

# FINANCIAL REVIEW

SE **Property**  
HD **Trade pact a boon for all groups**  
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Local and international developers have called the free trade agreement a boon for business with the capacity to lower building costs and lift demand.

"For companies like Greenland, the signing of the FTA means a larger and better opportunity," Greenland Holdings chairman Zhang Yuliang told The Australian Financial Review.

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"There will be more and more **Chinese** investment ... and with more foreign companies entering the market of Australia, there will be more demand for offices."

The state-owned developer is broadening its Australian investment base to extend into the office and retail **property** sectors, in anticipation that more **Chinese** companies will set up shop locally following the signing of the agreement.

"And all of this needs the support from real **estate** developers," he said.

Rival large-scale **Chinese residential** developer Country Garden was also buoyed by the agreement and said it would help boost investment in the **property** sector.

"We know that the free trade agreement would bring huge benefits ... in industries such as agricultural produce, imports and exports," chief executive Johnson Zhang said, adding that the **group** had no plans to venture outside of the **property** sector following the new agreement.

But some analysts believe that aside from the agricultural industry, the new agreement will have only a limited impact on real **estate**.

"Previously **purchasers** of real **estate** have had to go through the FIRB process, but approval has generally been forthcoming," Citi real **estate** head Phil Cheetham said.

"Lifting the approval limit will reduce red tape, but is not expected to lead to any more [or] less **transactional** activity."

But the new agreement will stoke investment in hotels and restaurants from Australian businesses, Mr Cheetham said, for the reason that it paves the way for Australian businesses to build and operate hotels and venues in **China**.

Local developers also told The Australian Financial Review the new free trade agreement would likely boost business among local players.

Sydney based **apartment** developer Bridgehill – which is backed in part by wealthy individuals across Asia – believes the trade agreement will bring building costs down.

"There are many things, like building materials and techniques, that are new and interesting that maybe we can bring back to Australia," Bridgehill chief executive Xu Yibin told The Australian Financial Review.

"And obviously, the free trade agreement means bringing those things back here could be cheaper."

According to Mr Xu, many builders and developers test new ideas and building concepts in **China** first before replicating them in Australia.

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