

HD Beijing developer steps up drive with Sydney project**BY** Huang Ying**WC** 723 words**PD** 17 December 2014**SN** China Daily-Hong Kong Edition**SC** CHNDHK**PG** 9**LA** English**CY** Copyright 2014 China Daily Information Company. All rights reserved.**LP**

Beijing Capital Land Ltd (BCL) - a **Hong Kong**-listed **property** developer - said on Tuesday it aims to expand its overseas operations to 10 percent of its overall business next year in an effort to diversify its portfolio and stabilize performance.

So far, the **company** has registered more than 2 billion yuan (\$322.8 million) in overseas sales, while, as of November, it had recorded contracted sales of 20 billion yuan in total, up 38.8 percent year-on-year, but still far from its full-year sales target of 28 billion yuan.

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BCL's cooperation with Dyldam - one of Australia's leading high-density **residential property** developers - in co-developing a **residential** housing project in Australia is part of the **company**'s efforts to realize its aim. The project involves a total investment of between A\$70 million (\$57.4 million) and A\$100 million, with each partner holding a 50-percent stake.

Targeting the medium-to-high end **property** sector, the project is located in Sydney's suburb of Carlingford. As of Dec 15 this year, 267 of the project's total 408 units have been **sold** since sales began last Saturday.

"The return on investments from our overseas projects is by no means lower than those of our projects at home, and the ratio of the overseas sector in our overall business is expected to increase in future," said BCL vice-president Hu Weimin.

This year has seen an upsurge in overseas investments by mainland **property** developers against the backdrop of a sluggish market at home and favorable policies for overseas investment.

In February this year, leading developer Country Garden Holdings Co Ltd said it would **purchase** land for **residential property** development in northwestern Sydney for A\$73 million. Shanghai-based Greenland **Group** has been the most aggressive mainland **property** developer in overseas expansion, with its accumulated overseas investments having exceeded 100 billion yuan. The **company** has already made its mark in countries like the US, Canada, South Korea and Australia.

BCL, on its part, prefers to partner with a local real-**estate** developer abroad as it thinks it would not only facilitate the process of acquiring land in the country concerned, it would reduce risks concerning that country's laws, policies and regulations.

"An important reason for us in choosing to partner with Dyldam is that they are rich in land resources in Australia," said Hu.

Besides, as a builder and construction **group**, Dyldam understands the Australian market better than its **Chinese** counterparts.

The total amount of overseas investments by **Chinese property** developers rose from \$100 million in 2008 to \$16 billion last year.

"This year's investment figure is estimated to double that of last year's, creating a record \$30 billion," Hu said.

"Australia has witnessed rapid growth in its **property** market in recent years, primarily driven by population growth. Approximately, a net increase of 400,000 in population has been recorded in the country, while the annual shortage in **apartment** supply stands at 10,000," he said.

"This move is certainly in line with the general trend of domestic **property** companies seeking transformation amid the growing saturation market in first- and second-tier cities," said Xu Hao, portfolio manager at Guotai Asset Management Co Ltd.

For BCL, its business is largely focused on markets in Beijing and Tianjin. "There'll be growing demand for overseas **property** among **Chinese** people living there, as there's a huge population of middle-class **Chinese** whose children are studying or about to study abroad, a phenomenon that will continue in the next few years," said Xu.

"We focus mainly on markets that satisfy rigid demand in Australia, and the average home price of our projects stands at A\$8,000 per square meter," said David Ng, managing director at BCL's **Hong Kong** headquarters.

In 2012, BCL entered France by investing in a government-supported Beijing Capital Land Sino-France Economic Cooperation Zone project. "The cooperation between us and Beijing Capital Land is so far unique in Australia, and I think we will become the largest developer in Australia. We now provide 1,600 units to the market annually, while the largest developer offers 3,000 units at the moment," said Dyldam managing director Sam Fayad.

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CO bejcad : Beijing Capital Land Ltd

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