JLL

Global Buyer's Guide

Contents

Welcome to JLL's International Buyer's Guide

This guide provides comprehensive insights into various global residential property markets. We cover essential details to help you navigate property acquisition in the UK, Japan, Germany, the US, and Australia. Learn about taxes, market trends, investment returns, and regulations specific to each market to help you make well-informed investment decisions.

Understanding the intricacies of international real estate is crucial for optimising your portfolio. Our guide delves into the benefits and challenges of investing in different regions, from the stable returns in the UK and high rental yields in Japan's major cities to the flourishing technology sectors in Germany and the US. Whether you're drawn by the vibrant cultures or lucrative investment opportunities, we provide the knowledge you need to succeed.

International properties offer diverse benefits, from wealth preservation to significant capital appreciation. As you explore the guide, you'll find information on legal requirements, financing options, and potential returns for each market. Let JLL's expertise guide you through the complexities of international residential real estate investments, ensuring you seize the best opportunities available across the globe.

Let's explore the world of international real estate together.

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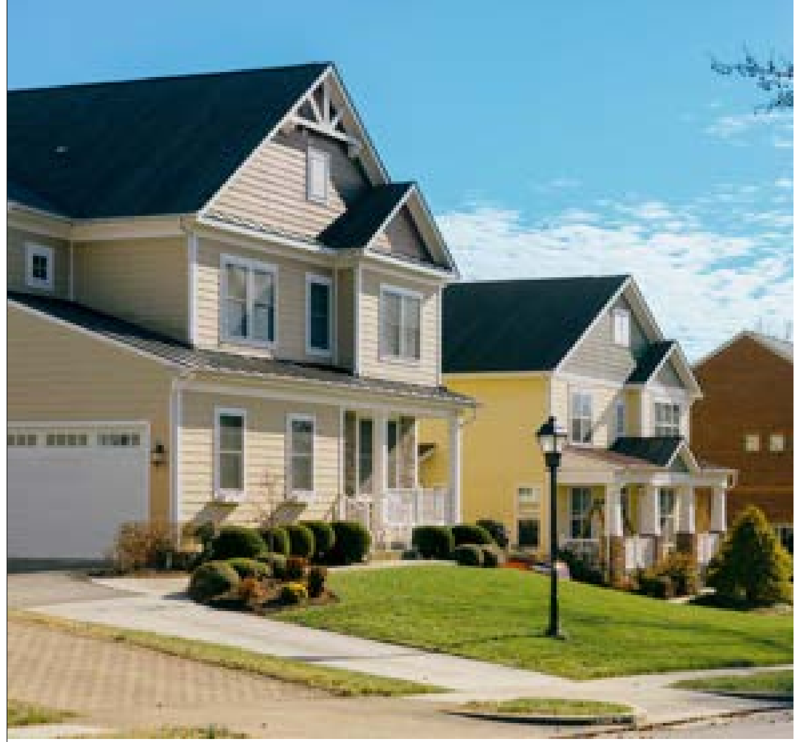

