

19 August 2013

Immediate release to the ASX

Overview

Lifestyle Communities Ltd advises that it has executed a Contract of Sale with AV Jennings Ltd to purchase a site in Wollert. The acquisition price is \$6.7 million and a 10% deposit has been paid with settlement in June 2014.

The acquisition of this land will increase the number of home sites in the Lifestyle Communities portfolio to 1,460, an increase of 150 home sites or approximately 11%.

The Lifestyle Community at Wollert will be the company's eighth community.

This is the second acquisition undertaken by Lifestyle Communities after raising \$36 million in December 2012 to support its growth strategy of providing affordable housing to the emerging baby boomer. Lifestyle Communities is also currently assessing a number of further sites in metropolitan Melbourne and Geelong.

The Wollert land is in the Whittlesea growth corridor in Melbourne's north, and is located within AV Jennings Lyndarum Estate. This corridor has approximately 2,500 hectares of land zoned for urban growth and has been targeted by Lifestyle Communities for a future community. Lifestyle Communities have assessed more than 20 potential sites before securing the AV Jennings site. The site adjoins a conservation reserve, is next door to a future neighborhood shopping centre and will be opposite a major recreational reserve.

Lifestyle Communities and AV Jennings are continuing to work together to assess further opportunities within the AV Jennings current and future land portfolio. AV Jennings currently controls land for over 10,000 homes across the eastern seaboard of Australia, South Australia and New Zealand.

Feasibility and Site Assessment

The demographics of the Whittlesea corridor and the Wollert area are favorable for a Lifestyle Community and compare favorably with other Lifestyle Communities that have been performing well.



Key parameters that are considered when assessing the potential performance of a site include:

- Proposed house prices within the community relative to the median house price in the area;
- The number of people in the immediate catchment;
- The forecast rate of population growth in the area; and
- Competition and alternative affordable housing solutions.

The Wollert site meets these investment criteria:

- As at 2011, there were approximately 154,000 people living in the area with around 24,000 over the age of 60;
- The area has a median house price of approximately \$390,000;
- The population of the Wollert area is forecast to increase by more than 73% during the next 20 years; and
- There are currently no affordable housing solutions similar to a Lifestyle Community available in the area.

Timing

It is expected that construction will commence upon settlement of the land acquisition in June 2014. The settlement of the first homes would then be expected to occur early in calendar year 2015.

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About Lifestyle Communities

Based in Melbourne, Victoria, Lifestyle Communities develops, owns and manages affordable independent living communities.