



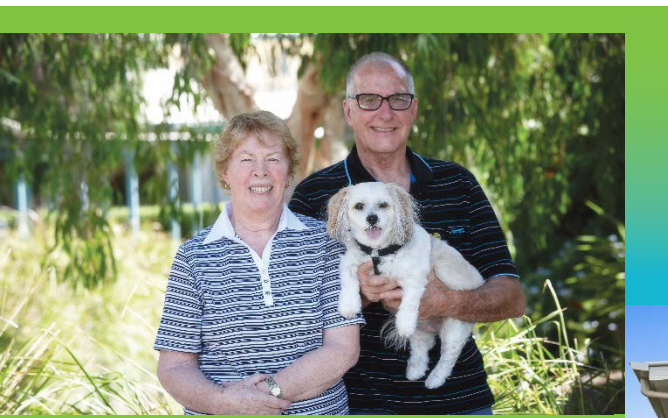
Ingenia Lifestyle Hunter Valley

**INGENIA COMMUNITIES GROUP**

**Evolution of lifestyle community home design**

# We Create Community

 Ingenia Garden Villages



 Ingenia Lifestyle



 Ingenia Holidays





# Our Business Drivers

Ingenia operates in two complementary sectors with strong growth prospects

## Demand Drivers

## Opportunity

01.

Affordable rent-driven seniors housing

- > Over 65's fastest growing demographic
- > Housing affordability
- > More than 70% of seniors own home outright

- > Grow market awareness and penetration
- > Home design affordability and site yield
- > Highly profitable development
- > Convert home equity into comfortable retirement

02.

Experience driven tourism

- > Rapidly growing caravan and campervan registrations as population ages
- > Diminishing caravan parks – conversion to highest and best use

- > Sector leadership
- > Cottage industry transformation
- > Conversion of land to highest and best use

# Business Overview

*Creating Australia's best lifestyle communities*



Over 4,100 Residents



3,250

Occupied permanent homes



750,000+ room nights p.a  
Villas and sites



Annual revenue >\$130 million  
Stable rent base >\$1 million/pw



2,350+ Potential development Sites

31 LIFESTYLE AND HOLIDAY PARKS

31 RENTAL VILLAGES

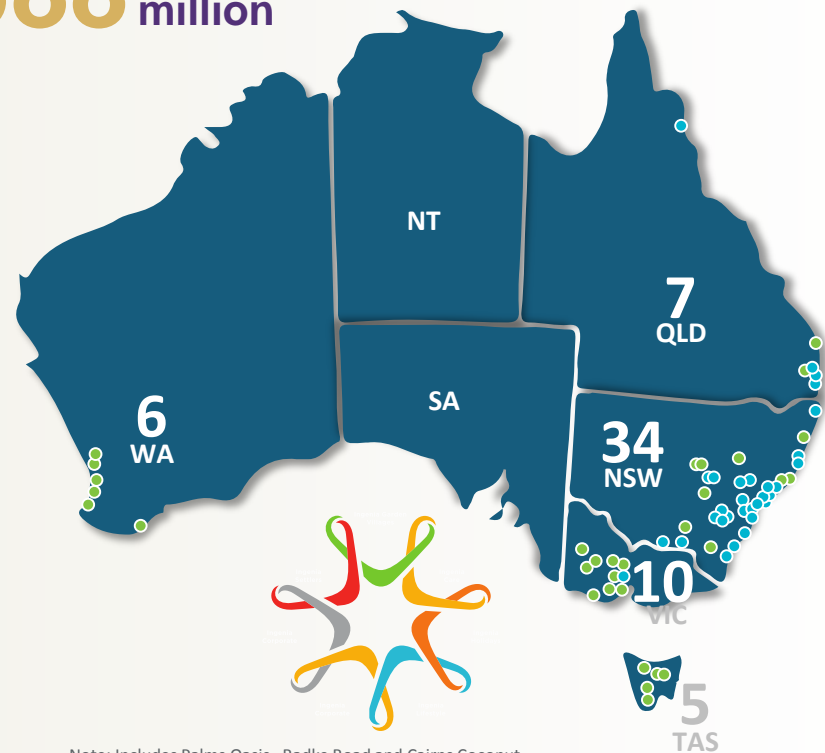
Note: Includes Latitude One.

Ingenia has

**62** Australian communities & growing

Portfolio now over

**\$588** million



Note: Includes Palms Oasis, Radke Road and Cairns Coconut.

