



Stockland

# Development Overview

Barry Mann – General Manager, Development

# Agenda

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## **1. Process**

**Well defined and leveraging our corporate expertise**

## **2. Product Development**

**Continually improving to produce a better result**

## **3. Pipeline**

**Strong growth from our land bank**

# Residential development for the older generation

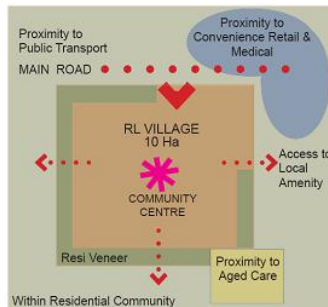
Choose  
corridors

Acquire  
land

Masterplan  
& design

Build

Initial 'sale'



## Strategy

- Residential corridors for large sites (8-12ha)
- High population areas for medium density sites (3-8ha)
- Average residential value \$350,000+

- Demographics – high over 65 population
- Close to:
  - Retail
  - Advanced care
  - Medical facilities
  - Public transport

- Community centre and facilities
- Density benchmarks
- Increase density in later stages
- Theme precincts of 30 to 40 ILUs

- Incorporate retirement features into homes
- Staged construction:
  - 2 to 4 civil stages
  - ILU stages of 25 to 35
- Community Centre opens with Stage 1

- Strong database
- Early display units
- Qualify interested parties
- On site sales staff and customer team

## Skill Set

- Aligns with already strong research and business development in Stockland
- Supported by 3-R growth strategy

- Strong market knowledge and research
- Research from Retail and Residential

- Internal architect for masterplan
- Internal cost planning

- Development, project and construction management
- Project home and medium scale builders

- Internal sales team are seen as friends to our customers

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Clear site selection criteria

- Proximity adds value
- High population areas
- High over 65 population
- Residential values over \$350,000
- Align with Residential land bank



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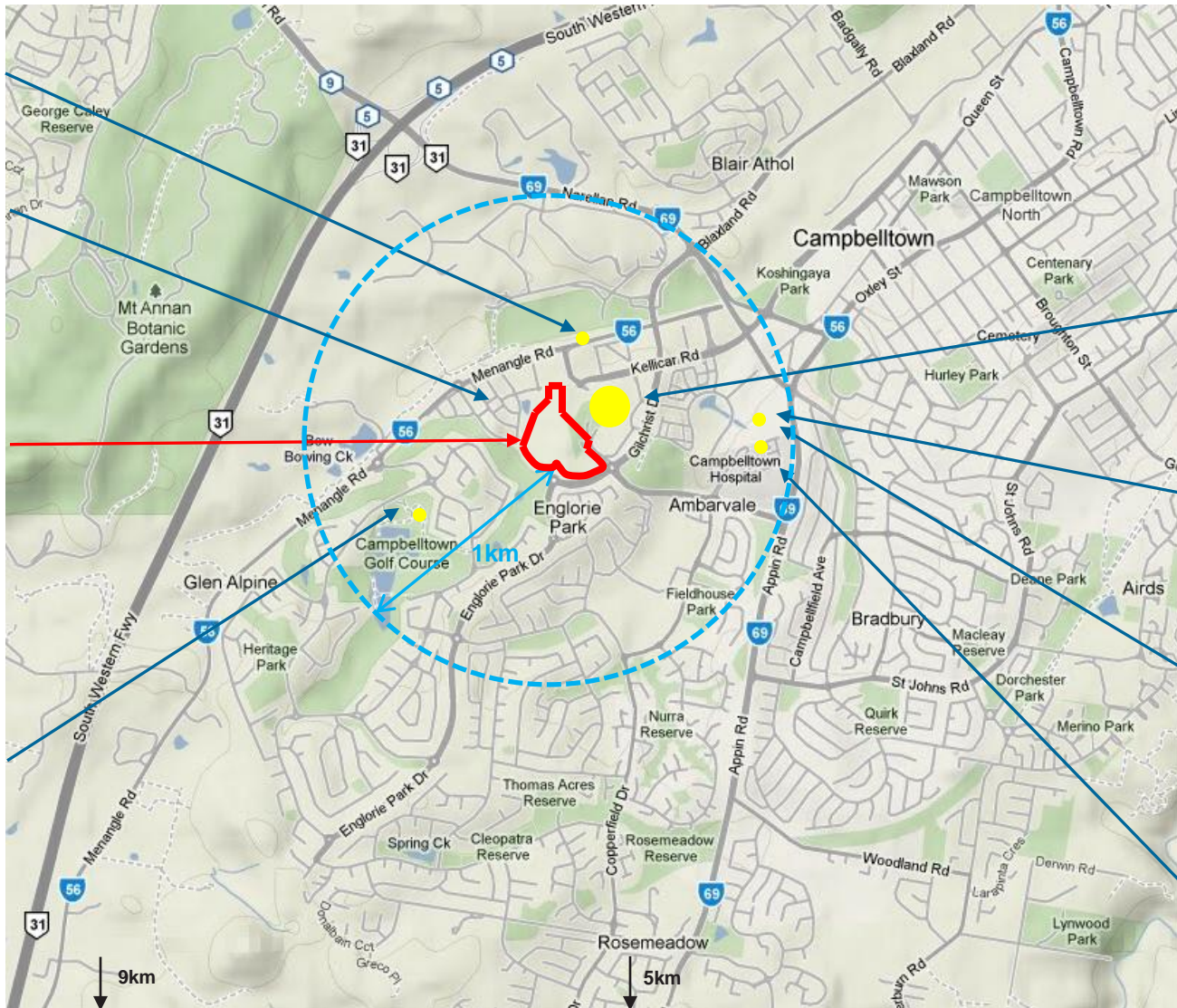
Initial 'sale'

