

SE News
HD Sky-high investment
BY JANE HARPER
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FOREIGN buyers snapping up Australian **property** are helping boost the local retail sector as rising house prices prompt spending.

Overseas investors pumped \$17.2 billion into the **residential property** market in the year to June, latest research shows, with the increased demand having a positive flow-on at the tills.

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The new retail white paper from **property group** Colliers International shows higher house prices made consumers feel more confident about opening their wallets.

"Increasing **residential property** values impact on how wealthy consumers feel and in turn their propensity to spend," Colliers head of retail Michael Bate said.

"There has also been a direct impact on retail spending, as many of these foreign buyers – particularly the Asian buyers – are making the most of the lower Australian dollar to **purchase** luxury retail goods here in Australia." The report found **Chinese** buyers were spending nearly \$6 billion a year on Australian **residential** and **commercial property**.

"The strong purchasing power of Asian consumers and their preference for luxury goods will further support growth in retail spending through the current cycle," researchers said.

Retail spending rose 1.2 per cent in January to \$22.9 billion, seasonally adjusted, according to latest figures from the Australian Bureau of Statistics. It followed a rise of 0.7 per cent in December and 0.7 per cent in November.

The report said the weaker Australian dollar, which has fallen about 10 per cent against the greenback since August, was also a key factor.

Director of research at Colliers, Nora Farren, said a lower dollar discouraged Australians from spending on overseas websites. "The good news for domestic retailers is that they are winning a greater proportion of total online sales revenue, with around 74 per cent of online retail sales," she said.

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