

# Stockland keeps faith

**BELINDA MERHAB**  
**HOUSING**

PROPERTY developer Stockland is hoping healthy housing market conditions will underpin its business next year.

But it is Sydney and Queensland leading the charge rather than Victoria, the group says.

Property price growth nationally is expected to slow from the rapid pace witnessed in the past year, chief executive Mark Steinert said yesterday.

Population growth and an undersupply of houses would nonetheless ensure the residential market remained "healthy" in 2015, Mr Steinert said.

While home prices rose 10 per cent in the year to June, according to the Australian Bureau of Statistics, Mr Steinert expected that pace would slow to about one per cent, in real terms.

"We don't expect the rate of price increases we've seen in the last 12 months to continue at that rate," he said. "But overall, we're constructive on real estate markets more broadly



**Mark Steinert**

and think that will underpin our business."

His comments came as Stockland flagged higher earnings after lifting its full-year profit fivefold in the year to June. Stockland's net profit rose to \$527 million, up from \$105 million the previous year when its accounts were hit by a major writedown.

Excluding the effect of that writedown, Stockland's underlying net profit rose 12 per cent to \$555 million.

The developer is targeting earnings per security growth of between 6 per cent and 7.5 per cent this financial year.

The head of Stockland's residential business, Andrew Whitson, said Victoria was steady with good demand balanced by higher competition.

The Sydney market remained strong with limited stock pushing up prices in the established housing market, Mr Whitson said, while Western Australia had moderated, although demand remained above the long-term average.

The five-year outlook for Queensland was also strong.

"The outlook in Queensland is ... underpinned by positive economic indicators and a slower start to the housing market recovery," Mr Whitson said.

Mr Steinert said ongoing strength in the housing market and moderate economic growth would drive improved performance in Stockland's shopping centre and logistics and business parks businesses.

Stockland shares closed 0.7 per cent higher at \$4.17.

AAP