

Handling the SDLT Deadline and beyond



Background of the current 'Perfect Storm'

- Standard Conveyancing Model is generally considered as “Not Fit for Purpose”
- Ongoing 25% Fall through Rate costing £400m p.a. and increasing
- Covid-19
- Countrywide Lockdowns and restrictions
- SDLT Relief Period
- Mortgage Lenders sensitivities
- Staffing levels at Local Authorities and Law Firms vastly reduced
- Increased Demand from Home Movers



What are we currently faced with?

- Property Market very buoyant
- Conveyancing Transaction times increasing exponentially (16-18 weeks or more)
- Conveyancers unable to cope with demand for their service
- Local Authorities unable to cope with demand for Search Data
- Some local Authorities now stating 70 – 90 days to release data
- 50% of Pipelines at “significant Risk” of failure to meet expectations or deadlines
- Vendor and Purchaser expectations not being managed
- Sales being agreed that have not considered what happens IF the SDLT deadline is passed
- Conveyancing practices too busy to adapt to required changes
- Estate Agent Practices not changing as too busy



What should WE be doing now?

- Take 5 minutes to review what IS happening
- Be amenable to make small changes that can make dramatic differences



Team SKY – The Law of Marginal Gains. Small improvements in a number of areas can make a massive impact on results.

What Should we do next?

Get Vendors Contract Ready

What does that entail?

Property Protocol Forms

Complete all Protocol forms when considering going to the market these are freely available to complete here

<https://www.propertysearchesdirect.co.uk/home-movers>

Vendors should be informed about the delays and be invited to visit your pages to complete the editable PDF Protocol Forms and save them digitally. They don't need a Solicitor yet but, taking steps to instruct one is a good idea.

These forms are acceptable to all conveyancers.



What Should we do next?

Get Vendors Contract Ready

What else does that entail?

Searches

The answer is not how fast they can come back, it is how soon they can be ordered. It does not matter who orders them, but WHEN, as they are property specific not client specific.

We have made Search ordering easy and accessible to all home movers from the Home Movers pages. They are encouraged to visit the Hazard Checker to find out which pack to order. Order payments are made online in the shop.

<https://www.propertysearchesdirect.co.uk/hazard-checker>



What if...

- we agree a sale and a vendor has not ordered Searches already?
Send the buyer to the Home Movers page and encourage them to place an order ASAP
- a vendor doesn't want to pay for Searches?
They are refunded 100% either if a buyer pays for an equivalent pack, or, the price is negotiated as part of the sale. Either way, informing the vendor of the negative impact of NOT placing the order is important to manage expectation and mitigate your risk
- the Searches go out of date?
It is generally accepted that they last for 6 months. Transactions should not take that long. If they expire, the buyers' conveyancer can indemnify, take a view, or re-order at the start of the transaction.
- we are simply too busy to change?
It is not a difficult change. We are looking at small changes in behavior that will make a huge difference. This is a fundamentally important issue under the current circumstances that we MUST find time for.



Why is this now my job?

Searches and Protocol forms have been the conveyancers' job as no-one else has been given the opportunity to do it. Given the 'perfect storm' we find ourselves in, Property Searches Direct has diversified its offering, having identified ways to speed up transactions.

Empowering Home Movers (Vendors and Buyers) to play their part in completing tasks Direct with them is a NEW way of thinking, but one that must be embraced so that we can continue to deliver market leading services in our regions.



What's in it for me?

- Complete more transactions within the SDLT timeframe by speeding up your pipeline
- Differentiate your services to win more instructions
- Reduce Fall Through Rates
- Gain more committed buyers and sellers
- Help reduce stress for your clients, buyers and yourselves
- Help shape a collaborative solution for Home Movers.



What does it look like?

Shave 4 – 6 weeks or more off an average transaction

STANDARD ESTATE AGENCY Little or No Legal Activity until offers are put forward

Day 1	Week 2	Week 3	Week 3 – 4	Weeks 4 to 8+	<u>Week 9 onwards</u>
Market Appraisal	On the Market Viewings	Offers Sale Agreed	Instruct Solicitors Sales Memo Distributed	Solicitor activities: Deliver Quotes Get Promise of Instruction Deliver Protocol Forms and Client Care Letter Receive all Paperwork from Clients Take client through ID / AML Procedures Take Funds on Account Confirm Instructions to either side Send or receive a contract Pack Check Mortgage Status (P) Order Searches (P)	Continue with the conveyance

Your Estate Agency Proactively getting clients prepared for a faster move with more information available up front

Day 1	Week 2	Week 3	Week 3 – 4	<u>Weeks 4 onwards</u>	
Market Appraisal Complete Protocol Forms Order Searches Get Solicitor Quotes Environmental Reports Received	On the Market Viewings Instruct Solicitor Complete ID / AML Deliver all completed forms Be Contract Ready Ground, Drainage & Water and Chancel Searches received	Offers Sale Agreed Buyer refunds Vendor for the Searches	Sales Memo Distributed Solicitor activities: Confirm Instructions to and from other side. Send Contract to the other Side Buyer Instructs Solicitors and delivers Searches that have been received so far	Continue with the conveyance Local Search Received and now sent to buyer and their Solicitor	



Collaborative solutions for healthier sales pipelines