

# Stockland's housing warning

Mark Steinert delivered his last profit result on Thursday after seven years as CEO of property group Stockland. He returned to a familiar theme - Australia's poor track record in supplying land for detached housing.

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Mark Steinert, who is leaving Stockland in May after seven years as chief executive, deserves praise for rebalancing Stockland's diversified property portfolio and remaking its technology platform.

When he took over from Matthew Quinn in 2013, the company's portfolio was too heavily weighted towards retail town centres and was badly underweight logistics assets.

Its portfolio is now split 39 per cent retail town centres, 31 per cent workplace and logistics, and 30 per cent communities. The portfolio shift was well timed for the COVID-19 pandemic, which has triggered the [strongest demand in four years for Stockland's residential sites](#).



Stockland CEO Mark Steinert is worried about a housing bottleneck on the eastern seaboard. **Edwina Pickles**

Since Steinert took over, Stockland's earnings per share growth has been 7.2 per cent a year, compared with the 5.2 per cent per annum average return for the AREIT index. Stockland shares are up 36 per cent since 2013.

The technology remake involved replacing about 141 separate systems with SAP's S4/Hana cloud-based enterprise software platform and the Salesforce customer relationship management system.

Steinert says Stockland is the first property company in the world to have successfully installed the SAP S4/Hana platform. He says the tech change is allowing the use of artificial intelligence to predict customer purchases.

He says Stockland has a digital- and data-driven future. In the half-year, digital tools boosted residential sales by \$10 million.

In his last interview with Chanticleer before handing over to the new CEO, [former Lendlease chief financial officer Tarun Gupta](#), Steinert says Australia is headed for another shortage of detached housing on the eastern seaboard because of a lack of forward planning.

He says over the next three to four years Stockland believes there will be an under-supply of 100,000 dwellings on the east coast, and that will put upward pressure on prices.

Stockland's [half-year results](#) showed a 44 per cent increase in residential settlements in the six months to December 31, compared with the prior period.

The company recorded 3835 net sales in the half, which was the strongest result in four years, helped by low interest rates and government stimulus.

Steinert, a former head of global research at UBS, says Australia's economic growth in 2021-2022 will be determined by the speed with which international borders are opened.

"The next step is to work out how to keep the state borders open consistently," he says.

"Then the next iteration – as the vaccine rollout broadens – is to work out how to recommence skilled migration and bringing back foreign students.

"The government's targeting the beginning of 2022 – that's going to be quite important for elevating the growth.

"I think we can maintain these levels of activity domestically, but if we want to accelerate growth beyond that, it's going to require a recommencement of those two things."