

Cloverton Update

JP Morgan Australia Property Forum

May 2015

*A city in
bloom*

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Overview

Market Update

- Fundamentals
- Metro Volumes

Cloverton

- Site Context
- Project Overview
- Customer Profile
- Key Milestones
- Project Launch
- Next Steps



A city in bloom

The seed has been planted for a progressive, healthy, clever and connected city, to breathe new life into Melbourne's north and become home to some 30,000 residents. As it blooms over the coming years, Cloverton will provide a wealth of amenity for you and your family.

A Connected City

- Direct access to Hume Highway
- Donnybrook train station within walking distance
- Proposed 60ha metropolitan activity centre
- 4 future neighbourhood centres
- Major retail and entertainment venues

A Clever City

- Up to 8 new primary and secondary schools
- Multiple child care options
- Planned tertiary institution

A Progressive City

- Innovative housing options for every buyer
- A new hub for technology and business
- Proposed regional hospital

A Healthy City

- Parklands in strolling distance of every home
- Sporting reserves, walking and cycle paths
- 130ha conservation area alongside Merri Creek

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Vic Greenfield Market Outlook

Market Fundamentals – Victorian outlook steady

- Victoria's population –growing at 1.80%pa¹ and forecast to remain growing at 1.8%pa for next half decade (~110,000 persons)²
- 6.2%³ unemployment rate – stable projection⁴
- The Victorian economy (GSP) is expected to grow by 2.5% in 2015-16, then 2.75% pa through to 2018-19⁴
- Strong infrastructure spending planned over next 5 years - \$17bn

Metro Melbourne – land release/ rezoning continues by State Government

- Supply side – 25 Precinct Structure Plans underway and 4 in pre-planning
- 63,000 lots progressing through PSP process (2-5 year horizon)
- 160 trading greenfield projects across Metro Melbourne (capping out)
- Market is competitive

1. ABS Cat No, 3101.0

2. Deloitte Access Economics Business Outlook

3. ABS Cat. No. 6202.0

4. Victorian Budget 15-16, Strategy and Outlook Paper No. 2 Economic Context, May 2015

Vic Greenfield Market Outlook

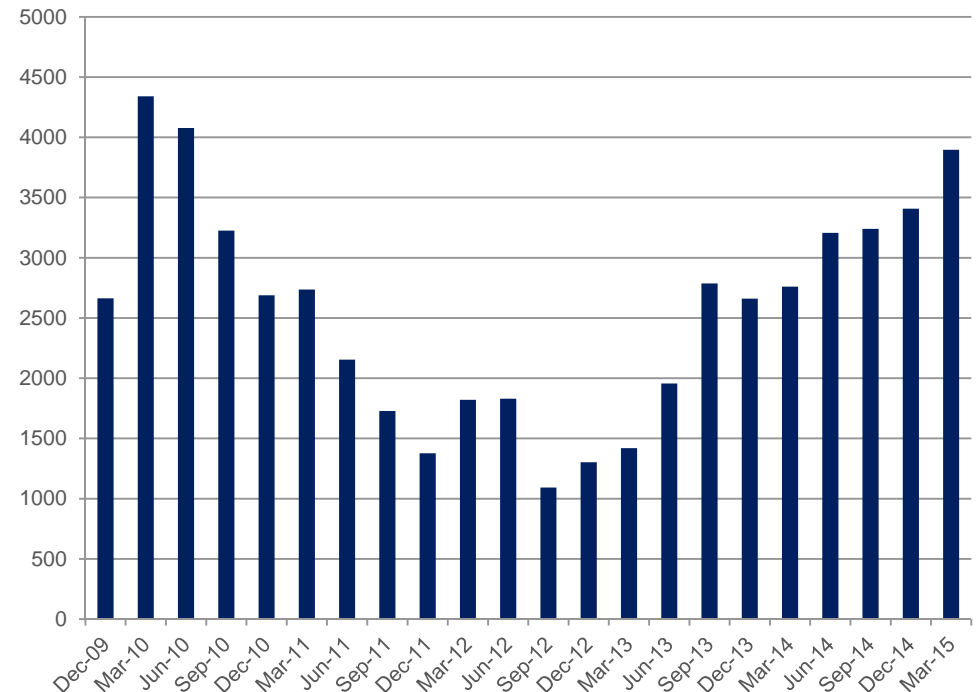
Strong Greenfield volumes

- 3,897 sales March Qtr. (median price \$210k for 450sqm)¹
- Annualised at 16,000 – same as 2010/11 peak
- 14% increase on Dec Qtr. and 40% y-o-y
- Wyndham, Craigieburn and Casey particularly strong markets

