

Stockland – Australia's leading diversified property group

**Stockland WA Update
October 2006**

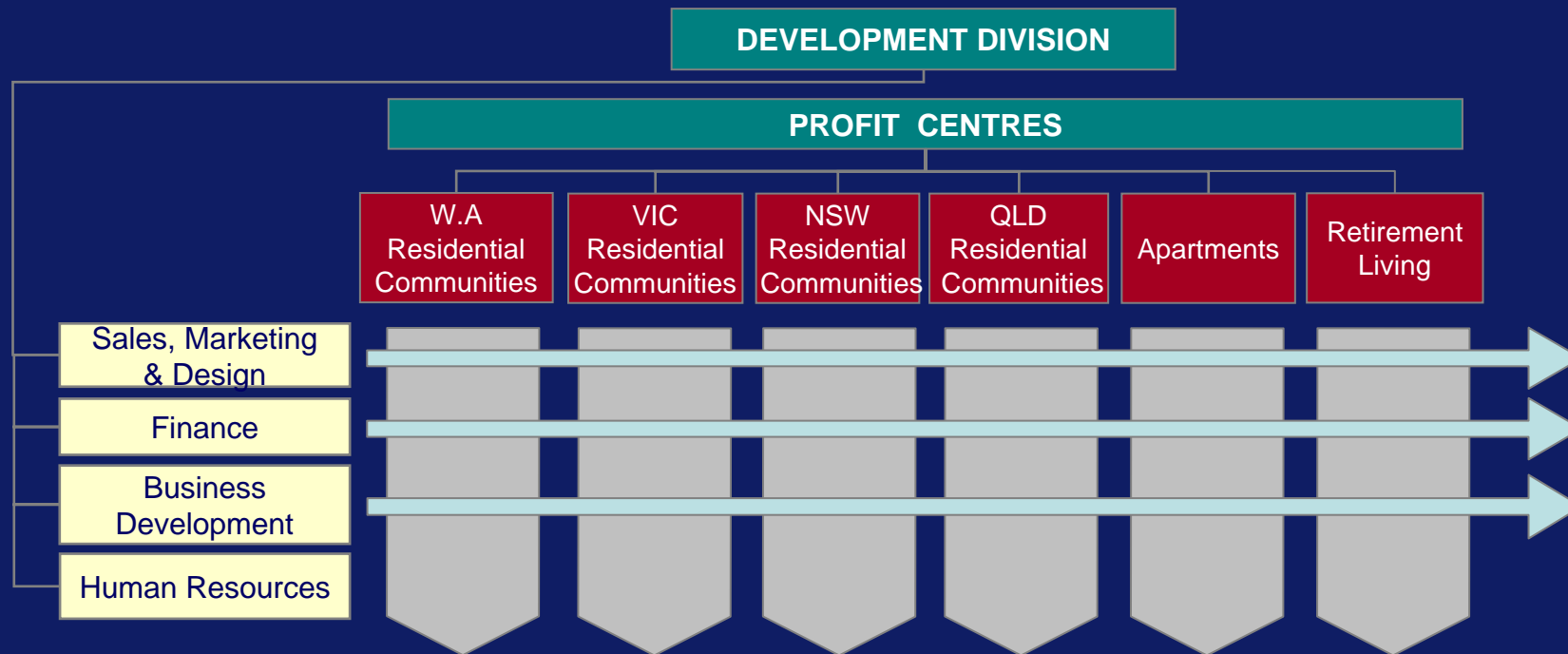


WA PRESENTATION OVERVIEW

- **National Development Division Structure**
- **WA Operating Platform**
- **Market Research**
- **Stockland WA Market Position**
- **WA Project Tour**

