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changes to stamp duty for first home buyers

The **First Home – New Home** scheme makes changes to stamp duty for first home buyers. **First Home – New Home** scheme will start on 1 January 2012.

**First Home – New Home** scheme will allow eligible purchasers to buy:

1. New homes (that is a home which has not been previously occupied or sold as a place of residence) up to \$600,000. This includes off the plan purchases.
2. Substantially renovated homes up to \$600,000. Substantial renovations for this purpose are defined as renovations in which all, or substantially all, of a building is removed or replaced.
3. A vacant block of residential land (that is intended to be used as the site of a first home) up to \$450,000.

To be an eligible purchaser you need to comply with the following criteria:

1. You need to be a natural person (i.e. not a company or trust);
2. Must be at least 18 years of age;
3. You or your spouse/de facto must have not at any time:
  - (a) owned (either solely or with someone else) residential property in Australia other than property owned solely as trustee or executor;
  - (b) been the holder (either solely or with someone else) of a leasehold interest granted by the Commonwealth in residential property in Australian Capital Territory.
  - (c) previously received an exemption or concession under First Home Plus.

First Home buyers will receive full exemption where the dutiable value of the property is no more than:

1. \$500,000 for the acquisition of a new home or off the plan purchase; and
2. \$300,000 for the acquisition of a vacant block of residential land intended to be used as the site of a new home.

A concession will be provided for:

1. the acquisition of a new home or off the plan purchase over \$500,000 but under \$600,000; and
2. the acquisition of a vacant block of residential land intended to be used as the site of a new home over \$300,000 but under \$450,000.

For example:

1. Lani is a first home buyer and has purchased a new home for \$260,000. Lani will receive a full stamp duty exemption.
2. Max is a first home buyer and has purchased a vacant block of residential land for \$320,000. The vacant land is intended to be used as the site of his new home. Max will receive a concession and will pay \$2,098 for stamp duty saving him \$7,792.

There is no time limit to commence or complete building the home for purchase of vacant land as long as the first home owner has the intention to build and occupy the new home.

First home buyers must occupy the home as their principal place of residence for a continuous period of six months commencing within 12 months from the completion of the agreement.

There are no changes to the First Home Owners Grant scheme. Under the scheme, a one-off grant of \$7,000 is payable to first home owners that satisfy all the eligibility criteria as follows:

1. You need to satisfy the same criteria for **First Home – New Home** above, points 1-3 plus you need to be a permanent resident or Australian citizen.
2. You need to enter into a contract for the purchase of a home or signed a contract to build a home.

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3. The total value of the property does not exceed the cap amount for eligible transactions. The cap amount from 1 January 2011 is \$835,000 and is reviewed annually.
4. You must occupy the home as a principal place of residence for a continuous period of 6 months, commencing within 12 months after settlement or construction of the home. If you are a member of the *permanent forces of the Australian Defence Force* and enrolled on the NSW electoral roll, you are exempt from this requirement.

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For further information on this issue, please see the contacts below.

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