



*Living, Studying & Working*



*International Buying Rules & Process*



*Buying, Owning & Selling Property*



# Brisbane Residential Buyer Guide

2021-22

[knightfrank.com/research](https://knightfrank.com/research)



# LIVING IN BRISBANE

*An overview of living in Brisbane and the process involved when buying, owning and selling residential property.*

Brisbane is well-positioned to have all-year-round enjoyable weather and holds many events throughout year — this will include in hosting the Olympic games in 2032.

The gateway city to five world heritage listed sites, a little under two hours drive south from Brisbane will get you to the Gold Coast and to the Sunshine Coast in the north.

## Liveability

Brisbane offers an outstanding lifestyle compared to other global cities. From 100 cities, Brisbane ranked 6th on the Knight Frank City Wellbeing Index 2021 after consideration was given to a host of factors including personal security, lifestyle, healthcare, crime, work-life balance and access to green space. Whilst Brisbane placed 65th on the Knight Frank City Wealth Index 2021 after being ranked 29th for investment, 79th for lifestyle and 80th for wealth.

The Economist Intelligence Unit ranked Brisbane 10th for most liveable from 140 cities based on stability, health care, environment, education and infrastructure, whilst Mercer ranked Brisbane 35th for quality of living from 231 cities evaluated on 39 factors extending to political, economic, personal safety,

transportation and other public services.

## World-Class Education

Australia provides a world-class education system with many exceptional schools and universities.

For international students, the Simplified Student Visa Framework (SSVF) is designed to make the process of applying for a student visa in Australia simpler to navigate via two subclasses:

**Student Visa—Subclass 500** where international students can apply for a single student visa regardless of their chosen course of study.

**Student Guardian Visa—Subclass 590** where student guardians can apply for the new Student Guardian Visa. All students and student guardians must lodge their visa application online by creating an ImmiAccount.

**Schools** in Australia generally comprise a mix of local and international students. The education system is broadly divided into **primary** years K-6 (aged 5-12) and **secondary** years 7-12 (aged 13-18) students.

**Independent** schools are financially and administratively privately operated. **Religion-based** schools hold

faith at the core of their education— however they continue to follow the government education curriculum.

Most **universities** have a main campus with several smaller campuses located across multiple states and territories; in the Central Business District (CBD), and in regional areas.

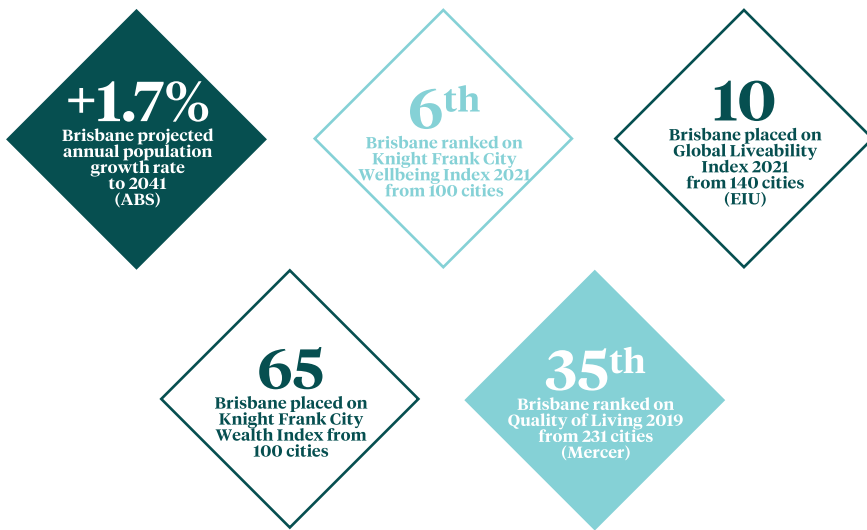
This provides a wide range of options when studying in Australia with many Australian universities also setting up campuses in major international hubs.

## Noted











Brisbane, located on the East Coast of Australia in the state of Queensland, is the third largest capital city with 2.5 million residents in 2019—growing at a rate of 2.1% per annum.

Brisbane operates under the Australian Eastern Standard Time (AEST) time zone at all times of the year.

Sub-tropical summers are hot and humid, while warm winters are mild. The highest daily sunshine (11 hours) in the month of January.



