



IPAV

CONVEYANCING SURVEY RESULTS JANUARY 2015

"The Voice of Auctioneers in Ireland"

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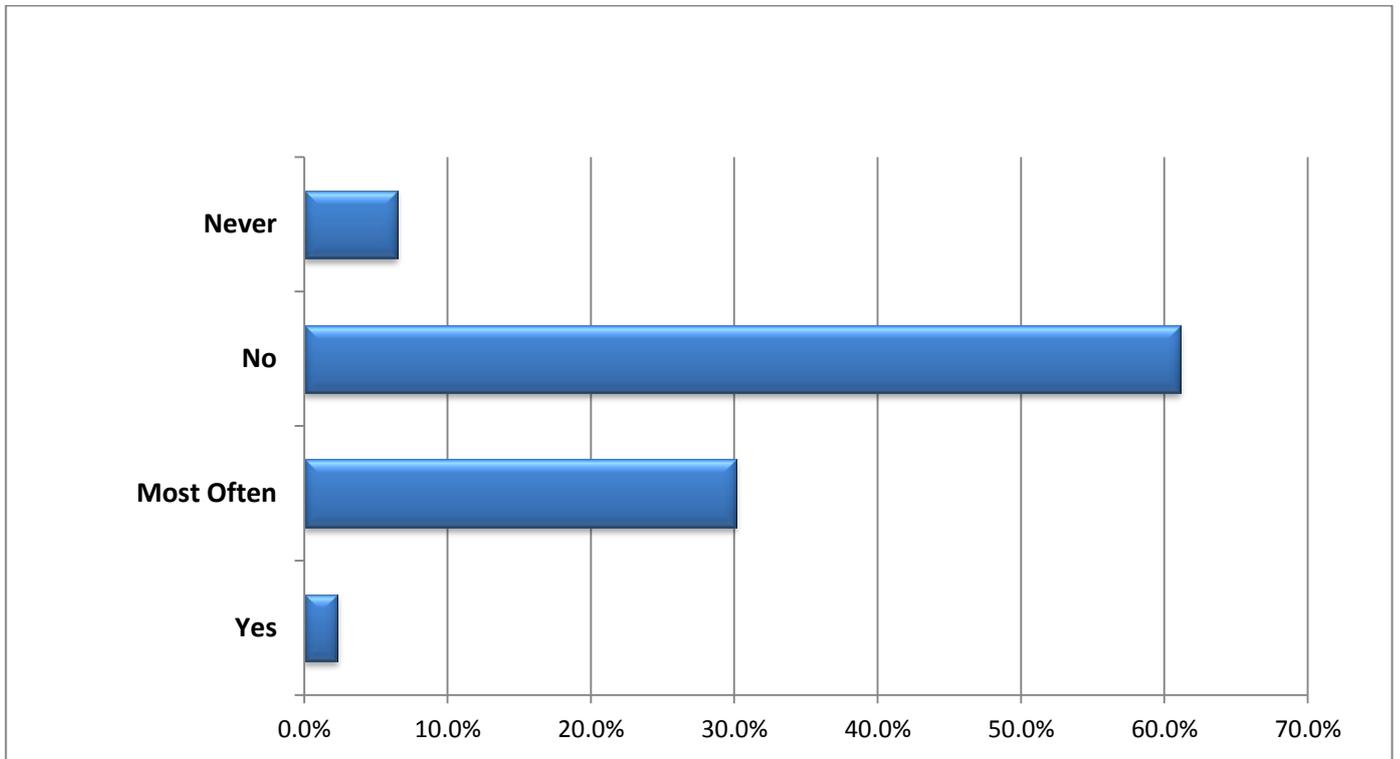
- Q1** Are your sales closing in a timely manner?
Graph & Response percentage
- Q 2:** Are you experiencing an unwarranted delay from the time you have sale agreed to close of sale?
Graph & Response percentage
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Graph & Response percentage
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Graph & Response percentage
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Graph & Response percentage

