

# A Business for Purpose



*Lifestyle*  
COMMUNITIES

Results Presentation  
Half year ended 31 December 2021

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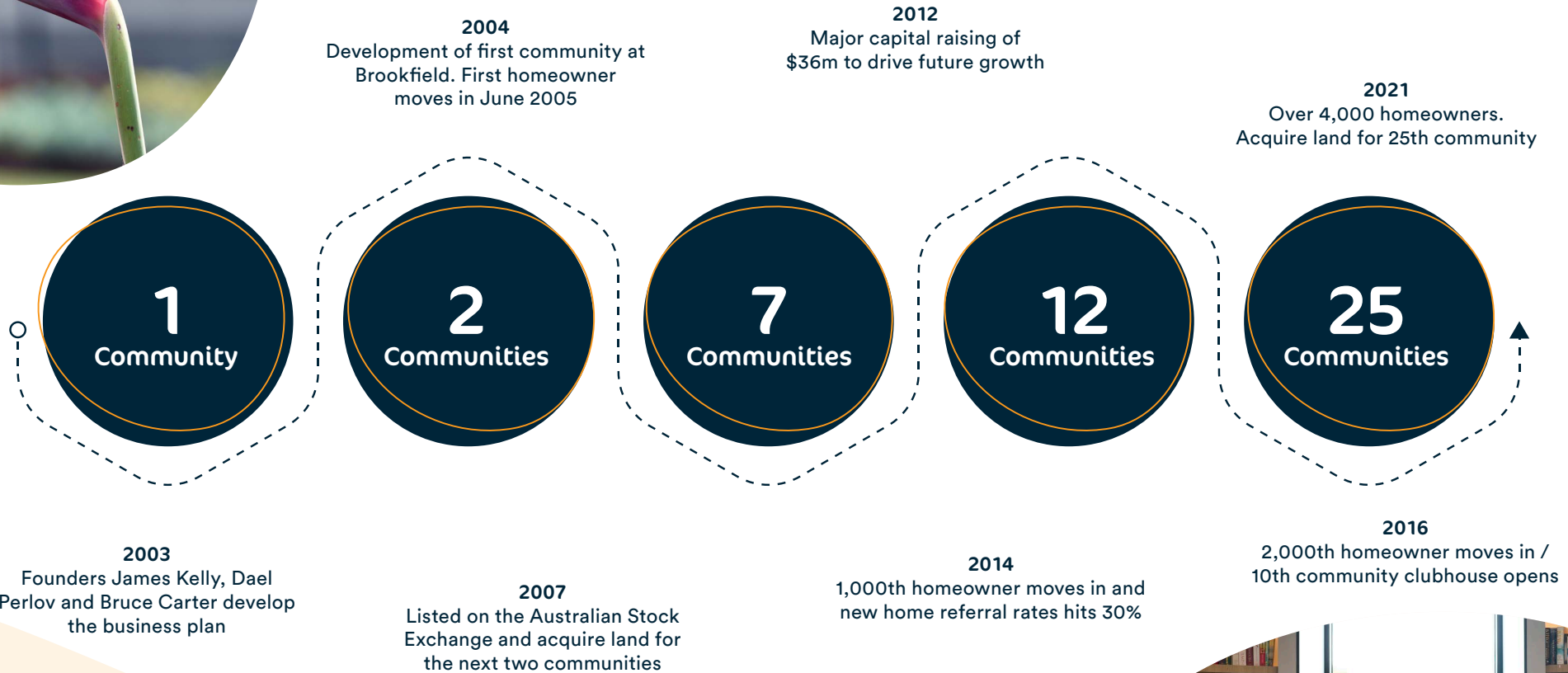
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# 1.1 Our story continues



It's been a consistent strategy of delivering an amazing lifestyle to our homeowners and sustainable returns to our shareholders



# 1.2 A business for purpose

✓ An affordable housing option for Australians aged over 50

✓ A sustainable financial model where homeowners can prosper

✓ An empowering and engaging customer service offering that reimagines traditional retirement

✓ High quality resort-style facilities that exceed expectation and are actively maintained and refurbished

✓ A sales approach that engages the customer to ensure they are making the right choice

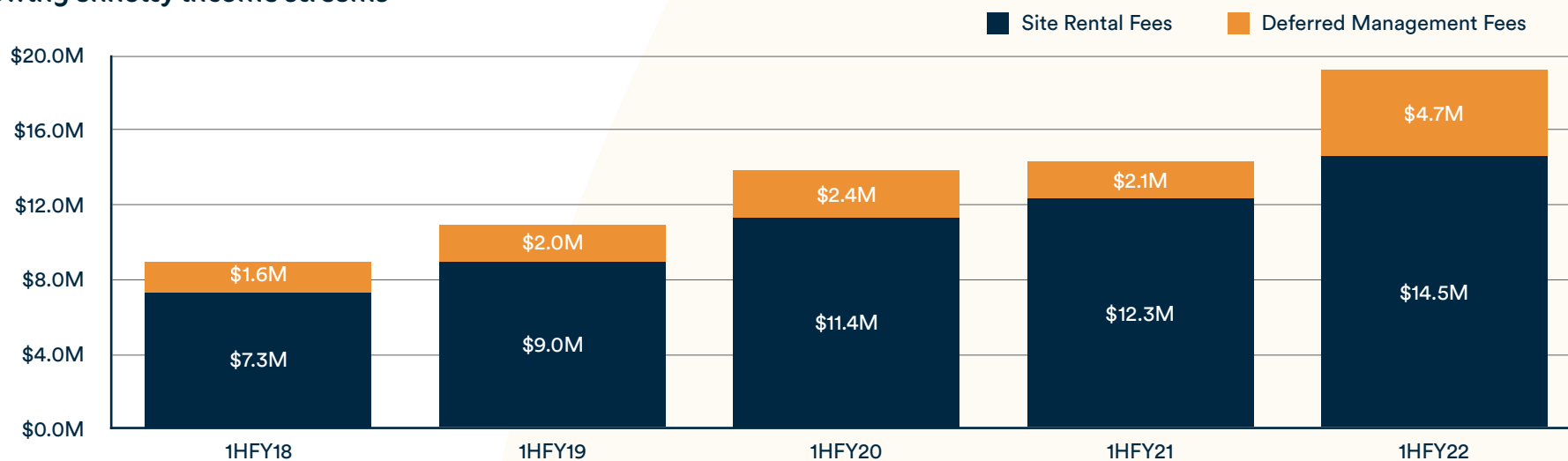
## Financial Summary

	1HFY22 (\$ Million)	1HFY21 (\$ Million)
Net profit after tax	\$27.5	\$14.1
Total assets	\$925.9	\$643.6
Equity	\$400.3	\$303.5
Dividend	4.5 cents per share	3.0 cents per share
Net debt	\$273.5	\$173.4
Net debt to net debt plus equity	40.6%	36.4%

# 1.3 Overview

## 1HFY22 Results snapshot

### Growing annuity income streams



Total number of homes settled (Cumulative) <sup>(1)</sup>

1,776

2,133

2,393

2,625

2,958

Number of resales attracting a DMF <sup>(2)</sup>

34

26

30

32

68

#### Notes

(1) Represents gross numbers not adjusted for joint venture interests

(2) Total resale settlements were 73, of which 68 attracted a DMF

# 1.4 Overview

## 1HFY22 Highlights

- Lifestyle Meridian launched for sale in September 2021 – 51 sales to end of December
- Signed contracts to purchase land at Phillip Island (announced FY21 results), Mickleham, and Ocean Grove
- Terms agreed with lenders in August to extend existing debt facility by \$100m to a total of \$375m.
- 168 new sales and 166 new home settlements
- 73 resale settlements of which 68 attracted a deferred management fee
- Sales and settlements impacted by Covid-19 pandemic and associated restrictions in Melbourne
- Build program on track despite supply chain challenges
- Profit after tax increased from \$14.1m in 1HFY21 to \$27.5m in 1HFY22 driven by higher settlement numbers
- Portfolio of 5,231 home sites of which 2,958 home sites are occupied by 4,245 homeowners