Macarthur  
Railway Station

Stockland  
Macarthur  
Gardens  
Residential  
Development

Macarthur  
Gardens  
Retirement  
Village

Campbelltown  
Golf Club



Sydney  
60 Km



Macarthur  
Square  
Shopping  
Centre



Aged Care

Campbelltown  
Private  
Hospital



Campbelltown  
Public  
Hospital

Example: Macarthur Gardens, NSW

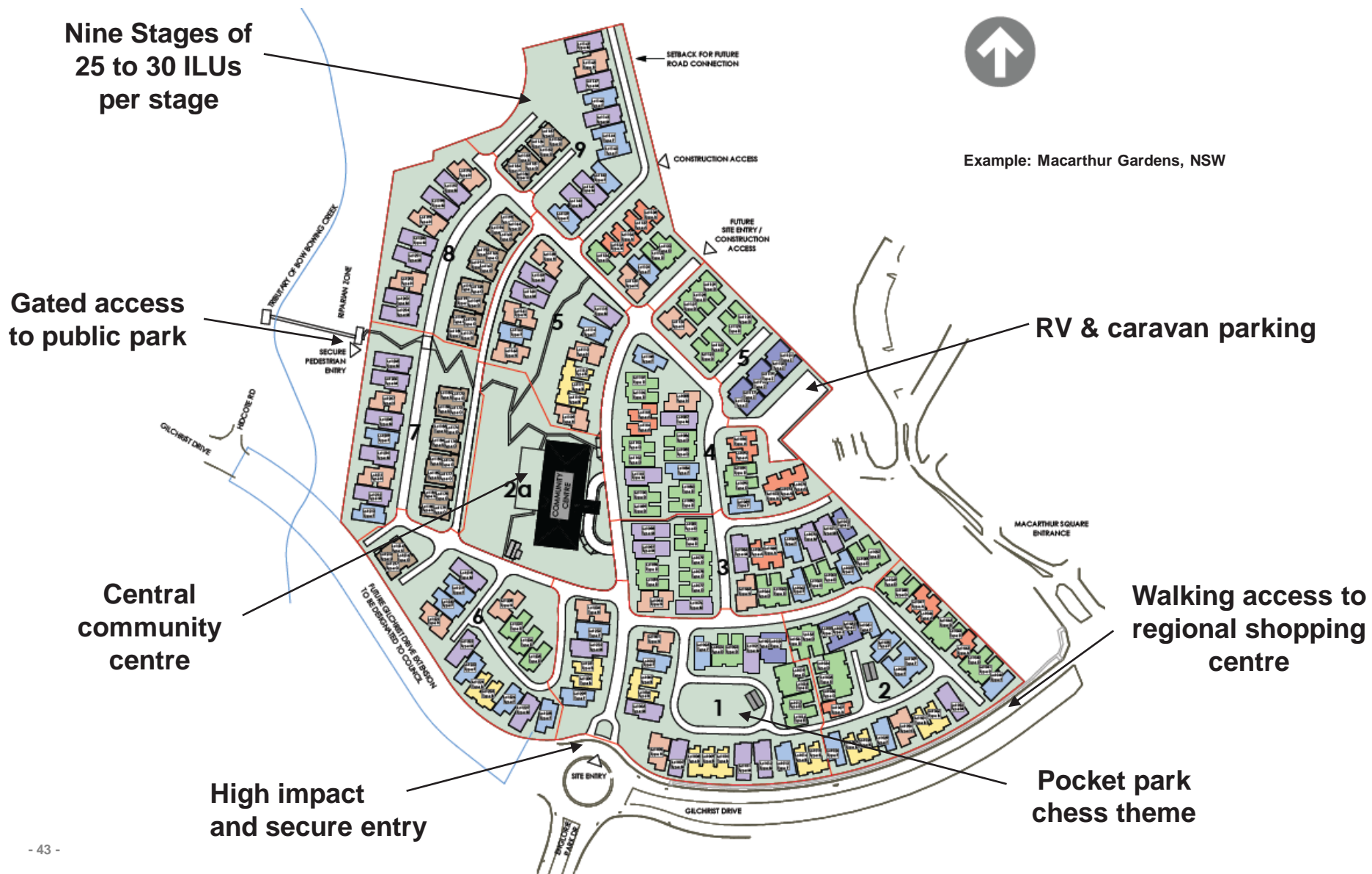
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## Community facilities



### Health & Wellbeing

- Medical Suites, Nurses Room, Podiatrists
- Hair Salon and beautician
- Pool and gym – movement and flexibility

### Community Lifestyle

- Security
- Café, club lounge, bar, library, media
- Town hall for functions, meetings and activities
- Bowling green and alfresco spaces
- Pocket parks – chess, bocce, rose gardens

## Homes



### Features

- Mobility and dexterity
- Facilities for grabrails
- Easy to use:
  - Door handles
  - Kitchen drawers
  - Oven and microwave heights
  - Taps
  - Large format light & power switches
- Nurse call system



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## New development customers

- Around 70 years old in new developments
- 30% singles, 70% couples
- Majority come from within 10km radius
- Move for:
  - lifestyle
  - downsize
  - follow the kids

**“We already downsized our property four years ago, but as we’ve gotten older, it’s become more important to us to live in a community of like minded people”**

**“The village has got all the facilities and design features we wanted, at the right price. We’re looking forward to enjoying a different pace of life and relaxing a lot more”**



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# Homes - continually enhancing our product



## Recent past

- Custom built
- Wide frontage
- Monotonous streetscapes
- Monotone colour palette

