

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

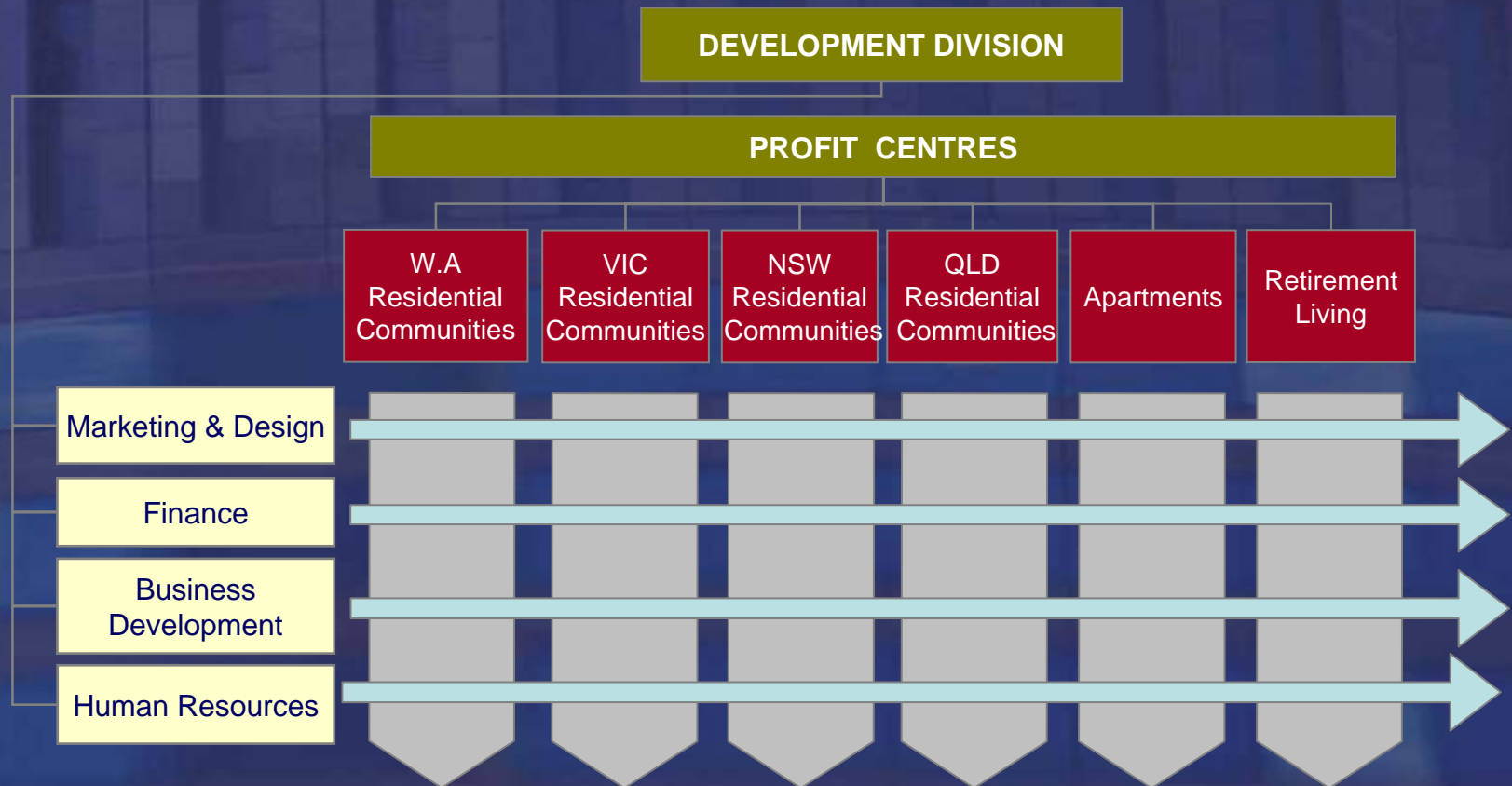
Stockland's Portfolio

- 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

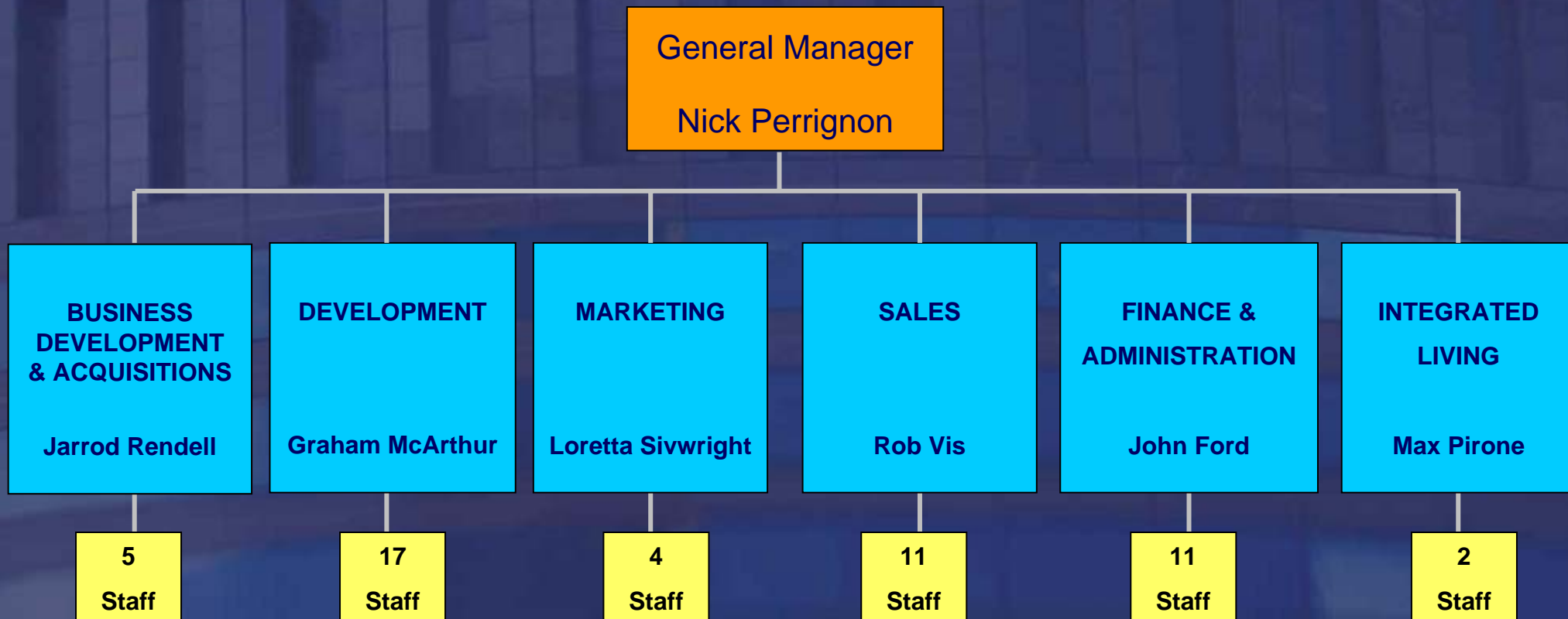
Risk Management & Value Add

“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

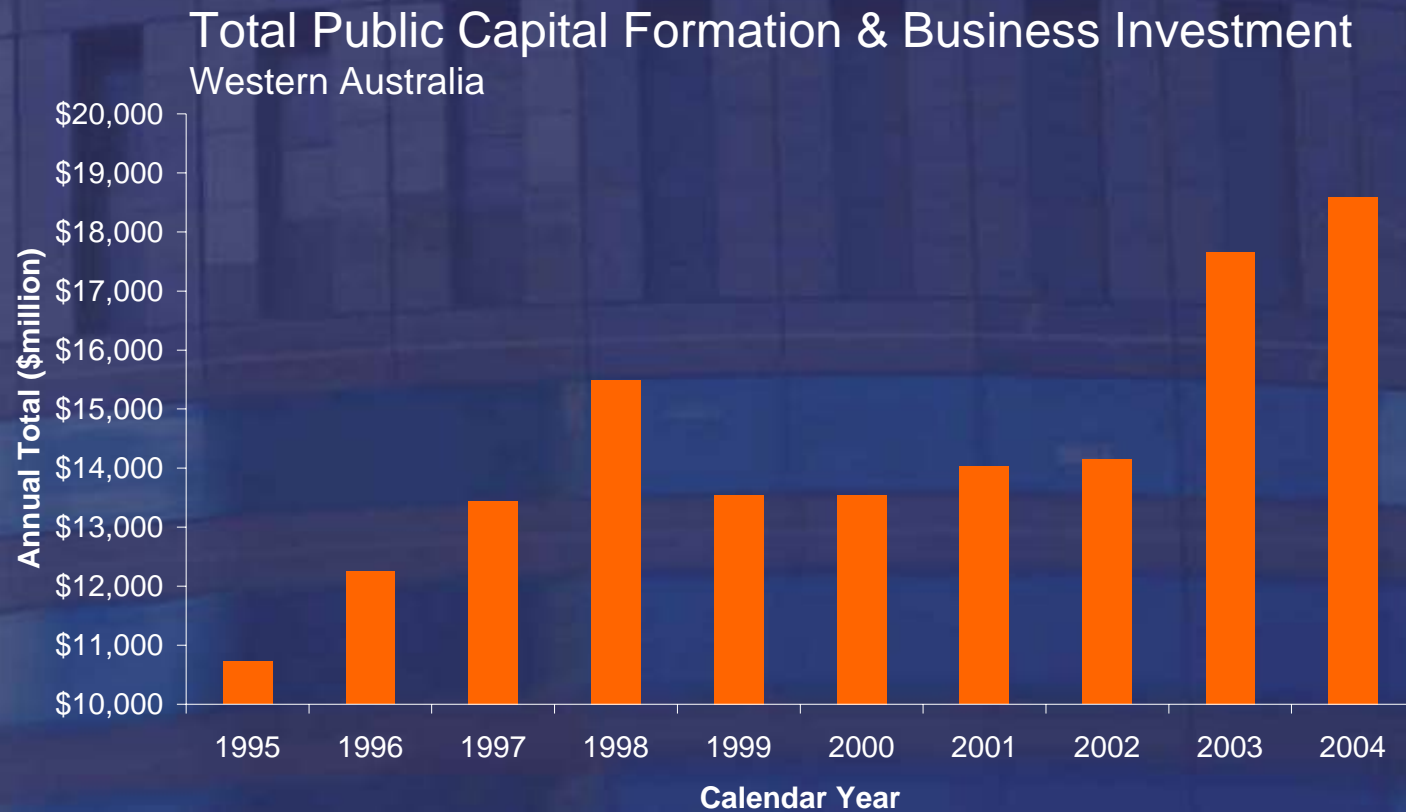


Source: OECD & WA Department of Treasury & Finance

Future Drivers

- Population Growth
- Capital Investment
- Employment