CEPI & CEI Survey conducted in conjunction with IPAV

Questions

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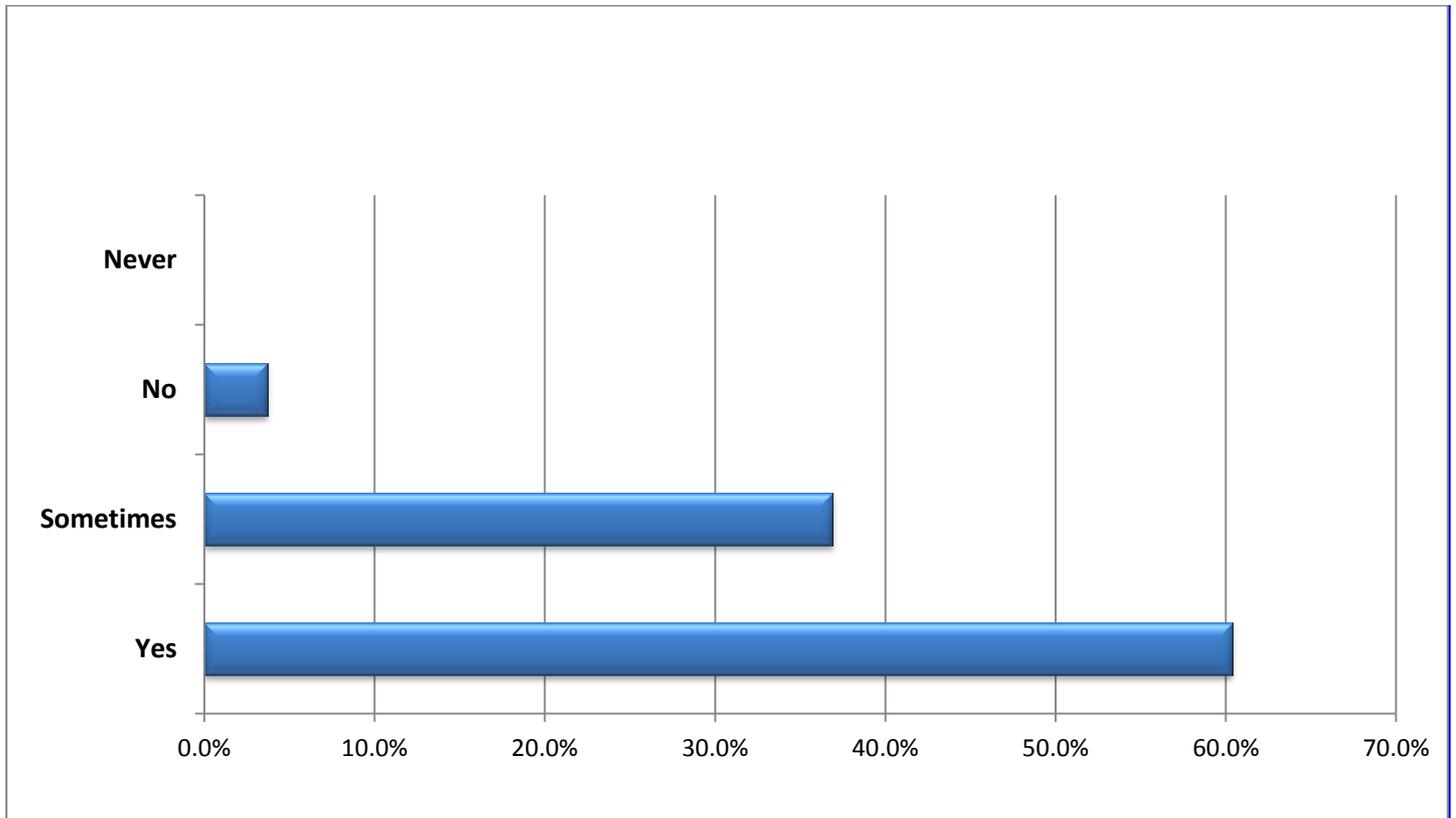
Q1: Are your sales closing in a timely manner?



Breakdown of Answers:

Answer Options	Response Percent	Response Count
Yes	2.3%	5
Most Often	30.1%	65
No	61.1%	132
Never	6.5%	14
<i>answered question</i>		216
<i>skipped question</i>		2

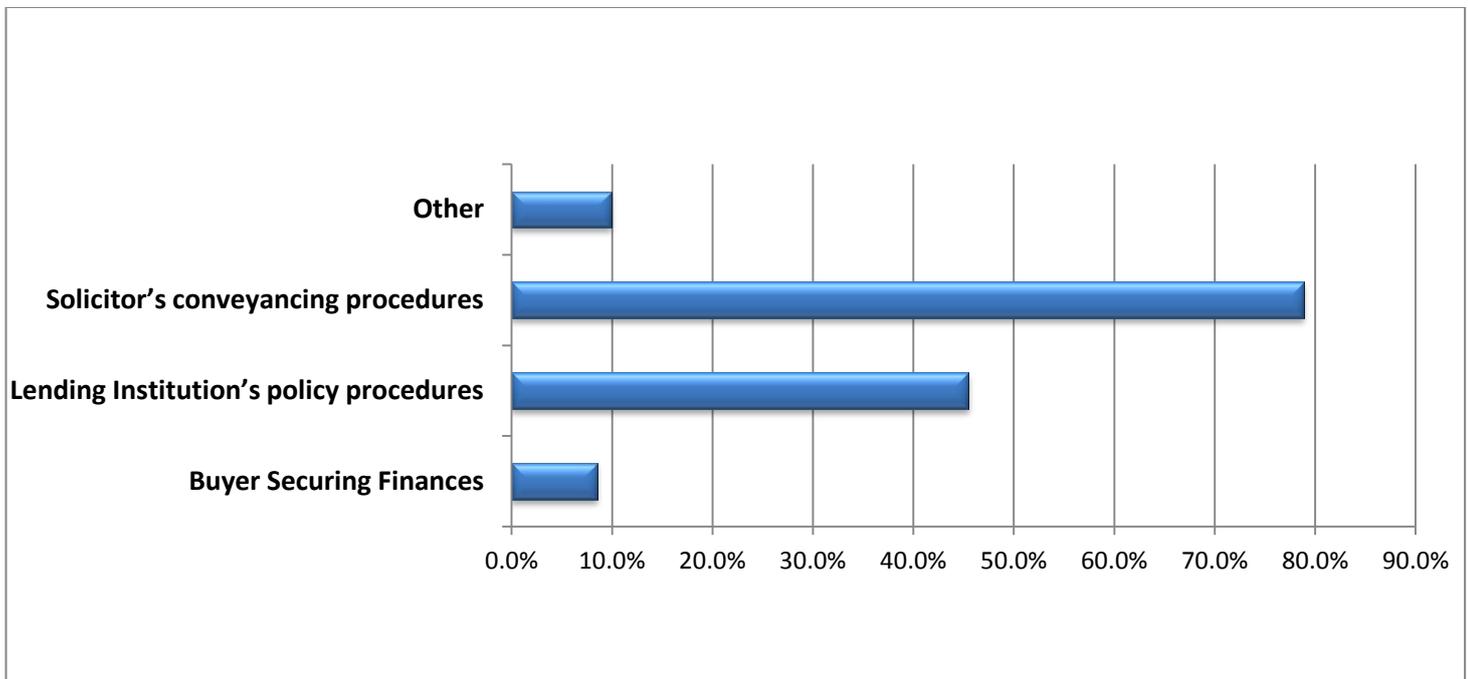
Q 2: Are you experiencing an unwarranted delay from the time you have sale agreed to close of sale?



