



Stockland

## Group update

Matthew Quinn, Managing Director

# Agenda

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## Presentation and Webcast

- Group Update - Matthew Quinn, Managing Director
- Residential Communities strategy, performance and market update - Mark Hunter, CEO Residential
- Queensland market update - Kingsley Andrew, GM Queensland Residential
- Q & A - Matthew Quinn, Mark Hunter, Kingsley Andrew

*Morning Tea*

## Caloundra Presentation and Tour

- Caloundra South briefing - Ben Allen, GM - Sustainable Communities; Marc Wilkinson, Queensland State Planning and Design Manager; Ben Simpson, Caloundra Project Director
- Bus to Brightwater

*Lunch at Brightwater*

- Drive-by of Kawana and Birtinya Island – Troy Wainwright
- Asset tour of Caloundra South - Marc Wilkinson, Ben Simpson
- Q & A - Mark Hunter, Kingsley Andrew, Ben Allen

# Our Vision, Strategy and Competitive Advantages

## Our Vision

- To be a trusted partner with government to deliver vibrant and sustainable communities, retail centres and social hubs
- To deliver our customers 'a better way to live'
- To be Australia's preeminent greenfield community developer

## Our Strategy

- Create market leading capabilities for the development and management of Residential Communities, Retirement Villages and Retail centres across Australia
- Where possible, to bring all three businesses together in major projects under one brand
- Work with government for the provision of early infrastructure (transport, education, jobs) to embed community well-being

## Our Competitive Advantages

- Faster speed to market by building trust with key approval authorities and other stakeholders
- Higher Residential and Retirement Living sales rates and prices by putting infrastructure on the ground ahead of our competitors (seeing is believing for our customers)
- Higher occupancy in our Retail centres through our retailer engagement strategy, focus on day-to-day convenience and by not over-building
- Greater asset buying power by using our strong capital position to give vendors financial certainty
- Economies of scale and cost efficiency

## Our Retail centres are outperforming the market

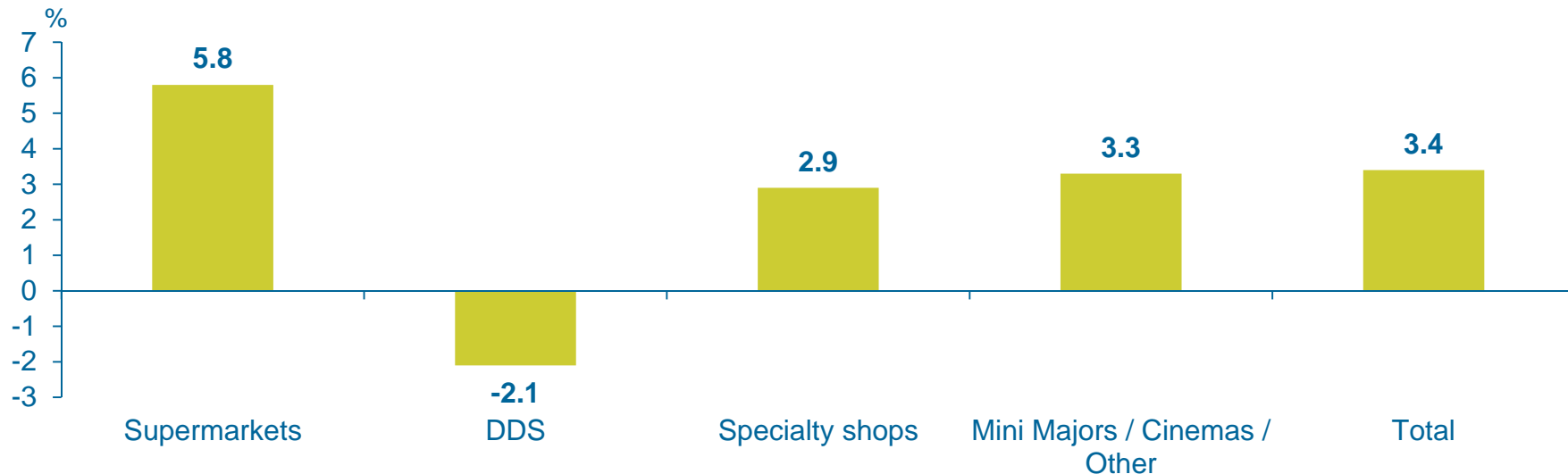
### Value and convenience offering continues to be more resilient

- MAT performance to 30 September 2011 stronger than market; October sales continued this trend
- Centres in regional markets such as Gladstone, Nowra and Traralgon are trading particularly well
- Redeveloped centres trading extremely well – Rockhampton and Balgowlah
- Some metropolitan retail centres are underperforming – e.g. The Pines and Bull Creek

### Redevelopments on track

- Major projects at Merrylands, Townsville and Shellharbour all on time and on budget
- Planning progressing at Wetherill Park and Green Hills and we can afford to be patient

### Comparable Moving Annual Turnover growth to 30 Sep 2011



# Business update

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## Residential market conditions

- Too early to determine benefits from 25 bps interest rate cut
- Positive Residential sales momentum has continued through October and November:
  - First Home Buyers are the most active segment - will benefit most from interest rate cut
  - Affordable product in strong demand

## Commercial Property asset sales

- Demand remains strong for quality office and industrial assets:
  - Disposed of \$625m to date in FY12
  - We will continue to pursue selective disposals to fund current share buyback and keep debt low

## Share Buyback

- Bought 60.6 million shares (2.6% of total issued) at VWAP of \$2.94

## FY12 group earnings

- Residential profits will be skewed more than usual to the second half due to:
  - Soft conditions in July and August
- Still expect FY12 EPS to be around the same as FY11 (excluding the impact of the buy-back)





## **Residential Communities – Investor Briefing**

Mark Hunter, CEO Residential

23 November 2011

# **Agenda**

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- 1. Our Residential Communities strategy**
- 2. Bringing our strategy to life**
- 3. Financial performance**
- 4. Market Update**

# Stockland is the leading Residential Community developer in Australia

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- **We consistently deliver strong returns**
  - Delivering record EBIT in FY11
  - In FY11 sold five times as many lots in our active corridors as the next competitor
  - High RONFE (return on net funds employed)
- **We have a unique, diversified portfolio**
  - 73 communities across four States
  - More than 90,000 lots
  - End market value approximately \$24bn
- **We are well positioned for significant growth**
  - We expect to launch 16 new projects over the next two years
  - Our low cost, long-term land bank secures future growth and returns
  - A proven strategy, which opens opportunities for further growth



# Our strategy remains to deliver affordable, high-quality residential communities for middle Australia

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## Our aim

- To be Australia's leading greenfield community developer
- To be a trusted partner with government to deliver vibrant and sustainable residential communities
- To deliver our customers 'a better way to live'

## Our strategy

- Focus on large scale greenfield projects with speed to market
- Target high growth corridors for improved market reach and geographic diversity
- Focus on customer engagement, product and community creation to drive competitive advantage, supported with an active stakeholder engagement platform
- Leverage 3-R strategy to deliver better community amenity and extract financial synergies

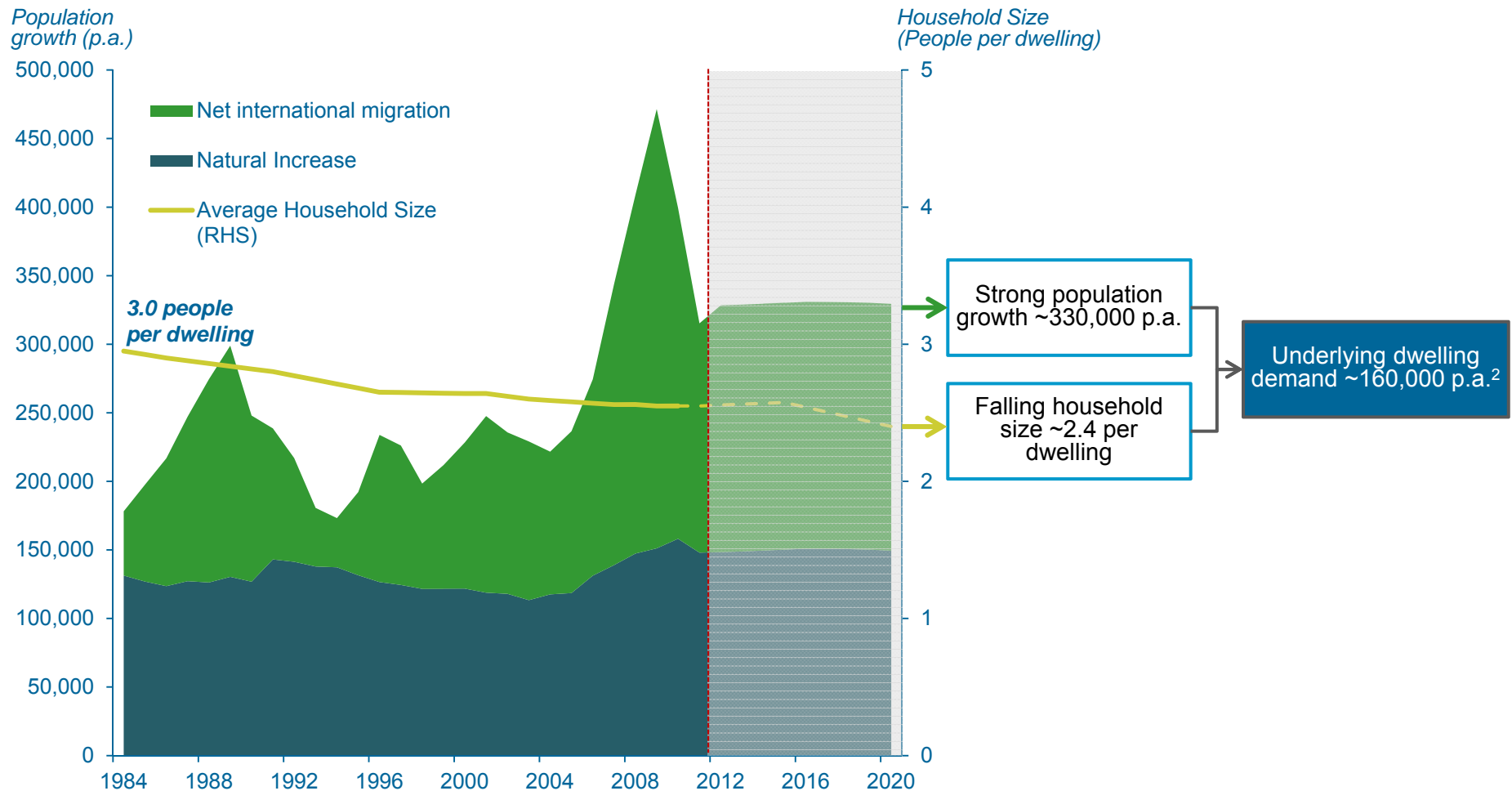
## Our competitive advantages

- Proven ability to identify and acquire quality land
- Deep customer insight
- A targeted affordable product development platform
- Dedicated and meaningful community development initiatives
- Strong government and community relationships

## Our measures of success

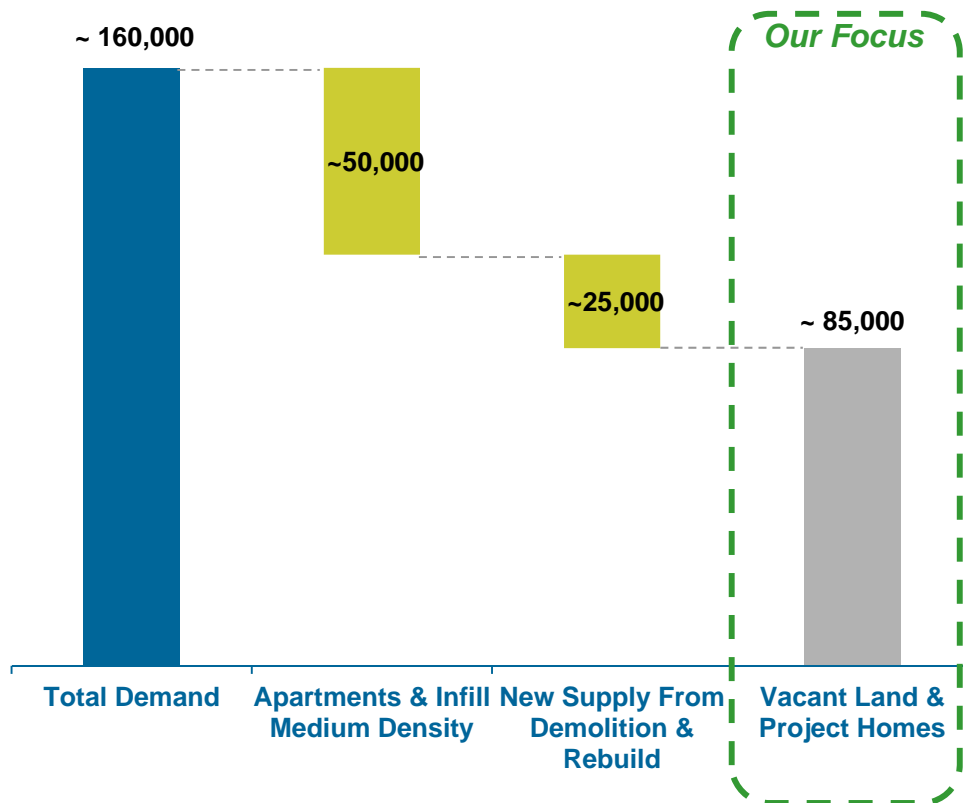
- Acquisition hurdles of >20% IRR, 25% - 30% EBIT margins
- Target market share of 25%+ in active corridors