**A balanced business model  
structured for sustainable growth**

# 1.5 Portfolio overview and land acquisition strategy

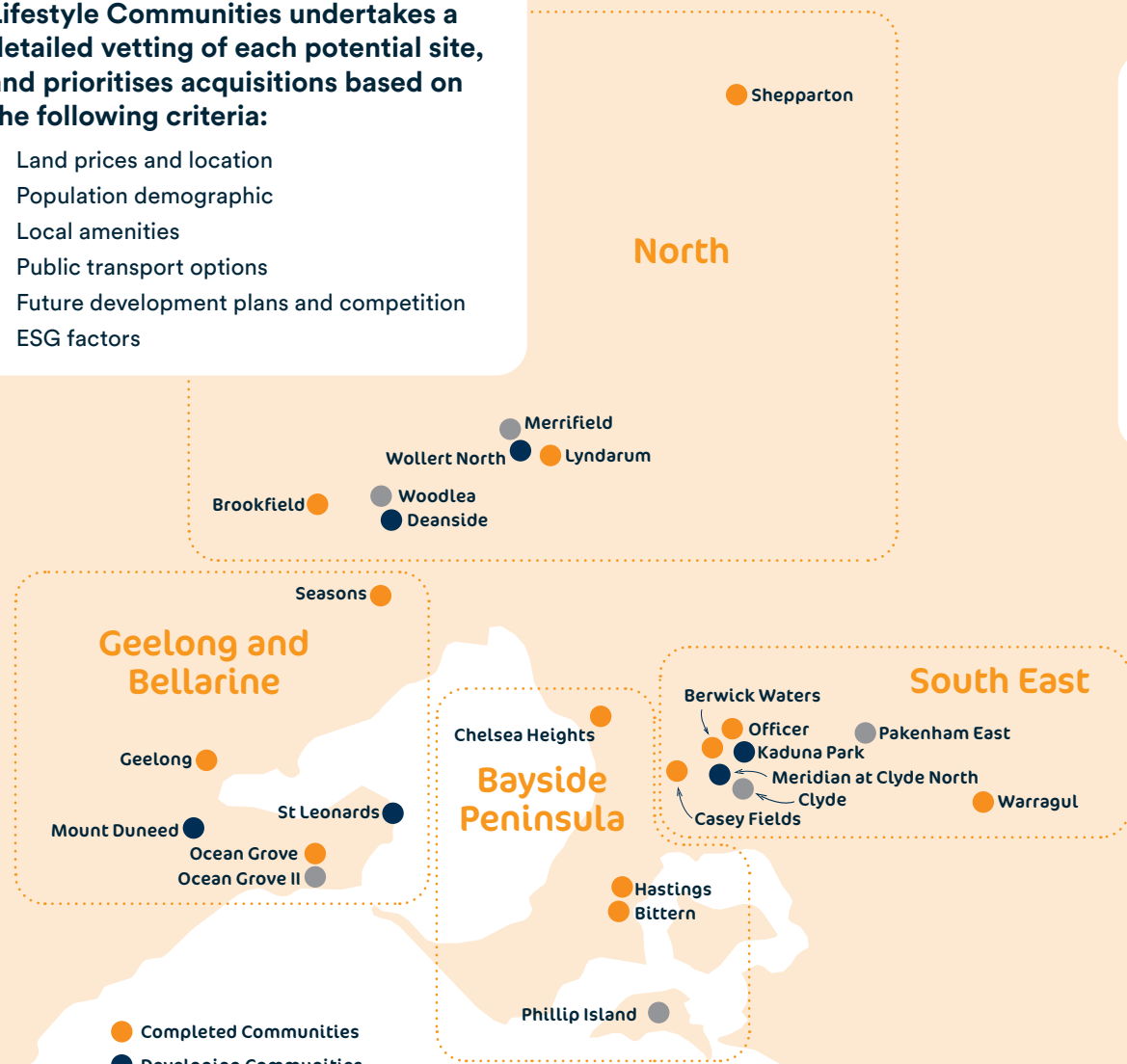
25 Communities in planning, development or under management

Lifestyle Communities undertakes a detailed vetting of each potential site, and prioritises acquisitions based on the following criteria:

- Land prices and location
- Population demographic
- Local amenities
- Public transport options
- Future development plans and competition
- ESG factors

Focus remains on Melbourne and Geelong's growth corridors:

- Melbourne has the strategic benefit of flat topography which increases site choice
- Multiple communities can be built in each growth corridor
- Forward planning has created large areas of serviced zoned land in each catchment
- Under its 'just in time' model, Lifestyle Communities starts the development as soon as possible after acquisition of the site



- Completed Communities
- Developing Communities
- Planning Communities

Greatest growth opportunity remains in Victoria with low saturation and accessible flat land

# 1.6 Portfolio overview

Communities	Total homes in communities	Homes sold and occupied	Homes sold and awaiting settlement	Homes occupied or sold and awaiting settlement	
				No.	%
<b>Existing Communities – Sold out</b>					
Brookfield in Melton	228	228		228	100%
Seasons in Tarneit	136	136		136	100%
Warragul	182	182		182	100%
Casey Fields in Cranbourne <sup>(1)</sup>	217	217		217	100%
Shepparton	300	300		300	100%
Chelsea Heights <sup>(1)</sup>	186	186		186	100%
Hastings	141	141		141	100%
Lyndarum in Wollert	154	154		154	100%
Geelong	164	164		164	100%
Officer	151	151		151	100%
Berwick Waters	216	216		216	100%
Bittern	209	209		209	100%
Ocean Grove	220	220		220	100%
<b>Existing Communities – Under construction</b>					
Mount Duneed	191	139	22	161	84%
Kaduna Park in Officer South	169	152	11	163	96%
Wollert North	246	60	48	108	44%
Deanside	266	53	43	96	36%
St Leonards	359	50	77	127	35%
Meridian at Clyde North	274		51	51	19%
<b>New Communities – Awaiting commencement</b>					
Pakenham <sup>(3)</sup>	175				
Clyde <sup>(2)</sup>	230				
Woodlea <sup>(2)</sup>	180				
Phillip Island <sup>(2)</sup>	260				
Mickleham <sup>(2)</sup>	187				
Ocean Grove II <sup>(2)</sup>	190				
<b>Total <sup>(4)</sup></b>	<b>5,231</b>	<b>2,958</b>	<b>252</b>	<b>3,210</b>	<b>61%</b>

Notes

- (1) Represents 100% of the development of which Lifestyle Communities shares 50%
- (2) Commencement of construction subject to planning approval
- (3) Commencement of construction subject to planning approval and contracts becoming unconditional
- (4) Lifestyle Communities will have an economic interest in 5,030 home sites
- (5) Due to a change in practice by the ASX, the company will no longer issue non-price sensitive announcements related to land acquisitions. Updates of a non-price sensitive nature will be communicated via our website and social media channels



