

Consultation Response

Call for Evidence:

Improving the home buying and selling process

Our Key Message

Location, described by geographic information, is an essential consideration in all property transactions. Improved access to and availability of more accurate, affordable, up-to-date geographic information with the necessary level of detail and scope of information is essential for improving the process of buying and selling homes.

Commercial services providing a single interface to multiple data from official sources has the potential to significantly speed up and reduce errors in the conveyancing process.

Geographic information provides the fundamental framework within which many aspects of the UK's conveyancing process can be improved. Geographic information:

- is essential for assessing the suitability of a property by, for example, understanding crime patterns, access to transport networks, relationships with school catchment areas, proximity of health services, planning constraints and more;
- has significant value to everyone involved in collating information for the sale or purchase of a home;

the importance of Geographic Information cannot be overstated for reducing delay, improving accuracy and trouble free title exchange;

Our relevance

The Association for Geographic Information (AGI) is the membership organisation for the UK geospatial industry. We are a forward-thinking organisation that exists to promote the knowledge and use of geographic information for the betterment of governance, commerce and the citizen.

As an organisation, we have a reputation for connecting innovators in our field with individuals in other disciplines: technology, big data, analytics, business development, policy-making,

software, all of these things benefit from wider adoption and better use of geospatial information. We help businesses and individuals tap into other fields of expertise to glean valuable geographic insights. What's more, we are a vendor-neutral but progress-positive community: we represent everyone who is working with or would like to work with the UK geospatial industry equally, no matter what their organisation's size or ambition.

In this Call for Evidence, we have confined our responses to those questions in which our members' have experience and expertise.

To explore our response in greater detail please contact:

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Our responses to the questions

Estate agents

- Q1. Should the industry do more to make customers aware of how to complain?
- Q2. Should the government take further action to enforce current transparency regulations regarding disclosure of referral fees? a. If so, what action should be taken?
- Q3. What would the impact be of banning referral fees?
- Q4. Should the government introduce more regulation for estate agents? a. If so, what sort of regulation would be appropriate?

Conveyancing

- Q5. What should industry do to help consumers make more informed decisions when selecting a conveyancer? a. How could government help facilitate this?

Q6. What improvements can be made to the process of property searches to speed up home buying and selling?

For most people, every aspect of conveyancing is considered the remit of a professional service provider, principally and normally those in the legal and surveyor professions, and a presumption on the part of buyers and sellers that the correct data will be obtained quickly and presented clearly as a result of searches carried out for them.

Currently there are quite significant differences between local authorities and other others in the way they are organised to respond to 'searches' resulting in multiple enquiries to different departments or organisations for the same transaction. This, and the limitations of the working day, have a direct negative effect on the speed of service for the entire conveyancing process.

Whilst the majority of highway searches appear to be straightforward and completed quickly, an area of particular concern is when a property involves a particular highway issue, the application of well-established and conventional timelines result in conveyancing solicitors not addressing those queries until close to the date of exchange. This places strain on not only the transaction

but also the responding organisation, which may also have to deal with buyers and sellers intervening in an attempt to speed up the process further compounding the problem.

Digitising authority-held data, and enabling access to it, is clearly key to speeding up and smoothing out many of the current search processes. However, it should be noted that whilst some local authorities, as well as highway authorities, have already digitised the data they hold, others do not have the technical expertise, nor sufficient funding to do this.

The speed and quality of property searches could be greatly improved by digitising all of the data and services involved. We applaud the HM Land Registry's digitisation project, centralising the data used to deliver the Local Land Charges Certificate of Search (LLC1).

We would like to see the progress of HM Land Registry's project being accelerated, and then widened to encompass data for both parts of a Local Authority Search (LAS). In particular, we would like to see the digitisation of data needed for CON29R. Even more benefit would be derived by extending that digitisation to the data needed for CON29O, the optional addition.

While LLC1 and CON29 are the process's primary searches, there are others that are now considered important to due diligence, for example, the drainage and water search (CON29DW) is usually carried out through the company responsible for providing those services. As with LLC1/CON29, easier and faster access to this data will ensure the response necessary to deliver a CON29DW is completed in a reasonable timeframe and would encourage competition, innovation and performance in the conveyancing process.

Another example: environmental searches. These identify risks in the vicinity of a property (typically a radius of 500m), and include flooding, subsidence, landslide, landfill, proximity to HS2, waste sites and contaminated land. The Environment Agency is among those who have opened up some data sets for unrestricted use, and while there may be further entrants to this market from the deepening of the open data pool, the environmental search market is relatively mature and currently very competitive.

