

HOUSING INDUSTRY TAX INCREASES COMING TO EFFECT

Land Tax – from 1st January 2024

The impact is to investment, commercial and holiday home properties, this additional land tax has been applied to land valued above \$50k. This is up from the previous threshold of \$300k.

This will cost property owners \$500 if their land value is between \$50k to \$100k or \$975 if their land is valued between \$100k to \$300k. Land worth more than \$300k will incur a \$975 fee plus 0.1% of the value above \$300k.

An example of the impact on \$500k land value is \$1175.

Absentee owner Charge – from 1st January 2024

The existing surcharge has been doubled from 2% of a property's dutiable land value to 4%. This impacts the estimated 4,000 Australians living overseas at the moment.

An example of the impact on \$500k land value is a tax of \$11,175 including land tax increase.

Gas Substitution from 1st January 2024

Gas connections will be phased out for new home approvals. This is estimated to impact 40,000 homes with a cost impact between \$2250 - \$5300 depending on the appliances.

National Construction Code from 1st May 2024

Homes approved for construction after 1st May will need to be built to a 7-star energy efficient standard. This is estimated to impact 50,000 homes per year with a cost impact between \$30,000 to \$40,000 for a new home.

Short stay accommodation from 1st January 2025

A 7.5% levy on income from homes listed for rent for short stay accommodation. Impacts 36,000 properties costing an additional \$750 for every \$10,000 rent.

Vacant residential land tax from 1st January 2025

A 1% land tax addition on the capital improved value of a home deemed vacant and applicable in inner and middle ring Melbourne suburbs. This will expand to all homes in Victoria. The cost increase on \$500k value of a home is \$5k.

By Nathan Mawby

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