

# AMERICA

## Chinese investing heavily in NYC real estate



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Chinese companies and investors have become the largest foreign buyers of real estate in the United States, pouring hundreds of billions into the property market.

New York is the top choice in the country for Chinese investors, who have pumped in more than \$4 billion in direct investment, mostly in tech firms and real estate.

CGTN's Han Peng reports.



## Jersey City

Across the Hudson River from downtown Manhattan, Jersey City is changing fast. The once quiet backyard of New York is seeing a construction boom and much of it is funded by Chinese investments.

Phillip Gesue is the Chief Development Officer of Strategic Capital. His job is, in part, finding new opportunities for investment. He says Chinese investment is bankrolling two out of every five real estate construction projects in Manhattan.

“Jersey City is the new market,” he said. “It’s a very exciting downtown, and it’s an extension of Manhattan from a work and commuter standpoint. But it’s half the price of Manhattan.”

Gesue said Chinese investors are both building and buying U.S. homes at an unprecedented rate — more than any other foreign buyer. In 2015, they surpassed buyers from Canada as the total amount of investment exceeded \$300 billion, according to the Rosen Consulting Group, an independent real estate firm, and the Asia Society.

In downtown Manhattan, developers are blending in some Chinese design, to appeal to potential Chinese buyers. That includes a project called One Manhattan Square, on Manhattan’s Lower East Side.

## Changing New York

The surging Chinese investment is reshaping some parts of New York.

For years, Brooklyn’s Kent Avenue area remained undeveloped. Part of the reason: a local construction firm defaulted on debts amid the 2008 financial crisis.

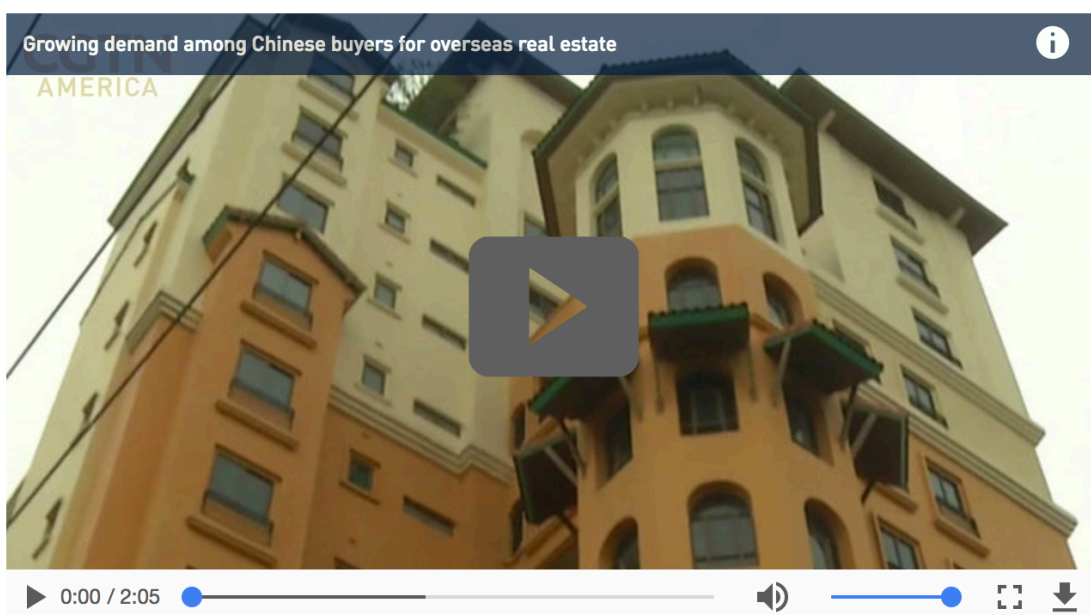
In 2012, a major Chinese home-building firm, Xinyuan, bought the land, assumed the debt and completed around 200 homes surrounding a courtyard. They named it Oosten. Pronounced OH-sten, it means “east” in Dutch.

“Chinese companies, three years ago, would have been a free rider, but these years, they are leading the trend,” Gesue said. “And they are leading because Chinese companies have a unique combination not a lot of American companies have. They have direct investment experience, and they have money.”

## A buyer’s story

Kaiwen Zhang is the face of a burgeoning trend. The Chinese investor has already bought two apartments in Thailand. He lives in one in Bangkok. He rents out the other on the resort island of Phuket.

CGTN’s Frances Kuo looked into that.



Demand is also likely to grow with many Chinese businesses opening factories in Thailand— creating a market for “second homes” for executives.

That’s especially true in Moscow. There, luxury properties are increasingly luring Chinese buyers. At one development project in the heart of the Russian capital, Chinese investors have purchased about 10 percent of the available units. Compared to Europe, residential properties are cheaper in Moscow.

### **Obstacles**

Chinese investors are facing some obstacles when buying properties abroad. The Chinese government is tightening regulations on purchasing foreign currency used to invest in real estate. And that’s slowed overseas buying.

Wan Yunke was planning on buying a house in Thailand. But he’s finding it more difficult now.

Real estate agents abroad are also noticing the impact. One strategy is becoming popular among Chinese investors – crowdfunding.

It attracts capital from domestic investors and then is used for foreign investments. It’s an approach that’s likely going to keep shaping the global real estate market.