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An Overview of the Chinese Real Estate Market



A decade ago, China's booming economy created a tremendous opportunity for real estate investors. "In the past six years, the national residential sales price increased with a compound annual growth rate of 10 percent," says Regina Yang, head of research and consultancy in the Shanghai office of global real estate consultancy Knight Frank.

With numbers like that, it's plain to see why many international buyers around the globe are bullish on Chinese real estate. And yet, there's no such thing as a perfect foreign investment.

Growth is Slowing

Anyone who owned U.S. real estate in 2007 knows the impact a "bubble" can have on personal financial situations - and the economy at large. Reports of a Chinese housing bubble therefore deserve serious consideration, says Xudong An, an associate professor of finance and endowed professor of real estate at San Diego State University. "China had a big housing boom in the past 10 years," says An, a Chinese national. "Now things have turned the corner. In many areas the growth has slowed down, and in some cities there has even been price decline."

While there are different perspectives on the trajectory of the Chinese real estate market, an informed international buyer will be better able to navigate risks and opportunities.

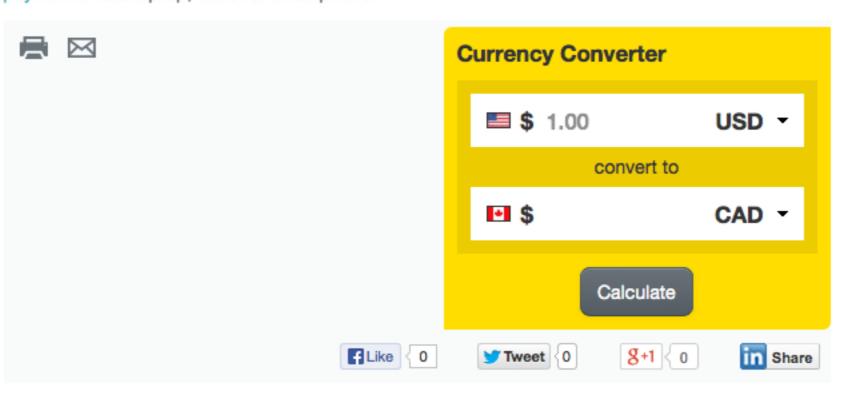
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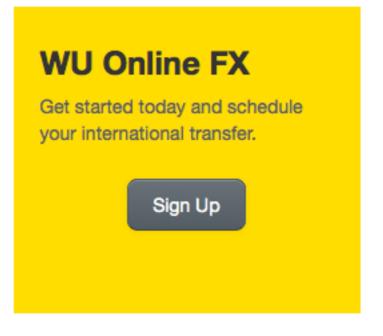
Many Continue to See Opportunity in Foreign Property

"The health of the real estate market has improved significantly over the last 1 ½ years and is settling into a more sustainable state," says Anthony Couse, managing director in the Shanghai office of global real estate consultancy Jones Lang LaSalle.

People like Ishbel Bruce, partner at Beijing Balfour Technology Co. Ltd., are in the market to buy. Bruce has been a Scottish expat since she moved to China in 1997, and she says rumors of market bubbles in international real estate have circulated since then. Home prices in Beijing, where \$1 million U.S. dollars buys a 120-square-meter home, are on par with New York, London and Paris. "I see no reason why China's capital would be less expensive in the long term," Bruce says.

While there are different perspectives on the trajectory of the Chinese real estate market, an informed international buyer will be better able to navigate risks and opportunities. Chinese real estate investors can turn to the services of an online foreign exchange provider, which offers low markups and total transparency of fund transfers when sending money. With an online foreign exchange service, it's possible to send money online for a down payment or ongoing housing payments via a laptop, tablet or smartphone.





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