



Information Sheet

Land Rent Lease and Duty Liability

Land Rent Scheme

The Land Rent Scheme gives a lessee the option of renting land through a land rent lease rather than purchasing the land to build a home.

Land rented under a land rent lease is subject to payment of an annual land rent charge. In addition, the lessee will be liable to duty on the grant of the land rent lease, rates, and, if applicable, land tax.

Applicants for a land rent lease must attend the CIT Information Course. Applicants are also encouraged to seek legal advice. For more information about the Land Rent Scheme, and other benefits available to home owners in the ACT, see 'Home Buyer Assistance' on www.revenue.act.gov.au

Duty Liability and Dutiable Value

Duty is payable on the land rent lease on the same basis as applies to the grant of any other crown lease. Duty is payable to the Territory by the lessee within 90 days of the grant of the lease. The dutiable value of a land rent lease is the market value of the land at the time it is granted. The dutiable value of the land rent lease is not reduced by virtue of the lessee taking the land rent option.

Other Housing Benefits

The lessee of a land rent lease may be eligible for home buyer assistance schemes e.g. First Home Owner Grant Scheme, ACT Government concessions on duty for eligible home owners under the Home Buyer Concession Scheme (HBC), the Pensioner Duty Concession Scheme (PDCS) and the deferred duty payment scheme.

Home Buyer Concession Scheme

The HBC provides for concessional duty for eligible persons who purchase eligible property. There is a limited time to apply for the HBC. For details see www.revenue.act.gov.au.

The land value of the land rent lease must be less than the upper threshold for vacant land under the HBC that applies to your transaction date. This threshold is updated on 1 January and 1 July each year.

The income test for the HBCS is based on the total household income which includes the income of domestic partners who may not be lessees on the land rent lease. This differs from the Discount Land Rent income test, which only includes the income of the lessee/s.

Pensioner Duty Concession Scheme

The PDCS provides for concessional duty for eligible pensioners who move to more appropriate accommodation. They must sell their existing home and purchase an eligible property. There is a limited time to apply for the PDCS. For details see www.revenue.act.gov.au.

The land value of the land rent lease must be less than the upper threshold for vacant land under the PDCS that applies to your transaction date. This threshold is updated on 1 January and 1 July each year. There is no income test for this concession.

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Deferral of Duty

Deferral of duty is only available to lessees where the land value of the land rent lease is at or below the upper threshold for vacant land under the HBC **and** who are eligible for either the First Home Owner Grant or the HBC. The amount of duty deferred must be at least \$1,000.

Applications for deferral of duty must be made within the same time periods that apply for HBC and PDCS applications. See www.revenue.act.gov.au for details.

First Home Owner Grant

Persons who are eligible first home owners may be eligible for the First Home Owner Grant, however, the grant is not payable on the purchase of land. Persons may apply after entering into a building contract. Payment is not made until evidence is provided that progress payments have exceeded the amount of the benefit.

Conversion of Entitlement

The conversion of a land rent lease to a nominal rent lease does not incur a duty liability.

Subsequent Transfers of Land Rent Lease

When a land rent lease is purchased after the initial grant of the lease, duty is payable on the transfer or agreement to transfer the property on the same basis as applies to the transfer or agreement to transfer a nominal rent crown lease.

Contact ACT Revenue Office for Discounted Land Rent and Duty Liability

Telephone	(02) 6207 0028
Street address	Canberra Nara Centre Corner of London Circuit and Constitution Avenue Canberra City
Postal address	PO Box 293 Civic Square ACT 2608
Office hours	9:00 am to 5:00 pm Monday, Tuesday, Thursday and Friday 10:30 am to 5:00 pm Wednesday
Website	http://www.revenue.act.gov.au

Other Contact Details

Land Rent Scheme	land.rent@act.gov.au
Land Availability	Land Development Agency Level 6 TransACT House 470 Northbourne Ave Dickson ACT 2602 Telephone: 1800 777 952
CIT Information Sessions	Telephone: (02) 6207 3244

GIVING FALSE OR MISLEADING INFORMATION IS A SERIOUS OFFENCE
(section 338 *Criminal Code 2002*)

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