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Global Property Tax Overview

Property taxes on real estate vary widely around the world. The following sections compare **annual property/ownership taxes**, **vacant or unused property surcharges**, and **taxes on rental income** for representative countries across all continents, including major cities like New York, London, Tokyo, Singapore, Paris, Sydney, and more. Key tax rates, bases (assessed vs. market value), exemptions, and notable policies or recent reforms are highlighted.

North America

Country/ City	Annual Property Tax (Ownership)	Vacant/Unused Property Tax	Rental Income Tax	Notable Features & Recent Policies
United States (NYC)	Local **property tax** (~**1%** effective on 1–3 family homes; higher for apartments). NYC uses a four-class system – e.g. Class 1 (1–3 unit homes) are assessed at 6% of market value and taxed at 20.1% on that assessed value (≈1.2% effective), whereas large residential buildings (Class 2) are assessed at 45% and taxed ~12.5% (≈5.6% effective) [1]. Rates differ by city/state (e.g. ~1.1% in Los Angeles, ~2.2% in Chicago).	**No general vacancy tax** in most areas. However, some cities have adopted special vacancy taxes. *Example:* **Washington, D.C.** taxes vacant buildings at **5%** of assessed value (and **10%** if blighted) vs. ~0.85% normal rate [2]. Several California cities (San Francisco, Oakland, etc.) also recently enacted vacancy taxes on empty homes or storefronts [3] [4].	**Taxed as ordinary income.** Rental profits are subject to federal income tax (progressive up to **37%** top rate) [5] plus any state/ local income taxes. Owners can deduct expenses (maintenance, property tax, depreciation, etc.), often reducing effective tax rates. Non-resident landlords generally face 30% withholding on gross rent or can elect to pay tax on net income.	*NYC:* Property tax disparities due to classification (single-family homes favored with caps, while rentals/co-ops bear higher effective rates). Proposals for a “pied-à-terre” tax (extra tax on luxury second homes) have been debated but not enacted. *Vacancy Taxes:* Growing trend in high-demand cities – e.g. D.C.’s aggressive vacant property tax since 2010 [2]. Overall, property taxes are a major revenue source (avg. ~1.1% of home value nationwide), often funding local schools and services.

Country/ City	Annual Property Tax (Ownership)	Vacant/Unused Property Tax	Rental Income Tax	Notable Features & Recent Policies
Canada (Toronto & Vancouver)	**Municipal property taxes** on assessed value, with rates varying by city. *Example:* **Toronto**: ~**0.66%** of market value in 2023 (0.506% city + 0.153% provincial school tax) [6]. **Vancouver**: ~**0.25–0.30%** effective rate (one of Canada's lowest [7]). Rates are applied to 100% of assessed value (updated regularly). Homeowners in most provinces also pay provincial education taxes as part of the bill.	**Vacancy taxes in major cities:** *Vancouver* charges an **Empty Homes Tax** (started at 1% in 2017, now **3%** of assessed value as of 2021) on homes vacant >6 months [8]. *Toronto* launched a **Vacant Home Tax** at **1%** in 2022, increased to **3%** in 2023, on homes vacant >6 months [9]. Other cities (Ottawa, Montreal, etc.) are implementing similar taxes to boost housing supply.	**Taxed as income.** Rental income is added to the owner's taxable income and taxed at federal/ provincial rates (combined top brackets around 50%). Expenses (property tax, insurance, maintenance, etc.) are deductible. Non-resident landlords face 25% withholding on gross rent by default, or can file to be taxed on net income.	*Notable:* British Columbia imposes an additional **Speculation and Vacancy Tax** in certain areas (annual 0.5% for Canadian owners, 2% for foreign owners) to discourage empty homes. Several cities have moved aggressively on empty-home taxes (Vancouver reports a 54% drop in vacant properties since implementation) [8]. Canada's property assessments are generally at market value, with frequent revaluations (annual in some provinces), ensuring tax base keeps up with prices.

