

STATISTICAL Bulletin

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STATISTICS ON MORTGAGE AND LANDLORD POSSESSION ACTIONS IN THE COUNTY COURTS – FOURTH QUARTER 2006

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INTRODUCTION

This bulletin presents the numbers of mortgage and landlord possession actions in the county courts of England and Wales for the fourth quarter of 2006.

- The figures report how many possession proceedings have been issued, and how many orders for possession have been made by the county courts.
- Since many of the orders made will not have been enforced these figures do not reflect how many properties have actually been taken into possession.
- Figures on properties actually being taken into possession are published twice a year by the Council of Mortgage Lenders and are included in Table 1a. Further information can also be found on their website (www.cml.org.uk).

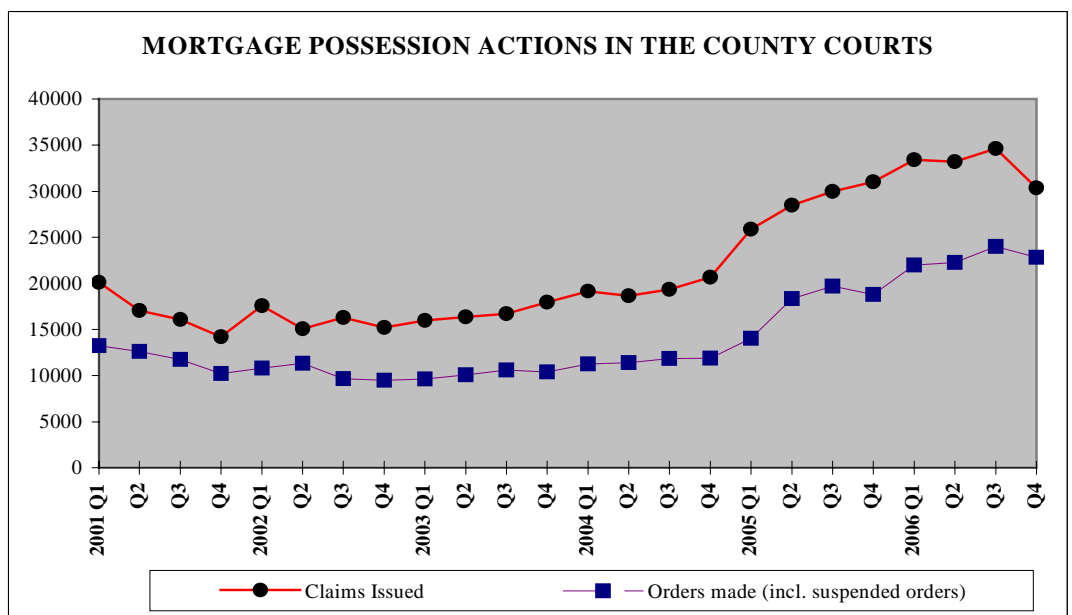
FINDINGS

Table 1a shows the number of mortgage possession actions entered for each year, by quarter, since 2001

Mortgage Possession actions

During the fourth quarter of 2006:

- 30,349 mortgage possession claims were issued, 2% lower than in the fourth quarter of 2005.
- 22,827 mortgage possession orders were made, 22% higher than in the fourth quarter of 2005.
- 47% of mortgage possession orders were suspended (10,720), compared to 51% in the fourth quarter of 2005.



Landlord Possession actions

During the fourth quarter of 2006:

- 28,606 landlord possession claims were issued, 20% lower than in the fourth quarter 2005.
- 21,445 landlord possession orders were made, 11% lower than in the fourth quarter of 2005.
- 52% of landlord possession orders were suspended (11,181), compared to 59% in the fourth quarter of 2005.

Table 1b shows the number of landlord possession actions entered and orders made by quarter since 2001

Table 2: Shows a breakdown by county court, county and region of the figures for the fourth quarter of 2006 and the corresponding quarter of 2005.