**Flying Time, Brisbane Airport**  
Direct International Flights

	8 HOURS SINGAPORE	
	8 HOURS KUALA LUMPUR	
	9 HOURS HONG KONG	
	10 HOURS SHANGHAI	
	11 HOURS BEIJING	

Local Suburban Neighbourhoods, Brisbane

NEIGHBOURHOOD	KEY ATTRIBUTES	POPULAR SUBURBS
BRISBANE CITY	Riverside promenade Cafés Leafy suburbs Trendy chic Nightlife	Brisbane CBD, Fortitude Valley, Spring Hill, New Farm, Bowen Hills, Teneriffe
NORTH BRISBANE	Urban gentrification Brisbane Airport Bikeways Brisbane Entertainment Centre Royal Brisbane and Women's Hospital	Newmarket, Grange, Wilston, Windsor, Hamilton, Albion, Nundah, Chermside, Lutwyche, Boondall, Clayfield, Kedron, Northgate, Nudgee
SOUTH BRISBANE	Vibrant multicultural arts and dining Streets Beach, South Bank Parklands Riverside promenade Griffith University, Mater Hospital 'The Gabba' stadium	South Bank, South Brisbane, Kangaroo Point, Hawthorne, Bulimba, West End, Highgate Hill, Woolloongabba, Coorparoo, Holland Park, Mount Gravatt, Carindale
WEST BRISBANE	University of Queensland, Student living Suncorp Stadium Mount Coo-tha summit lookout Brisbane Botanic Gardens Bush and rainforest walking	Milton, St Lucia, Toowong, Indooroopilly, Annerley, Taringa, Yeronga, Kenmore, Paddington, Red Hill

Source: Knight Frank Research



# STUDYING & WORKING IN BRISBANE

## Private Schools, International Students, Brisbane

List of private schools registered to accept international students, 2020

SUBURB	SCHOOL	RELIGION	GENDER	YEAR LEVELS	MAP REF.
Ascot	St Margaret's Anglican Girls School	Anglican	Girls	pre- K- 12	D3
Ashgrove	Marist College	Catholic	Boys	5- 12	D3
Boondall	St Joseph's College (Boondall)	Catholic	Boys	5- 12	D2
Brisbane	Catholic Education Archdiocese of Brisbane	Catholic	Boys	pre- K- 12	D4
Brisbane	Brisbane Grammar School	Non-denominational	Boys	5- 12	D4
Brisbane	All Hallows' School	Catholic	Girls	5- 12	D4
Brisbane	St Joseph's College (Gregory Terrace)	Catholic	Boys	5- 12	D4
Brisbane	St James College	Christian	Co-ed	7- 12	D4
Brisbane	Brisbane Girls Grammar School	Non-denominational	Girls	7- 12	D4
Brisbane	Anglican Church Grammar School	Anglican	Boys	K- 12	D4
Caboolture	Grace Lutheran College (Caboolture)	Lutheran	Co-ed	7- 12	-
Cannon Hill	Cannon Hill Anglican College	Anglican	Co-ed	pre- K- 12	D4
Cannon Hill	St Oliver Plunkett School	Catholic	Co-ed	pre- K- 6	D4
Carindale	Citipointe Christian College	Christian	Co-ed	pre- K- 12	E5
Clayfield	Clayfield College	Presbyterian & Uniting	Girls	pre- K- 12	D3
Corinda	St Aidan's Anglican Girls' School	Anglican	Girls	K- 12	C5
Dutton Park	St Ita's Primary School	Catholic	Co-ed	pre- K- 6	D4
Enoggera	Hillbrook Anglican School	Anglican	Co-ed	7- 12	D3
Everton Park	Northside Christian College	Christian	Co-ed	pre- K- 12	D3
Forest Lake	St John's Anglican College	Anglican	Co-ed	pre- K- 12	C6
Hawthorne	Lourdes Hill College	Catholic	Girls	7- 12	D4
Hendra	Our Lady Help of Christians School	Catholic	Co-ed	pre- K- 6	D3
Indooroopilly	St Peters Lutheran College	Lutheran	Co-ed	pre- K- 12	D4
Kangaroo Point	St Joseph's Primary School	Catholic	Co-ed	pre- K- 6	D4
Karawatha	Islamic College of Brisbane	Islamic	Co-ed	pre- K- 12	D6
Keperra	St Williams School	Catholic	Co-ed	pre- K- 6	D3
Mansfield	Brisbane Adventist College	Christian	Co-ed	pre- K- 12	D5
Mitchelton	Mt Maria College	Catholic	Co-ed	7- 12	C3
New Farm	Holy Spirit School	Catholic	Co-ed	pre- K- 6	D4
Nundah	Mary MacKillop College	Catholic	Girls	7- 12	D3
Ormiston	Ormiston College	Christian	Co-ed	pre- K- 12	F5
Rochedale	Redeemer Lutheran College	Lutheran	Co-ed	pre- K- 12	D6
Rothwell	Mueller College	Community	Co-ed	pre- K- 12	E1
Rothwell	Grace Lutheran College (Rothwell)	Lutheran	Co-ed	7- 12	E1
Salisbury	Brisbane Christian College	Christian	Co-ed	pre- K- 12	D5
Scarborough	Southern Cross Catholic College	Catholic	Co-ed	pre- K- 12	E1
Sheldon	Sheldon College	Non-denominational	Co-ed	pre- K- 12	E6
South Brisbane	St Laurence's College	Catholic	Boys	5- 12	D4
South Brisbane	Somerville House	Presbyterian & Methodist	Girls	pre- K- 12	D4
Sunnybank	St Thomas More College	Catholic	Co-ed	7- 12	D6
The Gap	St Peter Chanel Primary School	Catholic	Co-ed	pre- K- 6	C4
Toowong	Stuartholme School	Catholic	Girls	7- 12	D4
Toowong	Brisbane Boys' College	Presbyterian & Methodist	Boys	pre- K- 12	D4
Toowong	St Ignatius' School	Catholic	Co-ed	pre- K- 6	D4
Upper Mt Gravatt	Clairvaux MacKillop College	Catholic	Co-ed	7- 12	D5
Wellington Point	Redlands College	Churches of Christ	Co-ed	pre- K- 12	F5
Wooloowin	Holy Cross Primary School	Non-denominational	Co-ed	pre- K- 6	D3
Zillmere	St Flannan's School	Catholic	Co-ed	pre- K- 6	D2

