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Our ref: IM-72428

Contact officer: Ninad Kulkarni/Sophie Musker

Contact phone: (03) 9910 9531/(03) 9658 6408

8 February 2024

Dear Interested Party

Re: Request for submissions: Stockland and Supalai's proposed acquisition of 12 Lendlease residential masterplanned communities

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on the proposed acquisition of 12 Lendlease Group (**Lendlease**) residential masterplanned communities (**MPC**) projects by Stockland Supalai Residential Communities Partnership Pty Ltd (**SSRCP**) (a wholly-owned subsidiary of a special purpose acquisition vehicle owned by Stockland Communities Partnership HoldCo Pty Ltd (**Stockland**) and Supalai Australia Holdings Pty Limited (**Supalai**)) (the **proposed acquisition**). These MPC projects are located across greenfield growth areas in Greater Sydney, South East Queensland, Greater Melbourne, and Greater Perth.

Further details are provided at **Attachment A**.

The ACCC's investigation is focused on the impact of the proposed acquisition on competition. In particular, we are seeking your views on:

- the impact of the proposed acquisition on market/s for the acquisition of land for residential development
- whether SSRCP would have the ability and incentive to reduce the supply of residential housing in key growth corridors
- the extent to which alternative forms of housing are likely to constrain SSRCP from increasing prices or altering service levels.

Further issues you may wish to address are set out in **Attachment B**.

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

How to share your views

Please provide your response by **5pm 23 February 2024** via email to mergers@acc.gov.au with the title: *Submission re: Stockland/Lendlease – attention Ninad Kulkarni*. If you require more time to respond, please let us know.

If you would like to arrange a time to discuss the matter with ACCC officers, or have any questions about this letter, please contact Ninad Kulkarni on (03) 9910 9531 or Sophie Musker on (03) 9658 6408.

This matter is public and you can forward this letter to anybody who may be interested.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

Confidentiality of submissions

The ACCC treats sensitive information it receives during a merger review as confidential, and will not publish your submission. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the Competition and Consumer Act 2010. Where the ACCC is required to disclose confidential information, we will notify you in advance where possible so that you have an opportunity to be heard. Therefore please clearly indicate if any information you provide is confidential. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Bruce Mikkelsen
A/g General Manager
Merger Investigations

Attachment A

Proposed acquisition

Stockland and Supalai propose to acquire 12 MPC projects from Lendlease using SSRCP, a wholly owned subsidiary of a special purpose acquisition vehicle owned by Stockland (50.1%) and Supalai (49.9%).

As part of the proposed acquisition, intellectual property associated with the MPC projects will also be acquired from Lendlease by SSRCP.

Stockland Development Pty Limited (**Stockland Development**) will also acquire certain employees associated with the MPC projects from Lendlease to assist Stockland Development to provide certain development management services.

Stockland

Stockland is a wholly-owned subsidiary of Stockland Corporation Limited (**Stockland Group**), an ASX-listed diversified Australian property group that owns, funds, develops and manages portfolios of investment properties including retail town centres, commercial properties, industrial and logistics properties, MPCs and land lease communities.

Stockland Group currently has interests in 30 MPC developments across NSW, ACT, Queensland, Victoria and Western Australia.

Supalai

Supalai is a wholly-owned subsidiary of Supalai Public Company Limited, which is listed on the Stock Exchange of Thailand. Supalai Public Company Limited principally operates as a property developer. Supalai has investments in MPCs¹ in Victoria, Queensland and Western Australia through joint ventures with other developers, including Mirvac, Stockland, Satterley, Peet and ICD Property.

Lendlease

Lendlease is an ASX-listed global real estate business. Lendlease's MPC development business comprises 16 MPC developments in NSW, Queensland, Victoria and Western Australia.

MPC projects

MPC projects are residential developments on greenfield land which are typically delivered in phases over multiple years. They may include amenities, such as open spaces, recreational facilities and education and community hubs. They may also include non-residential elements such as commercial or retail centres. The size of an MPC can range from as few as 50 lots to several thousand lots.

Under the proposed acquisition, SSRCP will acquire the land or development rights in the following MPC projects from Lendlease:

- Calderwood Valley (Illawarra, NSW)
- Figtree Hill (South-West Sydney, NSW)
- Kinma Valley (Moreton Bay, QLD)

¹ Supalai has interests in the following MPCs: Arcadia (Cardinia, VIC), Gen Fyansford (Greater Geelong, VIC), Katalia (Whittlesea, VIC), Newhaven (Wyndham, VIC), Smiths Lane (Casey, VIC), True North (Hume-Craigieburn, VIC), Edens Crossing (Ipswich, QLD), Ridgeview (Brisbane North/Moreton Bay, QLD), Elavale (North-West Perth, WA).

- Shoreline (Redlands, QLD)
- Springfield Rise (Ipswich, QLD)
- Yarrabilba (Logan, QLD)
- Atherstone (Melton, VIC)
- Aurora (Whittlesea, VIC)
- Averley (Casey-Pakenham, VIC)
- Harpley (Wyndham, VIC)
- Alkimos Beach (North-West Perth, WA)
- Alkimos Vista (North-West Perth, WA)

Four other MPC projects that currently form part of Lendlease's MPC development business will not be acquired by SSRCP and will be retained by Lendlease.²

² These are: Jordan Springs (Greater Sydney), Kings Central (Greater Sydney), The New Rouse Hill (Greater Sydney) and Elliot Springs (Townsville).

Attachment B

1. Please describe your business or organisation and explain your interest in the proposed acquisition, including any commercial relationship(s) with Stockland, Supalai and/or Lendlease.

Competition between Stockland, Supalai and Lendlease

2. Describe how closely Stockland and Supalai compete with Lendlease in the:
 - a. acquisition of land for residential development
 - b. supply of residential MPC housing.

Acquisition of land for residential development

3. Identify the developers that principally compete with Stockland, Supalai and Lendlease for the acquisition of greenfield land for the purposes of residential development.
4. How well do smaller developers, including those that focus on a specific geographic area (for example one state, or specific growth corridors) compete with large developers such as Stockland and Lendlease?
5. What barriers are faced by developers that seek to acquire greenfield land for the purposes of establishing a MPC project?

Supply of residential MPC housing

6. Identify developers of MPC projects that compete with Stockland, Supalai and Lendlease in areas in which the 12 MPC projects are located.
7. To what extent would SSRCP be constrained from increasing prices or altering service levels? In your answer, please distinguish between MPC project areas to the extent possible.
8. Explain the 'staged release' approach adopted by MPC developers, including factors taken into consideration when determining release schedules.
9. Would the proposed acquisition give SSRCP the ability and incentive to stagger or delay release schedules for a particular MPC project?

MPC projects

10. What type of homebuyers are principally interested in purchasing a property within an MPC project?
11. What are the key features of MPC projects that appeal to homebuyers?
12. What other housing options would homebuyers of MPC projects consider?
 - a. To what extent does MPC housing compete with established residential housing?
 - b. What other geographic locations would homebuyers of MPC housing consider when purchasing a house? For example, would homebuyers consider houses in other suburbs, growth corridors, regions and/or states?

Other information and competition issues

13. Please address any other competition issues that may be relevant to the ACCC's consideration of the proposed acquisition under section 50 of the Act.