Stockland eyes profit from tilt

TAKEOVERS

STOCKLAND managing director Mark Steinert has indicated the company may not increase its $2.5 billion bid for rival property developer Australand to counter a higher offer from Singapore.

Mr Steinert said Australand was a great fit for Stockland, and the company had already tabled an attractive offer.

"We felt we'd made a compelling and fair offer and the market generally agreed with us," he told a business lunch.

"Our bid still stands and that process is not complete at this time, but we also committed to our investor base as to how we'd approach that."

Stockland launched its takeover bid for Australand in April, lifting its offer by $100 million to $2.5 billion when its original proposal was rejected by the target's board.

At the time Mr Steinert said the price represented Stockland's final offer, but the company was trumped by a $2.59 billion offer from Singapore's Frasers Centrepoint earlier this month.

Frasers has been granted four weeks to exclusively complete due diligence on Australand, the owner of $2.4 billion in residential and commercial developments.

Mr Steinert said Stockland was set to take home a tidy profit on the 19.9 per cent stake it bought in Australand in March if it loses out to Frasers.

"If it doesn't transpire that we are able to incorporate those people and those assets ... we will book the $80-$85 million in profit we've made on the position and certainly look at other opportunities," he said.

Mr Steinert also told the luncheon that house prices would keep rising during the next few years, tipping Sydney was poised for a "golden decade".