## Universities, Queensland

Universities accepting international students, 2022

UNIVERSITY	WORLD RANKING	AUS. RANKING	OVERALL SCORE	INT. STUDENTS RATIO	ACADEMIC REP.	MAP REF.
The University of Queensland	47	5	76.6	100.0	88.2	B5.D4
Queensland University of Technology (QUT)	213	15	42.1	43.3	42.0	D3.D4
Griffith University	290=	17	35.1	416	27.8	D4.D5
James Cook University	424=	23	27.1	33.8	15.1	D4
University of Southern Queensland	701-750	32	NA	419	8.2	B5.C6
Bond University	451=	25	25.8	99.0	4.8	-
University of the Sunshine Coast	1,001-1,200	37	NA	413	3.2	D1.D4
Southern Cross University	751-800	33	NA	83.8	3.8	-

**World Ranking** is the QS World University Ranking by evaluating six metrics: Academic Reputation (40%), Employer Reputation (10%), Faculty/Student Ratio (20%), Citations per faculty (20%), International Faculty Ratio (5%) and International Student Ratio (5%). **International Student Ratio** is calculated on the ability to attract faculty and students from across the world, which in turn suggests that it possesses a strong international brand. **Academic Reputation** is derived from collating the expert opinions of over 130,000 individuals in the higher education space regarding teaching and research quality at the world's universities. Further information is available at [www.topuniversities.com](http://www.topuniversities.com)

Source: Knight Frank Research, QS Intelligence Unit

Note: MAP REF. refers to the map located on Page 12.

## KEY EMPLOYMENT HUBS

The distribution of employment opportunities are wide across Brisbane, although there are key concentrated areas for office and industrial workers.

### Commercial

**Brisbane CBD** is the largest office market in Brisbane. It extends around the Brisbane River from North Quay, cutting across Alice Street, north along Boundary Street, south on Turbot Street then south of Roma Street Station and Transit Centre. Workers regularly access the Brisbane City Botanic Gardens and Roma Street Parkland at lunchtime. Accessible by: train, ferry, bus, car and footbridge from the Inner South.

**Milton** office market is located further around the Brisbane River and based around Milton Train Station, extending through Petrie Terrace, skirting Suncorp Stadium and Gregory Park. Accessible by: train, ferry, bus and car.

**Spring Hill** adjoins the CBD to the south, and Victoria Park Golf Course to the north and includes St Andrews Memorial Hospital and Brisbane Private Hospital. Accessible by: train, bus and car.

**Toowong** is concentrated around Toowong Village and Train Station and bound by Anzac Park, Mt Coot-tha Botanic Gardens, and Toowong Park and the Brisbane River to the south. Accessible by: train, ferry, bus and car.

**Urban Renewal Precinct** incorporates the vibrant urban precincts of Fortitude Valley, New Farm, Teneriffe, Newstead and Bowen Hills with many vantage points along the Brisbane River. Accessible by: bus, car, train and/or ferry.

**Inner South** sprawls south of the Brisbane River to include locations such as Southbank, South Brisbane, West End, Woolloongabba, Kangaroo Point, East Brisbane and Greenslopes. Accessible by: bus, car, train, ferry and/or footbridge from CBD.

**Brisbane Airport Precinct** is mostly home to companies with synergy to the airport and/or logistics. This precinct also accommodates large format retail and retail outlets. Accessible by: train, bus and car.

