

Buying a brothel is lawful in five jurisdictions. Plan the funding before you plan the offer.

Brothels and other sex services businesses turn over about \$203 million a year in Australia, in a fragmented field where no operator holds more than 5% (IBISWorld, September 2026). Victoria ended licensing on 1 December 2023 and Queensland on 2 August 2024, so in both the asset you buy is now the business, the lease and the planning approval. The law has moved. Lender policy has moved more slowly, and that, more than the law, is where purchases stall. This summary is for adults buying lawfully in Victoria, New South Wales, Queensland, the ACT or the Northern Territory.

Where	The law now	What a new owner needs
Victoria	Decriminalised. The Sex Work Decriminalisation Act 2022 repealed licensing on 1 December 2023.	No licence, registration or manager check. A sex services business is treated like a shop in planning: it can operate anywhere a shop can, on the same conditions. A liquor licence if alcohol is supplied. WorkSafe Victoria regulates safety.
New South Wales	Decriminalised since 1995; regulated by councils as a land use.	Council development consent, usually with a plan of management; zones and distances set by each council. Councils can order unapproved premises closed, and the Land and Environment Court can order closure even with consent. Advertising premises remains an offence.
Queensland	Decriminalised on 2 August 2024; the Prostitution Act 1999 repealed.	No licence. Treated as a shop, or a home-based business, in planning; councils cannot single it out or make local laws that regulate it.
ACT	Legal and regulated (Sex Work Act 1992). Not decriminalised.	Register with Access Canberra at least seven days before trading, with police certificates (\$464 to apply, \$213 a year, 2026-27). Brothels only in Fyshwick and Mitchell. A 2026 consultation proposed removing both rules; no bill by October 2026.
Northern Territory	Decriminalised (Sex Industry Act 2019, in force 12 June 2020).	A suitability certificate for each operator if three or more sex workers are engaged. Advertising restricted. Confirm zoning with the planning authority.
WA, SA, Tasmania	Brothel keeping remains an offence.	Nothing in this summary applies.

Consumer Affairs Victoria; Department of Transport and Planning (updated 18 November 2025); Queensland Department of Justice and planning department, 2024; Access Canberra, July 2026; NT legislation; NSW councils and SafeWork NSW; SA Summary Offences Act 1953 (1 July 2026); Scarlet Alliance, October 2026. General information, not legal advice.

THE WORD “LICENSED” IN A LISTING

Victorian listings online in October 2026 still say “licensed until 6am”. There has been no brothel licence in Victoria since 1 December 2023, or in Queensland since 2 August 2024. Ask for the planning permit or approval behind the word, read its conditions, and confirm with the council that the use is lawful at the address.

DO THIS BEFORE YOU LOOK AT LISTINGS

Get your position assessed for the structure you are buying: business only, business and property, or the property alone. Finance for this industry is narrower, not closed, and knowing which lenders will read your file changes which listings are worth your time.

A business, a lease and an approval. Price all three.

Most brothels change hands as leaseholds. A growing share of the industry's revenue is going to workers who work for themselves through online booking and listing sites, and the brothels holding their ground compete on premium service, safety, compliance and the contracts they offer workers (IBISWorld, September 2026).

THE BUSINESS

bookings, reputation, roster, systems

Goodwill depends on what a new owner can keep: the workers who choose to stay, the clients who return, and records that show the takings.

The part a lender can least see.

THE LEASE

term, options, rent, use clause

Listings advertise fifteen, twenty and thirty-year leases, and for good reason: a lender's term has to fit inside the lease, and a short lease shortens everything.

The unexpired term is the asset.

THE APPROVAL

permit, consent, registration, certificate

Planning approvals relate to the premises, so a business that moves needs a new one. ACT registration and NT certificates belong to the operator, not the premises: plan your own before settlement.

Read the conditions before the financials.

What current listings and recent sales show

Measure	What we saw
Leasehold businesses	\$150,000 to \$850,000, most in Victoria
Price ÷ stated earnings	About 2 times, on the two leasehold listings that state earnings (one marked sold)
Price per service room	\$73,000 to \$83,000, on four leasehold listings (two marked sold)
Price ÷ annual takings	0.67 to 0.90 times, on three listings
Business and freehold	\$2.2 million, about 5.5 times stated earnings, one listing
Property leased to an operator	About 6.8% yield on a new ten-year lease (a 2025 Victorian campaign); 5.4% to 7.5% on older listings and sales

Prevail's review of 11 business listings, four price-only listings and three property campaigns, 26 October 2026. Vendors' and agents' figures, not verified; two listings are marked sold. Not a valuation.

