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Foreign instos keen on Aussie real estate

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By [Darren Snyder](#) | In [Investment](#)

Foreign institutional investment in Australian real estate is down more than 7% in the 12 months to October 2016 when compared to same period in 2015.

In the past year 324 cross-border property transactions were recorded in Australia with a value of about US\$16.9 billion. This is down from 432 property transactions in the 12 months to October 2015, totalling about US\$18.2 billion.

Over the two-year period investment was led by Chinese institutions, totalling US\$9.5 billion across 221 properties. Both the United States (\$7.8bn) and Singapore (\$6.6bn) followed, acquiring 184 and 121 properties respectively.

The figures came from the latest Real Capital Analytics data and were presented at Atchison Consultants' 10th Global Real Assets Forum in Sydney. Presenting the data was Perpetual Corporate Trust head of sales and relationship management, Glen Dogan.

Dogan said a view could be taken that Australian real estate peaked but he is aware of many institutional buyers still interested in the market. He said the figures indicate that the supply of real estate might now be problematic.

Breaking down sub sectors, Dogan said commercial real estate made up the bulk of transactions over the two years with Sydney collecting more than \$8 billion - mostly from Chinese investors.

He said Singapore firms were the biggest purchaser of industrial assets, acquiring about \$2.4 billion. In hotels, the Chinese and Singaporeans dominated acquisitions during this time - both investing more than \$1 billion.

To highlight the interest in industrial real estate from Asian institutions globally, Singapore's sovereign wealth fund GIC recently made the largest European real estate transaction this year - acquiring P3 Logistics Parks for A\$3.4 billion.

Dogan said retail property in Australia saw 89 deals with a value of about \$4.9 billion over the two years. He said Blackstone was the biggest buyer, purchasing seven properties with a value of \$1.2 billion.