

ASX:LIC

16 November 2021

**Immediate Release to the ASX**

Lifestyle Communities releases the attached Chair and Managing Director address for the Annual General Meeting to be held today at 9.00am (Melbourne time).

Authorised for lodgement by the Company Secretary.

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**About Lifestyle Communities**

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

# *A Business for Purpose*



*Lifestyle*  
COMMUNITIES

Annual General Meeting  
16 November 2021



# *Section 1*

## *Introduction from*

### *Chair - Philippa Kelly*





# Overview

- Continued focus on our people who did an outstanding job during a challenging year
- Site pipeline growth underpinned by acquisitions at Woodlea, St Leonards, Phillip Island and Mickleham
- Industry continues to mature and consolidate – Halcyon and Sea Change acquisitions by Stockland and Ingenia highlight strong demand
- Increasing competition helps to grow the sector and meet the increasing demand from the ageing population
- Innovation in product design and service strategy

**A balanced business model structured  
for sustainable growth**

LIFESTYLE COMMUNITIES A BUSINESS FOR PURPOSE

Deanside Clubhouse at twilight



# Overview

- We are custodians of our communities
  - Customer experience is core to our operations
  - Reinvestment in mature communities
- ESG framework is maturing – Affordable housing remains our primary purpose
- Changes to Executive Remuneration Structure - introduction of a long term incentive scheme
- Board succession – Recruitment process underway to replace Georgina Williams

**A balanced business model structured  
for sustainable growth**

LIFESTYLE COMMUNITIES: A BUSINESS FOR PURPOSE





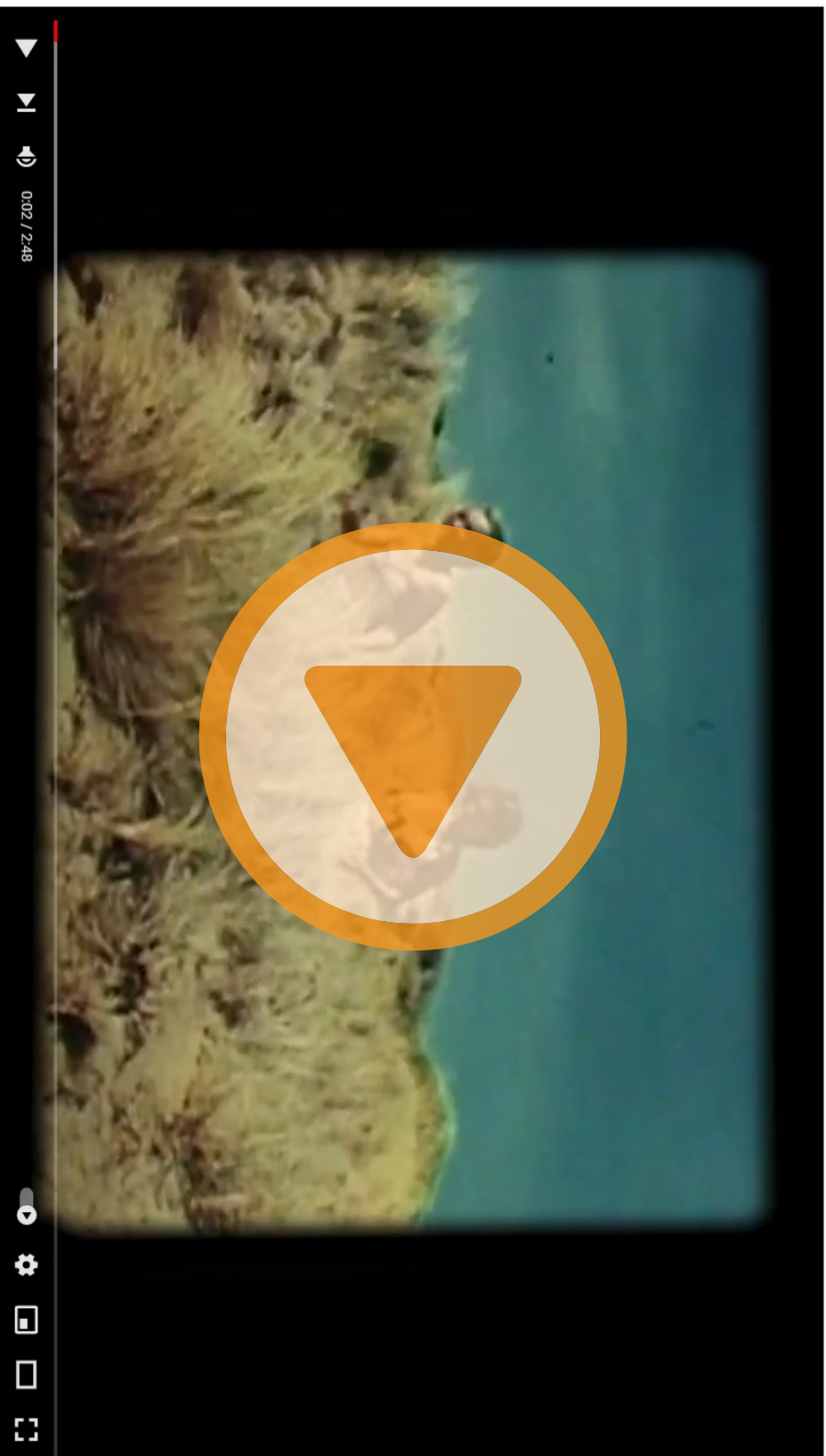
# *Section 2 Presentation from Managing Director - James Kelly*





