

Adelaide Residential Property Guide

2022-23

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LIVING IN ADELAIDE

*Where is the capital city of Adelaide located
and what is the weather like?*

Adelaide is known for its festivals, food and premium wine regions all within two hours drive from the CBD.

Location



Adelaide is located in the southeast of the state of South Australia on the east coast of the Gulf of St Vincent.

Population



Adelaide is the fifth largest capital city in Australia with 1.38 million residents in 2021—growing at a rate of 0.1% per annum. In 2019, prior to the pandemic, annual population growth was 1.1%.

Time zone



Adelaide operates under the Australian Central Standard Time (ACST) time zone from early April to early October each year, and Australian Central Daylight Time (ACDT) at other times of the year.

Weather



Adelaide enjoys hot, dry summers, with the hottest month being January. While winters are cold with July being the coldest month. The highest daily sunshine is in the month of January for 10 hours.

Flying Time, Adelaide Airport

International Flights (*indirect)

8 HOURS
SINGAPORE

8 HOURS
KUALA LUMPUR

9 HOURS
HONG KONG

16 HOURS*
SHANGHAI

18 HOURS*
BEIJING

DEMOGRAPHIC PROFILE OF ADELAIDE



Age Distribution

Greater Adelaide residents are primarily young to middle aged. In 2021, 33.2% of the population was aged between 15 and 39 years old; compared to the national average of 33.4% for this age group. The median age of the population in Greater Adelaide was 39 years, slightly older than the national average of 38 years. Children aged 0-14 years comprised 17.2% while people aged 65+ years made up 18.7% of the population.

Multiculturalism

The Greater Adelaide population comprised 31.3% of people being born outside of Australia in 2021, lower than the national average of 33.1%. The most prominent countries of birth include England (5.7%), India (3.1%), China (1.8%), Vietnam (1.2%) and Italy (1.1%). In addition, approximately 37.4% of Greater Adelaide parents were born overseas, higher than national (36.7%).



Religion

The Catholic religion was practiced by 16.6% of Greater Adelaide residents at the time of the Census 2021, this was followed by Anglican at 7.0%, then Uniting Church with 3.9%.

No religion was the most common response in Greater Adelaide with 44.6% of the population.

Language

Aside from English, Mandarin (2.2%) was the most common language spoken in a Greater Adelaide household in 2021. Other typical languages include Italian (1.6%), Vietnamese (1.5%), Greek (1.5%) and Punjabi (1.4%).



Education

In Greater Adelaide, 29.5% of the population were attending an educational institution at the time of the 2016 Census. Of these, 28.9% were in primary school, 19.0% in secondary school and 26.0% in a tertiary or technical institution.

Work

The most common occupation of Greater Adelaide residents is in Professional Services—at 22.3% compared to the national 22.2% average in the 2016 Census. Clerical and administrative workers (14.1%), technicians and trades workers (13.2%) and community and personal service workers (12.3%) were the next most common occupations.

Of all the employed people in Greater Adelaide, 4.5% worked in hospitals. Other major industries of employment included aged care residential services (3.1%) and supermarket and grocery stores (2.9%).

STUDYING IN AUSTRALIA

What is the school and university platform for International students in Australia?

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.

STUDYING: SCHOOL

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.

STUDYING: UNIVERSITY

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

Many universities also offer distance and online education where students can have flexible study load (full-time or part-time) with professional recognition and graduate with the same qualification.

ADELAIDE PRIVATE SCHOOLS

Where are Adelaide's private schools registered to accept international students in 2022?

