# ASX/Media Release



#### 23 December 2020

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# STOCKLAND ESTABLISHES STRATEGIC CAPITAL PARTNERSHIP

# TO DRIVE LOGISTICS INVESTMENT

Stockland today announced it has entered into a capital partnership with a special purpose vehicle advised by J.P. Morgan Asset Management, in line with its strategy to broaden capital partnering initiatives across the business to enhance risk-adjusted returns.

The capital partnership will focus on industrial and logistics assets, with the objective to establish and actively manage a portfolio of properties with a target value of \$1 billion.

Stockland Managing Director and CEO, Mark Steinert said: "We have a clear goal to introduce third party capital with trusted, quality partners to help fast track the delivery of our development pipeline and expand our acquisition capability, and we're delighted to have partnered with such a highly regarded, international group.

"Forming relationships with capital partners like this enables us to scale our management and development capabilities, grow assets under management more quickly, and enhance growth to achieve returns in line with or above our investment hurdles," added Mr. Steinert.

Stockland Chief Investment Officer, Darren Rehn said: "J.P. Morgan Asset Management has a deep understanding of investment markets and the Australian logistics sector. As one of Australia's largest logistics owner-operators, we can leverage our industry expertise and relationships to find commercially attractive investment prospects for this partnership. We look forward to working closely with J.P. Morgan Asset Management to maximise rental income and enhance total returns through strategic asset management of the new portfolio."

The portfolio will be seeded with two properties on which Stockland has recently exchanged contracts to acquire – 151 Leakes Road, Truganina, and 140S Paramount Boulevard, Cranbourne West in Melbourne – for a combined total of approximately \$110 million. After additional assets have been purchased from third parties to bring this total, in aggregate, to \$200 million worth of property, the capital partnership will acquire a further \$200 million of identified existing assets from Stockland's logistics portfolio. Each of these transactions will be subject to approval from the Foreign Investment Review Board (FIRB) and are expected to be completed by mid to late 2021 (**Initial Portfolio**).

Mr Rehn continued: "Together, the Initial Portfolio will comprise assets valued at \$400 million, and we will work with J.P. Morgan Asset Management to grow this partnership to more than \$1 billion over the next three years."

David Chen, J.P. Morgan – Global Alternatives' Chief Investment Officer for Real Estate Asia Pacific, said: "We're excited to form this long-term logistics partnership with Stockland, one of Australia's largest diversified property groups and a recognised leader in sustainability and diversity. Stockland is uniquely well-positioned to capitalise on the growing demand for logistics across many supply-constrained markets and brings strong relationships with occupiers and end-users."

The joint venture will primarily target the acquisition of established assets with solid, reliable income streams, purchased on market and primarily located along the high-performing eastern seaboard.

#### Stockland

Stockland (ASX: SGP) was founded in 1952 and has grown to become one of Australia's largest diversified property groups – owning, developing and managing a large portfolio of shopping centres, residential communities, workplace and logistic assets and retirement living villages. Stockland is rated as one of the most sustainable real estate companies in the world by the Dow Jones Sustainability World Index (DJSI). Stockland is also an Employer of Choice for Gender Equality, as recognised by the Workplace Gender Equality Agency.

Stockland will operate and manage the assets and will receive a fee for these services.

# ENDS

This announcement is authorised for release to the market by Ms Katherine Grace, Stockland's Company Secretary.

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# **Additional information**

## About J.P. Morgan Global Alternatives

J.P. Morgan Global Alternatives is the alternative investment arm of J.P. Morgan Asset Management. With more than 50 years as an alternatives investment manager, \$150 billion in assets under management and more than 600 professionals (as of September 30, 2020), we offer strategies across the alternative investment spectrum including real estate, private equity and credit, infrastructure, transportation, liquid alternatives, and hedge funds. Operating from offices throughout the Americas, Europe and Asia Pacific, our 14 independent alternative investment engines combine specialist knowledge and singular focus with the global reach, vast resources and powerful infrastructure of J.P. Morgan to help meet each client's specific objectives. For more information: jpmorganassetmanagement.com.

### About the new assets

Stockland exchanged contracts for **140S Paramount Boulevard**, **Cranbourne West** in November 2020 for a 6.2 hectare parcel of land which will be developed into 35,500 square metres of warehouse accommodation across three buildings. The agreement includes the engagement of development partner Corplex for the development of the assets. Settlement of the acquisition of the parcels of land is anticipated to complete in June and November 2021 and construction of the warehouses is targeted for completion in December 2021 and May 2022.

Stockland exchanged contracts for **151 Leakes Road**, **Truganina** in November 2020 for a 6.3 hectare parcel of industrial land, which will be developed into 38,550 square metres of warehouse accommodation across two buildings. The agreement includes the engagement of development partner Time & Place and MaxCap Industrial Opportunity Fund for the development of the assets. Settlement of the acquisition of the land is anticipated to complete in mid-2021 and construction of the warehouses is targeted for completion in April 2022.

Both assets are located in prime Melbourne industrial precincts with strong institutional investor demand, rising values and compressing yields.

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