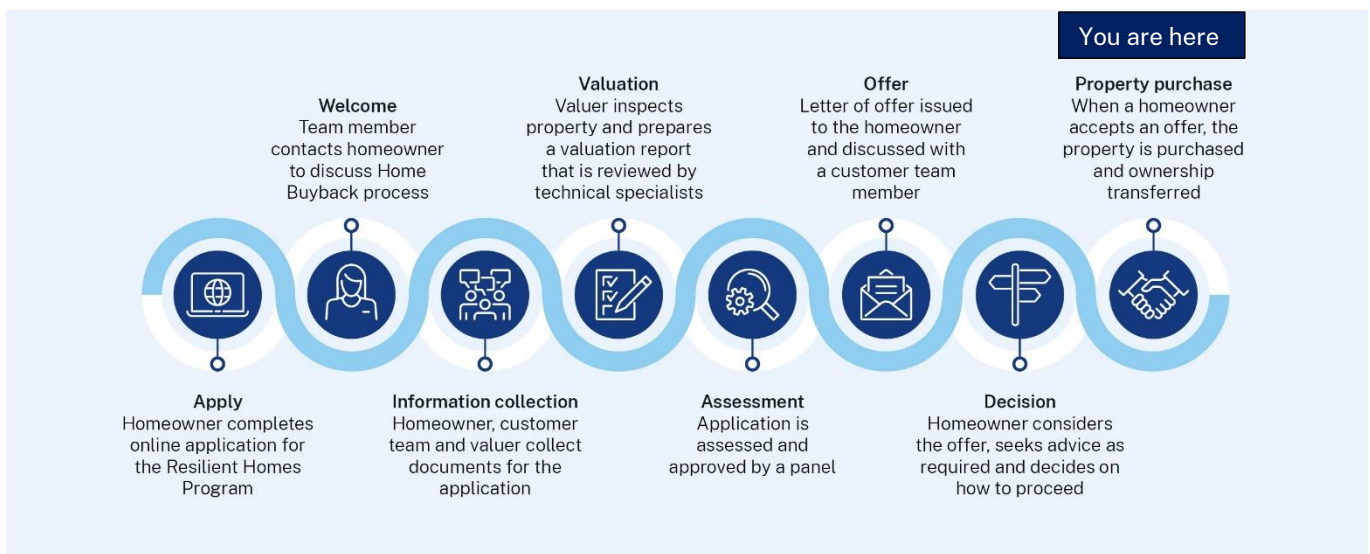


October 2024

This fact sheet explains the property purchase stage of the Home Buyback process. This is part of the Resilient Homes Program administered by the NSW Reconstruction Authority (RA)



What happens in this stage

If you have accepted a Home Buyback offer, RA will purchase your home and ownership will be formally transferred on settlement. This is a similar process to a private house sale.

Depending on your situation, the length of settlement and removal of any moveable items may be negotiated.

On settlement, your conveyancer or solicitor will be paid the offer amount for the property. This will then be transferred to you.

You can obtain independent conveyancing or other financial or legal advice about the home purchase, and RA will reimburse the cost of this up to \$3,000 (including GST).

Why is this necessary

To pay you the offer amount, the home must be transferred, like any other home sale.

What we will do

RA's solicitor will provide a contract of sale to your solicitor for your review and signing. We will then coordinate the payment of the offer amount.

Resilient Homes Program team members can answer questions and guide you through the process. We can also put you in touch with other organisations who can assist you with financial, legal or mental health support.

How you can prepare

You will be asked to review paperwork including checking property ownership details on the contract of sale and the offer amount before signing. Some paperwork will need to be witnessed by a solicitor.

Frequently asked questions

What happens after I accept the offer?

RA will issue you with a contract of sale. The standard process for transferring ownership of the property will then be carried out. A solicitor or conveyancer will assist you with this process, and RA will pay up to \$3,000 (including GST) for legal and accounting costs.

RA will require valid invoices from solicitors and/or accountants for reimbursements to be made.

What is the usual settlement period?

In most cases where the Homeowner is an owner/occupier, settlement is a minimum of six weeks from the date the contract is signed by both parties.

What if I have a tenant in my buyback property?

If there is a lease or other arrangement in place between a Homeowner (as landlord) and a tenant or occupant, RA requires a settlement period of no less than six months to allow tenants or occupants adequate opportunity to find alternative, suitable accommodation.

The six-month settlement period will be included in all contracts for sale for homes where there is a tenant or occupant, even where less notice is required under the lease or occupancy agreement. RA is committed to working with landlords and tenants to ensure that a minimum of six months will be provided, where needed.

Should the lease period extend beyond the minimum six-month period, delayed settlement opportunities are available for Homeowners. If it can be demonstrated that tenants/occupants have found suitable alternative accommodation before the end of the six-month period, RA may agree to an earlier settlement.

NSW Fair Trading has information on minimum notice periods under tenancy agreements. More information is available at: <https://www.nsw.gov.au/housing-and-construction/rules/minimum-notice-periods-for-ending-a-residential-tenancy>

If I delay settlement, when will I receive the payment package?

You will receive the full amount of your compensation package at settlement. If you require part of the compensation package for a deposit on a property purchase prior to settlement, RA may agree to release a portion of the payment. Please contact our Resilient Homes Program team if you would like further information on this, or discuss with your solicitor.

Can I take the house with me after selling my property to RA?

There may be opportunity for you to remove the house and relocate it to suitable land, with the agreement of RA. If the relocation is agreed, you will be responsible for the planning, approvals and costs associated with relocating the house and reinstating the buyback property site.

Is capital gains tax applicable on the payment for my property?

Payment of capital gains tax depends on many factors including whether the Homeowner can benefit from any existing exemptions (for example if the home is the principal place of residence).

Generally, the payment is not automatically exempt from capital gains tax. Where Homeowners are concerned about individual tax implications, individual financial advice is recommended.

RA offers homeowners up to \$3,000 (including GAST) for the payment of legal and accounting costs. RA will require valid invoices from solicitors and/or accountants before any reimbursement will be made.

Contact us

For more information please contact:

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