

23 March 2020

Immediate release to the ASX

Lifestyle Communities Trading Update

Lifestyle Communities Limited (ASX: LIC) has been closely monitoring the evolving situation with regards to the COVID-19 pandemic and remain confident our homes, homeowners and future homeowners are positioned strongly to face this period of uncertainty. Our philosophy is to focus on the health and wellbeing of our team, our homeowners, and our communities as a priority. We are committed to take an informed approach that is sensible, balanced and kind, having regard to the expert medical advice of Australian Authorities.

Managing Director, Mr James Kelly, said “We have not yet had any confirmed cases of COVID-19 within our communities and have implemented a pandemic management plan to reduce the potential exposure of our homeowners and our team. We have adapted our sales and customer processes to enable home sales to continue. Development activity continues and we have adjusted our site procedures to comply with physical distancing protocols and other expert advice. However, we are conscious that the current environment may change and are prepared to respond as appropriate.”

“At this time, we have not seen a material change in enquiry levels, forward sales or cancellation rates but will continue to monitor lead indicators closely. The Company’s supply chain remains intact, but we are cognisant that the situation is evolving daily and are making prudent decisions to maintain the strength of our balance sheet.”

The Company has settled 144 homes up to close of business on the 20th of March 2020 and has a further 81 confirmed settlement bookings prior to 30 June 2020. Subject to construction activity continuing as planned, the Company remains on track to complete a total of 342 homes prior to 30 June 2020. The Company has not had any forward settlement bookings cancel or delay to date. Under normal trading conditions, the decision on when to settle a home rests with the prospective homeowners and as such is subject to individual circumstances and market conditions as homeowners’ market and sell their existing home to facilitate their purchase with Lifestyle. Given the high levels of uncertainty in relation to the duration and impact of the COVID-19 pandemic on the Victorian property market, the Company is withdrawing its FY20 and all forward looking guidance.

The Company’s balance sheet and debt position is robust. The Company holds over \$90 million in cash and there are no debt facilities maturing in the next 12 months. Operating cash flow is underpinned by the ongoing rental annuities from its 2,416 homes under management.

Mr Kelly said “One of the strengths of our business is our focus on the community and I have been really pleased to see this community spirit come to bear during this difficult time. Our team have been thinking laterally about ways to deliver a modified virtual wellness program and utilise the services of local businesses as we provide support to the most vulnerable within our communities. We are conscious that mental health will be a big factor as people may face extended periods of isolation and we are actively working on creative ways to keep our communities engaged.”



Authorised for lodgement by the Board.

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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 residential land lease communities in planning, development or under management.



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