

**Week in Westminster
Parliamentary Business from 29 March 2010**

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Summary

- In a [speech](#), the prime minister launched Labour's election pledges which include securing the recovery, and raising family living standards by keeping mortgage rates as low as possible and providing new help for first-time buyers.
- The Treasury has published a [discussion document](#) on building society capital and related issues.
- The Mortgage Repossession (Protection of Tenants) Bill completed its [second reading](#) in the House of Lords with no objections or amendments and moves to committee stage.
- The [Finance Bill](#) has been published.
- The government laid [new rules](#) to implement the European Consumer Credit Directive and will come into effect from 1 February 2011. The rules for unsecured credit will work in conjunction with the OFT's irresponsible lending guidance to be published shortly.
- The transcript of the Commons Treasury committee's [follow-up hearing](#) on mortgage arrears and access to mortgage finance, at which the CML gave evidence, is now available.
- The House of Treasury committee published a report, [Too Important to Fail - too important to ignore](#), which considers the issue of the existence of a type of financial firm, or firms which are 'too important to fail'. The committee concludes that the actions of governments had to take to ensure financial stability have resulted in a market which operates on the assumption that systemically important firms will be rescued if necessary and radical reform is needed.
- The Commons Work and Pensions committee published a [report](#) on local housing allowance (LHA). The committee suggests while the objectives of LHA are sound, in practice it is falling short of its original intentions particularly on reducing barriers to work and is in need of urgent review to ensure those intentions are met.
- The think tank Policy Exchange published a [report](#) warning that mortgages could rise by between £700 and £1400 if the government does not reduce the amount it plans to borrow.
- Parliament rose for the Easter recess on 30 March and will return on 6 April. Assuming a 6 May election, parliamentary business will be wrapped up for this parliamentary session between 6-8 April. The bills which have not made enough progress to be passed normally will go through the wash-up procedure which involves informal discussions between party whips without any public scrutiny. These are likely to include –

Financial Services Bill
Finance Bill
Flood and Water Management Bill
Mortgage Repossessions (Protection of Tenants) Bill

Bills & Statutory Instruments

31-03-2010 - Mortgage Repossessions (Protection of Tenants Etc.) Bill

House of Lords - Lords Debate Summary - House of Lords

<http://www.publications.parliament.uk/pa/ld200910/ldhansrd/text/100330-0007.htm#10033046000706>

In opening the debate, Lord Best (Crossbencher) thanked the government whips for allowing time for the bill to be read a second time: "I am also extremely grateful to the government Whips for finding the time for the Second Reading of this Bill, which should enable its progression into law before the end of this Parliament."

Lord Best explained the importance of the bill: "The Bill seeks to protect the so-called unauthorised tenants of residential-turned-let-RTL-tenancies who are at risk of sudden eviction because their landlord has fallen into arrears and the lender has commenced repossession proceedings."

He went on, "In these cases, the landlord has rented out a property without the consent of the lender, who is almost always an owner-occupier who pays a lower rate on their borrowing than buy-to-let landlords."

He spoke of the CAB's findings on the matter: "Citizens Advice has furnished me with numerous examples of the problems that this brings. A citizens advice bureau in the north-east reported a client who was given 24 hours to vacate the property."

He identified the present problems, as discovered by DCLG: "The Department for Communities and Local Government has estimated that there could have been more than 2,500 repossession cases of this kind last year, but advice agencies think that this is the tip of an iceberg. CLG estimates that some 330,000 RTL households are at risk of short-notice eviction if their home is repossessed. Since many of these households will never apply to a local authority for housing, they are unlikely to end up in any official statistics."

However, he briefly spoke of the inadequacies of the bill: "The Bill does not provide any long-term security for RTL tenants, but it does allow the courts to delay evictions for up to two months."

In replying, Lord Scott of Foscote (Crossbench) explained that he supported the bill: "My Lords, I support the thought that lies behind the Bill and I have one or two short points to make about it." "There is," Lord Scott argued, "an important distinction between an order for possession and a warrant for possession. An order for possession is binding on the parties to the litigation-in the ordinary case where it is a mortgagee's application, the party will be the mortgagor-but it is not binding on anyone else."

Comparatively, Lord Addington (Liberal Democrat spokesperson) welcomed the intention behind the bill: "I believe that the intention behind the Bill is to prevent somebody finding themselves, at sometimes only a few hours' notice, thrown on the streets. That is something we should all support."

