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Apply for an off-the-plan duty rebate

A rebate is available for people who enter into a pre-construction contract to purchase a new residential unit or apartment off the plan, or for people who enter into a contract for the purchase of a new unit or apartment under construction.

The Off-the-Plan Duty Rebate Scheme promotes investment in the WA residential multi-tiered apartment market and stimulates jobs in the construction industry by providing a rebate of duty paid on eligible unit or apartment purchases.

The rebate is available to owner-occupiers and investors who enter into

- a pre-construction contract between 23 October 2019 and 23 October 2021 (inclusive) to purchase a new residential unit or apartment or
- a contract signed between 4 June 2020 to 31 December 2020 to purchase a new unit or apartment under construction.

The rebate applies to the [transfer duty](#) and [foreign buyers duty](#) surcharge (if applicable) paid on the agreement to purchase the unit or apartment.

The rebate amount is 75 per cent of the duty paid, capped at a maximum of \$50,000 for the pre-construction contract and \$25,000 for a contract under which construction has already commenced. This amount does not include penalty tax or interest amounts paid on the transaction, or any legal or other fees incurred to recover unpaid tax.

There is no cap on the purchase price or value of the unit or apartment.

Multiple rebates can be paid to the same applicant on separate transactions for the purchase of units or apartments in the same or different developments.

[A separate grant scheme is available](#) for people who enter into a pre-construction contract to build a new home on vacant land or purchase a new home being constructed under a single-tier strata plan.

The duty rebate scheme is different to the [Commonwealth Government's HomeBuilder scheme](#). If you receive a duty rebate, you may still be eligible to receive the \$25,000 HomeBuilder grant.

Pre-construction contract

Eligibility criteria

Three criteria must be met in order to receive the rebate.

1. The applicant has signed a *pre-construction contract* to purchase a *new residential unit or apartment* in a *multi-tiered structure* where *development* has not commenced. The pre-construction contract must be executed between 23 October 2019 and 23 October 2021 (inclusive).
2. The applicant(s) must be the buyer(s) named on a pre-construction contract or an *eligible transferee*. The rebate applies to all buyers (natural persons, corporations and trustees), including foreign buyers, who become registered on the title to the unit or apartment as an owner occupier or an investor.
3. Construction of the new residential unit or apartment must be completed within 36 months of the pre-construction contract being entered into. The Commissioner considers construction to be completed when the strata plan is registered.

When to apply for the rebate

Lodge [Application Form FDA49](#) within 12 months from the date the eligible applicant is registered on the certificate of title of the unit or apartment.

Under construction contract

Eligibility criteria

Three criteria must be met in order to receive the rebate.

1. The applicant has signed a contract to purchase a *new residential unit or apartment* in a *multi-tiered structure* where *development* has commenced. The contract must be executed between 4 June 2020 and 31 December 2020 (inclusive).
2. The applicant(s) must be the buyer(s) named on the contract or an *eligible transferee*. The rebate applies to all buyers (natural persons, corporations and trustees), including foreign buyers, who become registered on the title to the unit or apartment as an owner occupier or an investor.
3. Construction of the new residential unit or apartment must be completed within 36 months of the contract being entered into. The Commissioner considers construction to be completed when the strata plan is registered.

When to apply for the rebate

Lodge [Application Form FDA50](#) within 12 months from the date the eligible applicant is registered on the certificate of title of the unit or apartment.

Extending the construction timeframe

You can apply to the Commissioner to extend the timeframe for completion of construction if construction is not completed within 36 months.

Each application will be considered on its merits and must be supported by evidence from the developer detailing why construction was not completed within 36 months of the contract being entered into.

The Commissioner may only consider an application after construction has been completed. The Commissioner's decision to exercise discretion in relation to a specific development will apply to all eligible applicants acquiring a unit or apartment in that development. Details of developments where the discretion has been applied will be published on the Finance website to assist future applicants in completing a rebate application.

Circumstances where the Commissioner will generally extend the 36 month period include, but are not limited to

- developments impacted by the requirement of the vendor to meet required pre-sales levels prior to commencing development, and where the scale of the construction means the rebate scheme timelines will not be met and
- developments where completion is delayed due to issues outside of the developer's control, such as the developer being unable to procure materials or labour.

