

ASX / Media Release

23 May 2013

Ingenia Communities expands portfolio with Ballarat rental village

Highlights

- \$3 million acquisition of a 50-unit rental village in Victoria
- Unlevered IRR forecast to exceed 18%
- Trailing cash yield of 5.3% expected to increase to 11% within 12 months
- On strategy acquisition of cash yielding asset within identified market 'clusters'

Ingenia Communities Group (ASX: INA) today announced the purchase of SunnyCove Ballarat, a cash yielding retirement village in Victoria, for \$3.04 million. The Village has a current occupancy of 84% and has considerable operational upside through increasing occupancy, growing market rents and expanding cash margins. Ingenia is targeting a yield of approximately 11% in the first full year of ownership, with the asset anticipated to deliver an unlevered internal rate of return (IRR) in excess of 18%.

The 50-unit rental village is located near Hertford Gardens, an existing Ingenia rental village, and builds Ingenia's presence in the Ballarat area. Hertford Gardens currently has an occupancy rate of 92%. The Village is being acquired off-market out of a broader portfolio in receivership at a per unit price of \$61,000, well below replacement cost.

Ingenia Communities Chief Executive Officer, Simon Owen, said: "This acquisition provides us with a significant opportunity to improve returns and to further leverage our local knowledge and management experience. On completion of this acquisition and our recently announced acquisition in Wagga Wagga, Ingenia's Garden Village rental portfolio will comprise 29 communities representing 1,517 cash yielding units.

“This Village is a cash yielding, bolt-on acquisition purchased off market and in an existing market cluster. With our existing asset, Hertford Gardens, operating at 92% occupancy we see significant potential to quickly build occupancy from the current 84% to similar levels.”

The acquisition is expected to settle in June 2013 and to be funded from cash on hand.

“Ingenia is currently assessing further acquisition opportunities in line with our strategy to increase cash rental income and expand our ‘build-ready’ development pipeline,” Mr Owen said.

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About Ingenia Communities Group

Ingenia Communities Group (ASX Code: INA) previously known as the ING Real Estate Community Living Group, is a stapled property group comprising Ingenia Communities Holdings Limited (ACN 154 444 925), Ingenia Communities Fund (ASRN 107 459 576) and Ingenia Communities Management Trust (ARSN 122 928 410). The Responsible Entity for each scheme is Ingenia Communities RE Limited (ACN 154 464 990) (AFSL415862).

Ingenia Communities Group is a leading operator, owner and developer of a diversified portfolio of seniors housing communities. Ingenia has 38 assets in Australia, comprising 2,596 units.