BRISBANE—THE NEW WORLD CITY

Brisbane has emerged as a vibrant hub attracting forward-thinking industry sectors in the new world economy, while enabling relatively affordable urban precincts to live, work and collaborate.

To sustain an emerging global city, there must be viable opportunities to attract globally scalable industry sectors and create a highly desirable place to do business. Brisbane is rapidly emerging as a leader in this space while enabling affordable urban precincts to live, work and collaborate for higher education, research, start-ups and technological innovation. This guide focuses on living, studying and buying residential property in Brisbane.

**Liveability**

Brisbane ranked in 22nd place of the World’s Most Liveable Cities in 2018 according to the Economist Intelligence Unit, as shown in Table 1. The index is based on 30 factors spread across five areas: stability, infrastructure, education, health care and environment.

<table>
<thead>
<tr>
<th>Most Liveable Cities 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Vienna, Austria</td>
</tr>
<tr>
<td>2. Melbourne, Australia</td>
</tr>
<tr>
<td>3. Osaka, Japan</td>
</tr>
<tr>
<td>22. Brisbane, Australia</td>
</tr>
</tbody>
</table>

Source: Knight Frank Research, Economist Intelligence Unit

City Wealth Index

The Knight Frank City Wealth Index 2018 ranked Brisbane 49th of the cities that matter to the ultra-wealthy. Across the four categories, Brisbane performed best in the ‘investment’ category (54th) based on the annual average private investment into property over 2016 and 2017. The ‘future’ category also scored well (57th), considering future economic performance (GDP) measured in constant prices.

<table>
<thead>
<tr>
<th>Overlooking Cities 2018, Brisbane</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Brisbane, Australia</td>
</tr>
<tr>
<td>314 international cities ranked in each category</td>
</tr>
<tr>
<td>Wealth</td>
</tr>
<tr>
<td>Investment</td>
</tr>
<tr>
<td>Lifestyle</td>
</tr>
<tr>
<td>Future</td>
</tr>
<tr>
<td>OVERALL</td>
</tr>
</tbody>
</table>

Source: Knight Frank Research

**Quality of Living**

Mercer placed Brisbane in equal 37th position, from 233 cities, in their Quality of Life index as shown in Table 2. This index is ranked on internal stability, crime, effectiveness of law enforcement and relationships with other countries.

<table>
<thead>
<tr>
<th>Quality of Living 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Vienna, Austria</td>
</tr>
<tr>
<td>2. Zürich, Switzerland</td>
</tr>
<tr>
<td>=3. Auckland, New Zealand</td>
</tr>
<tr>
<td>=3. Munich, Germany</td>
</tr>
<tr>
<td>37. Brisbane, Australia</td>
</tr>
</tbody>
</table>

Source: Knight Frank Research, Mercer
International Visitors

Brisbane is the gateway to Queensland’s famous attractions with many local and international events held throughout the year.

A drive from Brisbane to the Gold Coast is approximately one (1) hour by road. Many of Australia’s largest theme parks are located on the Gold Coast. The destination is popular with families, catering to all age groups and particularly in school holiday times.

Queensland is also home to one of the most renowned natural wonders of the world—the Great Barrier Reef. A flight from Brisbane to the serene Hamilton and Hayman Islands arrives within two (2) hours of take-off, a perfect weekend away for locals and tourists alike.

Brisbane accommodates a vast array of renowned restaurants, art galleries, independent fashion houses and vibrant retail strips. Queen Street Mall, in the heart of Brisbane CBD, offers a pedestrian-only shopping district, lined with unrivalled local, national and international labels and flagship stores.

Luxury brands are found along Queens Plaza within the mall, Edward Street and Wintergarden, with its striking and colourful metallic webbed entrance.

Fortitude Valley, on the edge of the CBD, provides a range of shops supporting local designers with luxury designers home along James Street. Heritage buildings contrast modern, edgy buildings—much like the shopping experience.

The number of international visitors to Queensland grew 2.3%, to total 2.8 million, in the year ending December 2018. The most number of international visitors came from China (502,000), New Zealand (483,000), United States (229,000), United Kingdom (227,000) and Japan (208,000) as shown in Figure 1.

International visitors from Singapore, Malaysia and Hong Kong grew by 11.2% in the year ending December 2018, while Taiwan and France increased by 9.4% and 9.3% respectively.

Figure 1
International Visitors to Queensland, by Country of Residence
Total number, year ending December 2018

Source: Knight Frank Research, Tourism & Events Queensland
Brisbane’s Demographic Profile

Population
Population has been steadily rising in Brisbane with recent interstate migration into the city. Over the year to 30 June 2017, an increase in the estimated resident population was recorded at 2.0% to 2.4 million. This is ahead of the overall Australian population growth of 1.6%. According to the Australian Bureau of Statistics (ABS), the Brisbane population is projected to grow annually by a minimum of 1.8%, to total 3.5 million persons by 2036.

Age Distribution
Residents are primarily young to middle aged—with 36% of Brisbane’s population aged between 15 and 39 years old compared to the national average of 33.9% for this age group.

Multiculturalism
The Brisbane population is on par with the national average—with 32.2% of the city’s residents being born outside of Australia. The most prominent countries of birth include New Zealand (4.7%), England (4.0%), China (1.6%), India (1.6%) and South Africa (1.0%). In addition, approximately 31.9% of Brisbane’s residents’ parents were born overseas—slightly below the national average of 33.9% for this age group.

Religion
The Catholic religion was practiced by 21.5% of Brisbane residents at the time of the Census 2016, this was followed by Anglican at 13.3%, then Uniting Church with 4.6%. No religion was the most common response in Brisbane with 30.6% of the population.

Language
Other than English, Mandarin (2.4%) is the most common language spoken in a Brisbane household. Other typical languages include Vietnamese (1.0%), Cantonese (0.9%), Spanish (0.7%) and Hindi (0.6%).

Work
The most common occupation of Brisbane’s residents are in professional services—at 22.9% compared to the national 22.2% average. Clerical and administrative workers (14.8%), technicians and trades workers (13.0%) and managers (11.8%) were the next most common occupations.

Of all the employed people in Brisbane, 4.4% worked in hospitals. Other major industries of employment included primary education (2.4%), cafés and restaurants (2.3%), state government administration (2.3%) and supermarket and grocery stores (2.3%).

Travel to Work
In Brisbane at the time of the Census 2016, the most common methods of travel to work for employed people were by car, as a driver (61.2%), car, as a passenger (5.0%) and bus (4.7%). Other common responses were worked at home (4.6%) and train (3.6%).

