

MPs' Real Property Interests

Keith Rankin, 12 May 2015

Looking at the [2015 Register of Pecuniary Interests of Members of Parliament](#), I note that 'real property' interests are not listed in a systematic way. The information given says little about how those properties are being used.

This document is interesting as a sample of the financial wealth of a group of richer-than-average New Zealanders. It's not a representative sample, of course, because MPs have special needs, in particular to have residences in their electorates and in Wellington

Within this list I looked at a brief sample: MPs whose names begin with A or B.

Amy Adams has two lots of "bare land" and a "vacant section". What economic uses are those lands being put to? Or is she (or the trust she has an interest in) holding this land purely for speculative purposes? And is the one residential property her own private residence? Many other MPs have a "family home" listed. Is this her family home? Is it a second residence? Is it let to tenants? Or is it an empty property?

Kanwaljit Singh Bakshi holds "investment properties". Are they being let to tenants? We might presume so, but cannot be sure. They might be empty. Others – Chris Bishop and Mahesh Bindra – have "rental properties" which I would presume are being let to tenants. What is the difference here (if any) between the "investment properties" of one MP compared to the "rental properties" of others?

Paula Bennett owns three "houses" in Auckland, none of which are listed as "investment" or "rental properties". The inference is that none of these houses have been made available to tenants. How common is it for one household to own multiple untenanted urban residences? Maybe it is quite common? Certainly the practice of acquiring multiple untenanted residences in Auckland, to the extent that it exists, represents a shrinkage of the supply of houses available to Auckland families.

Likewise Gerry Brownlee owns multiple "residential properties" in Christchurch plus a "section" in Havelock. What is the difference between a Brownlee "residential property" and a Bennett "house"? Is Mr Brownlee a property speculator, an urban gentleman, or a good landlord with happy tenants? The information given gives no clue as to whether his properties are also some families' homes.

Chris Bishop and Mahesh Bindra only own "rental properties". This suggests that they are both renting their own private residences. Reflecting on this list as being a sample of the New Zealand population at large, it suggests that it may not be uncommon for people to rent-out to tenants the only house that they own. (Certainly I have been in that situation.) We urgently need to revise the tax rules so that people letting their only house and also paying rent on their actual home should be treated differently by the tax-man from regular investors with multiple properties and who are not themselves paying rent.

When it comes to "real property", I don't particularly care what people own, and who owns what. What I do care about is the economic uses that such property is put to. Our economy is quite inefficient if it is quite common for valuable real property to be being unused or little used. The apparently intractable housing supply issues of Auckland and Christchurch cannot be resolved if we have a domestic upper middle class that accumulates wealth by owning property but not putting that property to economic use.
