

# SHOPPING CENTRE DIVISION





# Shopping Centre Division

## AGENDA

- Overview
- Management & Marketing
- Leasing
- Development
- Conclusion

# Shopping Centre Division

## OVERVIEW



# Shopping Centre Division

## OVERVIEW

- Retail sales remain buoyant. Comparable sales as at 31 October 2004:

Supermarket Sales MAT	+1.6%
DDS MAT	+5.2%
Specialty Sales MAT	+9.7%
Total Sales MAT	+5.2%

- High occupancy levels . Vacancy rate 0.2% GLA.
- Arrears 0.05% of total billings.
- Specialty Occupancy Cost: 9.9%.
- Specialty Sales \$8,716m<sup>2</sup>.
- Comparable net income growth 4.9%.
- Development pipeline on track, exceeding \$700 million.





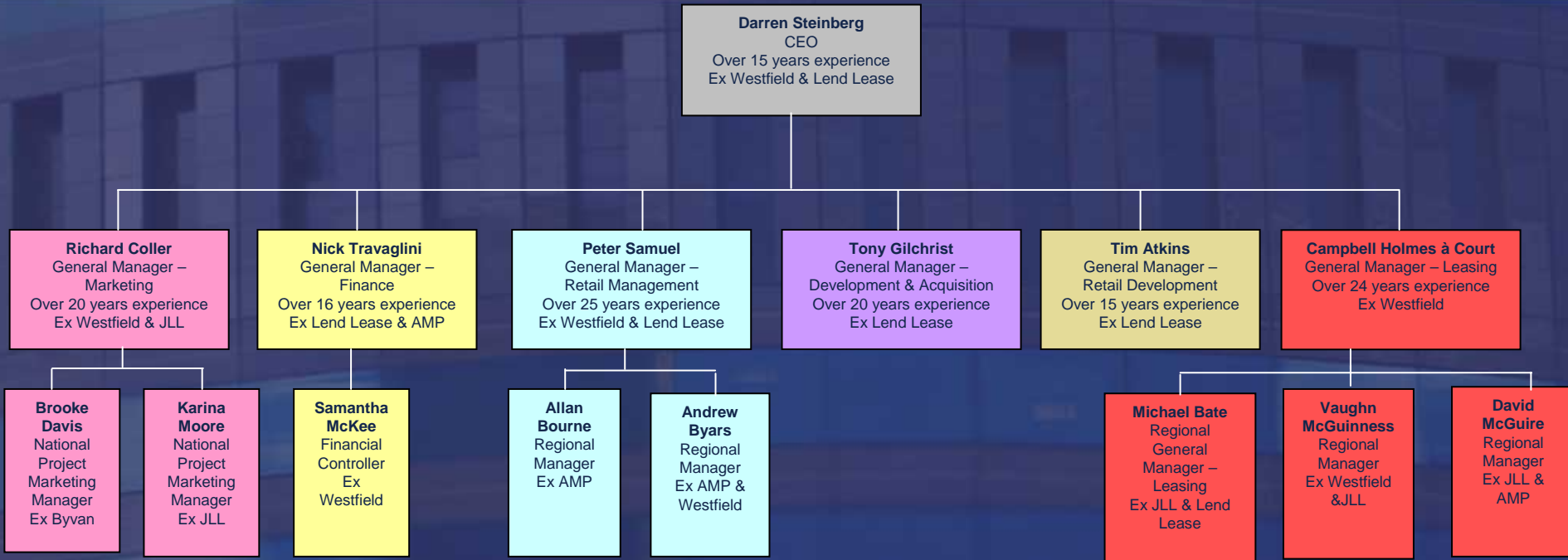
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## OVERVIEW

- 'Regional Shopping Centre' management processes have been effectively translated to the sub-regional sector.
- Proactive Development, Leasing, Marketing & Management philosophy.
- Performance based culture and flat management structure.

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## CURRENT ORGANISATIONAL STRUCTURE



41 Executives ex Westfield, Lend Lease or AMP.  
Our Senior Executive Team has over \$5 billion worth of retail development experience.

