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Media Release

STOCKLAND COMPLETES FIRST MAJOR STAGE OF \$116 MILLION HERVEY BAY SHOPPING CENTRE REDEVELOPMENT

Stockland welcomes Hervey Bay's first Kmart, new Coles and 40 new specialty stores

Stockland today achieved practical completion on the first major stage of its \$116 million redevelopment of its Hervey Bay Shopping Centre with the centre set to become the premier shopping destination in the growing Fraser Coast trade area.

The redevelopment has more than doubled the size of Stockland's Hervey Bay Shopping Centre from 15,600 square metres to more than 36,000 square metres.

Jane Lloyd, General Manager Design and Development at Stockland, said: "Hervey Bay has had a highly fragmented retail trade offer, until now. We acquired the centre in 2011 because we identified an asset full of potential in an under-serviced trade area."

"By delivering a world-class shopping centre to Hervey Bay, on time and on budget, we've been able to attract many of the best national and international retail brands and service providers to come together in one place," Ms Lloyd added. "Our design and retail mix reflects the unique coastal lifestyle of Hervey Bay with inclusions such as a 500-seat indoor and outdoor café-style dining precinct."

Stockland today unveiled the new mall, which is home to Hervey Bay's first Kmart, a new full-line Coles supermarket and more than 40 new specialty stores. The new stores include Kathmandu, Quiksilver, Cotton On Mega, Lorna Jane, EB Games, Sanity, Ed Harry, Connor, Factorie, Black Pepper, Blue Illusion, Bras n Things, Dusk, Autograph, Crossroads, Taking Shape, Collette Accessories, Spend-less Shoes and many more.

Kmart General Manager Property, Ben Smith, said: "We're pleased to provide residents, the surrounding community and tourists with the first Kmart store in the area (the next closest Kmart is in Bundaberg, 60km away), which will feature our broad and affordable product offering. Hervey Bay will be a great location for us with the high number of tourists, a population of approximately 75,000, a diverse economy, and growth in the region."

Stockland is planning a series of retail events at the centre throughout the second half of this year, including the opening of Harris Scarfe and Best & Less in August. The Harris Scarfe store at Hervey Bay will be only the third store of its type to open in Queensland and the first in the state to open outside of Brisbane. Between now and the end of the year, 24 brands that are new to the Hervey Bay region will open their doors at the redeveloped shopping centre.

When the redevelopment is completed later this year, Stockland Hervey Bay will feature more than 110 retailers and will be the biggest shopping centre between Maroochydore and Rockhampton.

Stockland Hervey Bay Centre Manager, Paul Kelsey, said: “We appreciate the foresight and vision that has been demonstrated by Mayor Gerard O’Connell and his colleagues at the Fraser Coast Regional Council who have been universal in their support for our continued investment in the region.”

“We’re also delighted by the positive response we’ve received from the Fraser Coast community,” he added. “Hundreds of local residents have attended our on-site employment forums, which we’ve hosted in collaboration with Wide Bay TAFE and Mission Australia. Our redevelopment has generated hundreds of full time positions during the construction phase, with hundreds more local jobs for retail, customer service and hospitality staff created within the new stores that are now open for business.”

Fraser Coast Mayor, Gerard O’Connell, said the \$116 million dollar project is a landmark development for the Fraser Coast.

“This is the biggest retail development this region has ever seen and it is fantastic news for the entire region,” Cr O’Connell said. “I want to thank the staff from Stockland for the professionalism and dedication they’ve shown through this entire process. A project of this size shows the confidence that developers like Stockland have in the Fraser Coast and is a clear sign that we are moving forward.”

“This will not only service our local residents, but will also double as a real drawcard and selling point for potential investors looking to make the move to the Fraser Coast, providing a huge boost to the local economy.”

Paul Kelsey said: “Many new retailers have been quick to identify and recognise the abundant opportunities on offer in Hervey Bay. We have a strong, diverse regional economy with the Fraser Coast a magnet for tourists and Hervey Bay itself enjoying strong urban population growth.”

Close to 3 million tourists visit the region annually, and Stockland cites the high-level of local infrastructure investment - including its own retail redevelopment, together with upgrades to the marina, airport and new hotel developments as key reasons for an optimistic economic outlook for the region.

“Along with tourists, there is an influx of Australians moving to Hervey Bay and the Fraser Coast in search of employment opportunities and a better lifestyle. Retailers have been quick to recognise the growth potential of this region,” said Mr Kelsey.

The population of Hervey Bay will reach 108,000 by 2021, and is expected to grow by upwards of 2.1 per cent (the Australian average is 1.4 per cent).

“Hervey Bay is enjoying sustained growth.” Mr Kelsey said. “The region has a diverse economy with numerous services required to attend to the growing needs of the mining, property, construction and tourism industries. Over the coming years, we expect to see increasing demand for quality retail and service options.”

Stockland has recently secured Council approval for a second Development Application, which includes provision for an additional supermarket, cinema complex, restaurants and additional specialty stores, and would ultimately take the centre to more than 50,000 square metres.

Visit www.stockland.com.au/herveybay for more information on events and store information.

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 Global 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 2014, for the fifth consecutive year.

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