

## **Foreign Investment Framework Legislative Package 2017**

### **Submission by Paul Hobson**

This submission is confined to the issues around foreign investment in residential property.

I am concerned that wealthy foreign investors are pushing up residential house prices to such an extent that young Australians are being shut out of the market. Recent press reports suggest that a third of all residential sales in Sydney are to foreign investors.

In addition to my concerns about housing affordability for Australians, I am also concerned about the impacts that foreign investors make on the amenity of the local area.

I am concerned about foreign investors purchasing residential property illegally to demolish and build fake Georgian or French Chateaus boundary to boundary in their neighbourhood. The established gardens and leaf canopy of the eastern suburbs of Melbourne are being lost. Many quality period homes are being demolished in this process. The amenity and character of our neighbour is being adversely affected.

In some cases properties are left vacant because the foreign nationals are using them to keep funds in a safe investment, rather as a residence. In such cases neighbourhood amenity is further diminished.

To overcome the concerns outlined by me above, the FIRB legislation should prevent foreign nationals from purchasing residential property in Australia in the same way that Australian nationals are prevented from purchasing residential property in many countries.

If the FIRB legislation continues to permit foreign nationals to purchase residential property, then;

- More effective enforcement of the legislation must be done by FIRB. Much of the recent loss of neighbourhood amenity has been exacerbated by FIRB inaction.
- Severe penalties should be imposed by the legislation on estate agents who aid and abet avoidance or noncompliance of the FIRB requirements.