# Section 2 Operations Update

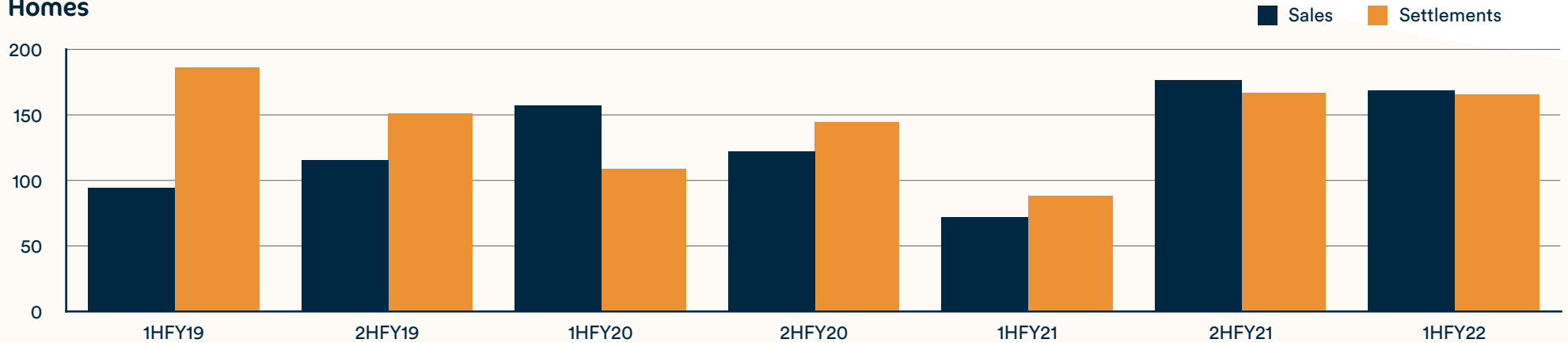


# 2.1 Sales and settlements

- 168 new home sales
- Actively selling new communities at Mount Duneed, Kaduna Park, Wollert, Deanside, St Leonards and Meridian
- Lifestyle Meridian in Clyde North launched for sale in September 2021
- 73 resale settlements of which 68 attracted a deferred management fee

Community	No. of Homes	Sold	% Sold	Settled	% Settled
Mount Duneed	191	161	84%	139	73%
Kaduna Park	169	163	96%	152	90%
Wollert North	246	108	44%	60	24%
Deanside	266	96	36%	53	20%
St Leonards	359	127	35%	50	14%
Meridian	274	51	19%	0	0%

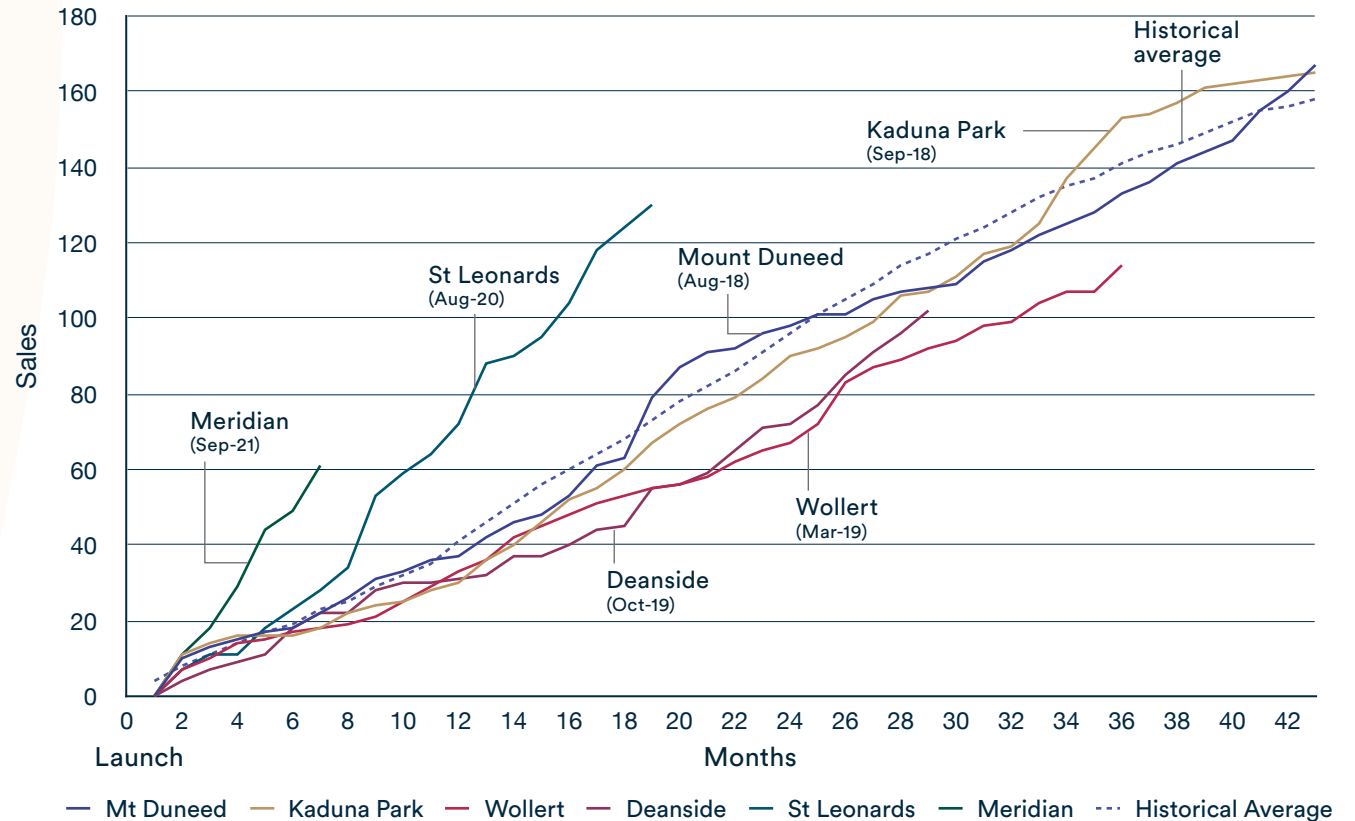
## Homes



# 2.2 Sales rates

- Sales impacted by Covid-19 pandemic and associated restrictions in Melbourne
- Wollert in particular was a Covid “hotspot” and sales slower to return
- Sales tactics changed during lockdown – Focus shifted to knowledge building and information sharing
- Focus on lived experience as restrictions were eased to drive referral
- A large number of Covid-Safe events planned over summer months as restrictions eased, including showcasing the newly completed clubhouses at Mount Duneed, Wollert & Deanside
- New launch strategy for Meridian – Sales launched after construction started
- St Leonards benefiting from the “sea change” thematic

Sales profile from date of first sale



**The higher the sales rate, the faster capital is recycled to undertake more communities.**

## 2.3 Developments in progress

6 Communities in development phase



Community complete.  
4% of homes remaining to sell.



Community complete, 84% sold.



Clubhouse completed in May 2021.  
44% sold.



Clubhouse completed in June 2021.  
36% sold.



Clubhouse due to be completed in  
March 2022, first of two clubhouses.  
35% sold.



Launched for sale in September 2021.  
19% sold.



## 2.4 Ocean Grove II

- Located approximately 3.5km's from existing project
- Walking distance to an established shopping centre
- 7.9Ha site with capacity for approximately 190 homes
- Serviced superlot – Vendor to build all roads/services to site boundary prior to settlement
- Opportunity to leverage our brand and the team's track record in coastal locations
- Expect to commence construction in 24 months
- Strong median house price growth in catchment - 12-month median \$851k
- Acquisition will be funded using our existing \$375m debt facility

An exciting opportunity to fulfill the strong demand for high quality affordable homes in this great location

## 2.5 Digital transformation update

- New Website –Phase 1 redesign completed and went live in September 2021
- SAP Business By Design – Finance System – Design completed and system went live on the 1st of January 2022.
- Salesforce – Currently in the build phase. First live launch planned for May 2022 with additional functionality progressively rolled out in following months
  - Customer Relationship Management System
  - Digital Marketing Platform
  - Homeowner portal

**New systems will improve the user experience for both our homeowners and our team**



# Section 3 Financial Results



# 3.1 Financial results



**Annuity income will continue to increase through new home settlements, rental increases and resales of existing homes**

