

30th April 2020

Open Letter

Dear All

Proposals for new Covid-19 Home Moving Protocols to re-energise the Property Market

The property market, like so many others, has been plunged into difficulty by the Coronavirus crisis. Current reports estimate that 373,000 transactions are currently on hold. This not only affects the home movers who find themselves in limbo, but also the businesses involved in helping them to move and the companies who provide ancillary goods and services. In addition, the impact on the Government in lost Stamp Duty revenue is significant. Based on the average house price in the UK, the current 'on hold' transactions equate to c£783m in lost Stamp Duty.

Teal Legal and Teal Compliance both work closely with the Legal and Property Industry and, over the course of the last few weeks as the Coronavirus crisis has developed, have been developing tools and strategies to assist Estate Agents and Solicitors in re-energising the property market and their businesses over the coming months.

Based on this work, we have drawn up our proposals for a new Home Moving Protocol. We are firmly of the view that this period of lockdown should be used by the industry to collaborate and agree on the steps we need to put in place to help get things moving as safely and as quickly as we can once the UK is in a position to start to lift restrictions. We hope the work we have carried out will contribute positively to that dialogue.

The issues

As we see it, there are two main issues to address:

1. SAFETY How people can move house safely. This, of course, must be the primary concern.
2. SPEED How we can expedite deals to get to completion as soon as possible.

1. Safety

The biggest issue stopping people buying and selling houses will be trust. Trust that the market is stable, trust that deals will be able to progress. But, most significantly, trust that they can move house safely.

Even when lockdown restrictions are relaxed, these issues will still remain as vulnerable groups will require additional levels of support and protection. Until we have an effective cure or vaccine, there will also be a large percentage of the population who remain nervous of moving, and will refrain from doing so, unless a new clear protocol to protect their safety is available and enforced.

In addition it is important to recognise that people who are moving house potentially present a risk to others, particularly in circumstances where they are moving house from one area of the UK to another, they risk spreading the disease more widely and into new communities.

2. Speed

Speed of transactions is a unique problem faced by the Property sector. In particular, we are referring to the average 19 weeks conveyancing timeline between accepting an offer and the completing transaction.

This five-month 'conveyancing lag' is a significant and worrying issue for two reasons:

1. **Abortive transactions** – in the event that we face any tightening of restrictions again over the coming months (as has already happened in other jurisdictions) then there is a high risk that transactions will not move fast enough to complete during any window when restrictions are relaxed and so will fail. In an already struggling market, we cannot afford to let this happen.
2. **Risk to the profession** – it is estimated that many high street Estate Agents and Solicitors have enough reserves to cover overheads for two to three months. However, they will not start to see any significant cashflow return until completions take place which will be on average, five months after deals are agreed. This could mean many thousands of Estate Agents and Solicitor practices will fail, not due to Coronavirus, but because of the conveyancing lag.

Helpfully, much work has already been done by Government and other organisations to develop new protocols to speed up transaction times. It is our view that by adopting these across the industry, 30-day exchanges could be achieved for the majority of cases, not only saving many transactions, but also saving large swathes of the industry.

The Stamp Duty question

Stamp Duty holidays are often reached for by the Property Industry as a way to kick start the market. However, we do not believe that should be the case in this instance.

Our view is that in the current climate, bearing in mind the massive financial contribution which the Government has already made to try to help Britain through the Covid-19 crisis, then it is incumbent on us all to think about strategies to help taxes to start to flow back into the system, rather than reduce them further.

As we have explained, we believe that the biggest issue stopping people selling houses will not be Stamp Duty, but trust. Trust and confidence that transactions can proceed safely.

Accordingly, it is our view that developing, rolling out, and communicating to the general public the new Home Move Protocol will have more impact in kick starting the property industry than reducing Stamp Duty.

Our proposals

We are attaching to this letter our suggestions for a five-step 'EASST' protocol which covers not just how transactions are handled, but what happens before and after. In addition, where we have worked up draft documents to support the protocol, we are including these as well. We offer these proposals on an entirely open source basis. If any of them can help, we are happy for them to be used. If we can help contribute further to the debate, we will gladly do so.

With best wishes

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Director

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Teal Legal

Teal Legal is a LawTech R&D Business investing in developing technology solutions to improve the conveyancing process. Sally Holdway, is a Solicitor (non-practicing) and an author for the Law Society on technology and innovation in legal services. In addition, she sits on many working groups and committees looking at improving the home move process.

