

# Media Release

The Hon Daniel Andrews MP  
Premier



Thursday, 9 November, 2017

## **WARNING ON EMPTY INVESTMENT HOUSES: RENT, SELL OR PAY MORE**

The Andrews Labor Government is urging investors with empty properties in inner Melbourne to sell them or rent them, or face paying more under new laws designed to boost supply and meet growing demand for housing.

Premier Daniel Andrews made the call to action while visiting Darebin today – an area where it is estimated more than 50 properties are believed to be sitting vacant.

Neighbouring areas are even worse, with the most recent data showing that more than a thousand properties are vacant in the City of Yarra, more than 1,700 are empty in Moonee Valley and more than 2,500 are unused in the City of Melbourne.

These houses should be filled with families and workers, living close to schools, transport and services they need.

To combat this huge number of properties being left idle, the Vacant Residential Property Tax (VRPT) will start on 1 January next year and be levied on dwellings that are vacant for more than six months in a calendar year.

It will only apply to properties in 16 inner Melbourne councils, where there is huge demand for affordable housing. Across metropolitan Melbourne it is estimated that up to 20,000 properties are sitting empty and unused.

The VRPT is designed to reduce the number of houses and apartments being left vacant in the inner and middle ring of Melbourne – boosting supply and making housing and renting more affordable.

The VRPT will apply annually at a rate of 1 per cent of the property's capital improved value. Like land tax, it will be payable on a calendar-year basis and there are exemptions for holiday homes, city units for work purposes, and properties in deceased estates.

The VRPT was introduced as part of the *Homes for Victorians* package announced earlier in the year, which also included slashing stamp duty for first homebuyers.

More than three thousand first home buyers have benefitted from these changes, which abolish stamp duty for first home buyers on properties valued under \$600,000, and provide concessions for houses between \$600,000 and \$750,000.

It also builds on the Labor Government's rental fairness package, which gives tenants more rights, helps them stay on longer leases, makes bonds smaller and fairer, and cracks down on dodgy landlords.

### **Quotes attributable to Premier Daniel Andrews**

*"In a time when so many Victorians are trying to get into affordable housing, these homes shouldn't be sitting idle and unused."*

*"We don't want this measure to raise a cent – we just want these empty houses filled with families."*

*"We're tackling housing affordability and making renting fair – because people deserve a good home, close to services, in an area they want to live."*