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## COMBINED PORTFOLIO

	Stockland	GPT	Combined
Centres	40	29 <sup>1</sup>	69
Asset Value (\$b)	2.7	3.9 <sup>1</sup>	6.6
GLA (m <sup>2</sup> )	878,000	933,000 <sup>1</sup>	1,811,000
Tenancies	2,700	2,711 <sup>1</sup>	5,411
Turnover (\$b)	4.2	3.7 <sup>2</sup>	7.9
Customer Visits (m)	128	133 <sup>2</sup>	261

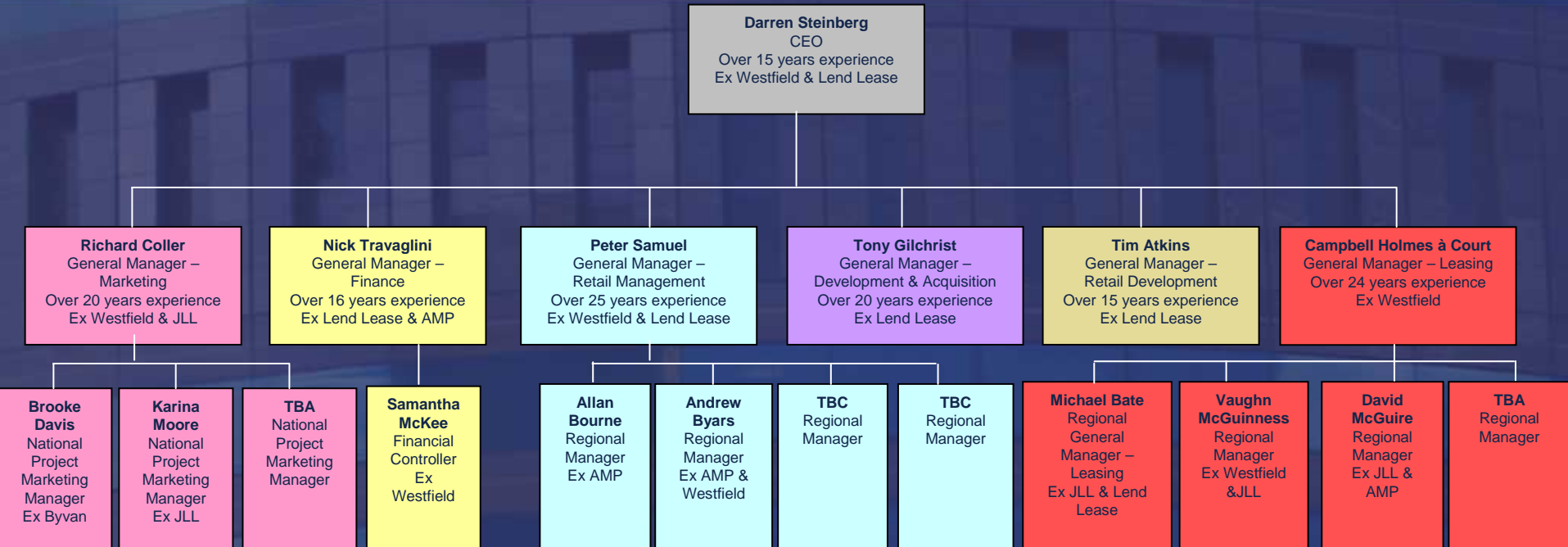
1. Includes Homemaker Centres. Data per GPT Explanatory Memorandum & September Quarterly Operational Update.

2. Data per GPT Annual Report.

Source: Stockland Bidders Statement.

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## PROPOSED ORGANISATIONAL STRUCTURE



- Proposed to employ majority of onsite staff.
- Plus a number of Head Office personnel.



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## MANAGEMENT & MARKETING





# Shopping Centre Division

## MANAGEMENT & MARKETING

- Highly experienced Management & Marketing Team
  - Richard Coller: General Manager – Marketing. 20 years experience. Ex Westfield & JLL.
  - Peter Samuel: General Manager – Retail Management. 25 years experience. Ex Westfield & Lend Lease.
  - Allan Bourne: Regional Manager – Retail Management. Over 20 years experience. Ex AMP.
  - Andrew Byars: Regional Manager – Retail Management. Over 12 years experience. Ex Westfield & AMP.



