



Stockland

Queensland Market Update

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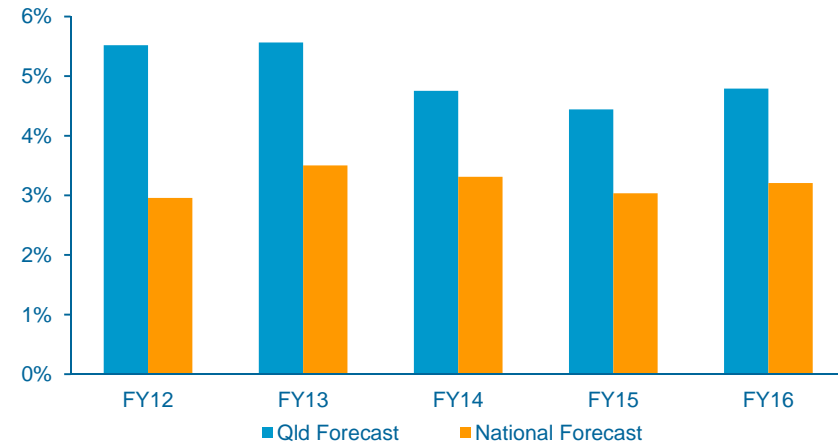
Key issues

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

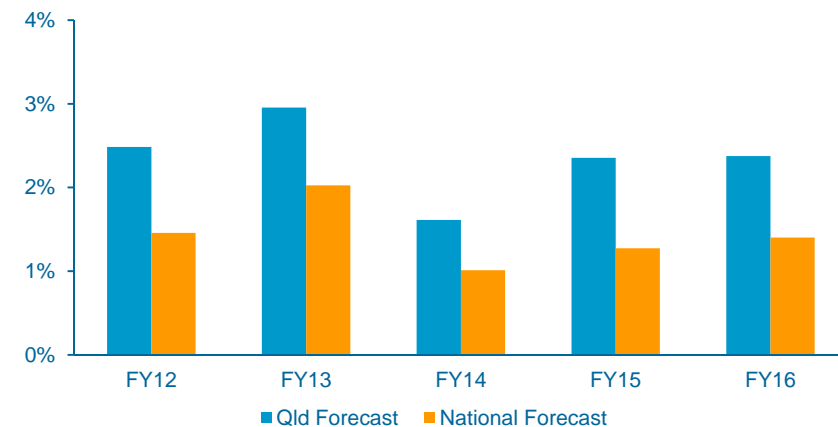
Strong outlook led by investment growth and increased employment

- Strong Gross State Product forecast with more than \$40bn of resource projects to commence in FY12 and FY13¹
- 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 GDP¹

