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HD **Chinese property** agents up fivefold
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THE number of **Chinese property** agents marketing and selling Australian homes to wealthy mainland buyers has increased at least fivefold over the past five years, as investors take advantage of Australia's tax regime, banking laws and future economic prospects.

Chinese investors spent \$5.9 billion last year buying **residential property** in Australia, in a market worth almost \$270bn.

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The Australian revealed this week that many overseas investors, including **Chinese** buyers, were skirting Foreign Investment Review **Board** guidelines that were designed to ensure local buyers were not locked out of the Australian market.

Under the current regulations, foreign investors are not allowed to **buy** existing houses and **purchases** should be contained to off-the-plan developments, in an attempt to add to the nation's total housing stock.

The FIRB has failed to prosecute any buyer for breaching those rules, as both local and international agents reported unprecedented demand for existing properties from foreign investors.

A federal parliamentary committee established to examine the **property purchase** loopholes has heard that buyers are using law firms or children studying in Australia to **buy** luxury properties.

In Shanghai, ausproperty.cn founder Frank Hu said **Chinese** buyers were becomingly increasingly interested in Australia because of the current tax laws and the fact that banks required just a 10 per cent deposit.

Most **commercial Chinese** banks demand deposit payments worth at least 30 per cent of the **property's** value.

Mr Hu's website advertises and sells only Australian-based high-end properties. "In 2009, there were only around 20 **property** agents for Australian properties based in **China**, but now there are already over 100 agents," he said.

Mr Hu said **Chinese property** developers also looked to Australia because of the availability of land and high rates of return, compared with building in **China**.

"Some **Chinese** real **estate** companies are going to Australia to develop projects because it is comparatively easier to get land — the investment is not as big as it would have to be in **China**," he said. "In Australia, you get the land, build a simple house and you can make a fortune." Apex Investment Alliance Shanghai branch manager Kevin Chen said **Chinese** investors were keen to capitalise on Australia's economic growth prospects.

It was revealed this week that a growing number of high-end **property** vendors were not placing their properties for **sale** in Australia and were directly marketing them to wealthy overseas, primarily Asian, buyers.

A **property** expo, Sydney Harbour Luxury **Property** Exhibition, is due to be held in Shanghai next weekend.

The Australian asked the FIRB a series of questions about the failure of regulations.

In a statement, it said "concerns are raised periodically in relation to the possible impact of foreign investment on the Australian housing market".

As the issue was being reviewed by a parliamentary committee, it would be premature to comment, it added. The committee is due to report in October.

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