

Residential Communities

Stockland WA Business Unit

8 September 2005

Nick Perrignon, General Manager WA



Stockland

WA Presentation Overview

- **Business Unit Structure**
- WA Economic Overview & Forecasts
- Business Unit Project Tour

WA Business Unit

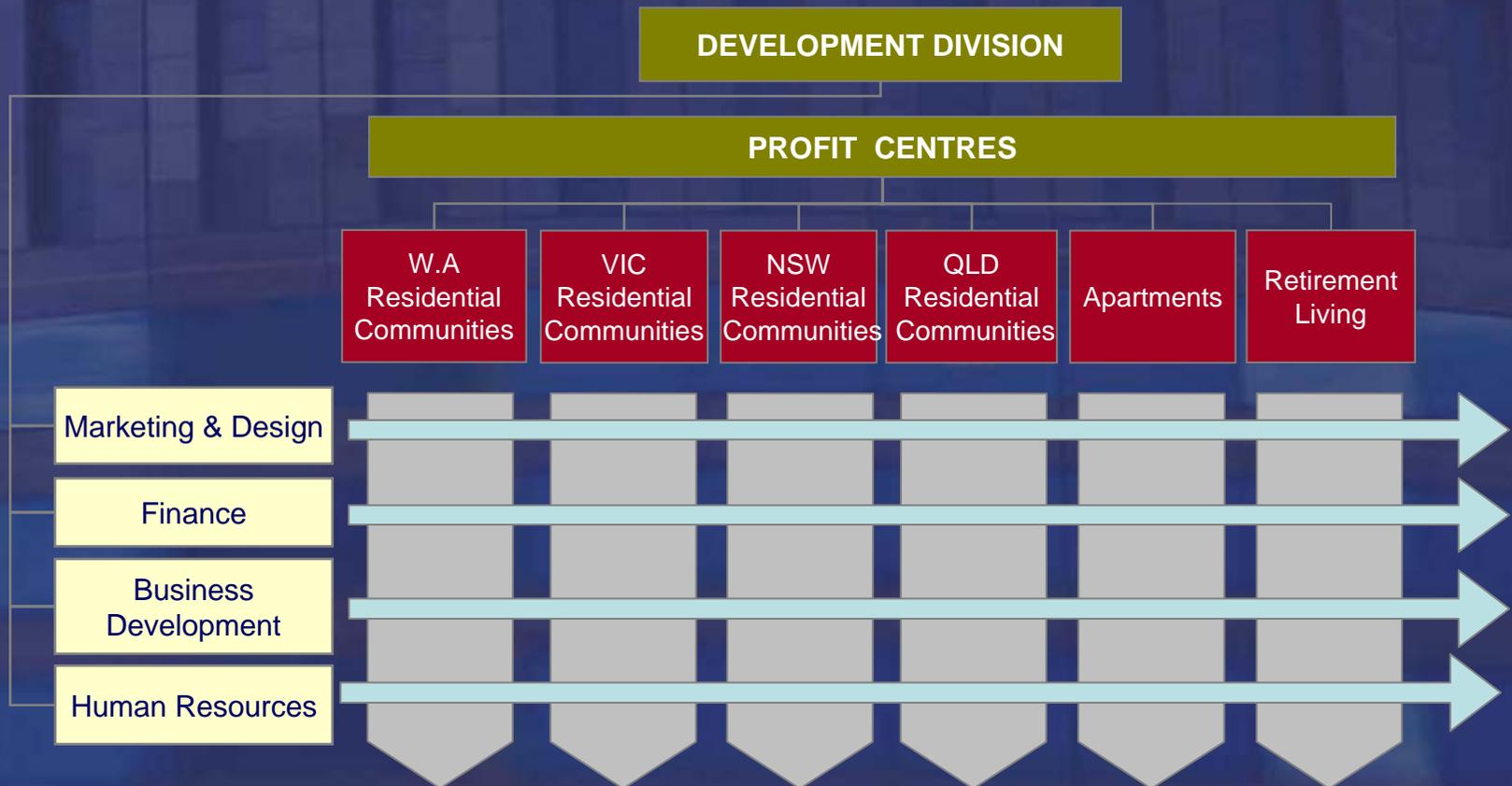
Stockland's Portfolio

- July 2001
 - Acquired Taylor Woodrow Business
- July 2005
 - 4,800 lots under control
 - 9 projects



Stockland's Cross Functional Structure

Established Cross Functional Structure

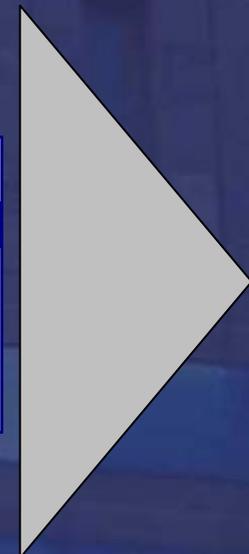


- Focus on leveraging skills
- Lower overhead structure / no silos, (can respond faster to market downturns / upswings)
- Retain “core” value enhancing skills – avoid production based overheads

Risk Management & Value Add

“Stockland Wave”