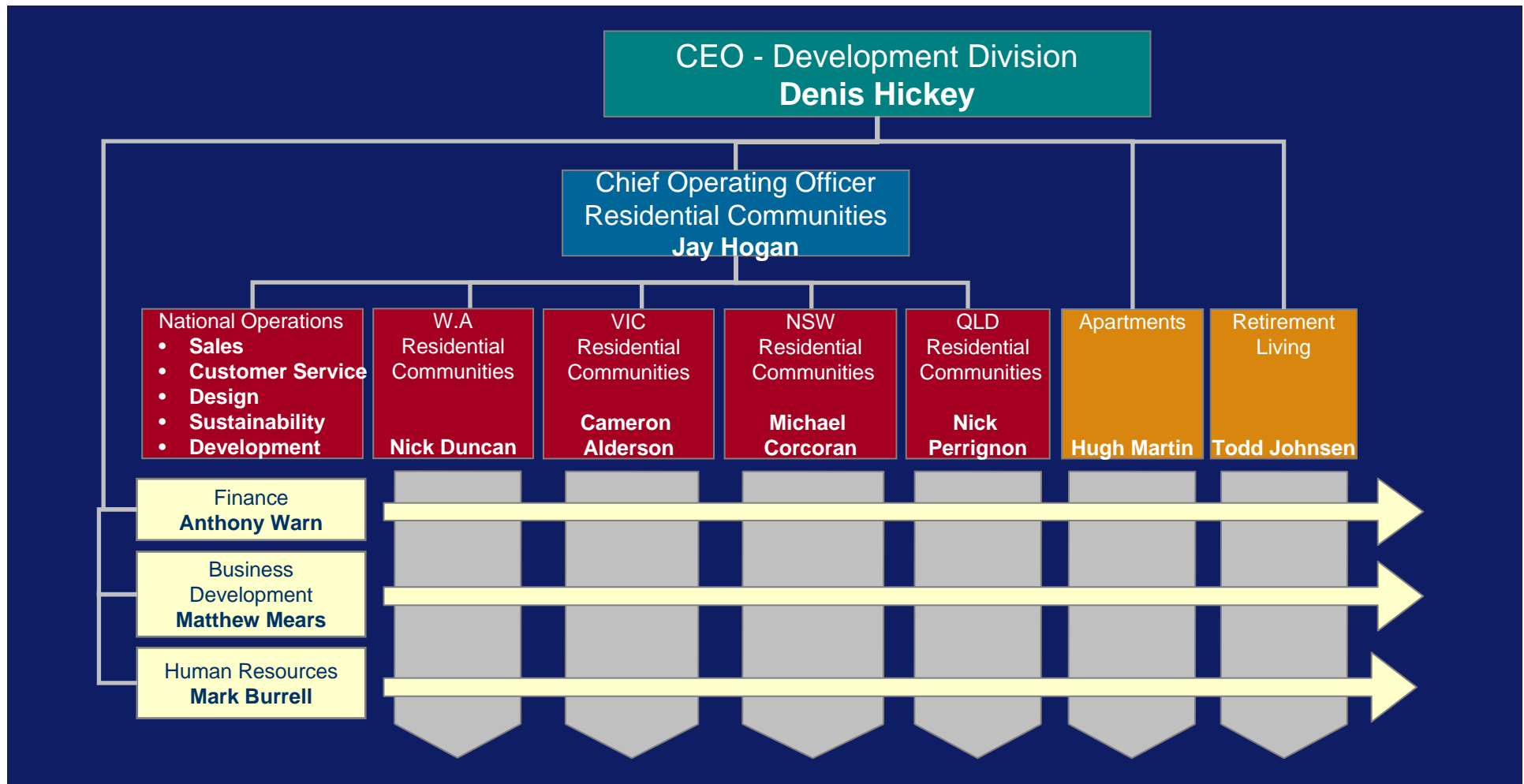
STOCKLAND'S CROSS FUNCTIONAL STRUCTURE

Established Cross Functional Structure



- Focus on leveraging skills
- Lower overhead structure / no silos, (can respond faster to market downturns / upswings)
- Retain “core” value enhancing skills – avoid production based overheads

NATIONAL EXECUTIVE TEAM



STOCKLAND'S RESIDENTIAL STRATEGY

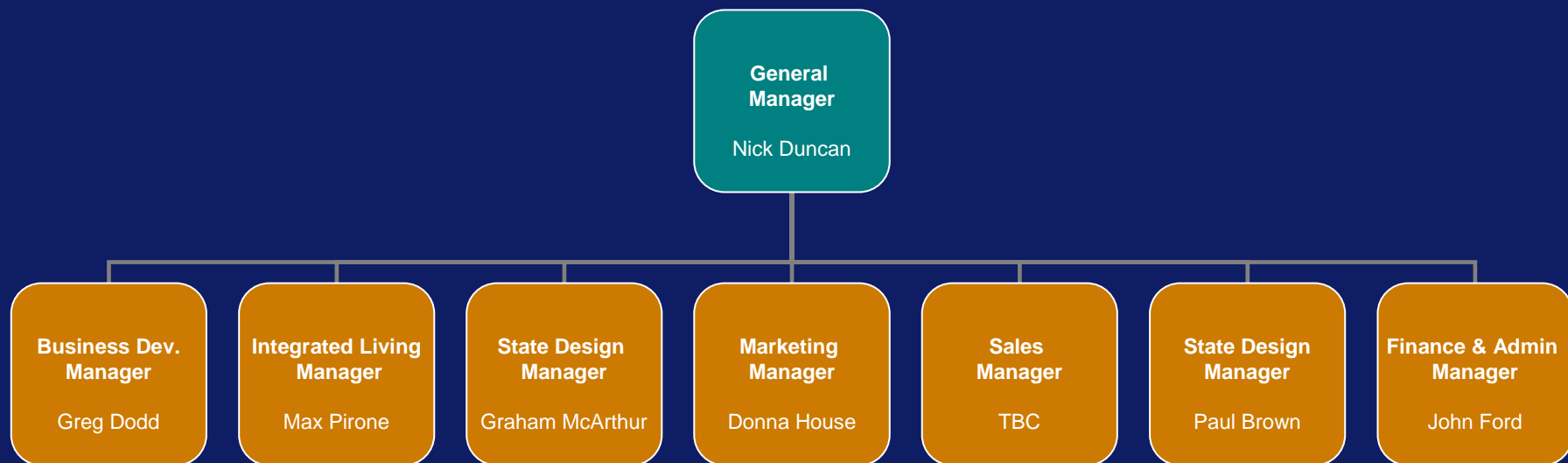
- Diversity
- Ownership
- Leverage our skills
- Build Brand
- Maintain asset & profit contribution
- Management / People

WA PRESENTATION OVERVIEW

- **National Development Division Structure**
- **WA Operating Platform**
- **Market Research**
- **Stockland WA Market Position**
- **WA Project Tour**

WA EXECUTIVE TEAM

- Strong State Executive Team
- Strategically focussed
- Driving results through Cross Functional team



