

# MANSION TAX



## Widow facing £3,000 annual bill on home she's lived in for 30 years

**YOLANDA CORDANI** faces a £3,000-a-year tax bill for her home in a middle-class North London suburb under Labour's mansion tax plans. The 70-year-old widow says finding the cash would be enormously difficult.

Mrs Cordani still works part-time at the restaurant she owns at London Bridge. Some years she earns £10,000, in a good year up to £30,000. On top of this she has a small state pension.

She's comfortable - but it is hardly a fortune and certainly will not be enough to pay the extra tax.

She fears it will force her to move out of the four bedroom home where she and her husband Fred, who died 14 years ago, raised their three sons.

The Cordanis bought their home for £95,000 in 1985. When they moved in, the street was full of young working-class families, teachers, civil servants and pensioners. Today properties are

selling for almost 20 times what they paid and buyers tend to be City workers, investment bankers or lawyers. At the current rate, it will take less than a year for values to pass £2million.

Mrs Cordani said: 'These aren't mansions, they are ordinary family homes. No one who has lived here for any period of time will be able to afford it. I would have to move. It would make me very distressed.'

'It just seems completely unfair, it seems to be punishing people who have paid into the system all their lives and tried to do the right thing.'

'There are some people on this street who could afford the mansion tax but for many it would be a huge burden. It would be dreadful to see people forced out, particularly the older people who have been here for years. It is just going to create a neighbourhood for rich people.'

Yolanda Cordani: 'It is punishing people who have tried to do the right thing all their life'

## 'I'm no Russian oligarch, I don't know how I'll pay'

**RETIRED** businessman Leon Taylor says the mansion tax would be a levy on old people whose homes have risen in value above inflation in recent years.

The 81-year-old has seen his four-bedroom home in Beaconsfield, Buckinghamshire, increase from £43,000 in 1976 to £1.5million today.

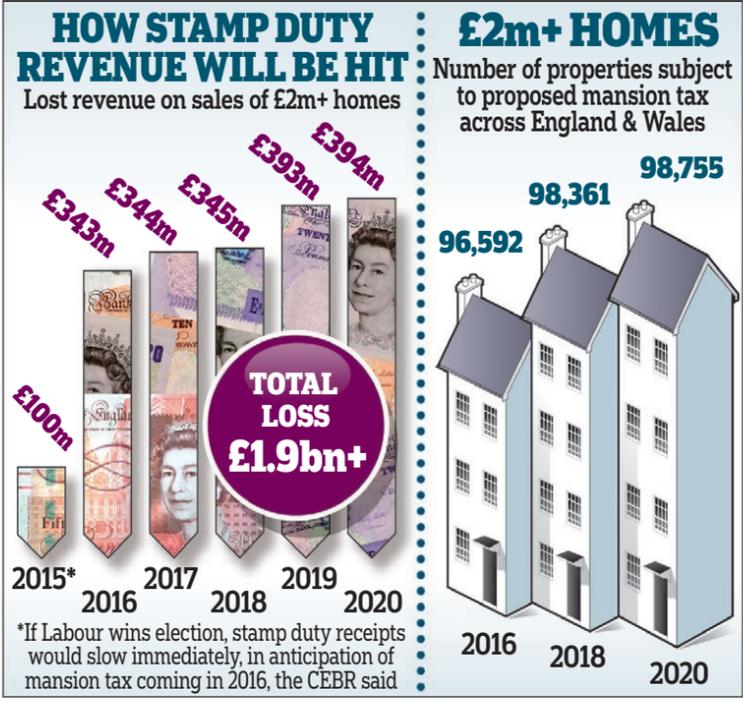
Mr Taylor and his wife Susan, 76, are concerned that rapid price rises in the area could soon push their property over the £2million threshold.

'I am worried that we will suddenly find ourselves caught in the mansion tax net,' said father-of-three Mr Taylor, a retired production director for an engineering firm.

'We are not Russian oligarchs or crooks from the City of London. I worked hard for 47 years before I retired at 64. We are comfortable



Worries: Leon Taylor, 81 but we are by no means wealthy, we live off my pension. 'I don't know where they think I am going to get the money to pay a mansion tax.'



# How pensioners, not the wealthy, will suffer most

**PENSIONERS** will be among the worst hit by mansion tax because they are more likely to be 'asset-rich and cash poor', the CEBR study warns.

The areas in the UK which will be hit hardest by the tax are disproportionately populated by over-65s, it found.

Shadow Chancellor Ed Balls was forced to unveil a series of changes to his proposals last month following accusations that some pensioners would struggle to pay.

He said people with an income of less than £42,000 will be allowed to delay paying the tax until they move house or die, but economists said this would also backfire because people would never sell

their homes as a result, blocking the property market and leaving the debts to mount up.

They could then find their home was 'unsellable' because they would have to pay so much back-dated mansion tax, the report said.

Families could also be left with little inheritance after the debts had been repaid upon the homeowner's death.

The report said Labour had presented mansion tax as a form of 'wealth taxation meant to reduce inequality' but the policy failed to 'necessarily target wealth'.

The report said: 'For example, a landlord that owns ten flats valued between £1million to £1.5million each would pay nothing in mansion tax, while a homeowner in London that

purchased his property decades ago for a modest amount becomes subject to a minimum £3,000 per annum payment. Hence, the mansion tax taxes the consumption of housing, more than wealth itself.'

Ninety-six per cent of homes which would pay mansion tax would be in London and the South East, the CEBR found.

Paul Green, of Saga, said: 'This is not a tax on the sort of people in Downton Abbey. This is a tax on ordinary families who live in ordinary suburbs who may have lived in their house a long time and seen house prices grow significantly in their area.'

'Many will not be wealthy. It will be a frightening prospect to many older people who already worry about bills.'