



HOMEBUILDER – Frequently Asked Questions

HomeBuilder is being implemented through a National Partnership Agreement. As of 2 July 2020, all States and Territories have signed up to the HomeBuilder [National Partnership Agreement](#).

Further detail on eligibility and how to apply will be made available through the relevant State or Territory Revenue Office. State and Territory contact information can be found on the [Treasury HomeBuilder website](#).

Application process

How do I apply?

You will be able to apply through your relevant State or Territory Revenue Office. Application forms are being developed and are expected to be available on the website of each Revenue Office soon. Online customer portals are also being developed and will be used by most jurisdictions to allow you to lodge your application and supporting documentation directly with the relevant Revenue Office. It is expected that the online portals will be available in the coming weeks and you should regularly check the website of the relevant Revenue Office for further information.

When should I apply?

Applications for the HomeBuilder Grant must be received no later than 31 December 2020. It is strongly recommended that you submit your application with all supporting documentation to enable the relevant Revenue Office to process it.

Applications for the HomeBuilder Grant will open in the coming weeks. However, there may be some differences between the jurisdictions, and you should regularly check the website of the relevant Revenue Office for further information.

When will the grant be paid?

Payment of the HomeBuilder Grant depends on whether your application relates to a new build, substantial renovation or off-the plan / new home purchase:

- New builds – grants will be paid after construction has commenced and the first progress payment has been made to your builder.
- Substantial renovations – grants will be paid after construction has commenced and at least \$150,000 of the contract price has been paid in respect of the renovation.
- For off-the-plan / new home purchases – grants will be paid after the applicant(s) name is registered on title.

In Tasmania, the timing of the grant payment may be different in certain circumstances and you should refer to the State Revenue Office of Tasmania website for further information.

Will the grant be pre-approved?

No, payment of the HomeBuilder Grant will not occur until after construction has commenced and once the first progress payment (for new builds), or at least \$150,000 of the contract price (for substantial renovations) has been made. For off-the-plan / new home purchases, the grant will be paid after the applicant(s) name is registered on title.

In Tasmania, the timing of the grant payment may be different in certain circumstances and you should refer to the State Revenue Office of Tasmania website for further information.

How long will it take for my application to be processed?

The fastest way to have your application processed is to provide all necessary supporting documentation at the time you lodge your application. Your supporting documents need to demonstrate that you meet all eligibility criteria. The time it takes each Revenue Office to process your claim will also depend on the volume of applications received.

Who pays HomeBuilder and who receives it?

It is expected that the relevant State or Territory Revenue Office will distribute the \$25,000 grant directly to the applicant.

Is the HomeBuilder grant taxed?

No – HomeBuilder will not be taxed in the hands of the owner-occupier. This is consistent with the existing State and Territory First Home Owner Grant program.

What documentation will I need to provide?

The State or Territory Revenue Office will require certain documents to process your application.

More information on the documentation you will need to provide will become available through the relevant State or Territory Revenue Office.

What proof do I need to provide to show that I reside or intend to reside at the property?

This will be determined by the relevant State or Territory Revenue Office.

What happens if there is a change in circumstance and I'm no longer eligible?

If your circumstances change after you have applied for HomeBuilder but have not yet received the payment, and no longer meet the eligibility criteria, you will need to notify your State or Territory Revenue Office immediately.

ELIGIBILITY CRITERIA – APPLICANTS

Who can apply for HomeBuilder?

To access HomeBuilder, owner-occupier applicants must:

- be a natural person (not a company or trust);
- be aged 18 years or older on the contract date;
- be an Australian citizen;
- be below one of the following two income caps:
 - \$125,000 per annum for an individual applicant based on their 2018-19 taxable income or later;
or
 - \$200,000 per annum for a couple based on their combined 2018-19 taxable income or later.
- enter into a contract from 4 June 2020 up to 31 December 2020 to:
 - build a new home as a principal place of residence, where the property value (i.e. house and land) does not exceed \$750,000;
 - substantially renovate an existing home as a principal place of residence, where the renovation contract is greater than \$150,000 and does not exceed \$750,000, and where the value of the existing property (i.e. house and land, before renovation) does not exceed \$1.5 million; or
 - purchase an off-the-plan / new home as a principal place of residence where the contract price does not exceed \$750,000 and construction had not commenced prior to 4 June 2020

What is an owner-occupier?

