

Media Release

For Immediate Release

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ABOLISHING NEGATIVE GEARING WON'T FIX HOUSING AFFORDABILITY

The latest calls to wind back negative gearing miss the point when it comes to fixing Australia's housing affordability issues.

"Changing negative gearing risks making housing in Australia less affordable by discouraging investment in new dwellings", said UDIA National President Cameron Shephard.

Australia's existing negative gearing arrangements have long been established in Australia's property market, and any changes are likely to reduce certainty, distort investment decisions, and cause a reduction in the level of investment in new residential property.

"This could result in a decline in the supply of new dwellings and activity in the development and construction industries, which would hurt employment and lower government revenue from housing related taxes."

Housing affordability is a major issue in Australia and our governments must take action to address the causes, but changing negative gearing is not the answer.

"Quite simply, demand for housing in Australia is outstripping supply, and this urgently needs to be addressed".

"To make our housing more affordable we need to address the high taxes and charges on new housing such as stamp duties, remove excessive red tape and restrictive planning constraints, and increase our investment in housing related infrastructure", Mr Shephard concluded.

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