



First Home Benefits

FACTSHEET

April 2007

- \$7000 First Home Owner Grant
- Exemptions and concessions on duty under **First Home Plus** and **First Home Plus One**

If you are buying or building your first home, you may be eligible for benefits under the First Home Owner Grant Scheme and/or the First Home Plus Scheme.

The First Home Owner Grant Scheme is a joint Australian and NSW Government initiative offering eligible NSW first home buyers a \$7000 grant. The grant applies to residential dwellings only and does not apply to vacant land.

The First Home Plus Scheme provides exemptions or concessions on transfer duty and mortgage duty for eligible NSW first home buyers. This includes vacant land on which you intend to build your first home.

Both schemes are administered by the Office of State Revenue (OSR) to help first home buyers in NSW to purchase or build their first home.

There are no income or assets tests to qualify for the benefits.

Business premises, a holiday house or renovations to an existing home do not qualify for first home benefits.

First Home Owner Grant

The *First Home Owner Grant Scheme* is available to people buying or building their first home and who meet the following eligibility criteria:

- Each applicant is a natural person and not a company or trust.
- At least one applicant is a permanent resident or Australian citizen.
- Each applicant must be at least 18 years of age.
- All applicants and/or their spouse/de facto have not owned a residential property, jointly, separately or with some other person, in any State or Territory of Australia **before 1 July 2000**.
- All applicants and/or their spouse/de facto have not previously owned a residential property jointly, separately or with some other person in any State or Territory of Australia, and occupied that property for a continuous period of at least 6 months.
- Each applicant has entered into a contract for the purchase of a home or signed a contract to build a home on or after 1 July 2000. In the case of an owner-builder, laying of the foundations commenced on or after 1 July 2000.



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- This is the first time an applicant and/or their spouse/de facto will receive a grant under the First Home Owner Grant Act 2000 in any State or Territory (unless subsequently repaid).
- At least one applicant will occupy the home as their principal place of residence for a continuous period of six months, commencing within 12 months of settlement or construction of the home.

How to apply for the First Home Owner Grant

You can apply for the First Home Owner Grant through your financial institution or OSR. Applications lodged with financial institutions will have the grant available for settlement or for the first draw down on contracts to build.

Applications can only be lodged with OSR after completion and you are registered on title (if you are purchasing under a 'Terms Contract' please contact OSR for lodgement requirements).

Applications must be lodged within 12 months of completion or settlement of your home.

First Home Plus

The First Home Plus Scheme provides eligible purchasers with exemptions on transfer duty and mortgage duty on homes valued up to \$500 000 and concessions on duty for homes valued between \$500 000 and \$600 000.

Eligible purchasers buying a vacant block of residential land to build their home on will pay no duty on vacant land valued up to \$300 000, and will receive concessions on duty for vacant land valued between \$300 000 and \$450 000.

To qualify for First Home Plus you must meet the criteria listed below:

- The contract and the transfer must be for the purchase of the whole of the property.
- All purchasers must be 'eligible purchasers'.
- At least one eligible purchaser must occupy the home as their principal place of residence for a continuous period of six months, commencing within 12 months of completion of the agreement.
- An 'eligible purchaser' is a natural person (ie not a company or trust) at least 18 years of age who has not, and whose spouse/de facto has not:
 - ▶ At any time owned (either solely or with some one else) residential property in Australia other than property owned solely as trustee or executor
 - ▶ Previously received an exemption or concession under First Home Plus.

Note: if all purchasers are not 'eligible purchasers' you may still qualify for a concession under First Home Plus One – see page 5

1 Calculating the concessions on duty

The tables below give a guide to the concession applicable. You can calculate the exact amount of your concession using the First Home Plus calculator on OSR's website.

(a) Homes

You do not have to pay duty on the purchase of a home up to \$500 000. To calculate the First Home Plus concession on a home between \$500 000 and \$600 000 multiply the purchase price by 0.2249 and subtract \$112 450.

Example calculations:

Purchase price (\$)	Usual duty (\$)	First Home Plus duty (\$)	Savings (\$)
250 000	7 240	0	7 240
300 000	8 990	0	8 990
350 000	11 240	0	11 240
400 000	13 490	0	13 490
450 000	15 740	0	15 740
500 000	17 990	0	17 990
525 000	19 115	5 623	13 493
550 000	20 240	11 245	8 995
575 000	21 365	16 868	4498
600 000	22 490	no discount	0

(b) Vacant land

You do not have to pay duty on the purchase of vacant land up to \$300 000.

To calculate the First Home Plus concession on land between \$300 000 and \$450 000, multiply the purchase price by 0.1049 and then subtract \$31 470.