### Industrial

Industrial areas are more spread across the metropolitan area varying from distribution centres to warehouses and industrial estates. Mostly they are accessible by: bus, truck and car.

**North** includes Brendale, Geebung.

**South East** includes Rochedale, Yatala, Ormeau, Stapylton.

**South West and Outer South West** includes Richlands, Darra, Redbank, Ipswich.

**South** includes Berrinba, Acacia Ridge, Heathwood, Parkinson, Salisbury.

**Trade Coast** includes Lytton, Eagle Farm, Pinkenba, Hendra, Hemmant, Morningside, Murarrie, Airport, Port.

# BUYING IN BRISBANE

## THE PROCESS

The process to purchase a residential property can vary widely but the most common steps are outlined below. For further information and clarity, consult with a legal representative.

### Finance Representation

Before starting the journey to purchase a residential property, carry out due diligence of the subject property and surrounding area to ensure the price expectation can be achieved with the allocated budget.

### Legal Representation

Engaging a solicitor or conveyancer prior to purchasing the property is highly recommended so they can review the contract before signing, and then stay engaged throughout the process until the property settles (when the property officially changes ownership).

### Buying Established Property

**Inspect** the property at an open house or by private appointment. Request a **copy of the contract** and have solicitor (or conveyancer) read over the document. Gain **pre-approval** for loan from lender and confirm qualification from FIRB if required. Arrange a **pest and building** inspection to guarantee the quality of the building and be aware of maintenance required.

**Negotiate by private treaty** the highest price willing to be paid for the property with the vendors (via the selling agent) or alternatively **bid at public auction**.

**Holding deposit** is recommended for a private treaty until cooling off ends (say, A\$1,000) until formal finance is

approved; at this time the full deposit (say, 10%) is paid. If the bid was accepted at auction, the **full deposit** is payable at this time (say, 10%) with any cooling off period now void. The deposit is generally paid by cheque or electronic transfer (private treaty only).

### Contracts are signed and exchanged

by both parties and it's time the solicitor (or conveyancer) finalises the formal paperwork with the lender. Loan documents are signed.

**Settlement** occurs when the property officially changes ownership, following one final inspection on the day and the locks are changed.

### Buying Off-The-Plan

In most cases, buying off-the-plan (OTP) is the commitment to buy a property that's not yet built. An OTP property can be better priced than established stock. Developers are keen to secure sales in the project so lenders will provide funding and construction can commence. There is also the potential flexibility at this time to make design changes to a house or apartment before construction begins.

In most cases a deposit, typically 10%, is paid to the developer and the remaining is paid on settlement of the property, allowing more time to save throughout the construction period.

Through this time, market forces may push market values up, at an advantage to the buyer, at the same time consideration must be made should the market slow over this time.

It's wise for this type of investment, that contracts are reviewed by legal representation and the 'sunset clause' explained, which places a deadline for

the construction timeline. Should a development not proceed, deposits will be returned, but this could be at the expense of missed interest and capital gains through other investments.

There can also be more tax depreciation available on new properties, meaning maximising benefits and improving after-tax cash flow for investment properties.

## STANDARD COSTS

When buying property in Australia, there are both federal and state taxes and a range of fees that are implemented.

### Transfer Duty

Transfer duty (also known as Stamp Duty) is levied by the state government on the purchase of property.

### Legal Fee

Legal fees will vary between legal firms and may be dependent on property value. Fees range from A\$900-\$3,000 plus Goods & Services Tax (GST).

### Land Transfer Fee

When a property changes ownership, a document known as a Land Transfer is lodged and registered with the Queensland Office of State Revenue, and a fee is charged. It is this document that records the change of ownership. The cost to register the title varies in each state of Australia. A solicitor or conveyancer will perform this task on behalf of the purchaser.

### Mortgage Application Fee

A fee charged by the state government for the registration of a mortgage. A lender will perform this task on behalf of the purchaser.

# INTERNATIONAL INVESTOR BUYING RULES

The Australian Government welcomes and encourages international investment into Australia's residential property market. The current rules around international investment in residential property aim to direct investment into new

housing, increasing the housing supply and support local economic activity. This application process is administered and approved by the Foreign Investment Review Board (FIRB).

