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STOCKLAND SELLS THE GROVE FOR \$202.5 MILLION

Stockland today announced it had exchanged contracts with Frasers Property Australia for the sale of The Grove residential community in Melbourne for \$202.5 million, a 59% premium to book value.

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Stockland Managing Director and CEO Mark Steinert said: “This sale enables us to capitalise on market strength, and bring forward profits on a project that has scale and where we have already created significant value through buying well and creating an exemplar masterplanned community.

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“This sale illustrates that there is latent value in Stockland’s residential land bank, and is in line with our strategy of recycling capital where expected internal rates of return for divested assets are below our investment hurdle rates.

“The proceeds of the sale will strengthen our balance sheet, and will be reinvested into our workplace and logistics development pipeline and our securities buyback. It also gives us the flexibility to invest in other counter-cyclical residential opportunities with strong risk-adjusted returns above our hurdle rates.”

The sale of The Grove will result in gross profit realisation of \$75 million, to be released over FY19-21 in line with the settlement timing of various parcels.

Mr Steinert said: “Stockland retains a strong and long-standing investment in Victoria, with over 50 assets in the State valued at over \$2.5 billion. Following this sale, we will continue to focus on developing our portfolio of 11 active residential communities in Victoria where we have a pipeline of over 24,000 lots, with over 5,600 lots remaining in the western corridor of Melbourne.”

Stockland is the largest residential community developer in Australia, with 41 active residential communities in growth corridors across the country.

“We have a clear strategy to create liveable, affordable and connected communities in growth areas across the country, located in close proximity to rail-served corridors, jobs and schools.

“We are well positioned in the deepest part of the market with high owner occupier demand currently around 85%, and over 50% of our buyers are first home buyers,” said Mr Steinert.

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About 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 most sustainable real estate company in the world in 2018, demonstrating world leadership across the areas of stakeholder engagement, customer relationship management, supply chain management, biodiversity and climate change strategy. www.stockland.com.au