

# Foreign student visa change to boost demand for homes near primary schools



More buyers: New student visa rules allowing foreign children to attend Australian primary schools is likely to boost demand for established homes. **Gary Medicott**



by [Michael Bleby](#)

Changes to student visa rules will boost demand for properties in good primary school zones and open up new areas that have previously been closed to non-citizens, a report by buyers agency Secret Agent says.

The new regime that makes it easier to send children as young as six to primary school in Australia will boost the demand for property from parents in cities such as Beijing for homes in Melbourne, which offers a cost saving of almost \$360,000 over six years, the report says.

"The price of properties in good school zones will continue to accelerate," the report says. "We could also see prime inner city properties start to become acquisition targets. Many of these period homes have been 'off limits' to the foreign purchaser. This may no longer be the case."

The new rules allow Chinese children to make visa applications for primary school admission for the first time, as the same conditions will now be applied to all countries. Until now, China has been part of a group of countries whose citizens were not able to apply for student visas that young. Chinese nationals are already the largest recipients of student visas. They accounted for 24.1 per cent of the 143,886 granted in the six months to December. Holders of student visas – or their accompanying guardians – are temporary residents, meaning they are not limited to purchases of new homes, but can buy established ones as well.

"It opens up everything, not just to brand new or off-the-plan properties," said Secret Agent founder Paul Osborne. "It's going to change the composition a little bit of the types of properties that are required."

The report takes an average value of \$1.38 million for houses across areas zoned for well-regarded primary schools, such as in Melbourne's Doncaster East, Glen Waverley and Camberwell, and adds the living expenses of one adult and one child for six years to come up with a total cost of \$1.62 million.

That total cost, compared with the average \$1.98 million price of a Beijing apartment in the catchment area of a good public primary school, means Melbourne offers a cost saving of almost \$360,000.

Sydney's higher housing prices make it a more expensive proposition, however. The house price average of \$2.06 million, based on areas including Chatswood, Epping and Neutral Bay and comes up with a total living cost of \$2.3 million for six years. That makes six years of primary schooling in the NSW capital cost more than \$300,000 over Beijing.

The new rules come into place from July 1. Despite other changes, such as [Victoria's decision to increase the stamp duty surcharge foreign buyers pay](#) and the [recent NSW decision to introduce a similar surcharge](#), Chinese demand for property is rising.

"I've recently been getting more inquiries from parents from China," said Echo Guo, the Chinese client liaison for Jellis Craig, a Melbourne real estate agency focused on the wealthy eastern council areas of Stonnington and Boroondara.

"I started to see it maybe two weeks ago. Even in the last few days, I've started getting phone calls from parents looking for something for their kids coming to study."

***Correction: An earlier version of this story incorrectly said Sydney was cheaper than Beijing, rather than more expensive.***