

AUSTRALIAN TAX ADVISER

Issue 2509 / May 2025

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Section 1 – Professional Developments

REAL ESTATE AGAIN IN THE SPOTLIGHT

In the run-up to the 2025 General Election, much has been said about the so-called 'property crisis' affecting (mainly) first home buyers. Theories abound as to the cause of this phenomenon, with almost as many theories as there are political parties. Key topics include those blaming immigration policies and others that relate to our tax system, specifically the Capital Gains Tax (CGT) concessions. According to the tax analysis released by Treasury in January, 1.1 million Australians had negatively geared properties in the 2021–22 income year, and most of the financial benefits from these concessions accrue to high-income owners. According to Treasury:

'Rental deductions are most commonly claimed by those with higher taxable incomes, with individuals in the top 30 per cent of taxable income accruing 65 per cent of the total benefit...'

It is beyond the scope of this article to enter into microeconomic debates about these causes – suffice to say that many Australians believe that we have a problem with affordable housing in this country.

At the time of writing this article, the Australian General Election had not yet been held, but there is currently speculation about the possibility of the result producing a hung Parliament. That being the case, it is likely that the Greens could hold the balance of power and may use that power to pressure a minority government to implement one or more of their policies.

¶9.1 The Greens Housing Policy

One policy in particular that has grabbed the attention of the media is the Greens' approach to the housing market in general and the rental property market in particular. We should preface our comments by pointing out that this publication has not (nor will be) party political, so the policies outlined below are merely a reflection of the stated policies announced by the Greens on their own websites.

In a nutshell, the Greens' policy¹ would be to end tax breaks for so-called 'wealthy property investors' by:

- 'Grandfathering negative gearing and the 50% CGT discount to one investment property, protecting 'mum and dad' investors. People will be able to keep existing negative gearing and CGT discount benefits for **one** investment property they already own (purchased before the policy commences). [our emphasis]

¹ [Fixing property investor tax breaks a Greens priority in minority Government.](#)