

23 February 2021

Ingenia acquires two new communities

Acquisition highlights

- Purchase of Nature's Edge, a premium partially complete lifestyle community on the Queensland Sunshine Coast
- Acquisition of BIG4 Townsville Woodlands, a premium family oriented mixed-use holiday park
- Combined purchase price of \$65.9 million, offering a combination of immediate earnings accretion and DA approved development upside
- Acquisitions add 232 permanent homes, 158 holiday and long-term rental sites and 68 approved permanent home development sites
- Pipeline of further acquisition opportunities are well advanced

Ingenia Communities Group (ASX: INA) today announced further expansion of the Group's lifestyle and holidays business with the acquisition of a premium lifestyle community and a mixed-use holiday resort located in Queensland. The acquisitions deliver on the Group's growth strategy as Ingenia deploys the \$178 million of capital raised in May 2020 to expand the lifestyle and holidays business.

Ingenia Communities Group CEO, Simon Owen, said that following completion of these acquisitions the equity raised last year would be fully deployed, and further acquisitions are anticipated before financial year end, despite a marked increase in competition for quality communities and development sites.

"We are seeing the benefit of a pipeline and relationships that have taken many years to establish as we continue to access quality assets. With an increasing awareness of the resilience of the cash flows from our lifestyle communities and a buoyant market for domestic travel, the attractiveness of our sectors has never been greater. We remain well placed, with an extensive pipeline in place which is allowing us to continue to build our portfolio and rental base through the addition of quality assets," Mr Owen said.

Acquisition of Nature's Edge over 50's community, Buderim, Queensland

Ingenia has entered into an unconditional contract to acquire one of Australia's premium lifestyle communities, located on the Queensland Sunshine Coast. The acquisition is expected to settle late March 2021.

Nature's Edge has been developed over the past six years into a premium community of 181 homes with extensive, high-quality facilities. In addition to Nature's Edge the acquisition includes The Village Forest Glen (comprising 51 permanent homes) and the Forest Glen Holiday Resort, which currently forms part of the approved 68-home expansion of Nature's Edge. On completion the community will comprise 300 permanent homes, providing a significant rental base.

Situated on nineteen landscaped hectares, the community is well located and is a short drive to coastal towns including Maroochydore. Further amenity is planned through the development of the Forest Glen Shopping Precinct which will include more than 15,000 sqm of mixed retail, commercial and industrial space.

Community facilities include an indoor swimming pool, expansive community centre with cinema, bar, dining area and billiard tables, bowling green and tennis court.

New homes in the last three stages are expected to sell for an average of \$600,000, with current resales ranging from \$550,000 to over \$700,000. The project has a strong track record for sales and is established as a highly desirable community. On completion of the acquisition, works will commence to relocate the existing tourist cabins and develop the remaining 68 approved homes. Development is anticipated to commence in FY22 with first settlements expected in 2H22. In addition, the community has ongoing resales, which provide an additional revenue stream and rental upside.

“Nature’s Edge provides a unique opportunity to acquire one of the best lifestyle communities in Australia and gives the Group a flagship asset on the Sunshine Coast. Communities of this quality rarely transact, and we were very pleased to secure the asset.”

“With available approved development and a significant rental stream already in place, this well capitalised community is an excellent addition to the lifestyle portfolio,” Mr Owen said.

Acquisition of BIG4 Townsville Woodlands Holiday Park, Townsville, Queensland

Ingenia has entered into a contract to acquire a mixed-use holiday park consisting of cabins, sites and long-term rentals, in Townsville. Conveniently located off the Bruce Highway on 6.4 hectares of land, the Park is on the popular drive route from Brisbane to Cairns.

Holiday accommodation includes 22 cabins, 26 ensuite sites and 55 powered and unpowered sites, with approval in place for a further 5 cabins. The majority of cabins are new or have recently been refurbished. In addition, the capacity for 55 long-term rentals provides a consistent rent base, underpinning revenue from the Park.

Catering to the family market, facilities include a water park, two swimming pools, playground, camp kitchen, BBQs, mini golf and kiosk. The Park’s guests are largely local families and holiday makers from other parts of Queensland.

Ingenia is acquiring the Park on an ingoing yield of over 8%, with significant upside identified.

CEO, Simon Owen, said he was pleased to further extend the Group’s holidays footprint in Tropical North Queensland.

“We are seeing strong demand for domestic travel and our holiday parks are benefitting with increased occupancy. BIG4 Townsville Woodlands provides Ingenia with the ability to build upon our presence along a key drive route and to improve returns through the addition of new cabins, active revenue management and integration to the Ingenia Holidays platform,” Mr Owen said.

Combined with the acquisition of Merry Beach Holiday Park (announced in December 2020), the Group anticipates completing \$86.5 million of acquisitions over the next few months and is well progressed with plans to deploy further capital over the remainder of this financial year.

The acquisitions are included in the Group's FY21 guidance, released on 16 February 2021.

"We retain significant capacity for investment. We are continuing to access quality assets which complement our existing portfolio and expand our rental base and anticipate the Group's LVR moving to the lower end of the target range (of 30% to 40%) by the end of June 2021," Mr Owen said.

Nature's Edge, Buderim, Queensland



BIG4 Townsville Woodlands Holiday Park, Townsville, Queensland



Authorised for lodgement by the Chairman.

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About Ingenia Communities Group

Ingenia Communities Group (ASX: INA) is a leading operator, owner and developer of communities offering quality affordable rental and holiday accommodation focussed on the growing seniors' market in Australia. Listed on the Australian Securities Exchange, the Group is included in the S&P/ASX 200 and has a market capitalisation of over \$1.5 billion.

Across Ingenia Lifestyle, Ingenia Gardens, Ingenia Holidays and Ingenia Rental, the Group has 80 communities and is continuing to grow through acquisition and development.

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).