

More Homes More Opportunity



The Hon Jacinta Allan MP
Premier of Victoria

Monday, 21 October 2024

OFF-THE-PLAN STAMP DUTY CONCESSIONS TO BUILD MORE HOMES

More homes mean more opportunity – that’s why the Allan Labor Government is slashing stamp duty on off-the-plan apartments, units and townhouses to cut upfront costs, speed up building, and make it more affordable for everyone to buy off-the-plan.

Premier Jacinta Allan joined home builders at a new apartment building in North Fitzroy today to announce the one-year stimulus, which will help industry deliver more homes for buyers and renters across the state.

Currently, first home buyers and owner-occupiers can access a stamp duty concession when they buy off-the-plan, allowing construction costs to be deducted from the sale price when calculating how much stamp duty they owe.

This is currently capped for first home buyers and owner-occupiers: to access the concession, the reduced value for stamp duty calculations following the deduction of construction costs must be under thresholds of \$750,000 for first home buyers and \$550,000 for owner occupiers – otherwise the concession isn’t available.

Under a change that will boost housing construction:

- Anyone buying an apartment, unit or townhouse off-the-plan can claim the concession – not just first home buyers and owner-occupiers
- Thresholds will be removed so the concession is available for apartments, units and townhouses of any value

The 12-month extended concession applies from today, 21 October, and it will allow a 100 per cent deduction of outstanding construction and refurbishment costs when determining how much stamp duty is owed.

The amount you save depends on how much construction has occurred. Generally, someone buying an apartment off-the-plan is likely to pay about a quarter of the stamp duty they would pay without the off-the-plan concession.

A Victorian using this concession who buys off-the-plan before any construction work starts could pay around \$28,000 less stamp duty on a \$620,000 apartment – with duty slashed from around \$32,000 to around \$4,000.

An eligible apartment, unit or townhouse is one that is in a strata subdivision – meaning they retain common property such as a driveway or a shared hallway.

House and land packages or other dwellings that are not part of a strata subdivision are not eligible for the extended concession, but first home buyers and owner occupiers can still utilise the existing concession on these properties. The existing concession will continue to apply during and after this 12-month extension.

The move responds to industry feedback that the current interest rate burden has slowed sales and stopped developments getting away.

With a concession reducing upfront costs for more buyers, developers can look forward to more pre-sale success – which will help meet finance requirements faster and start the construction of new homes sooner.

Bringing more projects to market sooner will boost housing supply, support the construction sector, and grow the amount of housing available for rent.

Alongside delivering new social and affordable homes and Australia's largest housing project – the Suburban Rail Loop and its six housing precincts – this stimulus is just one of the ways Government is building more homes.

It's also just one of a series of announcements the Government will make this week about more homes, more support for industry, infrastructure and parks, and more opportunity for renters, owners and buyers.

To learn more information about the range of concessions available to buyers and how they are calculated, visit www.sro.vic.gov.au/offtheplan

To read more about the Government's plans for more homes and more opportunity, visit vic.gov.au/more-homes

Quotes attributable to Premier Jacinta Allan

"We asked industry what they need to build more homes sooner – and this is what they said."

"More apartments and townhouses getting built means more homes for young people and families to rent or buy."

Quote attributable to Treasurer Tim Pallas

"This will significantly reduce upfront costs – it's a huge win for all buyers and builders."

Quote attributable to Minister for Planning Sonya Kilkeny

"We can get more homes built where young Victorians and families are telling us where they want to live – close to transport, jobs and their families."