Europe

Country/ City	Annual Property/ Ownership Tax	Vacant/Unused Property Tax	Rental Income Tax	Notable Features & Recent Reforms
United Kingdom (London)	**Council Tax** (local tax on dwellings) – banded by 1991 property values. Each property falls into one of 8 value bands (A–H) with a fixed annual tax for the band. For example, a Band D home in London pays around **£1,900/ year** on average [10]. This roughly equates to 0.5–1% of home value for many properties (due to outdated valuations). **No national property value tax**; council tax is the primary recurring tax on homes.	**Empty Homes Premium:** Councils in England can impose a surcharge on long-term vacant homes. After >2 years empty, up to **100%** extra council tax (i.e. double) may be charged; >5 years empty, up to **200%** premium; ≥10 years empty, up to **300%** (4× normal tax) [11]. (Scotland and Wales have similar rules.) Many councils apply the maximum to encourage bringing homes back into use. *Second homes:* Councils can also charge up to 100% extra on furnished second homes at their discretion [12] [13].	**Taxed as personal income.** Rental profits are taxed at the owner's marginal income tax rate (20% basic, 40% higher, 45% additional) [14]. From 2020, individual landlords can no longer deduct full mortgage interest (instead they get a 20% credit), raising effective taxes. Non-resident landlords are subject to UK tax on UK rental income (usually via the Non-Resident Landlord Scheme).	*Notable:* Council tax is based on 30-year-old valuations – there has been debate on reforming it to align with current market values (or replacing it with a percentage-based property tax), but no change yet. London properties have high market values but relatively low annual taxes by international standards [10]. In 2023, legislation enabled councils to charge the 100% second home premium and 100% empty-home premium after just 1 year (effective 2024) to further discourage empty dwellings [15] [16]. The UK has no separate **land value tax** or annual national real estate tax; however, there are transaction taxes (Stamp Duty) and in England an upcoming registry of overseas owners for transparency.

Country/ City	Annual Property/ Ownership Tax	Vacant/Unused Property Tax	Rental Income Tax	Notable Features & Recent Reforms
France (Paris)	**Taxe Foncière** – an annual **land and building tax** paid by property owners. The base is the *cadastral rental value* (theoretical annual rent) of the property, with a standard 50% deduction, then multiplied by local rates [17] . Effective rates vary by commune; roughly ~**0.1–0.3%** of market value in many areas (higher in big cities after recent rate hikes). *Paris:* saw a 52% increase in taxe foncière for 2023, bringing the rate to about 0.185% of market value [18] . **Taxe d'habitation** – historically a residence tax paid by occupants – was **phased out** for primary homes by 2023, but still applies to second homes (often at a rate similar to taxe foncière) [19] .	**Taxe sur les Logements Vacants (TLV)** – an annual tax on homes left vacant >1 year in **"tight" housing markets** (zones tendues). Formerly **12.5%** of the cadastral rental value in the first taxable year and **25%** thereafter [20] , it was approved in late 2022 to **increase to 17% and 34%** respectively [21] . Paris and other major cities fall in these zones. **Second Home Surtax:** In designated high-demand areas, communes can levy a surtax of +5% to +60% on the taxe d'habitation for furnished second homes [19] (Paris applies the maximum 60% extra). These measures aim to discourage long-term vacancies and secondary residences in housing-scarce cities.	**Taxed as income.** Rental income (net of deductible expenses) is taxed at the progressive income tax rates (14%–45% brackets). In addition, **social contributions** of **17.2%** apply to rental income [22] . (Non-resident landlords generally face a flat 20% income tax on net rental income up to ~€27k, 30% above that [23] , plus solidarity surcharges.) France offers a **micro-foncier** regime: if rental income ≤€15,000, a 30% standard deduction applies in lieu of itemized expenses.	*Notable:* **2023 Budget Reforms** expanded the vacant homes tax to more areas (potentially 5,000 communes vs 1,000 prior) [24] and empowered more localities to charge second-home surtaxes, in response to public outcry over housing affordability in tourist regions. Paris's city council hiked taxe foncière by over 50% in 2023 (first raise in decades) to boost revenues, stirring debate [18] . Despite these taxes, France still has a high number of vacant dwellings; the vacancy tax's efficacy is debated (it reportedly *helped cut Paris vacancy rates* in the past) [25] . France also levies an annual wealth tax on real estate (IFI) above €1.3 million in net assets, at 0.5–1.5%.

