

Investing in regions - achieving a win-win for investors and the region

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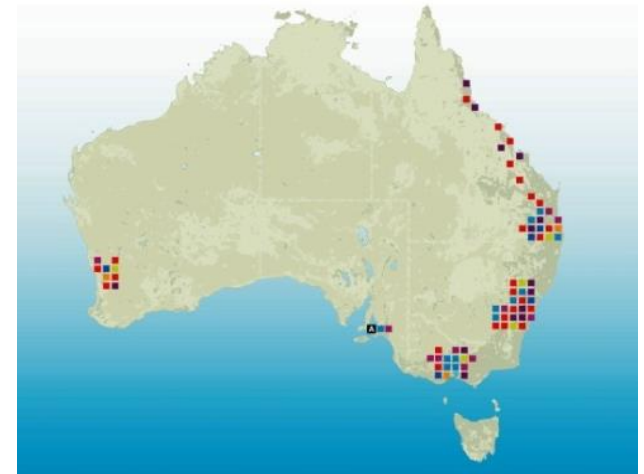
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The Stockland story

- **63 years strong** - founded in 1952, Stockland is a top 30 ASX-listed company
- **Diversified** - Australia's largest diversified property group
- **Australia's largest community builder** - largest community developer providing a homes for over 6,000 Australian families each year
- **Commitment to sustainability** –
 - named the No.1 Real Estate Company in the World on the Dow Jones Sustainability Index
 - highest number of Green Star rated shopping centres in Australia
 - first Australian company to raise a Green Bond
 - 6 Star Green Star rating for Caloundra South
- **A better way to live** - our diversified model enables us to positively enhance the communities where we operate, creating places where people experience a better way to live

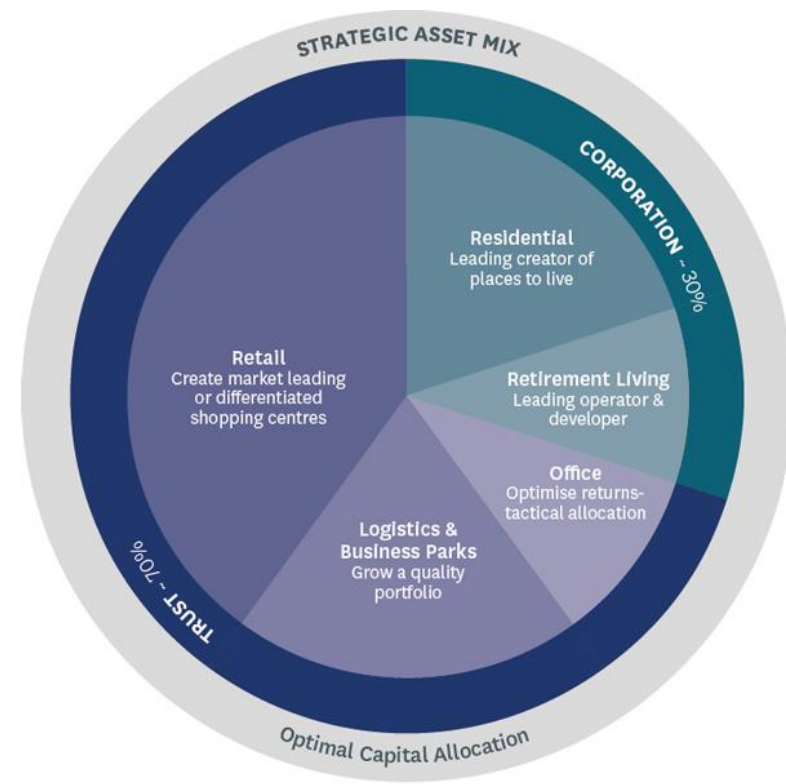
Our vision...

To be a great Australian real estate company that makes a valuable contribution to our communities and our country



The Stockland story - our investment strategy

- Our strategy guides our decisions and how we create value
- Our core business strategy continues to be geo-geographic, asset and product diversification
- Community is at the heart of our business and investment in our communities provides our licence to operate



Five year indicative asset mix

The Stockland story - our investment portfolio

NATIONAL

SUNSHINE COAST

Residential



- 63 communities
- 81,500 lots remaining
- \$20.4 billion end market value

- 3 communities
- 25,136 lots remaining
- \$6.92 billion end market value

Retirement



- 63 established villages
- 8,298 existing units
- Future pipeline of 3,300 units

- 1 established village
- 124 units
- Future pipeline of 500 units

Commercial



- 40 shopping centres
- 21 logistics and business parks
- 10 office buildings
- 2,400,453m² leasable area
- Valued at \$8.1 billion

- 2 existing properties
- 2 future shopping centres
- 160,000m² GLA
- Valued at \$173 million



The Stockland story - our Sunshine Coast contribution so far

Economic

- Largest private sector investor
- \$3.2 billion invested through projects and business activities
- 4,698 jobs generated (5.5% of total direct jobs generated)



Community/Social

- Delivered 9 communities
- 2 neighbourhood shopping centres, 5 community centres and schools and 25 recreation parks
- Provided homes for over 5,000 families
- Worked with State Government and Ramsay Health to secure Private and Public Hospitals
- Won numerous local, state and national awards for communities and community elements



