

31 March 2017

Immediate release to the ASX

**Lifestyle Communities acquires a 190 home site in Armstrong Creek**

Lifestyle Communities Limited (ASX code: LIC) advises that it has executed a contract of sale to purchase a site within Villawood Properties' award-winning Armstrong Estate located in Armstrong Creek, Victoria. The acquisition price is \$10.0 million and settlement is expected to occur in September 2018 with construction anticipated to commence soon afterwards.

The contract is conditional on obtaining a planning permit, although Lifestyle Communities does not see this as a significant risk.

As a result of this acquisition, Lifestyle Communities' portfolio will increase by approximately 190 home sites to 2,634 which includes sites in planning, development or under management.

Lifestyle Communities Managing Director James Kelly said, "This community will be our fourteenth community for over 50s in Victoria. Our communities continue to target the emerging baby boomer generation by providing an affordable, active and engaging environment in which to live. Armstrong Creek will be no exception with a new generation clubhouse, bowling green, tennis court, indoor pool and a range of other facilities."

Mr Kelly added that we have been looking for a site in the Armstrong Creek area for several years to capture the over 50s population living within the south Geelong catchment. Furthermore, this project will complement the Lifestyle Geelong project currently under development in north Geelong and the recently released Lifestyle Ocean Grove development located on the Bellarine Peninsula.

Villawood Properties Executive Director Rory Costelloe said, "We are pleased to sell a second site to Lifestyle Communities and provide an affordable option for over 50s living within our Lifestyle Armstrong master-planned community."

Armstrong Creek is the primary growth corridor for the Geelong region and it is expected to accommodate approximately 60,000 people upon completion. The Lifestyle Communities site, which is expected to house approximately 280 residents, is located within close proximity to the Waurin Ponds Shopping Centre and public transport.

**Feasibility and Site Assessment**

The demographics of Armstrong Creek are favourable for a Lifestyle Community and compare well with other Lifestyle Communities that have been selling across Victoria.

Key parameters considered when assessing a site for a new Lifestyle Community include:

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

The Armstrong Creek site meets these investment criteria:

- The catchment area has a median house price of approximately \$490,000;
- There are 77,000 people in the primary catchment and a further 152,000 in the broader Geelong catchment; and
- Approximately one in three people within the primary catchment are aged over 50.

### Likely Settlement Program

The Armstrong Creek site is expected to deliver settlements within the first quarter of the 2020 financial year. Below is a chart reflecting current estimates of the settlement period for existing communities under development or subject to planning.

Community	FY17		FY18				FY19				FY20				FY21			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Shepparton																		
Wollert																		
Geelong																		
Officer																		
Berwick Waters																		
Bittern <sup>(1)</sup>																		
Ocean Grove <sup>(1)</sup>																		
Armstrong Creek <sup>(1)</sup>																		

Represents tail of development which is often a slower settlement rate

Notes: (1) Subject to planning approval

The above timescale reflects current estimates of the settlement period for the existing developments.  
Settlement rates are a function of market conditions

James Kelly  
Managing Director  
Ph: (03) 9682 2249  
Email: james.kelly@lifestylecommunities.com.au

### About Lifestyle Communities

Based in Melbourne, Victoria, Lifestyle Communities develops, owns and manages affordable independent living residential land lease communities. Lifestyle Communities has fourteen residential land lease communities in planning, development or under management.