

BUYING UP THE BLOCK

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IN 2014, FOR THE first time the Chinese outnumbered all other foreign buyers of real estate in the United States, including Arabs and Russians. They tripled their investment in European property, snapped up several billion dollar projects in the UK and were reported to be driving Australia's overheated property market, where house prices grew ten percent across the country in the year to 30 June and fifteen percent in Sydney.

According to CLSA, a Hong Kong-based brokerage and investment services firm, the wave of Chinese money flowing into the Australian property market is 'phenomenal'. Claiming that roughly ten million Chinese families are interested in migrating to Australia, CLSA expects the trend to continue for at least three years. In March 2014,



Wang Jianlin is a Chinese businessman and philanthropist. He serves as the Chairman of the Dalian Wanda Group, China's largest real estate developer. He has a net worth of US\$36.6 billion
Photo: image.wanda.cn

the Bank of New Zealand reported that in 2013, one out of every four foreigners buying property in New Zealand was Chinese, a higher proportion even than Australia's.



A postcard depicting the iconic Waldorf-Astoria Hotel in New York City c.1850-1920, which was acquired by the Beijing-based Anbang Insurance Group in 2014

Source: Harper Stereograph Collection, Boston Public Library, on Flickr

Chinese buyers are already London's top foreign buyers of luxury homes, accounting for six percent of all purchases of homes worth over £1 million in 2013, according to the estate agent Knight Frank. In the US, a survey by the National Association of Realtors estimated that Chinese buyers spent US\$22 billion on residential property in the year to March 2014, up from US\$12.8 billion the year before. More than half of that was spent in California, Washington State and New York. In response, the US property website Zillow began publishing its entire property database in Chinese.

In Europe, where the focus of Chinese buyers has been on commercial real estate, Chinese buyers tripled their investment to €3.05 billion in the year to January 2014, according to Real Cap-

ital Analytics. Much of the activity was in London, which saw several flagship deals in 2014, including the insurance group China Life's purchase of a seventy percent stake in one of the Canary Wharf towers in June. The trend is likely to continue: in January, Wang Jianlin, the head of Dalian Wanda and in 2014 China's second richest man after Alibaba's Jack Ma (see Chapter 3 'The Chinese Internet: Unshared Destiny', p.106), pledged to invest £3 billion in real estate projects in the UK. On the other side of the Atlantic, US commercial real estate investments continue to attract Chinese money: the Beijing-based Anbang Insurance Group announced in early October that it had agreed to pay the Hilton hotel group US\$1.95 billion for the storied Waldorf Astoria hotel on Park Avenue.

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