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## **REIA responds to oppositions start date for negative gearing and capital gains tax changes**

The Real Estate Institute of Australia (REIA) has reiterated its strong opposition to the Labor Party's negative gearing and capital gains tax policy following the announcement that the 1 January 2020 would be the start date for their negative gearing and capital gains tax increases if they were to win the Federal election.

"The REIA has always been concerned with the impact the policy would have on housing markets, buyers, renters and economic activity," REIA President Adrian Kelly said.

"This concern is magnified in the current market.

"There is almost truck loads of analysis and reports showing the adverse impacts of the policy on mum and dad investors, home owners, renters, the construction industry, state governments and the economy.

"The latest was last week when SQM Research showed that: house prices would drop between 5% to 12% on a weighted average for the capital cities for 2020 to 2022 over and above any other falls being experienced; rents are expected to increase by between 8% and 15% on a weighted average for the capital cities for 2020 to 2022; housing construction activity will fall by 25% to 30% from 2019 levels, which; will have employment and GDP impacts; property sales turnover is forecast to fall by a further 12% to 15%, resulting in; a drop in state stamp duty revenue of approximately \$2.3 billion.

"For first home buyers, who according to Labor, should see improved housing affordability by a "levelling of the playing field" will now face a faltering economy, lower employment prospects, the possibility of higher interest rates under a Labor Government\* and higher rents whilst they save for a deposit," Mr Kelly said.

**The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia. For further information or to interview REIA President Adrian Kelly please contact Helen Hull at [media@reia.com.au](mailto:media@reia.com.au) or 0419 642 961.**

*\*Labor may force RBA to raise rates says McKibbin - Jacob Greber AFR – 25 March, 2019*