



Fact sheet

Abolishing stamp duty for first home buyers

About this initiative

From 1 July 2017, first home buyers purchasing properties valued below \$600,000 will be **exempt from paying stamp duty**. Further, first home purchases valued between \$600,000 and \$750,000 will receive a concession applied on a sliding scale. It will be available for new and established home purchases.

This initiative gives first home buyers across the state a helping hand, by substantially reducing the upfront cost of purchasing a home.

How will it work?

The exemption and concession are available for new and established home purchases and will be applicable to **contracts signed from 1 July 2017**.

What are the criteria to qualify for an exemption or concession?

- The home must have a dutiable amount of less than \$600,000 to receive a stamp duty exemption.
- A concession applies on a sliding scale for purchases with a dutiable amount between \$600,000 and \$750,000.
- The dutiable amount of a property is generally the greater of the purchase price or market value, **minus any deductions** (such as a deduction for an off-the-plan the purchase).
- The purchaser and the purchaser's partner must be first home buyers, consistent with the definition under the *First Home Owner Grant Act 2000*.
- The purchaser must be an Australian citizen or permanent resident (New Zealanders holding a special category visa are considered permanent residents if they are in Australia at the time of settlement).
- The purchased property must be used as the purchaser's principal place of residence for a continuous period of 12 months, commencing within 12 months of possession of the purchased property.

Prospective first home buyers can contact the State Revenue Office on 13 21 61 to find out more about their eligibility.

How many people will be helped?

Around **25,000 first home buyers** will benefit each year and be able to contribute more towards the equity of their home and reduce their mortgage payments.



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Savings at selected home values are provided in Table 1 below.

Table 1: Duty savings for first home buyers

Home value	Savings for first home buyers from duty abolition/concession
\$200,000	\$3,185
\$300,000	\$5,685
\$400,000	\$8,185
\$500,000	\$10,985
\$600,000	\$15,535
\$700,000	\$12,357

How can I find out more?

First home buyers purchasing property valued up to \$750,000 will need to fill the appropriate documentation when completing the purchase. (For more information on applying for the concession, contact the State Revenue Office on 13 21 61 or visit <http://sro.vic.gov.au/first-home-owner>.)

The exemption and concession are in addition to the **First Home Owner Grant (FHOG)** (for more information on the FHOG, see the FHOG Fact Sheet on www.sro.vic.gov.au).