

HOMEBUILDER
1 DECEMBER 2020

COVID-19 – GOVERNMENT POLICY UPDATE EXTENSION TO THE HOMEBUILDER PROGRAMME

HomeBuilder supports the residential construction sector by providing eligible owner-occupiers (including first home buyers) with a grant to build a new home or substantially renovate an existing home. On 29 November, the Morrison Government announced an extension to the initiative, with some variations across Australia's different jurisdictions.

CHANGES TO HOMEBUILDER INCLUDE:

- A \$15,000 grant for building contracts (new builds and substantial renovations) signed between 1 January 2021 and 31 March 2021, inclusive.
- An extended deadline for all applications to be submitted, including those applying for the \$25,000 grant and the new \$15,000 grant. Applications can now be submitted up until 14 April 2021 (inclusive). This will apply to all eligible contracts signed on or after 4 June 2020.
- An extension to the construction commencement timeframe from 3 months to 6 months for all HomeBuilder applicants. This will apply to all eligible contracts signed on or after 1 January 2021, but will also be backdated and apply to all contracts entered into on or after 4 June 2020.
- A change in licensing requirements and registration for builders and developers, as below
- Where an eligible contract is signed on or after the 29 November 2020, the builder or developer must have a valid licence or registration before 29 November 2020.
- Where an eligible contract is signed before 29 November 2020, the builder or developer must have a valid licence or registration before 4 June 2020.

PRICE CAPS – WA, SA, NT, TAS, ACT, QLD

- The existing new build property price cap of \$750,000 continues to apply in all States and Territories other than New South Wales and Victoria.

INCREASED PRICE CAPS – NSW & VIC

- The property price cap for new build contracts in New South Wales and Victoria increases to \$950,000 and \$850,000, respectively, for contracts signed between 1 January 2021 and 31 March 2021, inclusive.

CHANGED LICENSING REQUIREMENTS

- A change in licensing requirements and registration for builders and developers, as below
 - » Where an eligible contract is signed on or after the 29 November 2020, the builder or developer must have a valid licence or registration before 29 November 2020
 - » Where an eligible contract is signed before 29 November 2020, the builder or developer must have a valid licence or registration before 4 June 2020.

Other than the above, the existing program criteria applies. That is, the other existing eligibility criteria remain in place and the \$25,000 grant will still be made available for eligible contracts signed on or before 31 December 2020.

HOMEBUILDER PROGRAM CRITERIA	CONTRACTS SIGNED BETWEEN 4 JUNE AND 31 DECEMBER 2020 (INCLUSIVE)	CONTRACTS SIGNED BETWEEN 1 JANUARY AND 31 MARCH 2021 (INCLUSIVE)
Grant amount (new builds and substantial renovations)	\$25,000	\$15,000
Construction commencement timeframe	Construction must commence within six months of the contract being signed.	Construction must commence within six months of the contract being signed.
New build price cap	Property value cannot exceed \$750,000	Property value cannot exceed: <ul style="list-style-type: none"> • \$950,000 in NSW; • \$850,000 in Victoria; or • \$750,000 in all other States and Territories.
Substantial renovation price cap	The value of the property cannot exceed \$1.5 million (pre renovation).	The value of the property cannot exceed \$1.5 million (pre renovation).
Application deadline	Applications must be submitted to the relevant State Revenue Office by 14 April 2021.	Applications must be submitted to the relevant State Revenue Office by 14 April 2021.
Licensing requirements for builders/developers	<ul style="list-style-type: none"> • Where an eligible contract is signed on or after the 29 November 2020, the builder or developer must have a valid licence or registration before 29 November 2020. • Where an eligible contract is signed before 29 November 2020, the builder or developer must have a valid licence or registration before 4 June 2020. 	<ul style="list-style-type: none"> • Where an eligible contract is signed on or after the 29 November 2020, the builder or developer must have a valid licence or registration before 29 November 2020. • Where an eligible contract is signed before 29 November 2020, the builder or developer must have a valid licence or registration before 4 June 2020.
Other eligibility criteria	Existing program eligibility criteria remains.	Existing program eligibility criteria remains.