



New South Wales

# Land Tax (Build-to-Rent Concessions) Amendment Act 2025 No 59

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# Land Tax (Build-to-Rent Concessions) Amendment Act 2025 No 59

Act No 59, 2025

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An Act to amend the *Duties Act 1997*, the *Land Tax Act 1956* and the *Land Tax Management Act 1956* for particular purposes relating to concessions for land tax, surcharge land tax and surcharge purchaser duties for land being used for build-to-rent properties. [Assented to 23 September 2025]

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**The Legislature of New South Wales enacts—**

**1 Name of Act**

This Act is the *Land Tax (Build-to-Rent Concessions) Amendment Act 2025*.

**2 Commencement**

This Act commences on the date of assent to this Act.

## **Schedule 1      Amendment of Duties Act 1997 No 123**

**[1]    Section 104ZJB Exemption for certain build-to-rent properties transferred to foreign persons**

Insert “or 9F” after “section 9E” in section 104ZJB(1)(b).

**[2]    Section 104ZJB(1)(c)**

Omit “that section”. Insert instead “the relevant section”.

**[3]    Section 104ZJB(8)**

Insert “or 9F” after “section 9E”.

## Schedule 2 Amendment of Land Tax Act 1956 No 27

### [1] Section 5CA Surcharge land tax—build-to-rent properties owned by foreign persons

Omit section 5CA(1). Insert instead—

- (1) An Australian corporation is entitled to a refund of an amount of surcharge land tax paid by the corporation in relation to residential land owned by the corporation at midnight on 31 December in a year (the *taxing date*) during the relevant concession period if the Chief Commissioner is satisfied that—
  - (a) a building that is taken to be a build-to-rent property under the Principal Act, section 9E or 9F has been constructed on the land by the corporation or a related body corporate, whether before or after the taxing date, and
  - (b) the corporation is entitled under the relevant section of the Principal Act to a reduction in land value.

### [2] Section 5CA(10)

Insert in alphabetical order—

*relevant concession period* means—

- (a) if the corporation is entitled to the reduction in land value under the Principal Act, section 9E—the period commencing at midnight on 31 December 2020 and ending at midnight on 31 December 2039, or
- (b) if the corporation is entitled to the reduction in land value under the Principal Act, section 9F—the period commencing at midnight on 31 December 2020 and ending at midnight on 31 December in the year the corporation ceases to be eligible for the reduction in land value under that section.

## Schedule 3      **Amendment of Land Tax Management Act 1956 No 26**

**[1] Section 9E, heading**

Omit “**properties**”. Insert instead “**properties—time limited**”.

**[2] Section 9F**

Insert after section 9E—

**9F Reduction in land value for certain build-to-rent properties—general**

- (1) This section applies in relation to land owned by a person at midnight on 31 December in any year after 2024.
- (2) For the purpose of assessing land tax payable by the owner of the land, the land value of a parcel of land is to be reduced by 50% if—
  - (a) a building is situated on the parcel of land, and
  - (b) construction of the building commenced on or after 1 July 2020, and
  - (c) the Chief Commissioner is satisfied that—
    - (i) the building is being used and occupied for a build-to-rent property in accordance with guidelines approved by the Treasurer for this section (the *Treasurer’s guidelines*), and
    - (ii) the building has not, at any time, been used and occupied for a purpose other than for a build-to-rent property in accordance with the Treasurer’s guidelines, and
    - (iii) the building was constructed in accordance with the Treasurer’s guidelines, and
  - (d) a reduction in land value under section 9E has not occurred in relation to the parcel of land in connection with the building in any year, and
  - (e) an application for the reduction is made in accordance with this section.
- (3) If the Chief Commissioner is satisfied that only part of the parcel of land, or only part of a building on the parcel of land, is being used and occupied for a build-to-rent property under this section, the reduction in land value under subsection (2) must be proportionately decreased in accordance with the Treasurer’s guidelines.
- (4) For section 9E(7) and subsections (2)(d) and (3), section 9E and this section may, subject to this Act, apply to the same parcel of land at the same time so long as 1 section applies only to 1 part of the parcel of land and the other section applies only to another part of the parcel of land.
- (5) This section does not apply to an owner of land in relation to a tax year unless—
  - (a) the owner applies to the Chief Commissioner for the reduction in the form approved by the Chief Commissioner, and
  - (b) the owner gives the Chief Commissioner any evidence requested by the Chief Commissioner to enable the Chief Commissioner to determine whether the owner is entitled to the reduction.
- (6) Without limiting the other ways in which this section may cease to apply to a person, this section ceases to apply if the person breaches an undertaking given by the person in circumstances referred to in subsection (11)(b)(iii).

