

FINANCIAL REVIEW

SE **Property**
HD **Sydney, Melbourne among the top for foreign investors**

WC 282 words

PD 18 October 2014

SN The Australian Financial Review

SC AFNR

ED First

PG 39

LA English

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Sydney is the fourth most popular destination in the world for foreign investors in **commercial property** – behind London, New York and Paris. And Melbourne is close behind.

At least they were the rankings in 2013-14 according to a report from global real **estate group** Cushman & Wakefield – Winning in Growth Cities.

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Global **commercial property** investment rose 17 per cent in the year to June, to \$US788 billion (\$900 billion), and cross-border investment, not counting the **purchase** of development sites, soared even more, by 39 per cent.

Australian office towers, shopping centres and industrial facilities, attracted more than a fair share.

Global investors are attracted to the country by the generally higher yields on offer; the relatively strong level of **property** rights and transparency; and, despite the local despondency about the economy, a positive outlook for population and medium term economic growth in cities such as Sydney and Melbourne.

Brisbane is also on the global radar, at number 19 for cross border buying, behind Berlin but ahead of **Hong Kong**.

Investment out of Asia from **China**, Singapore, **Hong Kong** and Japan, surged 56 per cent during the year.

But the largest share of global cross border investment, over \$US75 billion, still comes from the US and Canada.

The big change for 2015 will be a shift of focus to second tier cities and secondary **property** wrote Cushman.

Its head of Asia Pacific capital markets, John Stinson, said because of the relatively low growth expected in Asia in the next five years, large Asian funds and investors were re-weighting to emerging cities, or increasing allocation to the US and Europe.

Robert Harley

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AN Document AFNR000020141017eaa00011