



## Queensland Building Boost Program

### Highlights:

- A \$10,000 grant for any new home will be applicable from the 1<sup>st</sup> of August 2011-06-16
- The \$10,000 grant applies to
  1. Any new dwelling that has not been occupied prior to the 1<sup>st</sup> of August
  2. Any new building contract signed after the 1<sup>st</sup> of August
  3. Total value of the new home must be less than \$600k
  4. No transfer duty (Stamp duty) applicable to first home buyers up to a value of \$500k.
  5. The Federal Government First Home Owners grant still applies for \$7,000 on a maximum value of \$750k.
  6. Transfer duty for Principle Place of Residence has been increased (for non-first home buyers) however the effect on land purchases will be minimal. (Note: see attached Transfer Duty table).
  7. There is no limit to the number of times a person may obtain the grant provided each application is for a new property
  8. The grant is applicable to the building contract, which must be signed after the 1<sup>st</sup> of August. It is permissible to own, contract, or settle a block of land prior to the first of August provided that a building contract is not signed.

### Details:

#### Building or purchasing new homes

##### *Features:*

- A \$10,000 'building boost grant' is available to any person or corporation buying or building a new home, valued at less than \$600,000
- A new home is defined as a home that has not previously been occupied or sold as a principle place of residence – that is: the grant is not available for established homes
- The new home can be to live in or for investment, however the property must be occupied within 12 months of ownership
- 'Off the plan' purchase is permitted
- A contract for purchase or build must be made between 1 August 2011 and 31 January 2012
- For a comprehensive home building contract, work must commence within 26 weeks of the contract and be completed within 18 months of the work starting
- For a contract to purchase a new home off the plan, the building work must be completed by 31 July 2013
- The grant may be applied for more than once, i.e. the grant is applicable for each new home
- A first home owner may apply for the first home owner grant (\$7,000 grant) and the \$10,000 building boost grant i.e. Total \$17,000.
- A replacement contract does not qualify – i.e. if a contract is cancelled and then later executed on or after 1 August, the replacement contract is not eligible.

### First home buyers

#### *Grants:*

- A \$7,000 grant is available for first home buyers purchasing a home with a value less than \$750,000.
- The first home owner may apply for the \$10,000 'building boost' grant, provided the property is valued at less than \$600,000.
- The Government is promoting this as a \$17,000 'double dip' bonus

#### *Transfer duties:*

- First home buyers will not pay any transfer duties on homes valued up to \$500,000
- No duty on purchase of residential block to build on up to the value of \$250,000
- If a home valued is between \$500,000 and \$600,000, the first home purchaser will be eligible for a partial concession

### General information

- The Office of State Revenue is currently preparing application forms for the grants
- The Government has an initial 'eligibility tester' for the new grants on the budget website: [www.budget.qld.gov.au](http://www.budget.qld.gov.au)

### Transfer duty changes

#### **Features**

- First home buyers will not pay any transfer duties on homes valued up to \$500,000; the concession will progressively reduce and phase out at \$600,000
- From 1 August there will be a reduction in Transfer Duty Principle Place of Residence Concession.
- There is minimal change to the Transfer Duty for Investors, with duty payable under \$600k being reduced as seen in the table below.

Specific information follows:

**Table 1 Transfer duty payable (from Qld Government budget outlook)**

<b>Transfer Duty Payable – Impact of Budget Measures (\$)</b>					
Property Value	Current Standard Duty	Current PPR Duty	Remove Current PPR Concession	Change to Standard Duty	Duty Payable from 1 Aug 2011
50,000	675	500	175	..	675
100,000	1,925	1,000	925	-500	1,425
200,000	5,425	2,000	3,425	-600	4,825
300,000	8,925	3,000	5,925	-600	8,325
400,000	12,425	5,250	7,175	-600	11,825
500,000	15,925	8,750	7,175	-400	15,525
600,000	20,025	12,850	7,175	..	20,025
700,000	24,525	17,350	7,175	..	24,525
800,000	29,025	21,850	7,175	..	29,025
900,000	33,525	26,350	7,175	..	33,525
1,000,000	38,175	31,000	7,175	..	38,175

**Table 2 Revisions to transfer duty rate schedule (from Qld Government budget outlook)**

<b>Revisions to Transfer Duty Rate Schedule</b>			
<b>Current Schedule</b>		<b>Schedule from 1 August 2011</b>	
<b>Property Value</b>	<b>Rate</b>	<b>Property Value</b>	<b>Rate</b>
Up to \$5,000	nil	Up to \$5,000	nil
\$5,001 to \$75,000	1.5%	\$5,001 to <b>\$105,000</b>	1.5%
\$75,001 to \$540,000	\$1,050 + 3.5%	<b>\$105,001 to \$480,000</b>	<b>\$1,500 + 3.5%</b>
\$540,001 to \$980,000	\$17,325 + 4.5%	<b>\$480,001 to \$980,000</b>	<b>\$14,625 + 4.5%</b>
Over \$980,000	\$37,125 + 5.25%	Over \$980,000	\$37,125 + 5.25%