FINANCIAL AND RISK MANAGEMENT											
PHASES	ACQUISITION			DESIGN			DELIVERY				
STAGES	STAGE 1	STAGE 2	STAGE 3	STAGE 4	STAGE 5	STAGE 6	STAGE 7	STAGE 8	STAGE 9	STAGE 10	STAGE 11
	Strategic site identification	Acquisition approval (AA)	Acquisition handover to Development team	Vision Workshop	Planning and Design	Internal Design Approval (IDA)*	Marketing and Sales Plan	Authority to Commence (ATC)*	Project Launch	Project Delivery	Project Completion (PC)



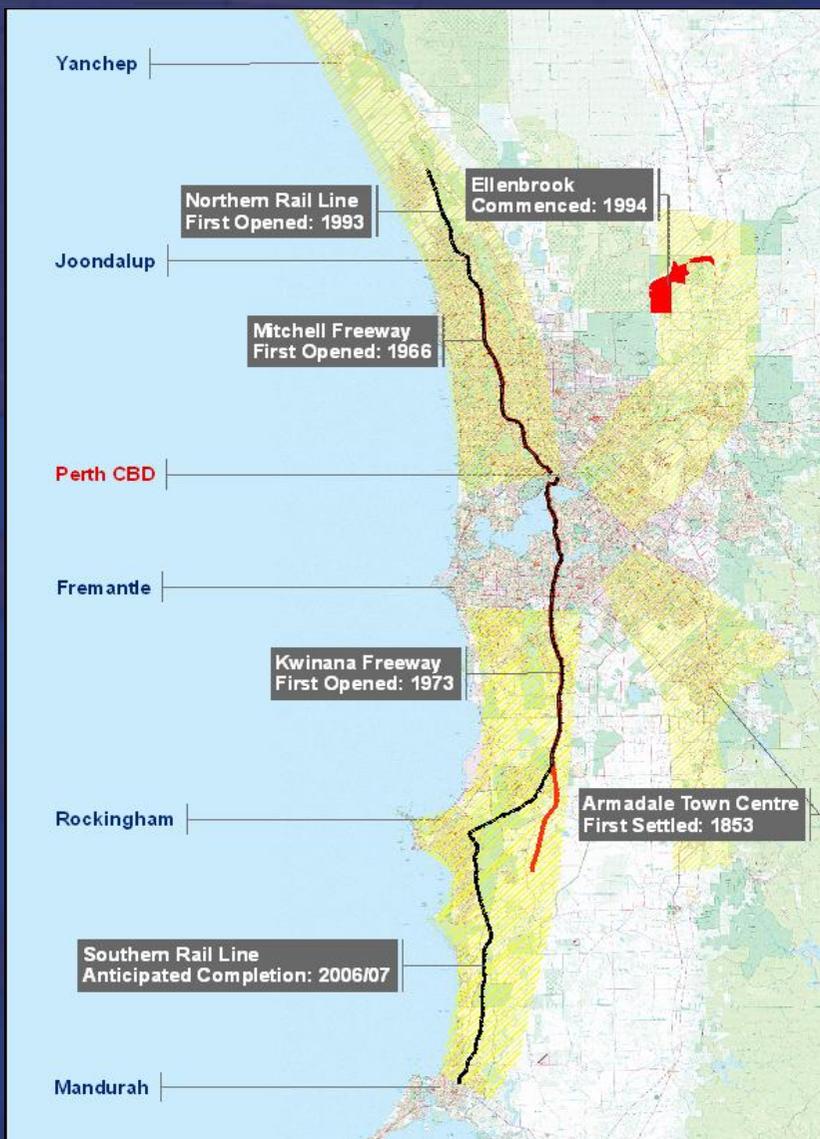
- Unique “Stockland Way” of managing our business
- Clearly defined operating platform and process
- Focussed training and development programmes to maximise performance
- Efficient mix of “in-house” and “external” resources

WA Organisation Chart



Perth's Growth Corridors

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



Stockland - Acquisition Strategy

- Strong presence in South East Corridor & South West Corridor
- Active investigations in North Corridor
- Focus on consolidation around established projects



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WA Economic Performance

Australia v WA - Economic Performance 2000 - 2006



Source: OECD & WA Department of Treasury & Finance

Future Drivers

- Population Growth
- Capital Investment
- Employment

WA Investment

Total Public Capital Formation & Business Investment Western Australia



Source: ABS Cat 5206 Table 104: Total Public Gross Fixed Capital Formation + Total Business

Mining/Resource Projects

Current Projects – 2005/06	CAPEX \$Million
Enfield Area Development	1,500
The Telfer Project	1,400
Ravensthorpe Nickel Project	1,400
Dampier Port Upgrade	880
Rapid Growth Project 2	750
Burrup Ammonia Project	630
Alcoa Pinjarra Alumina refinery Upgrade	440
Brownfields Mine Expansion	372
John Brookes Development	275
Worsley Alumina Development Capital Projects	265
Yandicoogina Mine Expansion	255
Total	8,167

Potential Projects – 2006/07 Commencement	CAPEX \$Million
Gorgon Gas and Condensate Field	11,000
Hope Downs Iron Ore	2,100
Fortescue Mine and Pellet Plant	2,000
LNG Train-5 Project	2,000
Pilbara Iron Ore Mine and Port Development	2,000
Alcoa Wagerup Alumina Refinery Unit 3 Expansion	1,500
Boddington Gold Mine Wandoo Expansion Project	1,000
Worsley Efficiency & Growth Project	900
Southdown Magentite Iron Ore Project	520
South West Interconnected System (Stage 2)	500
Total	23,520