Teal
Compliance

Teal Compliance is a full-service Risk and Compliance Consultancy working within the legal sector in the UK. Amy Bell is a Solicitor and an AML specialist. She has written numerous books for the legal profession on AML, and is a member of (and past recent Chair) of the Law Society's AML Taskforce.

Teal Legal

Coronavirus EASST Home Move Protocol

This five-step **EASST Protocol** has been designed to help get transactions completing and people moving house, as soon as possible and to do so in a manner which:

- Keeps home movers safe
- Keeps their advisors safe, and
- Minimises the risk of a second wave and transmission of Covid-19

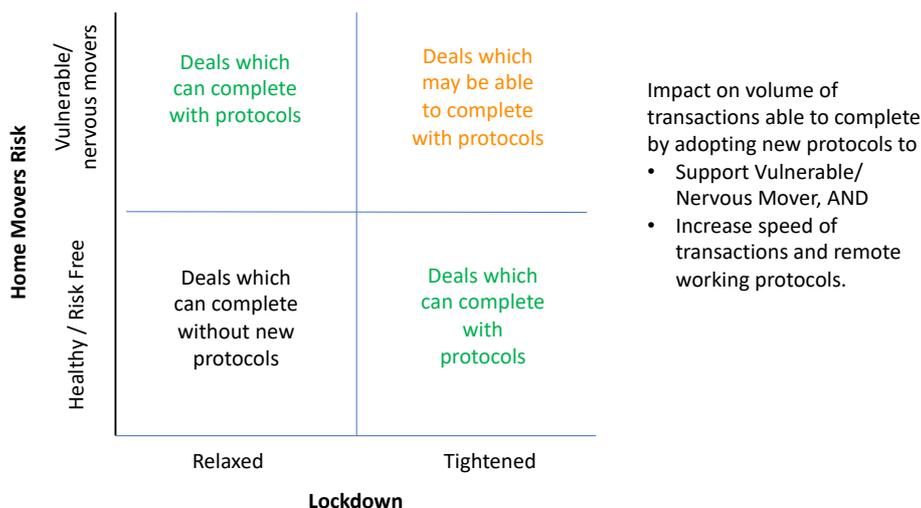


Potential Impact of New Protocol

Without bringing in measures which provide clarity on how the property industry provides home moving services to address both issues of:

- Safety for all home movers, but in particular vulnerable/nervous home movers; and
- Speeding up transaction times

Then there is a risk that many transactions which could have proceeded safely over the coming months simply will not happen, as detailed below.



Step 1: Educate the Public

The Problem: Whilst the Government has already issued guidelines on moving house, we believe that by updating and expanding these guidelines into clear protocols on moving house, confidence will return faster to the market once lockdown starts to be relaxed.

There are two issues which have emerged over recent weeks:

1. People assume that in lockdown they cannot move house and so withdraw from the market and do nothing. However, 90% of the work required to sell a house can take place remotely and therefore can be carried out during lockdown and with no risk. The public need to be better informed about what they can do and when.
2. Conversely, as the current guidelines permit transactions to proceed in exceptional cases, it gives bad actors the opportunity to insist that transactions are 'exceptional', when in fact they are not, putting all parties at risk. We have heard anecdotal examples of sellers retaining deposits, and Estate agents insisting on viewings taking place during the current lockdown period.

Proposal: A new public facing webpage, either from the Government or organisations such as the Law Society, the CLC or the NAEA is developed, and updated regularly with clear guidelines and protocols, not only giving clarity on when transactions should not take place, but also providing reassurance on what can happen, both in and out of lockdown.

This should be supported by an advertising campaign to inform the public about their home moving options.

Teal Legal has developed a new home page for their Home Owner's Passport for this purpose and have adopted a traffic light system. It crucially includes a 'Red Amber-Get Ready' category to advise home movers of the steps they can take, even during lockdown. However, it is our view that this information should be in the wider public domain, and be provided by an official source, rather than relying on the commercial sector.

Appendix 1: Home Owner's Passport proposed new home page design.

Step 2: Assess the Risk

Problem: It is important a risk assessment of each transaction takes place, so that that all advisors working on the transaction are aware of the current Covid-19 status of the sellers, the buyers and other members of their household, in order that they can:

- a) Take proper steps to advise as to how they can move house safely
- b) Keep themselves and their employees safe

Advisors include, but are not limited to, Estate Agents, Solicitors and Conveyancers, Lenders and Brokers, Surveyors and Valuers and removal firms.

