



UK Fall-Throughs vs. Global Property Markets

Key Takeaways and Practical Solutions

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Foreword

The property market is a cornerstone of the UK economy, influencing everything from consumer spending to employment rates. Yet, behind the headlines of rising house prices and fluctuating mortgage rates lies a less visible but deeply impactful issue - the unacceptably high rate of property transactions falling through. In 2024 alone, nearly one in every three property deals collapsed before completion, resulting in significant financial losses for buyers, sellers, and the broader economy.

At GOTO Group, we believe that addressing this issue is essential, not just for the benefit of individuals navigating one of the most significant financial decisions of their lives, but also for the vitality of the UK property market as a whole. In this report, we set out to understand why property transactions in the UK fail so frequently and, crucially, what can be done to change this.

The report brings together the latest research, expert insights, and international comparisons to provide a comprehensive overview of the key factors contributing to the UK's high fall-through rate. From the absence of upfront property information to the lack of binding contractual commitments, the findings highlight where the current system is letting down buyers and sellers alike.

But it's not just about identifying the problems. By looking beyond our borders, we've discovered how other countries achieve consistently higher completion rates. Whether it's the use of reservation fees in Italy or the upfront property information requirements in Scotland and France, there are valuable lessons to be learned.

The solutions explored in this report consider a localised approach to the successful practises in other countries, in a bid to deliver a property transaction process that offers greater certainty and security for all parties involved.

I hope you find this report both insightful and inspiring. It's time for a better way forward - one that turns potential fall-throughs into completed sales and gives every home-mover the confidence they deserve.



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Nigel Hoath
CEO, GOTO Group



The State of the UK Property Market Today

The United Kingdom's property market is a cornerstone of its economy. It was one of the first industries allowed to resume trading after the lockdowns, with its restart significantly boosted by a two-year stamp duty holiday. When the housing market functions smoothly, so does the rest of the economy, influencing sectors ranging from construction to financial services.

Unfortunately, the reverse is also true. When transaction progress slows down, fall-through rates rise, and in the end, everyone loses - sellers, buyers, estate agents, conveyancers, and every business that would have benefited from the economic activity generated by home moves. Understanding recent trends in property transactions, identifying obstacles to sales completion, and working to prevent failed transactions - even if the solution isn't perfect - are therefore essential.

At a glance

38%

Increase in time required to complete a purchase over the last decade

£8.6 billion

Estimated economic loss due to fall-through rate of 30% in 2024

30%

Property transaction fall-through rate in 2024

£4,123

Average cost to agency per fall-through

Overall Performance

The past three years have certainly been a challenging time for the UK's residential property market. Data from TwentyCi's reports¹ show that there has been a steady decline in transaction volumes since 2022 (See fig. 1) - following the end of the stamp duty holiday in 2021 - while 2023 property sales in the UK fell to their lowest recorded level since 2013.²

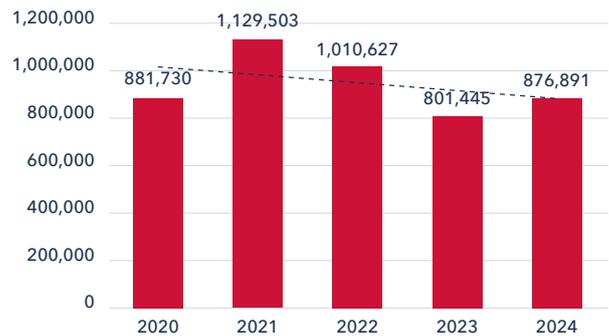
However, provisional data from HM Revenue and Customs³ suggests an upturn. In December 2024, the seasonally adjusted estimate of UK residential property transactions was 96,330, marking a 19% increase compared to December 2023. In addition, the *Global Property Guide*⁴ reports that in the first nine months of 2024, there was a 3.3% rise compared to the same period in 2023. The growth was fuelled primarily by declining mortgage interest rates (the Bank of England lowered the base rate in August and again in November), a drop in inflation to 2.5%, robust wage growth, and first-time buyers rushing to beat the scheduled reinstatement of lower stamp duty thresholds from 1 April 2025.

This positive trend has been further reinforced by January 2025 results. According to Zoopla's *January House Price Index*⁵, buyer demand has increased by 13% compared to the same period last year. This has been accompanied by a 10% rise in the number of homes available for sale. Additionally, the market has seen a 12% uptick in sales agreed, reflecting a dynamic and active start to the year, which will be further supported by the Bank of England's base rate reduction in February to 4.5%.



2023 property sales in the UK fell to their lowest recorded level since 2013

Figure 1: UK Property Transactions - Exchanged



3.3%

Rise in property transactions in the first 9 months of 2024 compared to previous period

13%

Increase in buyer demand in January 2025 compared to the same period last year

10%

Rise in the number of homes for sale in January 2025 compared to the same period last year

1. <https://www.twentyci.co.uk/property-homemover-report/>

2. <https://www.statista.com/statistics/713530/number-of-residential-property-transactions-united-kingdom-uk>

3. <https://www.gov.uk/government/statistics/monthly-property-transactions-completed-in-the-uk-with-value-40000-or-above/uk-monthly-property-transactions-commentary>

