

propertymark

# A Dickensian legal process

AND OTHER REASONS WHY THE  
TIME TAKEN TO EXCHANGE  
CONTRACTS IS ELONGATING

Part of our  
**RESEARCH  
SPOTLIGHT  
SERIES**

## INTRODUCTION

Propertymark's recent publication *The future of home buying and selling*, sets out the myriad of challenges facing home movers, including the length of time it takes to complete a sale. Concurrently, Propertymark's monthly market report (the Housing Insight Report) has identified a sustained elongation in the time that it takes to progress from the acceptance of an offer to the exchange of contracts.

The exchange of contracts represents a critical juncture in the house buying and selling process as it marks the point at which the sale and purchase both become legally binding. Delays in reaching the point of exchange are problematic as they increase the stress associated with the homebuying and selling process, slow the housing market, and risk increasing the number of failed transactions. In this short report, part of research spotlight series, we look in more detail at the reasons for the elongation of the process.

# How long does it take to exchange contracts?

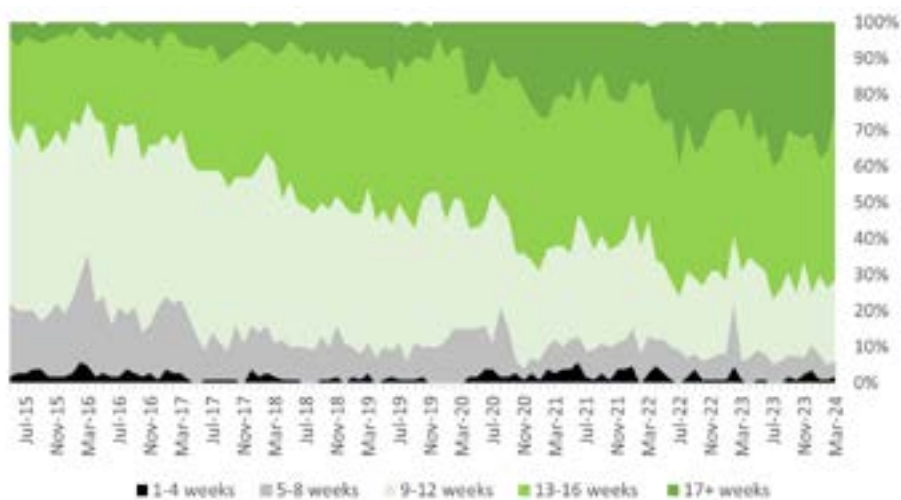
In March 2016, 78% of transactions progressed from offer acceptance to exchange of contracts within 12 weeks, whereas in March 2024, the figure was just 29%. This represents a significant deterioration. As can be seen in Figure 1, the process of elongation has been gradual.

Figure 1: Percentage of transaction reaching exchange of contracts within 12 weeks



Source: Propertymark Housing Insight Report (March 2024)

If we look at the data for different exchange periods, it is clear there has been a growth in the number of exchanges taking 13–16 weeks and 17+ weeks, at the expense of those taking 5–8 weeks and 9–12 weeks (Figure 2). The number of exchanges taking 1–4 weeks is generally low and has been relatively stable throughout the last decade.



Source: Propertymark Housing Insight Report (March 2024)

With around one in five exchanges occurring within a 12-week period, some agents did not recognise the problem. However, most had experienced an increase.

Some agents were able to reflect the change over a longer period:



**3** 5 years ago, it took eight weeks tops using a pen and paper. Now with computers and online searches etc—it should be as fast as Europe, but it is not.

**I**t used to be three months, now typically it's edging towards five or six, which is utterly ridiculous for everyone concerned.

## The reasons for the elongation

**I** think it's a mixture... I think solicitors are under resourced and don't get paid in line with doing what they do, so they take on too much work and have no sense of urgency. I think lenders are taking too long to send out mortgage offers. Generally, the whole system is much slower to the previous 30 years.

