

Aspen Group

Goldman Sachs – Aspen Lifestyle Four Lanterns Tour

29 OCTOBER 2024



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Aspen Lifestyle
Four Lanterns

Four Lanterns, Leppington NSW

Leppington - 50kms south-west of Sydney CBD and 20kms south-east of Western Sydney International Airport

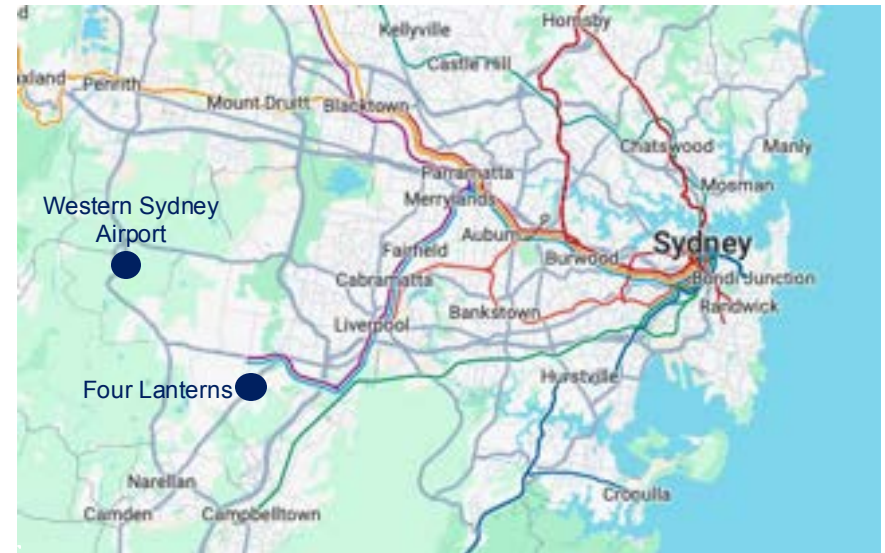
Designated South-West Growth Area - one of Australia's fastest growing regions which is also densifying

Local median house price of \$1.15m and rent of \$750 per week¹

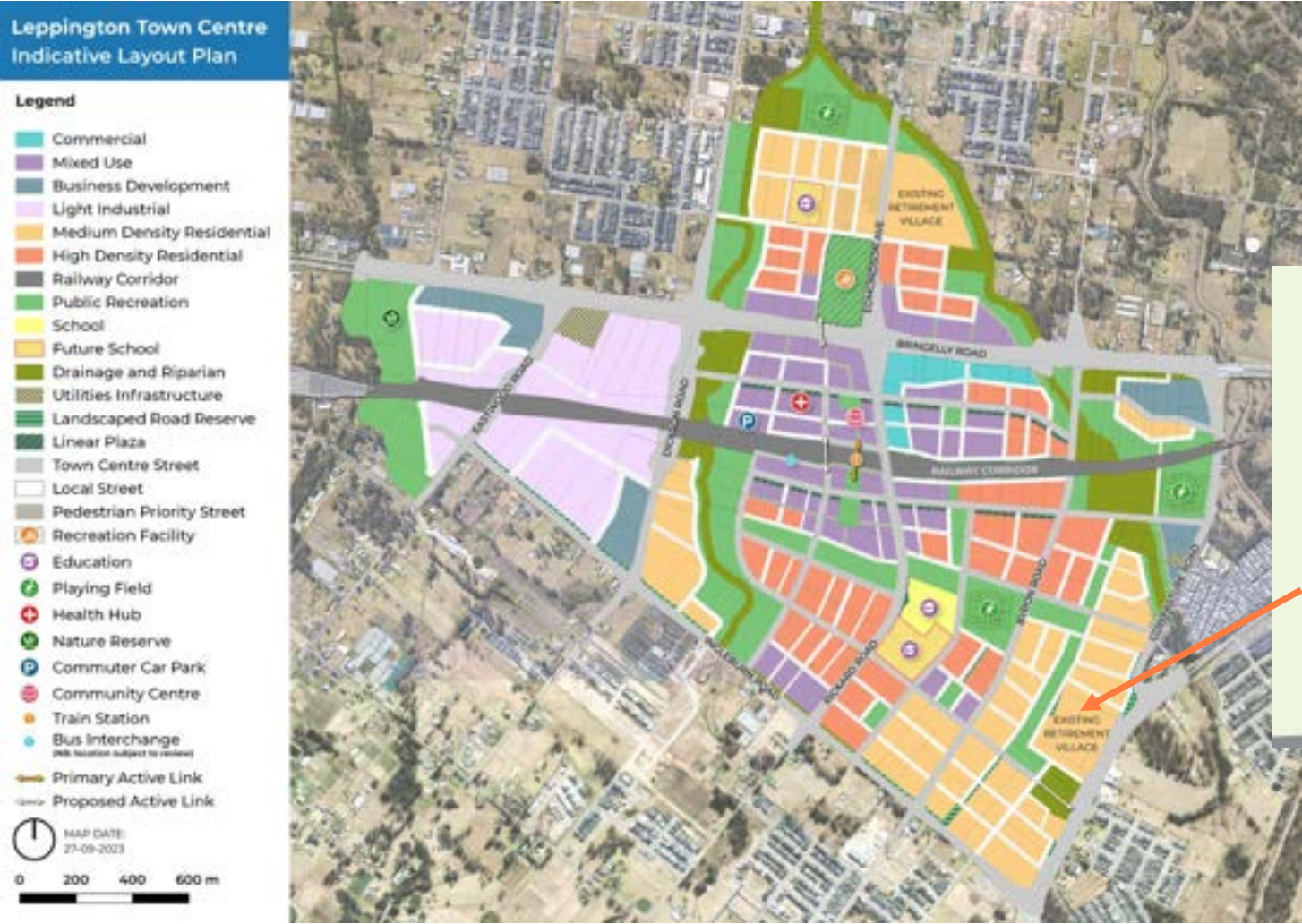
Four Lanterns is a mature village with 134 approved sites - mixture of new and original houses which increases opportunities