**There are two components to the annuity stream:**

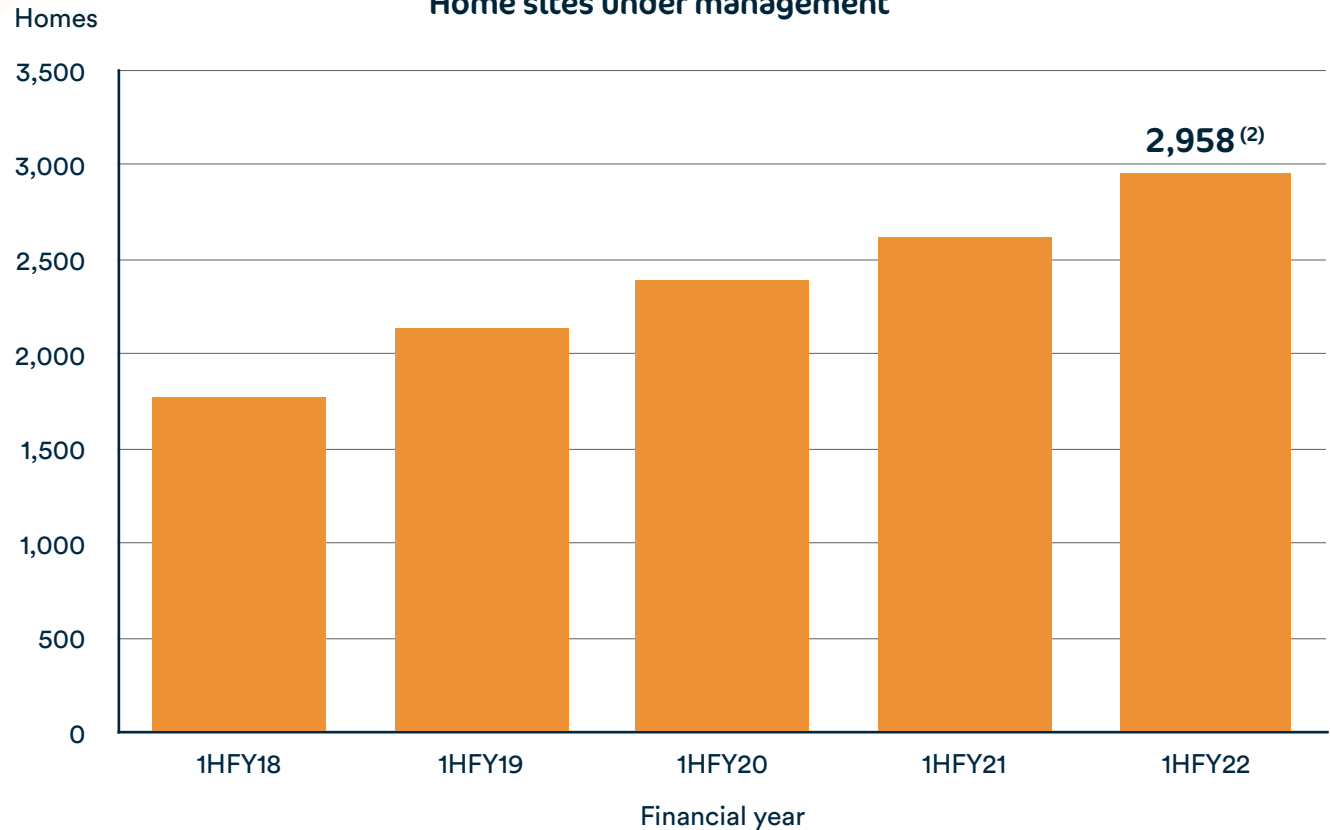
**1. Site Rental Fee**

- \$192 per single and \$222 per couple, per week, per home
- Indexed at greater of CPI or 3.5% p.a.
- Gross rental income for 1HFY22 was \$14.5 million

**2. Deferred Management Fee (DMF)**

- Increases at 4% per year capped at 20% of the resale price
- 68 resale settlements provided DMF income of \$4.7m<sup>(1)</sup>
- Average tenure was 5.2 years and average capital growth was 7.3%

**Home sites under management**



**Notes**

(1) Inclusive of selling and administration fees

(2) Represents gross numbers not adjusted for joint venture interests



## 3.2 Income statement

- New home settlements were 166 for the first half, compared with 88 in the prior year
- Cost of sales includes \$19.8m for the share of community infrastructure sold to each homeowner and expensed upon settlement (1HFY21: \$8.8m)
- Revenue from site rentals increased due to an increased number of homes under management. Community operating expenses also increased in line with the increased number of homes
- DMF revenue increased due to 68 resales attracting a DMF compared to 32 in the prior year.
- Corporate costs increased due to increased due to:
  - increased headcount to support business growth
  - new employee share scheme structure and increased share price
  - increased insurance premiums due to prevailing market conditions
- Other revenue and expenses includes:
  - Utilities costs passed on to homeowners
  - \$1.1 m costs related to the Tyabb Planning permit application
  - \$0.7m digital transformation costs

Income statement	1HFY22 (\$'000)	1HFY21 (\$'000)	% Movement
Home settlement revenue	72,491	34,373	110.9%
Cost of sales	(56,490)	(26,720)	111.4%
<b>Gross profit</b>	<b>16,001</b>	<b>7,653</b>	<b>109.1%</b>
Home settlement margin	22.1%	22.3%	(0.9%)
<b>Management and other revenue</b>			
Site rental	14,547	12,274	18.5%
Deferred management fees	4,689	2,094	123.9%
Other revenue	2,143	2,488	(13.9%)
<b>Total management and other revenue</b>	<b>21,379</b>	<b>16,856</b>	<b>26.8%</b>
Fair value adjustments	26,192	12,092	116.6%
Development expenses (sales and marketing)	(4,196)	(2,761)	52.0%
Management rental expenses	(6,635)	(5,010)	32.4%
DMF expenses	(1,059)	(589)	79.8%
Corporate overheads	(8,075)	(5,520)	46.3%
Finance costs	(686)	(818)	(16.1%)
Other expenses	(3,634)	(1,461)	148.7%
<b>Net profit before tax</b>	<b>39,287</b>	<b>20,442</b>	<b>92.2%</b>
<b>Net profit after tax</b>	<b>27,515</b>	<b>14,100</b>	<b>95.1%</b>

Despite supply chain challenges, the housing build program remains on track.

## 3.3 Balance sheet

- The value of inventory held has increased due to:
  - the ramp-up of civil costs at Wollert, Deanside and St Leonards to facilitate housing construction and future settlements
  - increased stock of completed houses to service the “ready-to-move” market
  - preparation for future settlements at Meridian
- Trade payables includes \$111.2m accruals for future land settlements at Clyde, Woodlea, St Leonards (site 2), Merrifield, and Ocean Grove II
- Borrowings have increased due to:
  - the ramp-up in civil programs at St Leonards and Meridian
  - increased inventory for settlements in the second half
  - settlement of land at Wollert and Phillip Island
  - deposits on new acquisitions at Mickleham and Ocean Grove II
- Current Debt Facility Limit is \$375m. Next refinancing due June 2025