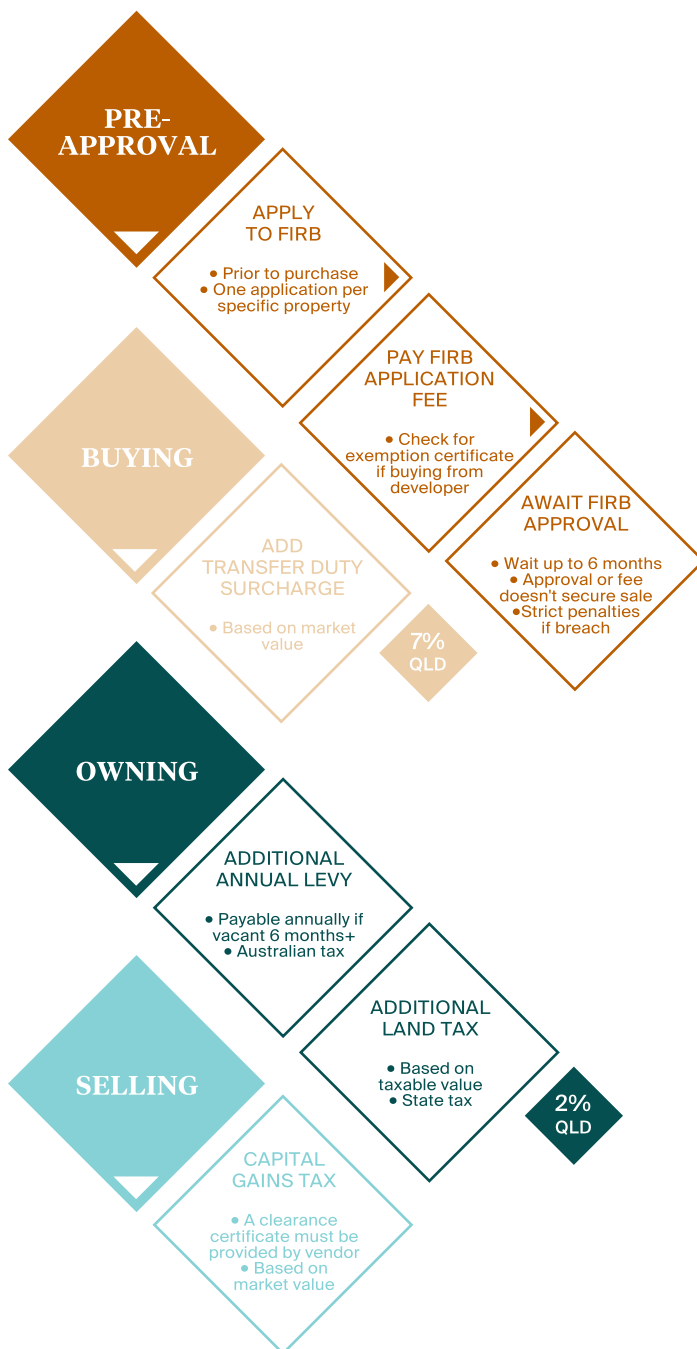
	INTERNATIONAL INVESTOR	TEMPORARY RESIDENT	OFFSHORE COMPANY WITH AUSTRALIAN BUSINESS
<b>DEFINITION</b>	A natural person who is not an Australian citizen and is a non-resident.	A person residing in Australia and holds a temporary residency visa which allows them to stay for continuous period of 12+ months or on a bridging visa awaiting permanent residency.	The scope of the offshore company's operations and assets in Australia would be considered before being eligible to acquire one or more properties under this category.
<b>FIRB APPLICATION</b> Must gain approval before purchasing any property	YES	YES	YES
<b>CAN BUY OFF-THE-PLAN</b> Construction stage, new & not yet occupied	YES	YES	YES
<b>CAN BUY OFF-THE-PLAN</b> When another buyer has failed to reach settlement	YES	YES	YES
<b>CAN BUY VACANT LAND</b> If residential construction starts within 24 months	YES	YES	TBC
<b>CAN BUY ONE ESTABLISHED DWELLING</b> With vacant possession throughout the redevelopment scheduled to increased dwelling count	YES	NO	TBC
<b>CAN BUY ONE ESTABLISHED DWELLING</b> With no redevelopment scheduled, being main residence	NO	YES	YES
<b>CAN BUY ONE OR MORE ESTABLISHED DWELLINGS</b> As investment properties	NO	NO	NO
<b>MAIN RESIDENCE</b> Must be sold if ceases to be main residence	N/A	YES	YES
<b>CAN BUY ESTABLISHED DWELLING</b> To provide housing for Australian-based employees	N/A	N/A	YES
<b>VACANT PROPERTY</b> Must be sold if unoccupied for 6+ months, but if the sale fails, can be rented in remote locations	N/A	N/A	YES

Source: Knight Frank Research, Foreign Investment Review Board

# INTERNATIONAL INVESTOR BUYING PROCESS

## Process for International Buyers when Buying, Owning and Selling Residential Property, Brisbane

As at 1 July 2021



“Before purchasing a residential property in Australia, all international investors must apply to the Foreign Investment Review Board (FIRB).”

“A fee is payable before the foreign investment application will be processed.”

“Seeking approval from the FIRB is property-specific; therefore one application per property.”

