

Investing in Asia-Pacific properties sink

BEIJING, May 15 (Xinhuanet) -- Real estate investment on the Chinese mainland plunged 70 percent in the first quarter of this year, while investment in major capital markets in Asia-Pacific was also subdued, a latest industry report showed yesterday.

The investment value across the Asia-Pacific fell 42 percent quarter on quarter to US\$11.6 billion during the January-March period, CB Richard Ellis, the world's largest commercial real estate services provider, said in its Asia-Pacific Capital Markets Marketview report released yesterday.

It attributed the decline partly due to the New Year holidays in January and the high value of investment made in the second half of 2011 that removed several assets from the market.

Meanwhile, investment on China's mainland plunged to US\$949 million in the first three months, according to CBRE.

"China's property investment market was relatively quiet in the first quarter, in part due to the Chinese New Year holiday, with the exception of continued strong activities of occupier purchases by domestic companies and development acquisitions between developers," said Greg Penn, executive director of CBRE Investment Properties in Asia. "Many developers in China continue to face liquidity challenges, and this may offer opportunities for investors to provide capital and acquire asset portfolios."

Domestic capital drove the market, snaring nearly 86 percent of the total investment value, while cross-border acquisitions sank 69 percent on a quarterly basis to US\$1.6 billion, or a share of 14 percent, according to CBRE data.

(Source: Shanghai Daily)