

1H20 Annexures

19 February 2020



BARINGA, QLD

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Stockland quick facts

Trust – \$10.4bn¹

Corporation - \$4.7bn²

Stockland Shellharbour, NSW



Retail Town Centre

Create market leading retail town centres

43% portfolio weighting³

32 assets

Ownership interests valued at **\$6.6bn**

Warwick Farm, Sydney



Logistics

Grow and develop a leading portfolio

19% portfolio weighting³

29 assets

Ownership interests valued at **\$2.8bn**

Piccadilly Complex, Sydney



Workplace

Grow premium portfolio

7% portfolio weighting³

6 assets

Ownership interests valued at **\$1.0bn**

Highlands, VIC



Residential

Maximise returns by creating thriving communities

22% portfolio weighting³

Over **76,000** lots remaining

Net funds employed **\$2.3bn**
End market value **\$21.4bn**

Mernda Retirement Village, VIC



Retirement Living

Leading operator and developer

9% portfolio weighting³

63 Established Villages
Over **9,200** units

Book value **\$1.4bn**

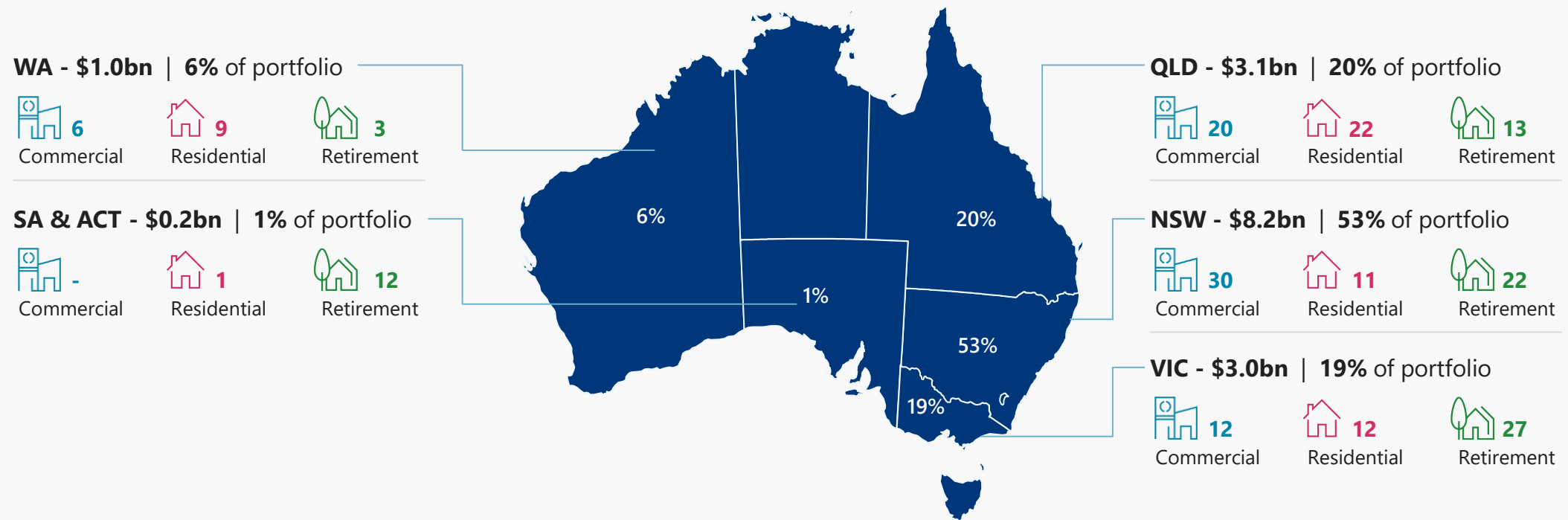
1. Excludes Unlisted Property Fund Assets (19.9% ownership), WIP and sundry properties.
2. Includes Residential book value of \$3.3bn and Retirement Living book value of \$1.4bn.
3. Includes Unlisted Property Fund Assets (19.9% ownership), WIP and sundry properties.

Strategic mix

		Assets		Operating Profit	
Recurring	Target	1H20	1H19	1H20	1H19
Commercial Property		69%	67%	68%	68%
Retirement Living		7%	7%	4%	4%
Unallocated corporate overheads		-	-	(3)%	(4)%
Total recurring	70 – 80%	76%	74%	69%	68%
Trading	Target	1H20	1H19	1H20	1H19
Residential		22%	23%	34%	35%
Retirement Living		2%	3%	1%	1%
Commercial Property		-	-	-	-
Unallocated corporate overheads		-	-	(4)%	(4)%
Total trading	20 – 30%	24%	26%	31%	32%

We are well positioned with a diverse portfolio^{1,2}

Book Value by State



1. Includes Unlisted Property Fund Assets (at 100% ownership), WIP & Sundry.
2. RL established and development assets at same location are treated as a single property/project.
Note – Percentages may not add due to rounding.



Group Finance

Annexure



Stockland

Artist Impression M_PARK, NSW

Profit summary

\$m	1H20	1H19	Change
Residential Communities EBIT (before interest in COGS)	208	170	22.2%
Commercial Property EBIT	301	307	(1.6)%
Retirement Living EBIT	20	22	(8.2)%
Consolidated segment EBIT	529	499	6.2%
Amortisation of lease fees	7	7	(4.3)%
Unallocated corporate overheads	(27)	(32)	(15.5)%
Group EBIT (before interest in COGS)	509	474	7.5%
Net interest expense:			
- Interest income	1	2	(47.6)%
- Interest expense	(110)	(116)	(4.7)%
- Interest capitalised to inventory	57	71	(19.1)%
- Interest capitalised to investment properties under development	4	6	(30.6)%
Net interest in Profit & Loss before capitalised interest expensed	(48)	(37)	29.5%
Capitalised interest expensed in Profit & Loss¹	(77)	(30)	153.6%
Net interest expense	(125)	(67)	85.6%
Funds from operations	384	407	(5.6)%
Statutory profit adjustments	120	(107)	(212.1)%
Statutory profit	504	300	68.1%

1. Increase in Capitalised interest expensed in Profit & Loss is driven by the recent capital partnering transaction at Aura.

Net interest gap

\$m	1H20			1H19		
	Interest	Deferred Interest	Total	Interest	Deferred Interest	Total
Interest expense						
Interest income	(1)	-	(1)	(2)	-	(2)
Interest expense	95	15	110	93	23	116
Less: capitalised interest						
- Commercial Property development projects	(3)	-	(3)	(3)	-	(3)
- Residential	(42)	(15)	(57)	(48)	(23)	(71)
- Retirement Living	(1)	-	(1)	(3)	-	(3)
Total capitalised interest	(46)	(15)	(61)	(54)	(23)	(77)
Sub-total: borrowing cost in P&L	48	-	48	37	-	37
Add: capitalised interest expensed in P&L ¹	77	-	77	30	-	30
Total interest expense in P&L	125	-	125	67	-	67

Deferred interest – Residential

- Non-cash adjustments for unwinding of present value discount on land acquisitions on deferred terms
- Discount initially booked through balance sheet (inventory and land creditors)

1. Made up of Residential \$74m (1H19: \$28m) and Retirement Living \$3m (1H19: \$2m). This differs to statutory reporting by \$3m (1H19: \$2m) as interest expense in Retirement Living is reported through fair value adjustment of investment properties.

Note: increase in Residential capitalised interest in COGS is driven by the recent capital partnering transaction at Aura.

Return on assets, return on equity

Key metrics	CY2019			CY2018		
	Cash profit (\$m)	Avg. Cash invested (\$bn)	Return	Cash profit (\$m)	Avg. Cash invested (\$bn)	Return
Retail Town Centres	412	5.4	7.7%	426	5.5	7.8%
Logistics	160	2.1	7.7%	155	2.0	7.8%
Workplace	48	0.6	7.7%	50	0.6	7.7%
Residential – core	463	2.2	20.9%	365	2.0	18.5%
Retirement Living	61	1.4	4.5%	60	1.3	4.5%
Core business ROA (sub-total)	1,144	11.7	9.8%	1,056	11.4	9.3%
Residential – workout ¹	(2)	0.2	(1.2)%	(4)	0.2	(2.4)%
Unallocated overheads & other income	(56)	-	-	(67)	-	-
Group ROA	1,086	11.9	9.2%	985	11.6	8.5%
Net interest/net debt	(187)	(4.3)	4.4%	(192)	(3.9)	4.9%
Group ROE	899	7.6	11.9%	793	7.7	10.3%
Group ROE (excl. workout)	901	7.4	12.2%	797	7.5	10.6%

1. Includes all impaired projects.

Reconciliation between return on equity table values and accounting results

Reconciliation of Group return in ROE calculation to FFO

\$m	CY2019	CY2018
Cash return	899	793
Capitalised interest expensed in COGS	(145)	(82)
Capitalised interest for the year ¹	97	119
Add-back impairment release in COGS	32	12
CP straight-line rent and other	(9)	(9)
FFO	874	833

Reconciliation of capital employed in ROE statutory net assets

\$bn	Average for CY2019	Average for CY2018
Group capital employed (net assets)	7.6	7.7
Commercial Property revaluations	2.6	2.7
Residential Communities capitalised interest	0.4	0.4
Residential Communities and Apartments impairment	(0.2)	(0.2)
Retirement Living DMF revaluations	0.2	0.2
Distribution provision and non-cash working capital	(0.5)	(0.5)
Statutory net assets (average for the period)	10.1	10.3

1. Excludes deferred interest.

Cost management

\$m	1H20	1H19
Residential	90	92
Retirement Living	17	18
Commercial Property	7	9
Unallocated corporate overheads	27	32
Total sales, general and administration costs ¹	141	151

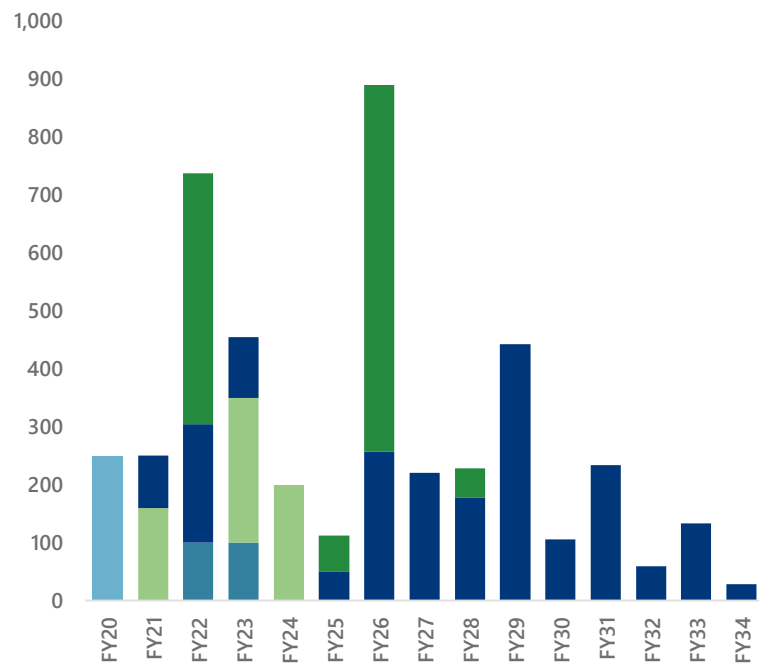
- Diligent approach to managing cost across the Group
- Reduction in unallocated corporate costs largely attributable to the business restructure and other savings initiatives
- Some savings across business units are weighted towards 1H20
- On track to deliver the target \$8m forecast unallocated corporate overheads savings

1. Net of recoveries, costs capitalised to development projects and property management fee income.

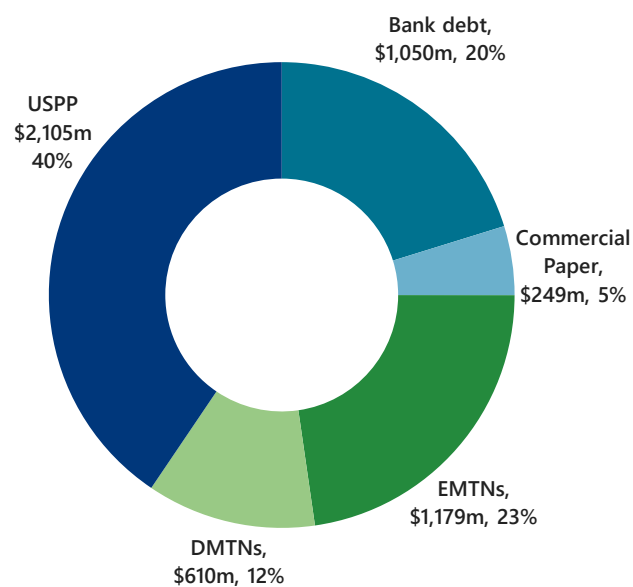
Long dated, diverse debt

Long-dated drawn debt maturity profile

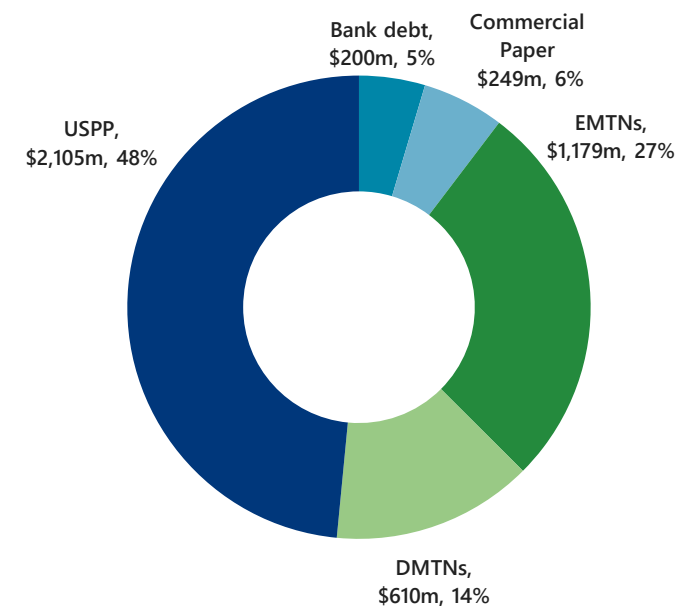
(WADM 5.4 years)¹



Committed facilities of \$5.2bn



Drawn debt of \$4.3bn²



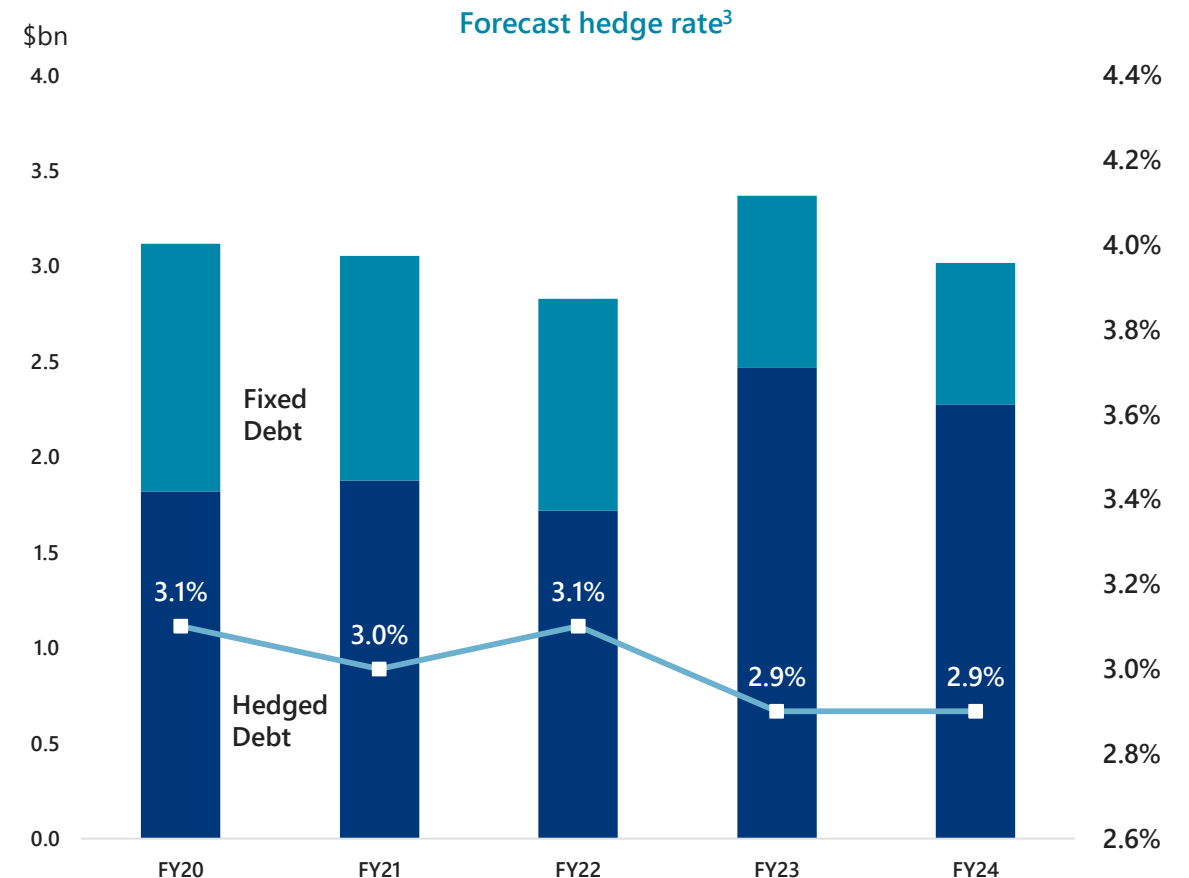
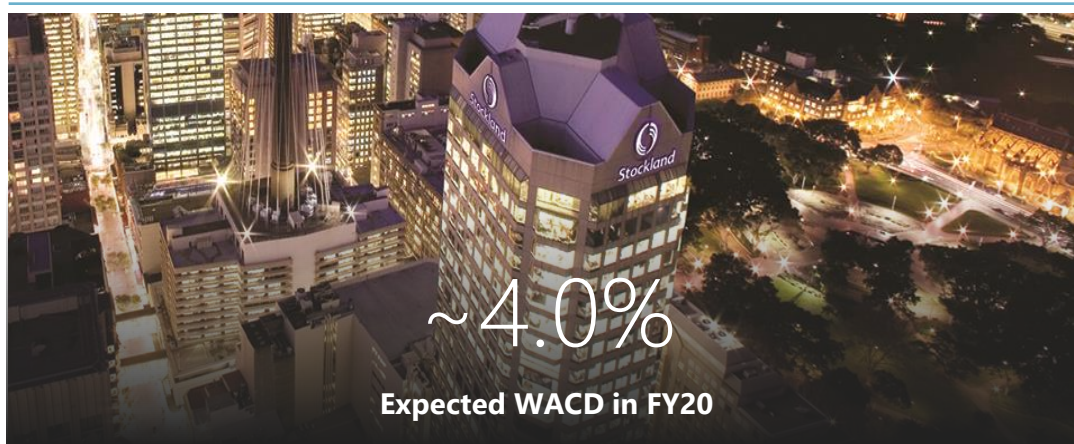
Bank Debt Commercial Paper EMTNs DMTNs USPP

1. Excludes bank guarantees of \$350 million.
2. Face value as at 31 December 2019.

Cost of debt and hedge profile

Cost of debt for 1H20

	Debt ¹	Total debt ²	Interest rate
Hedged debt	\$3,632m	84%	3.1%
Floating debt	\$711m	16%	0.2%
Total debt	\$4,343m		3.3%
Margin			0.9%
Fees			0.2%
Weighted average cost of debt for 1H20			4.4%



1. Represents average debt balance over 1H20. Balances as at 31 December 2019 were hedged debt: \$3,037m and floating debt: \$1,306m.
2. Average % for 1H20.
3. Excludes fees and margins.

