

Focused On What Matters Most

Victorian Budget 2025/26

Wednesday, 14 May 2025

STAMP DUTY TAX CUTS EXTENDED TO BUILD MORE HOMES

The Allan Labor Government is focused on what matters most – getting millennials into homes.

The *Victorian Budget 2025/26* will invest \$61 million to slash stamp duty for off-the-plan apartments, units and townhouses for another 12 months – cutting upfront costs, speeding up building, and saving homebuyers an average of \$25,000.

In October 2024, the Government significantly expanded an existing off-the-plan stamp duty concession.

Under these changes, anyone buying an eligible apartment, unit or townhouse off-the-plan could claim the concession – not just first home buyers and owner-occupiers. Caps were also removed so the concession was available for eligible properties of any value.

This expanded tax concession was all about making it faster and cheaper for industry to build new homes that young people can buy or rent, and it worked. Since it was introduced in October 2024, Victorians buyers claiming the concession saved \$24,517 on average.

Originally offered for 12 months and due to expire in October 2025, the concession will now be extended for a further 12 months thanks to the Budget's investment.

The concession allows a 100 per cent deduction of outstanding construction and refurbishment costs when determining how much stamp duty is owed.

A Victorian using this concession who buys off-the-plan could pay around \$28,000 less stamp duty on a \$620,000 apartment – with duty slashed from around \$32,000 to around \$4,000.

The amount you save depends on how much construction has occurred. Generally, someone buying an apartment off-the-plan is likely to pay about a quarter of the stamp duty they would pay without the off-the-plan concession.

An eligible apartment, unit or townhouse is one that is in a strata subdivision – meaning they retain common property such as a driveway or a shared hallway.

Tax cuts are just one way this Budget is helping to build more homes and make them cheaper to buy, and boost the supply of rentals giving more Victorians a home near where they want to live.

The Labor Government is also making it easier for industry to build more homes close to where young people want to live – near public transport, jobs and services.

The Budget invests \$24 million to deliver 50 'Train and Tram Zone' Activity Centres across Melbourne's inner and middle suburbs – helping industry build more apartments, units and townhouses in busy areas near train stations.

The Budget also invests \$12.1 million to deliver more family homes with backyards in the outer suburbs.

This funding kick starts the planning work for 13,200 new homes and 8,600 jobs in greenfield suburbs through two new Precinct Structure Plans at Clyde South in Melbourne's south-east and Derrimut Fields in the west.

To learn more information about the range of concessions available to buyers and visit sro.vic.gov.au/offtheplan.

Quotes attributable to Premier Jacinta Allan

"Young people can't afford homes in a housing crisis, and I'm on their side."

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“That’s why we’re slashing stamp duty for off-the-plan units and townhouses – to build more homes and make them cheaper to buy.”

Quote attributable to Treasurer Jaclyn Symes

“We have listened to industry, and we’re acting. This isn’t just great news for homebuyers trying to get into the market. It’s also a huge win for homebuilders.”

Quote attributable to Minister for Housing and Building Harriet Shing

“As our city grows, we’re determined to help more Victorians to buy their own affordable, energy efficient and well-built home that’s close to public transport, jobs and services.”

Quote attributable to Minister for Planning Sonya Kilkenny

“The Liberals and Greens are working together to block new homes and lock young people out of their dreams. Only Labor is on the side of young people and families who want a good, affordable home of their own.”