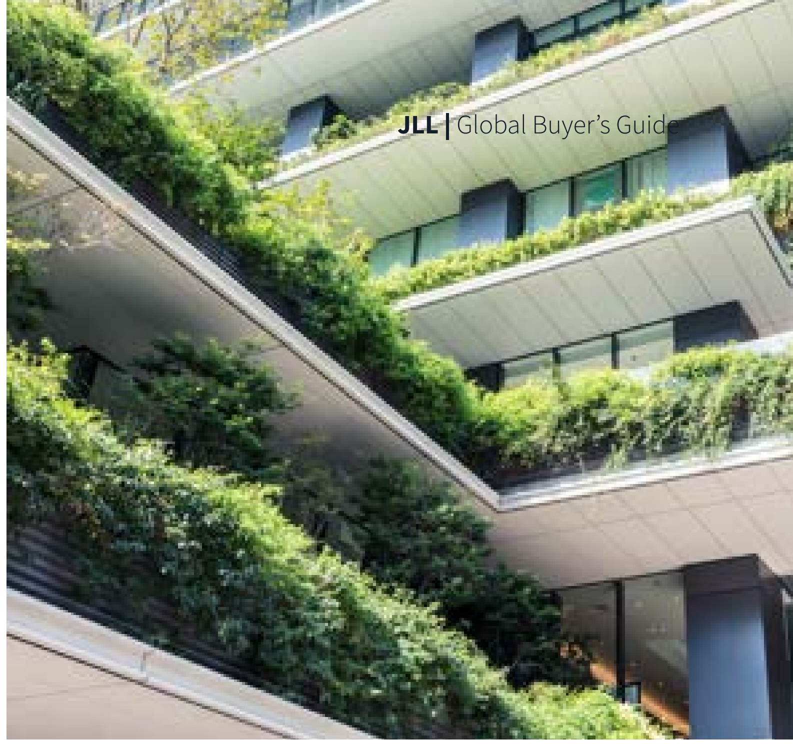

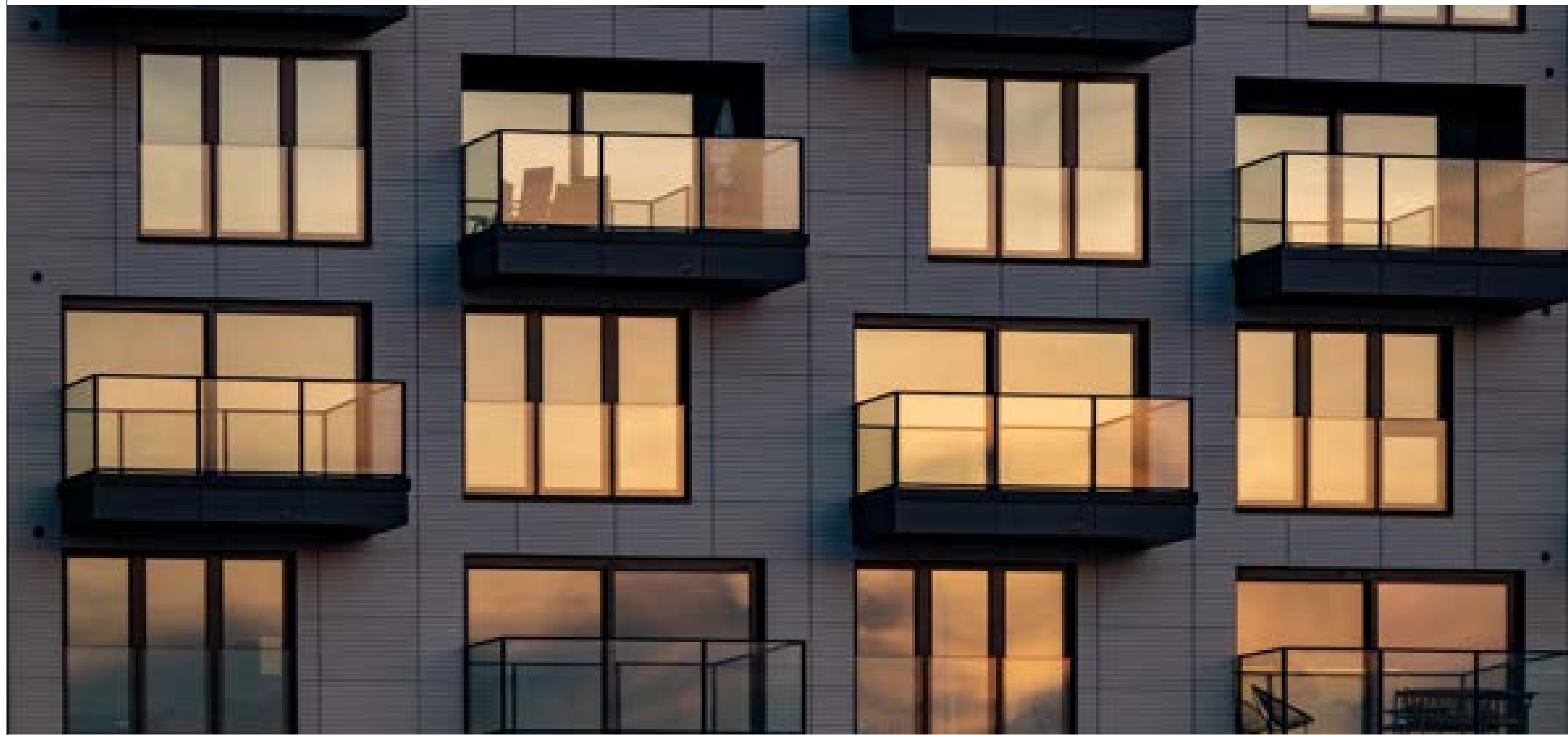

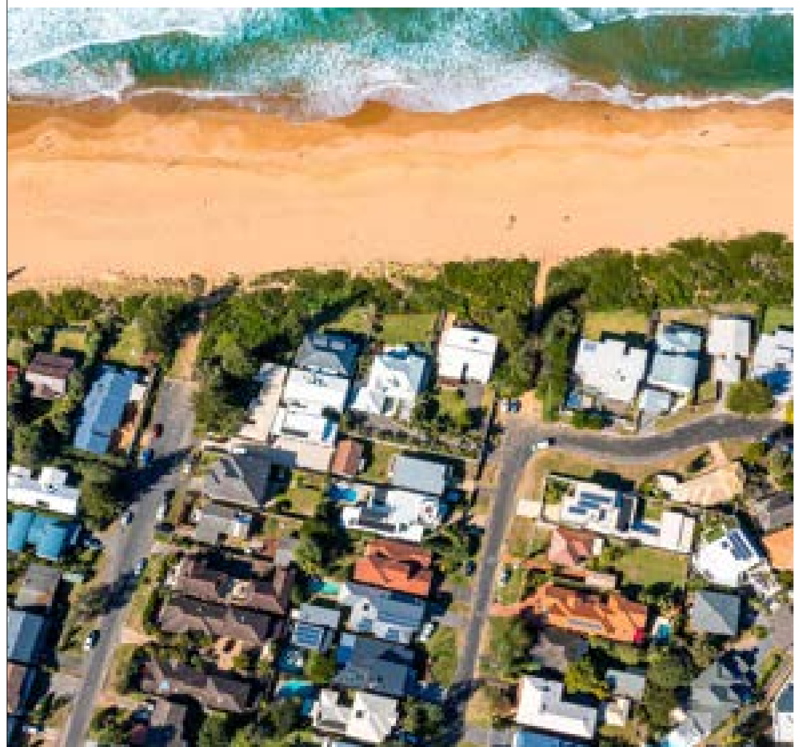

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How to buy an *international property*

1 **Be prepared.** Research the advantages of investing in different countries and learn about their taxes and property regulations.

2 **Identify the property** to purchase.

3 **Pay a reservation fee** towards the 'preliminary sales and purchase agreement'.

4 **Hire a lawyer** or agent to assist with handling the contract. Reputable real estate consultants should be happy to recommend experts for this task.

5 Agents can assist with **contract translation services** where necessary and **arrange signing sessions** with developers, so travel may not be necessary in all cases.

6 Once the contract is signed, be prepared to **transfer the necessary deposits**.

7 Closer to completion, **secure a mortgage provider**, if one is needed. Again, trusted real estate agencies will be able to recommend banks offering mortgage products for overseas buyers.

United Kingdom

The UK is ideal for investors looking for stable returns on investment at a range of property price points. Historically, the UK has delivered stable returns on investment over time, and this trend shows no sign of stopping any time soon. This makes it an excellent choice for investors looking at property as a means of wealth preservation. The relatively weak British Pound is working to overseas investors' advantage.

Returns on investment

UK house prices (2019 – 2024):
+23%

UK rentals (2019 – 2024):
+24.5%

Where to buy?

London has always been a favourite among overseas buyers, a trend set to continue as London continues to improve with exciting regeneration programmes and key infrastructure improvements such as the recent addition of the Elizabeth Line making it easier and faster than ever to travel within the city from West to East. Meanwhile, an increasing number of investors are turning their attention north to Manchester. One of the fastest growing city markets, Manchester offers strong rental demand, higher rental yields and a lower price point for potential investors.

Buying UK property

Say you have identified a UK property you want to invest in, with a price of £1 million.

If this is your first property and you intend to live in it, you will need to pay an effective 4.1% Stamp Duty rate—£41,250. The rate will be higher if this is your second home, or you intend to buy it to let it out. Income tax will need to be paid on any income generated from the leasing of the property. Ground rent will be payable on some leasehold properties, usually around £400- £1,000 per annum, depending on the type of property.

When you choose to dispose of the property (if it is not your sole residence), you will need to pay Capital Gains Tax of between 18% and 24% on gains earned from the property sale, minus any tax allowances and deductions.

What next?

Most investors are able to cover the majority of their monthly mortgage payments by generating rental income through their UK properties, particularly as most will purchase with a deposit of more than 25% of the properties value. Rental properties remain in high demand across the UK, with rents forecast to outperform capital values over the next five years.

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What you need to know

Mortgages

Big banks like HSBC, Bank of East Asia and Bank of China offer mortgage products for overseas buyers. Investors must make the applications themselves, but real estate agencies can be relied upon for guidance. **Please speak to your HSBC account manager for more information about the best mortgage product available for you.**

Acquisition costs

Buyers should expect to pay **Legal Fees** of around 0.5-1% of the property price. In addition, **Stamp Duty Land Tax** (SDLT), more commonly known as Stamp Duty, may be chargeable on the acquisition of UK property worth more than £40,000. Investors purchasing their second homes or buying to let are charged an additional 3% on top of the basic SDLT rate. Non-UK residents will also pay an additional 2% surcharge. Different rules applies for homes held within a company structure.

Property or lease premium or transfer value	SDLT rate	Second property
Up to **£250,000**	Zero	3%
The next £675,000 (the portion **from £250,001 to £925,000**)	5%	8%
The next £575,000 (the portion **from £925,001 to £1.5 million**)	10%	13%
The remaining amount (the portion **above £1.5 million**)	12%	15%

Holding costs

Ground Rent*, a regular payment by the owner of leasehold property to the property's freeholder, amounts to around 0.1% of the purchase price per annum, depending on the property type. This is typically subject to review every 10 years.

Service Charges vary according to the property's level of amenity.

Letting costs

If you generate rental income from your UK property, you are required to pay **Income Tax**. The rate depends on how much you earn, although a variety of exemptions can help offset the cost.

Fees for Letting Services are a percentage of rental income, varying by agent and service level.

Band	Taxable income	Tax rate
Personal Allowance	Up to £12,570	0%
Basic rate	£12,571 to £50,270	20%
Higher rate	£50,271 to £125,140	40%
Additional rate	over £125,140	45%

Disposal costs

You have to pay **Capital Gains Tax** on residential property in the UK, even if you're a non-resident for tax purposes. You only have to pay Capital Gains Tax on your gains above the tax-free allowance, or Annual Exempt Amount, of £3,000. The amount you pay depends on how much you have earned from the property sale and your taxable income, but it ranges from 18- 24% of your capital gains.

