



Current NSW Government grants & schemes

The NSW Government has temporarily changed the stamp duty thresholds in a bid to help first home buyers enter the market and support the construction industry during the COVID-19 pandemic.

Starting 1 August 2020 and running for 12 months, the threshold for stamp duty on new homes for first home buyers will increase from the current \$650,000

to \$800,000. Concessions will also reduce on higher property values before phasing out at \$1 million. The stamp duty threshold on vacant land will also rise from \$350,000 to \$400,000, phasing out at \$500,000.

The changes will only apply to newly built homes (houses and apartments) and vacant land, not to existing homes.

The saving for first home buyers can be up to \$31,335 on a new \$800,000 home!

In addition to these savings, first home buyers also have access to other state and federal government incentives:

First home buyer grant

The NSW government will continue to offer a \$10,000 first homeowner grant, which is available to people buying a new first home worth no more than \$600,000 or purchasing land and building a new first home worth no more than \$750,000 in total.

This means the maximum benefit a homeowner could be entitled to is \$32,335 if purchasing a new home and accessing the grant. For more information, see the link below.

HomeBuilder

In June 2020, the Federal Government announced a new \$25,000 HomeBuilder scheme which can add even more money to first home buyer budgets (this grant is available to all eligible owner-occupiers to build a new home, substantially renovate an existing home or buy an off the plan home/new home). The eligible contract must be signed between 4 June 2020 and 31 December 2020 (inclusive).

This initiative is designed to boost the construction sector but has the added benefit of supporting first home buyers who are looking to build a new home. For more information, see the links below.

First Home Loan Deposit Scheme

This is an Australian government-funded initiative which guarantees some low deposit loans by helping eligible first home buyers avoid paying Lenders' Mortgage Insurance (LMI).

If a first-time buyer has less than 20% deposit, they would usually be required to pay lender's mortgage insurance. However, under this scheme, eligible first home buyers can purchase a modest home, with a deposit as little as

5% (lender's criteria apply) and the government will guarantee the difference between what the first home buyer has saved and the 20% deposit threshold lenders usually require before they'll provide a loan without mortgage insurance. This can save first home buyers as much as \$10,000.

The property price threshold varies depending on where you are buying.

Ten thousand guaranteed loans were offered from 1 January 2020, and these were snapped up quickly. As of 1 July 2020, another ten thousand eligible first home buyers will be able to benefit from this. To find out more about applying for this scheme, see the link below.

NSW's Revenue grant and schemes information:

<https://www.revenue.nsw.gov.au/grants-schemes>

HomeBuilder information:

<https://treasury.gov.au/coronavirus/homebuilder>

First Home Loan Deposit Scheme information:

<https://www.nhfc.gov.au/what-we-do/fhlds/>

These NSW and Federal Government incentives will undoubtedly help many first-time buyers fast track their purchasing plans. Combine this with low home loan interest rates, it makes 2020 an incredible time to buy your first home.

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