

4<sup>th</sup> June, 2020

### **HomeBuilder Package a welcome boost for the construction sector**

Urban Taskforce CEO, Tom Forrest, today welcomed the Commonwealth announcement of a \$680 million HomeBuilder stimulus package.

“This direct stimulus for the construction sector is very welcome. As current works-in-progress are completed, this stimulus will help fill the order book and keep thousands of workers employed in the residential construction sector”, Mr Forrest said.

The Urban Taskforce welcomes the explicit support provided to residential apartment construction along with ‘house and land’ packages on the city fringes.

Mr Forrest said that the package does not discriminate between housing types and this is very welcome.

The case studies “Emma and Rebecca” supplied by the Government make this clear (copies below).

Mr Forrest called on the Government to closely monitor the take-up of the package to ensure that the stimulus is actually working to support the property construction sector and associated employment. If the system needs tweaking to improve its efficacy, then it is critical that flexibility is available.

“For the attached residential dwellings sector of the market, which represents 68% of new homes completed in Sydney, the paper-work and compliance will be complicated. The requirement that works commence and finance is secured – all within three months – will be a challenge for this important sector.

“We look forward to working with Minister Sukkar to ensure that the package delivers an effective stimulus and that any criteria requirements are monitored and if necessary, adjusted if required”, Mr Forrest said.

#### **Case Study: First home buyer Rebecca decides to purchase an off-the-plan apartment**

First home buyer Rebecca enters into a contract to purchase an off-the-plan apartment valued at \$550,000 on 6 October 2020.

Rebecca’s bank applies on her behalf to the relevant State or Territory revenue office to receive the HomeBuilder \$25,000 grant. The revenue office conducts the eligibility checks and reviews Rebecca’s application documentation. The revenue office confirms that Rebecca is an Australian citizen, over the age of 18, has a taxable income under \$125,000 based on her 2018-19 tax return and the value of the off-the-plan apartment is under the \$750,000 contract price cap.

As Rebecca is a first home buyer, she may also be entitled to their State’s First Home Owner Grant and stamp duty concessions as well as the Commonwealth’s First Home Loan Deposit Scheme and First Home Super Saver Scheme.

### Case study: First home buyers Emma and Liam decide to purchase a house and land package

Emma and Liam enter into a house and land contract for \$550,000 on 25 September 2020. Emma and Liam's bank applies on the couple's behalf to the relevant State or Territory revenue office to receive the HomeBuilder \$25,000 grant. The revenue office conducts the eligibility checks and reviews the couple's documentation and confirms that both Emma and Liam are Australian citizens, over the age of 18, have a combined taxable income under \$200,000 based on their 2018-19 tax return and the value of the contract is under the \$750,000 contract price cap.

As the couple are both first home buyers, Emma and Liam may also be entitled to their State's First Home Owner Grant and stamp duty concessions as well as the Commonwealth's First Home Loan Deposit Scheme and First Home Super Saver Scheme.

*The **Urban Taskforce Australia** is a property development industry group, representing Australia's most prominent property developers and equity financiers.*

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