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Global investment in Queensland **residential property** is in the spotlight due to a government inquiry, with many developers making sales into foreign markets.

IF ONLY we had a yuan for every time we've been asked this lately: "Do you have buyers flying in from **China** who might want this **property**?" The government started a public discussion on the topic with its inquiry into Australia's foreign investment policy as it applies to **residential** real **estate**.

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And market chatter offers great promise of uneducated foreign buyers touching down at Eagle Farm with a suitcase brimming with cash. Those of you selling a **property** see an opportunity to achieve a premium, while those wanting to **buy** fear a cashed-up competitor may drive up prices.

So here is one view on what's really happening with foreign buyers in the majority of Queensland's real **estate** market: Very little. The reason is a simple one. Most of them cannot **buy** established or second-hand **residential** real **estate** in Australia.

Under rules administered by the Foreign Investment Review **Board**, non-Aussies may only **purchase** brand new **property** if they have one of a limited category of visas, or permanent residency.

It is the government's policy that foreign investment in **residential** real **estate** should increase Australia's housing stock. That is, the policy seeks to channel foreign investment in the housing sector into activity that directly increases the supply of new housing (such as new developments of house and land, home units and townhouses) and brings benefits to the local building industry and its suppliers.

Queensland is attractive to foreign buyers and the 2012-2013 stats show for proposed investment in **residential** real **estate**, by value, we had 11 per cent of all approvals.

The three largest source countries by value are **China**, Canada and the USA, accounting for 11.4 per cent, 9.5 per cent and 8.5 per cent respectively of all approvals.

Clearly, **property** developers are making sales into foreign markets. That's not a new distribution channel for off-plan **property** sales and tenants may want to thank them for helping add new stock.

According to the Real **Estate** Institute of Australia (REIA), the number of investment properties held by non-residents, while increasing marginally over the six years to 2011-12, has been about an average of 72,000 properties.

The REIA argues the level of foreign investment as a proportion of the value of dwelling stock ... is still at a level where the ability of foreign investors to influence the market is negligible – in Queensland it was 0.24 per cent.

Many parts of our state are very multicultural **property** marketplaces, and we have a lot of clients and customers born and raised in **China**, Canada and the USA – along with hundreds of other nations – but now making their home here.

We'll leave it others to debate the pros and cons of foreign investment and whether the current laws should change. Like the Italian and Greek immigrants of past generations, who made a solid mark on Queensland **property** demand, another generation of new Aussies is showing longer-term locals the benefits of real **estate** investment.

Naturally, as real **estate** agents, we love them for that. REIQ chairman Rob Honeycombe

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