Price and Sales Channels

- Generally modest price growth 3-4% annualised
- Opportunity to outperform this range with some product offers
- Melbourne affordability advantage - discount to other major capitals - \$40k SEQ, \$50k Perth and \$150k+ Sydney
- Diversity of retail and wholesale channels key success factor
- Affordability remains a critical consumer consideration

Melbourne Vacant Land Market – Annual Sales¹

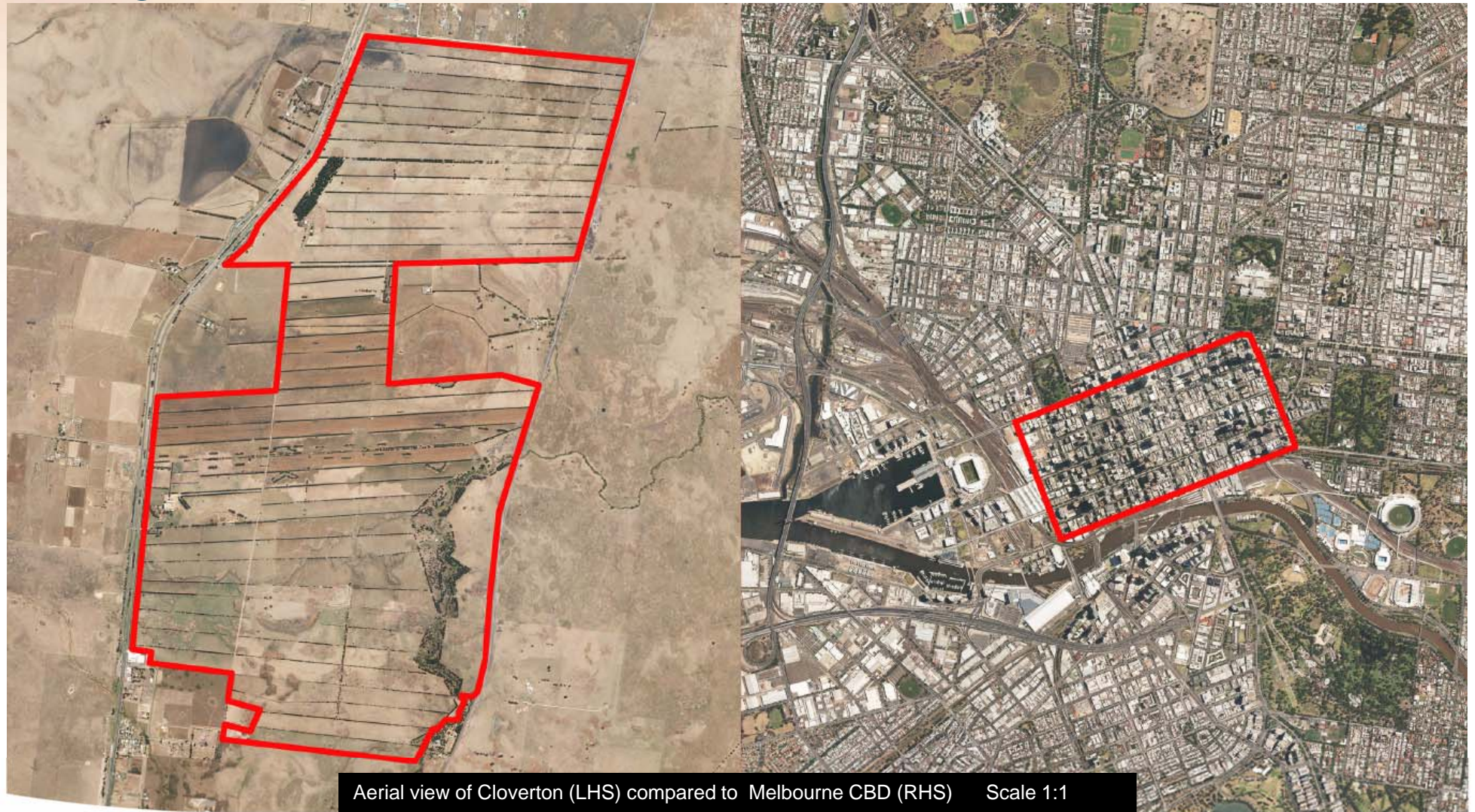


1. National Land Survey Program, Charter Keck Cramer/Research4

Cloverton Overview



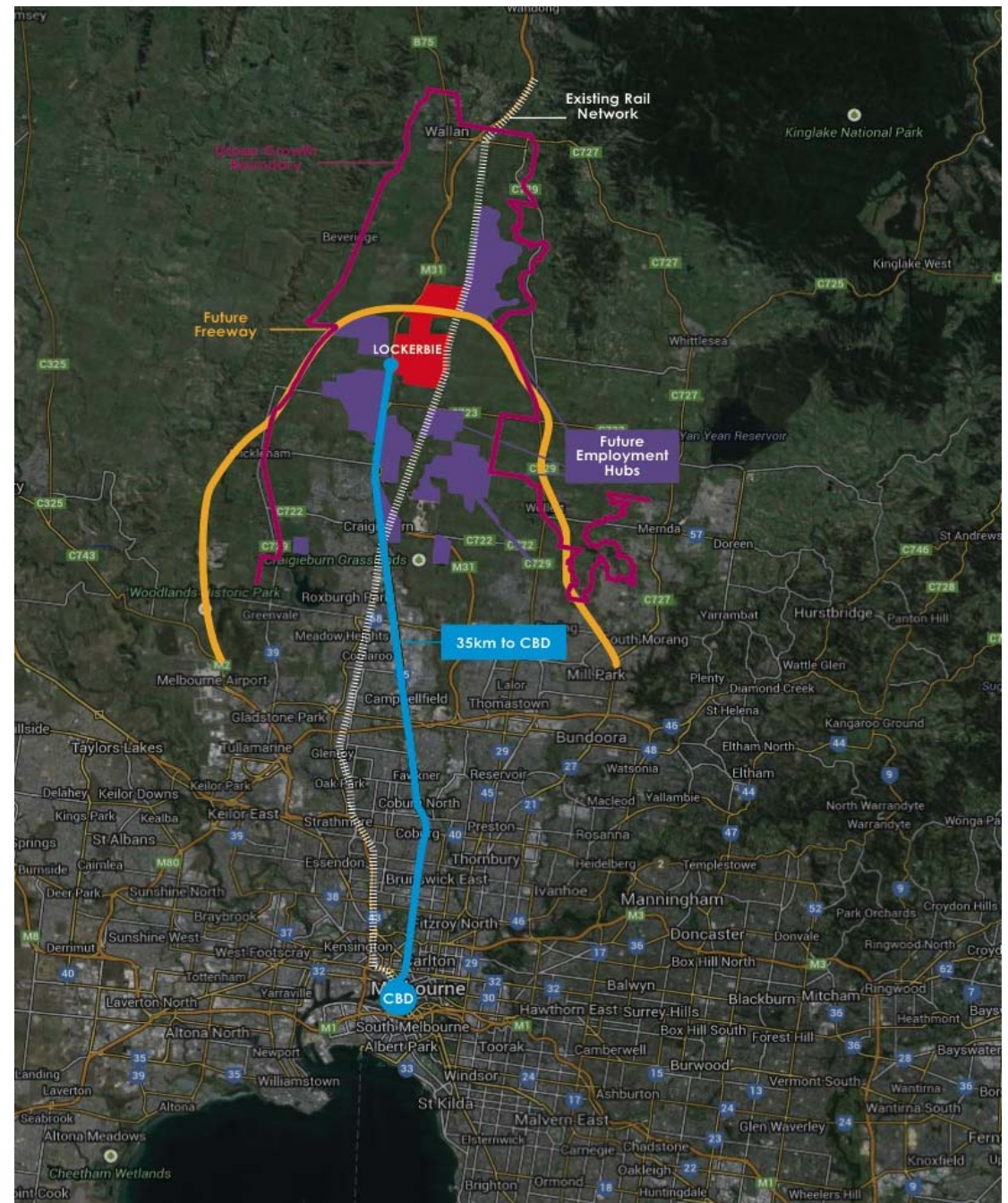
Melbourne's Largest Masterplanned Development- Putting it into perspective



