

FIRST HOME BUYERS GUIDE TO GRANTS & SCHEMES



A comprehensive breakdown of what's available to help first home buyers in Australia.



UNRIVALLED KNOWLEDGE
MARKET LEADING SERVICE

WHO ARE FIRST HOME BUYERS

First home buyers are people entering the home ownership market for the first time.

At any given time, one in five owner-occupiers buying property are doing it for the first time; the Australian Bureau of Statistics puts the exact proportion at 18.3 per cent as at Nov 2018.

First home buyer demand has increased over the past year on the back of incentives, falling investor demand and falling values in the largest cities.

Source: Corelogic

Will 2019 be the year of the first home buyer?

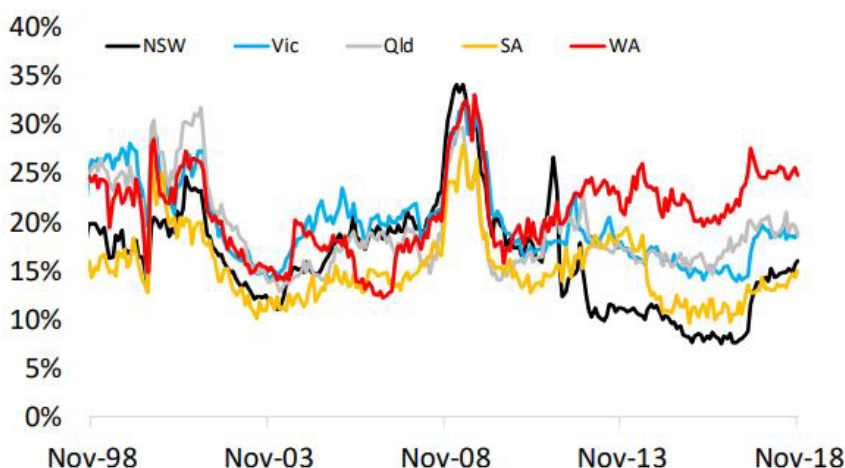
Data suggests that it will be a good year for people looking to enter the market for the first time.

But research and interest doesn't always translate to action. It's worth keeping in mind the following points:

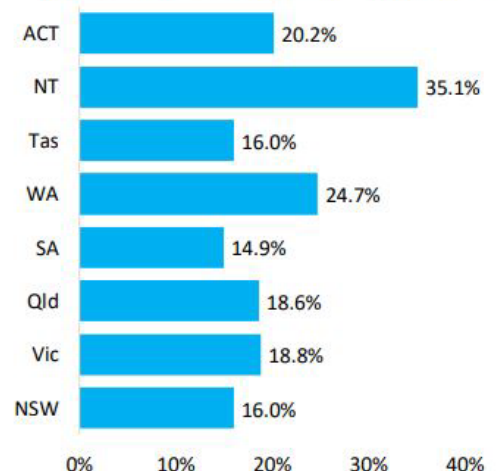
- Prices are down but housing affordability is still a major issue. Prices are still high and wage growth simply hasn't risen high enough to compensate.
- Mortgage lending is down across the board. Overall, fewer people are getting loans to buy homes or investments. But the proportion of borrowers who are first home buyers is growing.
- Lenders are getting stricter on eligibility. The royal commission has pushed lenders toward more careful lending.
- Interest rates are rising. Many lenders have hiked rates in 2019 already, with more likely to follow.

In other words, it seems that first home buyers could be a growing portion of an overall shrinking pool of borrowers as the property market continues to contract.

First home buyers as a % of all owner occupier housing finance commitments



First home buyers as a % of all owner occupier housing finance commitments, November 18



GOVERNMENT GRANTS & SCHEMES

One of the best ways to get financial assistance with a first-time purchase is using government grants. But depending on where you buy, you're going to face very different requirements and receive very different amounts. As a first home buyer, you may also be eligible for a duty concessions and/or a grants from the Government.

On the following pages you'll find the grants and stamp duty concessions available in each state. Remember there are a host of eligibility requirements for the grant and duty concessions which can vary from state to state, so be sure to visit your state's office of revenue website and find out if you're eligible.

WHO IS MMJ REAL ESTATE?

MMJ (Martin, Morris & Jones)
has a long and proud history
in real estate, providing
expert service in property
since 1960.

Today, MMJ Real Estate is a forward thinking agency with offices across Australia representing in NSW, VIC, the ACT and WA. Driven by over 150 top performing employees, we enjoy a dominant position in many local markets.