Strong prospects for superior returns:

- Book value of \$20.3m is currently around raw land value only
- Generating c.700bps higher net rental yield than raw land with holding costs (eg. land tax, council rates)
- Current land rent of \$194pw is well below CRA² cap which helps underpin real rental growth while remaining affordable
- Churn development - replacing old houses with new at a profit
- Potential for higher value R3 medium density residential development over the medium-long term



Four Lanterns is within the Leppington Town Centre Draft Masterplan



Aspen Lifestyle Four
Lanterns



Four Lanterns' Quality Accommodation and Competitive Terms

Local Competition – Around Median Price and Rent¹



\$1,275,000

34 Aqueduct Street, Leppington

4 2 2 420m² House

Sold on 25-Sep-2024



\$740 Per Week

99B Price Ridge, Leppington

3 2 1 House

Inspection tomorrow 10:00 am



Latest house sold at
\$495k + \$194pw land
rent



Join a relaxed, peaceful lifestyle at Aspen Lifestyle Four Lanterns

Welcome to Aspen Lifestyle Four Lanterns Estate. The property is located on 10 spacious tree-filled and landscaped acres, offering a relaxed, peaceful lifestyle in a community atmosphere. The safety and security of this rural setting allows you to enjoy the luxury of a low-maintenance lifestyle in your own home. Conveniently located with easy access to local shops, restaurants/cafes and transport links. Campbelltown and Liverpool are just 20 minutes away.



1. Source - Realestate.com.au on 26 September 2024

Four Lanterns: High Land Component Drives Real Growth

		Recent Sales	
Property	Four Lanterns	35 Ingleburn Road	45 Cowpasture Road
Map Reference	1	2	3
Current Use	Lifestyle	Raw Land	Raw Land
Land Area - Hectares	3.90	0.56	2.70
Zoning	R3 medium density residential	R3 – DA approved for 82 units	R3/RE1/SP2/B5
Density per Hectare	Min. 25	Min. 25	Min. 25 on R3 portion
Height Limit	21m	12m	12-21m
Valuation / Sale Date	June 2024	June 2023	Sep 2024
Book Value / Sale Price	\$20.3m	\$4.3m	\$9.7m
Per Hectare	\$5.2m	\$7.7m	\$3.6m

50% higher

Strong growth prospects given the land is already zoned for much higher R3 density and many of the houses are highly depreciated