LEASE LENGTH IS THE VALUE

One Victorian property failed to sell in 2023 with about a year left on its lease, and came back in 2025 with a new ten-year lease. At least two brothel properties have been offered as mortgagee sales, the latest in Richmond in March 2026: lenders have taken these properties as security, and have had to sell them when a borrower failed.

IF YOU ARE BUYING THE PROPERTY, NOT THE BUSINESS

A property leased to an operator is valued on the tenant's lease. Expect a lender to want a long lease, an established tenant, a valuation that reflects the use, and often other property as security as well; one lender's current residential credit policy lists brothels among unacceptable property types.

The rebuild: six rooms, leasehold, asking \$500,000

Amount

Takings as presented: \$16,000 a week	\$832,000
Earnings as presented (2 times on the price)	\$250,000
A manager on the roster at market, replacing the unpaid owner	– \$75,000
Security on the late shifts	– \$20,000
Rent at the market review due next year	– \$12,000
Insurance at your renewal	– \$8,000
Takings that never reached the bank	– \$35,000

What a lender assesses (5 times on the price)

\$100,000

The business has not changed. Only your understanding of it has. Five years of earnings is not unreasonable on its own; set it against the lease. With seven years left, the margin for error is two years, and a lender's term has to fit inside the lease. Illustrative only, not a valuation and not a representation about any particular business.

A LENDER LENDS ON TAKINGS IT CAN SEE

Cash that never reached the account is not income to a lender. Twelve months of deposits that match the BAS and the booking records are worth more than any figure in a listing.

CHECK BEFORE YOU RELY ON THE YIELD

That the planning approval runs with the property and covers the current use; the building's fire safety and essential services; the tenant's trading history and its compliance record with the council; and whether building insurance is available on standard terms.

Three files decide the deal: the approval, the workers and the money.

THE APPROVAL

The permit or consent and every condition: rooms, hours, plan of management, any limit tied to the operator or a trial period. In NSW, the council's complaint record and any closure order. In the ACT, Fyshwick or Mitchell only, and your own registration seven days before you trade. In the NT, your own certificate for three or more sex workers. Fire safety and essential services, current.

THE WORKERS

How each worker is engaged, and whether that matches the substance. In NSW sex workers are deemed workers of the premises for workers' compensation; Queensland's guidance counts contractors as workers. Protective equipment supplied free, CCTV at entrances, duress alarms, client screening, the right to refuse. Right-to-work checks. Any sign of coercion or debt bondage ends the deal, and is reported.

THE MONEY

Twelve months of bank statements against the BAS and the booking system, cash reconciled to deposits. Who holds the merchant facility: one in the vendor's name ends at settlement, and some payment providers' terms exclude adult and escort services. Advertising restrictions in NSW and the NT. Insurance quoted to you.

The 12 deal-killers

- An approval that does not cover what you are buying.** Fewer rooms, shorter hours, an operator condition.
Read every condition. The approval is the business.
- "Licensed" and nothing else.** No licence exists in Victoria or Queensland.
Ask for the permit, or walk.
- The wrong address for the law.** WA, SA or Tasmania, or an ACT brothel outside Fyshwick and Mitchell.
There is no deal to finance.
- A council file with complaints.** Complaints, an investigation or a closure order in NSW.
Get the file before you get attached.
- A lease shorter than the payback.** Fewer years left, options included, than it takes to earn back the price, or than the loan term on offer.
Agree an extension with the landlord before contract.
- Consent assumed, not obtained.** A use clause that does not permit the business, or no written landlord consent.
In writing, before heads of agreement.
- Property a lender will not take.** Some lenders exclude the property type outright.
Find out before you rely on it as security.
- A building out of compliance.** Fire safety, essential services, unapproved works.
Price the fix, or make it the vendor's condition.
- Takings you cannot see in the bank.** Cash that never reached the account.
No deposits, no price for it.
- Banking that ends at settlement.** A merchant facility or account in the vendor's name.
Settle only when yours is in place.
- Worker arrangements the law does not recognise.** No workers' compensation; contractors who are employees in substance.
Employment advice before you inherit them.
- Any sign of coercion or debt bondage.** Third-party cash deposits, "house money" transfers, debts workers must repay.
Not a risk to price. Walk away and report.