We have a stated objective to expand the services we offer and grow our office locations across the nation to better serve the requirements of our loyal clients.

Over the years MMJ has constantly upgraded and expanded these services. However, we are still considered a company with values of honesty, integrity and personalised people-focused service leading to strong lengthy relationships with our clients.

With almost 60 years in the real estate game, MMJ has extensive industry & business connections.

We hope you like what you see, and invite you to become part of the MMJ family.

With almost 60 years in business, MMJ has extensive industry & business connections and a rich family history.



GOVERNMENT GRANTS & SCHEMES

GRANTS & SCHEMES SNAPSHOT



Grants and concessions on stamp duty have a tendency to change, sometimes without a lot of notice. Keep up to date with what's available in your state and thoroughly double-check eligibility requirements before you buy.

State	Grant amount	Maximum property price
ACT	\$7,000	\$750,000
NSW	\$10,000	\$600,000 (purchased property) \$750,000 (constructed property)
VIC	\$10,000 \$20,000 (regional VIC)	\$750,000
QLD	\$15,000 (as of 1 July 2018)	\$750,000
WA	\$10,000	\$750,000 (properties located south of the 26th parallel of south latitude) \$1 million (properties located north of the 26th parallel of south latitude)
SA	up to \$15,000	\$575,000
TAS	\$20,000 (will be \$10,000 from 1 July 2019)	Not specified
NT	\$26,000	No limit applies

GOVERNMENT GRANTS & SCHEMES NEW SOUTH WALES

From 1 July 2017, the NSW government announced several reforms to improve affordability for first home buyers.

Chief among these are:

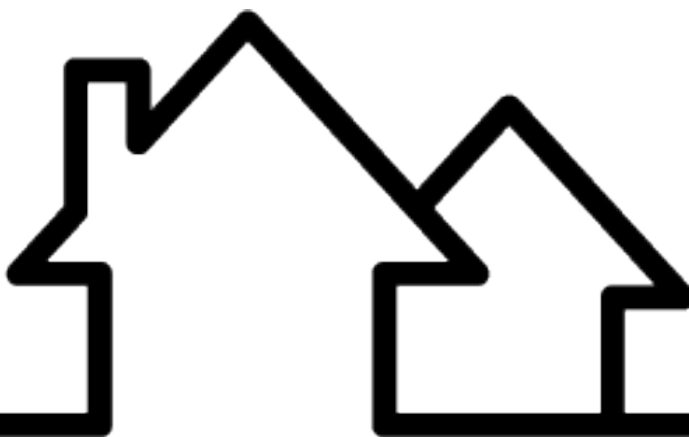
- A \$10,000 First Home Owner Grant for builders of new homes up to \$750,000, and for purchases of new homes up to \$600,000
- No stamp duty for all homes up to \$650,000
- Stamp duty reductions on homes up to \$800,000
- No insurance duty on lender's mortgage insurance

You must live in the home you buy for at least 6 months in the first year of owning the property in order to receive the grant (unless you work in the Australian Defence Force).

You may also be eligible for an exemption from transfer duty if you buy a new home valued up to \$550,000, or vacant land up to \$350,000. You can get a concession on the transfer duty for new homes valued between \$550,000 and \$650,000, or vacant land valued between \$350,000 and \$450,000.



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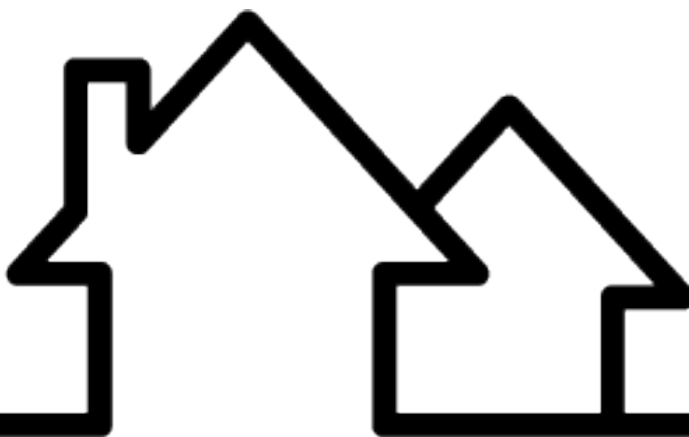
GOVERNMENT GRANTS & SCHEMES QUEENSLAND

Queensland used to take our prize for the grant with the best name, but sadly, the Great Start Grant has been renamed to the Queensland First Home Owners' Grant from 1 July 2016.