Urban Growth in the north

- Located 35kms from Melbourne CBD
- Covers 3 LGA areas – Hume, Wyndham and Whittlesea
- Population of 375,000 in this corridor, growing to 646,000 by 2031¹
- Future Metropolitan Activity Centre (MAC)
- Existing rail service at Donnybrook Railway Station
- Future railway station construction at Cloverton
- Close proximity to Melbourne Airport and major northern employment nodes
- Strategically positioned between future Orbital Melbourne Ring Road, trunk and freeway infrastructure
- Catchment growth forecasts above Victorian average at 2.2-3.3%¹
- Long term demand average 2,870 sales p/a

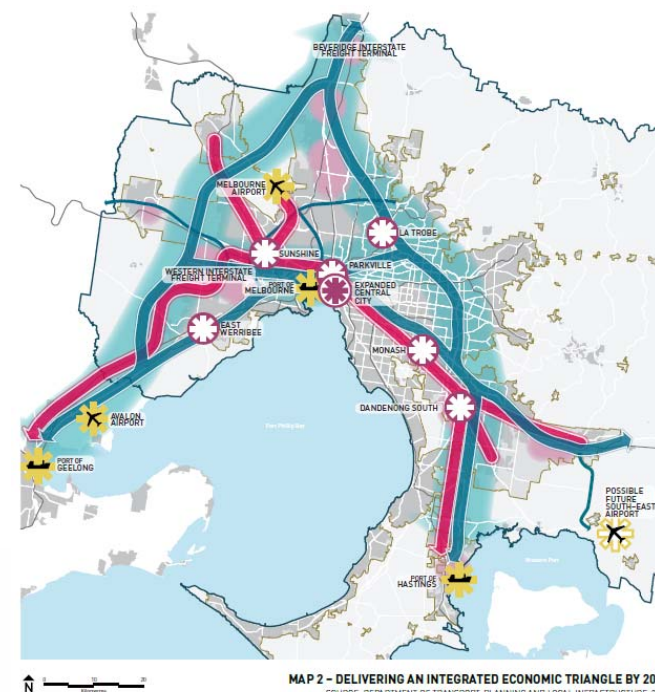
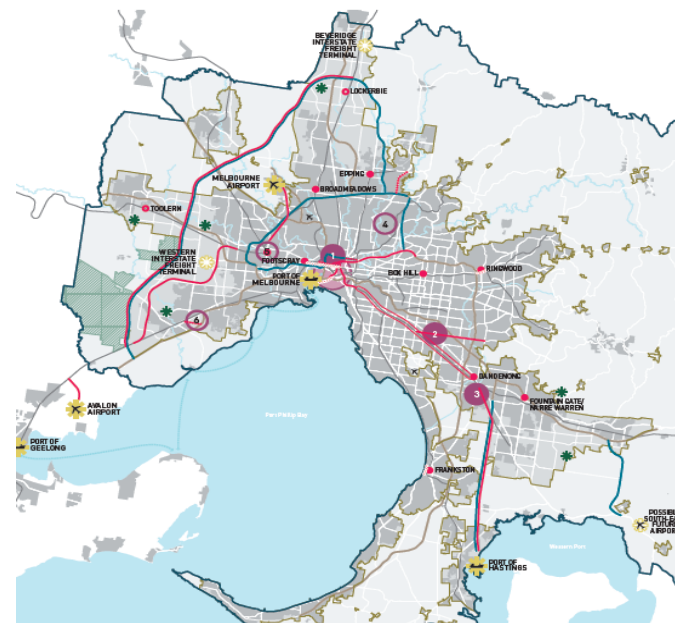
1. Victorian Dept of Transport, Planning and Local Infrastructure, Stockland Research