On the day, 11.6% of employed people used public transport (train, bus, ferry, tram/light rail) as at least one of their methods of travel to work and 69% used car (either as driver or as passenger).

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 accommodation 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, Brisbane Private Hospital and Brisbane Central State School. 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, Woollongabba, 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 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 via bus, truck and car.

North: Brendale, Geebung.

South East: Rochedale, Yatala, Ormeau, Stabbyton.

South West and Outer South West: Richlands, Darra, Redbank, Ipswich.

South: Berrinba, Acacia Ridge, Heathwood, Parkinson, Salisbury.

Trade Coast: Lytton, Eagle Farm, Pinkenba, Hendra, Hemmant, Morningside, Murarrie, Airport, Port.
STUDYING IN BRISBANE

Schools
Schools in Australia generally comprise a mix of local and international students. The education system is broadly divided into primary (aged 5-12) and secondary (aged 13-18). There are two main types of public and private schools:

Public Schools
Public schools are financially and administratively operated by the State Government and provide free education to domestic students. First preference is normally given to those living within a particular catchment area from the school. Student visa holders must pay a fixed fee for each year of education, dependent on the type of visa held.

Selective public schools are financially and administratively operated by the State Government. Selective public schools are regarded as more prestigious due to the academic selective nature. Students must sit academic examination and excel in order to be offered a position from the respective school.

Additionally, these selective public schools do not usually limit their intake to catchment areas. Due to their public nature, student visa holders must pay a fee for each year of education.

Private Schools
Independent schools are financially and administratively privately operated. Independent schools therefore hold more control over the quantity and quality of teachers, classroom sizes, amenities and co-curricular activities. Fees for independent schools are usually high, but can be considered to provide an investment for superior education and amenities to students.

Religion-based schools hold faith at the core of their education—however they continue to follow the state government education curriculum. These religion-based schools are usually non-government, and thus often have higher fees than government subsidised schools.

Universities
Most universities have a main campus with several smaller campuses located across multiple states and territories; in CBD, metropolitan and regional areas. This provides a wide range of options when studying in Australia with many universities also setting up campuses based in major international cities.

International Students
Reflecting the good reputation internationally, universities in Queensland accommodate a large international student base. International student enrolments in Queensland increased 9.1%, to 135,000, in 2018. Higher Education had the most demand in student enrolments with 51,150, while international enrolments in Schools represented 5,950 students.

Across all education sectors, the largest group of international students enrolled in Queensland are from China (30,900), India (13,700), Brazil (12,480), South Korea (7,260) and Colombia (6,270).

The application process for international students applying to Australian universities is similar to local students. The length of the application process can often be longer than local students, as more information is required before acceptance.

Most universities will require an IELTS (International English Language Testing System) examination conducted, an internationally recognised education qualification and a portfolio of previous work experience where applicable.

The Simplified Student Visa Framework (SSVF)
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 and the Student Guardian Visa—Subclass 590 where student guardians can apply for the new Student Guardian Visa.

All students and student guardians will generally be required to lodge their visa application online by creating an ImmiAccount.

APPLICATION PROCESS FOR INTERNATIONAL STUDENTS

TO SCHOOL
Expression of interest form: must be completed prior to the school year in order to guarantee a position for the student.

Wait for offer: If all requirements are met, the school will offer a formal placement in writing.

Apply for a Student Visa: With the formal school offer, students can then apply for the SSVF online.

TO UNIVERSITY
Apply directly online: through the university website and provide all required evidence. In most instances this is prior education, financial and English language competence.

Wait for Offer: If all requirements are met, the university will offer a formal placement in writing.

Apply for a Student Visa: With the formal university offer, students can then apply for SSVF online.
### Table 4
Private Schools for International Students, Brisbane
Sample of private schools registered to accept international students, 2019