In the meantime, income yield is c.700bps higher than raw land

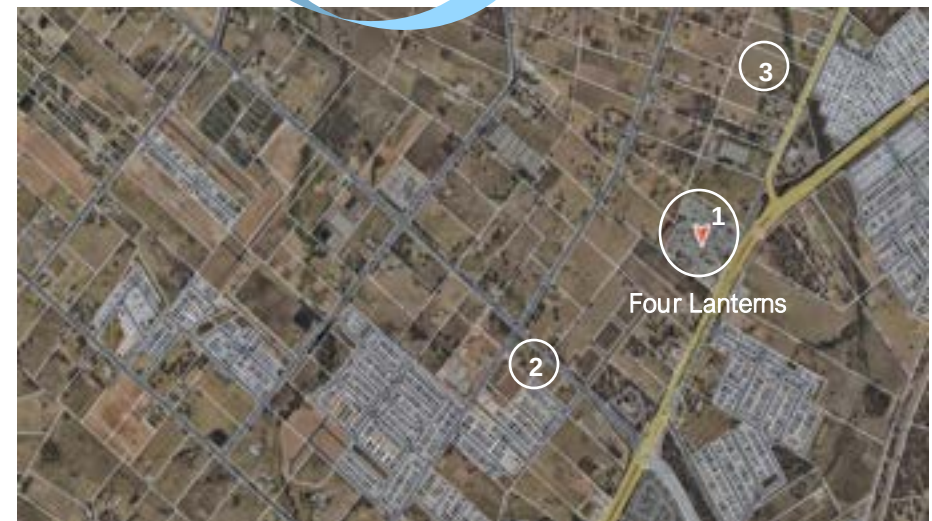


Four Lanterns



35 Ingleburn Rd, Leppington

Density 4.3x



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Lifestyle Portfolio Overview

Aspen Group

Owner

Proprietary approach focused on maximising sustainable returns for Aspen securityholders – no JV or Fund interests and conflicts to consider

Operator

Maximising profitability through intensive management of properties and offering a variety of lease terms and additional services – not a passive rent collector

Developer

Cost effective creation of quality accommodation that is suited to our customer base through brownfield and greenfield development

Capital Manager

Disciplined acquisitions, shared-equity schemes and recycling capital to optimise portfolio, maximise profits and equity value, and reduce risk

Provider of Quality Rentals
on Competitive Terms



Dwellings and Land Sites



Target Market

The c.40% of Australian
Households with Income
<\$90k per annum

Aspen's Lifestyle Portfolio

Australia-wide

Attractive locations – metro and regional typically within 1-2 hours of a major city

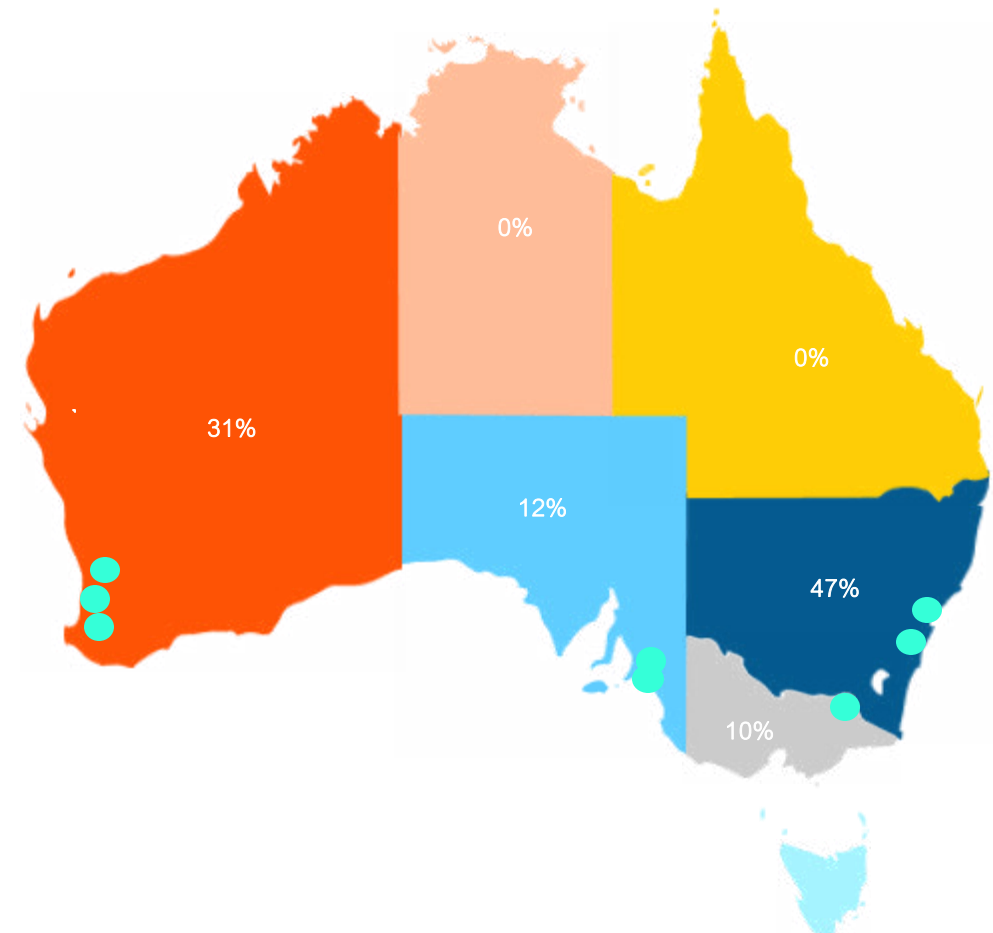
1,306 approved sites split roughly 50% leased / 50% approved development pipeline – additional Lifestyle sites in some Parks

