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ASX Announcement
ING Real Estate Community Living Fund ("ILF")

5 April 2006

Acquisition of New Zealand student accommodation and 30% interest in Country Club Villages

ING Management Limited ("IML") as Responsible Entity of ING Real Estate Community Living Fund ("ILF" or "the Fund") today announced that the Fund has entered into separate contracts to acquire student accommodation properties in Wellington, New Zealand for NZ$32 million (A$28.1 million) and a 30% interest in Country Club Villages Pty Ltd, a private developer, owner and operator of retirement villages in Australia, for A$23.5 million.

The acquisition of three New Zealand student accommodation properties represents the Fund's first Australasian student accommodation acquisition and first step to becoming a market consolidator in this sector in Australia and New Zealand. The Fund will enter into an agreement with Campus Living Villages to operate the assets. The properties are situated in the Central Business District of Wellington and provide accommodation for students of The Victoria University of Wellington ("VUW"). The assets are currently 100% occupied.

The acquisition of a 30% interest in Country Club Villages Pty Ltd ("CCV") represents the Fund's first acquisition of retirement villages operated under the Deferred Management Fee ("DMF") model. CCV currently owns two existing villages, one village under construction, two development sites with development consent and two sites pending development approval.

Hugh Thomson, CEO of ING Real Estate Investment Management Australia ("INGREIMA") said, "These acquisitions continue the momentum of the Fund, geographically expanding the Fund's student portfolio into the Australasian market, establishing a relationship with VUW and diversifying the Australian seniors housing portfolio by providing exposure to the deferred management fee model with a high quality partner, Country Club Villages."

Ian Muir, ILF CEO added, "On completion of these acquisitions and the current development pipeline, the Australasian weighting of the Fund will increase to 42%. The New Zealand transaction provides a solid base from which to further expand in the Australasian student accommodation market."

The New Zealand student portfolio is being acquired on a pre-cost initial yield of 9.5% and is expected to exhibit long term growth of 3.0%.

CCV is being acquired on a forecast average three year income yield of 12.1% and is expected to provide strong income growth for the Fund, particularly in 2009 and 2010. The existing villages are being acquired on a discount rate of 13.5%, while the development sites are being acquired on a discount rate of 17.3%.

The acquisitions will be initially funded using debt, taking the Fund's gearing to 58.7%. While this level of gearing is within the Fund's target gearing range of 45-60%, it will seek to reduce gearing when next raising equity.

Additional information on New Zealand student accommodation

The Fund will acquire three student housing accommodation buildings for a total consideration of NZ$32 million (A$28.1 million) before costs, which represents a discount of 5.6% to the independent valuations prepared by Colliers International of NZ$33.9 million. The Fund will enter into an agreement with Campus Living Villages to operate the assets.

This acquisition marks the Fund's initial entry into the Australasian student accommodation market. The assets are situated in the Central Business District of Wellington NZ where there is limited supply of land for new development which underpins demand and asset value. The assets are known as Cumberland House, McKenzies Apartments and Education House.

Table 1: NZ students

Property	Apartments	Distance to campus (mins)	Last refurbishment	Occupancy Term time (off season)	Value (NZ$m)	Valuation Yield
Cumberland House	191	10-15	2000	100% (30%)	15.5	10%
Mckenzies Apartments	63	10-15	1998	100% (55%)	12.0	10%
Education House	108	10	2002	100% (65%)	6.4	9.25%
Total	**362**				**33.9**	**9.9%**

VUW has an existing agreement in relation to each of the properties. VUW guarantees a minimum occupancy of 90% of the available beds, bedrooms or studios available in each of the properties. This applies to the academic year which is defined as being 38 weeks per annum. If occupancy exceeds 90% a performance fee is paid to VUW at year end. There also exists the opportunity for potential income upside from pro active management to increase occupancy in the off season period.

There is currently an undersupply of student accommodation to meet the existing demand in Wellington. Approximately 50% of students enrolled in VUW are from outside the region (including international students) creating a potential market for VUW student accommodation in excess of 8,000 beds. The current VUW bed inventory is estimated at 2,460, with a waiting list of circa 500 students at the commencement of the 2006 year.

The three properties have been acquired on an initial pre-cost yield of 9.5%. These assets will represent 5% of the Fund's overall portfolio value (on completion of the current pipeline) and increase the exposure to student accommodation from 27% to 31%.

