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Issued on behalf of Sweet & Maxwell

## Legal disputes involving squatters treble due to financial crisis

- **Affluent areas including Chelsea, Belgravia and Mayfair targeted**

The number of legal disputes relating to squatters trebled during the financial crisis according to statistics from Sweet & Maxwell, the leading legal information provider.

29 cases related to squatters and trespassers were heard in the High Court in the year to December 31 2009, up from 10 in 2008 (latest data available). There were two cases in 2007, and just one in 2005.

According to Sweet & Maxwell, traditionally very few cases against squatters reach the High Court.

Sweet & Maxwell says that most cases against squatters get resolved long before they reach the High Court so this significant rise represents just the tip of the iceberg.

According to Sweet & Maxwell, the increase in the number of cases involving squatters is a result of a rise in the number of vacant properties and growing homelessness caused by the recession.

Vacancy rates in both residential and commercial properties soared over the course of the economic slowdown, which has meant that landlords increasingly have had to tackle illegal occupiers.

The credit crunch and fall in property values meant that some property developers were forced to leave properties in exclusive London streets sitting empty as they waited to either secure funding for construction work or until the market picks up.

There has been a surge in the number of highly publicised cases involving squatters occupying grand houses in wealthy London areas including Chelsea, Belgravia and Mayfair. Prime property in central London is increasingly at risk of squatters because a growing proportion of the owners spend much of the year overseas.

Sweet & Maxwell says that squatters are becoming increasingly savvy at targeting prime property in central London which they know will be unoccupied for a long period of time.

According to Knight Frank, the property agents, half of all £2 million-plus luxury properties sold in central London go to overseas buyers, rising to 60 per cent in Mayfair, Knightsbridge and Hampstead, and on up to 70 per cent of all homes over £5 million.

The rise in the number of vacant central London properties has also been fuelled by wealthy residents leaving the capital due to higher taxes. The 50p tax rate and £30,000 charge on non-domiciled foreign residents have both led to increases in vacant properties as the owners have

moved to lower tax jurisdictions.

Sweet & Maxwell says that there has also been a surge of businesses occupying empty shop premises. This is particularly common in the run-up to Christmas.

Sweet & Maxwell says that squatters are becoming increasingly sophisticated in their knowledge of the law, which has also pushed more disputes to the High Court.

Sweet & Maxwell says that the sovereign debt crisis and recession in Europe has led to an increase in organised squatters from continental Europe squatting in London.

Another area where legal disputes involving squatters and trespassers have increased is in the area of both private rented accommodation and social housing. As unemployment has risen more tenants have defaulted on rent payments which may see them re-classified as trespassers.

Sweet & Maxwell says that as some workers lost their jobs that provided them with living accommodation as part of their contract– such as caretakers or pub managers/landlords – then legal disputes could also flare up.

A homeowner whose house has been taken over by squatters can ask police for help in removing the inhabitants, but the law currently only allows them to be prosecuted if they cause criminal damage.

Sweet & Maxwell adds that the Government introduced changes in the Land Registration Act 2002 to make it more difficult for squatters to acquire a land title.

**ENDS**

### Notes to Editors:

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