However, there are currently no central repositories for professionals, and indeed buyers or sellers, wanting to conduct their own searches, to access some data sets that are or may be relevant to a search. These include (in alphabetical order):

- British Waterways data, for relevant rivers and canals
- Chancel repair liability

- Conservation area detail: the LLC1 only shows if the property is in a conservation area
- Local Development Plans
- Mines, pits and adits including coal, brine, clay and tin workings: these are held by Coal Authority, BGS, Cheshire Brine Subsidence Compensation Board among others
- Overhead and underground cabling and pipes related to telecommunications
- Property use classification
- Planning applications: the CON29 does not provide a wide area report or a historic report, both of which can be very informative for prospective buyers
- Smoke control areas
- Tree Preservation Orders: the LLC1 only shows if the property is located in a TPO area
- Village Greens and Common Land (as per Commons Registration Act 1965)

The wider availability of this data would clearly allow everyone involved to understand the full context of a property. Datasets from other companies could also provide a positive contribution potentially adding value into the economy, in the process. However, before any effort were made in this regard, it would be important to understand the impact of such readily available information.

We believe it would be beneficial to reduce the fragmentation inherent in the current process to reduce barriers and promote single points of access for all to the data needed for searches. Greater access would encourage competition in the search space, and the combination of capacity and commercial pressures would no doubt deliver streamlined searches to the end-customers. As a side-benefit, we believe the data could be used for innovative other purposes to generate commercial income which can be shared with data custodians to sustain and improve their data.

Q7. Would there be an advantage to encouraging buyers and sellers to use the same conveyancing provider? a. If so, how could it work, without creating conflict of interest problems?

Harnessing digital technology

Q8. How would a predominantly digital process affect home buyers and sellers?

We recognise the benefits of, and are keen advocates for, replacing traditional paper trails in the conveyancing process. Currently, one of the biggest criticisms of conveyancing is the length of time involved, thanks in part to the insistence on exchanges of 'original' documents in paper form.

Indeed, 'wet' signatures are still preferred by many stakeholders, and the transfer of paper forms is probably one of the most significant barriers to timely conveyancing.

In February, 2017, HM Land Registry proposed changes to the Land Registration Rules 2003 that would allow it to continue its digital transformation programme, bringing current rules into alignment with the government's broader digital strategy.

The proposed changes to these rules allowed for full digital conveyancing documents with e-signatures, new statutory services, more flexibility on opening times, and adaptation to reflect the modernisation and simplification of HM Land Registry's services. These changes combine to deliver the potential for digital contracts that will replace paper exchanges of contracts and mortgage deeds.

It may be useful to note that, the Swedish mapping, cadastre and land registration authority, Lantmateriet <http://www.lantmateriet.se/en/>, is making progress with the same intentions: it has already run a pilot using blockchains to carry out title registration digitally and securely. Giving each document or transaction a unique 'fingerprint' that proves its authenticity, without the risk of fraud, would speed up transactions considerably.

Q9. What should the government do to accelerate the development of e-conveyancing?

This Call for Evidence is an indication that the government is making a strong commitment to the acceleration of e-conveyancing, but we believe there is more that can be done. Quite rightly the ambition is for HMLR is to be *'the world's leading land registry for speed, simplicity and an open approach to data'* We believe it is important to highlight the enormity of this ambition and the importance of financial and policy commitment to it.

The quality and speed of land registration is ranked by the World Bank, and HM Land Registry hopes to achieve the 'number one spot' by 2030. Not surprisingly, other jurisdictions, such as New Zealand and Australia, have overtaken the UK in the introduction of e-conveyancing and updates to their cadastral approach. Some of that accelerated progress, elsewhere, may be the result of wider recognition for location data in bringing disparate datasets together.

This being said, we would welcome a firm and binding commitment from the government to mandate the use of digital deeds in every aspect of property conveyancing.

This commitment would align the development of land registration with the government's broader ambitions for digitisation. We also await, with interest, the outcome of HM Land Registry's 'Digital Street' project, and hope its results will help the market to better understand the potential of emerging technologies such as blockchain and artificial intelligence. In the meantime, however, it would still be beneficial for organisations and businesses in the public, private, and third sector to have a better understanding of the role for greater adoption of location data in many aspects of the conveyancing process.

For our part, we are committed to raising the profile of geographic information, underpinning the significance of geography, and encouraging the take-up of our discipline at the earliest possible opportunity in pursuit of 'future-focussed' careers that feed into the e-conveyancing process.

Q10. Are there any particular public sector datasets which you think should be released as open data in order to drive innovation in the home buying and selling process?

We firmly support the publication of many public datasets as Open Data provided they are sustainability funded. However, we also advocate that government should not seek to compete with the private sector, either by proxy as in the recent Future Cities Catapult prototype or otherwise. Rather, it should publish data in a way that enables industry to make use of it to flourish.