Covenant calculations

At 31 December 2019	Statutory Balance Sheet \$m	Adjustments \$m	Gearing Covenant Balance Sheet \$m
Assets			
Cash	245	-	245
Real estate related assets	15,378	-	15,378
Retirement Living Gross-Up	2,630	(2,630)	- B
Intangibles	174	(174)	-
Other financial assets	497	(480)	17 A
Other assets	337	-	337
Total assets	19,261	(3,284)	15,977
Financial indebtedness			
Borrowings	(4,745)	419	(4,326) A
Other financial liabilities	(199)	199	-
Other liabilities ¹	(82)	-	(82)
Total Financial Indebtedness	(5,026)	618	(4,408)

All lenders have consistent covenants

- Financial Indebtedness/Total Tangible assets (FI/TTA): less than 50%
- Interest cover: more than 2:1 (write-downs and provisions are excluded from calculation)

Gearing covenant limited to Stockland's balance sheet liabilities and excludes

- MTM of hedges and interest-bearing liabilities **A**
- Retirement Living obligation for existing residents **B**

	Interest cover	FI /TTA	D/TTA (net of cash) ³
31 December 2019 ²	5.0:1	27.6%	26.1%
30 June 2019 ²	4.7:1	27.8%	26.7%

- Represents operating leases, bank guarantees and insurance bonds and borrowing costs.
- Covenant calculations reflect the updated documentation of the Group's global debt program.
- Debt = adjusted interest bearing debt (\$4,326m) + transaction cost (\$18m) - cash \$245m. TTA=total tangible asset \$15,977m - cash \$245m.

Balance sheet summary

\$m	1H20	FY19	Change
Cash	245	140	74.7%
Real estate related assets			
- Commercial Property	10,519	10,323	1.9%
- Residential	3,322 ¹	3,411 ¹	(2.6)%
- Retirement Living	1,405	1,452	(3.2)%
- Other	132	36	266.7%
Retirement Living gross-up	2,630	2,585	1.7%
Intangible assets ²	174	193	(9.9)%
Other financial assets	497	534	(6.9)%
Other assets	337	325	2.8%
Total assets	19,261	18,999	1.4%
Borrowings	4,745	4,704	0.9%
Retirement Living resident obligations ³	2,642	2,597	1.7%
Other financial liabilities	199	220	(9.3)%
Other liabilities	1,682 ¹	1,650 ¹	1.8%
Total liabilities	9,268	9,171	1.0%
Net assets	9,993	9,828	1.7%
NTA per security	4.12	4.04	2.0%

1. Includes gross-up of deferred payments and land options.

2. Includes software and Retirement Living Goodwill.

3. This amount comprises \$2,630m of existing resident obligations (30 June 2019: \$2,585m), being a balance sheet gross-up and \$12m of former resident obligations (30 June 2019: \$12m).

Stockland Corporation income tax reconciliation

		1H20	1H19
Net profit before tax		516	318
Less: Trust profit and Intergroup eliminations		(499)	(271)
Corporation profit/(loss) before tax	B	17	47
Prima facie tax expense @ 30%		(5)	(14)
Tax effect of permanent differences:			
Non-deductible expenses for the year		(7)	(4)
Other deductible expenses for the current period		-	-
Underprovided in prior years		-	-
Non-assessable dividend income		-	-
Tax losses recognised during the period		-	-
Tax benefit/(expense)	A	(12)	(18)
Effective tax rate (A / B) ¹		70%	38%
Effective tax rate (excluding benefit from tax losses recognised)		70%	38%

1. The effective tax rate is higher than the corporate rate of 30%, primarily due to the impairment of goodwill in the current period. Ignoring this goodwill impairment, the effective tax rate for the current period is 33%.



Commercial Property

Annexure



Stockland

KEYWEST, VIC

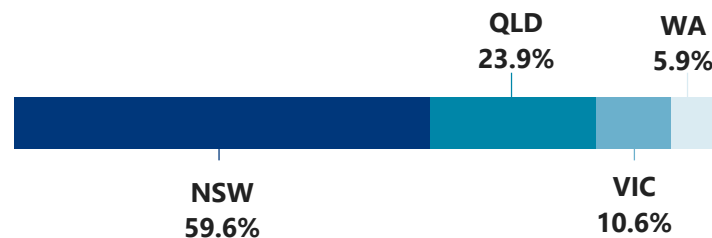
Portfolio weightings

Commercial Property

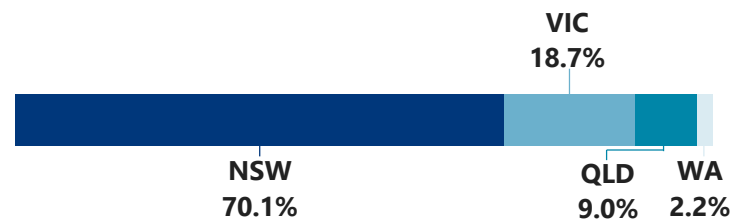
Assets by book value
\$10.4bn¹



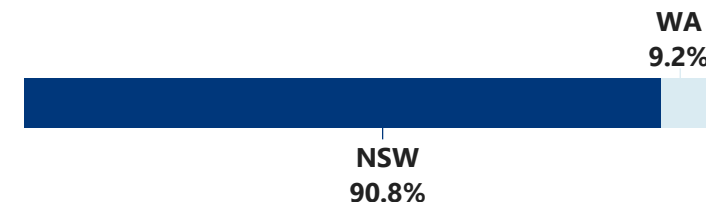
Retail Town Centres: - \$6.6bn
(\$6.9bn under management)
 32 properties | 1,000,232 sqm gla²



Logistics - \$2.8bn
(\$3.1bn under management)
 29 properties | 1,311,725 sqm gla^{2,3}



Workplace - \$1.0bn
(\$1.0bn under management)
 6 properties | 87,940 sqm gla²



1. Excludes Unlisted Property Fund assets, WIP and Sundry.
2. Represents 100% owned, JV and associates properties.
3. Excludes hardstand and vehicle storage.

Funds from operations

Commercial Property

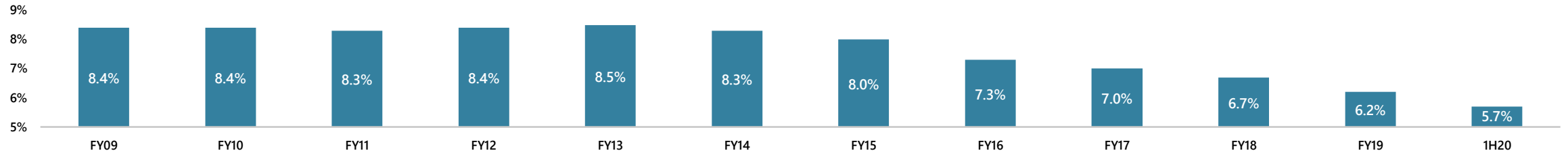
	Logistics		Workplace		Retail		Net overhead costs		Total	
\$m	1H20	1H19	1H20	1H19	1H20	1H19	1H20	1H19	1H20	1H19
Operating EBIT	70 ¹	71	21	18	183 ¹	197	(8)	(9)	266	277
Adjust for:										
Amortisation of fit out incentives and lease fees	4	3	2	3	27	23	-	-	33	29
Amortisation of rent-free incentives	7	7	3	3	-	-	-	-	10	10
Straight-line rent	-	-	-	-	(1)	(2)	-	-	(1)	(2)
Funds from operations	81	81	26	24	209	218	(8)	(9)	308	314

1. Reduction reflects non core divestments.

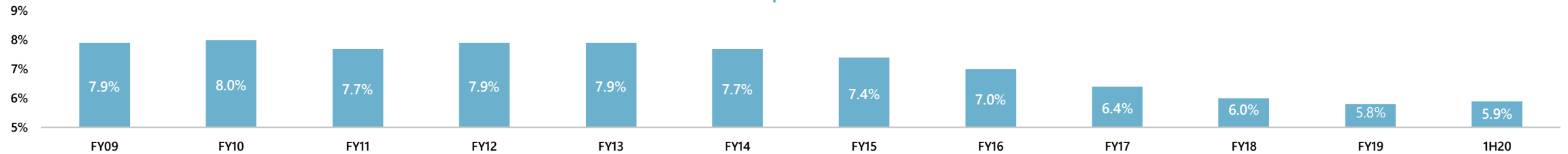
Average weighted cap rates over time

Commercial Property

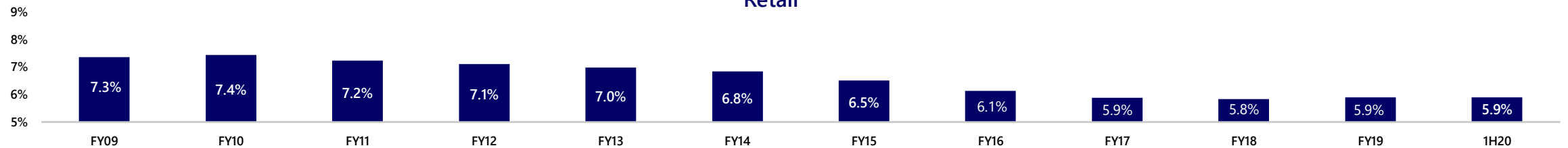
Logistics



Workplace



Retail

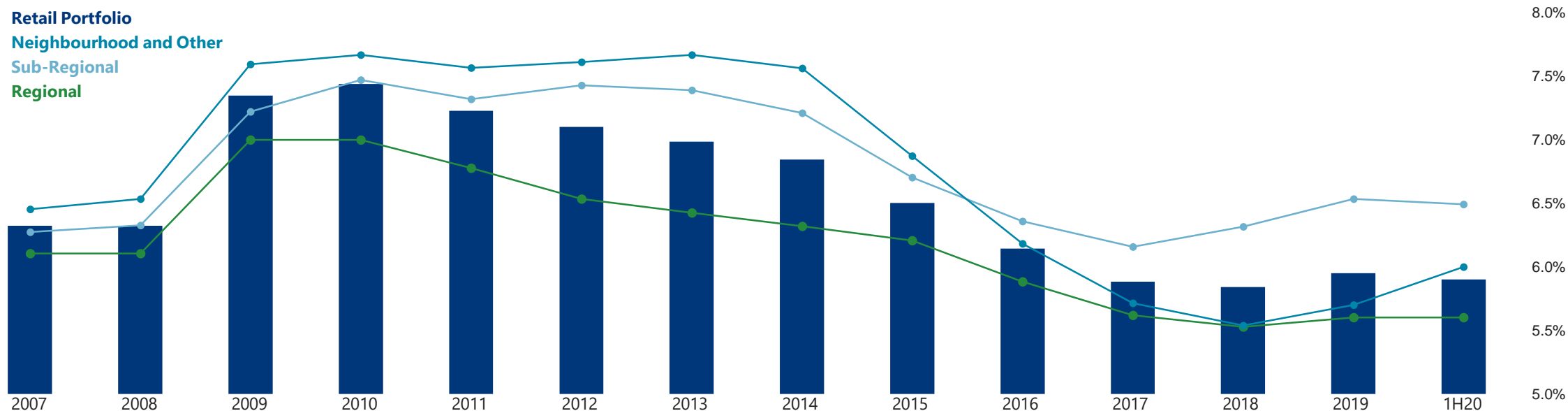


Portfolio capitalisation rates

Retail Town Centres

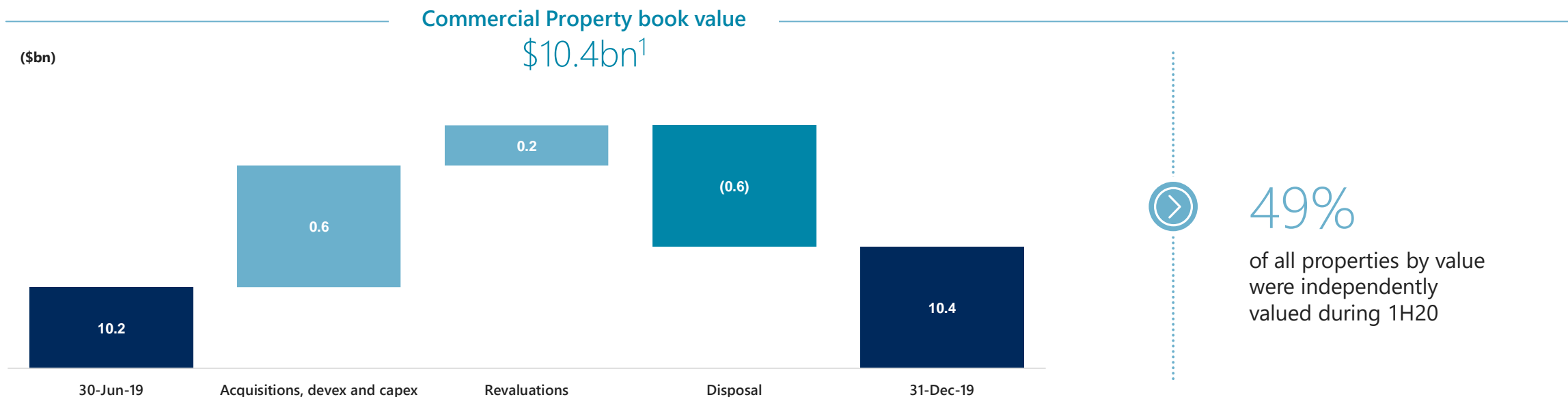
At 30 June 2007	Allocation
Regional	12%
Sub-Regional	79%
Neighbourhood and Other	9%

At 31 December 2019	Allocation
Regional	59%
Sub-Regional	34%
Neighbourhood and Other	7%



Revaluation and book value movement

Commercial Property



\$m	Retail	Logistics	Workplace	Total
Net revaluations ²	(31)	219	11	199

1. Excludes Unlisted Property Fund assets, WIP and Sundry.
2. Excluding stapling adjustments related to owner occupied space.

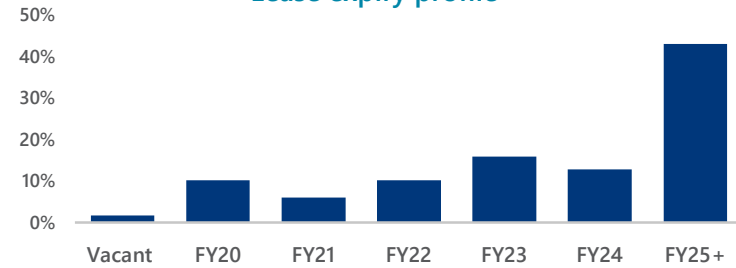
Performance

Logistics

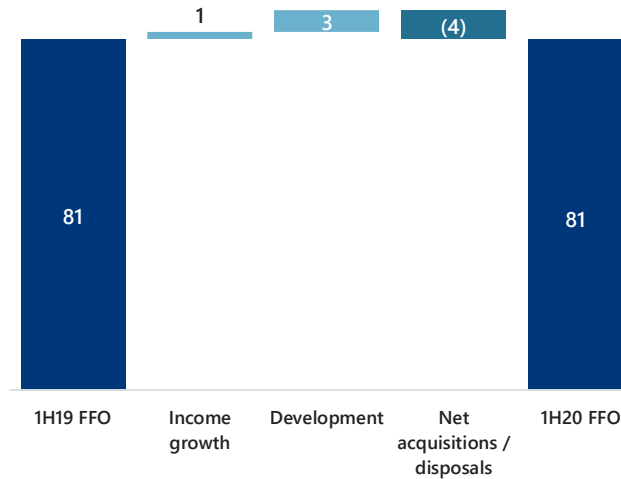
Occupancy and lease expiry by income¹

	1H20	1H19
Occupancy	98.3%	98.0%
WALE	5.4 yrs	5.2 yrs

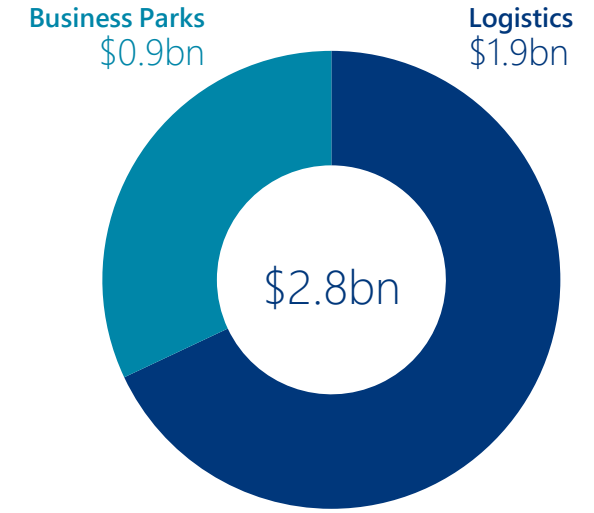
Lease expiry profile¹



FFO movements between 1H19 and 1H20 \$m



Assets by book value⁴



	Total leased			Retention ³ - 86%			New leases		
	GLA leased (sqm) ²	Weighted average base rent growth % ⁶	Weighted average incentives ⁵	Retention (sqm) ²	Weighted average base rent growth % ⁶	Weighted average incentives ⁵	New leases (sqm) ²	Weighted average base rent growth % ⁶	Weighted average incentives ⁵
Business Parks	96,970	18.1%	34.8%	94,352	18.7%	35.1%	2,618	4.5%	28.7%
Logistics excluding Business Parks	203,864	1.0%	15.2%	85,742	3.3%	8.8%	118,123	(2.7)%	18.8%

1. Includes executed leases and signed heads of agreement at 31 December 2019.

2. Includes executed leases only and represents 100% property ownership.

3. Represents the percentage (by income) of total executed deals, which were expiring leases renewed by existing customers during the period. Excludes new leases on vacant space.

