



Negative Gearing Naysayers Are Wrong; Property Investment Expert Says

Property Club president Kevin Young believes the proposed changes to negative gearing will be a boost to the economy and make housing more affordable.

Mr Young said retaining negative gearing on new housing will create jobs, increase rental stock and generate local, state and federal taxes.

"Demand for property has increased over the past seven years, however, the supply of units and townhouses has dropped 15% and 20% respectively. These changes provide a buying opportunity," he said.

"Of course, this means there is a misallocation of resources with a comparative jump of 65% in the building of inner city high rise - these buyers will be the losers."

Mr Young has been investing in property for over 50 years. As the founder of The Property Club has helped thousands of people enter the property market.

"Over the past five decades, I have seen buyers take control of the market, dictating what they want to builders ... and vice a verse. That is what I love about property," he said.

"Every time there is a change in legislation or policy, there are the loud voices who are crying foul.

"As with every change, there will always be winners and losers. If you knew there was going to be an upcoming shortage in bananas but an increase in the population wanting bananas would you buy bananas now and hold them before this rise in price?"

Kevin said the introduction of negative gearing solely on new dwellings will affect the supply and demand a "whopping fourteen times".

"Currently, only 7% of property investors buy new. This means there will be fourteen times the number of new buyers after the next election due in September this year. So the demand is certainly going to increase dramatically," he said.

Kevin will be sharing his insights into the future of the Australian property market at the 2016 Wealth and Property Expo 3 – 6 March at Royal Pines Resort.

Bernard Salt is the keynote speaker, who will shed light on where Australians will live in the coming years.

Mr Young said Bernard Salt will explore how the property market will need to respond to the demands of tenants in light of where we will be living.

"This raises questions about where people should be buying investment properties," he said.

The expo also features Gold Coast Mayor Tom Tate, who will talk about how the Commonwealth Games will impact the Coast's economy and property.

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