

RESIDENTIAL RESEARCH



FIRST HOME BUYER INCENTIVE GUIDE

JUNE 2017



FIRST HOME BUYER GRANTS & CRITERIA FOR ELIGIBILITY ACROSS AUSTRALIA

Incentives for First Home Buyers across Australia

As at 15 June 2017

New South Wales

Victoria

Queensland

Western Australia

First Home Owner Grant

Where dwelling is new (unless specified), minimum age is 18 years, at least one applicant is a natural person and an Australian permanent resident or citizen

Scheme

First Home Owner Grant (FHOG)
New Homes

First Home Owner Grant (FHOG)

First Home Owners' Grant

First Home Owner Grant (FHOG)

Grant (one-off)

\$10,000

\$10,000

Note: Increases to \$20,000 for regional Victoria on 1 July 2017.

\$20,000

Note: Drops to \$15,000 from 1 January 2018.

\$10,000

Note: A boost of \$5,000 available from 1 January 2017 to 31 December 2017.

Property Value Threshold

\$600,000 (buyers of new properties)

\$750,000

\$750,000

\$750,000 (builders of new properties)

\$750,000 (location is south of the 26th parallel of south latitude) &
\$1,000,000 (location is north of the 26th parallel of south latitude)

Criteria for Eligibility

- ☐ The contract date must be on or after 1 July 2017.
- ☐ You or your spouse (including de facto spouse) have never held a relevant interest in any residential property in Australia prior to 1 July 2000.
- ☐ You need to live in the home for a continuous period of at least six (6) months.

- ☐ You have not owned a home in Australia, either jointly or separately, prior to 1 July 2000.
- ☐ You have not lived in a home in Australia in which either of you owned or part-owned on or after 1 July 2000, for a continuous period of at least six (6) months.
- ☐ You (or at least one applicant) must intend to live in the home as your Principal Place of Residence for at least 12 months, commencing within 12 months of settlement or completion of construction.

- ☐ You or your spouse has not previously owned property in Australia

- ☐ Each applicant and/or their spouse cannot have owned residential property anywhere in Australia before 1 July 2000.
- ☐ Each applicant and/or their spouse cannot have previously owned residential property anywhere in Australia on or after 1 July 2000 and occupied that property as a place of residence before 1 July 2004.
- ☐ Each applicant and/or their spouse cannot have previously owned residential property anywhere in Australia on or after 1 July 2000 and occupied that property as a place of residence for a continuous period of at least six (6) months that began on or after 1 July 2004.
- ☐ Each applicant must occupy the home as their principal place of residence for a continuous period of at least six (6) months, commencing within 12 months of completion of the eligible transaction.

Stamp Duty Concessions

Dwellings and Land

If the new or established first home is valued at less than \$650,000, stamp duty is exempt, while purchasers may be eligible for a stamp duty reduction if valued under \$800,000. Stamp duty on lenders mortgage insurance is exempt. If land is valued under \$400,000, stamp duty concessions are available and exempt if valued under \$350,000.

Stamp duty is exempt for first home buyers in Victoria for property valued below \$600,000, while a tapered discount will apply for property purchases valued between \$600,000 and \$750,000—this exemption applying to both new and established dwellings from 1 July 2017. HomesVic has been established to assist those eligible with saving for a deposit.

If the first home is valued at less than \$550,000 or vacant land less than \$400,000, purchasers may be eligible for a stamp duty reduction on a sliding scale.

If the first home is valued at less than \$530,000, purchasers may be eligible for a stamp duty reduction and exempt from stamp duty if valued under \$430,000. If the vacant land is valued at less than \$400,000, purchasers may be eligible for a stamp duty reduction and exempt from stamp duty if valued under \$300,000.

For further information, contact the respective state revenue websites listed below:

<http://www.osr.nsw.gov.au/>

<http://www.sro.vic.gov.au/>

<https://greatstartgrant.osr.qld.gov.au/>

<http://www.finance.wa.gov.au/>

Incentives for First Home Buyers across Australia

As at 15 June 2017

South Australia

Australian Capital Territory

Tasmania

Northern Territory

First Home Owner Grant

Where dwelling is new (unless specified), minimum age is 18 years, at least one applicant is a natural person and an Australian permanent resident or citizen

Scheme

First Home Owner Grant (FHOG)

First Home Owner Grant (FHOG)

First Home Owner Grant (FHOG)

First Home Owner Grant (FHOG)

Grant (one-off)

\$15,000

\$7,000

\$20,000

\$26,000

Note: Drops to \$10,000 from 1 July 2018.

