

Development Update



OCEANIA
HEALTHCARE

11 April 2019

Agenda

01 Welcome

02 Development Update

03 Questions

04 Site Tour - Meadowbank

05 Site Tour - The Sands



The Bayview, Tauranga

Welcome

Earl Gasparich, CEO



Meadowbank Stage 5, Auckland

Development Update

Mark Stockton, General Manager Property

Development Approach

Our development philosophy is based on “ownership” with our development team having a high degree of control over all development phases via our own internalised project management system.

3 key development principles



Our philosophy is based on “ownership” of what we do all the way from design, master planning, consenting, design management, procurement, construction management, quality control and after care.



We add value on our projects by **knowing what is happening at all times** and managing our consultants and contractors.



We issue clear and concise instructions to ensure that we deliver what we say we will.

Development Approach

We mitigate property development risk by exercising a high degree of control over the design, consenting, procurement, development and construction process

5 key elements to our development approach



1. Design efficiency

We have developed a **standardised and scalable design** for our Apartment, Villa and care offerings based on past development experience, leading to greater cost efficiencies.

We can **tailor this design as desired to meet the local market conditions** so our developments are efficient, without being “cookie-cutter”, and fit into the local area.



2. Project management

We use **internal project management expertise** in the resource and building consent process, manage the tender and procurement process, and manage the building contract directly, all reducing reliance on external parties and other consultants



3. Procurement

Our scale enables procurement savings. We have established supply chains including direct supply of key construction materials

Development Approach (continued)

We mitigate property development risk by exercising a high degree of control over the design, consenting, procurement, development and construction process

5 key elements to our development approach



4. Construction

Early contractor engagement enables cost savings via “value engineering”, and preliminary and general costs, margin and programme are fixed up front with trades **priced on an “open-book” basis but ultimately linked to a “fixed lump sum”**.



5. Quality of build

We **closely monitor all of our projects** to ensure a quality product is produced. This is achieved via **continually inspecting all phases of construction** with Oceania internally managing the final snag and defect process.

We consider our product to be our key differentiator in market. **We firmly believe that our product is superior to our peers – the quality of build is just one element in the quality of our product** - the overall quality of product also includes the location of our facilities and the focus we have on creating the highest quality common spaces.

Development Overview

It remains our intention to maintain an overall portfolio focus on Aged Care, while optimising capital efficiency by increasing the proportion of Retirement Village Units and Care Suites

Strategy

- Our target is to deliver an average of 250 new Residences per annum
- Current pipeline following the completion of Stage 3 at Meadowbank is 2,186 with 1,533 units and beds under construction or consented (1,680 with 955 respectively 12 months ago).
- Our development strategy comprises:

1

Consent & Execution of existing Tier 1 consented sites (1,809 beds and units):

Development of integrated Aged Care and Retirement Village facilities on existing land. **All Tier 1 developments in metropolitan areas are consented with the exception of Elmwood and the recent acquisitions at St Heliers.** Both are currently in the consenting process.

2

Development of remaining Tier 2 brownfield landbank (593 beds and units):

Our Tier 2 developments comprise smaller villa and care bed development projects in regional locations. We are consenting these to **“bolt on” around our Tier 1 projects and diversify our timing and location of delivery of units.**

