Australian Government



Help to Buy Scheme Home Improvements Guide

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Background

The Australian Government Help to Buy Scheme (Help to Buy) helps eligible buyers purchase a property by way of an interest-free loan for a percentage of the purchase price. In exchange, the Australian Government takes a corresponding equity share in the home.

When you participate in Help to Buy, your name will be on the property title, and you will own the home and live in it, but the Australian Government holds a contractual financial interest that grows or shrinks with your home's value over time. There are no monthly repayments, rent, or interest on the Commonwealth's share, and you can buy back the share over time or when you sell the property.

Refer to the Help to Buy Customer Guide for full eligibility criteria.

Who is this Guide for?

- Help to Buy Participants who have purchased and are living in their home and now wish to make improvements or upgrades.
- Prospective Help to Buy Participants who want to understand conditions for doing home improvements under Help to Buy.

Renovating and modifying your home

It's natural to want to make improvements to your home over time. If you make improvements costing at least $21,000 (indexed annually) that result in your property value increasing, the Commonwealth equity share in your property will decrease to reflect the value you have added. If you're planning home improvements or modifications, there are a few steps to follow to ensure you keep that added value.

When you'll need to notify Housing Australia

You'll need to notify Housing Australia before starting any work, and you must do so if:

- The renovations will cost $21,000 or more (indexed) within a 12-month period, and/or
- The work requires council approval, including complying development.

Housing Australia will assess your plans to make sure the costs are reasonable, the work isn't just general maintenance or repairs and that it's likely to add value to your home. If you complete more than $21,000 (as indexed) of improvements in a 12-month period, you may be eligible to have your equity share increased to reflect the value add improvements you've made to your home.

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Steps for home improvements under Help to Buy

1. Understand your scope of works

Decide what improvements you want to make and get detailed quotes from licensed trades or suppliers, where required.

2. Determine if approvals are needed

Check whether you need council or building approvals for the planned works (e.g. structural changes, extensions or plumbing).

3. Check the cost threshold

If the total cost of improvements within a 12-month period are $21,000 or more, you must notify Housing Australia before starting.

4. Notify Housing Australia

Submit your home improvement notification through the Help to Buy portal outlining the proposed works and include required documentation (e.g. all quotes for works, costs of any fixtures and fittings).

5. Valuation of your home and the home improvements

Housing Australia will organise a valuation before the improvements commence to determine the starting property value. You will need to cover the cost of the valuation.

6. Undertake the home improvement works

Use licensed professionals for any work that legally requires it (e.g. electrical or plumbing).

7. Notify Housing Australia after completion

Once the works are finished, contact Housing Australia so they can send a valuer to confirm the improvements have been completed.

8. Equity adjustment

After the final valuation inspection, Housing Australia will reduce the Commonwealth Government's share so you benefit from any value increase.

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Check for planning permits or approvals

If you plan to make structural changes - such as adding a room, undertaking major renovations that alter utility services or the home layout, or completing external works like decks, garages, or pergolas - you may need approval from your local council. Visit your council's website or speak with a council representative to confirm the requirements before starting any work.

Check if you also need an Occupation Certificate (or Occupancy Permit) at the end of the works. This will often be required at the time of sale if you have undertaken major renovations.

Documentation you need to provide



You'll need to give Housing Australia a scope of works statement and associated documents including any building plans, planning approvals (if required), quotes from suppliers and/or contracts for licensed trades who will carry out the improvements and an itemised cost list of any fixtures and fittings being purchased e.g. appliances, lighting, tapware etc. These documents will be shared with a valuer who will assess the home improvement impact on your property's value.

Meeting building codes and using licensed trades

All home improvements must comply with relevant building codes, Australian Standards, and local council regulations. This ensures the safety, quality, and legality of any work carried out on your property.

Always do your due diligence before making home improvements and engage qualified, licensed trades. Refer to the Online resources section and your local council for more information.

Keep copies of all permits, approvals, and compliance certificates, as these may be required for future valuations or when selling your property.

Undertaking your own renovations

Homeowners can generally do cosmetic renovations themselves - such as painting, installing or replacing fixtures, and landscaping. However, any work involving electrical wiring, plumbing, gas fitting, structural changes, roofing, removal of asbestos or waterproofing must be done by qualified and licensed professionals.

Always check local regulations if undertaking larger home improvements, as requirements can vary by State and property type. Refer to the Online resources section and your local council for more information.

Funding for home improvements

Under Help to Buy, the Commonwealth Government only contributes to the purchase of a home. All home improvements must be funded from your own savings, an increase in your home loan from your Participating Lender, or a combination of both. The Commonwealth Government does not provide additional funding for renovations, essential repairs, or maintenance.



How your equity share is adjusted

If you complete greater than $21,000 (as indexed) in home improvements in a 12-month period, and they increase your property value, the Commonwealth Government's share will be reduced so that you will retain the full benefit of the value you've added. The share will stay the same in dollar terms before and after the renovations, so any increase in value from your home improvement spend goes to you.

