

October 2024

As part of the Resilient Homes Program, the NSW Reconstruction Authority (RA) will offer to purchase prioritised homes. This fact sheet provides information on the Home Buyback process.

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## Prioritisation of homes for buybacks

Flood mapping and analysis has identified areas in the Northern Rivers and Central West that were impacted by flooding in 2022 and pose the greatest risk to life in most floods. Homes in the highest risk areas will be the first priority for Home Buybacks.

Homes that are prioritised for a Home Buyback are in areas with more frequent, high and fast floods. There is a severe risk of future flood damage and a high risk to life to both residents and emergency response agencies sent to rescue them.

More information on the assessment and prioritisation process, as well as the guidelines for Home Buybacks are available at [nsw.gov.au/resilienthomesprogram](https://nsw.gov.au/resilienthomesprogram)

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## Assessment process for Home Buybacks

In these areas, the NSW Government will offer to buy eligible homes at a price that considers the market value immediately before the relevant 2022 flood event. The payment package includes:

- compensation under the *Land Acquisition (Just Terms Compensation) Act 1991* (Just Terms Act) which is:
  - the market value of the property calculated at the date on which the sale contract is entered into (the current market value); and
  - other types of compensation to which a homeowner may be entitled under the Just Terms Act;

Plus (if applicable):

- an additional grant to bring the total payment up to the market value of the property before the floods (referred to as the Top Up Payment).

For properties on lots greater than two hectares, homes may be considered under the Large Lot Policy.

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## Process

Prioritised homeowners who have applied for the Resilient Homes Program will be contacted by an RA representative who will provide guidance on the assessment and Home Buyback process as below.

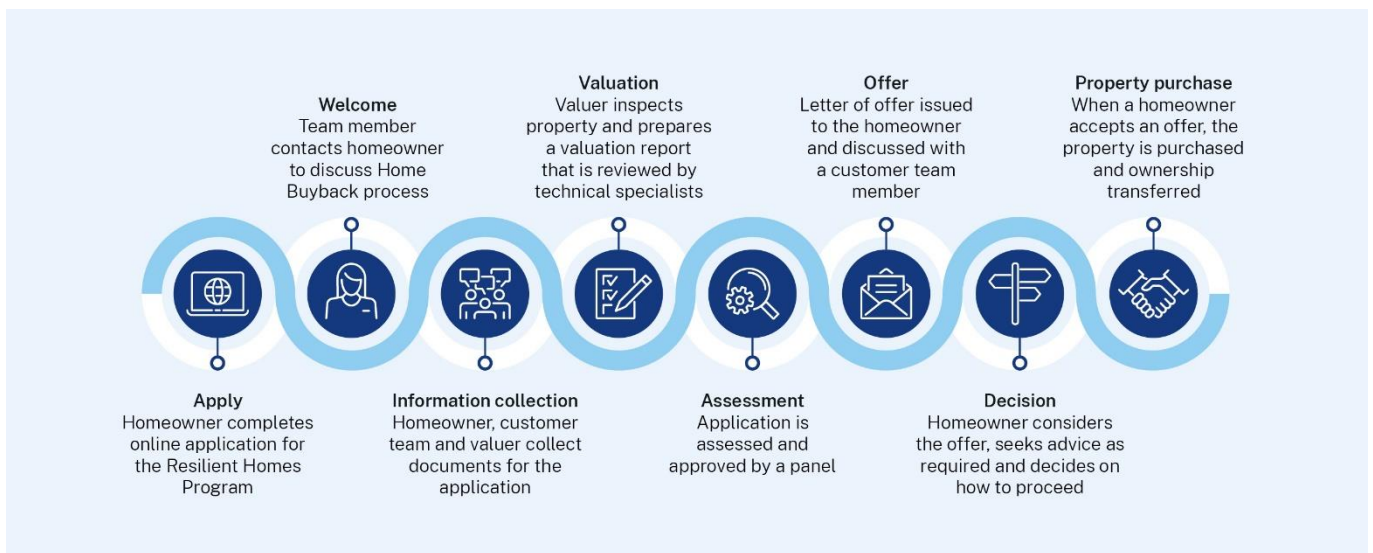


Image shows key steps for Home Buyback process

Homeowners who have already registered for another recovery program such as the Flood Property Assessment Program or a Disaster Relief Grant may need to complete a separate application for the Resilient Homes Program.

## Frequently Asked Questions

### What information do I need for my application?

When you apply for the Resilient Homes Program, the online application will guide you through the information required. This includes:

- property damage caused by the relevant 2022 Flood Event
- details and photos of the property pre and post flood event (if available)
- insurance details (including status and detail of any claims)
- individual circumstances (for more information on these circumstances, please refer to the Resilient Homes Program Guideline)
- detail and evidence of any repair work already undertaken on the property since the floods.

