

Chinese online searches for Australian property up 61% as Macquarie targets significant investor visa applicants

By Larry Schlesinger
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The expected surge of high net worth Chinese investors spending \$5 million in Australia to be eligible for the significant investor visa (SIV) has coincided with a rise in Chinese online searches for Australian property and Macquarie launching a new series of SIV funds.

Chinese international property portal Juwai.com has recorded a 61% rise in Australian residential property searches since the start of the year with property viewings up 162% over the same period.

Around 82% of Juwai.com users are from mainland China with the remainder located in Australia, South East Asia and other countries.

Direct residential property investment is not a qualifiable investment under the visa program but estate agents expect an increase in demand for prestige property in Sydney and Melbourne from successful visa applicants seeking a home in Australia.

"Chinese buyers seek out Aussie property because of Australia's stable housing market, regulatory protection and the fact that its time zone is very close," says Andrew Taylor, Co-CEO of Juwai.com.

"East Coast Australia is only two hours different from Shanghai and Beijing, while Perth is in the same time zone as the Chinese cities."

"Recent initiatives such as the significant investment visa have had an impact on cementing Australia as a preferred property investment destination," he says.

The significant investor visa opportunity is noted in the [news section of Juwai.com](#).

Last weekend, the first significant investor visa was granted to a [Chinese toy manufacturer](#) and his family.

Immigration minister Brendan O'Connor said 170 significant visa applications have been lodged, totalling a potential of \$850 million in investment.

A spokesperson for the Department of Immigration said further visa approvals would not be far off.

Macquarie has recently launched four managed investment funds aimed at significant visa applicants. The funds require a minimum \$1 million investment.

Complying significant visa investments are Commonwealth, State or Territory government bonds, ASIC-regulated managed funds with a mandate for investing in Australia; and direct investment into Australian proprietary companies.

Direct property investments of \$5 million are not qualifying investments, but managed funds can hold property assets.

Macquarie says in its fund information memorandum that they are “designed for investors who are applying for a Significant Investor Visa issued by the Australian Department of Immigration and Citizenship”.

Three out of the four funds hold a small weighting in listed property trusts.

Taylor also highlighted the recent convertible currency deal between Australia and China, where the Australian dollar and Yuan convert directly, which he said “will nurture Chinese buyer interest in to the future.”

China’s fifth largest bank, Bank of Communications, says it plans to allow its clients to convert the Australian dollar directly into yuan.

Australia is only the third country to have such a currency agreement with China.

Juwai.com notes ABS figures which show that the number of Chinese-born people living in Australia increased by 54% between 2006 and 2011

“The number of Chinese who settled permanently in Australia soared by 16% since 2010. The number was 17,580 in 2012, up from 15,780 in 2011 and 14,720 in 2010.

“Short-term Chinese visitors are rising even faster. They have tripled in the last decade to 630,000. Chinese tourists are now the second biggest visitor group to Australia, behind New Zealanders,” says Juwai.com.