RISK MANAGEMENT AND VALUE ADD

Stockland Wave

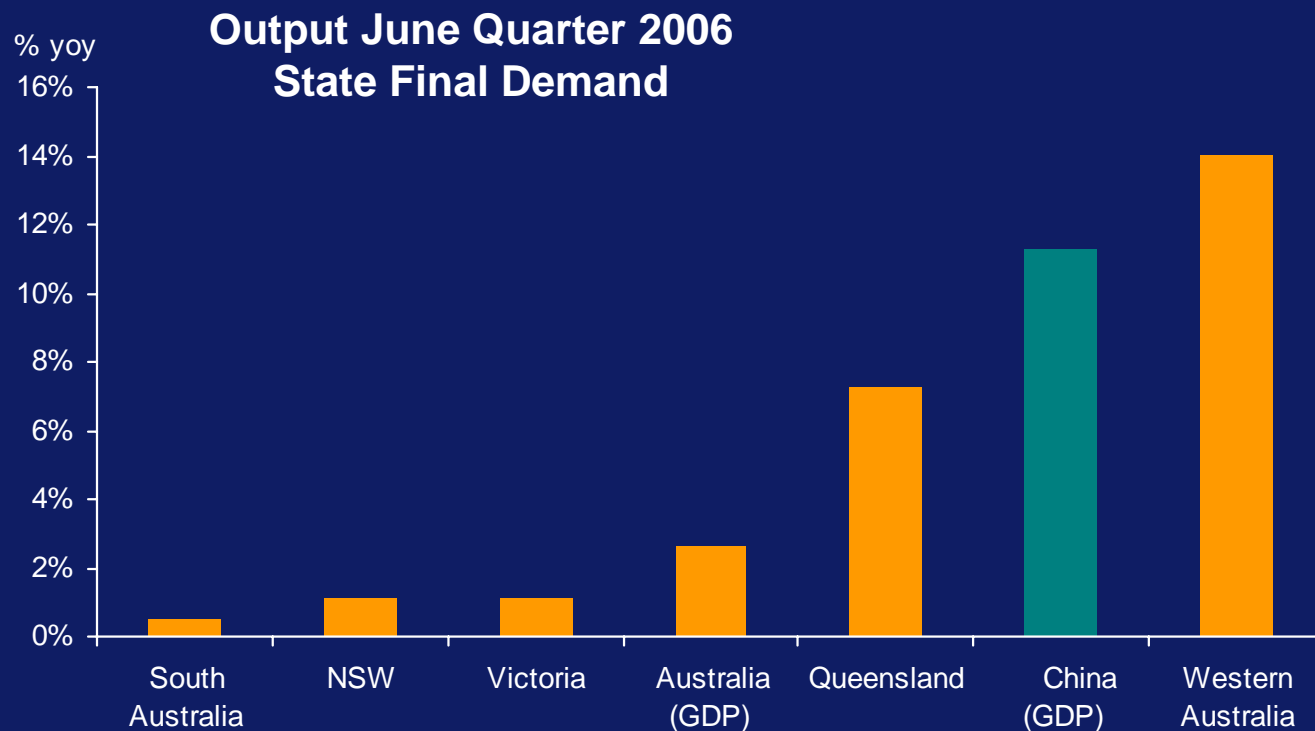


- Unique “Stockland Way” of managing our business
- Clearly defined operating platform and process
- Efficient mix of “in-house” and “external” resources

WA PRESENTATION OVERVIEW

- **National Development Division Structure**
- **WA Operating Platform**
- **Market Research**
- **Stockland WA Market Position**
- **WA Project Tour**

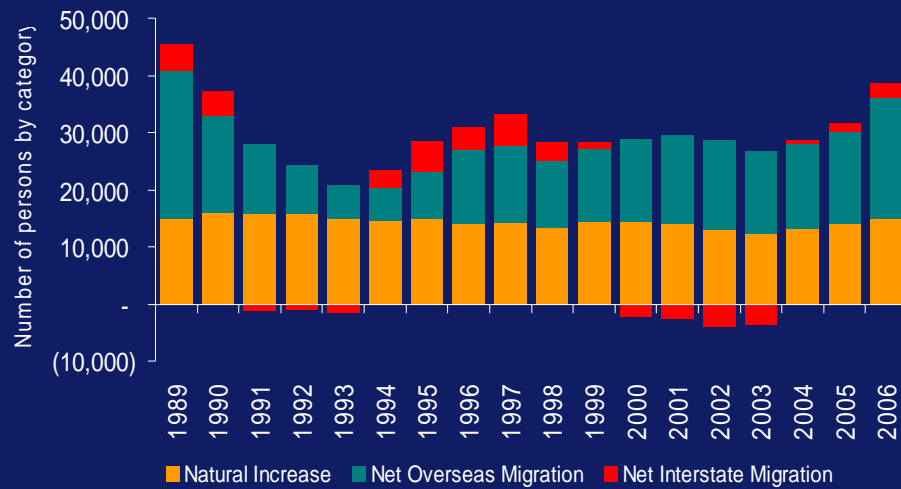
ACTIVITY



- Pace of activity has slowed
- Performance of national economy masks significance divergence
- WA & QLD benefiting from commodities price boom, NSW & VIC the after effects of a property slowdown

