



## Modular Homes

### Introduction

1. This ruling explains when the Commissioner of State Revenue will consider a person who builds a home on land under a contract for the construction of a modular home as either:
  - (a) a person with a *comprehensive home building contract* or
  - (b) an *owner builder*.

The Commissioner's decision on this will determine when payment of the first home owner grant (grant) may be approved.

### Legislation

2. Section 3(1) of the *First Home Owner Grant Act 2000* (the Act):
  - (a) defines a comprehensive home building contract as a contract under which a builder undertakes to build a home on land from the inception of the building work to the point where the home is ready for occupation and, if the work to be carried out under the contract is not completed, includes any further contract under which the work is to be completed.
  - (b) defines an owner builder as an owner of land who builds a home, or has a home built, on the land without entering into a comprehensive home building contract.
3. Section 14AA(3)(a) of the Act provides that a person is taken to be an owner builder if they purchase a movable building and intend to use it as a place of residence on land in which they have a relevant interest but on which the building is not situated at the time of purchase.
4. Section 8(1) of the Act provides that the grant is payable to applicants who comply with the eligibility criteria following completion of an eligible transaction.
5. Under sections 18(2) and 21(1) of the Act, the Commissioner may approve payment of the grant in anticipation of an applicant's compliance with residence requirements:
  - (a) for a comprehensive home building contract – before the home is ready for occupation as a place of residence if the other eligibility criteria are met or
  - (b) for the building of a home by an owner builder – if other eligibility criteria are met and the home is ready for occupation as a place of residence.
6. Section 14(1) of the Act defines an *eligible transaction* as a transaction:
  - (a) with a commencement date on or after 1 July 2000 and
  - (b) that has a total value less than or equal to any cap amount that applies:
    - (i) for a comprehensive home building contract – on the date the contract is signed or
    - (ii) for the building of a home by an owner builder – on the date the building is ready for occupation as a place of residence.

## Ruling

7. The Commissioner considers a *modular home* to be a home constructed off-site which is then transported and permanently affixed to the land without intention to move it. A modular home can be permanently affixed to the land via a concrete slab or other permanent methods of attachment including bolts, steel or brick piers, steel piles, or stilts.
8. If the home is affixed to the land but is constructed to be transported from site to site, the Commissioner considers it to be a *moveable building* and the applicant will be considered an owner builder. A moveable building does not require complex installation or extensive groundwork and can be easily removed without significant damage to the building.

### *Example 1*

Sara and Ben bought a block of land and signed a comprehensive building contract to construct a modular home on the land. Once all works under the contract are completed, the modular home will be permanently fixed to their land. As the home will be permanently placed on the land and will not be moved to another site after construction is completed, the home will be considered a modular home built under a comprehensive home building contract.

### *Example 2*

Taylor signed a contract to build a residential moveable building which was transported onto land he already owned. The building was lightly annexed to the land as Taylor intended the building to be moved to another site in the future. This will be considered a moveable building and Taylor will be considered an owner builder.

9. The Commissioner considers a comprehensive home building contract for a modular home to be a contract where the builder agrees to build the home from the commencement of the building work to the point where the home is completed, transported, permanently affixed onto the land, connected to electrical and plumbing services, and is ready for occupation as a residence. The total value of the work must be set out in the contract.
10. If the contract excludes significant items that form part of an ordinary residence such as wet tiling, plumbing or cabinetry, the Commissioner will treat the transaction as an owner builder transaction instead of a comprehensive home building contract.

### *Example 3*

Laura and Joseph signed a contract to build their modular home from commencement to completion, including siteworks, affixing the home to the land via concrete footings and steel piers, and connecting the home to plumbing and electrical services. The contract didn't include window dressings or painting. When the home is fixed to the land and connected to services, Laura and Joseph will commence residing in it as their primary residence. This contract is considered a comprehensive home building contract as the components that haven't been included under the contract are considered minor cosmetic items.

*Example 4*

Daniel signed a contract to build a modular home which excluded the kitchen and bathroom tiling, as he intended on doing this work separately after the home is placed on the land. Daniel will be considered an owner builder, as the contract excluded significant items integral to the functional use of the house as a residence and the Commissioner does not consider the contract covers the building work from inception to completion.

*Example 5*

Ahmed signed a contract to build a modular home. The contract provides that following completion of the modular home, Ahmed is responsible for site preparation, arranging transport and installation of the modular home to the site, and arranging water, electricity and gas connections. Ahmed will be considered an owner builder as the Commissioner does not consider the contract covers the building work from inception to completion.

## Ruling history

<b>Revenue Ruling</b>	<b>Issued</b>	<b>Effective Date</b>	
		<b>From</b>	<b>To</b>
FHOG 5.0	2 January 2026	2 January 2026	Current