# Our Story

## An ode to the Baby Boomer





# FY21 Review

24

24 Communities.  
18 in operation, 6 in  
planning or development

117

117 Employees.  
67% female, 33% male



Four new  
clubhouses opened



255 new home  
settlements



105 resale settlements  
attracting a DMF



2 new land  
acquisitions



4,000+ homeowners live in 2,790+  
homes under management



Profit after tax  
of \$91.1m

Deanside Clubhouse



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# Maintaining our Culture as we grow



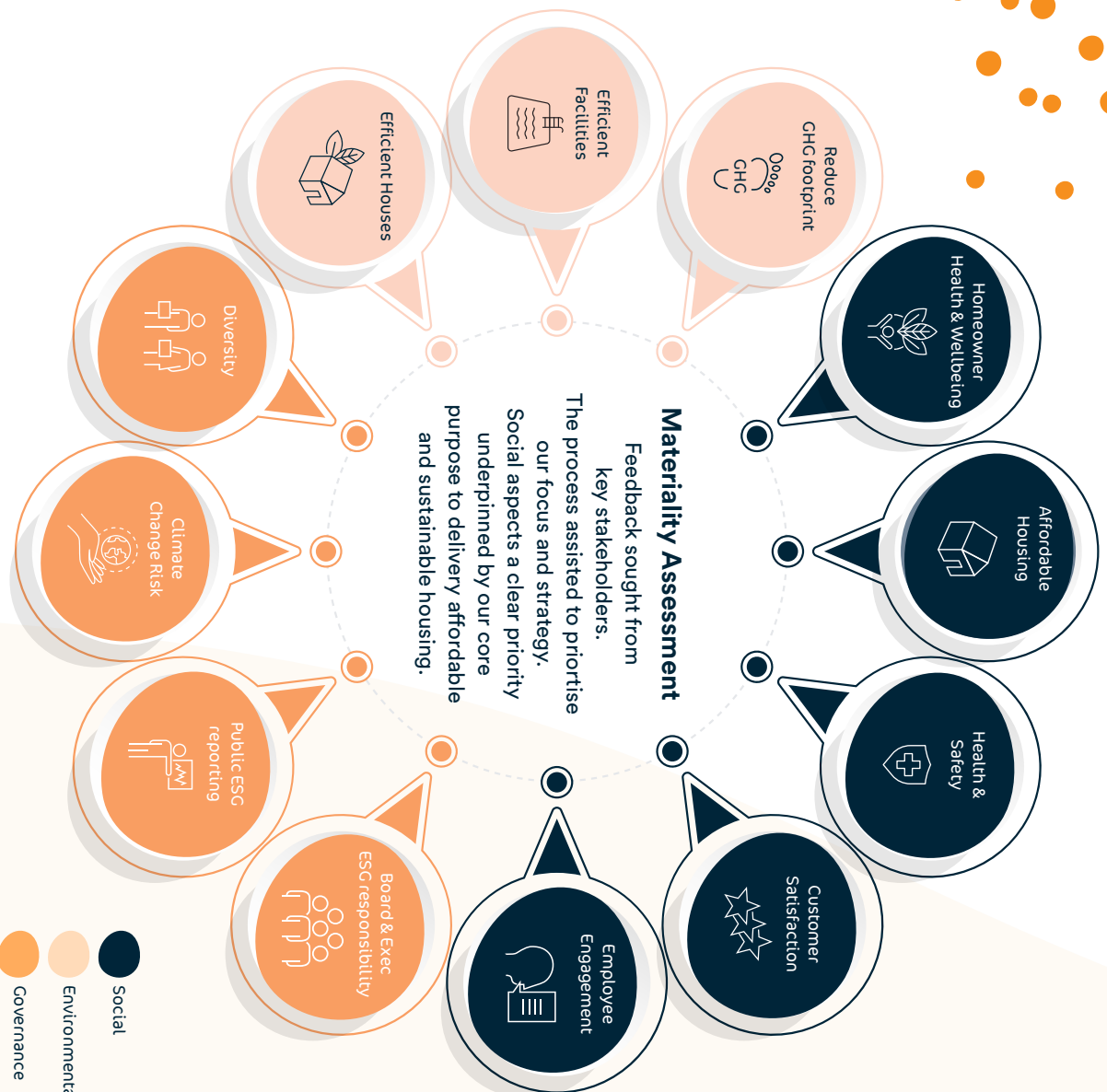
- Lifestyle's key point of difference is our customer centric culture
- At the forefront of this is our recruitment strategy
- Increasingly we recruit for culture and train for skill
- We are increasing the investment in our team and their training to build both competency and customer service skills
- The Lifestyle culture is the primary driver of our high referral rate for sales