Breakdown of Answers:

Answer Options	Response Percent	Response Count
Yes	60.4%	131
Sometimes	36.9%	80
No	3.7%	8
Never	0.0%	0
<i>answered question</i>		217
<i>skipped question</i>		1

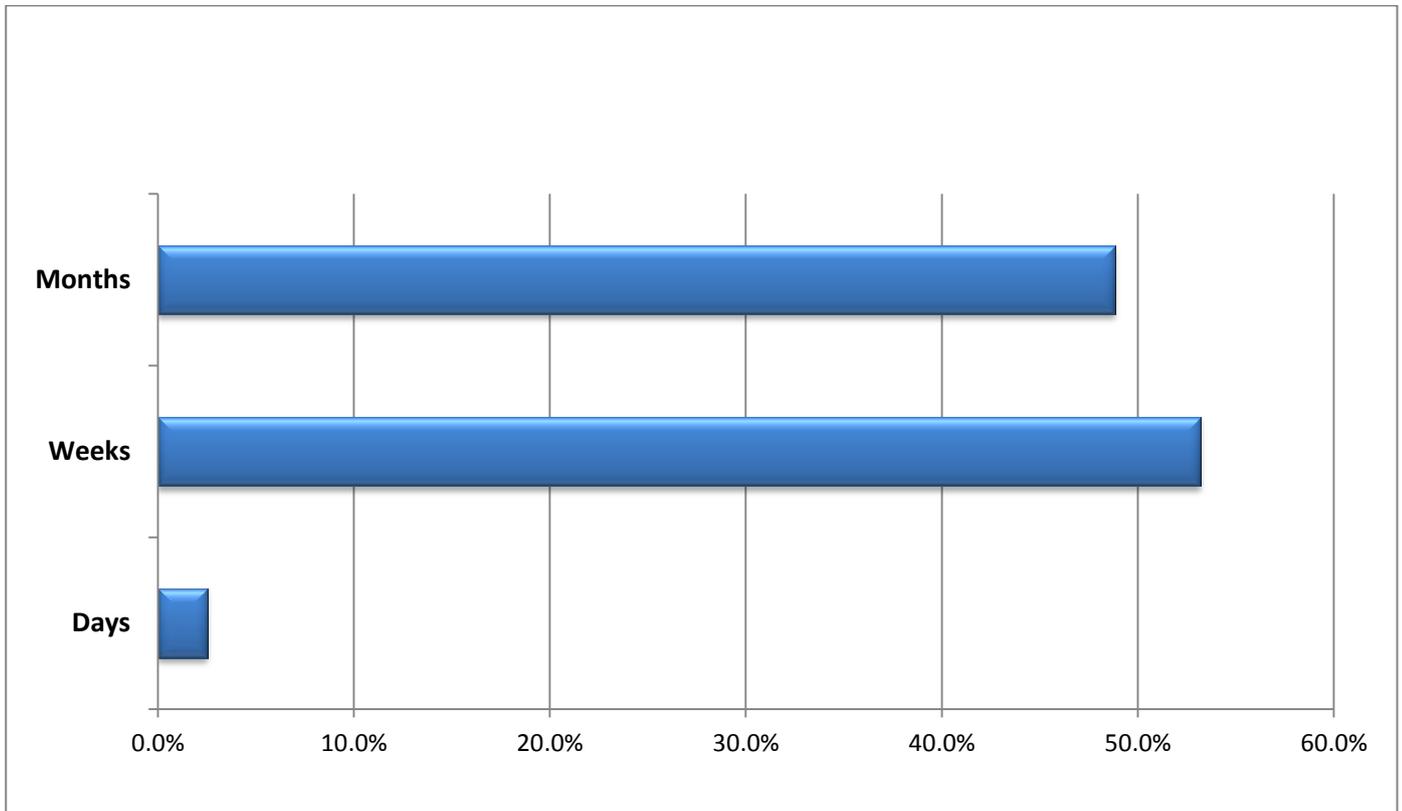
Q 3: If you are experiencing delays please select the most common reason?



Breakdown of Answers:

Answer Options	Response Percent	Response Count
Buyer Securing Finances	8.5%	18
Lending Institution's policy procedures	45.5%	97
Solicitor's conveyancing procedures	78.9%	168
Other	9.9%	21
<i>answered question</i>		213
<i>skipped question</i>		5

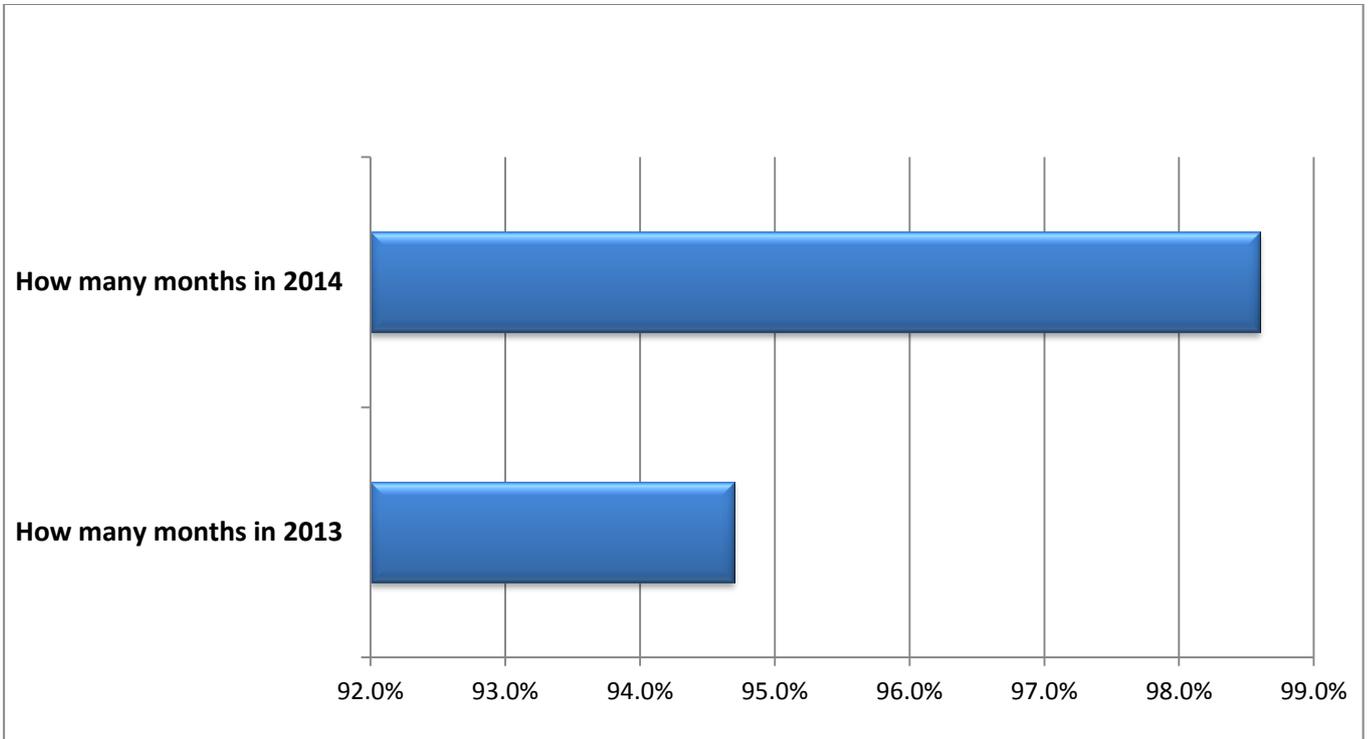
Q 4: If you are experiencing delays due to Solicitors conveyancing, on average, how long is the time delay for?