Note: A home renovation grant of \$10,000 may be available for established properties.

Property Value Threshold

\$755,000

\$750,000

\$0

\$0

Criteria for Eligibility

- ☐ The applicant(s) or their spouse(s)/ domestic partner(s) must not have previously owned a residential property anywhere in Australia prior to 1 July 2000.
- ☐ The applicant(s) or their spouse(s)/ domestic partner(s) must not have owned a residential property anywhere in Australia on or after 1 July 2000 and occupied that property continuously for six (6) months or more.
- ☐ All applicants must occupy the home purchased or built as their principal place of residence for a continuous period of at least six (6) months commencing within 12 months after completion of the eligible transaction.
- ☐ Not have previously owned or held a relevant interest in a residential property anywhere in Australia prior to 1 July 2000.
- ☐ Not have occupied a residential property in which they acquired a relevant interest anywhere in Australia on or after 1 July 2000 but before 1 January 2004.
- ☐ Not have occupied, for a continuous period of at least six (6) months, a residential property in which they acquired a relevant interest anywhere in Australia on or after 1 January 2004.
- ☐ Lodge an application within 1 year after completion of the eligible transaction. Ensure each person holding a relevant interest in the property is an applicant.
- ☐ Ensure at least one applicant must reside in the home as their principal place of residence for a continuous period of at least one (1) year, with the period of occupation starting within one (1) year after completion of the eligible transaction.
- ☐ Not have owned a home in Australia before 1 July 2000.
- ☐ Not have owned and occupied (for more than six [6] months) a home in Australia after 1 July 2000.
- ☐ Occupy the home as your principal place of residence for a continuous period of six (6) months commencing within 12 months of the date the occupancy certificate is issued for the property.
- ☐ Not have entered into a contract to purchase or build a home before 1 July 2000, or not commenced construction as an owner builder prior to that date.
- ☐ Each applicant and their spouse/ de facto partner is a person who has never held a relevant interest in a residential property, either jointly, separately or with some other person, before 1 July 2000 in any state or territory of Australia.
- ☐ This is the first time each applicant and/or their spouse/de facto partner will receive a grant under the First Home Owner Grant Act 2000 in any state or territory of Australia.
- ☐ At least one applicant will be occupying the home as their principal place of residence for a continuous period of six (6) months commencing within 12 months of the completion date of the eligible transaction.

Stamp Duty Concessions

Dwellings and Land

No specific concessions or exemptions available for first home buyers.

If the first home is valued at less than \$590,000, purchasers may be eligible for a stamp duty reduction if the dwelling is new or substantially renovated.

No concessions or exemptions available for first home buyers.

A stamp duty concession of \$23,928.60 is available on the purchase of an established property valued up to \$650,000.

For further information, contact the respective state revenue websites listed below:

<http://www.revenuesa.sa.gov.au/>

<http://www.revenue.act.gov.au/>

<http://www.sro.tas.gov.au/>

<http://www.treasury.nt.gov.au/>



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Incentives for all First Home Buyers in Australia

The Australian Federal budget handed down on 9 May 2017 introduced several policy initiatives to directly boost housing affordability for first home buyers from 1 July 2017.

The First Home Super Scheme will assist Australians saving for their first home by allowing individuals to make voluntary contributions of up to \$15,000 per year and \$30,000 in total, to their superannuation account to purchase their first home.

These contributions, which are taxed at 15%, along with deemed earnings, can be withdrawn for a deposit. Withdrawals will be taxed at marginal tax rates less a 30% offset and allowed from 1 July 2018. This measure is designed to fast-track the time taken to save for a deposit.

For further information, contact the Australian Taxation Office:
<https://www.ato.gov.au/General/New-legislation/In-detail/Super/First-home-super-saving-scheme>

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