4. Excludes Unlisted Property Fund assets, WIP and sundry properties.

5. Incentives based on net rent.

6. Excludes leases at new developments.

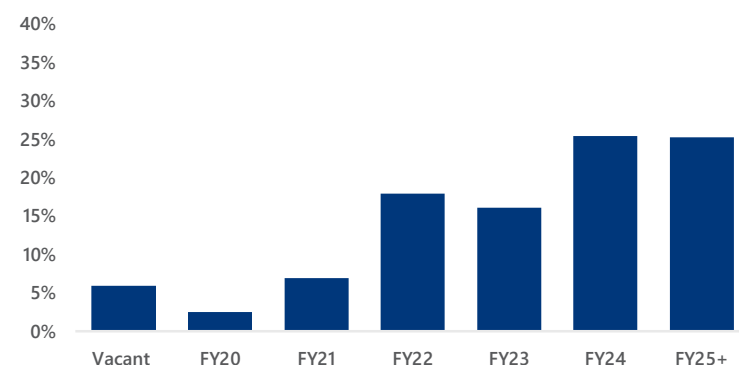
Performance

Workplace

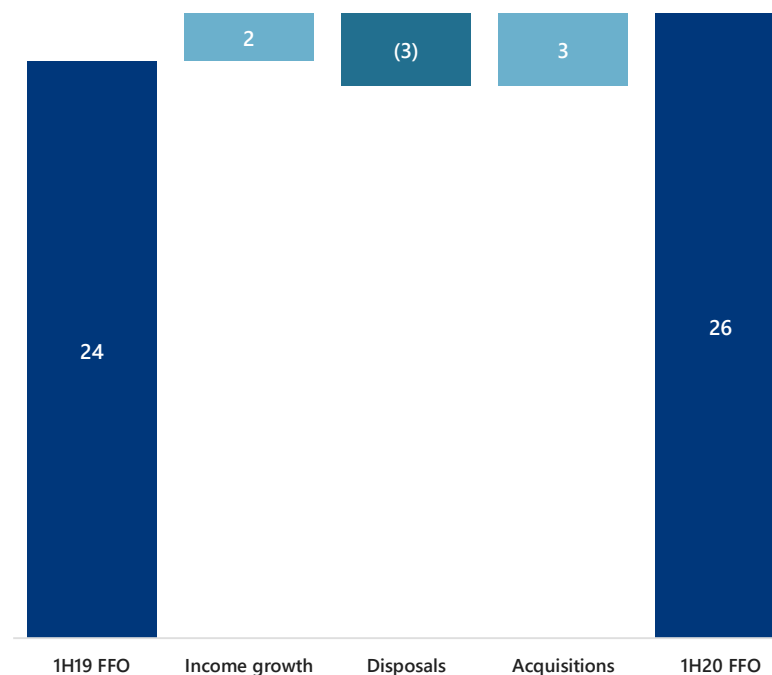
Occupancy and lease expiry by income¹

	1H20	1H19
Occupancy	94.1%	95.5%
WALE	3.6 yrs	3.8 yrs

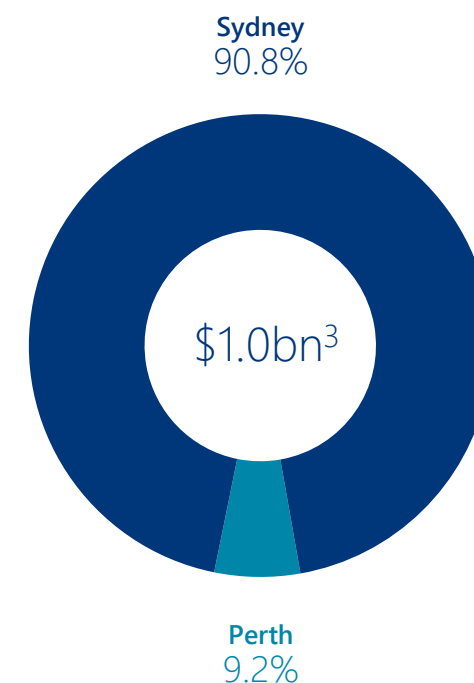
Lease expiry profile¹



FFO movements between 1H19 and 1H20 \$m



Assets by location²



- Includes executed leases and signed heads of agreement at 31 December 2019.
- Based on book value.
- Excludes Unlisted Property Fund assets, WIP and sundry properties.

Growing and activating the development pipeline

Workplace & Logistics

	Completed	Active development	Planning underway	Future wave
NSW		<div>Gregory Hills</div> <div>M_Park (Stage 1)</div> <div>Optus Campus</div>	<div>M_Park (Stage 2-4)</div> <div>Piccadilly, Sydney</div> <div>Walker Street, North Sydney</div>	<div>Ingleburn (Stage 3)</div> <div>Kemps Creek</div>
VIC	<div>KeyWest (Truganina)</div>	<div>Melbourne Business Park</div>		<div>Altona Industrial Estate</div>
QLD	<div>Yatala (Stage 1)</div>	<div>Yatala (Stage 2)</div> <div>Willawong (Stage 2)</div> <div>Carole Park</div>	<div>Yatala (Stage 3)</div> <div>Willawong (Stage 3-5)</div> <div>Richlands</div>	

DA approvals received

- Yatala (Stage 2)
- M_Park (Stage 1) and precinct masterplan DA approved
- Melbourne Business Park Stage 1 sub division planning approval granted

Development type

Greenfield	Brownfield
------------	------------

Development pipeline

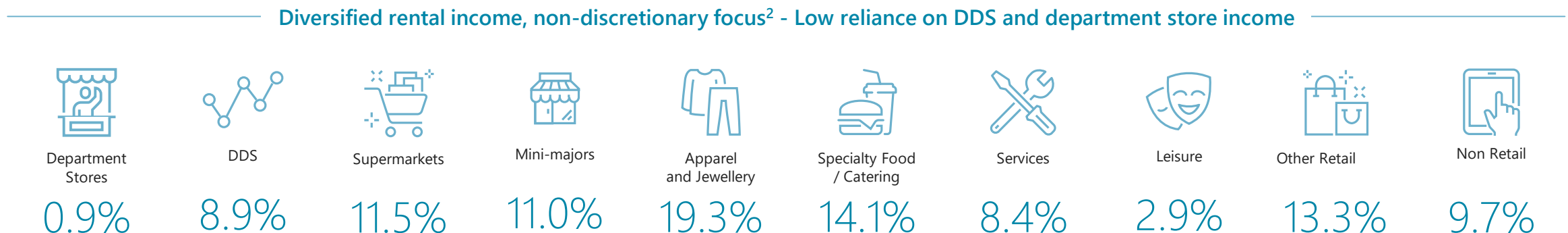
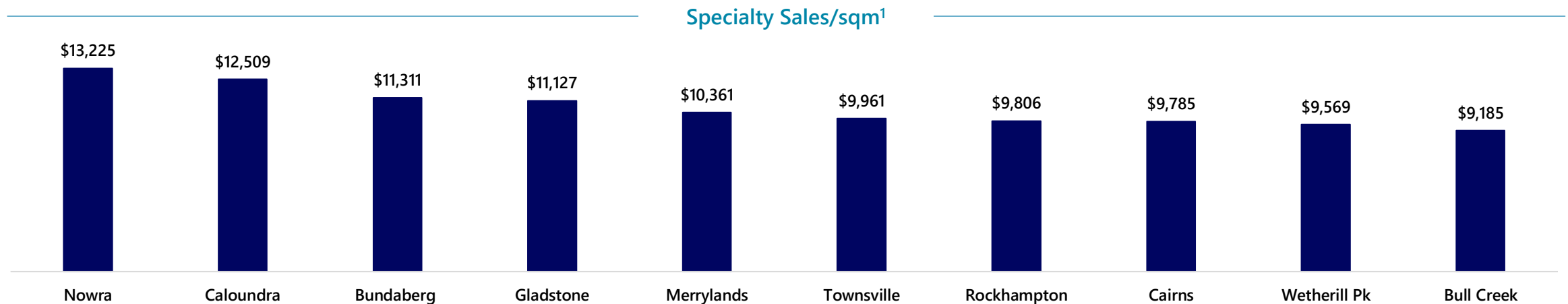
Workplace & Logistics

	Status	Development type	Est. Total Incremental cost (\$m)	Gross lettable area (sqm)	Cost spent to date (\$m)	Est. Cost to complete (\$m)	Est. Completion date	Est. Fully leased year one yield ²	Est. Return ³	Est. Total return ⁴
KeyWest (VIC)	Completed ¹	Greenfield	~37	30,400	31	~6	FY20	6.5%	~8% - 9%	~8% - 9%
Yatala Stage 1 (QLD)	Completed ¹	Greenfield	~20	14,100	20	~1	FY20	6.9%	~9% - 10%	~9% - 10%
Yatala Stage 2 (QLD)	Under construction	Greenfield	~20	13,743	16	~4	FY20	7.0%	~9% - 10%	~9% - 10%
Subtotal			~77			~11				
Pipeline ^{5,6}			~4,300			~4,300				
Total			~4,377			~4,311				

1. Indicative metrics on completion.
2. Stabilised incremental FFO yield, includes property management fees.
3. Forecast unlevered 10 year IRR on development from completion (incremental development for brownfield).
4. Forecast unlevered 10 year IRR for existing assets and development from completion (incremental development for brownfield).
5. Represents Stockland's ownership interest.
6. Includes Carole Park, Richlands, Kemps Creek, Melbourne Business Park, M_Park Business Campus, Optus Campus, Walker St, Piccadilly and other identified projects.

Strong sales performance and diversified rental income

Retail Town Centres



1. Comparable centres, excludes divestments and development centres and adjusted for stores trading less than 12 months.
 2. Total gross rent for the period.

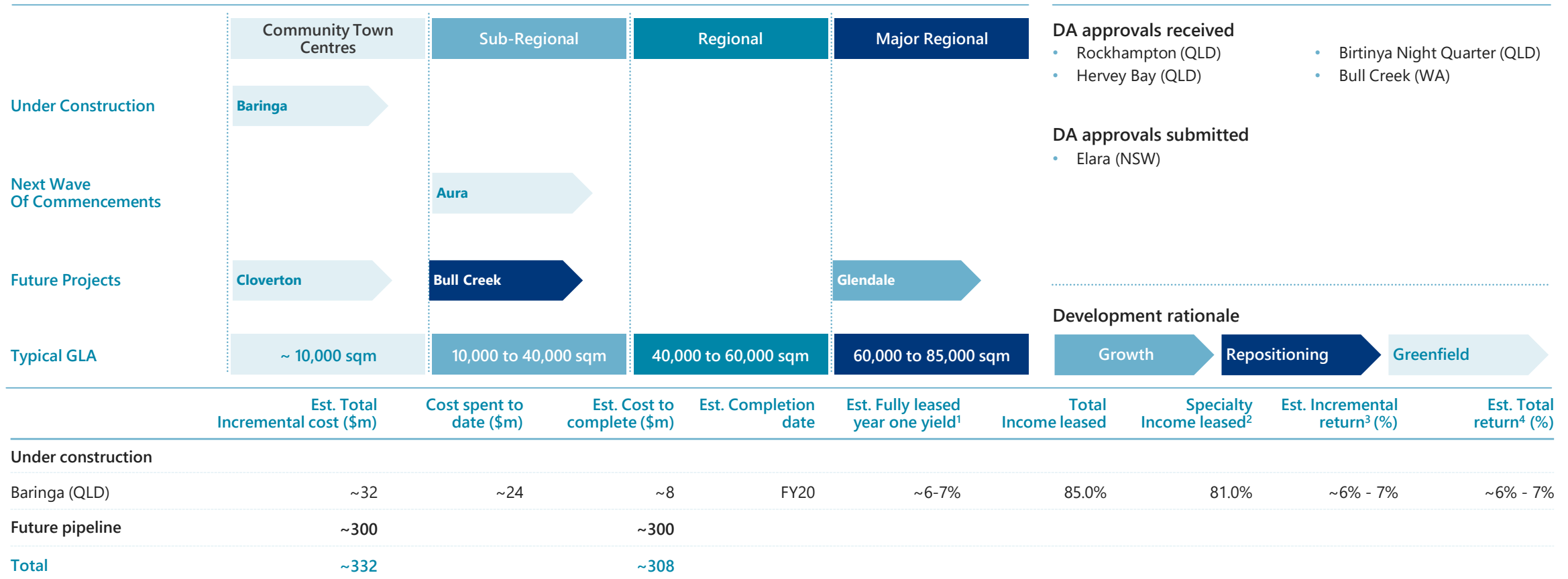
FFO movement

Retail Town Centres



Redevelopment pipeline focussed on continuous growth categories

Retail Town Centres



1. Stabilised incremental FFO yield, includes property management fees.
2. All specialty income including shops, kiosks, ATMs and pad sites, excluding majors and mini majors.
3. Unlevered 10 year IRR on incremental development from completion.
4. Unlevered 10 year IRR for existing assets and incremental development from completion.

Asset values and FFO by asset

Logistics

Property	State	Date of last independent valuation	Book value (\$m)	1H20 val.incr / (decr) (\$m)	Cap rate	1H20 FFO (\$m)
Yennora Distribution Centre	NSW	Dec-2019	524.0	48.0	5.50%	15.9
Optus Centre, Macquarie Park	NSW	Dec-2019	290.7	51.6	5.00%	8.4
Triniti Business Park	NSW	Dec-2019	236.6	24.1	5.75%	6.9
Ingleburn Logistics Park	NSW	Dec-2019	201.5	18.1	5.25%	5.2
60-66 Waterloo Road, Macquarie Park	NSW	Dec-2019	134.5	18.7	5.75%	3.8
Brooklyn Distribution Centre	VIC	Jun-2019	121.9	-	6.00%	3.5
Coopers Paddock, Warwick Farm	NSW	Dec-2019	115.0	16.7	5.00%	2.9
Hendra Distribution Centre	QLD	Jun-2019	114.1	-	6.50%	3.8
Mulgrave Corporate Park	VIC	Dec-2018	96.1	-	6.75%	2.3
Granville Industrial Estate	NSW	Dec-2019	81.7	8.0	5.75% - 6.00%	2.8
Forrester Distribution Centre	NSW	Dec-2019	79.3	3.3	6.25%	3.4
Oakleigh Industrial Estate, Oakleigh South	VIC	Dec-2019	70.0	2.7	5.75%	2.1
16 Giffnock Avenue	NSW	Dec-2019	68.5	4.3	6.00%	2.0
Somerton Distribution Centre, Somerton	VIC	Jun-2019	62.8	-	6.50% - 6.75%	2.4
Balcatta Distribution Centre	WA	Dec-2019	61.5	4.8	6.25%	1.8
Macquarie Technology Park	NSW	Jun-2018	58.3	-	n/a	1.8

Asset values and FFO by asset continued

Logistics

Property	State	Date of last independent valuation	Book value (\$m)	1H20 val.incr / (decr) (\$m)	Cap rate	1H20 FFO (\$m)
Altona Industrial Estate	VIC	Jun-2019	49.7	-	6.25%	1.6
23 Wonderland Drive, Eastern Creek	NSW	Dec-2019	49.5	2.3	5.50%	1.4
KeyWest Distribution Centre	VIC	Dec-2019	44.5	7.9	5.25%	0.1
Altona Distribution Centre	VIC	Jun-2019	40.3	-	6.25%	1.2
Willawong Distribution Centre	QLD	Dec-2018	37.7	-	6.00%	0.3
Smeg Distribution Centre	NSW	Dec-2019	36.1	4.0	4.75%	0.8
Wetherill Park Distribution Centre	NSW	Dec-2019	36.0	3.0	5.75%	1.1
72-76 Cherry Lane, Laverton North	VIC	Jun-2019	32.4	-	6.25%	1.2
89 Quarry Road, Erskine Park	NSW	Dec-2019	29.3	1.6	5.00%	0.7
M1 Yatala Distribution Centre	QLD	Jun-2018	24.2	-	n/a	0.4
Export Distribution Centre, Brisbane Airport	QLD	Jun-2018	6.9	-	10.42%	0.6
Carole Park	QLD	n/a	52.2	-	n/a	-
Richlands	QLD	n/a	15.5	-	n/a	-
Subtotal Logistics			2,770.8	219.0		78.4
Disposals and other			-	-		2.5
Total Logistics			2,770.8	219.0	WACR 5.7%	80.9

Asset values and FFO by asset

Workplace

Property	State	Date of last independent valuation	Book value (\$m)	1H20 val.Incr / (decr) (\$m)	Cap rate	1H20 FFO (\$m)
Piccadilly Complex	NSW	Jun-2019	626.7	-	5.50% - 5.88%	10.6
601 Pacific Highway	NSW	Dec-2019	126.0	9.4	6.00%	4.1
Durack Centre	WA	Dec-2019	95.1	(12.3)	8.75% - 9.00%	5.7
118 Walker Street	NSW	n/a	90.7	-	n/a	0.3
110 Walker Street	NSW	Dec-2019	58.5	13.6	5.00%	1.4
122 Walker Street	NSW	n/a	35.0	-	n/a	-
Subtotal Workplace			1,032.0	10.7		22.1
Disposals and other			-	-		3.7
Total Workplace			1,032.0	10.7	WACR 5.9%	25.8

Asset values and FFO by asset

Retail

Property	State	Date of last independent valuation	Book value (\$m)	1H20 val.incr / (decr) (\$m)	Cap rate	1H20 FFO (\$m)
Stockland Green Hills	NSW	Dec-2019	825.0	6.5	5.50%	23.6
Stockland Shellharbour	NSW	Dec-2019	740.2	4.6	5.50%	20.3
Stockland Wetherill Park	NSW	Jun-2019	723.0	-	5.25%	19.8
Stockland Merrylands	NSW	Jun-2019	576.4	-	5.50%	16.3
Stockland Rockhampton	QLD	Jun-2019	359.1	-	6.00%	11.2
Stockland Glendale	NSW	Dec-2019	319.0	(11.0)	6.00%	10.2
Stockland Point Cook	VIC	Jun-2019	236.7	-	6.50%	8.1
Stockland Baldivis	WA	Jun-2019	189.7	-	6.25%	5.4
Stockland Forster	NSW	Dec-2019	188.0	(2.6)	6.25%	6.0
Stockland Hervey Bay	QLD	Jun-2019	185.5	-	6.50%	6.1
Stockland Townsville (50%)	QLD	Jun-2019	184.0	-	5.75% - 6.50%	5.3
Stockland The Pines	VIC	Dec-2018	184.8	-	6.25%	6.1
Stockland Wendouree	VIC	Dec-2018	180.7	-	6.50%	6.3
Stockland Cairns	QLD	Dec-2019	173.5	(12.9)	6.50%	6.4
Stockland Burleigh Heads	QLD	Jun-2019	170.8	-	6.50%	6.1
Stockland Balgowlah	NSW	Jun-2019	154.3	-	6.00%	4.7
Stockland Baulkham Hills	NSW	Dec-2019	152.0	(1.4)	6.50%	5.0

