

## Media Release

Tuesday, 21 June 2022

### **OPENING DOORS FOR MORE FIRST HOME BUYERS**

First home buyers will be able to choose between an upfront payment or a smaller annual property tax under reforms that will help make home ownership achievable for more NSW residents.

The First Home Buyer Choice is part of an integrated multi-billion-dollar housing package announced in the 2022-23 NSW Budget to deliver quality, accessible and affordable housing across New South Wales.

Premier Dominic Perrottet said one of the Government's priorities was to make home ownership a reality for more NSW families.

"We want to lower the barriers to owning a home for first home buyers seeking a place of their own," Mr Perrottet said.

"In the past two decades, the share of first home buyers under 35 years of age has declined from 67 per cent to 61 per cent. Lifting home ownership is part of this Government's efforts and ambition to help families who are feeling the squeeze.

"The First Home Buyer Choice will remove one of the largest upfront costs to buying a home and help deliver a brighter future for first home buyers."

Treasurer Matt Kean said the NSW Government was allocating \$728.6 million over the next four years to help first home buyers get a foot on the property ladder.

"We know that first home buyers are being forced to enter the property market later in life and this reform will make the property market more accessible for them," Mr Kean said.

"It will mean more New South Wales residents will get into their first home at an earlier age and achieve the great Australian dream of home ownership."

For an NSW household on the median income that saves 15 per cent of its income, stamp duty adds about two years to the time required to save the up-front costs of the median NSW dwelling.

The property tax option will be available for properties up to \$1.5 million, helping a broader group to become first home buyers. Together with existing first home-buyer initiatives, the Government will offer support to about 97 per cent of all first home buyers, or about 55,000 people per year.

Under the initiative, first home buyers who opt into the property tax will pay an annual \$400 property tax plus 0.3 per cent of the land value of the property.

Minister for Planning and Minister for Homes Anthony Roberts said the property tax option for first home buyers would help increase home ownership.

“The NSW Government is also looking at initiatives to help boost housing supply by cutting planning assessment timeframes, co-funding enabling infrastructure and investing in new and improved social housing,” Mr Roberts said.

“This Government will use every lever at its disposal - including tax, planning, supply or working with the Commonwealth Government - to give more people in New South Wales the opportunity to own their own home.”

Legislation to establish the property tax will be introduced during the second half of 2022 with eligible first home buyers able to apply to opt into the property tax from 16 January 2023.

For contracts exchanged in the period between enactment of the legislation and 15 January 2023, eligible first home buyers will be able to opt-in from 16 January 2023 and receive a refund of stamp duty already paid.

From 16 January 2023, eligible first home buyers who opt into the First Home Buyer Choice will not pay stamp duty on their purchase. The property will not be locked into the scheme if it is sold.

First home buyers will continue to be eligible to apply for full stamp duty exemption for properties up to \$650,000. Stamp duty concessions remain in place for properties worth \$650,000 to \$800,000.

For more information, visit: <https://nsw.gov.au/shared-equity-scheme>

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