Breakdown of Answers:

Answer Options	Response Percent	Response Count
Days	2.5%	5
Weeks	53.2%	107
Months	48.8%	98
<i>answered question</i>		201
<i>skipped question</i>		17

Q 5: On average, what is the length of time it takes from when you have sale agreed to close of sale?



Average Time in 2013: **3.8 Months**

Average Time in 2014: **4.4 Months**

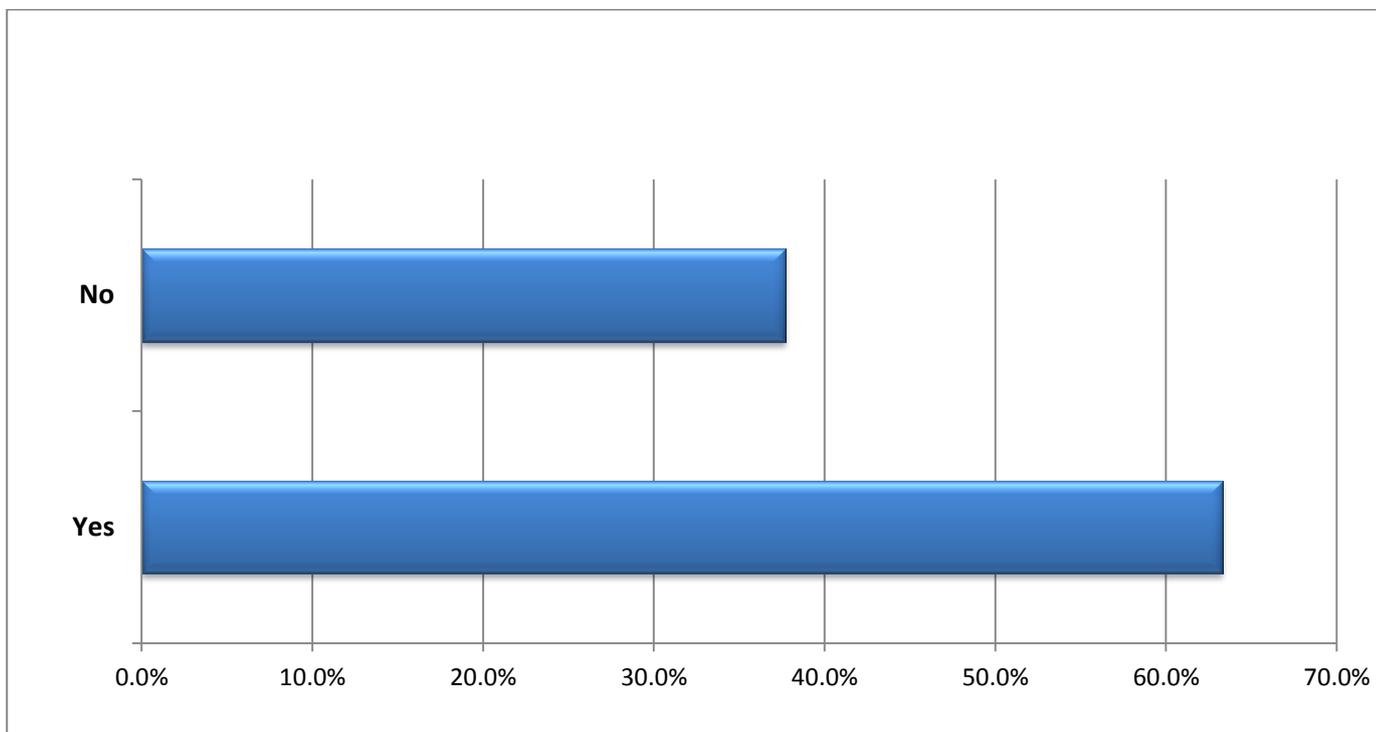
Breakdown of Answers:

Answer Options	Response Percent	Response Count
How many months in 2013	94.3%	200
How many months in 2014	98.6%	209
<i>answered question</i>		212
<i>skipped question</i>		6

Sample Answers:

- 1: 3 months in 2013 & 4 months in 2014
- 2: 3 months in 2013 & up to 9 months in 2014
- 3: 5 months in 2013 & 6 months in 2014
- 4: Minimum 4 months & between 4 – 12 months in 2014
- 5: 4 months in 2013 & 6 months + in 2014

Q 6: In your experience, do you think the delay is due to Solicitors prioritising other work?



