

FIRST HOME BUYER BENEFITS

If you are looking to buy or build your first home in NSW, you may be eligible to receive benefits under two NSW Government funded initiatives administered by the NSW Office of State Revenue, and as announced by New South Wales premier, Gladys Berejiklian, to improve housing affordability in NSW.

1. First Home Stamp Duty Relief – New and Existing Homes.
2. First Home Owners Grant (New Homes) Scheme.

The new eligibility rules are intended to take effect from 1 July 2017. ***Please note that these changes are yet to be legislated as at 6 June 2017.***

Contracts dated prior to the commencement of these reforms will continue to be eligible for the same grants, concessions, and conditions for which they would have been eligible had these changes not occurred.

1. First Home – Stamp Duty Relief

This Scheme has been established to assist first home owners to purchase a new home, and for builders of new homes by offering the following:

- For both new and existing dwellings, first home buyers will be 100% exempt from stamp duty for properties valued up to \$650,000. This could save a first home buyer up to \$24,740 on a \$650,000 home. For homes valued between \$650,000-\$800,000 there will be a discount on stamp duty on a sliding scale up to \$800,000.
- Previously the stamp duty concessions applied only to new dwellings for properties valued under \$550,000 and discounts phasing out completely at \$650,000.
- The additional 9% stamp duty charged on Lenders Mortgage Insurance (LMI), applicable to purchasers with smaller deposits, will be abolished from 1 July 2017.
- There is a standard 3 month period to make stamp duty payments on off the plan purchases. The additional 12 month off-the-plan payment settlement date for all residential purchases by investors will be abolished from 1 July 2017. However this will continue for owner occupier first home buyers.

2. First Home Owner Grant (New Homes) Scheme

What is a new home?

A new home is a home that has not been previously occupied or sold as a place of residence and includes a home that has been substantially renovated and a home built to replace demolished premises. Note: A home that has been occupied, including by the builder, a tenant or any other occupant is not considered a new home. Where the home is being purchased, it must be the first sale of that home.

This scheme was established to assist eligible first home owners to purchase a new home or build their home. The grant amount is determined by the date of the eligible transaction. This is the date of the contract to purchase a new home or contract to build a home. For an owner builder, the eligible date is when the building commences.

The grant amounts for eligible transactions are specified below:

- Prior to the new initiatives announced by the NSW Premier on 2nd June 2017, for eligible transactions made on or after 1 January 2016, the grant amount was \$10,000. This applied to property values up to \$750,000.
- From 1 July 2017 First home buyers purchasing a new property worth up to \$600,000 will be entitled to a \$10,000 grant. Purchasing a new property means settling on a completed home which is intended to include off the plan apartments.
- From 1 July 2017 First home buyers building a new property will be entitled to a \$10,000 grant on homes worth up to \$750,000. Building a new property might be buying a block of land and under a separate contract engaging a builder to build for you. If you buy a house and land package as a single contract, this may not be classed as building a new property. The definitions are yet to be determined by the NSW government.
- This policy aims to provide assistance to first home buyers and stimulate the construction of new dwellings.
- The \$5,000 New Home Grant Scheme, which was available to other buyers including investors, will be closed.

For more information on the new first home buyers benefits and initiative, please refer to the following link:

<https://www.nsw.gov.au/improving-nsw/projects-and-initiatives/first-home-buyers/>

You must meet the following eligibility criteria to be deemed an ‘eligible purchaser’:

Eligibility Criteria	
1. First Home – Stamp Duty Relief	2. First Home Owner Grant (New Homes) Scheme
<ul style="list-style-type: none"> • At least one buyer must be an Australian citizen or permanent resident. • The agreement must be for the purchase of the whole property. • You must be a natural person (not a company or trust). • You must be over 18. • You or your partner have not previously owned residential property in any form (including an investment property) in any State or Territory of Australia. • At least one purchaser must occupy the home within 12 months and needs to live in the home for a continuous period of at least 6 months. <p>Note – If your partner has previously owned a home or received a benefit from us under the First Home - New Home Scheme, you will not be entitled to receive a concession or exemption.</p>	<ul style="list-style-type: none"> • The contract date must be on or after 1 January 2016. • The home is a brand new home. • You are over 18. • If you or your spouse/de facto spouse have never owned a residential property in Australia prior to 1 July 2000. • If you or your spouse/de facto spouse, have only owned a residential property in Australia on or after 1 July 2000 and you have not resided in that property for a continuous period of at least 6 months. That means you could have owned an investment property and still be eligible for the FHOG on your first live-in home. • The value of the property must not exceed the First Home Owner Grant Cap of \$750,000 if you are building a new home or \$600,000 if purchasing a new home. • You have not received a first home owner’s grant in any State or Territory, unless subsequently repaid. • Have lived in the home for a period of at least 6 months. • At least one applicant is a permanent resident or Australian citizen. • Each applicant must be a natural person and not a company or trust.

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