



**MEDIA RELEASE**

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## Significant support for capital gains tax on investment properties

A capital gains tax on all property is opposed by 82% of New Zealanders despite suggestions it could help more people buy their first home, polling by Research New Zealand shows.

However if family homes were excluded, support for a capital gains tax on investment properties swells from 13% to 41%, the poll found.

Research New Zealand Director Emanuel Kalafatelis said it was significant how opposition to a capital gains tax softened if it applied only to investment properties.

The other significant factor was that the rejection of a general capital gains tax that included a person or families first home was consistent across all income levels and age groups, Mr Kalafatelis said.

“We know that home ownership is less affordable for those on lower incomes but there was no significant difference across varying income levels in opposition to a blanket capital gains tax,” Mr Kalafatelis said.

“It’s pretty clear that New Zealanders believe their home is their castle and it should be exempt from capital gains tax, even if they are not in a position to buy right now,” Mr Kalafatelis said.

“This indicates that New Zealanders, by and large, have not given up on the dream of owning their own first home and, more importantly, of having the opportunity to sell it tax free to buy a better home in the future,” Mr Kalafatelis said.

The poll was taken after the possibility of a capital gains tax on all or investment properties only was raised on February 13 by Auckland City Councillor Richard Northey as a way of helping to make housing more affordable.

Mr Northey argued that Reserve Bank interest rate hikes were not taking the heat out of the housing market because of the almost guaranteed high capital gains on property ownership.

Survey participants were asked: *There has also been some media coverage lately about introducing a 'capital gains tax'. This is where people would have to pay tax on the profit they make when they sell a property. Would you support the introduction of a capital gains tax?*

The results, which are outlined in the table below, did not vary significantly by age, sex, income level or ethnicity.

Yes	13%
No	82%
Don't know	4%
Total	100%

Total does not add up to 100% due to rounding.

Poll participants were also asked: *Would you support the introduction of this tax if it only applied to the sale of investment properties, and not to people selling their family home?*

Yes	41
No	54
Don't know	5
Total	100

Total does not add up to 100% due to rounding.

*The omnibus survey of 501 randomly selected people aged 15 and over was conducted by telephone between February 20 and 28. The margin of error is +/- 4.7% (at the 95% confidence level). The data has been weighted to ensure it's an accurate representation of New Zealand's general public. The poll was taken as part of Research New Zealand's monthly survey of attitudes and opinions.*

**Ends**

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