Score it: one column per business you assess

1 _____	2 _____	3 _____	4 _____	5 _____	6 _____
7 _____	8 _____	9 _____	10 _____	11 _____	12 _____

SafeWork NSW, October 2025; Workplace Health and Safety Queensland, 2024; WorkSafe ACT, February 2024; AUSTRAC national risk assessment, July 2024, and financial crime guide on forced sexual servitude, February 2022. General information, not legal advice.

Narrower, not closed. Send the pack, get an answer in 24 hours.

Some lenders exclude this industry and say so: one of the major banks said in January 2023, and again in May 2024, that it does not lend to or bank brothels and escort agencies, and one lender's current residential credit policy lists brothels among unacceptable property types (August 2026). In an industry body's 2017 survey, 16 of 24 adult businesses reported discrimination by a big-four bank and five had been refused a business loan. Others have said they assess applications case by case.

HOW A PURCHASE CAN BE FUNDED

Expect to need more than the business as security. Options to test: a business loan secured on property you already own, so the lender assesses your capacity, that property and the takings it can verify; vendor finance on part of the price; a partner's equity.

WHAT THE LAW SAYS ABOUT REFUSALS

In Victoria (since 10 May 2022) and Queensland (since 2 August 2024), unfavourable treatment because of lawful sex work is unlawful discrimination in goods and services, finance included. It does not make any lender lend: a lender can still decline on credit grounds or evidence of risk. NSW's law did not cover sex work when last reported (2025), and is under review.

SETTLEMENT AND THE AML RULES

Since 1 July 2026, lawyers, conveyancers, accountants and real estate agents providing a regulated service in a purchase usually verify your identity and any company or trust's owners, may ask where your deposit came from, and report physical cash of \$10,000 or more. Bank-traceable funds shorten every check.



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With gratitude

About the business

- ☐ The listing or information memorandum
- ☐ Twelve months of bank statements and BAS, with the booking records
- ☐ The planning approval, ACT registration or NT certificate, with conditions
- ☐ The lease, its options and the landlord's position
- ☐ How the workers are engaged and insured
- ☐ For a property: the lease to the operator and the building's compliance

About you

- ☐ Statement of position, with the source of your deposit
- ☐ Two years of personal tax returns and notices
- ☐ Statements for any property offered as security
- ☐ Photo ID and the buying entity's details
- ☐ Your experience and a twelve-month plan

Send to priyank@prevailfinance.com.au. Within 24 hours: fundable, not fundable, or what's missing. Once you accept our quote, your written Action Plan follows within one business day. Our fee is quoted up front.

THE INDUSTRY: IBISWORLD, SEPTEMBER 2026

Revenue about \$202.9 million in 2025-26, forecast to grow about 0.7% a year to \$210.1 million by 2030-31. Highly fragmented: no operator holds more than 5%. Demand moves with discretionary income, unemployment, business travel and international tourism; IBISWorld describes revenue volatility as very high.

ASK FOR A LONGER FINANCE CLAUSE

Allow more time than a standard business sale: the lender has to read the approval, the lease, the records and the worker arrangements. Do not go unconditional until you hold a lender's formal approval in writing. Talk to us before you sign: the finance shapes the offer.

General information only, current at October 2026. Indicative only: approval is subject to lender assessment and full application, and no lender is committed until it has assessed the file. Not legal, tax, accounting or financial product advice, and it does not consider your objectives, financial situation or needs. Obtain advice from a qualified solicitor and accountant before acting. Figures from listings are vendors' and agents' claims, and worked examples are illustrative, not valuations. Sources: IBISWorld, **Brothel Keeping and Sex Worker Services in Australia** (S9534), September 2026; Eros Association, 2017; Victorian Equal Opportunity and Human Rights Commission, May 2023; AUSTRAC, 2026. Prevail Finance Pty Ltd · Australian Credit Licence 509527.