“The fee on application does not provide any assurance of securing the property.”



### FIRB Application Fees

Based on Property Value, AUD

RANGE	FEE
\$75,000–\$1,000,000	\$6,350
\$1,000,001–\$2,000,000	\$12,700
\$2,000,001–\$3,000,000	\$25,400
\$3,000,001–\$4,000,000	\$38,100
\$4,000,001–\$5,000,000	\$50,800
\$5,000,001–\$6,000,000	\$63,500
\$6,000,001–\$7,000,000	\$76,200
\$7,000,001–\$8,000,000	\$88,900
\$8,000,001–\$9,000,000	\$101,600
\$9,000,001–\$10,000,000	\$114,300
\$10,000,000+	POA

Source: Knight Frank Research, Australian Government, Queensland Office of State Revenue

Source: Knight Frank Research, FIRB



# CASE STUDY

## ESTIMATED COSTS TO BUY

### Estimated Cost to Buy a New Residential Investment Property in Brisbane

All costs represented in AUD, as at 1 July 2021

PURCHASE PRICE	\$350,000	\$500,000	\$750,000
Transfer Duty (Stamp Duty)	\$10,680	\$15,930	\$26,780
Land Transfer Fee	\$1,060	\$1,620	\$2,540
Legal Fee (includes GST)	\$1,000	\$1,000	\$1,000
Mortgage Application Fee	\$600	\$600	\$600
<b>Standard: Estimated Total Costs</b>	<b>\$13,340</b>	<b>\$19,150</b>	<b>\$30,920</b>
International Investor FIRB Application Fee	\$6,350	\$6,350	\$6,350
International Investor Duty Surcharge @ 0.07	\$24,500	\$35,000	\$52,500
<b>International Investor: Estimated Total Costs</b>	<b>\$44,190</b>	<b>\$60,500</b>	<b>\$89,770</b>

PURCHASE PRICE	\$1,000,000	\$1,250,000	\$1,500,000
Transfer Duty (Stamp Duty)	\$38,030	\$52,400	\$66,780
Land Transfer Fee	\$3,470	\$4,390	\$5,320
Legal Fee (includes GST)	\$1,000	\$1,000	\$1,000
Mortgage Application Fee	\$600	\$600	\$600
<b>Standard: Estimated Total Costs</b>	<b>\$43,100</b>	<b>\$58,390</b>	<b>\$73,700</b>
International Investor FIRB Application Fee	\$6,350	\$12,700	\$12,700
International Investor Duty Surcharge @ 0.07	\$70,000	\$87,500	\$105,000
<b>International Investor: Estimated Total Costs</b>	<b>\$119,450</b>	<b>\$158,590</b>	<b>\$191,400</b>

PURCHASE PRICE	\$1,750,000	\$2,000,000	\$2,250,000
Transfer Duty (Stamp Duty)	\$81,150	\$95,530	\$109,900
Land Transfer Fee	\$6,240	\$7,170	\$8,090
Legal Fee (includes GST)	\$1,000	\$1,000	\$1,000
Mortgage Application Fee	\$600	\$600	\$600
<b>Standard: Estimated Total Costs</b>	<b>\$88,990</b>	<b>\$104,300</b>	<b>\$119,590</b>
International Investor FIRB Application Fee	\$12,700	\$25,400	\$25,400
International Investor Duty Surcharge @ 0.07	\$122,500	\$140,000	\$157,500
<b>International Investor: Estimated Total Costs</b>	<b>\$224,190</b>	<b>\$269,700</b>	<b>\$302,490</b>

PURCHASE PRICE	\$2,500,000	\$5,000,000	\$7,500,000
Transfer Duty (Stamp Duty)	\$124,280	\$268,030	\$411,780
Land Transfer Fee	\$9,020	\$18,270	\$27,520
Legal Fee (includes GST)	\$1,000	\$1,000	\$1,000
Mortgage Application Fee	\$600	\$600	\$600
<b>Standard: Estimated Total Costs</b>	<b>\$134,900</b>	<b>\$287,900</b>	<b>\$440,900</b>
International Investor FIRB Application Fee	\$25,400	\$63,500	\$88,900
International Investor Duty Surcharge @ 0.07	\$175,000	\$350,000	\$525,000
<b>International Investor: Estimated Total Costs</b>	<b>\$335,300</b>	<b>\$701,400</b>	<b>\$1,054,800</b>

Important Notice: The above worked example is an estimate only, based on the ANZ estimated upfront costs calculator, FIRB calculator and state government surcharges. It is highly recommended to engage a solicitor or conveyancer during the entire process of a property purchase.

Source: ANZ, Foreign Investment Review Board, Queensland Office of State Revenue

# OWNING IN BRISBANE

In Australia, most residential dwellings are purchased as freehold property, that is, the land and building are owned outright, in perpetuity, under the Torrens title system.