Asset values and FFO by asset continued

Retail

Property	State	Date of last independent valuation	Book value (\$m)	1H20 val.incr / (decr) (\$m)	Cap rate	1H20 FFO (\$m)
Stockland Bundaberg	QLD	Jun-2019	145.6	-	6.50%	5.0
Stockland Gladstone	QLD	Dec-2019	134.0	(1.3)	6.75%	4.8
Stockland Nowra	NSW	Jun-2019	121.2	-	6.50%	4.0
Stockland Caloundra	QLD	Dec-2019	105.5	(4.4)	6.50%	3.8
Stockland Traralgon	VIC	Dec-2018	97.0	-	7.00%	4.1
Stockland Bull Creek	WA	Dec-2019	86.5	(1.7)	6.75%	3.0
Stockland Piccadilly	NSW	Jun-2019	81.5	-	5.25%	1.4
Shellharbour Retail Park	NSW	Dec-2019	70.0	0.2	7.00%	2.1
Stockland Birtinya	QLD	Jun-2019	68.2	-	6.00%-6.25%	1.8
Stockland Riverton	WA	Dec-2019	58.0	(4.1)	6.75%	2.4
Stockland Harrisdale	WA	Dec-2018	57.3	-	6.50%	2.1
Burleigh Central	QLD	Jun-2019	20.5	-	7.00%	0.8
Stockland Baringa	QLD	n/a	20.1	(2.5)	n/a	0.3
North Shore Townsville	QLD	Jun-2019	17.2	-	7.00%	0.6
T/ville, Kingsvale & Sunvale (50%)	QLD	Dec-2018	2.5	-	n/a	(0.1)
Subtotal Retail			6,627.8	(30.6)		203.0
Disposals and other			-	-		6.2
Total Retail			6,627.8	(30.6)	WACR 5.9%	209.2

Top 10 tenants by income

Commercial Property

Retail Town Centres			Logistics Portfolio		Workplace Portfolio	
Rank	Tenant	Portfolio	Tenant	Portfolio	Tenant	Portfolio
1	Woolworths	9.1%	OPTUS Administration Pty Ltd	9.2%	Stockland Development Pty Ltd	17.4%
2	Wesfarmers	5.9%	Toll Transport Pty Ltd	5.0%	Jacobs Group (Australia) Pty Ltd	9.1%
3	Coles Supermarkets Australia Pty Ltd	5.2%	ACI Operations	4.4%	IBM Australia Ltd	8.8%
4	Noni B Group	2.1%	Qube Logistics (SB) Pty Ltd	3.3%	GHD Services Pty Ltd	6.6%
5	API (Priceline)	1.6%	Kmart Australia Limited	3.1%	UCA Uniting Resources	6.4%
6	Just Group	1.5%	Austpac Logistics	2.9%	University of Sydney	5.7%
7	Commonwealth Bank of Australia	1.4%	Australian Wool Handlers	2.8%	Smartsalary Pty Ltd	5.0%
8	JPL Group	1.3%	Patrick Autocare Pty Ltd	2.7%	Australian Bureau of Statistics	3.9%
9	Westpac Banking Corporation	1.2%	Daikin Australia Pty Ltd	2.4%	Boulay Pty Ltd	3.3%
10	Retail Apparel Group Pty Ltd	1.2%	Downer EDI Services Pty Ltd	2.4%	Fleet Partners Pty Limited	2.2%
Total		30.5%		38.2%		68.2%

Acquisitions and Disposals

Commercial Property

Property disposed	Asset class	Settlement date	Disposal value ¹ \$m
Tooronga VIC	Retail	Sep 2019	62.8
Cammeray NSW	Retail	Oct 2019	39.2
Jesmond NSW	Retail	Oct 2019	118.0
135 King St & Glasshouse (50%) NSW	Workplace and Retail	Nov 2019	340.0
11-25 Toll Drive Altona VIC	Logistics	Aug 2019	114.0
40 Scanlon Drive Epping NSW	Logistics	Aug 2019	
Port Adelaide Distribution Centre SA	Logistics	Sep 2019	
Property acquired	Asset class	Settlement date	Acquisition value ¹ \$m
Piccadilly (50%) NSW	Workplace and Retail	Nov 2019	347.0
Richlands and Carole Park QLD	Logistics	Dec 2019	58.9
118 Walker Street NSW	Workplace	Nov 2019	121.0
122 Walker Street NSW	Workplace	Expected Jul 2020	
Kemps Creek JV NSW	Logistics	Joint venture agreement established October 2019	

1. Excludes associated acquisition / disposal costs.

Communities

Annexure

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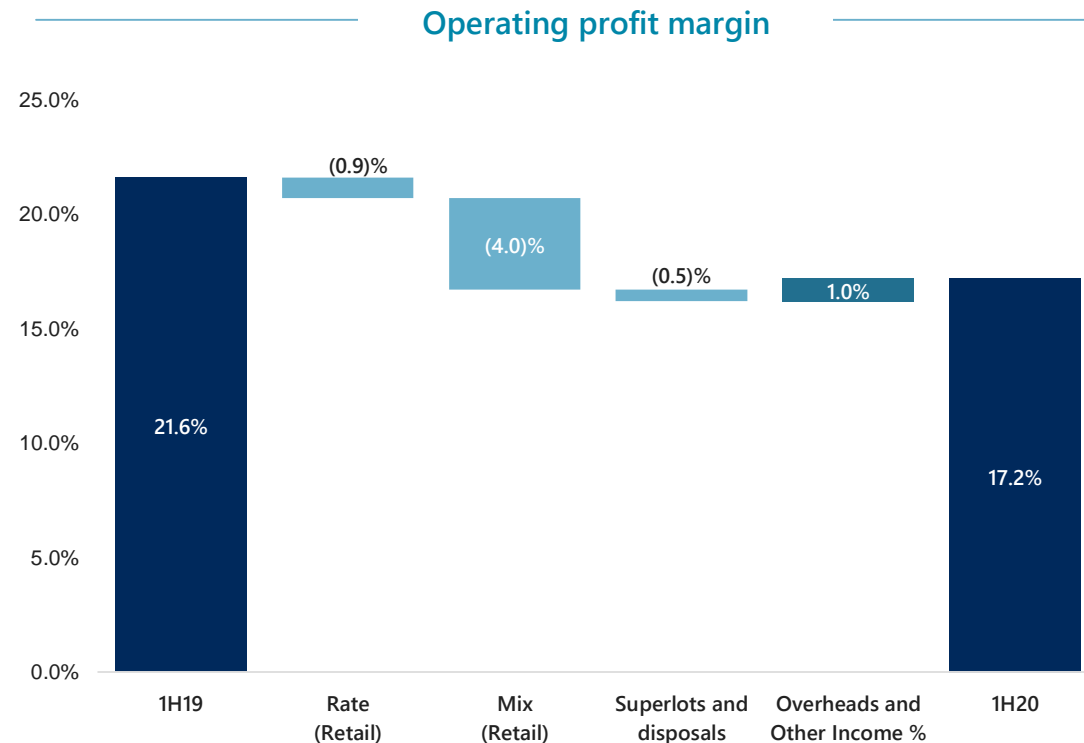
Stockland

MINTA, VIC
ARTIST'S IMPRESSION

Margins driven by 2H20 skew of Sydney projects

Residential Communities

Key metrics	1H20	1H19	Change
Total lots settled	2,158 ¹	2,460	(12.3)%
Total revenue	\$779m	\$658m	18.4%
- Includes Super lot revenue	\$176m ²	\$18m	868.7%
Operating profit	\$134m	\$142m	(6.0)%
Operating profit margin	17.2%	21.6%	
ROA – total portfolio	19.3%	16.8%	
ROA – core portfolio ³	20.9%	18.5%	



1. Includes 534 (1H19: 74) of settlements under joint venture and project delivery agreements and six settlements from Brisbane Casino Towers (1H19: 326).
2. Includes capital partnering transaction at Aura.
3. Core excludes impaired projects.

Development pipeline - major projects

Residential Communities

State	Project	State percentage	Total project lots	Approximate lot sales per annum ¹	Approx. Remaining project lots	Anticipated settlements							
						← FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24 →
Qld	Aura ²		20,000	490	17,710 [#]								
	Newport		1,890	190	990 [#]								
	North Shore		5,460	80	3,480								
	Pallara		640	80	150								
	All Other Projects		13,430		8,110 [#]								
	Sub-total	40.0%	41,420		30,440								
VIC	Cloverton		11,370	410	10,270								
	Donnybrook		1,500	190 ³	1,500 [#]								
	Highlands		11,400	570	3,840 [#]								
	Mt Atkinson ²		4,300	380	3,990 [#]								
	Orion		430	100	390 [#]								
	Waterlea		170	90	170 [#]								
	All Other Projects		6,400		4,650 [#]								
	Sub-total	32.6%	35,570		24,810								
WA	Calleya		1,880	220	540 [#]								
	Sienna Wood ²		3,800	190	2,970								
	Vale		3,450	220	770 [#]								
	All Other Projects		13,260		7,750 [#]								
	Sub-total	15.8%	22,390		12,030								
NSW	Altrove		1,300	50	800 [#]								
	Elara		4,290	340	1,380 [#]								
	Marsden Park North		2,000	460 ³	2,000								
	Willowdale		3,690	330	960 [#]								
	All Other Projects		4,730		3,690 [#]								
	Sub-total	11.6%	16,010		8,830								
Total		100.0%	115,390		76,110								

Includes dwellings

1. Average number of lots estimated for three years for FY20 - FY22, numbers are annualised and vary depending on timing and completion of projects.

2. Projects under joint venture and project delivery agreements.

3. Represents average estimated settlements in first three years following expected commencement.

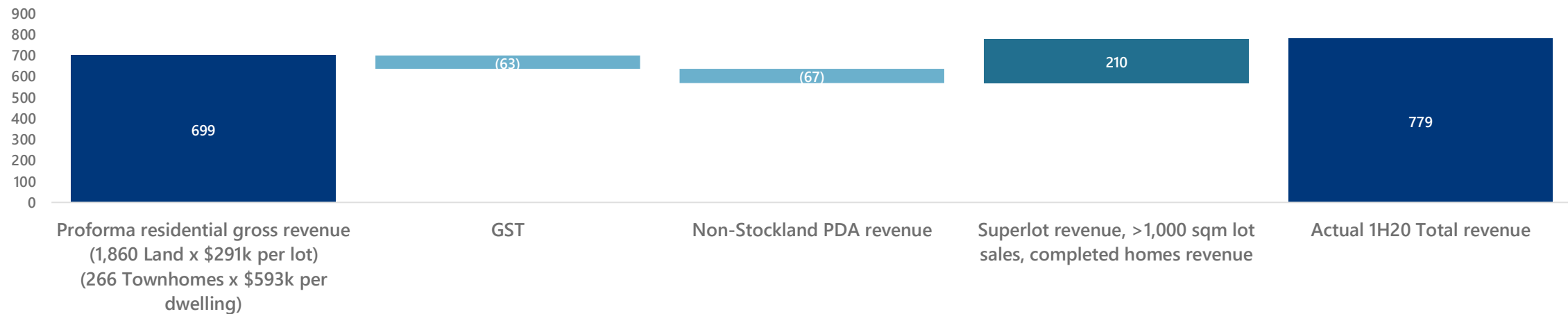
76 1H20 Results Annexure

Retail sales price¹

Residential Communities

State	1H20 settlements				1H19 settlements			
	No. Lots	Av. Size per lot sqm	Av. Price per lot \$k	\$/sqm	No. Lots	Av. Size per lot sqm	Av. Price per lot \$k	\$/sqm
NSW	298	438	412	940	302	380	429	1,130
QLD	537	372	277	746	510	386	266	689
VIC	679	379	292	770	720	410	287	699
WA	346	336	208	618	342	344	220	639
Total Land	1,860	378	291	769	1,874	387	292	755
Total Townhomes	266	n/a	593	n/a	222	n/a	590	n/a

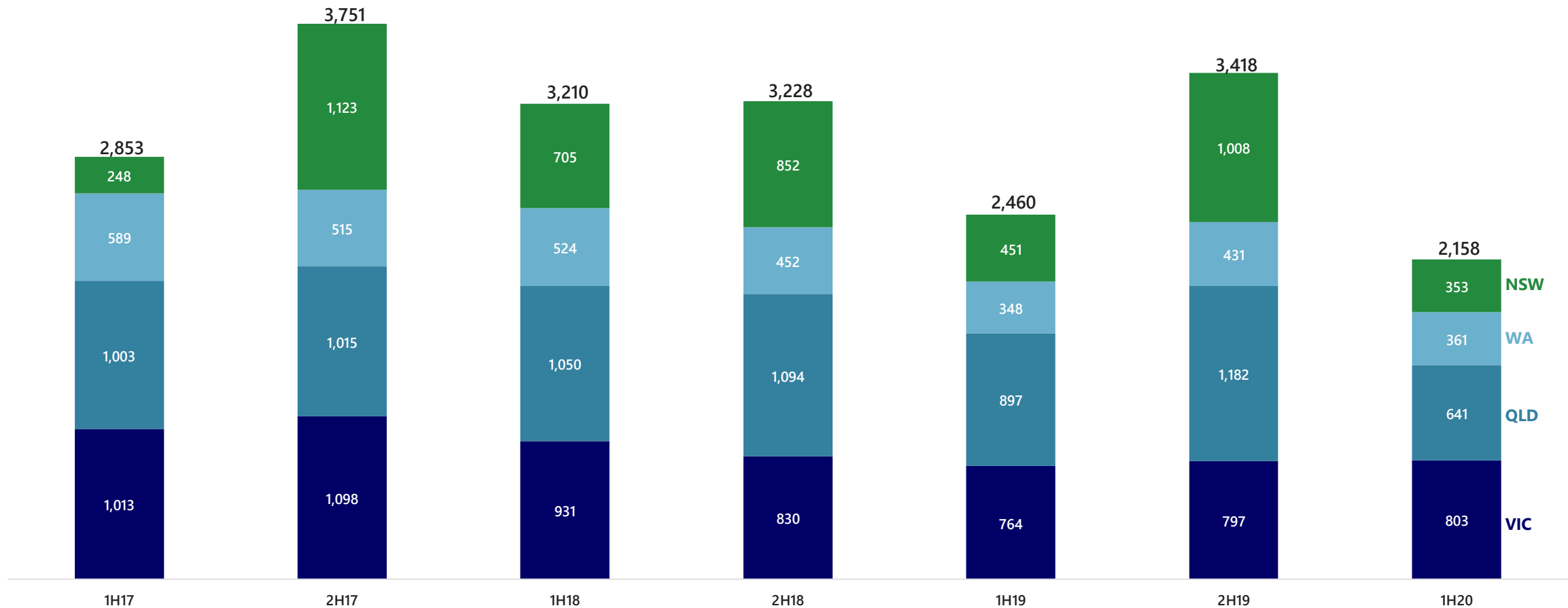
Revenue reconciliation (\$m)



1. Average price of retail settlements excludes settlements of all lots over 1,000 sqm, superlot settlements, apartments revenue, and disposal proceeds. Average price includes GST. Includes Project Development Agreements (PDAs) for which Stockland receives a part-share.

