

PURCHASING RESIDENTIAL PROPERTY IN AUSTRALIA

FREQUENTLY ASKED QUESTIONS (FAQs)

Q1. I am a non-resident. Do I need approval to buy residential property in Australia? What type of property can I buy?

Yes, you must seek prior approval for **all** acquisitions. You can purchase any number of new dwellings and/or blocks of vacant land (subject to development conditions). You are not permitted to purchase established dwellings, except for redevelopment purposes (subject to development and other conditions).

Q2. I am a temporary resident. Do I need approval to buy residential property in Australia? What type of property can I buy?

You do not need approval to buy **one** established dwelling as your principal place of residence, new dwellings or single blocks of vacant land.

You must seek prior approval for **all other** acquisitions, including vacant land on which multiple dwellings may be built (subject to development conditions). You are not permitted to purchase multiple established dwellings, except for redevelopment purposes (subject to development and other conditions).

Q3. I am a permanent resident. Do I need approval to buy residential property in Australia? What type of property can I buy?

No, foreign citizens who hold a permanent visa (that is, they are permitted to remain in Australia indefinitely) do not require foreign investment approval to purchase residential property (including established dwellings for investment purposes).

Q4. What happens if I buy property without approval?

If you are not eligible (e.g. if the property is an established dwelling), you will be required to dispose of your interest in the property. You may also be subject to fines (currently up to \$55,000) and/or imprisonment (up to two years). If you breach a contract, you may also face losing your deposit and be liable for damages.

Q5. I am a real estate agent. What happens if I sell property to a foreign purchaser without approval?

If the foreign purchaser is not eligible (e.g. if the property is an established dwelling), you may expose your business to civil damages if you do not advise them about their obligations under the policy. You may also be liable to pay penalties and compensation under consumer protection legislation (including the *Trade Practices Act 1974*).

Q6. I have just been granted a temporary resident visa and intend to move to Australia within a few months. Do I qualify for the temporary resident exemption?

No. You are not a temporary resident if you are not **living** in Australia.

Q7. I have a tourist visa valid for 12 months. Do I qualify for the temporary resident exemption?

No. You must be **living** in Australia (not just visiting or holidaying for an extended period of time), and your visa must allow you to stay in Australia for a continuous period of **more than** 12 months.

Q8. I have a student visa. Do I qualify for the temporary resident exemption?

Yes, as long as you are currently **living** in Australia and your visa allows you to stay in Australia for a continuous period of **more than** 12 months. If your visa is only valid for 12 months or less (for example, if you are enrolled in a short course), you are **not** a temporary resident.

Q9. I have submitted an application for a visa which would allow me to stay in Australia for over 12 months. In the meantime, I have been granted a bridging visa. Do I qualify for the temporary resident exemption?

No, not until you receive your temporary resident visa (the temporary resident exemption applies to bridging visa holders **only** if they are awaiting the outcome of an application for permanent residency, not an application for any other visa).

Q10. I am a temporary resident but my parents are not. I wish to purchase a property to live in while I am in Australia, but I cannot afford to buy a property. Can my parents:

- **purchase a property (in their own names) for me to live in?**
- **purchase a property jointly with me? (e.g. the bank requires them to be on the property title in order to provide the loan)**

Yes, but they will need prior approval to do any of the above. Approval will be granted according to the relevant eligibility criteria – that is, as non-residents, they are ineligible to purchase an established (second-hand) dwelling.

Please note that if your parents will be loan guarantors but will not acquire any interest in the property (that is, they will repay the loan if you are unable to make the repayments, but they have no rights to the property), they do not require approval.

Q11. I am a real estate agent, selling a property to a foreign purchaser. Can FIRB:

- **confirm if they have submitted an application?**
- **confirm if they have received approval or advise its progress?**

Due to privacy legislation, we can only advise you if you are identified in the application as their 'agent' or nominated contact.

Q12. I am a real estate agent. The FIRB application form allows me to sign on behalf of the applicant(s) as their 'agent'. Can I also sign the Declaration as their 'agent'?

No, the FIRB Declaration is not valid unless it is signed by the applicant(s).

Q13. According to the list of exemptions, I don't need approval. Should I contact FIRB to confirm this, or submit an application?

No. If you are unsure whether your proposed acquisition is exempt, seek legal advice.

Q14. According to the list of exemptions, I don't need approval. Can FIRB provide written confirmation of this (e.g. for my bank/mortgage provider or solicitor/conveyancer)?

No, we do not issue exemption letters. You should determine whether your proposed acquisition is exempt and if in doubt, seek legal advice.