

# Herald Sun

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INVESTORS in **China** are buying 14 per cent of Melbourne's new housing supply and driving up prices, according to a new report.

Just days ago the Foreign Investment Review **Board** revealed **Chinese** investment in Australian **property** for the 2012-13 financial year amounted to more than \$5.9 billion, and that Victoria had the nation's highest number of approvals for proposed real **estate** investment.

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The value of all foreign **residential** investment approvals in Victoria totalled \$5.78 billion in that period.

Figures out yesterday revealed Melbourne is the capital for Significant Foreign Investor applications, attracting more than half of **Chinese** applications, which make up 90 per cent of the total.

An Australian investment strategy report from investment advice **group** Credit Suisse estimates the figure for total **residential** investment by **Chinese** in Australia, based on FIRB, Immigration and Bureau of Statistics figures, could be \$5.4 billion.

Underpinning the claim is an evaluation of offshore **Chinese** buying new developments, **Chinese** living in Australia as temporary residents, **Chinese**-based developers and recent **Chinese** settlers.

The report warned a "generation of Australians are being priced out of the market" after \$24 billion was invested in Australia by **Chinese** over the past seven years.

Credit Suisse research analyst Damien Boey, who co-authored the report, said his **firm** had been unable to quantify the price impact on **property**, but said "it would have to have a meaningful impact".

Mr Boey said the affordability problem for local home buyers was being exacerbated by overseas buyers who do not see our **property** prices as high.

He said this figure was likely an underestimate and did not include those who **buy** through local friends or intermediaries, which is a breach of FIRB regulations.

The report estimates \$44 billion will be spent in Australia by offshore **Chinese** investors in the next seven years.

The rush into Melbourne's bricks and mortar from **China** comes as new figures show Victoria is the destination of choice for cashed-up **Chinese** seeking to fast-track residency by investing \$5 million.

The Garden State accounts for 49 of the 88 Significant Investor Visas (SIVs) issued in the first 12 months of the controversial program. Nine in 10 went to **Chinese** investors.

Visa recipients do not need to pass the usual points tests for skills and language, and become eligible for a permanent visa after four years.nathan.mawby@news.com.au

**NS** gcat : Political/General News

**RE** austr : Australia | china : China | melb : Melbourne | victor : Victoria (Australia) | apacz : Asia Pacific |  
asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz :  
Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

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