

Slowdown in Chinese investment in Auckland temporary

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by Maya Breen | 13 Jan 2016



The head of Juwai, a global platform for Chinese buyers, has said New Zealand recently dropped a spot from fifth to fourth most popular country in the world for Chinese buyers, largely due to the new buyer restrictions put in place by the government and Reserve Bank in October.

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But co-founder Simon Henry predicts Chinese buyers' interest in New Zealand will bounce back by mid-2016 after they have adjusted to the new requirements, according to BusinessDesk.

Juwai claims to be the largest and most authoritative source for global property in Chinese with 2.6 million unique users monthly.

Director of Auckland-based brokerage Mortgage Success, Paul Wang told *NZ Adviser* it's not just a slow-down in Chinese buyers in Auckland over the last three months but across the whole market.

"Since the new policies have kicked in... the whole market has declined," Wang explains, saying the new policies have without doubt played a big role in the declining interest of investment buyers in Auckland.

Juwai lists four key reasons why Chinese buyers seek property offshore. Investors with large property portfolios in China looking to diversify is one of them as well as immigration, education and lifestyle.

Wang says the majority of his clients are buying with a view to settle in the country, with only a small percentage purchasing property and then heading back to China. He says many of his clients have already been living here for a long time.

"The majority of Chinese buyers have common interests in New Zealand – what I mean by that is a lot of my clients come from China but a large percent of them are settling in New Zealand," says Wang.

"They have children studying in New Zealand, they are going to get New Zealand residency or they have already. I think that's actually the main reason why they are buying a property here.

"I think Chinese people feel that if they don't have a house, they don't feel secure."

Juwai has predicted a 10 to 15% growth in global property investment by Chinese investors in 2016.



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