Proposal: A new Coronavirus Questionnaire and Risk Assessment is adopted for all transactions, to be completed at the initial stages of a sale/purchase (normally the point of listing) and the information shared with other advisors acting for the home mover.

There is a wider debate to be had about what parts of this information are shared with the other side in a transaction and at what stage, as clearly it may be relevant information – for instance, additional steps may wish to be taken by a 75 year old moving into a house where someone has been recently self-isolating. However, there are also privacy and data issues to consider due to the sensitive nature of the information.

Appendix 2: Coronavirus Questionnaire and Risk Assessment Form

Step 3: Select Appropriate Safe Protocols

Problem: Even when lockdown is relaxed, there will be two cohorts of home movers who will need to be catered for with new protocols:

- **Vulnerable Movers** - higher risk individuals who will require an increased level of protection or shielding during the home move process, and
- **Nervous Movers** - Individuals, who despite the relaxing of lockdown rules will still be reticent to move until the Coronavirus threat is eradicated. They will require access to lower risk procedures to persuade them to move.

Without enhanced protection protocols, home moves will not be possible for these cohorts, further suppressing the property market during the coming months.

Proposal: An assessment of all the interactions required between home movers and their advisors which pre-Covid-19 took place either face to face, or on site at the property should be carried out. For each of these touchpoints, two new options should be developed:

1. A Reduced Contact Protocol, and
2. A Contactless Protocol

This will provide vulnerable or nervous movers with options to allow their transactions to progress.

NB. A word about witnessing deeds The Government must urgently look to update the rules regarding virtual witnessing of deeds, it is impossible to provide a fully contactless framework unless this happens. People are having to break the current lockdown rules to sign deeds, asking neighbours etc. to witness deeds on bonnets of cars. Clearly this Heath Robinson approach is neither tenable nor safe. Other jurisdictions have taken steps here, such as Canada and Scotland. We urgently need to follow suit.

Appendix 3: Contactless Transaction Protocol which contains suggested enhanced protocols to allow higher risk/more risk averse movers to transact. Please note this document should be updated to include the current scientific advice on mitigating risk. It must also be updated to include protocols for property services which are beyond the scope of our expertise, such as surveying and removals.

Step 4: Speed up completions

Problem: The current average conveyancing timescale of 19 weeks will become hugely problematic and damaging over the coming months, because:

- More deals will abort because they can't complete fast enough during any windows when lockdown restrictions are relaxed and everyone in a chain is free to move; and
- Many Estate Agents and Solicitors will go out of business if they have to wait five months after deals are agreed to see any cashflow. Current predictions estimate 20 - 30% of firms are at risk.

Proposal: A Move Ready Protocol is adopted to allow completions to take place as soon as possible once lockdown is relaxed and all parties are able to move: 30-day exchange ready should be the target. Not only will this allow many more deals to complete, but it could also save many tens of thousands of jobs in the industry. This can be achieved by rolling out processes which the Government was already exploring.

Appendix 4: Move Ready Protocol

Step 5: Track Transactions

Problem: Any transaction which is completed over the coming months will carry a risk of spreading Covid-19. Where home movers are moving to different parts of the UK, the risk of transmitting the virus to new communities will be enhanced. As and when 'track and trace' systems are introduced in the UK to mitigate the risk of further outbreaks, ensuring that relevant information about all parties who have been involved in a transaction is readily available will be essential.

Proposal: Post Completion Guidelines and Transaction Register

Before completion of any transaction, home movers should be clearly advised that in the event that they, or anyone in their household becomes ill with Covid-19 either before during or after completion, that they should notify the appropriate NHS/Public Health England organisation that they have moved house recently and that their lawyer has documentation available to quickly identify all the players who may have been in contact with them.

Solicitors should gather information about all those who are involved in a transaction which can be done on either on a simple form. This document should be retained on file and made available to the NHS/Public Health England upon request.

Appendix 5: Transaction Register Document

Appendix 1
Educate the Public
Home Owner's Passport proposed new home page design

Coronavirus - Can I move house?



hop™ move barometer

Current status: **Red / Amber** - Get ready
(as of 29th April 2020)

This ranking provides you with guidance as to whether you can move house at the moment, and if you can't, what steps you can be taking now, to get ready to move when restrictions are lifted, and to do so safely. Please note this status is for indication only. It does not represent legal advice.

It is based upon current Government guidelines with regards to home moving, and the restrictions placed on the property industry, including, but not limited to estate agents, solicitors, surveyors, mortgage companies and removal firms. It is reviewed and updated on a weekly basis. This does not represent official advice and should not be relied on. You must seek independent advice from a lawyer before proceeding with any transaction.