Lots settled by location

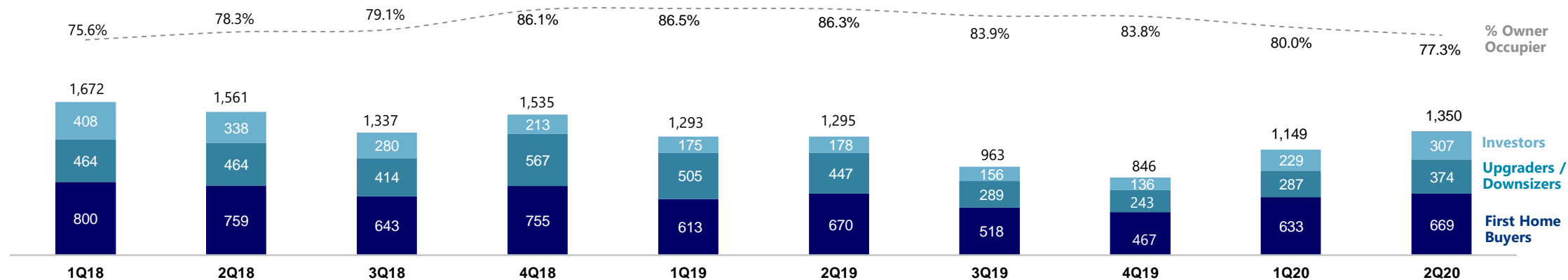
Residential Communities



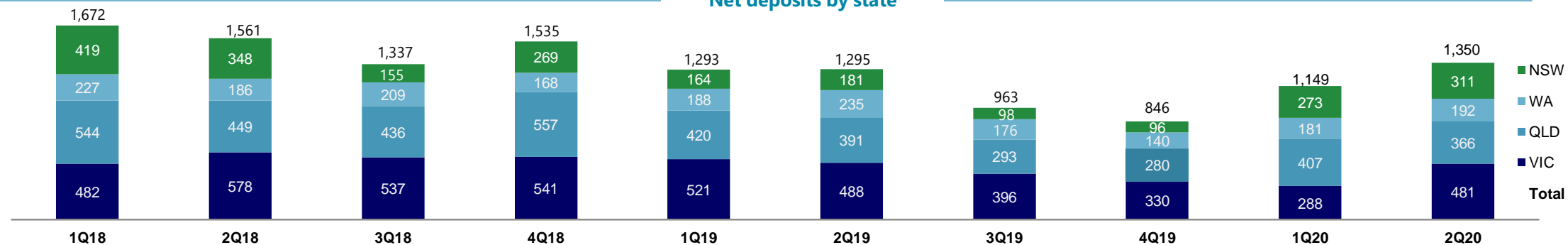
Net deposits by quarter

Residential Communities

Net deposits by buyer



Net deposits by state



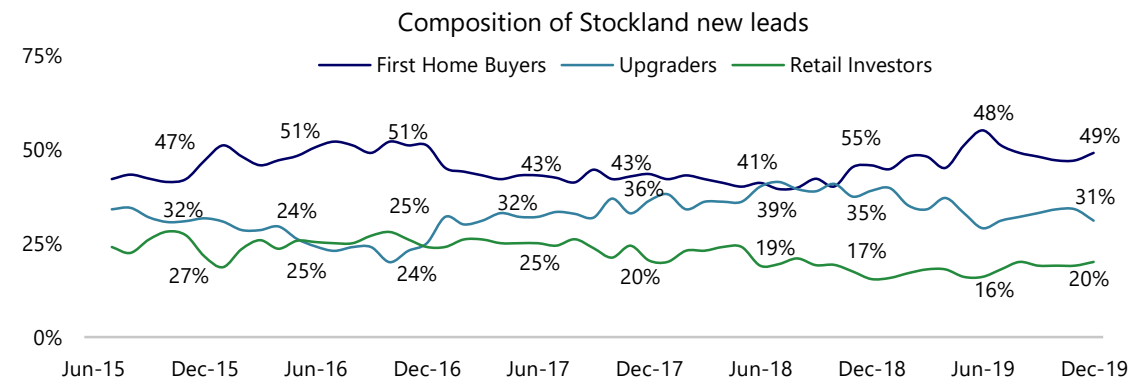
Leads and enquiry levels

Residential Communities

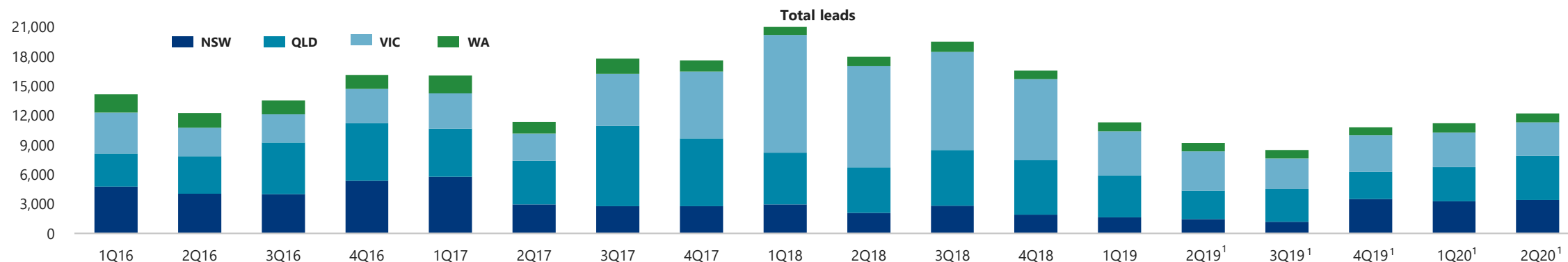
Lead volumes



Majority of our customers are owner occupiers



Lead volumes by state












1. BCT excluded.

Market overview

Residential Communities

1H20 STOCKLAND SUMMARY

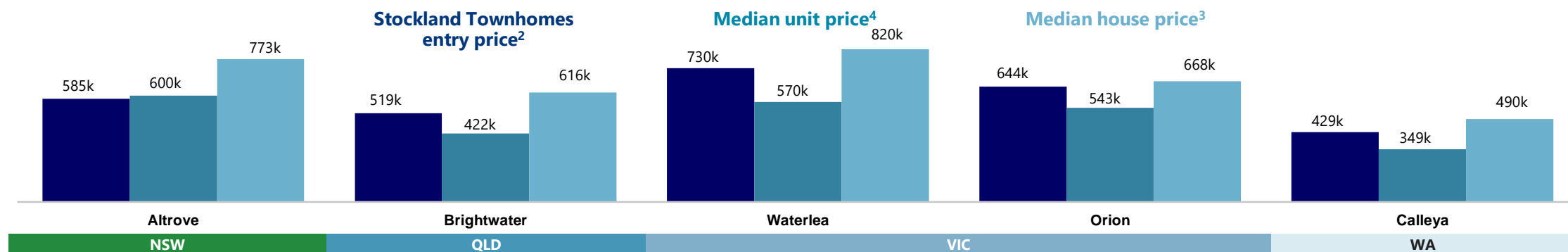
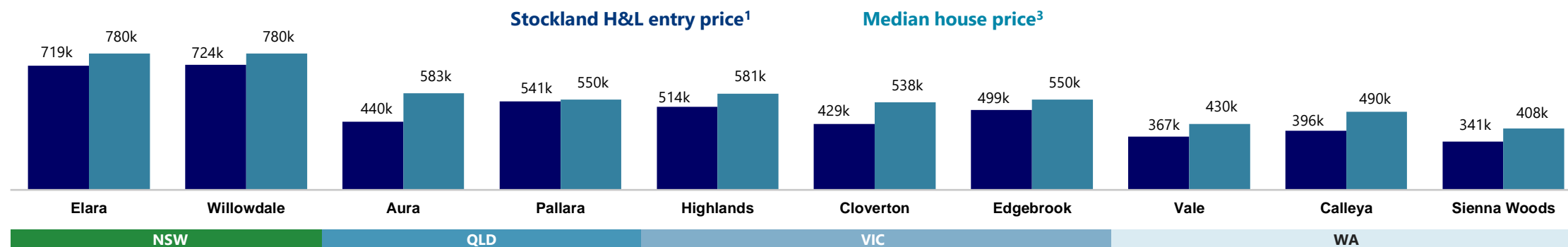
CY2020 MARKET OUTLOOK

State	1H20 settlement volumes (% change over 1H19)	Comments on our settlements in 1H20	Vacant land sales volumes	Vacant land prices	Comments
NSW	(21.7)%	Volume decrease concentrated at trade out of Elara, Willowdale and Altrove Townhomes. Production timing impacting lower volumes at Willowdale offset by higher volumes at Elara.			Market volumes doubled in six months to December 2019 and expected to continue to rise through CY2020. Land prices currently stable but expected to rise on the back of a strong recovery in established market house prices.
VIC	5.1%	First settlements across Waterlea and Orion Townhomes and settlements at Mt Atkinson. Partially offset by production timing at Highlands and Edgebrook.			Sales volumes rose strongly in six months to December 2019 and expected to continue rising through CY2020. Price falls lagged Sydney and recovery is expected to be pushed into the second half of this calendar year even as the established market experiences robust growth.
QLD	(29.2)%	Decrease in volumes due to the trade out of Brisbane Casino Towers partially offset by increased Townhomes settlements at Brightwater and Oceanside.			Volumes in the second half recovered strongly and they are expected to continue to increase although at a slower rate than Sydney and Melbourne. Land market price growth currently strongest in country at 5% but established market recovery weaker than Sydney and Melbourne.
WA	3.7%	Increase driven by higher Townhomes settlements at Calleya.		 	Volumes expected to show modest growth during CY2020 from a low base with the recent price stability to continue through CY2020 before seeing some modest increases in CY2021.

Providing affordable product

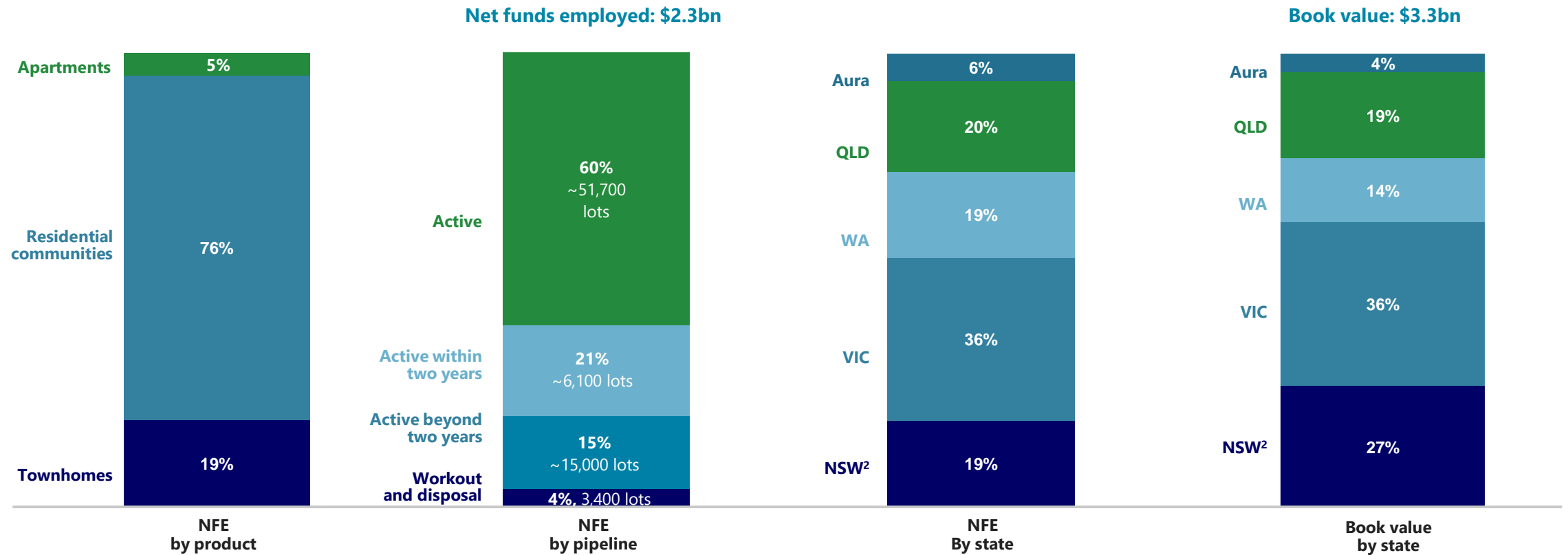
Residential Communities

Stockland pricing relative to local median house and unit price (\$)



1. Stockland data, House and Land packages (4b,2b,2c) for sale/recently sold December 2019.
2. Stockland data, Townhome product available for sale/recently sold December 2019.
3. Corelogic Median value of established houses (4b) in surrounding suburb as at December 2019.
4. Corelogic Median value of established units in surrounding suburb as at December 2019.

Composition of residential landbank¹



1. At 31 December 2019.
2. NSW includes Red Hill (ACT).

Key communities, located in connected, population growth corridors¹



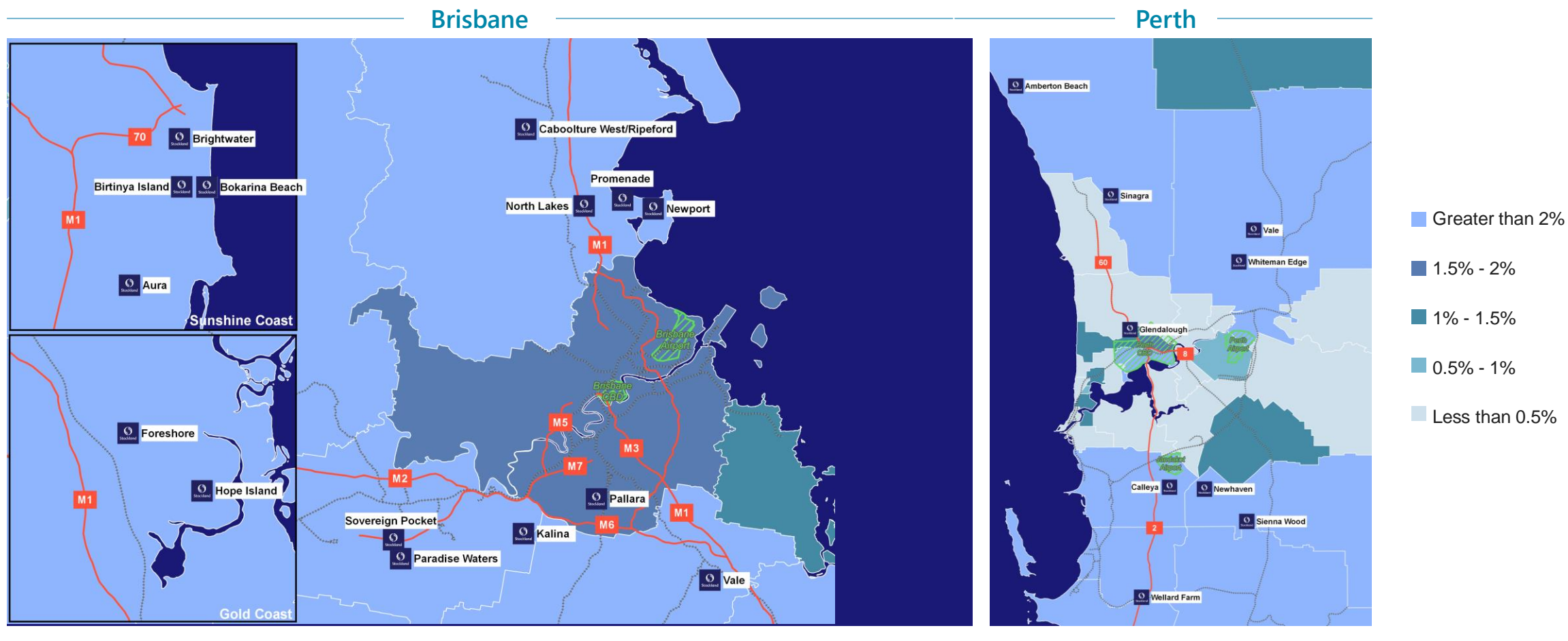
1. State Government Population Projections.

Key communities, located in connected, population growth corridors¹



1. State Government Population Projections.

Key communities, located in connected, population growth corridors¹



1. State Government Population Projections.

Workout contribution and impairment provision balance

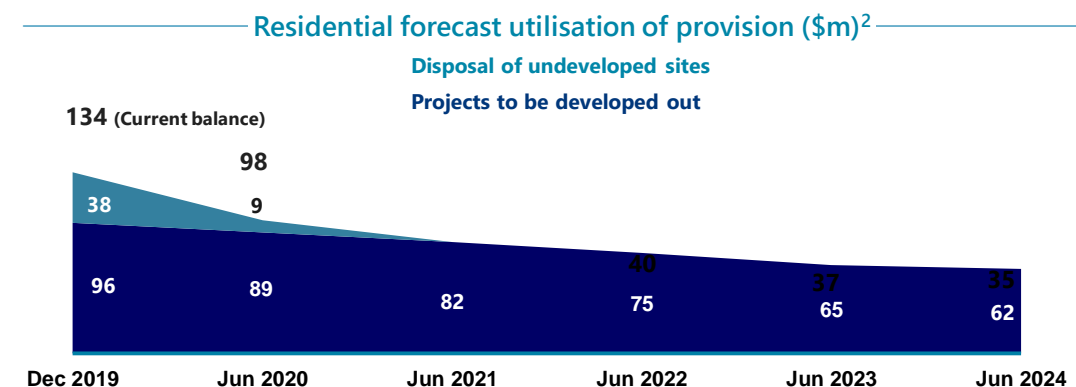
Residential Communities

Workout contribution to residential			
Residential	Core	Workout ¹	Total
Lots settled	2,053	105	2,158
Revenue	\$741m	\$38m	\$779m
Revenue	95%	5%	100%
EBIT	\$195m	\$13m	\$208m
EBIT margin	26.3%	34.1%	26.7%
Operating profit	\$134m	-	\$134m
Operating profit margin	18.1%	-	17.2%
Remaining lots	96%	4%	100%
Number of projects	48	7	55
ROA	20.9%	(1.2)%	19.3%

1. Includes all impaired projects.

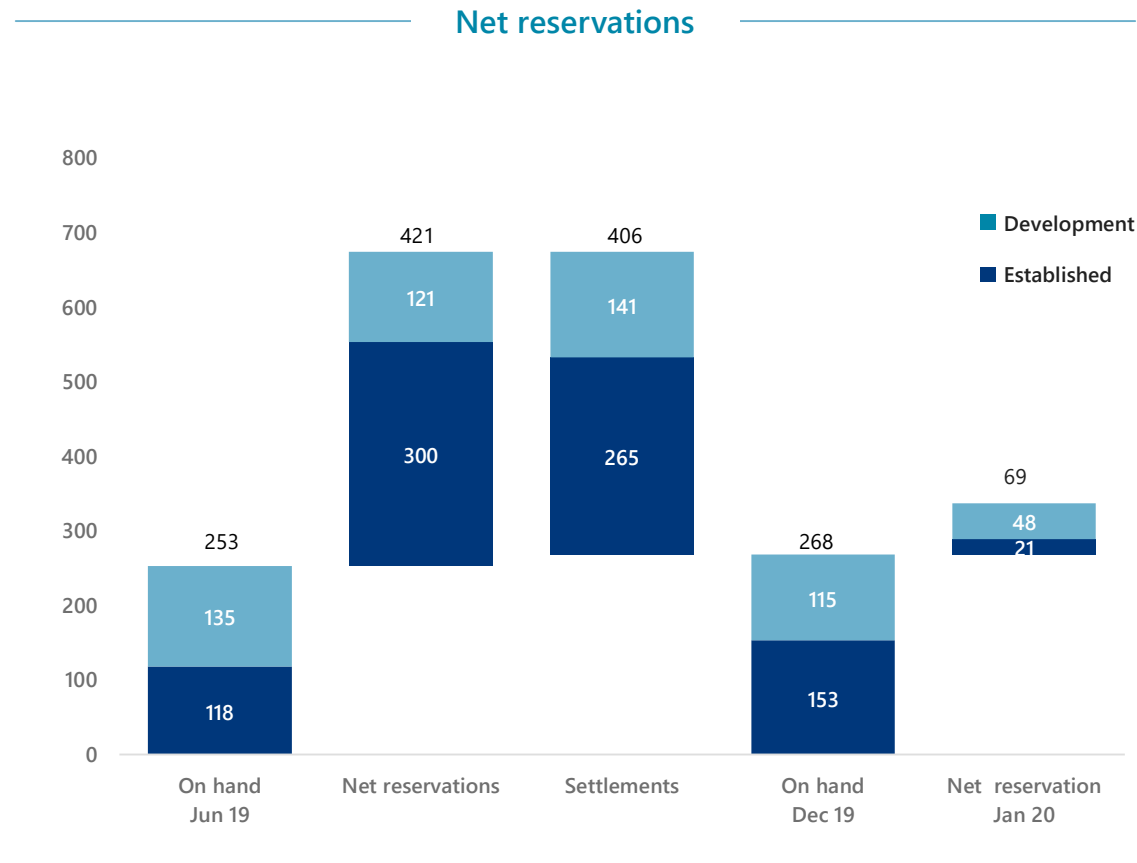
2. Forecast utilisation impairment provision as at 31 December 2019, based on forecast settlement dates, revenue and costs by project.

