

Tax Working Group Public Submissions Information Release

Release Document

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people;
- [2] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [1] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

Sir Michael Cullen

Tax Advisory Group.
Wellington

17/10/2016

Dear Sir,

Enclose some of the letters I've sent re housing, I even wrote to Bill Birch. Achieved nothing. When Gareth Morgan boasts of having six houses not rented in Wellington to avoid maintenance you know something's wrong.

I expect nothing from your group because it's so obvious.

Yours faithfully [1]

Richard Owen
[1]

8 September 2013



The Rt. Hon. Nick Smith
Minister for Housing
Parliament Buildings
Wellington.

cc Rt Hon Bill English

Re: Increasing House Prices

Dear Sir,

If all interest charges on stand-alone rental houses were not deductible that would make an even playing field for all house buyers.

At present there are builders offering house investments, there are people who own hundreds of rental houses all expecting a capital gain.

Holiday houses are not deductible and not deducting the interest would not increase rents. Investment buyers can afford to pay more for houses because they can deduct interest. *E.S.T. rates, insurance etc.*

There would be a flood of properties for sale if the investor-owners could not deduct the interest.

Yours sincerely

A handwritten signature in black ink that reads "Richard Owen".

Richard Owen

Richard Owen

[1]

18 December 2013

The Governor
The Reserve Bank
PO Box 2498
Wellington

Re. Housing mortgages in New Zealand

Dear Mr Walker,

I have previously written to Mr English and Nick Smith about mortgages. If they were to make interest rates on stand-alone investment houses non-deductible they would make it an even playing field for first time buyers.

That market is usually modest houses but with some investors owning hundreds, all looking for capital gains, deducting rates, insurance and maintenance and some even GST, how can first home buyers compete?

I feel it is morally wrong. I have had no reply from the ministers yet it seems so obvious.

Raising interest rates will only revalue our dollar and hinder the rebuild of Christchurch, which is marginally economic as it is. It will also slow the building of houses elsewhere.

Yours faithfully,



Richard Owen

Richard Owen
[1]

27 October 2014

The Prime Minister
The Right Honourable John Key
Parliament House
Wellington

Cc: Nicky Wagner

Dear Prime Minister,

I am deeply concerned about escalating house prices. New Zealand is being divided into a nation where existing homeowners can use rising house values as equity to purchase further rental properties, while those without properties can barely get a foothold on the lowest rung of the property ladder. I know of some people who own hundreds or even thousands of detached, stand-alone houses. We are condemning an entire generation of New Zealanders to be renters with no pride in the quality of their community or the dwelling they live in. I have attached an article from the Press illustrating some of the toxic effects this can have of neighbourhoods where everyone is a renter. Because interest rates and maintenance are tax deductible for investors, it creates an uneven playing field, with first-home buyers as the losers. Investors should not be incentivised to purchase detached, stand-alone houses as rental properties. If the deductions that reward investment in these types of properties were removed, more investment would flow into the equity investments that help New Zealand business grow.

Where the government could play a role in encouraging housing investment is to promote the building of blocks of flats. Subsidies for building architecturally designed blocks of flats existed in the 1930's, with rents fixed at 5% of government valuation, ensuring stable, predictable returns for investors. Many of these blocks of flats still exist today. Private sector investment in multi-unit dwellings could ease housing shortages that are particularly acute in Christchurch while rejuvenating depressed areas such as Linwood and Aranui.

Yours faithfully,



Richard Owen

passed on to Nick South!

Richard Owen

[1]

27th May 2016

The Hon Nicky Wagner MP
Parliament Buildings
Private Bag
Wellington

CC Nick Smith, Bill English, Kathryn Ryan at RNZ National, Andrew Little

Dear Nicky,

I am disappointed that I have not had the courtesy of a reply to my letters re housing from the ministers, except one from the Reserve Bank which said it was a political matter and agreed that something needed to be done.

Since last year mortgage lending to investors has risen from 70-80% of total home lending. Investors' purchases have risen from 45-50% of houses sold this year and in some areas up to 80% and the frenzy has spread to Wellington.

That your Finance Minister can ignore the advantages investors have in deducting rates, maintenance, interest and in many cases G.S.T from their purchases is totally unfair to first-home buyers. Some investors don't even bother to rent the houses and I know of investors with up to a thousand properties.

Housing is a resource; there is no shortage. All stand-alone houses and apartments with their own titles should have non-deductable expenses including G.S.T. That your ministers cannot see the obvious is worrying indeed. Fail to act and there will be a monumental recession.

Before the war we had subsidies for blocks of flats built to an architectural standard. The rents were governed by being no more than 5% of GV. This encourage the building of many affordable flats, still unique today i.e. Mildenhall, West Avon, College Flats etc in Christchurch.

The Reserve Bank has been worrying for decades about NZ'S infatuation with house investment. It is time your government made it an even playing field.

Yours Faithfully,

Richard Owen

