



HomeBuilder Scheme explained: How to access \$25,000

Stuart Marsh 4/06/2020



The Federal Government has announced a sweeping \$680 million HomeBuilder program to stimulate work for trades and construction in the wake of COVID-19.

Under the program, property owners will be able to access a tax-free grant of \$25,000 to help build or substantially renovate their home.

But it's not clear cut. The scheme isn't a free-for-all cash grab and there are conditions. Here are all your questions surrounding the HomeBuilder scheme answered:

What is the new HomeBuilder Scheme?

It's a one-off, tax-free payment of \$25,000 from the government to property owners.

The payment is to help build or substantially renovate homes.

In theory, this will radically boost the number of jobs available for tradies who are suffering in the wake of COVID-19 as renovation numbers drop.

Who is eligible for the new HomeBuilder Scheme?

Let's break it down one-by-one, as this can get a little confusing. It's probably best to go down this checklist, and if you answer "yes" to each, then you are eligible.

- You must be an owner-occupier. This means you must live in the property you intend to apply for the grant for.
- You must be over the age of 18.
- You must be an Australian citizen.
- If you are single, you must have earned less than \$125,000 per annum (this is based off your 2018 to 2019 tax return).
- If you are a couple, you must earn less than \$200,000 per annum (same tax return test).

Staying with me? Strap in – because it gets a little more confusing.

To be eligible for the grant, you must:

- Enter into a building contract between June 4, 2020 and December 31, 2020. It's only available for the latter half of this year.
- If you are **using the grant to build a new home as your main residence**, the value of that property including land must not exceed \$750,000.
- If you are using **the grant to renovate your existing home**, the renovation contract must be valued between \$150,000 and \$750,000 and the value of your home prior to renovations must not be worth more than \$1.5 million.

This is big money. Are homeowners allowed to access the grant to renovate their investment property?

No. Investment properties do not count. You must be the owner-occupier.

Can I use the HomeBuilder grant to build a swimming pool?

No. Strangely, the only renovations that are eligible for the grant are those that improve the accessibility, liveability and safety of your property.

This means pools, tennis courts and sheds are not applicable.

Is the HomeBuilder grant just for first home buyers?

No. It is for any property owner provided they meet the eligibility requirements above.

How do you apply for the HomeBuilder grant?



Here's where it gets even more confusing.

Applications for the grant will be handled via the relevant State or Territory revenue office in which you live.

Not every State or Territory Government has signed the National Partnership Agreement yet, but applications will be backdated to June 4, 2020 so you won't miss out.

At this point, we don't know the exact process each State or Territory will want.

What we do know is that you will need to provide proof of your identity, a copy of the contract with your licensed builder, your tax returns and other property documents such as council approvals and building contracts.