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STOCKLAND ACCELERATES WORKPLACE & LOGISTICS DEVELOPMENT STRATEGY WITH PICCADILLY CENTRE AND 135 KING STREET TRANSACTIONS

Stockland today announced the exchange of contracts to sell its 50 per cent stake in 135 King Street and Glasshouse in Sydney for \$340 million, and to acquire the remaining 50 per cent stake in the Piccadilly Centre from Oxford Properties for \$347 million.

The acquisition takes Stockland's stake in the Piccadilly Centre, which is also the company's head office, to 100 per cent, and enhances redevelopment opportunities for the building.

Located in the heart of Sydney, the Piccadilly Centre sits on a 4,800 square metre block with dual street frontages to Pitt and Castlereagh Streets, and excellent transport connections including Town Hall Station, Museum and St James stations, the George Street light rail, and the future Pitt Street Metro rail station.

Stockland's Managing Director and CEO, Mark Steinert, said: "A key part of our strategy is to recycle capital from properties that we have optimised, for investment into higher growth opportunities with redevelopment potential like Piccadilly. As a co-owner of 135 King Street and Glasshouse, we added considerable value by redeveloping the building into two premier Pitt Street Mall shops leased by top tier retailers H&M and Platypus Shoes, and have now substantially leased the office tower, making it a good time for us to realise the uplift.

"The acquisition of the remaining stake in Piccadilly aligns with our accelerated Workplace and Logistics strategy, which is focused on unlocking development opportunities in Sydney and Melbourne that enhance long-term income growth and increase the valuation resilience of the overall portfolio," said Mr Steinert.

Stockland's CEO of Commercial Property, Louise Mason, said: "The midtown precinct is undergoing significant renewal, which combined with our development plans will help further drive tenant demand and rental strength at Piccadilly. Obtaining 100 per cent control of the asset simplifies the stakeholder engagement process for these plans.

"When we sold a half-share of Piccadilly in early 2014, we invested the proceeds into the growth of our logistics portfolio at above-hurdle rates of return. Now, with the broader precinct renewal and surrounding infrastructure delivery, the time is right to progress our development plans at Piccadilly by moving to 100 per cent ownership.

"The sale of our stake in 135 King Street has enabled this transaction and we look forward to progressing our redevelopment plans with the City of Sydney and relevant authorities, with the opportunity to introduce third party capital to the project at the right time," said Ms Mason.

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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, 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.