Stamp Duty….. one really big down side to buying property!

One of the added expenses that most buyers do not factor in when purchasing their new home is stamp duty. Stamp duty is a tax that is payable on the transfer of a property from one person to another and is often referred to as transfer duty because it is payable upon the stamping of the Transfer document. This tax is payable to the State and depending on which state the property is in, the amount will be dictated by that State’s Government. This means some states have more duty payable while some have a slightly lesser tax payable. In New South Wales (like all other states) the tax is payable on the amount you spend. Some states, however, have a capped taxable duty, NSW, unfortunately, is not one of those states. The current rates in NSW are:

<table>
<thead>
<tr>
<th>Value of Property</th>
<th>Rate of duty</th>
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<tbody>
<tr>
<td>$0- $14,000</td>
<td>$1.25 for every $100 or part of the value</td>
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<tr>
<td>$14,001 - $30,000</td>
<td>$175 plus $1.25 for every $100 or part of the value</td>
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<tr>
<td>$30,001 - $80,000</td>
<td>$415 plus $1.25 for every $100 that exceeds $30,000</td>
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<tr>
<td>$80,001- $300,000</td>
<td>$1,290 plus $3.50 for every $100 that exceeds $80,000</td>
</tr>
<tr>
<td>$300,000 - $1 Million</td>
<td>$8,990 plus $4.50 for every $100 that exceeds $300,000</td>
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<tr>
<td>Over $1 Million</td>
<td>$40,490 plus $5.50 for every $100 that exceeds $1,000,000</td>
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<tr>
<td>Premium Property Duty: Over $3 Million</td>
<td>$150,490 plus $7.00 for every $100 that exceeds $3,000,000</td>
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Who pays stamp duty and when is it payable?
A purchaser’s liability for stamp duty arises when the sale occurs. With property that is affected by a written instrument, ie. A contract for the sale and purchase of land, the liability arises based on the date the contract was entered into.

Duty must be paid within 3 months from signing the contract or at settlement, whichever occurs first. When purchasing “off the plan property”, the duty must be paid within three months from the date of whichever of the following occurs first:
• completion of the contract;
• the assignment of the whole or any part of the purchaser’s interest under the agreement; or
• the expiration of twelve months after the date of the agreement;

Who doesn’t pay stamp duty?

There are a few people that will be exempt from paying stamp duty, however that number is ever decreasing!

People that may be eligible for an exemption to stamp duty include:

• A transfer of residential land between a married or defacto couple in the event of a break up of marriage and other relationships, and the property being transferred is either the family home or vacant land which is intended to be used as the site of the family home;
• Transfer of property between married and defacto couples and the property being transferred is either the family home or vacant land which is intended to be used as the site of the family home. An example of when this may occur when a couple become married and one part of the couple already owns property and wish to add their partner’s name to the title;
• Deceased estates will attract a concessional duty of $50 where the transfer of the property is done in accordance with the terms of the will and in accordance with the rules of intestacy.

First Home Buyers

The First Home – New Home scheme, which commenced from 1 January 2012, provides eligible purchasers with exemptions from stamp duty on new homes valued up to $550,000 and concessions for new homes valued between $550,000 - $650,000.

Eligible purchasers buying a vacant block of residential land to build their home will pay no duty on land valued up to $350,000 and will receive a concession for vacant land valued between $350,000 - $450,000.

‘Til next time,
Wishing you every success in your business ventures,
Rosy Sullivan

Spring Licensing Special
Check your eligibility in less than 2 minutes.

Check Eligibility
Over the last fortnight here at the College we’ve seen many students in our classes already working in the property industry return to further their understanding and qualifications. Our Experienced Agents Property Program held in the CBD gave the opportunity for agents with over two years of experience in the industry to complete the training required to upgrade to their full licence. Our Business Broking Agency Practices course was also popular with students looking to gain a Business Broking Licence or add it to their current licence class. We kicked off October after the long weekend with our Certificate of Registration course at Castle Hill. It was great to see people interested in gaining their Certificate in the whole range of classes available with students attending for their Real Estate, Strata Management and Business Broking Certificates.

With all the training going ahead at the College, the long weekend gave the perfect opportunity for our staff to relax and, of course, to watch finals footy. On Saturday the staff were all behind the Swans to finish their fantastic season with the premiership and whilst we were unfortunate to not get the result, we can appreciate the fairy-tale ending for the Western Bulldogs. On Sunday a couple of our staff members were lucky enough to get tickets to the game to see Cronulla break their 49 year drought. Whilst we have an office of Sea Eagles supporters here (don’t hold it against us), we couldn’t help but feel the Sharks’ premiership was well deserved.

The end of the footy season also brought our office tipping competition to a close. Congratulations to Simon Taylor who finished on top in the tipping, followed closely by Stephanie Barbara in second and Rachelle Lewin in third position. An honourable mention must go out to Vanessa Ball, who finished last in the comp and is now the proud owner of a wooden spoon.

In the past fortnight, we also celebrated Braden’s passage into true adulthood (yes he turned 21) with a bus trip to the Hunter Valley with most of the College team. This was a fabulous day to celebrate with Braden and also to spend some fun time with our work colleagues. The stories from the day are like any major event – “what happens on the bus, stays on the bus”.
Don’t forget to renew

The College regularly receive calls from agents who have unwittingly let their licence or certificate expire.

Whilst in most cases it is a simple fact of having to complete your CPD training or perhaps you have completed the training but did not renew with Fair Trading on time, there is the odd occasion where it could potentially require you to complete further training - particularly where there has been a change of legislation since the time you last renewed.

Rather than being in a position where you are required to complete additional training, it is advised that you take advantage of NSW Services online renewal service, which allows you to renew your qualifications and update your information. Simply follow the link at https://www.onegov.nsw.gov.au/GLS_Portal/snsw/Renew/Details

It is important to remember that it is your responsibility to update and renew your own licence or certificate - not your employers. Set a reminder in your calendar. While we will always tell you where and when the next CPD session is in your area, not everyone completes their CPD training around the same time every year or necessarily around the time that their authority requires renewal.

If you have a spare couple of minutes visit the new online system and ensure your details are correct. Go to NSW Services online at https://www.onegov.nsw.gov.au/publicregister/#/publicregister/categories