# Our Approach to ESG

- Social aspects a clear priority underpinned by our core purpose to deliver affordable and sustainable housing
- The business has always prioritised our social license
- FY21 saw a maturing of our ESG framework and a more formalised approach
- Feedback from key stakeholders helped prioritise our focus and strategy
- Commitment to take a targeted approach and tell our story

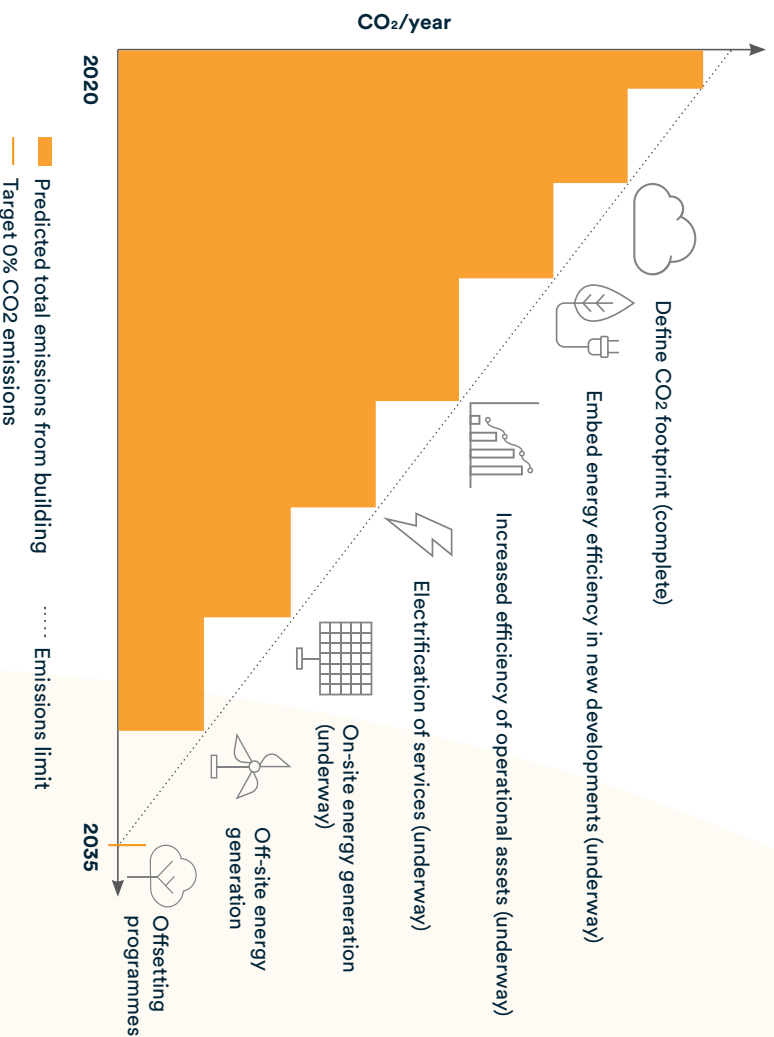
Our product and operating model has been designed to address inequality in housing options for Australia's ageing population





