



Rating Tools – Our Experience

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Stockland

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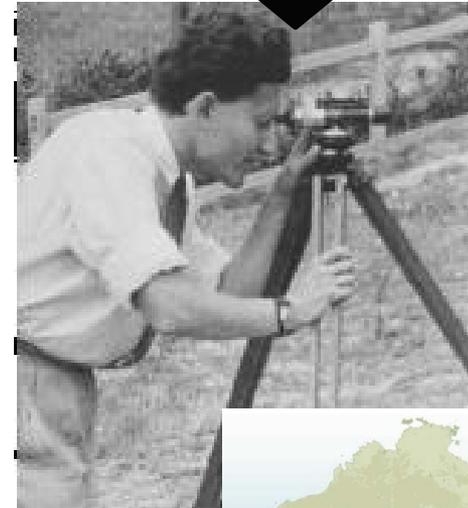


Above: Artist 's impression of Caloundra South Environmental Education Centre

Who is Stockland?

- **60 years strong** - founded in 1952, Stockland is a top 50 ASX-listed company
- **Diversified** - Australia's largest diversified property group
- **Australia's largest community builder** - largest community developer providing a home 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 and listed in the Global 100 Most Sustainable Organisations 5 years in a row - the only Australian property company to achieve this distinction
- **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

Stockland was founded in 1952 by Ervin Graf with the vision "to not merely achieve growth and profits but to make a worthwhile contribution to the development of our cities and great country."



Stockland in Queensland



Residential Communities

- 22 communities released to market
- 25,402 lots
- Future pipeline of 8 communities and 28,776 lots
- \$11.8 billion end market value (incl. future pipeline)



Retirement Living

- 7 established villages
- 1,299 units
- Development pipeline of 400 units



Commercial Property

- 18 properties (3 office, 12 retail, 3 industrial)
- 74,499m² NLA (office), 266,310² GLA (retail), 92,254m² GLA (industrial)
- Valued at \$1.8 billion

Stockland on the Sunshine Coast



RESIDENTIAL COMMUNITIES

- 3 communities
- 3,996 lots under development
- Future pipeline of 2 communities/21,140 lots
- \$6.92 billion end market value



COMMERCIAL PROPERTY

- 2 properties
- 22,141m² GLA
- Valued at \$103 million



RETIREMENT LIVING

- 1 established village
- 124 units
- Future pipeline of 400 units



Our contribution so far - the first 10 years

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



Our future contribution – the next 20 years

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



Why rate buildings?

The key reasons why developers, owners and investors choose to rate buildings:

- design management tool
- measure performance
- command higher rents/returns
- marketing benefits
- gain competitive advantage
- attract and retain A grade tenants and buyers
- improved building management
- reduce wastage and outgoings
- improved indoor comfort
- retain and attract staff
- Future-proof buildings



Above: the Edge at Oceanside, Kawana. A 4 Star Green Star rating helped secure the Youi Insurance lease – largest Sunshine Coast office lease deal (2011).

Building rating tools

In Australia there are a number of rating schemes that have been developed to assess the energy consumption and environmental impact of buildings. The three most widely used are the National Australian Built Environment Rating System (NABERS), the Nationwide House Energy Rating Scheme (NatHERS) and Green Star.



- Used to assess individual house designs against minimum standards set by the Building Code of Australia.
- Measures the thermal performance of the building envelope.
- Considers location, orientation, shading and overshadowing as well as building fabric and glazing – result is relative estimate of heating and cooling demand.
- Minimum national requirement is 6 stars. Highest is 10.



- Assesses actual performance. Energy is assessed by reviewing actual energy and water bills, indoor environment quality and waste generation by quantifying outputs.
- Offices with a floor area greater than 2,000m² required to disclose their energy performance with NABERS rating when bought or sold.
- Design assessment protocols have been developed and predict future ratings through thermal simulation.
- These protocols form basis for the energy assessment within Green Star.



- Developed 2002 - rates commercial, education and multi-res buildings.
- Addresses energy efficiency, management, innovation, indoor environment quality, water, materials, emissions, transport, land use and ecology.
- Assessment is voluntary and can be obtained as a design or as-built rating.
- Rating usually requires a significant investment in design and capital cost.
- Lowest rating is 4 star, highest rating is 6 star – rating of 4 star means building in top 25%.

Why rate communities?

