

Chinese buy \$8b in houses

KARLIS SALINA

CHINESE investors and immigrants purchased more than \$8 billion in Australian residential property in the space of 12 months, with growing demand forecast to pump another \$60 billion into the market over the next six years.

A Credit Suisse analysis, released yesterday, shows Chinese purchased \$8.7 billion in 2013-14, up 60 per cent on the previous 12 months.

The Chinese money pumped into Australian housing was the equivalent of 15 per cent of national housing supply, according to the report by analyst Hasan Tevfik.

"We expect \$60 billion of additional Chinese demand for Aussie housing over the next six years to 2020. This will be more than double the \$28 billion over the past six years," the report said. The report said proposed new foreign investment rules may make Australian real estate less attractive for Chinese buyers, but that "the potential erosion of demand will be marginal".

"After all, Australia is on the doorstep of the greatest wealth creation in three centuries. Despite moderating growth, we expect more Chinese wealth to be invested abroad."

The proposals should refocus foreign investment demand into new housing and away from established housing, according to Mr Tevfik and his team.

8.5.15

186/179 Sunday 5

BRIT-G.P.F.I.