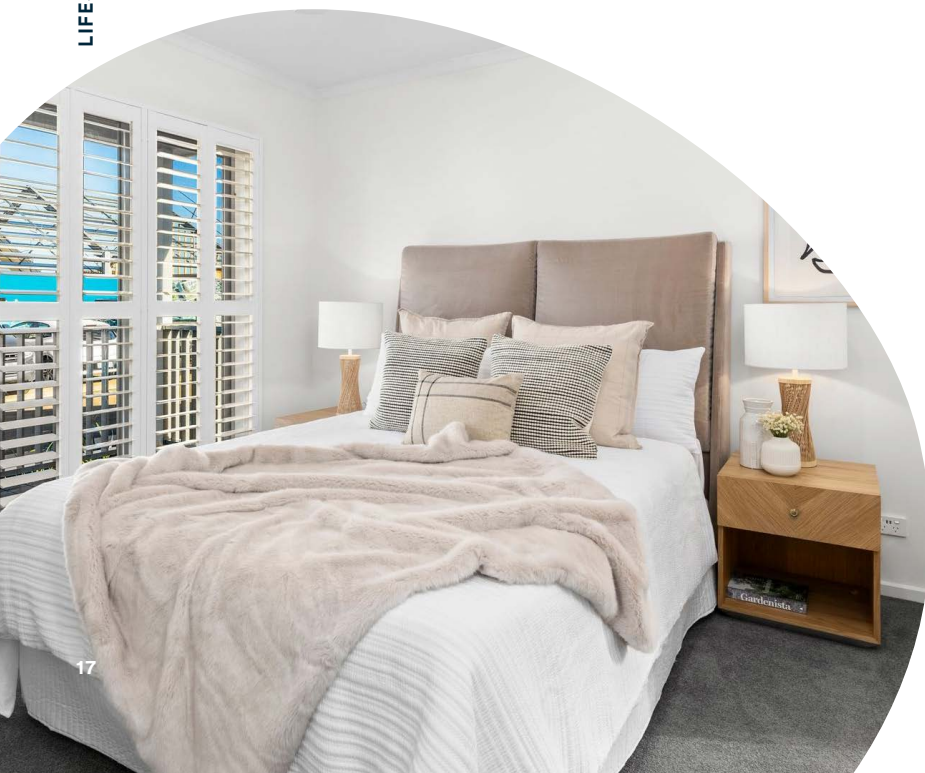
Balance sheet highlights	1HFY22 (\$'000)	2HFY21 (\$'000)	% Movement
Cash and cash on deposit	519	2,300	(77.4%)
Inventories	146,739	125,243	9.2%
Investment properties	757,787	636,455	19.1%
Other assets	20,887	17,278	75.9%
<b>Total assets</b>	<b>925,932</b>	<b>781,276</b>	<b>18.5%</b>
Trade and other payables	125,254	94,640	32.3%
Current tax payable	-	1,712	(128.6%)
Interest-bearing loans and borrowings	274,000	190,000	44.2%
Deferred tax liabilities	124,228	115,365	7.7%
Other liabilities	2,177	1,464	48.7%
<b>Total liabilities</b>	<b>525,659</b>	<b>403,181</b>	<b>30.3%</b>
<b>Net assets</b>	<b>400,273</b>	<b>378,095</b>	<b>5.9%</b>
Gearing <sup>(1)</sup>	40.6%	33.2%	22.4%

#### Notes

(1) Calculated as a ratio of net debt to net debt plus equity (net debt includes cash)

**Lifestyle Communities operates within a highly disciplined capital management framework with a focus on recycling capital and organic growth.**

- Receipts from customers increased due to increased settlements, increasing annuity revenue, and increased deferred management fees
- Included in payments to suppliers and employees is \$33.5 million for community infrastructure which will be proportionately sold with each home (1HFY21 \$35.1 million)
- Purchase of investment properties includes settlement of land at Wollert, Clyde, Phillip Island, Meridian and deposits at Merrifield and Ocean Grove II



## 3.4 Cash flow

Cash Flow Highlights	1HFY22 (\$'000)	1HFY21 (\$'000)
Receipts from customers	101,478	54,650
Payments to suppliers and employees <sup>(1)</sup>	(110,478)	(76,269)
Income tax paid	(5,109)	(2,908)
Net interest payments	(2,604)	(2,013)
Jobkeeper	-	1,139
<b>Cash flows from operations</b>	<b>(16,713)</b>	<b>(25,401)</b>
Purchase of PP&E	(1,606)	(3,310)
Purchase of investment properties	(65,561)	(13,345)
<b>Cash flows from investing activities</b>	<b>(62,167)</b>	<b>(16,655)</b>
Principal elements of lease payments	(134)	(110)
Net movement in borrowings	84,000	30,000
Purchase of Treasury shares	(1,533)	-
Dividends paid	(5,230)	(2,614)
<b>Cash flows from financing activities</b>	<b>77,099</b>	<b>27,276</b>
Net cash flows	(1,781)	(14,780)
Cash at the beginning of the year	2,300	16,381
<b>Cash at the end of the year</b>	<b>519</b>	<b>1,601</b>

### Notes

- (1) Due to Lifestyle Communities' accounting policies and legal structure, payments to suppliers and employees includes all gross costs of infrastructure construction (i.e. civil works, clubhouse and other facilities). Under some other structures these costs may be classified as investing cash flows. Therefore, cash flows from operations will be negatively impacted when Lifestyle Communities is in the cash-intensive development phase of a community. To assist with further understanding of cash flows, please refer to Appendix 7 and 8 for a detailed breakdown of development and management cash flows per community for 1HFY21 and 1HFY22.

# Section 4 Outlook






# 4.1 Outlook

- Lifestyle Communities has a focused strategy to service a niche - providing high quality affordable housing to the over 50s
- Currently funded and resourced to acquire two to three new sites per year, subject to identification of appropriate sites
- Focused on Melbourne’s growth corridors as well as key Victorian regional centres
- The Company enters the second half with 252 new homes sold and awaiting settlement
- With the current pipeline of projects, we remain on track to deliver settlements in the range of 1,100 to 1,300<sup>(3)</sup> over the 3 years to FY24
- Resale settlements attracting a DMF are anticipated to be in the range of 450 to 550 over the 3 years to FY24
- The balance sheet and debt position is robust - access to over \$100m in cash and undrawn facilities, and the next refinancing is not due until June 2025
- Operating cash flow is underpinned by the ongoing rental annuities from its 2,958 homes under management

## Projected Project Phasing

Community	FY22				FY23				FY24			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mount Duneed				■	■	■	■	■				
Kaduna Park	■	■	■	■	■	■	■	■				
Wollert											■	■
Deanside	■	■	■	■	■	■	■	■	■	■	■	■
St Leonards												
Meridian					■	■	■	■	■	■	■	■
Woodlea <sup>(2)</sup>									■	■	■	■
Pakenham <sup>(1)</sup>											■	■
Clyde <sup>(2)</sup>											■	■
Merrifield											■	■
Phillip Island <sup>(2)</sup>											■	■
Ocean Grove II												

 Represents tail of development which is often a slower settlement rate
   Represents typical settlement rate

Notes

- (1) Subject to planning approval and contracts becoming unconditional.
- (2) Commencement of construction subject to planning approval.
- (3) Settlement goals dependent on construction commencement date and planning approvals.