What does this mean?

Red	Red / Amber	Green	Amber
Stop Transactions currently banned for the foreseeable future.	Get ready Moving not currently advised but lockdown restrictions likely to be relaxed within the next 8 weeks	Go No current restrictions in place. But be aware that there may be individual circumstances which might need to be addressed	Slow down Tightened lockdown rules likely which will impact transactions

How do I progress my house sale or purchase during lockdown?

 What can I do?	 What can't I do?
<p>The good news is that 90% of the work which need to happen to sell a house can happen remotely, without the need for face to face meetings or people visiting your house.</p> <p>All of these tasks can continue during lockdown. Ask your estate agent and solicitor to progress as many of these as possible for you.</p> <p>Do things remotely</p> <p>Prioritise tasks that can be completed</p> <p>Contact with your estate agent</p> <p>This will mean there is less to do once lockdown is released and there is a higher chance of the transaction completing.</p>	<p>Tasks which require face to face meetings or visiting a property become very difficult in a lockdown situation, and Government advice is clear in these circumstances, if at all avoidable, completions should not take place. These rules are in place for your safety, and the safety of others and should be adhered to, in all but the most exceptional circumstances.</p> <p>Broadly speaking the things which either can't happen during lockdown or are more difficult are:</p> <ul style="list-style-type: none">Physical property viewingsOn site surveysSigning and witnessing deedsCompletion - moving house <p>Some estate agents and solicitors already have systems in place to help navigate rounds these problems, such as virtual viewings, or video witnessing of deeds. Ask about these.</p>

Ask your advisors to complete a Covid-19 Risk Assessment

Until we have a vaccine or cure for Covid-19, every transaction will carry some element of risk. This does not mean that sales can't take place, it does mean that different steps will be appropriate to reduce the risk. For instance, if someone has recently suffered from Covid-19 in a property being sold, a deep clean of the property would be advisable before moving in. Similarly, when working out when completion can take place, this could depend on whether anyone in the chain is still locked down, for instance because of health issues. Carrying out a Risk Assessment and knowing about the circumstances of everyone in the chain as soon as possible will mean effective plans can be made.

Some things to consider

Whether anyone in the chain (or living in one of the properties in the chain)

Has had Covid-19

Is in a higher risk group (eg with health issues)

Appendix 2
Assess the Risk
Coronavirus Questionnaire and Risk Assessment



Property Transaction - COVID 19 (“Coronavirus”) Questionnaire and Risk Assessment

Completing this questionnaire will help your advisors ensure that you have a safer move. You are not obliged to provide this information but it may delay your transaction if you decide not to. Depending on your answers, your Estate Agent or Solicitor will be able to advise you on the best steps now to help ensure a smooth sale and keep everyone as safe as possible while risks from the Coronavirus still exist. Rest assured that your answers will not be disclosed to anyone other than your Estate Agent and/or Solicitor without your express consent. Any personal data that you provide in this form will be processed in accordance with our Privacy Policy found at [www.[]]. Please note you may be asked these questions again closer to the move date to see if anything has changed.

1. Name

2. We are:

- Selling
- Buying
- Buying and selling

3. Address of property to be sold

About you and your household

4. Have you or anyone in your household had Coronavirus?

- Not so far as I am aware
- Yes, but not confirmed with a test
- Yes and confirmed with a test
- Prefer not to say

5. If yes, how long is it since you/they had Coronavirus?

- Within the last 4 weeks
- Between 1 -2 months ago
- More than 2 months ago
- Prefer not to say

6. Are you or anyone in your household considered to be in a 'high risk' group? This includes the over 70s, pregnant women or people with health conditions. See Government guidance for more information.

- Yes
- No
- Prefer not to say

7. Are you or anyone in your household considered to be in the 'extremely vulnerable' group, and subject to additional shielding and support measures (you are likely to have received a letter from the Government about this). See Government Guidance for more information.

- Yes
- No
- Prefer not to say

8. Are you, or anyone in your household a key worker or a frontline worker? See Government Guidance for more information.

- Yes
- No
- Prefer not to say

9. Have you or anyone in your household been tested for Covid-19 (if yes please specify whether it was the Covid-19 test, to see whether you have the disease, or an antibody test, to see if you have previously had it, and have a level of immunity).