4. <https://www.globalpropertyguide.com/europe/united-kingdom/price-history>

5. <https://www.zoopla.co.uk/discover/property-news/house-price-index/>

The Impact of Hidden Losses

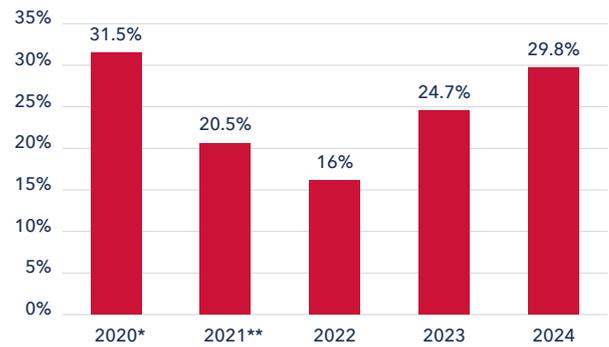
Data from TwentyCi's annual *Property and Homemover* reports reveal a sharp rise in fall-through rates (from SSTC to exchange), increasing from 2022 onwards and peaking at 29.8% in 2024 (see Fig. 2). This meant that nearly one in three buyers faced the disappointment of a failed property purchase last year.

Fall-throughs not only represent a significant loss of growth potential but also a very real financial loss for all parties involved, as well as for the wider economy. TwentyCi's *Property and Homemover 2024*⁶ report indicates that the predictability of home-mover spending is three times higher than that of non-movers, making this audience one of the most valuable for retailers - especially as they represent a £29 billion annual expenditure. With a 29.8% fall-through rate, this translates into an economic loss of almost £8.6 billion in 2024.

The cost to buyers is also significant. In 2021, the HomeOwners Alliance⁷ found that the average cost of a failed sale was £2,727 in lost fees and charges for conveyancing, surveys, and searches. With 291,112 fall-throughs in 2021,⁸ that amounted to a staggering £793 million lost by engaged buyers (See fig. 3). If that number is extrapolated over the next few years without considering inflationary increases, a modest estimate suggests that approximately £3.05 billion was lost between 2021 and 2024. To put this into perspective: this is equivalent to giving £45 to every person living in the UK or covering the distance from London to Sydney and back with £20 notes laid end to end.

Estate agents also suffer significant losses. When Propertymark⁹ surveyed its members, they found that the average cost to an agency was £4,123 per fall-through, with agents also stating they wasted at least seven days of time per failed transaction. Beyond the direct loss of time and resources, there is also the loss of opportunity. In a recent collaboration with TwentyEA, ViewMyChain found that agencies that turned over their stock 2.3 times per year - compared to a market average of three - missed out on commissions worth £938,697 per agent brand, or £97,274 per agency branch, per annum (assuming a 1% commission).¹⁰

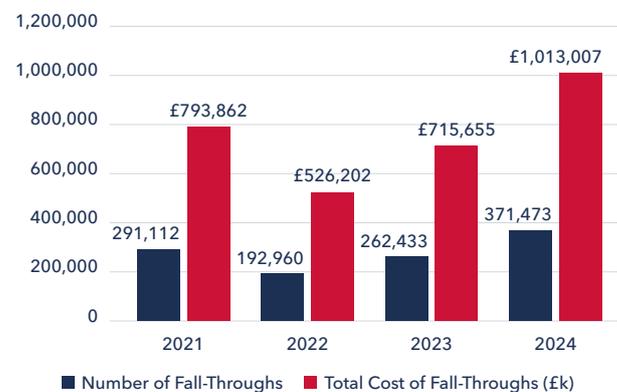
Figure 2: Fall-Through Rate



* stamp duty holiday introduced in July 2020

** conclusion of the stamp duty holiday

Figure 3: The Cost of Fall-Throughs



£3 billion

Estimated financial losses incurred by buyers and sellers due to fall-throughs between 2021 and 2024

£4,123

Average cost to agency per fall-through

6. <https://www.twentyci.co.uk/phmr/twentyci-property-homemover-report-end-of-year-2024/>

7. <https://hoa.org.uk/advice/guides-for-homeowners/i-am-buying/why-do-house-sales-fall-through/>

8. <https://news.twentyci.co.uk/hubs/TwentyCi%20Property%20&%20Homemover%20End%20of%20Year%20Report%20-%202021.pdf>

9. <https://www.propertymark.co.uk/resource/estate-agents-lose-over-4-000-for-every-property-sale-that-falls-through.html>

10. <https://www.estateagenttoday.co.uk/sponsored-content/2024/10/the-unexpectedly-high-cost-of-failed-progression/>

