



Home Truth

China Syndrome

Unless you've been living on Mars, you'd be aware that the mainland Chinese are today key players in Australia's residential property market.

Whilst they may not yet represent more than 10% of Brisbane's new apartment market (this though double last year's figure of 5%), down south in our feeder markets it's a very different story.

In Sydney they represent a whopping 50+% of the new apartment market and incredibly in Melbourne (whose universities they favour), the figure's 80%.

The Chinese influence that has proven such a game changer for (particularly) our southern cousins markets over recent times though could quickly turn sour should the Chinese (have cause to) take their foot off the accelerator.

Australia's attractive weather, secular society, space, and educational facilities (and similar time zone) are attractive attributes to the Chinese but the truth be told, the key reason they're as active as they are in our markets presently is the unprecedented crackdown on corruption and nepotism that is taking place in their own country and which has thus far implicated thousands.

The large scale Chinese inquisition is 'encouraging' scores of moneyed Chinese to seek shelter abroad, many conveniently via the path of our controversial recently tweaked business visa arrangement.

Whilessoever the Chinese elite can get their money out (or at least enough of it), the markets they are currently stimulating so aggressively will continue to run, if indeed not improve further.

If however, the Chinese Government takes action to stem the flow of the current financial repatriation (as South Africa effected so 'successfully' so very recently), expect a market recoil within the currently Chinese money stimulated markets of quite momentous proportions.