# Strong population and declining household size creates underlying annual demand for 160,000 dwellings<sup>1</sup>

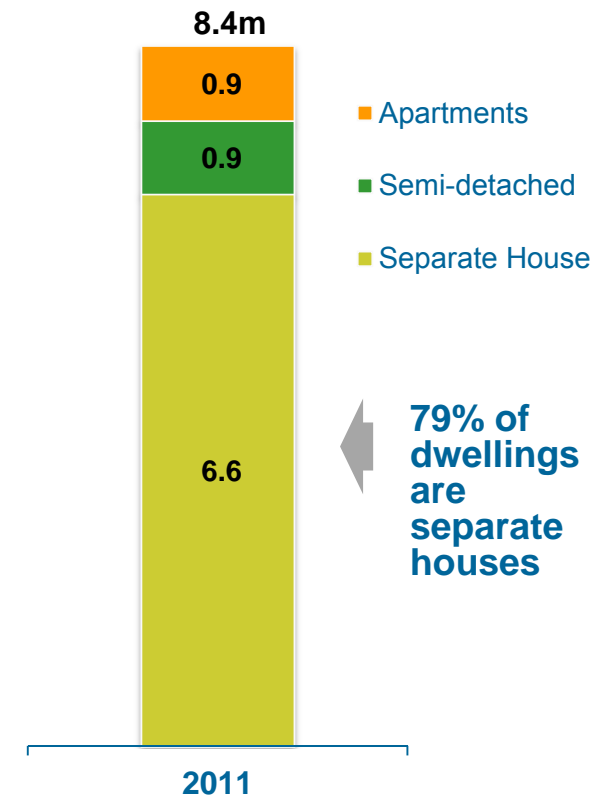


# Vacant land sales are the largest part of the market

Average annual underlying demand<sup>1</sup>

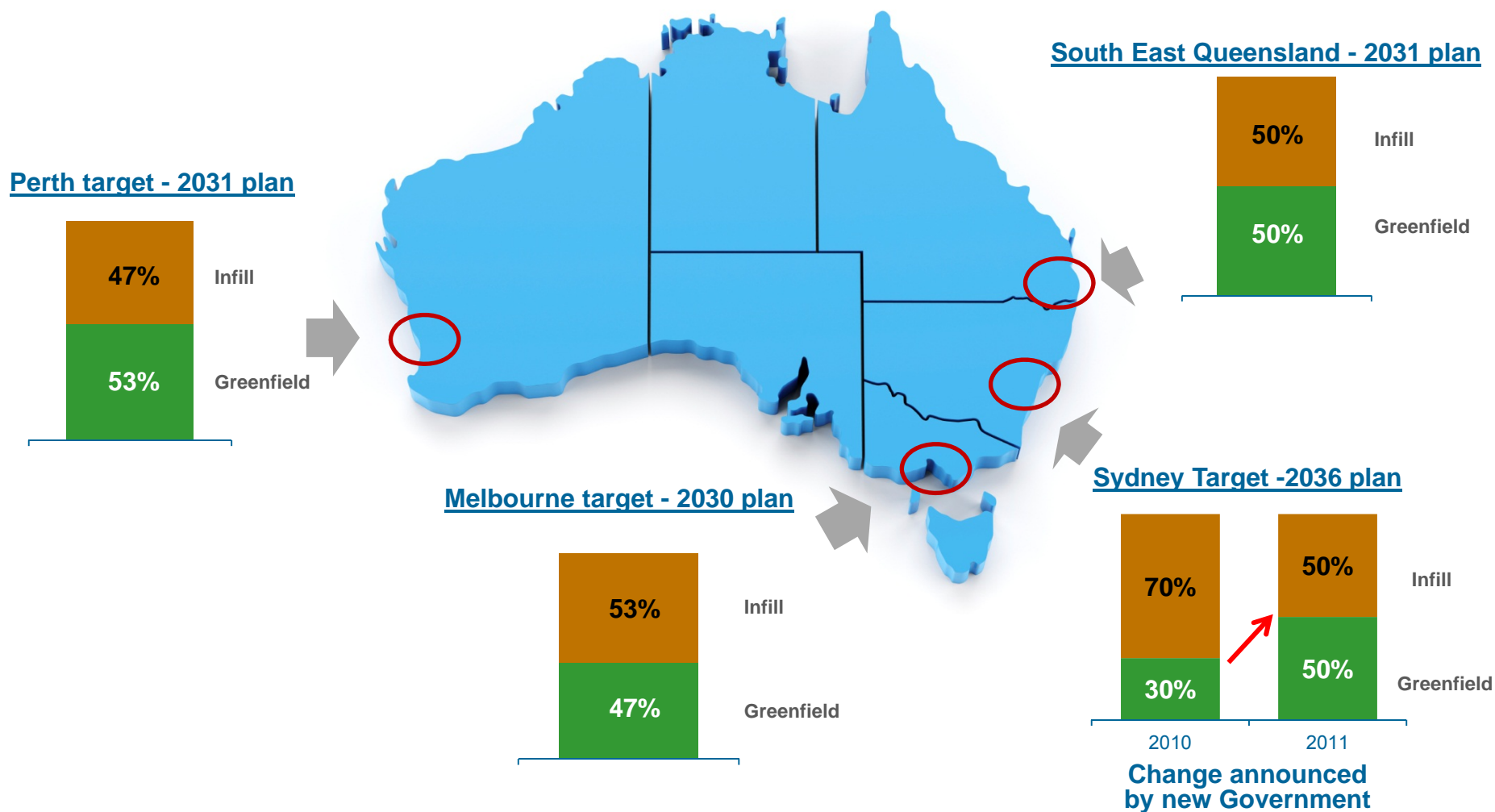


Australian established dwelling stock<sup>1</sup>



# Detached homes in greenfield areas will remain at least 50% of total supply

State Governments acknowledge that greenfield is key to meet future urban housing needs<sup>1</sup>



# Vacant land is lower risk and less capital intensive than building houses and apartments

## Vacant land sales

- Largest market segment
- Can acquire in large parcels with economies of scale
- Staged capital investment
- Can quickly react to changing market demands and product types
- Production platform very scalable
- Consistent and repeatable processes across geographies
- Higher risk adjusted returns than built form

***Our focus***

## House building

- Greater exposure to supply chain risk
- Rigorous compliance requirements
- Labour intensive
- Low barriers to entry
- Low margins on built form
- Lengthy product warranty liability

*We partner with the largest national homebuilders*

## Apartments

- Large upfront and ongoing capital requirement
- Income deferred until project completion
- High approval hurdles in infill areas
- Limited product flexibility once commenced
- Limited number of scalable development sites
- Lengthy product warranty liability

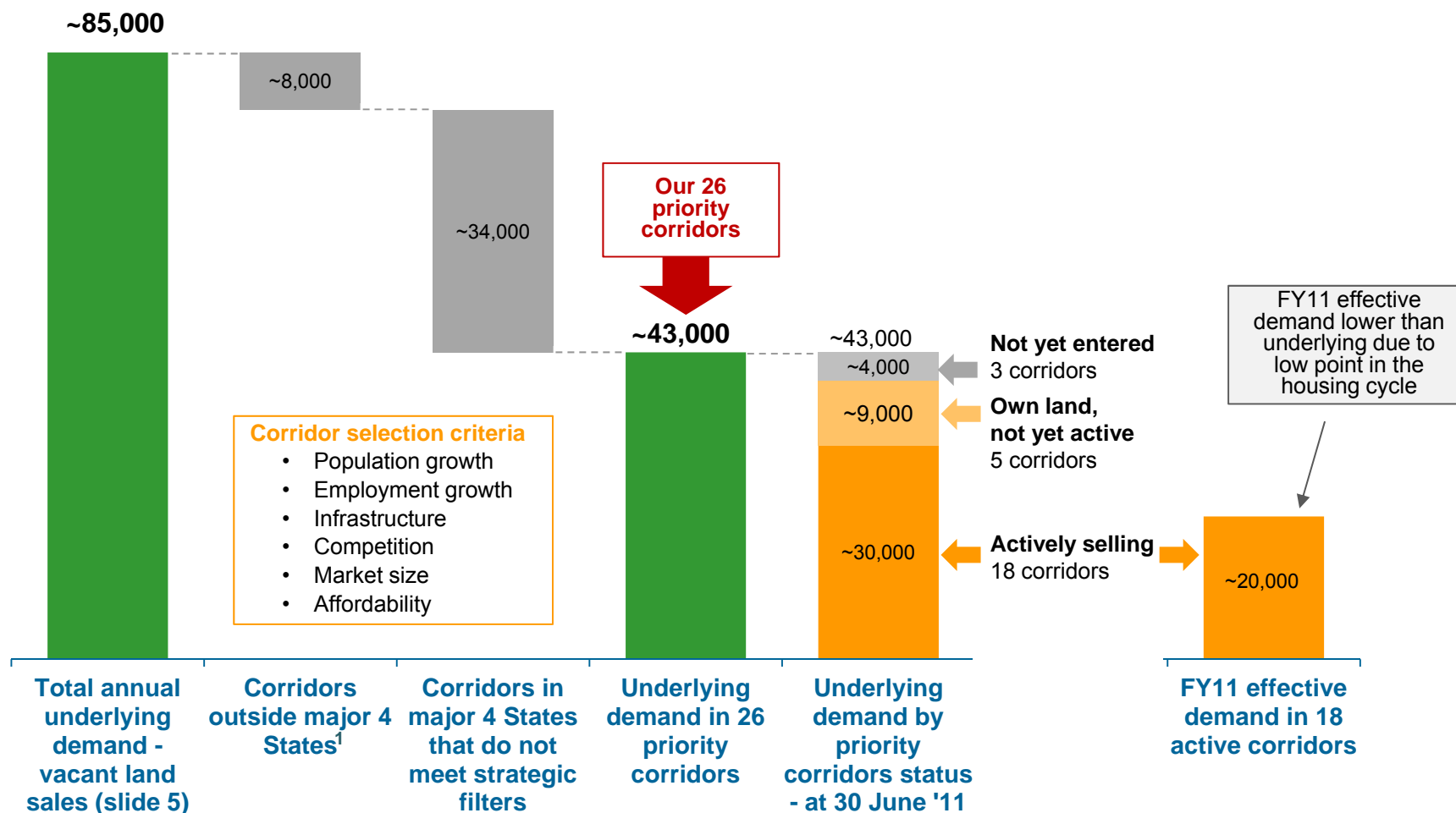
*We are moving out of this segment. Down to ~\$0.15bn<sup>1</sup> funds employed*

**We are not a builder and do not take on built form risk**



# We have significant potential for growth by expanding into new corridors

## Annual underlying demand for vacant land sales



## Our competitive advantages enable us to capture market share

- in FY11 we achieved 29% share in active corridors

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### 1. Identify and acquire land

- Targeted corridor strategy
- Acquisition of quality land on capital efficient terms
- Strong balance sheet and proven track record provides vendor certainty

### 2. Customer insight

- Know what customers need
- Strong customer relationships
- Higher quality leads

### 3. Product development

- Focus on affordability
- Attract a broad range of buyer segments
- Higher conversion and sales rates
- Higher and more consistent revenue flows

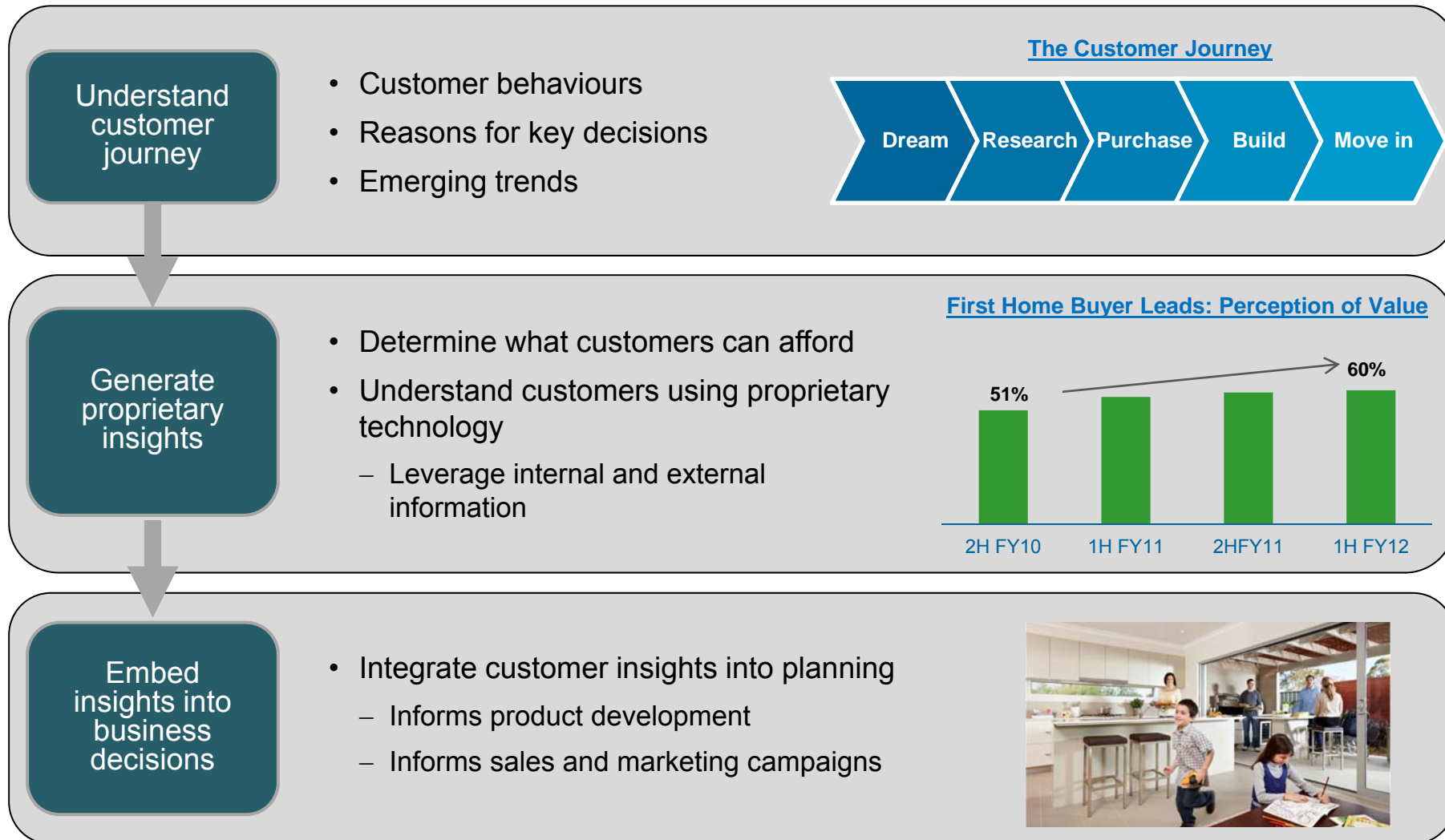
### 4. Community creation

- Happier customers / better places to live
- Higher sales rates
- Higher referrals





### 5. Government and community relations

- Faster speed to market (e.g. East Leppington, Lockerbie)
- Seen as a trusted partner by Government

# Customer Insight: informs our business decisions



# Customer Insight: we know who our customers are, what they can afford and what they value<sup>1</sup>

	First Home Buyer	Upgrader	Investor	Retirees
				
<b>Description</b>	<ul style="list-style-type: none"> <li>• Young couple, singles</li> <li>• Looking to get into the market</li> </ul>	<ul style="list-style-type: none"> <li>• Families</li> <li>• Looking for more space for the family</li> </ul>	<ul style="list-style-type: none"> <li>• Private individuals looking to buy a safe, tax effective investment</li> </ul>	<ul style="list-style-type: none"> <li>• Retired couple or widow(er) 70+, looking for community, social affinity and support</li> </ul>
<b>Typical Household Income</b>	<ul style="list-style-type: none"> <li>• \$70,000 - \$80,000</li> </ul>	<ul style="list-style-type: none"> <li>• \$100,000 - \$125,000</li> </ul>	<ul style="list-style-type: none"> <li>• \$100,000 - \$125,000</li> </ul>	<ul style="list-style-type: none"> <li>• Wide ranging</li> </ul>
<b>House &amp; Land Purchasing Ability</b>	<ul style="list-style-type: none"> <li>• \$290,000 - \$350,000</li> </ul>	<ul style="list-style-type: none"> <li>• \$350,000 - \$475,000</li> </ul>	<ul style="list-style-type: none"> <li>• \$300,000 - \$375,000</li> </ul>	<ul style="list-style-type: none"> <li>• \$300,000 - \$425,000</li> </ul>
<b>Target Sales Composition</b>	20 – 30%	50 – 60%	15 – 25%	Stockland Retirement Living

