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HD **Chinese** 'drive hardest house bargain'  
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Exclusive ANECDOTAL tales of wealthy **Chinese** buyers driving up housing costs paying above-market prices have been undermined by a study that finds they often drive the hardest bargains.

The randomised survey of 74,000 established home sales in Sydney by the Finance Discipline **Group** at the University of Technology, Sydney revealed buyers with **Chinese** surnames on average spent about 2 per cent — or \$13,800 — less on their homes between 2000 and 2011.

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**Chinese** buyers were willing to pay slightly more to live in a **Chinese**-dominated suburb — such as Sydney's Chatswood, Haymarket or Hurstville — but still generally paid market rate.

Researcher Lorenzo Casavecchia, who has sent his findings to a parliamentary inquiry, suggests the government ignore populist calls to restrict foreigners' access to **residential** markets.

"It's win-win at the moment. We're attracting foreign investment without causing prices to increase because of it," he told The Australian. His data controlled for factors such as suburb, type and quality of dwelling.

Monika Tu, who runs a "**property** concierge" service for **Chinese** businesspeople buying prestige homes in Sydney, was unsurprised by the findings. "My **Chinese** people are very smart buyers, very successful business people. They don't pay over the top; they pay just the right price," Ms Tu said. "There's been a lot more activity, especially in the last two or three years, but I don't think it has raised prices." **Chinese** homeowners accounted for 6.5 per cent of buyers in 2000, rising to 13.3 per cent in 2010 and 10.3 per cent in 2011.

Dr Casavecchia said he and his research partner, Adrian Lee, intend to conduct a larger survey of one million **transactions** and include more recent figures.

Meriton, the nation's largest **apartment** builder, told the inquiry "excessive local government planning requirements and fees" had been more instrumental in pushing first-home buyers out of the market. In a written submission, Meriton suggested allowing first-home buyers to access a portion of their superannuation to **buy** a first home.

"Meriton's data suggests foreign investors are not speculators or absentee owners, but rather acquire their apartments for lease or for use as owner occupiers, including those **purchased** for children studying in Australia," it said.

Meriton said it had heard of departed foreigners abandoning their vacant homes and urged a crackdown by the Foreign Investment Review **Board** to boost public confidence in the system.

Meriton and the **Property** Council of Australia noted foreign investment "underpins development" in the sector, generating greater supply for Australian citizens. "Banks won't extend themselves past a certain percentage, and so presages to foreign buyers provide surety to the development," the **Property** Council's Nick Proud said. The UTS study noted the FIRB's data captured only a fraction of overseas

buyers, since it did not include **purchases** by permanent residents or properties bought through an Australian solicitor, friend or relative.

**CO**      utsaus : University of Technology, Sydney

**NS**      gcat : Political/General 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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