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FIRST HOME OWNER GRANT (FHOG) GUIDE

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First home buyers struggle to purchase their first homes due to the large deposits and fees that are associated with the process. With house prices gradually rising over time, younger generations are struggling more than ever to meet the requirements to purchase their first homes. That is where the First Home Owner Grant comes into play.



WHAT IS THE FIRST HOME OWNER GRANT?

The First Home Owners Grant is a government scheme that financially assists eligible first home buyers with a one-off payment ranging from \$10,000 to \$20,000, depending on the state or territory the home is bought. The grant allows eligible buyers to purchase a new or existing home with a deposit of as little as 5%.

The scheme was initially introduced in July 2000 with the initial purpose of offsetting the GST on home ownership. As property prices have climbed significantly since its inception, the grant is seen as a great way for first home buyers to enter the property market.

WHO IS ELIGIBLE FOR THE FIRST HOME OWNER GRANT?

The specifics of the FHOG vary from state to state due to the differences in legislation and eligibility rules. All states and territories around Australia generally follow these standard rules:

- As a first home buyer you must apply as a person, not a company or trust
- Must be at least 18 years old
- You must not have previously claimed the grant
- Must be an Australian resident or permanent resident
- You cannot have lived in a residential property which you owned from 1 July 2000.
- You must occupy your first home as your principal place of residence within 12 months of the construction or purchase of your home and the minimum period of occupancy is 12 continuous months.

To find the specific eligibility that applies to your state or territory, visit:

[First Home Owner Grant](#)

ARE THERE ANY DISADVANTAGES OF THE FIRST HOME OWNERS GRANT?

The introduction of government grants in the property market means demand for property increases. The rise in demand leads to increased property prices across the nation, although the grants directly help everyday Australians.

There is a cap on the value of an eligible house under the FHOG, that is specific to each state and territory. For example, Victoria has a house price limit of \$750,000, meaning you cannot claim the grant for a house that is greater than \$750,000 in the state.

Income thresholds may also apply in some states, affecting the eligibility of some buyers.

FIRST HOME OWNER GRANT - STAMP DUTY BY STATE/ TERRITORY

State/ Territory	Discounted Stamp Duty Limits		
Australian Capital Territory	If you and your partner's combined income is less than \$160,000 you do not pay stamp duty (regardless of the value of the home)		
New South Wales	Don't pay stamp duty for property up to the value of \$650,000	Receive a discounted rate for property between \$650,000 to \$800,000	Pay the full price of stamp duty if the property is over \$800,000
Northern Territory	Northern Territory provides no stamp duty discounts for FHOG		
Queensland	Don't pay stamp duty for property up to the value of \$500,000	Receive a discounted rate for property between \$500,000 to \$550,000	Pay the full price of stamp duty if the property is over \$550,000
South Australia	South Australia provides no stamp duty discounts for FHOG		
Tasmania	Receive a 50% discount on stamp duty for homes valued up to \$500,000		
Victoria	Don't pay stamp duty for property up to the value of \$600,000	Receive a discounted rate for property between \$600,000 to \$750,000	Pay the full price of stamp duty if the property is greater than \$750,000
Western Australia	Don't pay stamp duty for property up to the value of \$430,000	Receive a discounted rate for property between \$430,000 to \$530,000	Pay the full price of stamp duty if the property is over \$530,000

HOW DO YOU APPLY FOR THE FIRST HOME OWNERS GRANT?

There are two ways to lodge your application for the FHOG in your specified state or territory:

1. Lodge your application through an approved agent (lender)
2. Lodge your application through your state's revenue office

4 main steps must be taken when applying for the FHOG:

1. Check your eligibility
 - If you do not meet the eligibility requirements, you cannot apply for the grant
2. Gather your supporting evidence (proof of identity)
 - Examples of proof of identity include but are not limited to the following:
 - o A passport
 - o An Australian driver's licence
 - o Medicare
 - o Australian citizenship certificate
3. Complete the application
 - If you are lodging your application through an approved agent, you do not need to complete this stage.
 - If you are lodging your application directly to your state or territory, you can complete an online application at your given revenue office. For more information, visit [First Home Owner Grant](#).
4. Lodge your application
 - If you are applying for the loan with an approved agent, they will complete this stage for you
 - Your application must be lodged within 12 months of your settlement date or the completion of construction on your home.