WA Investment



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

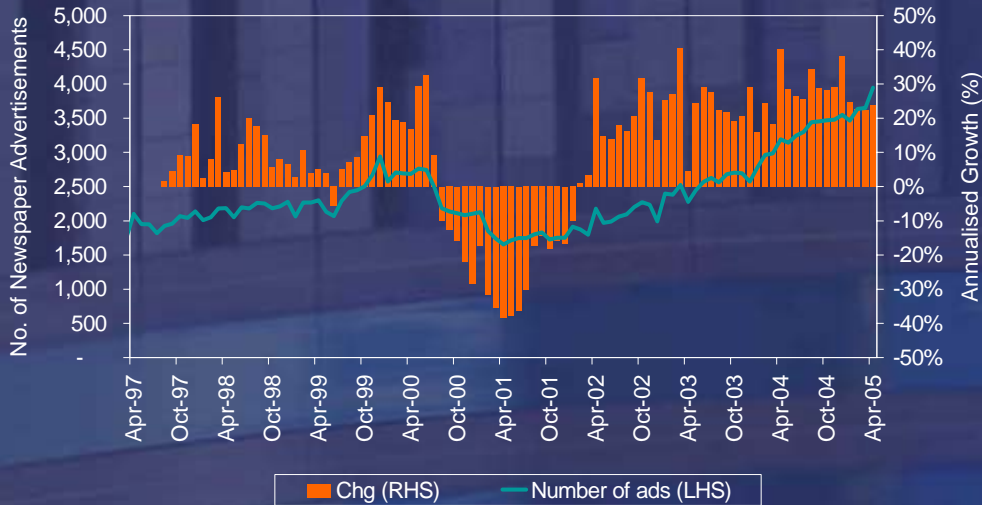
| | Pessimistic Scenario | Basecase Scenario | Optimistic Scenario |
|--|----------------------|-------------------|---------------------|
| WA Mining/ Resource Project Spending | \$5.4b | \$8.2b | \$12.7b |
| Total WA Employment generated | 56,664 | 85,508 | 153,563 |
| Total WA White-Collar Employment 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