Alignment to Policy Framework

- Strong alignment to key State Government policy frameworks (i.e. Plan Melbourne, Freight Logistics Plan 2013 etc.)
- Key junction for major new regional infrastructure such as OMRR
 - 10 – 20 year horizon
 - Includes significant rail freight component
- Future Beveridge Intermodal Freight Terminal
 - 2M TEU capacity and major future employment node
 - Half of Port of Melbourne volumes
- Major Activity Centre (MAC) designation
 - One of x2 new MAC's identified in Plan Melbourne
 - Major retail, commercial uses
 - Focus for Government services (justice, administration)
 - Tertiary education and regional medical facilities
 - Major regional sports, rec and cultural facilities

A PLAN FOR MELBOURNE 2050
SOURCE: DEPARTMENT OF TRANSPORT, PLANNING AND LOCAL INFRASTRUCTURE, 2013



MAP 2 - DELIVERING AN INTEGRATED ECONOMIC TRIANGLE BY 2050
SOURCE: DEPARTMENT OF TRANSPORT, PLANNING AND LOCAL INFRASTRUCTURE, 2014

Cloverton Masterplan

- 35 year master-planned community
- 11,000 lots+
- 30,000+ residents
- 8 private and government schools
- Childcare
- Tertiary education facilities
- Medical facilities & Regional hospital
- Retirement living
- 60 hectare Metropolitan Activity Centre and four local town centres
- Future Cloverton train station and current Donnybrook train station
- Future freeway interchange and outer Metropolitan Ring Road
- 130 hectare conservation area on Merri Creek



