

SE TheNation
HD **Chinese** sales are 'a boon for housing'
BY TURI CONDON **PROPERTY** EDITOR
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Chinese buyers have brought Australia's mansion sales back to life and are underpinning prices by at least 10 per cent across Sydney and Melbourne, according to developer Harry Triguboff.

Mr Triguboff's granddaughter missed out last month on a prestige home in Sydney's exclusive eastern suburb of Vaucluse. "She was willing to pay \$4.7 million, but a **Chinese** buyer bought the house before auction," he said. "He paid \$5.5m. I would have paid \$5m." Mr Triguboff, whose Meriton **group** sells 20 per cent of the 3000 units a year it builds to offshore buyers and 70 per cent to local buyers of **Chinese** origin, is philosophical about the **sale**. "We are always concerned that foreigners are keeping our children without ownership of houses. Without the **Chinese**, there would be no houses in the first place," he said.

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The **sale** made that vendor wealthier, Mr Triguboff said, but there was a bigger picture, with foreign investment having a multiplier effect. Offshore buyers created confidence in the level of house prices, while their presence flowed on to job creation in construction and associated industries, he said.

Local councils gained \$20,000 for each new unit built through developer contributions, which went to roads, parks and public works. The **Residential** Development Council estimates that about 8 per cent of new homes — or 15,000 out of total new dwellings of 180,000 — were **sold** to offshore buyers last financial year.

Foreign investment approvals to **buy** new dwellings doubled in the last financial year, increasing from \$4.22 billion to close to \$10bn in Victoria, and \$4.24bn to about \$10.3bn in NSW, the council said.

Property Council chief executive Ken Morrison said dwelling starts would not be at their currently high levels without offshore investment. "Foreign investment means developers are able to hit their pre-**sale** targets faster, therefore commencing construction and getting product to market earlier," he said. "That's good for housing supply and eases price pressures into the future." Not many of the top-end properties had been snapped up by offshore buyers, according to RP Data researcher Cameron Kusher.

However, he noted it was often difficult to tell whether a **property** had been **sold** to local buyers of **Chinese** origin — Australian citizens, permanent and temporary residents — or to a citizen of another country. A parliamentary inquiry into real **estate purchases** by overseas buyers is due to report this month and could recommend tougher penalties for breaches of foreign investment rules.

In Sydney's eastern suburbs, McGrath **Estate** Agents partner Ben Collier said the majority of sales above \$30m had been to **Chinese** buyers, but they were dominant only in very specific areas and types of homes. "In the \$15m-plus or \$30m-plus market, **Chinese** buyers want contemporary-style homes with bridge and city views," Mr Collier said.

Last month, recruitment queen Julia Ross **sold** her Sydney home in Point Piper for \$39m to **Chinese** billionaire Xu Jiayin. Also in October, a Shanghai-born Australian resident **purchased** the late hotelier Salvatore Paino's Point Piper home for \$30m, with plans to knock it down and build a new one.

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