

# Transfer (Stamp) Duty And Grants In New South Wales

## Frequently asked questions by property buyers

### Who is it payable by?

Almost all contracts will state that the Buyer is liable to pay transfer duty.

### How is it calculated?

Transfer duty is calculated on the higher of the market value or purchase price of the property (inclusive of any GST). It is collected by the Office of State Revenue. If you would like to know how much transfer duty is payable on the property you are looking at buying please contact lawlab.

### When is it payable?

- **Existing properties and unregistered vacant land:** Within 3 months of the contract date. If finance is being obtained, transfer duty must be paid on or before settlement.
- **Off the plan properties:** The earlier of 3 months from settlement or 15 months from the contract date. If finance is being obtained, transfer duty must be paid on or before settlement.

### How is it paid?

You will need to provide a bank cheque or pay the

transfer duty to your lawyer's trust account before settlement or if there are sufficient funds coming from your financier your lawyer may be able to arrange for your financier to provide a cheque for it at settlement.

### Are there any concessions?

- **New Home Grant Scheme** - If you are buying a new home, buying off the plan or buying vacant land to build a new home (even if you are buying it as an investment and in the name of a company or trust) then you may be eligible for a transfer duty concession of \$5,000.00. The value of your home must not exceed \$650,000 (or \$450,000 for vacant land).
- **First Home - New Home Scheme:**  
**Home** - If you are buying your first home in your own name and intend to live in it as your principal place of residence then you may be eligible for a first home owner concession as follows:

Purchase price or value	Transfer duty rates
Up to and including \$550,000	Nil duty payable
Between \$550,000 and \$650,000	First home owner concessional duty payable
\$650,000 and above	No Concession

**Vacant Land** - If you are buying vacant land in your own name to build your first home on and intend to live in it as your principal place of residence then you may be eligible for a first home vacant land concession as follows:

Purchase price or value	Transfer duty rates
Up to and including \$350,000	Nil duty payable
Between \$350,000 and \$450,000	First home vacant land concessional duty payable
\$450,000 and above	No concession

### What are the residency requirements to be eligible for the concessions?

You must move in to the home within 1 year of settlement and live there continuously for at least 6 months. If you are building a home, you must commence construction within 26 weeks of settlement but is no time frame on the completion of new home. If your circumstances change and you can't meet the residency requirements you must inform the Office of State Revenue.

## If I am buying a home with another person who has owned property before, will I still be able to get a first home owner concession?

Yes. You can claim the first home concession on your interest (e.g. your 50% share of the home).

## Are there any grants available?

The **First Home Owners Grant (New Home) Scheme** is a NSW Government grant of \$15,000 for first home owners buying or building a new home (including off the plan) valued at less than \$750,000. The grant will reduce to \$10,000 from 1 January 2016.

Although it is administered by the Office of State Revenue, the eligibility requirements are different than those for the First Home Owner and First Home Vacant Land concessions.

For example, you will not be eligible for the First Home Owners Grant if:

- You or your spouse have received a first home owner grant in any state before;
- You have owned any residential property before 1 July 2000 or have owned residential property that you have lived in since then;
- Your spouse owned residential property before 1 July 2000 or has owned residential property they have lived in before;
- You and any joint applicant are not Australian citizens or permanent residents.

You must move in to the home within 1 year of settlement (or 1 year of completion of construction for first home vacant land concessions) and not dispose (sell) the home within 6 months of moving in.

**For more information on transfer duty and grants please contact lawlab.**

**Lawlab has more than 100 years of experience, we can offer you practical, efficient and expert legal advice on your purchase. Please call 1800 529 522 or email: [conveyancing@lawlab.com.au](mailto:conveyancing@lawlab.com.au).**

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