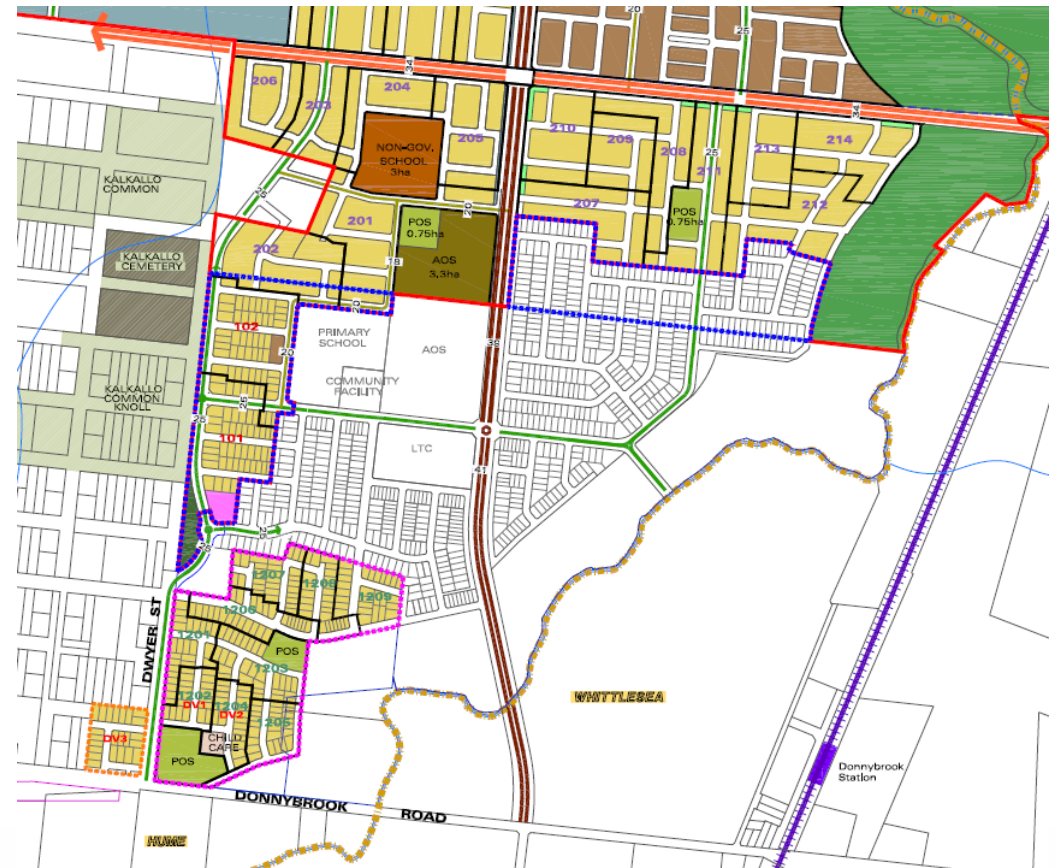
Launch Strategy

Focus leading to launch

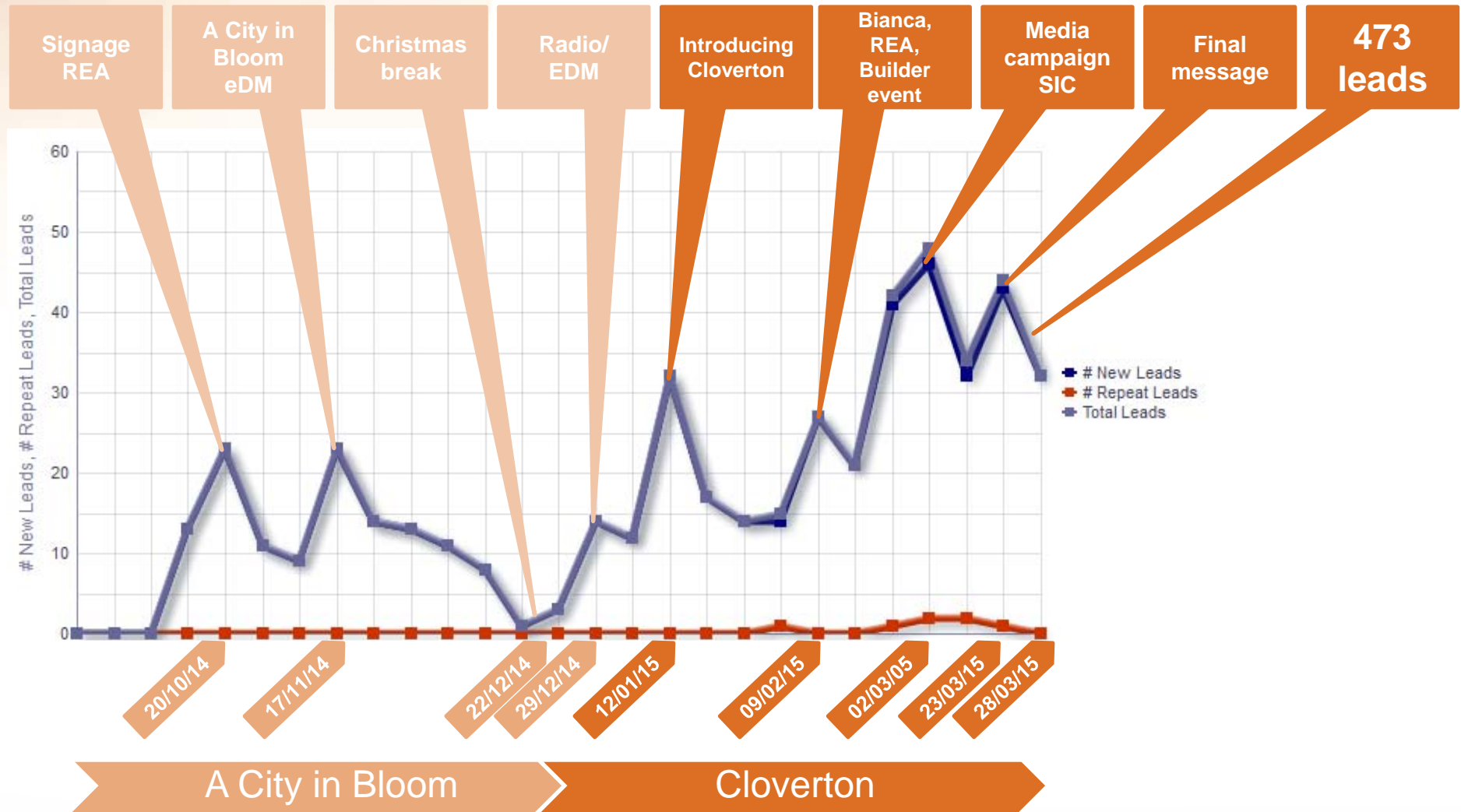
- Establishing access from Donnybrook Road to the south
- Multiple acquisitions a critical requirement for access to establish 'land bridge' to southern title
- March 29th launch following 3 month Expression of Interest campaign