- No
- Yes (if yes, please provide name, date of most recent test, test type and result)

Practical Considerations

There are some elements of the home moving process which usually require either people to visit your property or for you to meet with your advisors face to face. In any lockdown situation, these may not be permitted except in exceptional circumstances. Even if lockdown is relaxed, there may still be reasons why you might wish to proceed without face to face meetings, for instance you may have a shielded individual in your home, or it may be your personal preference. Please let us know how you wish to proceed by answering the following questions.

10. **Property Viewings and surveys** - Do you have any concerns about people viewing your property or Surveyors visiting your property if Government guidelines permit it? There may be alternatives available, such as virtual tours completed online, or taking

measures to reduce the risk of physical viewings, such as all parties wearing masks and gloves, and being time limited.

- I do not wish to have any physical viewings or surveys of my property
- I wish for physical viewings and surveys to take place with measures in place to reduce risk
- I am happy for viewings and surveys to take place as normal
- n/a I am a buyer

12. Meeting advisors – During your property transaction there may be requirements for meetings with your advisors, such as Solicitors, Estate Agents and Mortgage Brokers. Do you have any concerns about these meetings if Government guidelines permit it? There may be alternatives available, such as video meetings, or taking measures to reduce the risk of physical meetings, such as all parties wearing masks and gloves, and complying with social distancing rules.

- I do not wish to have any face to face meetings with my advisors
- I wish for face to face meetings to take place with measures in place to reduce risk
- I am happy for face to face meetings to take place as normal

13. Some buyers wish to have properties deep cleaned before they move in to reduce the risk of contracting Coronavirus, which can be a sensible step, and helps to keep everyone in the chain safe and well. Sellers offering to contribute to the cost of this might assist with the sale. It would be helpful to know your thoughts about this at this stage. Average costs are approximately £150 plus VAT.

- I am the seller and I would be willing to pay towards the cost of such a clean.
- I am the seller and I would not be willing to pay towards the cost of a clean
- I am the buyer and I will require the property I am purchasing to be deep cleaned before I move in.
- I am the buyer and I will not require the property I am purchasing to be deep cleaned before I move in.

14. Is your transaction dependant on a related sale or purchase (i.e. you will be in a chain)?

- Yes
- No

15. Is the property you are selling empty or occupied?

- Empty
- Occupied
- n/a I am buying

16. Do you have any other concerns relating to the Coronavirus and your transaction?

- No
- Yes (provide details)

Signed _____

Name _____

Date _____

Appendix 3
Select Safe Protocols
Contactless Transaction Protocol

Proposed Contactless Transaction Protocol

As we move to relax lockdown, having clear protocols in place will help to protect vulnerable people and to reduce the risk of a further spike. In addition, having Contactless Protocols available will enable deals to still progress during any periods where lockdown is tightened. The majority of actions required to sell a property can be carried out remotely without contact in any event. Therefore protocols should focus on actions which are usually carried out face to face or at the property being sold, as detailed below. Please note this protocol does not include processes for Surveys and Valuations.

	CONTACTLESS: Low Risk	REDUCED CONTACT: Medium Risk	CONTACT: High Risk
Property Viewings	<p>CONTACTLESS VIEWINGS Conduct viewing virtually, using tools such a Zoom or software provided by estate agents.</p> <p>NB Recordable viewings will provide enhanced level of visibility in the case of any later disputes which does not currently exist.</p>	<p>REDUCED CONTACT VIEWINGS Conduct viewings in person but with additional measures in place such as:</p> <ul style="list-style-type: none"> • Time Limited • Using appropriate PPE (tbc) • Escorted tours, with social distancing where possible • No touching of surfaces if possible 	<p>CONTACT VIEWINGS Conduct viewings as normal</p>
ID Checks	<p>CONTACTLESS ID CHECKS</p> <ul style="list-style-type: none"> • Request copies of documents. • Verify their authenticity through electronic verification of the document • Conduct a video call with the client to assess likeness and that they have physical possession of the documents you have received a copy of. • Consider additional verification through electronic verification 	<p>REDUCED CONTACT ID CHECKS</p> <ul style="list-style-type: none"> • Request copies of documents. • Verify their authenticity through electronic verification of the document • Conduct a video call with the client to assess likeness and that they have physical possession of the documents you have received a copy of or request client attends in non lockdown with the original documents 	<p>CONTACT ID CHECKS Proceed as usual using paper or electronic ID checks</p>

