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HD **Chinese** companies capitalise on Sydney apartments before market cools
BY GREG BROWN
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TWO **Chinese** development companies reaped a total of more than \$300 million at the sales launch of their Sydney **apartment** projects on the weekend.

The splurge caps a busy first half of the year for the Australian **residential** market, with the number of homes **sold** at auction up by 38 per cent compared with last year, according to RP Data. However, analysts warn of cooler buyer activity in the next six months.

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One of the **Chinese** development groups, Country Garden, kicked off its off-the-plan sales campaign for the Ryde Garden project, which will house three **apartment** towers at North Ryde, in Sydney's northwest.

The **group sold** 296 apartments for \$186m over just six hours on Saturday. Prices started at \$488,000. The development is Country Garden's first foray into Australia and it is aiming to become a major player in the local **apartment** market.

Country Garden Australia chief Johnson Zhang told The Australian last week there would be a limit on how many apartments would be **sold** to offshore **Chinese** investors, at 30 per cent of sales, so the **group** could build its brand among the locals.

Mr Zhang said yesterday that 20 per cent of buyers were from mainland **China** and most had bought in other Country Garden developments.

In the other launch, **Chinese**-backed Loftex **Property sold** 103 apartments for \$115m at its Radiance development in Darling Harbour. CBRE managing director of **residential** projects Ben Stewart said that many of the buyers were downsizing.

But the action was not as strong in the auction market at the weekend. Sydney and Melbourne were well down on clearance-rate peaks earlier in the year.

According to RP Data, 73 per cent of homes put to auction in Sydney were **sold**, while 69 per cent in Melbourne **sold**.

Both markets were clearing more than 80 per cent of homes put to auction earlier in the year.

Domain **Group** senior economist Andrew Wilson said the second half of the year would produce slower auction clearance rates and price growth.

"A bit of energy is coming out of the market and part of that may be vendor (selling price) expectations need to get a reality check," he said.

"Sydney had its lowest weekend clearance rate for the year. We are seeing a downward trend emerging in that market." Dr Wilson said price growth for the year would finish at about half of last year's level, which was close to 10 per cent. Home price growth in Sydney is expected to grow by about 3 per cent over the next six months, to 9 per cent for the year, compared with last year's growth of

nearly 15 per cent, according to Dr Wilson. Melbourne is on track for price growth of about 4 per cent to 5 per cent, he said.

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