3

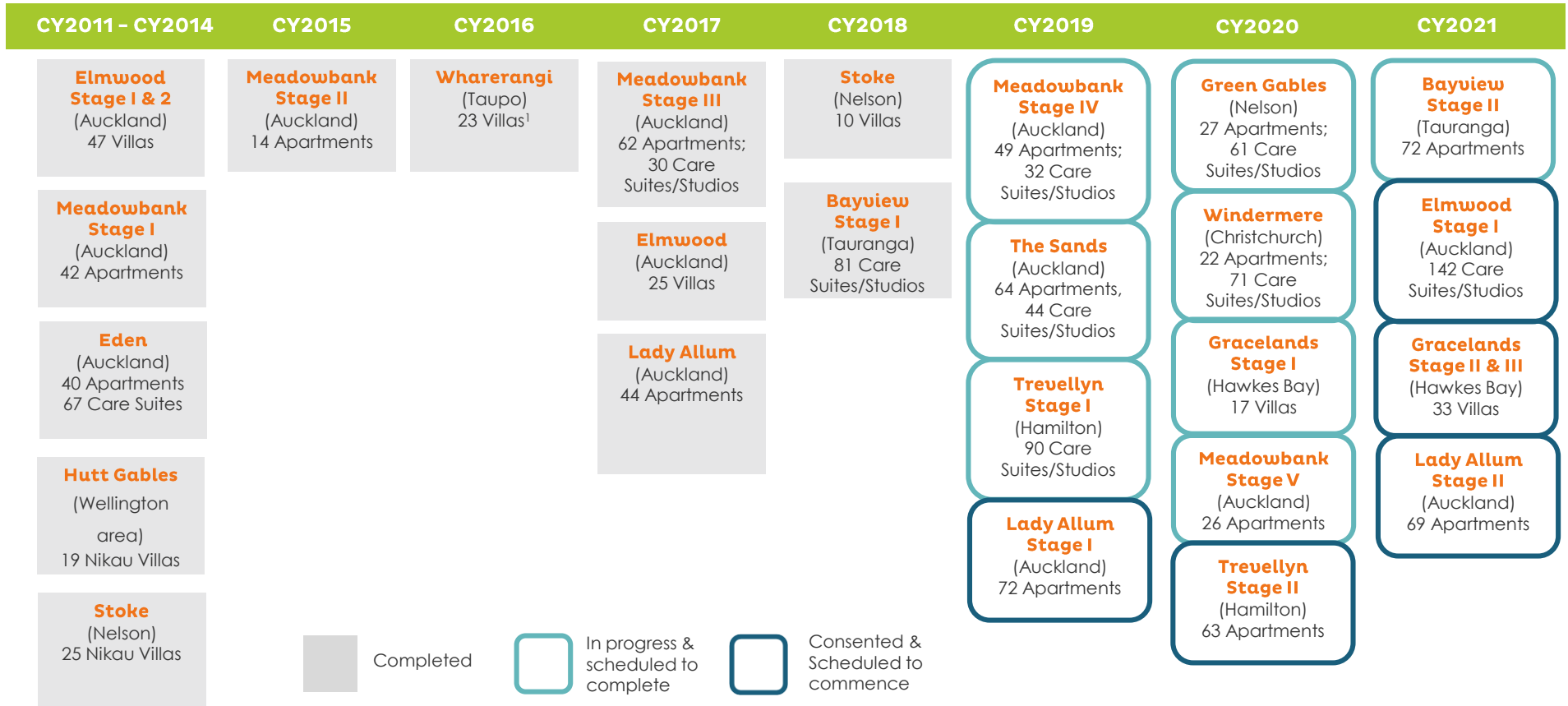
Acquisition of suitable brownfield and greenfield sites:

As we have done with the recent acquisition at Waimarie Street in St Heliers we will supplement our pipeline with **opportunistic acquisitions of 8,000m² – 3 h.a. sites to replicate the Eden and Maureen Plowman model and 2-3 h.a sites to replicate the larger Meadowbank model.** We will also add neighbouring properties where this is economic, as we have done at Eden, to leverage the scale of our existing villages.

We will target areas with median house prices that enable us to deliver new units that are very affordable to residents (50-70% of the median house price).

Development Overview

In FY19 we will deliver 272 new units and beds at The Bayview, Meadowbank, and The Sands on time and on budget. We are managing a further 6 projects with 389 units and beds under construction