# Our Carbon Emissions

- Measured our baseline for the first time
- Announced our commitment to achieve net zero operational carbon emissions by no later than 2035
- Comparison to existing housing stock highlights the inherent benefits of moving from existing housing stock to more efficient Lifestyle Communities houses
- Innovations such as the solar + community battery micro-grid at Lifestyle Meridian will assist in reducing emissions over time
- Targeting initiatives that not only lower carbon emissions but also reduce cost of living for our customers



Average greenhouse gas emissions of a Lifestyle house compared to a typical home in Melbourne's outer suburbs.

**3.35 tonnes**  
of carbon per annum

Average Lifestyle House

**5.2 tonnes**  
of carbon per annum

Typical 1-person house in the suburbs

**8.1 tonnes**  
of carbon per annum

Typical 2-person house in the suburbs

The "typical" house above refers to an average home in Broadmeadows Victoria with no pool, using gas for heating and cooking, modelled using the Governments energy made easy website: [energymadeeasy.gov.au](http://energymadeeasy.gov.au).



# FY22 Update

- 114 settlements achieved to date – Bookings impacted by lockdowns but we have seen recovery as restrictions have eased
- 53 resale settlements achieved to date – 49 of these have attracted a deferred management fee
- Acquired new sites in Phillip Island and Mickleham
- Tyabb planning permit application refused – Land contracts were conditional on receiving a planning permit and have been allowed to lapse
- First homes under construction at Lifestyle Meridian
- Debt facility extended by \$100m to a total of \$375m. Next refinancing due June 2025
- Rolling out our first fully integrated micro-grid at Meridian
- Continue to evolve our clubhouse and home designs in line with customer expectations
- IT Transformation - New website launched in October, SAP will go-live in January, and Salesforce on track for go-live in Q4