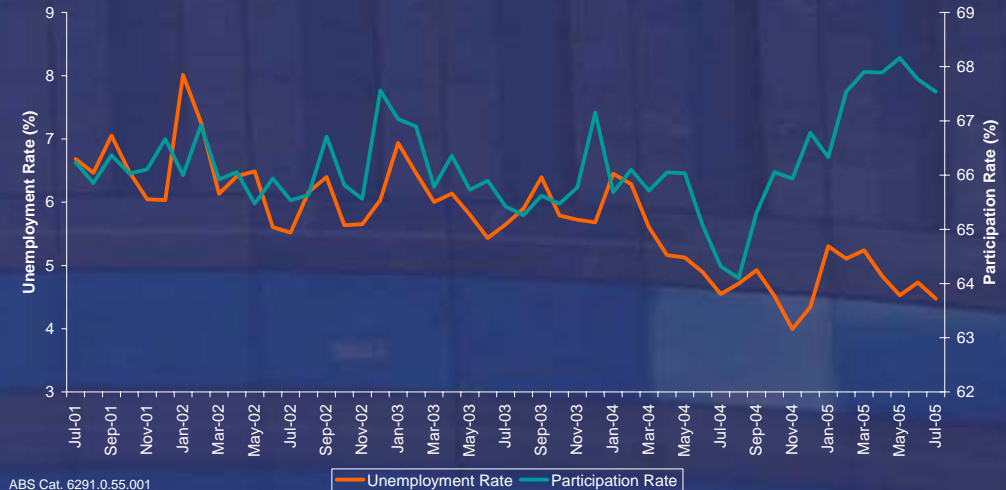
Employment Trends

ANZ Job Ads (Seasonally adjusted series) Newspapers, WA



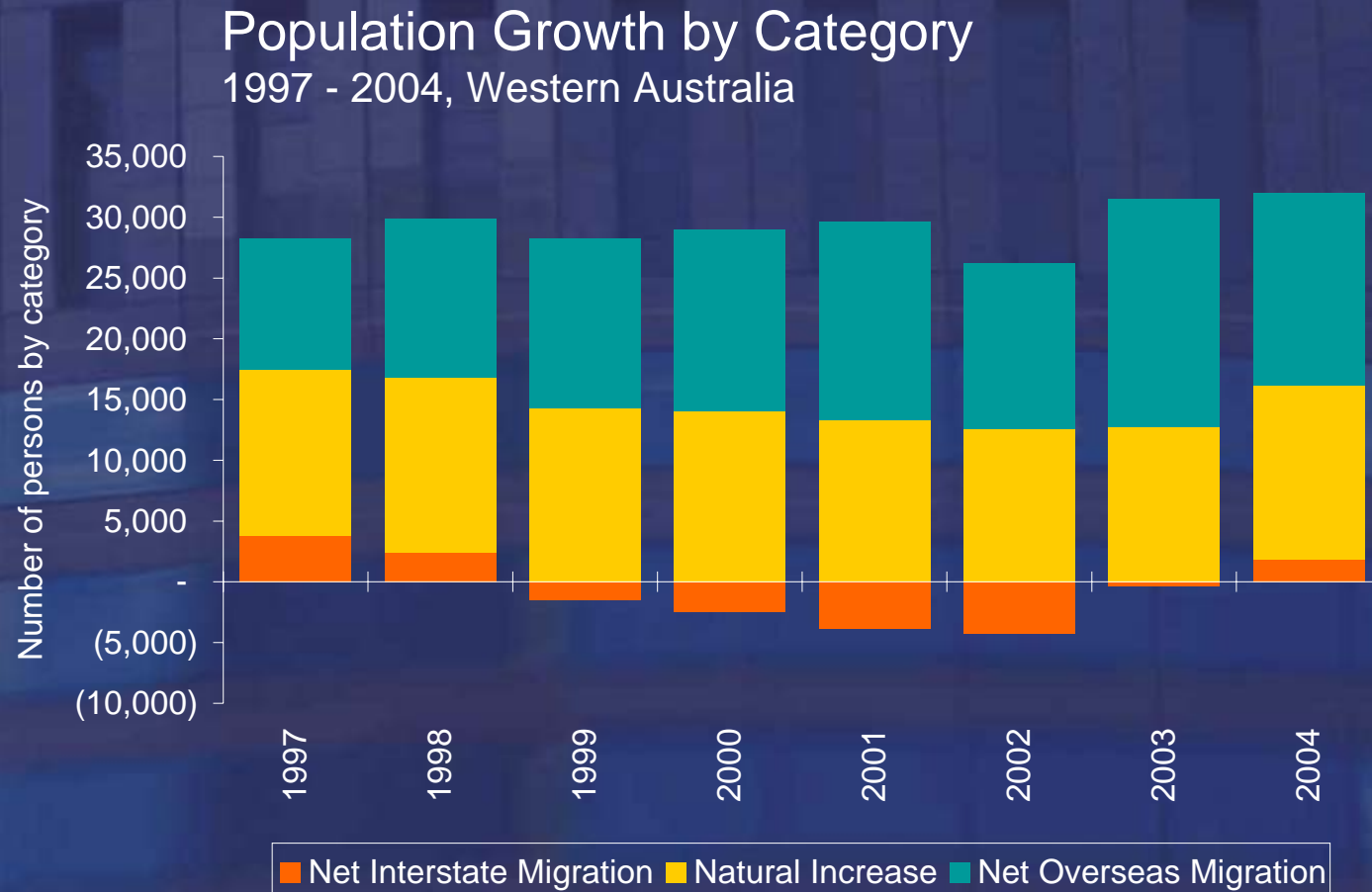
Unemployment Rate & Participation Rate

Western Australia



