



NSW Home Builders Bonus

Applies to new homes not exceeding \$600 000

Applies to vacant land not exceeding \$400 000

The NSW Home Builders Bonus (HBB) has been introduced to stimulate the construction of new homes in NSW. HBB provides exemptions and concessions for certain purchases of new homes, homes off the plan and vacant land on which a new home will be built (New Housing Concession).

HBB also provides a specific exemption for eligible seniors purchasing a new home as their principal place of residence (Senior's Principal Place of Residence Duty Exemption).

The New Housing Concession provides a full exemption on transactions relating to vacant land and off the plan purchases where building has not commenced. A partial concession of 25 per cent of duty payable applies to completed new homes or off the plan purchases where construction has commenced. There is no limit to the number of new homes a person may purchase under this concession.

The Senior's Principal Place of Residence Duty Exemption provides a full exemption for eligible seniors purchasing a new home that is to be occupied as their principal place of residence. Applicants must be 65 years of age or older (or, from 1 July 2011, 55 years of age or older) and selling their current residence.

To be eligible for HBB the value of vacant land must not exceed \$400 000 and new homes must not exceed \$600 000.

The agreement for sale or transfer must be either a new home purchase, or off the plan purchase, or a vacant land purchase.

A new home purchase is an agreement for the sale or transfer, or a transfer, of land that is the site of a new home that is complete and ready for occupation.

An off the plan purchase is an agreement for the sale or transfer of land intended to be used as the site of a new home, which is to be built before completion of the agreement.

A vacant land purchase is an agreement for the sale or transfer, or a transfer, of vacant land that is intended to be used as the site of a new home and which is not an off the plan purchase.

Eligibility requirements for transactions

1. Agreements for sale or transfers of vacant land or a new home will be eligible for consideration under HBB where they are entered into on or after 1 July 2010 and before 1 July 2012.
2. A new home is a home that has not previously been occupied or sold as a place of residence, and includes a substantially renovated home.
3. An agreement for sale or transfer is eligible if it is an agreement for sale or transfer for the acquisition of a new home that is complete and ready for occupation.
4. For vacant land, construction must commence with the laying of foundations within 26 weeks after the agreement for sale or transfer is completed, or within any longer period allowed by the Chief Commissioner.
5. Applications for exemptions or concessions under HBB must be made within three months of the date of the agreement for sale (or transfer when there is no preceding agreement).
6. The agreement for sale or transfer must be for the whole of the land. If the land is a parcel of land on which two or more homes are built or being built, the agreement for sale or transfer must be for that part of the land that is an exclusive occupancy.

Ineligible transactions

1. A transfer made on or after 1 July 2010 that is in conformity with an agreement for sale or transfer entered into prior to 1 July 2010 will not be eligible.
2. An agreement for sale or transfer of a new home is not eligible if it replaces an agreement for sale or transfer made before 1 July 2010 that was for substantially the same property.
3. An agreement for sale or transfer will not be eligible if the new home or the land on which the new home is located, or is to be built, is intended to be used, or made available for use, for any purpose that is not ancillary to the use and occupation of the land for residential purposes (eg for a commercial, industrial or professional purpose)

Replacement agreements

An application may be made under the scheme in relation to an off the plan purchase where:

1. the off the plan purchase replaces an off the plan purchase approved under this scheme, and
2. the property is substantially the same property, and
3. the purchaser(s) are the same.

The Senior's Principal Place of Residence Duty Exemption eligibility requirements

Note: For an off the plan purchase where construction has not commenced or a vacant land purchase, seniors will be entitled to and should apply for exemption under the New Housing Concession.

The Senior's Principal Place of Residence Duty Exemption will apply where the agreement for sale or transfer is either a completed new home purchase or an off the plan purchase where construction has commenced.

To be eligible for this exemption:

1. all of the purchasers must be aged 65 years of age or older (or, from 1 July 2011, 55 years of age or older), or where a married couple or de facto partners are the purchasers, as long as one of them is aged 65 years of age or older (or, from 1 July 2011, 55 years of age or older)
2. the eligible senior (and spouse, if any) must move into the home within 12 months of completion of the agreement or transfer and occupy the property as their principal place of residence for a continuous period of at least 12 months
3. the eligible senior must have owned and occupied a home in NSW within the last 12 months before the date of the current agreement for sale
4. the eligible senior (and spouse if owner) must dispose of such former home in the period either prior to, or within six months after the completion of the current agreement for sale.

A person is defined as an eligible senior if:

1. the person is aged 65 years of age or older (or, from 1 July 2011, 55 years of age or older)
2. the person is an Australian citizen or permanent resident
3. neither the person, nor the person's spouse (if any) has previously had the benefit of the Senior's Principal Place of Residence Duty Exemption.

An agreement for sale is not eligible if:

- a) it replaces an agreement made before 1 July 2011 and the eligible senior was under the age of 65 at the date of the replaced agreement, and
- b) the replaced agreement was an agreement for the sale or transfer of substantially the same property.

A transfer made in conformity with an agreement for sale dated before 1 July 2011 where the eligible senior was under the age of 65 as at the date of the agreement is also ineligible.

Payment of duty

Where the 25 per cent duty reduction applies for the purchase of a completed new home, duty is payable within three months of the date that the agreement for sale or transfer is first executed.

For an off the plan purchase, duty must be paid within three months of:

- the completion of the agreement for sale, OR
- the assignment of the whole or any part of the purchasers' interest under the agreement for sale, OR
- the expiration of 12 months after the date of the agreement for sale, whichever occurs first.

MORE INFORMATION



www.osr.nsw.gov.au



1300 139 814*



(02) 9689 8280



duties@osr.nsw.gov.au



GPO Box 4042
Sydney NSW 2001
DX 456 Sydney



Phone enquiries
8.30 am – 5.00 pm, Mon. to Fri.

Counter services
8.30 am – 4.30 pm, Mon. to Fri.

*Interstate clients please call (02) 9689 6200.
Help in community languages is available.

Office of State Revenue: A division of the Department of Finance and Services

ISO 9001 – Quality Certified

© State of New South Wales through the Office of State Revenue, 2011. This work may be freely reproduced and distributed for most purposes, however some restrictions apply. Read the copyright notice at www.osr.nsw.gov.au or contact OSR.

How to apply

Submit your HBB application together with your agreement for sale or transfer for stamping. Applications must be received within three months of the date of the first execution of the agreement for sale or of the transfer (where there is no agreement).

One application is required for each transaction but separate declarations are required for each eligible senior.

Where an application is for an off the plan purchase, a Declaration for 'Off the Plan' Purchases form (ODA014) must also be completed and lodged. This form is not required where the 100 per cent exemption applies.

These forms are available from www.osr.nsw.gov.au

Applications for exemption can be lodged at any OSR office or processed electronically through our Electronic Duties Return system, EDR. However, applications for a reduction in duty on off the plan transactions where construction has commenced must be lodged at OSR.

OSR may require documentary evidence to substantiate your claim for exemption/concession.

A factsheet on supplementary information for developers/vendors and a comparison of benefits for first homebuyers is available from www.osr.nsw.gov.au