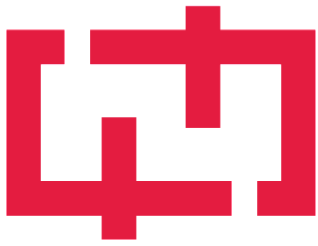


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Acquisition of Property in Australia – The Rules

There are restrictions for foreigners owning property in Australia. The restrictions are provided by the Foreign Investment Review Board [FIRB] which provides for the following:

New Dwellings: New dwellings acquired 'off the plan' (before construction commences or during the construction phase) or if construction is complete, it is normally approved where the dwellings have not previously been sold (that is, they are purchased from the developer) and have not been occupied for more than 12 months.

A property purchased under this category may be rented out, sold to Australian interests or other eligible purchasers, or retained for the foreign investor's own use. Once the property has been purchased, it is second-hand real estate and is subject to the restrictions applying to that category.

Second-Hand (Established) Dwellings: This includes all residential dwellings which are not new dwellings (that is, they have been previously owned and/or they have been occupied for more than 12 months).

Acquisitions by individual(s): Foreign persons are prohibited from acquiring established dwellings for investment purposes (that is, they cannot be purchased to be used as a rental or holiday property), irrespective of whether they are temporary residents in Australia or not. However, temporary residents can apply to purchase one established dwelling to use as their residence in Australia. Approval is usually provided subject to a condition that the temporary resident sells the dwelling when it ceases to be their residence.

Acquisitions by companies: Proposals by foreign-owned companies to acquire second-hand dwellings for the purpose of providing housing for their Australian-based staff are normally approved on the condition that the company undertakes to sell or rent the property if it is expected to remain vacant for six months or more.