



**East Hampshire
Conservatives**

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NEWS RELEASE

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immediate release

Whitehall raises cost of moving, even as house sales plummet *2008 house sales in East Hampshire fell by almost half*

As new figures show the extent of the housing market decline in East Hampshire, the government is being accused of further pushing up the cost of moving home – in the middle of a recession.

Parliamentary Questions have made the Government publish figures for the number of house sales in each local authority. East Hampshire recorded a fall in sales of 48% for 2008 versus 2007. Latest national figures suggest even sharper falls this year.

But new Whitehall rules make it even harder for home buyers and sellers. The government's Land Registry is sharply increasing its fees in July to register a new home or to buy an official property search. The increases in search costs will in turn increase the cost of the already expensive Home Information Packs (HIPs). This comes as new HIP rules came into effect in April which will further hinder sellers from putting their homes onto the market.

Parliamentary candidate Damian Hinds said: "These new figures confirm the extent of the housing market slowdown – and in this recession, the drop-off is remarkably similar right across the country. It is incredibly short-sighted for ministers to increase red tape on the housing market in the middle of a recession and make it even worse. HIPs are neither wanted nor needed, and the government should just get rid of them."

ENDS

Notes to editors:

LAND REGISTRY FEES

On 14 April, the Land Registry announced increases in the fees for registering a property and for property searches. The cost of registration of a property worth between £100,000 and £200,000 will go from £150 to £200. See <http://www1.landregistry.gov.uk/fees/newfeeorder/>

The Land Registry ironically blame the housing market crash for the hikes: "As a government agency with trading fund status we need to cover our operating costs and return on capital employed from our fee income. Due to the downturn in the property market and the deterioration in the economy generally, our intakes of work fell heavily in 2008 and 2009 leading to an unsustainable reduction in our fee income.". see http://www1.landregistry.gov.uk/info/noticeboard/item/?article_id=19960

HOME INFORMATION PACKS

HIP required before you market your home: Since 6 April, a seller must have a completed Home Information Pack before putting their home on the market. Previously, they merely had to commission a Pack, which can take many weeks to assemble – especially in the case of complex leasehold properties. This is the end of the so-called 'first day marketing' provisions.

Property searches must be complete: In another change to the HIP rules, Home Information Packs will also take longer to produce. From 6 April 2009, every property search "must be complete". Previously, insurance could be taken out to protect against the delayed searches missing vital data. This previous provision was introduced because of the delays in obtaining information from local authorities.

Pointless property questionnaire: All Home Information Packs must also now have a new 'Property Information Questionnaire' that must be completed by the seller before the home is advertised. The questionnaire includes questions on past history of flooding, past insurance claims, treatment for dry rot or damp, when electrical wiring was last checked, if planning permission or building regulation approval was given to past structural alterations and rights of access. However, there is no external checking of the accuracy of the form, and in all those cases, the seller can merely tick a box "don't know".

HIPs unreliable and add to costs: The independent Carsberg Review in June 2008 warned that HIPs were the "worst of both worlds", adding to red tape and costs, but not providing reliable information. It warned that they were duplicating costs, since "a substantial number of conveyancers ignore its existence and re-commission searches on receiving instructions from their buyer client" (RICS, Sir Bryan Carsberg's Review of Residential Property, June 2008, p.42).

HOUSING MARKET

Answers to Parliamentary Questions have made the Government publish figures for the number of house sales in each local authority, according to Land Registry records. They show that housing sales have fallen by 52% compared to 2006 levels.

The very latest figures show that housing transactions have plummeted even further in the beginning of 2009, with total sales across England and Wales falling to 13,131 in March 2009 - compared to 106,341 in March 2006.

Hansard, 24 March 2009, col. 314W and Hansard, 24 April 2009, col. 969W.

<http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090324/text/90324w0031.htm#09032470006169>

<http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090424/text/90424w0017.htm#09042426004851>