

ASX / Media Release

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Ingenia announces valuation uplift equal to 2.3¢ per security

Ingenia Communities Group (ASX: INA) today announced that the value of the Group's property portfolio had increased by \$20.3 million (equal to 2.3 cents per security), as a result of independent valuations conducted across approximately 30% of the Group's property portfolio and director's valuations over the remaining portfolio as at 30 June 2015.

In total, 18 assets were independently valued, with the remaining 42 assets subject to director's valuations. The valuations remain subject to final audit signoff and therefore Ingenia expects to confirm this uplift as part of the Group's full year results, to be announced on 25 August 2015.

Within the 31 Garden Villages portfolio, a total of 14 external valuations were undertaken, with the overall valuations increasing by \$14.2 million.

Simon Owen, Chief Executive Officer of Ingenia, said the increased values across the Garden Villages portfolio reflected growing market recognition of the attractiveness of this unique asset class and Ingenia's demonstrated capability in generating superior operating performance, particularly at assets acquired with low occupancy.

"Our Garden Villages portfolio provides an attractive rental option to meet a growing need for affordable seniors accommodation. It is pleasing to now see increasing recognition of the attractiveness of the stable, long-term government supported cash flows associated with these villages and the emerging land lease model."

Of the 20 park Active Lifestyle Estates portfolio, four assets were valued externally. A \$10.8 million like for like increase in values was achieved across the portfolio, net of development investment and after the write-off of \$1.8 million of transaction costs on White Albatross Holiday Park. In addition, a further \$5.3 million of transaction costs have been written off on acquisitions settled during the second half of FY15.

In particular, Active Lifestyle Estates Rouse Hill demonstrated a significant uplift, with a valuation of \$16.1 million, well in excess of Ingenia’s December 2014 valuation (\$8.4 million) and the June 2014 purchase price of \$6.8 million. This valuation reflects the site’s redevelopment potential as medium density housing. The remaining sixteen assets were valued internally and the capitalisation rates underlying these values were reviewed by an external valuer.

Simon Owen added: “The increased values validate Ingenia’s decision to focus on yield oriented assets through the Group’s large portfolio of rental villages and the growing Active Lifestyle Estates business.

“These increasing values have been underpinned by management’s focus on improved operating performance and selected reinvestment to enhance returns.”

External valuations	
No. Villages externally valued	18
Percent of total assets (by value)	30%
Garden Villages Portfolio (like for like)	
Weighted average capitalisation rate (Dec 14)	11.6%
Weighted average capitalisation rate (Jun 15)	10.2%
Active Lifestyle Estates Portfolio (like for like)*	
Weighted average capitalisation rate (Dec 14)	10.7%
Weighted average capitalisation rate (Jun 15)	9.9%

* Excludes Rouse Hill and Macquarie Lakeside which are valued on a discounted cash flow basis.

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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).