



First Home Owner Grant - Reasonable Security of Tenure

Introduction

1. Section 6(1) of the *First Home Owner Grant Act 2000* (the Act) defines a *relevant interest* in land to include a licence or right of occupancy granted by the Commonwealth, State or a local government that gives, in the Commissioner's opinion, the licensee or the holder of the right reasonable security of tenure.
2. The purpose of this ruling is to set out the factors that the Commissioner will take into consideration when determining whether a person's licence or right of occupancy is considered to be a relevant interest in land and therefore provides reasonable security of tenure in accordance with section 6(1)(f) of the Act.

Ruling

3. In determining whether a person's licence or right of occupancy provides reasonable security of tenure, the Commissioner will consider, on a case by case basis, the following factors:
 - (a) the length or remaining length of the term under the licence or right of occupancy agreement
 - (b) the upfront costs of securing the property
 - (c) whether the licence or right of occupancy can be terminated at short notice, and by whom
 - (d) the ability of the licensee to renew the licence, and the period of that renewal
 - (e) the ability of the licensee to assign the licence or the right of occupancy (for example, if the home which is the subject of the licence or right of occupancy can be on-sold)
 - (f) the consequences if the licence is relinquished, including any compensation that may be provided regardless of whether a new licence is issued
 - (g) the ownership rights that apply to the property the subject of the licence (such as whether the licensee can make improvements to the property or other changes without having to seek approval)
 - (h) whether, at the end of a period of licence, the licensee is entitled to any compensation for improvements made to the property and
 - (i) whether there are any known restrictions or prohibitions on the licence as a result of future development plans for that land. In such a case, an assessment will be made as to whether this is reflected in the cost of the licence and/or the length of licence able to be granted.

Ruling history

Revenue Ruling	Issued	Effective date	
		From	To
FHOG 3.0	December 2006	December 2006	7 May 2015
FHOG 3.1	8 May 2015	8 May 2015	Current