<table>
<thead>
<tr>
<th>Suburb</th>
<th>School</th>
<th>Religion</th>
<th>Gender</th>
<th>Year Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ascot</td>
<td>St Margaret’s Anglican Girls School</td>
<td>Anglican</td>
<td>Girls</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Ashgrove</td>
<td>Marist College</td>
<td>Catholic</td>
<td>Boys</td>
<td>5-12</td>
</tr>
<tr>
<td>Bald Hills</td>
<td>St Paul’s School</td>
<td>Anglican</td>
<td>Co-ed</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Boondall</td>
<td>St Joseph’s College (Boondall)</td>
<td>Catholic</td>
<td>Boys</td>
<td>5-12</td>
</tr>
<tr>
<td>Brisbane</td>
<td>Brisbane Catholic Education Archdiocese of Brisbane</td>
<td>Catholic</td>
<td>Boys</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Brisbane</td>
<td>Brisbane Grammar School</td>
<td>Non-denominational</td>
<td></td>
<td>5-12</td>
</tr>
<tr>
<td>Brisbane</td>
<td>All Hallows’ School</td>
<td>Catholic</td>
<td>Girls</td>
<td>5-12</td>
</tr>
<tr>
<td>Brisbane</td>
<td>St Joseph’s College (Gregory Terrace)</td>
<td>Catholic</td>
<td>Boys</td>
<td>5-12</td>
</tr>
<tr>
<td>Brisbane</td>
<td>St James College</td>
<td>Christian</td>
<td>Co-ed</td>
<td>7-12</td>
</tr>
<tr>
<td>Brisbane</td>
<td>Brisbane Girls Grammar School</td>
<td>Non-denominational</td>
<td></td>
<td>Girls 7-12</td>
</tr>
<tr>
<td>Brisbane</td>
<td>Anglican Church Grammar School</td>
<td>Anglican</td>
<td>Boys</td>
<td>K-12</td>
</tr>
<tr>
<td>Caboolture</td>
<td>Grace Lutheran College (Caboolture)</td>
<td>Lutheran</td>
<td>Co-ed</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Cannon Hill</td>
<td>Cannon Hill Anglican College</td>
<td>Anglican</td>
<td>Co-ed</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Cannon Hill</td>
<td>St Oliver Plunkett School</td>
<td>Catholic</td>
<td>Co-ed</td>
<td>pre-K-6</td>
</tr>
<tr>
<td>Carindale</td>
<td>Citipointe Christian College</td>
<td>Christian</td>
<td>Co-ed</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Clayfield</td>
<td>Clayfield College</td>
<td>Presbyterian &amp; Uniting</td>
<td>Girls</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Corinda</td>
<td>St Aidan’s Anglican Girls’ School</td>
<td>Anglican</td>
<td>Girls</td>
<td>K-12</td>
</tr>
<tr>
<td>Dutton Park</td>
<td>St Ita’s Primary School</td>
<td>Catholic</td>
<td>Co-ed</td>
<td>pre-K-6</td>
</tr>
<tr>
<td>Dakabin</td>
<td>Northpine Christian College</td>
<td>Catholic</td>
<td>Co-ed</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Enoggera</td>
<td>Hillbrook Anglican School</td>
<td>Anglican</td>
<td>Co-ed</td>
<td>7-12</td>
</tr>
<tr>
<td>Everton Park</td>
<td>Northside Christian College</td>
<td>Christian</td>
<td>Co-ed</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Forest Lake</td>
<td>St John’s Anglican College</td>
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<td>Co-ed</td>
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<tr>
<td>Goodna</td>
<td>West Christian College</td>
<td>Protestant Christian</td>
<td>Co-ed</td>
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</tr>
<tr>
<td>Hawthorne</td>
<td>Lourdes Hill College</td>
<td>Catholic</td>
<td>Girls</td>
<td>7-12</td>
</tr>
<tr>
<td>Hendra</td>
<td>Our Lady Help of Christians School</td>
<td>Catholic</td>
<td>Co-ed</td>
<td>pre-K-6</td>
</tr>
<tr>
<td>Indooroopilly</td>
<td>St Peters Lutheran College</td>
<td>Lutheran</td>
<td>Co-ed</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Kangaroo Point</td>
<td>St Joseph’s Primary School</td>
<td>Catholic</td>
<td>Co-ed</td>
<td>pre-K-6</td>
</tr>
<tr>
<td>Karawatha</td>
<td>Islamic College of Brisbane</td>
<td>Islamic</td>
<td>Co-ed</td>
<td>pre-K-12</td>
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<tr>
<td>Karrabin</td>
<td>West Moreton Anglican College</td>
<td>Anglican</td>
<td>Co-ed</td>
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</tr>
<tr>
<td>Kepperra</td>
<td>St Williams School</td>
<td>Catholic</td>
<td>Co-ed</td>
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</tr>
<tr>
<td>Mansfield</td>
<td>Brisbane Adventist College</td>
<td>Christian</td>
<td>Co-ed</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Mitchelton</td>
<td>Mt Maria College</td>
<td>Catholic</td>
<td>Co-ed</td>
<td>7-12</td>
</tr>
<tr>
<td>New Farm</td>
<td>Holy Spirit School</td>
<td>Catholic</td>
<td>Co-ed</td>
<td>pre-K-6</td>
</tr>
<tr>
<td>Nundah</td>
<td>Mary Mackillop College</td>
<td>Catholic</td>
<td>Girls</td>
<td>7-12</td>
</tr>
<tr>
<td>Ormiston</td>
<td>Ormiston College</td>
<td>Christian</td>
<td>Co-ed</td>
<td>pre-K-12</td>
</tr>
<tr>
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<td>St Philomena School</td>
<td>Catholic</td>
<td>Co-ed</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Rochdale</td>
<td>Redeemer Lutheran College</td>
<td>Lutheran</td>
<td>Co-ed</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Rothwell</td>
<td>Mueller College</td>
<td>Community</td>
<td>Co-ed</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Rothwell</td>
<td>Grace Lutheran College (Rothwell)</td>
<td>Lutheran</td>
<td>Co-ed</td>
<td>7-12</td>
</tr>
<tr>
<td>Salisbury</td>
<td>Brisbane Christian College</td>
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<td>Co-ed</td>
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<td>Southern Cross Catholic College</td>
<td>Catholic</td>
<td>Co-ed</td>
<td>pre-K-12</td>
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<tr>
<td>Sheldon</td>
<td>Sheldon College</td>
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<td>Co-ed</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>South Brisbane</td>
<td>St Laurence’s College</td>
<td>Catholic</td>
<td>Boys</td>
<td>5-12</td>
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<tr>
<td>South Brisbane</td>
<td>Somerville House</td>
<td>Presbyterian &amp; Methodist</td>
<td>Girls</td>
<td>pre-K-12</td>
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<td>Sunnybank</td>
<td>St Thomas More College</td>
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<td>Co-ed</td>
<td>7-12</td>
</tr>
<tr>
<td>The Gap</td>
<td>St Peter Chanel Primary School</td>
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<td>Co-ed</td>
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<td>Girls</td>
<td>7-12</td>
</tr>
<tr>
<td>Toowong</td>
<td>Brisbane Boys’ College</td>
<td>Presbyterian &amp; Methodist</td>
<td>Boys</td>
<td>pre-K-12</td>
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<td>Co-ed</td>
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<td>Co-ed</td>
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<tr>
<td>Wellington Point</td>
<td>Redlands College</td>
<td>Churches of Christ</td>
<td>Co-ed</td>
<td>pre-K-12</td>
</tr>
<tr>
<td>Woodend</td>
<td>St Mary’s College</td>
<td>Catholic</td>
<td>Girls</td>
<td>7-12</td>
</tr>
<tr>
<td>Wooloowin</td>
<td>Holy Cross Primary School</td>
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<td>Co-ed</td>
<td>pre-K-6</td>
</tr>
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<td>Zillmere</td>
<td>St Flannan’s School</td>
<td>Catholic</td>
<td>Co-ed</td>
<td>pre-K-6</td>
</tr>
</tbody>
</table>

Source: Private Schools Guide
### TABLE 5

**Universities, Queensland**

Universities accepting international students

<table>
<thead>
<tr>
<th>University Name</th>
<th>World Ranking 2017</th>
<th>Australian Ranking 2017</th>
<th>Adjusted Graduate Salary</th>
<th>Number of International Students</th>
<th>International Students % of Total Students</th>
<th>Annual Average International Student Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Queensland</td>
<td>60</td>
<td>6</td>
<td>$49,752</td>
<td>11,236</td>
<td>23%</td>
<td>$34,000</td>
</tr>
<tr>
<td>Queensland Uni. of Technology</td>
<td>292</td>
<td>11</td>
<td>$47,548</td>
<td>7,525</td>
<td>16%</td>
<td>$28,000</td>
</tr>
<tr>
<td>Griffith University</td>
<td>353</td>
<td>8</td>
<td>$48,531</td>
<td>8,432</td>
<td>19%</td>
<td>$24,000</td>
</tr>
<tr>
<td>James Cook University</td>
<td>377</td>
<td>16</td>
<td>$53,404</td>
<td>6,211</td>
<td>29%</td>
<td>$25,000</td>
</tr>
<tr>
<td>University of Southern Queensland</td>
<td>805</td>
<td>22</td>
<td>$52,191</td>
<td>4,548</td>
<td>18%</td>
<td>$21,000</td>
</tr>
<tr>
<td>Bond University</td>
<td>880</td>
<td>13</td>
<td>$49,204</td>
<td>1,763</td>
<td>35%</td>
<td>$33,000</td>
</tr>
<tr>
<td>University of the Sunshine Coast</td>
<td>1,535</td>
<td>24</td>
<td>$47,046</td>
<td>1,921</td>
<td>14%</td>
<td>$21,000</td>
</tr>
</tbody>
</table>

