



**T**he release of the NSW State Budget on 1 July 2017 came with a welcome change to the existing laws on stamp duty.

Stamp duty is one of the additional costs associated with buying a home that is imposed by the State on the transfer of land from one party to another. The payment of stamp duty is an obligatory cost in all transfer of land transactions. It is a purchaser's responsibility to pay the cost of stamp duty when buying a property.

#### So, what are the Changes to Stamp Duty?

The State Government has introduced the First Home Buyers Assistance Scheme ("FHBAS").

The FHBAS provides opportunities for relief from the burden of paying stamp duty by first home buyers. With increasing housing prices, the idea of owning a first home was, for many, a distant dream. However, with the implementation of the FHBAS, this dream may now be within reach for more families and individual first home buyers.

Previously, the grants and schemes offered to first home buyers were burdened with incredibly limiting criteria. This made it difficult for some first home buyers to qualify for the schemes. The previous schemes applied only to new homes, being homes that had not previously been lived in, and offered only a discount on the cost of stamp duty.

Now, the incentive behind the FHBAS is to invite a broader range of people to join the residential property owner market. For many, the dream of paying off their own mortgage, and not someone else's, is now attainable.

The FHBAS abolishes stamp duty for properties priced up to \$650,000.00. The scheme further provides a concession on stamp duty for properties priced between \$650,000.00 and \$800,000.00.

The implementation of the FHBAS could save you, for example, almost \$25,000.00 when buying a residential property with a purchase price of \$650,000.00 delivering substantial saving for people who wish to

purchase their first home.

Further, the Scheme also applies to the purchase of vacant land. The scheme offers an exemption from duty on vacant land up to the purchase price of \$350,000.00 and a concession on vacant land priced between \$350,000.00 to \$450,000.00.

#### Are You Eligible?

The FHBAS may only be applied to Contracts dated from 1 July 2017. This means that if your Contract was exchanged before 1 July 2017, then the previous first home buyer grants and schemes will be applicable to you.

The Scheme is only applicable to people who have not previously purchased a home. The Scheme now applies not only to new homes but to established homes, being older homes that have been previously lived in.

The property you are purchasing must be intended to be your primary place of residence. It is a requirement that you as the purchaser of the property must live in the home for a period of 6 months within the first 12 months of the property formally becoming yours.

#### First Home Owner Grant (New Homes) Scheme

The Scheme may also be coupled with the First Home Owner Grant (New Homes) Scheme.

This scheme applies strictly to new homes that have not previously been lived in and new builds. The New Homes Scheme provides a \$10,000.00 grant to assist with the purchase of a brand new home priced up to \$600,000.00.

First home buyers that build a new residential property on vacant land will be entitled to a \$10,000 grant on homes worth up to \$750,000.

If you are considering purchasing your first home, you should talk to your solicitor to inquire about which scheme may be available to you. The new schemes can provide significant benefit to purchasing your first home. Talk to us. You'll be inspired!

Amelia Brayley  
Solicitor

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