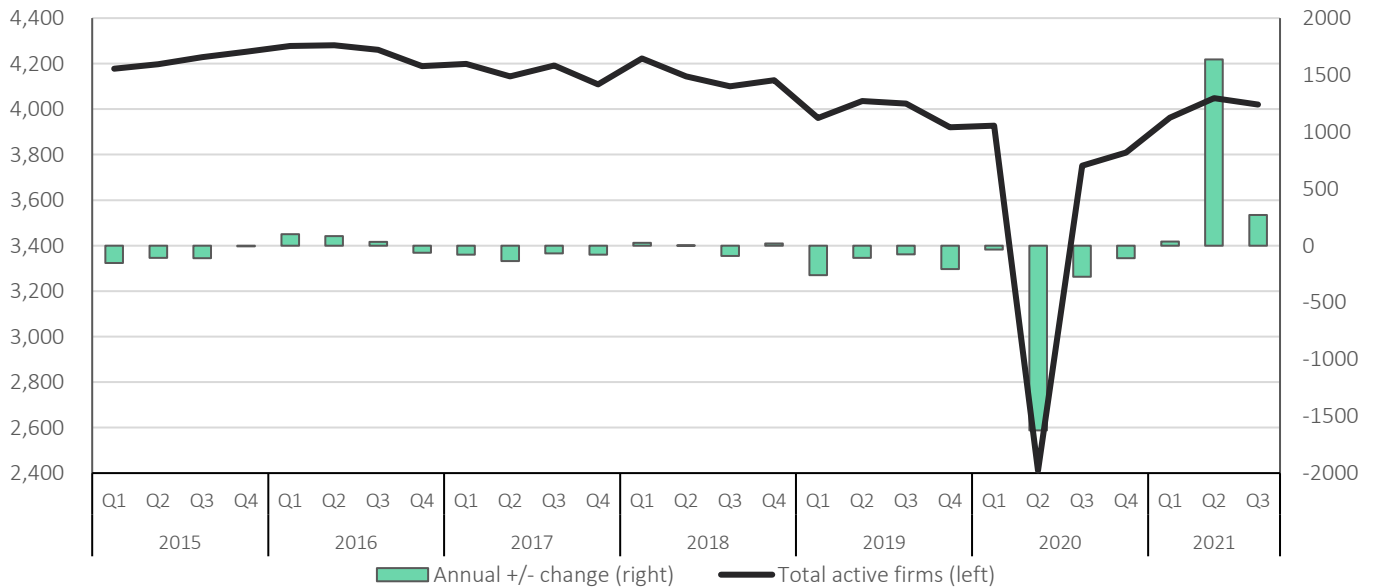
GRAPH 2 - AVERAGE QUARTERLY TRANSACTIONS



In terms of market participation, the tracker shows the number of active firms in the market stabilised during Q3. A total of 4,021 firms registered completed transactions between July and September, down from 4,048 between April and June.

However, this still compares well to recent trends: prior to Q2 2021, the number of active firms per quarter had persistently lagged below 4,000 since Q3 2019, and fell as low as 2,411 during Q2 2020 at the height of the first Covid-19 lockdown when property market activity was heavily restricted.

GRAPH 3 - NUMBER OF ACTIVE CONVEYANCING FIRMS



Year-on-year comparisons serve to highlight the pace of recovery, as 16% fewer conveyancing firms were active in Q3 2020 compared with the same period this year despite the Stamp Duty tax break having been newly introduced by the Government in July 2020 to support the pandemic recovery.

However, with the Stamp Duty holiday drawing to a conclusion over the previous quarter, there was a slight decrease in the number of active conveyancing firms across Q3 2021. While 4,040 firms registered completed transactions in July 2021, this dropped to 3,999 in September 2021 as market activity cooled slightly compared to the height of this year's rush of transactions.

MARKET COMMENTARY

Andy Sommerville, Director of Search Acumen, comments:

“While this latest data shows a slight slowdown in the conveyancing market from the staggering heights of the first Stamp Duty deadline in June, it is important to keep the bigger picture in mind. The reality is that, for another three months, strong market performance has brought continuing pressures and heightened expectations of conveyancers and real estate lawyers to turn people’s property buying ambitions into reality, often to very demanding schedules.

“The tapering of the SDLT holiday during Q3, before the final curtain fell in September, meant activity dipped slightly compared to the frenzy seen earlier in the year when bigger savings were up for grabs. However, the conveyancing market has continued to operate at an elevated level, and those firms ranking in the top 100 are juggling close to record levels of business to keep the nation moving.

“As another turbulent year approaches its close, I would urge the entire industry to take time for reflection. Conveyancers have moved mountains to help people complete moves this year, and the spirit of innovation and openness to change must continue into 2022.

“Countless firms have benefited from digital tools that tap into the latest property data and enable better informed conversations with clients at an earlier juncture. While it may be tempting to keep heads down until the New Year, it is hugely worthwhile to take time to consider what we’ve gained from the experience of the last 18 months, and how using data to better inform ways of working has the potential to transform client experiences for the better. 2022 has huge potential to be the year when the transaction process becomes a more seamless and efficient experience for all.”



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 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.

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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.