

Media release

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REIA WELCOMES GOVERNMENT DECISION ON CHANGE TO FIRB RULES

Following industry representation the Government has announced changes under the foreign investment framework to allow foreign buyers to purchase an off-the-plan dwelling when another foreign buyer has failed to reach settlement on it.

Previously, the on-sale of an off-the-plan apartment was regarded as a second-hand sale, which was not open to foreign buyers who are only able to buy new dwellings.

“This is most welcome news and will minimise the negative impact of off-the-plan sales to foreign purchasers not being completed”, said Mr Neville Sanders, President of the Real Estate Institute of Australia.

“The Government needs to be commended in the promptness with which it responded to industry approaches on this matter. Following industry concerns the REIA first approached the Government on this issue in mid October with a result in a little over a month.”

The changes will apply immediately and regulation change will be made soon to enable developers to acquire New Dwelling Exemption Certificates for foreign buyers of these recycled off-the-plan homes.

“By eliminating an element of risk, this change will encourage developers to continue to add to the supply of housing which is much needed and the intent of the FIRB arrangements”, added Mr Sanders.

“The Government has addressed an anomaly in the FIRB rules in a pragmatic way. It is a common sense approach to not treat a dwelling that has just been built and for which the title has not changed as an established dwelling”, concluded Mr Sanders.

The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia. For further information or interview opportunities, please contact:

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