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CLOSE to one fifth of new properties in Sydney are being bought by wealthy **Chinese** investors and the flood of money is set to continue.

Using data from the Australian Bureau of Statistics and the Foreign Investment Review **Board**, Credit Suisse estimates that **Chinese** buyers account for 18 per cent of new **property purchases** in Sydney, and 14 per cent of the supply in Melbourne. This does not include second-hand homes.

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"A generation of Australians are being priced out of the **property** market. Many face a life time of renting," Credit Suisse analysts Hasan Tefvik and Damien Boey said.

There are currently 1.1 million millionaires in **China** who could easily afford properties in Australia's two most expensive markets, Credit Suisse says in a research note.

Wealthy **Chinese** buyers have **purchased** \$24 billion of Australia housing in the past seven years, and over the next seven years an additional \$44 billion will be spent on **residential property**, Credit Suisse estimates.

There was \$17.2 billion worth of approved **residential property** investment coming in from overseas in the year June 30 2013, down from \$19.7 billion in the previous period, according to the Foreign Investment Review **Board**.

Of the 2013 total, \$5.6 billion was approved for **residential** properties in NSW.

That number may seem large, but across the whole **property** market the effect dissipates. There is, on average, a 6 per cent turnover annually in Australia's **property**, according to the Reserve Bank of Australia.

The total value of Australia's **property** market is \$5.02 trillion, according to the ABS, so yearly turnover in the housing sector is roughly \$360 billion.

**Chinese** buyers are currently spending \$5.4 billion a year on Australian properties, Credit Suisse said, with the split relatively even between new settlers and others, which include investors, developers and temporary residents.

— Max Mason

CO aubos : Australian Bureau of Statistics  
 IN irreal : Residential Real Estate | i85 : Real Estate Transactions | icre : Real Estate/Construction | ireest : Real Estate  
 NS ereal : Real Estate Markets | ccat : Corporate/Industrial News | e11 : Economic Performance/Indicators | ecat : Economic News

**RE** austr : Australia | china : China | 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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