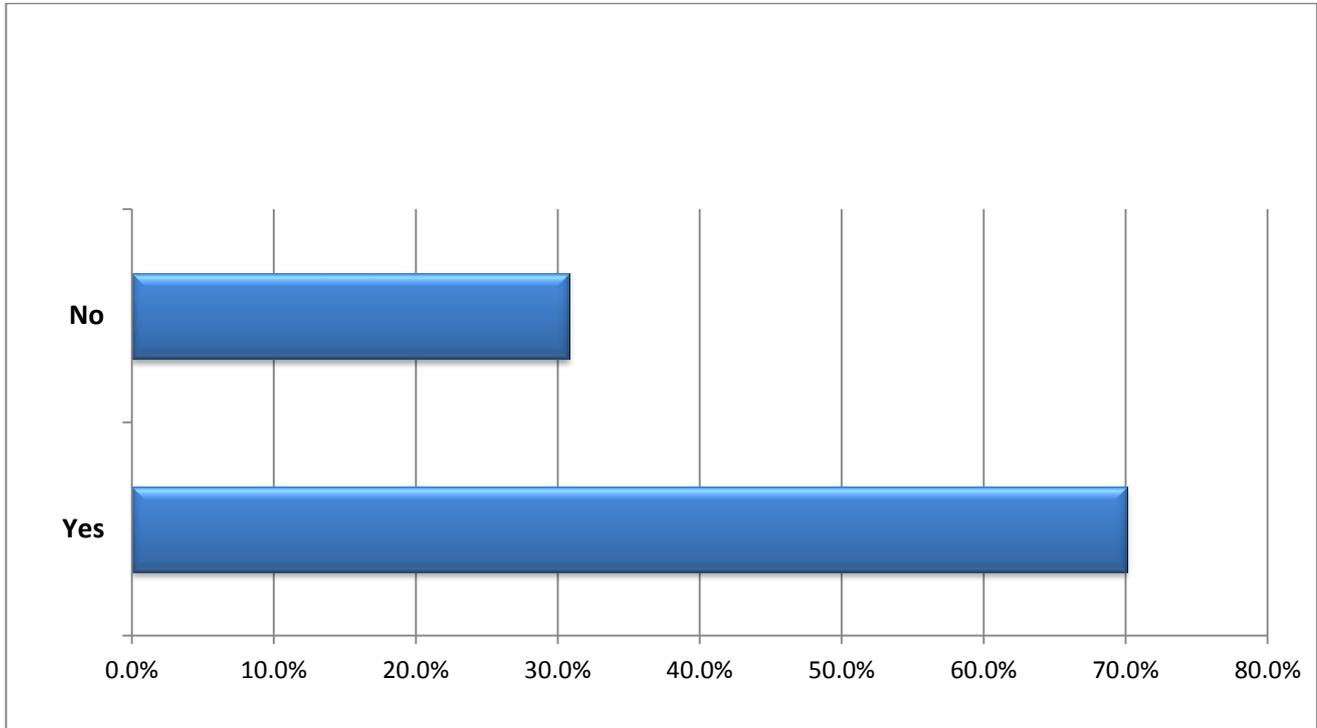
Breakdown of Answers:

Answer Options	Response Percent	Response Count
Yes	63.3%	126
No	37.7%	75
Comment		96
<i>answered question</i>		199
<i>skipped question</i>		19

Sample Answers:

- 1: Conveyancing no longer as lucrative as it once was due to low fees
- 2: Not having the staff to deal with the increase in work and dated procedures
- 3: No rush on conveyancing
- 4: Solicitors should have the title in order before the property is sold
- 5: Lack of co-operation between solicitors

Q7: In your experience, do you think the delay is due to Solicitors not willing to do business by email or phone, instead using the tradition method of letter writing?



Breakdown of Answers:

Answer Options	Response Percent	Response Count
Yes	70.1%	150
No	30.8%	66
<i>answered question</i>		214
<i>skipped question</i>		4

Q8: If there is another reason for the delay please specify:

