

28 May 2024

Stockland and Invesco Real Estate enter into strategic capital partnership

Stockland (ASX: SGP) and Invesco Real Estate, a global real estate investment manager, today announced they have entered into a strategic open-ended partnership to develop and hold an initial portfolio of three Land Lease Community (LLC) assets in the newly established Stockland Land Lease Partnership (SLLP1) which is expected to generate approximately AUD 1.1 billion¹ in gross development revenue².

The partnership, established on the initial basis of Stockland's 50.1% interest, and Invesco Real Estate's flagship pan-Asian core strategy 49.9% interest, will include ~1,190 homes across three Land Lease Communities at The Gables NSW, Aura 2 (Coves), Qld and Redland Bay, Qld as well as an opportunity for SLLP1 to acquire the land lease community at Providence, Qld.

In line with Stockland's group strategy, the partnership expands its capital partnership platform and leverages the availability of long-term institutional capital and investment appetite for the Australian residential sector. The partnership further aligns with Invesco Real Estate's core strategy to deliver compelling, high-performing opportunities to their investors.

Stockland Chief Investment Officer, Justin Louis, said: "Invesco is a leading global investment management firm and we're pleased to be able to bring to this partnership our demonstrated leadership and proven expertise in asset management and development.

"With the execution of SLLP1, we are pleased to welcome another globally recognised institutional partner to our ~8,800 home Land Lease Communities pipeline.

"Our Land Lease business offers high-quality, commercially attractive investment prospects for third-party investor partners, such as Invesco. The SLLP1 partnership will enable us to continue to scale our development pipeline and grow our LLC operating platform to enhance long-term sustainable business growth."

Ian Schilling, Head of Asia Pacific Core Funds for Invesco Real Estate, added: "This partnership with Stockland, one of the most established players in the segment, is an ideal platform to expand exposure to this attractive and growing real estate sector. Land Lease Communities are a high-conviction investment theme for us given the housing shortage and ageing population in Australia. This partnership is a key component in us continuing to grow our diversified portfolio of

¹ Excluding Australian Goods and Services Tax.

² There is no guarantee that the expectation will be achieved.

high-quality assets that are underpinned by robust market fundamentals and strong income and capital growth.”

Stockland is positioning for a step change in production rates in the Land Lease Communities sector with up to 12 new communities expected to launch during FY24 (subject to relevant approvals and planning). Stockland’s LLC strategy is supported by Australia’s ageing population and growing preference of retirees for community living benefits such as increased social connectivity and resort-like amenities.

SLLP1 is Stockland’s second partnership in the LLC sector, following its successful establishment of the Stockland Residential Rental Partnership (SRRP) with Mitsubishi Estate Asia in February 2022.

Jarden acted as exclusive financial adviser to Stockland in relation to the transaction.

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Stockland (ASX:SGP)

We are a leading creator and curator of connected communities with people at the heart of the places we create. For more than 70 years, we have built a proud legacy, helping more Australians achieve the dream of home ownership, and enabling the future of work and retail. Today, we continue to build on our history as one of Australia's largest diversified property groups to elevate the social value of our places, and create a tangible sense of human connection, belonging and community for our customers. We own, fund, develop and manage one of Australia's largest portfolios of residential and land lease communities, retail town centres, and workplace and logistics assets. Our approach is distinctive, bringing a unique combination of development expertise, scale, deep customer insight, and diverse talent - with care in everything we do. We are committed to contributing to the economic prosperity of Australia and the wellbeing of our communities and our planet.

About Invesco Real Estate

Invesco Real Estate is a global leader in the real estate investment management business with US\$86.7 billion in real estate assets under management, 614 employees and 21 regional offices across the U.S., Europe and Asia Pacific. Invesco Real Estate has a 40-year investment history and has been actively investing across the risk-return spectrum, from core to opportunistic, in equity and debt real estate strategies, and in direct and listed real estate for its c.400 institutional client relationships during this time. Source: Invesco Real Estate as at 31 December 2023.

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