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Mirvac CEO Susan Lloyd-Hurwitz welcomes bank moves on investment lending



"It's in nobody's interest to have a runaway market": Mirvac boss Susan Lloyd-Hurwitz (centre), speaks on Thursday with Saul Eslake (left) and Brae Sokolski at the Developers and Dealers Forum 2015 in Melbourne.
William Hung



by [Michael Bleby](#)

Recent bank measures to tighten investment lending would bring stability to the housing market and ensure it didn't overheat, Mirvac boss Susan Lloyd-Hurwitz said.

Ms Lloyd-Hurwitz declined to comment on how the measures – taken by lenders including [Westpac](#), [ANZ](#), [CBA](#) and [NAB](#), as well as [ING](#) and [AMP](#) – would affect Mirvac, which sold 86 per cent of its product to local buyers and made 45 per cent of sales to investors.

The moves were welcome, she said at the Pitcher Partners and MaxCap-sponsored Developers and Dealers Forum 2015 on Thursday.

She was part of a panel that included economist Saul Eslake, architect and Elenberg Fraser director Callum Fraser and Metro Property Development managing director Luke Hartman.

"We're for anything that creates financial stability," Ms Lloyd-Hurwitz said.

"It's in nobody's interest to have a runaway market. So anything that creates stability and creates a stronger, longer market we will all support; whether that's making sure FIRB (Foreign Investment Review Board) rules [on purchases of dwellings by foreign citizens] are applied correctly, whether that's making sure we don't have speculation in the investor market."

Ms Lloyd-Hurwitz, whose company will report its full-year result on Thursday, also cautioned that measures targeting a hot market like Sydney could damage other parts of the country that weren't so heated.

"We definitely welcome prudent measures that will ensure stability in the market for longer," she said. "We do need to be careful not to see the whole country through a Sydney lens because there are quite differentiating experiences in Sydney, and Melbourne and Brisbane have quite different markets altogether. So to put in place policies that are designed for a Sydney experience may have an unnecessarily negative effect on the rest of the market, unintentionally."

Brae Sokolski, the chief investment officer of commercial real estate fund manager MaxCap, said Australian banks, which collectively account for 86 per cent of Australian real estate debt, could not do all the heavy lifting in funding the housing market and new sources – particularly Asian banks and local super funds – needed to become part of the pool of providers.

"The pressure valve has to be released from the banks," Mr Sokolski said at the forum.

"You look at the returns being generated out of fixed interest by super funds and the struggle they're having for yield and in just getting their capital out into the market and you look at the opportunities that are present in our real estate market for them to participate and it's an inevitability."

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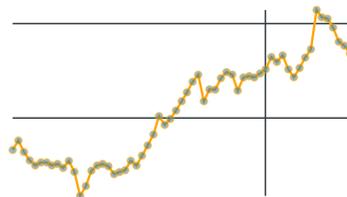
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