To do this, you'll need to:

- Notify Housing Australia before starting the work.
- Pay for a valuation from Housing Australia's valuer panel that will value your home before and after the works are completed.

Home improvements under $21,000 in a 12-month period won't be assessed by a valuer and are not eligible for any Commonwealth equity share adjustment.

Example: Valuation after renovation

Simon and Ken have been in the Help to Buy Scheme for a couple of years, with the Commonwealth Government holding a 20% share in their home. They have now decided it is time to renovate their family home, focusing on the kitchen and bathroom, with the project costing $50,000.

Because the cost of the home improvement was above the Help to Buy Scheme's $21,000 (indexed) threshold, the Help to Buy Scheme required their home to be valued before and after the improvements. This ensures that any increase in value from renovations is attributed correctly, without the Government benefiting from their personal investment.

Before home improvements	
Equity shared	20%
Current property value (pre-renovation)	$700,000
Current dollar value of Commonwealth Government equity share	$140,000 (20% x $700,000)

After home improvements	
New property value	$760,000
Dollar value of Commonwealth Government equity share	$140,000
New equity share percentage	18.4% ($140,000 divided by $760,000)

This adjustment means that Simon and Ken keep the full benefit of the value created by their renovations, while the Commonwealth Government's share is protected at its dollar amount at the commencement and completion of the renovations.

Example: Home improvement notification

Georgia owns a townhouse in Campbelltown, New South Wales under the Help to Buy Scheme. She wants to paint her property and receives a quote of $15,000 for the work. The modification does not require council approval, and the home improvement is under $21,000. While Georgia does not need to notify Housing Australia, Georgia should still notify Housing Australia, so that any future improvements during the next 12-months can be considered against the $21,000 (indexed) threshold.

How the property value is decided

Housing Australia will appoint an independent, registered valuer who is familiar with the area that you live in to conduct the valuation of your home, and the improvement works you are intending to undertake. They will determine what value uplift will be derived when the works have been completed.



Note: to keep things fair, the valuation will be based on the improvement in the works alone and will not be influenced by general changes in market value.

When the equity share is adjusted

You will need to notify Housing Australia when the home improvement works have been completed and provide all paid invoices relating to the completed works. Housing Australia will arrange for a valuer to inspect your property to confirm that the works have been completed as planned and to a standard of quality. Once the works have been verified, the Commonwealth's equity share will be adjusted accordingly. Housing Australia will notify you when the adjustment has been made.

What happens if you don't notify Housing Australia?



If you make improvements or modifications without notifying Housing Australia, no adjustment will be made to reduce the Commonwealth Government's equity share, even if the value of your home increases.



It's important to notify Housing Australia so any uplift in the value of your property from renovations can be reflected in your equity share. Housing Australia can only do this if a Housing Australia appointed valuer provides us with a property value of your home before you commence.



What happens if the home improvement works are not finished or completed?

If you planned to make several improvements to your home but could only complete part of the improvements - such as updating the bathroom, adding a carport, and building a pergola but only completed the bathroom and carport due to time or budget - the Commonwealth Government's equity adjustment will only reflect the value increase from the works that were completed. Keep Housing Australia informed when there is a change in the scope of works for your home improvements. This may also require another valuation at your expense to determine the revised value uplift from the changed scope of works.

Repairs and maintenance

As the homeowner under Help to Buy, you are required to keep the property in good condition. This includes routine maintenance such as cleaning gutters, garden care and handling minor repairs. You must also address urgent issues like plumbing or roof leaks, structural issues, or electrical faults to ensure the property remains safe and habitable.

If there are necessary repairs and maintenance to your home, these won't be seen as home improvements; rather, they are considered standard costs of maintaining your home.

Online resources

There are comprehensive resources available offered by your local or State authorities about home improvements. Here are some examples (current as at print date of this guide):

National	**Buy, build, renovate | YourHome**
NSW	**Building or renovating a home | NSW Government**
Victoria	**Building in Victoria**
	Checklists and resources
Queensland	**Building a home - Queensland Government**
South Australia	**SA.GOV.AU - Building new or buying an existing home**
ACT	**Build or renovate - ACT Government**
Northern Territory	**Building and renovating a home | NT.GOV.AU**
Western Australia	**Building or renovating your home**

Also check whether there are any planning permit requirements by visiting your local council's website.

Disclaimer

The information in this document about home improvement is intended as a general guide only and is not comprehensive. The information is not legal or financial advice. While reasonable steps have been taken to ensure that the information is correct, Housing Australia accepts no legal liability arising from or connected to, the accuracy, reliability, currency or completeness of the information.

Housing Australia recommends that you conduct your own research, consider your personal circumstances, and consult your local or state authorities for detailed information. Before engaging a builder/tradesperson, obtaining a loan, or assessing what approvals you need, we strongly advise that you seek professional legal and/or financial advice as relevant.

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