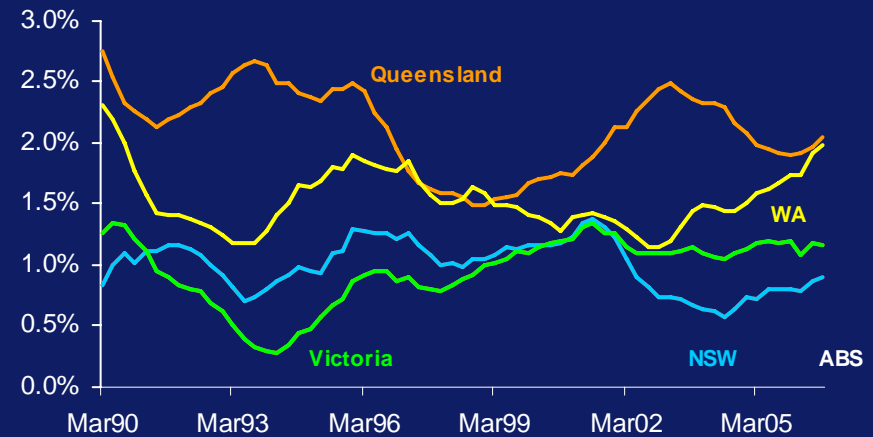
POPULATION TRENDS

Population Growth by Category WA, Year to March



Source: ABS

Population Growth

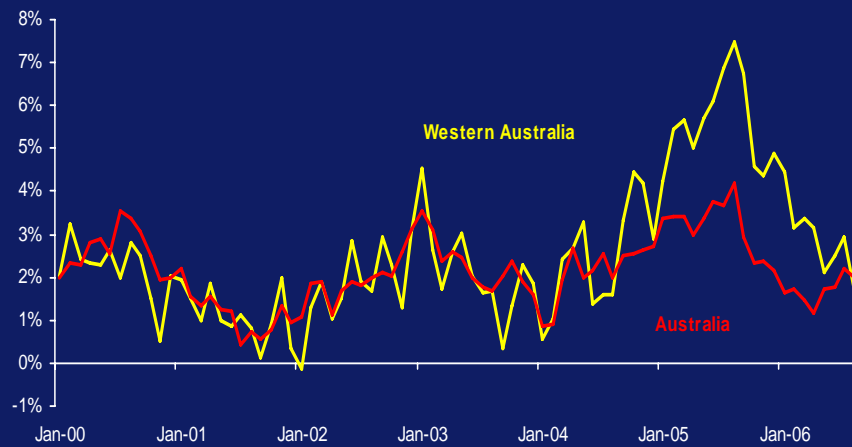


Source: ABS

- Australia's population growth has picked up recently, mainly due to natural causes
- Population growth in WA accelerating – fastest rate for 10 years
- Increases from all sources

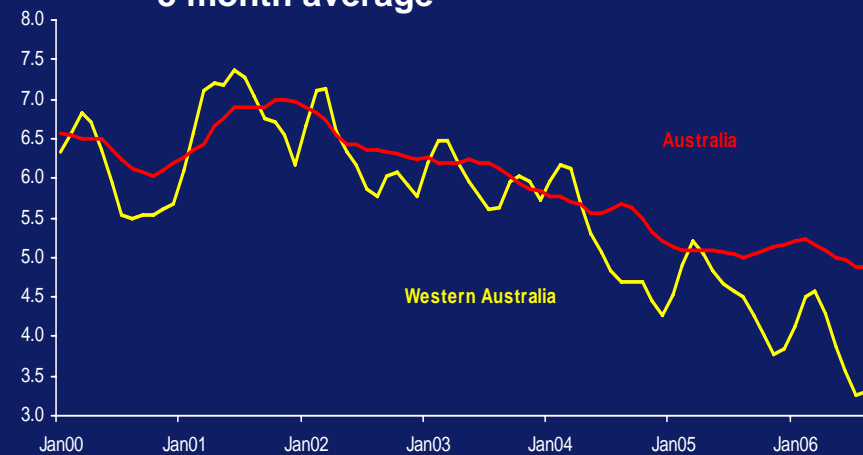
LABOUR MARKET

Employment (%yoy)



Source: Datastream

Unemployment Rate 3 month average

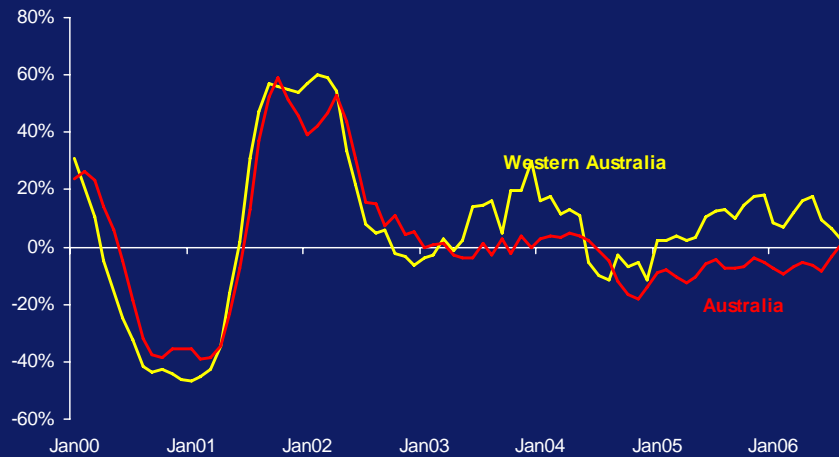


Source: Datastream

- Resources boom has driven WA employment growth
- Recent moderation in WA
- WA unemployment rate close to 3.5% suggesting full employment

