

## ASX ANNOUNCEMENT 16 June 2021

### Settlement of Lewis Fields Retirement Village, Strathalbyn South Australia

Aspen Group (ASX: APZ) ("**Aspen**") is pleased to announce that it has settled the acquisition of the Lewis Fields Retirement Village ("**Lewis Fields**") in Strathalbyn, South Australia.

Lewis Fields is the premier retirement village in Strathalbyn and the only one under development and offering new houses. The property spans 3.7 hectares and is approved for a Retirement Village with 80 houses of which 26 have been built to date, including the community building and landscaped gardens. Strathalbyn is experiencing population growth due to its attractive amenity, affordability and close proximity to Mount Barker and Adelaide.

This is Aspen's fifth acquisition in FY21 and adds to the Group's substantial cluster in South Australia. The acquisition increases Aspen's total approved sites to 2,745 representing growth of more than 25% in FY21.

We propose to develop and sell the remaining 54 houses under a land lease community model subject to the relevant approvals being obtained, as we believe it is a more attractive product for our customers. We also intend to reduce exit fees for existing residents.

The property has been independently valued at \$2.40 million which is slightly above the purchase price of \$2.36 million. The valuer applied a 17% discount rate on the contracted deferred management fee stream and a rate of \$600k per hectare on the spare land which equates to approximately \$25k per approved site.

We continue to selectively redeploy capital from our Perth residential portfolio where it is more beneficial to sell than to re-lease once tenants vacate and refurbishment works are completed. We have so far settled the sale of 2 houses and entered into conditional contracts on another 3 for an average price of \$418k and average profit margin per house of \$94k after all costs.

We expect the acquisition to be accretive to both NAV and EPS over the medium term.

#### Lewis Fields Retirement Village





Further information regarding the acquisition was released to the ASX on 10 May 2021.

*Announcement authorised by the Board of Aspen Group Limited.*

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