



NSW Home Builders Bonus

Supplementary Information for Developers/Vendors

The NSW Home Builders Bonus provides exemptions and concessions for certain purchases of new homes, homes off the plan and vacant land on which a new home will be built.

An off the plan purchase is an agreement for the sale or transfer of land intended to be used as the site of a new home, which is to be built before completion.

An off the plan purchase is exempt from duty if it is entered into on or after 1 July 2010 and before 1 July 2012, the value of the property does not exceed \$600 000, and at the time the purchase is entered into, construction of the new home has not commenced.

Generally speaking, construction of a new home commences when the laying of the foundations (laying of the concrete slab or construction of the brick piers) of the new home, or of the building in which it is located, begins.

It does not include site preparation work such as demolition work, remediation to remove hazardous material, shoring up and stabilisation of the site, or archaeological research. It does not include the underground plumbing work, but would include laying of the slab for car parking, whether above or below ground.

Staged development – Construction commencement – S87R (4A and 4B)

If an off the plan purchase relates to a new home that is to be constructed as part of a staged development, construction of the new home commences when construction of the first residential level of the building in which the new home is located begins.

A new home is part of a staged development if the new home is to be constructed as part of a development that will comprise two or more multi-storey buildings that have common foundations, that are to be constructed in separate stages.

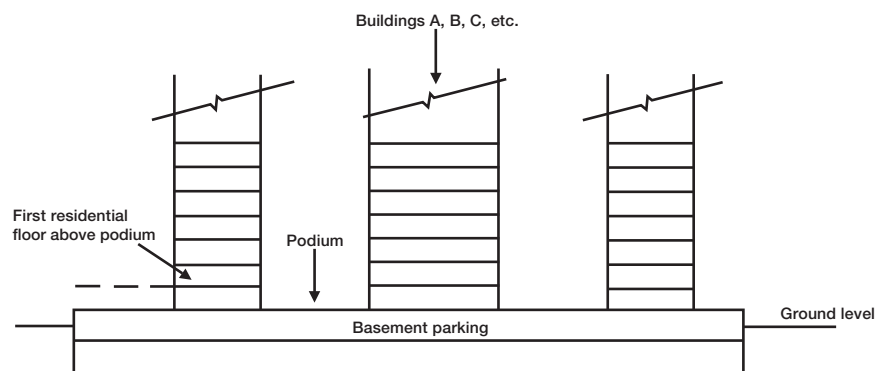
Construction of the first residential level is taken to mean the laying of the slab for the first residential floor above the podium level. The podium level is the common foundation and includes areas such as the basement car parking (see attached diagram).

Where an application relates to the construction of a new home in a staged development, the following evidence must be provided together with the application form:

- A special condition in the agreement, or a statutory declaration from the vendor, stating that:
 - ▶ the new home is part of a staged development
 - ▶ the multi-storey buildings are to be built on common foundations
 - ▶ construction of the first residential floor of the building above the podium level, in which the new home is located, has not commenced.

The evidentiary requirement for the commencement date would be either:

- certification by the Principal Certifying Authority as to the date the slab for the first residential floor above the podium level was laid, or
- certification of the date of laying such slab by a structural engineer.



Developers are encouraged to contact our office for advice as to the applicability of the exemption in their specific developments.

Replacement agreement for an off the plan purchase – s87R(1A)

A duty exemption applies to an off the plan purchase that is approved under the scheme if the off the plan purchase replaces another off the plan purchase that was approved as being exempt, whether or not construction has commenced.

An off the plan purchase replaces another off the plan purchase only if the agreements concerned relate to the same property and have the same purchaser or purchasers.

Where an application relates to a replacement purchase, the original off the plan agreement and appropriate OSR form for cancelled agreements (ODA 015) must be submitted to OSR before the new application can be processed.

MORE INFORMATION



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Help in community languages is available.

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Off the plan purchase where vendor has changed – S87R(6)

A duty exemption also applies to an off the plan purchase that is approved under the scheme if:

- construction of the new home commenced when the land was owned by a person other than the vendor under the off the plan purchase
- and
- no more than 25 per cent of the construction work required to construct the new home, or building in which it is located, has been completed (ancillary work such as a sales office does not form part of the total work)

and

- no construction work in relation to the new home has been carried out between the date that the current vendor acquired the land and the date the off the plan purchase was entered into

Where an application relates to an off the plan purchase where the vendor has changed, the following evidence must be provided together with the application form:

- a special condition in the agreement, or a statutory declaration by the vendor, stating that:
 - ▶ construction of the new home commenced when the land was owned by a person other than the current vendor, **and**
 - ▶ no construction work in relation to the new home has been carried out between the date that the current vendor acquired the land and the date the off the plan purchase was entered into (ancillary work such as a sales office, which does not form part of the final building, is not new work),
- certification by an independent quantity surveyor that works completed to date do not exceed 25 per cent of the construction work required to construct the new home, or the building in which it is located.

Developers are encouraged to contact our office for advice as to the applicability of the exemption in their specific developments.