**Definitions**

- **World Ranking** is calculated by averaging the ranking produced by QS World University Ranking, the Shanghai Academic Ranking of World Universities and Webometrics web publishing rankings.
- **Australian Ranking** is calculated from the combined score for World Ranking (reputation), Graduate Satisfaction (ratings) and Adjusted Graduate Salary (results).
- **Adjusted Graduate Salary** is a measure of how well students are doing in the job market some months after graduating based on graduate salaries, rates of unemployment and the proportion of students who go onto further study.
- **Annual International Student Fees** are an estimate only. It is highly recommended to engage directly with the Australian university for information on the course and fees applicable.

Further information is available at universityreviews.com.au

Source: Knight Frank Research, University Reviews
The ‘Great Australian Dream’, a house standing on a ‘quarter acre block’, is still relatively affordable across Greater Brisbane and within close proximity to the city and fringe. Although with our fast-paced lives, many are now choosing low maintenance living and opting for apartments in complexes with high amenity. This is becoming particularly popular with downsizing households. This reinforces the changing demand across the metropolitan area for public parklands and shared facilities.

Dwelling Types

Standalone houses (also known as landed) continue to be the most dominant dwelling type in Brisbane, representing 76% of all dwellings. This trends higher than the national average of 73% given the greater volume of lower density property.

Similarly, semi-detached, row or terrace houses and townhouses, with a compact backyard, comprised a 10% share; trending lower than the national share of 12.7%. A little under 13% of dwellings are flats or apartments – compared to the national average of 13.1%.

Ownership

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 called the owners corporation (see further information on page 19).

Across Brisbane, on the night of the Census 2016, 26% of residential private properties being lived in were owned outright, whilst 36% were owned with a mortgage. The remainder (35%) were being rented from a landlord.

Growth precincts

The Queensland government has identified key locations across Brisbane suitable for rejuvenation with new homes and jobs.

The employment growth action plan to deliver ‘Australia’s New World City’ identifies key precincts:
- Boggo Road/Princess Alexandra Hospital/The University of Queensland
- Herston/Kelvin Grove
- Upper Mt Gravatt/Eight Mile Plains
- City Reach
- City West
- South Brisbane, including Kurilpa
- Australia TradeCoast
- Valley Gateway

Brisbane sites identified for specific accelerated development as Priority Development Areas (PDAs), with a focus on economic growth currently include:
- Bowen Hills
- Fitzgibbon
- Herston Quarter
- Northshore Hamilton

Prime properties

Prime properties, considered the top 5% of the residential market by value, are mostly located close to, or dotted around, the Brisbane River. Well-respected private schools located in these suburbs attract both local and international families alike.

New Farm is considered the most expensive suburb by value, according to Australian Property Monitors (APM). This is followed by Teneriffe, Chandler, Ascot, Hamilton, Bulimba, Fig Tree Pocket, Hawthorne, Pullenvale and Clayfield.
RENTING IN BRISBANE

The process of renting (also known as leasing or letting) a residential property can vary in each state, but generally the main factors for a tenant to consider are outlined below.

Tenancy Agreement
A tenancy agreement (property lease) is a contract where one party conveys property to another for a specified period of time, in return for a regular payment. When leasing out a property, the owner receives an income, but there are maintenance costs and responsibilities for the landlord.

Before signing a tenancy agreement, a tenancy application must be submitted to the real estate agency (property manager) with proof of identity, ability to meet rental payments and good references.

Rent
As stipulated in the tenancy agreement, the tenant agrees to regularly pay rent to the landlord. Most times this is conducted via a property manager and rent can be paid weekly, fortnightly or monthly. Any future increases will be stated within the tenancy agreement as the landlord cannot increase the rent until the end of the fixed term, unless otherwise stated.

Term
The length of a tenancy agreement can vary, however the standard term is usually six (6) or twelve (12) months for the initial agreement although alternate periods may be negotiable dependant on the requirements of the landlord and/or tenant. Once a tenancy agreement expires, the tenant can request a new fixed term, or alternatively the tenant can stay in the premises at the same rent and conditions until advised.

Bond
A bond is a lump sum payment paid upfront by the tenants as security before moving into the property. This lump sum—usually four (4) weeks rent—is held in a trust. At the termination of the tenancy agreement, if the property is vacated and left in a suitable condition, the bond will be repaid in full to the tenant.

Utility & Service Charges
Responsibility for utility charges will be stipulated within the tenancy agreement—this is not always covered by the landlord. Although, the landlord must pay for the actual installation and initial connection costs for electricity, gas, oil and water supply. If these need replacing, then the landlord must replace them to the minimum efficiency standards.

Inspections & Repairs
Throughout the tenancy, the property will be periodically inspected by the landlord or property manager. A minimum of seven (7) days notice will be given with the purpose of these inspections being to check the maintenance of the property.

Repairs to the property that are due to the normal wear and tear of the property must be paid for by the landlord. Repairs classified as ‘urgent’ must be completed as soon as possible, while ‘non-urgent’ repairs must be taken care of before the 14 days of notification.

Furniture
Generally, residential properties do not come furnished, although this becomes more common for a rental property closer to the CBD. This will be clarified in the tenancy agreement.

Terminating the Tenancy
A tenancy can be terminated at the conclusion of the tenancy agreement. However, both landlord and tenant can request to end the tenancy for a variety of reasons. Certain conditions must be met before it can be terminated, including days of notice, number of notices and reason for termination.

For further information, contact Residential Tenancies Authority.
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 your 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.

The lending environment has become challenging in recent years, when seeking a loan from a financial institution. Many local banks will only lend if 20% of the deposit has been saved and there is good evidence the property loan can be repaid regularly with the property loan based on market value. Shop around as mortgages and deposits can vary significantly between providers.

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
Search for a property priced to match requirements for location, proximity to transport, work and education and the quality, size and age of the dwelling. Staying abreast of comparable sales will assist in the negotiation process.

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, $1,000) until formal finance is approved; at this time the full deposit (say, 10%) is paid. If 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 as developers are keen to secure the project so lenders will provide funding so construction can commence. There is also the potential flexibility at this time to make design changes to an apartment or house prior to turning sod.

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, the market 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, especially with smaller and unknown developers, 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 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.