Unpacking the UK's High Property Fall-Through Rate

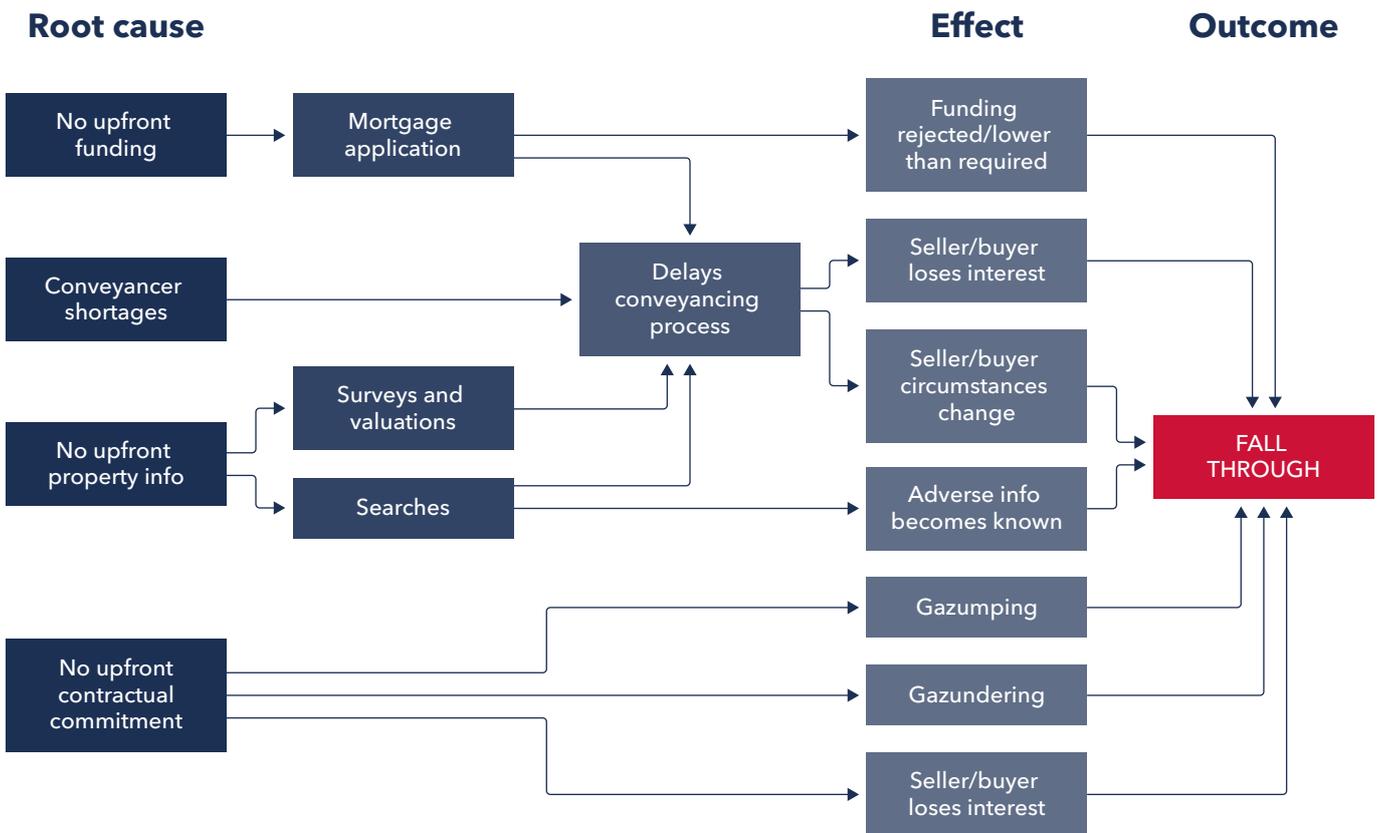
There appear to be four root causes for the high fall-through rate in the UK: no upfront funding, no upfront property information, no upfront contractual commitment, and a conveyancing bottleneck. With such a distinct lack of preparation and commitment, it is perhaps no wonder that fall-through rates remain high.

A survey¹¹ by Home Selling Expert found that the primary reason for house sales falling through since the onset of the COVID-19 pandemic has been buyers or sellers changing their minds or experiencing shifts in their circumstances. According to Rightmove, the average time to complete now stands at five months¹² - that is almost half a school year and more than enough time for interest rates to rise and a buyer or seller's personal and professional circumstances to change dramatically.

Ruth Beeton, co-founder of *Home Sale Pack*, confirmed:

"Fall-throughs are often caused by two things above everything else - the late discovery of important information and buyers or sellers getting cold feet - both of which become increasingly likely the longer the transaction drags on."¹³

The **diagram below** sets out how the lack of preparation and commitment ahead of a property purchase is leading to excessive transaction times and buyer/seller exits, and ultimately the collapse of the chain that the property is in. Considering that 68% of properties in the UK are in a chain,¹⁴ the wider impact of just one fall through has significant ramifications for several linked transactions.



11. <https://www.homesellingexpert.co.uk/guides/what-percentage-of-house-sales-fall-through?>

12. <https://propertyindustryeye.com/property-lawyers-reject-governments-plan-to-digitalise-data-to-speed-up-homebuying-process/>

13. <https://www.estateagenttoday.co.uk/breaking-news/2024/01/fall-throughs-cost-agents-63m-in-remarketing-research/>

14. <https://www.zoopla.co.uk/press/releases/a-third-of-uk-homes-for-sale-are-chain-free-reports-zoopla>

No Upfront Funding

Securing mortgage approval remains a predominant challenge. In 2024, 22% of sales that fell through were due to difficulties in securing a mortgage.¹⁵ While few sellers will consider an offer from a buyer without a Mortgage in Principle / Agreement in Principle (AIP), there is still significant room for failure once the mortgage application process begins.

BoE mortgage lending statistics¹⁶ indicate a decline in approvals from 2018 to 2023, largely due to the cost of living crisis affecting affordability (See fig. 4). However, early 2024 shows signs of recovery, with approvals up 3% in the first three quarters compared to the same period in 2023.

