

## **GUIDE TO GOVERNMENT GRANTS, INCENTIVES AND SCHEMES**

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In today's economic climate where historically low interest rates meet an uncertain property market, many first home buyers are thinking about their options

In response to ongoing affordability concerns and the impact of COVID-19, first home buyers can now take advantage of a number of new or expanded grants, incentives and schemes to get a foot on the property ladder.



Understanding and navigating your entitlements is critical to ensure you stretch your funds as far as possible, in one of the world's most expensive property markets. Apt Wealth Partners can help you every step of the way, from strategies to save your deposit to accessing government grants and even finding a home loan that aligns with your needs and goals.



# MAKE THE MOST OF GRANTS, INCENTIVES AND SCHEMES TO GET YOUR FOOT ON THE PROPERTY LADDER

## HERE'S WHAT YOU NEED TO KNOW

Both Federal and State Governments offer a range of grants, schemes and incentives designed to help more first home buyers to get a foot on the property ladder in recognition of affordability issues in many Australian markets and because a home ownership is good for the economy. You can apply and receive assistance under multiple schemes, provided you meet their individual eligibility criteria.

While eligibility requirements vary for each grant, as a bare minimum for all, you must be a first home buyer who:

- Is purchasing a property or vacant land for owner occupation
- Has not previously held any interest in a property
- Not be in a de facto or marital relationship with someone who has held an interest in a property before, even if they are not named on the property title (with the exception of QLD, where you may be eligible for some state grants on your share if your co-purchaser is not a first home buyer).

## THE FIRST HOME LOAN DEPOSIT SCHEME (FLDS)

### Secure a home loan with a 5% deposit

The First Home Loan Deposit Scheme (FHLDS) is a Federal Government scheme available to a limited number of eligible applicants in all states and territories.

It offers eligible first home buyers the opportunity to secure a home loan with only a 5% deposit without incurring the additional cost of Lender's Mortgage Insurance (LMI). Many major lenders offer loan placements on the scheme, however, there are a limited number of places released in January and June each year, and they are popular, particularly placements with the big banks, which are snapped up first.

It's important to remember that this not a grant or financial exemption, it is simply a mechanism to help first home buyers get on the property ladder sooner. You will still need to make repayments and pay interest on the full loan amount.

### Am I eligible?

You may be eligible if you are an Australian Citizen and first home buyer who has never held an interest in a residential property before and:

- Earns less than \$125,000 per annum as a single, or a combined income of \$200,000 as a couple
- Has at least 5% of the purchase price saved and can show genuine savings
- Is purchasing a property under the price cap for its location (which vary by state and region)
- Will continue residing in the property while your home loan is guaranteed under the scheme

**Find Out More:** <https://www.nhfc.gov.au/what-we-do/fhlds/>



## FIRST HOME OWNERS GRANT (FHOG)

### Receive a \$10K+ cash grant towards the purchase of new home or house and land

The First Home Owners Grant (FHOG) is a Federal Government initiative available to buyers in all states and territories that is managed by each state or territory government. It was first introduced in 2000, to offset the impact of the GST on home ownership and offers eligible first home buyers a cash grant towards purchase of a new home, with the amount depending on the state and region in which they intend to buy.

For buyers in NSW and VIC, the grant offers \$10,000 towards metropolitan purchases and \$20,000 for the regional purchases.

#### Am I eligible?

You may be eligible if you are an Australian Citizen and first home buyer who has never held an interest in a residential property before and are buying:

- A property valued \$600,000 or less for newly built homes or \$750,000 or less for house and land packages
- A new home that no one has ever lived in before or vacant residential land that has not been built on before

**Find Out More:** [www.firsthome.gov.au](http://www.firsthome.gov.au)

## THE FIRST HOME SUPER SAVER SCHEME (FHSS)

### Save for your first home deposit within your superannuation

Designed to help with property affordability, The First Home Super Saver Scheme (FHSS) enables you to make voluntary concessional contributions of up to \$15,000 per annum to your super, gaining favourable tax treatment and earning interest. You can then apply to withdraw up to \$30,000 of these contributions along with deemed earnings (4.7% at the time of printing) at a later date to put towards your first home deposit.