# Product Development: more than just House and Land

## Leverage Market & Customer research

- Determine product demand and supply in key corridors
- Define the needs of all customer segments



## Village positioning

- Create different neighbourhoods within projects that appeal to different market segments
  - Enable sales off multiple fronts
  - Inform capital allocation decisions



## Targeted House & Land packaging

- Partner with builders to jointly market and deliver homes
- Our covenants ensure quality





# Product Development: innovative products from strong partnerships

## Affordable for first home buyers

Target price range: \$290,000 - \$350,000

- 3 bedroom, 2 bathrooms, 1 garage
- Typical lot size - 212 sqm (8.5m wide)
- House size<sup>1</sup> - 143sqm



*'Como' by  
Henley*

**From \$318,000  
at Eucalypt**

## Affordable for families

Target price range: \$350,000- \$475,000

- 4 bedroom, 2 bathrooms, 2 garage
- Typical lot size - 263 sqm (10.5m wide)
- House size<sup>1</sup> - 175 sqm



*'Monarch' by  
Porter Davis*

**From \$344,000  
at Highlands**



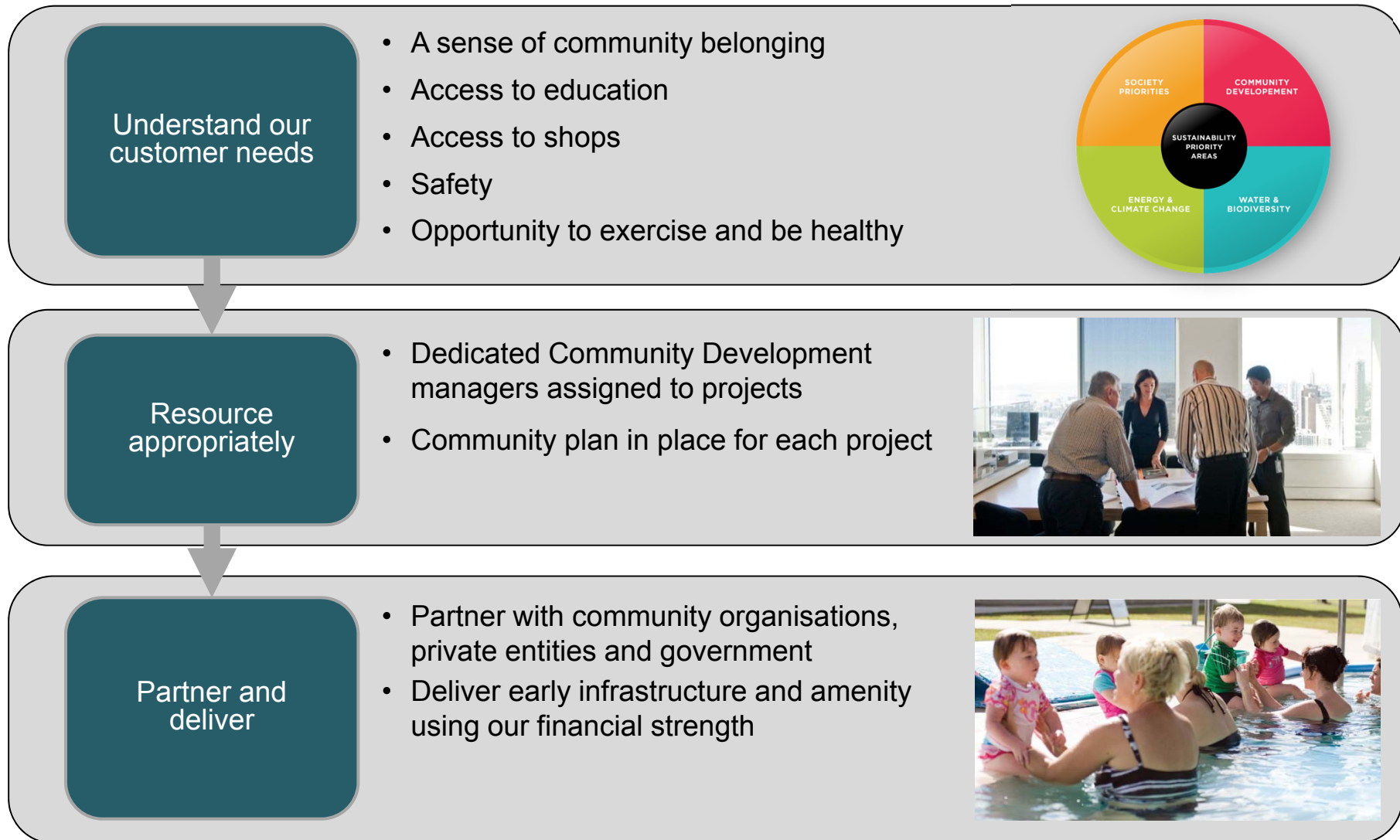
*'Larwood I' by  
Porter Davis*

**From \$312,000  
at Highlands**

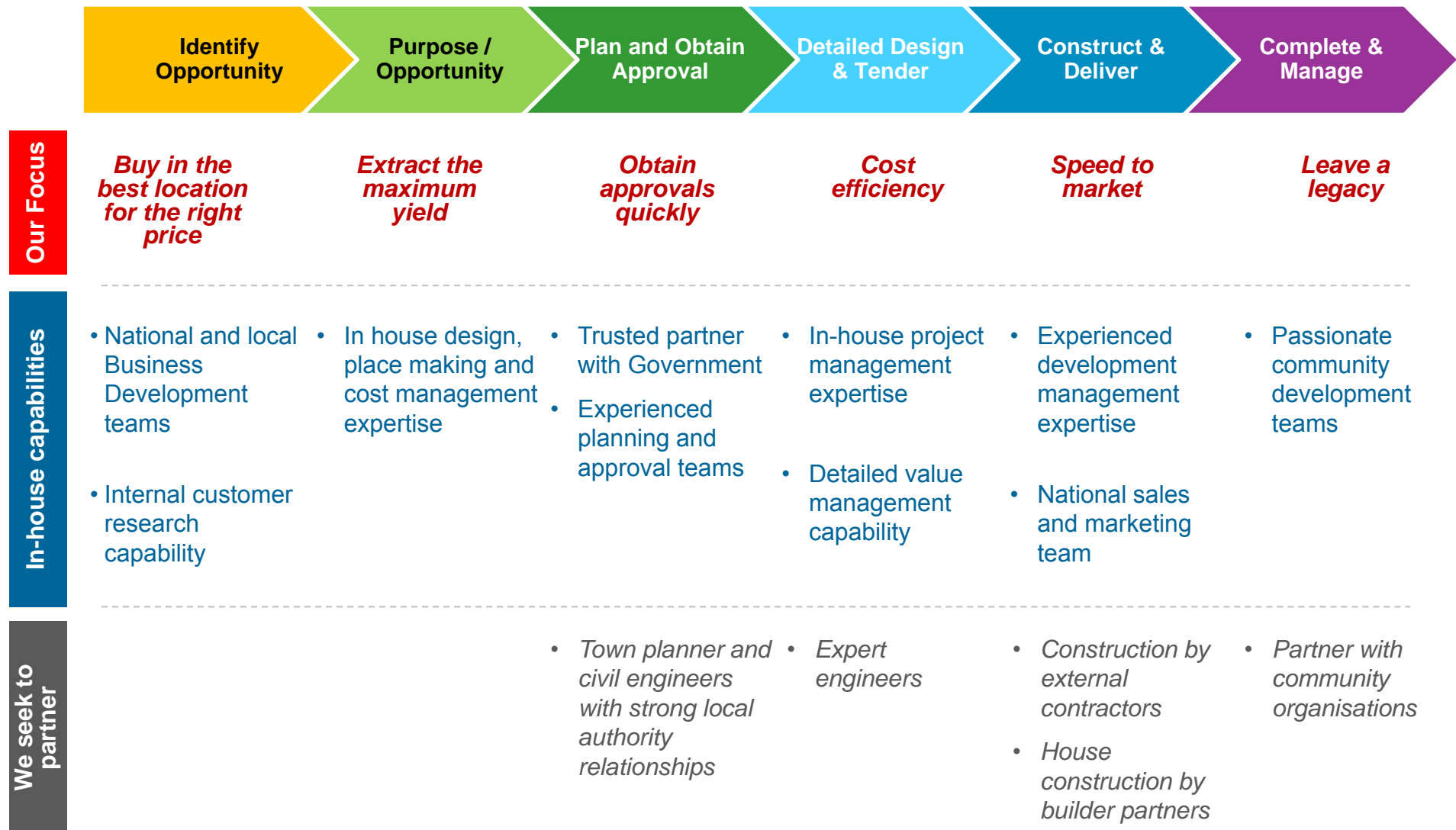


*'Monarch' by  
Porter Davis*

# Community Development: we create a better way to live



# Our scale enables us to invest in key capabilities



# Agenda

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**1. Our Residential Communities strategy**

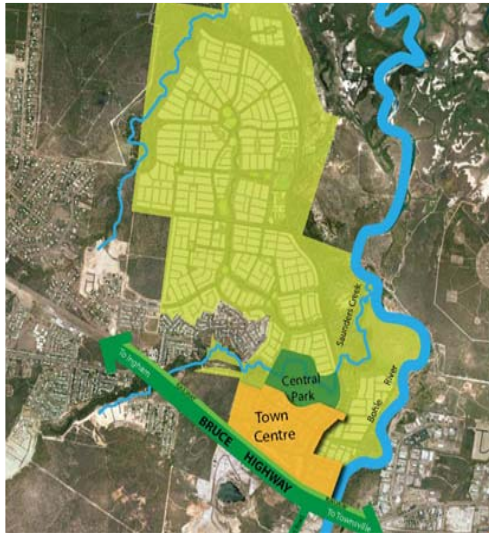
**2. Bringing our strategy to life**

**3. Financial performance**

**4. Market Update**

# North Shore Townsville - brings our 3-Rs together

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## Project snapshot

- Acquired in 2003 for \$6m
- 5,200 lot master planned community
- Over 800 lots sold to date

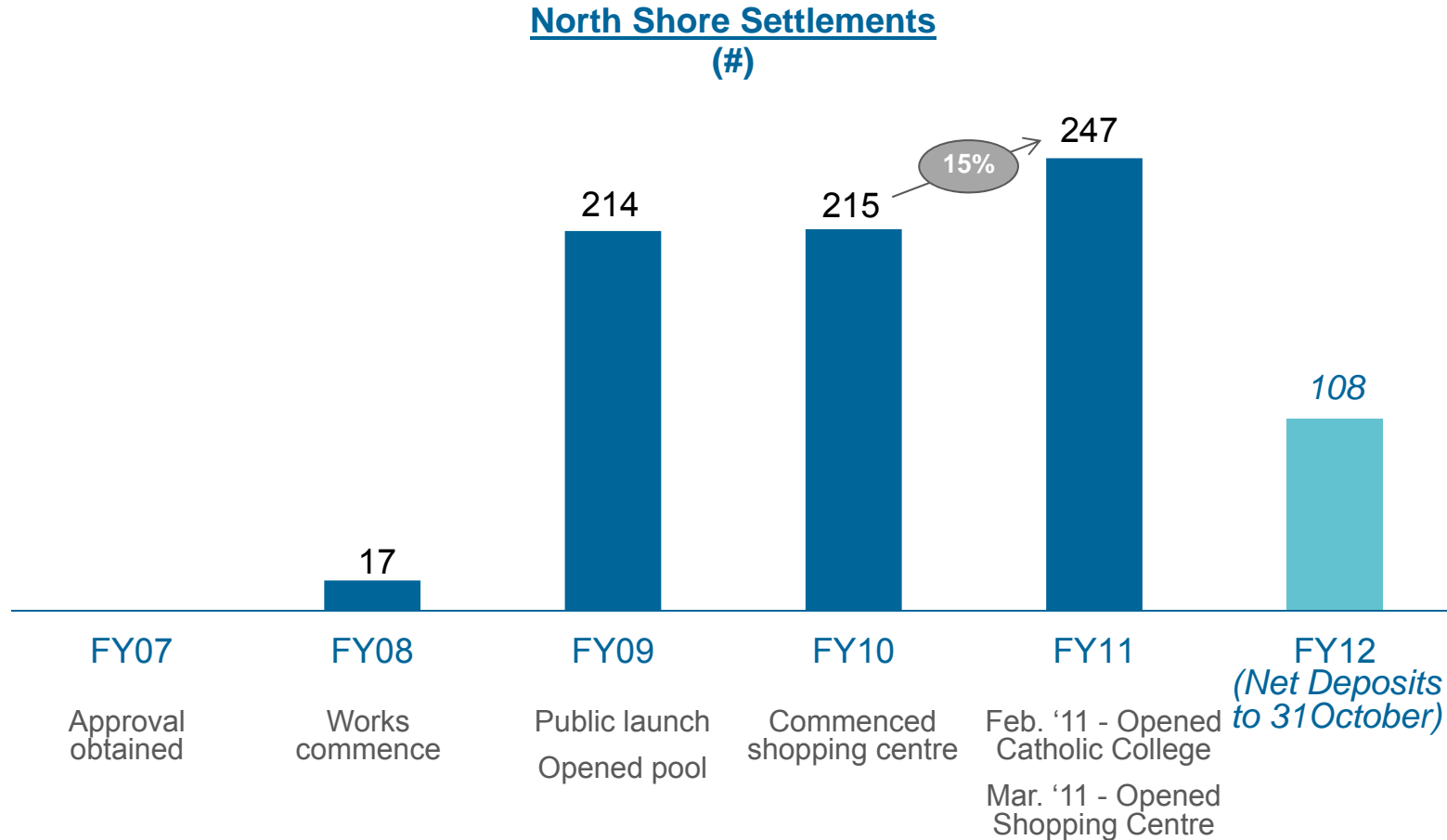
## Existing and future community

- Multiple residential 'villages'
- Stockland retail centre with Woolworths and 13 speciality shops and future expansion potential to 40,000 sqm
- Catholic school, leisure centre and public open spaces
- Over 7km of bike and walking trails
- Future amenity to include:
  - child care centre
  - additional school
  - community centres
  - sporting fields
  - 30+ km additional walking tracks