Germany (Berlin)	**Grundsteuer (Property Tax)** – levied by municipalities on property value. Historically based on outdated "standard values" from 1964 (West) / 1935 (East), leading to very low appraisals. A major reform is underway: from 2025, properties are reassessed at approximate market values and taxed at new rates [26]. The tax is calculated as: *assessed value* × *federal base rate* × *municipal multiplier*. Under the new system, an average effective rate of about **0.26% of market value** is expected [27] (actual rates will vary by region, as local councils adjust multipliers to keep revenue neutral).	**No nationwide vacant property tax.** Vacant land or buildings are generally not specially taxed beyond the standard Grundsteuer. (Some cities use penalties for leaving land undeveloped in designated areas, but these are rare. Historically, a "housing vacancy tax" existed in parts of East Germany post-reunification, now abolished.) The focus in Germany has been on **incentives** (e.g. grants) to encourage development or renovation of vacant buildings rather than extra taxation.	**Taxed as income.** Rental profits are added to taxable income (progressive rates up to 45% federal). However, landlords can depreciate residential buildings (typically 2% per year over 50 years) and deduct mortgage interest, repairs, etc., often resulting in modest taxable profit relative to cash flow. Non-residents are taxed on German-source rental income similarly (with treaties to prevent double taxation).	*Notable:* The **Grundsteuer Reform** (legislated 2019) was prompted by a 2018 court ruling that the old assessed values were inequitable [26]. All owners had to submit data in 2022–23 for recalculation. Some states (e.g. Bavaria) chose an alternative **area-based formula** (tax = plot area × building area × factor) instead of value-based. Starting 2025, many property owners will see tax changes – early estimates showed mixed impacts (e.g. Berlin plans to cut its rate so that a typical apartment's tax stays moderate [28]). Germany has no special tax on second homes or vacant units at federal level, though a few cities (e.g. Berlin, Hamburg) charge a small second-home tax (effectively an occupancy tax on secondary residences at ~5–15% of annual rent). Overall, Germany's property tax revenue is low (~0.35% of GDP) but reforms aim for fairness and updated valuations.

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Sweden (note)	*(No row, but noteworthy)* **No annual municipal property tax on homes since 2008**, replaced by a **low flat fee** (capped at SEK 8,874 in 2023, ~€760) for owner-occupied houses [29]. Rental apartments pay a modest property fee. Thus, effective tax rates are <0.1% of value for most, very low internationally. **Vacant homes** aren't specifically taxed, but rental regulations and a housing shortage mean few empties. **Rental income** is taxed as capital income at a flat 30%, with a standard deduction (SEK 40,000 + 20% of rent) making small-scale renting lightly taxed.			*Notable:* Sweden's shift from a value-based property tax to a flat charge was politically popular. However, it has been criticized for benefiting wealthy homeowners in pricey Stockholm areas with huge untaxed imputed rents. There are ongoing discussions about reintroducing a true property tax or adjusting the fee cap, especially as local governments seek revenue and housing inequality grows.

Asia

Country/ City	Annual Property/ Ownership Tax	Vacant/Unused Property Tax	Rental Income Tax	Notable Features & Recent Policies
Japan (Tokyo)	**Fixed Asset Tax (Kotei Shisanzei)** – **1.4%** of assessed value annually [30]. Assessed values (for land and buildings) are typically 60–70% of market value and are updated every 3 years. Urban areas also levy a **City Planning Tax** – up to **0.3%** of assessed value [31] (Tokyo 23 wards impose the full 0.3%). In practice, total annual property tax ~**1.7%** of assessed value (e.g. Tokyo). Land used for a residence gets a large tax reduction (assessment cut to 1/6 for the first 200 m^2), significantly lowering the tax bill for most homeowners [32].	**No explicit vacancy tax nationally.** Due to Japan's *akiya* (empty house) problem, the approach is indirect: if a house is deemed *hazardously dilapidated*, local authorities can remove its 1/6 land tax discount, resulting in the land being taxed at full rate (6× higher) [25] [33]. This effectively penalizes owners who let vacant homes become derelict. Otherwise, an unused property still incurs the standard fixed asset tax. Some local governments offer incentives or subsidies to encourage buyers to renovate or occupy akiya, rather than imposing extra taxes.	**Taxed as income.** Rental income is combined with other income and taxed at Japan's progressive national rates (5% up to 45%). Property owners can deduct expenses (including depreciation on buildings, which is significant given Japan's structures depreciate fast on paper). There is also a local inhabitant tax (10%) on total income. For non-resident landlords, a 20.42% withholding tax applies to gross rent, unless they file and pay on net income.	*Notable:* Japan's high nominal property tax rate (1.4%) is tempered by generous land exemptions and low appraisals, resulting in moderate effective taxes. The proliferation of vacant houses (8.5 million empty homes) has led to efforts to **reuse or demolish akiya** – 2015 laws empower cities to levy normal tax rates on land under blighted vacant homes (vs. giving the usual break) [25]. On rental side, the government has gradually reduced depreciation benefits for landlords to curb tax-driven investment. Tokyo imposes an additional 0.1% tax on large corporate-owned residential buildings (to fund community development). Overall, property taxes contribute only ~1.5% of Japan's tax revenue, and proposals to introduce a higher "land value tax" resurface occasionally in policy debates.

