

## Miriam Cates (Penistone and Stocksbridge) (Con)

Stamp Duty Land Tax (Temporary Relief) Bill - 7 pm 13 July 2020

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It is a pleasure to follow the hon. Member for Westmorland and Lonsdale (Tim Farron), who made a very passionate speech.

The health of our housing market is an indicator of the health of our whole economy. Buying a property or moving house does not just involve the exchange of money and the transfer of deeds; it supports other associated industries, as has been said widely already, and a large number of jobs in many trades such as plumbers, builders and electricians.

During the acute phase of covid-19, many sectors of our economy were forced to grind to a halt, including the housing market, where in May 2020 property transactions were down by 50%. Other sectors have received welcome relief on a sectoral basis from the Government's measures to boost our economy, such as grants for the retail, leisure and hospitality businesses, and the eat out to help out scheme, which was announced last week. The housing market also needs a stimulus to catalyse its restart, so I welcome the temporary relief to stamp duty land tax, which will do just that.

In normal times, when the market is in equilibrium, stamp duty should be paid just like any other tax. Right now, however, as we emerge from a period of sharp decline in housing sales, the market is far from equilibrium and it is right to take most property purchases out of stamp duty to encourage transactions to return to normal levels. A cut to stamp duty is, of course, a response to the covid-19 economic slowdown, but it is also the first of many measures that the Government will introduce to fix our housing crisis. Any action to reduce the cost of moving will be welcome to my constituents in Penistone and Stocksbridge where, as elsewhere in the country, many local people cannot afford to own their own home or to move up the property ladder as their family grows. Parents and grandparents are worried that the next generation will not be able to afford to stay local and will instead have to leave our towns and villages and our wonderful communities.

The measure we are debating today will provide a welcome short-term reduction to the cost of moving, but it will also encourage older people to downsize, releasing larger properties for growing families. The hon. Member for Mitcham and Morden (Siobhain McDonagh) rightly said earlier that there are many properties outside London and the south-east that may not necessarily benefit from the cut, but even though the average house prices are a lot less—in Penistone and Stocksbridge I think the average house sale last September was £172,000—there are always, at the top of the chain, properties that are subject to stamp duty land tax. They are often the properties that are the hardest to shift and take the longest to sell. Any reduction in the price of those properties to get them moving and get them shifted will affect the whole chain right down to the bottom to the first-time buyer.

As well as a short-term measure to restart the housing market, there is strong consensus across the House that to fix our housing market in the longer term we must build more homes. I am pleased, therefore, that the Government intend to bring in reforms of our planning system that will enable more houses to be built more quickly. That is particularly necessary in cities like Sheffield, where the local authority still has no local plan, or even a draft local plan, which means there is no evidence-based understanding of or consensus on where and what types of housing should be built. That puts greenfield sites in danger when brownfield sites are still available.

We need to increase the supply of housing and evidence suggests that we need to build over 300,000 new homes each year, both to keep up with demand and to address the backlog. We are all aware that there has been a sharp increase in the number of young people who are living with their parents—a rise of nearly 50% in 20 years. As has already been said, in many cases that is because not enough affordable homes are available. The Government's housing reforms and the Prime Minister's £12 billion affordable homes programme will rightly address that issue and give young people the opportunity to own their own homes, with all the benefits of security, pride and a feeling of rootedness that home ownership brings.

I take a moment to consider another less welcome reason for the increase in demand for housing. Over the past two decades, the number of people living alone in the UK has risen by 20%, and the number of 45 to 64-year-olds living alone has increased by 53% over the same period. One of the principal reasons for the increase is the number of middle-aged men who live on their own, largely as a result of relationship breakdown. When marriages and partnerships end, one household becomes two, property costs can double, children no longer have the benefit of both parents under one roof, and, for those adults left living alone—often fathers—loneliness and its associated effects on wellbeing can follow.

Inevitably, of course, not all marriages and cohabiting relationships will last. When there is irretrievable breakdown, new households must be formed, but if relationship breakdown is one of the key drivers for housing demand, we must address the causes of such breakdowns, not because of the impact on housing but because of the impact on people. Relationship breakdown is costly—emotionally, psychologically and financially—and it has a huge impact on children. As we look to address one of the UK's greatest challenges—a lack of housing—let us also focus our efforts on addressing another one and consider how Government, local authorities, the voluntary and faith sectors, and local communities can better support couples and families to stay together.

Throughout the crisis, my right hon. Friend the Chancellor's timely measures have acted as a shock absorber, lessening the impact of the most significant economic event of modern times. The temporary relief on stamp duty will give the housing market a much needed boost and pave the way to deeper, more long-term and more holistic reforms to end our housing crisis.