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## MANAGEMENT & MARKETING

- Stockland's whole management philosophy emanates from a very clear vision, mission and values.
- Highly experienced team operating in a performance based culture.
- Achieving national cost efficiencies.



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## MANAGEMENT AND MARKETING

- Stockland has a strong philosophy in ‘people investment’ which is reflected in our team orientated operation.
- Only one of two ‘truly’ nationally branded shopping centre networks in Australia.
- Created significant incremental sales opportunities – National Gift Voucher network.
- National Branding has created market awareness that exceeds traditional benchmarks.



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## REBRANDING SUCCESS







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## MANAGEMENT AND MARKETING

- Sales strong, occupancy costs low.
- Industry Recognition is being achieved:
  - 7 centres in top 10 for Specialty Turnover MAT psm – 15,000m<sup>2</sup>-30,000m<sup>2</sup> (*Source: Shopping Centre News*).
  - Industry related awards and accolades.

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## LEASING





# Shopping Centre Division

## LEASING

- Highly experienced Leasing Team:
  - Campbell Holmes à Court: General Manager – Leasing. Over 24 years experience in Leasing, Development & Management. Ex Westfield & BKF.
  - Michael Bate: Regional General Manager – Leasing. Over 25 years of shopping centre experience. Ex Westfield, Lend Lease & JLW.
  - Vaughn McGuinness: Regional Manager – Leasing. Over 15 years experience. Ex Westfield & JLW.
  - David McGuire: Regional Manager – Leasing. Over 18 years experience. Ex AMP & MEPC.
  - Lisa Harrison: National Lease Administration Manager. 8 years experience. Ex Westfield.
  - Leasing Executive and Administration Team comprise of ex Westfield, AMP, Lend Lease & Gandel.



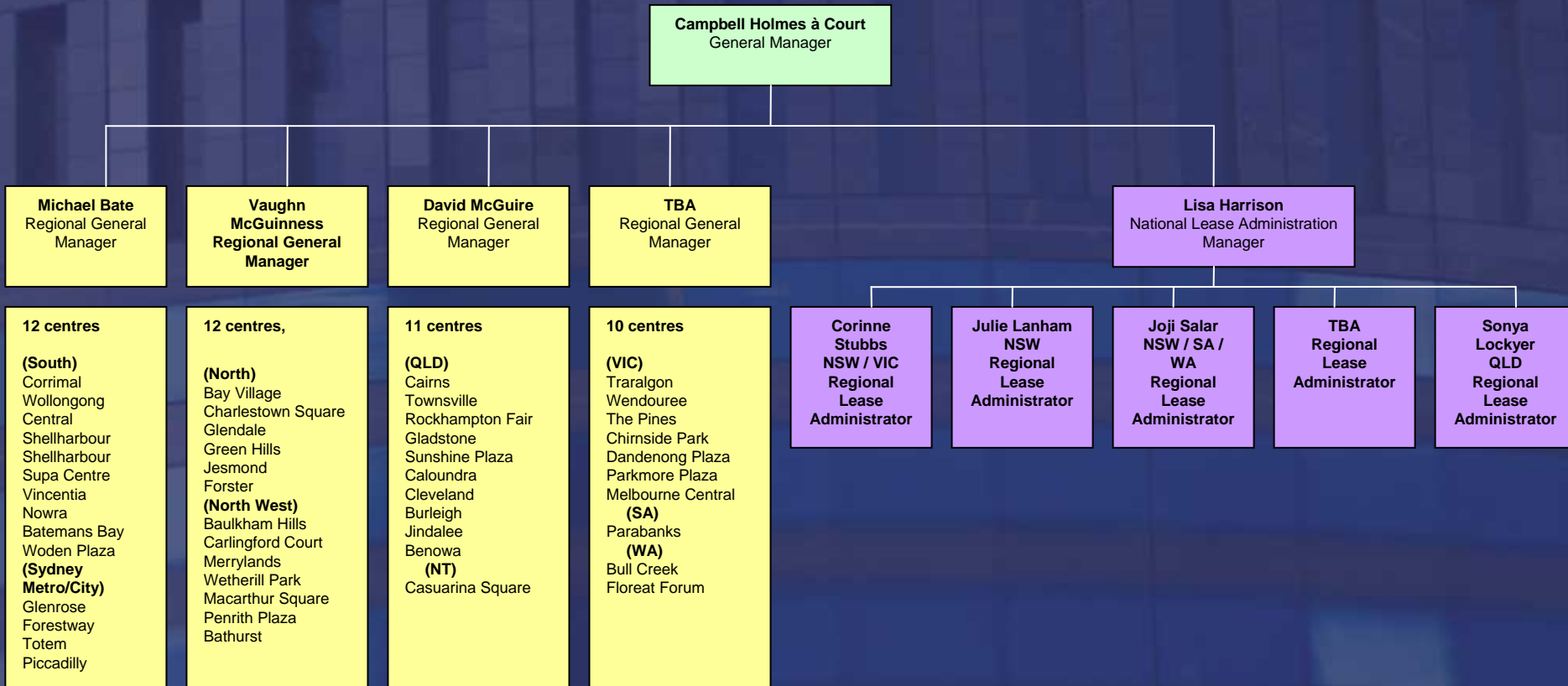
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## LEASING UPDATE

