



PRACTICAL GUIDE

Trust & Company Buying Structures

Family trust, unit trust, bucket company, the duty, land tax and asset protection trade-offs for Victorian buyers.

Why use a trust

- Asset protection: separates legal ownership from beneficial enjoyment.
- Tax planning: income can be distributed to lower-bracket beneficiaries.
- Estate planning: smoother intergenerational transfer.
- Family wealth pooling for joint property purchases.

Common structures

- Discretionary (family) trust: most flexible for income distribution.
- Unit trust: fixed entitlements between unitholders.
- Hybrid trust: combines elements; complex.
- Bare trust: pure ownership wrapper (often for SMSF property).

VIC land tax implications

- Trust structures face land tax surcharge; rates are different from individual.
- \$25,000 threshold for trusts (lower than individuals).
- Multiple property holdings in single trust quickly hit higher brackets.

Setup and ongoing

- Trust deed: \$1,500 to \$3,500.
- Corporate trustee: \$1,000 establishment plus annual ASIC fee.
- Annual tax return for trust: \$1,500 to \$3,000.
- Get specialist tax advice before settling on structure.

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