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

WA Population Growth - Annual



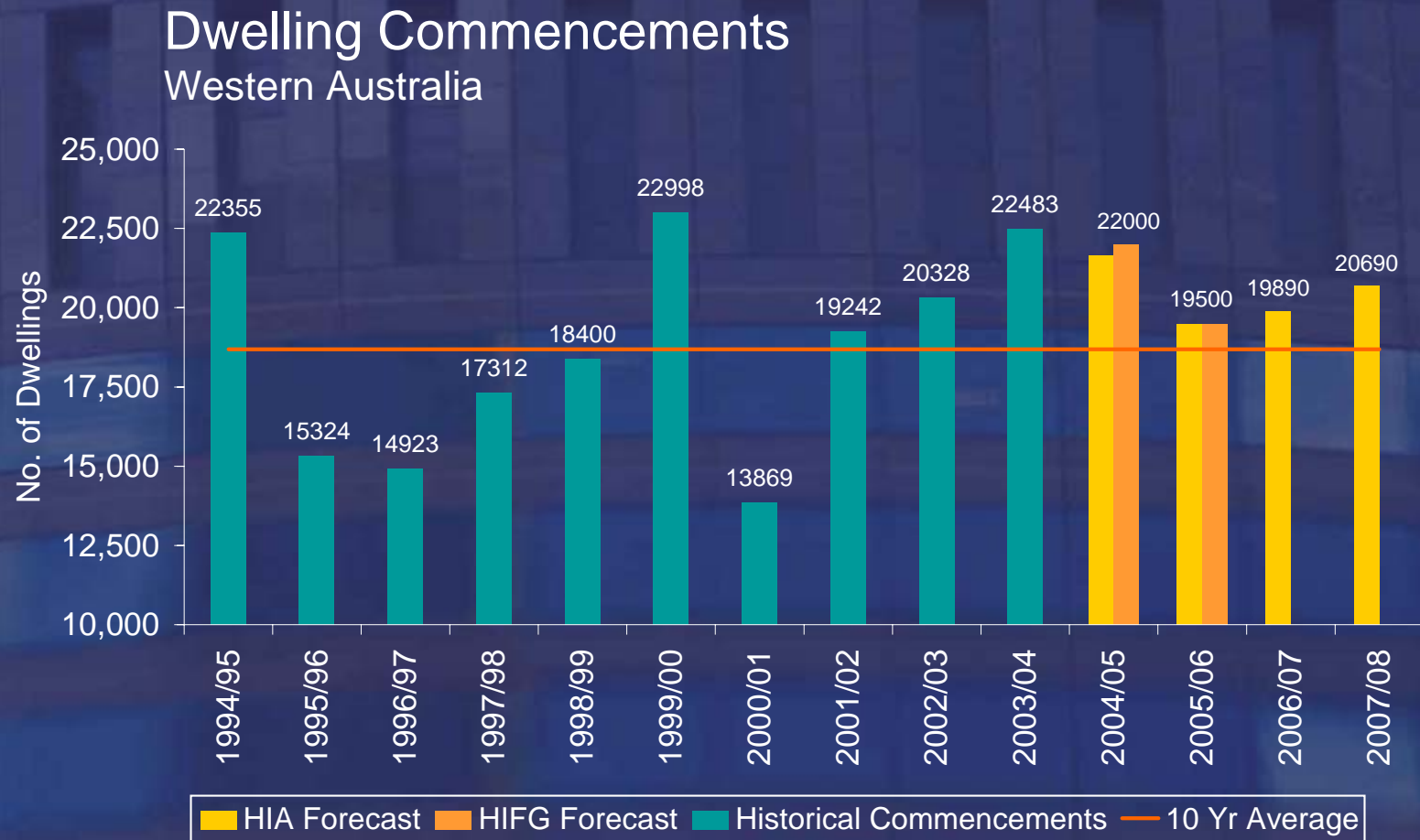
Source: ABS Cat. 3101

Dwelling Commencements

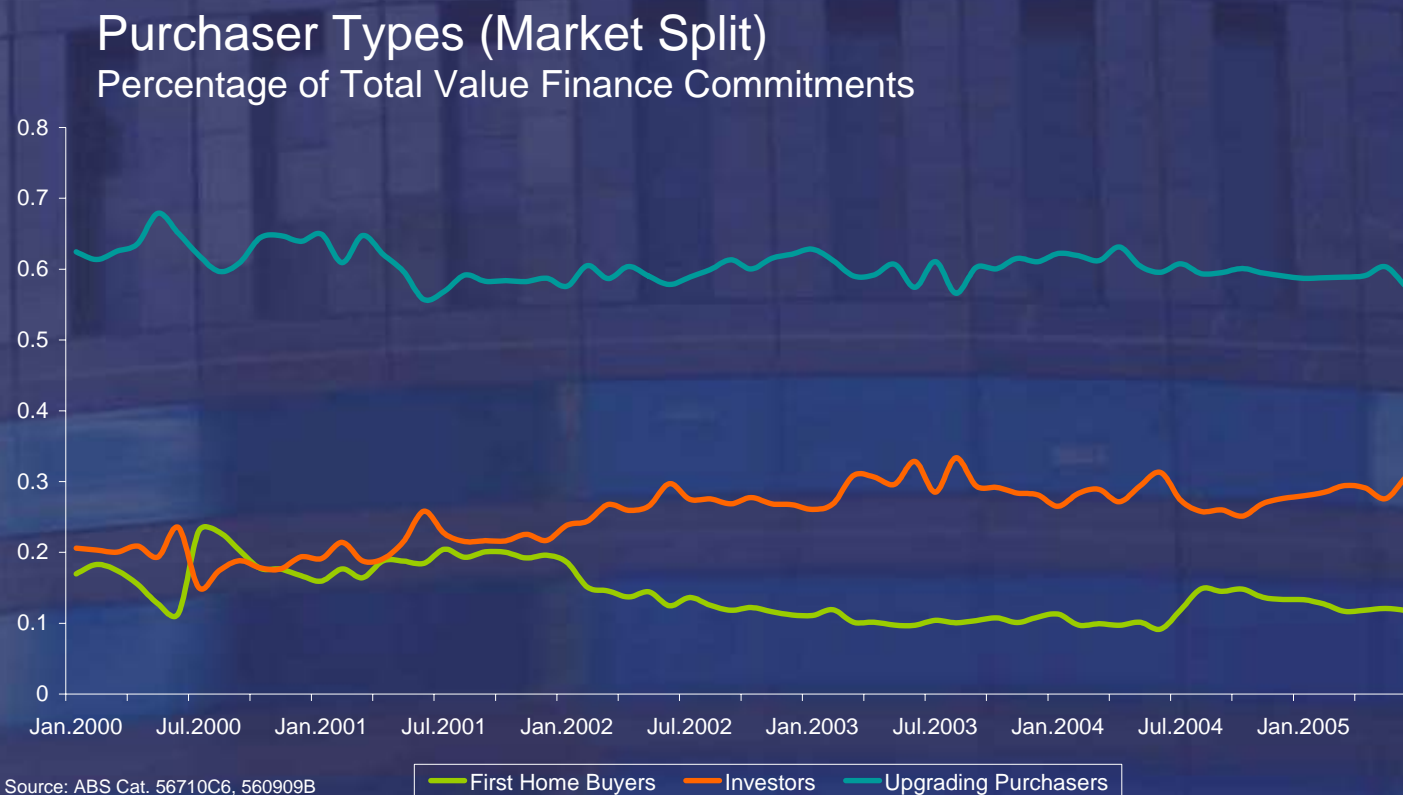