- Currently 16 vacant shops within the Retail portfolio. Vacancy rate 0.2% of total GLA.
- 212 leasing transactions completed in the first 4 months of FY05.
- Rental growth on renewals is 13.0%.
- 16.4% growth in income on ADP Centre lease renewals as at June 2004.
- \$0.9M additional unbudgeted income in FY04.
- Batemans Bay opened 100% leased.
- Bathurst opened 100% leased.

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## PROPOSED ORGANISATIONAL STRUCTURE





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## DEVELOPMENT



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## DEVELOPMENT MANAGEMENT

- Highly experienced Development Team:
  - Tony Gilchrist: GM, Development & Acquisitions. Over 20 years experience. Ex Lend Lease.
  - Tim Atkins: GM, Retail Management. Over 15 years experience in Australian retail property. Ex Lend Lease.
  - Phil Threlfall: Senior DM. Over 20 years experience. Ex Lend Lease.
  - Louise Martin: Senior DM. Over 20 years experience. Ex Lend Lease / Westfield.
  - John Falvey: Senior DM. Over 20 years experience. Ex Westfield.
  - Mark Watson: Senior DM: Over 10 years experience. Ex Aldi / Hoyts
  - Claudia Lam: Design Development Executive. Over 10 years experience. Ex Lend Lease.
  - Ray Morgan: National PM. Over 15 years experience. Ex Westfield.
  - Other Development Managers: Richard Hamilton (Ex AMP), Ben Dodwell (ex Lend Lease), George Meli (ex Lend Lease), James Cousins (ex Lend Lease / Mirvac).

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## DEVELOPMENT PIPELINE (Next 4 – 5 years)

PROJECT	EST. CAPEX (\$m)	ANTICIPATED YIELD (%)	STATUS
Batemans Bay	62	8.4	Centre opened 24 August 2004
Bathurst	13	8.2	Completed on program 8 Nov 2004 completion
Botany Town Centre	5	8.0	Construction on program for Dec 2004 completion
Burleigh	32	8.1	Stage 1 opens March 05. Completion late 2005
Bay Village	43	>10	Stage 1 opens March 05. Completion late 2005
Glendale	23		DA lodged August 04
Merrylands	120		Submit DA late 04
Forster	39		DA submitted November 04
Nowra	42		Authority and major tenant negotiations
Rockhampton	45		Authority and major tenant negotiations
Baldivis	19		Authority negotiations
Vincentia	45		Submit Masterplan late 2004
Glenrose	80		Major tenant negotiations
Baulkham Hills	15		Major tenant negotiations
Green Hills	26		Masterplan / Major tenant negotiations
Gladstone	35		Authority and major tenant negotiations
Balgowlah	87		Post L&E Court Council discussions
<b>TOTAL</b>	<b>731</b>		



