

ASX / Media Release

27 August 2013

Ingenia acquires two MHEs in Mudgee NSW for \$11.2 million

Highlights:

- Acquisition of two immediately accretive MHEs in Mudgee NSW (Central West cluster), to be funded from \$21.2 million institutional placement conducted in June 2013
- Mudgee Valley Tourist Park acquired for \$4.0 million with trailing yield of 8.8% and an unlevered IRR exceeding 20%
- Mudgee Tourist and Van Resort acquired for \$7.2million, with trailing yield of 9.3% (increasing to 11% in its first year of operations) and an unlevered IRR exceeding 15%
- Ingenia is continuing to assess further accretive opportunities in the MHE sector and expects to announce further on-strategy acquisitions shortly.

Ingenia Communities Group (ASX: INA) today announced two further Manufactured Home Estates (MHEs) acquisitions in New South Wales – Mudgee Valley Tourist Park and Mudgee Tourist and Van Resort. These communities will be funded as part of the \$21.2 million June institutional placement. The Group has now announced four of the five MHE acquisitions which underpinned the capital raising.

Ingenia Communities Chief Executive Officer, Simon Owen, said: “Mudgee is a market which Ingenia has been carefully assessing for over 12 months. It offers a buoyant local housing market, strong employment growth and a vibrant local economy underpinned by resources and agriculture. The median house price in Mudgee is approximately \$389,000 and over the past five years, the average annual median house price has grown by 9.2% per annum.”

“There are no retirement villages in Mudgee or its immediate surrounds which presents a tremendous opportunity in owning the two premier manufactured home and tourism parks in town. Both parks are immediately earnings accretive with attractive cash yields and significant development and repositioning upside”.

	Permanent homes	Existing tourism	Development upside sites	Total homes/sites
Existing MHE's	357	135	241	733
Mudgee Valley	37	77	50	164
Mudgee Tourist	78	89	41	208
Total	472	301	332	1,105

Mudgee Valley Tourist Park (Mudgee Valley) is a mature manufactured home and tourist park located in North West Mudgee, approximately 1.7 kilometres from the town centre. The

park contains 37 permanent homes, 37 tourist cabins and 40 camping sites. Vacant and under-utilised land has the potential to allow a further 50 manufactured homes on-site. The park has been acquired for \$4.0 million on a passing yield of 8.8% and forecast unlevered internal rate of return (IRR) exceeding 20%.

Mudgee Tourist and Van Resort (Mudgee Tourist) is a larger mixed use manufactured home and tourist park located in South East Mudgee, approximately 3.0 kilometres from the town centre. The park contains 78 permanent homes, 57 tourist cabins, 32 camping sites, and development land to allow a further 41 manufactured homes on-site. Mudgee Tourist has been acquired for \$7.2 million on a passing yield of 9.3%. This is forecast to increase to 11% in its first year of operations based on immediate cost savings resulting from shared resources between the two closely situated properties. This acquisition will also deliver a forecast unlevered IRR exceeding 15%.

Both parks are situated in the Group's identified Central West NSW market cluster where Ingenia already has three existing rental villages, Dubbo Gardens and Wheelers Gardens in Dubbo, and Peel River Gardens in Tamworth. Management is presently assessing further opportunities in this attractive and tightly held market.

Mudgee Valley is scheduled to settle in late September 2013, while settlement for Mudgee Tourist is scheduled for October 2013, conditional upon the finalisation of technical due diligence.

The previously announced acquisitions of Nepean River Holiday Village settled on 16 August 2013 and Albury Citygate Caravan and Tourist Park settled on 22 August 2013.

For further information please contact:

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About Ingenia Communities Group

Ingenia Communities Group (ASX Code: INA) 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. It has 44 assets in Australia, comprising over 3,200 units.

Snapshot of Mudgee NSW

Growing our presence with 5 assets in the Central West NSW market cluster



MUDGEE LGA* METRICS

- > 31% of local population are over 55 years, and is set to grow by 10% over the next 15 years, to account for 40% of the region's population
- > Over the past five years, Mudgee has recorded an average annual median house price growth of 9.2%
- > Median house price in Mudgee is ~\$389k
- > Over past 5 years, demand for new detached homes in Mudgee has been measured at 500 dwellings/annum.
- > New residential building approvals currently averaging only 66 dwellings/annum. This significant shortfall for new housing stock should underpin demand for Ingenia's new MHE offerings.
- > Our investment is underpinned by:
 - Undersupply of affordable seniors housing – currently no independent villages for over 55s within a 125km radius of Mudgee
 - Strong employment underpinned by coal mining, tourism, agriculture and viticulture industries across the region
 - Vibrant local economy - Over 491,000 people visit the 100+ cellar doors in Mudgee every year

Our Acquisitions	Mudgee Valley	Mudgee Tourist
Size of Site	4 hectares	6.8 hectares
Proximity to Mudgee Town Center	~1.7km	~4km
Development upside	50 homes+	41 homes+

* local government area