Agents identified key challenges and delays, which they believed accounted for the bulk of the problem. Firstly, agents reported that the sales process is outdated ('Dickensian') and administratively intensive. Furthermore, the administrative burden has been growing due to successive legislative changes:

**F**ar more paperwork is now required due to increased legislation.

This is problematic as the existing system was not designed to deal with large information flows:



**T**he system of property transfer was designed for much smaller amounts of information to be considered. There is now so much information in the system. It arrives on the solicitors' desk at different stages and takes time to cross reference the client's best interest, lenders' requirements, and best practice as the conveyancer sees it.



Agents noted that despite the existence of technology, which could be leveraged to streamline the process, the adoption and integration of these technologies was patchy at best:

**T**he system is awfully dated with solicitors having different methods—some do digital, some don't. It needs to be streamlined and digitised.



Next, agents identified areas where they experienced regular delays in the production of the information required to progress to contract exchange. This included information flows from buyers, sellers, surveyors, and mortgage providers. However, most agents pointed to lengthy delays in the provision of local authority property searches as a key issue.



**T**he length of time to receive searches in our area is taking three to four months.




A large proportion of agents also suggested that solicitors/conveyancers themselves were accountable for many of the delays:

**S**olicitors are taking too much time to provide information and we spend more time chasing them than we have ever done in the 40 plus years I have worked in the business.




Again, the picture was not evenly spread, with some agents reporting differing experiences with different solicitors/conveyancers:




The whole transactional process is just getting slower and slower—there seems no urgency on the side of the conveyancers to push things forward quicker. Some are able to transact swiftly, and others simply do not—there is no method in this madness. Particularly as we are now getting our sellers to complete TA6 and TA10 forms at the start of marketing due to the Material Information requirements placed upon us.

Agents posited several reasons for solicitor/conveyancer-based delays. Some suggested that solicitors/conveyancers had 'slowed' because of challenges in the operating environment, which had made them more risk averse. For example:



I think the legal side has become far more cautious and the number of enquiries being raised has increased hugely, items that one would "take a view on" now, never are, and have created a massive indemnity insurance industry and secondly, nervous buyers who think there is a major problem when there is not.

More broadly, agents reported that there was a 'shortage of solicitors' meaning that firms were 'under resourced'. In fact, 59% of agents suggested that solicitor/conveyancer resource constraints were the key reason for extended exchange times.



Solicitors in our area seem to be overstretched, [they have] more work and more clients than they are able to effectively manage in a timely manner.

As a direct impact of resource constraints, it was reported that 'solicitors seem to be taking longer to action activities and respond than before'.

It should be noted, however, that the perceived resource shortage extended beyond solicitors/conveyancers. One agent reported a 'lack of manpower across stakeholders', and another suggested:



Solicitors are most certainly under resourced. [However], the organisations that surround it are under resourced... The surveyors, banks, and local authorities.

For balance, it should also be recognised that agents can also be responsible for delays, with some members highlighting that 'agents also need to have their houses in order'. As one member reported:



Some agents don't use a PIQ at instruction or fail to disclose material information.

## A View from Other Stakeholders

The views expressed so far, have been the views of our members. However, other stakeholders in the process can offer material insights into the reasons for the elongation of exchange times. Principal amongst those are solicitors/conveyancers. For this reason, we asked our Conveyancing Association friends, to share their views through the lens of a conveyancer. The Association highlighted several contributing factor.

Firstly, they pointed to the dematerialisation of deeds in 2002 when Title Registers were digitised. This meant that conveyancers and lenders no longer had to physically store deed packages, which were returned to property owners. Although this meant owners were no longer charged for the storage of deeds, this created another problem. Whilst land and charge certificates were digitised, the rest of the deeds were not, including old searches, planning documents, building regulations, warranties and guarantees, indemnity insurance policies, and even memos from the conveyancer who acted on the purchase outlining how and why they took a view on any issues with the title. As a result, conveyancers must now recreate the title for each transaction, which is time-consuming.

As Beth Rudolf (Director of Delivery at the Conveyancing Association) says:



Property owners did not realise it was important stuff and put it in a drawer and forgot about it until it was time to pack up.... On the day of completion.

