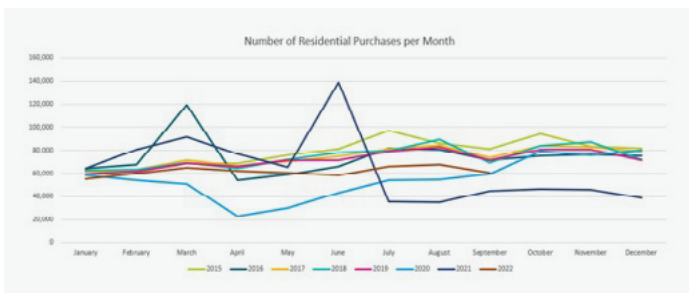


# A deep dive in to HMLR Data – What does it show?

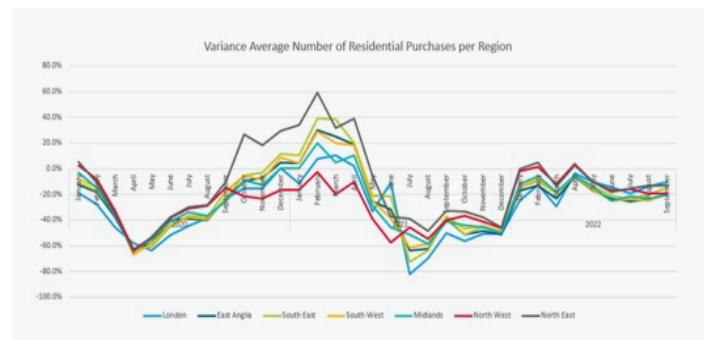


As reported last week by Legal Futures, the Deputy Chief land registrar called on conveyancing firms to ensure they stamp out “avoidable errors” on registration applications. The Deputy Chief also commented on how there were significant differences from firm-to-firm, but also pointed out that the issue is not endemic. There are of course those who argue to the contrary and advise of inconsistencies with desired process, with answers varying from one point of contact to the next. We are not going to comment on who is correct, but reports such as this will agitate some Insurers, with a recession possibly looming, accusations of simple errors from a “pocket” of law firms will unnerve some underwriters.

The article triggered a review of accessible land registry data, and we have undertaken a similar analysis as we have done previously with regards to the number of residential purchases per month processed by HMLR.



The graph above makes for a rather interesting read, albeit not a complete year to analyse for 2022, what is clear (and perhaps unexpected), is a reduction in the total number of transactions from 2021, that said, between the months of July-September, registrations were greater for 2022. Further analysis also shows that 2022 (for the year to date) has been more consistent than other years, with transactions number remaining relatively consistent month-by-month, however lower than those experienced in years previously, perhaps this is also to be expected following the record number of transactions in late 2020 and across 2021.



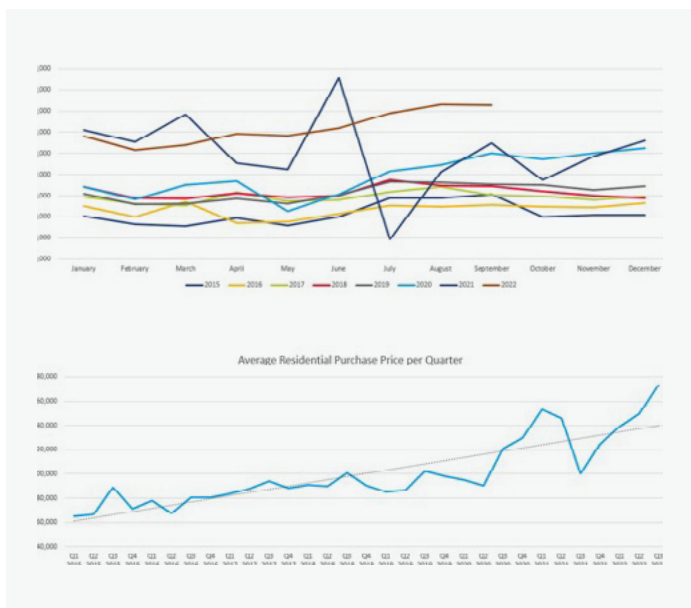
We also undertook an analysis by region, and as per graph above there does appear to be a rather consistent picture across the board, with no real outlier. The North East saw a significant spike at the end of 2020/2021, this then did reduce across the summer of 2021, London also saw a drop in purchases in the summer of 2021, but has seemingly picked back up moving in to 2022.

2021 brought with it the highest average residential house price nationally by way of purchases, in June 2021, they peaked at £390,000, although seemingly levelled off as the year progressed. The spike perhaps brought on by the SDLT stimulus and a scarcity of supply against demand.



The first 9 months of 2022 seem to have brought with it far less volatility in respect of the average prices by month, albeit there does appear to be a gradual increase as the year has gone on, the figures on our next update will be interesting in understanding whether such consistency remained in 2022 and the early part of 2023, or whether a similar fluctuating pattern akin to 2022 followed.

Finally, when reviewing average residential purchase prices per quarter, the picture is similar as per the above graph. The overarching message being that house prices have continued to sustainably rise, when you consider the data below ranges from Q1 2015, when the average purchase price was circa £260,000, the most recent data for Q3 of 2022, shows a figure nearing £380,000, therefore in the space of seven years, the average purchase price for a UK residential property is up by circa 46%, a startling number. When you shift the lens of this data from the perspective of the PII Insurer community, at first, they will be assured by a buoyant housing market, however, there will also be caution amongst the Insurer community, primarily stemming from values increasing, and as such a typical property negligence claim will inflate at a similar rate to the graphs referred to throughout this article.



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