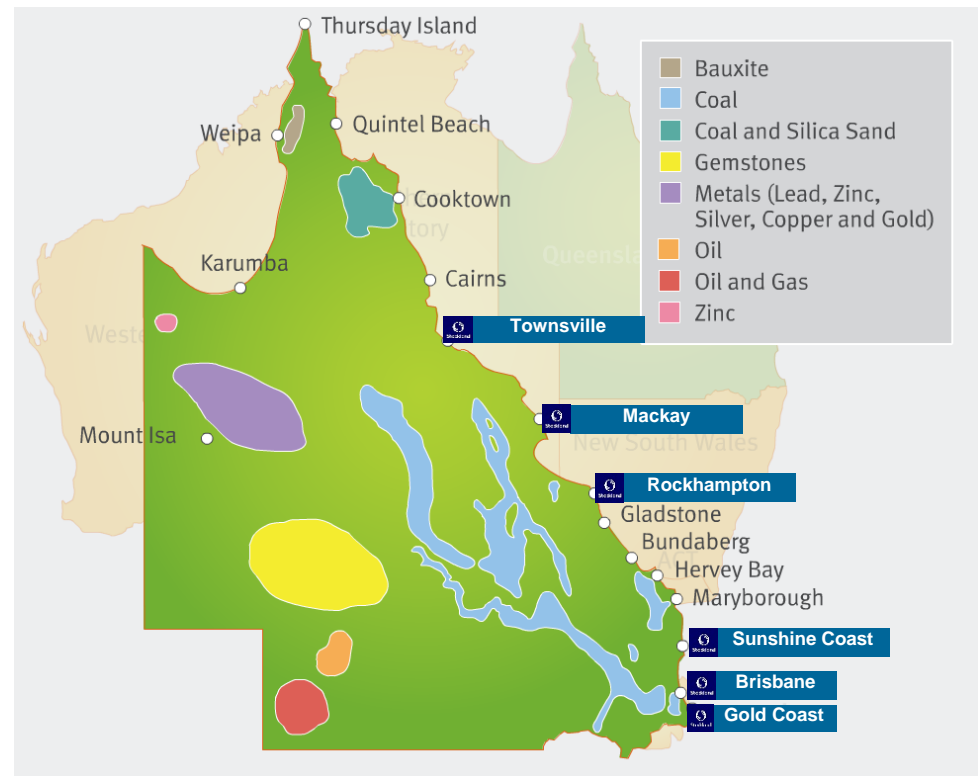


Qld vs. National Employment Growth¹



Diversity of new resource projects to underpin recovery

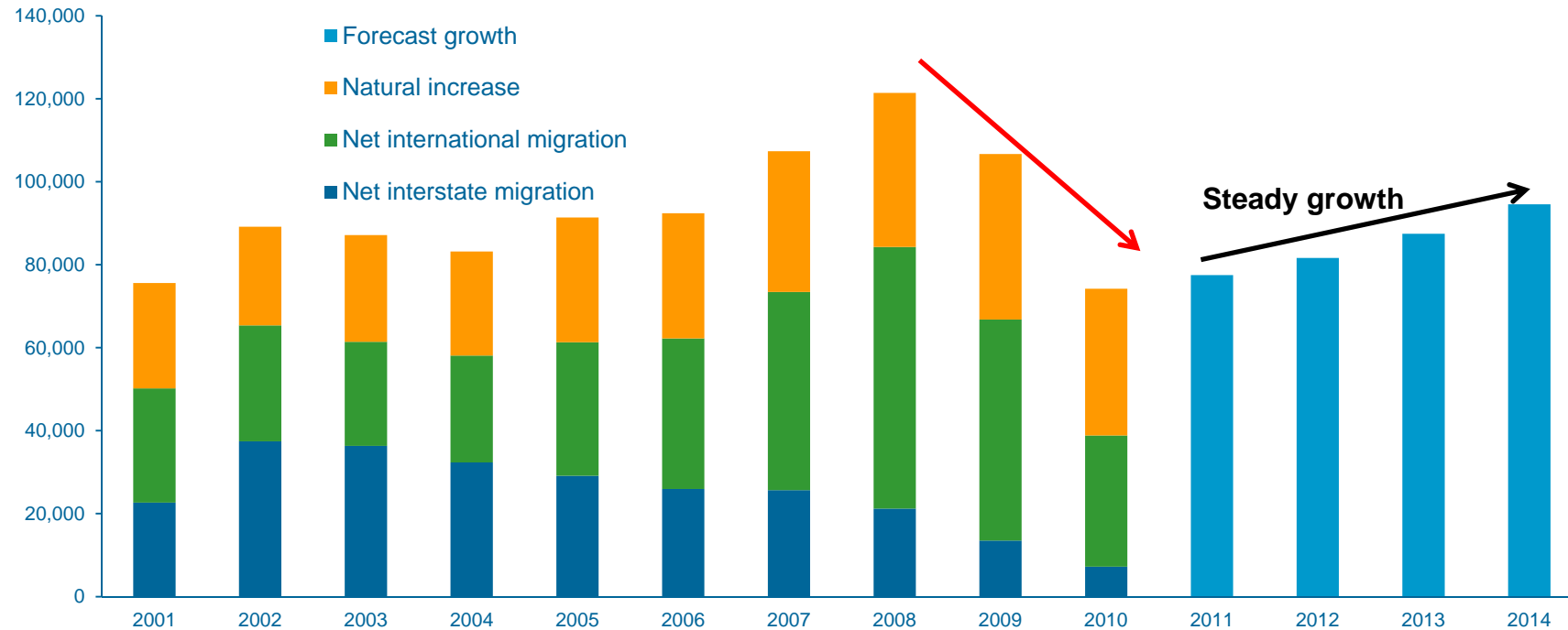
- New projects increase geographical footprint of resources in Queensland
- Committed resource investment to generate 45,000 direct full time jobs¹
- South East Queensland to be beneficiary of white and blue collar employment due to the fly in – fly out workforce