The key reasons why developers, owners and investors choose to rate communities:

- wholistic rating / benchmarking tool – measures performance of whole community, not just buildings
- raise industry standards
- guide design process
- gain competitive advantage
- marketing benefits
- quantifies level of commitment
- more sustainable development
- compliance / performance rigorously tested
- national / international recognition



Above: the University of the Sunshine Coast and Halcyon Landing have both achieved the highest EnviroDevelopment rating – 6 leaves.

Community rating tools

In Australia there are two voluntary rating tools to measure the design, performance and sustainability merits of communities.



- Launched in 2009 and administered by UDIA.
- More than 50 projects certified nationally – ranging from multi-unit apartment buildings to master planned communities and universities.
- Environmental rating tool ‘designed to make it easier for purchasers to recognise and, thereby, select more environmentally sustainable developments and lifestyles’
- Projects assessed against one or all 6 elements/categories – ecosystems, waste, energy, materials, water and community.
- Participants can use the promotional leaves to market environmental features and performance.
- Highest rating is 6 leaves.
- Projects audited each year to ensure compliance and to retain accreditation.
- Rating valid for 12 months.

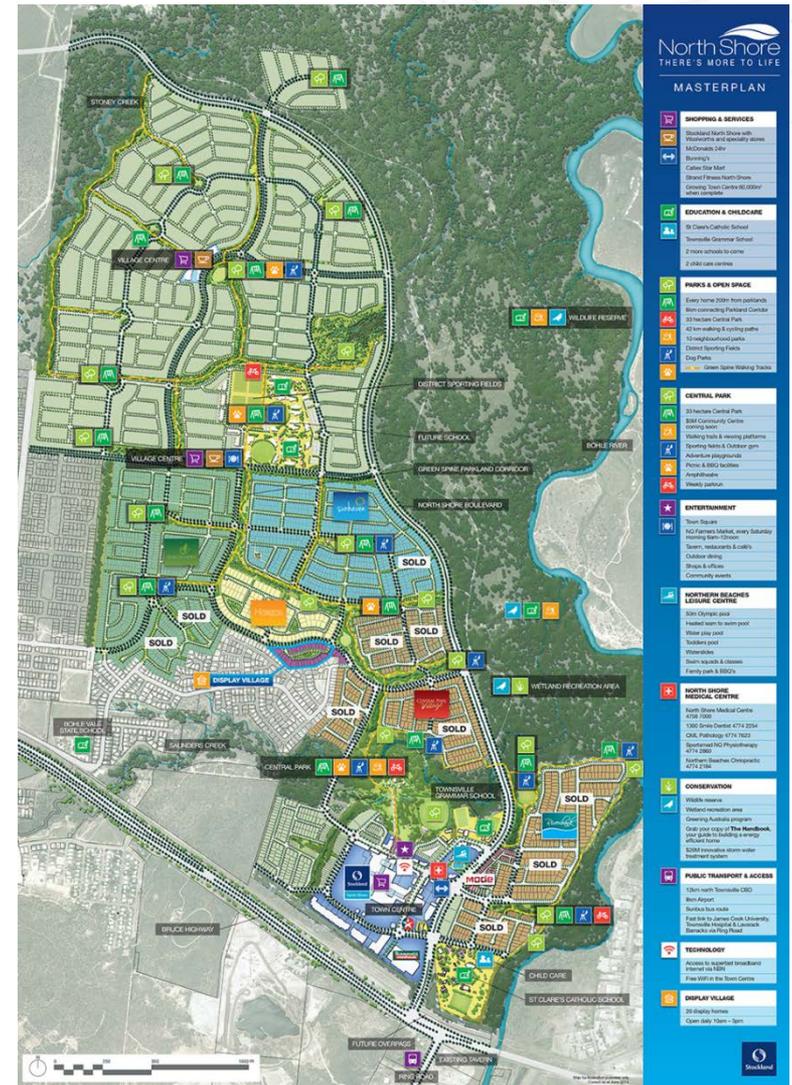


- Launched in 2012 and championed by Green Building Council of Australia.
- Created with the input of 1,000+ developers, designers, sustainable development experts, universities and government agency representatives.
- Communities must achieve a minimum score in each of the 5 categories – governance (3-7), liveability (3-8), environment (4-9), design (2-4) and economic prosperity (3-7).
- Extra innovation points can be earned to recognise communities that adopt innovative practices and, processes and strategies.
- 4 star (45/100) is the minimum rating – all projects must achieve a “best practice” rating or higher to be accredited.
- Highest rating is 6 stars (75/100) - *World Leadership* standard.
- Rating valid for 5 years and projects audited every 5 years.