Inheritance Tax is charged at 40% on UK assets worth more than £325,000. There is no inheritance tax to pay if you pass a home to your husband, wife, or civil partner, but if you leave the property to another person in your will it counts towards the value of the estate.

Brokerage and **Legal Fees** associated with property disposals vary.

*Ground Rent is no longer chargeable on brand new developments.

Japan

Japan's real estate sector is renowned for its resilience and transparency, offering a safe haven for international capital. High rental yields, particularly in major cities like Tokyo and Osaka, appeal to investors seeking steady income streams. Japan's low interest rates and government incentives for foreign investment further enhance its attractiveness. The nation's advanced infrastructure, coupled with a high standard of living, makes it a compelling choice for long-term investment. Cultural richness and a burgeoning tourism sector also contribute to increased property demand.

Returns on investment

Five-year increase in residential prices:

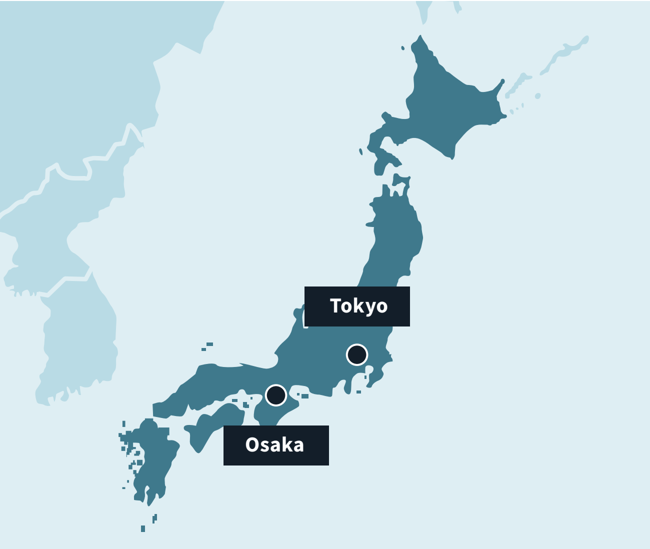
21%

Source: MLIT Index

Five-year change in residential rents (Greater Tokyo):

24%

Source: Tokyo Kantai



Where to buy?

As Japan's capital and its financial hub, Tokyo will continue to be popular with overseas buyers. Now investors' eyes are being drawn south to Osaka, a city which has already seen significant growth, and is set to be home to large-scale casino resorts under Japan's recently legalised casino gambling industry. Other cities such as Fukuoka are also seeing strong demand from younger tenants.

Buying Japanese property

Say you identify a Japanese condo unit you would like to buy, with a price of ¥50 million. You will pay between 3% and 9% of the purchase price at completion to cover taxes and an ownership registration charge (which differs for new and existing homes). While you hold the property, you will pay property taxes (Fixed Asset Tax and City Planning Tax), equivalent to ¥300,000 - ¥400,000 each year. For the first five years, this tax could be reduced by as much as 50%, depending on the size, specification, whether it is a new or existing home and location of your unit. Income Tax will need to be paid on any income generated by leasing the property. Provided you hold the property for more than five years, you will need to pay a Capital Gains Tax of 15% of the amount you earned from the sale. Any money sent out of Japan will be subject to a 20.4% Withholding Tax.

What next?

Japan has a thriving residential leasing market, driven by both expat professionals and domestic demand from Japanese workers flocking to the country's big cities.

What you need to know

Mortgages

Historically, banks did not handle mortgages for overseas investors purchasing Japanese property. But an increasing number of international and Japanese banks will now provide loans to foreign buyers. International real estate agencies should check if the buildings they are selling are approved for lending to overseas investors. **Please speak to your HSBC account manager for more information about the best mortgage product available for you.**

Acquisition costs

A **Property Acquisition Tax** is paid by the buyer every time land or buildings are transferred in Japan. This is payable on land and buildings on a property's 'tax value'. This value is assessed at local government level and is typically much less than the purchase price and market valuation for condo purchases in Tokyo and Osaka. The basic rate of Real Estate Acquisition Tax is 3% of assessed 'tax value' (a reduction on the standard 4% rate which is due to run to March 2027).

A **Registration and License Tax** is also payable when you register your ownership of land and buildings, or other legal interests such as mortgages, with the Japanese government. For mortgages, this is calculated at 0.4% of the loan amount. Registration tax for new homes is 1.5% (reduced from 2.0% until March 2026) of the assessed land value and 0.4% of the assessed building value. Different rules apply for new homes bought from a reseller. For existing properties, the building value is taxed at 2.0% of assessed value plus the 1.5% of assessed land value.

Contract stamp duty must also be paid, according to the purchase price laid out in the purchase and sales agreement.

Property value	Contract stamp duty tax rate
¥10 million to ¥50 million	¥20,000
¥100 million or less	¥60,000
¥500 million or less	¥100,000
¥1 billion or less	¥200,000

Holding costs

A **Fixed Asset Tax** and **City Planning Tax** are imposed on property owners every year on 1st January. These must be paid to Japanese city authorities, even if you are a foreign owner living outside of Japan. The fixed asset rate is 1.4% of a property's assessed 'tax value'. The city planning tax rate is a maximum of 0.3% of the 'tax value'. International investors should hire an English-speaking Japanese accounting firm to assist with making these payments. **Service Charges** average ¥230square metre but differ depending on the building and its facilities.

Letting costs

You have to pay **Income Tax** on rental income generated by letting Japanese properties. Operating costs, loan interest and building depreciation can be deducted in calculating net taxable income. Rental income is subject to a **Withholding Tax** of 20.42% before it can be sent out of Japan to your home country, unless you are leasing your property to a family member. **Management Fees** are typically around 4-5% of a property's rental price. **Brokerage Fees** are equivalent to the price of one months' rent. For a fee, some letting and management agents offer guaranteed rental schemes, which guarantee a rental income for five years.

Taxable Income	Income Tax Rate	Deductibles
¥1,000 - ¥1,949,000	5%	N.A.
¥1,950,000 - ¥3,299,000	10%	¥97,500
¥3,300,000 - ¥6,949,000	20%	¥427,500
¥6,950,000 - ¥8,999,000	23%	¥636,000
¥9,000,000 - ¥17,999,000	33%	¥1,536,000
¥18,000,000 - ¥39,999,000	40%	¥2,796,000
¥40,000,000 or more	45%	¥4,796,000

Disposal costs

Even non-residents have to pay **Capital Gains Tax** on gains made from the sale of Japanese property. If the property is held for more than five years, Capital Gains Tax is payable at a 15% rate as income tax and 5% as resident tax from the following year. Otherwise, the rate is 30% as income tax and 9% as resident tax of the net gains of the sale. A **Withholding Tax** may also be applied.

Japanese Inheritance Tax must be paid by the recipients of the property, rather than the owner's estate. A loan balance, a basic deductible, and an additional deductible per statutory heir (spouse or child) can reduce this tax burden. **Brokerage** and **Legal Fees** associated with property disposals vary depending on the properties value.

Tax Value After Deductions	Inheritance Tax Rate	Deductibles
¥10 million or less	10%	-
¥30 million or less	15%	¥500,000
¥50 million or less	20%	¥2 million
¥100 million or less	30%	¥7 million
¥200 million or less	40%	¥17 million
¥300 million or less	45%	¥27 million
¥600 million or less	50%	¥42 million
More than ¥600 million	55%	¥72 million

Germany

The ongoing rejuvenation of Germany's key cities makes them excellent destinations for buyers looking for a foothold in Europe with the potential for excellent returns on investment. Berlin is one of Europe's fastest growing technology hubs, with Uber and SoundCloud among the tenants flocking to the German capital. Frankfurt, home to the European Central Bank, is already an established financial centre.