## Early delivery of community infrastructure in North Shore has driven strong sales

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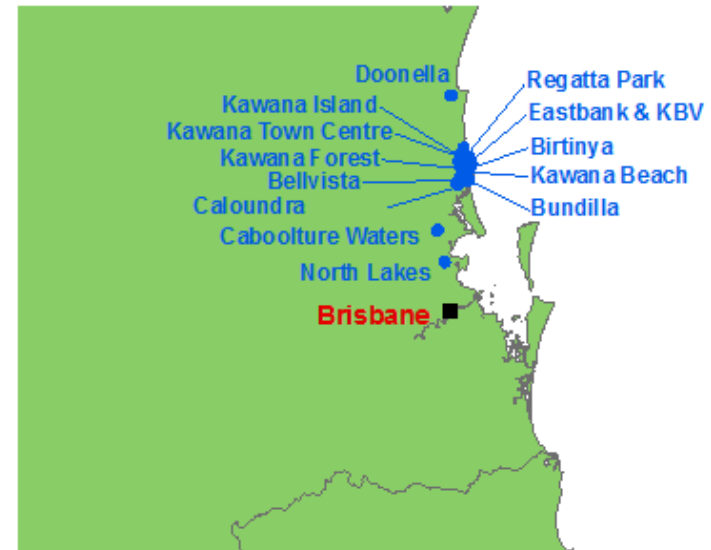


# Lensworth was Australia's largest ever residential land transaction

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## Lensworth Portfolio

- Portfolio acquired in December 2004
- Cost \$846m
- Portfolio comprised:
  - 29,600 lots
  - 17 projects including Caloundra, North Lakes and Highlands
  - Presence in 3 States (NSW, Vic, Qld)
  - A mix of active and long term strategic projects



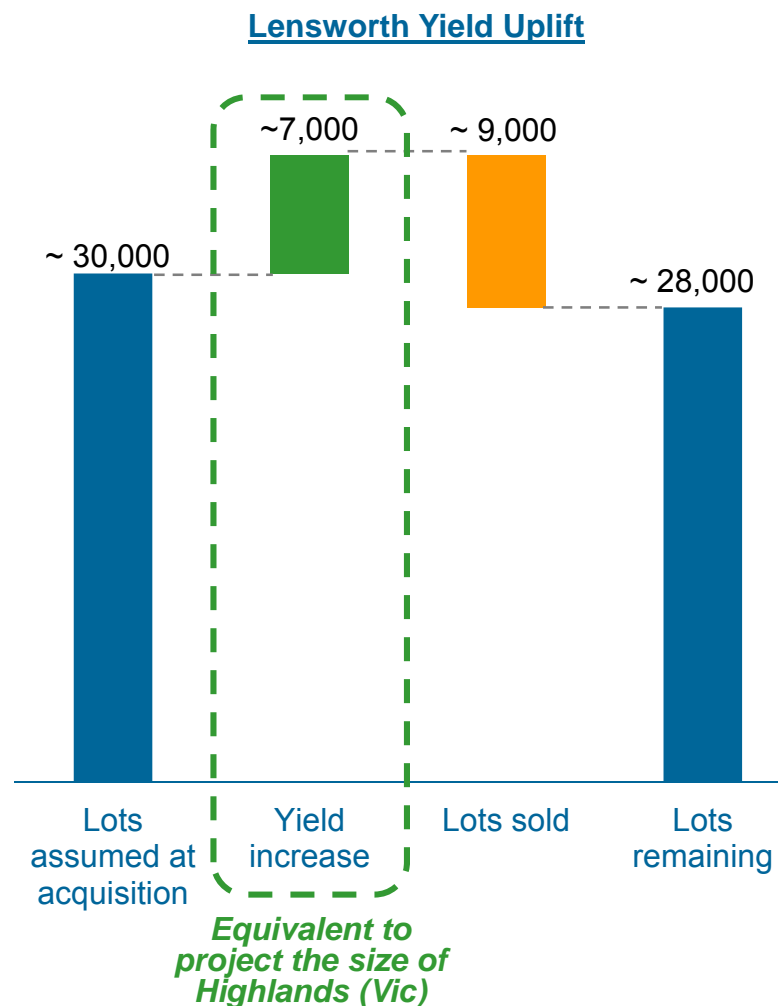
# The Lensworth portfolio has delivered excellent returns

## Portfolio performance

- Lots settled ~9,000
- Net revenue \$2.1bn
- EBIT margin 27%<sup>1</sup>
- Operating profit margin<sup>2</sup> 23%<sup>1</sup>
- Cash flow positive Sep 2011

## Yield increased by 7,000 lots through:

- More efficient urban design
- More efficient product mix
- Partnerships with approval authorities



## **Lensworth taught us several lessons which we have used to refine our strategy**

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- 1. We create significant value when we buy large projects e.g. North Lakes, Highlands**
- 2. We have applied these lessons to recent acquisitions e.g. Vale, Lockerbie, Leppington**
- 3. Take a portfolio approach and don't be afraid to let go of poor performing projects e.g. Wallarah**
- 4. Important to have a targeted corridor strategy**

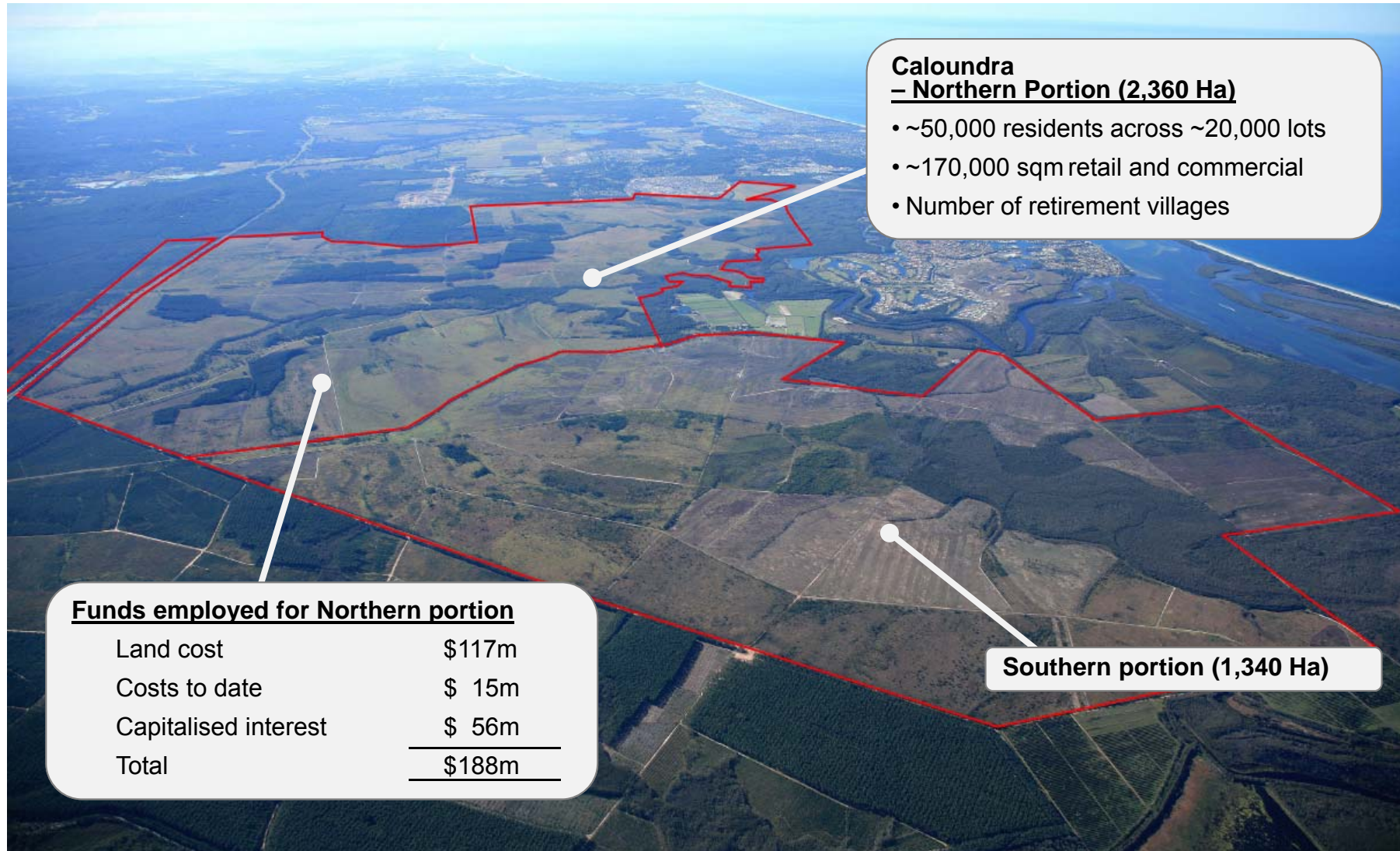


*North Lakes (Qld)*



*Highlands (Vic)*

# Caloundra: Australia's largest project will deliver significant cross business synergies



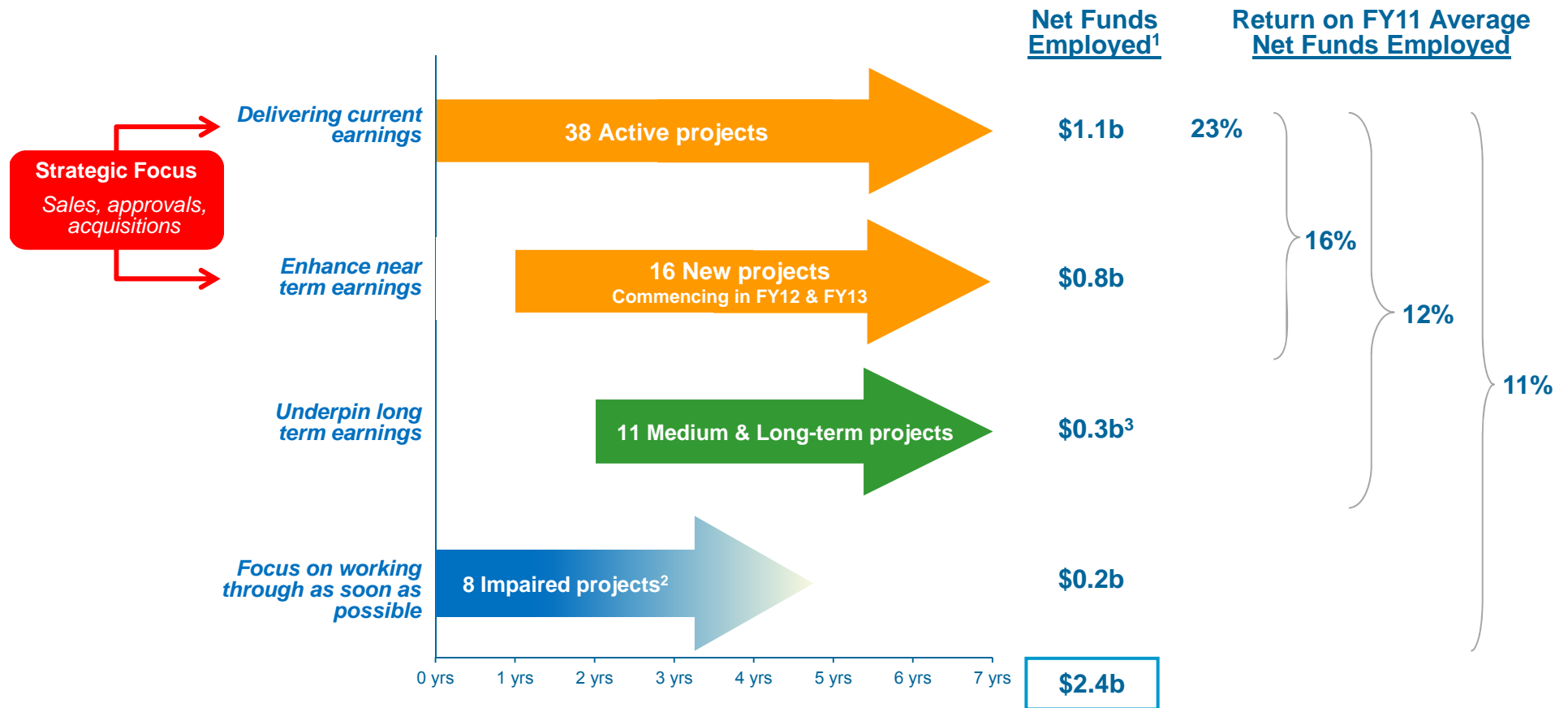


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# Speed to market delivers strong returns on funds employed



*Returns are effectively after interest:*

$$\text{RONFE} = \frac{\text{Operating Profit (net of interest in COGS)}}{\text{Average Annual Net Funds Employed (including capitalised interest)}}$$

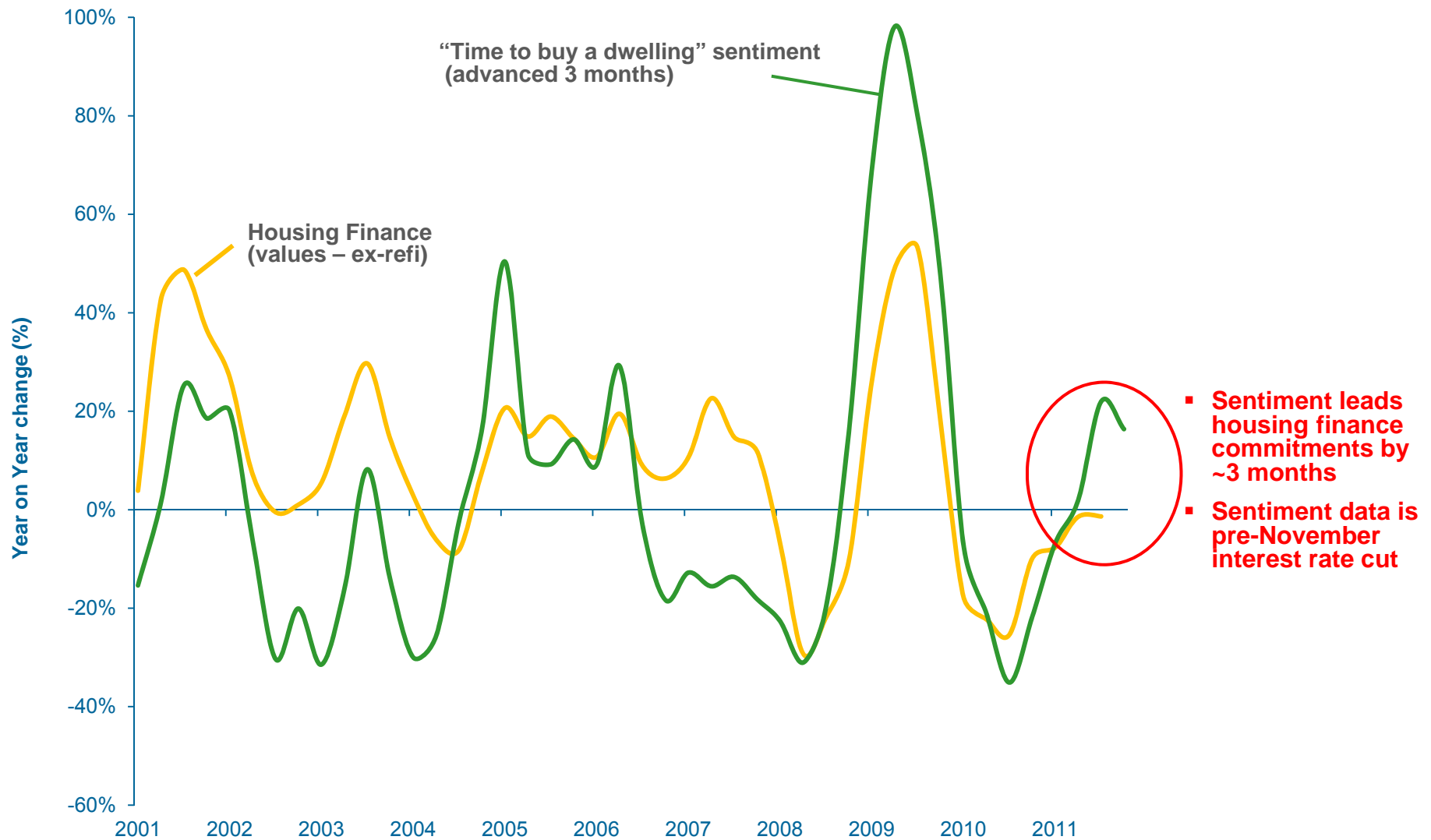
1. Based on net funds employed as at 30 June 2011 plus The Vale and Whiteman Edge \$271m acquisition 1 July 2011
2. Net of impairment provision of \$0.2bn
3. \$0.2bn is Caloundra

