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FINANCIAL REVIEW

SE Property
HD China's Australian commercial buys fall 37pc to \$2.2b

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LP The volume of China's outbound investment in real estate around the world is starting to slip away from its record high levels and the decrease is showing in Australia.

Worldwide, China invested US\$10.7 billion in the first half of 2016 representing a 13.6 per cent drop compared with the same period last year, according to the latest figures from global agency Knight Frank.

TD In 2015, it reached a record \$US34.4 billion.

However, the agency notes that the level of investment last year was very high and that it is already regaining momentum as the half-year mark was crossed.

Last year saw some huge Chinese deals such as the US\$1.9 billion purchase of New York's Waldorf Astoria and, in Australia, a knock out \$2.45 billion deal from Chinese sovereign wealth fund China Investment Corporation for Investa Property Group's office towers.

"Since June there have been deals in the making that promise to turn 2016 into another productive year," the Knight Frank report said.

"There are deals both completed and ongoing in the second half, which promise to bring the full-year results on par with last year's."

The volume of Chinese investment in Australia is down considerably year on year because of a lack of mega-deals in the first half. They spent US\$1.7 billion (\$2.22 billion) in Australia in the first half - down 37 per cent year on year.

However there have still been some strong transactions throughout. They include **Zhengtang Group's purchase of W Sydney Hotel for \$US379 million and The Ribbon apartments for \$US131 million.**

Greenland Group and Heisheng snapped up major development site in Sydney for \$299 million, while the Bank of China jumped on an office building at 140 Sussex Street for \$95 million. Other transactions include LYZ's purchase of an industrial property in Melbourne housed by [Computershare](#) for \$65 million.

While groups like Poly Real Estate and Shandong HYI round out the list in commercial real estate investments, there have also been transactions in rural real estate including Zhejiang Rifa Holding Group's purchase of farms in NSW and a subsidiary of Dashang Group's \$90 million rural real estate acquisitions in NSW.

CO chinvm : China Investment Corp. Ltd. | wptaus : Investa Property Group

IN ireest : Real Estate | icre : Real Estate/Construction | i81502 : Trusts/Funds/Financial Vehicles | i8150206 : Closed-end Funds/Investment Trusts | i815020602 : Real Estate Investment Trusts | ifinal : Financial Services | iinv : Investing/Securities | isover : Sovereign Wealth Fund

NS ccat : Corporate/Industrial News

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