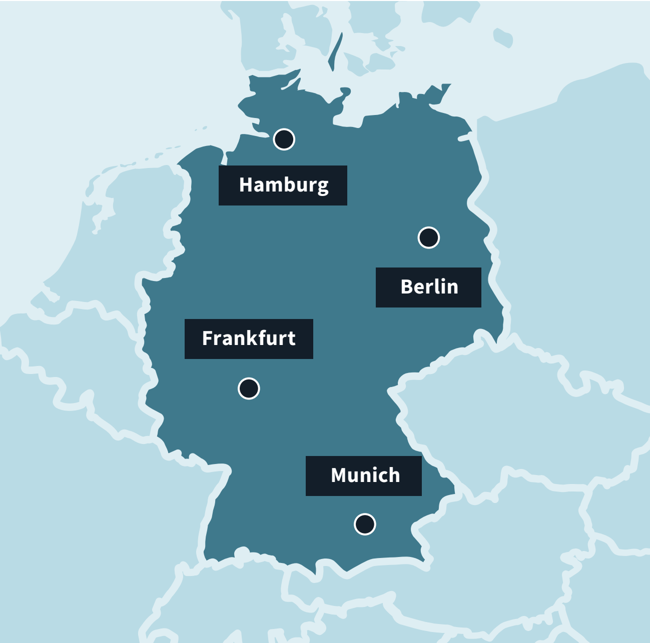
Returns on investment

Five-year change in German house prices:

31%

Average annual rental growth per annum – last five years:

5%



Where to buy?

Berlin is a dynamic city, with a young population and strong technology industry ties. Neighbourhoods across the city have been transformed into fashionable, hip hangouts and a new international airport is improving the German capital's connectivity. Frankfurt's international transport links, world-renowned financial marketplace and established infrastructure appeal to investors seeking sustainable growth and long-term returns.

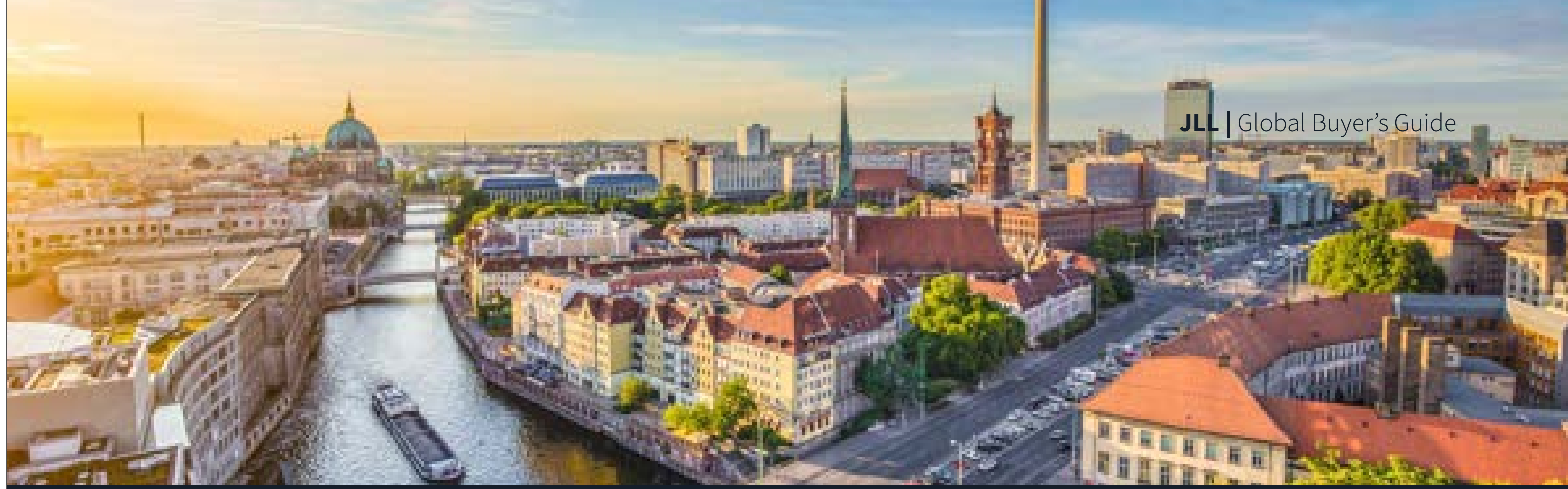
Buying German property

You decide to buy a property in Berlin with a price tag of €1 million. You will need to pay between 3.5% and 6.5% of the sale price in Real Estate Transfer Tax (€35,000 to €65,000) and a Notary and Registration Fee of between 0.5% and 3.5% combined (€5,000 to €35,000). Value Added Tax (VAT) is payable on new properties at a rate of 19%, existing properties are exempt.

You can expect to pay a small amount in Property Tax on an annual or quarterly basis. Letting fees include a one-off payment of e.g., 1.5 times a property's monthly rent to find a tenant and a monthly management fee of around €30. Any income made from letting German property is subject to 14-45% Income Tax, but mortgage interest, management fees and any value depreciation are tax deductible. No Capital Gains Tax is payable if you hold a German property for more than 10 years, but if no exemption applies, the property is classed as income and taxed as such.

What next?

Think long-term when buying a home in Germany. Property prices in Berlin and Frankfurt are expected to continue to rise, so holding a property for more than ten years should allow for steady capital appreciation while helping you avoid paying tax on the profits earned. Vacancy rates are below 1% in most German metropolitan cities, with demand for residential property heavily outweighing supply, so leasing your property is a good way to make a stable income.



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What you need to know

Mortgages

Financing products are available for overseas buyers, covering up to 70% of a property's value. Banks may support instalment purchases if you are buying a new-build property. **Please speak to your HSBC account manager for more information about the best mortgage product available for you.**

Acquisition costs

A **Real Estate Transfer Tax** is charged at a basic rate of 3.5%, but the actual rate you need to pay varies from state to state. A 6% rate is applicable in Berlin and Frankfurt, with some states charging up to 6.5%. The Transfer Tax has to be paid around four weeks after the notary deed has been signed by both the buyer and seller of a property. Under German law, you must pay a **Registration Fee** of around 0.5-1.5% of the value of your property to have your name entered in the local land registry.

It is also a legal requirement for sale and purchase agreements to be notarised. **Notary Fees** range from 0.5-2% of the purchase price.

Taxable income per calendar year	Income tax rate (2024)
Up to €66,760	14% - 42%
€66,760 - €277,825	42%
More than €277,825	45%

Holding costs

Property Tax on all German real estate assets must be paid on a quarterly basis or in full at the beginning of each year. The amount varies depending on the property's size and location but is normally a small amount.

Letting costs

Overseas investors must pay **German Income Tax** if they make money from letting their German property. This ranges from 14-45%. Non-German residents do not qualify for tax-free allowances, but mortgage interest, management fees and any depreciation in property value are tax deductible.

Management Fees range from €20-30 per unit per month, excluding Value-Added Tax (VAT), while Letting Fees are 1.5 times the monthly rent, excluding VAT. Service Charges can vary.

Disposal costs

If you hold a German property for more than 10 years, you can avoid paying **Capital Gains Tax** when you sell or dispose of it. Other exemptions may also be possible. If no exemption applies, the profit is classed as income and is taxed accordingly and a rate up to 45% of the net capital gain.

Under German law, **Inheritance Tax** is calculated for each beneficiary individually, depending on the value of the inheritance and their relationship to the deceased. There are additional exemptions for spouses.

