

# Own adjoining land? The PPR tax exemption may no longer apply

## Home owners in Metropolitan Melbourne who own adjoining land may be subject to land tax from 1 January 2020

If you own your home and adjoining land, you may currently be eligible for the principal place of residence ("PPR") land tax exemption on both your PPR land and the adjoining land, regardless of where you live in Victoria. However, from 1 January 2020 the exemption for adjoining land will only apply in Regional Victoria.

You may be impacted by the change if you own adjoining land in one of the Metropolitan Councils listed on the [next page](#).

### PPR exemption explained

The PPR exemption applies to the land that your home is situated on.

The current exemption also extends to land which adjoins your PPR land under certain circumstances. This land will be on a separate title to the PPR land but would typically share a common boundary. To be eligible for the exemption, the adjoining land must:

- not include a separate residence; and
- enhance the PPR land; and
- be used solely for the private benefit and enjoyment of the owner.

The change will impact many home owners in Metropolitan Melbourne from January 2020, when land tax is applied to their adjoining land.

"Many of our clients live in Metropolitan Melbourne and own an adjoining block to their residence, which often includes a garden, tennis court, garage or pool. This land may now be subject to land tax from January 2020," comments Blake Rodgers, ShineWing Australia.

"We are working with our clients on tailored solutions depending on their situation and goals, including reviewing their land tax assessments, advising on implications of consolidating titles, obtaining independent valuations, managing the objection process and advising on property ownership structures."

### Non-exempt land for Land Tax

Land tax is a self-assessed, state based tax and applies to non-exempt land in your personal name (either individually or jointly) with combined taxable values of \$250,000 or more. As a guide, land tax assessments are based on the site values disclosed on council rates notices and are issued between late January to late May each year. Current land tax rates for individuals who live in Australia range from 0.11% to 2.25% and increase progressively as land values increase.

### Actions

There are options available for affected home owners to consider. We work with our clients to assess their situation and action the most appropriate advice for them.

### Consolidate titles on PPR land

Affected home owners should consider consolidating the titles of their PPR land and adjoining land in order to maintain the land tax exemption. The Registrar of Titles must register the plan of consolidation by 31 December 2019 to ensure the consolidated title is eligible for the PPR exemption in 2020.

### Objection to land assessment

Those who receive an assessment may [consider objecting](#) if the land ownership details are incorrect or if the valuation is inaccurate, which needs to be done within 60 days of receiving the assessment.



**Daren McDonald**  
Partner

+61 3 8635 1979  
dmcdonald@shinewing.com.au



**Blake Rodgers**  
Senior Manager

+61 3 8635 1876  
brodgers@shinewing.com.au



## Councils in which land may be impacted by the changes to the PPR tax exemption

You may be impacted by the change if you own adjoining land in one of these Metropolitan Councils:

- Banyule City Council
- Bayside City Council
- Boroondara City Council
- Brimbank City Council
- Cardinia Shire
- City of Casey
- Greater City of Dandenong
- City of Darebin
- Frankston City Council
- City of Glen Eira
- City of Hobsons Bay
- Hume City Council
- City of Kingston
- Knox City Council
- City of Manningham
- Maribyrnong City Council
- Maroondah City Council
- City of Melbourne
- City of Melton
- City of Monash
- City of Moonee Valley
- Moreland City Council
- Mornington Peninsula Shire
- Nillumbik Shire
- City of Port Phillip
- City of Stonnington
- City of Whitehorse
- City of Whittlesea
- City of Wyndham
- City of Yarra
- Yarra Ranges Council

If you own adjoining land in regional Victoria (in a Victorian Council not listed here) you may still be able to access the PPR land tax exemption after 1 January 2020.

“We are working with our clients on tailored solutions depending on their situation and goals, including reviewing their land tax assessments, advising on implications of consolidating titles, obtaining independent valuations, managing the objection process and advising on property ownership structures.”

Blake Rodgers  
ShineWing Australia