

Level 3, 1C Homebush Bay Drive  
RHODES NSW 2138

Locked Bag 2106  
NORTH RYDE NSW 1670  
DX 8419 Ryde

T 02 9767 2000  
F 02 9767 2900  
www.australand.com.au



**ASX Announcement**  
**ASX Code: ALZ**

10 June 2009

**Australand and St Hilliers JV to undertake \$300 million  
urban renewal project in Carlton, Victoria**

Two of Australia's major property groups have entered into a joint venture to deliver the largest and most environmentally sustainable public housing redevelopment in Victoria.

The Australand and St Hilliers consortium is the Victorian Government's preferred choice to deliver the multi-million dollar redevelopment of public housing in Carlton.

St Hilliers is both an equity participant in the development as well as the preferred contractor. Citta Property Group will jointly manage the redevelopment of the project with Australand. The consortium is expected to finalise all development documentation by the end of July.

The redevelopment project spans 7.5 hectares across three Carlton sites and will involve replacing 192 old, outdated and run down walk up flats with over 240 new public and social housing apartments and 500 other new inner city, residential homes.

The joint venture partners believe the project will redefine the benchmark for quality urban renewal and will add to the social fabric of this inner city precinct.

Construction of the new dwellings will incorporate leading edge environmentally sustainable features such as solar and wind energy, grey water recycling and a minimum six star energy rating. The three sites will also include new public parks, a community garden and pedestrian and bicycle pathways.

A key feature of the redevelopment project will be a new Community Health and Aged Care Precinct to be developed by Australian Unity Retirement Living. The precinct will provide local residents with a range of services and accommodation options.

The Carlton redevelopment project will be delivered in seven stages over the next eight years with the majority of the public and social housing to be delivered in the first few stages. Australand's Managing Director, Mr Bob Johnston, said Australand welcomed the opportunity to partner with the Government in bringing valuable social housing projects such as Carlton to fruition and that this was part of Australand's strategy to diversify its residential business.

“The multi-staged structure of the redevelopment enables us to re-use capital as stages are completed, making it a very capital efficient project for the consortium partners at a time when many other developers are experiencing difficulty in securing finance.

Marketing of the dwellings will commence in mid-August with construction scheduled to start in November this year. The first release at Lygon Street will be primarily targeted to the investor and the first home owner market, with prices starting from high \$200,000.

As reported in the latest BIS Shrapnel Melbourne apartment market research, the inner Melbourne precincts are projected to see strong rental growth for the next four years to 2012-2013 because of the limited new supply coming in during the period, making it a very attractive investment proposition.

The redevelopment project is expected to be completed by 2017 and is expected to generate sales revenue of more than \$300 million.

Australand General Manager Robert Pradolin said he is delighted to be taking part in a project set to revitalise key areas in one of Melbourne’s most eclectic suburbs.

“We are looking forward to delivering a high quality project that aims to bring vast benefits to local residents and the Carlton community. Our research indicates this area is in need of additional market based accommodation and given the existing amenity of the area and the rental shortages being experienced, we expect interest in the project from the market to be high.”

St Hilliers Executive Chairman, Tim Casey, added: “The project also reflects what can be achieved when a private consortium and government work together with the common goal of providing superior urban outcomes.”

**Issued by:**

Bev Booker  
Company Secretary  
Tel: +61 2 9767 2000  
Email: [bbooker@australand.com.au](mailto:bbooker@australand.com.au)

**For further information please contact:**

Robert Pradolin  
General Manager, Residential Victoria  
Australand  
Mobile: 0418 387 159