Source: ABS CAT 875003 (Seasonally Adjusted), HIA June 2005, HIFG April 2005

Dwelling Commencements



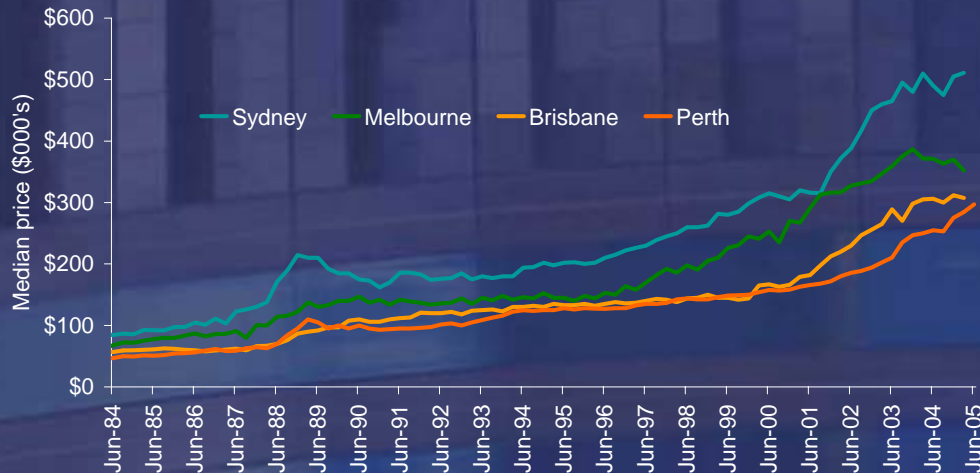
Purchaser Types



- 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

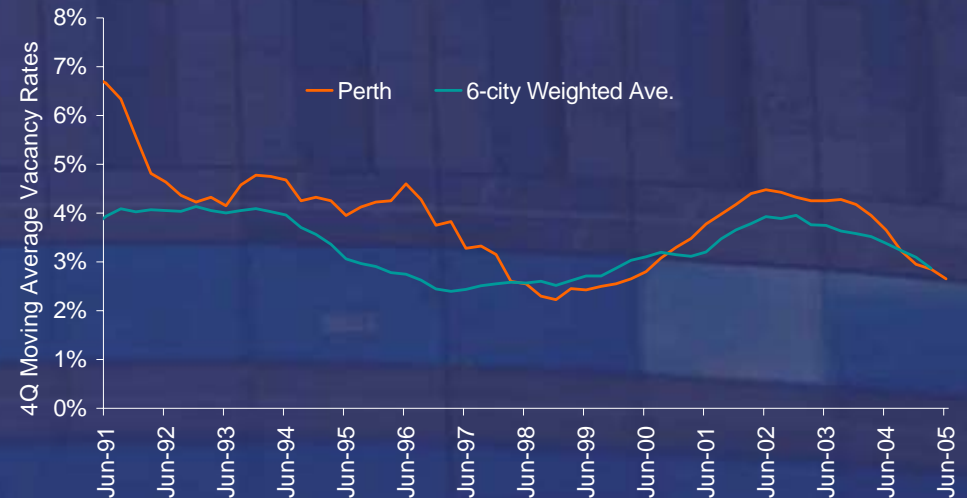