In addition, a 2024 report¹⁷ by finova and MSO showed that high street lenders have managed to reduce the time it takes to process an application to just 10 days, a significant drop from the 2-4 weeks required in 2018.¹⁸

No Upfront Property Information

Unsurprisingly, the volume of industry conversation around doing things better has been steadily increasing, as is evidenced by the number of bodies working to find a better solution: the Home Buying and Selling Council has led efforts to research, develop, and test recommendations from the government's call for evidence, demonstrating how the process could be improved today. Their findings highlighted Upfront Information as the area with the greatest potential impact in an analogue-driven system.¹⁹

To build on this momentum, the Digital Property Market Steering Group (DPSMG) was established to explore how digital solutions could further enhance the home-buying journey. This was very recently followed by an announcement by the housing minister that the digitisation of property information (key data and documents) will now officially commence, in a bid to reduce fall-throughs and cut transaction times from the currently unacceptable five month wait.²⁰

Residential conveyancers Thomas Legal and Conveyancing Data Services conducted a year-long pilot to assess the impact of using Upfront Information. Their findings demonstrated that transaction times were shortened by as much as 53 days.²¹ Similarly, the Scottish Home Report introduced in 2008, showed comparable results, with transaction times reduced by up to four weeks and fall-through rates decreasing by 60%.

Searches and Unfavourable Findings

► Underperforming Councils:

There remains a significant disparity in the processing times for searches across different council areas, ranging from just two days (Southend-on-Sea) to 62 days (Canterbury City Council). Given that an estimated 68% of properties on the market are part of a chain,²² this variation is creating major bottlenecks. It is of little use if you are buying a property in Southend-on-Sea but selling in Canterbury, as a chain can only move as fast as its slowest transaction.²³

► Unfavourable Findings:

One of the biggest reasons for sales falling through is buyers walking away after a bad survey result - often without even trying to renegotiate. In 2024, this accounted for 27.3% of all failed transactions. Rather than working out a compromise, many buyers panic at the first sign of an issue, even if it's something that could have been resolved with a price adjustment or remedial work.²⁴

This reluctance to renegotiate means that issues flagged in surveys - whether it's damp, structural concerns, or outdated electrics - are leading to unnecessary fall-throughs, adding to the already lengthy home-buying process.

15. <https://www.danieljamesresidential.com/fall-through-rate-uk/>

16. <https://www.fca.org.uk/data/mortgage-lending-statistics>

17. <https://www.introducertoday.co.uk/breaking-news/2024/09/high-street-lenders-slash-mortgage-processing-times-new-stats>

18. <https://hoa.org.uk/advice/guides-for-homeowners/i-am-buying/long-take-get-mortgage>

19. <https://heyzine.com/flip-book/the-future-of-property-sales-2025-rgnc#page/7>

20. <https://thenegotiator.co.uk/news/government-to-forge-ahead-with-digitisation-of-property-transactions/>

21. <https://today conveyancer.co.uk/benefits-upfront-information-conveyancers-engage-homemovers-sooner/>

22. <https://www.zoopla.co.uk/press/releases/a-third-of-uk-homes-for-sale-are-chain-free-reports-zoopla>

23. <https://www.estateagenttoday.co.uk/sponsored-content/2024/08/the-chain-reaction-why-the-slowest-link-matters-most/>

24. <https://www.countrylife.co.uk/property/more-than-a-quarter-of-property-sales-collapsed-in-2024-heres-why-278309>

Conveyancing Bottleneck

A *Sunday Times* investigation²⁵ in 2024 sought to delve deeper into the reasons behind the extraordinarily long timeframes for buying and selling residential property – especially as the time taken to find a buyer has remained largely unchanged over the past decade, yet the time required to complete a purchase has increased by 38% (See fig. 5).

A recent study by Propertymark further highlighted this trend, showing that in March 2016, 78% of transactions progressed from offer acceptance to exchange of contracts within 12 weeks. By March 2024, however, this figure had dropped to just 29%.²⁶

The *Sunday Times* report further found that most of the challenges stem from bottlenecks within the conveyancing process. The study highlighted several key issues:

- ▶ **The declining number of active conveyancing firms:** A recent Access report, *The State of the UK Conveyancing Market 2024*,²⁷ revealed that the ongoing trend of conveyancing firms shutting down is continuing. The number of firms operating in the conveyancing market in 2023 fell by 9% compared to the previous year, with every region in the UK seeing at least a 7% decline from 2022.
- ▶ **The rise of low-cost start-ups filling the gap left by closed conveyancing firms:** These firms often appeal to first-time buyers looking to save money but frequently provide subpar service, leading to delays and frustrations in the transaction process.
- ▶ **Severe understaffing and low morale among remaining conveyancing firms:** According to a Propertymark study, 59% of agents identified solicitor resource constraints as the primary reason for prolonged exchange times.²⁸
- ▶ **A growing and increasingly complex legislative burden:** This includes the *Building Safety Act 2022* and continuously stricter Anti-Money Laundering (AML) requirements, which now demand more rigorous client due diligence. Additionally, increasing scrutiny from regulatory bodies such as the Solicitors Regulation Authority (SRA) and the Council for Licensed Conveyancers (CLC) is placing further pressure on firms.

