

GLOBALLY ATTRACTIVE - WHY AUSTRALIAN COMMERCIAL REAL ESTATE IS HOT PROPERTY



PERPETUAL CORPORATE TRUST

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Australia has a strong economy with 28 years of uninterrupted growth - and counting. It's also a stable democracy with mature regulatory systems and a welcoming attitude towards foreign investment.

When you combine this with a property market that has relatively high yields compared to other Asia-Pacific destinations as well as generous tax breaks for professional investors you can see why demand is strong for investment in Australian commercial real estate.

Low risk, low tax, high yield

Investment flows into Australian commercial real estate have continued to increase since a dip during the global financial crisis in 2009*. This demand is being driven by:

- Low tax. Provided you meet the qualifying criteria, tax on fund payments can be as low as 15%.
- High yield. Yields for Australian real estate remain higher than most other major Asia-Pacific markets, averaging around 5%*.

- Low risk. Australia is a stable, democratic country with low corruption, robust regulation and strong legal protection. It also has a long history of welcoming international investment.
- Transparency. Australia is the world's second most transparent real estate market** giving investors better data to make decisions and greater confidence in their investments.
- Liquidity. Sydney and Melbourne (Australia's largest cities) offer some of the world's highest liquidity for real estate, behind only the biggest global financial centres**.

* Real Capital Analytics (RCA), 'Asia Pacific Capital Trends, 2018'

** JLL, 'Global Real Estate Transparency Index 2018'

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