Average new house sales price of \$418k¹

Average site rent of \$187pw² – well below CRA cap³

No exit fees⁴

Lifestyle Portfolio Weighting¹



1. In FY24 including GST. 2. At 30 June 2024 – excludes ancillary revenues (eg. storage). 3. CRA – Commonwealth Rent Assistance which pays the maximum amount of \$100pw at a rent of \$253pw. 4. Aspen has 104 legacy Retirement Village leases across some Lifestyle properties where the resident is liable for exit fees – Aspen has commenced a program of terminating the leases at no cost to the resident and converting to land leases

Lifestyle Properties



	Lifestyle								
	NSW		WA			VIC	SA		Total Lifestyle
	Four Lanterns	Sweetwater Grove	Mandurah Gardens	Meadowbrooke	Sierra	Wodonga Gardens	Lewis Fields	Alexandrina Cove	
Region	Sydney Metro	Newcastle Region	South Coast	South Coast	Darling Range	Albury-Wodonga	Fleurieu	Fleurieu	
Land Ownership	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	
Resident Tenure	Land Lease	Land Lease / Rental	Land Lease	Land Lease	Land Lease / Rental	RV / Land Lease	RV / Land Lease	RV / Land Lease	
Total Land Area (HA)	3.9	6.0 ¹	6.8	9.1	39.0	8.8	3.7	7.5	84.7
Operational Sites	134	142	158	26	63	73	37	40	673
Pipeline - Refurbishment Dwellings	0	0	0	0	1	0	0	0	1
Pipeline - Undeveloped Sites	0	62	0	158	141	112	43	118	634
Total Approved Sites ²	134	204	158	184	205	185	80	158	1,308
- per Ha	34	34	23	20	5	21	22	21	15
Owned Dwelling Inventory ³	1	30	0	5	28	64	27	18	172
- per Approved Site	1%	15%	0%	3%	14%	35%	34%	11%	13%
Book Value ⁴ (\$m)	\$20.3	\$22.5	\$18.7	\$3.7	\$6.3	\$9.0	\$4.4	\$6.7	\$91.5
Valuation Cap Rate	4.75%	6.65%	6.25%	8.75%	8.75%	6.50% ⁵	6.50% ⁵	6.50% ⁵	6.24%
Value Per HA (\$m)	\$5.16	\$3.76	\$2.76	\$0.41	\$0.16	\$1.02	\$1.18	\$0.89	\$1.08
Value Per Approved Site	\$151k	\$111k	\$118k	\$20k	\$31k	\$49k	\$55k	\$42k	\$70k

1. Sweetwater Grove land area excludes "Environmental Conservation" land that is not currently approved for development

2. Approved Sites is the total number of dwellings / sites currently permitted on the property under title, licence or other conditions

