

MEDIA RELEASE



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Victorians deserve more time for HomeBuilder: HIA

The extended lockdowns in Victoria and the closure of display homes until recently are continuing to delay the opportunity for Victorians eligible for HomeBuilder to choose and sign up with a builder in time for the December deadline. As the lockdowns are set to continue, it is critical the Victorian Government seek an extension of time for contract signing so eligible Victorians don't miss out.

"Stage 4 restrictions in Victoria have slowed home buying activity and with the 31 December deadline for signing an eligible home contract for HomeBuilder fast approaching, Victorians simply need more time," said Fiona Nield HIA Executive Director Victoria.

"HIA calls on the Victorian Government to work with the Australian Government to extend the HomeBuilder scheme deadline for signing contracts in Victoria from 31 December 2020 to at least 31 March 2021.

"Whilst the rest of the country has been able to continue home sales and progress contracts so home buyers can be eligible for the grant, the brakes have been applied in Victoria.

"HIA's August new home sales data showed a 14 per cent decline in sales in Victoria as display homes and colour and material selection centres were closed.

"When the grant was announced no one would have thought that a return to stage 4 restrictions would occur and that display homes would be closed for several months.

"Typically, under ideal circumstances, it takes at least 12 weeks for a contract to be signed. There are many choices to be made in buying a new home that have to be decided before the final contract is signed, including the detailed design and layout, along with all the building material selections, such as tiles, walls, flooring and electricals.

"Making these decisions under the lockdown conditions has presented problems for many Victorian home buyers.

"With less than 12 weeks until the 31 December deadline, the fear is that many Victorians who want to access the grant won't be able to through no fault of their own.

"The lockdown has impacted renovation work as well as new home sales, with continued uncertainty about when this activity can recommence at occupied homes. Unlike new home building, if work can't start on a project, home owners will delay engaging with builders to commence a renovation, meaning many of the Victorian's planning renovations under HomeBuilder may also now miss out.

"While it is unclear when the lockdowns will end, the Victorian Government could provide certainty to home buyers and the industry by indicating whether they will seek an extension to the contract signing deadline for both new homes and renovations to be eligible for HomeBuilder.

"As it stands the grant is now effectively closed in Victoria as there is not enough time left this year to complete the contract signing process for either a new home or a renovation. HIA believes the Government should be seeking at least an additional 3 months to allow for the level of interest in the grant to be realised once the lockdown ends.

"One of the key drivers around the grant was to stimulate some growth in the home building industry - and if Victorians aren't able to sign contracts in time, there simply won't be a building lead recovery in 2021," concluded Ms Nield.

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