

2017 first-home buyer duty exemption or concession FAQs

Here are the answers to some frequently asked questions about changes to the first-home buyer duty concession and exemption, included in the *State Taxation Acts Amendment Act 2017* which received Royal Assent on 27 June 2017.

1. What is it?
2. How does the concessional rate of duty work?
3. How do you qualify for the exemption/concession?
4. When will this exemption/concession commence?
5. You are a first-home buyer. You signed a contract to buy a vacant land prior to 1 July 2017, with settlement after 1 July 2017. You will build your home on the land within 12 months. Do you qualify for the new exemption or concession?
6. You and your partner are buying a home. It is the first home for both of you. You have a concession card but your partner does not. How will the new duty exemption/concession apply?

1. What is it?

This is an exemption from land transfer duty (commonly known as stamp duty) for first-home buyers who buy a home with a dutiable value of \$600,000 or less.

First-home buyers buying a home with a dutiable value between \$600,001 and \$750,000 will be entitled to a concessional rate of duty, calculated on a sliding scale.

In most cases, the dutiable value of a property is the price you pay for it **minus any deductions (such as the off-the-plan concession)**. If the price you pay for the property is less than market value, the dutiable value will be the market value minus any deductions.

2. How does the concessional rate of duty work?

The concession will apply on a sliding scale. The closer the dutiable value is to \$600,001, the greater the concession.

The exact detail of how this will work will be available later. This table gives you a guide on how the concession might work, however, these figures may change once the detail of the concession is finalised.

Example of proposed first-home buyer duty concession

Dutiable value	Normal duty	Duty after concession
\$605,000	\$31,370	\$1046
\$625,000	\$32,570	\$5428
\$650,000	\$34,070	\$11,357
\$675,000	\$35,570	\$17,785
\$700,000	\$37,070	\$24,713
\$725,000	\$38,570	\$32,142
\$745,000	\$39,770	\$38,444

The first-home buyer exemption and concession are available for both established and new home purchases.

3. How do you qualify for the exemption/concession?

There are a number of criteria you or the property must satisfy:

1. Value of the property

The home purchased must have a dutiable value:

- Of \$600,000 or less to receive the exemption,
- From \$600,001 and \$750,000 to receive the duty concession

The dutiable value for a property is generally the greater of its purchase price or market value minus any deductions (such as the off-the-plan concession).

The off-the-plan concession deducts the construction or refurbishment costs incurred after you sign the contract from the contract price.

2. Purchaser eligibility

All purchasers and their partners must meet the **FHOG eligibility** criteria to be entitled to this duty exemption/concession.

3. Residency requirement

At least one purchaser must use the home as a principal place of residence (their home) for a continuous period of 12 months, starting within 12 months of becoming entitled to possession of the purchased property (this normally occurs at settlement).

4. When will this exemption/concession commence?

The first-home buyer duty exemption and phase-in concession is available for transfers resulting from contracts entered into on or after 1 July 2017.

If you enter into a contract before 1 July 2017 but settle after this date, you will not be eligible for the new first home buyer exemption or phase-in concession. You may, however, be eligible for the **existing first-home buyer duty reduction**.

Further information on transitional arrangements, including whether nominations change the availability of the new exemption and concession, will be provided as these details become available. Please continue to check our website.

5. You are a first-home buyer. You signed a contract to buy a vacant land prior to 1 July 2017, with settlement after 1 July 2017. You will build your home on the land within 12 months. Do you qualify for the new exemption or concession?

No. For duties purposes, the relevant transaction is the transfer of land. As the date you signed the contract to purchase the land was before 1 July 2017 the new exemption or concession will not

apply. You may however obtain the **existing first-home buyer duty reduction**, subject to you meeting all relevant criteria for the concession.

6. You and your partner are buying a home. It is the first home for both of you. You have a concession card but your partner does not. How will the new duty exemption / concession apply?

Concession cards do not affect the first home buyer duty exemption / concession.

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