

Media Release

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BUILDING MORE HOMES AND FREEING UP MORE HOMES TO RENT

More unoccupied Victorian properties will be put up for rent and vacant land developed to build new homes – boosting housing supply and affordability across Victoria.

Legislation to be introduced to the Victorian Parliament this week will provide a financial incentive for owners to rent out empty homes or develop long-term vacant land – providing more homes and more options for Victorians during the critical housing crisis.

The changes will extend the Vacant Residential Land Tax (VRLT) – currently applied to empty residential properties in Melbourne’s inner and middle suburbs for more than six months – to unoccupied residential properties across the entire state.

The move will encourage owners of unoccupied homes in Melbourne’s outer suburbs and regional Victoria to make these dwellings available for rent or sale – working to ease the housing pressures being felt right across the country.

It will have a flow-on effect to the rental market by boosting housing stock and helping to ease pressure on rents and prices – providing Victorians with more choice when it comes to where they want to live.

The period that properties can be deemed vacant will start on 1 January 2024, with the change commencing in 2025.

Existing exemptions will continue to apply statewide, including to holiday homes, properties recently acquired or regularly occupied for work purposes, and properties being built or renovated.

Changes will also apply to residential land that has been undeveloped for more than five years in established areas of Melbourne, to discourage long-term land banking and encourage new housing developments.

This change will close a loophole where VRLT did not apply to unimproved land, enabling this land to slip through the cracks, despite being appropriate for residential development.

From 1 January 2026, residential land undeveloped for more than five years in established areas of Melbourne will become liable, applying to an estimated 3,000 undeveloped properties.

The proposed legislation will prohibit unfair apportioning of land tax and windfall gains tax burdens to purchasers through property transfers and will also make total purchase costs more transparent.

Quotes attributable to Treasurer Tim Pallas

“Nothing is more important than finding a place to call home, that you can afford, close to the work, services or community you rely on.”

“We know the best thing you can do to make homes more affordable is supply more of them – this is all about freeing up empty houses for rent and vacant land for new homes, particularly across the outer suburbs and regional Victoria.”