This grant offers \$20,000 for eligible first home buyers who are buying or building a new home up to the value of \$750,000 – including off-the-plan homes. This amount applied to all building or purchasing contracts signed between 1 July 2016 and 31 December 2017; for contracts signed after this period, the Grant amount reverted back to the original \$15,000.



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GOVERNMENT GRANTS & SCHEMES NORTHERN TERRITORY

In the top end, the Northern Territory offers several generous incentives to first home buyers:

A First Home Owner Grant of a whopping \$26,000 for first home buyers buying or building a new home or an established home (from 24 May 2016). No purchase price limit applies to new homes bought after 1 January 2015.

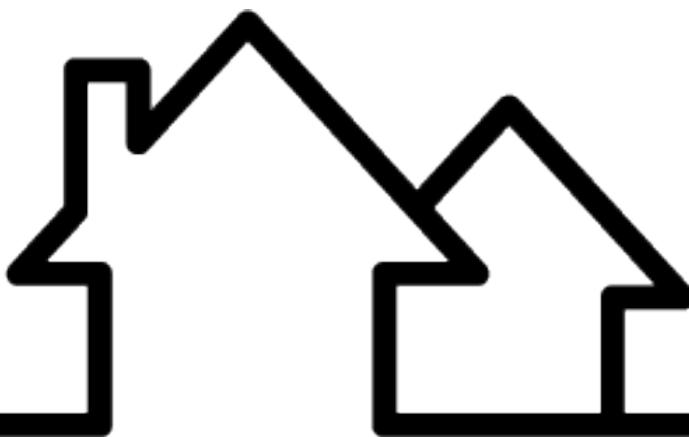
A First Home Owner Discount on stamp duty of up to \$23 928.60, for first home buyers purchasing an established home valued up to \$650,000.

A Home Renovation Grant of up to \$10,000 for eligible recipients of the above First Home Owner Discount.

A Household Goods Grant of up to \$2,000 for purchase of household goods, granted to eligible recipients of the First Home Owner Grant.



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GOVERNMENT GRANTS & SCHEMES WESTERN AUSTRALIA

In the west, eligible first home buyers can receive a First Home Owner Grant of up to \$10,000 for buying or building a new home.

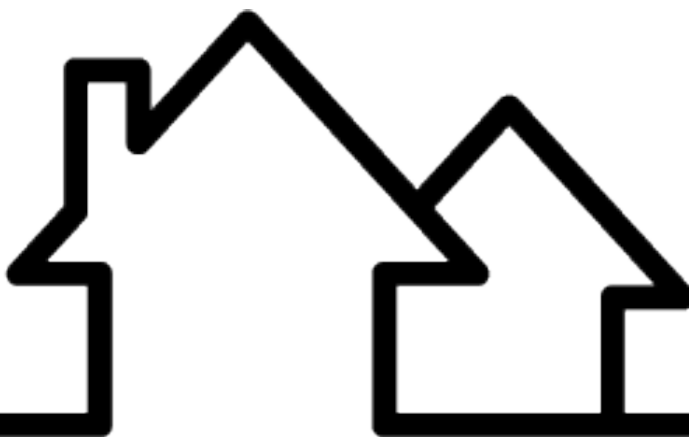
Homes south of the 26th parallel (i.e. all of the Perth metropolitan area) can have a purchase price of up to \$750,000, whereas homes located north of the 26th parallel can be valued up to \$1 million.

On 27 December 2016, the Government announced a temporary \$5,000 boost to the FHOG, for a total of \$15,000. Eligible first home buyers who entered into a contract between 1 January and 30 June 2017 to purchase or construct a new home received this boost.

Eligible first home buyers can also apply for the Home Buyers Assistance Account, which is a grant of up to \$2,000 to cover the incidental expenses of purchasing an established or partially built home through a licensed real estate agent. It is available for properties with a purchase price of up to \$400,000.



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GOVERNMENT GRANTS & SCHEMES SOUTH AUSTRALIA

On offer in SA is a \$15,000 grant for new residential dwellings only, up to the value of \$575,000.

You must live in the property for at least 6 months in the first year of owning it to be eligible for the grant.

If you are buying an off-the-plan apartment that meets the required criteria, you may also be eligible for an Off-the-plan Concession on stamp duty, which is capped at \$21,330.

