

Changes to tax rules punish tenants

“All rental property owners should continue to be allowed to claim mortgage interest as a legitimate tax deduction,” said Tim Horsbrugh, NZ Property Investors Federation (NZPIF) Executive Committee member when addressing the Finance and Expenditure Select Committee last week. “The Government says that a key part of only allowing large BTR developers to do this is requiring them to provide tenants with long term security of tenure.”

NZPIF emphasises this could also be achieved by developing a new long term tenancy option in addition to the existing periodic and fixed term options currently available. This option would then be more widely available to tenants who would value better security of tenure. In fact the long term tenancy option aligns with a Plan to Fix the Rental Crisis which NZPIF circulated to politicians and media earlier this year. This Plan is available on the NZPIF website.

Horsbrugh is President of the Wairarapa Property Investors Association and also represents ordinary ‘mum and dad’ investors. He said that although the objective of removing interest deductibility was said to be to improve affordability for first home buyers by reducing investor demand for existing housing stock, this objective had not been met. Instead, the shortage of rental property has been made worse, leading to higher levels of homelessness, reduced availability of rental property and higher rental prices.

For further information please contact

Sue Harrison, NZPIF President – sue.harrison@nzpif.org.nz 0275479739

Peter Lewis, NZPIF Vice President – pvlewisnz@gmail.com 0274520511