**Funded and resourced to acquire two to three new communities every 12 months**

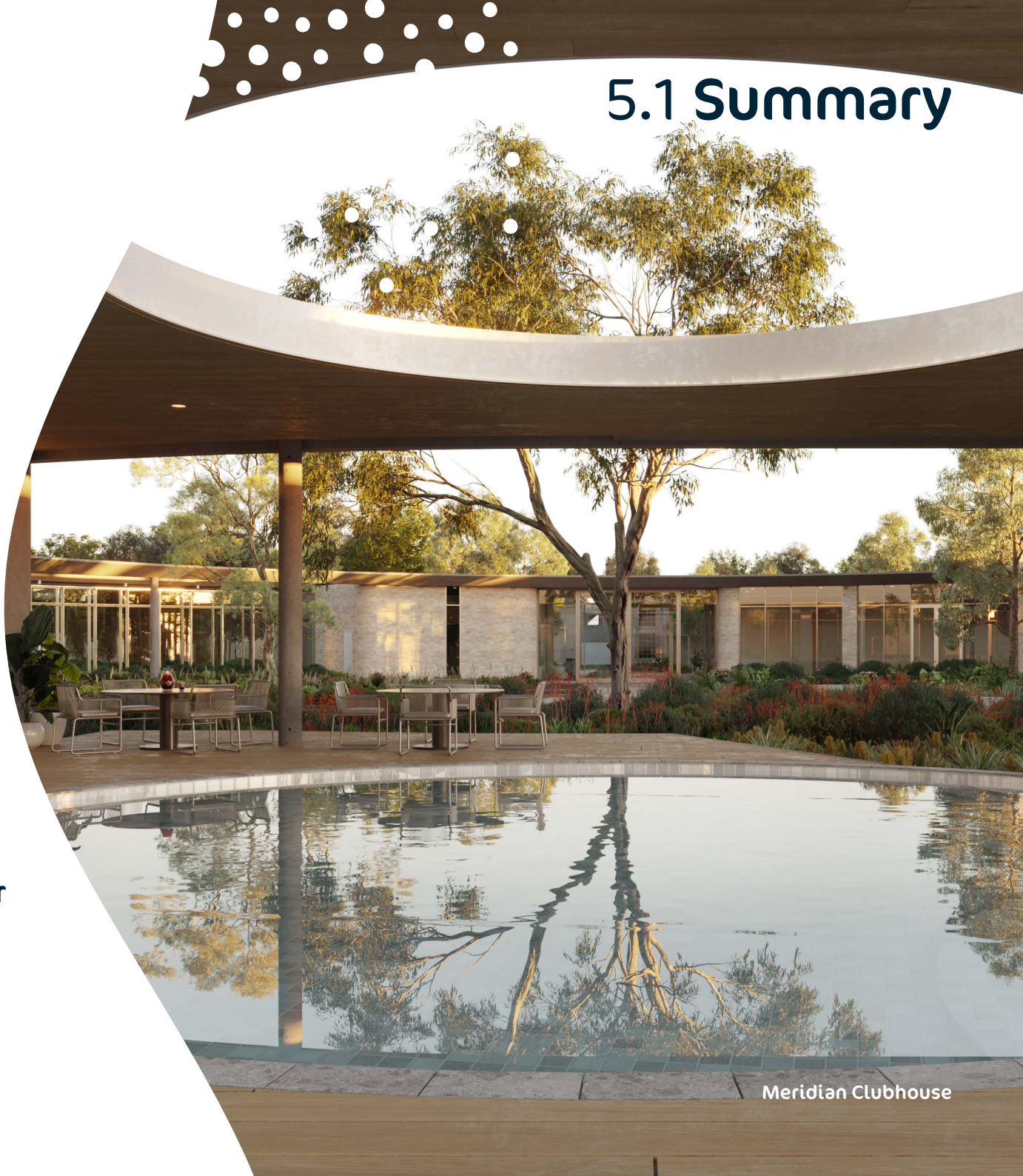
# Section 5 Summary



## 5.1 Summary

- 18 operating communities, 7 communities in planning/under construction
- Sales launched at Meridian – 51 homes sold
- 1HFY22 delivered 166 new home settlements and 68 resale settlements that attracted a DMF
- We enter the second half with 252 new homes sold and awaiting settlement.
- Construction program on track
- Land purchase contracts signed for new sites at Phillip Island, Merrifield, and Ocean Grove
- Total portfolio increased 5,231<sup>(1)</sup> homes
- Refinancing in August sees us well capitalised to continue to acquire new sites to deliver continued growth
- New housing and clubhouse designs, IT system transformation, and go-to-market strategy will drive sales and support continued growth

**A business maintaining a singular focus on high-quality, affordable housing for the long-term**



Meridian Clubhouse

### Notes

(1) Settled, under development or subject to planning

# Appendix





# A.1 Model of living

## How does the Lifestyle Communities' model of living work?

Homeowners at Lifestyle Communities own their own home and lease the land upon which their homes are located, via a weekly site fee and a deferred management fee.



Homes typically priced at 75-80% of the median house price in the target catchment



### 90 Year Lease

A 90-year lease over the land provides security of tenure



On average, release of approximately \$220,000<sup>1</sup> upon sale of previous home



Homeowners at Lifestyle Communities are covered by the Residential Tenancies Act



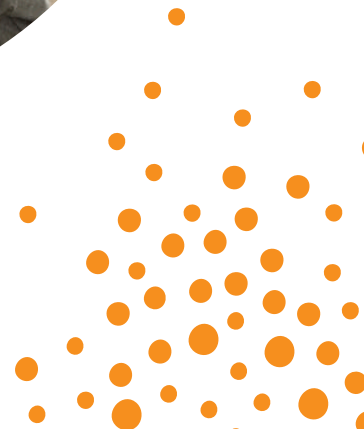
Homeowners in control at exit



Notes

(1) Calculated as the difference between the homeowners house price less the homeowners Lifestyle house price

The weekly site fee is approx. 20-25% of the Aged Pension after receipt of the Commonwealth Rental Assistance.



# A.2 Growing recurring revenue stream

## Lifestyle Communities' business has two core elements

### 1. Creating communities

A mix of equity and debt capital is used to develop greenfield sites to create new communities. Capital is recovered from one community and is recycled into the next project.



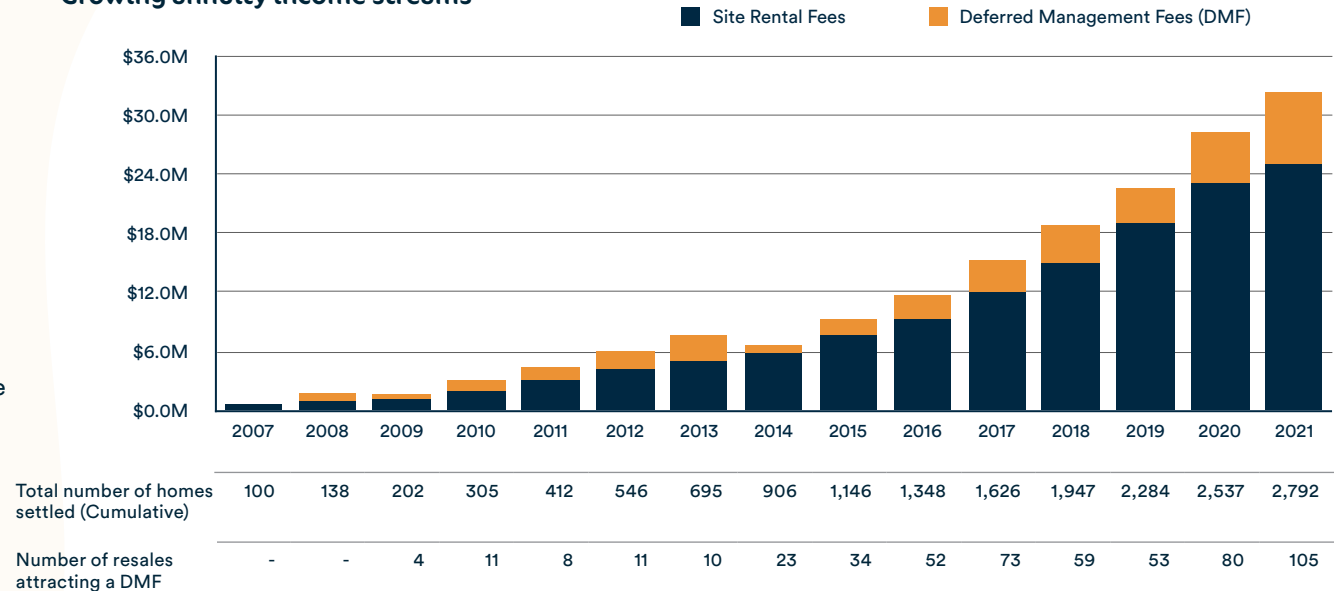
Current speed of capital recycling allowing the acquisition of at least two new sites every year

Completed communities build a long-term sustainable income and future dividends

### 2. Managing communities

Completed communities generate recurring revenue streams which are growing as new communities are added to the portfolio.