Country/ City	Annual Property/ Ownership Tax	Vacant/Unused Property Tax	Rental Income Tax	Notable Features & Recent Policies
Singapore (City-State)	**Property Tax** – based on **Annual Value (AV)** (estimated yearly rental) of the property. **Residential owner-occupied** homes enjoy low progressive rates: 0% on first S$8,000 of AV, then 4–16% on the next bands (up to 23% on AV over S$130k by 2024) [34] [35] . **Non-owner-occupied** residential (investment or vacant) are taxed at higher rates: from **12%** of AV (first S$30k) up to **36%** on AV above S$60k (effective Jan 2024) [36] [37] . These rates have recently increased – for example, pre-2023 the top non-owner rate was 20%, now 36% [38] . Commercial properties pay 10% of AV (no progression).	**No separate vacancy tax** – but **non-occupied homes are taxed at the higher "investment property" rate.** In other words, a vacant unit is treated like a rental property (no occupancy discount), paying 12–36% of its AV as noted above [39] . Singapore's high tax on non-owner homes is partly to deter speculative vacancies. There are also anti-vacancy rules in development (e.g. developers pay penalties if they hoard unsold units too long).	**Taxed as income.** For residents, net rental income (after deducting mortgage interest, property tax, maintenance, etc.) is taxed at progressive personal rates (0–22%); for non-resident individuals, a flat 22% applies [40] . (Non-resident companies pay 17% corporate tax on Singapore-sourced rental profits.) Notably, property tax on the rental property and a standard 15% maintenance allowance can be deducted from gross rent for tax purposes, simplifying compliance [41] .	*Notable:* **2022–23 Reforms** sharply increased property tax rates on high-end properties – part of a broader cooling measure amid a housing surge. By 2024, a luxury penthouse (high AV) faces 32% (owner-occupied) or 36% (non-owner) property tax on its AV [38] – a significant annual holding cost. Singapore also imposes hefty **stamp duties** to discourage vacant investment properties: e.g. a foreign buyer pays 60% upfront stamp duty (as of 2023) on a home purchase, and developers face "Additional Stamp Duty" if new units remain unsold after 5 years. These policies, rather than recurring vacancy taxes, are Singapore's main tools to prevent empty units. Overall, the city's property tax system – taxing based on rental value – flexes with market rents (AVs were raised across the board in 2023 due to soaring rents [42]).

