

Barfoot & Thompson's Peter Thompson says new rules aimed at cooling the Auckland housing market will have an impact, but isn't sure when they will start to bite

Posted in [Property](#) June 05, 2015 Greg Ninness

The head of Auckland's largest real estate agency believes the new tax rules and mortgage lending restrictions on investment properties will have an effect, but doubts they will lead to a fall in prices.

In a [Double Shot video interview](#), Barfoot & Thompson managing director Peter Thompson, said most property investors would not be affected by proposed [new tax rules](#) which would mean capital gains would automatically be taxable on residential investment properties sold within two years of purchase.

"For the long term investor, it won't hurt them at all and most investors are long term," Thompson said.

However that did not mean the new rules, which will also affect how [much of the purchase price investors would be able to borrow to buy Auckland properties](#), would not have an effect on the market.

"At some stage it will have an impact. But just when that is, that will be the million dollar question," he said.

"But it's not going to sort the main issue of what we're going through at the moment and that's a lack of supply.

"I can't see a fall off in demand for some time yet."

Thompson said Auckland's growing population, fuelled by people moving to the region from elsewhere within New Zealand and from overseas, meant population projections for the region made just five years ago had been well exceeded.

He was concerned about the pressure that was putting on the region's infrastructure.

"That's starting to put pressure on roading and sewerage and that is a concern.

"You can keep building houses but you have to have the facilities that go with it," he said.

Thompson said he would like to see the current LVR (Loan to Valuation Ratio) lending rules eased on all properties priced under \$500,000, to free up sales of more affordable properties.

But he was hopeful that the exemption of newly built homes from the LVR restrictions would start to see more homes being developed in districts such as Manukau and Rodney, where prices should be lower, putting them more within reach of first home buyers