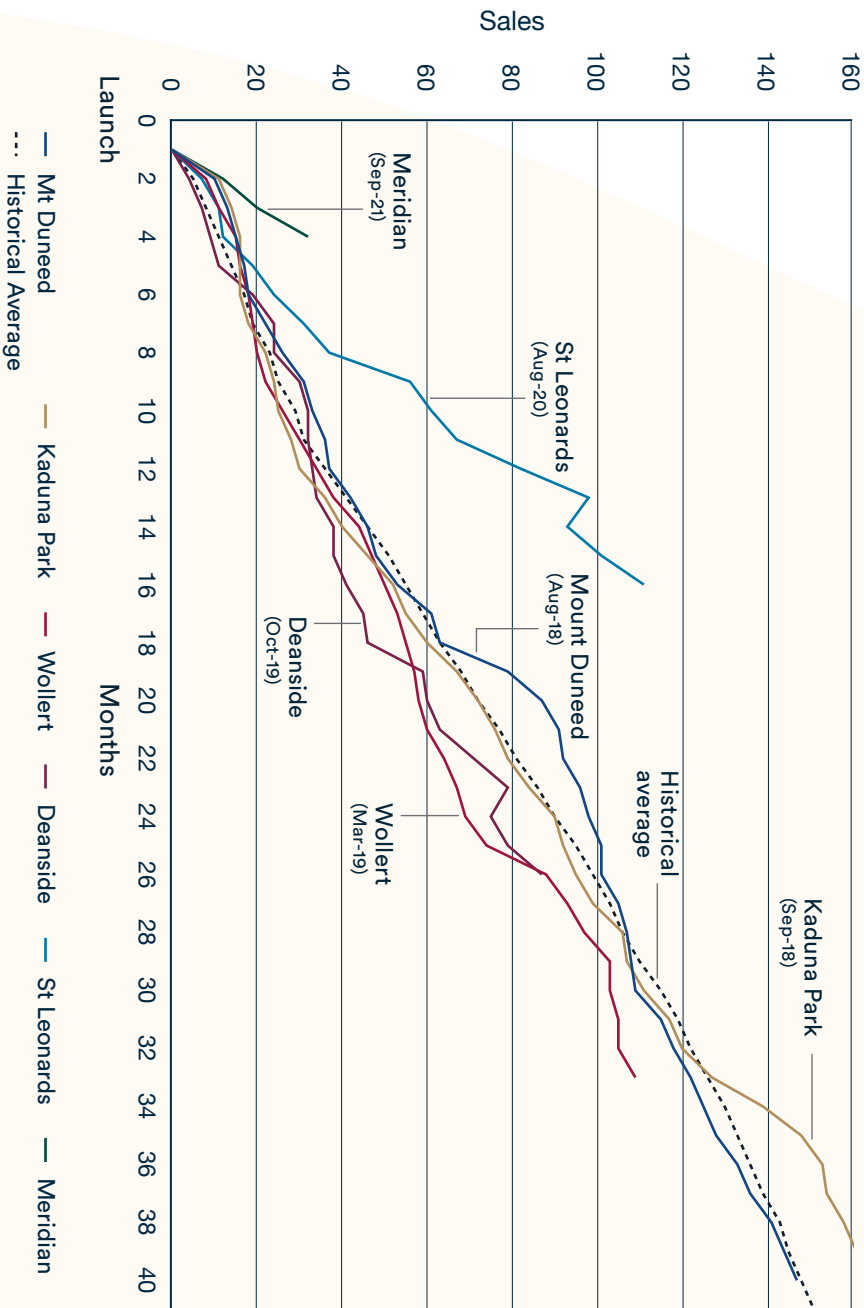
LIFESTYLE COMMUNITIES A BUSINESS FOR PURPOSE



# Sales Rates

- Sales rates holding up well despite sales offices being closed and onsite inspections banned for much of the period
- 141 sales achieved to end of October
- 245 homes sold but not yet settled
- Enquiry levels did not drop. Large number of appointment bookings in November as face to face inspections return
- New website launched in late October will assist to drive enquiry

Sales profile from date of first sale



The higher the sales rate, the faster capital is recycled to undertake more communities



# Developments Update



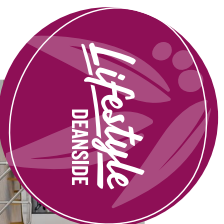
Community complete.  
9 homes remaining to sell.



Clubhouse complete, over 75% sold.



Clubhouse completed in May 2021,  
over 40% sold.



Clubhouse completed in June 2021,  
over 30% sold.



First homeowners settled in June 2021.  
Clubhouse on track for opening in  
March 2022, 30% sold.



Civil works commenced in July. Sales  
launched September 2021. First house  
frames going up November 2021, 13% sold.



