



First Home Owner Grant

First Home Owner Grant Act 2000

As at 1 July 2011

Introduction

If you are buying or building your first home, you may be eligible to apply for the First Home Owner Grant (FHOG). The FHOG Scheme is fully funded by the Western Australian Government and administered by the Office of State Revenue. The scheme was established to offset the higher housing costs associated with the introduction of the Goods and Services Tax (GST) on 1 July 2000 and offers a one-off payment for eligible applications.

General information

The FHOG is currently \$7,000 or the amount that you must pay to purchase or build your home, whichever is the lesser amount.

The FHOG applies to residential dwellings only and does not apply to vacant land, business premises, holiday houses or renovations to an existing home.

There are no income or assets tests to qualify for the FHOG.

How to apply

Application forms can be obtained from an Approved Agent or from www.finance.wa.gov.au. Most financial institutions are Approved Agents; however a list of Approved Agents is also available from our website.

An application for the FHOG can be made once a contract to purchase or build a home has been signed and dated by all parties to the contract and appropriately witnessed or, where the application is made as an owner-builder, when the foundations have been laid.

An application for the FHOG **must be made within 12 months of completion** of the eligible transaction.

Applications may be lodged through an Approved Agent or with the Office of State Revenue.

If you are unsure where to lodge your form and are obtaining finance through a financial institution, please consult with them prior to lodgement to ensure that your form is sent to the correct place.

Eligibility for the FHOG

To be eligible for the FHOG, applications must satisfy the following eligibility criteria:

- Each applicant must be a natural person (i.e. not a company or trust¹).
- Each applicant must be 18 years of age or over at the commencement date of the eligible transaction².

- At least one of the applicants must be an Australian citizen or permanent resident at the commencement date of the eligible transaction.
- Each applicant and/or their spouse³ cannot have previously received a FHOG under this scheme.
- Each applicant and/or their spouse cannot have owned residential property anywhere in Australia before 1 July 2000.
- Each applicant and/or their spouse cannot have previously owned residential property anywhere in Australia on or after 1 July 2000 and occupied that property as a place of residence before 1 July 2004.
- Each applicant and/or their spouse cannot have previously owned residential property anywhere in Australia on or after 1 July 2000 and occupied that property as a place of residence for a continuous period of at least six months that began on or after 1 July 2004.
- Each applicant must occupy the home being purchased or built as their principal place of residence for a continuous period of at least six months, commencing within twelve months of completion of the eligible transaction.
- Each applicant must have entered into an eligible transaction on or after 1 July 2000. An eligible transaction is defined under section 14 of the *First Home Owner Grant Act 2000*, but is generally a contract for the purchase or construction of a home, or commencement of construction of a home as an owner builder.
- For eligible transactions commencing on or after 1 January 2010, the total value of the home must not exceed the cap amount. The cap amount is:
 - \$750,000 if the property is located south of the 26th parallel of South Latitude, or
 - \$1,000,000 if located north of the 26th parallel of South Latitude.

Supporting documentation

Each applicant and their spouse are required to submit proof of identity documents with an application for the FHOG. This will include evidence that at least one applicant is an Australian citizen or permanent resident at the commencement date of the eligible transaction (the date the contract is made).

Each application must be accompanied by documentary evidence of the eligible transaction. This may include a copy of the contract to purchase or build a home, or evidence of the costs incurred by an applicant to construct a home as an owner-builder. In some cases the Commissioner may require a copy of a valuation of the home.

Please refer to the **Application Form and Lodgement guide** for details of the requirements.

Residence requirement

To be eligible for the FHOG each applicant **must** occupy the home as their principal place of residence for a **continuous period of at least six months**, commencing **within twelve months of completion** of the eligible transaction.

If you are unable to satisfy the residence requirement you must notify the Commissioner in writing. Where you can clearly demonstrate that the reason for being unable to satisfy the residence requirement is exceptional, unforeseen or for reasons beyond your control, the Commissioner may consider a written application to:

- Reduce the time you are required to live in the home to a period of less than six months;
- Extend the time allowed for you to commence residing in the home to a period of longer than twelve months; or
- Where there are two or more joint applicants, exempt an applicant from the residence requirement.

The Commissioner will make a determination of the application and advise you whether you are required to repay the FHOG.

Notification of your inability to satisfy the residence requirement must be given **within 30 days** of the expiration of the required twelve month residency take-up period, or the date it becomes apparent you will not be able to fulfil the requirement (whichever is the earlier).

Failure to advise the Commissioner in writing may result in you being required to repay the FHOG with penalties, and also being ineligible for a future FHOG.

Prosecution and penalties

The Office of State Revenue conducts investigations and compliance checks to ensure that the FHOG is only given to those applicants who are entitled to receive it and to ensure that applicant's satisfy the residency conditions of the FHOG.

If you are found to have knowingly made false or misleading statements in connection with an application for a FHOG you may be prosecuted and penalties of up to \$20,000 may apply.

If you fail to reside in the FHOG property for six continuous months commencing within twelve months of completion of the eligible transaction you may be required to repay the FHOG, with penalties and other costs.

Objections

Where an applicant is dissatisfied with the Commissioner's decision on an application, they may lodge a formal objection against the decision. Further details are available at www.finance.wa.gov.au.

First home owner rate of transfer duty

A person who qualifies for a FHOG, or a person who *would* qualify for a FHOG had consideration been paid, or is an Indian Ocean Territory resident, may be entitled to a first home owner rate ('FHOR') of transfer duty on the transfer, or agreement to transfer (i.e. the contract for sale) in respect of the acquisition of the home or vacant land. For further information on the FHOR, please refer to the **First Home Owner Rate of Duty Fact Sheet**.

Further information

Further information regarding the FHOG, including frequently asked questions, may be found at www.finance.wa.gov.au or obtained by phoning the FHOG enquiry line on (08) 9262 1299.

¹ The Commissioner may consider an application where it is held under a trust for a person with a legal disability

² The Commissioner may consider an exemption from this requirement in certain cases

³ A spouse is someone the applicant is legally married to or a de facto partner of 2 years or more at the commencement date of the eligible transaction

Contact the Office of State Revenue

Office	Office of State Revenue Plaza Level 200 St Georges Terrace PERTH WA 6000	Telephone	(08) 9262 1299 1300 363 211 (WA country STD callers only – local call charge)
Office hours	8:00 am – 5:00 pm Monday to Friday	Facsimile	(08) 9262 1597
Postal	Office of State Revenue GPO Box T1600 PERTH WA 6845	E-mail Website	firsthomegrant@finance.wa.gov.au www.finance.wa.gov.au

Note: The information contained in this FHOG FACT SHEET is issued for guidance purposes only. It is not an exhaustive explanation of the provisions of the *First Home Owner Grant Act 2000*. Reference should be made to the Act for complete details.