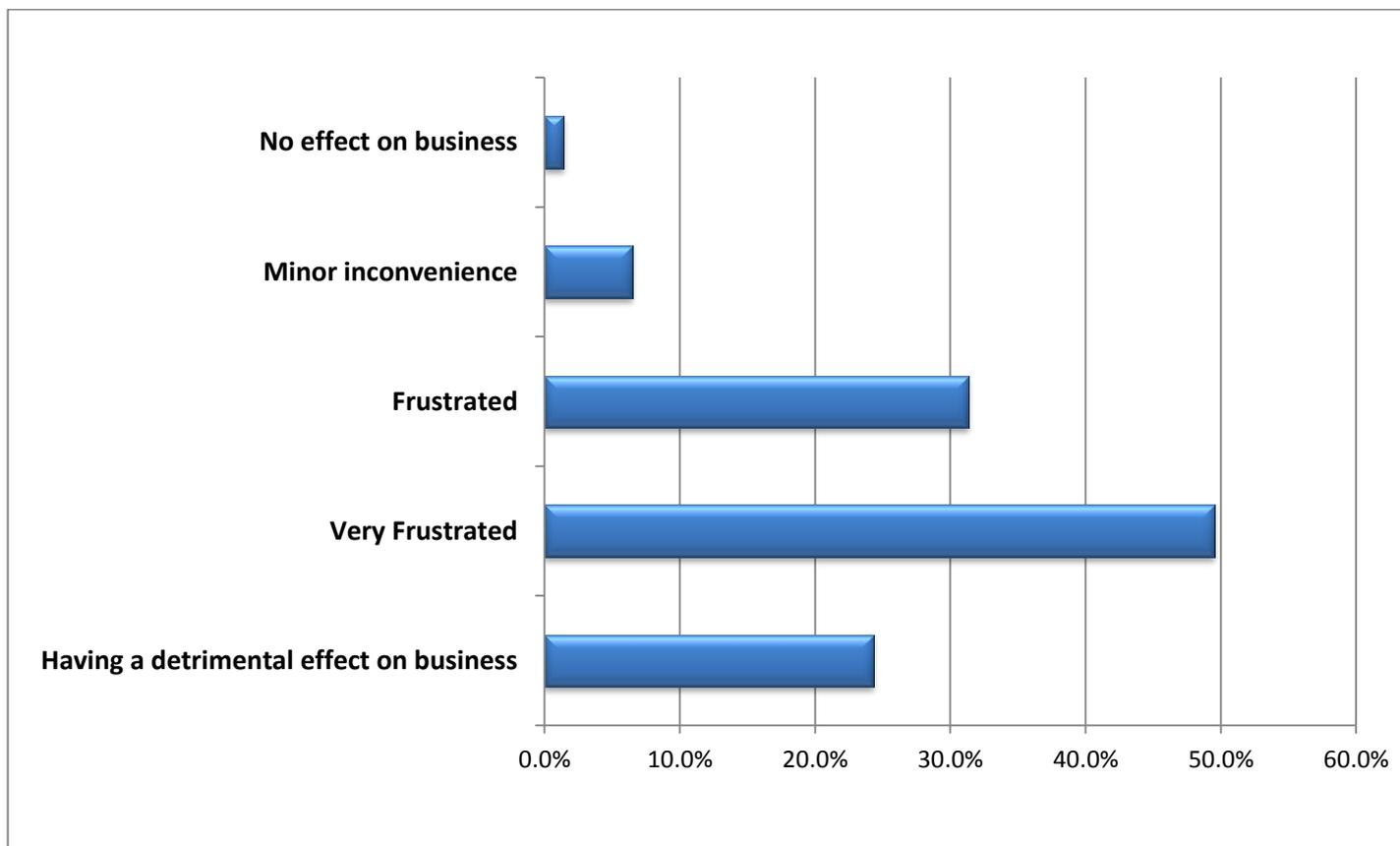
Sample of responses received

1. Solicitors appear to be cautious in signing off documents in recent times
2. Overly high levels of due diligence, banking delays
3. Inefficiency and lack of commercial reality
4. Repossessions sales, bank releasing title documents
5. There is a lot involved in conveyancing, a lot of paper gathering i.e. BER, LPT receipts etc. Solicitors who delay, we generally find it is because they will not open a file until a sale is agreed and therefore are not aware of any issues until it is too late. Our opinion is that once a property is placed on the market, the solicitor should begin work on a file to ensure all in order once a sale is agreed.
6. Delay is often due to solicitors being overly cautious e.g. not accepting contracts subject to funds being released. This is becoming a common condition.
7. When a solicitor is instructed by the vendor to act for him/her, they wait until the property is sale agreed before they request the deeds from the bank. This can delay contracts being issued by 4 to 6 weeks.
8. Banks not releasing title in a timely manner especially when it is a bank that is selling the property! In my view clarification should be required that all aspects of title are in order or otherwise prior to commencing the marketing of a property for sale, as this is a more professional way for all parties to proceed.
9. The uncertainty in the market over the last few years - solicitors were slow to come up with the paperwork until they were sure the purchaser was going to complete - waste of their time.
10. Banks when they bring in national profile estate agents either to look at the value of properties already negotiated. A lot of time wasting and ticking boxes.

Breakdown of Answers:

Answer Options	Response Count
	123
<i>answered question</i>	123
<i>skipped question</i>	95

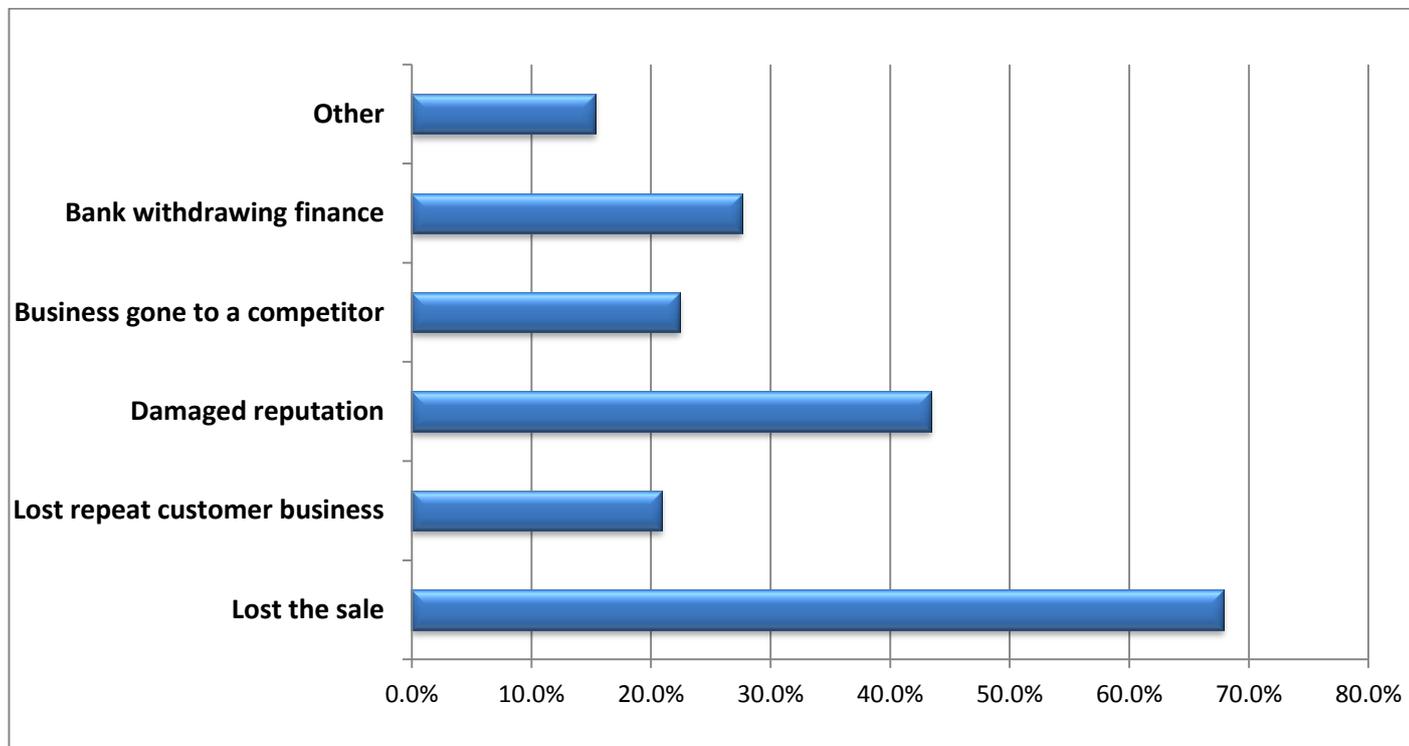
Q9: If applicable, please select from the below, which of the following most closely reflects your approach to delays caused by Solicitors



