

## **BARTON DEAKIN BRIEF: Super Home Buyer Scheme and Down-Sizing Incentives**

Monday 16 May 2022

### **Overview**

At the Liberal Party's campaign launch on Sunday, Prime Minister Scott Morrison announced the Super Home Buyer Scheme. Under this scheme first home buyers will be able to invest up to 40 per cent of their superannuation, up to a maximum of \$50,000, to help with the purchase of their first home. This will mean saving for a deposit will take three years less on average. Additionally, the Coalition announced on Sunday that pensioners, self-funded retirees and working older Australians will be able to invest \$300,000 per person in their super from the proceeds of a sale.

### **Key Details**

#### Super Home Buyer Scheme

- First home buyers will be able to invest up to 40% of their superannuation, up to a maximum of \$50,000 to help with the purchase of their first home
  - Buyers must apply through the Australian Taxation Office for approval and could withdraw up to 40% of their super fund
  - Both members of a couple may use the scheme if eligible
  - Scheme will apply to both new and existing homes
  - Invested amount to be returned to their superannuation fund when the house is sold, including a share of any capital gain
  - The scheme would not be restricted by price caps on the income someone could earn or the value of the property they wish to buy
  - It may be used only by people buying their first home who have saved at least 5% of the deposit and who would live in the home for at least one year
  - The Super Home Buyer Scheme will start by 1 July 2023
- PM Scott Morrison stated
  - *Our Plan makes it easier for first home buyers to save for a deposit, reducing the time people need to pay rent, and also means a smaller mortgage with less debt and smaller repayments.*
- This is part of the Coalition's comprehensive plan to help Australians buy their first homes
  - Home Guarantee scheme will next year help 50,000 Australians into a home
  - First Home Super Saver Scheme already helps Australians put voluntary savings be put towards their first home
- Read the full press release [here](#)



## Down-Sizing Incentive

- All Australians over 55 when 'downsizing' their homes may put up to \$300,000 from the proceeds, per person, into super funds outside existing contribution caps
  - Up to 1.3 million empty nesters and pensioners will be able to access this incentive
  - Pensioners who downsize their home will also be given greater flexibility by exempting the proceeds of the sale of the property from the assets test for longer, pensioners will now have two years to structure their assets following the sale of their home
- Housing Minister Michael Sukkar said this announcement would give older Australians greater flexibility in choosing to downsize their home and increase housing stock for younger families looing for larger homes
- Read the full press release [here](#)

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