



GUIDANCE NOTE 3

AUSTRALIA'S FOREIGN INVESTMENT POLICY RESIDENTIAL REAL ESTATE

All Foreign Non-Residents Are Required To Notify FIRB Of Any Proposed Acquisition Of Residential Real Estate

Foreign non-residents or short term visa holders can invest in Australian real estate only if that investment adds to the housing stock. This generally occurs by acquiring new dwellings, off-the-plan properties under construction or yet to be built, or vacant land for development.

Established (Second-Hand) Dwellings

Non-resident foreign persons cannot buy established dwellings as investment properties or as homes.

Foreign companies with a substantial 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 condition, the company undertakes to 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.

New Dwellings

Non-resident foreign persons need to apply to buy new dwellings in Australia. Such proposals are normally approved without conditions.

Vacant Land

Non-resident foreign persons need to apply to buy vacant land for residential development. These proposals are normally approved subject to conditions (such as, that ongoing construction begins within 24 months).

February 2012