

# Chinese Invasion of Manhattan Condo Market by Anna Spiewak

While Manhattan remains the crown jewel of real estate investment worldwide, not everyone can afford the pricey luxury.

To some affluent foreigners, however, the big Apple is still a bargain compared to some other cities, especially the Chinese, who have been buying up New York condominiums in larger numbers the past three years, according to Wei Min Tan, a broker at Manhattan-based Rutenberg Realty, who specializes in Chinese and Asian buyers.

“Traditionally (Chinese buyers) have been going to California, just because it’s closer, but now it’s natural for them to come to New York, because it’s a much stronger brand,” he told *Commercial Property Executive*. “For high-net worth individuals who want to get a piece of the most blue-chip cities, it’s always New York or London, but London is a lot more expensive than New York.”

New York City’s median home sale prices in 2013 exceeded \$855,000, compared to U.S. median home price in 2013 of less than \$200,000, according to a CNBC news report.

Manhattan’s super-high price tag is a result of basic economics: supply and demand. Apartments in the price range of \$600,000 and \$3 million are in higher demand in New York, way outpacing the supply, and according to Tan, \$600K is just an entry point to get into a Manhattan apartment, by getting a studio for that price.

Tan attributes two factors to the recent surge of Chinese

interest in NYC real estate. Chinese buyers were investing initially in Hong Kong, but the People's Republic of China's real estate prices have gone up significantly, turning buyers' interests elsewhere. Also, several newly created millionaires in China started sending their children to school in New York, whether it be NYU or Columbia University. So instead of paying rent to the schools, they prefer buying apartments for investment and letting their children live in them for the duration of their schooling, according to Tan, who added that according to a Miller Samuel report, about 30 percent of New York condo buyers are made up of foreigners.

“Based on the numbers, if China continues to grow really well and the economy continues to be strong, then naturally more newly minted millionaires of the world will want to go to New York or London, since those are the blue-chip cities.”