

FHOG INFO

Announced in the 2012- 2013 NSW state budget are some major changes to the first home owners grant (FHOG) and stamp duty concessions for new homes. The changes are designed to promote the building of new dwellings in NSW and come into effect from the 1st of October 2012.

If you are a first home buyer and were thinking of buying a new house or unit you are in serious luck. For those of you who are first home buyers but haven't previously thought of buying a brand new property it may be worth considering from 1/10/2012 onwards. Just be mindful you don't pay over the odds just to get the grants and be careful when dealing with off plan purchases. There is no way of guaranteeing unconditional finance approval when the settlement of the property is to be many months in the future. This especially applies if you apply for a 95% loan.

Summary of changes

Grants:

- FHOG of \$7000 for established homes is to be phased out by 01/10/2012.
- FHOG for new homes will increase to \$15,000 between 01/10/2012 to 31/12/2013 for homes up to \$650,000.
- A \$5000 grant will be paid on all new home purchases by non first home buyers from 01/07/2012 also up to \$650,000.

Stamp duty concessions for first home buyers only:

- Stamp duty exemptions remain in place for new homes with new caps of \$550,000 for a full exemption and partial exemptions for purchases between \$550,000 and \$650,000.

First home buyers buying a new property for \$550,000 between October 2012 and December 2013 will receive \$35,240 in grants and fee exemptions!! (\$15,000 grant and \$20,240 in stamp duty savings). That is quite an incentive..

Full explanation from NSW office of state revenue website.

The NSW Treasurer, the Hon. (Mike) Michael Bruce BAIRD, MP announced the following changes to State taxes and grants as part of the 2012 State Budget:

New Home Grant Scheme

From 1 July 2012, a new \$5 000 grant will be provided to buyers of new homes, whether off the plan or newly built, with a value up to \$650 000 and to buyers of vacant land that is intended to be the site of a new home valued up to \$450 000

The grant is targeted at all non-first home buyers and is available to investors as well as owner occupiers. The grant will be administered through the transfer duty payment process.

The relevant form and factsheet will be made available prior to the commencement of the grant.

First Home Owner Grant (New Home) Scheme

From 1 October 2012, the First Home Owner Grant Scheme will be replaced by the First Home Owner Grant (New Home) Scheme. The new scheme will only apply to first home owners who purchase or build a new home valued at up to \$650 000

The grant will increase from \$7 000 to \$15 000 from 1 October 2012 to 31 December 2013 and to \$10 000 from 1 January 2014.

First Home – New Home

From 1 July 2012:

- the transfer duty exemption cap on new homes increases to \$550 000 with duty concessions for new homes valued between \$550 000 and \$650 000.
- the transfer duty exemption cap on vacant land increases to \$350 000 with duty concessions for vacant land valued between \$350 000 and \$450 000".