Median House Prices
Selected Capital Cities*



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

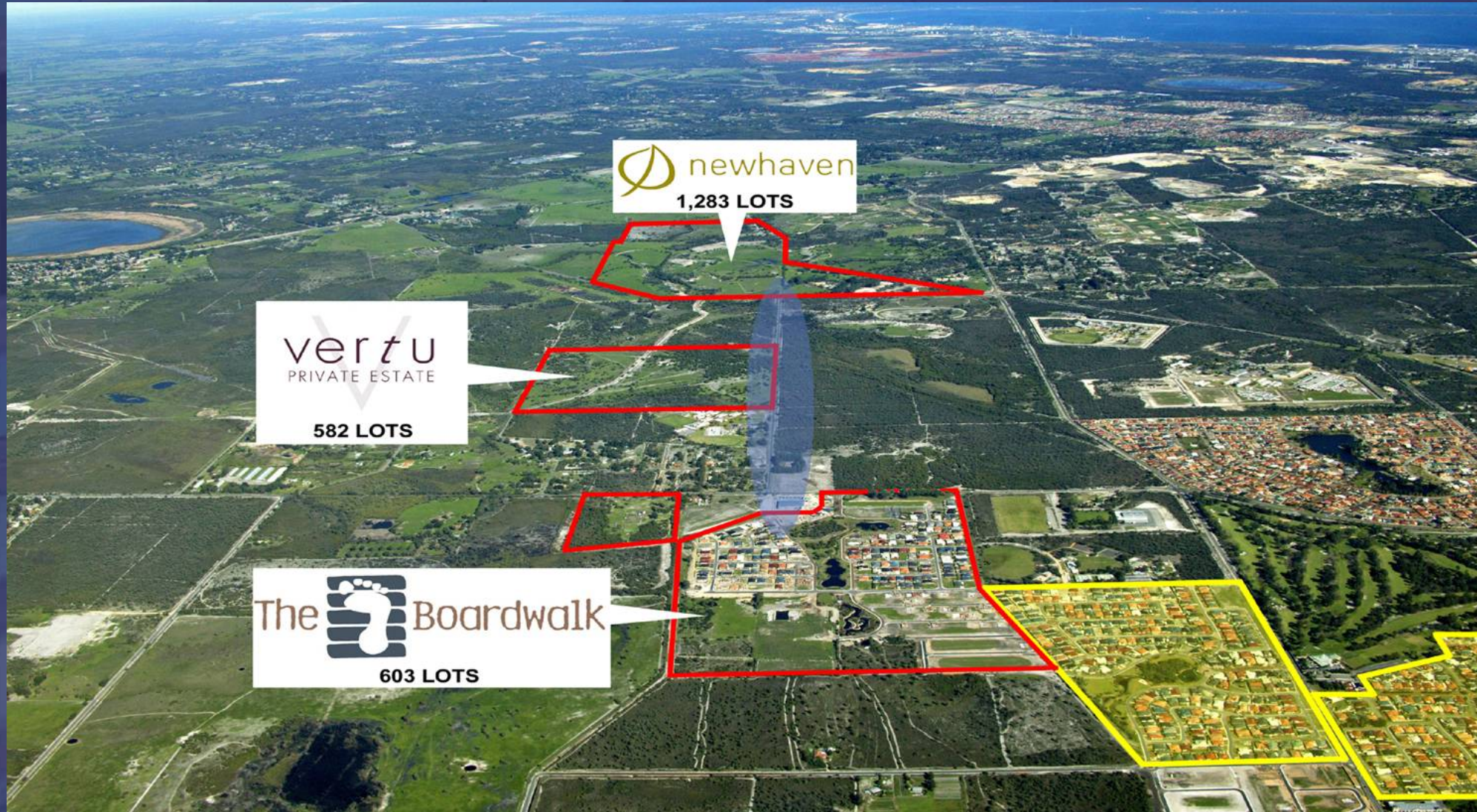
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WA Business Unit Project Tour

