

Media Release

Mr Tim Pallas MP
Treasurer
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MAKING MORE HOMES AVAILABLE FOR VICTORIANS

The Allan Labor Government is cracking down on vacant properties across Melbourne to make more homes available to Victorians who need them.

Hundreds of properties in apartment towers have been identified as vacant for more than six months through a compliance investigation, making them liable for vacant residential land tax (VRLT).

These investigations aim to make better use of empty homes by encouraging owners to put them on the rental market to avoid paying VRLT.

In the five buildings targeted in the investigation, 177 properties were liable for VRLT – resulting in 337 VRLT assessments covering the 2019 to 2024 land tax years. The investigation will now expand to another 13 apartment towers, as well as houses in the inner and middle suburbs of Melbourne.

From 1 January 2025, VRLT will apply to homes across all of Victoria if they are vacant for more than six months in the preceding calendar year. The tax currently only applies to Melbourne’s inner and middle suburbs.

The use of a vacant residential property in 2024 will impact its liability for VRLT in 2025. For example, an apartment not used as a principal place of residence will need to be rented out for at least six months to avoid receiving a VRLT assessment next year.

An escalating rate of tax will also apply, based on the number of consecutive years the land has been liable for VRLT.

Existing dwellings that are vacant for one year will still pay 1 per cent of the capital improved value, but those vacant for two consecutive years will pay 2 per cent and those vacant for three or more consecutive years will pay 3 per cent – encouraging owners of vacant homes to make these properties available to live in.

Holiday homes are typically exempt from VRLT, and this exemption has been expanded to include properties held in trust or owned by companies. Any property that is exempt from land tax – including property used for primary production or owned by a charity – is also exempt from VRLT.

From 1 January 2026, the VRLT will also apply to empty residential blocks in the inner and middle parts of Melbourne, discouraging land banking and incentivising owners to build more homes.

Victorians can notify the State Revenue Office about a vacant property that could be used as a home or developed at sro.vic.gov.au/tipoffs. Information about the VRLT, including exemptions, is available at sro.vic.gov.au/vacant.

Quotes attributable to Treasurer Tim Pallas

“We know we need more homes for Victorians, and by cracking down on vacant properties we are easing the housing pressures being felt across the state.”

“Expanding vacant residential land tax will free up empty houses for rent and sale, boosting supply and making homes more affordable.”

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