Examples

Pre-construction contract examples

Example 1

James enters into a pre-construction contract in January 2020 to purchase an apartment in a multi-tier development for \$1,000,000.

Construction is completed in December 2021 and titles are issued in January 2022. Settlement occurs and James pays duty of \$42,615.50 at the residential rate. He is registered on the certificate of title in January 2022.

Within six months of the settlement date, James applies for the rebate. James is paid a rebate of \$31,961.62, which is 75% of the duty he paid on the contract.

Example 2

Prior to settlement of the apartment, James substitutes his wife Jane onto the transfer of land as joint tenants with him. The transfer of land is endorsed for no double duty as Jane is a related person for the purposes of section 43 of the *Duties Act 2008*.

At settlement, James and Jane are registered on the certificate of title. Six months later they apply for the rebate of the duty paid at settlement.

As James is an eligible buyer on the pre-construction contract, and Jane is an eligible transferee on the transfer of land, they receive the duty rebate.

Example 3

Before settlement, James decides to acquire the apartment through a newly created discretionary (family) trust.

A transfer of land is lodged with ABC Pty Ltd (as trustee for the ABC Trust) as the transferee. Transfer duty is charged on the transfer to ABC Pty Ltd as the no double duty provisions don't apply in these circumstances.

Neither James nor ABC Pty Ltd are eligible applicants for the rebate. This is because James as the buyer will not be registered on the certificate title and ABC Pty Ltd is not an eligible transferee under the substituted purchaser provisions.

In this instance, no rebate is payable on the transaction.

Example 4

Before settlement, James is unable to secure finance for the purchase of the property. Instead of terminating the contract, James arranges for the property to be transferred to another interested buyer, Robert. Robert agrees to assume all of James's obligations under the contract and compensates James for the deposit already paid to the developer.

The transfer of the property from the seller to Robert is charged with duty as there is no relief available under the no double duty provisions. James and Robert are not eligible applicants. This is because James will not be registered on the title to the apartment and Robert is not an eligible transferee.

In this instance, no rebate is payable on the transaction.

Example 5

Ben is a foreign person. He enters into a pre-construction contract to purchase an apartment for \$1,000,000. The construction is completed and titles for the apartment are issued within 36 months of the date of the pre-construction contract. Ben pays duty of \$112,615.50, which includes \$70,000 in foreign transfer duty, and is registered on the certificate title.

Within 12 months of the settlement date, Ben applies for the duty rebate. 75% of the duty Ben paid is \$84,461.62. Ben receives a rebate of \$50,000, which is the maximum capped amount available under the scheme.

Under construction contract examples

Example 1

Sally enters into a contract on 15 June 2020 to purchase an apartment for \$1,000,000 that is currently under construction.

Construction is completed in February 2021 and the titles are issued in March 2021. At settlement Sally pays duty of \$42,615.50 at the residential rate of duty. Sally is registered on the certificate of title in March and applies for the rebate in April.

Sally is paid a rebate of \$25,000 which is the maximum capped amount available for purchases of apartments under construction.

Example 2

John purchases a newly completed apartment in a multi-tiered development on 30 June 2020 from Mary who had entered into a pre-construction contract two years ago with the developer.

The apartment has never been resided in.

John applies for the duty rebate but is not eligible for the rebate as construction had already been completed when he entered into the contract to purchase the apartment from Mary.

Reassessments

Transactions may be reassessed to take into account any rebate amount.

If an eligible contract is reassessed, the amount of duty payable by the taxpayer, or refund due to them, will be adjusted to take into account any rebate amount paid or payable as a result of the reassessment.

Example 1

Jane enters into a pre-construction contract to purchase an apartment for \$450,000. The construction is completed and titles are issued within 36 months of the contract date. Jane pays duty of \$15,390 at the residential rate and is registered on the title after settlement.

Jane applies for and receives a rebate of \$11,542.50, being 75% of the duty paid. The difference between the duty Jane has paid and the rebate she receives is \$3,847.50.

