

27 October 2022

## Ingenia commences asset recycling program

### Key highlights

- Sale of three non-core regional communities at premium to 30 June 2022 book value
- Mature communities in markets with limited opportunity for growth
- Proceeds to deleverage balance sheet and fund development
- Further asset recycling planned for FY23

Ingenia Communities Group (ASX: INA) today announced that, consistent with the Group's focus on divesting non-core assets and recycling capital to fund development, two Ingenia Gardens rental communities and an inland regional holiday park, have been contracted for sale.

Contracts have been exchanged for the sale of Ingenia Gardens Horsham (located in Western Victoria) and Ingenia Gardens Tamworth in North-West NSW, with a combined 98 residential units. The communities are isolated in terms of the Group's operations, with limited potential for expansion or redevelopment. The \$11.8 million sale price represents a premium to the Group's June 2022 book value of \$10.54 million.

Contracts have also been exchanged for the sale of Ingenia Holidays Swan Reach for \$4.15 million. The Park was acquired as part of a broader portfolio transaction and is located in the Gippsland region of Victoria, approximately four hours South-East of Melbourne.

Simon Owen, CEO of Ingenia Communities, said the sale of the assets was consistent with the Group's ongoing review of the portfolio and focus on recycling capital to fund development.

"We continue to enhance the quality and scale of assets across the portfolio and these divestments are in line with this objective. It is pleasing to see the Gardens communities transact on capitalisation rates in the low to mid 8% range, indicative of our view that valuation of this asset class remains mispriced.

The sale proceeds will be deployed across our growing pipeline of opportunities in the lifestyle business as we continue to grow the portfolio via the creation of sustainable, high quality communities."

The Group anticipates further divestments over the course of the current financial year.

*Authorised for lodgement by the Chairman.*

**ENDS**

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#### **About Ingenia Communities Group**

Ingenia Communities Group (ASX: INA) is a leading owner, operator and developer of communities offering quality 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 more than 100 communities and is continuing to grow.

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).