General 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 Fees
Legal fees will vary between legal firms and may be dependent on property value. Generally fees range from $1,000 to $3,000 plus GST.

Land Transfer Fee
When a property changes ownership, a document known as a Land Transfer is lodged and registered with the 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 your behalf.

Mortgage Application Fee
A fee charged by the state government for the registration of a mortgage. A lender will perform this task on your behalf.
BUYING AS A FIRST HOME BUYER IN BRISBANE

Both the Australian and state governments provide incentives for Australian first home buyers.

Incentives for First Home Buyers in Australia

First Home Super Scheme

The Australian Government, from 1 July 2017, has allowed individuals to make voluntary concessional (before-tax) and non-concessional (after-tax) contributions into superannuation funds to fast-track the time taken to purchase a new home under the First Home Super Scheme (FHSS). Since 1 July 2018, individuals can apply to release these voluntary contributions, along with associated earnings, to assist in purchasing their first home. The scheme allows Australians to make voluntary contributions of up to $15,000 in any one financial year, to a maximum $30,000 across all years. This includes undeducted (non-concessional) personal contributions, deducted (concessional) personal contributions and salary sacrifice contributions. These contributions, which are taxed at 15%, along with deemed earnings, can then be withdrawn for a deposit if the eligibility criteria is met.

Concessional contributions and earnings that are withdrawn will be taxed at marginal rates less a 30% offset. Contributions made under this scheme are not a new type of contribution. They are voluntary contributions made to your superannuation fund. As a result, a separate special account doesn’t need to be established nor does the fund need to be notified.

For further information, contact the Australian Taxation Office.

TABLE 4
First Home Super Scheme Eligibility Criteria, Australia
First Home Super Scheme (FHSS)

<table>
<thead>
<tr>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>First home buyer – never owned property in Australia – this includes an investment property, vacant land, commercial property, a lease of land in Australia or a company title interest in land in Australia;</td>
</tr>
<tr>
<td>Must live in the premises you are buying, or intend to as soon as practicable;</td>
</tr>
<tr>
<td>Must intend to live in the property for at least six months of the first 12 months you own it, after it is practical to move in;</td>
</tr>
<tr>
<td>Superannuation contributions can be from any age but persons must be a minimum age of 18 years to request for funds to be released;</td>
</tr>
<tr>
<td>Not previously requested the Commissioner to issue a FHSS release authority;</td>
</tr>
<tr>
<td>Eligibility is assessed on an individual basis – so multiple persons can access their own FHSS contributions to purchase the same property;</td>
</tr>
<tr>
<td>If any persons have previously owned a home, it will not stop any other persons being eligible to apply;</td>
</tr>
<tr>
<td>Don’t sign contract to purchase or construct the home until money is released or there may be FHSS tax liability; this may take up to 25 days.</td>
</tr>
</tbody>
</table>

Source: Australian Taxation Office

Incentives for First Home Buyers in Queensland

First Home Owners’ Grant

Queensland First Home Owners’ Grant is currently available. An eligibility criteria must be met before the grant is issued.

TABLE 5
First Home Owner Grant Available
First Home Owners’ Grant

| Queensland; including Brisbane & Gold Coast |
| Grant |
| One-off $15,000 |

Source: Queensland Office of State Revenue

Stamp Duty Concessions

The first home concession only applies to a home valued under $550,000, where purchasers may be eligible for a stamp duty reduction on a sliding scale. If the home is valued at $500,000 or under, the first home concession amount will match the home concession rate resulting in no duty payable. First home vacant land concession only applies to vacant land valued under $400,000.

TABLE 6
First Home Owner Grant Eligibility Criteria
First Home Owners’ Grant

| Queensland; Including Brisbane & Gold Coast |
| Threshold (the property must valued less than) |
| Buyer of new property $750,000 |

<table>
<thead>
<tr>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwelling must be new, unless specified;</td>
</tr>
<tr>
<td>Persons must be a minimum age of 18 years;</td>
</tr>
<tr>
<td>At least one applicant is a natural person and an Australian permanent resident or citizen;</td>
</tr>
<tr>
<td>The contract date must be on or after 1 July 2018;</td>
</tr>
<tr>
<td>You or your spouse must not have previously received a first home owner grant in any state or territory of Australia. If you received a grant that you later paid back, together with any penalty, you may be able to reapply for the grant;</td>
</tr>
<tr>
<td>Must live in new home as principal place of residence continuously for at least 6 months within the first 12 months of settlement.</td>
</tr>
</tbody>
</table>

Source: Queensland Office of State Revenue

Only one of these concessions can be claimed, with similar eligibility as the First Home Owners’ Grant, plus, one must not dispose of the property before moving in. Additionally for a home, one must live in on a daily basis within a year of settlement and for land, only one home can be built, one must be certain there is not already an existing dwelling and live there daily within two years of settlement.

For further information, contact the Office of State Revenue.
Current regulations for foreign investors purchasing residential property in Brisbane

For further information:

Foreign Investment Review Board [FIRB]
firb.gov.au

Department of Immigration and Border Protection
border.gov.au

- Must apply and gain approval from the FIRB prior to purchasing property in Australia.
- Applications are generally approved if the property purchased adds to the housing stock, including new dwellings that are yet to be occupied or sold, off-the-plan properties under construction or yet to be built. This includes vacant land for residential development where ongoing construction begins within 24 months.
- Non-permanent residents are forbidden to purchase established dwellings as investment properties or as homes. Although there could be an exception if the established dwelling is being redeveloped into multiple dwellings, and as a result, there is an increase in the dwelling count. Over the development period, the house must remain unoccupied.
- Foreign buyers can purchase an off-the-plan dwelling, when another buyer has failed to reach settlement—reverting to its previous status as a new dwelling. An apartment or house that has just been built, or is still under construction and for which the title has never changed hands, is not considered an established dwelling.
- A temporary resident is a person who is residing in Australia and holds a temporary residency visa which permits them to stay in Australia for a continuous period of more than 12 months (regardless of how long remains on the visa); or has submitted an application for permanent residency and holds a bridging visa which permits them to stay in Australia until that application has been finalised.
- Are required to notify FIRB prior to purchasing property in Australia, including an established dwelling, a new dwelling that has been purchased directly from the developer and has not been previously occupied for more than 12 months in total and vacant land for residential development where ongoing construction begins within 24 months. Temporary residents are not permitted to buy established dwellings as investment properties.
- May acquire one established dwelling only and it must be used as their main residence (home) in Australia. Such proposals normally meet with no foreign investment objections subject to conditions; such as, that the temporary resident sells the property when it ceases to be their main residence.