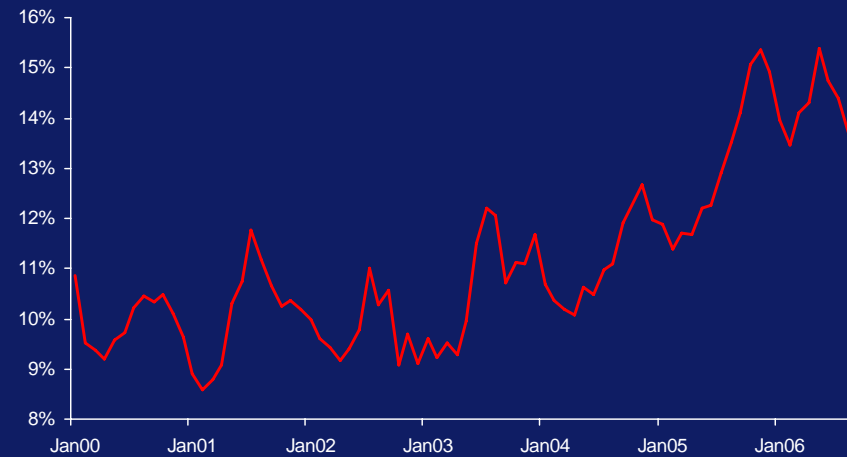
DWELLING SUPPLY

Dwelling Approvals New Houses (%yoy) 3 month average



Source: ABS

Dwelling Approvals New Houses WA as % of total 3 month average



Source: ABS, Stockland

- WA approvals have continually increased since 2005
- Weak elsewhere
- Since 2003 WA approvals rising as a share of national totals