WA Mining/Resources Project Scenarios 2006/07

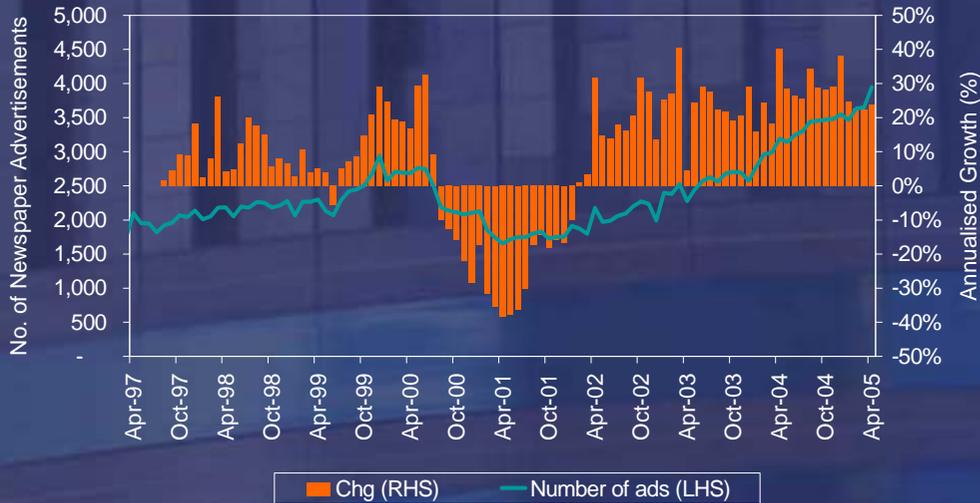
	Pessimistic Scenario	Basecase Scenario	Optimistic Scenario
WA Mining/ Resource Project Spending	\$5.4b	\$8.2b	\$12.7b
Total WA Employment generated	56,664	85,508	153,563
Total WA White-Collar Employment generated (11.7%)	6,630	10,004	17,966
White Collar Employment generated in Perth CBD (27.1%)	1,797	2,711	4,869
Average Workspace Ratio (sqm per worker)	18	18	18
Office Absorption in Perth CBD (sqm)	32 339	48 801	87 643
Calculations based on a study undertaken by Dr Ye Queng 1999 and ABS Census (2001)			

