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The Right Rev David Walker said that many vicarages in the south east of England were at risk from the mansion tax

PA

Mansion tax could force vicars out of parishes, Bishop warns

High-value vicarages must be exempt from the tax — priests need to live in their communities, says the Lord Bishop of Manchester



Mary Downer, Trainee Money Journalist

Tuesday December 09 2025, 12.20pm, The Times

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Vicars could be forced out of their parishes under the chancellor’s mansion tax raid, a senior bishop has warned.

The Right Rev David Walker, the Lord Bishop of Manchester, said that many vicarages in the south of England were worth

Mansion tax

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tax, nor can dioceses simply absorb the costs.”

Rachel Reeves, the chancellor, is to introduce a new “high value council tax surcharge” on properties worth over £2 million from 2028. Owners will have to pay between £2,500 and £7,500 a year, depending on their property’s value.

This so-called mansion tax has been criticised for unfairly targeting those who are asset-rich but cash-poor, such as pensioners.

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Walker said: “In many parts of London and the south east, location factors mean that even in a relatively poor parish, the vicarage will have a capital value over the £2 million threshold.”

He said that modern vicarages were “rarely as large and luxurious as some of former times”, but needed to be big enough to accommodate the priest and their household, to hold meetings, host parishioners, and have study and office space.

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MANSION TAX

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Walker said that living among the church community “ensures that parishioners have easy access to them and that the vicar is a visible face on the streets of the parish, not merely another middle-class commuter”.

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He urged ministers to meet with church representatives to discuss an extension of existing tax exemptions on the residences of ministers.

In an interview with The Telegraph, Walker said he may be forced change the rules to allow vicars to move to homes further out to avoid the mansion tax. However, he said it would be “a hugely detrimental change to how clergy have ministered to parishioners for centuries”.

Vicars are exempt from the income tax that would usually be due on their accommodation, which is considered to be a benefit in kind.

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Church is not known.

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The Treasury believes that the mansion tax could raise £400-£450 million a year.

The government has said that those who are unable to pay the annual charges will be able to defer payments until they die or move house.

The Treasury has said that property owners, not residents, will pay the surcharge. "We will consult on potential exemptions and reliefs in early 2026, including for individuals required to live in a property as a condition of their job."

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