

FOR IMMEDIATE RELEASE

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Interest deductibility changes highlight government's lack of ambition

Today's interest deductibility changes confirm the Government's lack of ambition in dealing with the housing and rental crisis, Property Council Chief Executive Leonie Freeman says.

"Grant Robertson is right when he says 'tax is neither the cause nor the solution to the housing problem.' Our question is, why is it the only lever the Government seems willing to pull?

"You cannot tax your way out of the problem. For us to be innovative about solutions the Government has to work with the men and women across the industry who are fighting to increase the options for Kiwis in dire need of better housing.

"Our recovery from COVID-19 requires all industries to have the best possible opportunity to kick back into action.

"While the exemption for new builds is welcomed, it will not incentivise one extra home to be built for a deserving Kiwi family.

"Property Council New Zealand has been a passionate advocate for Build-to-Rent in New Zealand as a solution to some of our housing woes, and today's announcement sadly does little to advance that cause.

"We are disappointed that the Government hasn't looked to incentivise a truly game-changing asset class which would see more options for Kiwi renters.

"Build-to-Rent is flourishing in other comparable countries like Australia and the United Kingdom. Today's announcement does nothing to seize this opportunity for better rental accommodation in New Zealand. Ultimately, this means less supply for Kiwi families.

"We requested that Build-to-Rent developments be specifically exempt from the interest deductibility proposal to encourage this dynamic new asset class. These changes will do nothing to unleash Build-to-Rent's potential, side-lining what could have been a potential gamechanger for the local rental market.

"The Government has long said it aims to tackle New Zealand's housing crisis and help more Kiwis into homes. We don't see any of that ambition in today's announcement."

ENDS.

For further comment please contact:

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Note to the Editor: Please find attached a letter to Ministers on the interest deductibility changes, sent today.