



Fact Sheet – First Home Buyers

What is the First Home Owner Grant?

The First Home Owner Grant (the grant) scheme was established to encourage and assist home ownership and to offset the effect of the GST on home ownership by providing a grant to first homeowners. The First Home Owner Grant Act 2000 (the Act) came into effect on 1 July 2000 and the grant is an on-going scheme with no end date yet specified. The grant is not means-tested nor is it restricted by the price of the property.

How much is the grant?

A payment of up to \$7000 is payable to eligible first home owners. An additional \$5,000 if the home is new or \$3,000 if it is an established home is available under the First Home Buyers Bonus scheme. To be eligible to receive the bonus \$3,000 or \$5,000, the value of the property must not exceed \$500,000.

Are you eligible to receive the grant?

To be eligible to receive the grant (and bonus), the following criteria must be satisfied:

- You and your spouse/partner must not have received a grant in any State or Territory of Australia.
- You and your spouse/partner must not have owned residential property, either jointly, separately or with some other person prior to 1 July 2000, in any State or Territory of Australia
- You and your spouse/partner must not have occupied for a continuous period of at least 6 months, a residential property in which either of you acquired a relevant interest on or after 1 July 2000 in any State or Territory of Australia.
- You must be a natural person (not a company) and at least 18 years of age at the time of settlement or completion of construction
- You (or at least one applicant) must be a permanent resident or Australian citizen at the time of settlement or completion of construction of the home
- You (or at least one applicant) must occupy the home as your/their principal place of residence for a continuous period of at least 6 months, commencing within 12 months of either settlement or completion of construction.

How and where do you apply for the grant?

The completed application form and supporting documents should be lodged with an approved agent (majority of lending institutions are approved agents) at the time of applying for finance or with the [Victorian State Revenue Office](#) after settlement or completion of construction.

Are there other concessions available?

In addition to the grant, you may also be entitled to the **first home owner with family** or **pensioner** duty concessions. If you entered into a contract on or after 1 January 2007, a **duty concession for a principal place of residence** may also be available to you. Different sets of eligibility criteria apply for these concessions.

However, if you are entitled to the First Home Bonus (the bonus) and one of the above concessions, you must choose between the bonus and the relevant concession. Whether the bonus is worth more to you than the first home owner with family or pensioner duty concessions depends on the value of your property. As the maximum amount of the principal place of residence concession is \$2850, the bonus will always be more generous in comparison.



Fact Sheet – First Home Buyers

What else should first home buyers consider?

When purchasing property you should:

1. Pay off all debt (personal, credit card, vehicle), save 3 to 6 months living expenses and, ideally, save at least a 20% deposit prior to purchasing a home.
2. Arrange finance - remembering lenders will usually lend you more than you prudently should borrow.
3. Clearly define the requirements of your home.
4. Know your limit in terms of price and stick to it.
5. Seek the skills of an experienced trusted friend or trusted professionals where you are out of your depth.

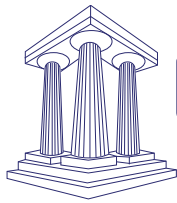
What legal issues should be considered?

Legal tips from Julia Bayston of McCracken Legal

1. If you have any concerns about the **structural soundness** of the property you should have an independent building inspector examine the property prior to you signing the contract.
2. Always make sure that you **get a copy of the signed contract to your lawyer straight after you have signed it**. This will give your advisor the chance to advise you fully prior to the expiration of any cooling off period or other condition for your benefit.
3. If you are **buying a unit or apartment** which is part of a body corporate you should make sure that the Vendor has provided **full disclosure regarding body corporate liabilities**. This is ideally in the form of a Body Corporate Certificate, which should tell you of any potential levies or other important issues. New apartment developments can have very onerous levies for repairs of lifts or car parks etc.
4. If you are planning to bid at an **auction** you should obtain a copy of the **proposed Auction Contract and Vendors Statement** and ask your solicitor to look over it before you bid. If there are unreasonable conditions in the Contract your solicitor may be able to negotiate changes on your behalf. Once you sign an auction contract you have no cooling off rights.

Where can I learn more?

For further information about the First Home Buyers Grant please refer to the [Victorian State Revenue Office](#) website and for more tips on purchasing property refer to the [Real Estate Institute of Victoria](#) or [RealEstate.com.au](#)



Cornerstone Wealth

Financial Advice Based on Solid Foundations

Cornerstone Wealth

Level 9, 501 La Trobe Street
Melbourne Victoria 3000

Telephone 03 9642 2268

Facsimile 03 9670 4704

E-mail info@cornerstonewealth.com.au

Website www.cornerstonewealth.com.au



Corporate Authorised Representative

No 306473

Partnership Financial Services Pty Ltd

AFS Licence No 220381

ABN 90 009 015 874

Level 28 Central Park

152-158 St Georges Terrace

Perth WA 6000