Within 12 months of settlement, Jane applies and is granted the first home owner grant. She applies for a reassessment of duty at the first home owner rate of duty.

How the reassessment at the FHOR is calculated	
<i>Assessment</i>	
Duty amount (A)	\$15,390
Rebate (B)	\$11,542
<i>Reassessment</i>	
New duty amount (C)	\$3,838
Adjusted rebate (D)	\$2,878.50
<i>Refund</i>	
Decrease in duty payable (A-C)	\$11,552
less decrease in rebate paid (B-D)	\$8,664
Refund	\$2,888

Example 2

James enters into a pre-construction contract to purchase an apartment for \$500,000. The construction is completed and titles are issued within 36 months of the contract date. As an approved first home buyer, James pays duty of \$13,433.00 at the first home owner rate of duty and is registered on the title after settlement.

James applies for and receives a rebate of \$10,074.75, being 75% of the duty paid. The difference between the duty paid by James and the rebate he receives is \$3,358.25 (that is, \$13,433 - \$10,074.75).

A year later, James has failed to meet the residence requirements under the *First Home Owner Grant Act 2000* and he is no longer entitled to receive the first home owner rate of duty. A reassessment is issued at the residential rate of duty.

How the reassessment at the residential rate is calculated	
<i>Assessment</i>	
Duty amount (A)	\$13,433
Rebate (B)	\$10,074.75
<i>Reassessment</i>	
New duty amount (C)	\$17,765
Adjusted rebate (D)	\$13,323.75
<i>New amount payable</i>	
Increase in duty payable (C-A)	\$4,332
less increase in rebate payable (D-B)	\$3,249
Amount payable	\$1,083

Example 3

Sally enters into a contract to purchase an apartment under construction for \$440,000. The construction is completed and titles are issued within 36 months of the contract date. Sally pays duty of \$14,915 at the residential rate and becomes the registered owner of the apartment.

Sally applies for the rebate of 75% which is \$11,186.25.

Sally then applies for the first home owner grant and a reassessment of the duty at the first home owner rate of duty.

How the reassessment at the FHOR is calculated	
<i>Assessment</i>	
Duty amount (A)	\$14,915
Rebate (B)	\$11,186
<i>Reassessment</i>	
New FHOR duty amount (C)	\$1,919
Adjusted rebate (D)	\$1,439.25
<i>Refund</i>	
Decrease in duty payable (A-C)	\$12,996
less decrease in rebate paid (B-D)	\$9,746.75
Refund	\$3,249.25

Terms used

Development

Development means the development of any land, including the erection, construction or addition of new buildings or structures on the land.

The Commissioner considers the carrying out of any excavation or works associated with the construction of the unit or apartment building to be development for the purposes of the rebate.

The following do not constitute development for the purposes of the rebate

- obtaining of permits or approvals to commence works on the land
- demolition of existing structures or buildings on the land in preparation for development to commence
- clearing of the development site
- installation of fencing, advertising materials or a transportable sales office on the land
- remediation of pollution or contaminants from the land in preparation for development to commence.

Eligible transferee

A transferee on a transfer of land who

- is not named as the buyer in the pre-construction contract and
- qualifies for duty relief under the no double duty provisions in the *Duties Act 2008* as
 - a person related to the buyer as referred to in section 43 and defined under section 42(2)
 - the real purchaser under an agency arrangement as defined under section 42(4)
 - a corporation yet to be incorporated or dormant corporation as defined under section 42(5) or
 - a managed investment scheme as defined under section 42(7).

Multi-tiered structure

A vertical development other than a single-tier strata scheme as defined by section 3(1) of the *Strata Titles Act 1985*.

The Strata Titles Act defines a single tier strata scheme to mean a strata scheme

1. in which no lot or part of a lot is above or below another lot or
2. which comes within paragraph (1) except for any lot that has a permitted boundary deviation.