Table 3: Shows a similar breakdown of the first-to-last quarter figures for 2005 and 2006.

Tables 2 & 3 are available online at <http://www.dca.gov.uk/statistics/cjust.htm#part1>

RECENT AND FUTURE DEVELOPMENTS

Introduction of Possession Claim Online (PCOL)

- The new Possession Claim Online (PCOL) system enabling lenders and landlords to issue possession claims and warrants electronically via the internet was introduced for use throughout England and Wales on 30 October 2006. This has necessitated changes to the data extraction process from the DCA Management Information System on which this report is based.

Possible factors affecting 2006 Quarter 4 figures

1. Reported slowness in the running of the new PCOL system coupled with the possible effects of industrial action ('work to rule') commencing 18 December 2006 may have led to a backlog of possession claims to be issued (by lenders, landlords and particularly by court staff who issue the paper claims using PCOL). These factors may therefore have resulted in a reduction in the numbers of claims issued during Q4 2006. It is presently unclear when any such backlog will be cleared.
2. A new Pre-Action Protocol for housing possession claims based on rent arrears came into effect on 2nd October 2006. The Protocol applies to rent arrears claims issued by social landlords (e.g. Local Authorities, Registered Social Landlords), and gives clear guidance on what the courts will be expecting landlords and tenants to have done prior to arriving at court. The main aim of the Protocol is to encourage more pre-action contact between parties and to enable court time to be used effectively. The introduction of the Protocol may therefore explain much of the reductions in the numbers of rent possession claims issued and orders made in Q4 2006.

The Protocol can be viewed using the following link:
http://www.dca.gov.uk/civil/procrules_fin/contents/protocols/prot_rent.htm

For the future

- Please note that the landlord possession figures provided by the next quarterly release will additionally include the number of accelerated possession actions. These relate to assured shorthold tenancies, when the fixed period of the tenancy has come to an end. We believe this will provide a more accurate reflection of landlord possession activity in the county courts.

Table 1a**MORTGAGE POSSESSION ACTIONS
IN THE COUNTY COURTS¹**

Year	Quarter	Claims Issued	Orders Made ²	Properties taken into possession ³
2001	Q1	20,115	13,241	10,460
	Q2	17,042	12,622	
	Q3	16,098	11,773	7,820
	Q4	14,193	10,193	
			67,448	47,829
2002	Q1	17,559	10,807	6,850
	Q2	15,069	11,318	
	Q3	16,292	9,659	5,120
	Q4	15,228	9,495	
			64,148	41,279
2003	Q1	15,997	9,616	4,220
	Q2	16,336	10,062	
	Q3	16,729	10,610	3,480
	Q4	17,967	10,394	
			67,029	40,682
2004	Q1	19,155	11,250	3,030
	Q2	18,675	11,404	
	Q3	19,359	11,862	3,000
	Q4	20,667	11,893	
			77,856	46,409
2005	Q1	25,870	14,041	4,620
	Q2	28,475	18,324	
	Q3	29,990	19,694	5,690
	Q4	31,018	18,784	
			115,353	70,843
2006	Q1	33,443 ^R	21,997	8,140
	Q2	33,179 ^R	22,249 ^R	
	Q3	34,710 ^R	24,122 ^R	8,860
	Q4	30,349	22,827	
			131,681	91,195

¹ Includes both Local Authority and private actions

² Includes suspended orders

³ Figures from the Council of Mortgage Lenders (CML). Please see the CML website (www.cml.org.uk) for further information.

