

The Surprising Truth About How Much the First Home Buyer Grant in Victoria Actually Is

If you are planning to buy your first home in Victoria, chances are you have heard about the [first home buyers grant vic](#). But here is the thing most people either underestimate what they can actually receive, or worse, they miss out on it entirely because they did not know the full picture. What if we told you that the grant is just the beginning, and there is a lot more sitting on the table waiting for you to claim?

Let us walk you through everything you need to know clearly, honestly, and in a way that actually makes sense.

What Is the First Home Owner Grant in Victoria?

The First Home Owner Grant (FHOG) is a one-off payment provided by the Victorian Government to help eligible first-time buyers get into the property market sooner. It is designed to take some of the financial pressure off one of the biggest purchases you will ever make.

But here is what surprises most people the grant is not just a small token. It is a meaningful financial boost that, when combined with other government incentives, can significantly reduce the upfront costs of buying or building your first home.

The grant applies specifically to new homes. That means newly built houses, townhouses, apartments, units, off-the-plan properties, or homes built to replace a demolished dwelling. If you are eyeing an established property that has been lived in before, unfortunately the FHOG does not apply.

Why Do So Many First Home Buyers Leave Money on the Table?

Here is the surprising truth thousands of first home buyers in Victoria either do not apply for the [first home grant vic](#) at all, or they apply incorrectly and miss out. Why? Because they simply do not know what they are entitled to.

Many buyers assume the grant is too hard to access, that they will not qualify, or that the property they want will not be eligible. In reality, the eligibility criteria are more straightforward than most people think.

Common Misconceptions That Cost Buyers

Many buyers wrongly believe that:

- The grant applies to any property, including established homes
- There is an income limit to qualify (there is not no income test applies in Victoria)
- The process is too complicated to handle without a lawyer or accountant
- The grant alone will cover their deposit (it can contribute, but lenders still require your own savings)

Knowing the facts changes everything.

Who Is Actually Eligible for the First Home Owners Grant?

So, who qualifies? The eligibility requirements are set by the State Revenue Office (SRO) Victoria and are pretty clear once you break them down.

Basic Eligibility Requirements

To qualify for the **first home owners grant** in Victoria, you generally need to:

- Be at least 18 years of age at the time of application
- Be an Australian citizen or a permanent resident
- Be purchasing or building a brand-new home that has never been previously occupied or sold as a place of residence
- Intend to live in the property as your principal place of residence for a minimum of 12 continuous months, starting within 12 months of settlement or construction completion
- Ensure the property value does not exceed the set cap
- Not have previously received the First Home Owner Grant anywhere in Australia
- Not have previously owned or occupied residential property in Australia on or after 1 July 2000

What About Couples?

If you are buying with a partner or spouse, both of you must meet the eligibility criteria. If either of you has previously owned a home in Australia, you may not qualify. This is one of the most overlooked conditions so double-check before you apply.

Good News for Defence Force Members

Current members of the Australian Army, Air Force, or Navy may be exempt from the residency requirement in certain circumstances, such as when work postings or deployments make it impossible to meet. This is assessed on a case-by-case basis by the SRO.

What Types of Properties Qualify?

Not all properties make the cut. Here is a breakdown of what does and does not qualify for the **first home buyers grant vic**.

Properties That Are Eligible

- Brand new houses, townhouses, apartments, or units that have never been lived in
- Off-the-plan properties (the value cap refers to the contract price)
- Homes built under a house-and-land package or a building contract
- Homes built to replace a demolished dwelling
- Substantially renovated homes that have never been occupied since the renovation

Properties That Are Not Eligible

- Established homes that have been previously lived in
- Properties previously used for short-term accommodation (such as Airbnb)
- Investment properties or holiday homes
- Properties exceeding the set value threshold

The Bigger Picture What Else Can You Combine It With?

Here is where it gets really interesting. The [first home owners grant](#) is just one piece of the puzzle. Victoria offers a range of additional incentives that, when stacked together, can make a genuine difference to how much you pay upfront.

Stamp Duty Exemption and Concessions

One of the most valuable benefits available to first home buyers in Victoria is the stamp duty exemption. If your home is valued at \$600,000 or less, you may pay zero stamp duty. For homes valued between \$600,001 and \$750,000, a sliding scale concession applies meaning the closer your property is to \$600,001, the greater your saving.

This is enormous. Stamp duty on a home purchase can run into the tens of thousands of dollars. Eliminating or reducing it puts serious money back in your pocket.

The 5% Deposit Scheme (First Home Guarantee)

Since October 2025, the Federal Government's First Home Guarantee has no income caps and unlimited places nationally. This scheme allows eligible buyers to purchase with as little as a 5% deposit without paying Lenders Mortgage Insurance (LMI). In Melbourne and Geelong, the property price cap currently sits at \$950,000, and \$650,000 for other regional areas.

This scheme works alongside the **first home grant vic** meaning you could potentially benefit from both at the same time.

Victorian Homebuyer Fund

If saving a deposit is your biggest challenge, the Victorian Homebuyer Fund could help. With just a 5% deposit, the Victorian Government may contribute up to 25% of the purchase price in exchange for an equivalent share in the property. This is a shared equity arrangement not a loan which means no interest on the government's contribution.

How and When Do You Apply?

Timing matters. The grant is typically paid at settlement for a purchase, or at the first progress payment for a construction loan. Most buyers apply through their bank or lender, who acts as an approved agent for the SRO.

You can also apply directly through the State Revenue Office within 12 months of settlement or completion of your build but applying through your lender is usually the easier path.

Make sure your documentation is accurate and complete. Any false or misleading information in your application can lead to prosecution and repayment of the grant with penalties and interest.

Do Not Miss What You Are Entitled To

The truth is, buying your first home in Victoria comes with more support than most people realise. Between the **first home owners grant**, stamp duty exemptions, the 5% deposit scheme, and the Victorian Homebuyer Fund, the financial assistance available is genuinely substantial. The key is knowing what you are eligible for and applying correctly.

Ready to Take the Next Step?

Navigating grants, schemes, and eligibility requirements on your own can feel overwhelming. That is where the experts come in.

[First Home Buyers Australia](#) specialises in guiding first home buyers through every stage of the process from understanding your grant entitlements to finding the right home loan and securing your new home with confidence. Do not leave money on the table. Reach out to **First Home Buyers Australia** today and find out exactly what you are entitled to.