

## ASX / Media Release

19 November 2013

### Ingenia expands MHE Hunter/Newcastle portfolio

Highlights:

- Contracts exchanged to acquire two MHEs – Lake Macquarie Village and Macquarie Lakeside Village in the Hunter/Newcastle market cluster
- Combined purchase price of \$10.7 million on a stabilised yield of 9.2% and an unlevered IRR of 16.3% with further upside identified.
- Executed option to acquire Big4 Valley Vineyard Tourist Park and Wine Country Caravan Park, also in Hunter/Newcastle market cluster.
- These four acquisitions will add 82 permanent homes, 241 tourist sites and over 175 development sites – many with existing approvals in place

Ingenia Communities Group (ASX: INA) today announced contracts have been exchanged for Lake Macquarie Village in Morisset and Macquarie Lakeside Village in Chain Valley Bay, part of the Hunter/Newcastle region in New South Wales. These communities have been acquired from the same vendor, transacted in one line, and are the last in a series of accretive, on-strategy MHE acquisitions that will be funded from Ingenia's June \$21.2 million institutional placement.

The Group has also executed an option with a different vendor to acquire a further two parks, Big4 Valley Vineyard Tourist Park, and Wine Country Caravan Park, in the same market cluster. These two acquisitions will be funded by the September Rights Issue.

#### Lake Macquarie & Macquarie Lakeside

Lake Macquarie Village (Lake Macquarie) is a manufactured home and tourist park located in Morisset, NSW. It contains 41 permanent homes, 27 tourist/short-term accommodation and significant development potential for a further 60+ home sites (including some tourism conversions), the majority of which have existing approvals in place. The park has been acquired for \$7.0 million, of which \$5.8 million will be paid to the vendor at settlement, \$0.2 million paid into escrow to cover certain development costs, and a payment of \$1.0 million will be deferred for two years.

The Village has significant frontage to the tidal Stockton Creek which runs into Lake Macquarie and is located less than 0.5 kilometres from Ingenia's Grange village, which will enable management to leverage existing operational and sales capabilities.

Macquarie Lakeside Village (Macquarie Lakeside) is a smaller manufactured home and tourist park located in Chain Valley Bay NSW, approximately 23 kilometres from Lake Macquarie Village. It contains 35 permanent homes, 40 tourist/short-term accommodation sites and development potential for a further 20+ home sites (including conversion of some existing sites). The park has been acquired for \$3.7 million. Macquarie Lakeside Village has rare direct frontage onto Lake Macquarie and has potential to be the premium manufactured home estate in the Hunter / Newcastle region.

The combined trailing yield for both parks on in-situ rents is 6.4% with a stabilised yield of 9.2% to be achieved after three years of operations, and forecast unlevered internal rate of return (IRR) exceeding 16%, with significant further upside identified. Settlement for both transactions is anticipated in late November 2013.

#### Big4 Valley and Wine Country

Big4 Valley Vineyard Tourist Park (Big4 Valley) is a manufactured home and tourist park located on the western outskirts of Cessnock NSW and approximately 2km to Ingenia's Settlers Cessnock Gardens (DMF village). It contains 6 permanent homes, 114 tourist cabins and campsites and development potential for further 60+ home sites (which includes some tourism conversions).

Wine Country Caravan Park (Wine Country) is a tourist park owned by the same vendor, and is located 5km south of Big4 Valley. It contains 60 tourist campsites and development potential to upgrade these with 35 tourist cabins.

The combined trailing yield for both parks on in-situ rents is 7.9% with a stabilised yield of 11.4%, and forecast unlevered IRR exceeding 15%, with further upside identified. Settlement for both transactions is anticipated in January 2014.

Ingenia Communities Chief Executive Officer, Simon Owen, said: "These four villages are immediately earnings accretive and further strengthen our market presence in the attractive Hunter / Newcastle cluster. Most importantly they add over 175 development sites to our

existing pipeline which will assist the Group in progressing its 2015 target of having ten villages adding two new homes per month.”

Due diligence continues for the remaining six MHE opportunities announced with the September Rights Issue with further acquisitions anticipated in the coming months.