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# National housing sentiment points to improving activity<sup>1</sup>

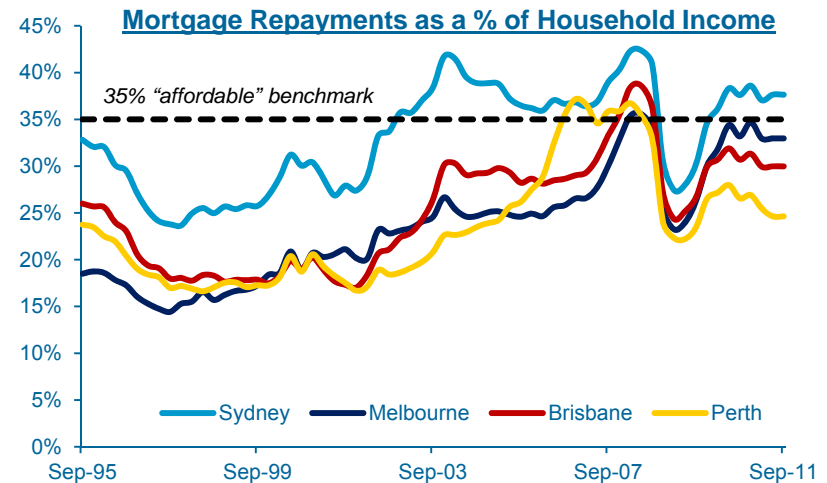


# Affordability has improved

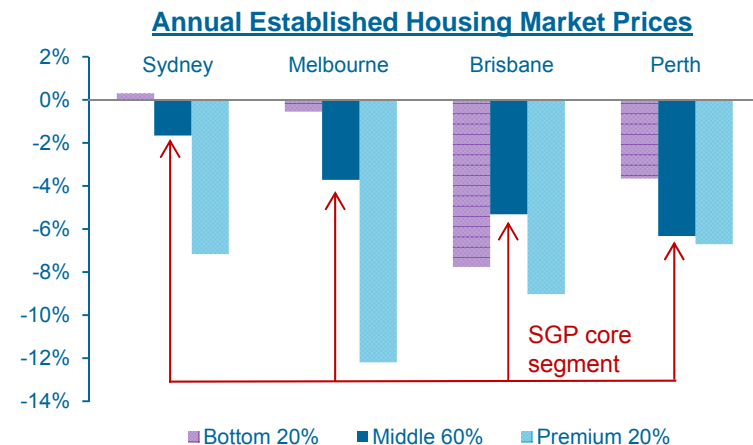
- Affordability improving due to:
  - Weak established house prices
  - Falling interest rate environment
  - Rising incomes
- Melbourne, Brisbane and Perth affordability remains below 35% benchmark
- Weakness in established market mostly at premium end:
  - Middle market down 3.3% (our core segment)
  - Premium market down 8.4%

**By focussing on affordability we can continue to grow through interest rate cycles**

## Affordability in most States trending down<sup>1</sup>



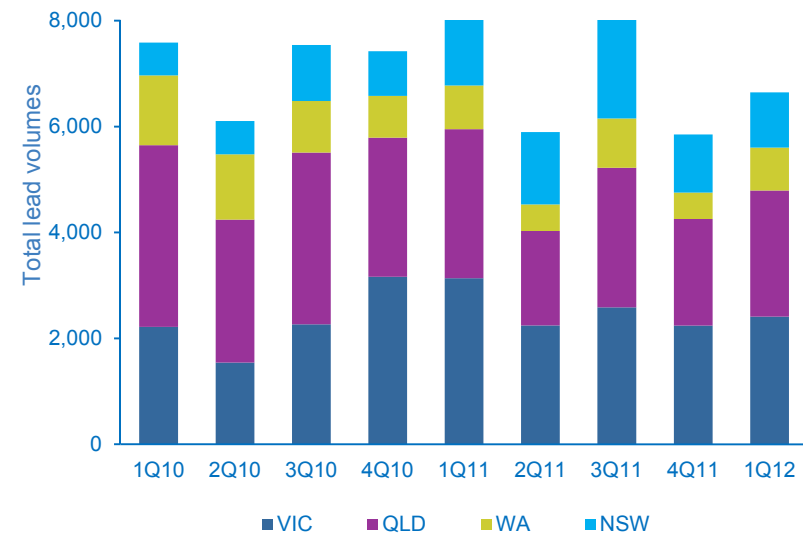
## Stockland's core segment is more robust<sup>2</sup>



## Our lead volumes are starting to improve

- Latest quarter leads up on prior quarter
- Growth in latest quarter mainly in WA and Qld
- Reflective of improving customer sentiment and anticipation of interest rate cuts
- Prevalence of first home buyers reflects our focus on value, affordability and product development

### Stockland customer leads<sup>1</sup>

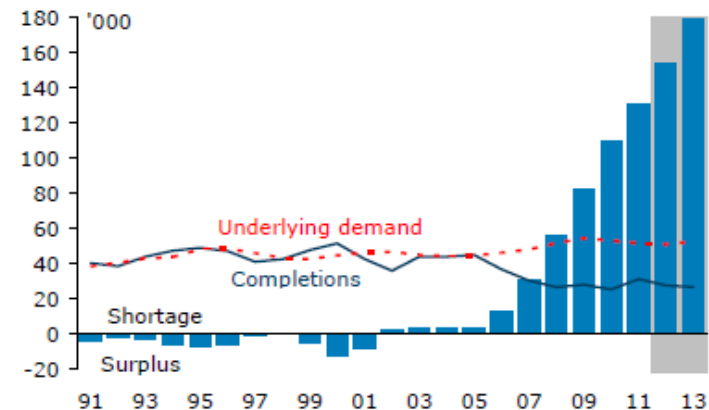




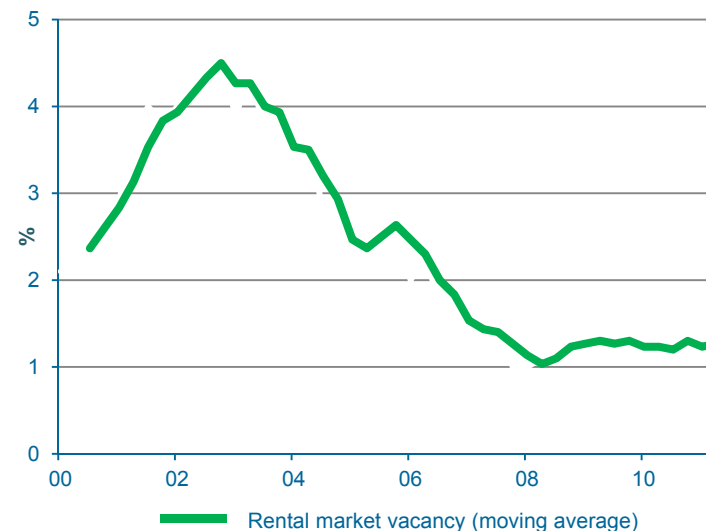
# NSW: Acute undersupply continues to grow

- Current ~130,000 housing supply deficit still growing due to significant fragmentation of land ownership
- Rental market remains very tight (1.3%) and rents are growing
- First home buyers returning to market, driven by affordability
  - Gap between owning and renting is narrowing

## Undersupply driving up shortage<sup>1</sup>



## Rental market vacancy very low<sup>2</sup>



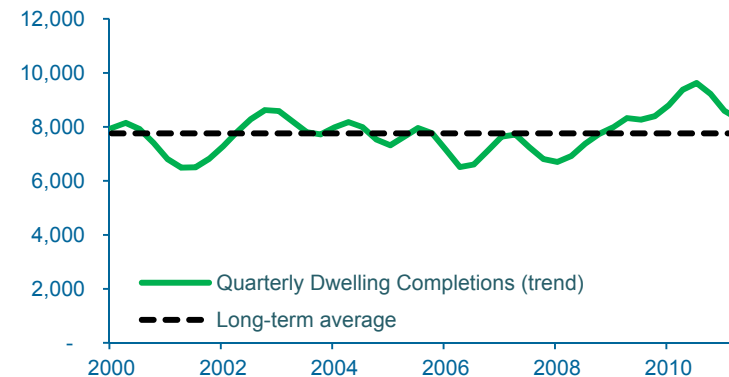
**Supply shortage will support large scale projects such as Leppington**

## Vic: Returning to historic levels of activity

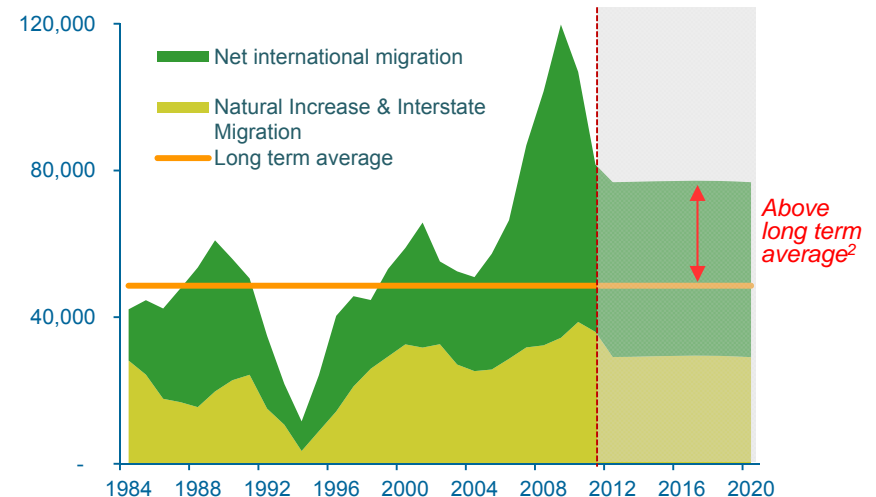
- Dwelling completions down 25% from peak but still above long term average
- Underlying demand underpinned by robust net international migration
- Victorian greenfield market still remains very affordable, driven through innovative and pro-active Local and State Governments
- Market expected to further ease through FY12

**Well positioned and affordable projects such as Allura still selling well**

### Dwelling completions returning to long term average levels<sup>1</sup>



### Annual population growth remains above long term average<sup>1</sup>

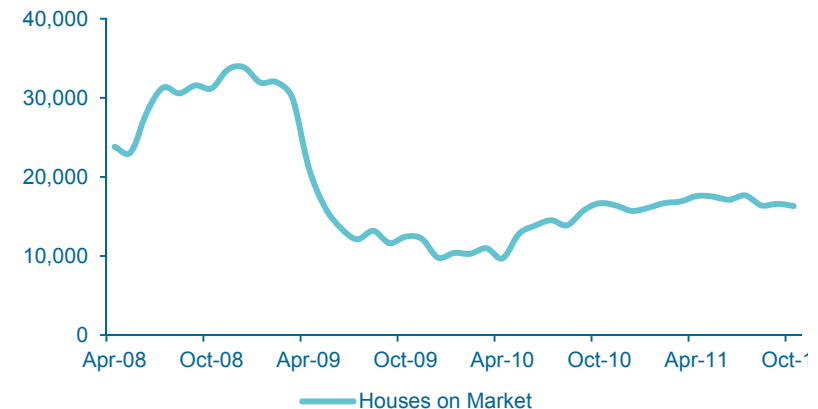


# WA: improving affordability flowing through to housing finance

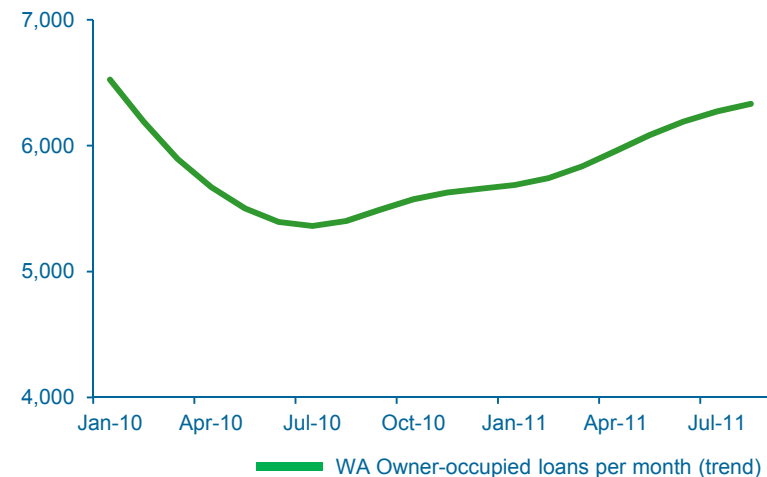
- Established market listings beginning downward trend as sellers meet the market
- Housing finance trending up
- Household income continues to rise on the back of mining investment
- Housing affordability continues to improve

