

## **Asian Property Investors Should Be Welcomed, Says Aussie Minister**

**Bernama**

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**By Neville DCruz**

MELBOURNE, March 8 (bernama) -- Foreign investment, which could see a proposed mini-city built in Melbourne's western suburbs, should be welcomed, not feared, Victoria's Planning Minister Matthew Guy says.

A South-East Asian developer planned to build a residential and commercial centre in Yarraville, eight kilometres from Melbourne's central business district, on an abandoned 24-hectare industrial site, The Age reports.

Guy said the potential development could transform the suburb while providing a jobs boost.

"My view is that we should welcome the overseas investment that meets our own guidelines.

"This is about jobs, it's about hundreds of new jobs, it's about providing higher density in areas that can sustain it, around transport, around existing infrastructure, and so I think it is welcome news that we can get new developments like this up and running in Melbourne," he said.

He denied overseas buyers were pricing locals out of the market, saying an increase in the high-rise apartment market and the extra housing lots in growth areas had helped to stabilise house prices.

Reserve Bank of Australia Governor, Glenn Stevens, said wealthy Asian investors were bidding up Australian home prices, with inner city areas feeling the greatest pressure.

Stevens has, however, warned borrowers against taking on too much debt because they assumed house prices would always rise.

"People need to keep in mind that prices don't just rise, they can fall, they have fallen, and we need to be careful we don't take on too much leverage," he is reported in the Herald Sun newspaper as saying.

Stevens told a parliamentary hearing in Sydney on Friday that the wave of Asian investment in Australia real estate was akin to investment by Russian oligarchs in London properties.

A frequent flyer, Stevens said he often noticed advertisements in Asian countries tempting investors to buy Australian real estate.

"I travel through Singapore a number of times a year on the way to interminable meetings in Basel. It is quite noticeable when you pick up a Singaporean newspaper on the plane to see advertising for

Australian property, as well as property in other countries.

"So there is no doubt that wealthy foreign investors have an interest here," Stevens said.

But most of the interest was confined to inner city areas, and around universities in particular.

"If you are sending your children to study in Australia, you are probably an affluent person and quite possibly, in some cases, you have purchased an apartment in which they would live or which you might come and stay in when you come to visit them. There are people who are wealthy enough to do that," he said.

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