The Parliamentary Under-Secretary of State (Lord McKenzie of Luton) explained that the government became aware of the problems associated with disposed tenants about a year ago: "The Government became aware of the issue of unauthorized tenants and short notice evictions just over a year ago, and since then have been 100 per cent supportive of any measures to ensure that tenants who find themselves unexpectedly subject to short notice eviction as a result of landlords' arrears and repossessions have adequate time to find an alternative home and move into it."

He went on, "It is a testament to the robustness of the legislation that this Bill has come from another place unchanged from when it was first published."

Bill read a second time and committed to a Committee of the Whole House.

30-03-2010 - Second Home Ownership (Regulation)

House of Commons - Commons Debate Summary - House of Commons

<http://www.publications.parliament.uk/pa/cm200910/cmhansrd/cm100329/debtext/100329-0006.htm#10032914000003>

Opening the debate, Dan Rogerson (Liberal Democrat, North Cornwall) explained the importance of the motion, citing his time as MP for North Cornwall as the central motivating factor: "It has been my

honour to represent the people of North Cornwall, and I have consistently raised the proliferation of second-home ownership and its effect on rural communities."

He argued that the problem was not limited to his own constituency: "The problem is not limited to my constituents, of course; it affects many rural areas throughout the country. My hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) has referred to it, and Members on both sides of the House are aware of it."

He argued that the importance of tourism to the area was pivotal: "That large influx of visitors supports the local economy and brings many new perspectives, but increasing numbers of them want to grab a piece of the area that they can keep, and keep returning to, by buying a second home."

He clearly explained the situation about second homes: "In 2008, a parliamentary answer to my hon. Friend the Member for Westmorland and Lonsdale included figures for second-home ownership broken down by local authority area."

He went on, "At that time, about one in 10 homes in the area covered by the former North Cornwall district council was a second home, but the real figure, arrived at if properties that have incorrectly been registered as holiday lets are taken into account, is probably much higher. In some areas, however, second homes meet other demands. That is particularly the case in urban settings, so I am especially concerned about the situation in rural areas, where homes that were previously residential are taken into holiday use and are ultimately left empty for much of the year."

He argued that the issue had "inflated house prices: "In many communities, it has inflated house prices, and the consequent decrease in the local population has led to declining school rolls and, ultimately, to the closure of small schools. It has also led to the closure of post offices because of declining business."

He praised the government's approach so far: "The Government have often sought to turn this issue into one that is purely about the need to build new affordable housing. That is a crucial issue, and I support the aim."

He spoke at length about high house prices affecting the rural communities: "We face a particular problem in North Cornwall, where the increase in house prices from 1999 to 2009 was 230 per cent, which compares with an average increase in rural Great Britain of 118 per cent. over that period, so the problem is continuing to get worse."

Written Questions

31-03-2010 – Average property prices over £1m House of Commons - Commons Written Answers - Justice

Grant Shapps: To ask the Secretary of State for Justice what the average sale price of a property previously purchased for more than £1 million was in each of the last three years. [325230]

Mr. Wills: Land Registry is able to provide information based on residential properties sold at full value(1) of more than £1 million for each of the last three years in England and Wales.

(1) Full value = residential property transactions where the full price has been paid. The figures exclude a number of transactions including right to buy sales at a discount, properties sold by way of a gift and properties sold under a compulsory purchase or court order.

	Average price of properties over £1 million
2007	1,703,929
2008	1,764,024
2009	1,685,369

Grant Shapps: To ask the Secretary of State for Justice how many homes have been purchased for more than (a) £500,000 and (b) £1 million in each year since 1997. [325231]

Mr. Wills: Land Registry is able to provide information based on the total number of residential properties sold at full value(1) in England and Wales from 1997 to 2009, as follows:

(1) Full value = residential property transactions where the full price has been paid. The figures exclude a number of transactions including right to buy sales at a discount, properties sold by way of a gift and properties sold under a compulsory purchase or court order.

	Over £500,000	Over £1 million
1997	3,392	518
1998	4,119	682
1999	6,863	1,117
2000	9,815	1,797
2001	12,588	2,204
2002	18,359	2,935
2003	19,669	2,823
2004	27,079	3,963
2005	26,981	3,818
2006	42,451	6,333
2007	52,273	8,531
2008	27,356	5,008
2009	25,450	4,535

The numbers in the over £1 million column are also part of the total in the over £500,000 column.

