

Question on Notice

No. 674

Asked on 16 June 2004

MS STONE asked the Deputy Premier, Treasurer and Minister for Sport (Mr Mackenroth)—

QUESTION:

What is the State Government doing to assist families purchase their own homes?

ANSWER:

The Queensland Government offers substantial assistance to home buyers, including families, in the form of grants and duty concessions.

These grants and concessions include:

Principal Place of Residence Transfer Duty Concession

Most State and Territories in Australia do not provide a transfer duty concession for a home purchase that is not the first home. However all home buyers in Queensland are afforded a concessional rate of transfer duty.

Currently the concessional duty rate of 1 per cent applies to the first \$250,000 of the value of the home. Duty at the normal rates applies to the excess price or value over \$250,000.

From 1 August 2004, the \$250,000 threshold will be increased to \$300,000.

Transfer Duty Concession for First Home Buyers

The Government provides an enhanced transfer duty concession to eligible home buyers purchasing their first home.

First home buyers are not liable for transfer duty on the purchase of a home valued up to \$250,000, with a \$2,500 first home rebate applying to a home valued above \$250,000, reducing by \$100 for every \$10,000 above \$250,000.

Mortgage Duty Concessions for Home Buyers

The Government provides a mortgage duty concession where a home mortgage secures an advance for the purchase or construction of the borrower's home. The mortgage is exempt from duty for the first \$250,000 advanced for a first home and \$70,000 advanced for other homes.

The First Home Owner Grant (FHOG).

To offset the impact of the goods and services tax, State and Territory Governments were requested by the Federal Government to assist first home buyers through the FHOG.

The Queensland Government now fully funds the \$7,000 grant to eligible home buyers purchasing or building their first home.

The combined effect of the Queensland Government's assistance provides \$14,325 of grants and duty concessions (increasing to \$15,575 from 1 August 2004) to a family purchasing a first home valued at \$345,000 (the Brisbane median house price) with a mortgage of 90 per cent of the value of the home.