Breakdown of Answers:

Answer Options	Response Percent	Response Count
Having a detrimental effect on business	24.3%	52
Very Frustrated	49.5%	106
Frustrated	31.3%	67
Minor inconvenience	6.5%	14
No effect on business	1.4%	3
<i>answered question</i>		214
<i>skipped question</i>		4

Q10: If you have experienced delays due to solicitors, has the following occurred?



Breakdown of Answers:

Answer Options	Response Percent	Response Count
Lost the sale	67.9%	133
Lost repeat customer business	20.9%	41
Damaged reputation	43.4%	85
Business gone to a competitor	22.4%	44
Bank withdrawing finance	27.6%	54
Other	15.3%	30
<i>answered question</i>		196
<i>skipped question</i>		22



CEPI & CEI Survey conducted in conjunction with IPAV

Role of lawyer in the transaction process of properties in Europe, i.e. mandatory lawyer for banks in the transaction process, which party pays for the lawyer involved?

The two European Associations for real estate professionals have been asking its national members associations about the role of lawyers in the transaction process of properties. It came out that in most European countries lawyers are not involved mandatorily and that most countries do not have a law to involve a lawyer in the transaction process.

One of the results is that in no European country a lawyer has to be involved from the banks and that the purchaser has to pay for this lawyer.

The following questions have been sent to the national associations in Europe. 16 countries have sent their responses to this survey.

- 1. Does a purchaser need a lawyer when purchasing an investment property in your country?**
- 2. Does the owner of the property need a lawyer when they are selling their property to an investor?**
- 3. If the purchaser is getting mortgage/credit does the mortgage bank have their own lawyer as well?**
- 4. Who pays for the lawyers?**
- 5. What is the normal Lawyers fee?**
- 6. How long does the conveyancing take from sale agreed to close?**
- 7. Do lawyers ever hold up a sale?**
- 8. If so what do they do they not do to help to conclude the sale quickly?**
- 9. Do lawyers speak to each other by email or phone or are all transactions done by post?**
- 10. Do you feel you have lost sales because of lawyers and if so why?**
- 11. Does the Lawyer contact the agent during the signing and closing process to keep them informed?**

