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HD Surge in Chinese property buys
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EXCLUSIVE CASHED-up Chinese buyers have tripled their spending on Queensland real estate, farmland and commercial property since the global downturn, outlaying a record \$462 million last financial year.

The Chinese almost doubled their real estate spending in the Brisbane City Council area during 2013-14, to a record \$185m — up from \$96m the previous year.

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China is now the biggest source of foreign investment in real estate in Queensland, the only state or territory to track purchases by offshore buyers.

On the Gold Coast, where property prices plummeted during the global financial crisis, Chinese buyers topped the list of foreign buyers by snapping up \$196m worth of property during 2013-14 — 5.9 per cent more than 2012-13.

Americans were the most active foreign investors in Brisbane, spending \$244m last financial year — up 60 per cent in 12 months.

But Chinese buyers almost doubled their expenditure in Brisbane, to \$185m. Singaporean investors bought property worth \$97m and Malaysians spent \$32m.

In the tourist city of Cairns, Chinese investment nearly halved to \$4.5m but Singaporean investment rocketed from just \$890,000 in 2012-13 to \$11.5m during 2013-14.

The Asian investment surge is detailed in the latest annual report of Queensland's Foreign Ownership of Land Register Act, which reveals Chinese investment was too low to show up in the ranking of the six top investors at the start of the financial crisis in 2008-09.

Within a year, however, Chinese buyers had spent \$150m on Queensland property, ranking third behind Korea and Singapore.

China's expenditure of \$463m in 2013-14 was 43 per cent higher than the 2012-13 result, which had been inflated by the sale of the nation's biggest irrigator, Cubbie Station, to a Chinese consortium for \$240m in January last year.

The federal parliamentary standing committee on economics is investigating whether foreign investment is fuelling Australia's property prices.

The head of the committee, Liberal MP Kelly O'Dwyer, has flagged imposing an application fee for offshore buyers to finance a Treasury crackdown on illegal purchases.

She has criticised the Foreign Investment Review Board for failing to enforce its restrictions on foreign buyers, who are banned from buying established residential property.

Foreigners are allowed to **buy** housing off the plan, while temporary migrants, such as those on 457 visas and foreign students, can **buy** an established home as long as they sell it when they leave.

Immigration Department data provided to the parliamentary inquiry reveals that **Chinese** investors have put tens of millions of dollars into real **estate** through the “significant investor” visa scheme.

It shows that 90 per cent of the scheme’s applicants are **Chinese**, and 8 per cent have put their money into managed **property** funds worth \$27.5m. The department is considering applications from 610 migrant investors, offering to invest \$3 billion.

The significant investor visa waives the points test and English-language requirements for migrants who will invest at least \$5m in Australia for four years.

They cannot spend the money directly on buying **property**, but can invest in managed funds or **property** development companies.

The parliamentary committee was due to report last week, but the inquiry has been extended for another six weeks.

The Parliamentary Secretary to the Treasurer, Steven Ciobo, has declared that planning controls and a shortage of housing — rather than foreign buyers — are to blame for **property** price rises.

Housing prices in Sydney have soared by nearly 15 per cent in the past year, according to data compiled by RP Data. Prices jumped 8.5 per cent in Melbourne, 5.1 per cent in Brisbane, 5.5 per cent in Adelaide and 3.6 per cent in Perth.

CO bristu : Brisbane City Council

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