SUBURB	SCHOOL	RELIGION	GENDER	GRADE
Aberfoyle Park	Pilgrim School	Christian	Co-ed	5-7
Adelaide	University Senior College	Non-denominational	Co-ed	11-12
Adelaide	Eynesbury College	Non-denominational	Co-ed	10-12
Adelaide	Muirden Senior Secondary College	Non-denominational	Co-ed	11-12
Adelaide	Pulteney Grammar School	Anglican	Co-ed	pre-12
Balaklava	Horizon Christian School	Christian	Co-ed	5-12
Belair	St John's Grammar School - Secondary Campus - Belair	Christian	Co-ed	5-12
Craigmore	Hope Christian College	Christian	Co-ed	5-12
Cumberland Park	Cabra Dominican College	Catholic	Co-ed	6-13
Enfield	Our Lady Of the Sacred Heart College	Catholic	Girls	8-12
Enfield	St Joseph's Education Centre (OLSH)	Catholic	Girls	8-12
Evanston South	Trinity College Senior	Anglican	Co-ed	11-12
Findon	Nazareth Catholic College - Primary Campus	Catholic	Co-ed	5-7
Findon	Nazareth Catholic Community	Catholic	Co-ed	pre-12
Flinders Park	Nazareth Catholic College - Adelaide	Catholic	Co-ed	8-12
Glen Osmond	Symour College	Christian	Girls	pre-13
Golden Grove	Gleeson College	Catholic	Co-ed	8-12
Golden Grove	Pedare Christian College	Christian	Co-ed	5-12
Hahndorf	St Michael's Lutheran Primary School	Lutheran	Co-ed	5-7
Highgate	Concordia College	Christian	Co-ed	7-12
Highgate	St John's Highgate	Lutheran	Co-ed	5-6
Holden Hill	Kildare College	Catholic	Girls	8-12
Hope Valley	Torrens Valley Christian School	Non-denominational	Co-ed	5-12
Hyde Park	Walford Anglican School for Girls	Anglican	Girls	5-12
Kensington	Mary Mackillop College	Catholic	Girls	8-12
Kensington Park	Pembroke School	Non-denominational	Co-ed	5-12
Kent Town	Prince Alfred College	Uniting Church	Boys	5-12
Marion	Westminster School	Uniting Church	Co-ed	5-12
Marryatville	Loreto College, Marryatville	Catholic	Girls	5-12
Mawson Lakes	Endeavour	Lutheran	Co-ed	7-12
McLaren Vale	Tatachilla Lutheran College	Lutheran	Co-ed	5-12
Medindie	Wilderness School	Non-denominational	Girls	pre-12
Mile End	Temple Christian College	Christian	Co-ed	7-12
Morphett Vale	Prescott Primary School - Southern	Christian	Co-ed	5-7
Morphett Vale	Woodcroft College	Christian	Co-ed	5-12
Mount Barker	Mount Barker Waldorf School	Non-denominational	Co-ed	5-12
Mount Gambier	Tenison Woods College	Catholic	Co-ed	5-12
North Adelaide	St Dominic's Priory College	Catholic	Girls	5-12
Novar Garden	Immanuel College	Lutheran	Co-ed	7-12
Paralowie	Temple Christian College Bethany Campus	Christian	Co-ed	5-12
Prospect	Blackfriars	Catholic	Boys	5-12
Prospect	Prescott College	Seventh Day Adventist	Co-ed	8-12
Salisbury East	Tyndale Christian	Christian	Co-ed	5-12
Somerton Park	Sacred Heart College Senior School	Catholic	Co-ed	10-12
South Plympton	Tabor Christian College	Christian	Co-ed	5-12
Springfield	Mercedes College	Catholic	Co-ed	5-12
St Peters	St Peter's College	Anglican	Boys	pre-12
Stonyfell	St Peter's Girls School	Anglican	Girls	5-12
Walkerville	St Andrew's School	Christian	Co-ed	K-7
Wayville	Annesley Junior School	Uniting Church	Co-ed	Pre-7
West Croydon	Islamic College of South Australia	Muslim	Co-ed	5-12
Whyalla	Samaritan College - Saint John's Campus	Catholic	Co-ed	7-12
Woodforde	Rostrevor College	Catholic	Boys	5-12
Wynn Vale	King's Baptist Grammar School	Baptist	Co-ed	5-12

Source: Knight Frank Research, Private Schools Guide

ADELAIDE UNIVERSITIES

*Where are the universities in the state of South Australia
accepting international students in 2023?*

UNIVERSITY	WORLD RANKING	AUSTRALIA RANKING	OVERALL SCORE	INTERNATIONAL STUDENT RATIO	ACADEMIC REPUTATION
The University of Adelaide	109	8	57	52.3	35.2
University of South Australia	=363	21	30	21.7	12.7
Flinders University	=425	22	27	12.1	7.0

Defintions

World Ranking, Australia Ranking and Overall Score 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

Source: Knight Frank Research, QS Intelligence Unit

WHAT IS THE STANDARD PROCESS FOR BUYING A RESIDENTIAL PROPERTY?

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: AN 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 it.

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 sometimes 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.

WHAT ARE THE INTERNATIONAL INVESTOR BUYING RULES?

The current rules around international buyers investing in Australian residential property aims to direct investment into new housing, increasing the housing supply and support local economic activity.

Before purchasing a residential property in Australia, all international investors must apply and be approved by the Foreign Investment Review

Board (FIRB). Different rules apply to three main investor groups:

International investor

A natural person who is not an Australian citizen and is a non-resident.

Temporary 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.

Offshore company with an Australian business

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.