**Affordable product still selling well such as HAF<sup>1</sup> offer at Newhaven**

## Houses on market starting to come down<sup>2</sup>



## Owner-occupied loans trending up<sup>3</sup>

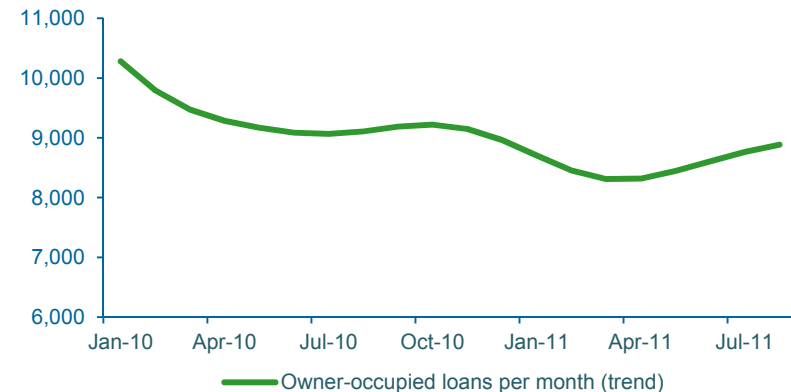


## Qld: coming off the bottom of the cycle

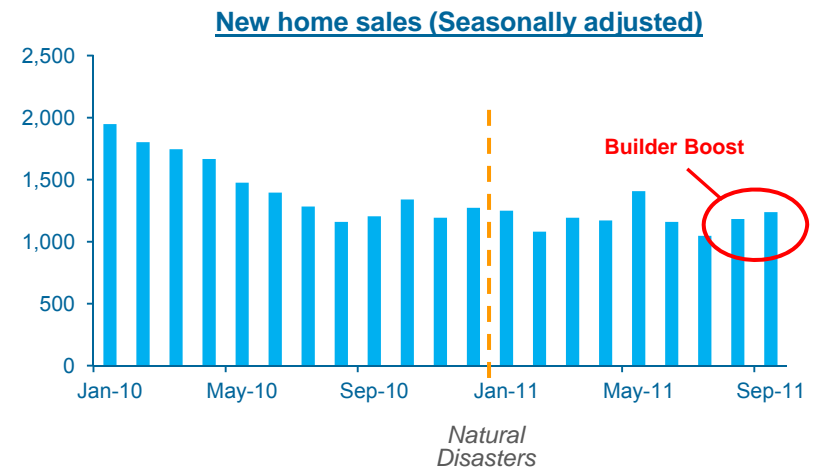
- Housing finance trending up
- New homes sales up 16% in last two months
- Recent Builder Boost driving enquiry for affordable new homes
- Rental vacancy rates continue to fall

**Strong demand for affordable product  
e.g. North Lakes**

### Owner-occupied loans trending up<sup>1</sup>



### Builder boost has increased new home sales<sup>2</sup>



## Recap of key points

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- 1. We are the leading and largest residential communities developer in Australia. This scale gives us advantages and access to capabilities**
- 2. We have a unique and geographically diverse portfolio comprising 73 projects, over 90,000 lots, positioning us well for future growth - 16 projects to be launched in the next two years. There is still significant opportunity to grow in the market**
- 3. Our strategy remains focussed on large scale greenfield affordable projects with speed to market. We focus on first mover advantage**
- 4. Our proven land acquisitions and development capability, deep customer insight, affordable product development platform and meaningful community development initiatives set us apart from our peers**
- 5. This culminates in us consistently delivering strong returns and a better way to live for our customers**



Stockland

## Queensland Market Update

Kingsley Andrew, General Manager – Residential, Queensland



## Key issues

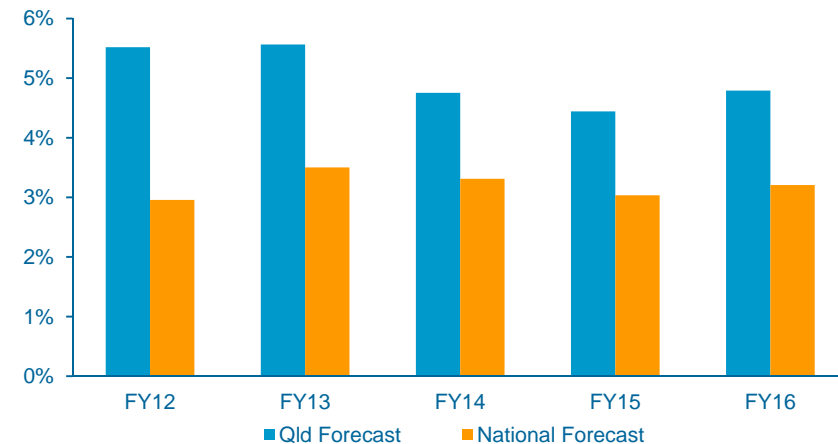
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- **Queensland market fundamentals: underpinned by resources**
- **Market conditions: showing signs of improvement**
- **Stockland communities: well placed for growth**

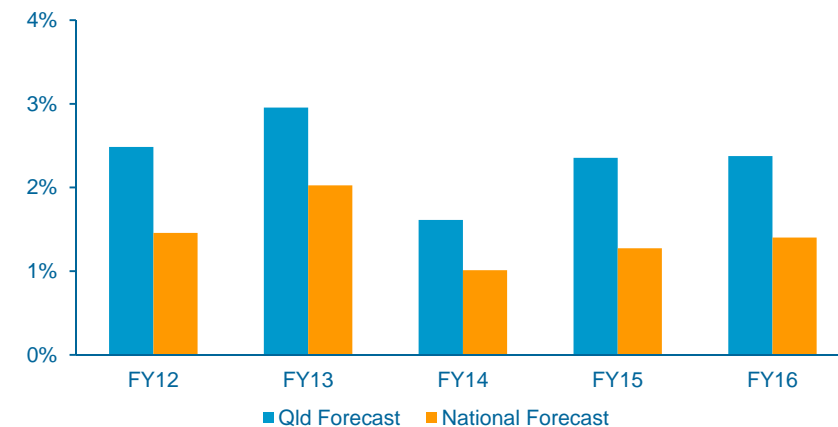
# Strong outlook led by investment growth and increased employment

- Strong Gross State Product forecast with more than \$40bn of resource projects to commence in FY12 and FY13<sup>1</sup>
- Employment growth underpinned by diverse resource sectors including coal, Coal Seam Gas and Liquefied Natural Gas
- Coal production and exports expected to fully recover from Cyclone Yasi in early 2012

**Qld GSP vs. National GDP<sup>1</sup>**

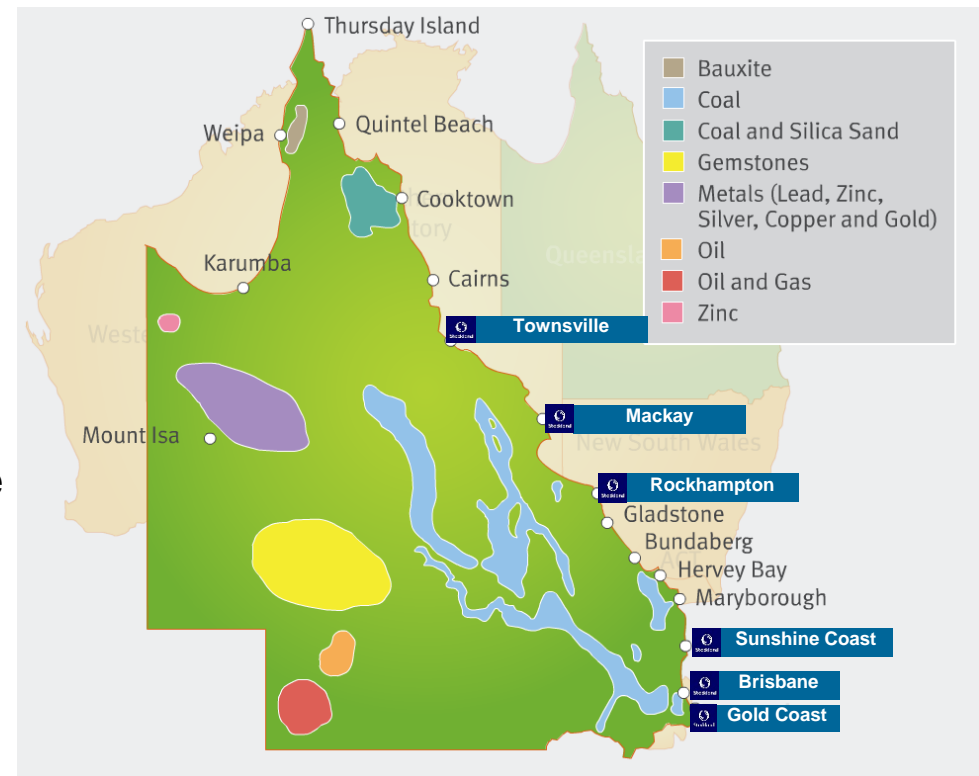


**Qld vs. National Employment Growth<sup>1</sup>**



# Diversity of new resource projects to underpin recovery

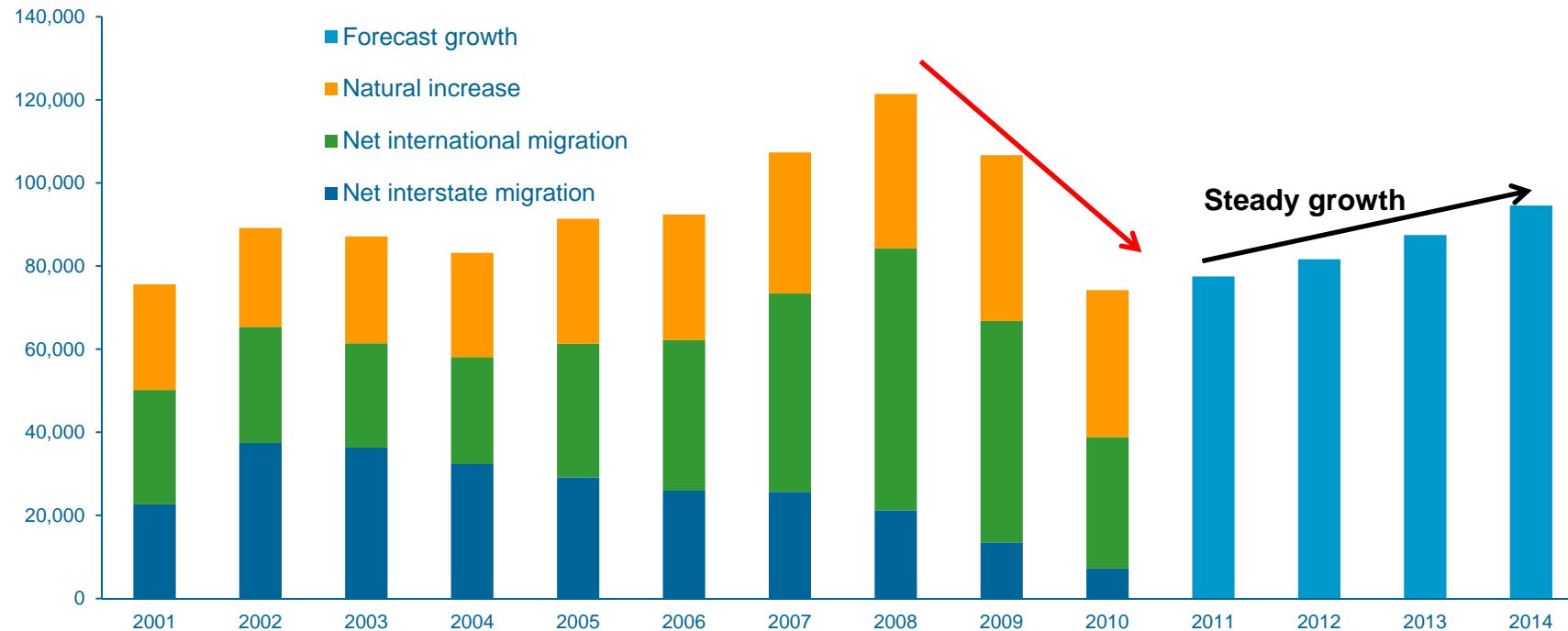
- New projects increase geographical footprint of resources in Queensland
- Committed resource investment to generate 45,000 direct full time jobs<sup>1</sup>
- South East Queensland to be beneficiary of white and blue collar employment due to the fly in – fly out workforce



**Stockland's corridor strategy means we are positioned to benefit from resource investment**

# Population growth returning to historical levels

Queensland population growth and forecast (annual)<sup>1</sup>



Population growth forecast to rebound with strong economic outlook

## Key issues

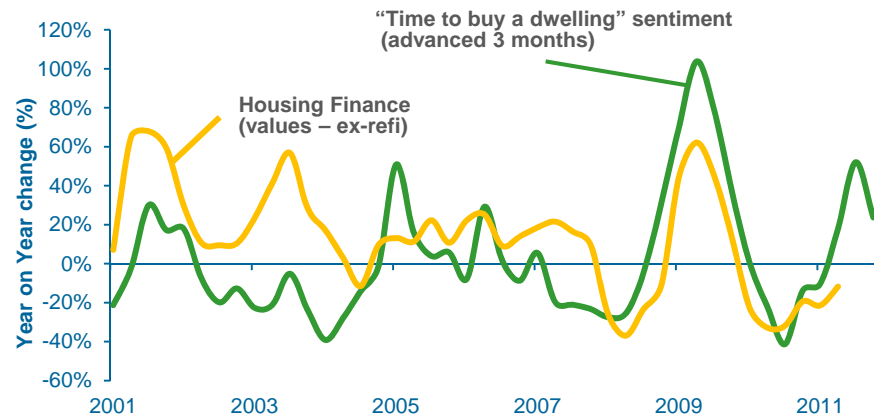
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- Queensland market fundamentals: underpinned by resources
- Market conditions: showing signs of improvement
- Stockland communities: well placed for growth

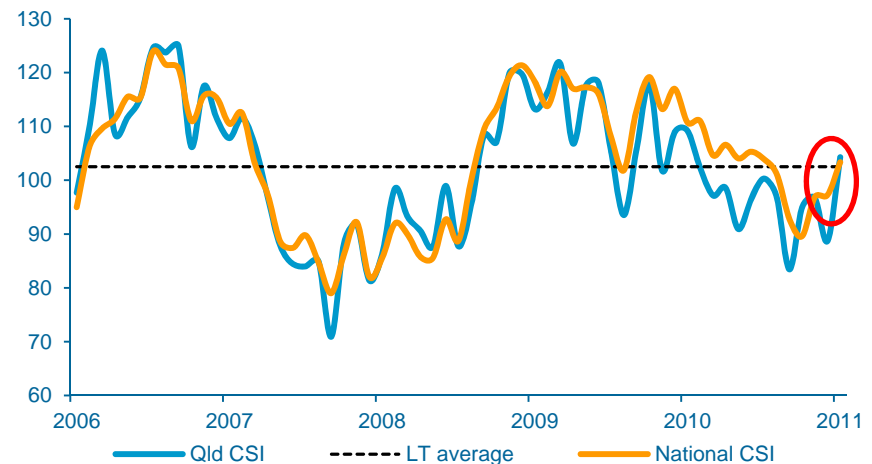
# Time to buy and consumer sentiment recovering

- Strong correlation between housing finance and time to buy sentiment:
  - Housing finance numbers expected to continue upward trend assisting volume and conversion
- Consumer sentiment in Queensland is more volatile than the national average and fell heavily following natural disasters in 2010 and early 2011:
  - Consumer sentiment has rebounded strongly following the interest rate cut
- Queensland Building Boost is working, stimulating activity particularly in more affordable segments of the market

