

ASX / Media Release

15 November 2016

Ingenia upgrades home settlement forecast and announces new acquisitions

Highlights:

- Increases home settlement forecast from 150+ to 170+ for 2017 financial year as projects build scale and momentum
- Target of 260+ settlements for the 2018 financial year
- Unconditional contract now in place for the acquisition of Latitude One, a greenfield DA approved 229 home community in Port Stephens, NSW
- Conditional contract exchanged for established 277 site lifestyle community in Brisbane
- Conditional contract exchanged for 10.1 hectare site in Hervey Bay, Queensland

Ingenia Communities Group (INA) today announced that the Group has continued to expand both the development pipeline and rental cashflows in the lifestyle and holidays business with progress on acquisitions in established clusters in NSW and Queensland. Strengthening sales have been demonstrated across the Group with Ingenia now forecasting 170+ new home settlements for FY17 (up from 150+). The Group is now also targeting 260+ new home settlements for FY18.

Simon Owen, Ingenia's CEO said he was pleased with the growth in sales across the Group's development assets with 55 settlements achieved year to date (at 14 November) and 113 contracts and deposits in hand for future settlements across a range of communities.

"While we have seen ongoing strength in sales at Stoney Creek we are also seeing growing sales across a range of communities with both coastal and metropolitan assets delivering growing sales rates. As a result we are now expecting to complete over 170 new turnkey settlements this financial year, a significant increase on the 107 settlements achieved in the 2016 financial year."

Acquisition update

Following completion of due diligence enquiries and final Board approval, unconditional contracts have been exchanged for Latitude One, an approved greenfield site in Port Stephens. The \$7.0 million acquisition is expected to complete by the end of January and Ingenia expects to commence construction shortly thereafter.

Latitude One is a 29.2 hectare DA approved master planned site which will include 229 new homes and high quality community facilities. Located in close proximity to Ingenia's One Mile Beach and Soldiers Point communities, the community is within an established cluster with strong demographic fundamentals.

Ingenia has also entered into a conditional contract to acquire an established community located 15 kilometres from the Brisbane CBD. The 5.8 hectare mixed-use site includes over 230 homes, and approximately 45 tourist sites. With close proximity to a major regional shopping centre the community has good access to services and facilities and is anticipated to deliver a stabilised yield of approximately 8% on the \$25 million purchase price.

In addition Ingenia has a conditional contract in place for the acquisition of a 10.1 hectare site in Hervey Bay. The acquisition, which is subject to DA approval, has the potential to allow the development of a large scale master planned community in Ingenia's newly established Hervey Bay cluster.

Ingenia CEO, Simon Owen, said these acquisitions would further enhance the scale and future growth of Ingenia's lifestyle and holiday's portfolio.

Latitude One and the Brisbane acquisition will be funded through the proceeds of the recent DMF divestment, which released \$41 million for reinvestment. The remainder of the DMF funds will be invested in the development pipeline. With the funds from the DMF expected to be deployed by the end of March 2017 into a mix of established income generating communities and future growth through a greenfield acquisition and capital expenditure for development, the transaction will be dilutive to earnings in the 2017 financial year. These acquisitions are expected to contribute to significant growth in FY18 as Ingenia's target for home settlements increases to over 260 homes.

"We are continuing to progress our targeted pipeline which comprises a mix of established communities with attractive yields and redevelopment opportunity, supplemented by selected greenfield sites in key growth corridors," Mr Owen said.

Following the acquisition of both the Happy Wanderer Caravan Park in Hervey Bay and Avina Van Village in Sydney in October, Ingenia retains a strong pipeline of potential acquisition opportunities.

ENDS

About Ingenia Communities Group

Ingenia Communities Group (ASX: INA) is a leading operator, owner and developer committed to providing quality affordable seniors housing to older Australians. The Group has 60 communities across Australia. In September 2013, the Group was included in the S&P/ASX 300.

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