		<ul style="list-style-type: none"> Consider additional verification through electronic verification 	
Meetings with advisors and signing paperwork / deeds	<p>CONTACTLESS SIGNING For all documents apart from Transfer Deeds and Mortgage Deeds, either:</p> <ul style="list-style-type: none"> Receive documents through post or email and sign in usual way at home, or Use electronic signatures <p>For Transfer Deeds and Mortgage Deeds, which need to be witnessed, video witnessing by legal advisor may work, but there is no official guidance yet on this. Deeds therefore are difficult to execute unless the home mover is staying at home with someone who is not related to them.</p>	<p>REDUCED CONTACT SIGNING Attending advisor to sign paperwork, whilst:</p> <ul style="list-style-type: none"> Observing social distancing Wearing appropriate levels of PPE (tbc) 	<p>CONTACT SIGNING Documents signed in usual</p>
Completion	<p>CONTACTLESS COMPLETION Whilst contactless completion, physically moving house is very difficult, if the home move is:</p> <ul style="list-style-type: none"> Carried out by the home movers themselves only with members of their own household and without the assistance of a removals firm, and/or The property being moved into is vacant <p>Then the move will be relatively contactless.</p> <p>For vulnerable or nervous home movers, the following protocols could be observed:</p> <ul style="list-style-type: none"> Property being moved it is deep cleaned to current Government 	<p>REDUCED CONTACT COMPLETIONS. Removals process:</p> <p>For all involved with physical home move (including but not limited to Home Movers and Removal workers)</p> <ul style="list-style-type: none"> They are tested for Covid-19 immediately prior to move, and anyone with a positive result is not involved in the move. PPE is provided Where possible social distancing is observed <p>Key Handover:</p> <ul style="list-style-type: none"> Keys and relevant document assembled prior to completion 	<p>CONTACT COMPLETION Completion takes place as usual</p>

	<p>standards before move</p> <ul style="list-style-type: none">• Movers wait a period of 72 hours before moving into the property	<p>and placed in sealed pack</p> <ul style="list-style-type: none">• Handover takes place (agent or seller to buyer) adhering to social distancing rules	
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Appendix 4
Speed up Transactions
Move Ready Protocol

Proposed 'Move Ready' Protocol

The current average conveyancing timescale in England and Wales is 19 weeks. Whilst it has already been identified by the Government that this is detrimental to home movers and should be addressed, during the Covid-19 crisis it becomes even more urgent. This is because:

- The 'Conveyancing Lag' will mean many deals will fail as they will miss their window to complete, where lockdown measures have been lifted and all vulnerable/nervous movers within a chain are in a position to proceed; and
- Many Estate Agents and Solicitors firms will not survive this protracted wait for cashflow to return to their business. Many tens of thousands of jobs are at risk.

Introducing a 'Move Ready' protocol to speed up transaction times could have a significant impact in mitigating both these risks. We consider that the industry should target being exchange ready within 30 days of an offer being accepted for the majority of cases.

This is a two-part proposal:

1. That conveyancing transactions are frontloaded.

Upfront contract packs

As much of the work should be done pre-offer as possible, including the seller (or their advisors) assembling all of the usual contract pack documentation pre-offer. This is not a new concept and can be carried out by Agents or Solicitors using traditional methods or using new technology solutions. There is no reason why this should incur any significant up-front costs for the sellers. This pack should include:

- Title deeds and plan
- Law Society Protocol Forms
- Relevant documents referred to Protocol Forms.

Upfront searches

The sellers should also be encouraged to provide the usual conveyancing searches at this stage. Usually this would be done by the buyer, but in these circumstances this tradition should be reviewed. It is expected that the market will provide 'no completion no fee' options here, again to mitigate any up-front costs.

2. That remote processes are adopted, where possible.

Face to face meetings will become more challenging over the coming months. Where possible, Government should support and encourage advisors to provide remote alternatives. This is already happening in many instances across the country, but clearer guidelines are required, for instance with regards to execution of deeds. Lenders in particular should be encouraged to adopt remote processes for mortgage approvals, if not already in place.

Appendix 5
Track Transactions
A. Transaction Register Document



Proposed Transaction Register Document

To be completed by solicitor / conveyancer acting for Home Mover, and retained on file for a period of 6 years.

Name of client(s)	
Names of any other members of household	
Name of estate agents	
Name of mortgage broker	
Name of Surveyor and/or Valuer	
Name of removal firm	
Names of any other organisations you are aware of who have been involved in this transaction and who may have been in contact with the Home Movers	
Has a Coronavirus Risk Assessment Form been completed and is it available?	