Growing annuity income streams



Rentals increase at CPI or 3.5% whichever is greater <sup>(1)</sup>  
DMF of 20% after 5 years on the resale price of the home.

The speed at which Lifestyle Communities can create new communities is limited by the size of the capital pool and the speed at which it can recover its capital through driving new home settlements

Notes

(1) Due to Victorian Government Legislation introduced during the Covid-19 pandemic, there was no increase on 1 July 2020

## A.3 Dividend policy

As a general principle, Lifestyle Communities intends to pay dividends out of post-tax operating cashflow generated from community management including:

- Operating cash flow generated from community management (net rental and DMF)
- Apportionment of corporate overheads attributable to management of the communities (currently 50%)
- Interest on average pre-development debt
- Tax attributed to the above

### Dividend

An interim fully franked dividend of 4.5 cents per share has been declared in respect of FY22 (the dividend has a record date of 7 March 2022 and a payment date of 6 April 2022)

### Surplus franking credits

As at 31 December 2021 the franking account balance was \$26.3 million (after allowing for the interim dividend and tax payable for 1HFY22)



The growth in the portfolio provides the basis for increasing dividends over time

# A.4 Sales and Settlements

Communities	New home settlements		Net sales commitments		Resale home settlements	
	1HFY22	1HFY21	1HFY22	1HFY21	1HFY22	1HFY21
<b>Existing Communities – Sold out</b>						
Brookfield at Melton					8	9
Seasons at Tarneit					10	2
Warragul					2	1
Casey Fields at Cranbourne <sup>(1)</sup>					10	2
Shepparton		6			7	4
Chelsea Heights <sup>(1)</sup>					4	1
Hastings					5	5
Lyndarum at Wollert					2	2
Geelong					3	
Officer					2	2
Berwick Waters					2	1
Bittern					7	2
Ocean Grove	1	25		9	6	1
<b>Existing Communities – Under construction</b>						
Mount Duneed	27	22	28	(2)		
Kaduna Park at Officer South	42	34	15	21		
Wollert North	24	1	5	14		
Deanside	29		24	6		
St Leonards	43		45	24		
Meridian at Clyde North			51			
<b>Existing Communities – Awaiting commencement</b>						
Pakenham <sup>(3)</sup>						
Clyde <sup>(2)</sup>						
Woodlea <sup>(2)</sup>						
Phillip Island <sup>(2)</sup>						
Mickleham <sup>(2)</sup>						
Ocean Grove II <sup>(2)</sup>						
<b>Total <sup>(4)</sup></b>	<b>166</b>	<b>88</b>	<b>168</b>	<b>72</b>	<b>68 <sup>(4)</sup></b>	<b>32</b>

**Notes**

- (1) Represents gross numbers not adjusted for joint venture interests
- (2) Commencement of construction subject to planning approval
- (3) Commencement of construction subject to planning approval and contracts becoming unconditional
- (4) Total resale settlements were 73 of which 68 attracted a DMF

# A.5 Deferred Management Fees

	Brookfield	Seasons	Warragul	Casey Fields	Shepparton	Chelsea Heights	Hastings	Lyndarum	Officer	Geelong	Berwick Waters	Bittern	Ocean Grove	Total
Historical resales <sup>(1)</sup>	157	47	73	74	42	55	50	16	20	16	15	20	10	595
Average tenure (years)	7.0	6.7	5.0	5.2	4.8	4.3	3.9	3.5	3.0	3.4	2.5	2.2	2.1	5.2
Average price growth p.a.	5.1%	2.8%	3.6%	5.5%	4.0%	16.1%	10.5%	8.2%	10.5%	10.1%	9.0%	18.7%	15.8%	7.3%
Average purchase price (move in)	193,571	245,714	244,824	296,160	227,175	331,886	312,358	344,927	313,992	314,754	388,799	396,902	397,574	268,438
Average sales price (move out)	255,385	290,426	286,205	377,378	269,381	535,618	417,350	430,594	405,400	416,406	469,267	548,650	518,500	351,365
Average DMF <sup>(2)</sup>	41,705	52,859	46,943	63,912	45,660	88,455	62,606	60,249	55,291	61,929	49,976	54,922	49,660	54,633
Average DMF rate	16.3%	18.2%	16.3%	16.7%	17.1%	16.1%	14.6%	14.3%	13.5%	15.0%	10.7%	10.0%	9.6%	15.8%
Total DMF received <sup>(2)</sup>	6,547,762	2,484,380	3,426,837	4,729,480	1,917,720	4,864,999	3,130,280	963,980	1,105,820	990,860	749,640	1,098,440	496,600	32,506,798
1HFY22 resales <sup>(1)</sup>	8	10	2	10	7	4	5	2	2	3	2	7	6	68
Average tenure (years)	8.7	8.3	11.7	7.9	5.9	7.6	7.2	5.5	4.9	4.8	2.4	2.2	2.2	6.3
Average price growth p.a.	2.5%	1.8%	3.8%	4.7%	5.6%	10.7%	9.2%	2.2%	8.8%	0.10	6.9%	28.4%	15.8%	8.5%
Average purchase price (move in)	230,463	262,394	221,275	296,919	235,274	310,330	301,105	382,335	292,848	302,593	440,202	423,224	380,788	303,809
Average sales price (move out)	279,938	304,250	321,000	406,250	296,143	559,750	499,800	420,000	417,500	442,000	511,500	637,429	498,333	415,787
Average DMF <sup>(2)</sup>	47,049	60,600	55,200	81,250	50,794	111,950	99,960	54,420	83,500	82,507	51,420	61,223	50,100	67,115
Average DMF rate	16.8%	20.2%	17.5%	20.0%	17.1%	20.0%	20.0%	14.0%	20.0%	18.7%	10.0%	9.7%	10.0%	16.8%
Total DMF received <sup>(2)</sup>	376,390	606,000	110,400	812,500	355,560	447,800	499,800	108,840	167,000	247,520	102,840	428,560	300,600	4,563,810
1HFY21 resales <sup>(1)</sup>	9	2	1	2	4	1	5	2	2		1	2	1	32
Average tenure (years)	11.4	11.3	6.2	8.6	4.6	7.5	5.1	4.0	3.7		2.8	1.8	1.9	7.0
Average price growth p.a.	5.8%	3.8%	3.1%	5.0%	2.3%	12.0%	3.3%	6.4%	10.3%		6.0%	8.8%	13.6%	5.7%
Average purchase price (move in)	194,419	225,651	226,925	299,025	226,900	226,385	366,093	293,973	280,905		412,166	386,372	415,555	273,148
Average sales price (move out)	316,111	322,500	270,000	427,500	248,750	430,000	431,000	367,500	386,000		483,000	448,000	525,000	362,688
Average DMF <sup>(2)</sup>	56,528	48,375	54,000	85,500	42,070	86,000	75,440	64,400	53,720		57,960	35,990	42,000	58,443
Average DMF rate	17.8%	15.0%	20.0%	20.0%	17.0%	20.0%	17.6%	18.0%	14.0%		12.0%	8.0%	8.0%	16.4%
Total DMF received <sup>(2)</sup>	508,750	96,750	54,000	171,000	168,280	86,000	377,200	128,800	107,440		57,960	71,980	42,000	1,870,160

Notes

(1) Only includes resales that attracted a DMF.

(2) Excludes selling and administration fees.