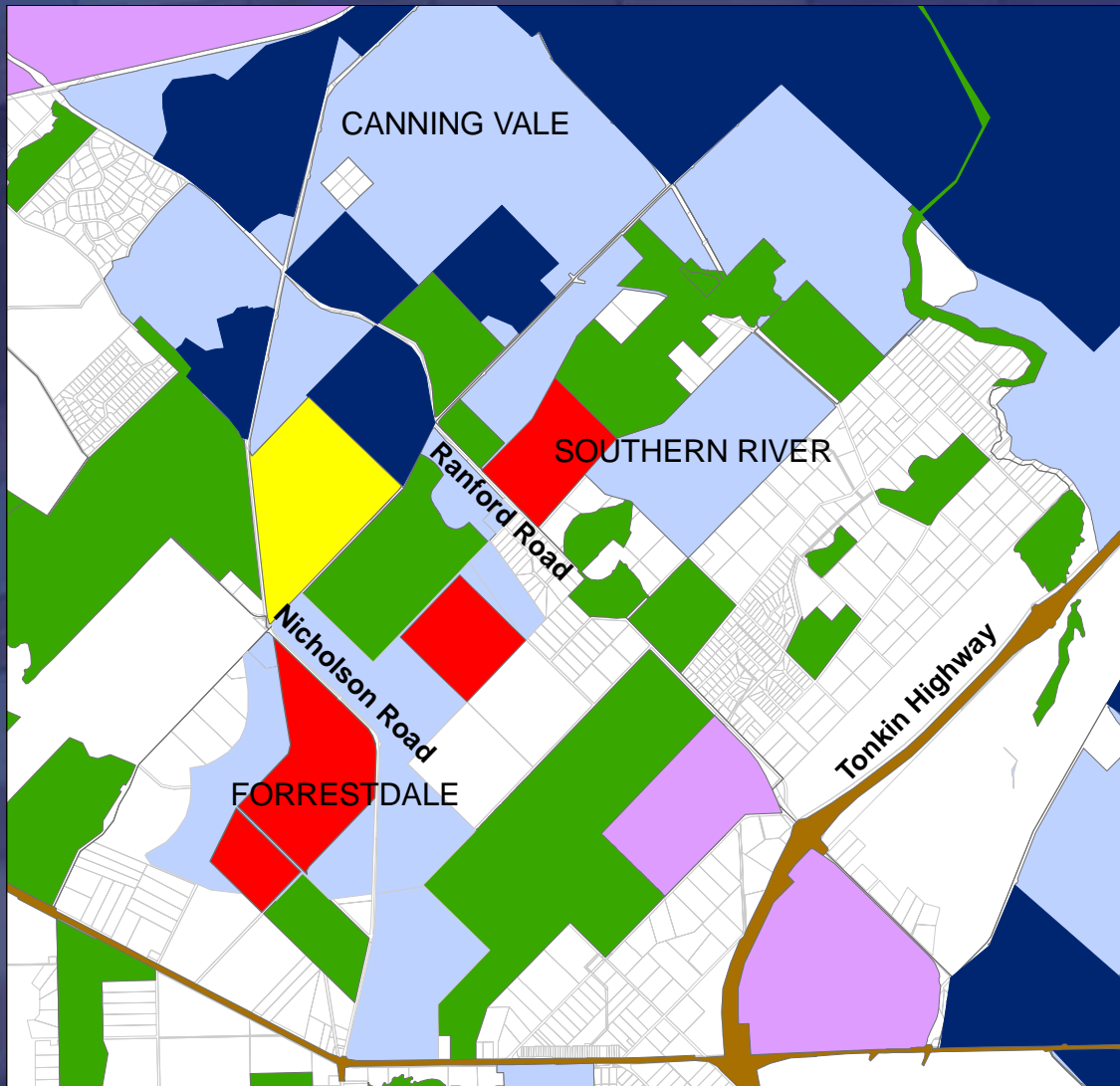
- **Critical Mass in a Corridor**
 - The Boardwalk
 - Newhaven
 - Vertu Private Estate
- **Urban Infill**
 - The Sanctuary
- **Masterplanned Community**
 - Settlers Hills
- **Urban Renewal**
 - South Beach



