

Dear Sir/Madam

Preamble:

As property advisors and buyers' agents as well as publishers of our CurtiseCall article blog, we are now and since 2007, have been directly involved in the Sydney residential property market acting exclusively for buyers of residential real estate especially over \$1 million.

In addition to having a direct and keen interest in this topic, as representatives of buyers throughout the Sydney metropolitan area and occasionally beyond, we bring an 'in the field' perspective to it.

On 31 April 2014 and prompted by several grossly inaccurate media reports, we published on line [Special Report - Chinese buyers of Australian residential property](#) ; the contents of which we invite the Committee to consider and treat as forming part of this public submission.

Our specific concern and the subject of this submission is the lack of transparency evidenced by the paucity of publicly available information and statistics not only in relation to Chinese but all foreign buyers.

In our submission and by way of a general comment, given the intense public interest in foreign - especially Chinese buyers of Australian residential real estate - it beggars belief that in the entire FIRB Annual Report for 2013, there exists just one table (Table 2.11) identifying the ethnicity of some foreign buyers.

In those circumstances, it is unsurprising that there exists first, such disinformation in the media and second, an apparently vast gulf between, on the one hand, public and anecdotal perceptions of the levels of such foreign investment and, on the other hand, the picture painted by the information available from FIRB and other relevant Commonwealth agencies such as the ABS and RBA as discussed in the above article.

Both pictures cannot be right giving rise to the implication, as also bandied around the market by some (but which is inconsistent with our experience as buyers' agents), is that evasion of notification and approval obligations by foreign investors must be of epidemic proportions. And yet, in contrast to the activities of other Commonwealth agencies such as ASIC and the ATO, one searches in vain for statistics as to enforcement as well as the number of successful and unsuccessful/pending or completed prosecutions per annum (if any) as well as the ethnicity of defendants and the methods or schemes to which such defendants have resorted.

Submissions:

It is therefore submitted that it is within the last sub paragraph of the relevant terms of reference to recommend that:

- (a) the ABS or FIRB collect and publish the residency status of all buyers of Australian residential real estate and identify the ethnicity of all foreign buyers
- (b) FIRB distinguish in its Annual Reports between approvals granted to foreign buyers of commercial as opposed to residential real estate and discloses the ethnicity of each such groups of buyers
- (c) FIRB publishes price brackets in which all residential foreign approvals are made to facilitate analysis and identification of the most and least popular ends of the residential property market
- (d) FIRB publishes details of its annual enforcement activities, prosecution statistics and provide Case Studies of methods used to evade reporting obligations. A 'name and shame' regime may also be appropriate
- (e) FIRB and ABS agree on a common definition of "residential" in contrast to the status quo where each differs from the other at least in the case of vacant land

(f) perhaps in conjunction with the States, there be implemented a mandatory system of electronic reporting by all sellers' and buyers' agents of foreign acquisitions within 24 hours of contracts being exchanged with such agents being required before exchange of contracts, to sight and record evidence of residency in the same way as selling agents in NSW are presently required to register bidders at auctions of residential real estate upon production of proof of identity. This system should be clear and unambiguous to avoid issues of the type raised in the attached article on bidding under a Power of Attorney.

Yours faithfully

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