Figure 4: Mortgages Allocated (£ million)

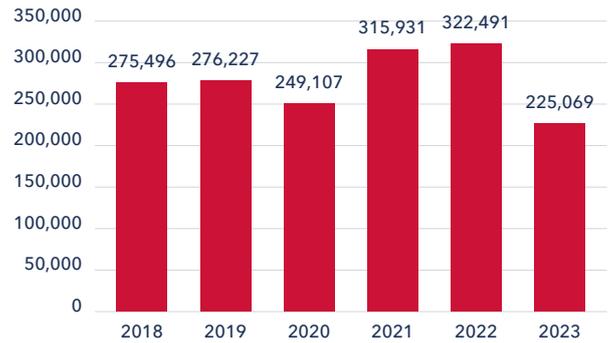
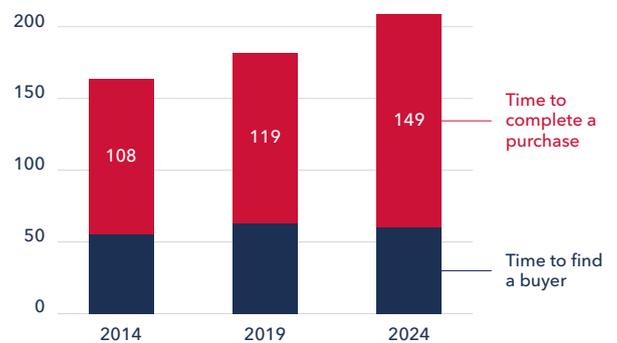


Figure 5: Time to Complete a Purchase



Source: The Times and The Sunday Times

38%

Increase in time required to complete a purchase over the last decade

9%

Decrease in number of firms operating in the conveyancing market in 2023 compared to the previous year

25. <https://www.thetimes.com/article/a1f55cc9-e805-4d14-9c18-07d469bde49a>

26. <https://www.propertymark.co.uk/static/f8a0debb-90b3-455e-b7d617e29d6c03a9/Spotlight-A-Dickensian-legal-process.pdf>

27. <https://www.theaccessgroup.com/en-gb/blog/lgl-the-state-of-the-uk-conveyancing-market-2024/>

28. <https://www.propertymark.co.uk/static/f8a0debb-90b3-455e-b7d617e29d6c03a9/Spotlight-A-Dickensian-legal-process.pdf>

No Upfront Contractual Commitment

Without any form of contractual obligation when an Offer to Purchase is accepted, both sellers and buyers are free to withdraw from the transaction at any time, without penalty. In fact, buyers pulling out is cited as the most common reason for property sales falling through - and it is not always due to delays in the process. Sometimes, it simply comes down to the buyer or seller having a change of heart. Two other well-known and highly criticised practices that contribute to fall-throughs in the absence of a contractual agreement are:

- ▶ **Gazumping:** This occurs when a seller accepts a higher offer from another buyer before the exchange of contracts, leaving the original buyer at a loss and often, out of pocket.
- ▶ **Gazundering:** Conversely, a buyer may reduce their offer just before the exchange of contracts, pressuring the seller to accept a lower price to avoid restarting the selling process and losing months of progress.

No wonder, then, that a recent survey by Market Financial Solutions²⁹ found that homebuyers want action from the Government to address the competitive and stressful nature of the property-buying process. Nearly two-thirds (63%) of respondents felt that the property market was excessively stressful and competitive. Similarly, a Zoopla survey of 2,600 UK-based buyers and sellers revealed that 62% found the home-moving process more stressful than they had anticipated, while just 11% experienced a smooth transaction.³⁰



The buying process is 22 weeks of economic stasis when you can't book a holiday, get your kids into school or even buy a sofa. If we had binding offers, then you could be in your new home in 12 weeks.

In a recent article in The Times,³¹ Beth Rudolf, chairwoman of the Home Buying and Selling Group, commented:

“The buying process is 22 weeks of economic stasis when you can't book a holiday, get your kids into school or even buy a sofa. If we had binding offers, then you could be in your new home in 12 weeks.”

Binding offers, also known as reservation agreements, allow the buyer to secure the right to purchase a property at the time their offer is accepted. The seller and buyer sign a contract agreeing that the home will not be sold to anyone else for a defined period - typically three to six months. Each party also commits to paying a deposit to cover costs in the event that the contract is not honoured.

Rudolf was quick to add:

“Buyers don't want to be trapped in a 22-week nightmare by a binding agreement to then lose money when they find out there is a problem. They want to know about the problem before they offer. You need to have all the information upfront so you can see what you are buying. Then when you put in an offer you are in a position to commit.”

When buying or selling what is likely to be your biggest financial investment, it is truly surprising that so little is in place to provide transparency and certainty - leaving room for parties to act with a lack of integrity.

29. <https://thenegotiator.co.uk/uncategorised/buyers-demand-government-takes-action-to-make-house-purchases-less-stressful/>

30. <https://www.zoopla.co.uk/discover/buying/what-brits-wish-they-d-known-before-moving-home/>

31. <https://www.thetimes.com/article/5fd97d38-8292-11eb-8dc5-6a6f238d9d27>

Secrets of Property Sales Success Around the World

The UK property market is fairly unique in its approach, where the home-buying process is defined by the absence of a legally binding contract at the point of offer acceptance. Instead, it only becomes binding at the point of contract exchange - after all the work has been completed and significant fees have already been spent to progress the sale.

It is therefore no surprise that buyers and sellers are calling for greater certainty to avoid substantial financial losses, stress, and the very real ripple effect of fall-throughs. Reviewing property sale practices from around the world provides valuable insight into potential solutions.

Countries That are Exchanging in Fewer Than 45 Days

In several countries, property transactions are completed swiftly - often within 45 days - with minimal fall-through rates. Nations such as the USA, Australia, and Sweden have well-established processes that significantly shorten transaction timelines.