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)¹



Population growth forecast to rebound with strong economic outlook

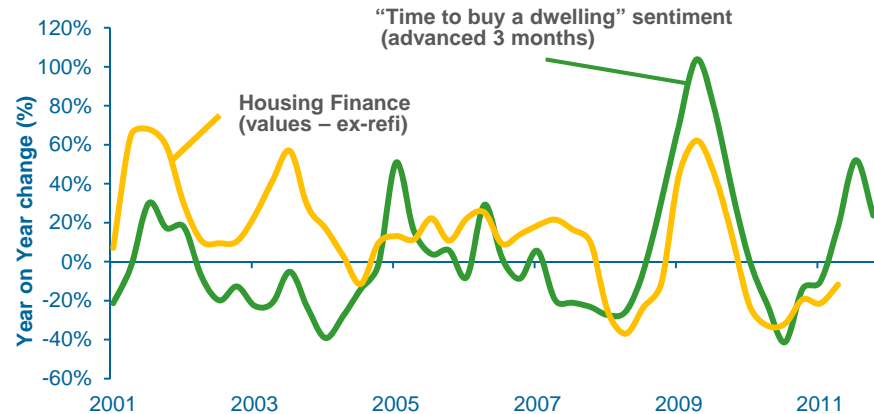
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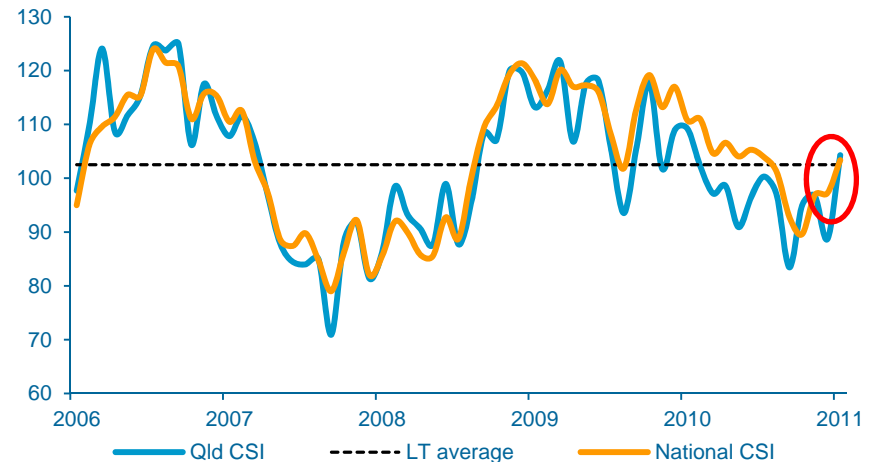
Time to buy and consumer sentiment recovering