Non-Permanent Resident (Foreign Investor)

Temporary Resident (Temporary Residency Visa)

Source: Knight Frank Research, Foreign Investment Review Board, Department of Immigration and Border Protection
The Australian Government welcomes foreign investment into Australia’s residential property market. The current rules around foreign investment in residential property aim to direct investment into new housing, increasing the housing supply and support local economic activity.

**Foreign Company with Australian Business**

- Acquiring second-hand dwellings for the purpose of providing housing for their Australian-based staff normally meet with no objections subject to the conditions set by FIRB.
- The company must sell the property if it is expected to remain vacant for six months or more. In remote and rural locations foreign companies may rent out dwellings acquired under this category only where they are unable to sell the property.
- Whether a company is eligible, and the number of properties it may acquire under this category, will depend upon the scope of the foreign company’s operations and assets in Australia.
- Foreign companies would not be eligible under this category where the property would represent a significant proportion of its Australian assets.

**Investment Migrants under this scheme**

- Investment migrants under this scheme are required to invest at least AUD$5 million into complying investments in Australia for a minimum of four years before becoming eligible for permanent residency.
- The SIV scheme is intended to target the migration of high net-worth individuals to Australia with the longer-term aim of transferring wealth of international businesses and individuals to benefit Australian businesses and the broader economy.
- The SIV scheme was introduced on 24 November 2012 and is operated by the Department of Immigration and Border Protection.

**Premium Investor Visa (PIV)**

- Investment migrants under this scheme are required to invest at least AUD$15 million into complying investments in Australia for a minimum of 12 months before becoming eligible for permanent residency; a more expeditious pathway than the SIV.
- The PIV scheme is aimed at attracting applicants with business and entrepreneurial skills and capital to enhance investment into innovative Australian businesses and the commercialisation of Australian ideas, research and development.
- The PIV scheme was introduced on 1 July 2015 and is operated by the Department of Immigration and Border Protection.

**Significant Investor Visa (SIV)**

- Investment migrants under this scheme are required to invest at least AUD$15 million into complying investments in Australia for a minimum of 12 months before becoming eligible for permanent residency; a more expeditious pathway than the SIV.
“Before purchasing a residential property in Australia, all foreign investors must apply to the Foreign Investment Review Board (FIRB).”

“A fee is payable before their 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.”

### Additional Costs for Foreign Buyers

All foreign persons — that is, temporary residents and non-residents — can apply to purchase vacant residential land for development and newly constructed dwellings in Australia.

Non-resident foreign persons are generally prohibited from purchasing established dwellings in Australia. However, temporary residents can apply to purchase one established dwelling to use as their residence while they live in Australia, although on the condition the property is sold when it ceases to be their principal place of residence.

Once a property has been identified to purchase, an application must be made to the Australian Foreign Investment Review Board (FIRB).

It is highly recommended that an application is submitted prior to the advance of any transaction—to ensure complete legality of the purchase. Additionally, approval from FIRB is property-specific—one application per property.

When the application is submitted, the government investigates to ensure that the purchase of the property will be in the country’s best interest.

A decision on the application is made within 30 days—unless complications or alterations occur, in which it may take up to 90 days.

### Foreign Investor Application Fee

All foreign investors must pay a fee before their foreign investment application will be processed.

Foreign investors are required to pay $5,600 to purchase a new property if valued under $1 million, with additional fees payable per million in the value of the property.

This fee does not provide any assurance of securing the property and strict penalties are applied for those who breach the rules.

### Duty Surcharge

The Queensland state government imposes a duty surcharge for foreign investors, payable in addition to general state-based transfer duties; known as the Additional Foreign Acquirer Duty.

Since 1 July 2018, foreign purchasers are required to pay an additional 7% of the sale price.

Other states with foreign investor duties include New South Wales (8%) as of 1 July 2017, Victoria (7%) as of 1 July 2016 and Western Australia (7%) as of 1 January 2019.

### Table 9: Fees payable by Foreign Investors, Residential property

<table>
<thead>
<tr>
<th>Property Value Range</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $1,000,000</td>
<td>$5,600</td>
</tr>
<tr>
<td>$1,000,01 - $1,999,999</td>
<td>$11,300</td>
</tr>
<tr>
<td>$2,000,000 - $2,999,999</td>
<td>$22,700</td>
</tr>
<tr>
<td>$3,000,000 - $3,999,999</td>
<td>$34,000</td>
</tr>
<tr>
<td>$4,000,000 - $4,999,999</td>
<td>$45,400</td>
</tr>
<tr>
<td>$5,000,000 - $5,999,999</td>
<td>$56,700</td>
</tr>
<tr>
<td>$6,000,000 - $6,999,999</td>
<td>$68,100</td>
</tr>
<tr>
<td>$7,000,000 - $7,999,999</td>
<td>$79,500</td>
</tr>
<tr>
<td>$8,000,000 - $8,999,999</td>
<td>$90,900</td>
</tr>
<tr>
<td>$9,000,000 - $9,999,999</td>
<td>$102,300</td>
</tr>
<tr>
<td>$10,000,000 or more</td>
<td>tiered per million</td>
</tr>
</tbody>
</table>

An interactive online fee estimator is available at firb.gov.au

Source: FIRB

The FIRB provides an interactive fee estimator.

### Table 10: Duties payable by Foreign Investors, Residential property

<table>
<thead>
<tr>
<th>Queensland, including Brisbane</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duty Surcharge on Purchase Price; from 1 July 2018</td>
</tr>
</tbody>
</table>

Source: Queensland Office of State Revenue
CASE STUDY: COST TO BUY A NEW RESIDENTIAL PROPERTY IN BRISBANE

**TABLE 11**
Estimated Property Purchase Costs, Brisbane
All costs represented in AUD, As at 1 April 2019

<table>
<thead>
<tr>
<th>Purchase Price</th>
<th>350,000</th>
<th>500,000</th>
<th>750,000</th>
<th>1,000,000</th>
<th>1,250,000</th>
<th>1,500,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer Duty</td>
<td>3,500</td>
<td>8,750</td>
<td>19,600</td>
<td>30,850</td>
<td>45,230</td>
<td>59,600</td>
</tr>
<tr>
<td>Land Transfer Fee</td>
<td>790</td>
<td>1,310</td>
<td>2,190</td>
<td>3,060</td>
<td>3,940</td>
<td>4,810</td>
</tr>
<tr>
<td>Legal Fee (includes GST payable)</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Mortgage Application Fee</td>
<td>190</td>
<td>190</td>
<td>190</td>
<td>190</td>
<td>190</td>
<td>190</td>
</tr>
<tr>
<td><strong>General: Estimated Total Costs</strong></td>
<td>5,980</td>
<td>11,750</td>
<td>23,480</td>
<td>36,100</td>
<td>51,360</td>
<td>66,600</td>
</tr>
</tbody>
</table>

|   | Foreign Investor Application Fee* | 5,600   | 5,600   | 5,600   | 5,600     | 11,300    | 11,300    |
| Foreign Investor Duty Surcharge @7% | 24,500   | 35,000  | 52,500  | 70,000    | 87,500    | 105,000   |
| **Foreign Investor: Estimated Total Costs** | 36,080  | 52,350  | 81,580  | 111,700   | 150,160   | 182,900   |

*The FIRB application must be made prior to the advance of any transaction to ensure complete legality of the purchase. 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. An interactive online fee estimator available at www.frb.gov.au

**Important Notice:** The above worked examples are an estimate only based on the NAB stamp duty calculator. It is highly recommended to engage a solicitor or conveyancer during the entire process of a property purchase.

