



EVANS EDWARDS

FINANCIAL ADVISORS | WEALTH CREATORS



Am I eligible for the HomeBuilder grant?

Available for a limited time, the HomeBuilder grant offers eligible owner-occupiers, including first-home buyers, a potential tax-free \$25,000 boost to help fund the cost of building a new home or substantially renovating an existing home.

Although not specifically targeted at first-home buyers, the Government expects the HomeBuilder grant will be popular with first-home buyers looking to buy a house and land package, as well as growing families upgrading to a bigger new home.

It could also spark interest for retirees who might see this as a trigger to downsize their home, using the grant to help purchase a new smaller apartment or unit, and potentially the money saved to invest into their retirement fund.

As with any Government grant program, there are rules around who is eligible and the type of renovations or properties you can use the money for.

DECIDING IF YOU'RE ELIGIBLE

The first and most simple criteria for the Homebuilder grant is that you must be an owner-occupier. If you tick that box, and you're someone looking to build or renovate your home, you must also meet the following criteria.

- Be an Australian citizen aged 18 or over.
- Have an annual income less than \$125,000 for individuals or less than \$200,000 for couples (based on your 2018/19 (or later) tax return).
- Planning an appropriate renovation or new build

The Government has defined strict price caps for renovations and new builds to ensure the HomeBuilder scheme sits in-line with other programs already operating in Australia.

- Substantial renovations - the planned cost of a renovation must be between \$150,000 and \$750,000, and the value of the property being renovated should be less than \$1.5 million when work begins.
- New builds - the purchase value of new homes (house and land combined) must not exceed \$750,000. This also applies to new homes bought off-the-plan.

In addition, all building contracts must be entered into at arm's length. This means the builder you choose cannot be a relative for example, and you cannot be an owner-builder.

TYPES OF PROPERTY ELIGIBLE FOR THE HOMEBUILDER GRANT

Good news – this is the most flexible part of the HomeBuilder scheme. Whether you own a house or apartment, or you're buying a new house and land package or a property off-the-plan, all are eligible types of dwelling.

However, you must live in (or plan to live in) the property, ie you're an owner-occupier. The HomeBuilder grant is not available to investors looking to renovate or those wanting to build a new home to use as an investment property.

DEFINING 'SUBSTANTIAL RENOVATIONS'

In simple terms, the renovations you undertake must improve the liveability, accessibility or safety of your home. And the changes or additions must be connected to the main property. While there isn't an exhaustive list of do's and don'ts, here are a few things that aren't considered improvements.

- Tennis courts
- Swimming pool
- Spas and saunas
- Sheds or garages not connected to the property

Given that the scale of required renovations far exceeds just painting walls and replacing carpets, the work must be carried out by a licensed or registered builder. Also, the terms of any contract should be commercially reasonable and the contract price should reflect fair market value and not be inflated to ensure it fits within the imposed price boundaries.

The HomeBuilder grant is only available for a limited time, so if you're thinking of applying there's no time to lose.

Source: BT

We will guide you with a tailored approach that works for your circumstances. Give us a call on 4927 4588 (Rockhampton) or 4939 1766 (Yeppoon) to see how we can help.