# Business Overview

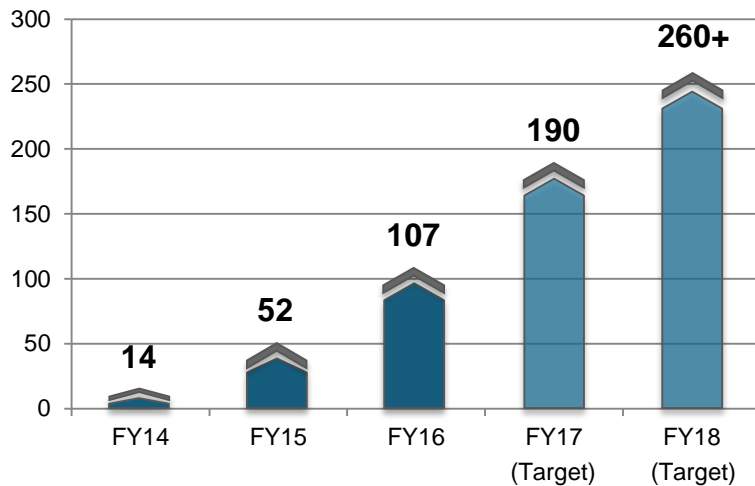
## Development contribution growing

### Investment in development pipeline and platform delivering growing returns

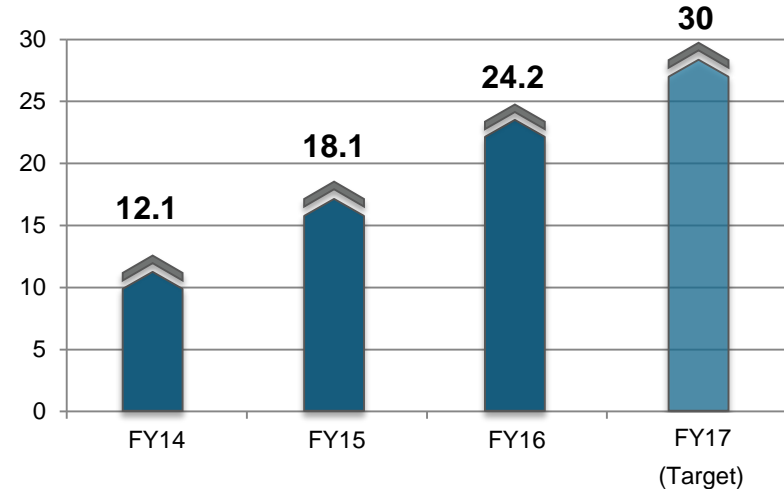
- Gross development profit up 90% 1H17 (vs 1H16)
- Settlements and margins increasing
- Development now underway in nine key coastal and metro markets

### Development an important component of future earnings growth

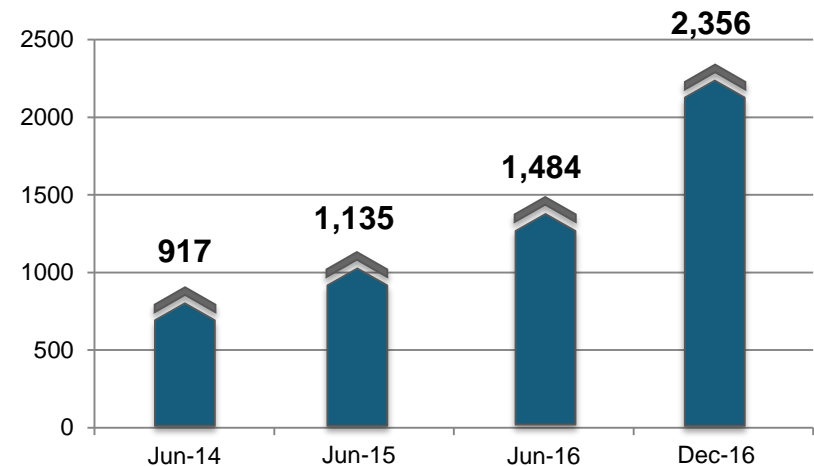
#### Home Settlements



#### EBIT (\$m)



#### Development Sites\*



\*Includes sites under option/contract.



# Development

## Building future rent flows

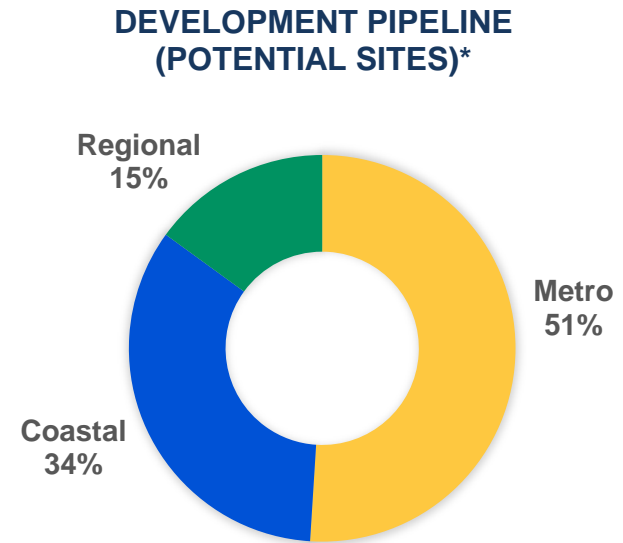
Key 2017 Development Site – Ingenia Lifestyle South West Rocks



# Development

## Expanded pipeline dominated by coastal and metro projects

Existing Large Scale Projects		Approved
1. Lara – Outer Melbourne	125 sites	✓
2. Bethania – Brisbane	261 sites	✓
3. Chambers Pines – Brisbane	256 sites	✓
4. Stoney Creek – Sydney	49 sites	✓
5. Conjola – NSW South Coast	114 sites	✓
6. Avina – Sydney	247 sites	✓
7. Latitude One – NSW Coast	229 sites	✓
Under Contract / Option		
7. Upper Coomera – Bris/Gold Coast	235 sites	
9. Hervey Bay – Qld, Fraser Coast	210 sites	



\* Includes communities under contract or optioned.