The same exists for strata title, although ownership allows individual ownership of part of a property (or 'lot'), combined with shared ownership in the remainder, or common property, through a legal entity known as the owners corporation. Costs and taxes associated with the ownership of a property can vary dependent on the services the building provides.

## STANDARD COSTS

### Land Tax

Land tax is an annual state tax that is calculated based on the aggregated taxable value of all land owned (or jointly owned) by an individual. Land Tax is not applied if the property is considered your principal residence.

### Council Rates

This varies across states and local government areas. This is the tax the council charges owners for the services to the property—generally paid quarterly or annually.

### Owners Corporation

If the purchased property is strata titled, an owners corporation will be established for the building. A strata titled building has common areas and facilities for the use of all occupants of the building. A regular levy must be paid to the owners corporation to maintain and repair these common areas. This can include foyers, elevators, gardens, swimming pools, gymnasiums, visitor parking areas,

security and lighting. The owners corporation comprises an executive committee who make decisions on behalf of all owners, generally comprising individual apartment owners within the complex.

## LANDLORD COSTS

### Property Management Fees

**Letting Fees** are usually equivalent to two (2) weeks rent paid to the agent (property manager) as a fee for securing a tenant. **Management Fees** cover any costs associated with managing the property and generally ranges from 7% to 8.5%, plus GST.

### Utility and Service Charges

The owner generally pays for the use of utilities such as electricity, gas and water supply. If the owner leases the property, some of these can be passed onto the tenant, but this must be stipulated in the tenancy agreement. In saying this, the owner must pay for the initial and/or replacement installation and connection costs.

### Landlord Insurance

Landlord insurance is recommended and designed specifically to cover residential rental properties. Depending on the insurance provider, it protects the home from damage, theft, severe weather or rent default in some cases.

### Income Tax

Income tax is payable on gross rental income, less any allowable deductions incurred in earning that income. To understand the number of potential allowable tax deductions, it is recommended an Australian Tax advisor is consulted.

## The Tenancy Agreement

A tenancy agreement (lease) is a contract where the landlord (owner) allows the tenant (renter) to occupy their residential property for a specified length of time (term), in return for a regular payment (rent).

**Lease** application must be submitted to the property manager with proof of identity, ability to pay rent and good references.

**Term** of a tenancy can vary, although the standard term is six (6) months for the initial agreement. Alternate periods may be negotiable dependant on the requirements of the landlord and/or tenant.

**Rent** being the regular payment from the tenant, to the landlord, is normally paid via the property manager on a weekly, fortnightly or monthly basis. Any future increases will be stated within the tenancy agreement.

**Bond** is an upfront lump sum security of four (4) weeks rent paid by the tenant and returned if the vacated property is left in a suitable condition.

**Termination** occurs when the tenancy agreement is void. However, both landlord and tenant can request to end the tenancy for several reasons with conditions met such as, suitable days notice, number of notices and reason for termination.

For further information, contact the Residential Tenancies Authority.

# SELLING IN BRISBANE

## INTERNATIONAL OWNER COSTS

### Land Tax Surcharge for International Owners

The Queensland government has imposed a 2% land tax surcharge for international owners since 1 July 2017. This is payable in addition to general land tax and is based on the taxable value.

### Vacant Residential Property Levy for International Owners

The Australian government charges an annual levy for foreign-owned vacant residential property (ghost tax) if the owner fails to occupy or lease for at least six (6) months of the year.

The levy is equivalent to the FIRB application fee imposed at the time the property was purchased.



**“Property tax planning can make a significant difference to your financial position. It’s important to regularly engage with a local tax professional and seek the right advice before transacting on a property.”**



## STANDARD SELLING COSTS

There are costs and taxes to consider when selling residential property in Australia.

### Legal Fee

Legal fees include, but are not limited to, the costs for preparing a contract for sale.

The solicitor or conveyancer fee could be dependent on value of property, and may vary between state and territory as well as the particular solicitor chosen. The cost may range between A\$2,000 - \$4,000, plus GST.

### Real Estate Agent Selling Fee

An agent fee is the commission paid by the owner, to the agent, for selling the property—either tiered or a fixed rate.

Do ensure you understand the breakdown of the fee structure as commissions will vary between states, and price point. Fees often range between 2% and 3% of the value of the property sold.

### Marketing Costs

When an agent is selected to sell the property, the fee breakdown will often stipulate the budget associated to the marketing and advertising of the property.

Additionally, there may be an allocation for multiple open home inspections held over several weeks.

Budgets for marketing, media, as well as length of advertising should all be discussed with the agent to ensure maximum advertising potential for the residential property.

