

11 October 2023

Trading and divestments update

- Progress on divestment program – exchanged contracts totalling \$18.6 million
- Total of 79 home settlements for Q1
- Holidays business continued strong trading, with forward bookings up 9% on pcg

In conjunction with the Group's attendance at Citi's 2023 Australian and New Zealand Investment Conference, Ingenia Communities Group (ASX:INA) provides an update on pending divestments and solid first quarter performance from the Group's operating and development segments.

Capital management

Ingenia has exchanged contracts to divest a non-core 7.8-hectare block of land in Hervey Bay on the Queensland Fraser Coast initially acquired as part of the Group's 2021 purchase of the Seachange portfolio. Ingenia already has a 450-home development project in Hervey Bay which commenced in 2018 and the Seachange site was considered surplus to requirements. The site has been sold for \$11.5 million representing a premium to June 2023 book value, with settlement expected to occur before the end of 2023.

The Group also announced that it had exchanged contracts to divest its 2.4-hectare, leasehold Broulee holiday park on the NSW South Coast. The divestment remains conditional on assignment of the lease from the NSW government. The Park has been sold at book value of \$7.1 million with settlement expected to occur at the end of 2023. The Group retains a presence on the NSW South Coast through ownership or operation of nine holiday parks.

These divestments are aligned with Ingenia's strategy of actively recycling capital to invest into existing communities under development, selectively restock the Group's development pipeline and manage gearing.

Trading update

The Group's Holiday Parks continued to experience strong demand over the first quarter, benefitting from solid winter trading and the September school holidays. Forward bookings remain elevated compared to the same period in FY23 and are up 9% through to the end of FY24 as families remain attracted to the ease and relative affordability of domestic drive travel. The outlook for the Holidays business remains robust with the long-term fundamentals supporting ongoing growth for affordable domestic travel across eastern seaboard locations.

The Group's residential communities are continuing to deliver stable recurring rent as the portfolio benefits from ongoing demand and high occupancy. With a large portion of the rental base achieving CPI plus rent growth, average rents are growing as reviews are undertaken. In Q1 an average rental uplift of over 7.5% was applied across six land lease communities, with average rental growth of 8.5% across five of the Group's all-age rental communities. Across the all-age rental communities, occupancy sits at 99%, with Ingenia Gardens occupancy at 97%.

Development and settlements

Construction timelines are continuing to gradually retrace towards pre-Covid levels as availability of trades steadily improves. Ingenia now has 18 projects under development with the average build time now at 23 weeks, down slightly from 25 weeks at June 2023.

At 30 September 2023, 79 homes had been settled and there were 318 deposits and contracts on hand to support future settlements. This result represents a significant increase on prior year (36 Q1 settlements) and is in line with expectations, given extended days on market and subdued activity over winter.

Customer enquiry has been increasing, with recent spring sales events attracting interest in current and future stage releases. The launch of new communities at Bargara (QLD) and Fullerton Cove (NSW) later this month, combined with further sales events in Q2, will increase the number of projects in market and broaden the Group's sales pipeline. Year to date the average sales price of \$588,000 (Ingenia and fund owned projects only) has increased on FY23 as momentum in settlements has built at Victoria Point and Nature's Edge (both in QLD).

Residential market conditions continue to slowly improve driven principally by rising demand and limited new supply however days on market remains elevated with high inflation and interest rates continuing to slow the sales journey for many prospective purchasers.

Authorised for lodgement by the Chairman.

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About Ingenia Communities Group

Ingenia Communities Group (ASX: INA) is a leading operator, owner and developer of communities offering quality land lease, 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 \$1.7 billion.

Across Ingenia Lifestyle, Ingenia Gardens, Ingenia Holidays and Ingenia Rental, the Group has over 100 communities.

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).