

ASX / Media Release

15 June 2017

Ingenia acquires Brisbane lifestyle community

Highlights

- Acquires Durack Gardens lifestyle community located in metro Brisbane
- Accretive \$25 million acquisition forming part of May 2017 capital raising
- Significant opportunity to enhance returns through expansion and reconfiguration
- Adds 253 income producing sites to key Brisbane cluster

Ingenia Communities Group (ASX: INA) today announced that following completion of due diligence and final Board approval, the Group has exchanged unconditional contracts for the third acquisition announced on 3 May 2017 in conjunction with a fully underwritten \$74 million capital raising. The Group expects to settle the acquisition of Durack Gardens, located approximately 15 kilometres south west of the Brisbane CBD, later this month.

Located on 9.5 hectares of freehold land, Durack Gardens enjoys an excellent location with close proximity to transport and amenities, including retail and medical facilities.

Simon Owen, CEO of Ingenia Communities, said Durack Gardens expands Ingenia's presence in the tightly held Brisbane market through the acquisition of a well-established community with multiple exciting opportunities to enhance returns through reconfiguration and developing additional homes.

"Durack Gardens provides a strong rental cashflow dominated by park owned and permanent homes. There are a limited number of tourism sites at the property which provide an opportunity to increase yield. Combined with the addition of further homes on underutilised land this will, subject to approval, significantly enhance returns."

“The Group intends to build another 49 new homes which will initially be rented out, preserving longer term optionality for the site which adjoins a proposed medium density, mixed-use development.”

“The site has high occupancy and complements the Group’s existing strongly performing lifestyle communities in Brisbane – located at Chambers Flat and Bethania,” Mr Owen said.

Ingenia is acquiring the community for \$25 million, targeting a stabilised yield of over 10% and unlevered IRR of more than 12% through reconfiguration and expansion of the current accommodation offering.

Accommodation at the community presently comprises 113 park owned rental homes, 132 permanent (land lease) homes, and 8 tourism sites.

“We are excited by the opportunity to grow our presence in the Brisbane market through a large-scale, established community with the opportunity to expand and increase the rental return,” Mr Owen said.

Durack Gardens represents the third acquisition to proceed following the capital raising announced in May. The Group is continuing due diligence on a second established lifestyle community in close proximity to the Brisbane CBD. Due to issues identified during due diligence, the \$8.6 million acquisition of the mixed-use park on Queensland’s Capricorn Coast will no longer be proceeding.

Durack Gardens is anticipated to settle at the end of June 2017, with the acquisition of Glenwood Lifestyle Resort expected to complete in August 2017. The acquisition of BIG4 Bonny Hills was completed at the end of May 2017.

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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).

Durack Gardens



Durack Gardens – Potential Site Intensification