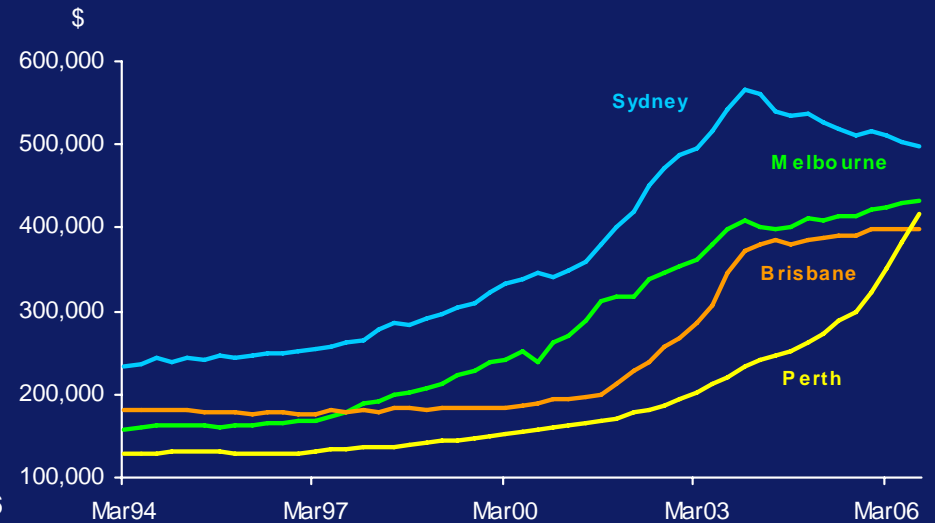
PRICE PRESSURES

Rental Growth Three Bedroom Houses



Source: REIA

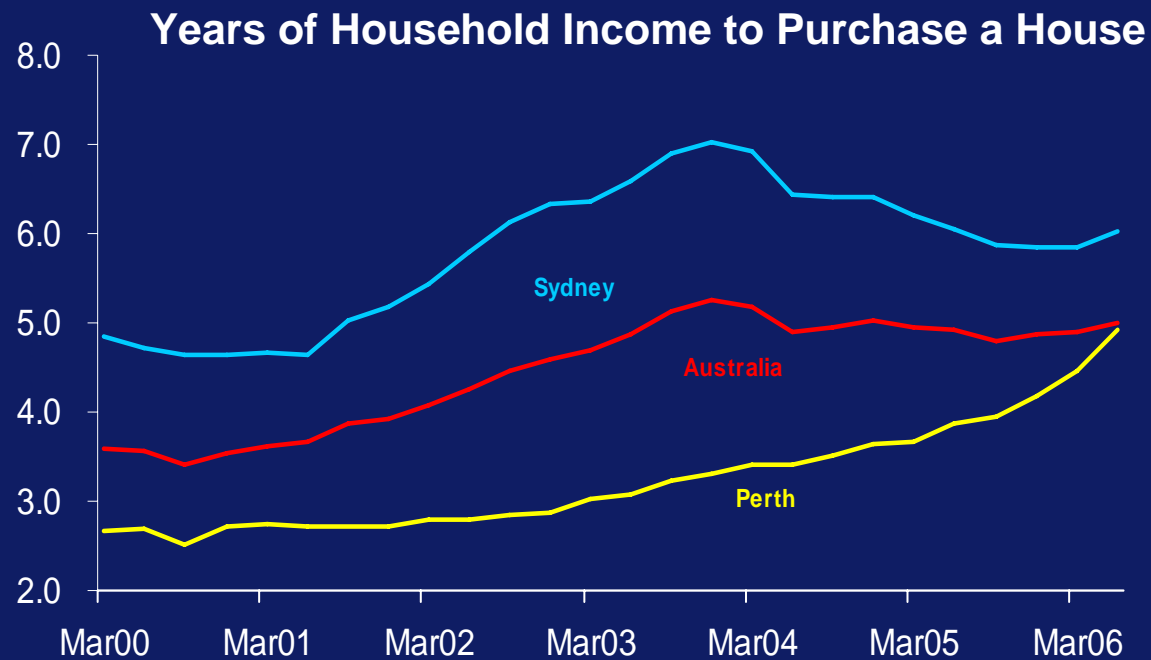
House Prices



Source: ABS, REIA

- Increased demand for accommodation has led to steep rise in Perth rental growth
- Perth house prices have continued to accelerate; rising around 40% over the past year

VALUATIONS



- Sydney has become more affordable as prices have moderated
- Demand greater than supply, coupled with relatively moderate wage inflation, has pushed up affordability

OUTLOOK

CONSENSUS FORECASTS* (SEPT 2006)			
GDP	2005	2006(e)	2007(e)
US	3.2	3.5	2.6
Japan	2.6	2.8	2.2
China	10.2	10.4	9.1
UK	1.9	2.6	2.4
Australia	2.7	2.8	3.4
Inflation			
US	3.4	3.6	2.7
Japan	-0.3	0.4	0.6
China	1.8	1.7	2.3
UK	2.3	2.8	2.6
Australia	2.7	3.5	2.7

SIGNIFICANT RESOURCE PROJECTS UNDERWAY OR PLANNED IN WA			
	Project value (estimated A\$m)	Employment	
		Construction	Permanent
Iron & steel	15,894	10,200	3,465
Nickel/cobalt	3,200	2,400	650
Petrochemicals	1,499	1,700	280
Oil, gas and condensate	35,415	10,900	1,395
Other	11,292	7,460	3,275
TOTAL	67,300	32,660	9,065

- Outlook for China and Investment projects support of continuing activity
- Population growth robust – Government addressing labour supply constraints
- Initiatives to increase release reducing the pressure on affordability

WA PRESENTATION OVERVIEW

- **National Development Division Structure**
- **WA Operating Platform**
- **Market Research**
- **Stockland WA Market Position**
- **WA Project Tour**

PERTH MARKET SNAPSHOT

	Perth Metropolitan Area (Ex Peel)	Stockland	Market Share
Lots Created	14,605	931	6.4%
Lots Sold	14,396	698	4.8%