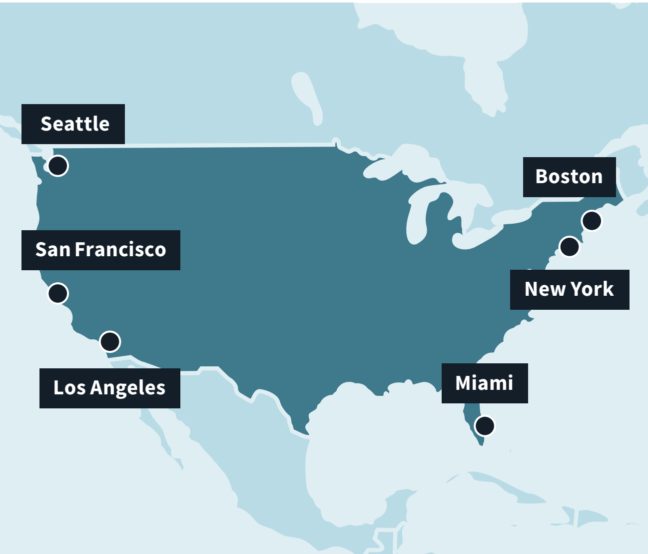
Relationship to Deceased	Inheritance Tax Rate
Spouse, child, grandchild, parent, grandparent	7% - 30%
Sibling, niece, nephew	15% - 43%
Other beneficiary	30% - 50%

United States

The outlook for the US economy remains positive, with strong GDP growth and a competitive employment market. Major American cities continue to attract substantial foreign investment. There are still opportunities for price growth in many markets, making it ideal for buyers seeking value appreciation. The US remains an attractive destination for investors offering good financial returns, and great lifestyle and educational opportunities for themselves and their children for those who choose to relocate or study.

Returns on investment

Five-year increase in residential prices:	Five-year change in residential rents:
54%	**35%**
(S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index)	(Zillow Observed Rent Index)



Where to buy?

The most popular US markets among overseas buyers are the nation's gateway cities on its east and west coasts: New York, Boston, Seattle, Miami, San Francisco and Los Angeles. These cities offer the perfect combination of world class education, great connectivity, culture, a diverse resident population and easy access to both the rest of the US and other cities across the globe.

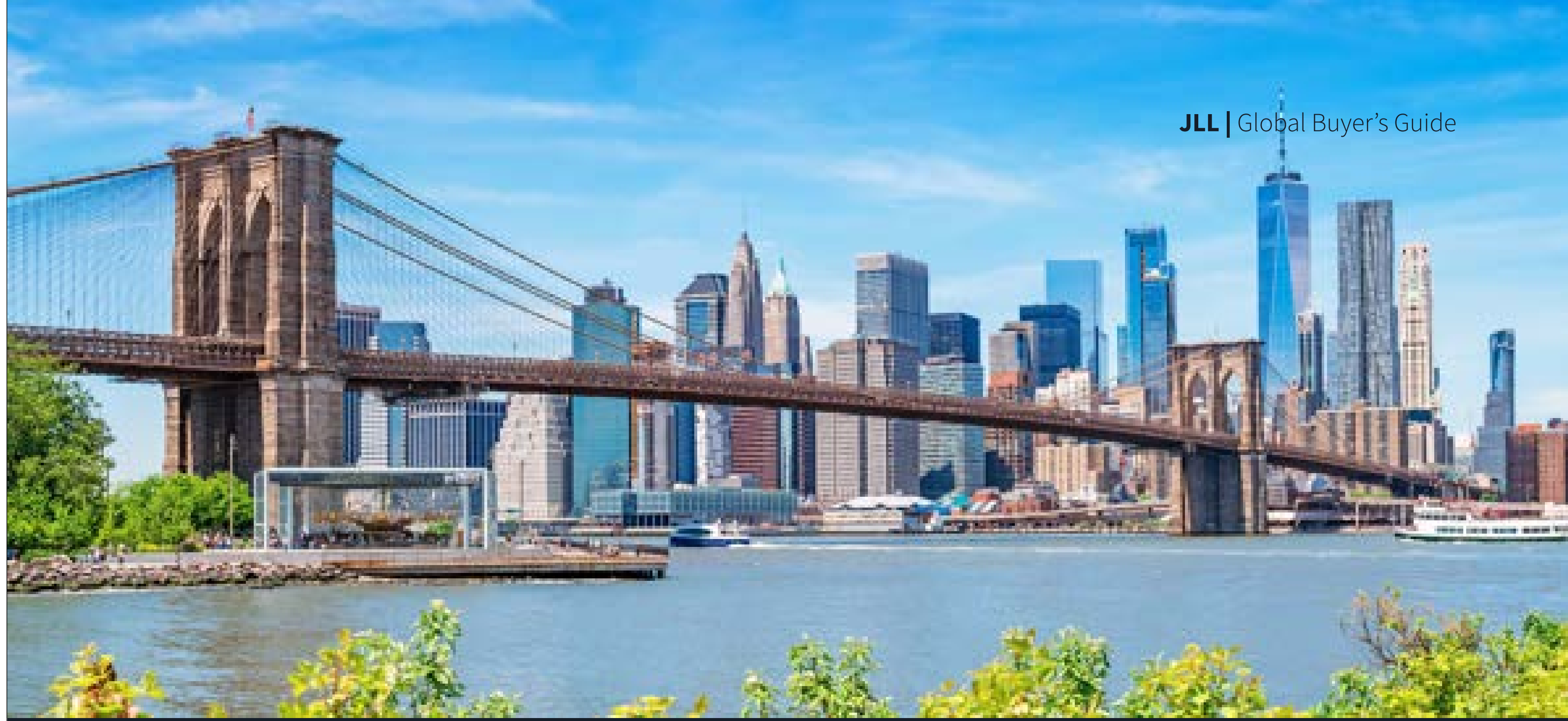
The booming technology sector in Seattle and San Francisco has supported significant growth in home prices, venture capital investments in innovation and infrastructure, and increased employment opportunities. New York remains the world's premier financial hub.

Buying US property

Buying a property priced at USD 1 million you can expect to pay around USD 15,000 in acquisition costs to cover a Recording Fee and Title Insurance. A Property Tax of around USD 12,000 – USD 20,000 will be paid to the local authority each year, depending on the state and city your property is located in. If you wish to let out your US property, you should contact a Certified Professional Accountant (CPA) to manage your Income Tax liabilities. Similarly, if you wish to dispose of your property, Capital Gains Tax should be discussed with a professional tax consultant.

What next?

US property prices have a strong track record for growth. Big American cities have large workforces and strong rental markets. Good rental yields in the best performing cities can be expected to generate a stable income for investors seeking returns while waiting for capital growth. Comprehensive leasing management services can screen and select tenants on an owner's behalf, while interior design packages are also commonly available for condominiums and apartments.



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What you need to know

Mortgages

Getting a mortgage for a US property is a straightforward process with the right assistance. Reputable agents will be able to recommend private lenders and mortgage brokers that can offer foreign nationals the financing they need and advise on building an international credit rating. For overseas buyers there are a number of specialist mortgage brokers who can translate and understand financial documents in a range of languages. **Please speak to your HSBC account manager for more information about the best mortgage product available for you.**

Acquisition costs

You do not have to pay stamp duty or transfer tax on real estate purchases in the US. A **Recording Fee** —for registering a real estate purchase on public record—plus an escrow company or attorney fee must be paid, and these vary from state to state. **Title Insurance** should also be purchased, to insure against financial loss from loans and liabilities that may be held against a property by the previous owner. These acquisition costs combined usually amount to around 1-2% of the sales price.

