

23 April 2024

Immediate release to the ASX

Land Acquisition Update

Lifestyle Communities Limited (ASX:LIC) advises that following the \$275 million capital raising undertaken in February 2024 it has agreed commercial terms on three of the land opportunities identified in the capital raising presentation and is currently in an exclusive due diligence phase on each site.

Managing Director, Mr James Kelly, said “This is a great outcome for the business. The additional capital and these acquisitions sets us up well for future growth in FY27 and beyond as we bring these new sites to market. Subject to successful completion of due diligence and execution of binding contracts, these sites will add approximately 740 homes to our development pipeline. We continue to assess a number of other opportunities but will remain disciplined in our deployment of this capital.”

FY24 Trading Update

Lifestyle Communities currently has 432 new homes that have either settled during FY24 or that are contracted, will be ‘construction complete’ and available for settlement before 30 June 2024. When we announced our half year results, we expected circa 350 new homes to settle in FY24 based on pre-sales contracts we held at that time and the experience from prior years of conversion rates. Subsequently, beachside and northwest Melbourne locations have been slower than predicted.

Noting a typical settlement in the external market is 60 days from contract execution, at this point in the year we now have a much clearer view on which properties are likely to settle prior to 30 June 2024. Of the 432 new homes referenced:

- 290 of these homes have either already settled or have a confirmed settlement date prior to 30 June;
- The customers for 92 of these homes are marketing their existing homes for sale to facilitate their settlement with Lifestyle Communities;
- The customers for the remaining 50 homes are expected to list their existing homes for sale in the coming weeks.

As a result, new home settlements for FY24 are now estimated to be in the range of 290 to 310. This is below our previously expected new home settlements for FY24 notwithstanding we have sufficient sales and homes completed to meet or exceed that previous expectation. Based on projects we currently have in the market, our settlement expectations for FY25 are 425 to 475. Assuming marketing conditions and settlement timeframes persist our target new home settlement range for FY23 to FY25 will be 1,080 to 1,130. We remain comfortable with the FY24 to FY26 range of 1,400 to 1,700 new home settlements.

Managing Director, Mr James Kelly, said “Our construction program is on track, and we have no issue delivering homes for settlement when needed. We were pleased to achieve 110 new home sales in the first quarter of calendar year 2024 which indicates that demand for our product remains. It’s a matter of external timing for customers to sell their homes which remains difficult to forecast”.

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“Resale settlements for FY24 are expected to be between 145 and 155. Average capital growth remains strong at 9.8% for FY24 to date, and average time on market in our resales business remains steady at 65 days. Resales homes are transacting efficiently but our sales volumes are limited by stock available for sale.”

“Our operating business continues to perform well with first homeowners welcomed to our communities at Riverfield and Phillip Island. The clubhouse at Lifestyle Woodlea has been completed and has set a new standard of design and amenity at Lifestyle.”

Authorised for lodgement by the Board. For further information please contact:

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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 thirty-two residential land lease communities under contract, in planning, in development, or under management.