

SE CommercialProperty
 HD Hard slog for locals as **China** cash pours in
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Suburban sites that can house 500 or 600 flats are in demand

MORE **Chinese** developers are entering Sydney's real **estate** market, outbidding locals in their quest to build thousands of apartments.

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The Shanghai-based Chiway Holding **Group**, a large privately owned corporation with a long record in real **estate** development and **commercial property** investment, has been scouring Sydney for sites.

Not to be outdone, **China**'s second-biggest listed developer, Poly Real **Estate Group**, has also been scouting for large sites in Sydney's suburbs as it looks to escape **China**'s cooling housing market.

"There is fairly strong evidence that the fact you can sell an **apartment** in Beijing for \$700,000 and **buy** something for considerably less here is no doubt a factor explaining the current boom in apartments in Australia," said prominent social researcher Bob Birell.

The developers are chasing sites that can sustain between 500 and 600 apartments, preferring to **buy** via off-market deals, rather than competing with seasoned local groups on the open market.

Scott Timbrell, JLL senior negotiator, metropolitan sales and investments NSW, said the developers were looking to capitalise on a wave of redevelopments and an under-supply of apartments. They were targeting sites in Sydney's Epping, Hurstville and Campsie with strong Asian-born populations.

While Meriton in March picked up the last major **site** in Zetland, with a \$47.5 million **purchase** in Epsom Road, a nearby **site** with approval for more than 600 units is being offered by JLL at more than twice this level and is gaining traction among the new breed of deep-pocketed **Chinese** investor.

Local groups are also cashing in on the offshore interest.

Greg Shand's private Barana **Group** is dealing with a party at between \$97m and \$98m on a Milsons Point office tower that has been promoted as the suburb's last significant harbourside **residential** development opportunity. CBRE and JLL are the selling agents for the 61 Lavender Street **property**.

The Goodman **Group**, which this week revealed it controlled a pipeline of 35,000 unit sites, is also capitalising. It **sold** a \$73m **site** in North Ryde to **China**'s Country Garden, which is planning three landmark **apartment** towers.

Other **Chinese** players include JQZ, which is rolling out 1000 apartments across Sydney's suburbs, and Starryland, which is undertaking a \$550m project in Parramatta.

Property investment from **China** to the rest of the world jumped by 25 per cent to \$US2.1 billion (\$2.24bn) in the first quarter, compared with the same period in 2013, according to JLL figures.

The US and Australian real **estate** markets attracted most of this capital from **China** over the quarter — with the US winning \$US732m and Australia receiving \$US400m. JLL global capital markets

research director David Green-Morgan said: “The **residential** development investment (by **China**) is up 80 per cent (from \$US600m to \$US1.1 billion), with the United Kingdom, Australia and the United States seeing most of the investment.”

CO pyresg : Poly Real Estate Group Co., Ltd.

IN i85 : Real Estate Transactions | icre : Real Estate/Construction | ireest : Real Estate

NS ccat : Corporate/Industrial News

RE china : China | austr : Australia | sydney : Sydney | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia | nswals : New South Wales

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