

Labour's Mansion Tax could mean a Council Tax rise for almost all homes in the London Borough of Wandsworth.

Labour's 'Mansion Tax' is a tax on your home. If Ed Miliband wins the upcoming General Election, the most important for a generation, of all properties above £2 million in value will be subject to an extra tax. In Wandsworth, that is nearly 5,000 homes and rising¹.

Think it won't affect you? To find out how much your home is worth, a Labour government may have to re-rate and revalue your Council Tax. The Lib Dems said the 'Mansion Tax' would be collected through the Council Tax system and Labour planned a Council Tax re-rating in 2010. How else would they find out if your property was worth £2 million?

The problem is that your current Council Tax rating is based on property values from 1991. Then, the most expensive Council Tax was Band H, for properties above £320,000. The bill for Band H is currently £1,418.30 a year.

Today, an average one-bed flat in Wandsworth is worth more than £400,000. A revaluation means it is today's value that would decide which band to put you in. Council Tax would double for thousands of people.

Valuation Band Value of Property (1 April 1991)	Wandsworth Council Tax
A Up to £40,000	£454.51
B £40,001 to 52,000	£551.57
C £52,001 to 68,000	£630.36
D £68,001 to 88,000	£709.15
E £88,001 to 120,000	£866.73
F £120,001 to 160,000	£1024.33
G £160,001 to 320,000	£1181.91
H £320,001 and over	£1418.30

Labour's 'Mansion Tax' could force elderly residents, families with mortgages, and hard-working people from their homes. But a big rise in Council Tax would also hit those getting a foot on the property ladder and saving for the future as well.

Continued overleaf

Why should people be punished for improving their property or a rising market? Land Registry figures show that in the last 10 years, the average property price in Wandsworth went up by 103% to £573,874. In comparison, the average property price in England and Wales only rose 16% to £179,492 in the same periodⁱ. What will your property be worth in 10 years?

Area*	Average Flat	Av. Terraced House	Av. Value Change 2009-14
Balham	£481,951	£985,281	33.27%
Earlsfield	£416,812	£739,758	36.77%
Tooting	£402,263	£705,389	36.77%
Wandsworth	£501,073	£923,450	32.16%

*Geographic areas are defined by Zoopla Property Search and do not necessarily reflect borough ward boundaries

Millions would lose out from Labour's 'Mansion Tax', and for what? Their claim that it would raise £1.2 billion doesn't even add up. The Centre for Economic and Business Research said that a fall in property sales would lead to a £2 billion loss in Stamp Duty in five yearsⁱⁱ. Property experts Knight Frank^{iv}, Savills^v, Winkworth^{vi}, and the Royal Institute for Chartered Surveyors^{vii} are all concerned that the 'Mansion Tax' could lead to a fall in property prices.

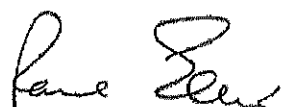
There are more unanswered questions. How much would a property slump damage the economy? How many jobs would be lost? How often would the 'Mansion Tax' and Council Tax be revalued to keep up with prices? Historically, taxes increase and thresholds get lower. Some Labour MPs already say the 'Mansion Tax' should start at £1 million.

The 'Mansion Tax' is a tax on hard work, a tax on aspiration and a tax on London. It's the politics of envy, it isn't fair and it won't work.

Labour simply haven't learnt their lesson. They taxed hard-working families to the brink last time they were in power and now they want to do it all over again.

There is only one way you can stop the 'Mansion Tax' and an increase in your Council Tax – vote for the Conservative Party on the 7th May.

With best wishes,



Cllr Paul Ellis
Wandsworth Council Cabinet Member for Housing

PS – Please register your support for our campaign to stop the Mansion Tax by emailing heretohelp@wandsworthconservatives.com

ⁱ Zoopla: "Labour's Mansion Tax proposal to place heavy burden on South East". 23 September 2014

ⁱⁱ Land Registry "House Price Index: Background Tables", January 2015.

ⁱⁱⁱ Corfe, Scott and Skero, Nina: "The Mansion Tax: Impact of the Proposed Mansion Tax on Family Homes in the UK". Centre for Economic and Business Research and <http://FairHomeTax.co.uk>, November 2014.

^{iv} Liam Bailey, Global Head of Residential Research, Knight Frank, "An Analysis of Proposals for a Mansion Tax", September 2013.

^v Lucian Cook, Director of Residential Research, Savills, "Prime Housing Market – the Ultimate Political football?" 6 November 2014.

^{vi} Winkworth: "Labour Propose Mansion Tax", 23 September 2014.

^{vii} Jeremy Blackburn, Head of UK Policy, RICS, "Labour's Mansion Tax Proposal: the RICS Response", 23 September 2014.