



# LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

No. 127

## WRITTEN QUESTION

J Davis to the Treasurer, Hon William Yan MLA:

### Homeowner assistance grant

1. **How much grant money was released before this bill was passed?**
  - a. **Please provide the exact dollar amount.**

The First Home Owner Grant Amendment Bill 2024 received assent on 9 December 2024 and commenced with retrospective effect from 1 October 2024. Three x \$50,000 (\$150,000) grants and 63 x \$10,000 (\$630,000) grants were paid before the Bill passed.

2. **What specific evidence or data led to the extension of the \$50,000 First Homeowner Grant for new builds to 30 September 2026?**

The Department of Treasury and Finance (DTF) completed a 6-month review of the HomeGrown Territory Grants Program in April 2025. This included industry roundtables in which DTF sought feedback from banks, mortgage brokers, conveyancers, representatives from residential building and construction bodies, and developers. DTF also issues monthly and quarterly economic briefs to the public reporting on relevant economic indicators such as building activity, building approvals, construction work done and housing finance for owner occupation.

The review examined aspects of grant administration, demography and employment profiles of grant recipients, and reported impact upon homeowner outcomes. The grants were determined to be driving additional demand in new home construction and purchase activity, but that this was hampered by a longer lead time and land release constraints, when compared to established properties. Therefore, the extension of the scheme was supported by the review to provide more time to prospective applicants to save, secure finance and arrange building contracts in addition to giving more time to builders and developers to expand their operations and employment footprint to manage the uptick in residential construction activity.

Economic data shows that for the March 2025 quarter, the number of owner-occupier home loans in the Territory (excluding refinancing) rose by 16.5% over the year, and the value of housing finance commitments (excluding refinancing) increased 28% over the same period.

For first home buyers, the number of housing finance commitments in the Territory increased by 48%.

Indeed, in terms of first home owner grants disbursed by the Territory Revenue Office, there were about 2.5 times as many grants paid or approved in the Territory compared to the 12-month period prior to commencement of the HomeGrown Territory Grant Program.

The number of residential building approvals in the Territory increased by 48.6% in the year to March 2025, compared to a 14.7% increase nationally.

By way of comparison, in the year to August 2024 (before the HomeGrown Territory Grant Program commenced), residential building approvals declined by 12.2%, compared to an increase of 1.9% nationally.

According to the 6-month review and public economic data, expanding the Program timeline, opens the grants to a wider range of applicants and builds upon the success of the program to date in growing the Territory's housing supply.

As of 26 August 2025, 803 grants have been paid, 118 are approved, and 22 are subject to further assessment pending further supporting documentation. Of these, the \$50,000 new home grants constitute 105 paid, 68 approved, and 4 submitted pending further information. A total of 311 Territories have benefitted from the \$50,000 home grants, which will get those applicants into a new home.

**3. What specific evidence or data led to the extension of the FreshStart New Home Grant for another 12 months?**

Please refer to Question 2. The same considerations apply.

**4. Why was the \$10,000 grant for established homes not extended, unlike the other programs?**

**a. Was a cost-benefit analysis conducted?**

A specific cost-benefit analysis exercise was not undertaken in respect of the decision not to extend the \$10,000 grant for first home buyers of existing properties. However, as one of the key policy drivers of the HomeGrown grant program was to stimulate residential construction activity, which economic data shows it has, it was considered cost-effective to enhance government support for purchases and builders of new homes through focusing resources previously used for the \$10,000 grant towards the \$50,000 and \$30,000 grant.

It was also recognised that prospective purchasers of existing homes would still be able to access Commonwealth Government support, in the form of the First Home Super Saver Scheme, the First Home Guarantee, and the Help to Buy (to be commenced) schemes. This ensures Territorians will continue to be supported in becoming home owners whilst expanding support for new builds.

**5. What policy considerations informed the distinction between new builds and established homes in continuing financial support?**

Please refer to Question 4.

A key factor in extending support for new build activity was the broad economic benefits (both direct and downstream) from greater residential construction activity. Greater residential construction activity enables growth of the Territory's housing supply. More housing stock leads to more affordable housing due to more availability, which has positive flow on effects to the rental market as new home owners make room for renters. This is crucial for enabling population growth under the Government's Rebuilding the Economy strategy.

The same benefits are not derived from extending the \$10,000 grant for established homes which informed the distinction between continued financial support for new builds and not for established homes.

**6. What metrics were used to determine the effectiveness of these grants in addressing housing affordability or stimulating the construction sector?**

**a. Please provide any specific economic analysis undertaken.**

Please refer to Question 2, also.

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At the time of the decision to extend, Darwin remained the most inexpensive capital city in which to purchase a home (median house price index for December quarter 2024). The interstate average median house price of about \$1 million was 54% higher than the Darwin median house price.

Assuming a cost to build a new home of \$400,000, the 241 paid or approved \$50,000 HomeGrown Territory and \$30,000 FreshStart New Build grants will be responsible for \$96.4 million in residential construction activity, at a cost of about \$10.7 million in Government stimulus.