Source: Jones Lang Lasalle

WA Employment

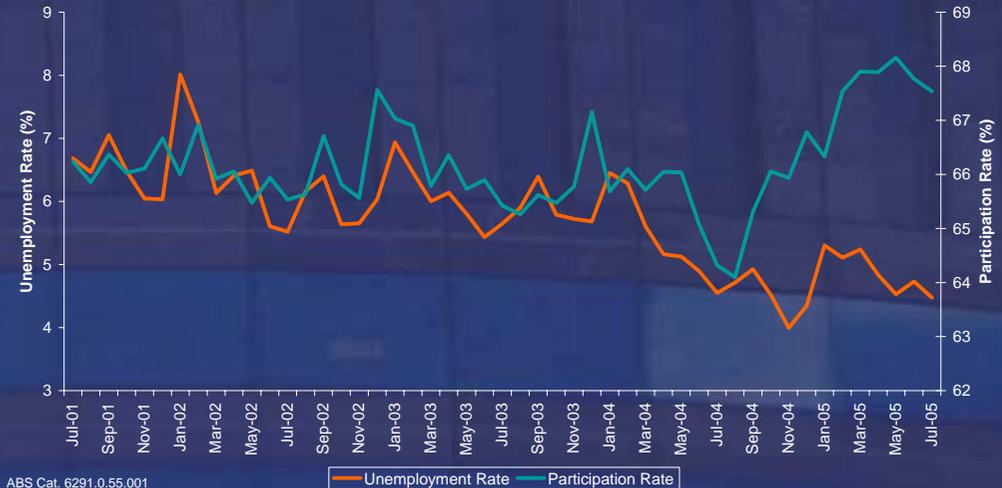
Employment Trends

ANZ Job Ads (Seasonally adjusted series) Newspapers, WA



Unemployment Rate & Participation Rate

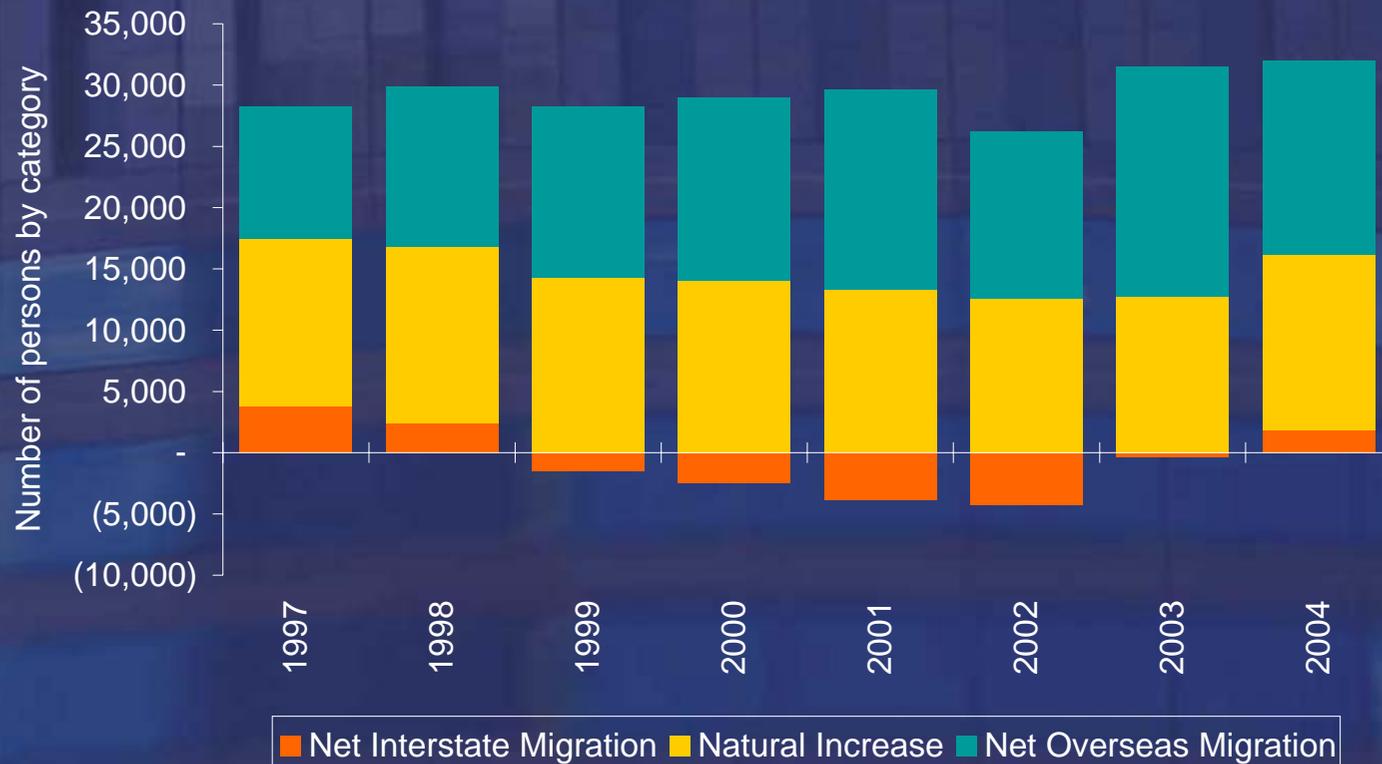
Western Australia



- Very low unemployment, wages growth
- Shortage of skilled labour, both in housing construction and mining

