Tokyo Has No Second-Home Surcharge as New York's Pied-à-terre Tax Begins, Says Housing Japan

As New York taxes qualifying second homes, Housing Japan notes Tokyo has no pied-à-terre, vacancy, or non-resident tax: a factor for US investors.


Tokyo and New York City skylines. Unlike New York's new pied-à-terre surcharge, Tokyo levies no second-home or non-resident property tax. Source: Housing Japan.

TOKYO, JAPAN, July 9, 2026 /EINPresswire.com/ -- New York City's new pied-à-terre surcharge took effect on July 1, 2026, while Tokyo continues to impose no pied-à-terre tax, vacancy tax, or non-resident property surcharge. Signed into law on May 28, 2026, as part of New York State's 2026–2027 budget (Article 30-C, New York Tax Law), the New York measure applies an annual surcharge of 4% to 6.5% of assessed value to qualifying non-primary-residence condominiums and cooperatives; Japan imposes no equivalent tax on second homes or on foreign property owners.

The New York surcharge is charged annually, on top of existing property tax, and is tied to whether a home is the owner's primary residence rather than to the owner's nationality, so it reaches out-of-state American owners and overseas owners alike. The 4%–6.5% band applies to condominium and cooperative units during the surcharge's first phase (New York City fiscal years 2026–27 and 2027–28); one- to three-family homes are charged 0.8%–1.3%, and both the rates and the valuation basis change from July 2028. Because New York values condos and co-ops using an income method that sets assessed values well below market, the effective charge as a share of a unit's market value is considerably lower than the headline band suggests.

In Tokyo, by contrast, foreign buyers take full freehold title with no ownership restrictions and pay the same annual property taxes as Japanese residents: a fixed asset tax of 1.4% and a city planning tax of up to 0.3%, applied to an assessed value that is typically around 70% of the government-published land price (□□□□), closer to market value than New York's condo assessments, with no additional charge for second homes or non-resident owners.

The yen has also remained weak against the US dollar through the first half of 2026, trading between roughly ¥152 and ¥163 per dollar (Bank of Japan daily reference rate), which lowers the effective entry cost for dollar-based buyers. Housing Japan, a licensed Tokyo real estate brokerage, advises domestic and international clients on Tokyo luxury real estate and investment property, and expects the difference in ongoing ownership costs between the two markets to become a more common consideration for buyers overseas.

PROPERTY TAX COMPARISON — EFFECTIVE JULY 1, 2026

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Second-home tax: New York City vs. Tokyo

Where a non-primary residence is taxed — and where it isn't.

	New York City	Tokyo
Pied-à-terre / second-home surcharge	**Yes** — new annual surcharge, effective July 1, 2026	**None**
Surcharge rate — condos & co-ops (2026–2028)	**4%–6.5%** of assessed value, on top of base property tax	**Not applicable**
Non-resident / nationality-based add-on	None — charge is keyed to primary residence, not nationality	**None**
Base annual property tax	Standard NYC real property tax; effective rate about 1% of market value for high-end condos	Fixed asset tax 1.4% + city planning tax up to 0.3% of assessed value (typically below market)
Foreign-buyer treatment	Same base tax; surcharge applies if not a primary residence	Same taxes as residents; full freehold title

Sources: New York State FY2027 Budget — Article 30-C, New York Tax Law (enacted 28 May 2026, effective 1 July 2026); New York City Department of Finance (FY2026 residential class rates); Japanese local tax law (fixed asset tax & city planning tax). Effective property-tax rates are approximate and rest on below-market assessed values that differ by city; figures are for comparison only and do not constitute tax advice. Compiled July 2026.

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New York City's pied-à-terre surcharge on non-primary residences took effect July 1, 2026; Tokyo imposes no equivalent second-home, vacancy, or non-resident property tax. Source: Housing Japan. Figures are for comparison only and are not tax advice.

"New York now adds a recurring annual charge on second homes that Tokyo simply does not have," said Yudai Yamaguchi, Head of Sales at Housing Japan. "We expect ongoing ownership costs to weigh more heavily for American investors comparing global markets, and Tokyo's lack of any pied-à-terre, vacancy, or non-resident tax could add to the reasons they look closely at Japan real estate investment."

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The comparison concerns ongoing holding cost and tax structure only, and buyers should take independent tax advice for their own circumstances.

New York's surcharge also places it among a number of major cities that have moved to tax second or non-primary homes in recent years, alongside Paris, Toronto, and Vancouver, though the mechanisms differ, with Toronto and Vancouver taxing homes left vacant and Paris and New York applying charges tied to residence status. Tokyo continues to apply no comparable second-home, vacancy, or non-resident tax, and treats overseas and domestic owners on the same basis. For buyers weighing where to hold property across several markets, that consistency is a long-standing structural feature of Tokyo real estate rather than a short-term incentive, one reason the city is becoming harder to overlook in a long-term, cross-market comparison.

About Housing Japan
Housing Japan is a licensed Tokyo real estate brokerage that has advised domestic and international clients on Tokyo luxury and investment property for over 25 years. Its multilingual, English-speaking team works with buyers, sellers, investors, and owners from Japan and overseas across central Tokyo's residential market, providing brokerage, leasing, and property management services.
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