- 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 sentiment¹



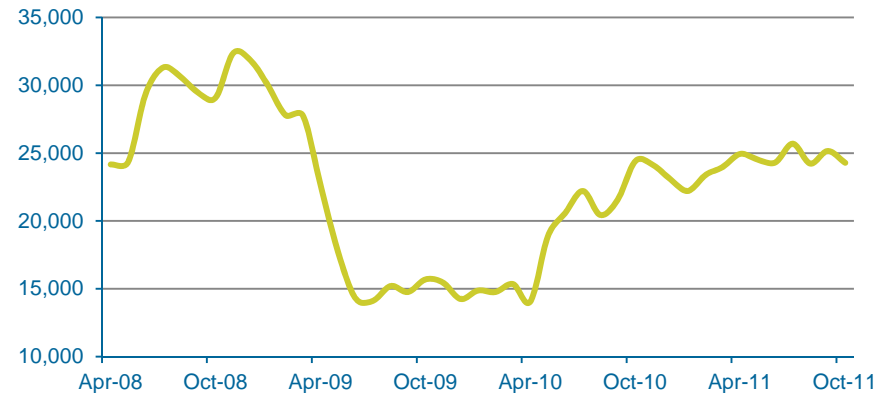
Consumer sentiment index²



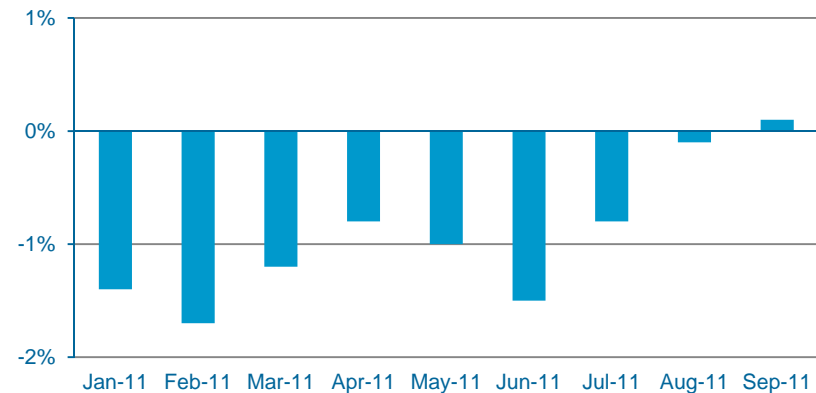
Established market remains soft and oversupplied

- 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 market¹



Brisbane established house prices²

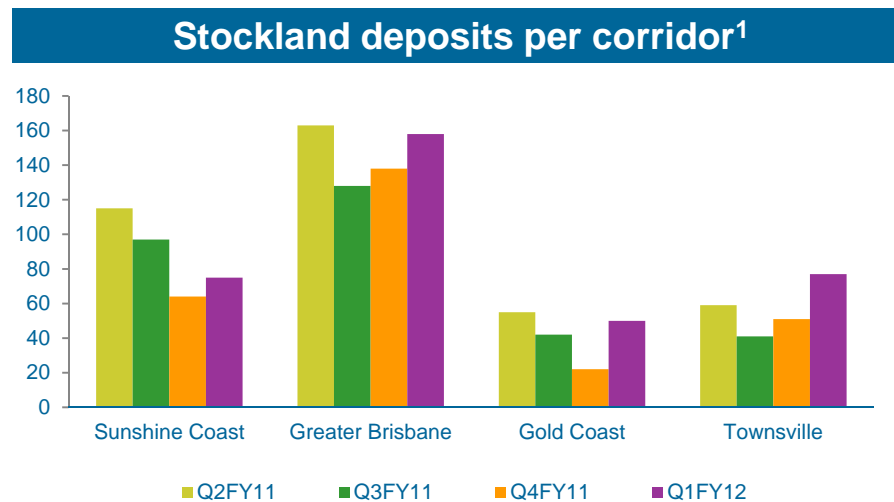
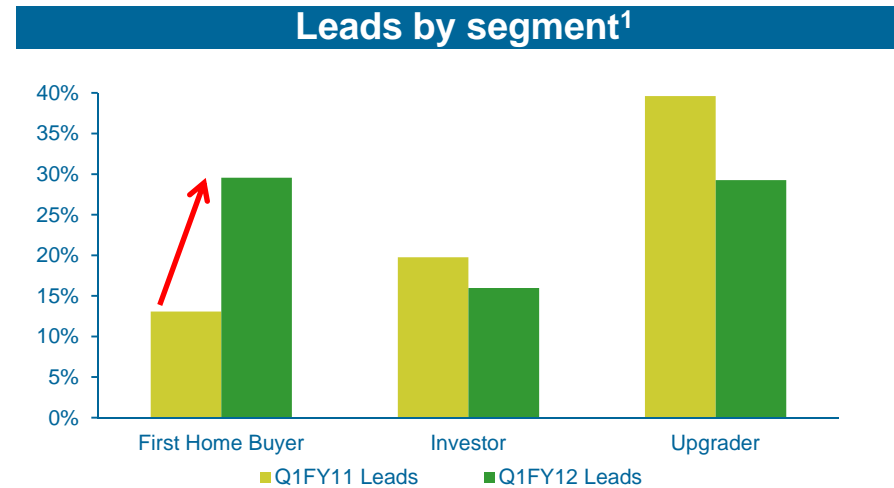