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

**TABLE 12**
Estimated Property Purchase Costs, Brisbane
All costs represented in AUD, As at 1 April 2019

<table>
<thead>
<tr>
<th>Purchase Price</th>
<th>1,750,000</th>
<th>2,000,000</th>
<th>2,250,000</th>
<th>2,500,000</th>
<th>5,000,000</th>
<th>7,500,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer Duty</td>
<td>73,980</td>
<td>88,350</td>
<td>102,730</td>
<td>117,100</td>
<td>260,850</td>
<td>404,600</td>
</tr>
<tr>
<td>Land Transfer Fee</td>
<td>5,690</td>
<td>6,560</td>
<td>7,440</td>
<td>8,310</td>
<td>17,060</td>
<td>25,810</td>
</tr>
<tr>
<td>Legal Fee (includes GST payable)</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Mortgage Application Fee</td>
<td>190</td>
<td>190</td>
<td>190</td>
<td>190</td>
<td>190</td>
<td>190</td>
</tr>
<tr>
<td><strong>General: Estimated Total Costs</strong></td>
<td>82,660</td>
<td>98,100</td>
<td>113,360</td>
<td>128,600</td>
<td>281,100</td>
<td>433,600</td>
</tr>
</tbody>
</table>

|   | Foreign Investor Application Fee* | 11,300   | 22,700   | 22,700   | 22,700    | 56,700    | 79,500    |
| Foreign Investor Duty Surcharge @7% | 122,500   | 140,000  | 157,500  | 175,000   | 350,000   | 525,000   |
| **Foreign Investor: Estimated Total Costs** | 216,660  | 262,800  | 293,580  | 326,300   | 687,800   | 1,038,100 |

*The FIRB application must be made prior to the advance of any transaction to ensure complete legality of the purchase. 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. An interactive online fee estimator available at www.frb.gov.au

**Important Notice:** The above worked examples are an estimate only based on the NAB stamp duty calculator. It is highly recommended to engage a solicitor or conveyancer during the entire process of a property purchase.

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

Please refer to the important notice at the end of this report.
OWNING IN BRISBANE

In Brisbane, costs and taxes associated with the ownership of a property can vary dependent on the services the building provides.

General 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 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.

Income Tax

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

Owners Corporation

If the purchased property is Strata Titled (a building with common areas and facilities for the use of all occupants of the building), an owners corporation will be established for the building.

A regular fee must be paid to the Owners Corporation to maintain these common areas. This can include elevators, foyers, swimming pools and spa, gymnasiums, plants and foliage, lighting, staircases, fences, visitor car parks and security.

A group of elected people manage the operations and decision-making of the common area of the property. In most states, the owners corporation comprises of an executive committee (generally individual owners of the apartments) who make decisions on the behalf of their owners.

Additional Costs as a Landlord

Property Management Fees

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

Utility and Service Charges

The owner must pay for the use of utilities (electricity, gas, oil and water supply). Although if the owner leases the property to a tenant, some of these can be passed on but this must be stipulated within the tenancy agreement. However, the owner must pay for the actual installation and initial connection costs.

Landlord Insurance

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

Additional Costs for Foreign Owners

Foreign-Owned Vacant Residential Property Levy

The Australian government charges an annual levy for foreign-owned vacant residential property (ghost tax). The levy is equivalent to the FIRB application fee imposed at the time the property was purchased if they fail to occupy or lease for at least six (6) months of the year.

Absentee Land Tax Surcharge

The Queensland state government has imposed a 1.5% absentee land tax surcharge for foreign investors. This is payable in addition to general land tax and is based on the taxable value.
There are costs and taxes to consider when selling residential property in Australia.

**General Costs**

**Legal Fees**
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 $2,000 and $4,000, plus GST.

**Real Estate Agent Fees**
An agent fee is the commission paid by the owner, to the agent, for selling the property—either tiered rate 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 a period allocated to marketing with multiple open house inspections 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.

**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.

**Additional Costs for Foreign Owners**

**Capital Gains Tax Clearance Certificate**
Foreign and temporary tax residents are no longer entitled to access the CGT main residence exemption from 7.30PM (AEST) on 9 May 2017.

Although, existing properties held prior to this date will be grandfathered until 30 June 2019.

A CGT withholding rate for foreign investors is applicable for all contracts with a market value over $750,000 when signed on or after the 1st July 2017.

This requires 12.5% of the purchase price to be withheld by the purchaser and remitted to the Australian Taxation Office (ATO) unless a clearance certificate has been provided by the vendor. The money withheld is a portion (not in addition to) from the agreed sale price.

If a purchase price negotiated between a purchaser and vendor is on an ‘arm’s length basis’, then the purchase price may be used as a proxy for market value.

The ATO can only grant a clearance certificate to a vendor who is considered to be an Australian resident.

Do note a residency status for tax purposes is not necessarily the same as that for immigration purposes; or for the FIRB. It is recommended to seek professional legal advice to further clarify the residency definition for this legislation.

The foreign resident CGT regime for withholding tax applies to taxable Australian property including vacant land, buildings, residential and commercial property, leaseholds and strata title schemes.

For further information, contact the Australian Taxation Office.

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**DOWNSIZER INCENTIVE**

Downsizers (aged 65+ years) can make a non-concessional (after-tax) contribution into their Superannuation account of up to $300,000 from the sale of their family home.

Introduced from 1 July 2018, the legislation states the property sold must be the person’s home (main residence and be eligible for the main residence exemption for capital gains tax) and held for at least the past 10 years.

