

Queensland Government Building Boost Grant

Grant

\$10,000 Queensland Building Boost Grant

Available for a limited time only – 1 August 2011 to 30 April 2012

The \$10,000 Queensland Building Boost Grant is available to any person or corporation buying or building a new home to live in, or to rent out for investment purposes, for homes less than \$600,000.

The Building Boost Grant is designed to re-ignite Queensland's housing construction sector following a combination of falling property transfers and the economic impact of a summer of natural disasters.

You are acquiring an interest in the property as:

- an individual
- a corporation
- a trustee of a trust

- Applicants must be over 18 years of age

Between 1st August 2011 and 30th April 2012, will you do any of the following:

- enter into a contract to purchase a new home
- enter into a comprehensive building contract to have a new home built
- commence building a new home as an owner builder

- The unencumbered value for the property less than \$600,000

\$10,000 Queensland Building Boost Grant – frequently asked questions

What is the Queensland Building Boost Grant?

The Queensland Building Boost Grant is a grant of \$10,000 for a person or corporation buying or building a new home in Queensland for a value less than \$600,000. The grant is to assist recovery in the housing construction sector, Queensland's third-largest job generating industry.

When can I apply for the Queensland Building Boost Grant?

The Building Boost Grant runs from 1 August 2011 to 30 April 2012.

What is a new home?

A new home is a home that:

Has not been previously occupied or sold as a place of residence

Are there value limits?

Yes, the total value of the home must be less than \$600,000. The following apply for working this out.

Contract to purchase a new home (already built)

Both of the following must be less than \$600,000-

- the consideration for the purchase
- the value of the home (including the land) when the contract is made

Contract to purchase a new home (to be built by the vendor)

Both of the following must be less than \$600,000-

- the consideration for the purchase
- the value of the home (including the value of the land when the contract is made)

Contract to have a home built

The sum of the following must be less than \$600,000-

- the consideration for the building work
- the value of the land when the contract is made.

Owner builders

The sum of the following must be less than \$600,000-

- the actual costs to the owner of carrying out the work, excluding any allowance for the owner's own labour
- the value of the land when the laying of the foundations starts.

For example, if land was purchased in 2008 for \$150,000 and is worth \$200,000 on 1 September 2011 when a building contract is made or when foundations are laid by an owner builder, the land is valued at \$200,000 for determining eligibility for the grant.

How is land value determined?

These details are presently being worked through. However, in many cases, the site valuation issued for the land by the Valuer-General under the Valuation of Land Act 2010 may be all that is required.

Who can obtain the grant?

The grant is open to home buyers and investors (18+ years of age). Corporations and trustees may also apply. The applicant need not be a Queensland resident.

The grant is not payable for a building contract, or to an owner builder, if the applicant carries on the business of building homes and the home was constructed for sale in the course of that business.

Can an 'off the plan' purchase qualify?

Yes. A contract for the purchase of a new home on a proposed lot on an unregistered plan of subdivision of land may qualify for the grant if all other conditions are met.

When do I have to buy/build to get the grant?

Each of the following transactions may attract the grant.

- A contract (a legally binding contract) made between 1 August 2011 and 30 April 2012 (both inclusive) for the purchase of a new home in Queensland.
- A comprehensive home building contract made between 1 August 2011 and 30 April 2012 (both inclusive) by the owner of land in Queensland, or a person who will on completion of the contract, be the owner of land in Queensland, to have a new home built on the land.
- The building of a home in Queensland by an owner builder if the building work starts between 1 August 2011 and 30 April 2012 (both inclusive). For owner builders, the start of building work is usually the laying of foundations for the home.

If I'm building a new home, are there construction time limits?

Yes.

- a. For a comprehensive home building contract, building work must commence within 26 weeks of the date of the contract and be completed within 18 months of the work starting.
- b. For an owner builder, building work must be completed within 18 months of the work starting.
- c. For a contract to purchase a new home off the plan, the building work must be completed by 31 July 2013.

Do I have to live in the home?

No. However there are other occupancy conditions – see below.

Is there an occupancy requirement?

Yes. The home must be first occupied as a place of residence during the ownership of the home by the applicant. However, it does not matter who occupies the home. For example, the home may be occupied by a family member or rented to a tenant.

A person, such as a builder, who builds a home and sells it before it is occupied cannot claim the grant. The purchaser may be eligible however.

Where the occupancy requirement is not satisfied, the applicant must notify the Commissioner of State Revenue and repay the grant.

Can I obtain more than one grant?

Yes. The grant can be obtained for each new home purchased or built where the grant conditions are met.

Can the grant be obtained more than once for the same home?

No. The grant is only payable once for a particular new home.

Can I obtain the Building Boost Grant along with the First Home Owner Grant and the First Home concession?

Yes. If the new home being purchased is your first home and you meet all of the other eligibility criteria, you may be entitled to the \$10,000 Queensland Building Boost Grant, the First Home Owner Grant of \$7,000 and the first home buyer transfer duty concession.

Do replacement contracts and options qualify?

No. The grant applies to a legally binding contract to purchase or build a new home entered into on or after 1 August 2011. Contracts made before that date are ineligible. If a contract made before that date is cancelled and a replacement contract for the home is executed on or after 1 August 2011, the replacement contract will not be eligible for the grant.

Also, if an option to enter into a contract to purchase or build a new home is granted before 1 August 2011 and exercised on or after that date, the contract will not be eligible for the grant.

A preliminary agreement, such as that issued by the Master Builders' Association (form PA-H 10/09) and the Housing Industry Association, authorises preparatory work to be carried out before a comprehensive home building contract is made by the parties. These agreements usually do not bind the parties to enter into a comprehensive home building contract or grant an option to require a comprehensive home building contract to be made. A preliminary

agreement of this kind made before 1 August 2011 will not prevent a comprehensive home building contract made on or after that date from being eligible for the grant.

How do I apply for the grant?

The Queensland Building Boost Grant opens on 1 August 2011. The Office of State Revenue (OSR) is currently developing the application form. The application form will be published on <http://www.osr.qld.gov.au/> before 1 August 2011.

More information

OSR is presently developing the necessary systems and processes for the start of the grant on 1 August 2011. Consultation will occur with the Queensland Law Society and financial institutions (banks and lenders) about the application process and payment methods. More information will be published on <http://www.osr.qld.gov.au/> as soon as it is available.

The conditions of the grant will be contained in a new Act of Parliament. When enacted, the legislation will have retrospective effect to 1 August 2011. Until then, the grant will be administered under an administrative arrangement.