Owner occupied housing finance vs. Time to buy sentiment<sup>1</sup>



Consumer sentiment index<sup>2</sup>

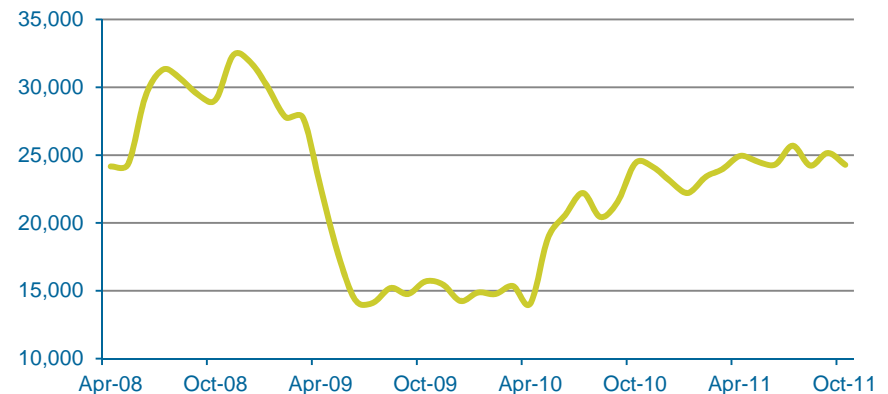




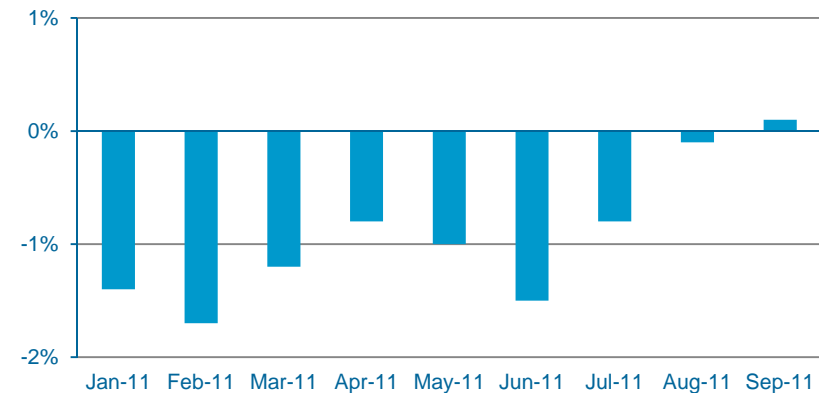
# Established market remains soft and oversupplied

- Levels of established houses on market have remained above average for more than 12 months
- Prices have been in decline in most Queensland markets throughout the past 12 months:
  - There are signs of improvement as values have stabilised in Brisbane in August and September

**Brisbane established houses on market<sup>1</sup>**



**Brisbane established house prices<sup>2</sup>**



## Key issues

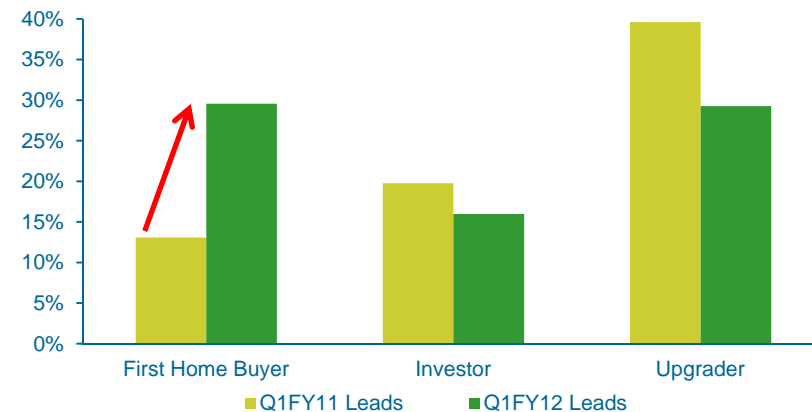
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- **Queensland market fundamentals: underpinned by resources**
- **Market conditions: showing signs of improvement**
- **Stockland communities: well placed for growth**

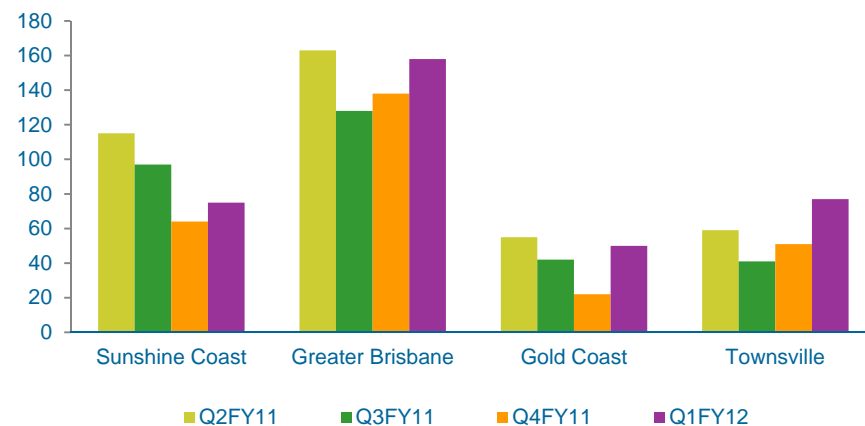
# First Home Buyers leading the market

- Strong demand from First Home Buyers who are unconstrained by established market
- Deposits have bounced off mid year lows:
  - Recovery driven by targeted customer and product strategies
  - Improved sentiment and Builders Boost
- Buyers continue to be attracted by Stockland's innovative and affordable product

Leads by segment<sup>1</sup>



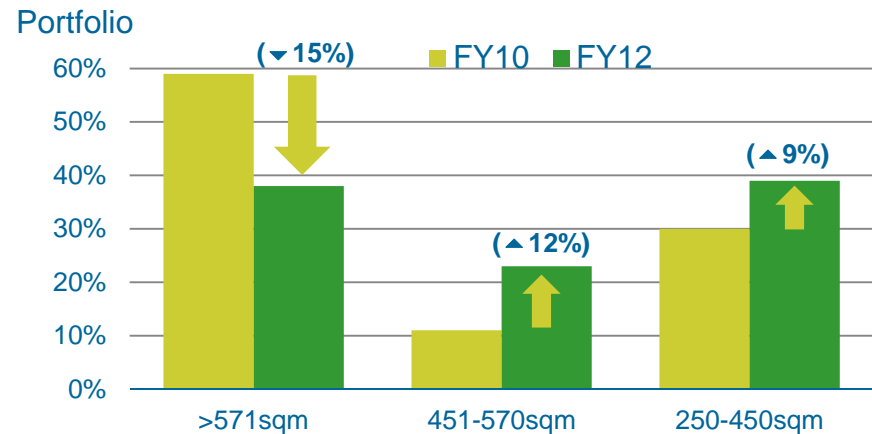
Stockland deposits per corridor<sup>1</sup>



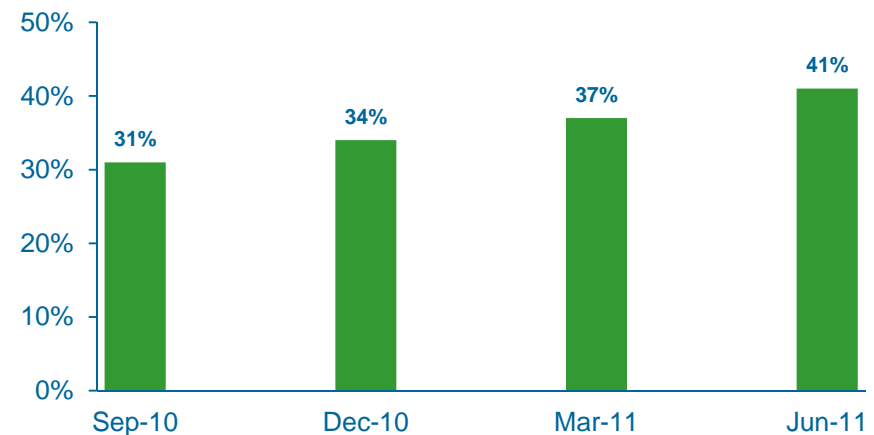
# Affordable lots are widely accepted and selling strongly

- Demand strongest for product under \$200,000 (<450 sqm) and we continue to adjust product mix to meet this demand:
  - Lots over 571sqm fallen by 15% in two years
- Two thirds of our product is now less than 450sqm
- Continue to work with local authorities to introduce smaller and more affordable lot products:
  - We now have 250 sqm product at North Lakes
- Proactive approach to reducing lot sizes and improving affordability for our customers has driven Queensland market share to 41%

Reduction in Queensland lot sizes<sup>1</sup>



Queensland active corridor market share<sup>2</sup>



# Stockland delivering most affordable product on the market

- Stockland home and land packages well below the comparable median price
- Ongoing innovation allows Stockland to stay ahead of our competitors when producing home and land packages
- Smaller lot sizes becoming widely accepted in the community
- Our competitive advantage of using proprietary insights to determine what customers can afford and what they value contributes to market share gains

## Brisbane North corridor - comparable 3 bed product

Median House Price	Stockland Entry Price	Closest Major Competitor
\$380,000	\$296,000	\$323,000
Average household income required at 80% L.V.R. <sup>1</sup>		
\$85,000	\$66,000	\$72,500
Average income in corridor is \$75,500		



## Recap of key points

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- Sound fundamentals backed by a diverse resource economy
- Residential market showing signs of improvement
- Stockland communities are located in corridors to benefit from the resource sector
- Innovative and affordable product is outperforming the market and driving market share



# CALOUNDRA SOUTH INVESTOR TOUR

NOVEMBER 2011



Stockland



# CONTENT



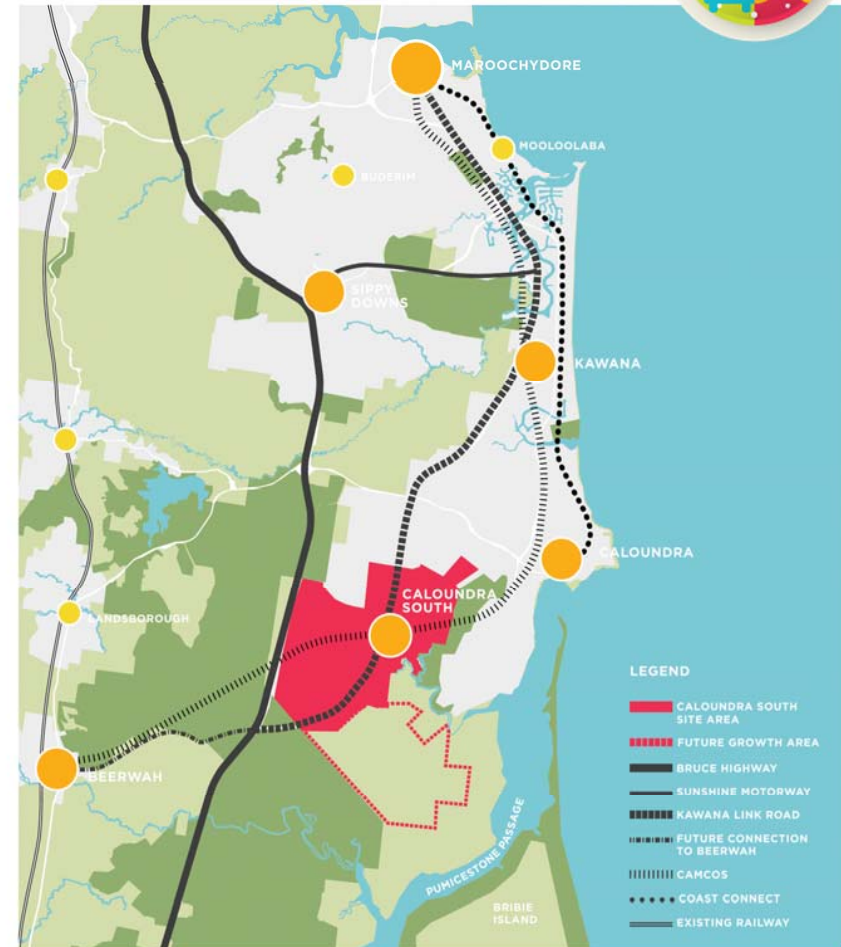
- Caloundra South overview
  - **Ben Allen, General Manager Sustainable Communities**
- Planning and Approvals status update
  - **Marc Wilkinson, QLD Planning and Approvals Manager**
- Masterplanning and delivery
  - **Ben Simpson, Project Director - Caloundra South**



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# PROJECT OVERVIEW

- **Location** - ideally placed at the gateway to the Sunshine Coast and close to Brisbane
- **Scale** - 2,360 hectares, home to 50,000 people
- **Value** - \$5bn end value
- **Ownership** - master developer and single ownership
- **Diversity** - opportunity to leverage 3-R synergies
- **Certainty** - Development Scheme approved by Urban Land Development Authority (ULDA)

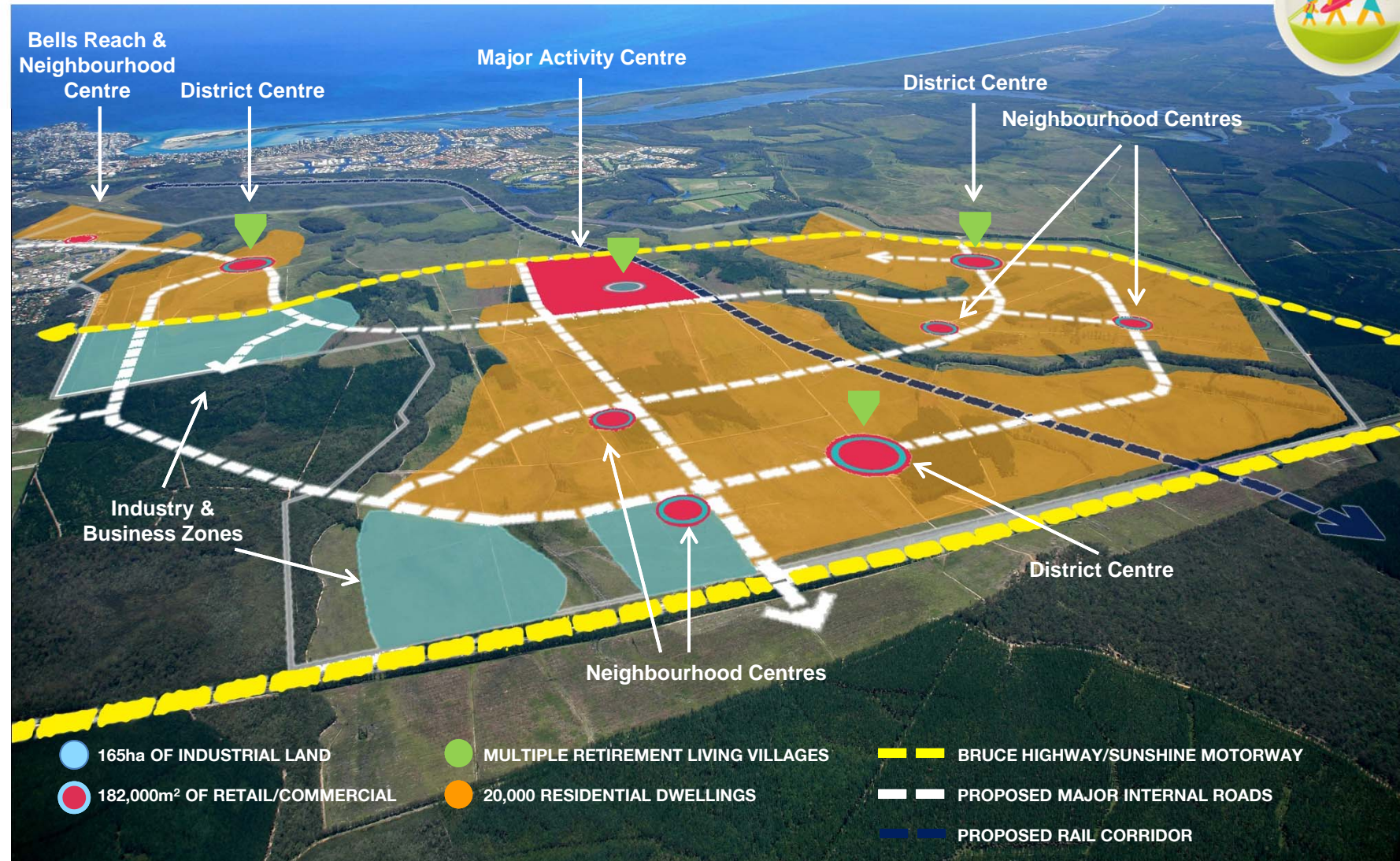


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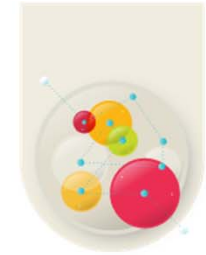