Residential impairment provision utilisation as at 31 December 2019		
		(\$m)
Net decrease in impairment		-
Utilisation of provision		(15)
	Impairment provision balance (\$m)	Final settlement
Projects to be developed	96	~10 yrs
Disposal of undeveloped sites	38	~2 yrs
Total	134	



Profit driven by development settlements and village disposals

Retirement Living



Key metrics	1H20	1H19	Change
Retirement Living			
FFO	\$17m	\$20m	(13.8)%
Occupancy	93.3%	94.1%	
Cash ROA	4.5%	4.5%	
Established portfolio			
Established settlements	265	244	8.6%
Withheld settlements (units) ¹	6	14	(57.1)%
Total settlements (units)	271	258	5.0%
Average re-sale price (\$k)	378	378	0.1%
Turnover cash per unit (\$k)	92	99	(6.7)%
Turnover cash margin	24.4%	26.1%	
Reservations on hand	153	160	(4.4)%
Development portfolio			
Development settlements	141	115	22.6%
Average price per unit (\$k)	604	617	(2.2)%
Average margin (excludes DMF)	13.0%	19.4%	
Reservations on hand	115	123	(6.5)%

1. Units withheld from sale for redevelopment upon which profit has been recognised.

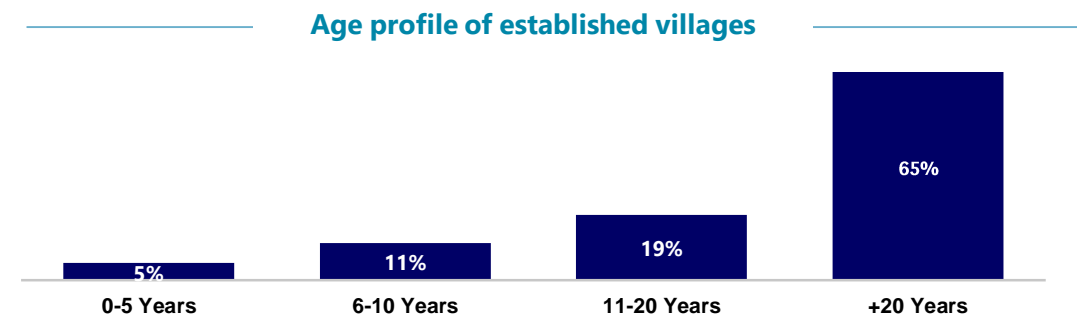
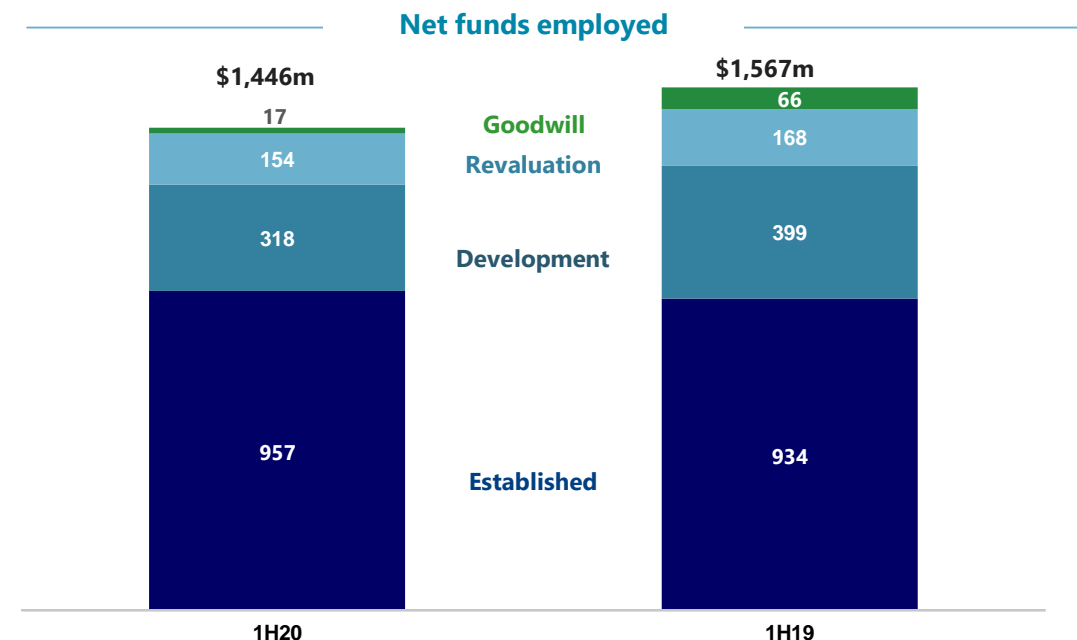
Established portfolio

Retirement Living

Portfolio statistics	1H20	1H19
Established villages	63	65
Established units	9,271	9,676
Established units settlements	265	244
Witheld units	6	14
Turnover rate excluding developments ¹	6.5%	6.9%
Turnover rate total portfolio	5.9%	6.1%
Average age of resident on entry	73.3 yrs	73.3 yrs
Average age of current residents	80.8 yrs	80.7 yrs
Average tenure on exited residents	9.4 yrs	8.5 yrs
Average village age	25.8 yrs	24.9 yrs
Development pipeline	3,485 units	2,330 units

Key valuation assumptions	1H20	1H19
Weighted average discount rate	13.0%	13.0%
Weighted average 20 year growth rate	3.2%	3.2%
Average length of stay of current and future residents	11.0 yrs	11.0 yrs

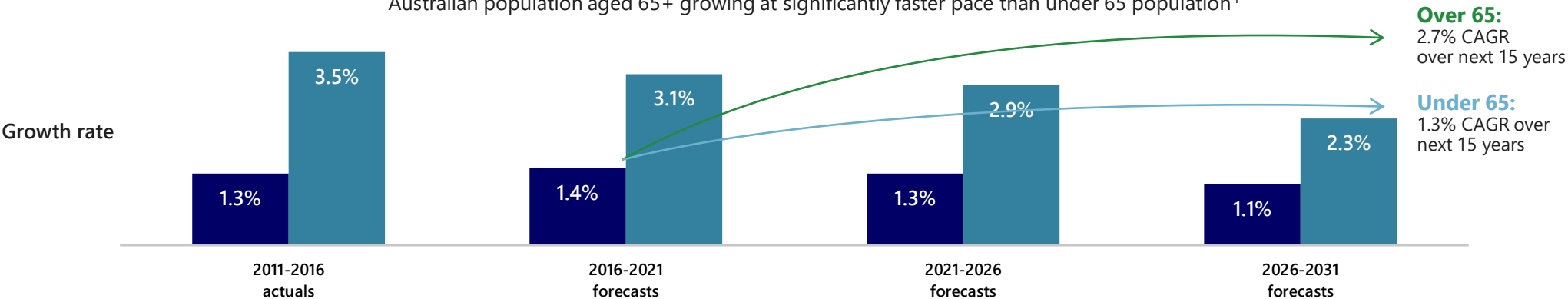
1. Excludes development settlements from last five years.



Retirement Living: strong demand drivers

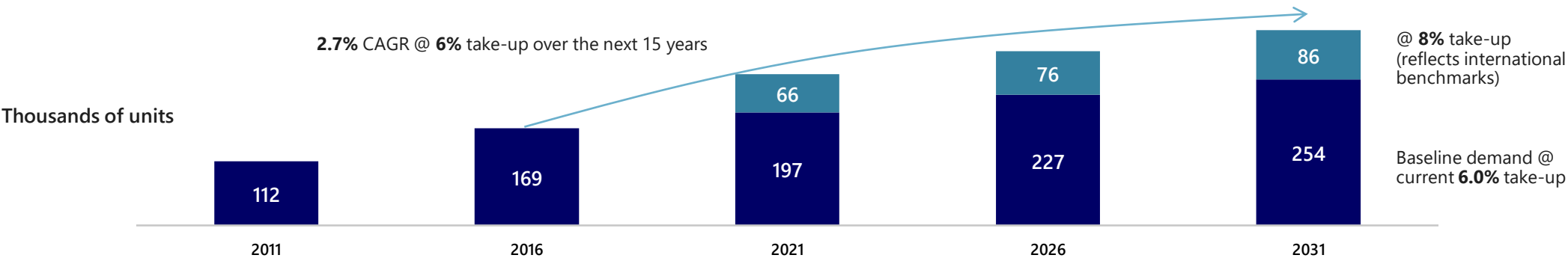
Compelling demand fundamentals

Australian population aged 65+ growing at significantly faster pace than under 65 population¹



Implied demand for units

Current rate of supply insufficient to meet baseline implied demand^{1,2}

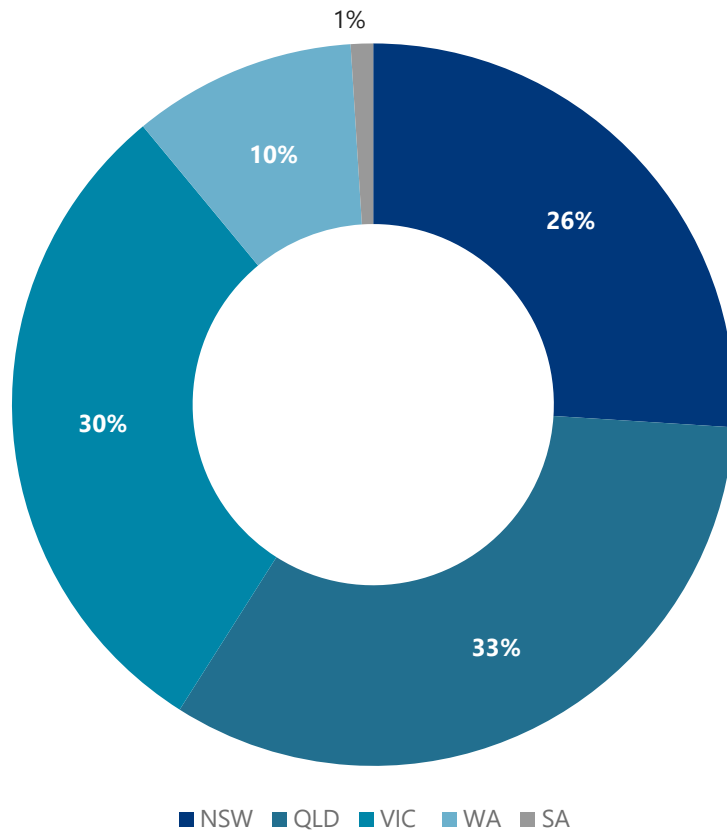


1. ABS 3222.0 - Population Projections, Australia, 2017.
2. Assumes 1.3 residents per unit.

Development pipeline

Retirement Living

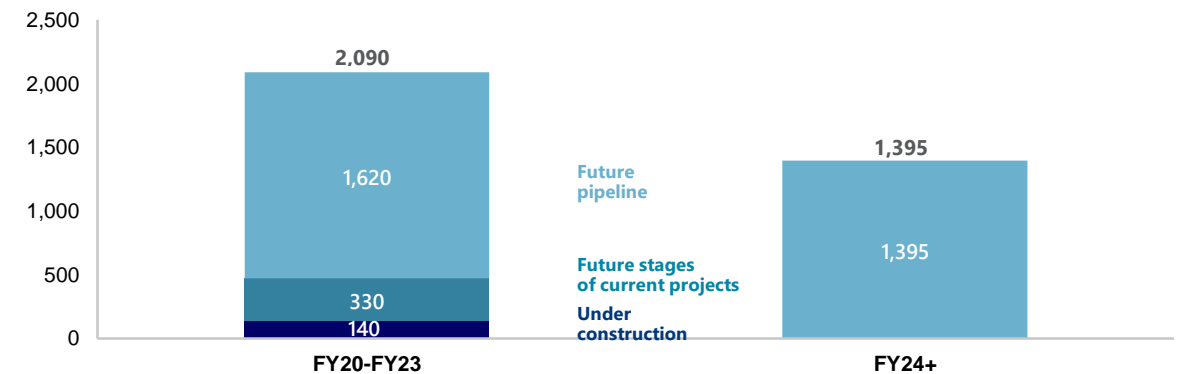
Geographically diverse development pipeline



Development pipeline breakup

Development Pipeline	1H20
Development villages	21
Total development pipeline units	3,485
- Greenfield pipeline units	680
- Village renewal pipeline units	425
- Land lease units	2,380
Estimated end value including DMF	\$1.8bn

Development pipeline



Retirement Living pipeline

Construction timeframe		Future settlements	FY20	FY21	FY22	FY23	FY24+
1H20 completed projects	Completed projects						
	Sub-total	270					
Current	Elara Aspire, NSW						
	Affinity, WA						
	Willowdale, NSW						
	Calleya Aspire, WA						
	Somerton Park, SA						
	Sub-total	300					
To start within 18 months	Pine Lake, QLD						
	Sub-total	50					
Future projects	Epping, NSW						
	Sub-total	170					
Redevelopments	Proposed Redevelopments						
	Sub-total	315					
Land lease	Aura, QLD						
	Minta, VIC						
	North Shore, QLD						
	Cloverton, VIC						
	Sienna Wood, WA						
	West Dapto, NSW						
	Highlands, VIC						
	Grandview, VIC						
	Paradise Waters, QLD						
	Caboolture West, QLD						
	Donnybrook, VIC						
	Sub-total	2,380					
Total units yet to be released		3,485					

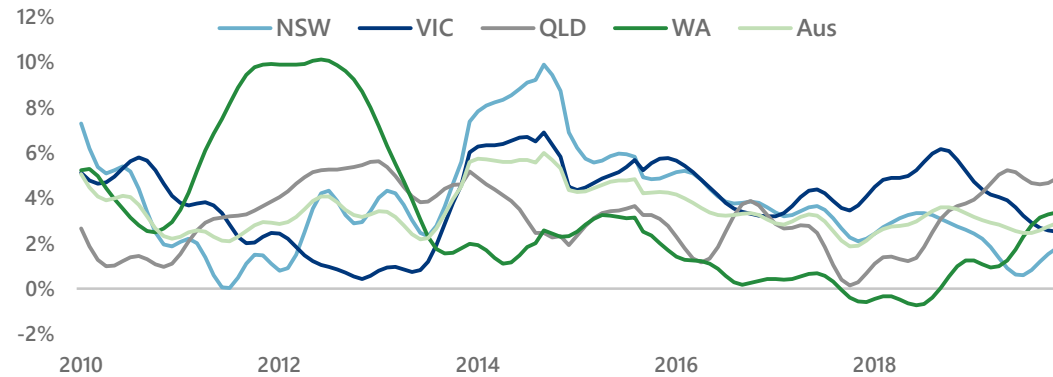
Research Annexure



Stockland

Retail trade environment

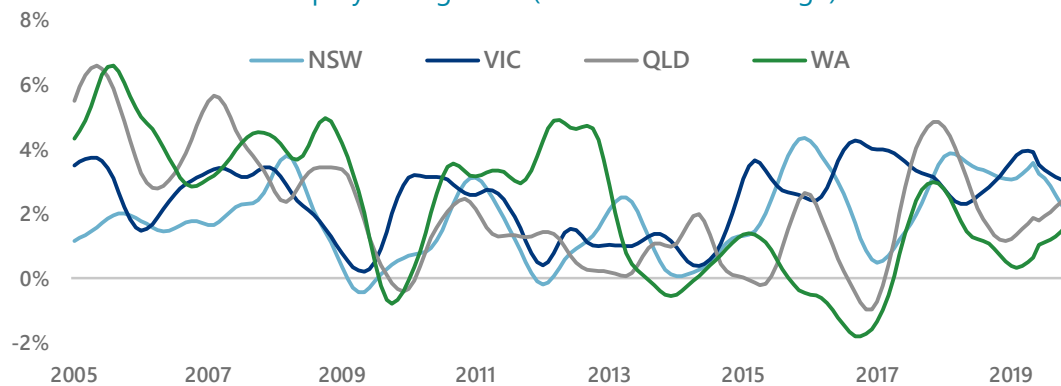
Retail Spend Growth by State (trend)¹



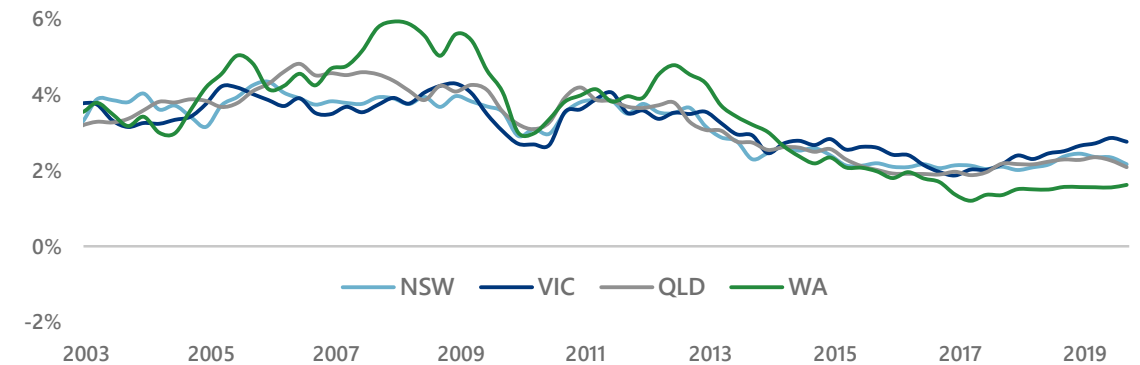
Consumer Sentiment trending down through 2019²



Employment growth trending up in Qld and WA³
Employment growth (Annual trend % change)



