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This fact sheet explains the offer stage of the Home Buyback process. This is part of the Resilient Homes Program undertaken by the NSW Reconstruction Authority (RA).



What happens in this stage

If you are eligible and prioritised for a Home Buyback You will receive a letter of offer with attachments such as your home’s valuation report. You can talk through the offer with our Resilient Homes Program team. You can also obtain independent financial and legal advice, and RA will reimburse the cost of this up to \$3,000 (including GST).

It is then up to you to decide what you want to do about the offer:

- accept the existing offer
- submit a review, which will be considered by the Internal Review Panel and/or Independent Appeals Panel
- reject the offer and withdraw from the Resilient Homes Program.

Why is this necessary

We need to provide you with a written offer to set out how you will be compensated for a Home Buyback. The offer needs to meet the requirements of the *Land Acquisition (Just Terms Compensation) Act 1991*, which we refer to as the Just Terms Act.

What we will do

Our Resilient Homes Program team will send you the letter of offer and attachments in the way that works best for you (e.g. by email). The team can answer questions and help you navigate the process.

We can also put you in touch with other organisations who can assist you with financial, legal, mental health and recovery support services.

How you can prepare

You must respond to the letter of offer within 90 days. You can request an extension of time if you need it by contacting the Resilient Homes Program team.

If you accept the offer, you will be asked to return the following documents:

- signed letter of offer by all Homeowners
- completed statutory declaration witnessed by a Justice of the Peace
- completed instruction checklist
- signed insurance consent form.

Frequently asked questions

What is contained in the offer?

There are several parts to the offer:

- the letter of offer
- information on how compensation was calculated
- breakdown of the types of compensation applicable under the Just Terms Act
- instruction checklist
- a statutory declaration
- the independent valuer's report on your property.

How is compensation calculated?

RA will pay eligible homeowners a compensation package that considers market value of the property immediately before the flood event. The payment package comprises:

- Compensation under the Just Terms Act (referred to as the Just Terms Payment), which is the market value of the property calculated at the date on which the sale contract is entered into (the current market value) and types of compensation to which a homeowner may be entitled under the Just Terms Act;

Plus (if applicable)

- an additional grant to bring the total payment up to the market value of the property before the Flood Event (referred to as the top up payment).

What are examples of the “other types of compensation” under the Just Terms Act?

Examples include financial costs reasonably incurred for relocation, stamp duty for purchasing a new home, and mortgage finance costs. While these costs are in addition to the current market value of the home, they are not paid in addition to the pre-flood market value of the property. Rent is not a category of compensation under the Just Terms Act.

If I received a payment from my insurer after the floods will this affect my offer?

Where home insurance payments have been made to you for your affected property, the value of that payment will usually be offset against the top up payment only.

Where the homeowner can demonstrate that the insurance payout has been used to repair the home prior to the RHP buyback offer, the insurance payment will not off-set the top-up payment.

Will I be reimbursed for independent advice that I receive?

Homeowners can seek up to \$3,000 (including GST) for the payment of legal and accounting costs. This is additional to the top-up payment for which a Homeowner may be eligible. RA will require valid invoices from solicitors and/or accountants before any reimbursement will be made.

How long is the offer valid?

The letter of offer requests that you respond within 90 days. You can request an extension of time if you need it.

What happens if I don't accept the offer?

Participation in the Resilient Homes Program is voluntary. A Homeowner is under no obligation to sell their home through the Resilient Homes Program.

However, if a Homeowner decides to decline the offer and not participate at that time, RA cannot guarantee it will be able to make another offer at a later time should there be a change of mind.

Contact us

For more information please contact:

T: 1800 844 085

E: resilienthomesprogram@reconstruction.nsw.gov.au

W: www.nsw.gov.au/resilienthomesprogram

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