## Current designs

- Custom designed
- Narrow frontage
- Varied streetscapes
- Varied palette

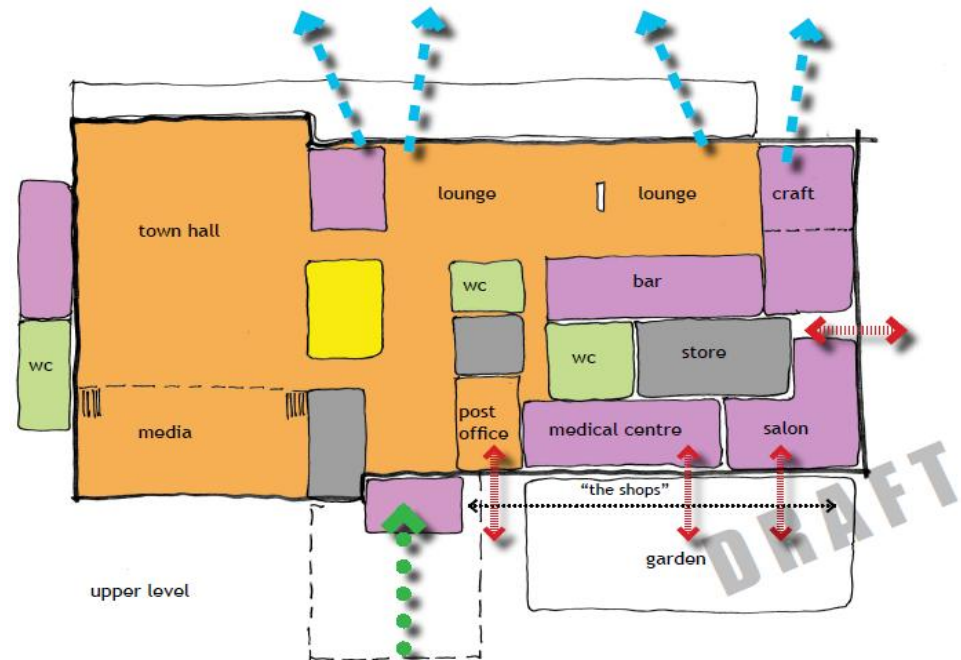
## Near future

- Project homes - modified for retirees
- Narrow frontage
- Ongoing builder product development
- Procurement efficiencies
- Varied facades and streetscapes

# Community centre - a community within communities



- Health and wellbeing / community lifestyle
- Activity hub with a club atmosphere
- Open within 6 months of first residents





# Product development – innovation to enhance affordability

## What

## Why

## How

### Improve affordability

- Customers need to preserve capital
- Increase customer pool
- Increase accessible corridors

- Reduce land m<sup>2</sup> per ILU
- Reduce building size
- Increase services provision outside ILU
- Align with partner builder product



### Increase site yield

- Land cost is amortised over ILU quantity
- Increase product range
- Lower operating cost per ILU

- Efficient masterplanning
- Narrow lot and ILUs
- Medium density e.g. Gowanbrae, Willows



### Benchmarks

- Improve efficiency of land use
- Provide consistent village experience to customers

- Density
- Community facilities
- Village size

Low 22 - 25 ILU per Ha  
 Medium 50 ILU per Ha  
 6 - 7 m<sup>2</sup> per ILU  
 170 to 250 ILUs

