

First Home Owner Benefits

A first home buyer may be entitled to receive the First Home Owner Grant (**Grant**) the First Home Bonus (**Bonus**) and the First Home Owner Boost (**Boost**).

The Grant - The Grant was established by the Federal Government in 2000 to encourage home ownership and offset the effects of GST on first home owners. This entitlement is not means tested, and there is no restriction as to purchase price (for Contracts entered into up to 30 June 2009). **However, for Contracts dated 1 July 2009 to 30 June 2010, the purchase price must be less than \$600,000.** It is a once-off payment and is subject to strict eligibility requirements. The Grant provides eligible first home buyers with a \$7,000 grant, and is an ongoing scheme with no end date specified.

The Bonus - A first home owner who qualifies for the Grant may also be eligible for the additional \$3,000 (established home) or \$5,000 (new home) Bonus paid by the Victorian Government, where the purchase price is less than \$500,000.00 This entitlement, automatically considered when applying for the Grant, will expire on 30 June 2009.

As announced on 6 May 2009 (subject to legislative approval), from 1 July 2009, where the purchase price is less than \$600,000, the Bonus will be \$2,000 for established homes and \$11,000 for new homes.

The State Revenue Office (**SRO**) administers both the Grant and Bonus and most financial institutions are approved agents for the purposes of arranging for the entitlements to be available at settlement. If a purchase involves a nomination, the entitlements may not be available until after settlement.

The Boost - The Boost, also administered by the SRO, is a Federal Government initiative to assist first home buyers, supplementing the Grant of \$7,000 by providing (for Contracts entered into between 14 October 2008 and 30 June 2009) an extra \$7,000 to first home buyers (established home), and an extra \$14,000 to first home buyers (new home).

In relation to an off-the-plan purchase, or the construction of a new home, settlement must occur prior to 31 December 2010. There is discretion in the SRO to extend this date, where the completion has been delayed through no fault of the purchaser. In the case of an off-the-plan purchase, it needs to have been contemplated by the parties that completion be due by 31 December 2010.

As announced in the Federal Budget on 12 May 2009, the Boost is to be extended in full to 30 September 2009, and will be halved from 1 October to 31 December 2009.

SRO - The SRO conducts ongoing investigations and penalties will apply if an applicant receives the Grant when not entitled or does not meet the residency requirement. The penalty is sometimes equal to the amount received, and interest may be payable.

Previous ownership is rigorously investigated, at approval stage, and subsequent to payment, ongoing routine checks are conducted.

The SRO website: www.sro.vic.gov.au sets out a table of the different amounts for which first home buyers in Victoria may be eligible. The website also includes information on stamp duty benefits, concessions and exemptions for first home owners with families, pensioners, off-the-plan purchases or principle place of residences (where purchase price is less than \$550,000.00).

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