We understand you may no longer have some of this information and you may need assistance in completing the form. Please contact or visit us for help with your application (see details below).

### What if I don't want to sell my house?

Participation is voluntary - a homeowner is under no obligation to sell their property.

However, if a homeowner decides not to participate in the Resilient Homes Program at this time, RA cannot guarantee it will be able to make another offer.

### What happens if I accept the Home Buyback offer?

After you sign and return your letter of offer, RA will issue the contract for sale. The standard process for transferring ownership of the property will then be carried out.

A solicitor or conveyancer can assist you with this process. RA offers homeowners up to \$3,000 (including GST) for the payment of legal and accounting costs. RA will require valid invoices from solicitors and/or accountants before any reimbursement will be made.

Delayed settlement may be considered on a case-by-case basis. This means that you could stay in your property if it is safe to do so, until you find alternative accommodation. RA will work with you on the terms and conditions.

## **My home was destroyed in the flood and/or has been demolished as a result of the flood. Will I be eligible for a Home Buyback?**

If your home is in an area prioritised for a Home Buyback, you will still be eligible to apply for a buyback, even if your home was destroyed during the event or demolished since the floods. The valuation for a buyback will be based on the value of the home prior to the flood.

## **I'm in a Home Buyback area, but I don't want to leave my home. What are my options?**

Participation is voluntary, and a homeowner is under no obligation to sell their home. However, because you live in an area with an extremely high risk to life in future floods, you may not be able to access other options within the Resilient Homes Program. That's because the Resilient Measures proposed will not reduce risk to life in your situation.

## **How is the value of my buyback property determined?**

RA will engage an independent valuer to assess:

- the market value of the property immediately before the floods
- the current market value of the property
- other categories of compensation under the Just Terms Act, which the homeowner may be eligible for.

## **Will I be reimbursed for any independent advice that I receive as part of this process?**

RA offers homeowners up to \$3,000 (including GST) for the payment of legal and accounting costs. RA will require valid invoices from solicitors and/or accountants before any reimbursement will be made. This is additional to the Top Up Payment for which a homeowner may be eligible.

## **What happens if my house was insured, will this be taken off my buyback price?**

Where home insurance payments are made to the homeowner, the value of that payment will generally be offset against the Top Up Payment only for Home Buybacks.

If the homeowner can demonstrate that a cash settlement has been used to undertake repairs to the home, RA may consider excluding the insurance payment.

## **What assurances are in place to make sure the valuation is accurate?**

The independent valuers will produce valuation reports, which will be reviewed by technical specialists and/or Valuation NSW. The valuation report will then be provided to RA and will be considered when determining the value of the Home Buyback offer.

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

You will receive the full amount of your payment package at settlement. If you require part of the payment package to pay for a deposit on a property purchase prior to settlement, RA may agree to release a portion of the payment package. You will need to agree to certain terms and conditions (that will form part of the contract for sale) to allow this to happen.

## **How will land purchased for Home Buybacks be used in the future?**

Properties in high-risk areas purchased for Home Buybacks will be re-zoned or have restrictions put in place to ensure non-residential use in the future.

RA will work with local councils and the community to identify the most beneficial future use for the land acquired under the Resilient Homes Program, and how it will be managed going forward.

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

There may be an opportunity for you to remove the house and relocate it to suitable land, with the agreement of RA. You can discuss this with your solicitor or with the Resilient Homes Program team.

## My home was damaged beyond repair in the floods, so why am I not eligible for a buyback?

We know that some areas experienced very rare flooding in 2022. The Home Buyback stream is targeted to homes where the risks to life in future floods is greatest. They have a higher chance of getting flooded more often with deep, fast-flowing water, and have a shorter warning and evacuation time.

You may be eligible for other assistance under the RHP or under another RA program, options will be discussed with you.

## What if I disagree with the assessment or offer?

Homeowners can seek a review of a decision made by the Resilient Homes Program. For more information on the internal review and appeals process, go to [nsw.gov.au/resilienthomesprogram](https://nsw.gov.au/resilienthomesprogram).

## If I accept a Home Buyback, will the sale of my home affect my pension/tax?

The sale of your property may have tax implications, as well as impact your social security benefits. RA recommends you obtain independent accounting advice.

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

The Financial Information Service at Services Australia can also help homeowners make informed financial decisions and understand the results of decisions in both the short and long term.

Homeowners can contact the Financial Information Service free of charge on 13 23 00.

### Contact us

For more information please contact:

T: 1800 844 085

E: [resilienthomesprogram@reconstruction.nsw.gov.au](mailto:resilienthomesprogram@reconstruction.nsw.gov.au)

W: [nsw.gov.au/resilienthomesprogram](https://nsw.gov.au/resilienthomesprogram)

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