This will increase their tax-free fund limits. Couples will be able to contribute up to $600,000 each, giving a total contribution per couple of up to $600,000.
SUMMARY: INVESTING IN A BRISBANE RESIDENTIAL PROPERTY AS A FOREIGN INVESTOR

In recent years, the federal and state governments have introduced foreign investor fees, tax surcharges and levies. Below is a summary of the current process for foreign buyers when purchasing, owning and selling Australian residential property.

FIGURE 3
The Process for Foreign Buyers when Purchasing, Owning and Selling Residential Property, Brisbane
As at 1 April 2019

BUYING

APPLY TO FIRB
- Must be made prior to purchase
- Check if the Developer has a Exemption Certificate
- Property-specific; one application per property
- Applies to all Australian residential properties

+ PAY FIRB APPLICATION FEE based on AU$1M value
- Below = $5,600
- Above = $11,300 + fees are tiered per million
- Contact ATO if over $10M
- If within several categories the highest fee applies

AWAIT FIRB APPROVAL
- Decision is normally made within 30 days
- Must be in the best interest of Australia
- Approval or fee does not secure sale
- Strict penalties occur if in breach

TRANSFER DUTY SURCHARGE on market value
- Qld (incl. Brisbane & Gold Coast) = 7%

OWNING

AUSTRALIA > VACANT RESIDENTIAL PROPERTY
- Annual levy
- Applicable if vacant or not genuinely on rental market for 6 months of year
- Equivalent to application fee paid at time of purchase

Qld >
- Absentee Owner = 1.5%
- Imposed if taxable land is $350,000 +

SELLING

CAPITAL GAINS TAX (CGT) on market value
- 12.5% of the purchase price withheld
- Applicable to all contracts over $750,000
- A clearance certificate must be provided by the vendor
- Clearance certificates granted to Aus. residents

Source: Knight Frank Research, Commonwealth Government, Queensland Office of State Revenue
When measured against other cities around the world, Brisbane is placed well for liveability. In 2018, the Economist’s Intelligence Unit ranked Brisbane in 22nd position from 140 global cities based on stability, infrastructure, education, health care and environment. Mercer placed Brisbane in 35th position from 231 cities in their Quality of Life index. At the last Australian Census, the ABS ranked Brisbane 53rd most advantaged local government area according to the relative socio-economic conditions of people and households.

Queensland was one of the strongest states for economic growth (GSP) in Australia with 3.4% in 2017-18, trending above the national average of 3.1%. Over the past five years, the state averaged 2.2% annual growth, slightly below the 2.6% Australian average. The Greater Brisbane unemployment rate averaged 6.9% in March 2019.

The Queensland Government has committed to investing $45 billion over the next four years on infrastructure projects. Major transport projects due in this time include the Kingsford Smith Drive upgrade, Ipswich Motorway upgrade, Brisbane Airport second runway, Brisbane International Cruise Terminal, Queen’s Wharf Brisbane & Pedestrian Bridge (phase 1), M1 transport corridor upgrade, Brisbane Metro and Cross River Rail.

International departure capacity at the Brisbane Airport expanded by 25% between 2012 and 2017 as reported by OAG Schedules Analyser. This is earmarked to grow further opening more routes to South-East Asia in the coming years and when the second runway opens in 2022. Each year since 2012, Tourism Australia has calculated international visitors to Brisbane has grown on average by 6.1%.

The number of international students enrolled to study in Queensland education facilities rose 9.1%, in 2018, according to the Department of Education and Training. Higher education facilities saw growth of 11.7%, while school-aged international students grew by 5%. Brisbane is fortunate to accommodate seven world-class university campuses and numerous private schools accepting international students. The SSVF has made the process of applying for a student visa in Australia easier to navigate for both students and guardians.

Source: Knight Frank Research
FEATURE: 10 REASONS TO INVEST IN BRISBANE

RELATIVE VALUE TO OTHER MAJOR CAPITAL CITIES.

Brisbane houses and apartments are relatively well positioned for value on the East Coast. The median value for an apartment in March 2019 was $372,900 in Brisbane, whilst Sydney was $696,900, and Melbourne $466,900 according to APM. This was similar for houses in Brisbane with the median value being $563,700; significantly lower than Sydney ($1.03 million) and Melbourne ($809,500). Those now priced out of the these southern East Coast cities are finding value in the Brisbane market.

RENTAL YIELD PERFORMANCE.

For gross rental yield, Brisbane houses performed third strongest of all Australian capital cities with a median 4.60% in March 2019; behind Hobart (5.10%) and Darwin (4.80%) according to APM. Looking at apartment gross rental yields, Brisbane recorded 5.20%, ranking equal fourth with Hobart, behind Darwin (6.10%), Canberra (6.10%) and Adelaide (5.30%).

LOWERED VACANCY AS LESS APARTMENTS BEING BUILT.

With less apartment projects starting construction, the Brisbane market is now absorbing the recently added rental stock. As a result, total vacancy has lowered to 2.2% at the end of March 2019, as reported by REIQ. In the medium term, as the population growth picks up and the economy strengthens, additional apartments will be required to meet the changing demand for low maintenance, high-density living. Growing the share of apartments in Brisbane to beyond the national average, will accommodate workers required to foster the new world city.

WEALTH FLOWS.

Brisbane’s high-net-worth individuals (HNWIs) continue to grow. According to GlobalData WealthInsight, the number of HNWIs – those with a net worth of more than US$1 million, excluding their primary residence – is expected to grow by 22% from 2018 to 2023, to reach a total of 31,989 in Brisbane. Over the past five years, one millionaire was created every day in Brisbane, this is expected to triple to three millionaires per day over the next five years. In 2018, the number of ultra-high-net-worth individuals (UHNWIs) grew by 5%, to 245, and projected to rise another 20% over the next five years.

RISE OF PRIME PROPERTY.

As wealth creation continues, Brisbane prime property prices grew 3.2% in the year ending March 2019. Knight Frank considers prime property to be the most desirable and most expensive property in a given location, generally defined as the top 5% of each market by value. The other factor to consider is the global value proposition. In Brisbane, at the end of 2018, US$1m could buy 123 sqm of prime property, compared to 52 sqm in Sydney, while in Monaco, only 16 sqm could be purchased. At the same time, 22 sqm in Hong Kong and 31 sqm in both London and New York.

Source: Knight Frank Research
Knight Frank Residential Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs.

**RECENT MARKET-LEADING RESEARCH PUBLICATIONS**

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- Focus On Melbourne Q2 2019
- Focus On Perth Q2 2019
- Focus On Gold Coast Q2 2019
- Australian Residential Review Q2 2019
- Brisbane Apartments Development Series H1 2019
- Australian Residential Development Review 2019
- The Wealth Report 2019


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