

Transfer (Stamp) Duty And Grants In the A.C.T

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 ACT 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?

- **Existing properties and unregistered vacant land:** Within 90 days 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 14 days from settlement or a certificate of occupancy has issued or 14 days after 1 year 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?

- **Home Buyers Concession Scheme** - you may be eligible for a concessional rate of transfer duty at the rates in the table below if:
 - You are buying a new or substantially renovated residential home or residential vacant land to build a home; and
 - You intend to move in to the home within 1 year of settlement or completion of construction and live in the home as your principal place of residence for at least 1 year; and
 - You and your domestic partner have gross total income equal to or less than the threshold (\$160,000 if no dependent children and rises depending on number of dependent children).

| Dwelling - purchase price or value | Transfer duty rates as at June 2016 |
|---|---|
| Up to and including \$455,000 | \$20 |
| More than \$455,000 and less than \$585,000 | \$13.60 for each \$100 by which value exceeds \$455,000 |
| \$585,000 and above | No Concession |

| Vacant land - purchase price or value | Transfer duty rates as at June 2016 |
|---|---|
| Up to and including \$272,200 | \$20 |
| More than \$272,000 and less than \$317,600 | \$13.55 for each \$100 by which value exceeds \$272,000 |
| \$317,600 and above | No Concession |

- **Pensioner Duty Concession Scheme** - assists eligible pensioners, who own a residential home, to move to accommodation more suited to their needs (for example, moving from a house to a townhouse) by reducing the duty payable on their new purchase of a residential home or residential vacant land.
- **Over 60s Home Bonus Scheme (Home Bonus Scheme)** - assists eligible non-pensioners aged 60 years and over, who own a residential home, to move to accommodation more suited to their needs (for example, moving from a house to a townhouse) by reducing the duty payable on their new purchase of a residential home or residential vacant land.
- **Deferred duty** - Eligible persons who purchase an eligible property can elect to defer payment of the duty. An eligible person is a person who is eligible for the First Home Owner Grant or the Home Buyer Concession Scheme applicable at the time of the entering into the contract or transfer. First home purchasers who would otherwise be eligible for the FHOG, if not for the fact that the subject

Are there any grants available?

The **First Home Owners Grant** is an ACT Government grant of \$10,000 for first home owners buying or building a new home (including off the plan) valued at \$750,000 or less.

To be eligible for the First Home Owners Grant applicants must:

- Be an individual of at least 18 years of age;
- Ensure at least one applicant is an Australian citizen or permanent resident;
- Move in to the home within 1 year of settlement (or 1 year of completion of construction for vacant land) and retain ownership and occupy the home as a principal place of residence for a continuous period of at least 1 year.

Applicants will not be eligible if they or their spouse has:

- received a first home owner grant anywhere in Australia before;
- owned any residential property before 1 July 2000 or have owned residential property that they have lived in since then.

For more information on transfer duty and grants please contact lawlab on 1800 529 522.

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.

Disclaimer: this information is general in nature only and does not constitute legal advice. Lawlab accepts no liability for the content of this information sheet. You should obtain legal advice specific to your individual circumstances.

Phone 1800 529 522 / Email conveyancing@lawlab.com.au / www.lawlab.com.au

Level 2, 6 Bridge Street, Sydney, NSW, 2000
28b St Edmonds Road, Prahran, VIC, 3181

Level 10, 15 Green Square Close, Fortitude Valley, Brisbane, QLD, 4006
Suite 3, Level 1, 40 Parap Rd, Parap NT 0820

