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New incentives for build to rent developments

Eligible build to rent developments can access faster depreciation and lower tax rates.

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New tax incentives are now available for eligible build to rent (BTR) developments to increase the supply of housing and provide certainty for owners and investors.

The incentives

Faster Depreciation: The capital works tax deduction rate for new eligible BTR developments will increase from 2.5% to 4%. This change shortens the depreciation period for construction costs from 40 years to 25 years.

Lower Withholding Tax: The withholding tax rate for eligible fund payments from managed investment trusts (MITs) will drop from 30% to 15% for income generated by eligible BTR developments.

Eligibility requirements

A BTR owner must notify us of their choice to access the incentives and meet eligibility criteria over a 15-year compliance period.

If a BTR development fails to meet any of the eligibility criteria in the 15-year period after making the choice, a new misuse tax may apply.

To find out more about the requirements and how to access the incentives, visit **Build to rent development tax incentives**.

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