

# First Home Owner Grant Scheme

## ***Additional grant for new housing***

***An additional \$7000 grant for contracts made between 9 March 2001 and 31 December 2001***

OR

***An additional \$3000 grant for contracts made between 1 January 2002 and 30 June 2002***

### **What is the additional grant for new homes?**

The additional First Home Owner Grant provides for a grant, in addition to the original \$7000 grant, for the construction or purchase of eligible new homes.

Where the contract is made (or in the case of owner builders where construction commences) between **9 March 2001 and 31 December 2001** (inclusive), the additional grant will be **\$7000**.

Where the contract is made (or in the case of owner builders where construction commences) between **1 January 2002 and 30 June 2002** (inclusive), the additional grant will be **\$3000**.

For contracts made after 30 June 2002, the additional grant will not be available.

Key points to note:

- The existing First Home Owner Grant of \$7 000, which began on 1 July 2000, will continue to be available for both new and existing homes.
- Eligible first home buyers buying or building new homes will receive the additional grant and the existing First Home Owners Grant, regardless of their income level, the area they are planning to buy or the value of their first home.

- Where the purchase price of the home or the value of the construction contract is less than the total grants available the applicant will be entitled to grants equal to the value of the consideration.
- In the case of owner builders, the consideration includes the purchase price of materials used in the construction of the home and/or the value of any sub-contracts for work on the construction (but not the value of the owner's labour).
- First Home Owner Grants are not taxable.
- The additional grants are an initiative of the Commonwealth Government, which is providing funding for the extension of the scheme.
- In NSW, the First Home Owner Grant is administered by the Office of State Revenue (OSR).

### **What is a new home?**

- Only new home purchases and constructions are eligible for the additional grant.
- New homes must fulfil all the requirements for the definition of a "home" under the current *First Home Owner Grant Act 2000* legislation.



- Where a newly completed home is being purchased, it must be the first sale of that home.
- The home must also have never been previously occupied as a place of residence, including occupation by the builder, a tenant or other occupant.
- The purchaser must have proof, such as a statement from the vendor or other evidence, that the property meets these requirements.
- The first sale of a substantially renovated home, or a new home replacing demolished premises on the same land may be eligible. For further information, contact OSR.
- Home purchases and constructions which do not meet the requirements for the additional grant may nevertheless qualify for the existing \$7000 First Home Owner Grant.

## Are you eligible for the additional grant?

To be eligible for the additional grant you must satisfy all of the eligibility requirements for the existing \$7 000 First Home Owner Grant (which began on 1 July 2000) **and** the additional requirements detailed in this factsheet.

## Penalties for providing false or misleading information

There are substantial penalties for making false or misleading statements in, or in connection with, an application.

OSR, as part of its role in administering the *First Home Owner Grant Act 2000*, conducts investigations and compliance checks to ensure applicants are entitled to receive the grant.

A penalty of up to \$11 000 may be imposed for knowingly making a false or misleading statement in, or in connection with, an application.

In addition, the Chief Commissioner of State Revenue can, as a result of an applicant's dishonesty, also require the applicant to repay the grant and impose a further penalty equal to the value of the grant paid.

Please refer to the First Home Owner Grant Scheme 'First home assistance in NSW' factsheet or [www.osr.nsw.gov.au](http://www.osr.nsw.gov.au) for details of the existing \$7000 grant.

You are eligible for an additional grant if you enter into a contract to buy or build a new home (as defined here) between 9 March 2001 and 30 June 2002 (inclusive).

For contracts signed **between 9 March 2001 and 8 October 2001** (inclusive), construction of the home must commence within **16 weeks** of entering into the contract.

The NSW Commissioner of State Revenue may approve the payment of the grant in circumstances where construction is not commenced within 16 weeks of the contract if satisfied the delay is beyond the control of both parties to the contract.

For contracts signed **between 9 March 2001 and 8 October 2001** (inclusive), the contract must specify a completion date within **12 months** of the date of commencement. If the completion date is not specified in the contract, completion must occur within 12 months of the construction commencement date.

For contracts signed **between 9 October 2001 and 30 June 2002** (inclusive), construction of the home must commence within **26 weeks** of entering into the contract.

The Commissioner may approve the payment of the grant in circumstances where construction is not commenced within 26 weeks of the contract if satisfied that the delay is beyond the control of both parties to the contract.

