

SE News
HD **Aussies are getting fed up of foreigners dominating the property market... so nearly 30,000 have signed a petition to tighten up regulations on overseas buyers**
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* change.org petition has more than 29,000 who support tougher rules for foreign investors buying Australian real estate

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* In 2012/2013 the real estate sector recorded 12,025 foreign investment approvals, compared with 10,118 approvals in 2011-12

Foreign investors are a big part of the Australian property market, with their passion to buy down under, especially the Chinese, continuing to grow.

But there's been a major push for foreign investors to be exposed to more stringent dealings when snatching up properties.

A change.org petition, calling for tougher rules on foreign ownership of Australian property, has now reached more than 29,000, a jump of more than 20,000 in the last month.

Simon Hocking who launched the petition argues it is hard for Australian's to purchase properties overseas so why can't we implement the same sort of rules.

'I would not be able to buy property in China, Sri Lanka with 100% tax on foreign freehold purchases, Thailand and Singapore generally prohibited with strict limitations, Indonesia prohibited and many emerging economies requiring citizenship,' he said.

'I am not suggesting no foreign investment, but a more thorough testing of foreign buyers and purchases and a toughening of regulations by the Foreign Investment Review Board.'

The FIRB current foreign investor rules state that they need to notify the government and get prior approval to acquire interest in certain types of real estate.

'Interest' has been defined as buying real estate, obtaining or agreeing to enter into a lease or license or financing or profit sharing arrangements.

It also states that regardless of value, foreign persons generally need to notify the Government and get prior approval to take an interest in residential real estate, vacant land or to buy shares or units in Australian urban land corporations or trusts.

In the FIRB annual report for 2012/2013 it was found that the real estate sector recorded 12,025 foreign investment approvals, compared with 10,118 approvals in 2011-12.

It was determined as the most popular sector for foreign investment with approvals in 2012-13 of \$51.9 billion.

A parliamentary inquiry into foreign investment was investigating concerns raised that foreign investment in Australian real **estate** is causing a distortion in the market and making housing less accessible and affordable.'

Leading the inquiry, Kelly O'Dwyer said 'this inquiry is not focused on investors from any particular country into Australia's real **estate** market'.

'The committee will take a very broad and holistic approach to examining whether the current policy settings in this regard are delivering the best possible outcomes for Australia.'

The Sydney Morning Herald reports it has been suggested that the FIRB has not prosecuted a single case since 2006, though the FIRB has said there were 33 ongoing investigations.

Simon Henry, the co-CEO of Juwai.com, a **Chinese property** website, predicted interest by foreign investors has increased.

'We predict **Chinese property** investment will increase in Australia by 15 to 20 per cent over the next 12 months,' Mr Henry, told Domain.

'The average price of a **property** a **Chinese** person is buying in Australia is around US\$1.36 million,' he said.

Mr Hocking said 'the FIRB and Treasury connections are formidable adversaries. Pressure needs to mount on lax Executive Members and a 'political culture' which could be described as against the national interest.'

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