Critical Mass In A Corridor - South-East Corridor



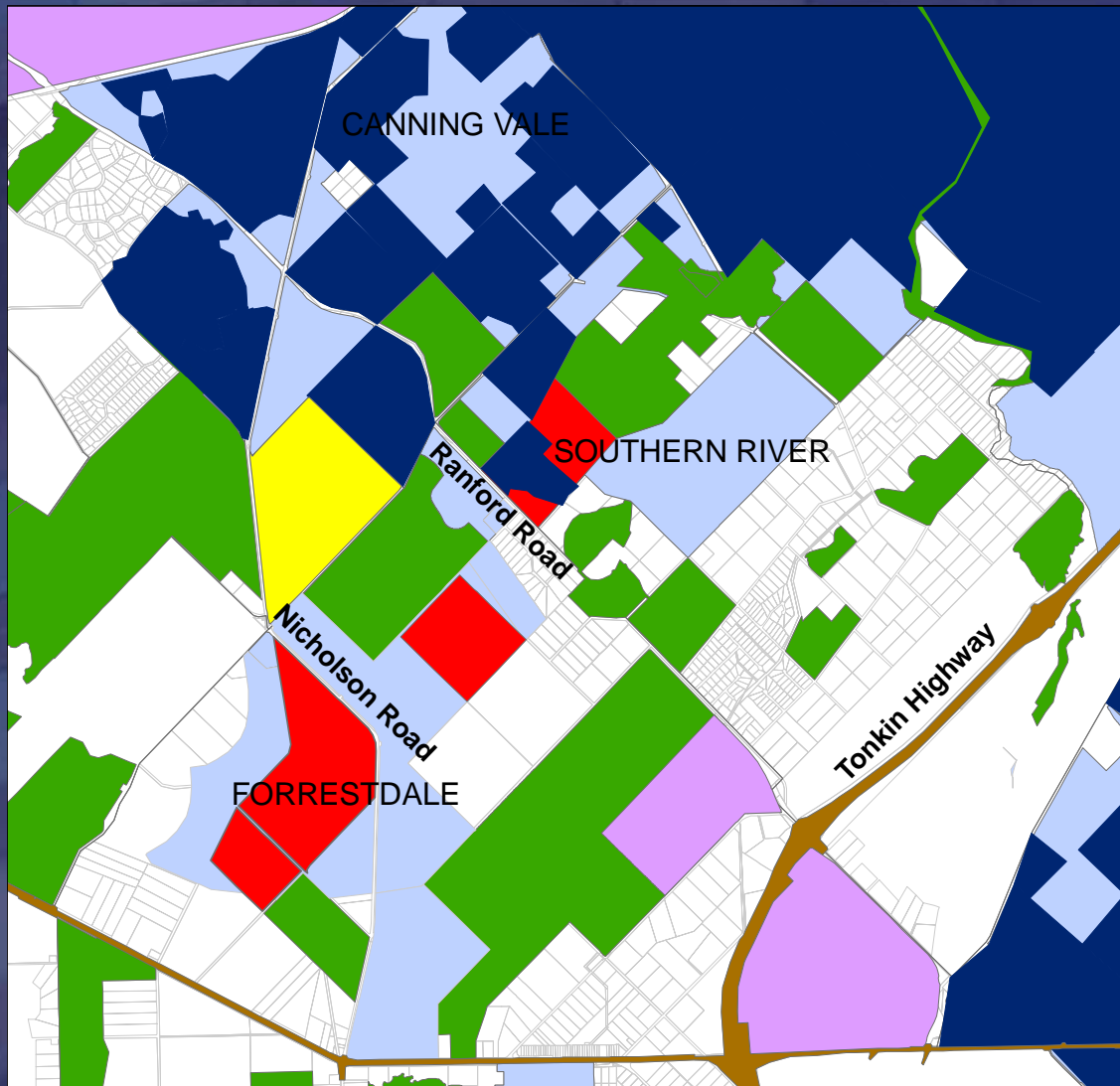
Development Front Expansion - 1998



Legend

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

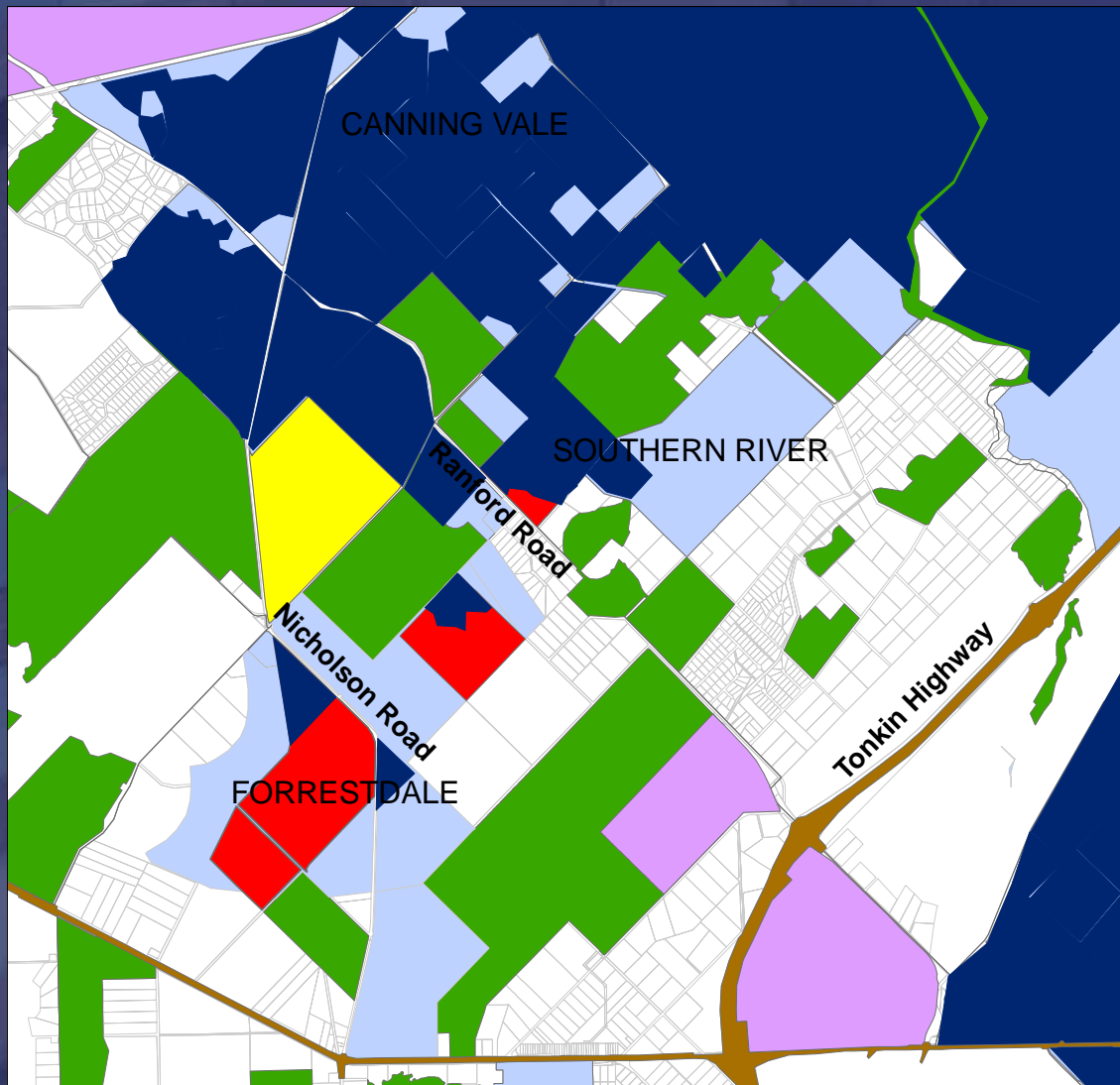
Development Front Expansion – 2004/05



Legend

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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

Corporation/ Responsible Entity

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