TheNegotiator
Essential reading for residential agents

Labour's Mansion Tax will go the way of HIPs, believe me!

Estate agency chief says there aren't enough district valuers to cope with the deluge of challenges homeowners will make to their home's official value.

The Mansion Tax is coming. Properties valued between £2 million and £5 million will be slapped with annual charges ranging from £2,500 to £7,500.

But remember this is in addition to Council Tax which, like a dogged TV Licence inspector, simply refuses to go away.

Given the average Council Tax bill is around £4,000, homeowners in this value range will soon face a combined annual charge of £11,000 to £20,000.

These are not trifling sums and let's be honest, anyone in London living in a so-called mansion worth £2 million probably occupies a three-bed flat with a very ordinary outlook.

Technically, Mansion Tax won't kick in until 2028 and by then, with enough pushback, court cases, appeals and ministerial U-turns, the whole thing may be delayed indefinitely. It may yet join other deceased Labour policies in the great funeral home of abandoned legislation.

Remember Home Information Packs (HIPs), introduced by Labour in 2007 and scrapped soon after? Well, get ready for the sequel. The government simply doesn't employ enough District Valuers to fight the storm of appeals from homeowners who believe their property should be valued at £1,999,999.99, I fully expect a battle royale from homeowners hovering near each value band threshold.

MRS PROPERTY RICH AND CASH POOR

Meanwhile, the elderly widow – Mrs Property Rich and Cash Poor – will supposedly be helped via "reliefs, exemptions, and deferred payments."

In practice, this means that when she eventually dies, HMRC will show up like the world's least comforting undertaker to explain why every last penny of the family estate has already been spent on Mansion Tax and Inheritance Tax. Good luck with that PR exercise.

Between the already punitive Stamp Duty and this Mansion Tax wheeze, Britain is on track to become the most heavily property-taxed nation in the world. A proud achievement if you're Scandinavian. Less so, if you're British and would prefer to keep your home.

The Chancellor, had she possessed the faintest grasp of economic cause and effect, could have cut Stamp Duty by 50%. This would have unleashed a tidal wave of pent-up residential transactions, freeing capital, boosting VAT, PAYE, and Corporation Tax, and generating real economic growth. Yes, it might have cost £4 billion upfront, but the resulting surge would have dwarfed the initial expenditure. Sadly, this point sailed clean over the Treasury's collective head.

SIMPLE DEAL

Similarly, private-school users should have received tax incentives, relieving pressure on the state system. And non-doms should have been offered a simple deal: pay £250,000 annually to stay, keep foreign income outside tax scope, and boost the Exchequer by billions. Instead, Labour chose ideological purity over financial common sense.

This 'old' Labour Party bears little resemblance to the highly successful, triple Election winning government of Tony Blair's New Labour, which – whatever one thinks of its politics – understood the basics of fiscal pragmatism.

Today, Labour is floundering at 14% in the polls, has squandered the greatest honeymoon period since political records began, and will likely be obliterated in the local elections of May 2026.

If it isn't already too late, Sir Keir might consider asking Tony Blair for a quiet word of advice—whispered gently into his shell-like ear.

Unfortunately, it may now be a classic case of 'shutting the stable door after the horse has bolted.'

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