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First Home Buyers leading the market

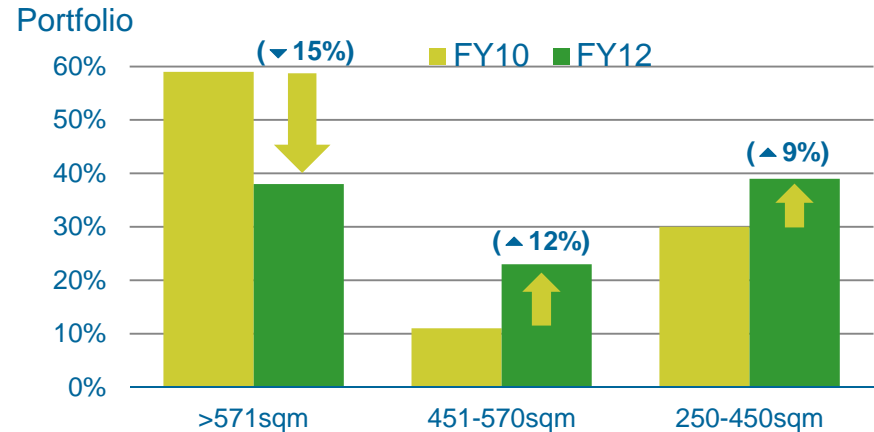
- Strong demand from First Home Buyers who are unconstrained by established market
- Deposits have bounced off mid year lows:
 - Recovery driven by targeted customer and product strategies
 - Improved sentiment and Builders Boost
- Buyers continue to be attracted by Stockland’s innovative and affordable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



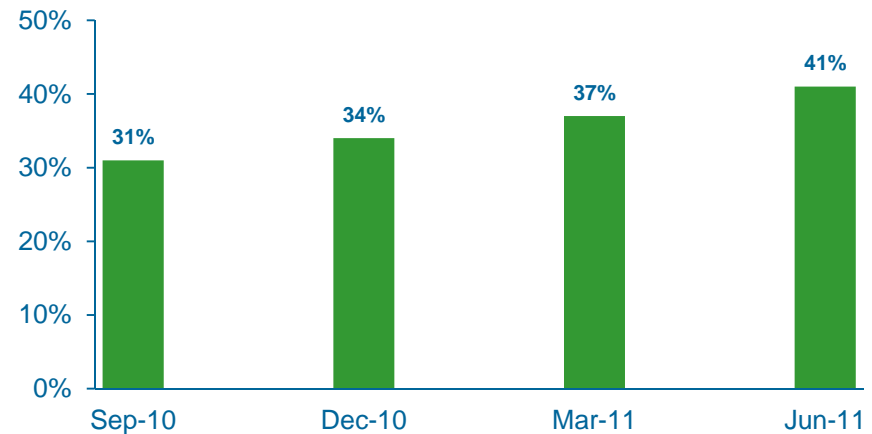
Affordable lots are widely accepted and selling strongly

- 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 sizes¹



Queensland active corridor market share²



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. ¹		
\$85,000	\$66,000	\$72,500
Average income in corridor is \$75,500		



Recap of key points

- 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