For contracts signed **between 9 October 2001 and 30 June 2002** (inclusive), the contract must specify a completion date within **18 months** of the date of commencement. If the completion date is not specified in the contract, completion must occur within 18 months of the commencement date.

## Owner builders

If you are an owner builder you will be eligible for an additional grant of **\$7000** if you:

- commence building **between 9 March 2001 and 8 October 2001** (inclusive); and



- complete construction by **30 April 2003**

**OR**

- if you commence building **between 9 October 2001 and 31 December 2001 (inclusive)**; and
- complete construction by **31 December 2003**.

You will be eligible for an additional grant of **\$3 000** if you:

- commence building **between 1 January 2002 and 30 June 2002 (inclusive)**; and complete construction by **30 June 2004**.

### Off the plan purchases

If you purchase a new home “off-the-plan”, you will be eligible for an additional grant of **\$7000** if:

- the contract to purchase is entered into **between 9 March 2001 and 8 October 2001 (inclusive)**; and
- the contract provides for completion of construction **by 30 April 2003**

**OR**

- if the contract to purchase is entered into **between 9 October 2001 and 31 December 2001 (inclusive)**; and
- the contract provides for completion of construction **by 31 December 2003**.

You will be eligible for an additional grant of **\$3 000** if:

- the contract to purchase is entered into **between 1 January 2002 and 30 June 2002 (inclusive)**; and
- the contract provides for completion of construction **by 30 June 2004**.

### How to apply

You can apply through your financial institution or through any OSR office listed on this factsheet. You can print an application form from [www.osr.nsw.gov.au](http://www.osr.nsw.gov.au), phone and ask to have one posted or request for one to be emailed by sending a request to: [first.home.grant@osr.nsw.gov.au](mailto:first.home.grant@osr.nsw.gov.au).

Applications lodged with financial institutions will have the grant available for settlement or completion. If you are building

your home under a contract, payment may be available after the first draw down.

Applications must be lodged within 12 months of completion or settlement of your new home.

The Commonwealth Government fully funds the provision of additional grants. In addition, under an agreement between the Commonwealth and the States and Territories, the Commonwealth guarantees funding of First Home Owner Grants which have been paid to many thousands of people who have purchased their first home since the scheme commenced on 1 July 2000.

Homebuyers have also benefited from the abolition of Financial Institutions Duty (from 1 July 2001) which previously applied on deposits to accounts, including payments on home mortgages.

### Other first home assistance in New South Wales

Whether or not you qualify for the First Home Owner Grant, you may still be eligible for First Home Plus.

First Home Plus is a scheme introduced by the NSW Government in 2000. It provides exemptions or concessions on transfer duty and mortgage duty for first home or land buyers and builders in NSW.

Under First Home Plus, first home buyers do not pay duty on homes costing up to \$200 000 in metropolitan areas or up to \$175 000 in other parts of the State.

Concessions on duty will be on a sliding scale between \$200 000 and \$300 000 in metropolitan areas and between \$175 000 and \$250 000 in other parts of the State.

An exemption from duty is provided for first home buyers purchasing a block of land in metropolitan areas valued up to \$95 000, with concessions on a sliding scale up to \$140 000. For other parts of the State, there is an exemption up to \$80 000 and concessions up to \$110 000.

### More information about First Home Plus

For more detailed information on the First Home Plus scheme, please refer to the First Home Plus factsheet available from any OSR office or [www.osr.nsw.gov.au](http://www.osr.nsw.gov.au).



Office of State Revenue  
NSW TREASURY

## More information

<b>Email</b>	first.home.grant@osr.nsw.gov.au
<b>Internet</b>	www.osr.nsw.gov.au
<b>NSW Government's First Home Line</b>	1300 130 624
<b>Phone hours</b>	8.30am – 5pm (Monday to Friday)
<b>Counter service</b>	8.30am – 4.30pm (Monday to Friday)
<b>Sydney</b>	Level 3, 55 Hunter Street 1300 130 624
<b>Parramatta</b>	Lang Centre, Cnr Hunter and Marsden Streets 1300 130 624
<b>Newcastle</b>	Level 2, 97 Scott Street 4925 5333 or 1300 130 624
<b>Wollongong</b>	Level 6, 90 Crown Street 4253 1000 or 1300 130 624

Help in community languages is also available.

