

Attention:

Rt Hon Jacinda Ardern
Prime Minister

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Hon Grant Robertson
Minister of Finance

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Hon David Parker
Minister of Revenue

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Hon Megan Woods
Minister of Housing

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Tuesday 28 September 2021

Dear Ministers,

We acknowledge the release of the supplementary order paper (SOP) detailing decisions made by the Government in respect of changes to interest deductibility rules.

As we outlined in our letter to you in June of this year, our view is that the proposed changes will not only serve to dampen development in New Zealand but cause uncertainty in the property sector at a time where maximum clarity and certainty is needed.

Today represents a missed opportunity for the Government to show some real leadership when it comes to innovative ways of increasing housing supply in New Zealand.

Our recovery from COVID-19 requires all industries to have the best possible opportunity to kick back into action, and from our perspective we feel these changes will take the property sector back several steps.

We continue to offer our assistance to you to work through the complex challenges our sector faces. Rather than taxing our way out of the problem, we can help identify and support ideas which incentivise developers and the broader property industry to increase supply and make it sustainable for the long term.

We are proud to have worked alongside your Government to help offer real solutions to New Zealand's housing woes. Build-to-Rent, for example, is flourishing in other comparable countries like Australia and the United Kingdom. Today does nothing to seize this opportunity for better rental accommodation in New Zealand. Ultimately, this means less supply for kiwi families. We hope this is a serious consideration of yours going forward, as well as the many other levers and opportunities you have at your disposal.

Property Council and its members will continue to advocate for these solutions as the process continues. We would welcome an opportunity to discuss our concerns with you further and work with you to tackle New Zealand's housing crisis and help more Kiwis into homes.

Yours sincerely



Leonie Freeman
Chief Executive