### Summary of MHE Acquisitions

	Permanent homes	Short-term accom/ tourism	Development upside sites (including some tourism conversions)*
<b>The Grange</b>	145	-	50+
<b>Ettalong Beach</b>	85	30	25+

### JUNE PLACEMENT ACQUISITIONS

<b>Nepean</b>	101	63	28+
<b>Albury Citygate</b>	26	56	130+
<b>Mudgee Valley</b>	37	77	50+
<b>Mudgee Tourist</b>	78	89	40+
<b>Lake Macquarie</b>	41	27	60+
<b>Macquarie Lakeside</b>	35	40	20+

### SEPTEMBER RIGHTS ISSUE ACQUISITIONS

<b>Drifters</b>	114	68	25+
<b>Big4 Valley</b>	6	114	60+
<b>Wine Country</b>	-	60	35+
<b>TOTAL:</b>	<b>668</b>	<b>624</b>	<b>523+</b>

\*indicative development figures have been approximated, subject to completion of planning and council approvals

#### For further information please contact:

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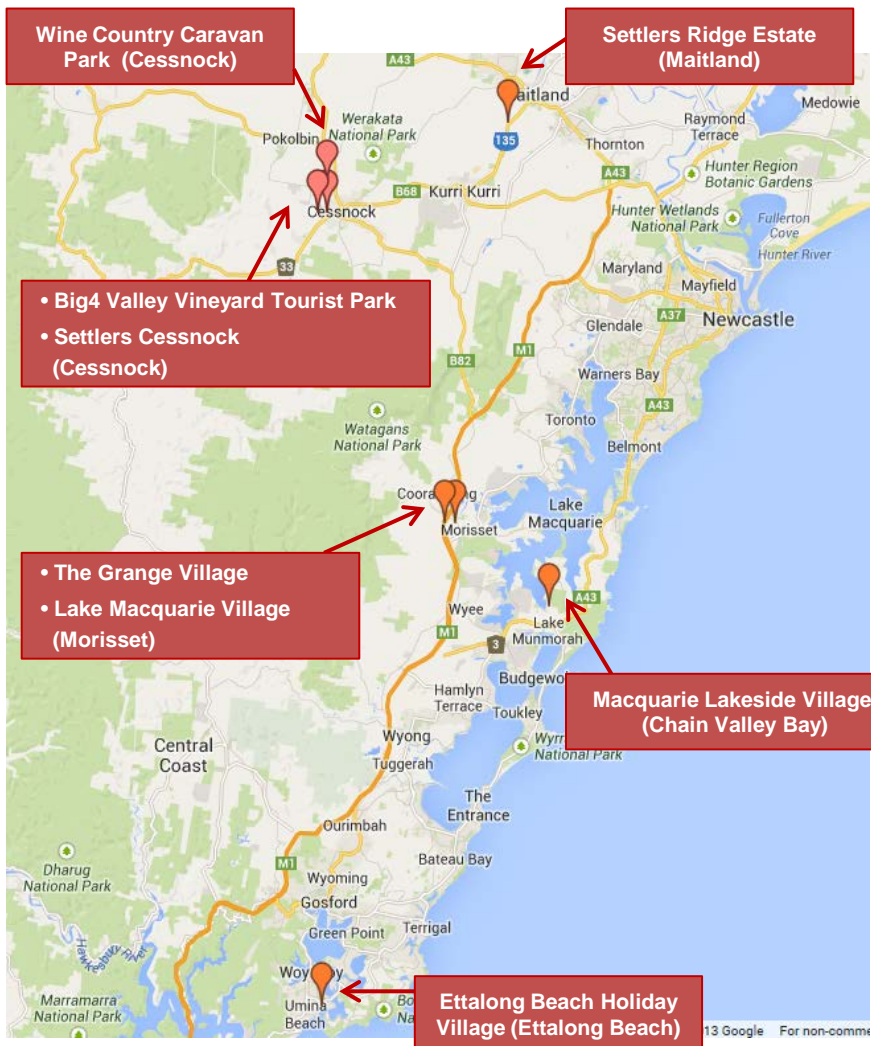
#### About Ingenia Communities Group

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 49 assets in Australia, comprising over 4,200 units.

# Further expansion into the Hunter/Newcastle region

## Six MHEs and two DMF villages



### LAKE MACQURIE LGA\* METRICS

- > The Hunter/Newcastle region prospering from energy and mining, infrastructure, accessibility to Sydney and its affordability
- > Just under one third of all residents (31%) in Lake Macquarie LGA are aged over 55, higher than the Australian average at 27%
- > Consistent with almost one third of the population being aged 55 in the Lake Macquarie catchment, the rates of home ownership within the area are particularly high, with the majority (42%) owned outright. This compared with the Australian average of 35%.
- > People aged over 55 represent 51% of the population in Morisset (a subset of Lake Macquarie)
- > Median house prices in Lake Macquarie LGA is ~\$395,000 which underpins attractiveness of new manufactured homes priced up to \$300,000
- > Our investment is underpinned by:
  - Lake Macquarie and Central Coast catchments are popular destinations for manufactured home residents
  - Proximity of the Ingenia parks offers cross referral opportunities to appeal to different customers
  - Strong employment underpinned by energy and mining, timber, infrastructure, agriculture, water and viticulture sectors across the region