



Property and
Construction
Capability Statement



The property and construction industry is a complex but exciting sector, and has an impact on every facet of modern life. It indeed shapes the world around us.



Keeping ahead

The industry is heavily influenced by fluctuating domestic and international markets, legislative and environmental regulations, not forgetting consumer confidence. The industry is unique and its success is in the hands of numerous players, including land owners, developers, builders, financiers, valuers, architects, consultants, investors, agents and equity participants, all like minded and working towards the same end result.

By keeping abreast of industry changes we are able to work with you in providing technical, commercial and practical advice to stay ahead of the game.

Your 'next' solution

Nexia is your 'next' solution providing tailored support to help your business and property navigate taxation issues, regulatory compliance, financial reporting/audit and providing transactional support and advice when you need it.

Whether you are developing, investing, building, creating or advising in the property industry, our team has the relevant and current industry experience to ensure that whether our role is as an external auditor, independent expert, or we provide an in-house function as a Director, Company Secretary or Advisor, that our approach is commercial and adds value.

Knowledge and expertise

Nexia Australia has been representing the property industry for over 50 years. We know the market and we understand the needs of our clients. Our specialist knowledge and key insight into this dynamic and changeable market means we can deliver a total property service with up-to-date, expert advice.

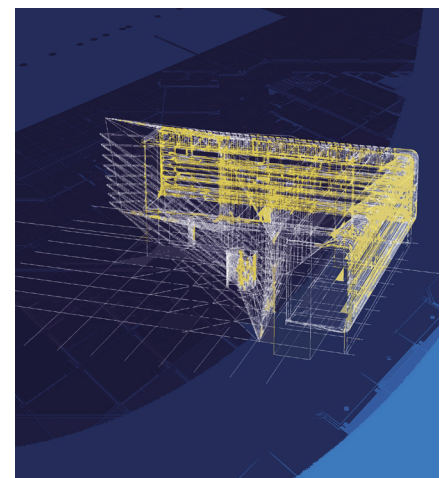
We have a proven track record in property with clients ranging from large-scale developers, building contractors and suppliers through to fund managers and individual investors. We understand the unique industry standards – and we understand the individual needs and challenges you face. Regardless of your level of involvement in the industry, our solid network of experts, specialist consultants and dedicated resources ensure we deliver a total property service.

Our services

- Investment analysis
- Syndication support
- Funds management
- Structuring
- Asset protection
- Financing
- Land tax and stamp duty minimisation
- Estate planning
- Specialist taxation advice

How we can help

- Business value maximisation
- Systems review and process re-engineering
- Strategic planning
- Financial diagnostic analysis
- Cash flow and profitability
- Government grants
- Independent ASIC audits
- Special purpose audits for internal or stakeholder reporting
- Assessing your current financial health
- Connections to specialist consultants, experts and financiers
- Wealth accumulation plans
- Self-managed superannuation funds
- Estate and business succession planning



Nexia Australia knows the property and construction market and we understand the needs of our clients.



Key Industry Issues

There are numerous issues facing the property and construction industry however, the key issues we notice are:

Regulatory changes to the urban growth boundaries:

Regulation changes are a part and parcel of the property and construction industry. By way of example in Victoria; in July 2014, the urban growth boundary regulations were changed as recommended by the Logical Inclusions Advisory Committee. The changes provide councils the ability to amend planning schemes to achieve more desirable planning outcomes or to support a new policy direction. For example, if a council wanted to put a height restriction in place on a specific area, a proposed property site may need to reduce the number of levels that is planned. This would have a direct impact on the developers yield and future planning. Furthermore, it will drive higher prices for owners who have land banks with planning permits prior to amendments. A deep understanding of the issues is required in addressing the financial viability of a project. This obviously has a flow on effect when dealing with your financiers.

Changes to policy made by the Foreign Investment Review Board (FIRB):

The recent policy changes regarding foreign investment have had a direct impact on both foreign investors and the banking industry. Foreign investors are required to reach a certain amount of presales before construction funding will start, depending on the size and plans of the property. A high volume of sales to foreign investors poses a higher degree of settlement risk to the bank. For example, if you have an 80 unit development, the bank may require presales of 40 units before it will approve construction funding. In this scenario, the bank would most likely allow 20% of the presales (20% of the required 40 presales - 8) to be made to foreign investors. Therefore, the higher the number of presales to foreign investors, the higher number of presales required before construction funding is approved.

The bank is mitigating its settlement risk. For example, if a foreign investor fails to settle, the bank will keep the deposit however it can be too difficult and expensive to sue the foreign resident for non-settlement (assuming you can find Mr YXZ in Timbuktoo). The property would go back to the market for sale, and as we know... time is money.

Regulatory change to building and construction:

Reporting requirements have been introduced to address high levels of non-compliance by contractors within the industry, as identified by the Australian Tax Office. These include reporting the total payments made to contractors. A broad range of activities are considered "building and construction", these include activities from initial design and preparation, through to the construction and maintenance of any part of a building, structure, works, surface or sub-surface. It is important to be aware of reporting changes, as failure to comply could result in penalties being applied.

At Nexia we are abreast of the numerous issues and opportunities in the property and construction industry and how they impact all stakeholders.



Nexia Australia is here to provide support and advice when you need it.

Contact us

For further information or to discuss how Nexia Australia can assist your organisation, please contact a local Nexia Advisor below.



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