Example calculations:

Purchase price (\$)	Usual duty (\$)	First Home Plus duty (\$)	Savings (\$)
100 000	1 990	0	1 990
200 000	5 490	0	5 490
300 000	8 990	0	8 990
340 000	10 790	4 196	6 594
380 000	12 590	8 392	4 198
420 000	14 390	12 588	1 802
450 000	15 740	no discount	0

2 Calculating the concessions on mortgage duty

To be eligible for a concession on mortgage duty the initial amount you borrow under the mortgage must not exceed \$600 000 for a dwelling or \$450 000 for vacant land. If you are purchasing vacant land and your mortgage includes an amount for building a private dwelling you can take out a mortgage for up to \$600 000.

Mortgage duty is \$5, plus a further \$4 for every \$1000, or part, by which the amount secured exceeds \$16 000. To calculate your concession, discount the mortgage duty payable by the percentage figure shown over the page. You can also calculate the exact amount of your concession using the First Home Plus calculator on OSR's website.

(a) If the property has a private dwelling built on it:

Purchase price (\$)	Concessions on duty
Less than \$500 000	100%
More than \$500 000 but not more than \$535 000	75%
More than \$535 000 but not more than \$565 000	50%
More than \$565 000 but less than \$600 000	25%

(b) If the property is a vacant block of residential land:

Purchase price (\$)	Concessions on duty
Less than \$300 000	100%
More than \$300 000 but not more than \$350 000	75%
More than \$350 000 but not more than \$400 000	50%
More than \$400 000 but less than \$450 000	25%

How to apply for First Home Plus

Submit your First Home Plus application together with your mortgage document at the same time you lodge your Agreement for Sale/Transfer for stamping by OSR. Your application must be accompanied by all supporting documents.

You must have already exchanged contracts to purchase your first home or vacant land.

If you do not submit your mortgage document at the time of lodgement you can still apply for the mortgage duty exemption or concession at a later stage. You will need to consult your lender about this.

First Home Benefits application forms

You can print an application form for both the First Home Owner Grant and First Home Plus from www.osr.nsw.gov.au, phone and ask to have an application posted, or send an email to first.home.benefits@osr.nsw.gov.au. Forms are also available from your solicitor or conveyancer.

False claims

There are substantial penalties for knowingly making false or misleading statements in connection with an application for first home benefits. OSR conducts investigations and compliance checks to ensure the grant and duty exemption/concession are given only to those applicants who are entitled to receive them.

OSR audits claims with current and historical data held by other State and Territory agencies and commercial organisations.

MORE INFORMATION

Phone

1300 130 624

Phone hours

8.30 am – 5.00 pm

Monday – Friday

Website

www.osr.nsw.gov.au

Email

first.home.benefits@osr.nsw.gov.au

Help in community languages is available.

First Home Plus One

From 1 May 2007, First Home Plus One allows eligible purchasers to buy property with other parties and still receive a concession. To qualify the eligible purchasers must buy at least 50 per cent of the property. The value limits and other eligibility criteria of First Home Plus apply.

Transfer duty is calculated with reference to the proportion of the property purchased by other parties. However, this interest is disregarded if it is not more than five per cent.

Full mortgage duty concessions and exemptions apply to mortgages given to assist the purchase of property under First Home Plus One.

The tables below give a guide to the concession applicable. You can calculate the exact amount of your concession using the First Home Plus calculator on OSR's website.

Note: if the first home buyer's spouse has previously owned a home or received a benefit under First Home Plus, the first home buyer will not be entitled to First Home Plus One, regardless of whether or not the spouse is also a purchaser.

Homes

Purchase price (\$)	50% acquired by first home buyer		90% acquired by first home buyer	
	Duty (\$)	Saving (\$)	Duty (\$)	Saving (\$)
250 000	3 620	3 620	724	6 516
300 000	4 495	4 495	899	8 091
350 000	5 620	5 620	1 124	10 116
400 000	6 745	6 745	1 349	12 141
450 000	7 870	7 870	1 574	14 166
500 000	8 995	8 995	1 799	16 191
525 000	12 369	6 746	6 972	12 143
550 000	15 743	4 498	12 145	8 096
575 000	19 116	2 249	17 317	4 048

Vacant land

Purchase price (\$)	50% acquired by first home buyer		90% acquired by first home buyer	
	Duty (\$)	Saving (\$)	Duty (\$)	Saving (\$)
100 000	995	995	199	1 791
200 000	2 745	2 745	549	4 941
300 000	4 495	4 495	899	8 091
340 000	7 493	3 297	4 855	5 935
380 000	10 491	2 099	8 812	3 778
420 000	13 489	901	12 768	1 622

For First Home Plus One use the First Home Plus application form available from www.osr.nsw.gov.au.



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