



RELATED PARTY TRANSFERS INFORMATION SHEET

Related Party Transfers (RPT) are Transfers of Land where the present owner (Transferor) is related to the new owner (Transferee). The categories of relationship are very wide and include: parent and child; brother and sister and essentially any other family relation, whether biological or by marriage.

Our office is able to act for both the present owner and the new owner but is required to obtain from each party an acknowledgement that we are acting for both parties. We will render an account to the present owner for that part of the transaction that relates to work performed on behalf of the present owner and a separate account to the new owner for work performed on behalf of the new owner.

The State Revenue Office (SRO) takes a particular interest in RPTs as duty is payable on the **value** of the property transferred, irrespective of any amount that may be **paid** between the parties, and the SRO is concerned to ensure that the full **value** of the property is declared for the purpose of assessment of duty, which is usually many thousands of dollars, depending upon value.

Simple Transfer – no Discharge and no new Mortgage

In its simplest form a RPT only needs a Transfer of Land to be signed by the parties and evidence of value to be provided to the SRO by way of a letter from an estate agent. The Transfer is assessed for duty, the duty paid and the Transfer lodged at the Land Titles Office (LTO) for registration.

In this scenario the present owner needs to be able to produce the Certificate of Title and the new owner needs to be able to produce the funds necessary to pay the Stamp Duty. The present owner provides the Certificate of Title to our office and we take the stamped Transfer and the Title to the LTO, the change of ownership is registered and a new Title in the name of the new owner issues to our office. We provide a copy of the Title to the new owner and hold the Title on safekeeping.

Stamp Duty Concessions and First Home Owner Benefits

There are various stamp duty concessions available to home buyers and the First Home Owners Grant is still available in respect of new homes. These concessions and grants are administered by the SRO, which takes the view that concessions and grants are only payable to new owners who have paid FULL VALUE for the property.

SRO requires any Related Party Purchaser to prove by production of bank statements that the full value of the property has been paid by the new owner to the present owner. As a result the transaction must be COMPLETED before these applications can be lodged with SRO and accordingly the new owner must be able to fund the stamp duty, either by loan or savings.

If the new owner in a RPT has not paid FULL value for the property then the new owner will not be eligible for any concessions or benefits.

Payment of full value may be achieved by the new owner entering into a LOAN AGREEMENT with the present owner for the difference between the full value and the amount paid by the new owner to the present owner. However it is still necessary to produce bank statements showing actual payment and the LOAN AGREEMENT simply records the debt due by the new owner to the present owner.

We can prepare these documents, if required, at an additional cost of \$440

It is not possible to obtain pre-approval of a Principal Place of Residence Concession, a First Home Buyer Stamp Duty Concession or First Home Owner Grant (new homes only) in relation to a RPT. The SRO requires production of the registered Transfer of Land as part of the Concession application and so the transaction must be completed before the application can be made.

We can prepare these documents, if required, at an additional cost of \$440