Effectiveness of the grants in addressing housing affordability and in stimulating the construction sector will be further assessed post closure of the grant scheme, as part of the formal evaluation.

**7. Has the department conducted a formal evaluation of the impact of these grants since their commencement on 1 October 2024?**

**a. If so, please provide the results.**

Yes. DTF conducted a 6-month review of the program, as detailed above at Question 2.

**8. What evaluation framework is being used to monitor the ongoing effectiveness of these grants?**

**a. Who is responsible for this evaluation?**

DTF oversees administration of the grant program and is responsible for its formal evaluation. The ongoing effectiveness of these grants is evaluated through daily grant number and value reporting, and monitoring of:

- land release statistics
- periodic demographic surveys of grant recipients, and
- ABS statistics regarding the value of
  - construction work done
  - housing finance commitments for owner occupiers.

Evaluation will follow the principles and practices set out in the [Northern Territory Government Program Evaluation Framework](#).

A formal 'outcome evaluation' will be conducted in the months following cessation of the grant program, as pertinent data becomes available.

**9. How is compliance with the 12-month residency rule being monitored and enforced?**

DTF revenue officers are experienced in conducting compliance activity regarding residency requirements attached to home owner initiatives. There is a range of data accessible by DTF that may be used to identify and substantiate non-compliance with residency periods.

By way of example, DTF revenue officers are empowered to cross-check grant recipient claims with other Government data including an applicant's registered residential address according to their driver's licence, enrolment on the electoral roll, and utility bill service address.

**10. Can the department provide data on the number of grants issued under each program since October 2024, and the average time to approval and payment?**

As of 26 August 2025, there have been 105 new and 641 established HomeGrown Territory Grants paid alongside 43 FreshStart Grants paid since the start of the program.

DTF captures the average time from application submission to grant approval but does not qualify or adjust this timeframe where a delay is outside of DTF's control. For example, if an applicant is asked to provide further substantiation/documentation for their application, or if an application is made in advance of satisfaction of a condition of payment release such as the foundation slab being laid by an owner-builder).

The average time from the submission of an application to payment of the grant, including obtaining of all necessary information and fulfilling all grant requirements, was 29.6 days for the HomeGrown Territory Grants and 87.4 days for the FreshStart grant.

**11. To what extent have these grants contributed to an increase in new home construction or first home buyer participation in the market?**

**a. What mechanisms are available to monitor this?**

**b. If none currently exist, how will the government determine whether these grants are inflating house prices?**

Please refer to Question 6 and Question 8.

First home buyer participation in the housing market appears to have increased markedly. This is apparent when comparing increase in First Home Owner Grants paid during the initial 6 months of the program period compared to the 12-month period immediately prior, which saw approximately two and half times as many grants paid.

The HomeGrown Territory Grants are time-limited and targeted to specific cohorts (first home buyers and would-be residents of newly purchased or built homes). These restrictions on eligibility ensure that the intended recipients of Government support have a comparative advantage over other market participants (such as investors), and do not broadly provide all market participants with extra funds to bid up dwelling prices.

A survey of grant recipients indicated that these grants have had the desired effect of enabling first home buyers to participate in the market with Government support for first home buyers of established homes bringing forward transactions and allowing applicants to realise home ownership sooner than they otherwise would have.

Another benefit of the new home grants is that they incentivise developers to release land, creating additional housing supply, to balance increased demand in the market from the grant program. This has the effect of minimising inflation and stabilising house prices so that Darwin and the Northern Territory can continue to lead the nation in housing affordability.

**12. What mechanisms are in place to ensure these grants are benefiting those most in need rather than inflating developer margins?**

Because the HomeGrown Territory Grant Program is quite tightly targeted, this limits the amount by which the value of grants provided accrue to vendors in the form of higher sale prices. To that end, maintaining tight eligibility criteria (i.e. limiting support to first home buyers who, inter alia, intend to take up residence in the Territory for 12 months or more) and concentrating support on the bringing to market of new homes ensures that the imbalances in supply and demand owing to the grant program are minimised.

**13. How does the department intend to measure the long-term housing outcomes of these recipients – especially in terms of sustained home ownership?**

Typically, those that purchase a principal place of residence in the Territory are more likely to put down roots, engage with their communities, and remain in the Territory longer-term than those that rent. The HomeGrown Territory Grant Program capitalises on this, and by imposing a 12-month residency requirement ensures that purchasers get to experience a full year of the Territory lifestyle. DTF data supports this with survey responses from a small cohort of grant recipients showing that 83% of respondents indicated that the grants influenced their decision to stay in the Territory.

Notwithstanding, long-term outcomes of the grant program are difficult to accurately measure. This is because there are myriad factors which influence individuals' decisions to depart or remain in the Territory long-term impacts. Therefore, DTF has not included long-term housing outcomes in its formal evaluation plan for the HomeGrown Territory Grant Program.