Secondly, since the financial crisis, there are now more complex titles, which many lenders will not lend on. For example, properties with onerous lease terms, short leases, managed freeholds, and estate rent charges. This also means there are far more third-party data suppliers to interact with to obtain the required information.

Thirdly, the Conveyancing Association suggest that guidance in the UK Finance Handbook means conveyancers can no longer “take a view” on discrepancies in mortgage instructions or valuations and must update the lender every time. In addition, more valuations have assumptions, which previously would have been answered by the deed package.

Fourthly, in England and Wales, there are concerns that fines issued by the Solicitors Regulation Authority (SRA), concerning Anti-Money Laundering (AML) procedural issues increased the time conveyancers spend on risk assessment. In some cases, fines were perceived to be nonsensical:



One of my contacts failed their AML audit because they did not have a policy for international purchases even though they did have a policy saying that they did not act for international purchases.  
(Beth Rudolf)

Fifthly, conveyancers issue a quotation to work on their client’s behalf. However, where the process becomes more complicated than expected conveyancers are often reluctant to charge more. This is particularly relevant in cases where a buyer’s conveyancer raises an issue relating to Material Information (MI) and the seller’s conveyancer is involved in the work to ‘fix’ the it arising. The Conveyancing Association argues that if conveyancers charged for the review and identification of MI, and “the cost of resolving items which the seller agrees to fix”, then there would be “enough funding” to allow the transaction to “move more efficiently”.

The Conveyancing Association also highlighted areas where agents could help reduce the time taken to reach exchange. For example, agents could ask sellers to appoint a conveyancer at the start of the process to identify Material Information:



This would solve so many of the reasons for elongation because the conveyancer can then advise the seller of issues which would delay the transaction and advise how to fix them. They can also send a sale-ready pack to a buyer when the offer is found. This will reduce the additional enquiries to just those elements where the data conflicts rather than enquiries chasing missing information which is currently the issue.

It was also suggested that effective communication between conveyancers and agents is critical and weekly calls were signposted as an effective way to achieve this. The purpose of the weekly call is for conveyancers to ‘run through which cases might exchange that week and what the agent could do to help’. The Association also supports the use of technology to improve the process.

# Conclusion and Way Forward

There has been a sustained elongation in the time it takes for a transaction to progress from offer acceptance to the exchange of contracts. Whereas in March 2016, 78% of transactions achieved this within 12 weeks, in March 2024, the figure was just 29%.

Propertymark members identified key factors that they believe have contributed to the increase. To begin with, the house buying system was reported as being outdated and administratively intensive. Next it was suggested that there are often delays in the provision of information (e.g., local authority searches) which are essential to the process. Finally, there were concerns that solicitors were resource-constrained making it difficult for them to deliver in promptly.

Our friends at the Conveyancing Association highlighted further reasons for the elongation including the dematerialisation of deeds, the increasing complexity of titles, the reduced ability of conveyancers to “take a view” on discrepancies in mortgage instructions or valuations due to UK Finance Handbook guidance, increasing levels of risk assessment being undertaken in response to fines issued by the Solicitors Regulation Authority (SRA), and a mismatch between conveyancers fees and increasing workload levels.

The impact of the increasing time taken to reach exchange is widely felt by buyers, sellers, and the many service providers that support the home buying process.

Whilst there is an urgent need to address this problem, it has been a decade in the making, and is extremely complex. The solution will necessitate change in the realms of people, processes, and systems across multiple domains, each with differing views, resources, and appetites for change. However, the first tentative step, recognising that the problem exists, has been taken by this report.

Future steps are discussed in Propertymark’s recent publication: *The future of home buying and selling*. However, it is important that consensus building, and cross discipline communication, and technology adoption are prioritised.



## ABOUT THIS REPORT

This report is based on responses to a survey of Propertymark member agents. The analysis is based on data provided by around 100 sales agents. The sample is not intended to be geographically representative but includes data from across the UK.

## ABOUT PROPERTYMARK



Propertymark is the leading professional body for estate and letting agents, commercial agents, auctioneers, valuers, and inventory providers comprising over 17,800 members. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry leading training programme and mandatory Continuing Professional Development (CPD).

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