



## PRACTICAL GUIDE

# Stamp Duty & Buying Costs, Victoria

Every cost beyond the purchase price plus FHB concessions, off-the-plan rules and foreign surcharges, all in plain English.

## How Victorian land transfer duty is calculated

- Sliding scale: roughly 5% to 6.5% of the dutiable value for most owner-occupiers.
- On a \$1.5M Melbourne home: about \$82,500 in duty.
- On a \$2.5M home: about \$150,000.
- Dutiable value is the higher of contract price or market value for related-party transfers.

## Concessions to check before signing

- First Home Buyer: full exemption under \$600k, sliding concession \$600k to \$750k.
- Principal Place of Residence: \$130k to \$550k purchase, occupied within 12 months.
- Off-the-Plan: duty on land value only at contract date, for owner-occupiers, big savings on apartments.
- Pensioner concession: sliding scale up to \$750k purchase, valid concession card required.

## Surcharges that catch people out

- Foreign buyer additional duty: 8% on top of standard duty.
- Absentee land tax surcharge: 4% annually if not ordinarily resident in Australia.
- Vacant residential land tax: applies to homes vacant more than 6 months in inner/middle Melbourne.
- Spouse on a partner visa is treated as foreign until permanent residency is granted.

## Practical buying costs to budget

- Stamp duty (above), plus Land Use Victoria title transfer fee (~\$2,500 on \$1.5M).
- Conveyancing or legal: \$1,200 to \$2,500.
- Building & pest, plus pre-purchase inspections: \$700 to \$1,400.
- Lender mortgage insurance if deposit under 20%, can be \$10k to \$40k.

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