

12 January 2007

Australian Competition and Consumer Commission
Attention: Mr Gavin Jones
PO Box 1199
Dickson ACT 2602

By Email: gavin.jones@accc.gov.au

Stockland Development Pty Limited
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Dear Gavin,

Stockland Development Pty Limited - Notification - N92753

Stockland is committed to developing world class residential communities and enhancing the value of customer purchases by way of design guidelines/covenants to contain inappropriate buildings which may detract from the value of the community and our customer's homes. We believe that our ability to provide an aesthetically appealing built environment is a key driver in maintaining, and increasing, the value of our customer's homes.

Depending on local market acceptance of various products, and each communities look and feel, Stockland provides a range of suitable built environment products/styles in design guidelines/covenants. However, in certain communities we believe that the best outcome to customers is through the provision of singular product options. For example this allows for there to be a single style of fencing throughout an estate. Given that fencing design styles and the quality of materials used can be unique to a particular supplier the ability to provide a consistent outcome can only be achieved the restriction of choice to one supplier.

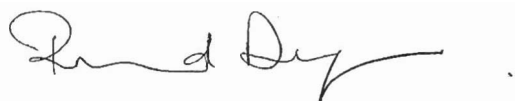
In addition to the above there are significant other benefits outlined within our original submission.

To clarify the potential impact our proposed conduct may have on future customers we have responded to one potential scenario.

1. Where the customer is negotiating to buy a house and land package still to be built - would we sell the property if the customer did not want Colorbond

If Stockland has, as one of its design covenants, a requirement that a purchaser must use "Colorbond" products, we would not provide an exemption to comply with this part, or any other, of the covenant. This is standard practice and extends to all aspects covered in our covenants. One of the main reasons for doing this is that neighbouring residents may well complain if they have went to the expense of complying with the covenants on the expectation that all properties in the development would be developed likewise, only to then find that Stockland has not enforced the obligations on other residents (which there is at least an implied representation that it will do so).

Yours sincerely,



Richard Dougan
Senior Procurement Manager

CC: Mr Phillip Hepburn (General Counsel & Group Secretary)