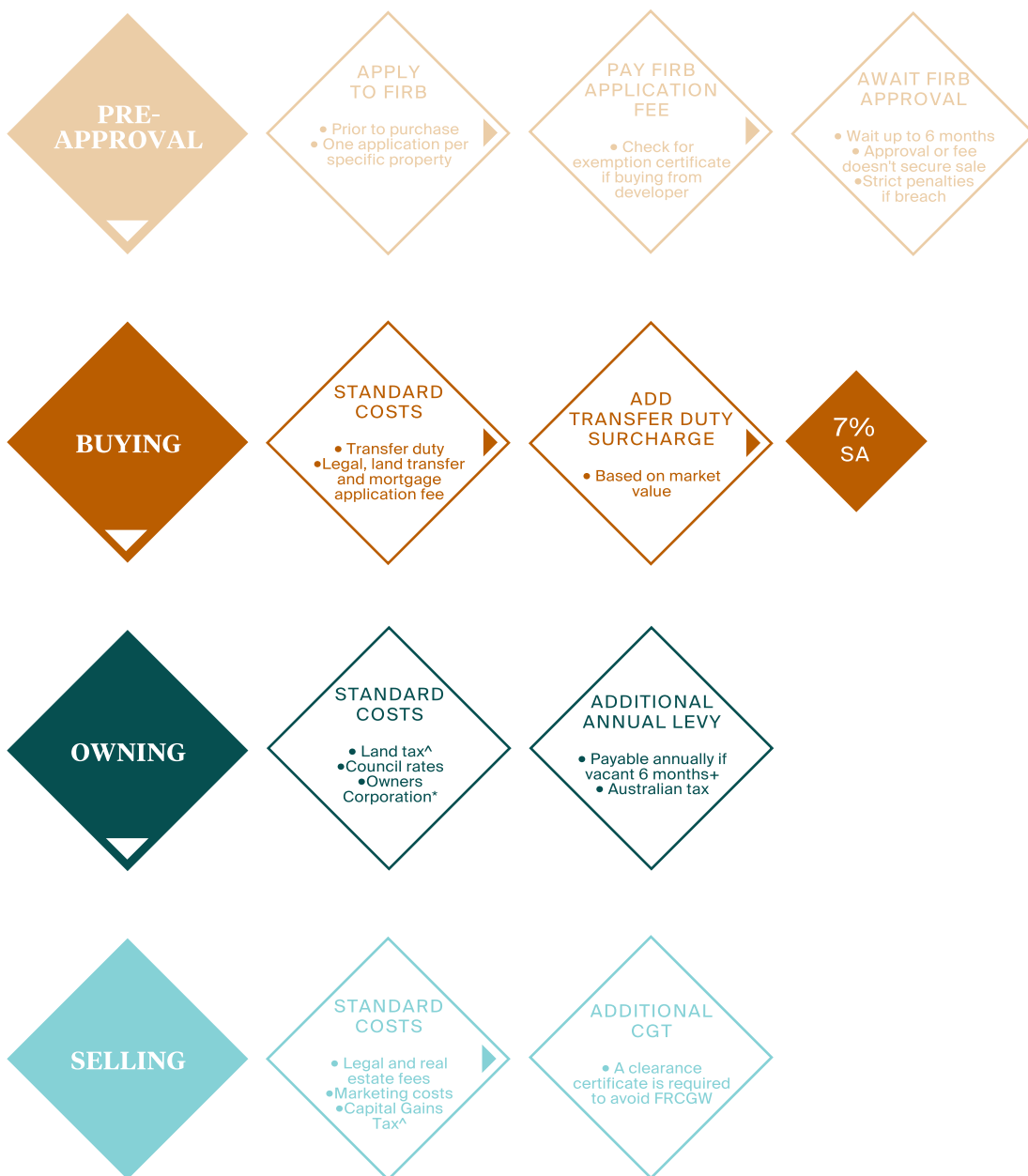
SCENARIO	INTERNATIONAL INVESTOR	TEMPORARY RESIDENT	OFFSHORE COMPANY WITH AUSTRALIAN BUSINESS
SUBMIT FIRB APPLICATION Must gain approval and pay fee before purchasing any property	YES	YES	YES
CAN BUY OFF-THE-PLAN Construction stage, new & not yet occupied	YES	YES	YES
CAN BUY OFF-THE-PLAN When another buyer has failed to reach settlement	YES	YES	YES
CAN BUY VACANT LAND If residential construction starts within 24 months	YES	YES	OA
CAN BUY ONE ESTABLISHED DWELLING With vacant possession throughout the redevelopment scheduled to increased dwelling count	YES	NO	OA
CAN BUY ONE ESTABLISHED DWELLING With no redevelopment scheduled, being main residence	NO	YES	YES
CAN BUY ONE OR MORE ESTABLISHED DWELLINGS As investment properties	NO	NO	NO
MAIN RESIDENCE Must be sold if property ceases to be main residence	N/A	YES	YES

Source: Knight Frank Research, Foreign Investment Review Board

N/A is not applicable, OA is on application

THE INTERNATIONAL INVESTOR BUYER PROCESS

What is the process for international investors when buying, owning and selling residential property in Adelaide as at 29 July 2022?



