



**Dominic Perrottet**  
Premier of NSW

**Matt Kean**  
Treasurer

## **MEDIA RELEASE**

Friday, 11 November 2022

### **LANDMARK FIRST HOME BUYER REFORM NOW UP AND RUNNING**

Thousands of first home buyers can now fast track their home ownership dreams after the Perrottet Government's landmark legislation received royal assent.

Premier Dominic Perrottet said in a national first, buyers will now be able to choose between paying a smaller annual property tax or an upfront stamp duty on their first home.

"First home hopefuls will now be able to attend auctions and inspections this weekend across NSW knowing that the First Home Buyer Choice is on the table," Mr Perrottet said.

"As prospective buyers inspect homes this weekend, they can now choose to opt into the First Home Buyer Choice and receive a refund in January on the upfront stamp duty they pay for homes valued up to \$1.5 million.

"From January 16, first home buyers who opt into the annual payment won't have to pay any stamp duty at all."

Treasurer Matt Kean said the new program signed into law today would help thousands of young people and families shave about two years off the time needed to save for a deposit.

"Young families can save thousands in the long run by opting for the annual payment, with Treasury estimating about two-thirds will choose this because of the financial benefit," Mr Kean said.

"There's no limit on the number of eligible first home buyers who can apply for the First Home Buyer Choice."

#### **First Home Buyer Choice details**

- Eligible first home buyers who sign a contract of purchase on or after 16 January 2023 will not have to pay stamp duty, provided they choose to pay the property tax before their purchase settles.
- Eligible first home buyers who sign a contract of purchase between 11 November 2022 and 15 January 2023 will also be able to choose the property tax:
  - For this group, applications to choose the property tax can be made at any time between 16 January 2023 and 30 June 2023.

- If settlement occurs on or before 15 January 2023, they will need to pay stamp duty, and then will be able to apply for a refund of the stamp duty from 16 January 2023.
- If settlement occurs on or after 16 January 2023, and they have chosen property tax, they will not need to pay stamp duty.
- These transitional arrangements are necessary as time is needed to allow industry participants to update their electronic conveyancing systems to facilitate first home buyers opting into the new system.

First Home Buyer Choice will be available for dwellings costing up to \$1.5 million. For the purchase of vacant land intended for the construction of a first home, the price cap will be up to \$800,000.

The NSW Government has estimated First Home Buyer Choice will cost \$728.6 million over the next four years.

NSW Treasury analysis shows the breakeven period between upfront stamp duty and an annual property tax would be 36 years for an \$800,000 apartment, 28 years for a \$1 million townhouse, and 26 years for a \$1.25 million house.

The same analysis shows that if a first home buyer purchased a \$1 million house and sold it 10 years later, which is around the median holding period, the annual property payments over the 10 years would total \$19,881 in present value terms compared with \$40,090 in upfront stamp duty - a saving of \$20,209.

The First Home Buyer Choice is a key component of the Government's [\\$2.8 billion Housing Package](#) announced at the 2022-23 NSW Budget that aligns with the [Housing 2041](#) vision.

For more information on the First Home Buyer Choice, go to <https://www.nsw.gov.au/initiative/first-home-buyer-choice>.

Eligible first home buyers can register their interest at: <https://www.service.nsw.gov.au/get-notified-about-first-home-buyer-choice>.

An online calculator is available to assist first home buyers to assess their options. To view the calculator, go to <https://www.service.nsw.gov.au/transaction/calculate-your-property-tax>.

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