

search the AFR

NEWS BUSINESS MARKETS STREET TALK REAL ESTATE OPINION TECHNOLOGY PERSONAL FINANCE LEADERSHIP LIFESTYLE ALL

FINANCIAL REVIEW
Higher Education Summit
 27-28 October 2015 | Swissotel, Sydney

PRINCIPAL SPONSOR **technologyone** business software solutions
 AWARD DINNER SPONSOR **UniSuper**

Home / Real Estate

Sep 2 2015 at 12:15 AM | Updated Sep 2 2015 at 5:14 AM

SAVE ARTICLE | PRINT REPRINTS & PERMISSIONS

Rich Lister Shaun Bonett says China free trade will underpin property values



Shaun Bonett who is Chief Executive of Precision Group. Steven Siewert

PICTURE PERFECT. EVERY DAY.

CONSERVATORY
MELBOURNE

REGISTER NOW OR CALL 1800 666 888

UEM Colliers

Advertisement



One of Australia's wealthiest young property developers, Shaun Bonett, is pleading with political interests to support the country's [free trade agreement with China](#) saying such foreign investment could be essential for underpinning property values.

by **Matthew Cranston**

Mr Bonett, whose wealth is estimated at \$478 million by the BRW Rich List, has office buildings and shopping centres across Australia and has been funding some property purchases with finance from the the fifth largest bank in the world, the Bank of China.

"Our free trade agreement with China is essential in ensuring that China's relationship with Australia remains a long-term focus, which should continue to have a favourable influence on the valuation and demand for Australian property," Mr Bonett told *The Australian Financial Review*.

"Any delay of the free trade agreement being passed in both houses of Parliament is likely to cause a significant destabilising reaction in the Australian market, which has benefited by the increased credibility that this agreement has given it at a global level."



PROPERTIES



Raine & Horne Commercial



153 Mitchell Avenue KURRI KURRI...
Offices 1730 m²



Chevron Renaissance shopping centre on the Gold Coast was purchased by Precision Group and financed by the Bank of China

China is now the largest foreign buyer of Australian real estate spending \$12.4 billion in fiscal 2014, according to the Foreign Investment Review Board. However since then, there have been significant Chinese investments in real estate including the [China Investment Corporation's purchase of Morgan Stanley's Investa Office business for more than \\$2.45 billion](#), representing one of the largest property transaction in Australia's history.

Mr Bonett, who appointed a senior Chinese official to the board of his business Precision Group in July, has just [purchased a distressed shopping centre on the Gold Coast for \\$74 million with debt financing from the Bank of China](#).

'VILE XENOPHOBIC SCARE'

He said the free-trade deal was the product of years of diplomacy and was critical in helping other Australian property businesses like his to attract investment and help steer the country's economy through a transition away from resources into construction, tourism and services.

"The trade agreement will enable the adjustments of its economic structure, Australia should gradually shift from a mining concentrated country and realise new economic growth through increased tourism, food production and tertiary industries."

The free-trade deal has blown up as a major political issue with unions starting an advertising campaign against components of the deal and [federal Labor party backing the union demands for changes](#).

Federal Trade Ministers Andrew Robb has labelled the push back by Labor as "vile xenophobic scare based on falsehoods".

The free trade agreement is one of several areas of diplomacy Mr Bonett said Australia had so far made the right decision on. He mentioned the settlement of the Chinese currency renminbi (RMB) clearing system in Australia, which was jointly developed by the Bank of China and the Australian Securities Exchange.

He said the clearing system was a "monumental event" in the history of financial co-operation between the two countries and that it made transactions more efficient and less costly.

He also said the federal government's signing of a memorandum to apply for its accession into the China-led Asia Infrastructure Investment Bank would also greatly benefit property through increased capital flows for infrastructure development.

"Currently, all states in Australia have problems of lacking investment in infrastructure from our state governments' fiscal revenues. These governments will be challenged to satisfy the demands of a growing population in the years to come. Chinese companies have a great deal of experience and advantage in areas such as infrastructure construction, which Australia can benefit from."



35 Waterloo Road MACQUARIE PA...
Offices 180 - 627 m²

RELATED ARTICLES

Second-worst return poses Mirvac's paradox

Sydney industrial portfolio expected to top \$250 million

Buyers looking beyond the Barossa in South Australia

Beef, dairy and almond farm values poised to rise in Victoria

Former Woolies boss buys rural land holding

LATEST STORIES

Westpac boosts investment spending, reaffirms ROE target
6 mins ago

\$A slips below US69c
9 mins ago

Frydenberg urges higher refugee intake
10 mins ago

FINANCIAL REVIEW

Higher Education Summit

27-28 October 2015 | Swisshotel, Sydney

<p>PRINCIPAL SPONSOR</p>  <p>technologyone business software solutions</p>	<p>AWARD DINNER SPONSOR</p>  <p>UniSuper</p>	
<p>LANYARD SPONSOR</p>  <p>Goop</p>	<p>SUPPORTING SPONSOR</p>  <p>CROWN & MARKS CORPORATE SERVICES & TRAINING CONSULTANTS</p>	<p>SUPPORTED BY</p>  <p>THE</p>

[VIEW THE AGENDA](#) | [REGISTER TODAY](#)

Advertisement

RECOMMENDED



Global executive who takes advice from a 24-year-old



Housing booms and fancy cars sound a warning



When Malcolm Turnbull met Peter FitzSimons in the Qantas Chairman's Club



Mark Latham's exit not that sensational



Mordant toasts Australia's Venice Biennale pavilion in Azuma

FROM AROUND THE WEB



You've turned 50, now what? A to-do list to get retirement-ready

Commonwealth Bank



\$1.8m bungalow wins over Gillard

News



Warren Buffett's Advice on How to Get Rich

Motley Fool Australia



What \$20 a week can do for your future

Debrief Daily for HESTA



Girls learn to walk, talk and read before boys. Yet, as they grow up --...

ANZ Women

Recommended by

MY FINANCIAL REVIEW

- My Alerts | Create alert
- Portfolio
- Account
- My Saved Articles (0)

TOOLS

- Markets Data
- Australian Equities
- World Equities
- Commodities
- Currencies
- Derivatives
- Interest Rates
- Share Tables

FAIRFAX BUSINESS MEDIA

- Asset
- The Australian Financial Review Magazine
- BOSS
 - BRW
- Chanticleer
- Luxury
- Rear Window
 - Smart Investor
- The Sophisticated Traveller

CONTACT & FEEDBACK

- FAQ
- Contact us
- Letters to the Editor
- Give feedback
- Advertise
- Reprints & Permissions

ABOUT

- About us
- Our Events
- Digital Subscription Terms
- Newspaper Subscription Terms
- Site Map

CONNECT WITH US

YOUR OPINION IS IMPORTANT TO US

GIVE FEEDBACK

CHOOSE YOUR READING EXPERIENCE



START YOUR AFR FREE TRIAL

[START NOW >](#)