Country/ City	Annual Property/ Ownership Tax	Vacant/Unused Property Tax	Rental Income Tax	Notable Features & Recent Policies
China (urban)	**(Pilot programs only)** – China **currently has no nationwide annual property tax** on residential real estate [43] [44]. Local governments derive revenue from land lease sales instead. However, pilots since 2011 in **Shanghai and Chongqing** levy a property tax on certain homes: Shanghai taxes *second homes* and high-valued homes at **0.4%–0.6%** of assessed value, Chongqing targets high-end villas (0.5%–1.2%) [44]. These pilots are limited in scope and revenue. A national property tax law has been debated for years and was put on the legislative agenda for 2021–2025, but as of 2025 it has not been rolled out.	**No explicit vacancy tax.** A few large cities have experimented with measures against ghost apartments (e.g. fines for developers who hoard vacant units, or requirements to lease out flats within a timeframe), but there is **no recurring vacant-home tax** on individual owners. The absence of a holding tax means some investors leave apartments empty (notoriously, ~20% of homes were estimated vacant). This may change if a property tax is implemented to incentivize productive use.	**Rental income** (for individuals) is taxed under China's personal income tax: typically a flat **10%** of gross rent (after a standard deduction equal to 20% of rent) – resulting in an effective 8% on gross, or owners can itemize expenses [45]. Enforcement is uneven, and many small landlords pay little. For foreign investors, rental income is similarly taxed ~10% (often withheld by agents).	*Notable:* The **lack of an annual property tax** in China is unusual for a major economy. It contributes to speculation and local govt reliance on land sales. President Xi's "common prosperity" drive has pushed for a property tax to curb investor-owned vacant homes and cool prices [46] [47]. However, implementation faces resistance due to fears of destabilizing the housing market (which saw prices soar over 2000% since the 90s). A 2021 plan to expand pilots to more cities (like Shenzhen and Hainan) was postponed amid a real estate downturn. If introduced, a mooted rate is ~0.5–0.7% of value [48]. In the meantime, some cities use **administrative measures** (purchase limits, residency requirements, etc.) to curb empty units. Real estate in China remains in flux, with the potential for property tax being a closely watched reform.

Country/ City	Annual Property/ Ownership Tax	Vacant/Unused Property Tax	Rental Income Tax	Notable Features & Recent Policies
Hong Kong (SAR)	**Rates** – an annual property tax on *rateable value* (estimated rental value). The rate is **5%** of that value [49] , after a HK$3,000 reduction (2023/24) as temporary relief. Effectively ~**0.1–0.2%** of market value in many cases (since rents are ~2–3% of value). **Government Rent** – separate 3% levy on land value for properties on post-1997 land leases (or 0.75% of rental value for older leases), essentially a land use fee.	**No dedicated vacancy tax** on residential units (a 2019 proposal for one was shelved). The government instead considered a *vacancy penalty* on developers of new unsold units. *Commercial*: From 2022, a "double rates" (10%) was imposed on rateable value of unrented commercial properties to incentivize leasing out, given high vacancy downtown – essentially a temporary vacancy tax on shops/offices.	**Property tax on rental income** – Hong Kong uniquely levies a flat **15% Property Tax** on *net rental income* (which is gross rent minus a standard 20% for repairs) [50] [45] . This effectively is a ~12% tax on gross rent for landlords. However, local landlords who are individuals can elect to be taxed under personal income tax instead (with marginal rates 2–17%), which can reduce tax if they have deductions. There is no capital gains or inheritance tax in HK.	*Notable:* Hong Kong's property holding taxes are low, which, along with limited land supply, contributes to very high property values. Periodically, ideas of a vacancy tax resurface to address high housing costs – e.g. a 2018 proposal to tax empty new flats. Instead, HK uses hefty **stamp duties**: a 15% Buyer's Stamp Duty for non-local buyers, and a Special Stamp Duty up to 20% if a home is flipped within 3 years. These aim to suppress speculative vacancies. Hong Kong's simple property tax (flat 15% on rental income) is easy to administer, and the flat *rates* charge on value (5%) funds local services. Despite low annual taxes, transaction taxes and mortgage restrictions in HK are among the strictest in the world.

