

HD **Chinese** eye **property** plays

BY Dan Wilkie

WC 626 words

PD 27 October 2014

SN Business News

SC WABN

LA English

CY © Copyright 2014 Business News Pty Ltd.

LP

A western suburbs real **estate** agency has set up a dedicated **China** marketing arm, as growing numbers of **Chinese** developers eye Perth's burgeoning **apartment** market for large project opportunities.

Acton Dalkeith agent David Evers said the **firm** had teamed with Acton Cottesloe to promote Perth as a preferred destination for **Chinese** investment capital.

TD

The agencies have jointly aligned with three real **estate** offices in **China** to provide opportunities for **Chinese** buyers to not only identify potential **property purchases**, but also sign sales contracts.

Mr Evers said Australia was second to the US in popularity for **Chinese property** investors, but historically the majority of offshore funds had been funnelled into the Melbourne and Sydney markets.

Acton Dalkeith **sold** more than \$36 million worth of homes during the past two months, with 20 to 30 per cent of inquiries coming from **Chinese** buyers, Mr Evers said.

He said the biggest draw for **Chinese** buyers was Western Australia's highly regarded universities.

"It makes it easier if they're buying **property** if they are coming here for school reasons," Mr Evers told Business News.

"Investment return is also good; generally they get a good return on those investments in capital growth over time as well."

Colliers International **residential** director Jo Anne **Chin** said local **apartment** developers were also starting to sharpen their focus on attracting Asian capital, particularly from **China**.

Business News reported earlier this year that Perth-based developer Devwest had established extensive links to **China** that spanned back more than a decade, sourcing about 50 per cent of its development capital from that country.

However, Ms **Chin** told Business News that most **apartment** development firms in Sydney and Melbourne were well ahead of Perth in creating strong marketing links in Asia.

"We haven't had that here, so our buyer market has been a really good mix of investors, owner-occupiers, downsizers and the local Asian market," Ms **Chin** said.

"To go over to the Asian market, it has to be the right product, and it's only recently that our local developers have started to explore that."

Momentum Wealth managing director Damian Collins said **Chinese** development firms with a substantial amount of capital were starting to take an interest in Perth's booming **apartment** construction sector.

"They're talking 100 to 200 units as their bare minimum, that's the sort of projects that they are looking at," Mr Collins told Business News.

One such project is the \$100 million, two-tower mixed-use development, Pinnacle in South Perth, put forward by **Chinese group** Zone Q Investments.

Zone Q is planning to build 102 luxury apartments in a 20-storey tower, as well as a 12-storey **commercial** office building, at a **site** on the corner of Charles Street and Labouchere Road.

Another **Chinese** developer, the identity of which has not been disclosed, bought the old Matilda Bay Brewery development **site** in North Fremantle for \$36 million in August.

The prospect of a large-scale **apartment** development at the former brewery has caused consternation among Fremantle locals, after the City of Fremantle moved to allow construction of up to 11 storeys at the **site**.

Mr Collins said large **Chinese** developers such as Zone Q, which is a subsidiary of the massive JiaHe Jian **Group**, investing in Perth would give a significant boost to the offshore profile of Perth **property**.

But Mr Collins said there hadn't historically been a lot of **Chinese** buyers for finished **apartment** products in Perth.

"Perth just doesn't yet seem to be on their radar," he said.

"We've been a strong market for Indonesia, Malaysia and Singapore for a long time but the mainland **Chinese** market is still very Sydney and Melbourne focused."

IN i5010022 : Residential Building Construction | i501 : Building Construction | iconst : Construction | icre : Real Estate/Construction

RE austr : Australia | china : China | melb : Melbourne | perth : Perth | sydney : Sydney | victor : Victoria (Australia) | waustr : Western Australia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia | nswals : New South Wales

PUB Business News Pty Ltd

AN Document WABN000020141027eaa000xd