WA Population Growth - Annual

Population Growth by Category 1997 - 2004, Western Australia



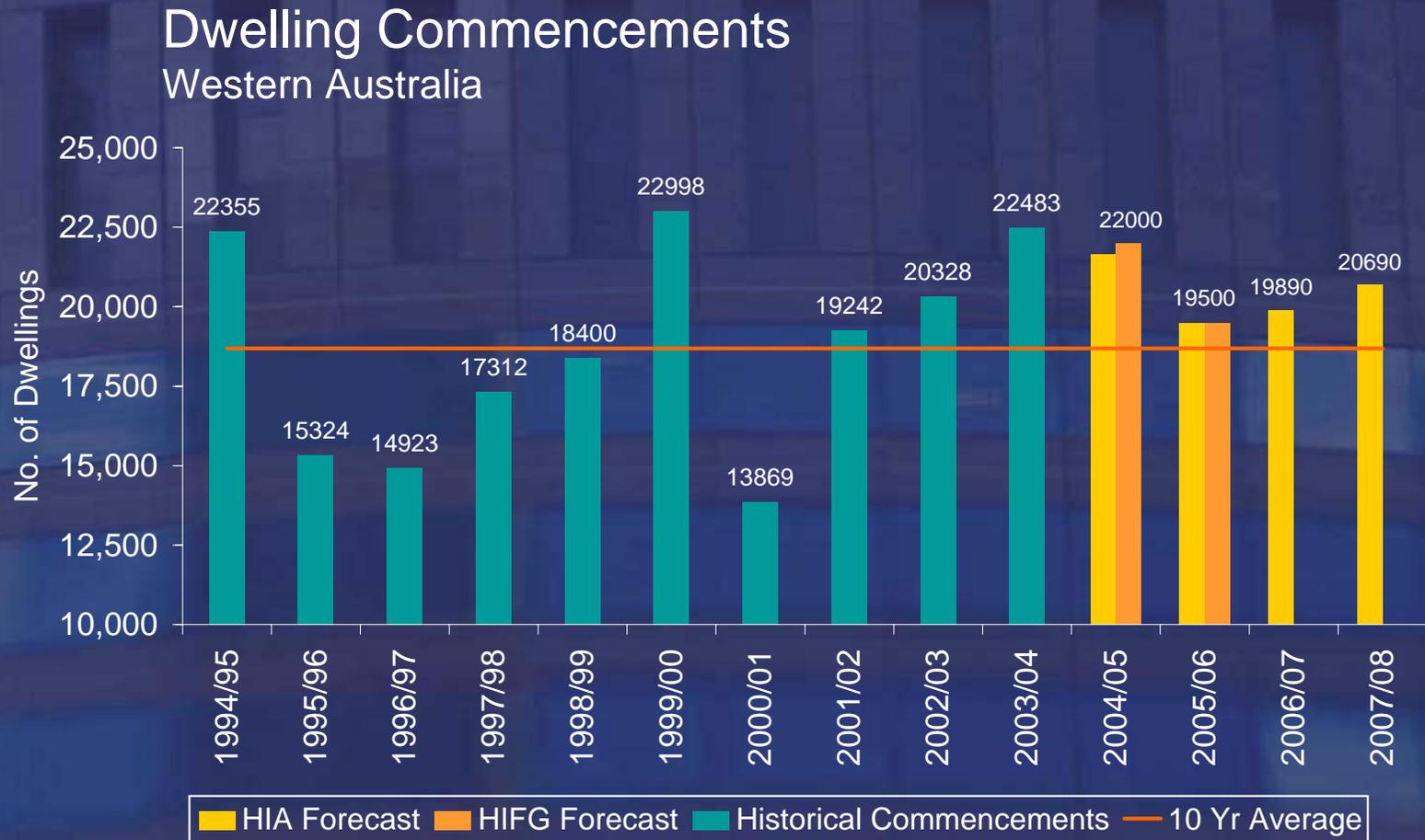
Source: ABS Cat. 3101

Dwelling Commencements



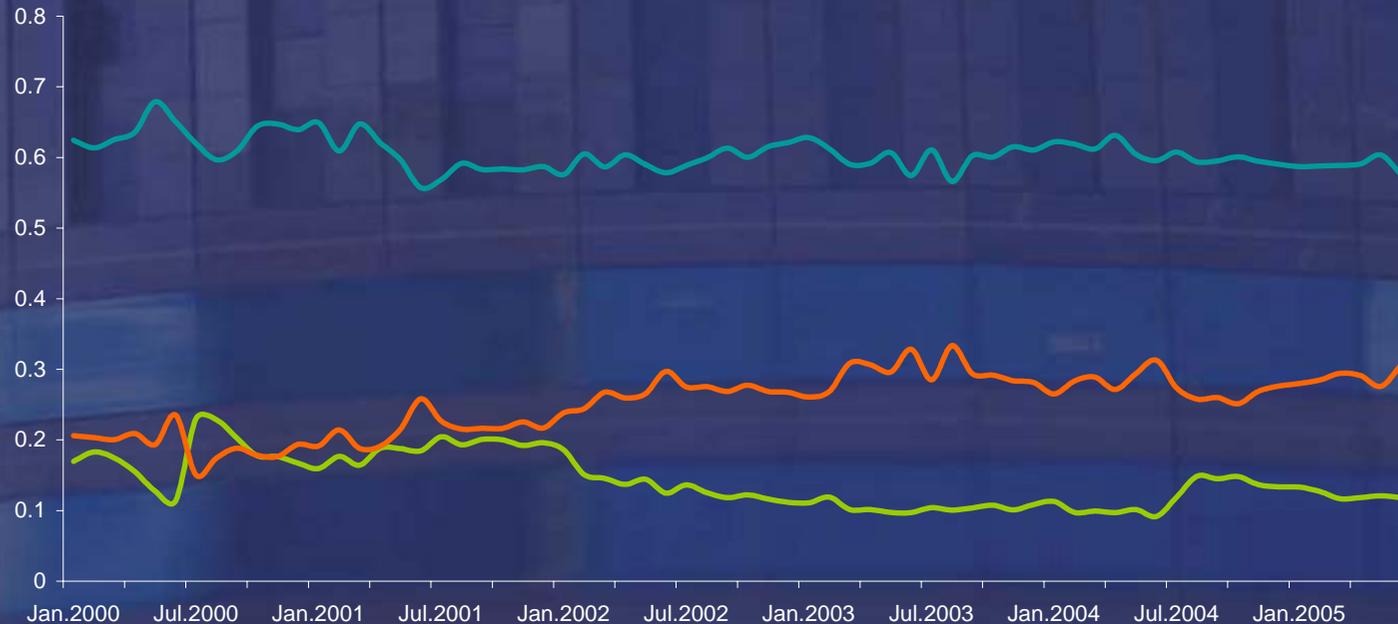
Source: ABS CAT 875003 (Seasonally Adjusted), HIA June 2005, HIFG April 2005

Dwelling Commencements



Purchaser Types

Purchaser Types (Market Split)
Percentage of Total Value Finance Commitments



Source: ABS Cat. 56710C6, 560909B

— First Home Buyers — Investors — Upgrading Purchasers

- Driven by owner-occupiers, establishing family home
- Steady investor activity last three years, low market %
- First home buyer segment set to increase market share

Market Conditions

Median House Prices
Selected Capital Cities*



Source: REIA

* - Note data for June Quarter not yet available for NSW, VIC & QLD

Residential Vacancy Rates
Perth & Weighted Capital City Average*



Source: REIA - *Other Capital City data not yet available for June Qtr 2005

- Vacancy rate will remain low, construction timeframes for single residential now extended from 26 weeks to 35 weeks average
- Housing affordability in WA remains a strategic advantage
- Perth median house price now \$300k, at Brisbane levels
- Still 40% below Sydney prices