Source: Knight Frank Research, Australian Government, Revenue SA

^{*}If property is strata titled [^]If owned as investment property

WHAT ARE THE COSTS OF BUYING A PROPERTY?

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 NSW Office of State Revenue, and a fee is charged. This document 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.

ADDITIONAL INTERNATIONAL BUYING COSTS

FIRB Application Fee

Before purchasing a residential property in Australia, all international investors must apply to the FIRB before the application will be processed.

For most applications, the statutory timeframe is 30 days for making a decision and will not start until the correct fee has been paid at the time the application is made or notice is given.

The fees that are payable depend on the value and type of action being taken, and whether special fee rules apply. International persons are required to pay a fee for each application made, or notice given.

Once a foreign investment application has been lodged through the Australian Taxation Office (the ATO) Portal, applicants will receive an on-screen confirmation containing the fee details.

It's important to note that seeking approval from the FIRB is property-specific; therefore one application per property. Also the fee on application



“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.”



does not provide any assurance of securing the property.

Transfer Duty Surcharge

In South Australia, in addition to the transfer duty, a transfer duty surcharge is payable for international investors of 7% on the market property value at the time of purchase.

FIRB APPLICATION FEES

*What are the Foreign Investment Review Board (FIRB)
application fees payable across Australia
as at 29 July 2022?*

PROPERTY VALUE (\$A)	FEE (\$A)	PROPERTY VALUE (\$A)	FEE (\$A)
\$0 - \$75,000	\$4,000	\$20,000,001 - \$21,000,000	\$528,000
\$75,001 - \$1,000,000	\$13,200	\$21,000,001 - \$22,000,000	\$554,400
\$1,000,001 - \$2,000,000	\$26,400	\$22,000,001 - \$23,000,000	\$580,800
\$2,000,001 - \$3,000,000	\$52,800	\$23,000,001 - \$24,000,000	\$607,200
\$3,000,001 - \$4,000,000	\$79,200	\$24,000,001 - \$25,000,000	\$633,600
\$4,000,001 - \$5,000,000	\$105,600	\$25,000,001 - \$26,000,000	\$660,000
\$5,000,001 - \$6,000,000	\$132,000	\$26,000,001 - \$27,000,000	\$686,400
\$6,000,001 - \$7,000,000	\$158,400	\$27,000,001 - \$28,000,000	\$712,800
\$7,000,001 - \$8,000,000	\$184,800	\$28,000,001 - \$29,000,000	\$739,200
\$8,000,001 - \$9,000,000	\$211,200	\$29,000,001 - \$30,000,000	\$765,600
\$9,000,001 - \$10,000,000	\$237,600	\$30,000,001 - \$31,000,000	\$792,000
\$10,000,001 - \$11,000,000	\$264,000	\$31,000,001 - \$32,000,000	\$818,400
\$11,000,001 - \$12,000,000	\$290,400	\$32,000,001 - \$33,000,000	\$844,800
\$12,000,001 - \$13,000,000	\$316,800	\$33,000,001 - \$34,000,000	\$871,200
\$13,000,001 - \$14,000,000	\$343,200	\$34,000,001 - \$35,000,000	\$897,600
\$14,000,001 - \$15,000,000	\$369,600	\$35,000,001 - \$36,000,000	\$924,000
\$15,000,001 - \$16,000,000	\$396,000	\$36,000,001 - \$37,000,000	\$950,400
\$16,000,001 - \$17,000,000	\$422,400	\$37,000,001 - \$38,000,000	\$976,800
\$17,000,001 - \$18,000,000	\$448,800	\$38,000,001 - \$39,000,000	\$1,003,200
\$18,000,001 - \$19,000,000	\$475,200	\$39,000,001 - \$40,000,000	\$1,029,600
\$19,000,001 - \$20,000,000	\$501,600	\$40,000,001 +	\$1,045,000

Further information is available at www.firb.gov.au | Guidance Note 10—Fees on foreign investment applications

Source: Knight Frank Research, FIRB

CASE STUDY

ESTIMATED COSTS TO BUY

What is the estimated costs to buy a new residential investment property in Adelaide as at 29 July 2022?

