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STOCKLAND GROWS LOGISTICS PORTFOLIO WITH MELBOURNE BUSINESS PARK JOINT VENTURE

Stockland today announced that it has entered into an agreement to develop a new 260 hectare logistics and business park in Truganina in Melbourne's western suburbs with Mount Atkinson Holdings, as it looks to grow its workplace and logistics portfolio.

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The proposed first stage of the Melbourne Business Park, the largest new business park in Australia and only 24 kilometres west of Melbourne's CBD, comprises 87 hectares and is adjacent to Stockland's master planned Mount Atkinson residential community and the nearby town centre, which are currently under development.

Stockland Managing Director and CEO Mark Steinert said: "We are pleased to be extending our relationship with Mount Atkinson Holdings, as we leverage our diversified business model to deliver a new business park at the Mount Atkinson precinct.

"This new business park will be adjacent to our Mount Atkinson residential community, which is progressing well and has received a strong response from home buyers. It will provide employment opportunities for the future 20,000 local residents of the new suburb, estimated by the Victorian Planning Authority to be in the order of 18,000 new jobs for the precinct, or more than three local jobs per household.

"This site is Melbourne's largest and most strategic future logistics precinct, in close proximity to existing road and rail connections, having extensive main road frontage to Hopkins Road, only two kilometres from the Western Highway interchange and 30 kilometres from the Port of Melbourne.

"This arrangement with Mount Atkinson Holdings to develop the new Melbourne Business Park is in line with our strategy to grow our national workplace and logistics portfolio to greater than 25 per cent of total assets," Mr Steinert said.

Stockland General Manager Workplace and Logistics, Tony D'Addona said: "This master planned precinct will provide significant owner occupier and pre-commitment opportunities for local, national and international businesses on a large scale.

"The logistics market in Melbourne's west continues to experience strong demand and limited supply. Future tenants at the new business park will benefit from access to a growing population and the excellent amenity being delivered within the adjacent town centre".

"This western Melbourne site allows us to materially grow our portfolio and expand our tenancy base at a time when our Melbourne portfolio is at full occupancy and market fundamentals are strong," Mr D'Addona said.

The area is flagged for significant freight and logistics growth, being directly adjacent to the future Outer Metropolitan Ring Road, and two kilometres north of the proposed 840ha Western Interstate Freight Terminal.

Stockland has signalled its focus on building its workplace and logistics portfolio, primarily through development on existing land or land in close proximity to its residential communities.

Stockland Group Executive and CEO Commercial Property, Louise Mason said: “This announcement follows on our recent logistics and business park acquisitions in Melbourne’s western corridor, with a \$36 million greenfield project at Truganina due to commence construction in January 2019.

“We have continued to capitalise on the growing demand for logistics assets across the country. We are making good progress with our \$600 million development pipeline, and remain focused on our strategy to grow the national workplace and logistics portfolio to greater than 25 per cent of total assets.

“In August this year, we completed a \$50 million development of Ingleburn Stage 2, and a \$26 million development at Yennora in Sydney’s west. We’re also continuing to build our greenfield pipeline, with a \$23 million project in our Willawong facility in Brisbane, adjacent to our Pallara residential community,” said Ms Mason.

Mount Atkinson Holdings’ Director Anthony Caligiuri said: “Mount Atkinson Holdings is very pleased that its strong and well-established relationship with Stockland on the Mount Atkinson residential precinct now extends to the joint delivery of the adjacent Melbourne Business Park.

“This presents an exciting opportunity for Mount Atkinson Holdings to work with Stockland in progressing its vision, and the aspirations of Government and the Victorian Planning Authority, for a vibrant, truly integrated, well-connected and self-sustaining master planned community at Mount Atkinson, 24kms from Melbourne’s CBD.”

The Melbourne Business Park site is zoned for industrial uses with the project expected to commence during 2019.

Key site facts

- The Melbourne Business Park lies directly south of Stockland’s existing Mt Atkinson Community, 24km west of the Melbourne CBD
- The Melbourne Business Park is expected to deliver 18,000 new local jobs for Melbourne’s west, representing over 3 local jobs per Mount Atkinson household.
- KPMG has estimated that the activation of employment at Mt Atkinson will deliver 72,000 jobs to the wider Victorian economy and \$8.3B GSP per annum upon completion.
- The site benefits from good infrastructure including;
 - Main road frontage to Hopkins Road;
 - being located 2km south of the existing Western Freeway onramp on Hopkins Road ;
 - located directly north east of the future Outer Metropolitan Ring Road (OMR);
 - located 1.8km north of the proposed ~840ha Western Interstate Freight Terminal (WIFT);
 - good access to the Port of Melbourne (30km) and Melbourne Airport (30km);
- This site forms part of and benefits from a wider master planned mixed use / business precinct that is well-located to a future residential catchment and a town centre.

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