

LAND TAX ASSESSMENT AMENDMENT (BUILD-TO-RENT) BILL 2023

Receipt and First Reading

Bill received from the Assembly; and, on motion by **Hon Sue Ellery (Minister for Finance)**, read a first time.

Second Reading

HON SUE ELLERY (South Metropolitan — Minister for Finance) [12.30 pm]: I move —

That the bill be now read a second time.

The Land Tax Assessment Amendment (Build-to-Rent) Bill 2023 seeks to amend the Land Tax Assessment Act 2002 to introduce a 50 per cent land tax concession for land used for a build-to-rent development. The concession was announced on 12 May 2022 as part of the 2022–23 state budget and will apply to eligible new build-to-rent developments from the 2023–24 land tax assessment year. Large-scale build-to-rent developments are a relatively new model of urban housing in Western Australia whereby apartments and other dwellings are developed to provide rental accommodation rather than being sold. The build-to-rent land tax concession aims to develop the build-to-rent industry in Western Australia by reducing barriers to investment and increasing the future supply of rental properties as a result. The concession for an eligible development will reduce the taxable value of the land by 50 per cent, substantially lowering the amount of land tax payable. To qualify for the concession, a build-to-rent development must meet specific requirements. The construction or substantial refurbishment of at least 40 dwellings must be completed between 12 May 2022 and 1 July 2032. The dwellings must be available for three-year residential leases, although residents can choose a shorter term.

The land tax concession will apply for up to 20 financial years. However, if a development ceases to qualify in the first 15 years, the owner must repay the concession. This will encourage the availability of build-to-rent accommodation for at least 15 years. Only the parts of a development supporting build-to-rent accommodation will receive a concession. The concession will be proportionally reduced for land that is not used for build-to-rent purposes. For example, land used for retail shops within a development will not be included in the concession, but an exercise area for residents' use would be. An eligible build-to-rent development that is expanded at a later stage will receive an additional concession for the expansion. The expansion may contain fewer than 40 dwellings and still qualify for the concession if it meets all other requirements.

Similar build-to-rent land tax concessions operate in New South Wales and Victoria and have been announced in South Australia and Queensland.

Pursuant to standing order 126(1), I advise that this bill is not a uniform legislation bill. It does not ratify or give effect to a bilateral or multilateral intergovernmental agreement to which the government of the state is a party; nor does this bill, by reason of its subject matter, introduce a uniform scheme or uniform laws throughout the commonwealth.

I commend the bill to the house and I table the explanatory memorandum.

[See paper [2505](#).]

Debate adjourned, pursuant to standing orders.