



Taiwan – July 2022

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REVENUE FROM PROPERTY TAX CLIMBS 89% ON PRICE TREND

Property tax revenue soared 89 percent to NT\$17.4 billion (US\$582.8 million) in the first six months of this year, buoyed by steep property price increases nationwide, which are expected to slow down in the coming months, as the central bank hiked interest rates, analysts said yesterday.

Taichung contributed the most to the revenue, with NT\$3.55 billion, followed by New Taipei City's NT\$2.47 billion, Kaohsiung's NT\$2.3 billion, Taoyuan's NT\$1.91 billion, Taipei's NT\$1.81 billion and Tainan's NT\$1.8 billion, Great Home Realty Co (大家房屋) said, citing data from the Ministry of Finance.

The spike in property tax revenue reflected housing price increases across Taiwan in the first half of the year, Great Home Realty researcher Mandy Lang (郎美因) said, adding that Taichung has benefitted from improving infrastructure, especially the expansion of its mass transit system.

New Taipei City had the highest growth rates among Taiwan's cities and counties, with a 120 percent increase, followed by Tainan's 100.3 percent gain, Taoyuan's 99.2 percent uptick and Kaohsiung's 78.3 percent increase.

Taipei's growth rate was 70.3 percent, followed by Taichung's 65.6 percent expansion.

The six special municipalities accounted for most property transactions, Lang said.

However, property price increases were not limited to special municipalities, she said.

Property tax revenue in Miaoli County increased 282.5 percent to NT\$234 million due to a low comparison base last year and growing popularity among home buyers, Lang said.

Similarly, Hsinchu County and Hsinchu City reported property tax revenue advances of 262.7 percent and 152.2 percent to NT\$829 million and NT\$708 million respectively, boosted by their proximity to the Hsinchu Science Park (新竹科學園區), she said.

Hualien County posted an 88 percent increase in property tax revenue to NT\$115 million, while Nantou and Yunlin counties had increases of 71.1 percent and 63.7 percent to NT\$129 million and NT\$284 million respectively, Great Home Realty said.

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However, property tax revenue growth might lose momentum, as buying interest has cooled amid a prolonged COVID-19 outbreak and monetary tightening, H&B Realty Co (住商不動產) said.

Punitive property tax terms that define short-term transactions as resale within five years of purchase, up from two years, are to take effect this month, H&B head researcher Jessica Hsu (徐佳馨) said, adding that higher property taxes are expected to sideline short-term investors.

Sinyi Realty Inc (信義房屋) shared that view, saying that interest rate hikes would help fan caution.

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