Oceania

Country/ City	Annual Property/ Ownership Tax	Vacant/Unused Property Tax	Rental Income Tax	Notable Features & Recent Policies
Australia (Sydney)	**Council Rates** – local governments levy annual rates on property. Rates are based on either the **land value** (in most states, including New South Wales) or **capital value** (in some states). In Sydney (City of Sydney council), the residential rate for 2023 was around **0.000802** (0.0802%) of land value plus a fixed charge [51]. This means a home with A$1 million land value pays about A$802 plus a fixed fee (~A$727), totaling ≈A$1,529. Other Sydney-area councils have similar ~0.1% of land value rates. **State Land Tax** – NSW and some states charge an annual land tax on non-owner-occupied land: e.g. NSW's land tax is 1.6% on land value above A$969k, and 2% on value above A$5.9 million [52] (primary residences exempt).	**Vacant Residential Property Taxes:** *Melbourne (Victoria)* – a **Vacant Residential Land Tax** of **1%** of assessed value applies to homes in inner Melbourne kept vacant >6 months in a year (exemptions for holiday homes, etc.) (introduced 2018). *Sydney* – no citywide vacancy tax yet, but NSW state in 2022 gave councils power to levy higher rates on empty homes; some proposals for a vacancy tax in inner Sydney have been discussed. Generally, **unimproved vacant land** is already taxed more heavily via land tax (since no principal residence exemption). E.g. in NSW, a vacant investment lot incurs state land tax whereas an owner-occupied home would not.	**Taxed as income.** Rental income (minus deductible expenses: mortgage interest, depreciation on building, etc.) is taxed at the federal income tax rates (19%–47% brackets). Notably, Australia allows **"negative gearing"** – if rental expenses exceed income, the loss can offset other income, reducing taxes. This makes rental property attractive for taxpayers. (There is no separate municipal tax on rental income, only the federal tax.) Non-resident landlords are taxed at 32.5% on the first A$120k of net rent (no free threshold) then up to 45%.	*Notable:* Property taxation in Australia relies on **local council rates** and **state land taxes/ stamp duties** rather than a single national tax. NSW is in the process of reform – introducing an option to pay an annual land tax in lieu of hefty stamp duty at purchase, to improve mobility. Several cities have debated vacancy taxes to address housing affordability – Melbourne's 1% tax is one of the first in the country, and as of 2023 Brisbane and Sydney have been considering similar measures. **Foreign owners** of residential property pay surcharges in some states (e.g. NSW charges foreign owners +2% land tax). Overall, while annual rates (at ~0.1–0.3% of value) are relatively low, Australia collects significant property revenue through upfront stamp duties (often ~4–6% of price) and these new vacancy/foreign surcharges in hotspots.

Country/ City	Annual Property/ Ownership Tax	Vacant/Unused Property Tax	Rental Income Tax	Notable Features & Recent Policies
New Zealand (Auckland)	**Council Rates** – based on capital value (land + improvements) assessed every 3 years. Auckland's 2022/23 residential rate was approx **0.2484%** of value (i.e. NZ$2,484 per NZ$1 million value), plus a flat NZ$139 fee [53]. Other NZ councils have similar ~0.2–0.5% effective rates. There is no separate land tax in NZ.	**No formal vacancy tax.** NZ's housing issues (especially in Auckland) have been tackled with other tools (e.g. ban on most foreign buyers, "bright-line" tax on quick resales) rather than taxes on empties. A few reports have suggested taxing vacant land or homes, but as of 2025 no council has implemented an empty-home tax.	**Taxed as income (with caveats).** Until recently, long-term residential rental income was taxed as ordinary income (33% top rate). However, NZ does not allow depreciation on buildings (since 2011) and as of 2021 phased out interest deductibility on loans for residential rentals (to cool the market). These changes substantially increase effective taxes on landlords. There's no capital gains tax *unless* the property is sold within 10 years ("bright-line" rule) or one is a trader.	*Notable:* New Zealand notably *has no stamp duty, no land tax, and no general capital gains tax* on property – relying heavily on annual council rates for property taxation. This might change as affordability concerns grow; a broad CGT has been politically challenging. The removal of interest deductions on rental property (fully effective 2025) is an unusual policy globally, effectively making it costly to hold vacant or low-yield property, indirectly disincentivizing speculation. Auckland's council rate revaluations every 3 years have led to shifts in tax burden depending on which areas' values grew fastest, sparking debates on whether to move to land-value-only taxation to encourage development.

