



House buyer's guide to **Australia**

Part 1

WORLDFIRST

Are you dreaming of down under?

G'day!¹

Fancy a new life somewhere completely different? Far away from here? You'd be hard-pushed to find anywhere more different than Australia; and you can't get much further away. Only halfway around the globe yet worlds away, Australia boasts landscapes, wildlife and cultures seen nowhere else on our planet. With the added appeal of a most un-British climate and an optimistic outlook on life, it's not surprising that Australia has charmed so many Brits into making a fresh start there.

It helps that there's no language barrier – or not much of one. And how long would it take you to pick up 'servo'² and 'sanger'³? Or to realise that when Australians say 'hotel' they really mean pub, and when they tell you to bring your 'thongs' they're talking about flip flops. Australian life draws a lot on British customs, laws, and traditions and the similarities are comforting to newcomers from the UK. But when it comes to buying property, there also differences: some fundamental, others more subtle.

To make it all more confusing, the laws differ depending on which state/territory you're in. And if you're not an Australian citizen, there are additional, special hurdles just for you to jump – and bills for you to settle.

This guide will help you whether you're moving to Australia temporarily or for good. It will even help you if you're not even planning to set foot on the continent but are simply looking to invest in property there. We've aimed to set out the things you really do need to know – clearly, simply, and without drowning you in 'good oil'⁴.

We hope you find it useful.

Good luck, best wishes and hooroo⁵!

¹ Hello and welcome

⁴ Detailed information

² Petrol station

⁵ Ciao

³ Sandwich

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Five fundamentals you need to know now

Here are the most significant differences from the UK ways of doing things. Get your head round these and you're halfway there...

1. Each state does its own thing. There is no such thing as 'Australian' conveyancing. Every state has its own land and property departments, its own laws, and its own real estate institute. Also its own stamp duty and tax rates, processes, documentation and so on... You get the point.

2. There is one major exception which is reserved for non-citizens and holders of non-permanent residency visas: **the Foreign Investment Review Board (FIRB)**. Not only must you get their approval before you can buy, you must pay them thousands of dollars for the privilege of applying.

3. DIY conveyancing is a thing. You just buy a kit and get on with it. It's not frowned upon. In fact, it's encouraged.

4. It all happens very quickly compared with the UK. From offer to completion can happen in as little as a month, or even just a fortnight.

5. This breakneck speed means it's essential you **arrange a mortgage before you start house-hunting** – otherwise the buyer could well get bored of waiting for you and take up another offer.



Understanding Australian property

There are no ‘Australian’ property laws (or fewer than you might expect, anyway)

Yes, we’ve mentioned this already but it can’t be overstressed. The federal government has very little to do with property; national legislation is limited. Make sure to get your head around the laws, taxes, conveyancing process, land registry rules and so on as they pertain to the state/territory you’re buying in.

Property market trends

It’s difficult to generalise about anything in Australia. This is a vast country whose population densities range from zero in the interior to jam-packed (stop us if we’re getting too technical) in the cities. But broadly speaking:



- Owning your home is considered an **important life goal** here.
- Although **ownership rates** have decreased over recent years, they are **traditionally high** – up to 70%.
- These days, more and more people are finding themselves renting. In some city suburbs **rental rates are soaring** (to more than 50% in some parts of Sydney).
- The **population growth** (almost 8% in the five years to 2017) easily outstrips the supply of new housing.
- **Demand steadily increases year on year** and property prices follow — roughly doubling every 10 years.
- **Price volatility is relatively low** thanks to the regulations designed to quell speculative investment. During the global financial crisis of 2008, Australian property prices rose instead of tumbling into freefall as they did elsewhere in the world.
- Unlike the UK, the **Australian authorities are quite prepared to step in to control the housing market.**
- Although the mid- to long-term picture has always been positive, **house prices have slumped** since their peak in 2017. In Sydney, prices rose by 20% in a year over 2016/17 but have since fallen by 11%. In 2018, homeowners and investors saw property values fall by 8.9% in Sydney, 7% in Melbourne, and 4.7% in Perth. Only Canberra bucked the trend with a sixth consecutive year of rising prices.