# A.6 Cash flow analysis

Supplementary Cash Flow Analysis for 1HFY22	Completed Communities	Ocean Grove	Mount Duneed	Kaduna Park	Wollert North	Deanside	St Leonards	Meridian	Communities in planning	Total
Total Number of Homes	2,284	220	191	169	246	266	359	274	1,222	5,231
Settled 1HFY22		1	27	42	24	29	43			166
Remaining homes and lots available to be settled	-	-	52	17	186	213	309	274	1,222	2,273
<b>Capital Cash Flows (\$million)</b>										
Land	0.37				(5.04)			(20.93)	(34.96)	(60.56)
Development Expenditure (development and sales)	(0.13)	(0.11)	(0.93)	(1.06)	(5.05)	(8.70)	(6.36)	(15.08)	(0.31)	(37.73)
Home Construction	-	(0.06)	(3.84)	(3.08)	(12.78)	(10.42)	(13.60)	(2.11)		(45.88)
Home Settlements	-	0.53	12.19	19.11	10.42	13.07	17.18			72.49
<b>Net Development Cash Flows</b>	<b>0.25</b>	<b>0.36</b>	<b>7.42</b>	<b>14.97</b>	<b>(12.45)</b>	<b>(6.06)</b>	<b>(2.78)</b>	<b>(38.12)</b>	<b>(35.27)</b>	<b>(71.68)</b>
<b>Annuity Cash Flows (\$million)</b>										
Site Rentals (incl. management fees)	11.46	1.20	0.67	0.73	0.27	0.22				14.55
Deferred Management Fees Received (net) <sup>(2)</sup>	3.39	0.33	(0.03)	(0.02)	(0.01)	(0.01)	(0.01)			3.63
Community Operating Costs <sup>(3)</sup>	(4.24)	(0.46)	(0.25)	(0.36)	(0.18)	(0.17)	(0.13)			(5.80)
Net result from utilities <sup>(2)</sup>	0.19	0.03	0.01	0.01	(0.02)	(0.02)	(0.00)			0.19
Operations Management overheads										(0.85)
<b>Net Annuity Cash Flows</b>	<b>10.79</b>	<b>1.09</b>	<b>0.39</b>	<b>0.36</b>	<b>0.06</b>	<b>0.01</b>	<b>(0.13)</b>		<b>-</b>	<b>11.73</b>
Head Office Costs										(8.82)
<b>Net Operating Cash Flows</b>										<b>(68.77)</b>
<b>Reconciliation to statutory cash flows</b>										
Less - Interest										(2.60)
Less - Income taxes paid										(5.11)
Add - Land (investing cash flow)										60.56
Less - Movement in working capital										(0.79)
<b>Statutory Cash Flows from Operations (\$million)</b>										<b>(16.71)</b>

Notes

- (1) Deferred management fees received are inclusive of selling and administration fees as well as wages and marketing costs
- (2) 50% of cash flows for joint ventures are reflected above
- (3) Lifestyle Brookfield in Melton, Lifestyle Seasons in Tarneit, Lifestyle Warragul, Lifestyle Casey Fields in Cranbourne, Lifestyle Chelsea Heights, Lifestyle Hastings, Lifestyle Lyndarum in Wollert, Lifestyle Geelong, Lifestyle Officer, Lifestyle Berwick Waters, Lifestyle Shepparton and Lifestyle Bittern are fully settled
- (4) Lifestyle Tyabb, Lifestyle Pakenham East, Lifestyle Clyde, Lifestyle Woodlea and Lifestyle Phillip Island

# A.7 Cash flow analysis

Supplementary Cash Flow Analysis for 1HFY21	Completed Communities	Ocean Grove	Mount Duneed	Kaduna Park	Wollert North	Deanside	St Leonards	Communities in planning	Total
Total Number of Homes	2,284	220	191	169	246	266	199	1,099	4,674
Settled 1HFY21	6	25	22	34	1				88
Remaining homes and lots available to be settled	2	10	112	116	245	266	199	1,099	2,049
<b>Capital Cash Flows (\$million)</b>									
Land	-	-	-	-	-	-	(11.74)	(1.60)	(13.34)
Development Expenditure (development and sales)	(0.41)	(0.45)	(4.36)	(4.99)	(11.55)	(8.56)	(4.47)	(0.36)	(35.15)
Home Construction	-	(0.14)	(7.98)	(8.11)	(5.43)	(1.76)	(0.29)	-	(23.71)
Home Settlements	1.52	10.56	8.65	13.28	0.36	-	-	-	34.37
<b>Net Development Cash Flows</b>	<b>1.11</b>	<b>9.97</b>	<b>(3.69)</b>	<b>0.18</b>	<b>(16.62)</b>	<b>(10.32)</b>	<b>(16.50)</b>	<b>(1.96)</b>	<b>(37.83)</b>
<b>Annuity Cash Flows (\$million)</b>									
Site Rentals (incl. management fees)	11.05	1.04	0.18	-	-	-	-	-	12.27
DMF Received (net) <sup>(2)</sup>	1.48	0.04	(0.01)	-	-	-	-	-	1.51
Community Operating Costs <sup>(3)</sup>	(3.40)	(0.34)	(0.22)	(0.18)	(0.01)	-	-	-	(4.15)
Net result from utilities <sup>(2)</sup>	0.17	0.04	(0.02)	0.01	-	-	-	-	0.20
Operation management overheads									(0.86)
<b>Net Annuity Cash Flows</b>	<b>9.30</b>	<b>0.78</b>	<b>(0.07)</b>	<b>(0.17)</b>	<b>(0.01)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.97</b>
Support Office Costs									(4.75)
<b>Net Operating Cash Flows</b>									<b>(33.61)</b>
Reconciliation to statutory cash flows									
Less - Interest									(2.01)
Less - Income taxes paid									(2.91)
Add - JobKeeper received									1.14
Add - Land (investing cash flow)									13.34
Add - Movement in working capital									(1.35)
<b>Statutory Cash Flows from Operations (\$million)</b>									<b>(25.40)</b>

Notes  
(1) Deferred management fees received are inclusive of selling and administration fees as well as wages and marketing costs  
(2) 50% of cash flows for joint ventures are reflected above  
(3) Lifestyle Brookfield in Melton, Lifestyle Seasons in Tarneit, Lifestyle Warragul, Lifestyle Casey Fields in Cranbourne, Lifestyle Chelsea Heights, Lifestyle Hastings, Lifestyle Lyndarum in Wollert, Lifestyle Geelong, Lifestyle Officer, Lifestyle Berwick Waters, Lifestyle Shepparton and Lifestyle Bittern are fully settled  
(4) Lifestyle Tyabb, Lifestyle Pakenham East, Lifestyle Clyde, Lifestyle Woodlea and Lifestyle Phillip Island

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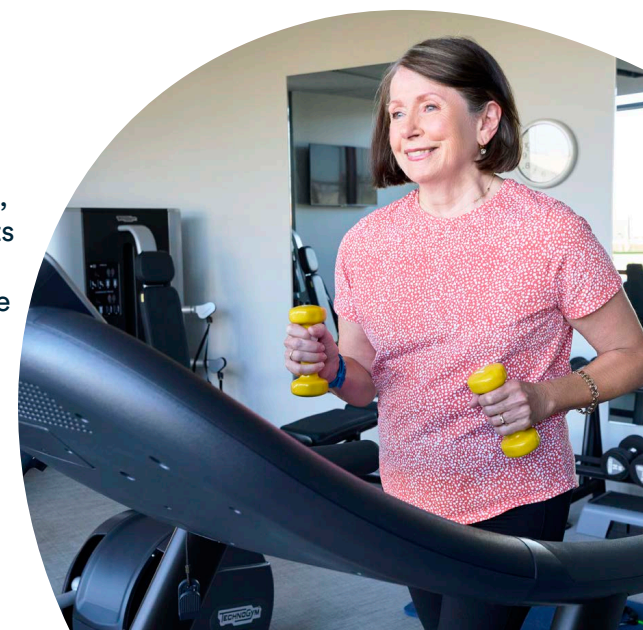
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