

Business

# Property markets reel from coronavirus outbreak as Chinese investors pause transactions

- Thailand, US and Australia – some of the preferred destinations of Chinese property buyers – are witnessing a lull in activity
- China Real Estate Association’s decision to temporarily shut down sales offices in the mainland to prevent the spread of the virus has also made it “difficult” for investors to buy property overseas

[Cheryl Arcibal and Louise Moon](#)

Published: 8:00am, 11 Feb, 2020



Chinese investors’ interest in overseas property markets like the US has slowed down because of the coronavirus outbreak. Photo: Shutterstock

Overseas property markets are feeling the pinch of the outbreak of the deadly coronavirus in China with inquiries from mainland buyers slowing markedly.

One real estate agency in Adelaide, Australia has temporarily shut its office after two individuals who tested positive for the infection had visited its premises. And markets such as Thailand and the US are reeling from the halt in activities and interest coming from the Chinese, underscoring the impact of the outbreak on the sector.

“The prolonging of the virus outbreak crisis into February has shaken up the Thai real estate market [as] Chinese buyers [are] the target group for property developers,” said Chris Dietz, executive vice-president of global operations for Leading Real Estate Companies of the World, which has brokers in more than 70 countries.

Additionally, the move by China Real Estate Association’s members to suspend business at their sales offices in the mainland to prevent human-to-human transmission of the virus has also made it “difficult” for investors to buy property overseas.

Buyers have also deferred viewings, freezing buying plans as several mainland cities are on a lockdown because of the epidemic, while many countries have issued travel bans. The number of confirmed coronavirus cases in China has crossed 40,000 and the death toll has risen to more than 1,000 as of Monday.

Thailand, US and Australia are just a few of the markets which rely on buyers from China to boost their real estate segment. Mainland Chinese are “the biggest cross-border luxury property buyers in most markets in Asia and North America”, according to property portal Juwai IQI.

“In the short term, buyers have less incentive to purchase if it’s unclear when they’ll get to visit the property. In the long-term, the virus could temporarily weaken sales if these problems amplify and travel restrictions and quarantines expand into other countries and regions,” Dietz said.

Developers, too, are finding that inquiries are drying up, attributing it to the coronavirus.

“As the coronavirus outbreak has worsened we have begun to see an impact in inquiries coming in against what we would typically expect for February, although, it’s early days into the month so far,” said Liam Smith, sales director for Hong Kong and China at UK developer SevenCapital.

For London-headquartered Quintessentially Estates, one of the effects of the virus scare is fewer property viewings by prospective buyers.

“The recent coronavirus outbreak has dominated the news agenda and its repercussions are now being felt across the real estate industry, especially in key global wealth centres,” said Penny Mosgrove, chief executive officer at Quintessentially Estates.

While some buyers have been looking for “safe” locations to invest, the agency has also “seen less clients travelling due to the outbreak, which has resulted in a number of real estate viewings being conducted via video link”.

Nicholas Vaughan, partner in the private property team at law firm Withers, said the impact of the outbreak has yet to be fully absorbed and digested.

“It is still too early to say whether the coronavirus will have an impact on Chinese demand for London property,” said Vaughan.

Juwai noted fewer buying inquiries for Australian property, a trend consistent with previous Lunar New Year holiday.

“We believe that, because consumers are overseas and travelling, they are using the website and our call centre less,” said Georg Chmiel, executive chairman of Juwai IQI.