An owner-occupier is the registered proprietor of the land at which they reside (and this property is their principal place of residency). The owner-occupier must also be a natural person (not a company or trust) and must also meet the other eligibility criteria of the program.

Does/do the applicant/s have to be listed on the certificate of title?

The applicant(s) must be the registered proprietor(s) listed on the certificate of title for the property.

An individual who has only lodged a caveat on the title is not eligible for HomeBuilder (they are not the owner-occupier).

What happens if more than one person is listed on the certificate of title?

If more than one person is listed on the certificate of title as the registered proprietors they must jointly apply for the HomeBuilder grant as a couple (provided they meet the definition of a 'couple' in their State or Territory – please see FAQ below). A property is only eligible for one HomeBuilder grant.

What is the definition of 'couple'?

This will be determined by the relevant State or Territory authority. Generally, and as implemented under the Commonwealth's First Home Loan Deposit Scheme, this would include couples that are legally married, in a registered domestic relationship or those living as a couple on a genuine domestic basis. However, advice on this should be sought from your relevant State or Territory authority.

My partner and I jointly own our home. I am an Australian citizen but my partner is not. Are we eligible for HomeBuilder?

No. If two people are listed on the certificate of title as registered proprietors they must apply for HomeBuilder as a couple, and both applicants must meet the eligibility criteria of the program. The HomeBuilder program is only open to Australian citizens.

How will my income be assessed?

The income caps will be assessed against your taxable income and based on your 2018-19 or 2019-20 Australian tax return (it is at the applicant's discretion to determine which tax return to include as part of the application process). HomeBuilder is subject to the following two income caps:

- \$125,000 per annum for an individual applicant based on your 2018-19 taxable income or later; or
- \$200,000 per annum for a couple based on both 2018-19 taxable income or later.

How do I prove my taxable income?

Taxable income is shown on your notice of assessment. The notice of assessment is issued by the Australian Taxation Office once your tax return for an income year is processed and this can be used to demonstrate your taxable income.

Note: Taxable income is your gross income less allowable deductions and represents the amount of income you pay tax on. More information on taxable income can be found at

<https://www.ato.gov.au/Individuals/Lodging-your-tax-return/In-detail/What-is-income-/#Taxableincome>.

What if I don't lodge a tax return?

If you didn't earn any income or you earned below the tax free threshold you may be able to lodge a 'nil tax return' or a 'non lodgement advice' to the Australian Taxation Office. Evidence of a nil tax return or non-lodgement advice is appropriate evidence of your income in the relevant financial year. Additional information on requirements for lodging a tax return is available on the Australian Taxation Office website.

Does the tax return have to match the name on the building contract and land title?

Yes, the applicant(s) must be the person(s) who is/are listed on the certificate of title of the property as the registered proprietor(s), and the notice of assessment.

Is there a limit to how many people can access HomeBuilder?

HomeBuilder is an uncapped, time-limited grant for any Australian citizen(s) who meet(s) the eligibility criteria. However, an applicant can only receive the HomeBuilder grant once and a property is only eligible for one HomeBuilder grant.

Can I apply for both the HomeBuilder grant and other housing grants offered by my State?

Your eligibility for other home buyer grants and programs will not affect your eligibility for HomeBuilder.

I am not a first home buyer – can I access HomeBuilder?

Yes. Provided you meet the eligibility criteria, you can apply for HomeBuilder. However, HomeBuilder is not available for investment properties or to owner-builders.

How is “principal place of residency” defined?

This will be determined by the relevant State or Territory Revenue Office.

ELIGIBILITY CRITERIA – CONTRACTS

What is the contract price cap (for new builds and renovations)?

A national dwelling price cap of \$750,000 will apply for new home builds. This means that the value of new builds (house and land), house and land packages, and off-the-plan / new home purchases must not exceed \$750,000 to be eligible for HomeBuilder.

For renovations, a building contract price range of between \$150,000 and \$750,000 will apply and the total value of your property before renovation must not exceed \$1.5 million.

What type of contracts are eligible under HomeBuilder?

HomeBuilder is available for contracts signed between 4 June 2020 and 31 December 2020 (inclusive).

For new builds and substantial renovations, the relevant contract is the building contract.

For developer projects, including off-the-plan builds, the contract is the sales contract, where construction commences on or after 4 June 2020.

What is meant by “commencement of construction”?

When construction is considered to have commenced will depend on the type of contract that you enter into, and the State in which you are applying for HomeBuilder:

For new builds, commencement of construction in some jurisdictions will be as early as excavation; in other jurisdictions commencement occurs at the point of laying the slab.