# LEVERAGING OUR CAPABILITY



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# SUNSHINE COAST GROWING RAPIDLY



- **Population growth**  
strong projected population growth  
(2.1% p.a.)
- **Trade area growth**  
strong trade area growth (71%)  
~132,000 growing to ~226,000 people  
by 2031<sup>1</sup>
- **Public infrastructure investment**  
Kawana Hospital - \$2.5bn investment,  
largest hospital project in Australia
- **Proximity to Brisbane**  
1 hr drive, direct access to highway
- **Lifestyle** – proximity to hinterland,  
waterways and beaches

**Population expected to grow to  
500,000 by 2031<sup>2</sup>**

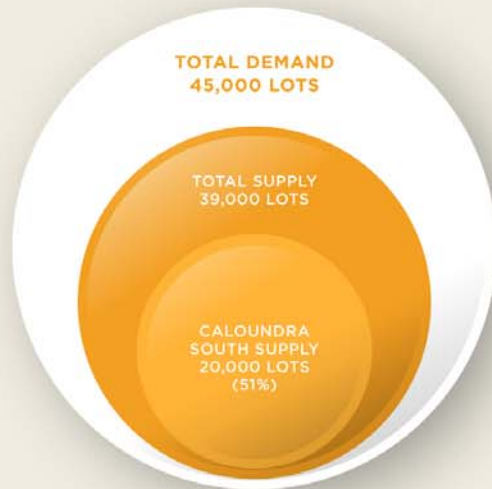




# FUNDAMENTALLY UNDERSUPPLIED



## SUNSHINE COAST RESIDENTIAL DEMAND & SUPPLY (VACANT LOTS) 2011 - 2031<sup>1</sup>



### RESIDENTIAL

- Undersupplied by 6,000 lots (13%)
- Major competitor land supply Exhausted by 2020
- Affordable market opportunity

## SUNSHINE COAST RETAIL DEMAND & SUPPLY (GFA) 2011 - 2031<sup>2</sup>



### RETAIL

- Undersupplied by 412,000m<sup>2</sup> (56%)
- Growth of competitor holdings constrained
- 71% growth in trade area population expected

## SUNSHINE COAST COMMERCIAL/INDUSTRIAL DEMAND & SUPPLY (ha) 2011 - 2031<sup>2</sup>



### COMMERCIAL/INDUSTRIAL

- Undersupplied by 377ha (41%)
- Superior access, location
- Supporting infrastructure

Positioned to service undersupply, generate employment and deliver affordable product



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1. Office of Economic and Statistical Research (Qld)
2. Urbis

# PLANNING AND APPROVALS

MARC WILKINSON, QLD PLANNING AND APPROVALS MANAGER



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# APPROVAL CAPABILITY



- **National Approval and Design Team**
  - National and State capability to ensure pipeline
  - Seen as valued partner to public authorities
- **Caloundra South**
  - Expertise in community building and government engagement has wider benefits across portfolio
  - Leverage of Caloundra South project has improved Stockland's capability to build value through community creation.
- **Competitive advantage**
  - Speed to market via specialist planning teams
  - Quality of approval to ensure value of product to market

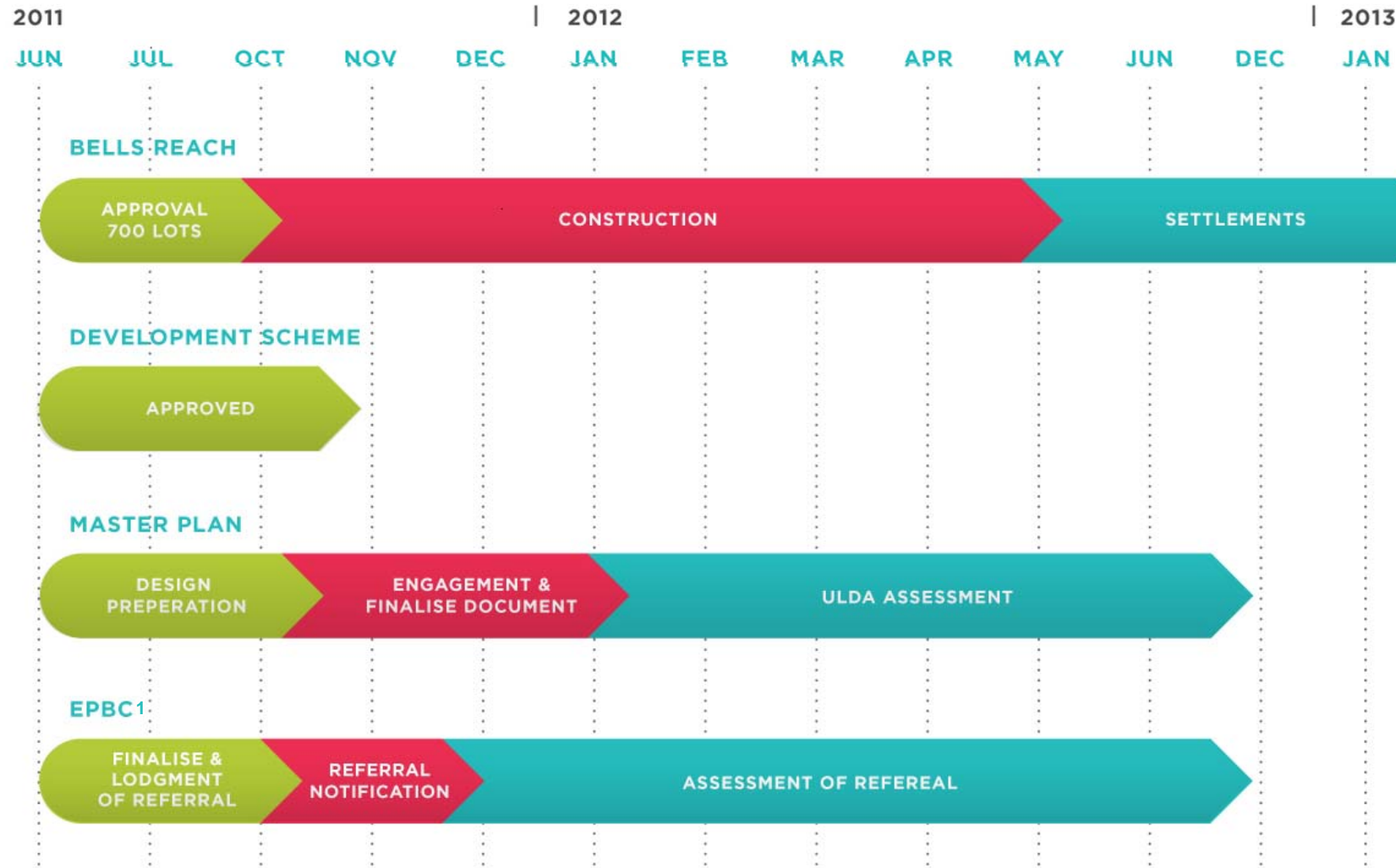


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# APPROVAL TIMEFRAMES



# APPROVED DEVELOPMENT SCHEME



- Approved October 2011
- Secures development entitlements

## ***Commercial Property***

- 117,000m<sup>2</sup> Retail
- 65,000m<sup>2</sup> Commercial
- 650,000m<sup>2</sup> Industrial/service industry and showrooms

## ***Residential***

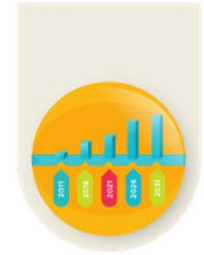
- 20,000 dwellings

## ***Retirement***

- Multiple villages



# APPROVAL PROCESS



**Bells Reach**  
(Early Release Area)



**Development Scheme**  
Secure Development Rights



**Master Plan Approval**  
Detailed Approval

**EPBC**  
Federal Approval



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# INFRASTRUCTURE



- **Infrastructure charge benchmarks**
  - Comparative charges of \$25,000/lot<sup>1</sup>
  - State-wide infrastructure cap \$28,000/lot
- **Key infrastructure**
  - Kawana arterial road extension
  - Rail connection to city line 2031
  - Bruce Highway Interchange – to be funded by Federal Government
  - Draft Infrastructure Agreement prepared
  - Water and sewer solution under development
  - Social infrastructure catered for



# COMMUNITY CONSULTATION



- **Extensive consultation**
  - Continual stakeholder engagement
- **Communication process**
  - Key concerns being addressed
  - Environmental benefits package developed
  - Public transport strategy to address community needs
  - Open space Master Plan to cater for environmental conservation
- **Statutory engagement process**
  - Caloundra South Master Plan and EPBC Report to be publicly exhibited
  - Engagement with all key stakeholders to continue



# DEVELOPMENT CERTAINTY



- **Current status**
  - Development Scheme approved
  - Master Plan in preparation
  - EPBC response in preparation
- **Land uses**
  - Preferred locations for main land uses
- **Infrastructure**
  - Location of major infrastructure identified
- **Future planning process**
  - ULDA main approval authority





# MASTERPLANNING AND DELIVERY

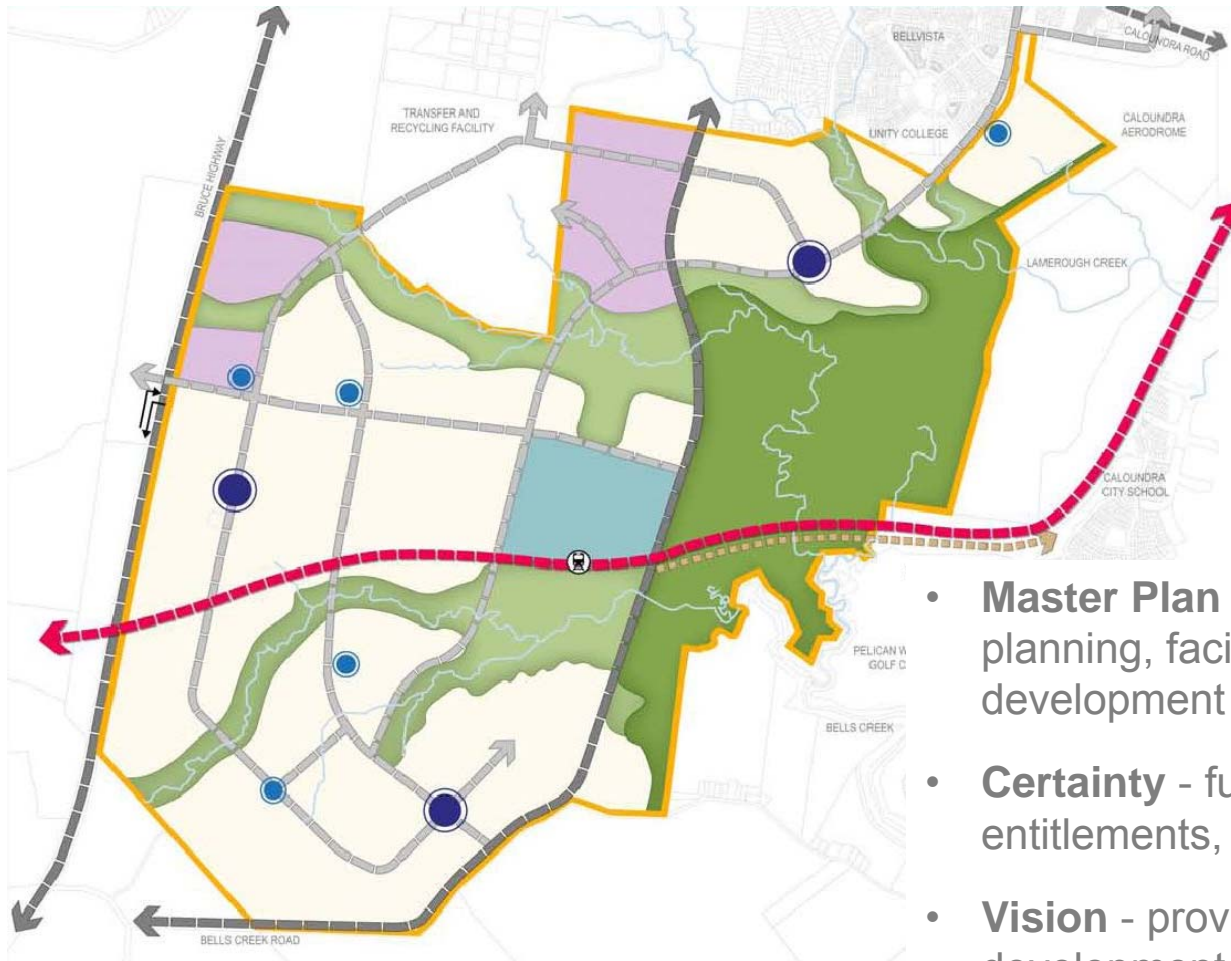
BEN SIMPSON, PROJECT DIRECTOR – CALOUNDRA SOUTH



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# MASTER PLAN OUTCOMES



- **Master Plan purpose** – define next layer of planning, facilitate progressive and orderly development
- **Certainty** - further define development entitlements, allow for flexibility
- **Vision** - provides Stockland's detailed development vision
- **Implementation** - identifies land uses, subdivision layout, community provisions, environmental features, sustainability and infrastructure outcomes

# DEVELOPMENT STAGING



- **First stage commenced**  
Bells Reach provides immediate supply and FY12 settlements
- **Long term pipeline secured**  
25 – 35 year project
- **First residential settlements at Caloundra South**  
~300 lots sales per year from FY14, growing to ~900+ per year with multiple development fronts
- **Retail development and retirement living**  
Opportunity to commence FY15
- **Staging of development**  
Opportunity for multiple selling fronts through early delivery of requisite infrastructure to Bruce Highway and Caloundra Road



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# A UNIQUE CUSTOMER OPPORTUNITY



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# KEY TAKE OUTS



- **Strong market dynamics**
- **Certainty and flexibility in approval process**
- **A vibrant and sustainable community**



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