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AVID Property Group expands into Australian Land Lease Communities with AUD\$1.1 billion portfolio

- AVID launches new business named “Vantage” to expand into Australia’s fast-growing land lease communities sector and cements the company’s status as one of the country’s leading residential developers and operators.
- As part of the launch, AVID has earmarked 2,000 sites from its existing residential portfolio to be developed as land lease communities (LLC) and plans to invest more than AUD\$800 million over the next six years to create six high quality projects.
- AVID has also signed a binding sale contract to acquire eight operational and fully occupied sites for AUD\$284.5 million from the Puljich family’s Living Gems business (Living Gems).
- On completion of the Living Gems acquisition, the Vantage business will have 14 Land Lease Communities across 3,800 sites comprising 1,800 operational sites and 2,000 development sites.
- Vantage will responsibly deliver much needed high-quality purpose-built communities that offer flexible living options with minimal upkeep for Australia’s ageing population.

AVID Property Group (AVID), a residential property developer and operator controlled by real estate private equity firm Proprium Capital Partners, today announces the launch of a new AUD\$1.1 billion land lease communities (LLC) business to be named Vantage. This marks a significant milestone for AVID as it expands its strategy beyond developing master-planned communities to include LLC, cementing the company’s status as one of the largest residential developers and operators in Australia.

Vantage is being seeded with 14 high-quality LLC assets, including six greenfield sites plus eight fully operational and occupied LLCs to be acquired from the Puljich family’s Living Gems business for AUD\$284.5 million. The acquisition, combined with the existing portfolio, will make Vantage one of the leading developers and operators of LLCs in Australia.

With a gross revenue pipeline of AUD\$5 billion and more than 75,000 residents living within AVID communities, the launch of Vantage brings 3,800 land lease sites across 14 LLCs, consisting of 1800 established home sites and a further 2,000 sites in its LLC development pipeline. AVID will commit more than AUD\$800 million to the six greenfield communities currently under development over the next six years. The Vantage business will have an expected net realisable value of over AUD\$1.4 billion, with most communities located in South-East Queensland, a strong and fast-growing market for LLC developments.

Building on a portfolio of 45 projects in near-city and sought-after regional locations in Queensland, Victoria and New South Wales, AVID’s strategic expansion into the fast-growing LLC sector follows its 2019 take-private of the listed developer-builder Villa World Limited.

With a highly experienced team and 17-year track record of successfully developing quality, award winning developments spanning broadacre land projects, master planned-communities, completed house and land packages and apartments, the strategic expansion addresses a clear opportunity for AVID in the market, focusing on the fastest growing demographic in Australia, the over 50 market.

We bring
people
together.

AVID's extensive portfolio, including Harmony on Queensland's Sunshine Coast, which was voted as Australia's best master-planned community in 2023 by the Urban Development Institute of Australia, includes residential housing developments targeted at the under 50 demographic, with less than 10 per cent of buyers over the age of 55.

Anthony Kingsley, partner at Proprium Capital Partners, which has USD\$4 billion of assets under management and existing residential living strategies in Europe and Asia, said: "AVID's entry into the LLC sector complements its established business of successfully and responsibly developing and operating high-quality award-winning residential homes and communities, creating one of Australia's leading LLC operators and developers. With the launch of Vantage, we are proud that our investment into the AUD\$1.1 billion LLC sector will help address structural issues within Australia's housing market, which remains under pressure from the strains of high and increasing demand and limited supply."

Cameron Holt, CEO of AVID, said: "AVID has sought to expand into a new market segment which will add further depth to its product offering and provide a fully integrated residential development and operational business. Strong recurring earnings from the new Vantage business are targeted to underpin value in the AVID business and provide an opportunity to expand our intense focus on customer experience and create more great places for Australians to live and thrive."

"Vantage by AVID is our unique approach to land lease community living. With the addition of LLC to our portfolio, there is now an AVID housing offer suitable for a broad range of customers – no matter their stage of life, from first home buyer to empty nester. By making the move to LLC, the growing baby boomer generation of Australians can unlock new housing stock, freeing up their large family homes for the next generation of families."

Manuel Lang, General Manager of AVID's Land Lease Communities business, said: "We are excited to launch the Vantage business, having diligently crafted our approach and product to ensure we meet the requirements of this discerning market. We warmly welcome the nearly 3,000 homeowners in the established communities and look forward to bringing them into AVID's passionate customer-led approach. AVID's values align perfectly to this sector and being authentic is critical. We are passionate about the LLC sector and take our responsibilities as an operator of communities seriously to allow our homeowners to bring more to life."

Construction has already commenced at three Vantage locations and will welcome the first customers when the distinctive sales and information centre doors open in mid-June 2024.

AVID Property Group will formally take control of the Living Gems communities early in the 2025 financial year. The transaction is subject to FIRB approval.

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About Land Lease Communities

LLCs are designed almost exclusively for people aged over 50. Schemes operate under a land lease model, where residents own the homes, they live in while leasing the land. The model differs from traditional retirement villages as homeowners benefit from higher capital gains. LLC residents benefit from best-in-class onsite facilities and amenities, such as swimming pools, theatres, bowling greens, gyms, care services, community centres, security, independence, and community. Residents secure affordable

housing security which may be supplemented by Commonwealth Rent Assistance to pay for the Resort Fees. Higher income residents downsize from the family home, leaving money for superannuation savings or lifestyle, and freeing up much needed homes for the next generation of families.

The LLC market in Australia is growing rapidly and is currently estimated to be worth over AUD\$12 billion, underpinned by strong market fundamentals. Due to growth in the ageing baby-boomer population, Australia's over 50s population is expected to continue to increase significantly over the next 20 years, in turn increasing demand for both affordable and premium housing within LLCs. According to population data by .id, there were 8.4 million Australians aged between 50 and 84 in 2021. By 2040, this demographic group is expected to gain an additional 2.3 million people, a 27.6% increase. These demographic trends are expected to boost demand for senior living housing and LLCs.

About Proprium Capital Partners

A spin out of the Morgan Stanley Real Estate Special Situations team, the Proprium principals have been investing in real estate operating companies since 1996, focusing on scalable themes with experienced local partners and platforms. Proprium's strategy of platform investing seeks to deliver private equity returns in the real estate industry. Today, Proprium has grown to over USD\$4 billion of net assets under management primarily within living, hospitality, and logistics strategies with a global platform of six offices across the US, Europe, and Asia Pacific. Further information can be found at www.proprium.com.

About AVID Property Group

AVID Property Group (AVID) is an award-winning Australian builder-developer, responsible for a diversified selection of residential masterplanned communities, land lease communities, completed houses and apartments, with 45 developments, located in key growth areas across Australia's eastern seaboard.

AVID has a proven track record with the delivery of \$4.2 billion worth of projects over the past 17 years. AVID's current portfolio has a gross revenue pipeline of \$5 billion.

With a strong record of delivering connected and vibrant communities, AVID and its subsidiaries have created great homes and places for more than 75,000 Australians to live out their dream lifestyle.

Led by highly experienced senior management, AVID brings people together to deliver exceptional communities, valuable shareholder returns and thriving environments for its customers.

For more information, visit www.avid.com.au.

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