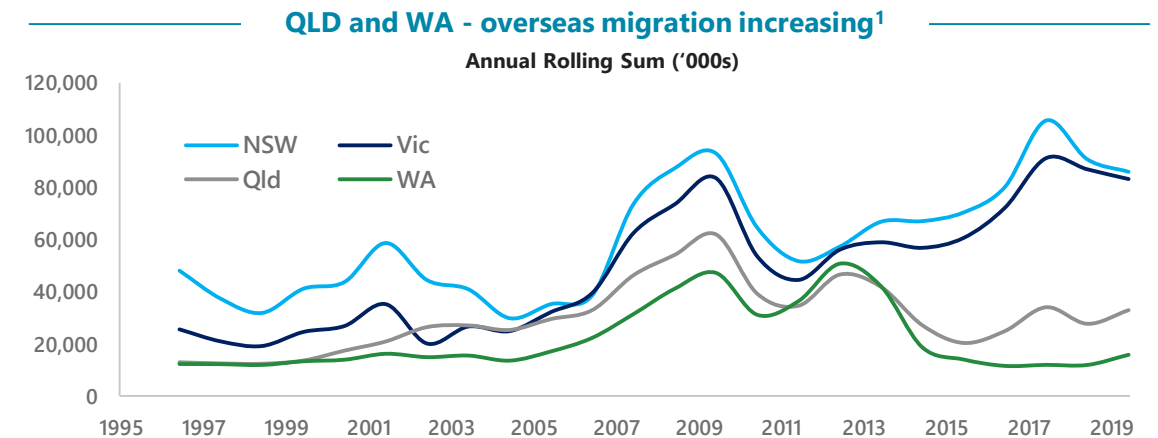
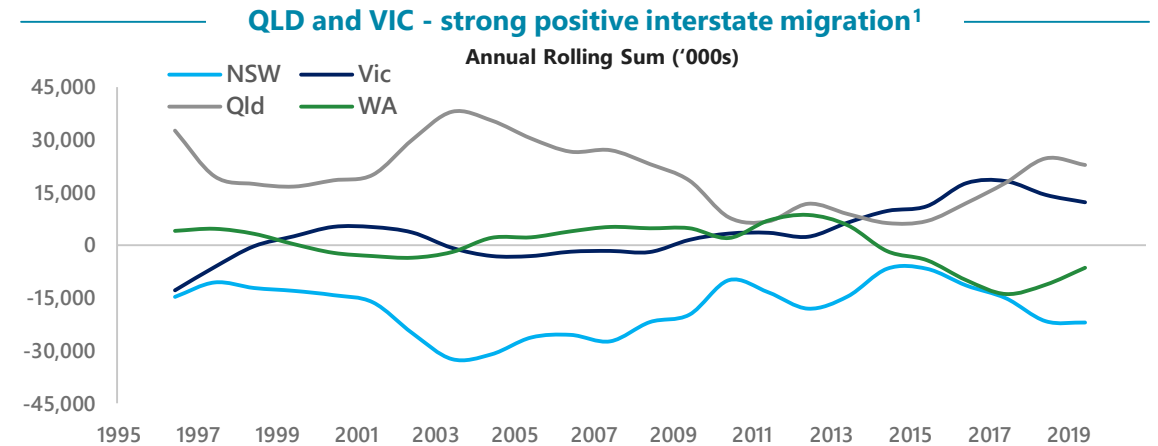
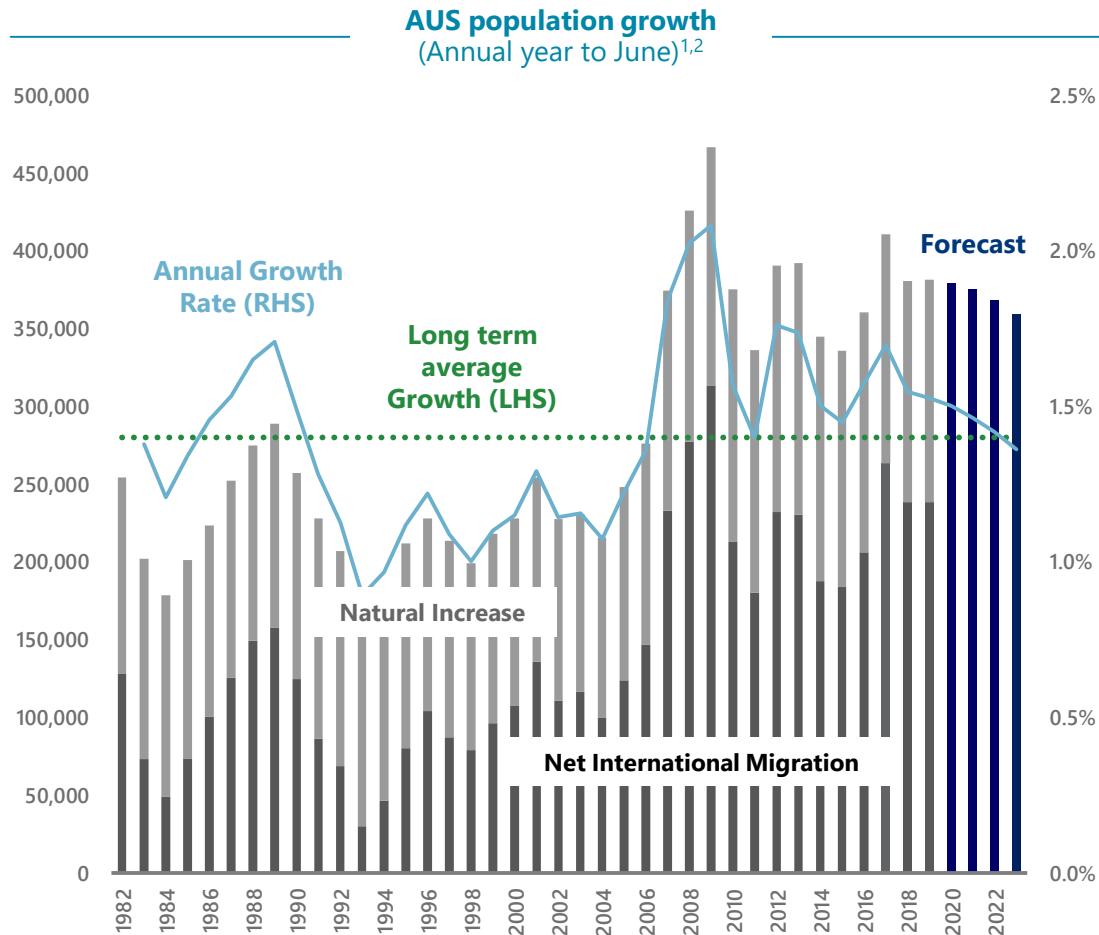
Wage growth remains moderate⁴



1. ABS Retail Trade 8501.0.
2. Westpac - University of Melbourne Consumer Sentiment Survey December 2019.

3. ABS 6202.0 - Labour Force, Australia, November 2019.
4. ABS 6345.0 - Wage Price Index, Australia, September 2019.

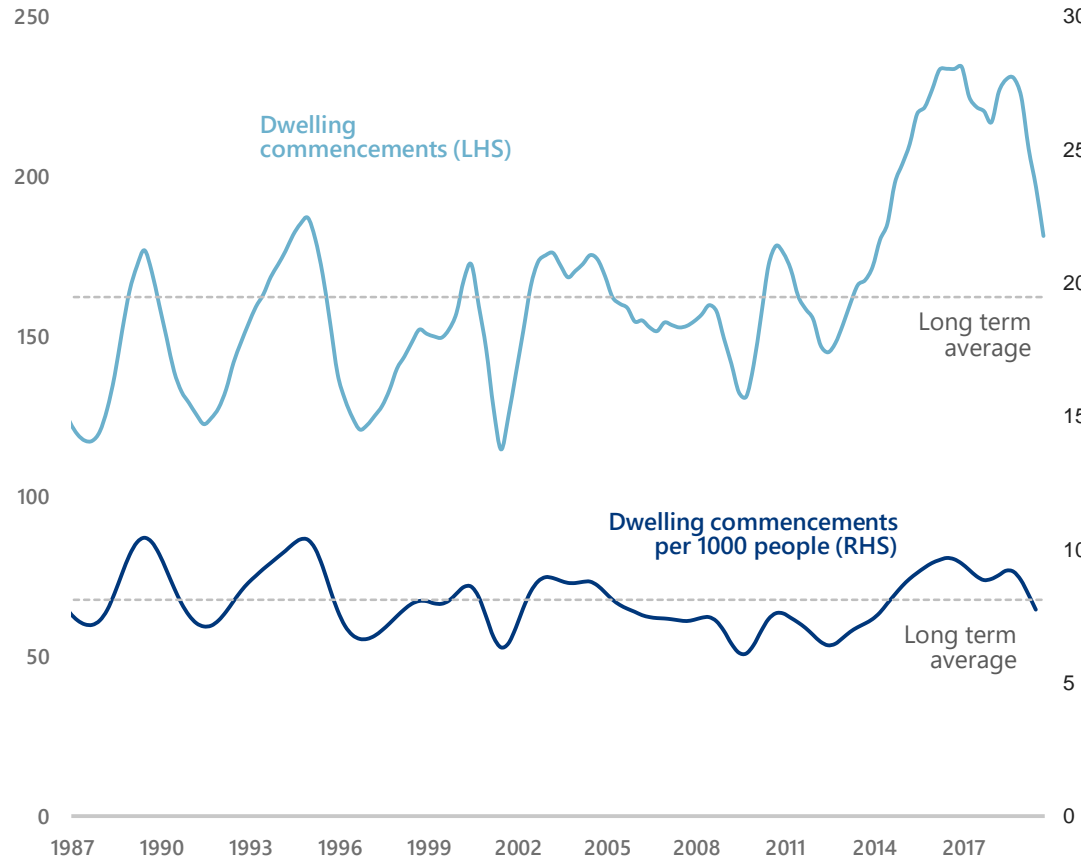
Population growth forecast to ease but remain historically high



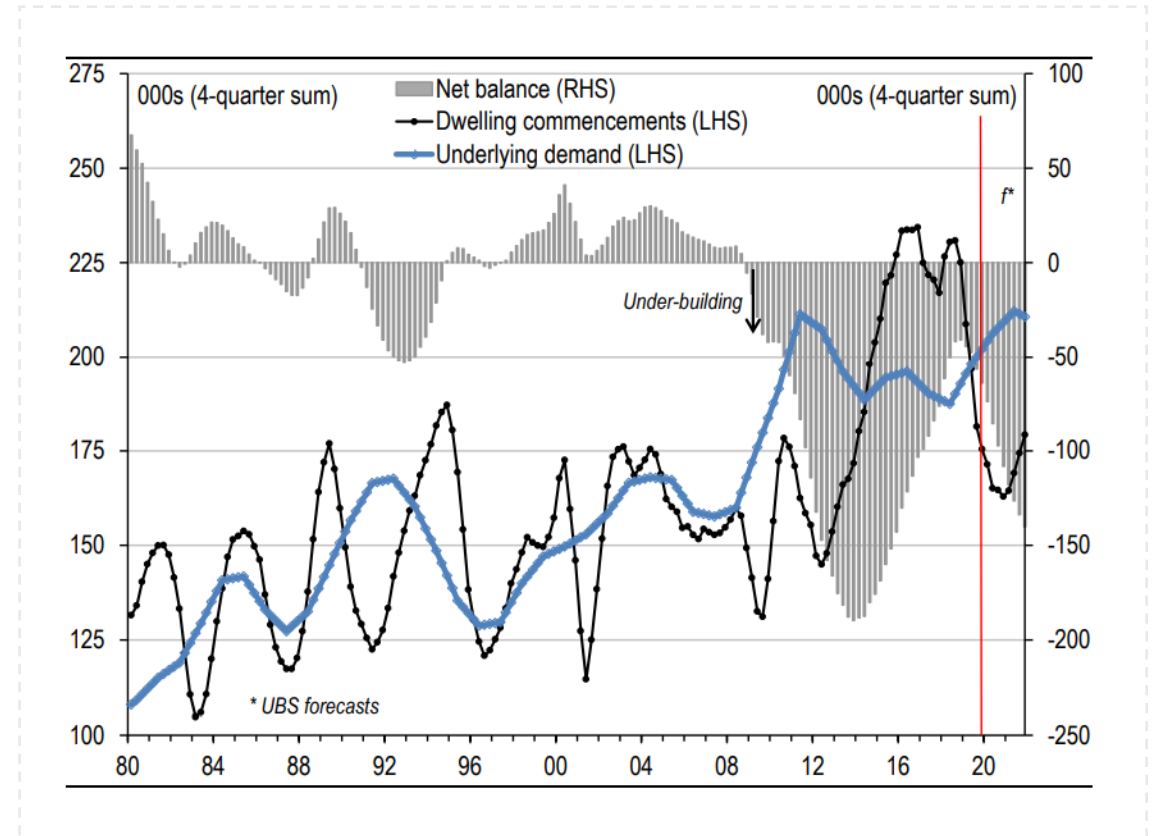
1. ABS 3101.0 - Australian Demographic Statistics, June 2019.
2. Deloitte Access Economics Business Outlook December 2019.

Dwelling commencements weak, undersupply to grow

Dwelling commencements are down heavily, now below long term average on per capita basis¹



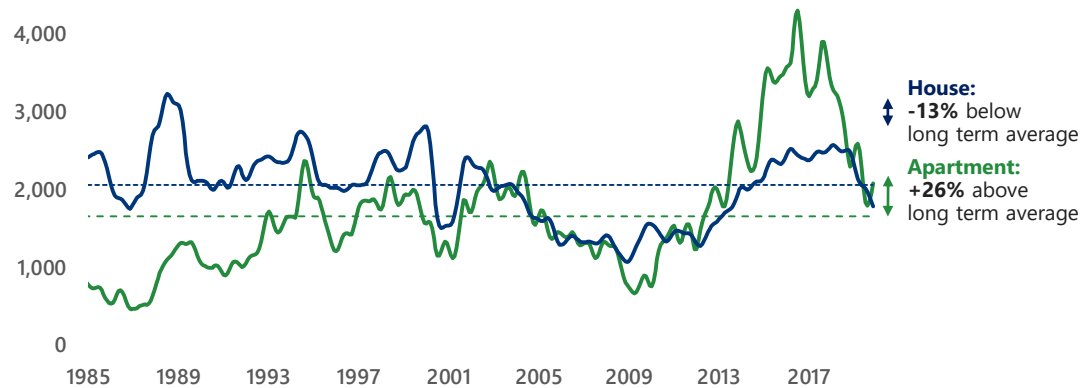
Dwelling undersupply forecast to grow²



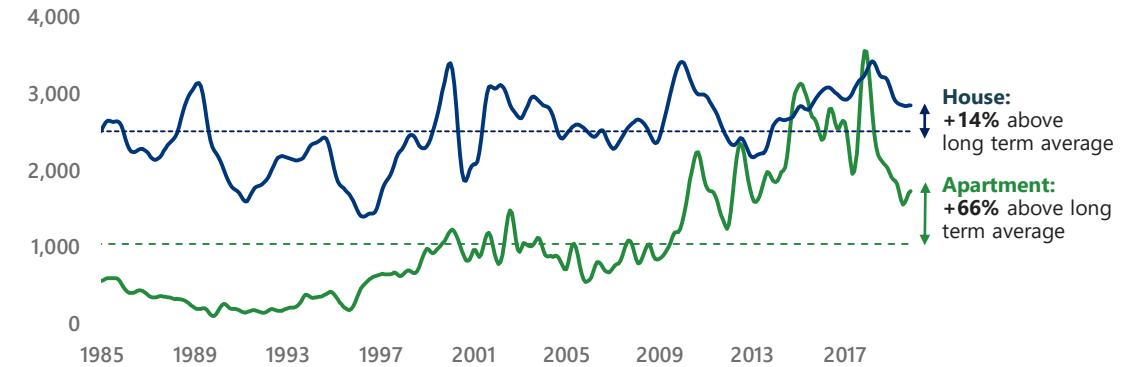
1. ABS 8752.0 - Building Activity, Australia, Sept 2019, 3101.0 - Australian Demographic Statistics, June 2019, Stockland Research.
2. UBS Economics, January 2020.

National building approvals

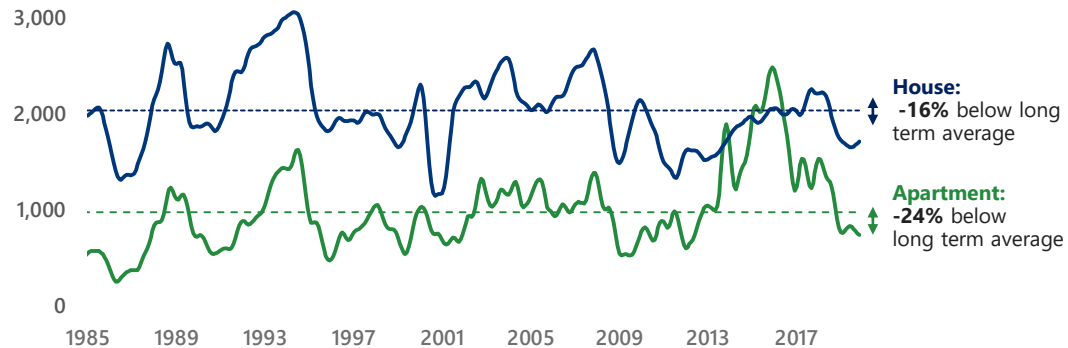
NSW dwelling approvals¹ falling though 2019



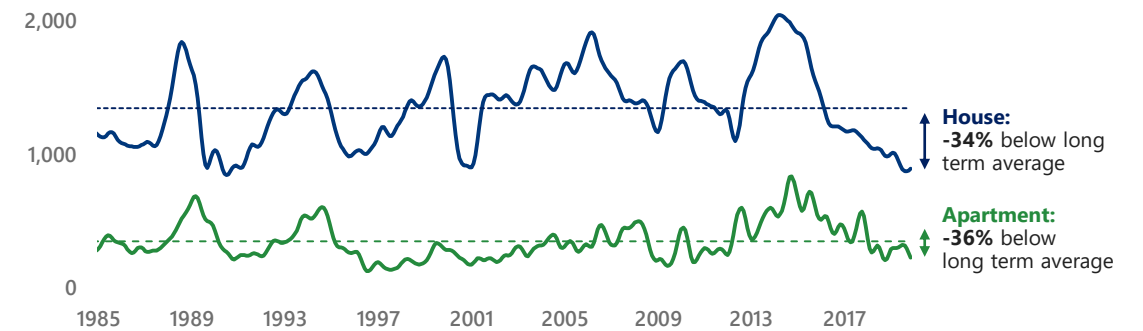
VIC unit approvals rising in second half of 2019