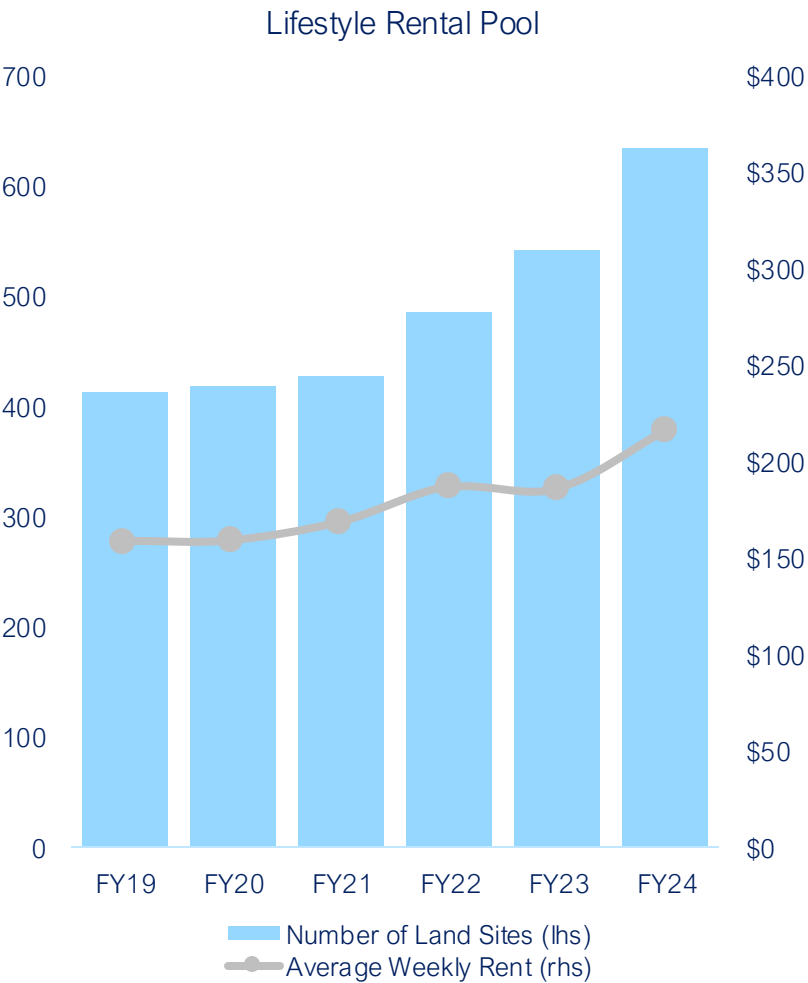
3. Owned Dwelling Inventory are houses, apartments, cabins, vans, commercial/retail space etc. that Aspen owns that can be sold or leased on short to long term basis to customers

4. Property values are a mixture of Directors' and external valuations – please refer to the financial report for additional information on valuations. Note for Wodonga Gardens, Lewis Fields and ACLV - some leases at these properties are regulated under Retirement Village Acts and residents are obligated to pay Deferred Management Fees (DMF) under contracts. The book values in this table reflect the fair value of the estimated DMF revenue stream plus the fair value of spare land (ie. excludes gross up for resident loans included in the financial statements)

5. Capitalisation rates for Wodonga Gardens, Lewis Fields and ACLV relate to the leased Lifestyle land site component of the villages (the implied cap rates for the Retirement Village DMF contracts are higher)