Our Experience – North Shore

Largest EnviroDevelopment accredited project in Australia, awarded all 6 leaves in 2012. Also home to 4 Star Green Star rated Stockland shopping centre.

- located 15km from the Townsville CBD on the banks of the Bohle River
- 930ha – similar size to North Lakes
- 330ha conservation park (35% of site)
- 6,000 dwellings
- 16,000+ end population
- 3,000 ongoing full-time jobs generated
- 4 Schools and 4 Child Care Centres
- 15+ parks, including 39ha Central Park
- all homes within 250m of parkland
- 85,000m² GFA regional main street based Town Centre
- awarded best Master Planned Community in North Queensland and recipient of various environmental excellence awards.



Our Experience – North Shore

- **Key initiatives:** that helped us secure our accreditation, included est. of NQ Farmers Markets; rehabilitation and conservation of over 330ha of former grazing land; est. and ongoing funding of Black Throated Finch Trust; the “Handbook” initiative with Ergon Energy; creation of a local economy (3,000 ongoing jobs, 8,000 during construction); \$20M stormwater treatment system, etc.
- **Effective communication:** the EnviroDevelopment process and accreditation has enabled Stockland to more easily convey and package the significance of our sustainable development commitment. It has helped position us as the market and industry leader in Townsville.
- **Attraction of tenants and improved asset values:** our shopping centre at North Shore achieved the first 4 Star Green Star rating for a shopping centre in NQ and helped us attract tenants early to a greenfield retail location.
- **Rigorous initial and ongoing process:** the initial accreditation process is not easy and regular audits keep the project team focused.



Our Experience – Caloundra South

Australia's first 6 Star Green Star rated City.

- 2,370ha (23km²)
- 700ha conservation area (30% of site)
- 50,000 end population
- 20,000 dwellings
- 12 schools
- 9 sports precincts
- 1 city centre, 3 district centres and 7 neighbourhood centres
- 960,000m² GFA of commercial , retail and industrial space
- 20,000 ongoing full time jobs created
- future rail station
- major road connections to the Bruce Highway, Kawana Arterial and Caloundra.



Our Experience – Caloundra South

We achieved our 6 Star Green Star rating by:

- satisfying the Green Star eligibility criteria and providing extensive documentation and clarifications as to our commitments
- we secured 75 of the available credits across all of the accreditation categories, including 1 innovation point
- we have committed to deliver an extensive range of outcomes and initiatives, including:
 - **Governance:** annual environmental reporting, construction of an environmental education centre, resident education programme
 - **Design:** met key design criteria and design review
 - **Liveability:** community development officer, active transport, access to fresh food, design for safety, cultural heritage plan
 - **Economic:** economic development strategy and initiatives, provision of education facilities, provision of employment generators, community investment, affordable housing initiatives, technology infrastructure
 - **Environment:** ecological and biodiversity enhancement, commitment to green buildings, urban stormwater management, waste management, transport infrastructure and services
 - **Innovation:** fauna movement network and approach



Our Experience – Caloundra South

- **Early days:** we have only just received our accreditation, so too early to tell if accreditation will deliver significant benefits and recognition.
- **A big commitment:** accreditation process cost over \$100,000 – including \$45,000 application fee + considerable Stockland, consultant and GBCA effort required.
- **Better fit:** focused also on leadership, governance, promotion of education and learning, economic prosperity, attracting investment, encouraging innovation, in addition to environmental aspects.
- **Compatibility with building rating tool:** we will be looking to continue the rating of buildings using the Green Star tool.
- **Greater perception of independence:** independent panel review process.



Broader Sunshine Coast application

- Rigorous and comprehensive process and assessment. Ongoing assessment good too.
- A good tool / framework should not just be focused on environmental factors.
- Tools don't necessarily focus on areas of interest – architectural merit, visual amenity, localised traffic issues, impact on surrounding property values, impact on existing infrastructure. This is a problem.
- Community rating tools are voluntary, at this stage and are cost / time prohibitive for some
- Good base for high level framework.
- Need quicker test/framework to satisfy broader community – especially if tools not employed prior to engagement phase.

Thank you

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