31-03-2010 - Stamp Duty revenue House of Commons - Commons Written Answers - Treasury

Grant Shapps: To ask the Chancellor of the Exchequer how much was received in stamp duty land tax for purchases over £500,000 in each year since 1997. [325229]

Sarah McCarthy-Fry: Estimated stamp duty land tax (SDLT) receipts for purchases over £500,000, available at: http://www.hmrc.gov.uk/stats/stamp_duty/table15-3.xls are given in the following table for years from 1997-98:

Estimated SDLT(1) receipts	£ million
1997-98	640
1998-99	1,140
1999-2000	1,580
2000-01	1,930
2001-02	1,885
2002-03	2,050

2003-04	2,125
2004-05	2,825
2005-06	3,935
2006-07	4,975
2007-08	5,410
2008-09	2,740

(1) This was stamp duty on land and property prior to December 2003.

Estimates for 1997-98 to 2000-01 were published in previous years at the same web address.

30-03-2010 – Property transaction liable for stamp duty House of Commons - Commons Written Answers - Treasury

Grant Shapps: To ask the Chancellor of the Exchequer (1) on how many land and property transactions stamp duty land tax was paid in each year since 1997; [318747]

(2) what the average amount paid in stamp duty land tax was in each year since 1997. [318748]

Sarah McCarthy-Fry: Estimates of the number of residential and non-residential transactions chargeable to stamp duty on land and property are given for England, Wales and Northern Ireland for 1997-98 to 2001-02. An estimate is not available for Scotland for these years.

For the years 2002-03 to 2004-05, estimates of the number of transactions chargeable to stamp duty land tax are given for the UK and estimated based on published figures for Scotland.

For 2005-06 to 2008-09 UK figures for number of transactions chargeable to stamp duty land tax, available at: http://www.hmrc.gov.uk/stats/survey_of_prop/table16-5.pdf are given in the table. For these years chargeability is defined as the transaction priced over the tax threshold, unless tax reliefs reduce the tax liability to zero, whereas for previous years chargeability was defined entirely on price.

For the years from 2002-03 to 2008-09 the average amount of stamp duty land tax paid on chargeable transactions is given for each year, calculated by dividing UK receipts by the number of chargeable transactions in the table.

Estimates for the years from 1997-98 to 2004-05 are derivable from tables 15.1, 16.1A and 16.5 of past paper editions of the publication Inland Revenue Statistics. Estimate for the years from 2005-06 are derivable from figures available at: http://www.hmrc.gov.uk/stats/stamp_duty/table15-1.pdf and http://www.hmrc.gov.uk/stats/survey_of_prop/table16-5.pdf

	Country	Number of chargeable transactions	Average amount of stamp duty land tax per chargeable transaction
1997-98	England, Wales and NI	(1)720	(3)n/a
1998-99	England, Wales and NI	(1)730	(3)n/a
1999-2000	England, Wales and NI	(1)910	(3)n/a
2000-01	England, Wales and NI	(1)880	(3)n/a
2001-02	England, Wales and NI	(1)1,050	(3)n/a
2002-03	UK	(1)1,280	5,900
2003-04	UK	(1)1,190	6,400
2004-05	UK	(1)1,310	6,800
2005-06	UK	(2)950	11,500
2006-07	UK	(2)1,160	11,500
2007-08	UK	(2)1,100	12,900
2008-09	UK	(2)480	16,700

(1) Based on number of transactions priced above lowest stamp duty land tax threshold.

(2) Based on number of transactions priced above lowest stamp duty land tax threshold where tax reliefs do not extinguish chargeability.

(3) No figures for stamp duty on property receipts available for England, Wales and Northern Ireland for these years.

Mrs. Spelman: To ask the Chancellor of the Exchequer in which areas disadvantaged area stamp duty relief applies; and what the value is of the threshold. [324325]

Sarah McCarthy-Fry: Stamp duty land tax disadvantaged areas relief is available in almost 2,000 areas of the United Kingdom. The qualifying areas for relief are set out in the Stamp Duty (Disadvantaged Areas) Regulations 2001 (S.I. 2001/3747). The relief applies to land transactions involving residential property where the chargeable consideration for the transaction does not exceed £150,000.

Forthcoming Business

The timetable below is based on assumption that the general election takes place on 6 May

6 April	Parliament returns from Easter recess
7 April	Wash-up and prime minister's questions
8 April	End of wash-up and prorogation
12 April	Dissolution of Parliament and the election campaign begins
6 May	Polling day