



Company	Stockland
Code	SGP
Meeting	AGM
Date	21 October 2019
Venue	The Fullerton, Sydney
Monitor	Allan Goldin and Roger Ashley

Number attendees at meeting	46 Security holders, 4 proxy and many visitors
Number of holdings represented by ASA	284
Value of proxies	\$15.4m
Number of shares represented by ASA	3.12m
Market capitalisation	\$11.731 billion
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with chair Tom Pockett and Company Secretary Katherine Grace

Stockland keeps moving along in a nicely controlled manner

The Chair said the past financial year has been a challenging one. The business faced tough market conditions and uncertainty in the regulatory and political domains. Despite this, continued focus on strategic priorities guided the business to a good result.

The CEO, Mark Steinert, then said the housing cycle has clearly bottomed and he expected prices and volume growth in the land business, with prices rising 5-7% in Sydney and Melbourne in the next 12 months following which housing shortages could emerge in every market in Australia. At the same time there will be a continued large investment in building the growing logistic portfolio.

The Company had a very strong first quarter but reaffirmed its flat outlook for the year, dubbing market conditions “mixed”, with steady employment growth, record low interest rates, recent tax cuts and high investment in infrastructure partly offset by constrained credit availability, weak consumer sentiment and global trade conditions.

ASA questioned if the CEO recent comments meant that the Stockland would enter into new commitments at a lower hurdle rate as the cost of capital has decreased. This will be part of a board discussion at November’s strategy session. We also were told that the lower increase in

leases and continued incentives in Town centres (resulting from the re mix of shops) would continue for this year followed by two more before turning around. The CEO was enthusiastic when explaining that they were starting to implement the USA land lease concept in their Retirement living communities, where you will buy the house and lease the land it is on, allowing for a more affordable entry.

The Chair announced a new Director, Kate McKenzie, will commence after the AGM. ASA expressed disappointment at the timing, but we were told it was unavoidable.

A variety of questions from shareholders ranged from reaffirming that the Company had no exposure to WeWork, explaining (not well) why audit fees have increased, and why the shares rebounded from a big drop mid-year. The later answered: the election result coupled with investors' believing that Stockland is on the right track.

There is a review of remuneration structure this year and all the questions that ASA raised in their Voting Intentions will have a look-in, but having a longer than 3-year performance period for long-term incentive is a long shot.

ASA and between 97 – 99.6% of shares voted were in favour of all resolutions.