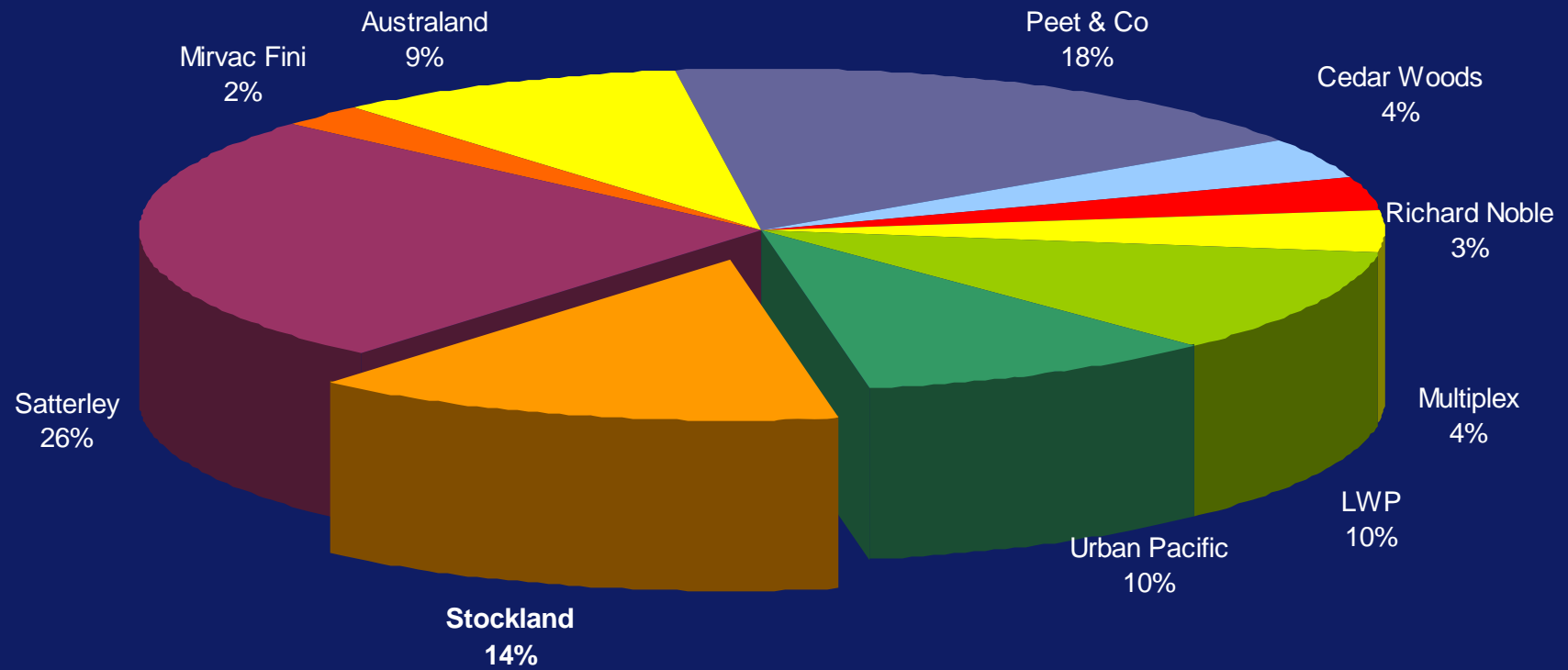
METROPOLITAN CORRIDOR SNAPSHOT

	Market	Stockland	Market Share
South-West	3,916	446	11.4%
South-East	2,043	141	6.9%



MARKET SHARE 2005/06

Perth Metropolitan Region (Ex Peel) – Top 10 Developers



MARKET SHARE 2005/06

Perth Metropolitan Region (Ex Peel) – Top 10 Developers

Developer	Sales*
Satterley	1,291
Peet & Co	898
Stockland	698 (871 total)
LWP	530
Urban Pacific	484

Developer	Sales*
Australand	469
Cedar Woods	214
Multiplex	212
Richard Noble	166
Mirvac Fini	105

* Stockland estimates based on analysis of DLI VGO data. Data current to 9/10/2006 – subject to change as sales processed into DLI VGO database.

NUMBER OF LOTS SOLD 2005/06

Major Developers – PMR Excluding Peel



Source: DLI, Stockland

STOCKLAND'S WA HISTORY

July 2001 - Stockland acquired the Taylor Woodrow Business and entered in to the WA residential market.

	July 2001	July 2006
Number of projects	8	10
Number of lots under control	3,870	7,076
Total Assets	\$107M	\$226M
% of the Residential Communities business	n/a	11%
Number of employees	32	56

* Since July 2001 stockland has sold 3,875 number of lots in WA

WA PORTFOLIO

	End Value	Total Lots	% Sold
Existing Land Bank	1,144	7,956	47
Apartments	135	200	0
New Projects			
East Landsdale*	8	31	0
Brookdale**	170	2,103	0
SH NHSC*	75	500	0
Total Residential Communities	1,532	10,790	35
Bull Creek	73		
Karrinyup (25%)	106		
Riverton (50%)*	35		
Baldivis*	23		
Total Shopping Centres	237		
Exchange Plaza (50%)	94		
Durack Centre*	49		
Total Commercial	143		
TOTAL	1,912		

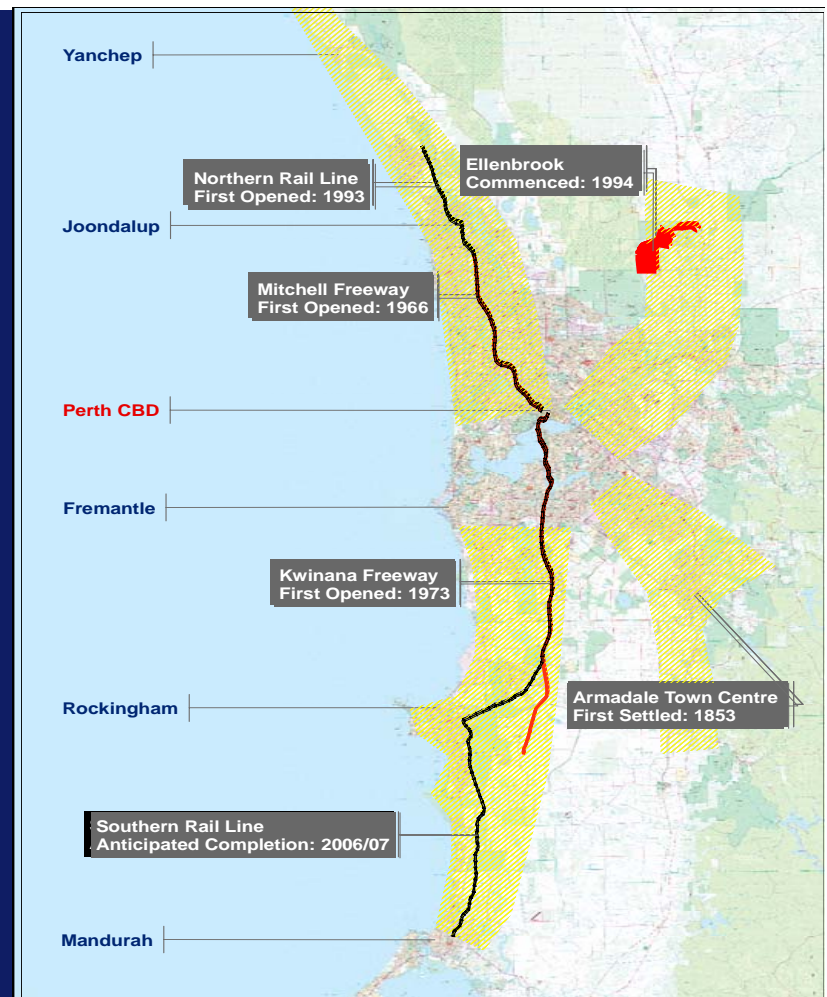


* Not in Property Book (June '06)

