



CONVEYANCING AND PROPERTY LAW: A CHANGING LANDSCAPE

MARKET REPORT





OVERVIEW

It is commonly understood that businesses need to adapt in order to grow and survive in the marketplace, and the property law sector is no different in this regard. New tools and digital technologies are often at the forefront of change for organisations, but there are other factors that conveyancing and property law businesses should consider when planning for the future. For example, according to a survey carried out in May 2017, 62% of conveyancing practitioners anticipated increased work volumes in the 12 months to follow (IRN Research 2018). It is vital, therefore, to ensure that staff have the skills required to cope with an increase in workload.

We've pulled together the top issues impacting the property law sector in 2019 and beyond to provide you with an understanding of where the sector needs to invest in order to remain competitive and progressive.





A CHANGING MARKET

While the market is dominated by local law firms, a recent trend has seen the emergence of some mass-market, national conveyancers capitalising on what is becoming a commoditised market. Clients are beginning to look beyond local suppliers, with the result being that conveyancing is beginning to show some signs of becoming a national market with a few national brands (IRN Research 2018). Recently, two of the country's largest conveyancing groups (My Home Move and The Simplify Group) merged, bringing together four of the top brands by volume of transactions. In 2018, The Law Society reported that partnerships, including sole practices, accounted for 45% of firms — a decrease from 60% five years previous. The potential impact of this drop in local law firms is a shift in business and operating models to accommodate the change in the market. Thus, employees in the sector need to be equipped with the skills to adapt to this changing environment.

Despite the increase of these large national brands, the conveyancing market continues to exhibit a classic long-tail distribution in terms of the number of transactions, with a few brands handling 1,000 or more transactions each year, followed by a very long-tail of brands handling diminishing numbers of transactions. Despite handling over 20,000 transactions each year, the largest conveyancing firm in England and Wales only accounts for just over 2% of the total number of transactions in that region (IRN Research 2018).



GOVERNMENT APPROACH

The Government made a commitment in their election manifesto to 'reform and modernise the home buying and selling process so it is more efficient and less costly'. The Ministry of Housing, Communities and Local Government has been pushing ahead with changes that have focused on:



a better experience for the customer



a reduction in the time from offer to completion



a reduction in the number of failed transactions

A number of initiatives are now in progress, including trialling reservation agreements and considering the introduction of a property logbook. Other potential changes being explored include digital signatures and ID verification to help speed up the conveyancing process. At the same time, the Government produced guides on the home buying and selling process which include how to select a conveyancer.

Alongside this, the frontline legal sector regulators have introduced new requirements mandating that property lawyers now have to publish price, service and quality information on their websites (or in alternative formats if requested), as part of an industry-wide push to empower consumers and foster innovation and competition across the legal services market. As a result, there will be increased pressure on firms to demonstrate quality standards and clear pricing structures.

DIGITAL TRANSFORMATION

Like most industries, advances in technology are set to transform the conveyancing and legal sectors in the near future.

The rise of blockchain technology will undoubtedly lead to faster and more secure transactions within the industry. It is likely to be of significant value within the conveyancing and property sector where there are multiple elements to a transaction. The blockchain is 'an incorruptible digital ledger of economic transactions that can be programmed to record not just financial transactions but virtually everything of value' (blockgeeks.com). Blockchain startup Instant Property Network has recently completed what it claims to be the world's first end-to-end international blockchain trial for real estate with over 40 organisations across 23 countries taking part.

In a bid to further simplify the home buying process for customers, apps and online portals are already being rolled out, facilitating improved communication, 24/7 on-demand service and easy access to key files and documents (IRN Research 2018). Currently, sites such as One Dome and Perfect Portal are providing platforms for conveyancers to secure business from estate agents. They offer functionality for agents and conveyancers to streamline the property marketing and conveyancing process and integrate with existing case management systems. In May last year, a pilot of escrow was run by Shieldpay, powering the UK's first fully digital mortgage settlement. It demonstrated that, in addition to the enhanced security, the system has potential benefits for identity checking and increasing the certainty of day and time of completion.

The growing popularity of comparison tools means they are now firmly embedded as part of the customer journey. Coupled with the Competition and Markets Authority's recommendation for greater transparency, the likely result is a comprehensive online comparison site incorporating service offers, fees and customer rating.



When making a choice between conveyancing firms, 87% of consumers said cost was the most important factor that influenced their choice (IRN Research 2018)

When the Government posed the question of how a predominantly digital conveyancing process would affect home buyers and sellers, 37% of the 679 responses received considered that home buying and selling would be much quicker if a digital process was used, 9% considered that it would make the process more transparent, and around 5% considered that it would improve efficiency (IRN Research 2018).



A CHANGING SKILLS LANDSCAPE

Degree apprenticeships are on the increase as more employers, colleges and universities, and students and parents realise their advantages. There are nearly 6,000 apprentices in England at Levels 6 (degree) and 7 (Masters) (Office for Students, 2018).

With more high-quality apprenticeships on offer than ever before, the apprenticeship path is becoming an ever more attractive option to young people and their parents. This is reflected in the increased diversity of apprenticeships on offer, with apprenticeships relevant to the property sector, including the Conveyancing Technician and Probate Technician (Level 4), Licensed Conveyancer and Probate Practitioner (Level 6) and Legal Services (Level 4). With a greater focus on professional apprenticeships, the industry will have easier access to a pool of talent. It is also likely that there will be an emphasis on the general skill requirements of staff and how firms can future-proof their business.

The skills landscape sees new and evolving flexible study methods available for learners including online and distance learning. The evolving nature of the skills landscape is reinforced, with the recent introduction of the opportunity to become a property lawyer without going to university. Law firms themselves are evolving to meet the changes in the sector; My Home Move is the only UK law firm to be on the Register of Apprenticeship Training Providers and has the ability to employ apprentices, as well as deliver professional qualifications in-house.

The route to specialist property lawyer allows employers to build capacity for growth and to professionalise existing expertise within the organisation. Funding is available to develop staff and an increasing number of organisations are taking advantage of this route.





CONCLUSION

This market report has highlighted the various changes affecting the property law sector; we hope this has been a useful resource which will allow your firm to plan for the future, maximise potential opportunities and minimise potential threats for the benefit of staff, the business and the sector



ABOUT SQA

SQA are experts in developing relevant qualifications delivering the skills, knowledge and progression routes in demand by employers and learners alike. In partnership with the Council for Licensed Conveyancers (CLC), SQA offers four regulated qualifications in Conveyancing and Probate Law and Practice.

To find more about these qualifications, visit Pages.sqa.org.uk/conveyancing



ABOUT CLC

CLC delivers effective regulation of specialist conveyancing and probate lawyers that protects consumers and fosters competition and innovation in the provision of legal services. They do so by setting entry standards and regulating providers to deliver high quality, accessible legal services.

To find out more about the profession, contact CLC on 020 3859 0904 or email clc@clc-uk.org