### Capital Gains Tax

Capital gains tax (CGT) is a federal tax levied on the gain or loss upon the sale of an investment property. The tax is implemented on the difference between the cost of acquiring the property, and the value when sold. The difference is then added to the income tax for the individual or company for that financial year, and taxed accordingly with those rates.

## INTERNATIONAL OWNERS SELLING COSTS

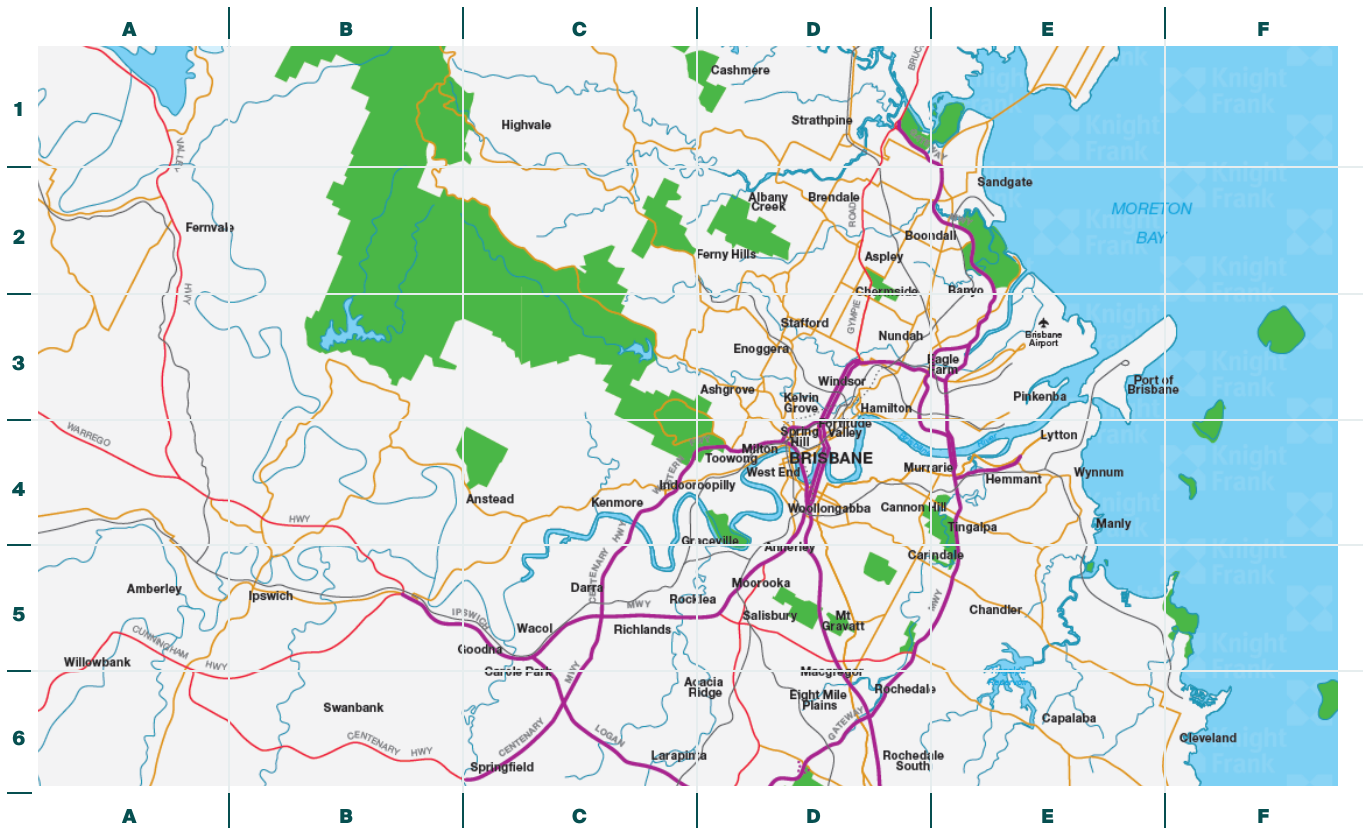
### Foreign Resident Capital Gains Withholding

Foreign resident capital gains withholding (FRCGW) applies to vendors disposing of certain taxable property under contracts entered into from 1 July 2016. The FRCGW tax rate is 12.5%. It also now applies to real property disposals where the contract price is \$750,000 or more.

For contracts that are entered into from 1 July 2016 and before 1 July 2017, even if they are not due to settle until after 1 July 2017, the FRCGW withholding tax rate is 10% and applies to real property disposals where the contract price is \$2 million and above.

For further information, contact the Australian Taxation Office (ATO).

## Brisbane Major Infrastructure Network



Source: Knight Frank Research

**We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.**



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