

The Help to Buy scheme



Everything you need to know about the Help To Buy (HTB) Scheme

Welcome to our guide on the Irish government's Help To Buy Scheme. This is a tax refund initiative up to €30,000 to first-time buyers in Ireland.

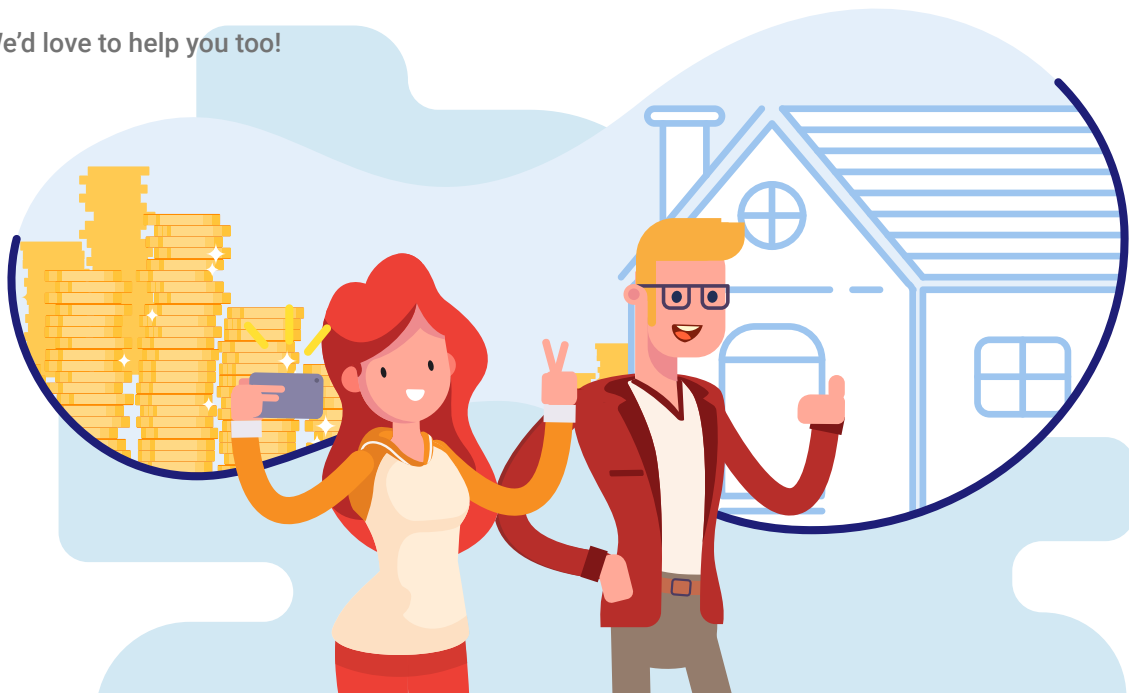
We've put together this guide to help with the following:

- Understand if you qualify for the HTB Scheme
- Calculate how much you're entitled to claim
- Assess whether the property you want to buy qualifies for the scheme

We also share details of the application process.

At Which Mortgage, we work with hundreds of customers every month and help make their property dreams real.

We'd love to help you too!



HTB Scheme background

The government's HTB Scheme has been available for a number of years.

Essentially, the HTB Scheme is an initiative to help first-time buyers raise the deposit for a new build house or apartment.

Under the HTB Scheme, you can apply for a refund/rebate of the income tax and Deposit Interest Retention Tax (DIRT) you have paid over the previous four years.

In July 2020, the government announced some changes to the scheme as one of the supports to help mitigate the effects of the Covid pandemic.

Under the new rules, you can apply for €30,000 or 10% of the value of the property you want to buy (whichever figure is lower). These rules apply until 31st December 2021.

How much you can claim

The maximum amount for the rebate you can claim under the HTB Scheme is 10% of the value of the property, up to a total of €30,000.

The rebate you'll be entitled to will be calculated based on the amount of tax and DIRT you have paid in the previous four years.

For example, if you wanted to buy a newly built home for €400,000, you'll need a 10% deposit. That is an amount of €40,000.

With the HTB Scheme, you can claim up to €30,000.

Therefore, you'll need to save an additional €10,000 towards your deposit.



Criteria



There are a few caveats to the HTB Scheme.

You need to be:

- A first-time buyer
- The owner-occupier of the property (the HTB Scheme is not available for buy to let properties)
- Borrowing at least 70% of the value of the property

In addition, the property you're buying also needs to qualify with certain criteria:

- Newly built houses and apartments
- Value no higher than €500,000
- Self builds
- Suppliers (builders, architects etc.) need to be registered with Revenue

Six steps to apply for the scheme

You need to follow the following steps to apply for the HTB Scheme:

1. Register with Revenue's myAccount service. This is available on Revenue.ie. You will need your PPS number, date of birth, phone number, email and home address. If you're a self assessed taxpayer, you must be fully compliant.
2. You need to complete a "Form 12" document if you are employed for each of the years on which you are looking for a tax rebate. For self-employed individuals, the document is a "Form 11".
3. You will need to upload the signed new home contract your solicitor provides you with for the online application process.
4. You will need to supply details of the mortgage and lender for your online application.
5. You will also need to upload the details of your builder/developer. Once your application is submitted, your suppliers will need to verify their details and confirmation of the purchase with Revenue.
6. Revenue will pay your refund directly to your builder/developer and deduct the cost from your property.

We'll help you every step of the way

At Which Mortgage, we're on a mission to make the mortgage process simple for our customers.

Each month we help hundreds of customers find the right mortgage. There are over 250 mortgage products in Ireland and our promise is to always find which mortgage is the right one for you.

We'd be delighted to help you with your mortgage requirements, including guiding you through the HTB Scheme.

Contact us today at contact@whichmortgage.ie for a confidential chat.

We look forward to hearing from you.