# Portfolio Overview and Land Acquisition Update

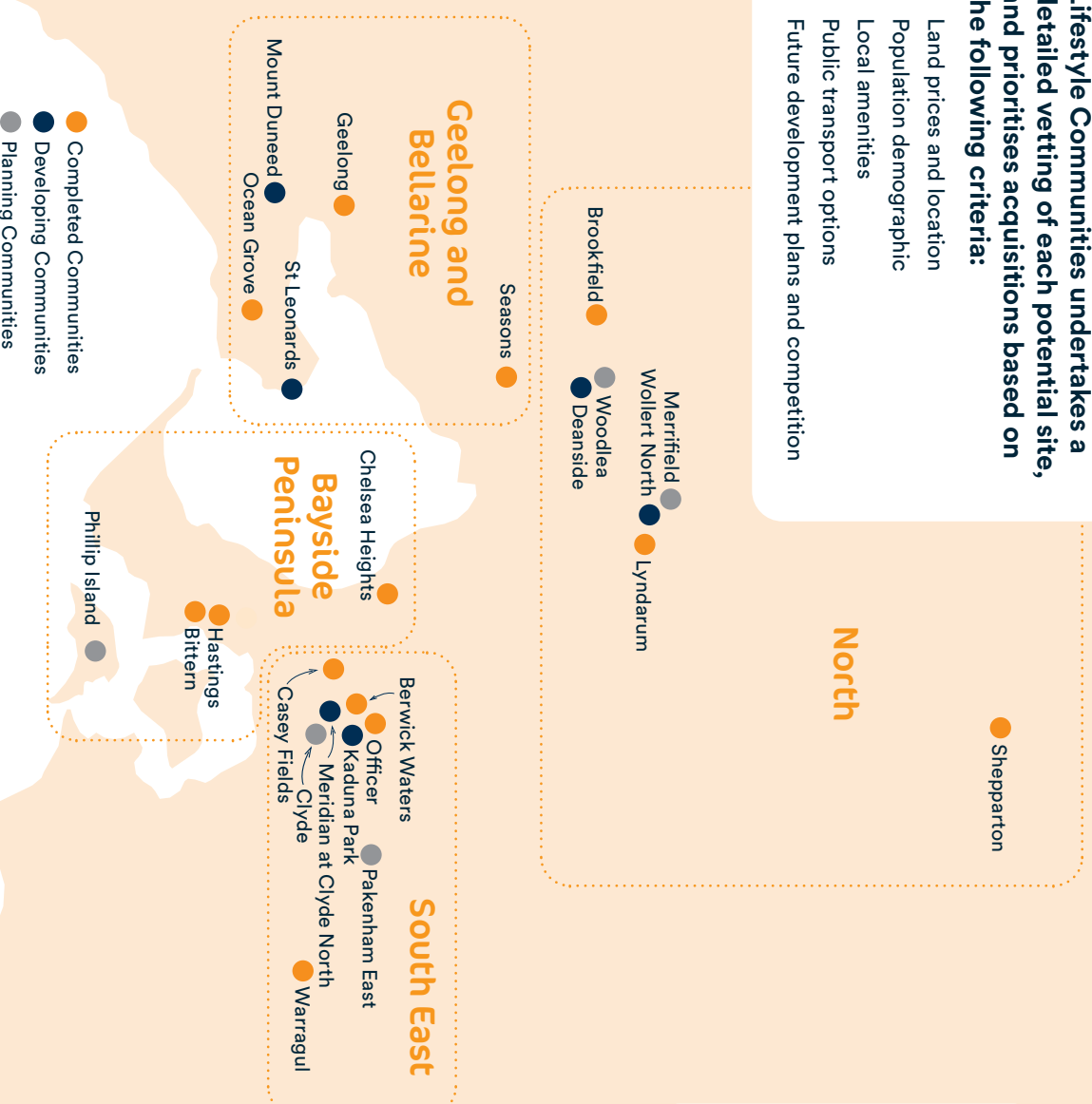
## 24 Communities in planning, development or under management

Lifestyle Communities undertakes a detailed vetting of each potential site, and prioritises acquisitions based on the following criteria:

- Land prices and location
- Population demographic
- Local amenities
- Public transport options
- Future development plans and competition

Focus remains on Melbourne and Geelong's growth corridors:

- Melbourne has the strategic benefit of flat topography which increases site choice
- Multiple communities can be built in each growth corridor
- Forward planning has created large areas of serviced zoned land in each catchment
- Under its 'just in time' model, Lifestyle Communities starts the development as soon as possible after acquisition of the site



Greatest growth opportunity remains in Victoria with low saturation and accessible flat land



# Summary and Outlook

- Lifestyle Communities has a focused strategy to service a niche - providing high quality affordable housing to downsizers
- Focused on Melbourne's growth corridors as well as key Victorian regional centres and coastal locations
- With the current pipeline of projects, we anticipate settlements to be in the range of 1,100 to 1,300 over the next 3 years
- Resale settlements attracting a DMF are anticipated to be in the range of 450 to 550 over the next 3 years
- Currently funded and resourced to acquire at least two new sites per year, subject to identification of appropriate sites
- Operating cash flow is underpinned by the ongoing rental annuities from over 2,890 homes under management
- Lifestyle Meridian will see the next evolution of housing and clubhouse design, plus a first of its kind solar + battery micro grid
- Implementation of Salesforce and SAPByDesign will transform our systems and processes to underpin future growth
- Welcoming new competitors into Victoria which will help grow awareness of the and lease model

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