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HD Sales pitch a winner with Chinese
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AUSTRALIA'S real estate market is being underpinned by cashed-up Chinese investors who seek to build a property portfolio to transfer cash out of China.

A property exhibition in Shanghai on the weekend, promoting apartments in the Darling Square development in inner Sydney, was attended by hundreds of potential buyers.

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The first stage of the Lend Lease project, consisting of 357 apartments ranging in price from \$700,000 to \$3 million, was sold out on Saturday.

It is estimated that almost 25 per cent of the sales were to Asian buyers, primarily from mainland China, who are inundating the Australian residential property market.

A number of the investors visiting the Shanghai event bought apartments straight away, although construction is not due to be finalised until 2017.

Apex Investment Alliance sales director Bill Jiang said China's capital controls meant a growing number of investors were looking to invest cash in Australia's property market.

"Most of the capital in China these days, there are a lot of entrepreneurs, they make their own fortune from scratch, we call it oracle money," he said.

"China is reducing its restrictions on the use of capital for investment in all parts of the world. The rate of property investment by the Chinese in Europe, the US and Australia has been rising. Australia is part of that game." Under the current government regulations, foreign investors are restricted to buying off-the-plan properties and are not allowed to purchase established homes.

However, The Australian recently revealed that the Foreign Investment Review Board has not enforced a single penalty for any breach.

A federal parliamentary committee is examining the current investment rules amid fears that young Australians are being locked out of the market by cashed-up foreign investors.

Mr Jiang said he did not believe the rate of Chinese investment was hurting the Australian market. "I don't think so. Chinese investment in terms of the overall market is very small," he said.

It is estimated that Chinese buyers spent \$5.9 billion on Australian real estate last year, in a market worth \$270bn.

Liu Yunhuan, 53, bought her second Sydney apartment on the weekend and said Australia's stable economy and property protection laws made it attractive.

Under Chinese laws, property buyers do not purchase the land, which remains under state ownership and leased out on a 70-year agreement.

"In Australia, when you **buy** an **apartment** you have ownership of the land, you are not worrying about the government taking it after 70 years," Mrs Liu said. Another investor, Mrs Yu, bought in Darling Square for her son, who is only six. Mrs Yu already owns one **apartment** in Sydney's Olympic **Park** area.

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