

## Stamp duty explained

Stamp duty is a charge which is applied by state governments in Australia on transactions relating to the transfer of land or property. It is paid upfront and needs to be budgeted for in addition to your loan deposit.

The amount of stamp duty you are required to pay differs in each state, however there are three factors, along with the value of the property, that determine how much stamp duty you will pay. Contributing factors include:

1. whether or not the property is a primary residence or investment property;
2. whether or not you are a first home buyer; and
3. if you are purchasing an established home, a new home or vacant land.

There are a number of [stamp duty calculators](#) available online that take the guesswork out of budgeting for a property. Factoring in this additional cost cannot be overlooked when you are considering your capacity to repay a loan.

However, in a bid by state governments to stimulate home ownership and growth, there are a range of tax concessions available to reduce stamp duty.

Again exact amounts differ across each state, but those who benefit the most are first home buyers and those opting to buy a new home.

. In NSW, if a new home is valued under \$550,000, it will be exempt from stamp duty and if the home is valued between \$550,000 and \$650,000, it will receive partial concessions.