Environmental

- Dedication and rehabilitation of over 300ha of environmental reserves
- Ongoing commitment to best practice urban stormwater treatment
- Successful translocation of 12ha of remnant and endangered vegetation at Brightwater
- Worked with over 30 local and national builders to showcase sustainable building techniques
- 6 Star Green Star accreditation for Caloundra South, achieving “World Leadership” standard



The Stockland story - our future Sunshine Coast contribution

Economic

- More than \$10 billion to be invested over next 20 years
- 43,000 jobs to be generated - more than a third of the jobs generated on the Coast
- \$2.84 billion in GRP p.a. to be generated through ongoing business activities on-site
- Stockland contribution between 16% to 34% of new \$33 billion economy – outlined in REDS strategy



Community/Social

- More than 20 learning centres
- Homes for over 15,000 families
- Completion of sporting precinct and facilities, major tourism and entertainment hub and Australia's largest health and medical precinct at Oceanside
- Creation of state-of-the-art regional landmarks and facilities at Caloundra South, including People's Place and Central Park
- Provision of major transport facilities and infrastructure



Environmental

- Australia's largest urban wetland and rainwater/stormwater harvesting project
- Over 400ha of former pine forest and existing waterway corridors rehabilitated
- Delivery of environmental education centre
- Ongoing commitment to test and implement best practice construction, water, energy and waste management practices and technologies



What investors want

- Investors typically have a range of criteria that they assess their investment decisions against
- The key criteria for investing in regions are:
 - diverse and stable economy
 - strong transport infrastructure
 - certainty and predictability
 - competitive cost base – including affordable housing
 - access to and retention of skilled workforce

Case study: Youi



- Head office presence on Sunshine Coast since 2011, at Birtinya
- New head office and call centre to be established to accommodate 2,000 staff at Sippy Downs
- Investment driven by competitive cost base, access to skilled workforce, quality of lifestyle and proximity to major city and hospital development
- **Investment value ~\$80 - \$100M**

Competition for investment

Regional Centres ¹	Gold Coast		Newcastle		Canberra		Wollongong		Sunshine Coast	
Population (2013)	600,475		552,776		417,860		293,503		254,650	
Pop'n Growth (2015-2019)	2.7%		0.8%		1.6%		0.8%		2.6%	
GRP \$m	25,744		19,689		35,566		10,487		12,870	
GRP Δ%	2.0%		2.1%		0.7%		-1.8%		1.8%	
Employment Growth (2014)	5.5%		2.2%		0.6%		4.0%		4.0%	
Unemployment Rate (Dec 2014)	6.0%		7.1%		4.2%		5.8%		7.4%	
House Price Growth (Mar 2015)	3.3%		1.0%		3.5%		-4.1%		1.1%	
Rental Vacancy Rate (Apr 15)	1.1%		2.4%		1.7%		0.9%		1.1%	
Building Approval Growth (Apr 15)	14.1%		20.5%		68.1%		-14.0%		18.8%	
Housing Affordability (Price to Income ratio)	8.4		7.0		6.0		10.8		8.8	

- 5th largest regional centre by population outside capital cities with strong forecast population growth
- Strong employment growth in 2014, but persistently high unemployment rate an issue
- Tight rental market and house price growth improving and very strong demand for new dwellings
- Second worst housing affordability of regional centres

1: Top 5 urban centres outside Greater Capital City areas by population
Source: id.placemaker, ABS, CoreLogic/RP Data, SQM Research

Going for green

To get a “green light” across all investor criteria, the Sunshine Coast needs to:

1. Achieve smart growth

- be clear and focused on competitive advantages
- ensure brand identity is strong and easily understood
- investment in education, health and tourism can underpin economic growth

2. Do more with less

- leverage off key advocates (business and community) - to message the region’s sustainable growth opportunities
- collaborate to attract game changing investment and create great places
- strong government leadership and infrastructure investment

3. Win support for change

- prioritise sustainable development
- engage the community



Regional case studies

Gold Coast – Futures Project

“This project (Gold Coast Future – Beyond the Horizon) and the support of local residents and businesses is a clear statement to other cities and to other city-states about the level of confidence that Gold Coasters have in their future of their great city”.

Bernard Salt – KPMG



Ipswich – Open for Business

Ipswich is Open for Business – consistently promoting their key messages of having:-

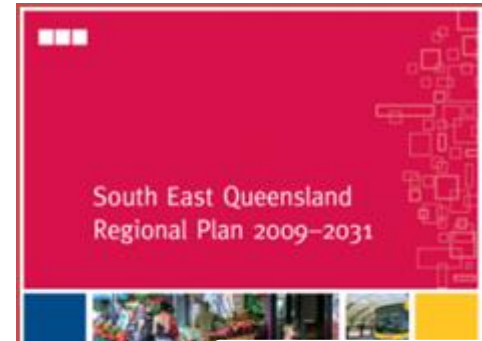
- existing comprehensive skill base
- modern infrastructure
- attractive lifestyle
- eventful Ipswich
- residential and community creating developments
- international relations and foreign investment



Achieving a win-win

To achieve a win-win for investors and the region you need:

- alignment on regional vision and aspirations – be bold
- business imperative is key for drawing investment – use key stakeholders to advocate and to be sponsors
- build viable partnerships with industry
- alignment across all levels of government
- predictable pathways for investment is critical



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