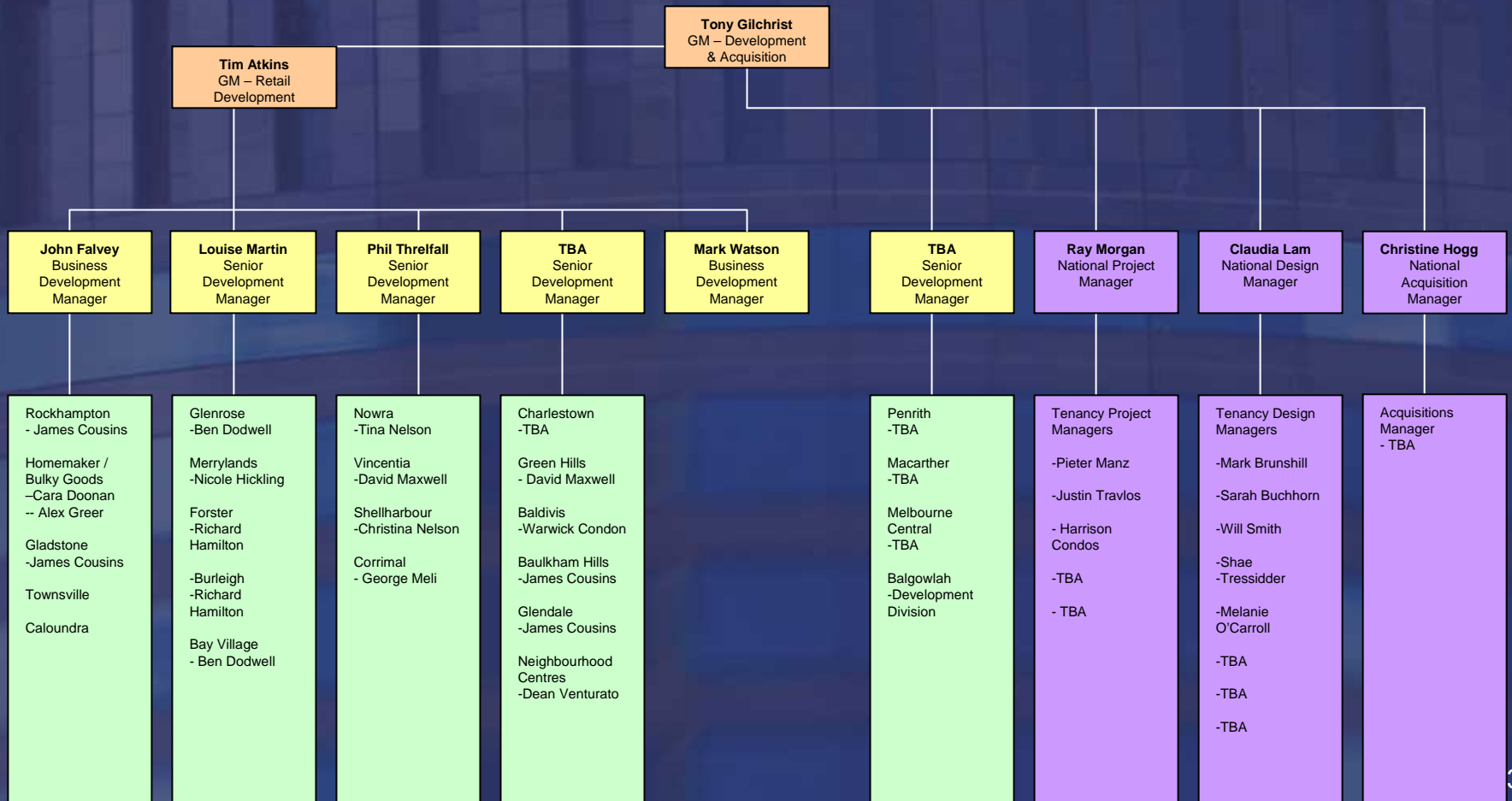
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## OUTSOURCING DESIGN & CONSTRUCTION – A COMPETITIVE ADVANTAGE

- Ability to match contractor to task
  - size
  - risk & complexity
  - time
  - location
- Ability to select procurement method
  - Design Development & Construct
  - GMP D&C
  - Traditional Lump Sum
- Competitive Pressure
  - Impact on upfront service
  - Pressure on Overheads and Margin

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## PROPOSED ORGANISATIONAL CHART







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## CONCLUSION

- Existing portfolio well positioned for growth.
- Capable / experienced management team.
- Expertise in integration of portfolios.
- Structural advantage.



# Disclaimer

## **Corporation/ Responsible Entity**

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