



# Fact sheet

## Rebalancing the off the plan stamp duty concession

### About this initiative

From 1 July 2017, the off the plan stamp duty concession will only be available for those who qualify for the **principal place of residence stamp duty concession** or the **first home buyer stamp duty exemption/concession**. The concession will no longer be available for other purchases, such as residential investment properties and commercial properties.

This gives owner-occupiers a competitive advantage against investors, and aligns with the Government's goal of supporting first home buyers. The Government is using the savings from this initiative to fund the changes to stamp duty for first home buyers.

### What is the off the plan stamp duty concession?

The off the plan stamp duty concession deducts from the contract price the cost of any construction or refurbishment which occurs on or after the contract date.

This means that the dutiable amount is the value of land and improvements *as at the contract date*. For example, for the purchase of a house and land package, where construction has not commenced, stamp duty is levied on the land component of the property only, thereby substantially reducing a buyer's stamp duty liability.

### How will the initiative work?

For contracts entered into from 1 July 2017, only property purchasers who intend to live in their property will be eligible for the off the plan stamp duty concession. These include property purchasers who are eligible for:

- a first home buyer stamp duty concession or exemption (available for purchases with a dutiable value of up to \$750,000); or
- a principal place of residence stamp duty concession exemption (available for purchases with a dutiable value of up to \$550,000).

**Example:** a couple decides to downsize and buy a new apartment in an apartment block, with land value of \$100,000 and a purchase price of \$400,000, where construction has not commenced. The value of the land plus improvements at the contract date (the dutiable amount) is \$100,000. This is below the principal place of residence threshold of \$550,000, meaning the purchaser is eligible the off the plan stamp duty concession.

Further information is available on the State Revenue Office website at [www.sro.vic.gov.au](http://www.sro.vic.gov.au).