

Territory Home Owner Package

BuildBonus application and guide

Guide to the application

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1. Introduction

BuildBonus was introduced by the Northern Territory Government on 8 February 2019 to encourage construction of new homes and units. BuildBonus provides a \$20 000 grant to home buyers that sign a contract to purchase or build a *new home* (including signing a contract for a house and land package), purchase a *new unit* (including off the plan), or commence construction of a *new home* as an *owner builder* on or after 8 February 2019.

BuildBonus is limited to the first 600 eligible applications. Only one grant is payable per transaction and applicants are considered ineligible if they have already received a BuildBonus grant under the current scheme, either alone or jointly, for another transaction.

BuildBonus is not means tested, and there is no cap on the value of a new unit or a new home, or the total construction cost for a new home (including the value of the land on which it is built). Approved applicants must occupy the property as their principal place of residence for a period of 12 months, commencing within 12 months of completion of construction.

This guide explains the eligibility criteria for BuildBonus, requirements for lodging applications, obligations of applicants and related matters. If you are unsure about any aspect concerning your eligibility, it is important that you contact *TRO* for clarification before proceeding with your application.

This guide refers to guidelines issued by the Commissioner of Territory Revenue. These can be accessed from *TRO*'s website www.revenue.nt.gov.au.

2. Explanation of terms used

Commencement of construction

In relation to a *new home*, *commencement of construction* generally means laying of the foundations.

In relation to a *new unit* in a *unit* development, *commencement of construction* is the laying of the foundations or laying of a slab for a carpark (whichever is earlier).

Commencement of construction does not include site clearing.

Completion of construction

In relation to a *new home*, construction is considered complete once the certificate of occupancy has been issued or, if outside the Building Control Area, once the *home* is suitable for use as a place of residence.

In relation to a *new unit*, construction is considered complete when separate titles have been issued for each *unit*.

Contract to build

A comprehensive building contract where a builder agrees to build a *new home* from commencement to completion of construction so that it is ready for occupation.

Home

A building, affixed to land, that may be lawfully used, and is suitable for use, as a place of residence. For further information on whether a building qualifies as a *home*, refer to Commissioner's Guideline [CG-HI-006](#).

New home

A *home* that has not previously been occupied as a residence or sold. A *home* is not a *new home* if construction of the *home* commenced prior to 8 February 2019.

New unit

A *unit* that has not previously been occupied as a residence or sold, including off-the-plan.

A *unit* is not a *new unit* if it is, or will be, subject to a management agreement or lease for the *unit* to be made available for short term accommodation.

A *unit* is not a *new unit* if construction of the *unit* complex commenced prior to 8 February 2019.

Owner builder

An owner of land who builds a *home*, or has a *home* built on the land, without entering into a *contract to build*.

An *owner builder* does not include a registered building practitioner within the meaning of the *Building Act* who builds a *home* for sale. Such persons are ineligible for the BuildBonus grant. However the purchaser of the *home* may be eligible for BuildBonus, providing the *home* is a *new home*.

Unit

A *unit* is generally regarded as a residence that is attached to another but does not include a duplex. For the purpose of BuildBonus, a duplex is regarded as a *home*.

TRO

The Territory Revenue Office

3. Eligibility criteria

To be eligible for the BuildBonus grant:

Criterion One

Applicants must not have received a BuildBonus grant under the current scheme, whether alone or together with someone else, in relation to another transaction and all persons with an interest in the property must be applicants.

Criterion Two

It must be the first BuildBonus grant paid or payable in relation to the property.

Criterion Three

Applicants must have, on or after 8 February 2019:

- a. executed a contract to purchase a *new unit* or a *new home*; or
- b. executed a *contract to build a home* (including a house and land package); or
- c. as an *owner builder*, commenced construction (laying of foundations) of a *home*.

Criterion Four

Applicants must be a natural person (not a company or trustee) who holds or will hold their interest in the home in their own right and not as a trustee. An exception applies in circumstances where a guardian holds land for a person with a legal disability.

