

First Home Benefits

From 1 January 2012 First Home Plus will be replaced by the First Home-New Home Scheme.

The amendment provides that an agreement or transfer will only be eligible for concession or exemption if the property being purchased is a new home or vacant land to be used as the site for a new home.

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

The purchase must be for a residential dwelling, business premises and holiday houses do not qualify.

An eligible purchaser must be natural person (i.e. not a company or trust) who is at least 18 years old. At least one applicant must be a permanent resident or Australian citizen. All the applicants including any spouse or de facto must not have previously owned a residential property in Australia either solely or with someone else.

If the first home buyers spouse or de facto has previously owned a home or received a benefit under First Home Plus, the first home buyer will not be entitled to the First Home Plus One regardless of whether or not the spouse is also a purchaser.

Residency requirements remain the same- at least one applicant must occupy the home as their principal place of residence of a continuous period of six months within twelve months from completion of the agreement.

The home must be a new (that is a home that has not been previously occupied or sold as a place of residence), substantially renovated- "substantially renovated" meaning a building defined as renovations in which all, or substantially all of the building is removed or replaced. The renovations may, but need not involve the removal or replacement or replacement of foundations, external walls, interior supporting walls, floors, roof or staircases.

For vacant land it must be intended to be used as a site for a first home.

No duty is payable for new home purchases or an off the plan purchase where the dutiable value of the property is no more than \$500,000.00 and then there is a concessional rate from \$500,000.00 to \$600,000.00.

For vacant land the dutiable value is \$300,000.00 and then there is a concessional rate from \$300,000.00 to \$450,000.00.

There are no time limits to commence or complete the building with regards to vacant land. It is sufficient that the Chief Commissioner is satisfied that the vacant block is intended to be used as the site of a new home to be occupied by the first home owner.

There is no exemption or concession if a first home buyer is purchasing an existing home to knock down and rebuild. The agreement must be a purchase of vacant land on which they are going to build a new home.

Applicants are still required to provide the proof of identity documents together with the application form.

First Home Buyers Grant

The First Home Buyers Grant will still be available-however the grant applies to residential dwellings only and does not apply to vacant land.

Applicants can still apply for the First Home Buyers Grant even if they do not qualify for the First Home-New Home exemption or concession.

The total value of the property must not exceed the cap amount of \$835,000.00 to be eligible to receive the grant.

Applications lodged through the first home buyers financial institution will have the grant available for settlement or for the first draw down on the contracts to build.

Applications lodged with the Office of State Revenue after completion must show evidence (i.e. providing a copy of the folio identifier) to the Office of State Revenue that the applicant is registered on title when applying for the grant.

The applicants are still required to provide the proof of identity documents together with the application form.