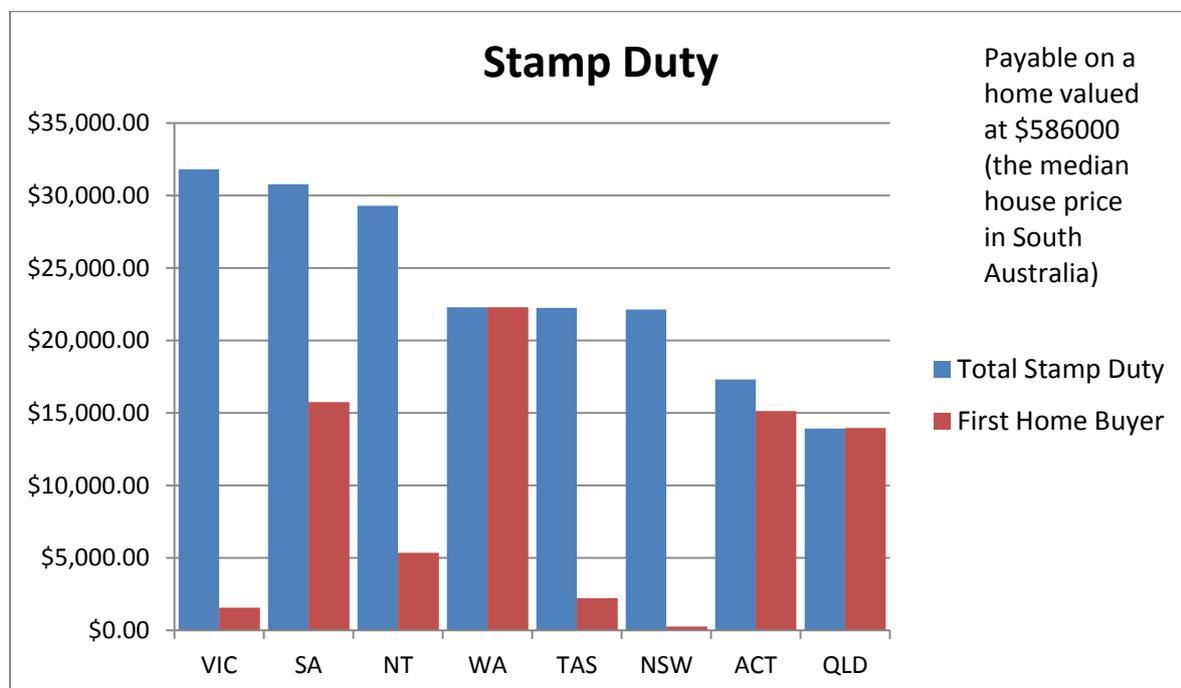




Stamp Duty – that \$30,000 You’ll Never Get Back

Did you know that South Australia has the second highest stamp duty rate in Australia? In today’s tough housing market, the cost of stamp duty on top of the price for a house can be the deciding factor in decisions to buy as more and more South Australians are locked out of home ownership.

Across Australia, each State has its own way of calculating stamp duty. Some States have grants to aid first home buyers and aged pensioners and some do not. It’s easy to see the disparity when you compare stamp duty across Australia using the median house price in SA, \$586,000. As you can see below, South Australia has the second highest stamp duty rate in Australia. Not everyone is eligible for the first home owners grant and it is exclusive to newly built or heavily renovated homes.



Removing or reducing stamp duty is one way South Australia could assist some citizens with more affordable home ownership, especially first home-owners. Changes to stamp duty may encourage some existing owners to downsize from a larger property and free up a small number of larger homes for families but at the same time reduce the number of smaller homes on the market for singles and couples. Shelter SA would like the South Australian government to consider replacing stamp duty with a land tax, which could also encourage people who own empty plots of land to get a move on with their developments. Removing stamp duty will help some people who are close to being able to afford a home but unfortunately will not help people living on low incomes. The truth is, people who are experiencing homelessness or living with housing stress in the private rental market will never be able to afford to buy a house, even with reduced stamp duty costs and State and Federal Governments must urgently address the affordable housing crisis.