



**MC Financial**  
The Mortgage Specialists



# HELP-TO-BUY SCHEME

Everything You Need to Know



The Help-to-Buy incentive, also known as the Help-to-Buy scheme, is a Government tax refund scheme designed to help First-Time Buyers get the deposit needed to buy a newly built home.

Borrowers can claim a maximum of 10% of the value of the property or €30,000 - whichever is lower.

### How much can I claim under the Help-to-Buy incentive?

The maximum tax refund is 10% of the value of the property or €30,000 - whichever is LOWER.  
The rebate is only available on properties valued at €500,000 or less.

This means that if you purchase a property for €400,000, you can claim the maximum rebate of €30,000. But if you buy a house for €500,000, the relief will be capped at €30,000.

### Current Help-to-Buy rates

House Price	Relief Available	Rate
€200,000	€20,000	10%
€300,000	€30,000	10%
€400,000	€30,000	10%
€500,000	€30,000	10% up to €400,000
€600,000	Zero	0%



## So, if I'm buying a house today I can claim up to €30,000, right?

Well, yes... sort of. This is a tax rebate scheme and not a case of the Government giving away free money. So in order to claim, you must have paid the equivalent amount of income tax and/or DIRT in the preceding four years. So, if you are applying for €15,000, you must have paid at least this much to Revenue over the last four years.



### When does the Help-to-Buy scheme end?

The Help-to-Buy scheme is scheduled to run until 31 December 2024 having been extended by the Government in the 2023 Budget.

#### Who can apply?

Any first-time buyer of a newly built home can apply for a tax refund under the Help-to-Buy incentive. However to qualify as a first-time buyer under the scheme, you must not have previously purchased, built or inherited a home yourself or with any other person.

If you're a joint buyer, and one applicant is a first-time buyer and another applicant is not, you cannot apply for the grant.

### What types of properties are included in the scheme?

Only newly built homes and self-builds are included in the scheme. Conversions and restorations of old or derelict homes do not qualify, but conversion of a non-domestic building for residential use may qualify.

### If I am applying for a tax refund on a self-built home, how does the Revenue determine its value?

If you are applying for the scheme for a self-built home then Revenue will use the approved valuation from your lender.



### Can I buy a house for cash and apply for a tax refund from the Help-to-Buy scheme?

No. The purpose of the Help-to-Buy scheme is to assist first-time buyers with getting the deposit necessary to buy a home. Therefore, you must take out a mortgage to buy the property, and the loan-to-value of that mortgage must be more than 70%. Also, the loan cannot have a guarantor.

So if you're buying a house worth €250,000, the amount you're borrowing must be at least €175,000.



## Who gets the money?

There are three ways the Help-to-Buy tax refund can be paid:

- If you bought your home between 19 July 2016 and 3 January 2017, you can apply for the grant and if approved, it will be paid directly to you.
- If you complete your purchase after 3 January 2017, the grant will be paid directly to the builder or developer as credit against the purchase price or deposit.
- If you have built your own home and completed it since 19 July 2016, you can apply for the grant and it will be paid directly to you.



## Do I have to live in the property?

Yes, you must use the property as your principal private residence for a period of five years. If you don't comply with this rule, Revenue reserves the right to claw back the refund.

## Does the builder of the property need to be registered with Revenue?

Yes, you'll need to ensure that the builder of your home is registered as a Qualifying Contractor with Revenue if you wish to claim a refund under the scheme. The Revenue maintains a list of Qualifying Contractors which you can see [here](#).

## Can I use my potential Help-to-Buy refund as part of my mortgage application?

Yes, you should be able to. Once you complete an application, you'll be shown the maximum relief available to you. You'll also receive an application number and an access code which can be provided to your lender to verify your Help-to-Buy relief.



## Are there any other caveats or conditions?

Yes. Here are some of the important ones.

- You must have been fully tax compliant in the four years previous to the claim. If you haven't already done so, you'll need to complete a Form 12 (for PAYE workers) and Form 11 (for the self-employed) in respect of each of the four years. You must also pay any outstanding taxes that are due.
- The Help-to-Buy scheme is for owner-occupiers only. You can't apply to the scheme as an investor or a landlord.
- Revenue will confirm your application with the contractor that you are buying from, or your solicitor if you are building your own home. Solicitors and contractors need to be registered with Revenue for the Help-to-Buy scheme.

## How do I apply?

You can apply online through Revenue's [MyAccount](#) service. And as long as you are tax compliant, Revenue will provide you with a summary of the maximum refund available to you within around five working days.



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