- (7) If, within the period of 15 years after subsection (2) first applied to reduce the land value of a parcel of land, the parcel of land is subdivided or the ownership of the parcel of land is otherwise divided—
  - (a) a person whose liability to pay land tax in relation to the parcel of land has been assessed in accordance with this section must, within 1 month, inform the Chief Commissioner of the date on which the parcel of land was subdivided or the ownership of the parcel of land was otherwise divided, and
  - (b) liability for land tax in relation to the following years is to be reassessed as if subsection (2) had not applied to the person—
    - (i) the year in which the parcel of land is subdivided or the ownership of the parcel of land is otherwise divided,
    - (ii) each preceding year in which a person's liability to pay land tax was assessed in accordance with this section, but not more than 15 preceding years, and
  - (c) the subdivision or division of ownership is taken to be a tax default for the *Taxation Administration Act 1996*, Part 5.
- (8) Subsection (7)(b) and (c) do not apply in relation to—
  - (a) a parcel of land that is subdivided if the part of the parcel of land that is subject to the reduction in land value under this section is not subdivided, or
  - (b) a parcel of land the ownership of which is otherwise divided if the ownership of the part of the parcel of land that is subject to the reduction in land value under this section is not divided.
- (9) For the *Taxation Administration Act 1996*, section 9(3)(c), a reassessment under subsection (7)(b) is authorised to be made more than 5 years after the initial assessment.
- (10) A reassessment under the *Taxation Administration Act 1996*, section 9 is not a relevant land tax assessment for the *Valuation of Land Act 1916*, section 35(1)(b) if the reassessment is based on the same land value or average value on which the original land tax assessment was based before the reduction was made under subsection (2).
- (11) The Treasurer's guidelines—
  - (a) must include policies to promote the development of new affordable housing and social housing in build-to-rent properties, and
  - (b) may include provisions in relation to the following—
    - (i) the circumstances in which a building is taken to be a build-to-rent property, including in relation to the following—
      - (A) the planning or development standards that must be complied with,
      - (B) the minimum lease conditions that must be offered to tenants of the build-to-rent property,
      - (C) the minimum scale of a building to qualify as a build-to-rent property,
      - (D) the nature of the ownership and management of the building and the land on which the building is situated,
    - (ii) requirements relating to the construction of the building, including requirements about—

- (A) particular classes of workers who must be or must have been involved in the construction of the building, and  
**Examples of classes of workers—** apprentices or trainees, long-term unemployed workers, workers requiring upskilling, workers with barriers to employment, Aboriginal and Torres Strait Island jobseekers, graduate workers
- (B) the proportion of labour force hours spent on the construction that must involve or must have involved work performed by particular classes of workers,
- (iii) the circumstances in which the applicant is required to give an undertaking to not subdivide the land or otherwise divide the ownership of the land,
- (iv) other matters relating to build-to-rent properties and the land on which build-to-rent properties are situated as the Treasurer determines appropriate, and
- (c) may—
  - (i) apply generally or be limited in application by reference to specified exceptions or factors, or
  - (ii) apply differently according to different factors of a specified kind, or
  - (iii) do both.
- (12) The Chief Commissioner must keep and maintain a public register of parcels of land that are subject to the reduction in land value under this section in accordance with the regulations.
- (13) In this section—  
***affordable housing*** has the same meaning as in the *Environmental Planning and Assessment Act 1979*.  
***social housing*** means residential accommodation provided by a social housing provider within the meaning of the *Residential Tenancies Act 2010*.

[Second reading speech made in—

Legislative Assembly on 9 September 2025

Legislative Council on 18 September 2025]