



A cultural real estate feast

From the desk of ...

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THIS year's International Real Estate Convention was being held in Beijing, China. On arriving there I received a message that the conference had been cancelled due to the Swine Flu.

At first I thought it was a practical joke, but it turned out to be true.

As I was already there, I took the opportunity to study the Chinese Real Estate market as well as the usual sight seeing one does.

Apart from Beijing, I also visited a friend in Tianjin which is a two hour drive from Beijing with a population of about 14,000,000 people, almost as big as Beijing. Downtown Tianjin is set around a river and it reminded me a lot of Southbank and the Docklands area in Melbourne.

Most people in these two cities live in high rise apartments while in the outer suburbs one can find townhouse type developments. My wife and I were invited to a BBQ by a family that lived in such a development. To our surprise their townhouse with its courtyard and furnishings could easily be mistaken for one in Australia. By the way they put on a great BBQ and they drink lots of beer. In fact they drank enough beer to put many Australians to shame. We found the Chinese people extremely hospitable and friendly.

Beijing and Tianjin apart from air pollution were extremely clean cities with gardens and tree lined streets throughout.

The price of residential properties in China is certainly cheaper than the equivalent in Australia. Apartments in Beijing & Tianjin can range from \$2,000 Australian dollars per square metre to as much as \$5,000 AUS for prime location. The equivalent in Australia would be \$4,000 to \$8,000 or more per square metre.

Although residential properties are cheaper in China they are no more affordable than here when you consider the average wage in China is much less than Australia's.

There is a lot of construction activity still going on and the general feel in the street about the economy is positive. This is good for Australia, since China is our main trading partner, particularly for the export of our raw materials.

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