ASX/Media Release

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STOCKLAND ANNOUNCES CAPITAL PARTNERSHIP AT AURA

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Stockland today announced a strategic capital partnership in its residential portfolio, with Capital Property Group (CPG) investing a 50 per cent interest in Stockland's largest master-planned community, Aura on the Sunshine Coast, at around 30 per cent premium to book value.

Our partner, CPG, is a privately owned business with over 40 years of experience in mixed use property development and management across multiple asset classes. CPG developed and owns Canberra Airport, and has a residential development in Canberra, Denman Prospect, as well as a mixed use project underway in Canberra's CBD, Constitution Place.

Stockland Managing Director and CEO Mark Steinert said: "We have a clear strategy to bring capital partners in to invest alongside us to deliver large scale projects.

"CPG is a well-recognised developer and asset manager with a strong track record, and its investment at Aura demonstrates our ability to execute partnerships and position our business for the future.

"Aura is one of the largest master-planned communities in Australia, with an end value of $5 billion. CPG will invest alongside us to continue the creation of an outstanding new city on the Sunshine Coast, combining affordable homes, retail town centres and business parks alongside best in class schools, child care, sporting facilities, transport, open space and community infrastructure.

"Partnerships like this help strengthen our balance sheet and enable us to invest in other growth opportunities across our diversified portfolio, including our workplace and logistics development pipeline and additional residential community acquisitions.

"This is a long term investment given the life of the project, and we look forward to working with CPG at Aura and possible future opportunities," said Mr Steinert.

Terry Snow, Executive Chairman, Capital Property Group said: "We are delighted to invest with Stockland for this truly exciting project at Aura. We have great respect for the tremendous vision that Stockland has created for the community at Aura, as well as their team's execution on the ground, and their absolute commitment to quality and liveability – it matches our ethos very well indeed.

"The Sunshine Coast is one of the most exciting growth areas of Australia and the development of the new international airport will drive growth in the many industries that are expanding on the coast. When you couple that with the climate and the scale of Stockland's vision, this is a long-term project that we are very excited to support.

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, logistic centres, business parks, office assets and retirement living villages. Stockland is rated as one of the most sustainable real estate companies in the world by the Dow Jones Sustainability World Index (DJSI). Stockland is also an Employer of Choice for Gender Equality, as recognised by the Workplace Gender Equality Agency.

“Ultimately this partnership is about trust and belief in the people at Stockland, Australia’s leading developer of residential communities. We’re truly excited about the scale and quality of what is being delivered for Aura and the people of the Sunshine Coast.”

Stockland will continue to manage the development and ongoing delivery of the Aura community, including the delivery of infrastructure to continue to be rolled out under existing agreements with local and State Government.

Stockland Group Executive and CEO Communities, Andrew Whitson, said: “We are proud of our long-standing relationships with Sunshine Coast Council, the Queensland Government and the local community, and will continue to work closely with them to deliver this flagship project, which will be home to over 50,000 people over the next 20-30 years.

"The partnership with a highly regarded group like CPG demonstrates the strength of our brand, scale and land bank, and recognises our capabilities and track record delivering some of the best master-planned communities across the country, located in close proximity to rail-served corridors, jobs and schools.

“This capital partnership also gives us additional flexibility to invest in other counter-cyclical residential opportunities, as we focus on re-stocking our national pipeline,” said Mr Whitson.

Accounting profit associated with this transaction will be recognised in FY20. This will be partially offset by lower revenue from the group’s reduced interest in the Aura project.

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