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STOCKLAND TO ACQUIRE 116 HECTARE PROPERTY FOR RESIDENTIAL DEVELOPMENT AT COOMERA ON THE GOLD COAST

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Stockland has agreed to acquire a 116 hectare property, incorporating a 98.2 hectare primary residential development site, at Coomera on the Gold Coast's northern corridor for \$40 million. The property will be acquired from a private vendor on capital-efficient terms with deferred payments evenly distributed over a four year period.

The property, known as Waterway Downs, fronts the Coomera River and has approval from Gold Coast City Council for the construction of up to 747 residential dwellings, being a mixture of traditional detached homes and town homes. Stockland is planning to develop a high-quality, masterplanned, riverside community, which will be surrounded by a 50 hectare conservation area. The acquisition also includes two adjacent islands within the Coomera River and the suburb of Hope Island: the 10.1 hectare Foxwell Island and 8.1 hectare Thomson Island.

The primary development site will enable Stockland to increase its presence in the high growth Gold Coast north corridor. It will also enable Stockland to maintain sales volumes after the completion and trade out of other nearby Stockland communities: The Observatory at Reedy Creek; Highland Reserve at Upper Coomera, and Ormeau Ridge over the next few years. Stockland expects to achieve the first settlements from Waterway Downs in FY18.

Andrew Whitson, CEO Residential at Stockland, said: "We've maintained our very disciplined approach to residential property acquisitions through the cycle. This is an excellent acquisition, which reaffirms our strategic commitment to South East Queensland and will enable Stockland to maintain its strong presence in the Gold Coast residential property market.

"Waterway Downs will provide us with a very good opportunity to generate positive sales momentum from the current upswing in the South East Queensland residential market, and we expect to achieve incremental internal rates of return and an operating profit margin above our hurdle rates."

Waterway Downs is in a highly desirable location in the northern portion of the Gold Coast, which has been identified by the Queensland Government as a major growth area that is expected to accommodate around 50 per cent of the coast's future population growth.

Kingsley Andrew, Queensland General Manager Residential at Stockland, said: "Our masterplan for Waterway Downs is well aligned with the planning scheme set out by the Gold Coast City Council, which we hope will assist our speed to market objective. We look forward to working closely with Council to bring this project to fruition, delivering much-needed new homes on the coast and creating the best possible outcomes for the community."

The property occupies an area of outstanding natural beauty on the banks of the Coomera River. Future residents will also benefit from the convenience of its location, less than 2 kilometres from Coomera Train Station and less than 4 kilometres from the M1 Motorway. Within a 5 kilometre radius of the future community, there are seven established schools and three childcare centres.

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About 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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