

TREASURER TOM KOUTSANTONIS

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Additional assistance for off-the-plan apartments to stimulate building industry

First homebuyers who purchase an apartment off-the-plan could be entitled to more than \$40,000 in assistance under State Government measures to stimulate jobs and activity in the building industry.

The 2017-18 State Budget includes a new \$10,000 pre-construction grant for contracts signed over the next three months for off-the-plan apartments in buildings yet to be built.

This is on top of the stamp duty concession of up to \$15,500, which is being extended by another year.

Combined with the First Home Owner Grant, eligible buyers could receive up to \$40,500 towards their off-the-plan apartment.

People who have previously owned a home will be eligible to receive up to \$25,500.

The 2017-18 State Budget also includes a new measure to exempt investors from land tax for five years if they buy eligible off-the-plan apartments.

The City of Adelaide recently announced it would introduce a five-year, rate-free period for owner/occupiers who buy a new or off-the-plan apartment.

Background

Concessions for off-the-plan apartments were introduced in 2012 and extended for 12 months in last year's State Budget.

Since being introduced, more than 1400 homebuyers have benefited.

To build on that, the State Government is again extending the statewide concession until 30 June 2018, at a cost of \$8.4 million over three years.

It is expected the concession will apply to an additional 800 sales. Foreign purchasers are no longer eligible.

The new \$10,000 pre-construction grant, available between now and 30 September 2017, will be an added incentive to buy an apartment off-the-plan.

It is expected 180 purchasers will qualify for the \$10,000, which will be paid at settlement.

The measure is costing \$1.8 million over two years.

Investors will also receive a five-year land tax exemption when they buy an eligible off-the-plan apartment.

About 100 land tax ownerships will benefit from the new measure, which takes effect for contracts entered into from today, and will expire on 30 June 2018.

Quotes attributable to Treasurer Tom Koutsantonis

Residential construction supports jobs and economic growth.

That's why we are investing more than \$10 million to encourage demand for off-the-plan apartments.

More sales equates to more building activity and more benefits for South Australia's economy.

Combined with the City of Adelaide's scheme to give owner/occupiers a five-year holiday from council rates, these measures are a great incentive to buy off-the-plan, giving first homebuyers a chance to enter the market and boosting activity in the CBD.

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