Africa

South Africa (Johannesburg)	**Municipal Rates** – cities levy property tax based on **market value** of land and improvements (properties are revalued on a 3–4 year cycle). Johannesburg's 2023/24 rates: **0.008791** (0.8791%) of value for residential property [54] . So a R1 million home owes ~R8,791/ year. Other metros: Cape Town ~0.55%, eThekwini (Durban) ~1.13%, etc., depending on budgets and total base. There's a R350k–R1.2m exclusion on assessed value for primary residences (varying by city) to reduce taxes on lower-value homes.	**Higher rates on vacant land:** Most cities charge a premium on undeveloped or vacant residential land. Johannesburg's rate on **vacant land** is **4×** the base residential rate (i.e. ~**3.516%** of value) [54] . Cape Town likewise charges roughly double the usual rate on vacant plots. This policy is to spur development and discourage land speculation. *No specific tax on vacant houses*, but if a property is derelict or not in residential use, it may be rated in a higher category (commercial or unauthorized use can incur up to 12× the residential rate as a penalty [55] [56]).	**Taxed as income.** Rental income (after expenses) is taxed at normal income tax rates (South Africa has a progressive tax up to 45%). However, property owners often can deduct mortgage interest, depreciation on furniture, maintenance, etc. for tax purposes. Non-resident landlords are taxed on SA-source rental similarly and must register with SARS; double-tax treaties often allow relief.	*Notable:* Property rates in South Africa are a key funding source for municipalities (accounting for ~20–25% of big-city revenue). The rates policies often include **social rebates** (pensioners get discounts, etc.) and **tiered rates** for different property uses (e.g. industrial, commercial, agricultural have different cents-in-Rand). The use of **penalty tariffs for vacant or underutilized land** (and even an "unauthorized use" super-tariff of up to 12× for properties violating zoning) [57] is an unusual feature aimed at encouraging land use in urban centers. In 2024, national regulations under consideration may require municipalities to standardize some aspects of valuations and possibly enable a future land value tax. South Africa does not levy separate annual

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				taxes on second homes or foreign-owned properties, but transactions incur a transfer duty and capital gains tax on sale.

Latin America

Brazil (São Paulo)	**IPTU (Imposto Predial e Territorial Urbano)** – annual municipal urban property tax. São Paulo uses progressive rates by value and property type. **Residential IPTU** ranges ~**0.3% to 1.5%** of the city's assessed value [58]. A typical house pays around 1%. Higher-value properties are taxed at higher percentages. **Commercial IPTU** up to ~1.5%. Unimproved urban land can be taxed at even higher rates. (Rural lands pay a separate small federal land tax, ITR.)	**Progressive tax on vacant land:** The **City Statute (Estatuto da Cidade)** allows cities to penalize persistently vacant or underused urban land via **progressive IPTU over time** – increasing the rate each year (up to **15%** max.) if an owner fails to develop the land after notification [59]. In practice, São Paulo has applied a surtax on empty plots: e.g. many vacant lands are taxed around **1.5%–3%** (versus ~1% if built) [60]. However, full use of the 15% maximum is rare. There isn't a special tax on vacant *houses*, but an empty building still pays the regular IPTU (and if derelict could be reclassified, losing exemptions).	**Taxed as income.** Rental income by individuals is subject to federal income tax: Brazil's monthly progressive rates (exempt below ~R$2,640/month, then 7.5%–27.5% on higher bands) [61]. On an annual basis, effective tax on rental profits can reach 27.5% for high-income residents. Many expenses (maintenance, property management fees, taxes) are deductible. Non-resident landlords face a flat 15% tax on gross rental income (25% if from a blacklisted low-tax jurisdiction) [62]. Brazil also levies a 5% municipal services tax (ISS) on rental agency services, but not directly on rent.	*Notable:* Brazilian cities have struggled with **low property tax yields** (~0.5% of GDP [63]). The progressive IPTU tools were enabled by a 2000 constitutional amendment to encourage the "social function of property." *São Paulo* began using incremental IPTU increases on idle land in the 2010s to combat real estate speculation – part of a broader strategy to reduce housing shortages by pushing owners to build or sell unused lots. There's ongoing tension between efforts to raise more revenue via IPTU (often unpopular, leading some mayors to freeze or only slightly adjust IPTU rates) and the need to fund city services. On rental taxation, Brazil's 27.5% top rate is comparatively low, and actual collection is limited, given many rentals are informal. Some other LatAm countries (e.g. **Argentina**) have experimented with explicit taxes on vacant apartments, but Brazil so far uses the IPTU mechanism to address vacancy indirectly.