- In the Australian Capital Territory, commencement of construction means substantial earthworks, excavations, demolition and physical building work.
- In South Australia, construction is taken to have commenced when site works including excavation for the approved building works to the top of the base level is complete.
- In Tasmania, construction is taken to have commenced when laying of the foundation is complete.
- Other States will provide further guidance shortly.

For a substantial renovation, commencement of construction is when the works under the renovation contract commence.

For an off-the-plan build, commencement of construction may be site preparation stage (including excavation of the site) or the laying of the foundations or laying of a slab for a carpark (whichever is earlier).

For further information, please contact your State or Territory Revenue Office.

What happens if construction is delayed due to an issue with development approvals or other unforeseen circumstance? Can I apply for an extension?

Construction pursuant to the contract must commence within three months of the contract date. A maximum extension of an additional three months may be provided by States and Territories on a case-by-case basis where the relevant Revenue Office is satisfied that the delay in commencement of construction is due to *unforeseen factors* outside the control of the parties to the contract (e.g. building or planning approvals). Applications will be considered on a case-by-case basis and the discretion will only be exercised where the relevant authority (usually the State or Territory Revenue Office Commissioner) is satisfied with the merit and integrity of the application for an extension.

How are timing delays associated with acquiring new land for construction mitigated in HomeBuilder?

Expediting land acquisition for new construction projects is a matter for States and Territories. HomeBuilder has been put in place to help stimulate the residential construction sector in light of the sharp decline in activity in the construction pipeline from the third quarter 2020.

What is the definition of an owner-builder?

A licensed or registered builder cannot undertake building or substantial renovation work on their own property. An owner-builder is intended to mean a person who is the registered or licensed builder and who takes legal responsibility for domestic building work carried out on their own land/property.

My mother's cousin is a builder. Can they help me build my new house under HomeBuilder?

It is expected that, in negotiating the contract, the parties must deal with each other at arm's length. This means the contract must be made by two parties acting freely and independently of each other, and without offering favour for some special relationship, such as being a relative. The terms of the contract should be commercially reasonable and the contract price should not be inflated compared to the fair market price. The State or Territory Revenue Office may require certain documents to process your application in this regard.

NEW BUILDS

What types of dwellings are eligible under HomeBuilder?

Houses (including house and land packages) and apartments (including off-the-plan) may be eligible for HomeBuilder – provided the applicant meets the eligibility criteria, including that the owner-occupier must contract to build a new dwelling or substantially renovate their existing dwelling.

I already own land but haven't signed a contract to build a new house – am I still eligible?

Yes, if you meet the following criteria:

- If you own a property (house and land), and knock the house down to rebuild – this will be counted as a substantial renovation, and therefore subject to the renovation price range of \$150,000 to \$750,000 provided the value of the existing property (i.e. house and land, before renovation) does not exceed \$1.5 million;
- If you own vacant land before 4 June 2020, and then build a new home, the total value of the land and new build cannot exceed \$750,000; or
- If you buy the land after announcement, and then build a new home, the total value of the land and new build cannot exceed \$750,000.

I want to build a new home in a land lease community. Is my property eligible for HomeBuilder?

No. HomeBuilder is not intended for properties where the applicant does not own the property (both dwelling and land) – such as where a tenant lives at a property owned by somebody else, or where a person lives in a dwelling that they own and that is situated on land owned by somebody else (such as in land-lease communities). To be eligible for HomeBuilder, the eligible owner-occupier(s) must be listed on

the property's certificate of title as the registered proprietor. The owner-occupier must also be a natural person (not a company or trust) and meet the other eligibility criteria of the program.

[What if I want to buy a recently built home that has never been lived in before? \(E.g. spec build\)](#)

HomeBuilder is intended to support activity and provide a pipeline of work for the residential construction sector in the second half of 2020. A home that has started construction before 4 June, does not qualify for HomeBuilder.

However, where construction commences on or after 4 June 2020 and no later than three months after the contract is signed and provided the contract is signed between 4 June 2020 and 31 December 2020, then a HomeBuilder grant may be payable.

[What if I want to buy an off-the-plan apartment or townhouse?](#)

Off-the-plan apartments or town houses are eligible for HomeBuilder.

Where construction of an off-the-plan dwelling commences on or after 4 June 2020, the property purchase may be eligible for HomeBuilder if:

- the sales contract is signed between 4 June 2020 and 31 December 2020 (inclusive), and
- construction commences on or after 4 June 2020 and no later than three months after the contract is signed.

