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Dear Sir

HM Treasury consultation: Implementing a capital gains tax on non-residents

As you will be aware, HMRC published a consultation document in March 2014 which sets out the government's proposed approach to introducing the charge on non-residents disposing of UK residential property.

GPE has engaged with and contributed to the British Property Federation's ("BPF's") response to HMRC on behalf of the real estate sector. GPE endorses the views expressed within the BPF's response as a reflection of its own views.

One specific point to mention is that while we appreciate that the intention of government is to equalise the capital gains treatment of non-residents and residents, the housing crisis in the UK has partly been due to the insufficient amount of new housing being built in recent decades. Much of the interest in building new stock has been from global investors who team up with domestic developers and property managers to deliver the final product. Changing the current system of capital gains tax could have unintended consequences for this global investment into the UK. A capital gains tax on non-residents could result in planned investment in UK residential property being placed elsewhere.

Yours faithfully