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HD **Inquiry to probe foreign investors**  
BY Ellen Whinnett  
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A PARLIAMENTARY inquiry will begin today into whether foreign real **estate** investors are pushing up Australian house prices.

It come as a submission from the Reserve Bank said data suggested foreign buyers were not forcing local first homebuyers out of the market.

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The Reserve Bank said that foreign investors made up less than 10 per cent of **residential** sales, with the level of foreign investment remaining static over about 20 years.

While foreign investors were pushing up prices in some areas, it was generally not affecting first-home buyers.

The inquiry will examine the high number of foreigners buying up Australia's housing stock — with approvals reaching almost \$18 billion last year.

Foreign investors were approved to snap up 5091 existing houses last financial year — up from 647 three years earlier. They were among the 12,205 successful applications from foreigners to **buy** new and existing houses.

**Chinese** were the biggest real **estate** investors, approved for \$5.9 billion worth of housing investments, followed by people from Canada (\$4.9b), the US (\$4.4b) and Singaporean investors (\$2b).

These approvals by the Foreign Investment Review **Board** have raised community concern that the increased competition for housing is pushing prices up and making it more difficult for Australians to **buy** a home.

The House of Representatives economics committee will today investigate the approvals process, and examine why the **board** does not report on actual **purchases** following their approvals. The committee will also probe whether the **board** follow-up to ensure foreign owners who leave Australia sell their house within three months, as they are required to by law.

Chairwoman Kelly O'Dwyer said the **board** would appear before the committee in Canberra today, along with the Real **Estate** Institute of Australia, the Housing Industry of Australia and Treasury officials.

"There is an issue of broad community concern around the level of foreign investment into existing dwellings," Ms O'Dwyer said. "Rather than rely on anecdotes, we are going to look at the facts. It is prudent and timely there be a review to ensure the current arrangements are meeting community expectations and to ensure transparency and confidence in the system." The **board**'s annual report for 2012-2013 shows it did not reject one of the 12,025 applications it received for foreign owners to invest in real **estate**. Foreign owners are encouraged to **purchase** real **estate** in Australia in line with a policy that encourages the growth of new housing stock. However, the **board** also allows foreigners to **purchase** existing houses in some circumstances, and it is this a causing the most community concern.

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