

AUSTRALIA

Corporate Structure/Capital Market

Corporate Structure

The most common vehicle used for the acquisition of real estate is a limited liability company. A limited partnership may also be used, although the taxable income of the partners is allocated to the individual partners.

Australian Real Estate Investment Trusts (A-REITs) are large investors in commercial real estate. A REIT is not subject to tax, provided it abides by strict rules relating to such matters as the form of its investments, number of shareholders and distribution of income and profits. In that case, tax is payable by the share/unit holders in the tax year that income distributions are received.

Capital Market

The Australian capital market provides all forms of equity and debt finance.

Real Property Taxes & Transaction Costs

The following principal taxes and other costs levied on real property:

Stamp duty/transfer tax	Levied at rate determined by each State or Territory. Based on a sliding scale (range from 1.25% to 6.75% on greater of consideration or 'market value'). Payable on most documents for transfer of an asset, including a property conveyance, mortgage, share transfer.
Goods and Services Tax (GST)	<p>10% payable on the supply of goods and services, including the supply of premises under a commercial lease. A lessor carrying on an 'enterprise' must register for GST if turnover is \$50,000 or greater.</p> <p>Tax is payable on all rent and outgoings, including any outgoing paid directly to the lessor as reimbursement of an expense and any payment made by the lessor to a third party to meet a lease obligation. Local authority rates, water charges and land tax are not subject to GST. (The liability to pay the tax is that of the lessor and, in most cases, the lease provides for GST to be recovered from the lessee.)</p>
Notary fees	n/a
Registration fee	<p>A fixed fee is payable for each transaction including a sale, mortgage or grant of an interest in land.</p> <p>For information of land registration in NSW see "Registering Property" below.</p>
Capital Gains Tax	Payable on realized gain and included as part of income or corporate tax (exemption for main residence and certain personal items). 50%

reduction on property held for over 12 months. Property acquired before Oct 1 1985 subject to different regime.

**Local property tax
(rates)**

Tax is levied by each State or Territory based on land value. Rates range from 0.02–2.5%.

Tax rates are only a guide.

These change from year to year and require specialist professional advice on application to any individual or legal entity. More information about national tax can be obtained from an accountancy firm (See accountants).

Also see our list of legal firms.

Also, please see [Disclaimer](#).

Further information may be found in our [Bibliography for Australia](#).