This acquisition also establishes a relationship with VUW which ranks as the 5th largest university in New Zealand by total enrolments, but one of the fastest growing, having experienced growth in student enrolments of 8.7% from 2002 to 2004. The Fund will look to pursue further investment opportunities through this partnership.

Campus Living Villages are a specialist student accommodation manager, and operate facilities for Massey University (Palmerston North, NZ), Canterbury University (Christchurch, NZ), Sydney University, RMIT (Melbourne), and Macquarie University (Sydney).

Additional information on Country Club Villages

The Fund will acquire a 30% interest in Country Club Villages, a private owner, operator and developer of retirement villages in Australia, for A$23.5 million. The existing Joint Venture owners, Stewart Gull and Jim Selkirk, are Ballarat based, and will retain 70% ownership. Stewart Gull and his team, who started developing retirement villages in 1992, will continue to operate and develop the villages under the CCV brand. Jim Selkirk runs his family business Selkirk Bricks, Victoria's largest brick manufacturer, established for over 123 years.

The CCV properties are well located across regional Victoria and in Noosa, Queensland. The portfolio currently comprise two existing villages, one village under construction, two development sites with development consent and two sites pending development approval. The objective of the Joint Venture is to continue to own, operate and develop these assets, as well as purchasing new villages and "greenfield" sites. Existing units under management together with the development pipeline will result in the management of 1,341 units, developed over the next eight years.

An overview of the assets is detailed within the following table:

Table 2: Country Club Villages

Property Name	Address	Suburb	State	Units[1]	Area Ha	Status
Rosebank	Charlotte St	Sebastopol	VIC	120	1.1[2]	Existing village
Geelong Grove	Barwarre Rd	Grovedale	VIC	148	-	Existing village
Hemsley Park	Stawell St	Ballarat	VIC	216	10.3	Under construction
Noosaville	Walter Hay Dr	Noosaville	QLD	169	6.77	Permitted site
Coolaroo	Pascoe Vale Rd	Coolaroo	VIC	107	5.12	Permitted site
Bacchus Marsh	Underbank Blvd	Bacchus Marsh	VIC	252	10.37	Pending approval
Bellarine	Bellarine Hwy	Moolap	VIC	329	48.56	Pending approval

[1] Includes existing and proposed Independent Living units, Independent Living Apartments and Serviced Apartments ("units")
[2] Surplus land area only

The villages operate under the deferred management fee ("DMF") model which is a contractual agreement entered into between the resident and operator.

The DMF is the operator's entitlement to receive a percentage of the resale value of the resident's unit. This percentage is calculated at a fixed percentage rate per annum accrued and capped by a maximum number of years in occupation.

The annual DMF cash flows received by CCV is a function of the number of re-sales within a given year. As villages mature, this turnover is more frequent. The release of the development pipeline and subsequent development profits plus DMF income from mature villages will in the short to medium term supplement DMF income whilst all new villages enter into maturity.

The cost of the day to day management of the village (including staff/administration etc) is recovered from the residents.

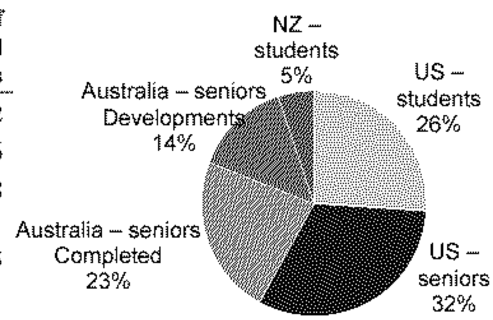
This acquisition marks the Fund's initial entry into the DMF retirement village market, which accounts for circa 80% of the retirement accommodation market in Australia. Importantly, the entry is with an experienced operator and developer who has established and delivered a quality product and brand and furthermore has a substantial development pipeline.

Additional information on portfolio impact

Asset weightings and geographic exposure post the acquisitions are illustrated below

Table 3: Portfolio statistics

	Portfolio Value (A$m)	No. of Properties	No. of Residential Units
US – Seniors	188.0[1]	8	1,512
US - Students	152.2[2]	20	1,166
Australia – Seniors (completed)	139.5	39	1,748
Australia – Seniors (developments)	81.3[3]	14	1,665
New Zealand – Students	29.8[4]	3	362
Total	**590.8**	**84**	**6,453**



[1] Assumes exchange rate of A$1 = US$0.76
[2] Assumes exchange rate of A$1 = US$0.75
[3] Represents on completion valuation
[4] Assumes exchange rate of A$1 = NZ$1.14

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