Holding costs

Most US local governments impose a **Property Tax**. This needs to be paid once or twice a year. The tax is calculated according to the local authority's assessment of the property's value. For the major east and west coast cities, this tax is around 1-3% of the assessed property value.

Letting costs

If you wish to buy and let US property, you should consult a tax advisor to discuss the management of **Income Tax**. Trusted agents will be able to recommend Certified Professional Accountants (CPAs). **Property Management Fees** are around 8-10%, depending on the services used.

Disposal costs

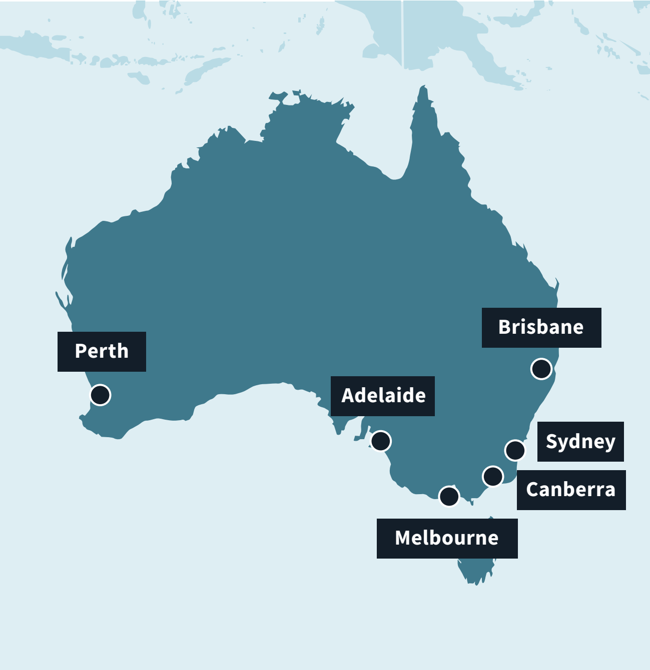
Capital Gains Tax should also be discussed with a professional tax consultant, as this is measured not only on your real estate assets but on your total annual capital gains. If incurred, these are taxed at a 15-33% rate and this amount is withheld by the US government at the time of the sale. In the event of the death of an overseas property owner, **Inheritance Tax** must be paid. Consulting a lawyer regarding these liabilities is advisable.

Australia

Australia offers a compelling investment opportunity for purchasing property due to its stable economy, political stability, desirable lifestyle and education systems. Australia, particularly across its main cities, also benefits from a strong property market and attractive rental yields making it an attractive proposition for many investors.

Returns on investment

Five year increase on house prices nationally:	Five-year change in residential rents nationally:
54%	**53%**
Source: CoreLogic	Source: SQM Research



Where to buy?

Most investment grade property is located in large Australian cities. Of particular interest are Sydney with its iconic architecture and beaches, Melbourne for its cosmopolitan lifestyle, Perth as the sunniest Australian city with 60 golf courses and Brisbane, the future Olympic city, which is becoming a world class city with some of the highest migration rates across Australia.

For apartment investors, the best locations are usually in suburbs 4 – 8 km from the CBD. For standalone houses or new townhouses, the best locations tend to be a little further out, around 6 -12 km from the centre.

Buying Australian property

Overseas investors have to buy brand new property which can help streamline the property search. Say you have identified a new build Australian property you want to invest in, with a price of A$800,000. You will need to pay 3-5% in stamp duty as a local buyer. As an example, within Melbourne (this could buy you a townhouse) a local purchaser can expect to pay $45,156.90 in Stamp Duty, or as a foreign investor this would be $109,156.90. These values vary between states. Once you own the property you are automatically a member of the Owners Corporation and therefore Strata fees will be required to be paid.

When you choose to dispose of the property, you will need to pay Capital Gains Tax (CGT), a federal tax administered by the Australian Taxation Office (ATO), and it applies uniformly across all states and territories. CGT is treated as part of your assessable income and a 50% discount applies for residents who have held the property for more than 12 months. Exemptions also apply to the primary residence however conditions apply. For foreign residents selling Australian real estate worth A$750,000 or more, there is a foreign resident capital gains withholding of 12.5% which the buyer of the property must withhold and send to the Australian Taxation Office.

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What next?

In recent years, Australia's rental market has experienced significant flux. This has been influenced by interest-rate rises, low vacancy rates, the return of international students, high migration, construction supply chain issues, labour shortage limiting construction growth. Collectively these factors allow real-estate investments to offer long-term capital gains and the potential for steady rental yields. The current market continues to favour investors due to high demand and record low-vacancy rates. The rental yields from investment-grade property in Australia are very competitive internationally – often between 3.5% and 5%, but variable location to location.

What you need to know

Mortgages

Please speak to your HSBC account manager for more information about the best mortgage product available for you.

Acquisition costs

Foreign Investment Review Board (FIRB) is a non-statutory Australian Government advisory body. It reviews proposed investments in Australia to ensure they align with Australia's national interest. If you're dealing with Australian properties, understanding FIRB regulations is crucial, especially for international investors like yourself. All foreign nationals must seek FIRB approval for each property investment. Your JLL Broker will be able to assist you with your application.

Estimated buying costs when purchasing a property in Australia A$

Legal/ Conveyancer	FIRB
$2,000	**from $14,700**
Local stamp duty	**Stamp duty surcharge**
3-5%	**0-8%**

You will usually pay a tax, known as **Stamp Duty**, up to 13% of the purchase amount, depending on where the property is. You may also have to pay an annual land tax if you own property worth more than a certain amount. These taxes vary between states and territories.

State	Resident Max Duty Rate	Non-Resident Rate
NSW	5.5% Premium rate of 7% applies to the transfer of residential property if the value exceeds $3,636,000	Additional 8% surcharge applies to foreign purchasers of residential property (Rate to increase to 9% commencing 1 January 2025)
VIC	6.5%	8% surcharge
QLD	5.7%	8% surcharge
WA	5.15%	7% surcharge
SA	5.5%	7% surcharge

*The rates provided are the highest effective rates. Thresholds and lower rates of duty apply for lower value properties.

Holding costs

If you choose to buy an apartment or townhome, you'll need to be familiar with Strata. This mode of property ownership allows for individual ownership of part of a property (your apartment or townhome) combined with the shared ownership of common areas like foyers and gardens through an owners corporation or body corporation. All owners in the scheme are required to pay levies. Levies are usually charged quarterly and sometimes on an annual basis and go towards the administration and upkeep of the scheme and any required works, scheduled or emergency.

Letting costs

Payroll tax will be payable on any rental income. The rate is set by the federal government (does not vary between states) and differs for residents and non-residents.

Resident tax rates 2024-25

Taxable income	Tax on this income
0 - $18,200	Nil
$18,201 - $45,000	16c for each $1 over $18,200
$45,001 - $135,000	$4,288 plus 30c for each $1 over $45,000
$135,001 - $190,000	$31,288 plus 37c for each $1 over $135,000
$190,001 and over	$51,638 plus 45c for each $1 over $190,000

Foreign resident tax rates 2024-25

Taxable income	Tax on this income
0 - $135,000	30c for each $1
$135,001 - $190,000	$40,500 plus 37c for each $1 over $135,000
$190,001 and over	$60,850 plus 45c for each $1 over $190,000

The above rates **do not** include the Medicare levy of 2%.

Real estate agencies charge different amounts for property management services, but as a general rule expect to pay a monthly commission ranging from 6% of the weekly rent plus GST.