WA Presentation Overview

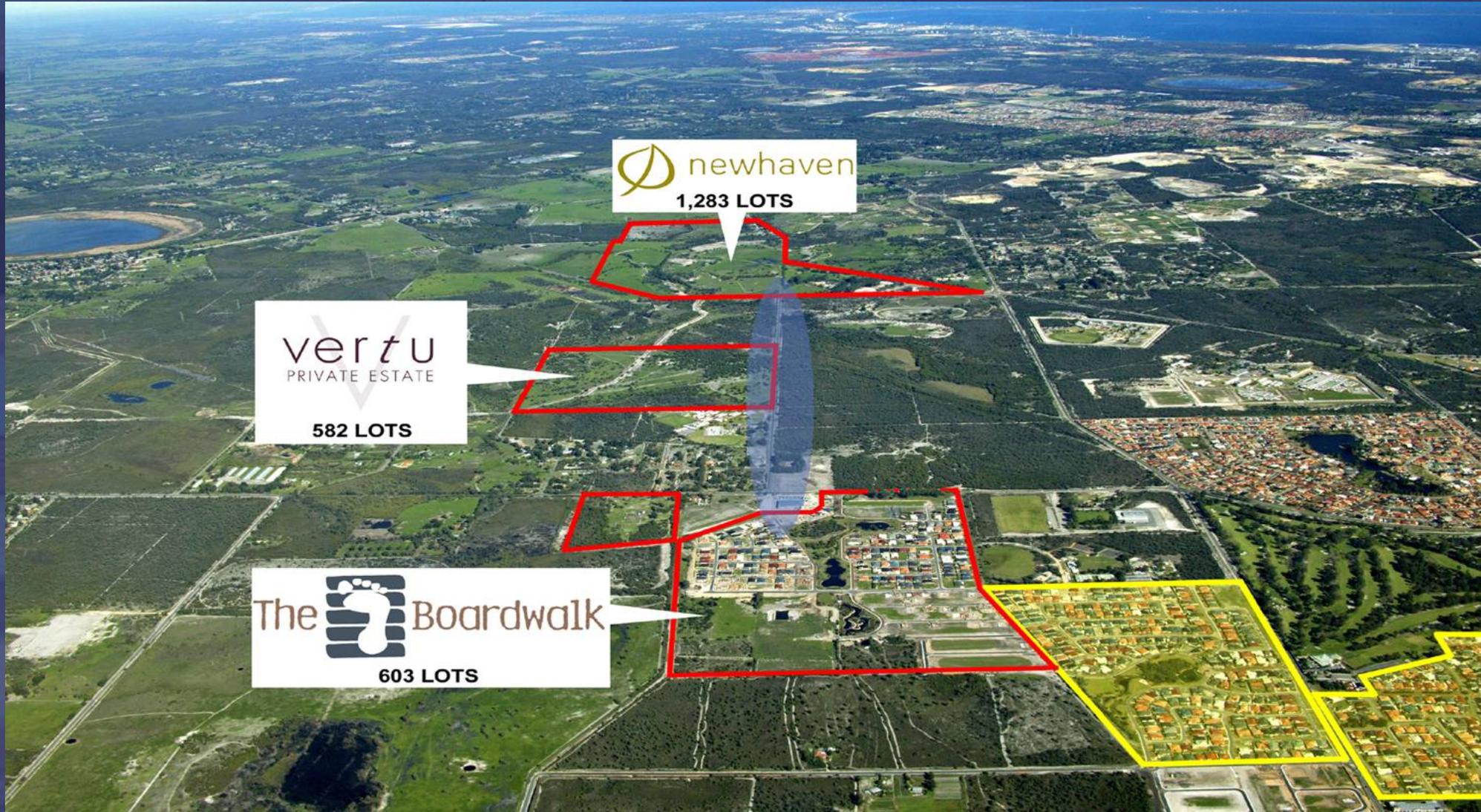
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WA Business Unit Project Tour

