



**SUBJECT: LAND RENT SCHEME**

**ISSUE: Recent Changes in the Land Rent Scheme**

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*Key Points:*

**Background**

- The number of households involved in the scheme is rising, with almost 2,183 land rent contracts having been entered into (in total, including those that have been rescinded or converted). In summary, as at 3 June 2013:
  - 1,211 have been settled
  - 205 have been exchanged;
  - 676 have been rescinded; and
  - 91 converted to a standard lease before settlement.
- As at 30 April 2013 there were 313 households paying the discounted land rent, 615 households are paying the standard land rent rate, and 130 participants have converted their land rent lease to a crown lease.

**Recent Changes to the Scheme**

- In February 2013, the Government introduced a security payment for land rent blocks to discourage land speculation and make sure that land rent blocks go to those people who are genuinely interested in building a home.
- Upon settlement, the security amount will be transferred to the ACT Revenue Office and credited against future land rent payable. This will mean that there are no additional administrative hurdles or extra costs incurred by genuine purchasers.
- The security payment has not significantly impacted on demand for land rent blocks with over 85 per cent of purchasers in the recent Coombs land release opting for land rent leases.
- As part of the 2013-14 Budget, the Land Rent Scheme will be re-targeted to provide improved access to housing for low to medium income households who meet the eligibility criteria for the discounted land rent rate.
- The land rent scheme will be re-targeted and only available to households that meet the requirements for the discount rate, from 1 October 2013.
- To be eligible for the discounted rate (as at 1 July 2012):
  - the total annual income of all lessees must be \$89,100 or under (this limit increases by \$3,330 for each dependent child up to a maximum of \$105,750 for five or more children);
  - lessees cannot own any other property in any State or Territory in Australia; and



**ACT**  
Government

Chief Minister and Treasury

## Question Time Brief

- at least one of the lessees must reside in the property once a home has been built and a Certificate of Occupancy has been issued.
- The Scheme will no longer be available for new entrants at the standard rate. However, lessees currently in the scheme at the standard (4 per cent) rate will be able to continue in the scheme.
- Attendance at the compulsory CIT information session for the Land Rent Scheme is high. Since commencement in June 2008, over 3,283 people have attended these sessions.