Who can buy property in Australia?

Potentially anyone. But fear of a property-buying frenzy by overseas investors prompted the Australian government to intervene. So, if you want to buy residential property you must get approval from the Foreign Investment Review Board (FIRB) **unless**:

- You're a resident with a **permanent** resident visa (or a special category visa) ...
- ... or you're an **Australian citizen**...
- ... or you're **married to one** (this includes same-sex marriage)

Temporary residents

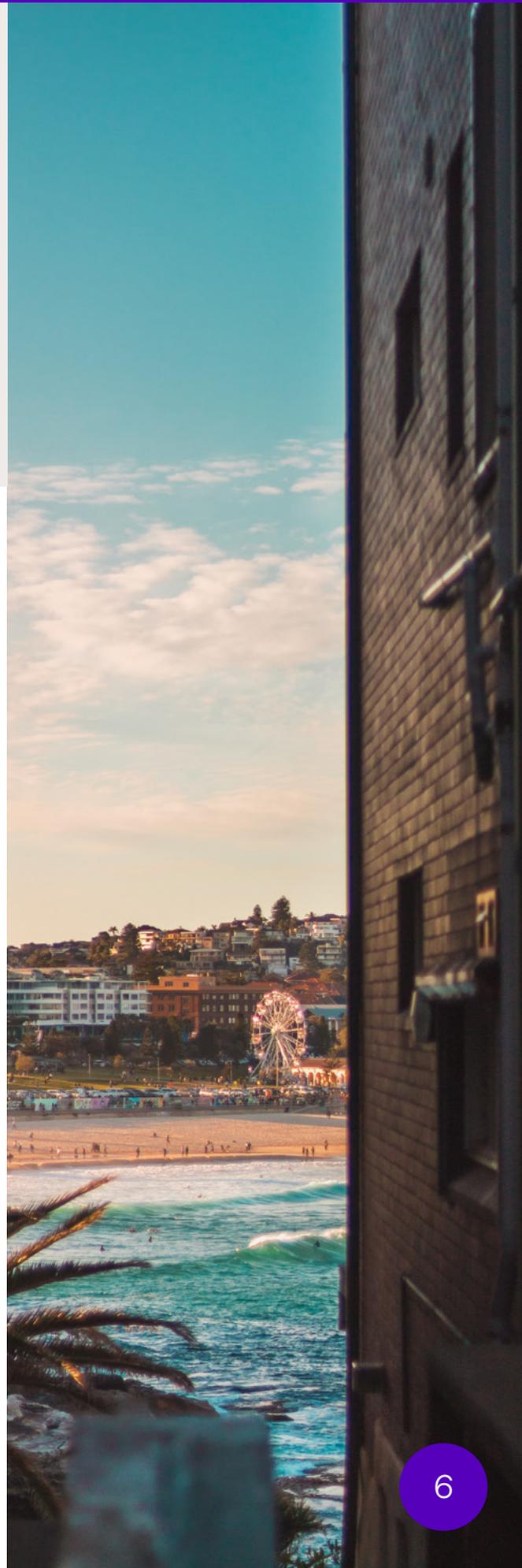
If you're in Australia on a temporary visa – whether work, student or spousal – you will need approval from the FIRB. Once cleared, you **may buy one new or established** dwelling and **you must live in it**. When you no longer live in it, you must sell it.

Investment properties

As an overseas investor, you may buy property as an investment but it must be a new-build. Or you can buy land and build a new property on it. As a foreign investor you may not buy an established property. Overseas investors also require approval from the FIRB.

Pre-approved developments

Property developers with an eye on the overseas investment market can arrange for an entire development to be approved by the FIRB in advance so that buyers don't have to go through the process. If you can find a suitable unit in one of these developments, it could be a faster and simpler route to buying.