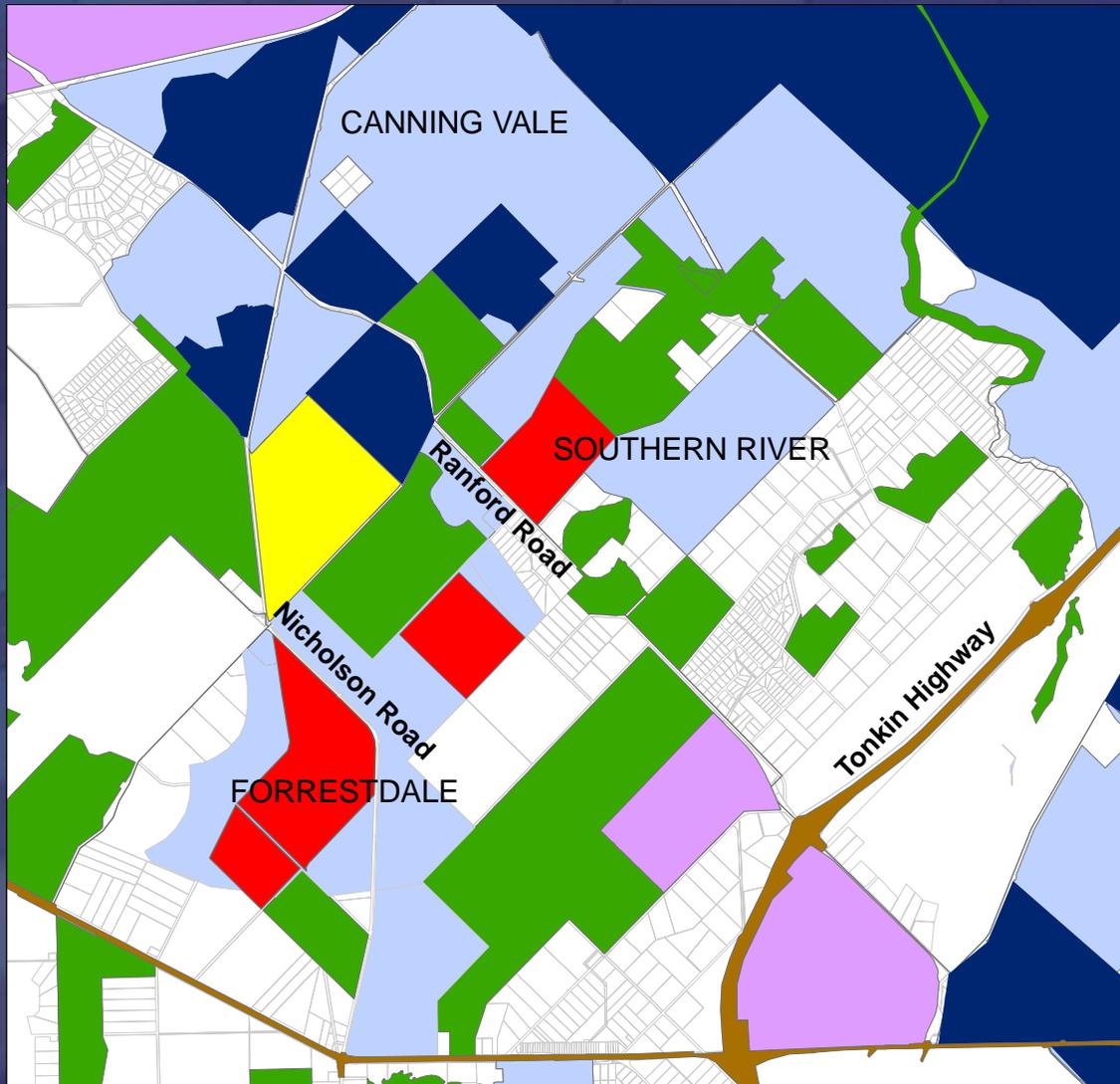
- **Critical Mass in a Corridor**
 - The Boardwalk
 - Newhaven
 - Vertu Private Estate
- **Urban Infill**
 - The Sanctuary
- **Masterplanned Community**
 - Settlers Hills
- **Urban Renewal**
 - South Beach



