



ASX / Media Release

25 February 2014

Ingenia continues to build market leading MHE position in NSW

Highlights:

- Conditional contracts exchanged for Town and Country Estate in Sydney (Marsden Park); purchase price of \$18 million on a stabilised yield of 8.0% and an unlevered IRR of 15%
- Conditional contracts exchanged for Sun Country Holiday Village in the South West NSW market cluster; purchase price of \$7 million on a stabilised yield of 19.8% and unlevered IRR > 15%
- Due diligence near complete for these acquisitions. They will add 258 permanent homes, 200 annual cabins, 37 short term sites and over 288 development sites (many with existing approvals in place) to the Group's MHE portfolio with further upside identified
- Conditional contracts have also been exchanged for a third manufactured home and tourist park in Sydney, subject to due diligence

Ingenia Communities Group (ASX: INA) today announced conditional contracts have been exchanged for three additional manufactured home and tourist parks, two of which are at final stages of due diligence. All three acquisitions will be funded from the Group's September 2013 \$61.7 million Rights Issue.

Ingenia is now the largest owner and operator of Manufactured Home Estates (MHEs) in New South Wales with a total of 15 acquisitions completed or under contract since entering the market in February 2013.

MHEs are a key component of Ingenia's growth strategy due to the high quality recurrent cash yields, capital light lower risk development model, and the strong and increasing demand for quality affordable housing for active seniors.

Ingenia Communities Chief Executive Officer, Simon Owen, said: "Town and Country and Sun Country are immediately accretive, bolt-on acquisitions that will add 495 home and tourist sites and over 288 development sites to our growing pipeline."

Settlement for Town and Country and Sun Country and completion of due diligence on the third MHE community are expected in coming months.

Town and Country Estate

Town and Country Estate (Town and Country) is a long established manufactured home and tourist park located in Marsden Park, within the North-West NSW growth corridor and 49 kilometres from the Sydney CBD. It comprises 224 permanent homes and 14 short term tourist sites of which more than 120 sites can be immediately redeveloped, in addition to a further 25 new home sites on an adjacent vacant land (requires development approval – not included in forecast returns). The park is to be acquired for \$18 million, of which \$15 million will be paid at settlement and \$3 million (plus interest) deferred for three years. The trailing yield on in-situ rents is 7.5% (projected stabilised yield of 8.0%), and forecast unlevered internal rate of return (IRR) of 15% with further upside identified.

Town and Country will represent Ingenia's second acquisition in the tightly held Sydney market. Marsden Park is one of the fastest growing residential markets in NSW. As one of two growth corridor precincts announced as part of the NSW Government Precinct Acceleration Protocol in July 2011, the accelerated land rezoning in the area is projected to create 4,300 jobs and 10,300 new homes. This acquisition is immediately earnings accretive delivering strong cashflow from its existing sites and provides for immediate potential for buyback of existing old accommodation and redevelopment of new manufactured homes.

Sun Country Holiday Village

Sun Country Holiday Village (Sun Country) is a long established manufactured home and tourist park located at the outskirts of the Mulwala Township opposite Lake Mulwala, a unique and highly popular holiday and retirement destination for Melbournians.

Located approximately 90 kilometres west of Albury, Sun Country will represent Ingenia's fifth acquisition in the South West NSW cluster. The park comprises 34 permanent homes, 200 annual cabins, 20 tourist sites and 3 powered camp sites. It offers a significant development potential with consent in place to develop a further 36 short term sites and 107 residential sites. The park is to be acquired for \$7 million, on a trailing yield on in-situ rents of 7.2% (projected stabilised yield of 19.8%) and forecast unlevered IRR >15%. The 200 privately owned annual holiday cabins provide a strong secure recurrent rental income as they are leased out on a long term basis.

Summary of MHE Acquisitions

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

JUNE PLACEMENT ACQUISITIONS

Nepean	101	67	25+
Albury Citygate	26	56	130+
Mudgee Valley	37	77	50+
Mudgee Tourist	99	73	40+
Lake Macquarie	41	26	60+
Macquarie Lakeside	43	35	20+

SEPTEMBER RIGHTS ISSUE ACQUISITIONS

Drifters	114	68	25+
Big4 Valley	6	114	60+
Wine Country	-	60	35+
One Mile	2	236	45+
Town and Country	224	14	145+
Sun Country	34	223	143
TOTAL:	957	1,079	858+

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

About Ingenia Communities Group

Ingenia Communities Group (ASX: INA) is a leading operator, owner and developer committed to providing quality affordable seniors housing to older Australians. The Group has 57 villages across Australia, comprising over 6,000 homes. In September 2013, the Group was included in the S&P/ASX 300.