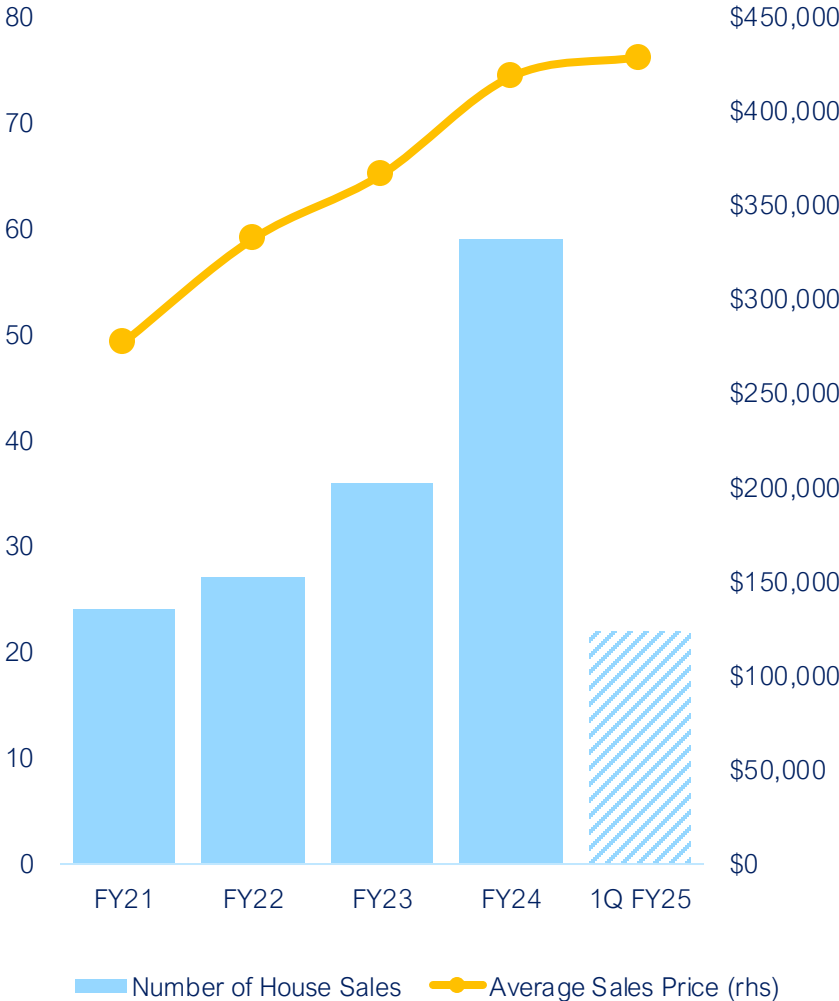
Lifestyle Overview

\$m (unless otherwise stated)	Lifestyle		
	FY24	FY23	Change
# Sites (close)	1,308	1,090	20%
# Operational	674	561	20%
# Development Pipeline	634	529	20%
Total Book Value	\$92	\$75	23%
Average per site	\$70k	\$69k	1%
WACR	6.2%	6.2%	0bps
Operating Revenue	\$7.15	\$5.27	36%
Average per operational site per week	\$217	\$186	17%
NOI	\$4.28	\$3.49	23%
Margin	60%	66%	(6ppt)