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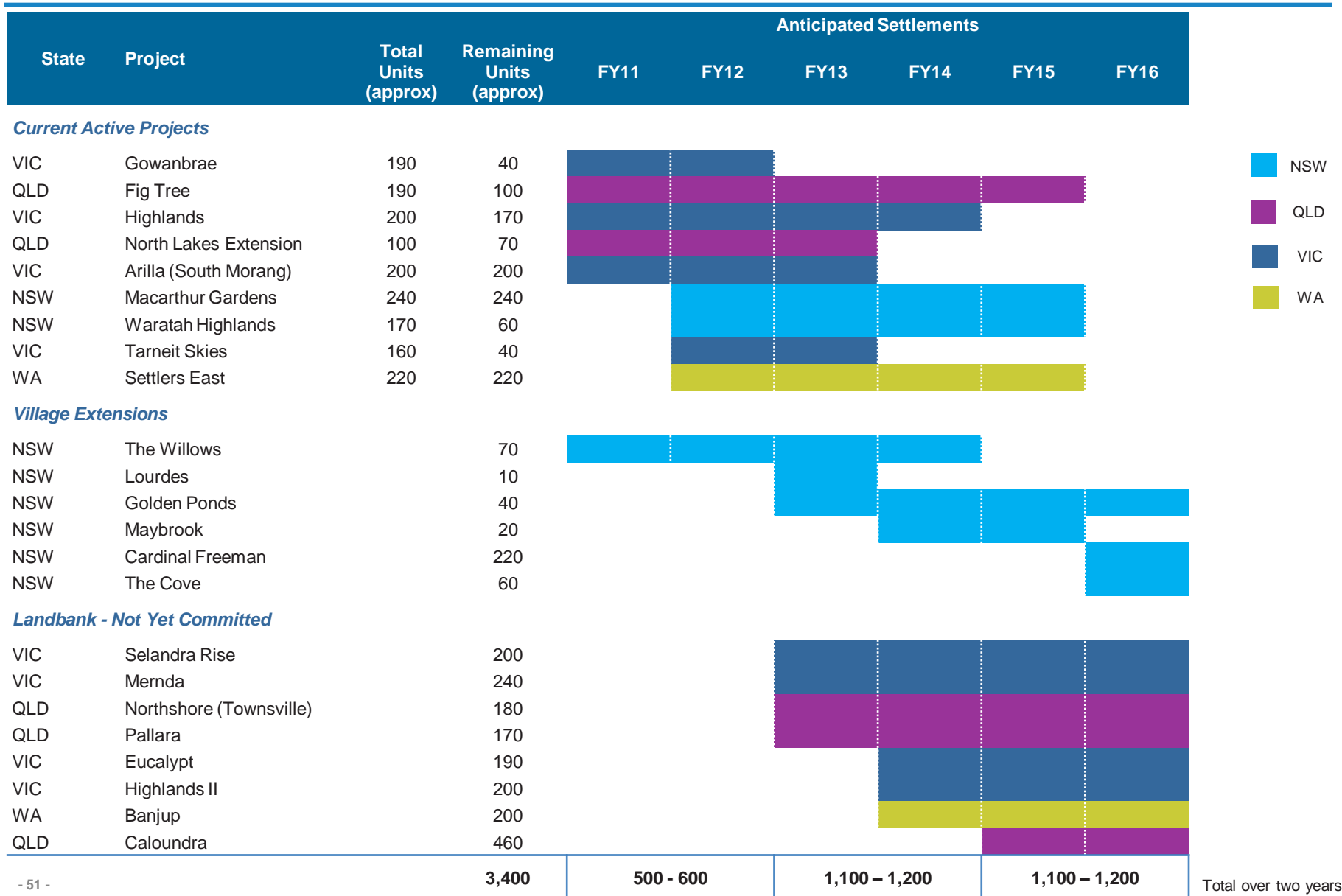
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**Strong growth from our land bank**

# Identified development pipeline: ~3,400 ILUs (as at 1 May 2011)





# Strong growth and profit coverage from existing land bank

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- **Annual volume of new unit settlements expected to triple over next 3 years:**
  - Improved geographic diversity in 4 states
  - Strong lead database
  - Early establishment of community centre
  - Leveraging Residential communities development progress
- **Funds employed in development expected to increase by only 50% over the same period:**
  - Accelerated development of land bank
  - Funds recycled from settlements
  - Develop in stages
  - Benefits of scale and diversification
- **Active developments provide substantial profit coverage in next 2 years:**
  - FY12: 100%      FY13: 90%
  - 15-20% development margin before overheads
- **Growth in next 5 years covered by village extensions and projects identified in the land bank (circa 3,400 ILU pipeline):**
  - Active projects – circa 1,140 remaining ILUs
  - Village extensions and land bank – circa 2,260 ILUs

# Summary

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- Process:
  - Residential development for the older generation
  - Development processes leverage our skill base and corporate expertise
- Product development:
  - Continue to improve based on deep customer insight
  - Innovate to enhance affordability
- Pipeline:
  - Strong growth delivered from our diversified land bank
  - Strong profit coverage from active developments
  - All growth in next 5 years covered by village extensions and land bank