Criterion Five

At least one applicant must occupy the home as his or her principal place of residence for a continuous period of at least 12 months commencing within 12 months of the completion date.

Criterion Six

Applicants are **NOT** eligible to claim BuildBonus in the following circumstances:

- if the contract (the subject of this application) replaces a contract made before 8 February 2019 to purchase the same or a substantially similar *unit* or to purchase or build the same or a substantially similar *home*; or
- if in purchasing a *new unit* or *new home*, the purchaser had an option to purchase the *unit* or *home* (or a substantially similar *unit* or *home*) granted before 8 February 2019, or if the vendor had an option to require the purchaser to purchase the *unit* or *home* (or a substantially similar *unit* or *home*) which was granted before 8 February 2019; or
- in the case of a *contract to build*, a party had a right or option which was granted before 8 February 2019 to require the other party to enter into the contract.

Criterion Seven

Applicants are **NOT** eligible to claim BuildBonus for a *new home* where there is already, or will be, another *home* on the land title on which the *home* is being built.

However, where the *home* being built is part of a duplex, BuildBonus will be available to both *homes* in the duplex after:

- the *homes* have been issued with separate titles; and
- the duplexes are held subject to different ownership. Different ownership is required as applicants are not able to receive the BuildBonus grant in respect of more than one *home* or *unit*.

Criterion Eight

In the case of a contract to purchase or build a *new home*, or purchase a *new unit*, construction of the *home* or *unit* complex must be completed within 18 months of *commencement of construction*. If construction is not completed you may apply to TRO for an extension if you consider the delays were outside your control (for example, inclement weather, availability of certifiers, etc.).

If the contract does not state that construction will be completed within 18 months of commencement, you may be entitled to the grant if you obtain a declaration from your builder confirming the expected date of completion (see 'When the grant will be paid' below).

Criterion Nine

In the case of owner builders, construction must be completed within 18 months of commencement of construction. You may apply to TRO for an extension if delays occur that were outside your control (for example, inclement weather, availability of certifiers etc.)

4. When can I apply?

The earliest date on which you can apply for the grant will depend on the type of transaction you have entered into. The requirements are outlined in Table 1 below. Applications received before these requirements are met will not be accepted.

Table 1 - When to lodge an application

Type of transaction	When you can apply
Purchase of a <i>new unit</i> or <i>new home</i>	When you enter into a contact of sale
<i>Contract to build</i>	After <i>commencement of construction</i>
<i>Owner builder</i>	On <i>completion of construction</i>

5. When the grant will be paid

The date the grant is paid depends on the type of transaction you are entering into. Table 1 details the earliest dates that the grant will be paid for the various transaction types.

Payment will be made by electronic funds transfer to your nominated bank account, generally within ten (10) business days of lodging the application, provided the application is complete and all supporting information (see section 5 of the guide to the application) is provided.

For the purchase of a *new unit* or a *new home*, the grant can be made available for settlement by arrangement with your conveyancer or solicitor. In such circumstances, your conveyancer/solicitor must complete section 6 of the application form.

The grant will be deposited to the trust account of your conveyancer within five (5) business days of the scheduled settlement date or within ten (10) business days of lodgement of the application form together with all relevant supporting information, whichever is the later.

Table 2 - When payment will be made

Type of transaction	When you can apply
Purchase of a <i>new unit</i> or <i>new home</i>	<ul style="list-style-type: none"> • When your name is registered on the title; or • At settlement by arrangement with your conveyancer or solicitor
<i>Contract to build</i> <i>Owner builder</i>	<p>If the contract states construction will be completed within 18 months of commencement, or a letter is received from the builder confirming same, when progress payments (excluding deposit) of at least \$20 000 have been paid; or</p> <ul style="list-style-type: none"> • If the contract does not state that construction will be completed within 18 months of commencement, when construction has been completed; or • If the contract relates to the construction of a duplex, when separate titles have been issued for the <i>homes</i> in the duplex and ownership of those <i>homes</i> has become different. • When you have completed construction of the <i>home</i>.

