

Herald Sun

SE Business
HD **Rush already on**
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WC 296 words
PD 19 November 2014
SN Herald-Sun
SC HERSUN
ED HeraldSun
PG 56
LA English
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COMMERCIAL PROPERTY COMMERCIAL property experts are divided on whether investment concessions to private **Chinese** companies under the free-trade agreement will spark a rush for Australian **property** assets.

The new deal recommends that only **purchases** greater than \$1.08 billion will require Foreign Investment Review **Board** approval, up from a present threshold of \$248 million. **Chinese** state-owned enterprises are yet to be included under the terms.

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Jones Lang Lasalle's James Kaufman said interest among **Chinese** investors was already high and that, even when the "red tape blocking some deals" was removed, it was unlikely to spur greater activity.

"Of the 20 or 30 sales that I have seen over the past few years apply for FIRB, not one of them has been knocked back, so I cannot see that the new thresholds will affect the market one way or the other," Mr Kaufman said.

CBRE's Mark Wizel said direct **Chinese** investment in Melbourne's CBD and immediate surrounds will exceed \$3 billion this year, up from \$2.41 billion last year and just \$300 million five years ago.

Savills' Clinton Baxter said the deal sent a powerful signal to **Chinese** investors.

"Coupled with the Aussie dollar weakening, a reduced scrutiny of investments suggests to all investors, not just those spending more than \$248 million, that they should feel confident and welcome in buying Australian assets," Mr Baxter said.

Mr Kaufman said Jones Lang Lasalle's **China** division employs 8000 **Chinese** nationals, with a new office opening every few weeks to service what is already a booming demand for Australian **commercial property**. The **Property** Council of Australia welcomed the new threshold, saying **Chinese** investors would now have the same level of access enjoyed by South Korea and Japan.

NS gcat : Political/General News
RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania
PUB News Ltd.
AN Document HERSUN0020141118eabj00032