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## ASX/Media Release

### STOCKLAND TO LAUNCH ITS LARGEST RESIDENTIAL COMMUNITY IN VICTORIA

Stockland will soon embark on the largest masterplanned residential community development it has ever undertaken in Victoria, creating around 11,000 new homes.

The \$4.6 billion development, to be known as Cloverton, will occupy 1,141 hectares at Kalkallo in Melbourne's northern growth corridor. The landholding, previously known as Lockerbie, is located on the eastern side of the Hume Highway, 35 kilometres north of the Melbourne CBD. The site encompasses parts of the Hume, Whittlesea and Mitchell LGAs.

Construction will commence in the next few months, with the first land sales also imminent and the first settlements scheduled for FY16. In addition to providing a significant volume of Melbourne's new housing stock, the project will also feature a 60 hectare city centre with a regional shopping centre, a future train station, four additional local town centres and a retirement village.

Stockland Managing Director and CEO, Mark Steinert, said: "Our new masterplanned community at the heart of the northern growth corridor will eventually become a city in its own right, providing homes and recreational areas for more than 30,000 people."

"We'll also figuratively lay the foundations for - and in many cases actually develop - the retail, logistics and business parks, employment centres, childcare, primary, secondary and tertiary education facilities that residents would expect to see in a vibrant, thriving city of this size."

"We acquired the rights to the landholding on capital-efficient terms and it will achieve returns above our hurdle rates." Mr Steinert explained. "This is another transformative project for our Residential business, which will further strengthen our returns and lift profit margins."

Andrew Whitson, Group Executive and CEO Residential at Stockland, said: "The 30-year project in Melbourne's northern growth corridor will significantly increase Stockland's residential exposure in Victoria. This reweighting of our Victorian Residential business ensures our portfolio and pipeline is well aligned with the economic opportunities that exist in Victoria, given the state's 21.4 per cent contribution to national GDP and 24.8 per cent share of the national population."

Mr Whitson says Stockland will seek to replicate and expand on the success achieved at the multi-award-winning Highlands residential community at Craigieburn and explains: "Stockland will also assist in the establishment of public-private partnerships to facilitate the construction of a regional hospital with ancillary medical facilities, childcare facilities, a total of eight new public and private schools and a regional tertiary institution."

The project represents the second of two major new development fronts for Stockland in Victoria, following its recent launch of The Grove at Tarneit, west of the Melbourne CBD, which achieved 55 lot sales on its first day of release.

Mike Davis, General Manager Residential Development, Victoria, at Stockland, said: “Both projects in the northern and western growth corridors will offer a diverse mix of lot sizes and home styles from boutique apartments, terraces and townhouses to affordable, detached homes for first home buyers and downsizers and large, family homes for upgraders and investors. We’ll also be implementing our new strategy to create completed, turnkey homes and medium density housing to expand our customer reach in these communities.”

“All homes at Cloverton at Kalkallo and The Grove at Tarneit will enjoy excellent access to modern transport infrastructure and every home will be located within easy walking distance to local parks, schools, local shopping centres and recreational areas.”

“In capital cities throughout Australia, we’re seeing new rail lines as the absolute game changer when it comes to opening up new tracts of land to create viable, sustainable and highly liveable new communities,” Mr Davis said. “The new Regional Rail Link in the west and new stations that will be added to the northern line will ensure new residents in both communities are connected to the CBD and inner city areas for employment, higher education, culture, sporting and leisure pursuits.”

Stockland is planning to invest more than \$1.3 billion on residential, retail and retirement living projects in Victoria over the next 10 years, which currently comprises 54 assets and active developments with a total book value of almost \$2 billion.

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**Stockland**

Stockland (ASX: SGP) was founded in 1952 and has grown to become Australia’s largest diversified property group – owning, developing and managing a large portfolio of shopping centres, residential communities, retirement living villages, office and industrial assets. Stockland was recognised by the S&P Dow Jones Sustainability Indices (DJSI) with a Gold Class Award for 2014-15, which recognises companies that score within 1 per cent of the Global Real Estate Industry Group Leader. Stockland was also named one of the Global 100 Most Sustainable Corporations in the World at the World Economic Forum in Davos, Switzerland in 2014, for the fifth consecutive year.

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