Country/ City	Annual Property/ Ownership Tax	Vacant/Unused Property Tax	Rental Income Tax	Notable Features & Recent Policies
Mexico (Mexico City)	**Predial (property tax)** – levied by municipalities on cadastral value. Mexico City's rates are modest and highly stratified: for 2023, effective rates ranged from **0.1%** (for typical homes) up to around **0.4%** for the highest-value brackets [64] [65]. Many average homes pay only a few hundred USD annually. Valuations are often below market, and there are subsidies for pensioners.	**No widespread vacancy tax.** Mexico generally hasn't implemented extra taxes on vacant homes. In Mexico City, a 2021 proposal to charge 5% of value on unused residential properties didn't pass. The government instead has offered incentives to rent out vacant units. *Land banking by developers* is occasionally penalized via fines or lapse of permits rather than tax.	**Taxed as income.** Rental income by individuals is subject to federal income tax (top rate 35%). However, individuals can opt for a simplified regime paying a flat 10% on gross rents (with no deductions) in some cases. Many small landlords underreport rental income. For foreign owners, a 25% withholding on gross rent applies if no deductions are taken (or they can file a return to pay on net income at progressive rates).	*Notable:* Mexico's property taxes are very low by international standards (collecting only ~0.2% of GDP). Culturally and politically, raising predial rates or enforcing higher taxes on property is sensitive. The federal government instead relies on one-time **acquisition taxes** and **fees**. Mexico City in 2022 did increase the predial for luxury neighborhoods by updating cadastral values (some saw 10–15% bill hikes), and is exploring charges for land speculation. But as of 2025, there is no special empty homes tax despite a growing housing affordability issue.

Middle East

Country/ City	Annual Property/ Ownership Tax	Vacant/Unused Property Tax	Rental Income Tax	Notable Features & Recent Policies
United Arab Emirates (Dubai)	**No annual property tax.** The UAE imposes **no recurring property or land tax** on owners [66]. Instead, Dubai charges a one-time **property transfer fee** of 4% at sale [66], and owners pay ongoing maintenance fees to their building or community. Abu Dhabi and others similar – no annual ad valorem tax. (Commercial tenants do pay a 10% municipal business rent tax in Dubai, and short-term rentals/hotels have tourism levies, but residential homes are not annually taxed.)	**No vacancy tax.** With no property tax system, there is likewise no specific tax on vacant properties. The UAE's approach to vacant units is mostly market-driven. High-end developments with many empty units (owned by overseas investors) have not faced additional taxes, as the UAE positions itself as tax-friendly for property investment.	**No income tax on individuals.** The UAE levies **0% personal income tax**, so rental income is not taxed at the federal level. (Corporations might pay tax on rental profits in certain cases like foreign banks or if subject to the new 9% corporate tax, but generally individuals do not pay tax on rents.) Some emirates charge small housing fees to tenants (e.g. Dubai's 5% "housing fee" on annual rent, billed with utilities), but that's a user charge rather than income tax.	*Notable:* The UAE is one of the few places in the world with **zero property and income taxes**, making it attractive to global investors [66]. This has contributed to property booms (and busts). Dubai's government raises revenue through land sales, fees, and indirect taxes (VAT), instead of annual property levies. In 2023 there was discussion of a possible **municipal tax on vacant land** in Abu Dhabi to spur development, but currently none is in force. The UAE introduced a 9% federal corporate tax in 2023 (with real estate investment companies potentially affected), but kept individuals' rental income tax-free. Such policies, along with long leasehold tenures, aim to maintain the UAE's image as a haven for property ownership, though it means reliance on other revenue sources like oil, tourism, and VAT.

Country/ City	Annual Property/ Ownership Tax	Vacant/Unused Property Tax	Rental Income Tax	Notable Features & Recent Policies
Saudi Arabia (note)	*(No annual property tax on residential property).* Saudi Arabia similarly does not tax real estate ownership annually. However, since 2020 it has levied a **White Land Tax** – a **2.5%** annual tax on undeveloped urban land plots in select cities to discourage land hoarding. This is akin to a vacancy land tax, applied initially to large plots. Saudi also charges a one-time 5% transaction tax on property sales (since 2020, replacing a higher VAT). There is no personal income tax on Saudi rental income for individuals. The White Land Tax has been expanded to more cities/phases as housing supply is a major issue.			

Sources: Official government portals and tax codes, city council websites, OECD and World Bank reports, and news articles have been used to compile the above information [1] [2] [11] [21] [27] [36] [44] [58] [66], among others. All tax rates and policies are as of 2024–2025. Keep in mind that tax laws can change (e.g. ongoing proposals for new vacancy taxes or property tax reforms), so it's wise to consult the latest official sources for up-to-date figures. This overview shows the diversity in how jurisdictions tax property – from places with no annual taxes at all, to cities with surcharges targeting empty homes – reflecting different approaches to balancing revenue needs, housing market dynamics, and social policy goals.

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