^R Revised since last published

Table 1b**LANDLORD POSSESSION ACTIONS
IN THE COUNTY COURTS¹**

Year	Quarter	Claims Issued	Orders Made ²
2001	Q1	47,101	30,121
	Q2	41,973	28,226
	Q3	45,891	28,982
	Q4	40,943	30,260
			175,908
2002	Q1	46,789	30,564
	Q2	41,712	29,792
	Q3	45,329	29,487
	Q4	44,161	30,053
			177,991
2003	Q1	44,141	29,318
	Q2	36,848	26,195
	Q3	40,084	26,928
	Q4	39,076	25,880
			160,149
2004	Q1	41,412	26,966
	Q2	36,710	25,628
	Q3	38,396	26,278
	Q4	37,882	24,711
			154,400
2005	Q1	36,410	24,357 ^R
	Q2	35,218	24,964 ^R
	Q3	37,158	24,602 ^R
	Q4	35,889	24,029 ^R
			144,675
2006	Q1	38,239 ^R	24,663 ^R
	Q2	32,495 ^R	22,097 ^R
	Q3	35,089 ^R	22,484 ^R
	Q4	28,606	21,445
			134,429

¹Includes both Social and Private Landlord actions

² Includes suspended orders

^R Revised since last published

EXPLANATORY NOTES

1. The data provided in each of the tables relate to possession **claims issued** and **orders made** in county courts in England and Wales. Figures for **suspended orders** are also provided.
2. The mortgage data include both local authority and private (e.g. banks and building societies) lenders, and the landlord data includes both social and private landlords.
3. The 2006 figures are provisional and therefore liable to revision to take account of any late amendments.
4. Figures on mortgage and landlord possession actions are published on a quarterly basis.
5. The information contained in this publication has been produced using the Management Information System (MIS), a data warehousing facility drawing data directly from court-based information systems.
6. The mortgage possession figures do **not** indicate how many houses have actually been repossessed through the courts; not all orders result in the properties actually being repossessed.

•**Claims Issued.** A claimant begins an action for an order for possession of property by issuing a claim in a county court.

•**Orders Made.** The court, following a judicial hearing, may grant an order for possession immediately. This entitles the claimant to apply for a warrant to have the defendant evicted. However, even where a warrant for possession is issued, the parties can still negotiate a compromise to prevent eviction.

•**Suspended Orders.** Frequently, the court grants the claimant possession but suspends the operation of the order. Provided the defendant complies with the terms of the suspension, which usually require the defendant to pay the current mortgage/rent instalments plus some of the accrued arrears, the possession order cannot be enforced.

For more details and other related statistics, please visit the CML website at: www.cml.org.uk or contact the [CML Press Office on 020 7434 0075](mailto:CML.Press.Office@02074340075).

7. The statistics shown for "properties taken into possession" are existing published figures from the Council of Mortgage Lenders (CML), which is an industry body representing around 98% of the UK residential lending industry. It should be noted that:
- DCA statistics on court actions cover England and Wales only. CML statistics cover the whole of the UK.
 - CML statistics on actual possessions include properties surrendered voluntarily, and are published for half-yearly periods. Given the time lags involved, some of the court orders for these possessions may have been granted in earlier time periods.
 - Mortgage possessions counted in the CML statistics predominantly relate to the non-repayment of loans which are secured as a "first charge" against the property. The large majority of "second charge" lending (any loan secured on a property for which a separate first charge loan already exists) falls outside the membership of the CML and therefore any resulting repossessions will not be counted in the CML's figures.

Other housing statistics, including repossession figures, are published on the DCLG website at www.communities.gov.uk/housingstatistics.

8. The Department for Communities and Local Government (DCLG) is responsible for government policy on housing and the housing market. Queries on the wider policy implications of these statistics should therefore be directed to the [DCLG Press Office on 020 7944 3049](mailto:DCLG.Press.Office@02079443049).
9. Any further media enquiries on this news release should be directed to Paul Halford at the DCA Press Office on Tel. 020 7210 1398, or 8695.

10. The release schedule for the rest of the year is as follows:
- | | |
|--------------------|---|
| 2007 Q1 statistics | released Friday 4 th May 2007 |
| 2007 Q2 statistics | released Friday 3 rd August 2007 |
| 2007 Q3 statistics | released Friday 2 nd November 2007 |

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