

# Transfer (Stamp) Duty And Grants In Victoria

## 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 State Revenue Office. 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?

- Within 30 days of the settlement date. If finance is being obtained, transfer duty must be paid on or before settlement.

### How is it paid?

You will need to 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.

### What are the most common concessions?

- **Principal Place of Residence (PPR) Concession** - If you are buying a home in your own name and to live in as your principal place of residence then you may be eligible for a PPR concession (i.e. a reduced rate of duty) as follows:

Purchase price or value	Transfer duty rates
\$0 - \$130,000	Normal duty applies
\$130,000 - \$550,000	The PPR concessional rate applies
More than \$550,000	No concession

- **First Home Buyers Duty Reduction** - If you are buying your first home in your own name and to live in 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
\$0 - \$600,000.00	50% duty reduction
More than \$600,000	No reduction

- **Off the plan sales duty concession** - If you enter into a contract for the purchase of land and the construction of a new house, townhouse, apartment or unit, you may be eligible for an off the plan sales duty concession.

It allows a deduction from the contract price of the cost of construction or refurbishment which occurs on or after the contract date. Before settlement, the Seller will provides an 'off the plan sales statutory declaration' which states the percentage of construction or refurbishment completed after the contract date so we can calculate the duty concession.

- **Pensioner Exemption and Concession** - If you hold one of the relevant concession cards at the settlement date and purchase a property at market value for up to \$750,000 to live in as your principal place of residence then you may be eligible for a Pensioner Exemption or Concession.

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

You must use the property as your principal place of residence within 12 months of settlement and reside in the property for a continuous period of at least 12 months. If your circumstances change and you can't meet the residency requirements you must inform the State Revenue Office.

## 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?

No, the other person will disqualify you from being a first home owner as he/she owned property before. You will however, still be able to get the normal PPR Concession if the purchase price is no more than \$550,000.00.

## Are there any grants available?

The **First Home Owners Grant ('FHOG')** is a Victorian Government grant of \$10,000 for first home owners buying or building a new home (including off the plan) valued at less than \$750,000 for contracts entered into on or after 1 July 2013.

For contracts entered into prior to 1 July 2013, the grant is \$7,000 and for contracts entered into before 1 January 2010, there is no restriction placed on the price of the property to receive the grant.

To be eligible to receive the grant, the SRO must be satisfied that:

- You and your spouse/partner have not received a grant in any State or Territory of Australia;
- You and your spouse/partner must not have owned residential property, either jointly, separately or with some other person prior to 1 July 2000, in any State or Territory of Australia;

- You and your spouse/partner must not have occupied for a continuous period of at least 6 months, a residential property in which either of you acquired a relevant interest on or after 1 July 2000 in any State or Territory of Australia;
- You must be a natural person (not a company) and at least 18 years of age at the time of settlement or completion of construction; and
- You (or at least one applicant) must occupy the home as your/their principal place of residence for a continuous period of at least 12 months, commencing within 12 months of either settlement or completion of construction (the residency requirement).

**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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