

All you need to know about the **Help-to-Buy** incentive





Sherry FitzGerald

Our complete guide to the Help-to-Buy incentive

As part of our series of guides on Financial Services topics for first-time buyers, here you'll find our complete guide to the Irish government's Help-to-Buy incentive, a tax refund initiative worth up to €30,000 to home-buyers in Ireland.

Our guide will help you to confirm if you qualify for the incentive, see how much you are entitled to and assess whether your possible new home fits the criteria. We'll also detail the application process and provide you with simple step-by-step instructions. This will help you register for, and ultimately secure your tax refund, helping you raise that all-important deposit for your new home. And if you are buying your first home in a new development, you should visit sherryfitz.ie and read our informative 'First-Time Buyers - New Homes' guide, for plenty of helpful tips and advice.

At Sherry FitzGerald Mortgages, we're with you every step of the way, offering advice on everything from getting mortgage-ready to the mortgage process itself. Review our guides online at sherryfitz.ie and if you have any queries, please do not hesitate to get in touch.



1. Background

Up to €30,000 available for first-time buyers with the Help-to-Buy incentive

The Help-to-Buy incentive is a government initiative designed to help you, as a first-time buyer, with raising the deposit needed to purchase a new house or apartment to live in as your home. Under the incentive and in association with Revenue.ie, you may receive a refund or rebate of Income Tax and Deposit Interest Retention Tax (DIRT) paid over the previous four tax years. DIRT is a form of tax on interest earned on bank accounts in Ireland and this is where your refund will come from.

The help to buy scheme has been enhanced to the current level : €30k or 10% of property value (which ever is the lower). The enhanced scheme is available for a limited period only.

To qualify you must sign a contract for purchase between July 23rd and 31st December 2020. In the case of a self build first drawdown must occur during this period.

If you don't qualify during this period you can still apply for the original Help To Buy Limits (€20k or 5% of price which ever is the lower).



2. Value

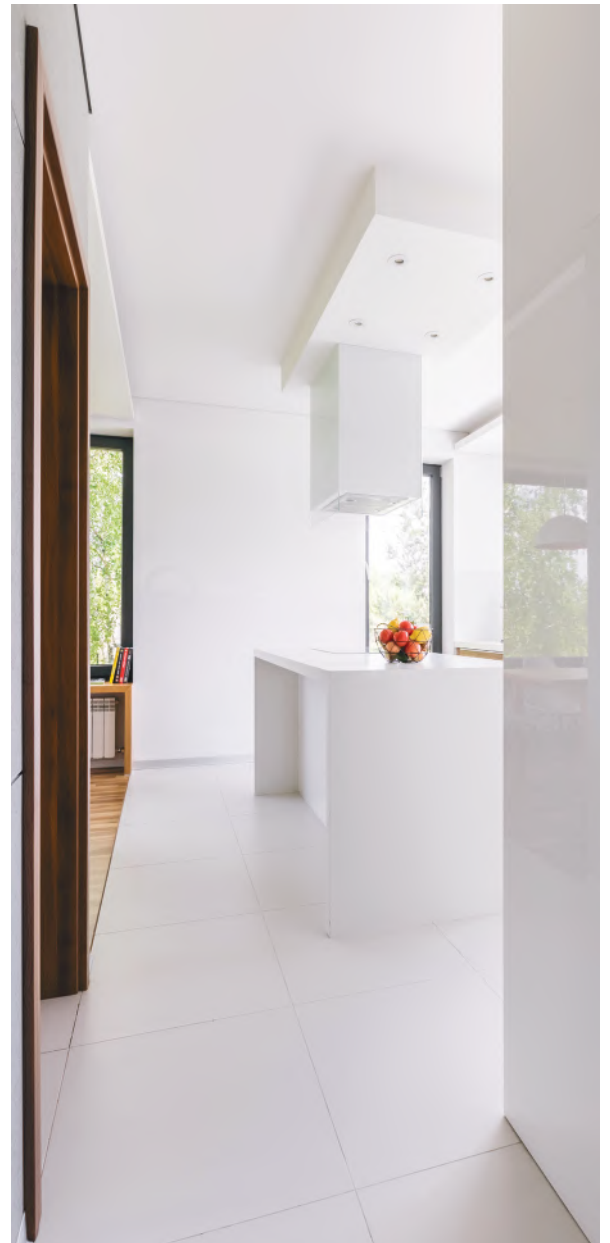
How much can you get?

The maximum tax rebate is currently 10% of the value of the property, up to €30,000. However, if you move, leave or sell within five years from the date the house is habitable, some or all of the rebate will have to be repaid.

For example, Jack and Kate want to buy a 3-bed semi-detached home for €400,000. According to the Central Bank guidelines, they will need a 10% deposit (€40,000) to purchase their home.

Under the Help-to-Buy incentive, they can now claim back a tax rebate of €30,000. This means they now need to save a €10,000 deposit themselves, and add it to their rebate, giving them a full deposit of €40,000 to put down.

If Jack and Kate were buying for €300,000 they could potentially obtain the full 10% deposit or €30k from the Help To Buy Scheme.



3. Criteria

Do you qualify?

- First-time buyers
- Owner-occupier
- Borrowing at least 70% of the value of the property

Does the home you want to buy qualify?

