Land and new homes. Pre-budget comment from Debbie Taylor, head
of land and new homes at BNP Paribas Real Estate:

The Chancellor may look to increase taxes on property in order to reduce the unpopular
50p income tax rate. The Lib Dem preference is for a flat levy of one per cent of the
value of all properties worth £2 million or more. We expect that, if this is introduced, it is
likely to be levied on higher valued properties but we can’t yet see how this will be
administered or what the event might be that triggers a tax payment.

A further option open to George Osborne is the introduction of new upper council tax
bands which will set a higher value band at an increased rate. However this would
buffer the coffers of local government rather than treasury directly.

In the last Autumn Statement the Chancellor announced measures to boost bank
lending so we may see a focus on Wednesday on other forms of finance for business
growth. In November George Osborne established an industry-led taskforce to examine
the barriers to non-bank debt markets, which was due to report back prior to the budget,
so an announcement about this would not be unexpected.

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About BNP Paribas Real Estate
BNP Paribas Real Estate is a leading international real estate provider, and the 2nd player in Europe, in terms of
results. It offers to its clients a comprehensive range of services that span the entire real estate lifecycle: property
development, transaction, consulting, valuation, property management and investment management.
BNP Paribas Real Estate has local expertise on a global scale through its presence in 30 countries (15 wholly
owned subsidiaries) across Europe, India and Middle East with 3,300 employees in about 150 offices. BNP Paribas
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