** 50% JV with Landstart

PERTH'S GROWTH CORRIDORS

- Historical growth lineal to coast
- 4 main corridors of growth
- Infrastructure planning leads development front
- Network City



STOCKLAND ACQUISITIONS STRATEGY

- 2 – 4 year land supply well secured
- Medium to long term focus
- 1 new market per year for next 3 years
- 2 consolidations per year for next 3 years
- Focus urban fringe
- SREEF opportunities
- East Landsdale consolidation
- Joint venture opportunities



STRATEGIC DIRECTION

- Focus on four key areas of the business
 - Product
 - Growth
 - Market
 - People
- WA has 9 Strategic Projects and 46 associated Actions
- Are aligned to the National Strategies, but do not duplicate
- Deliver on financial and non-financial objectives

STRATEGIC DIRECTION

The Four Pillars

Pillar 1	Strategic Projects
PRODUCT	<ul style="list-style-type: none">• Create commercially viable and sustainable product solutions which match the customer's total living and home requirements• Utilise Stockland's positioning and buying power to secure key inputs in a timely manner at a lower cost
GROWTH	<ul style="list-style-type: none">• Actively pursue opportunities for growth to achieve profit targets• Leverage investment in existing projects• Ensure adequate market diversity in proven corridors and regions to grow market share
PEOPLE	<ul style="list-style-type: none">• Have a leadership focus that fosters engagement, continually develops people and aligns with Stockland's values
MARKET	<ul style="list-style-type: none">• Generate new business through selected customer segments• To promote awareness among our prospective customer bases• Develop positive brand equity with key external stakeholders to positively influence our ability to do business

WA PRESENTATION OVERVIEW

- **National Development Division Structure**
- **WA Operating Platform**
- **Market Research**
- **Stockland WA Market Position**
- **WA Project Tour**

SETTLERS HILLS

TOTAL PROJECT VALUE : \$226m

% SOLD* : 64%

- Remaining lots: 883
- Australia's first WaterWise Display Village
- Incorporates 2 schools
- New Village Retail Centre
- Finalist 2006 UDIA Awards for Master Planned Community
- Current construction of 17 integrated living products within Village Centre precinct



* As at 30 June 2006

BALDIVIS TOWN CENTRE

TOTAL PROJECT VALUE : \$75m

% SOLD* : n/a

- Collaboration: Shopping Centres, Retirement Living and Residential Communities
- Greenfield town centre project
- Strategically located opposite Settlers Hills
- 10 -15 year development program
- 160 jobs during construction
- 260 full time ongoing jobs



* As at 30 June 2006

THE SANCTUARY

TOTAL PROJECT VALUE : \$70m

% SOLD* : 80%

- Urban Infill
- Remaining lots: 79
- Recipient of 2004 UDIA Judges Award for Excellence
- Strong market acceptance
- Demonstration of excellence in environmental management
- First negotiated planning solution in WA



* As at 30 June 2006

ASHDALE GARDENS

TOTAL PROJECT VALUE : \$104m

% SOLD* : 98%

- Small land holding remains
- Achieved significant price growth (\$80k - \$220k) over 5 years
- Incorporates Ashdale Primary School
- High market acceptance
- Anticipate exiting December 2006



KENNEDY PARK

TOTAL PROJECT VALUE : \$56m

% SOLD* : 100%

- Residential subdivision on remaining group housing site (total 15 lots)
- Most southern project in WA
- Achieved significant price growth over 6 years (\$60k - \$250k)



EAST LANDSDALE

TOTAL PROJECT VALUE : \$130m

% SOLD* : n/a

- High growth region with limited land supply
- Current land holdings 51% (63 ha)
- Actively pursuing additional land
- Lots on ground anticipated within 18 months
- Partnership with City of Wanneroo
- Taking carriage of Local Structure Plan
- Gives Stockland an active presence in northern suburbs



* As at 30 June 2006

BROOKDALE

TOTAL PROJECT VALUE : \$450m

% SOLD* : n/a

- First joint venture with WA Government (Landstart)
- 12 – 15 year project
- 2,600 lot master planned community
- Potential collaboration with Shopping Centres and Retirement Living
- Strengthens Stockland's position In SE Corridor



* As at 30 June 2006

TOUR OVERVIEW

- The Boardwalk
- Vertu Private Estate
- Newhaven
- South Beach
- Stockland Riverton
- Durack Centre



SUMMARY

- Fundamentals - strong supporting property sector
- Well positioned with short to medium term profit pipeline in place
- Sound strategies in place to ensure future sustainable growth
- A great team committed to adding value through our operating platform



DISCLAIMER

Corporation/ Responsible Entity

Stockland Corporation Limited
ACN 000 181 733

Stockland Trust Management Limited
ACN 001 900 741

16th Floor
157 Liverpool Street
SYDNEY NSW 2000

Disclaimer of Liability:

While every effort is made to provide accurate and complete information, Stockland does not warrant or represent that the information in this presentation is free from errors or omissions or is suitable for your intended use. Subject to any terms implied by law and which cannot be excluded, Stockland accepts no responsibility for any loss, damage, cost or expense (whether direct or indirect) incurred by you as a result of any error, omission or misrepresentation in information in this presentation. All information in this presentation is subject to change without notice.