

British face tax rise on second homes in France

By Henry Samuel in Paris

THE British owners of second homes in France could see the equivalent of their council tax rise by 20 per cent under measures due to be presented next week.

The move, part of a supplementary budget for 2014, would affect French and foreign owners of second homes in about 30 areas of the country where housing is in short supply, known as *zones tendues*.

These include the city of Paris and surrounding area, the Atlantic and Mediterranean coasts as well as towns in the south-west and the Alps where demand

for housing is high. "Obviously these are areas where Brits will ordinarily have their second home," said Graeme Perry, a London-based French property expert with Sykes Anderson Perry. "The result will be a 20 per cent increase for Brits with holiday homes in these areas and this could be applied from this year."

Michel Sapin, the finance minister, confirmed French press reports yesterday that the surcharge was in the pipeline. The aim, he said was to "unlock housing" in areas where "demand far outweighs supply".

According to *Les Echos*, the financial daily, it could also bring in €150 million

(£117million) to local councils, which decide whether or not to apply the surcharge. Broadly similar to the council tax, the *taxe d'habitation* is a charge applied to the occupier of a property - whether the owner or a tenant - based on a percentage of its rental value.

There will be certain exceptions for people who need the second home for professional reasons, or those who own a property but live in a retirement home.

The plan is expected to apply only to unoccupied homes, meaning owners who have let out the property will be exempt.

Mr Perry said that in order to avoid the charge, Britons with second homes in the

targeted zones "may want to consider letting out the property, either permanently to tenants or holiday homes for tourists".

The French government had already previously mooted introducing a so-called "weekend tax" on second homes, but abandoned the idea late in 2012, instead raising charges on capital gains from the sale of second homes - to the fury of many British sellers.

The new surcharge is supposed to free up property in areas - mainly cities - where housing is scant. In Paris, it is estimated that more than 170,000 properties are secondary residences.

The capital's town hall welcomed the

move, describing it as "fair and legitimate" given that up to a quarter of all housing in some districts were secondary. "Nobody can accept that we have 80,000 second homes sometimes only occupied a week per year while Parisians suffer from a housing shortage," said Ian Brossat, the deputy mayor in charge of housing.

However, *Les Echos* suggested that as the average *taxe d'habitation* in Paris was only about €464, an extra 20 per cent cost of just €90 was unlikely to prompt owners to free up properties for rental.

The surcharge plan was attacked by Jacques Polissard, the president of the

association of French mayors, who said it was a "totally unacceptable" government attempt to "place the onus on local communities by cutting funds and authorising them to tax more".

The planned rise also split the cabinet, with François Rebsamen, the labour minister, saying it broke a government promise to halt tax increases.

"When we say we're not going to raise taxes, we don't have more taxes," he said.

However, he then added that he was not averse to making "rich foreign owners" in cities such as Paris pay "another tax" on flats.

Mexico's 'imperial couple' held over disappearance of 43 student protesters

By Harriet Alexander

THE MAYOR of a Mexican town where the "disappearance" of 43 students caused outrage across the nation has been arrested along with his wife after weeks on the run.

José Luis Abarca and Maria de Los Angeles Pineda are accused by the government of being the "masterminds" behind the abduction of the students from the town of Iguala, 120 miles south of Mexico City.

The students disappeared on the night of Sept 26, when they were fund-raising for a planned demonstration while Ms Pineda was holding a rally in the town's main square.

Police believe that Ms Pineda and her

renting a house from a woman who was also arrested alongside the man and wife it described as "the imperial couple".

They owned at least 65 properties in the region, including a ranch, a series of jewellery shops and a shopping centre. Ms Pineda was said to be vying to take over as mayor from her husband in elections due next year.

Police documents leaked to *El Universal* alleged that Ms Pineda had close ties to the Guerreros Unidos drugs cartel, which reportedly controls much of the heroin and marijuana market in Chicago.

Two of Ms Pineda's brothers worked for the Beltran-Leyva cartel at the height of its power in 2009, but were executed for apparently betraying the leaders. Another of her brothers, Salomon Pineda, was arrested in mid October, accused of being one of the leaders of Guerreros Unidos.

The couple were the most wanted people in Mexico.

Mr Abarca was officially removed as mayor last month and the federal police have taken over from the municipal forces - 52 police, cartel members and political allies have been arrested so far. Jesus Murillo Karam, Mexico's attorney-general, said Iguala's police seem to have been "hit men" for Guerreros Unidos.

Angel Aguirre, the governor of Guerrero, has also been forced to stand down over his handling of the scandal.

Enrique Pena Nieto, the Mexican president, spoke of the "consternation and indignation which all Mexicans share" over the disappearance of the students and dedicated a force of 1,600 to the search.

A series of 19 mass graves have been discovered in the hills surrounding Iguala



The mayor and his wife: arrested

husband were concerned that the Left-wing students would disrupt the event, and ordered they be "taught a lesson".

Six students were killed when the police then opened fire, and 17 injured. A further 43 have not been seen since.

Days after the attacks the mayor and his wife fled the town, situated on a



François Hollande: 'A chip-eating cad'



Marine le Pen: 'A butch removal man'



Valérie Trierweiler: 'Dumb and pretentious'

What 'Sarko' said about his rivals, enemies - and friends

By Henry Samuel

MARINE LE PEN resembles a "butch removal man", François Hollande an atrociously dressed, chip-eating cad, and the opposition UMP party are "all idiots".

These are some of the uncouth missives Nicolas Sarkozy, the former French president, is said to have fired against "friends", enemies and his own party

Concerning Miss Le Pen, the leader of the far-Right Front National, Mr Sarkozy is quoted as saying she reminds him of a vulgar "removal man".

"She's a lump. She looks butch," he mimes with an air of disgust, his shoulders squared.

In one outburst against Mr Hollande, who beat Mr Sarkozy in 2012, the conservative tells Nathalie Schuck and Frédéric Gerschel, both *Le Parisien* jour-

nalists, of Valérie Trierweiler, who was dumped by the president after reports of his affair with actress Julie Gayet.

"What a cad. It says a lot about the character," he exclaims in January, warning that "we haven't heard the last of Valérie Trierweiler". A few months later, she released her devastating and damaging memoirs *Thank You for This Moment*.

However, Mr Sarkozy has short shrift for Mr Hollande's spurned ex-girlfriend, as he has for his own political opponents

the past two months, has equally short shrift for his own camp. He is said to describe members of the UMP party he hopes to lead in primaries this month as "all idiots".

François Fillon, his ex-prime minister with whom he is no longer on speaking terms, is described as "a loser" - "apparently he suffered a lot over the past five years [as prime minister]. Maybe I should have put him out of his misery."

As for Alain Juppé, Mr Sarkozy's most