Australia

In Australia, completion times vary by state but generally follow a similarly structured process and timeline. In New South Wales, the average completion time is 42 days, while in Queensland, it is just 30 days - though cash buyers can complete in a matter of days.

Offers, whether verbal or written, are not legally binding until they are included in a signed contract. Most states allow for a buyer cooling-off period of up to five days (for property sales by private treaty only), with penalties for withdrawal. For example, in New South Wales, a buyer pulling out faces a 0.25% penalty of the purchase price, regardless of the reason - even if a pest infestation is discovered.³² Once the contract is signed, buyers typically pay a 10% deposit and have four to eight weeks to arrange financing and surveys.³³ Given the significant financial consequences of withdrawing, fall-through rates in Australia are negligible.

United States

Similarly, in the United States, particularly in Florida, the process is structured to minimise fall-throughs. Once an offer is accepted, a due diligence period of around ten working days allows for property inspections. At this stage, a \$10,000 deposit is common, and while buyers can still pull out without penalty, the seller cannot.

If inspections are satisfactory, a second deposit of around 10% of the purchase price is made, at which point the contract becomes binding. Closing times typically range from 30 to 45 days, and the system effectively prevents practices like gazumping, resulting in a 96% completion rate.

Sweden

Sweden's real estate process is particularly efficient, with transactions completing in as little as 14 to 27 days, provided no issues arise.³⁴ Initial negotiations are often directly between the buyer and seller, and a preliminary contract is signed once both parties agree on the price. This contract includes all essential information about the property, but it is up to the buyer to conduct thorough inspections before making an offer. They may do this either during a private or open viewing and can enlist the help of an inspector. A 10-15% deposit is paid at the preliminary signing, and once the title search is completed, the formal contract is signed - making it legally binding for both parties. This is followed by the final payment and ownership transfer, ensuring a fast and efficient process.



Sweden's real estate process is particularly efficient, with transactions completing in as little as 14 to 27 days

32. <https://entryconveyancing.com.au/what-is-cooling-off-period/>

33. <https://www.thetimes.com/article/b9bf1034-87f0-11eb-8b38-e2425c3b9f1b>

34. <https://www.thelocal.se/20240704/should-you-buy-a-home-in-sweden-this-summer>

The Art of the Serious Start: Upfront Property Info

Countries like France and Scotland have made it mandatory to provide key documents - such as title deeds, local authority searches, and building certifications - at the start of the process:

- ▶ **France:** Sellers must prepare a comprehensive upfront information pack, known as diagnostics,³⁵ before a property is advertised. This includes various certificates, such as an Energy Performance Report (EPR), a soil risk report, electrical wiring, asbestos and lead reports, a gas installation report, a termite check, and a septic tank report, among others. The cost of this pack typically is typically in the region of €300. This requirement ensures that buyers can proceed with confidence, minimising delays.
- ▶ **Scotland:** The Home Report, which is mandatory for every property listing, includes a property valuation, an Energy Performance Certificate (EPC), and a survey report. This structured approach has significantly reduced fall-through rates, with only one in every 12 transactions (8%) failing, compared to one in four (25%) in England.³⁶

Showing Commitment Via a Reservation Fee

Several countries have a built-in reservation fee to help signal buyer commitment and get the deal off to a good start by attracting only serious parties:

- ▶ **Italy:** A small reservation fee - called a *Caparra* - ranging from 0.5% to 3% of the purchase price is paid as a sign of goodwill. This ensures the property is taken off the market. The fee is deducted from the final sale price but is non-refundable if the buyer withdraws.
- ▶ **United States:** A reservation fee, commonly called an earnest money deposit, is typically \$10,000 or 1-3% of the purchase price. The buyer pays this amount into a third-party escrow account (until closing) to remove the property from the market and initiate a 10-day due diligence period. This fee is later applied toward the buyer's closing costs or down payment.³⁷ If the sale falls through due to contingencies outlined in the contract—such as a failed inspection or inability to secure financing—the earnest money is typically refunded to the buyer.
- ▶ **Spain:** A non-binding letter of intent is issued, and a reservation fee (typically 1-3% of the property price) is paid upfront to the seller to take the property off the market. If the buyer backs out without a valid reason, the fee is forfeited.



35. <https://www.connexionfrance.com/practical/12-key-qas-for-anyone-selling-a-property-in-france/164491>

36. <https://www.scottishlegal.com/articles/espcc-scotland-sees-20-per-cent-fewer-property-sale-collapses-than-england>

37. <https://www.myseattlehomesearch.com/blog/buying-a-home-in-the-usa-compared-to-the-uk-and-ireland/>



Touch Once: The Countries Where One Notary Does it All

Instead of using a conveyancer, some countries have simplified the property transaction process by assigning a single public officer - a notary - to oversee the entire sale. These include Germany, France, Spain, and Italy, where the notary acts on behalf of both the seller and the buyer.

In contrast to the UK, where solicitors, lenders, and conveyancers are involved separately, a notary in France or Italy handles all legal documentation and registers the sale, making the process more structured and predictable.

The notary serves as an impartial party and valuable mediator, acting as the single source of truth throughout the transaction. This significantly accelerates the process while also reducing communication errors and frustration for all involved.

Binding Commitments: Deposits and Contracts

In many countries, a legally binding contract and the payment of a significant deposit go hand in hand and are required early in the process (See Table 1). Because of these binding agreements, withdrawing from the deal often results in hefty penalties, including the loss of the entire deposit - or even more.