You must purchase a property within twelve months of withdrawing the funds under FHSS, or you must:

- Return the funds to superannuation, or
- Pay a 20% tax to keep the funds out of superannuation

#### Am I eligible?

You may be eligible if you are a first home buyer who:

- Has never held an interest in a residential property before
- Intends to live in the property for at least six months of the first 12 months you own it
- Has made voluntary contributions to your superannuation (employer contributions cannot be used for FHSS)

#### Find Out More

[www.ato.gov.au/Individuals/Super/Withdrawing-and-using-your-super/First-Home-Super-Saver-Scheme/](http://www.ato.gov.au/Individuals/Super/Withdrawing-and-using-your-super/First-Home-Super-Saver-Scheme/)



## HOME BUILDER GRANT

### Receive a \$25K+ cash grant towards your new build or substantial renovation in 2020

The Home Builder Grant is a time-limited Federal Government grant available to buyers in all states and territories as a response to the economic impact of the coronavirus. Designed to stimulate residential construction, the scheme offers eligible buyers, including first home buyers, \$25,000 toward the cost of building a new home or substantial renovation of an established one. It is only available until 31 December 2020.

#### Am I eligible?

You may be eligible if you are an Australian Citizen who is an owner occupier and:

- Earns less than \$125,000 per annum as a single, or a combined income of \$200,000 as a couple
- **Enters into a contract between 4 June – 31 December 2020 that is executed within three months of the contract date, to:**
  - » Build a new home as a principal place of residence, where the property value does not exceed \$750,000
  - » substantially renovate your existing home as a principal place of residence, where the renovation contract is between \$150,000 and \$750,000, and where the value of your existing property (house and land) does not exceed \$1.5 million (pre-renovation)

**Find Out More:** [www.treasury.gov.au/coronavirus/homebuilder](http://www.treasury.gov.au/coronavirus/homebuilder)

# STAMP DUTY RELIEF

## What is it?

Stamp Duty, or transfer tax, is a lump sum that must be paid upfront to the state government when purchasing your home. It's calculated based on the purchase price of the property and can be a significant added cost at a time when finances may already be stretched. In Sydney and Melbourne in 2020, the average Stamp Duty on a house purchase sits at around \$50,000 and units around \$28,000. However, first home buyers may be eligible for exemptions or relief, offered by state or territory governments.

Relief may be offered in the form of full stamp duty exemptions, whereby 100% of the stamp duty or transfer tax is waived or partial concessions on a sliding scale, based on the type and value of the property you purchase. Stamp duty exemptions and concessions are managed by state and territory government and vary state-by-state.

## NSW

In NSW, full stamp duty exemptions may be available to first home buyers who purchase the following for owner-occupation:

- An established home valued at up to \$650,000, or
- A new home valued at up to \$800,00, or
- Vacant residential land for a new build valued at up to \$400,000.

Partial, sliding stamp duty concessions may be available to first home buyers in NSW who purchase:

- An existing dwelling valued between \$650,000 - \$800,000, or
- A new dwelling valued between \$800,000 - \$1,000,000, or
- Vacant land valued between \$400,000 - \$500,000.

**Find Out More:** [www.revenue.nsw.gov.au](http://www.revenue.nsw.gov.au)

## VIC

Full stamp duty exemption may be available to first home buyers in Victoria who purchase an established or new home valued at up to \$600,000 for owner-occupation, and partial concessions for purchases valued between \$600,000 - \$750,000.

**Find Out More:** [www.sro.vic.gov.au](http://www.sro.vic.gov.au)

## Other States and Territories

For a full list of the stamp duty exemptions and grants available in other states, visit:

- **ACT:** [www.revenue.act.gov.au](http://www.revenue.act.gov.au)
- **SA:** [www.revenuesa.sa.gov.au](http://www.revenuesa.sa.gov.au)
- **NT:** [www.nt.gov.au](http://www.nt.gov.au)
- **QLD:** [www.qld.gov.au](http://www.qld.gov.au)
- **WA:** [www.housing.wa.gov.au](http://www.housing.wa.gov.au)
- **AS:** [www.sro.tas.gov.au](http://www.sro.tas.gov.au)

# Apt.

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