



## INCREASED AFAD STAMP DUTY CHARGE FOR FOREIGN BUYERS

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Developers and foreign investors should be aware that in response to the recent Queensland State Budget there will be an increased stamp duty surcharge on foreign buyers for the acquisition of residential property, under the *Duties Act 2001*, from **1 July 2018**.

The *Revenue Legislation Amendment Bill 2018* proposes to amend the *Duties Act 2001* to increase the rate of Additional Foreign Acquirer Duty ("AFAD") from the current 3% to 7%.

The increased AFAD will bring Queensland into line with southern States including South Australia, New South Wales and Victoria.

As AFAD applies to land that can be used for residential development, not simply houses and apartments, Queensland could become less attractive for foreign residential property development investment against the southern States given the current more competitive AFAD rate.

You can read our 2016 Alert on '[New Qld Stamp Duty Charge for Foreign Buyers](#)' [here](#) which covers the following AFAD topics in greater detail:

- Foreign Buyers;
- Residential Land;
- Types of Transactions Affected; and

- Exemptions & Concessions.

As the *Revenue Legislation Amendment Bill 2018* has not yet become law it is unclear what, if any, transitional arrangements will apply to Contracts that are signed before 1 July 2018 but where the liability for stamp duty has not yet arisen. The ClarkeKann Property & Projects team will provide further updates shortly.

The ClarkeKann [Property & Projects team](#) can assist in determining whether a potential transaction will be liable for any additional duty as well as identifying any possible exemptions or concessions that may be available to you.

### FOR MORE INFORMATION, PLEASE CONTACT:



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