A notary handles all legal documentation and registers the sale, making the process more structured and predictable

2x Deposit

The amount a seller in Spain has to pay to the buyer if they exit the contract

Table 1: How Deposits and Contracts are Structured in Different Property Markets

Country	Contract: When is it binding?	Deposit: Amount, Timing and Allocation	Penalties for exiting the agreement
Italy	Once the seller accepts the buyer's reservation offer, the deal becomes legally binding upon the signing of the reservation agreement (the <i>Compromesso</i>)	Paid at signing of <i>Compromesso</i> . Is typically between €40,000 and €50,000. Goes towards the final deposit.	If the buyer backs out, they lose the deposit. If the seller cancels, they must refund double the deposit amount.
France	After the buyer's offer has been accepted there is a 10-day cooling-off period (to conduct searches). After this the <i>Compromis de Vente</i> (contract) must be signed and returned.	Paid at the signing of the <i>Compromis de Vente</i> , typically 5-10% of the total purchase price.	There is no penalty for the buyer during the cooling-off period. However, after signing the <i>Compromis de Vente</i> , withdrawing usually results in a 10% penalty fee (typically equivalent to the deposit) for both the buyer and the seller.
Canada	Once an Offer to Purchase (OTP) is accepted, a 1-2 week due diligence period follows, during which the buyer can still withdraw, but the seller cannot. When the buyer is satisfied with the survey and title checks, the conditions are removed, and the sale becomes legally binding.	Paid after the OTP is accepted, typically 5% of the purchase price, and goes towards the final payment.	If the buyer exits during the due diligence period, the deposit is refunded. However, after this period, the deposit is forfeited, and the seller can sue for damages.
South Africa	The Offer to Purchase (OTP) becomes legally binding as soon as the seller accepts it.	Paid after the OTP is accepted, typically 10% of the purchase price, and goes towards the final payment.	If the buyer withdraws, they lose their deposit and are also liable for the estate agent's commission and the seller's costs.
USA	Once an offer is accepted, a 10-day due diligence period follows, after which the agreement becomes legally binding.	Payable when the contract becomes binding, typically 10% of the purchase price, and goes towards the final payment.	During the due diligence period, the buyer can withdraw in writing without penalty, but the seller cannot. After the second agreement, the contract becomes binding for both parties.
Spain³⁸	A non-binding letter of intent is issued, and the property is taken off the market to allow for legal searches and property surveys. If no issues arise, the contract - <i>Contrato de Promessa Compra e Venda</i> (CPCV) - is drafted and becomes legally binding upon signing.	Paid upon signing the CPCV, typically 10% of the purchase price, and goes towards the final payment.	If either party wishes to exit the CPCV, the seller must return double the deposit amount, while the buyer forfeits their deposit.

38. <https://www.idealista.com/en/news/property-for-sale-in-spain/2023/02/28/110690-home-purchase-contract-what-is-it-and-what-does-it-include>

Practical Solutions to Accelerate Property Transactions

Promising as the 2025 market uptick may seem, it's clear that there is still so much potential left on the table. While not every root cause of slow property transactions can be addressed by estate agents - particularly those related to mortgage approvals and conveyancer shortages - there are two key areas where meaningful improvements can be made: Upfront Property Information and Upfront Contractual Commitments.

The latter is particularly important, as buyers and sellers withdrawing due to changing circumstances or a change of heart remains the leading cause of fall-throughs in property transactions.

As with many challenges, solutions often lie beyond the existing paradigm. While one approach may involve optimising an inherently flawed process, another is to explore alternative solutions that bypass legacy challenges entirely. Below is an outline of potential routes to improving property transaction times.

The Case for Reservation Fees

Reservation fees are one of the most effective ways to introduce early contractual commitment between buyers and sellers, significantly reducing the risk of withdrawn offers and collapsed deals. By securing a financial stake in the transaction from the outset, both parties are far less likely to walk away, creating greater certainty and stability in the buying process.

Currently, reservation agreements are most commonly used in new-build property sales and through the Modern Method of Auction, where buyers pay a fee to secure the right to purchase the property within a fixed period. In new-build sales, the fee is deducted from the total purchase price, whereas in auction sales, it is a separate fee split between the estate agent and auctioneer.

However, in the wider residential market, adoption remains limited - partly due to the complexity of introducing an agreement that is acceptable to both parties, as well as the additional time and costs it would add to an already lengthy sales process. To counter this barrier to adoption, the Home Buying and Selling Group has introduced a structured reservation agreement designed to ensure fairness and clarity for both buyers and sellers.

Benefits of Reservation Agreements

- ▶ **Period of Exclusivity:** A reservation agreement guarantees the buyer exclusive rights to purchase the property for an agreed timeframe, during which the seller is legally prevented from negotiating with other interested parties. This eliminates the risk of gazumping.
- ▶ **Attracts Committed Buyers:** The financial obligation attached to a reservation fee means that only serious buyers are likely to proceed, reducing the number of speculative offers and wasted time.

Drawbacks of Reservation Agreements

- ▶ **Lack of a Consistent Framework:** Unlike in other countries where reservation agreements are a legal norm, the UK does not have a universally accepted structure, leading to inconsistencies in how they are applied. This can create confusion for buyers and sellers alike.
- ▶ **Insufficient Fee Amounts:** If the fee is set too low, it fails to act as a real deterrent against withdrawing from the deal. For reservation agreements to be truly effective, the financial penalty must be high enough to make pulling out an unattractive option.

