

CONVEYANCING UPDATE

A Division of McKays Solicitors

For a smooth, hassle free conveyancing solution...

Stamp Duty and Residential Property

Ad Valorem or Full Rate

This is the rate that is applied whenever property is transferred even if the parties are related.

You may however be entitled to a concession which will reduce the amount that you pay. **There are only two concessions that apply to residential property and that is principal place of residence and first principal place of residence.**

Principal Place of Residence (PPR)

To qualify for this concession you need to meet the following criteria:-

1. You need to move into the premises within 12 months.
2. The premises need to be approved by the local authority for people to live in them, at the time of settlement (so vacant land can never qualify). A caravan will not qualify.
3. You need to reside in the premises for 12 months. You can still claim the concession if you don't but you only receive the concession on a pro rata basis. Eg, If you live there for 6 months you receive half of the concession.
4. If you live in two or more premises this must be your main residence. The criteria the office of state revenue will consider are:-
 - Where do your wife and children live when they are going to school?
 - Where are your personal items housed eg furniture, ornamental furniture?
 - At which address are you enrolled?
 - Where is your mail sent?
5. You will lose your concession if you place a tenant in the premises at any time between settlement and when you take possession or if you allow the tenants that were in the premises at settlement to stay longer

than 6 months.

The amount of stamp duty payable if you claim this concession is 1% up to \$350,000.00.

First Principal Place of Residence (First PPR)

Obviously you need to satisfy the above criteria. It then needs to be the first residential premises you have ever owned anywhere. **Land does not qualify so if you have owed land before you can still claim first PPR.** We are an agent for the office of state revenue which means anything you tell us we must tell the OSR. To claim the PPR concession or First PPR concession you have to sign a declaration. Signing a false declaration is a criminal offence. We strongly urge people not to claim it if they have owned property in another state but we are not aware of anyone being prosecuted where they owned property in another country.

The rates have changed since 1 May 2004. Up to \$500,000.00 there is no stamp duty.

Generally

We have previously included tables in our booklets of special conditions. Please note that the tables relating to first PPR will no longer be correct. If you have a client with you and you want to know what stamp duty is you can either call myself or anyone in my office or alternatively you can go to the OSR website at www.osr.qld.gov.au where they have online calculators which will calculate it for you.

If you have any queries please do not hesitate to contact Kellie Woodward, in our Brisbane Office on (07) 3223 5928 or Roland Taylor or Bethel Campbell in our Mackay office on (07) 4963 0807 or (07) 4963 0845.

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Brisbane

Level 6, 239 George Street
PO Box 12275
Brisbane Qld 4003
Tel: (07) 3223 5999
Fax: (07) 3229 0449
brisbane@swc.net.au

Mackay

34 Wood Street
PO Box 37
Mackay Qld 4740
Tel: (07) 4963 0800
Fax: (07) 4963 0801
mackay@swc.net.au