Disposal costs

Capital Gains Tax(CGT) rates in Australia do not change from state to state. CGT is a federal tax administered by the Australian Taxation Office (ATO), and it applies uniformly across all states and territories.

- **Taxation of Capital Gains:** Capital gains are treated as part of your assessable income and taxed at your marginal income tax rate.
- **50% Discount:** If you hold the property for more than 12 months, you are eligible for a 50% discount on the capital gain. This means you only pay tax on half of the gain.
- **Primary Residence Exemption:** CGT generally does not apply to your primary residence, though there are some exceptions (e.g., if you used part of the property to produce income).
- **Investment Properties:** CGT is most commonly associated with the sale of investment properties or second homes.

There is no inheritance tax in Australia, unlike many other countries. However, if you wish to dispose of an asset then CGT will apply, as well as usual taxation on assets receiving an income.

Brokerage and **Legal Fees** associated with property disposals vary.

Negative gearing

Gearing simply means borrowing money to buy an asset. Negative gearing can be a tax strategy used by investors and describes when the income (ie, the rent) made from an investment is less than the expenses it incurs, meaning it's making a loss. Property investors increase the supply of rental housing and as a result are able to deduct any losses on their properties such as interest on mortgage, owners corp, property management fees, against any other income such as wages or rental income on a tax return, making it more attractive to keep your investments.

Negative gearing can reduce your rental income to minimise any income tax liability, and rely on the property's long-term capital growth at the time that the asset is sold. And so, the aim for many investors is to limit their losses until the time comes for them to sell – and negative gearing is a good way to do that.

So, is this a bad thing? Not if you expect to offset your losses with a capital gain as the property's value increases over time. And in the meantime, your investment loss reduces your taxable income and therefore the amount of tax you need to pay.

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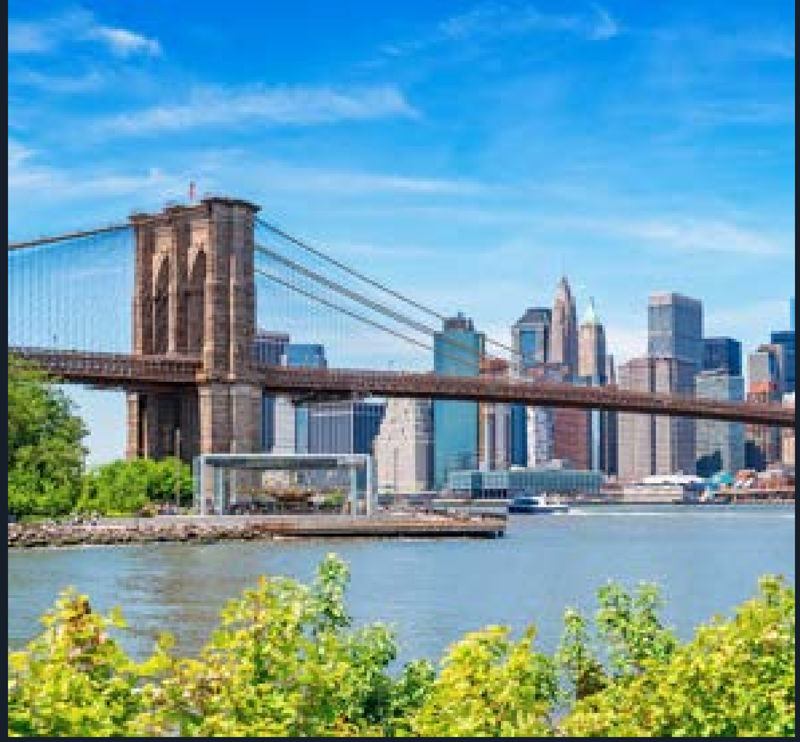