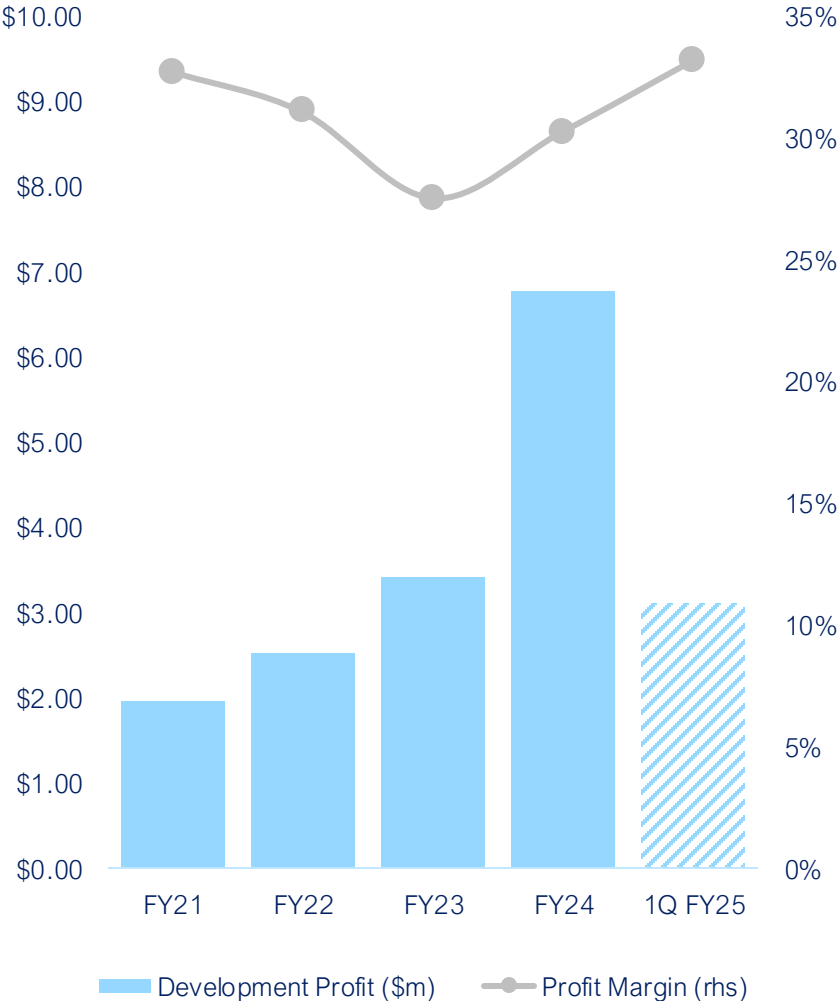


Lifestyle Development Business – Growth Across all Metrics

Lifestyle - Sales and Average Price



Lifestyle - Development Profit and Margin



Aspen Produces Low-Cost Lifestyle Housing on a Profitable Basis

Sell the House

+

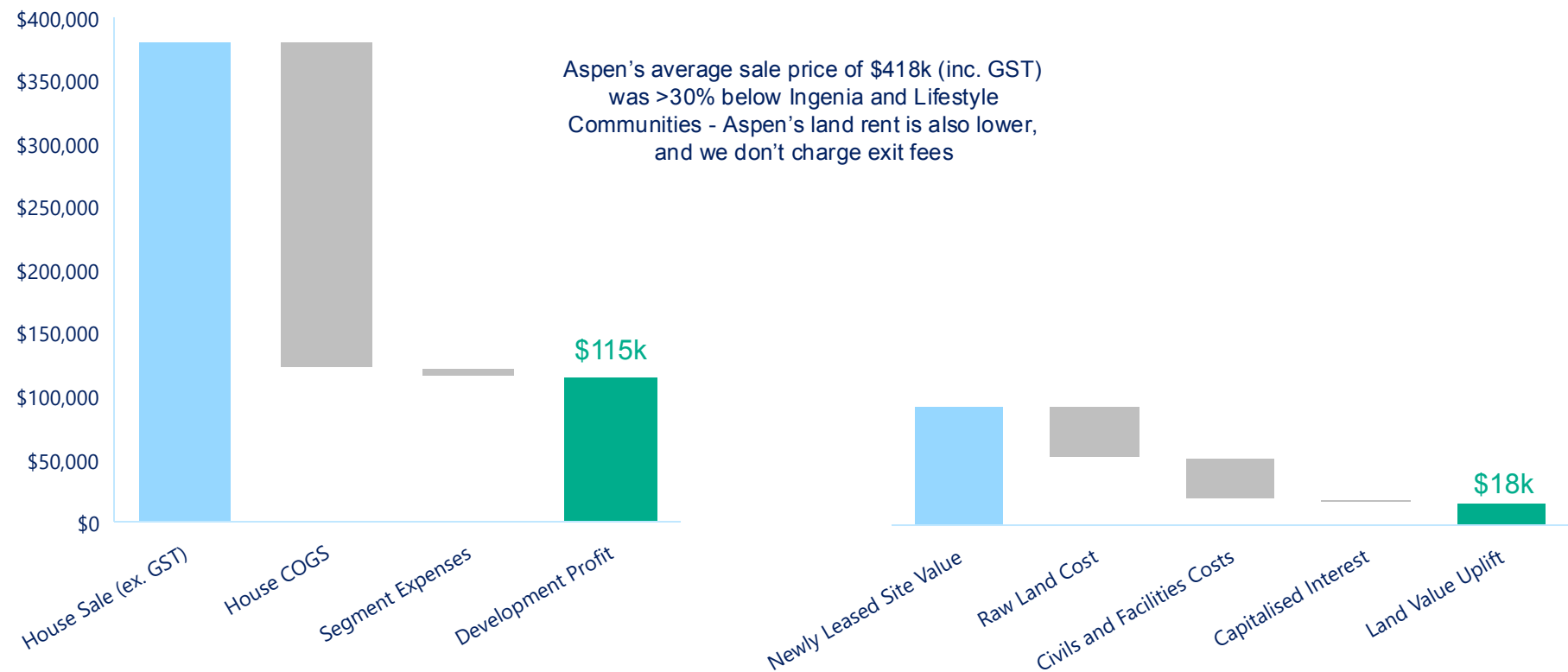
Lease the Land