All questions were answered in January & February 2015

	1. Does a purchaser need a lawyer when purchasing an investment property in your country?	2. Does the owner of the property need a lawyer when they are selling their property to an investor?	3. If the purchaser is getting mortgage/credit does the mortgage bank have their own lawyer as well?	4. Who pays for the lawyers?	5. What is the normal Lawyers fee?
Austria	Yes, the purchaser need a lawyer or a notary. This are formal requirements to bring the purchase contract to the cadastre books (our Grundbuch);	The owner needs no lawyer, but mostly they have one.	the mortgage banks needs no lawyer for this transaction, the notary or the lawyer of the purchaser acts as trustee.	The purchaser pays the costs.	the average fee for sales contract is between 1,5 % and 2,5 % of the price.
Belgium	a. If by 'lawyer' is meant lawyer/solicitor (Rechtsanwalt) > then the answer to the questions is 'no'. b. If by "lawyer" is meant 'notary' > then the answer to the questions is 'yes'.	No	General Note: In case of buying real estate a notarial deed must be drawn up (paid by the buyer). Buyer and seller can work with the same notary or they can choose for an individual notary. After signing the notarial deed, the buyer will be the official owner of the property.		
Czech	Use of a lawyer or notary is not mandatory. The lawyer or notary, however, is almost always used.	Use of a lawyer or notary is not mandatory. The lawyer or notary, however, is almost always used.	Each bank has its own legal department.	Who asked for the service.	Fees shall be governed by the hourly rate, or is related to the total amount of the transaction.
Denmark	Questions not answered directly. Residential: It is not formally necessary to have an adviser (lawyer / agent), but historically buyers always were represented by a lawyer, and the sellers by an agent, every party paying own representative. The agent concluded the contract – binding for the parties – and the lawyer wrote the deed and sent it to the land register, where the title of ownership then became public. The deed was to a very large extent a copy of the sales contract (and the contract could - if really needed - be transformed into a deed with a few amendments). Almost everybody was entitled to write the deed and present it to the register. The only ones being forbidden was the agents (from the agents point of view a mere competition regulation, being enforced via the lawyers lobby, to the politicians). This system was changed in 1997 when the agents were entitled to made the deed and get it registered, however without giving any counselling to the buyer. The buyer wanting to have advise went on using a lawyer, or more and more the bank who, giving the credit / the loans where in the drivers seat ("buyers agency" still very few agents deal with). Today around 50-60% of all registrations at the title office are done by the agents or specialized companies doing nothing else than register the change of ownership. This has resulted in a dramatic drop re the costs of registration with up to 75%. Because of digital registration the work itself has become much easier, and the agents contract is now THE document, the digital "deed" only referring to strict information of interest to the public (ownership, loans, restrictions on the property, date of transfer etc.). Commercial: In short: nothing really changed. The buyers still being represented by a lawyer, and the seller by an agent. However, the big transactions, done by the pension funds etc. are often done between lawyers directly without the assistance of agents, apart from valuations to verify the price etc. Agents do not register commercial transactions generally speaking. The banks in this field do not compete, but deliver the financing.				
France	No	No	No		
Greece	Optionally	Optionally	Yes	The bank pays the lawyer and charges the client .	250-400 euros
Germany	No	No	No. Purchasing parties buying investment properties usually involve lawyers. But it is not mandatory by law to involve a lawyer. All contracts in real estate transactions need to be signed in front of a notary.	The party who orders the lawyer	The fee is fixed by legal regulation.
Ireland	Yes	Yes	Yes	The owner pays his own. The purchaser pays for his own and the banks one.	1% of the transaction
Luxemburg	a. If by 'lawyer' is meant lawyer/solicitor (Rechtsanwalt) > then the answer to the questions is 'no'. b. If by "lawyer" is meant 'notary' > then the answer to the questions see below: 1. Does a purchaser need a lawyer when purchasing an investment property in your country? yes	Yes	Not necessarily, only the BCEE, all other banks have independent notaries,	In general, the purchaser	The fee is fixed by legal regulation.
Norway	No (It's not mandatory.)	No (It's not mandatory.)	No	Not answered	Depending on the legal matter and if it's a long - or short-term relation the lawyers fee in Norway is between 200 - 700 euro/hour + incl. V.A.T.
Portugal	No	No	Usually they have a solicitor to finalise the papers	the party who orders the lawyer	varies
Romania	No	No	No	not answered	not answered
Slovakia	No	No	No	N/A	50 - 100€/hour
The Netherlands	No	No	No		
Sweden	No	No	No		Depending on the legal matter and if it's a long - or short-term relation, between 150 - 600 euro/ hour. Lawyers who are specialized in real estate often have fees around 400-500 euro.
UK	Questions 1 – 4, in the UK the seller of a property needs to have a lawyer acting on his behalf, whether it is an ordinary sale or to an investor. The purchaser of the property also needs to have a lawyer acting on his behalf who should be a different lawyer to the lawyer acting for the person selling so that there can be no conflict of interest. If a purchaser is getting a mortgage or loan on the purchase a lawyer would act on behalf of the lender although it is normal for the lawyer acting for the purchaser to also act for the lender, providing they are on their panel of lawyers.			In respect of payment of the lawyers, it is normal practice for each side to pay for their own legal costs, the purchaser also paying the legal costs of the lawyer acting for the lender.	Question 5, the cost of the lawyer's fees would vary on the price of the property and the work involved. Normally the costs would be between £400.00 and £1000.00 for each lawyer, although if the property is very expensive, or extra work is required then the figure could be higher than £1000.00. All the legal fees would be subject to VAT, except in the case of certain disbursements which are in fact free.

The following questions are for those where lawyers are involved:	6. How long does the conveyancing take from sale agreed to close?	7. Do lawyers ever hold up a sale?	8. If so what do they do they not do to help to conclude the sale quickly?	10. Do lawyers speak to each other by email or phone or are all transactions done by post?	11. Do you feel you have lost sales because of lawyers and if so why?	12. Does the Lawyer contact the agent during the signing and closing process to keep them informed?
Austria	the average time is about 4 weeks.		This is no problem in our country	Yes they do, primarily by email or post	Sometimes lawyers don't act, as the client wishes.	The estate agent contacts the lawyer and give his information, seldom the other way round
Belgium						
Czech						
Denmark						
France						
Greece	From 6-30 days until 2012. Afterwards we had many new obligatory laws and regulations from the troika . Many were on the right track and some others blocked the real estate market . From 2014 we need from 2 to 10 months ,which is a huge problem for the few purchases of the present period.	Yes	The bad professionals may exaggerate the importance of problems as to be effective and to raise their fees. Another reason is for considering the purchase as a secondary employment.	Mainly by phone or emails.	Yes , as in number 8.	Usually we are having good relations . It is also often to have problems with overweening and arrogant behaviour.
Germany	There is no minimum time. It can be a day or some weeks depending on the status of the property, the negotiations between parties etc.	In general NO	Not answered	A lot of communication is done by e-mail and phone, but in the end the contracts are signed at the layers office.	No	No
Ireland	From 4 to 24 weeks	Yes	Don't speak to each other there is always another piece of paper required.	Post	Yes. Because they simply didn't get on with the job quickly enough.	Mostly not
Luxemburg	Approximately 2 months. It can be done very fast, but the minimum is 15 days for the controlling of mortgages etc.	Not answered	Not answered	A lot of communication is done by e-mail and phone, but in the end the contracts are signed at the layers office.	No	No, only the seller, not the agent. This is normal because of the information secrecy policy in Luxembourg.
Norway						
Portugal						
Romania						
Slovakia	3 - 30 days (less than 15 days = express fee of cadaster= 266,-€, normal fee = 66,-€)	No	N/A	they use all ways of communication	No	yes on the voluntary base
The Netherlands						
Sweden						
UK	Question 6, the normal length of time from a sale being agreed to completion is 2 – 3 months, although in certain circumstances it can be a lot quicker and it would not be impossible for a sale to complete within 3 – 4 weeks of the sale being agreed.	Question 7, lawyers are usually fairly efficient and have a good system to get sales completed as quickly as possible, however in some cases sales can be held up on clients instructions or where the lawyer is inefficient.	Question 8, see the answer to question 7.	Question 10, lawyers do speak to each other by phone and email and a very small part of the transaction is done by post.	Question 11, sales have been lost because lawyers have not been happy with certain aspects of the sale and have advised their clients not to proceed. The sale can fall through at anytime up to exchange of contracts.	Question 12, a good estate agent would be in regular contact with both parties lawyers, probably on a weekly basis and lawyers usually cooperate with the estate agent to get the matter completed as soon as possible as it is in everyone's interest for the sale to be completed.

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