One of Stockland 's most successful project launches

- Very strong response across retail and wholesale channels
- 110 sales and deposits to date (plus 20 Display village lots)
- Avg. price point \$175-180k
- Price growth of \$3k - \$6k since launch
- Approvals and maintenance of supply are key priorities

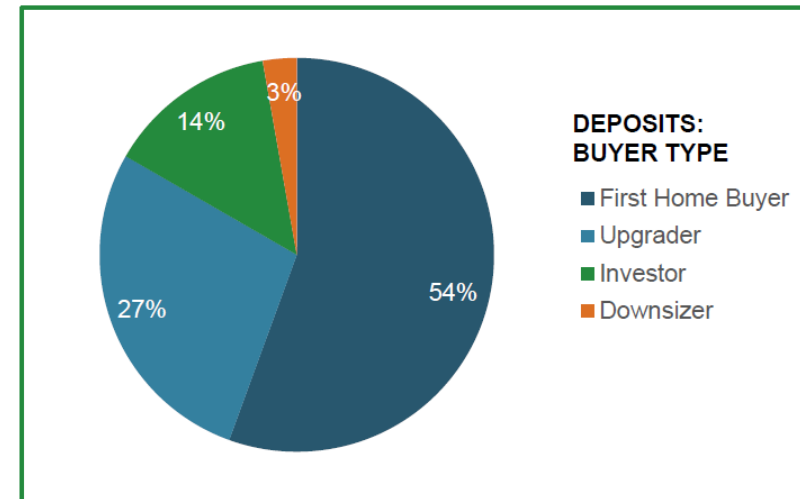


Lead Tracker October 2014 – March 2015



Customer Profile

- Buyer profile broadly consistent with Highlands
 - FHB core market (pre child couples, young families)
 - Average borrowing capacity to ~\$390-400k
- Buyers from local catchment to Mornington to Bayswater – wide reaching appeal and catchment
- Limited pollination of leads from Craigieburn market
- Pricing differential of ~\$30-35k between Cloverton and Highlands
- Affordability remains critical consideration to product mix
- \$350k - \$400k H&L price points is a key focus area
 - 4/2/2 H&L packages in highest demand
- Broad based product offer key to expanding market reach



Budget- House and Land	%New Leads
Unspecified	47%
<\$300,000	3%
\$300,000 - \$324,000	3%
\$325,000 - \$349,000	10%
\$350,000 - \$399,000	24%
\$400,000 - \$449,000	9%
\$450,000 - \$499,000	2%
\$500,000 - \$549,000	1%
\$550,000 - \$599,000	<1%
\$600,000 - \$699,000	<1%

Key Milestones

Milestone	Date
First land release	28 th March 2015
Permanent Sales and Information Centre	March 2016
Destination Park	March 2016
Stage 1 Titles Expected	Dec/ Jan 2016
Temporary Community Centre and GoTafe facility	Mid 2016
Display Village 1 open	Mid 2016
Private school open	2018–2019



Thankyou

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