In improving the home buying and selling process, it is informative to consider and compare what is available here, now, as Open Data, with, for example, the datasets published by Land Information New Zealand (<https://www.linz.govt.nz/data>).

In addition, the integrity of Open Data must always be an important consideration. Already, some local authorities have publicly available information on their websites but there may be no control over that data once it has been downloaded. Given that the conveyancing chain is reliant on data being kept up to date this presents some risks which may have a negative impact on the home buying and selling process from not using current data.

We understand that some authorities are also currently maintaining a number of datasets purely for responding to search questions: if these were published as open data then the Authorities would no longer receive the income required to maintain them and may no longer afford to do so, essentially reducing the levels of confidence in those datasets.

The Conservative Party manifesto commitment to create 'the most comprehensive digital map of Britain to date' is welcomed as is the recently announced Geospatial Commission, we believe that the latter could have an important role to play in ensuring that appropriate location based digital data is available, from a variety of public authorities, to support the home buying and selling process.

Q11. How could other parts of the home buying and selling process be improved through better use of digital technology?

As with other sectors already transformed or transforming through the adoption of digital technology, pre-population of key data to expedite repetitive form filling is highly desirable.

Whether for anti-money laundering, mortgages, insurances, guarantees or other elements central to and tangential to the conveyancing process, effective use of digital technology will improve consistency, reduce repetitive manual error-prone tasks, encourage automation and innovation and drive out cost while increasing throughput.

The manual, hand-written nature of so many of the forms adds risk from errors of omission or misinterpretation that are mitigated through digital means. In addition vendor completion of property details digitally can be more easily validated against third party sources such as the EPC register, council tax bands, previous price paid data (already open data from HMLR), Companies House filings, credit scoring agencies or even criminal courts of justice (CCJ) convictions and much more that would be far more time consuming, costly and prone to error if transcribed from manually completed forms.

And, as stated previously, It would be useful if solicitors and others could be mandated to accept PDF versions of documents – some do but others do not, insisting instead that hard-copies are sent out for signature, which obviously slows everything down.

Mortgages and the requirements of lenders

Q12. What more could be done to encourage borrowers to seek a Decision in Principle from their preferred lender before they start house hunting?

Q13. What other improvements could be made to the process of applying for and obtaining a mortgage?

Informing consumers

Q14. How do we ensure buyers and sellers are able to access good guidance on buying and selling homes?

Better information at point of sale

Q15. Should sellers provide more information before they market their property?

Yes.

a. If so, what information should be provided?

At the most basic level, an authoritative confirmation of the official address and the postal address should be provided. This would reduce the number of issues at a later date, particularly for new build or conversion properties that are sold 'off plan' with placeholder addresses or assumed postcodes.

An increasing majority of buyers have internet access and the skills to ascertain the environment and the facilities in their preferred location area, such as the proximity of schools, parks, transport links, health care provision etc. Thus a logical and easily interpreted presentation of a specific range of data on a property-specific map, with commonly recognised symbols for transport links, schools, leisure facilities, faith institutions etc. would be extremely useful to buyers.

Q16. Should sellers of leasehold homes be encouraged to engage with their freeholder before marketing their home for sale? a. If so, in what ways should they engage?

Sharing information about each other and increasing commitment

Q17. How can government increase commitment to a sale between buyers and sellers? a.

Would development of standard agreements help?

Q18. How should we best tackle gazumping?

Q19. What other steps could be taken to increase confidence in the housing chain?

Buying a leasehold property

Q20. Should managing agents / freeholders be required to respond to enquiries within a fixed time period? a. If so, how could this be done?

Q21. Should maximum fees be set for the services and information provided by managing agents / freeholder to home buyers and sellers? a. If so, how could this be done?

Q22. Should the government introduce standard mandatory forms for collecting information about leasehold?

Buying a new build property

Q23. What can be done to improve the customer experience of buying a new build home?

It is particularly important that an authoritative confirmation of the official address and the postal address of new build homes should be provided. Currently this is not always the case.

A logical and easily interpreted presentation of a specific range of data would be extremely useful: not only in assuaging the concerns of prospective buyers, but potentially in setting manageable expectations of sellers. This could take the form of a property-specific map being provided with every set of sales details. Ideally, it would use established symbols such as transport links, schools, leisure facilities, faith institutions, etc.

Q24. What more can be done to help buyers of new build homes secure a mortgage quickly?

Any additional points

Q25. What else should the government be doing to help improve the home buying and selling process, and reduce the cost for consumers?

End of AGI contribution.