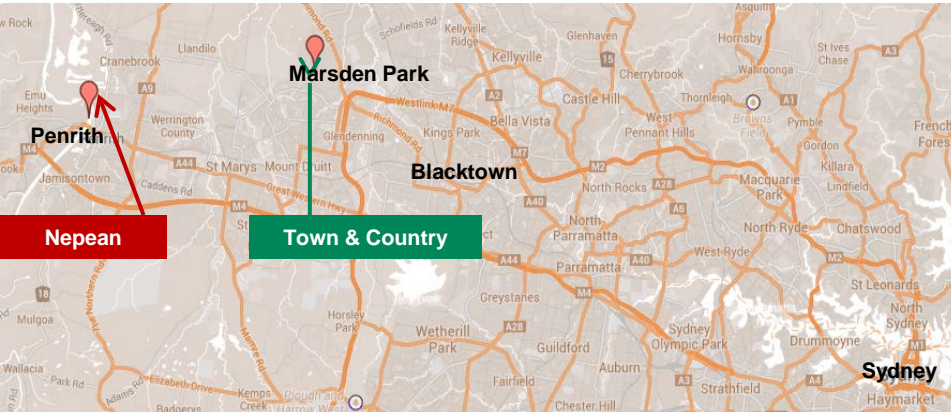
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Ingenia Communities Holdings Limited (ACN 154 444 925), Ingenia Communities Fund (ASRN 107 459 576) and Ingenia Communities Management Trust (ARSN 122 928 410). The Responsible Entity for each scheme is Ingenia Communities RE Limited (ACN 154 464 990) (AFSL415862).

Snapshot of Marsden Park, NSW

Acquiring Ingenia's second MHE in the tightly held Sydney basin market



BLACKTOWN LGA* METRICS

- > Marsden Park is located within the Blacktown LGA, which forms part of the North-West growth corridor
- > It was selected as part of the NSW Government Precinct Acceleration Protocol in July 2011
- > This accelerated land rezoning is projected to create 4,300 new jobs and 10,300 new homes for the precinct, making it one of the fastest growing residential markets in NSW
- > Total population aged over 50s in the primary catchment is forecast to grow by 15% by 2016, in line with Sydney's growth rate of 16%
- > Current median house price in Blacktown LGA for 2013 was \$433k
- > Our investment is underpinned by:

- Marsden Park as one of the fastest growing residential markets in NSW. Demand for retirement living exceeds supply
- Limited MHE Competition - only one direct MHE competitor in the primary catchment
- Immediate redevelopment and refurbishment opportunities for 120+ existing park-owned sites to generate strong net development cashflow, in addition to a further 25+ new home sites in the adjacent vacant land

* local government area

VILLAGE PROFILE : TOWN & COUNTRY

- > A manufactured home and tourist park with 224 permanent homes, 14 short term tourism sites and development potential for 145+ sites
- > Located in Marsden Park within the North West NSW growth corridor
- > Easy access to Sydney, 49km from CBD
- > Ingenia's second community in Sydney, with management assessing more opportunities in this attractive and tightly held market

Snapshot of Corowa, NSW

Ingenia's fifth acquisition in the South West NSW Cluster



COROWA LGA* METRICS

- > The Park is located at the outskirts of the Mulwala Township opposite Lake Mulwala, which spans the NSW and Victoria border townships of Mulwala and Yarrawonga in the LGA
- > Population of Mulwala and Yarrawonga is approximately 9,000 with an average age of 51, significantly higher than the Australian average age of 37
- > 45% of total population in the LGA are aged over 55, and projected to grow to nearly 54% by 2031
- > Strong historical residential market performance with an average house price growth of 5.4% p.a. across 2004-2011
- > Our investment is underpinned by:

- Excellent climate making the area a unique and popular holiday and retirement destination for Melbournians
- A significant development upside with 107 permanent and 36 short term additional sites that have development approval
- Limited competition - one retirement village and no MHE in Mulwala

* local government area

VILLAGE PROFILE : SUN COUNTRY

- > A manufactured home and tourist park with 34 permanent homes, 200 annual cabins, 23 short term sites and development approved for 143 sites
- > Located in Mulwala, NSW (Shire of Corowa)
- > 90km west of Albury and 270km north of Melbourne on the NSW Victorian border
- > Ingenia's fifth community in this cluster, with management assessing more opportunities in this attractive market