QLD unit approvals boom fully unwound



WA house approvals stabilising, unit approvals continuing to trend down

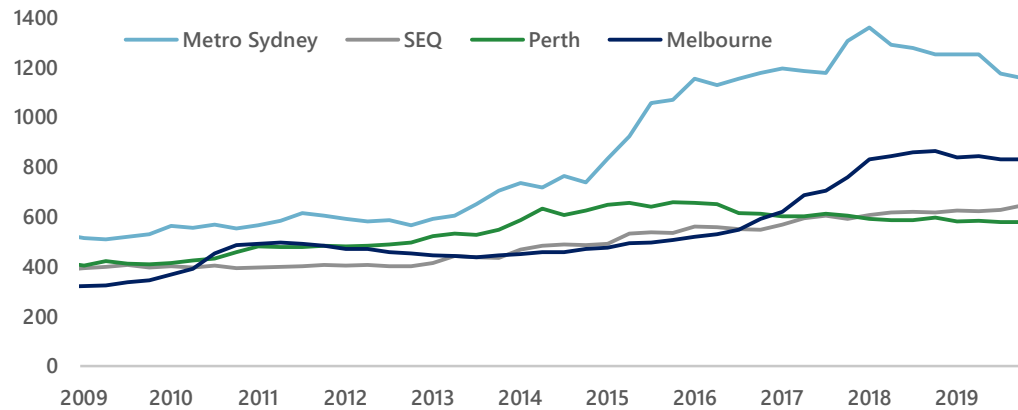


1. ABS 8731.0 – Building Approvals, November 2019.

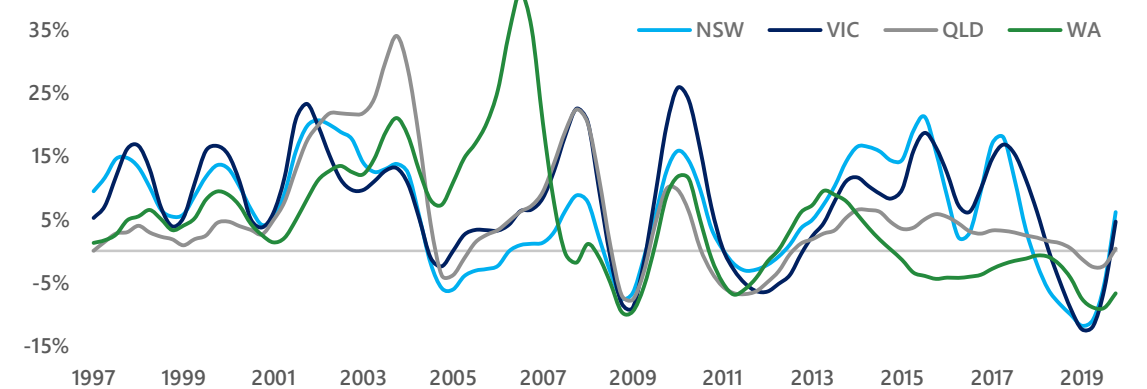
National house and land prices

Price recovery well underway across the country in established markets

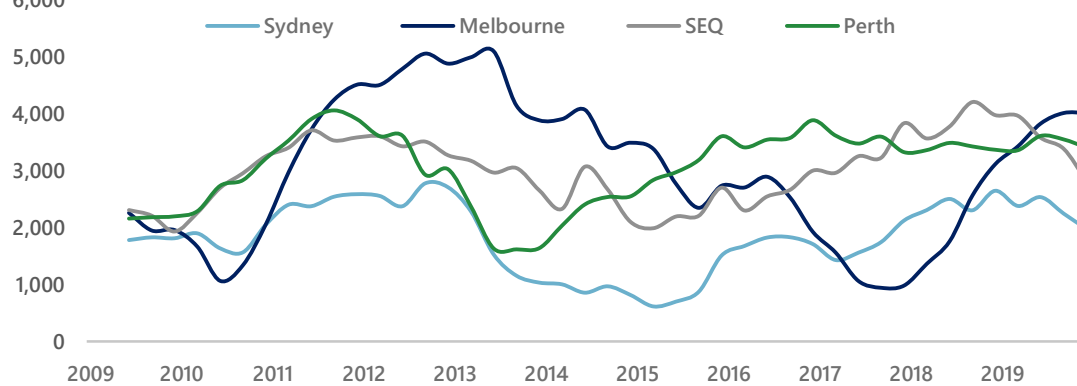
Land Price per sqm¹



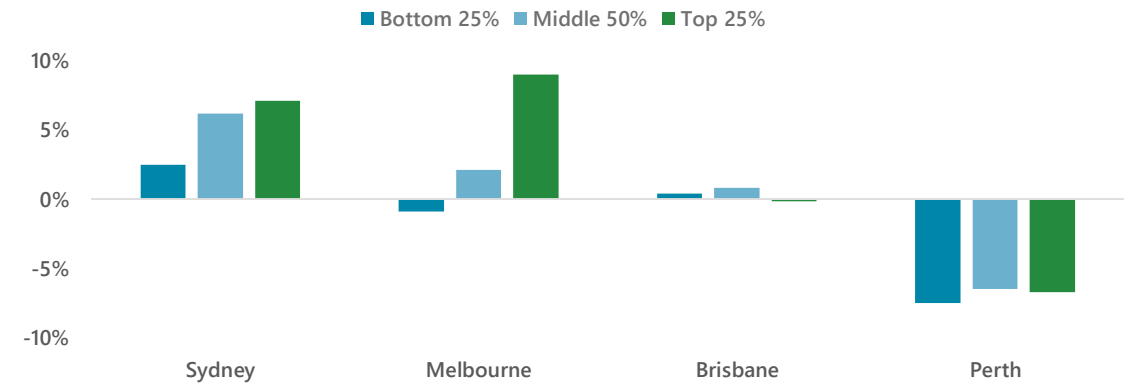
Capital City House Prices – Rolling Annual Change²



Closing stock of land lots¹



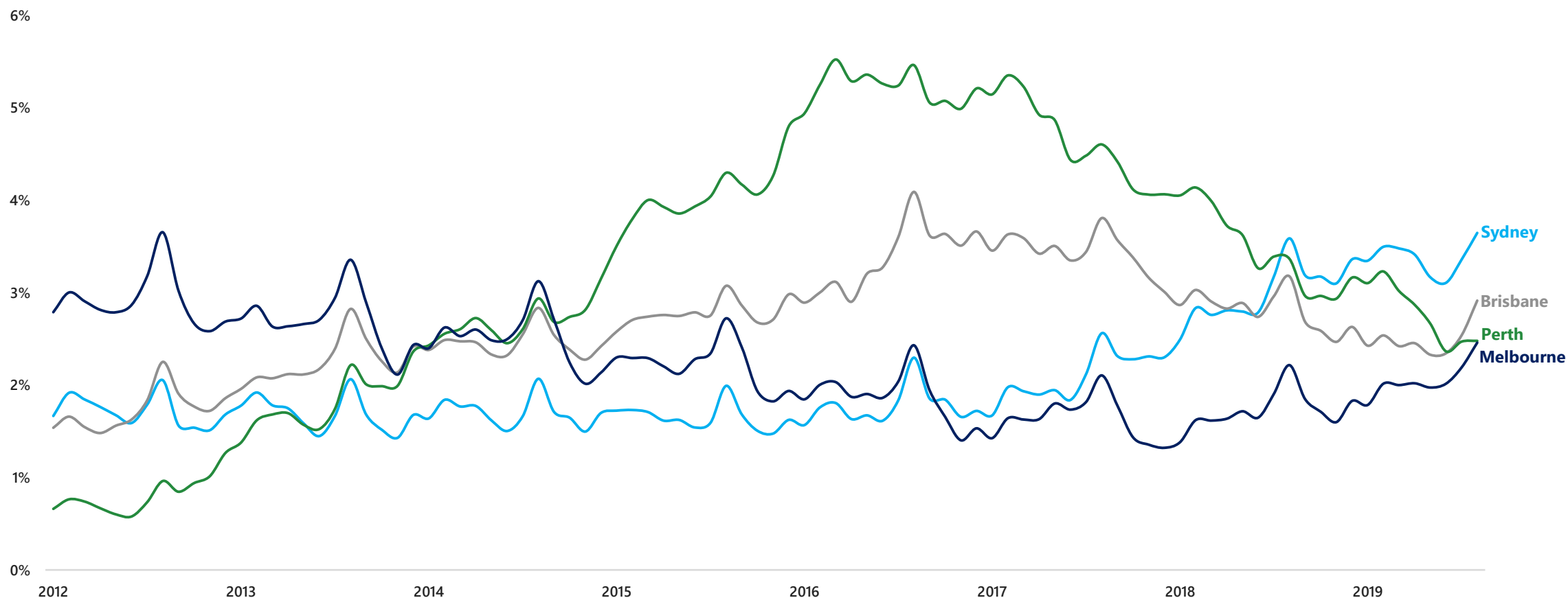
Price recovery largest in more expensive regions of Sydney & Melbourne²



1. National Land Survey Dec Qtr. 2019, Research4.
2. CoreLogic December 2019.

Residential vacancy rates

Rental vacancy rates¹ trending up in Sydney, Melbourne, down in Perth



1. SQM Research Dec 2019.

Vacant land market recovering strongly in Sydney and Melbourne¹

NSW vacant land sales up 82% in second half of 2019

Quarterly Sales



VIC vacant land sales still below long term average levels

Quarterly Sales



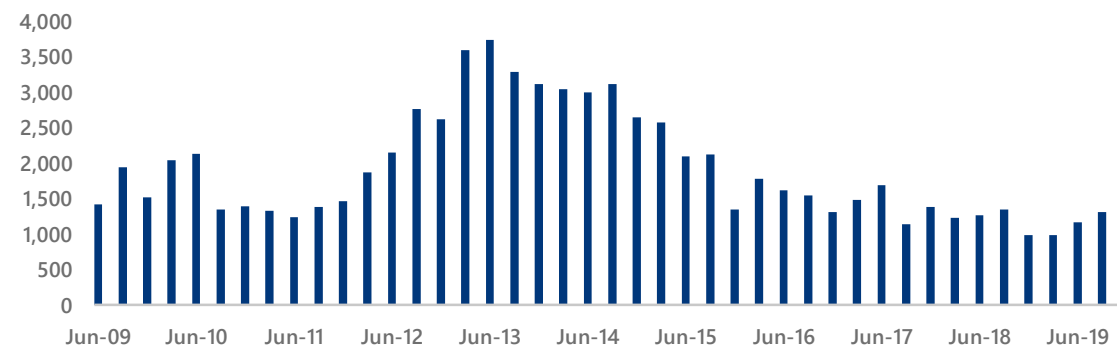
SEQ land market volumes back to long term average levels

Quarterly Sales



Perth vacant land volume recovery more subdued than eastern markets

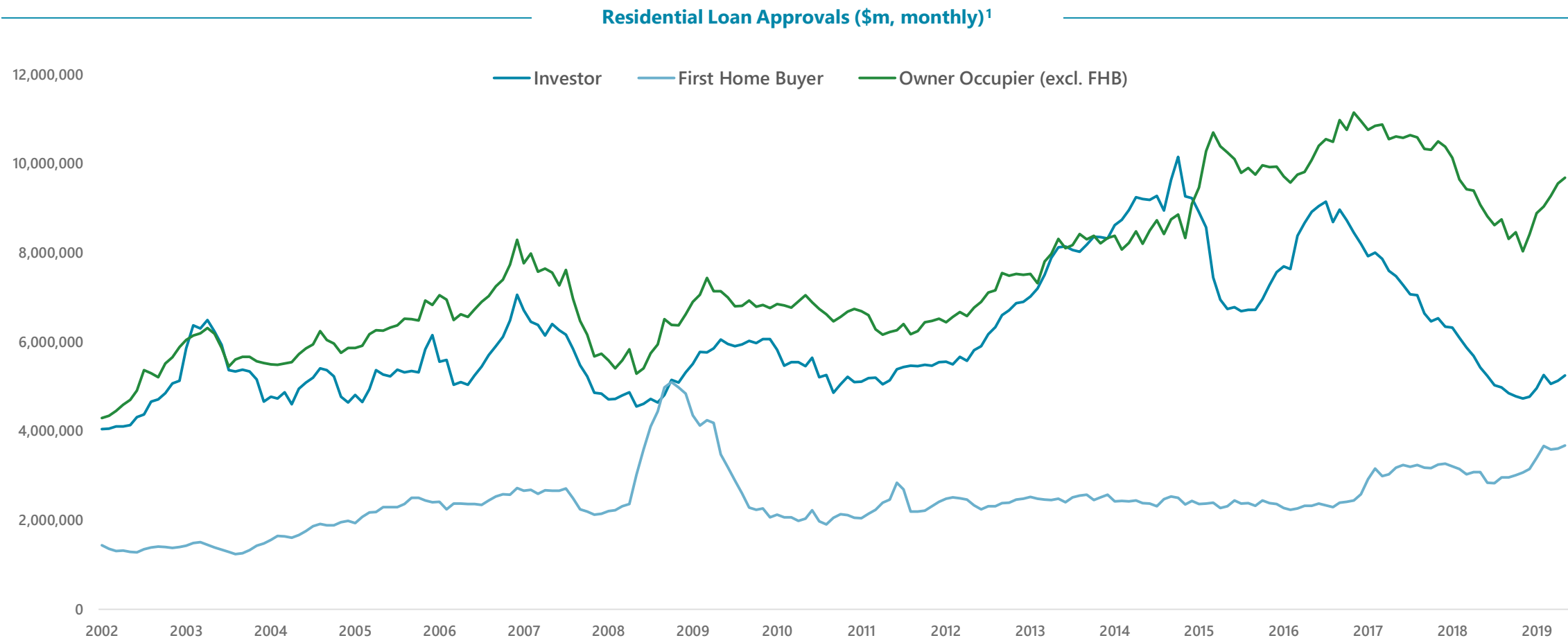
Quarterly Sales



1. National Land Survey December Qtr. 2019, Research4.

Housing finance

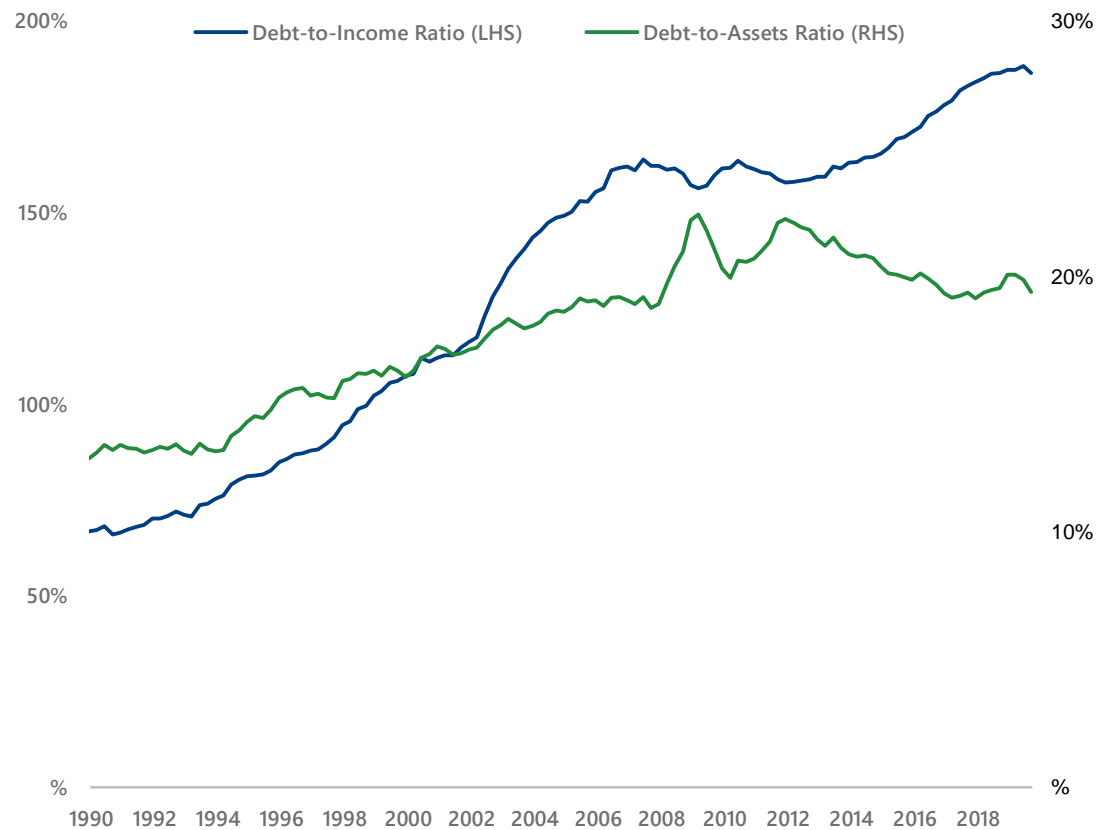
First home buyer activity historically strong. Strongest recovery in household lending to owner occupiers.



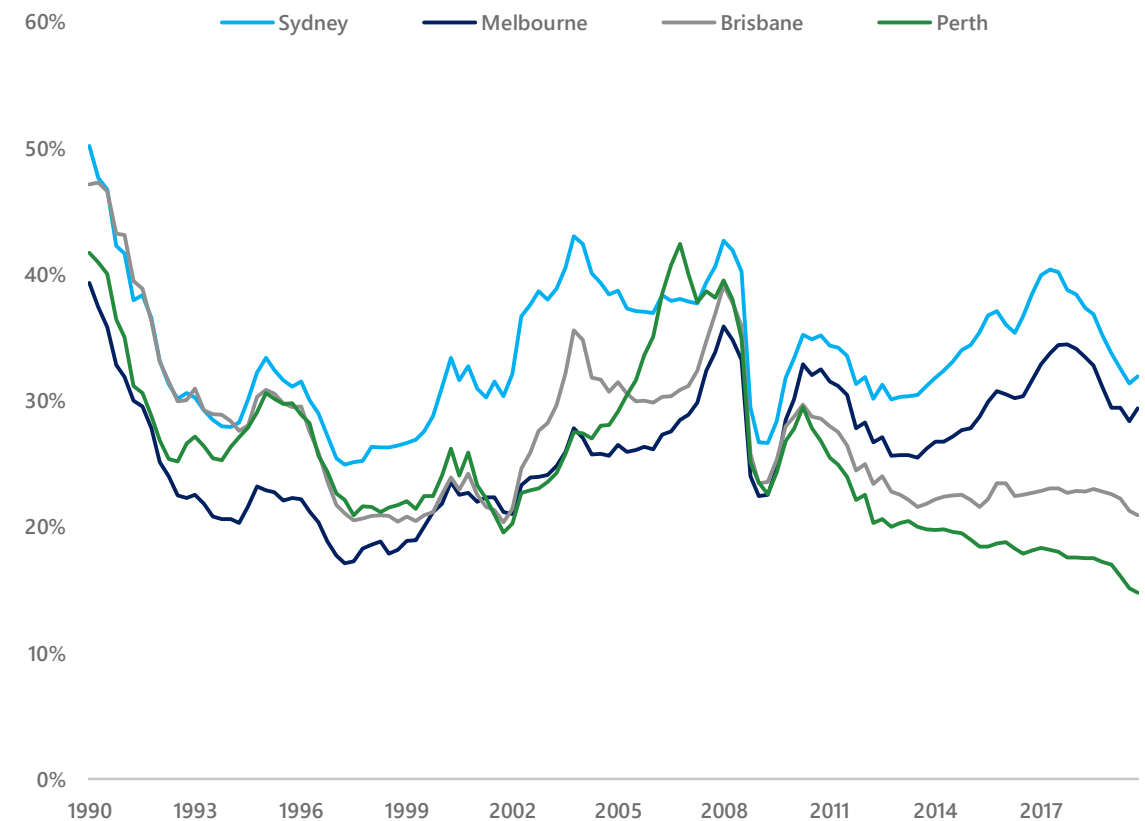
1. ABS Lending Indicators Nov 2019, Cat. No. 5601.0.

Household affordability trends

Household Debt-to-Asset and Debt-to-Income ratios eased in second half 2019¹



Affordability improvement halted in Sydney and Melbourne as house prices rise strongly and wage growth remains weak²



1. RBA, ABS.
2. Mortgage repayments as a percentage of household income, ABS, RBA, CoreLogic, Stockland Research.



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