PURCHASE PRICE (\$A)	\$350,000	\$500,000	\$750,000
Transfer Duty (Stamp Duty)	\$13,830	\$21,330	\$35,080
Land Transfer Fee	\$3,270	\$4,640	\$6,930
Legal Fee (includes GST)	\$1,000	\$1,000	\$1,000
Mortgage Application Fee	\$600	\$600	\$600
Standard: Estimated Total Costs	\$18,700	\$27,570	\$43,610
International Investor FIRB Application Fee	\$13,200	\$13,200	\$13,200
International Investor Duty Surcharge @ 7.0%	\$24,500	\$35,000	\$52,500
International Investor: Estimated Total Costs	\$56,400	\$75,770	\$109,310

PURCHASE PRICE (\$A)	\$1,000,000	\$1,250,000	\$1,500,000
Transfer Duty (Stamp Duty)	\$48,830	\$62,580	\$76,330
Land Transfer Fee	\$9,220	\$11,500	\$13,790
Legal Fee (includes GST)	\$1,000	\$1,000	\$1,000
Mortgage Application Fee	\$600	\$600	\$600
Standard: Estimated Total Costs	\$59,650	\$75,680	\$91,720
International Investor FIRB Application Fee	\$13,200	\$26,400	\$26,400
International Investor Duty Surcharge @ 7.0%	\$70,000	\$87,500	\$105,000
International Investor: Estimated Total Costs	\$142,850	\$189,580	\$223,120

PURCHASE PRICE (\$A)	\$1,750,000	\$2,000,000	\$2,250,000
Transfer Duty (Stamp Duty)	\$90,080	\$103,830	\$117,580
Land Transfer Fee	\$16,080	\$18,370	\$20,650
Legal Fee (includes GST)	\$1,000	\$1,000	\$1,000
Mortgage Application Fee	\$600	\$600	\$600
Standard: Estimated Total Costs	\$107,760	\$123,800	\$139,830
International Investor FIRB Application Fee	\$26,400	\$26,400	\$52,800
International Investor Duty Surcharge @ 7.0%	\$122,500	\$140,000	\$157,500
International Investor: Estimated Total Costs	\$256,660	\$290,200	\$350,130

PURCHASE PRICE (\$A)	\$2,500,000	\$5,000,000	\$7,500,000
Transfer Duty (Stamp Duty)	\$131,330	\$268,830	\$406,330
Land Transfer Fee	\$22,940	\$45,820	\$68,690
Legal Fee (includes GST)	\$1,000	\$1,000	\$1,000
Mortgage Application Fee	\$600	\$600	\$600
Standard: Estimated Total Costs	\$155,870	\$316,250	\$476,620
International Investor FIRB Application Fee	\$52,800	\$105,600	\$184,800
International Investor Duty Surcharge @ 7.0%	\$175,000	\$350,000	\$525,000
International Investor: Estimated Total Costs	\$383,670	\$771,850	\$1,186,420

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, Revenue SA

WHAT ARE THE COSTS WHEN OWNING A PROPERTY?

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.

STANDARD COSTS

Costs and taxes associated with the ownership of a property can vary dependent on the services the building provides.

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.

ADDITIONAL INTERNATIONAL OWNER COSTS

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.

WHAT ARE THE LANDLORD COSTS FOR RENTING OUT A PROPERTY?

STANDARD 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.

WHAT COSTS ARE PAYABLE WHEN SELLING A PROPERTY?

STANDARD 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 at a fixed rate.

Do ensure the breakdown of the fee structure is understood 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.

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.

ADDITIONAL INTERNATIONAL 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 A\$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 A\$2 million and above.

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

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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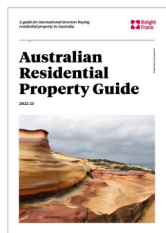
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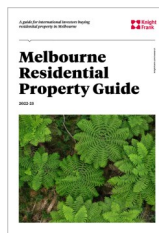
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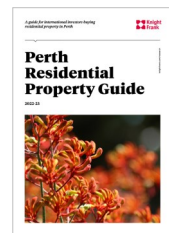
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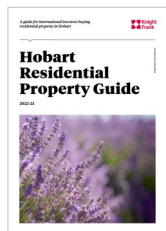
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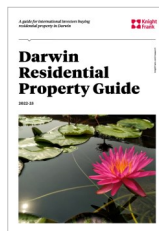
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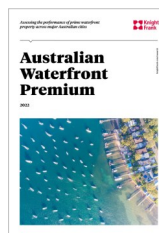
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