



18 December 2013

ASX/Media Release

STOCKLAND ANNOUNCES \$116 MILLION EXPANSION OF BALDIVIS SHOPPING CENTRE

Stockland today announced it is commencing a \$116 million redevelopment and expansion project to quadruple the size of Stockland Baldivis Shopping Centre in the City of Rockingham, south of Perth.

Construction will begin in early 2014 to expand the centre from 7,000 square metres to create a Gross Lettable Area (GLA) of approximately 29,500 square metres. The redevelopment is planned to be completed in two stages, with the first stage set for completion towards the end of 2014 and the second stage in mid-2015.

The redevelopment will extend the existing Coles to create a comprehensive full line supermarket as well as the addition of a full line Woolworths supermarket and a Kmart. Two new mini-majors and around 75 new specialty retailers will take the centre to a total of 95 speciality stores. The redevelopment will also incorporate a new 275 seat indoor and outdoor dining terrace and 1,400 car parking spaces.

Baldivis is one of the fastest growing regions in Western Australia, with strong population growth of 7.6 per cent per annum. The shopping centre is conveniently located adjacent to Stockland's Settlers Hill residential community and Affinity retirement living village.

Stockland Managing Director and CEO Mark Steinert said: "Redeveloping our most productive shopping centres is a key part of our growth strategy."

"At Baldivis we'll create a first class retail destination alongside our Settlers Hill residential community and Affinity retirement living village for the benefit and convenience of our residents and visitors to the region," added Mr Steinert.

The shopping centre will continue to trade for the duration of the redevelopment and expansion. Stockland will work closely with the builder to minimise any disruption to normal retail trade.

John Schroder, Group Executive and CEO Commercial Property at Stockland, said: "Stockland Baldivis will be the third major shopping centre redevelopment project undertaken in our latest wave of projects. Earlier this year, we commenced a \$115 million project at Hervey Bay on the Fraser Coast and a \$222 million redevelopment at Wetherill Park in western Sydney."

Stockland Baldivis is forecast to deliver an incremental Internal Rate of Return (IRR) of 13 per cent. Following its redevelopment, Funds From Operations (FFO) economic yield is forecast to be 8.0 per cent.

“Stockland Baldivis is our most productive centre with current total Moving Average Turnover (MAT) of \$15,697 per square metre,” explained Mr Schroder.

In the recent Shopping Centre News Mini Guns 2013 lead table, Stockland Baldivis was rated the best performing centre in Australia based on total MAT sales per square metre.

“Over the next 18 months, we’ll transform the neighbourhood centre that exists today into the area’s premier shopping centre destination,” added Mr Schroder. This project will generate hundreds of new jobs in construction and retail and inject millions of dollars into the local economy.”

Key Facts about Stockland Baldivis Redevelopment:

- \$116 million redevelopment and expansion
- Construction scheduled to commence in early 2014 and expected to be completed by mid-2015
- The redevelopment will increase the size of the centre from 7,000 square metres to approximately 29,500 square metres
- The redeveloped centre is forecast to deliver an incremental Internal Rate of Return (IRR) of 13 per cent. Funds From Operations (FFO) economic yield is forecast to be 8.0 per cent.
- Redevelopment to include a full-line Coles, full-line Woolworths, two mini-majors and a total of 95 speciality stores
- 275 seat indoor and outdoor dining terrace
- Design to incorporate the highest environmental standards and expected to gain a 4 Star Green Star Rating (Retail Centre Design v1 by the Green Building Council of Australia)

Stockland

Stockland (ASX: SGP) was founded in 1952 and has grown to become Australia’s largest diversified property group – owning, developing and managing a large portfolio of shopping centres, residential communities, retirement living villages, office and industrial assets. Stockland was recognised by the S&P Dow Jones Sustainability Indices (DJSI) as the Australian Real Estate Industry Group Leader for 2013 – 14 and was also named one of the Global 100 Most Sustainable Corporations in the World at the World Economic Forum in Davos, Switzerland in 2013, for the fourth consecutive year.

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