

Stockland slides in foundering market

PROPERTY

Jane Harper

PROPERTY developer Stockland has suffered its biggest single-day share rout in almost three years after it warned the outlook remained "highly uncertain".

The group's share price tumbled 5 per cent yesterday after managing director Matthew Quinn said conditions in the property market were at their worst in two decades.

As the company reported a 35 per cent slide in full-year profit, Mr Quinn warned it faced another challenging year, weighed down by poor consumer confidence. The warning triggered a heavy sell-down in the group's share price, which suffered its biggest fall since October 2009.

Stockland posted a net profit of \$487 million for the year to June, down 35 per cent on \$754.6 million last year.

It suffered a sharp drop in

AV's bad news travels too fast

BAD news travels fast — but a clerical error saw it travel a day earlier than scheduled for AV Jennings, which inadvertently released its profit report last night after the market closed.

The property group cited the lack of an expected recovery in

income from its residential community developments, as well as its commercial and

Queensland and New South Wales markets for a \$29.5 million loss for the year to June 30.

The loss was blamed on weak consumer confidence and comes a year after a profit of \$12.9 million.

Neil Wilson

UK operations. But income from retirement living developments more than doubled.

Mr Quinn said many would-be buyers were concerned about the outlook for jobs, holding the housing market back.

Weak house prices had also conditioned buyers to hold off in hope of seeing prices fall even further, he said.

"The housing markets is one of the worst I've seen in my career and it shouldn't be, because the fundamentals are strong," Mr Quinn said.

The group's shares closed down 17c at \$3.24 yesterday.

REPORT CARD

STOCKLAND

Full-year results

NET PROFIT

\$487m \downarrow 35.5%

REVENUE

\$2.21b \downarrow 20.8%

EARNINGS PER SHARE

29.3c \downarrow 4%

FINAL DIVIDEND

12c \uparrow 0.8%

SHARE PRICE (YESTERDAY)

\$3.24 \downarrow 5%