6. Where to lodge your application and supporting information

Applications are to be lodged with *TRO* – please refer to the contact details at section 10. The preferred method of lodgement is via email with supporting documents scanned or photographed and sent as an attachment.

The information required to support your application will vary depending on the transaction type and your circumstances (see Table 2). This information is needed to determine your eligibility for the grant and failure to provide part, or all of the information, will result in delays in processing your

application. It is not necessary to lodge original documents with your application as long as the copy provided is clear and complete.

Table 3 - Information Requirements

Type of transaction	When you can apply
Purchase of a <i>new unit</i> or <i>new home</i>	<p>A copy of the exchanged contract of sale dated and signed by all parties.</p> <p>A declaration form (F-HI-011 for company vendors and F-HI-010 for individual vendors) by the vendor that the property is a new unit or a new home for the purpose of BuildBonus (see the definition in the Guide to the application). Declaration forms are available from the TRO website www.revenue.nt.gov.au.</p> <p>Evidence that settlement has occurred (unless Section 6 of the application has been completed).</p>
<i>Contract to build</i>	<p>A copy of the <i>contract to build</i>, dated and signed by all parties.</p> <p>If the contract states a completion date within 18 months from <i>commencement of construction</i>, or you have a builders letter to that effect, evidence that progress payments (excluding the deposit) of at least \$20 000 have been paid to the builder.</p> <p>If the contract does not state that construction will be completed within 18 months of construction commencement, evidence that construction was completed within 18 months of commencement. This will generally be a copy of the occupancy permit or, if outside the Building Control Area, a declaration from the builder.</p>
<i>Owner builder</i>	<p>Evidence:</p> <ul style="list-style-type: none"> • of the date that construction commenced (e.g. invoice for laying of the foundations etc.); • that building costs of at least \$20 000 have been incurred, excluding your own labour costs; and • of the date that construction was completed and that the home is suitable for occupation as a residence. <p>If the home is in a Building Control Area, an occupancy permit issued under the Building Act will suffice as evidence of completion of construction. If the home is</p>

	outside of a Building Control Area, refer to Commissioner's Guideline CG-HI-006 or contact TRO for the evidentiary requirements.
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7. Requirement to repay the grant and payment of interest

Applicants who have received the grant and do not satisfy all of the eligibility requirements are required to notify *TRO* and repay the grant within thirty (30) days of the date they became ineligible for the grant. If the grant is not repaid within this period, the applicants agree that interest at the statutory rate is payable in the manner provided for in Part 5 of the *Taxation Administration Act*, from the date it was required to be repaid, to the date it is paid. For example, an applicant may lose eligibility and be required to repay the grant if they are unable to occupy the property as their principal place of residence for a period of 12 months.

8. Discretion to vary eligibility criteria

In special circumstances, *TRO* may approve a longer time to complete construction of a *new home* or *new unit* or a shorter period of occupancy. Should you wish to request discretion in either of these criteria, please email *TRO* detailing the circumstances why the request is being made.

9. Compliance investigations

TRO conducts enquiries to confirm that applicants satisfy the eligibility for the grant, including the requirement to occupy the property. Prosecution action may apply if these enquiries demonstrate that an applicant has made a false application or has not complied with the conditions of the grant

10. Other home incentive schemes

The Territory Government has a number of schemes to assist home ownership by reducing the stamp duty payable and providing loans for low to middle income earners. Further details of these schemes can be accessed on the *TRO* website www.revenue.nt.gov.au.

11. Contact details

For further information, contact *TRO*:

Level 14, Charles Darwin Centre Phone: 1300 305 353

19 The Mall Web: www.revenue.nt.gov.au

GPO Box 154 Email: ntrevenue.nt@nt.gov.au

Darwin NT 0801 9:00am to 4:00pm Monday to Friday