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## Cash: Property: Yes Minister, that was a dumb deal: Mandygate, Tessagate, Bristolgate... Politicians seem to have a knack for unwise property investments, reports Jessie Hewitson

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WHAT IS it with politicians and property? They just can't seem to get it right - and it often lands them in trouble.

Consider Peter Mandelson (and his generous loan from Geoffrey Robinson), John Prescott (unpaid council tax; last weekend's press accusations over planning permission), Tessa Jowell (all those complex mortgages) and Tony and Cherie Blair (where to start?): over the years they have all demonstrated surprisingly poor property judgment.

**Robert Bailey**, a buying agent who has helped a number of politicians find properties, mainly in Westminster, points to budget constraints. 'A lot of politicians do not have a vast income,' he explains. 'They don't earn the same money as their educational and social peers.'

Which brings us to Mandelson. In 1998 a cabinet minister earned £ 61,650 a year (£ 133,997 today), more than enough for a comfortable standard of living, but not nearly enough for that Notting Hill des res - one reason, perhaps, to accept a £ 373,000 interest-free loan from his government colleague Robinson.

Earlier this year Deputy Prime Minister Prescott had to repay £ 3,830 for non-payment of Admiralty House council tax bills - and he is in charge of council tax.

The Blairs were doing well until Tony won the election in 1997, but lost their way soon after. Living in a highly desirable, six-bedroom house in Richmond Crescent, Islington, north London, they would have been perfectly placed to make serious money from the housing market if they had remained there for a few more years. Instead, they moved into 10 Downing Street and sold for £ 615,000. According to the Islington ranch of Savills, the property is now worth £ 1.75m.

Smarting from the loss of a cool million, the Blairs looked to invest in two properties in Bristol. The curious thing is why Cherie (and presumably Tony) decided to trust Australian fraudster Peter Foster to help them with the deal, rather than a property professional.

On Cherie's behalf, Foster had bought two city centre flats in Park Row for £ 535,000 (£ 267,500 each). He negotiated a reported £ 9,000 discount, which raised a few eyebrows. Aside from that, agreeing to go over the stamp duty threshold was a big mistake; most people are obviously reluctant to pay an extra £ 5,000 in tax on a property slightly over the £ 250,000 mark. A Bristol-based agent confirmed that he had recently sold some identically sized flats in the same block for between £ 240,000 and £ 250,000.

On to Connaught Square in north-west London, where the Blairs bought a house in 2004 for £ 3.5m. According to an article in Money Week around that time - 'The Blairs are buying: time to sell' - the property had been on the market for four years. When the vendors, the Bevan family, were offered the full asking price, they 'couldn't believe their luck'.

London estate agents talked of little else: why on earth had the Blairs chosen that property? Cliff Gardiner of The Buying Solution, the independent buying agency arm of Knight Frank, believes they may have fallen into the trap of believing what the estate agent was telling them: 'Foxtons no doubt painted a very rosy picture of the rental yields and resale value. The reality is that these houses struggle to sell on the open market, never mind attract a tenant.'

Bailey agrees: 'It's gloomy, not a popular area at all. The house doesn't have a proper garden, so families aren't interested in renting it. It's ill and narrow and they could have done much better if they had done their research.'

All of which shows that intelligent people don't necessarily make the cleverest decisions when buying, perhaps because they don't have time to consider the facts properly. There is no substitute for research - and good luck.

Someone who appears to have more property nous is Conservative leader David Cameron, who has just bought a property in Ladbroke

Grove, west London. Keith Rigby, of estate agent Bective Leslie Marsh, who handled the sale, refused to comment on the property, but when asked if it was a wise investment he paused and replied: 'Probably.'

Better than a 'no' then, which makes Cameron a more successful property investor than Blair. But if he ever becomes Prime Minister, will the Tory leader's judgment desert him too?

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