Example 1 – Multi-tiered structure

1. A 10 floor development will be constructed on a strata-plan with six apartments on each floor. The development is a multi-tiered development for the purpose of the rebate as each apartment will be built on a lot that is above or below another lot, or part of a lot.
2. A 10 floor development will be constructed on a strata-plan with six apartments on each floor. In addition, there will be eight single-story units on the same strata-plan. The whole development is considered a multi-tiered structure for the purposes of the rebate despite the eight units not being built above or below another lot, or part of a lot.

Example 2 – Townhouses

A ten unit development will be constructed on a strata-plan consisting of ten two-storey townhouses. Each townhouse will be built on a lot that is adjacent to the other townhouses. The development is *not* a multi-tiered development for the purpose of the rebate as none of the townhouses will be built on a lot that is above or below another lot, or part of a lot.

Example 3 – Villa complex

An eight unit development on a strata plan will be constructed consisting of eight single-story villas. Each villa will be built on a lot that is adjacent to the other villas. The development is *not* a multi-tiered development for the purpose of the rebate as none of the villas will be built on a lot that is above or below another lot, or part of a lot.

New residential unit or apartment

A newly constructed dwelling used solely or dominantly for residential purposes. This does not include strata lots intended to be used for commercial purposes, such as shops, hotels, motels and long-stay apartments.

Pre-construction contract

A contract for the purchase of a new residential unit or apartment in a multi-tier structure on a proposed lot within the meaning of the *Strata Titles Act 1985* where development has not commenced.

Frequently asked questions

How long will the extended rebate scheme operate?

The extended rebate scheme starts on 4 June 2020 and ends on 31 December 2020.

What does the rebate apply to?

The extended rebate scheme applies to the purchase of an off-the-plan dwelling in a multi-tiered development that is under construction. The contract to purchase must be signed between 4 June 2020 and 31 December 2020.

How much is the rebate?

The rebate is 75 per cent of the duty paid on the purchase up to \$25,000.

Who is eligible for the extended rebate?

- Owner occupiers and investors
- Australian citizens and foreign persons
- Natural persons, corporations and trustees

What is the existing rebate?

The existing rebate applies to the purchase of an off-the-plan dwelling in a multi-tiered development that has not started being built (pre-construction contracts). The rebate for pre-construction contracts is 75 per cent of the duty paid on the purchase up to \$50,000.

Why is the extended rebate amount different?

The off-the-plan duty rebate scheme is aimed at promoting new construction of multi-tier developments and stimulating jobs in the construction industry. The higher rebate amount for pre-construction contracts encourages buyers to invest in developments that are yet to commence construction.

When can you apply for the extended rebate?

An application can be made when the buyer is the owner of the property (registered on the certificate of title).

Why is the off-the-plan rebate being extended?

The pre-construction rebate scheme aims to promote investment in the WA residential multi-tiered apartment market and stimulate jobs in the construction industry.

The rebate is being extended to respond to the economic impacts of the COVID-19 pandemic by further supporting activity in the residential building sector.

Announcements



News story
23 October 2019

[Off-the-plan Duty Rebate Scheme](#)

The Premier, The Hon Mark McGowan and the Minister for Finance, The Hon Ben Wyatt, announced the introduction of the Off-the-Plan Duty Rebate Scheme.



News story
7 June 2020

[Building Bonus Package](#)

The Premier, The Hon Mark McGowan and the Treasurer, The Hon Ben Wyatt, announced the introduction of two housing construction grants and an extension to the Off-the-Plan Duty Rebate Scheme.

Publications

[Duties Form - Off-the-plan rebate: pre-construction application](#)
[Off-the-plan Rebate - Pre-construction Application \(PDF 430.35KB\)](#)
[Duties Form - Off-the-plan rebate: under construction application](#)
[Off-the-plan Rebate - Under Construction Application \(PDF 429.23KB\)](#)

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Related services and information

[Vehicle Duty Form - Specialised Vehicles](#)
[Vehicle Duty Form - Dealer's Certificate](#)
[Duties Form - Change in Foreign Status](#)
[Foreign Developer Exemptions](#)
[Payroll Form - Exclusion from Grouping](#)
[Duties - Foreign Buyer Duty](#)
[Duties Fact Sheet - Partnership Acquisitions](#)
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