South Australia also has grants of up to \$7,000 for established homes, depending on the area and buyer. Read the terms and conditions to figure out which one is right for you.



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GOVERNMENT GRANTS & SCHEMES

VICTORIA

Victoria offers a grant of up to \$20,000 for first home buyers buying a new home in regional Victoria, or up to \$10,000 for homes in cities. The maximum purchase price of eligible new homes is \$750,000.

In addition, first home buyers may be eligible for various concessions on their stamp duty:

Both new homes and established homes are eligible for a first home buyer duty reduction of up to 50% if the home is valued at \$600,000 or less.

New and established homes valued up to \$550,000 are eligible for a principal place of residence (PPR) concession if you intend to live there as your primary home.

First home buyers with a family (at least one dependent child) may be eligible for a duty concession on a property valued at up to \$200,000.

Off-the-plan properties and refurbished lots are eligible for an off-the-plan duty concession.

Young farmers buying their first farmland property are eligible for the young farmer's exemption or concession.



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GOVERNMENT GRANTS & SCHEMES

ACT

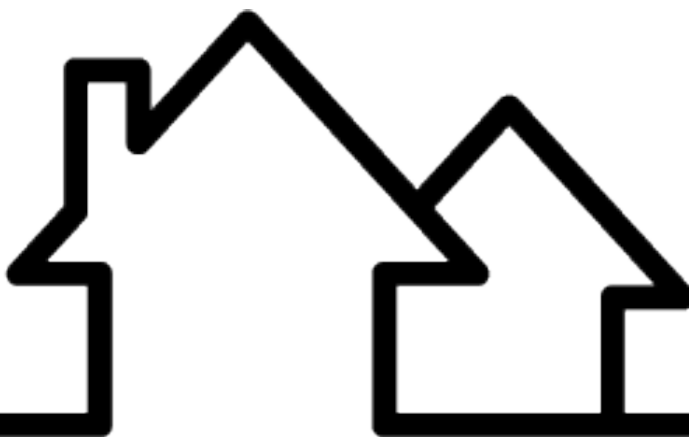
As of 1 January 2017, homes in our national capital are offered a \$7,000 First Home Owner Grant, down from \$10,000 in 2016.

This applies to first home buyers of new, substantially renovated, or off-the-plan properties valued at up to \$750,000. You must live in the property for at least 1 year within the first year of owning it.

ACT first home buyers may also be eligible to defer payment of duty, if they are also eligible for the First Home Owner Grant.



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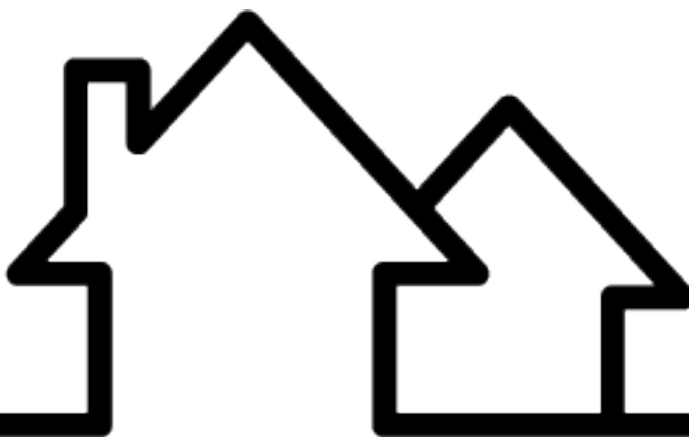
GOVERNMENT GRANTS & SCHEMES TASMANIA

In the Apple Isle, from 1 January 2016 to 30 June 2018, the First Home Owner Grant was \$20,000 for buying a new home, “spec” home, off-the-plan home, or owner/builder home.

After 30 June 2018, the grant was meant to revert to being just a \$10,000 payment but the Tasmanian state government extended the \$20,000 grant in the 2018-19 State Budget.



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GOVERNMENT GRANTS & SCHEMES

STAMP DUTY EXEMPTIONS SNAPSHOT



Grants and concessions on stamp duty have a tendency to change, sometimes without a lot of notice. Keep up to date with what's available in your state and thoroughly double-check eligibility requirements before you buy.