For reservation agreements to become a mainstream solution, they require greater industry adoption, standardised regulations (ideally government-backed), and meaningful financial commitments from both parties.

The UK government had previously announced plans to trial reservation agreements as a strategy to reduce fall-through rates. However, these trials have been delayed and are not expected to move forward until after the stamp duty holiday ends later this year.

If implemented effectively, these agreements could be a game-changer, ensuring property transactions progress with far greater certainty and security.

Get Upfront Property Information Sorted

In most countries, a property information pack is a fundamental requirement before an offer is made. Take France, for example - sellers must compile an extensive dossier of property documents before listing, ensuring buyers have all the critical details upfront. This level of transparency is essential because, once an offer is accepted in France, it immediately becomes legally binding, with serious financial penalties for either party pulling out.

Scotland has adopted a similar approach with its Home Report, a legal requirement for sellers. This document, which must be provided to buyers within nine days of request, costs between £500 and £800 and includes:³⁹

- ▶ A single survey and valuation
- ▶ A property questionnaire (covering council tax bands, guarantees, specialist works, and potential issues)
- ▶ An energy performance report

The results of the report speak for itself. Scotland's fall-through rate is just 8%, compared to 30% across the rest of the UK. Although it should be noted that similar to many other countries, the contract becomes legally binding at the point of Offer Accepted - something that is certainly supporting a successful completion.

While some sellers may hesitate at the upfront cost, it's a small price to pay compared to the financial and emotional drain of a collapsed sale. Moreover, if paired with reservation agreements - which bind both buyer and seller to the deal - it creates a double layer of security, reducing risk for sellers while giving buyers confidence to commit.

For vendors serious about selling, investing in upfront property information could be the key to a smoother, more secure transaction - and a much lower risk of disappointment further down the line.



39. <https://www.mygov.scot/buying-a-home/home-report>

An Alternative Purchase Option

The traditional route to purchasing a property, while the most common, is far from the only option. The Modern Method of Auction (MMoA) has gained traction as a compelling alternative, particularly for vendors seeking a swift sale and buyers looking for a predictable outcome.

Benefits of the Modern Method of Auction

- ▶ **Speed of Transaction:** MMoA aids a much faster sale process compared to traditional methods. Once the auction concludes, buyers typically have 56 days to complete the purchase, expediting the overall timeline.
- ▶ **Deal Surety:** The requirement for buyers to pay a non-refundable reservation fee upon winning the auction reduces the likelihood of withdrawn offers, providing sellers with greater assurance that the transaction will proceed to completion.

Drawbacks of the Modern Method of Auction

- ▶ **High Reservation Fees:** Buyers are often required to pay a reservation fee of at least 3% of the property's sale price, or a minimum of £6,000, which is non-refundable and is payable in addition to the purchase price.
- ▶ **Additional Stamp Duty Liability:** HMRC includes the reservation fee in the calculation of Stamp Duty Land Tax, potentially increasing the tax burden for buyers.
- ▶ **Limited Opportunity for Property Inspection:** The auction process may not provide sufficient time for buyers to conduct thorough inspections or surveys, potentially leading to unforeseen issues post-purchase.

In summary, while the Modern Method of Auction presents a viable alternative to traditional property purchases with notable benefits in speed and transaction security, it also has drawbacks that both buyers and sellers must consider. Assessing individual circumstances and consulting with property professionals can help determine the most suitable approach.



The Modern Method of Auction presents a viable alternative to traditional property purchases with notable benefits in speed and transaction security

56 days

Typical time that buyers have to complete the purchase once the auction concludes



Conclusion

While property transactions taking up to six months may seem long, it is not uncommon. There are many countries with very efficient processes in place, yet still take several months to complete, according to a report by Moverly:⁴⁰

- ▶ Italy - 5.3 months
- ▶ Spain, Portugal, and Singapore - 5 months
- ▶ Switzerland - 4 months
- ▶ Germany - 3.5 months

Yet, none of these countries experience the high fall-through rates seen in the UK - and therein lies the heart of the matter. The key obstacle to successful property transactions in the UK is not necessarily the time it takes to complete. Most people can manage a longer timeframe and endure quite a lot along the way, as long as they have certainty about the outcome.

What truly undermines the efforts of everyone involved - and impacts the wider economy - is that nearly the entire transaction period, except for the few days between exchange and completion, remains **completely unsecured**.

A binding agreement at the point of offer acceptance, supported by upfront property information, is the only viable solution for improving the UK property market.

For estate agents, staying well-versed in the full range of alternative solutions to securing a more reliable and predictable property purchase outcome is not just beneficial - it is a fundamental responsibility. Just as we expect medical professionals to continuously update their knowledge to ensure the best possible care for their patients, estate agents have a duty of care to buyers and sellers navigating the most significant financial transaction of their lives.

Understanding and presenting all available options - whether reservation agreements, upfront property information, or alternative purchase models - empowers consumers to make informed decisions suited to their specific circumstances. When estate agents take on this level of diligence and provide a truly balanced view, we can expect to see a meaningful and lasting improvement in completion rates across the UK property market.



40. <https://thenegotiator.co.uk/news/uk-housing-market-news/uk-has-longest-listing-to-completion-and-conveyancers-to-blame/>

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