Critical Mass In A Corridor - South-East Corridor



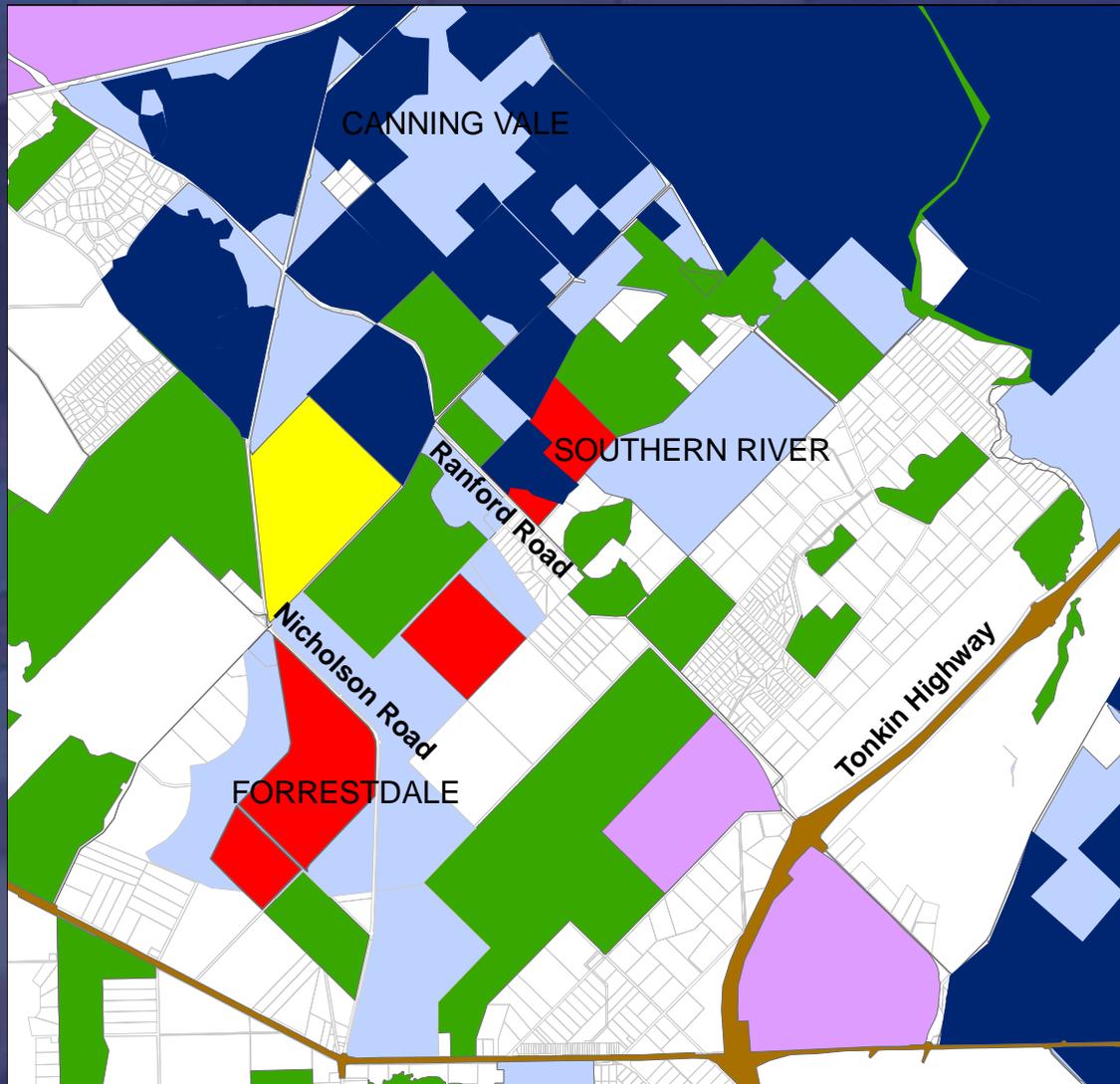
Development Front Expansion - 1998



Legend

- Stockland Estates
- Land with Development Potential
- Already Developed
- Industrial
- Primary Regional Roads
- Parks & Recreation
- Public Purposes

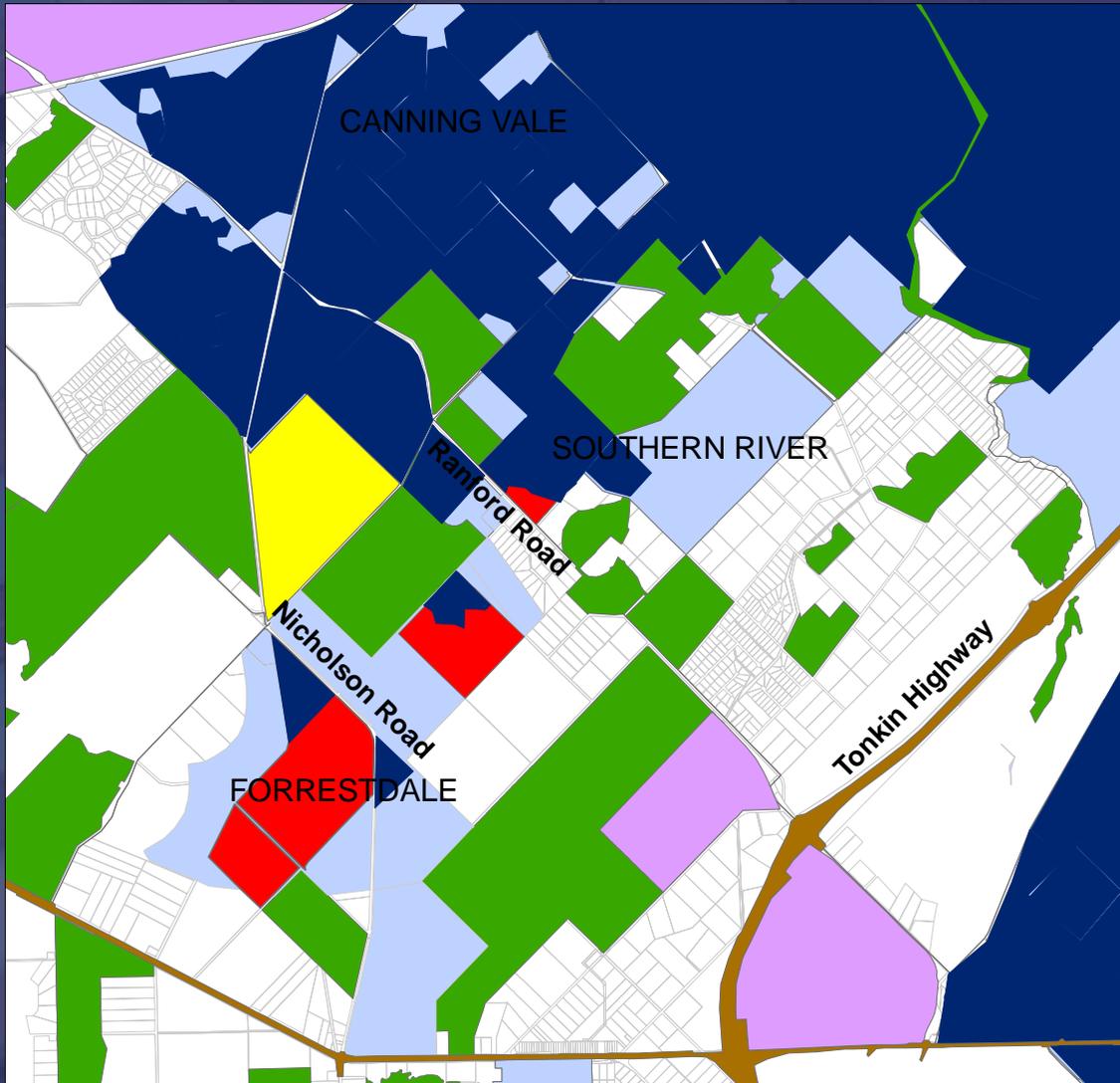
Development Front Expansion – 2004/05



Legend

- Stockland Estates
- Land with Development Potential
- Already Developed
- Industrial
- Primary Regional Roads
- Parks & Recreation
- Public Purposes

Development Front Expansion - 2007



Legend

- Stockland Estates
- Land with Development Potential
- Already Developed
- Industrial
- Primary Regional Roads
- Parks & Recreation
- Public Purposes

Urban Infill: The Sanctuary



Masterplanned Community: Settlers Hills



Urban Renewal: South Beach



Disclaimer

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