Therefore, if construction of an off-the-plan dwelling commences on or after 4 June 2020, the property purchase may be eligible for HomeBuilder even if the contract is signed after construction commences (provided the contract is signed on or before 31 December 2020).

However, if construction on the dwelling commenced before 4 June 2020, then it does not qualify for HomeBuilder.

SUBSTANTIAL RENOVATIONS

[What renovations are eligible?](#)

To be eligible for HomeBuilder, renovations must substantially alter the existing dwelling, and:

- the renovation contract must be between \$150,000 and \$750,000,
- the value of your existing property (i.e. house and land, before renovation) must not exceed \$1.5 million.

To be substantial, the renovation need not involve removal or replacement of foundations, external walls, interior supporting walls, floors, roof or staircases. However, it should improve the accessibility or safety or liveability of the property. How accessibility and liveability requirements are assessed for renovations is a matter for States and Territories.

Examples of works that would not qualify include: standalone granny flats, swimming pools, tennis courts, and structures that are not connected to the property (i.e. outdoor spas and saunas, sheds or standalone garages).

[What if a renovation contract includes works that are eligible and ineligible? E.g. the contract covers eligible substantial renovations to the existing dwelling and ineligible landscaping and outdoor works?](#)

The State or Territory Revenue Office must be satisfied that at least \$150,000 worth of renovations is being used to improve the accessibility or safety or liveability of the dwelling.

[Is landscaping considered a substantial renovation?](#)

Substantial renovations are not expected to include renovations that are primarily cosmetic in purpose, such as landscaping. A renovation must substantially alter the existing dwelling (please refer to the FAQ 'What renovations are eligible?').

What happens if an applicant has multiple contracts for renovations (totalling more than \$150,000)?

HomeBuilder can only be used for one contract per applicant. For renovations, the building contract must be valued between \$150,000 and \$750,000.

How will the \$1.5 million value be assessed for substantial renovations?

Documentation to demonstrate the value of your property is a matter for the relevant State or Territory Revenue Office. States and Territories may consider evidence such as a recent contract of sale for the property, a rates notice that identifies the Capital Improved Value, or a bank or independent valuation. For further information, please contact your State or Territory Revenue Office.

Are knock-down rebuilds considered "renovations"?

Knock-down rebuilds are considered substantial renovations for the purposes of HomeBuilder.

I would like to renovate my investment property – would it be eligible for HomeBuilder?

Investment properties are not eligible for HomeBuilder. However, if you move into the property as your principal place of residence immediately following the renovation and satisfy all of the eligibility criteria, you may receive the grant.

What if I renovate my house and then want to sell? Is there a limit on how long I need to live there?

Yes. In determining whether a property is an applicant's principal place of residence, the applicant(s) will be required to reside in the property for a minimum of six months from when the certificate of occupancy or final inspection certificate is issued (for new builds), the substantial renovations are completed or from when registered on title (for off-the-plan / new home purchases).

Are granny flats eligible for HomeBuilder?

Standalone granny flats are not eligible for HomeBuilder. For more information, please refer to the FAQ 'What renovations are eligible?'

INTEGRITY MEASURES

What integrity measures is the Government implementing?

HomeBuilder eligibility criteria have been carefully designed to maximise support for the residential construction sector, ensure integrity, and manage demand for the program – which is uncapped and demand driven. To reduce complexity, income caps align with the Commonwealth Government's First Home Loan Deposit Scheme and the national dwelling price cap aligns with the existing State and Territory First Home Owner Grant programs.

Owner-builders and those seeking to build a new home or renovate an investment property are ineligible for HomeBuilder. This is an important integrity measure to ensure that HomeBuilder only supports high quality, safe construction by a licensed or registered builder (depending on the State or Territory) that is at arm's length to the buyer, and to maximise the impact on employment in the residential construction sector as it recovers from the coronavirus crisis.

The renovation works must be to improve the accessibility or safety or liveability of the dwelling. It cannot be for standalone granny flats, swimming pools, tennis courts, and structures that are not connected to the property (i.e. outdoor spas and saunas, sheds or standalone garages).

In addition, any building contract entered into must be at arm's length. This means the contract must be made by two parties independently of each other and without some special relationship, such as being a relative. The terms of the contract should be commercially reasonable and the contract price should not be inflated compared to the fair market price.