### Potential pipeline over 2,350 sites

- Majority (85%) of sites in attractive metro and coastal markets
- Over 1,100 sites available for immediate development

### Greenfields opportunities expanding pipeline in key markets

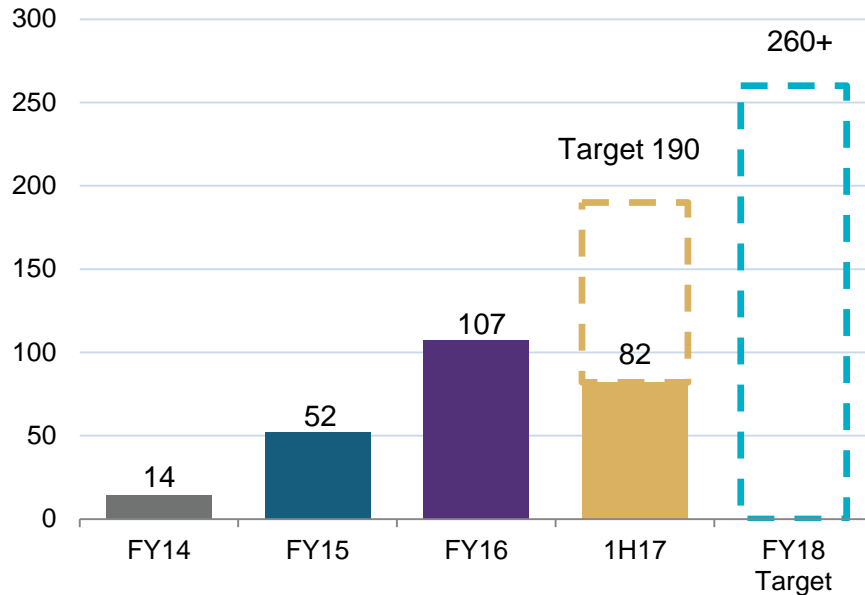
- Targeting IRR of 20% on new greenfields projects



# Ingenia Lifestyle: Development

Focus on large-scale, multi-year metro and coastal projects

## New Home Settlements



Av. Price: \$251,900   \$302,960   \$301,400   \$314,500

**Settlement of 82 new homes 1H17 – up 55%**

**On track to deliver \$100,000 new home development profit FY17**

- Average gross development profit for new home sales \$105,890 – up from \$87,900 at June 2016<sup>1</sup>

**At 18 February 2017, 109 new homes settled with a further 84 homes deposited or contracted**

1. Excludes homes acquired as inventory and refurbishments.

**Pipeline dominated by capital and coastal projects with long lifespans, capable of delivering high velocity, high margin development returns**



# Pipeline Dominated By Large Scale Projects

## Long life and high sales velocities

**Larger scale projects provide significant benefits – key to continuing sustainable and consistent sales growth**



**Ingenia Lifestyle Ettalong Beach**

**31 homes developed**

**Fully sold out within 7 months**



**Ingenia Lifestyle Bethania**

**Over 260 homes to be developed**

**Forecast to deliver 4-5 settlements per month over 5 years at margins >\$100,000 per home**



# Evolution of Manufactured Homes

Product evolved from 'caravan and annex'



Kingcliff



The Grange



Rouse Hill



Ettalong



# Evolution of Manufactured Homes

## Today - flexible designs, quality finishes



Ingenia Lifestyle Albury



Ingenia Lifestyle The Grange





# Market Awareness Is Growing

## Land lease communities becoming lifestyle choices

**“As awareness is growing prices are increasing”**



**Ingenia Lifestyle Chain Valley Bay**

**Sold for \$420,000**

**Suburb median home price \$492,500**



**Ingenia Lifestyle Bethania**

**Sold for \$360,000**

**Suburb median home price \$331,000**



# Ingenia: Avina – North West growth corridor, Sydney

## Ingenia's vision for a new master planned community





# Evolution of Development

## Product innovation: on-site building

- > Directly competes with traditional homes
- > Higher price point and finishes
- > Greater flexibility and efficiency in design
- > Ability to create modern 'open plan' floorplates
- > Increased street set backs
- > Lower cost (capital requirements differ)



Ingenia Lifestyle Bethania



# Evolution of Development

## Produce innovation: façade modernisation



For illustrative purposes only.



# Focus On The Future



- > Modular housing growing rapidly in acceptance in Australia due to quicker delivery times and improving return metrics
  - Low market penetration in Australia compared to key overseas markets
- > Now accepted delivery model for passenger ship cabins, apartments, hotels, hospitals and schools as well as affordable housing
- > As lifestyle community model evolves in Australia potential exists for homes or kitchen / bathroom modules to be imported from overseas
  - Modular homes in the US ~75% cheaper to build than Australia



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