

21 March 2019

Mr Yang Yang  
fyi-request-9642-1b9cc333@requests.fyi.org.nz

Dear Mr Yang

Thank you for your request made under the Official Information Act 1982 (the OIA), received on 21 February 2019. You requested the following:

- *The number of tax returns that generated rental profit for the same 85 regions from 1997-2016*
- *The number of tax returns that generated rental loss for the same 85 regions from 1997-2016*

On 27 February 2019 you spoke to one of our Senior Financial Analysts and discussed the pitfalls of categorising the data-set according to NZ Post's postcode regions. You acknowledged that the data could lead to misrepresentation and misinterpretation of results but clarified that you would still like the regional breakdowns.

An excel spreadsheet containing data about total rental profits, total rental losses, and total net rental income from 1997 to 2016 (by region) has been attached to this response.

Since your last OIA request, we have revised the data set by further refining the querying method. As a result, we are also providing the newly revised dollar value of rental activity with the requested volume data.

There remain strong limitations to regional breakdowns of Inland Revenue tax administrative data due to insufficient coverage in some areas (for example, non-filers with old/missing addresses). More importantly, tax returns do not individually identify the region where the aggregated net residential rental income or loss is related to. For example, aggregated residential rental income reported from Auckland does not necessarily mean that all the rental activities were located in the Auckland region.

The regional breakdown provided in this response is based on post codes contained in the address of the filer of relevant tax returns. The regions that are provided are NZ Post's postcode regions, rather than territorial authority or regional council boundaries.

Again, please note that taxpayers with residential rental income were identified from a generic search on business activities. This exercise attempted to exclude other rental activity such as commercial property, but since taxpayers often do not provide sufficiently clear descriptive details, an element of commercial or other non-residential rental activity (for example, a boat renting business) may remain.

Thank you for your request. I trust the information we were able to provide is of some use to you.

Yours sincerely



Sandra Watson  
**Manager, Forecasting and Analysis**

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