



Gladys Berejiklian
Premier of NSW

Dominic Perrottet
Treasurer

MEDIA RELEASE

Sunday, 14 February 2021

STAMP DUTY EXEMPTIONS HELP THOUSANDS MORE FIRST HOMEBUYERS TURN THE KEY ON AUSSIE DREAM

More than six thousand additional first homebuyers have gained a foothold on the property ladder in just six months following the NSW Government's decision to provide additional relief on stamp duty and help boost the economy and jobs.

Premier Gladys Berejiklian said the latest data indicated the great Australian dream of home ownership remained strong, with the total number of stamp duty exemptions and partial concessions granted rising 30 percent over the year, from more than 31,500 in 2019 to more than 41,000 in 2020.

"We all know how challenging 2020 was and our suite of COVID-19 support and stimulus measures – the largest of any state or territory – has helped cushion the worst economic impacts of the pandemic," Ms Berejiklian said.

"Additional stamp duty relief has delivered the twin benefit of helping more people achieve their dream of homeownership, while continuing to boost the economy."

Treasurer Dominic Perrottet said the Government's continued focus on housing affordability had seen first home buyers as a share of the total owner occupier residential market increase from below 15 percent in 2016 to around 30 per cent.

"Stamp duty is a significant financial barrier to those buying a first home and this program has helped thousands of people go from renters to homeowners without saving for years to pay stamp duty," Mr Perrottet said.

"Record low interest rates are putting upwards pressure on prices, but it's clear if we can lower the financial burden the dream of home ownership burns as strong as ever."

The total value of stamp duty concessions and exemptions granted by the NSW Government increased from \$485.9 million in 2019 to \$559.7 million in 2020.

Under the temporary changes the cap on the value of new homes at which stamp duty exemptions apply increased from \$650,000 to \$800,000, with concessional duty applied on higher values before phasing out at \$1 million.

For vacant land purchases, the threshold for an exemption increased from \$350,000 to \$400,000 with concessional duty rates applying on purchases up to \$500,000.

This additional relief will remain in place until July 31, 2021.

In the five months following the changes - from August to December 2020 - the number of stamp duty exemptions and concessions granted topped 21,436, compared to 14,967 in the same period in 2019.

According to NSW Treasury stamp duty adds about \$34,000 to the upfront cost of buying the average NSW home.

It now takes around 12.6 years compared to 8 years in 1990 for the average person to save for a deposit.

Stamp duty was introduced to NSW in 1865 and has continued for more than 150 years.

On 1 July 2019, NSW became the first state in Australia to index stamp duty brackets to the Sydney Consumer Price Index, to limit the taxation cost due to inflation.

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