- Newly built houses and apartments valued no higher than €500,000
- Self builds
- Your builder or developer needs to be registered with the incentive

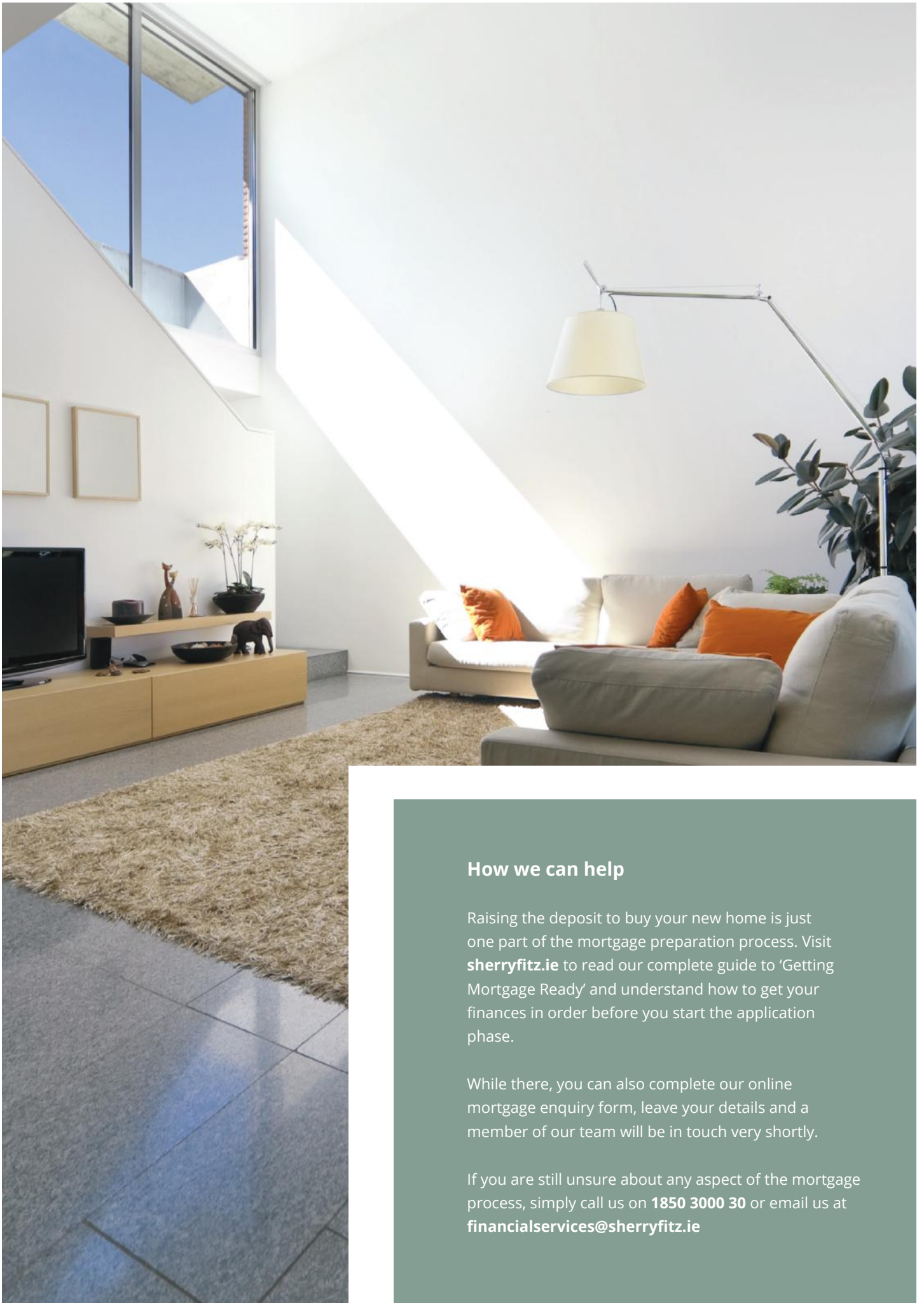


4. Application

Six steps to making a claim and securing your refund

1. If you have not done so already, register with Revenue's myAccount service at Revenue.ie. To do this, you will need your personal public service (PPS) number, date of birth, phone number, email and home address. Self-assessed taxpayers must be fully compliant
2. Then, you need to complete a 'form 12' tax return for each of the years on which you are seeking a rebate of tax paid
3. To complete the online application process, you will need to upload a copy of the signed new home contract, provided by your solicitor, as well as details of the property, its purchase price and the completion date. To find out everything you need to know about buying a new home, you can read our 'First-Time Buyers – New Homes' guide online at sherryfitz.ie
4. You will also need to provide details of the mortgage lender and of the mortgage, including all deposits paid, and how much you are borrowing from your lender
5. Finally, you will need to upload your builder/developer's details. Once the claim is submitted, as part of the claim process, the details will need to be verified by your builder/developer, who in turn will also confirm details of the purchase with Revenue
6. Your refund will be paid directly to your builder/developer and deducted from the cost of the property





How we can help

Raising the deposit to buy your new home is just one part of the mortgage preparation process. Visit sherryfitz.ie to read our complete guide to 'Getting Mortgage Ready' and understand how to get your finances in order before you start the application phase.

While there, you can also complete our online mortgage enquiry form, leave your details and a member of our team will be in touch very shortly.

If you are still unsure about any aspect of the mortgage process, simply call us on **1850 3000 30** or email us at financialservices@sherryfitz.ie

Warning: If you do not keep up your repayments you may lose your home.

Warning: Your home is at risk if you do not keep up payments on a mortgage or any other loan secured on.

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