Important FIRB points

- You don't need permission from the FIRB before agreeing to buy a property, but you must insist the contract contains a conditional clause stating that your offer to buy is subject to FIRB approval.
- The FIRB is allowed to take up to 130 days to review your application but usually takes a few weeks – long enough to frustrate a seller, anyway.
- The application fee is AUS \$5,600 rising to AUS \$11,300 for million-dollar properties and it ratchets up with each additional million dollars. See firb.gov.au/resources/guidance/gn29/ for details.
- The application process begins at the Australian Taxation Office's website. See ato.gov.au/general/gen/completing-the-residential-real-estate-application-form/
- Your solicitor or conveyancer will probably handle all this for you.
- If you somehow succeed in purchasing a property without FIRB approval, expect to receive a fine of up to AUS \$135,000 or three years in jail. Do not pass Go.

Who can buy property in Australia?

Despite Australia having a reputation for tightly controlled immigration, there are actually quite a few visa schemes and it's worth exploring immi.homeaffairs.gov.au/visas/getting-a-visa/ visa-finder to see if there's one that's appropriate for your situation. For example, work visas are available for people with skills in short supply, or who have a sponsoring employer.

If you apply for a visa through a lawyer or emigration agent make sure they are registered with MARA, the Migration Agents Registration Authority (mara.gov.au) or a member of the MIA, the Migration Institute of Australia (mia.org.au).

Just visiting

If you're a British citizen, it's easy to visit for up to three months. Apply for an eVisitor visa at immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/evisitor-651. The visa is free and you'll probably have it with 24 hours of applying. It's a great way to visit, experience the country, and explore your property options.



Money matters

Opening a bank account

If you're going to Australia to live, you should be able to set up a bank account between three and 12 months ahead of moving. All four major banks allow you to open an account online. Expect the usual due diligence to establish that you are not in the money-laundering business etc. They may also demand to know your exact arrival and departure dates.

When it comes to transferring money from the UK to your new account, however, proceed with caution...

Moving money to Australia

When you need to transfer money from the UK to Australia (or vice versa) be aware that doing so through your bank is one of the most expensive options. Not only can the bank charge you a hefty fee, they might also use an unfavourable exchange rate. If you're moving small amounts of money, the fee will be disproportionately large. If you're moving the capital to buy a house, the rate will hit you hard.

By far the cheapest way to move money across borders is to use **a service such as WorldFirst's.**

Faster. Easier. Cheaper.

Transferring money to Australia with WorldFirst

We provide a faster, easier and cheaper alternative to high street banks. Our award-winning customer service team can have your Aussie dollars on their way in no time at all.

All it takes is three quick and easy steps:

1

Make an international transfer.

Tell us how much you want to send (over £1,000) and where. We'll quote you a rate and you can book the transfer.

2

Send us your money.

Pay World First by debit card or bank transfer.

3

We make your payment for you.

That's it. Put your feet up. WorldFirst will do the rest. We'll convert your funds and send the money to the account you requested, all at a great rate.

WorldFirst's transparent pricing: 0.50% or less*

We offer a cheaper service than the banks but how do we do it?

Simple – we typically make less profit on every transfer.

Most banks and FX providers don't tell you their pricing/margin – it's hidden in the exchange rate they use. At WorldFirst, we do things differently – we tell you exactly what our margin is.

Annual transfer amount (AUD)	\$0 - \$750K	\$750K - \$7.5m	\$7.5m+
Pricing / Margin	0.50%	0.25%	0.15%

Many banks and FX providers also charge you an additional fixed fee. WorldFirst will not charge you any fees for opening an account, cross-currency transactions, receiving funds, or account management. Fees may apply for same-currency transactions.

* Correct at time of publication. See worldfirst.com/au/ for current rates.



About this guide

We hope you found our guide useful. The information we've provided is for general guidance only. Before making any important decision, always take advice from a qualified lawyer, conveyancer, accountant, surveyor or other relevant professional.



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