State	Stamp duty exemptions/concessions
ACT	Concessions are available for new or substantially renovated properties valued at less than \$562,000.
NSW	Exemptions apply to new houses valued up to \$650,000 and vacant land valued at up to \$350,000. Concessions apply to new houses valued between \$650,000 and \$800,000, vacant land valued between \$350,000 and \$450,000.
VIC	Exemptions apply to new or established houses valued below \$600,000. Concessions apply to new or established houses valued between \$600,000 and \$750,000.
QLD	Concessions are available for houses valued at less than \$550,000 or vacant land less than \$400,000. The more you pay for your home or land within these limits, the smaller the concession available.
WA	Exemptions and concessions are available for houses valued at less than \$530,000 or vacant land less than \$400,000.
SA	Off-the-plan stamp duty concession is available for new or substantially refurbished apartment, capped at the stamp duty payable on a \$500,000 valued apartment.
TAS	Exemptions and concessions are not available.
NT	The First Home Owner Discount (FHOD) is available to those who enter into a contract to buy an established home from 24 May 2016. This discount is a full concession on the initial \$500,000 value of the home. For homes valued above \$650,000 and purchased or contracts entered into before 31 December 2016, the concession is capped at \$10,000.



FIRST HOME BUYER TIPS

Here's our Top 3 Tips when Buying Your First Home

Buying your first home is an exciting and daunting decision. You want the process to be as stress-free as possible, but it's easy to get overwhelmed by the sheer volume of information available. You know you need a deposit, but what happens after that? Do you want an apartment or a house; off-the-plan, new build or existing; inner-city or the suburbs? Just what will the next few years of your life look like?

1

Start Saving Early & Calculate your Borrowing Power

On average, a deposit is 20% of the purchase price, so depending on your price range, this could take a few years to save! How much you can borrow for a mortgage based on your income? There are plenty of online borrowing calculators to help guide you, however, your actual borrowing power will be calculated by your chosen mortgage provider.

2

Consider your Lifestyle

Your lifestyle needs should form the type and location of the home you choose. Once you've decided on an area (or narrowed it down to a few contenders), live like a local – eat in the area, shop in the area, check out the parks, playgrounds and bars. Think ahead. Even if you don't have children now, look at the schools and facilities in the area. Although you may not have children yet, or plan on having children at all, your resale value may be higher in areas with good schools and facilities for families.

3

Shop Around for the Right Home Loan

Finding the right home loan is just as important as finding the right home. The wrong home loan could cost you tens of thousands of dollars in higher interest, application fees and other penalties. Do your homework and compare different types of home loans from various home loan providers.

Unrivalled Market Leading Services Across Australia.

We offer a unique blend of services available across 6 locations throughout Australia.



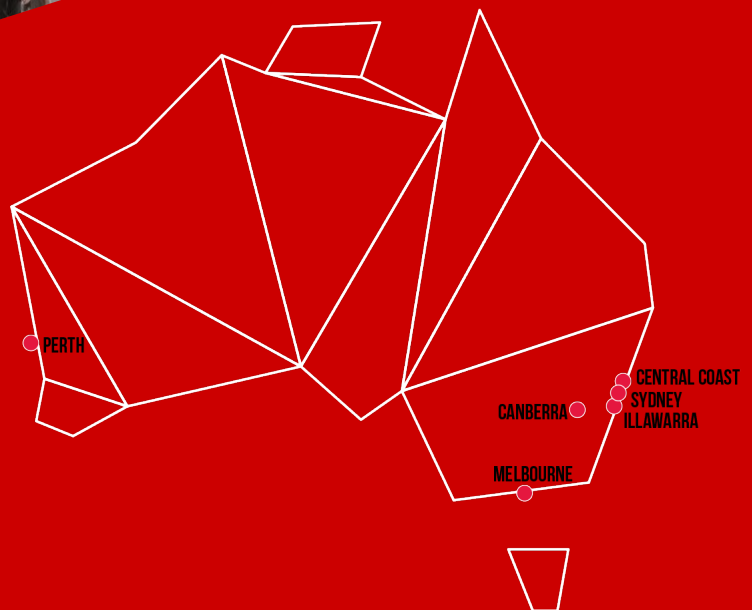
How can we help you?

View more information
and explore our offices
online.

mmj.com.au

NATIONAL REACH

Our local agents are connected to our Australian network of offices who genuinely engage with their client network on every transaction and deliver direct presentations to targeted high net worth individuals as required.



DISCLAIMER This document has been prepared as a guide only and all interested parties should rely on their own enquiries as to the accuracy of the information contained within it.

