

Question on Notice

No. 795

Asked on 17 August 2004

MS MALE asked the Deputy Premier, Treasurer and Minister for Sport (Mr MACKENROTH) –

QUESTION:

What type of assistance does the State Government provide to families to purchase their own homes?

ANSWER:

The Queensland Government offers substantial assistance to home buyers, including families, in the form of grants, duty concessions and loan assistance. In each case, qualifying conditions apply.

Under the *Duties Act 2001*, transfer duty at progressive rates applies to the transfer of property in Queensland and is assessed on the greater of the price or value of the property. For the purchase of a home, concessional transfer duty of \$1 for every \$100 or part thereof applies on the first \$300,000 of the price or value of the home. All home buyers, including first home buyers, benefit from this duty concession. The normal progressive rates of transfer duty apply to any excess price or value over \$300,000.

First home buyers are entitled to an additional rebate on the purchase of a first home at market value. For these home buyers, no transfer duty is payable on the first \$250,000. If the price exceeds that amount, a maximum duty rebate of \$2,500 applies, reducing by \$100 for every \$10,000 over the \$250,000 threshold. This additional rebate cuts out at first homes valued at \$500,000.

Under the *Duties Act 2001*, mortgage duty applies to a mortgage of Queensland property at the rate of \$0.40 per \$100 or part of \$100 of the amount secured. However, home buyers benefit from an exemption on the first \$70,000 of the amount secured by a mortgage to buy or build a home. Mortgage duty applies only to the excess over \$70,000. For first home buyers, the exemption applies up to \$250,000.

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 First Home Owner Grant. The Queensland Government now fully funds the \$7,000 grant to eligible home buyers purchasing or building their first home. From the commencement of the scheme on 1 July 2000 to 30 June 2004, over 128,000 grants have been paid.

The combined effect of the Queensland Government's assistance provides \$15,575 of grants and duty concessions 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.

In addition, the Department of Housing currently offers two lending products, the Queensland Housing Finance Loan and the Queensland State Housing Loan.

The Queensland Housing Finance Loan is a loan designed to assist Queenslanders that are experiencing difficulty in obtaining finance from a bank or building society to buy a home. The loan provides a capped interest rate for the first five years of the loan. A Queensland Housing Finance Loan can be used for the purchase of an established house, unit, townhouse or duplex or to construct a home on land.

The Queensland State Housing Loan is a loan product that has been specifically designed to assist public housing tenants and other eligible applicants purchase available State Housing rental properties. The loan has been designed with special interest rate concessions and safeguards against steep rises in interest rates for the full term of the loan.