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\$133k
Value Creation

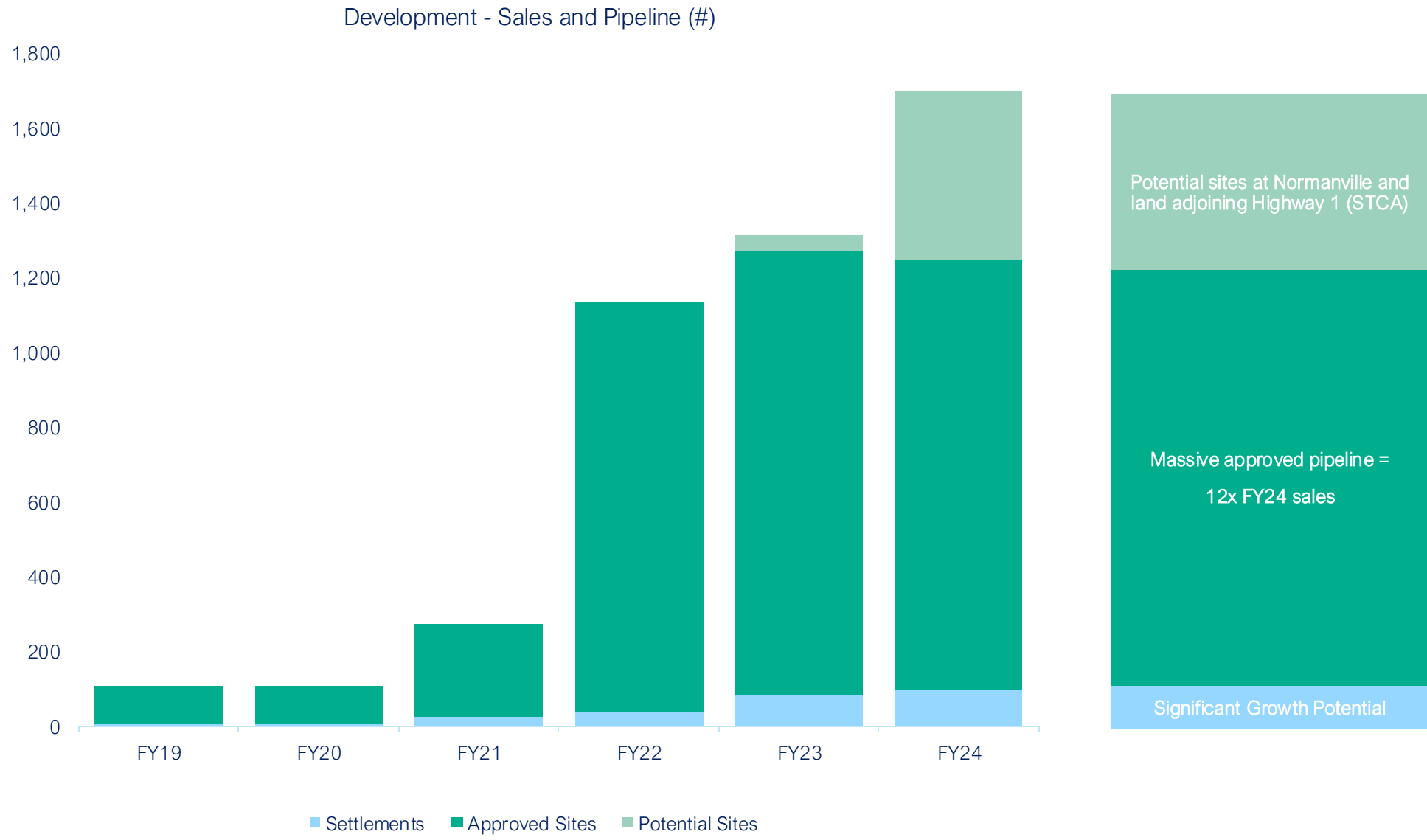
Development Profit Per New House Sold in FY24

NAV Increase Per New Site Leased in FY24



Source: Management accounts – not audited

Aspen's Development Opportunity is Significant



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