

SE News
HD **There's gold in them thar fields**
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The deal was done within 48 hours. The **Chinese** billionaire had zeroed in on 54 hectares of farmland in Werribee, golden fields of canola in full bloom, just off the Princes Freeway, not far from where the suburban fringe begins.

With lightning speed, the contracts and documents were sent to **China** for translation overnight. When they arrived back, the only things veteran real **estate** agent John Castran recognised were his logo and that of his solicitor.

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The next step was the signing of the contracts eight days ago, with the land **sold** for \$4.4 million, in what could be a record for rural land in the area, according to Mr Castran.

Welcome to the new world of foreign investment in the Australian **property** market, where the deals are big, and often involve **Chinese** money. Mr Castran likens the impact to what wool, wheat, iron ore and coal have meant for Australia. "I think that there's a lot of free money coming out of the **Chinese** economy and it's looking for a safe haven," said Mr Castran. "We tick each and every box in relation to that."

The anonymous **Chinese** billionaire from southern **China** is making a long-term play with the land, which sits inside the urban growth boundary. It could end up being zoned **residential** and join the rows of newly-minted houses, or end up for some other use.

The \$4.4 million is part of a surge of money coming into Australia from a cashed-up **Chinese** middle and upper class.

Getting exact figures is difficult, because of a lack of reliable data. In many cases, the Foreign Investment Review **Board** needs to give approval if foreigners want to **buy** into the Australian market.

In **residential** real **estate** alone, the latest figures show that in the nine months to March, \$24.8 billion of proposed foreign investment had been approved, almost 44 per cent higher than during all of 2012-13. The main destinations for this money are Victoria and NSW. And many of the buyers are **Chinese**.

The possible impact on house prices and first home buyers has fired a community and political debate, with fears of a descent into xenophobia. A federal parliamentary inquiry reporting next month is expected to recommend tougher rules and penalties for foreign buyers who try to bypass the approval process.

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Real **estate** rules

- Government policy is that foreign investment in real **estate** should increase Australia's housing stock.
- Temporary residents can **buy** one existing dwelling and it must be used as their home. They cannot **buy** them as investment properties. They can invest in new dwellings or land for **residential** development
- Non-resident foreigners cannot **buy** existing dwellings as investment properties or homes. They can invest in new **property**.

SOURCE: FIRB WEBSITE

NS ereal : Real Estate Markets | e11 : Economic Performance/Indicators | ecat : Economic News

RE china : China | austr : Australia | victor : Victoria (Australia) | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dypcoz : Developing Economies | easiaz : Eastern Asia

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