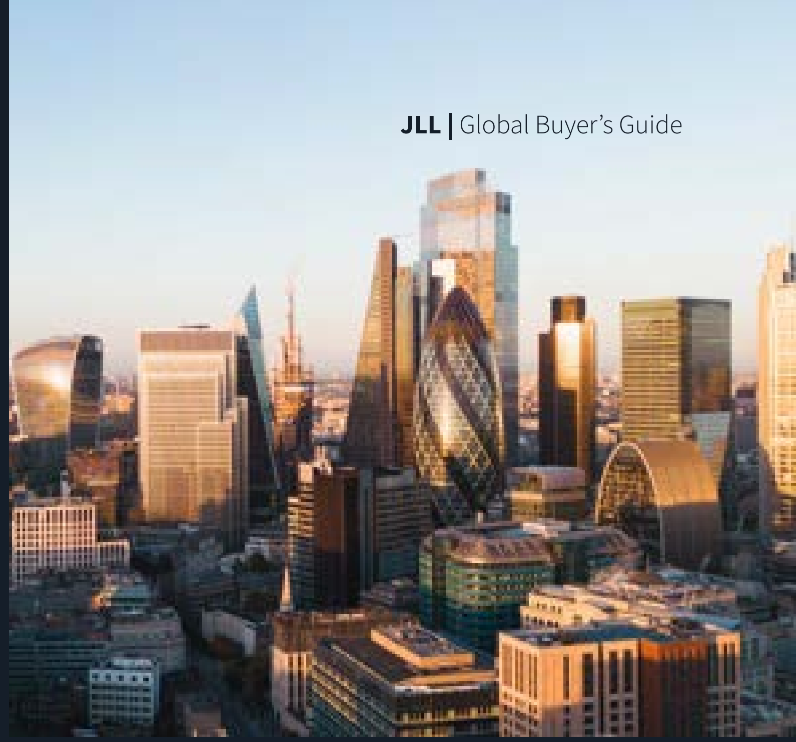

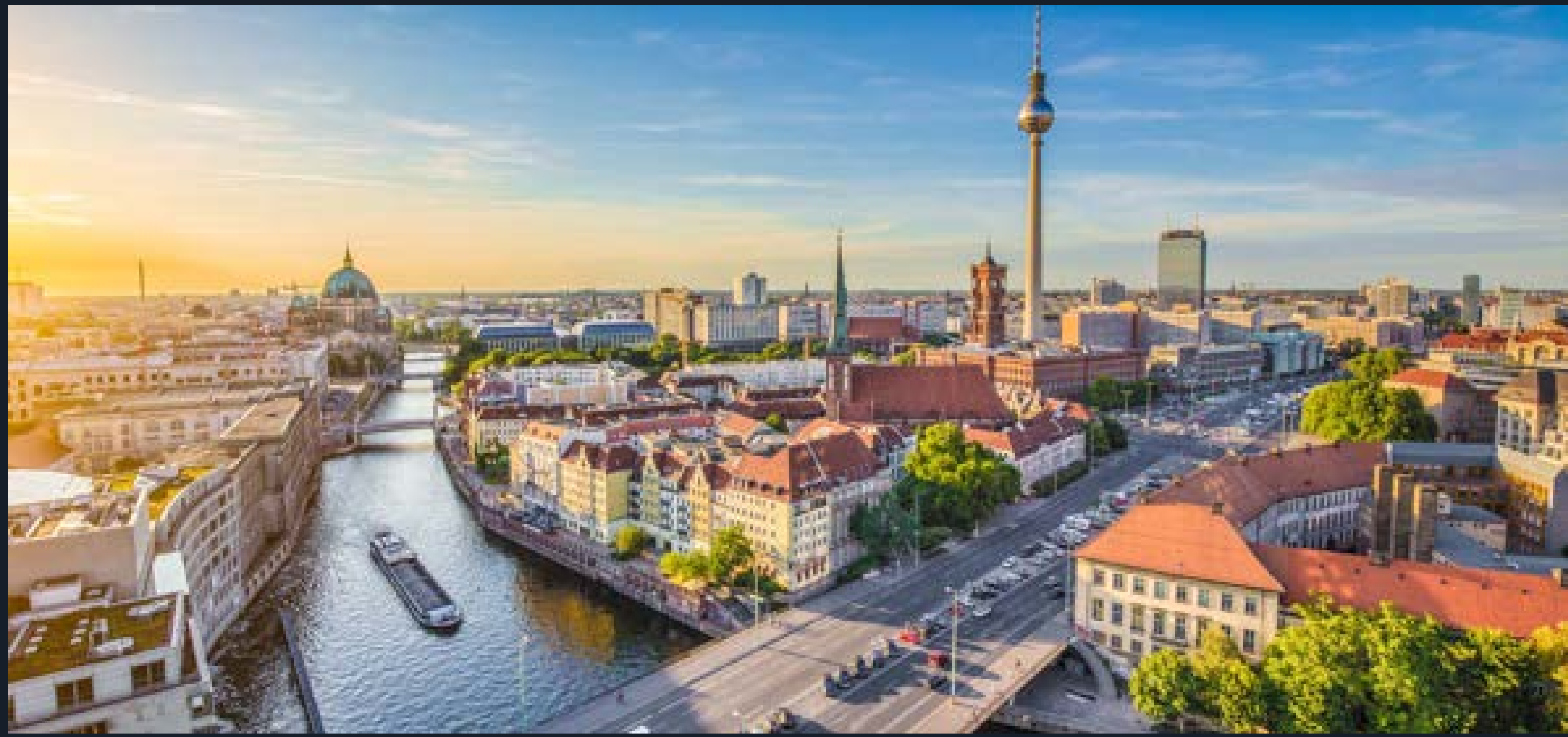

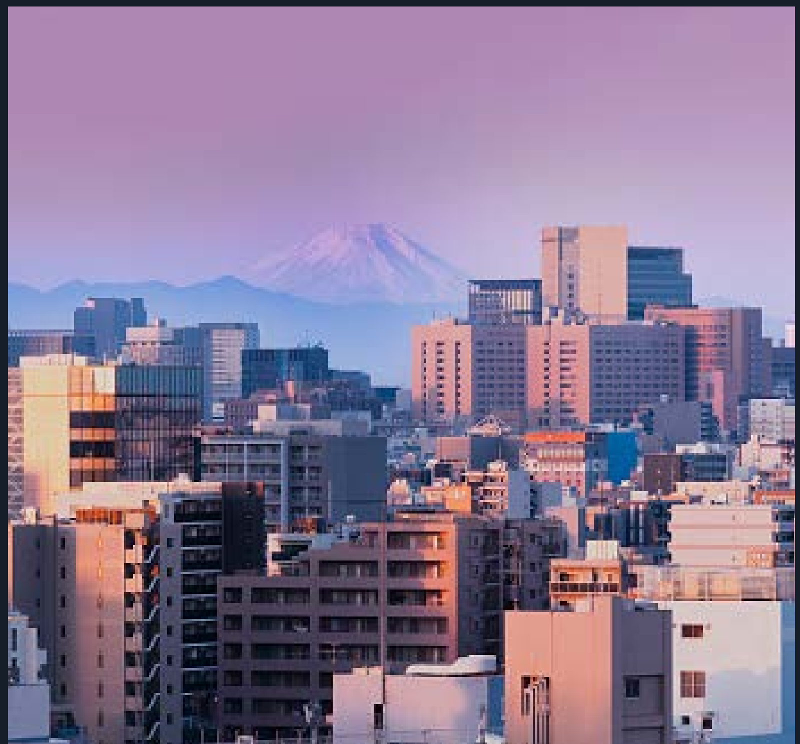

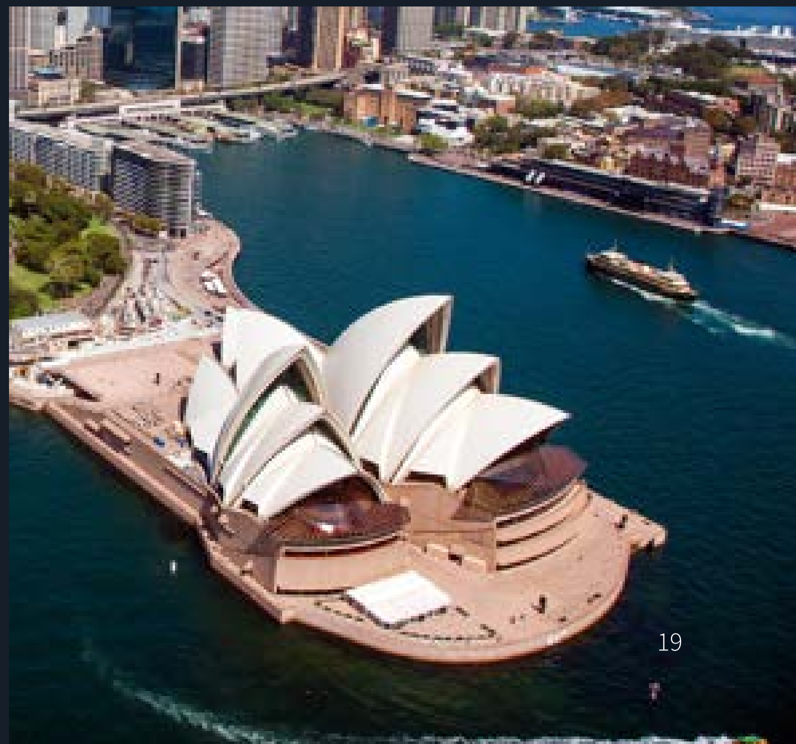

Why JLL

JLL (Jones Lang LaSalle) was founded in 1783 and has been dedicated to providing real estate and investment management services for 240 years. Consistently ranked as one of the Fortune 500 companies for seven consecutive years, JLL is currently ranked 185th and has been a strategic partner of the World Economic Forum since 2013. As of March 31, 2022, the company's annual revenue is $19.4 billion, with operations spanning over 80 countries and employing over 100,000 people worldwide. JLL is committed to creating opportunities, shaping ideal spaces, and delivering sustainable real estate solutions for our clients, employees, and communities. We are shaping the future of real estate to make the world a better place.

JLL is one of the Fortune Global 500 companies.

JLL has a strong and extensive range of capabilities.

We provide specific services in real estate across various asset classes, including investment, acquisition, construction, and leasing. Our expertise covers office buildings, retail properties, industrial facilities, logistics centers, residential properties, hotels, data centers, and senior living developments.

We collaborate with clients from various industries to create remarkable outcomes.

Our client base spans across banking, energy, healthcare, legal, life sciences, manufacturing, and technology sectors. Whether you are a global multinational corporation or a tech startup, choosing JLL is the starting point for breaking barriers and achieving success.

For 240 years, JLL has been dedicated to providing real estate consulting services.

JLL International Residential

JLL International Residential has been dedicated to assisting investors and overseas purchasers for over 20 years. We have international teams in 8 different cities, consisting of over 100 experienced professionals.

Investing in overseas residential properties is not just about transactions; it is a journey of finding your ideal home abroad. As your one-stop solution for overseas property investment, we are committed to providing comprehensive, secure, and exceptional services to investors. Our International Residential Services have offices in major cities across Asia Pacific, the Middle East and Europe allowing us to cater to clients worldwide and provide professional consultation and advisory services.

Choose JLL International Residential for a brighter way to invest in global residential properties.

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