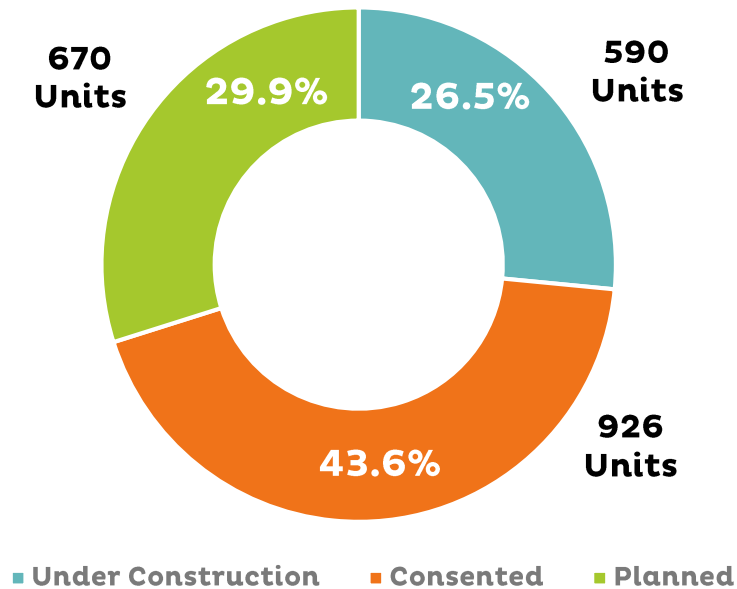


Note: A further 22 villas are currently under construction at Elderslea and Whitianga

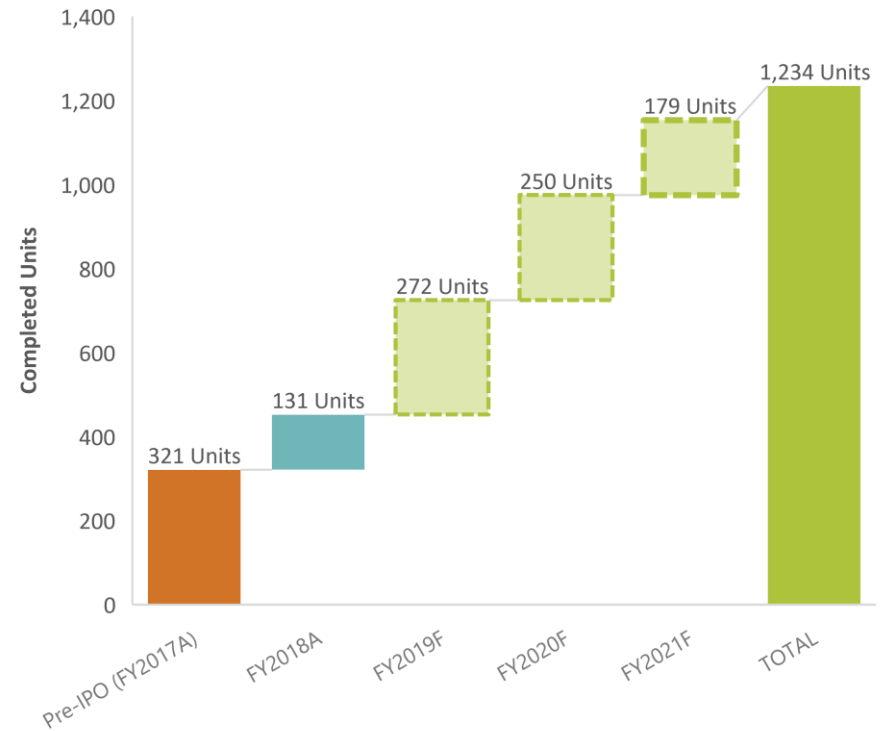
Pipeline Status

Over 70% of our pipeline is now either under construction or consented

Status of Development Pipeline



Units delivered and expected completion for those under construction



Resource Consents

We have consented projects at Elmwood, Meadowbank, Eden and Eversley in FY19

Facility	Number of Units / Description of work	Resource Consent Status
Elmwood	142 care suites	Consented (non notified)
Meadowbank	36 dementia care suites	Consented (non notified)
Eden	48 apartments	Consented (non notified)
Eversley	61 care suites	Consented (notified)
Waimarie Street	76 apartments 31 care suites	Work in progress
Elmwood	Approximately 220 apartments	Work in progress
Woodlands	6 villas	Work in progress

The BayView, Tauranga

81 care suites were completed at The BayView Stage 1 in October 2018.



The BayView

Tauranga

Stage 1

Completed in October 2018



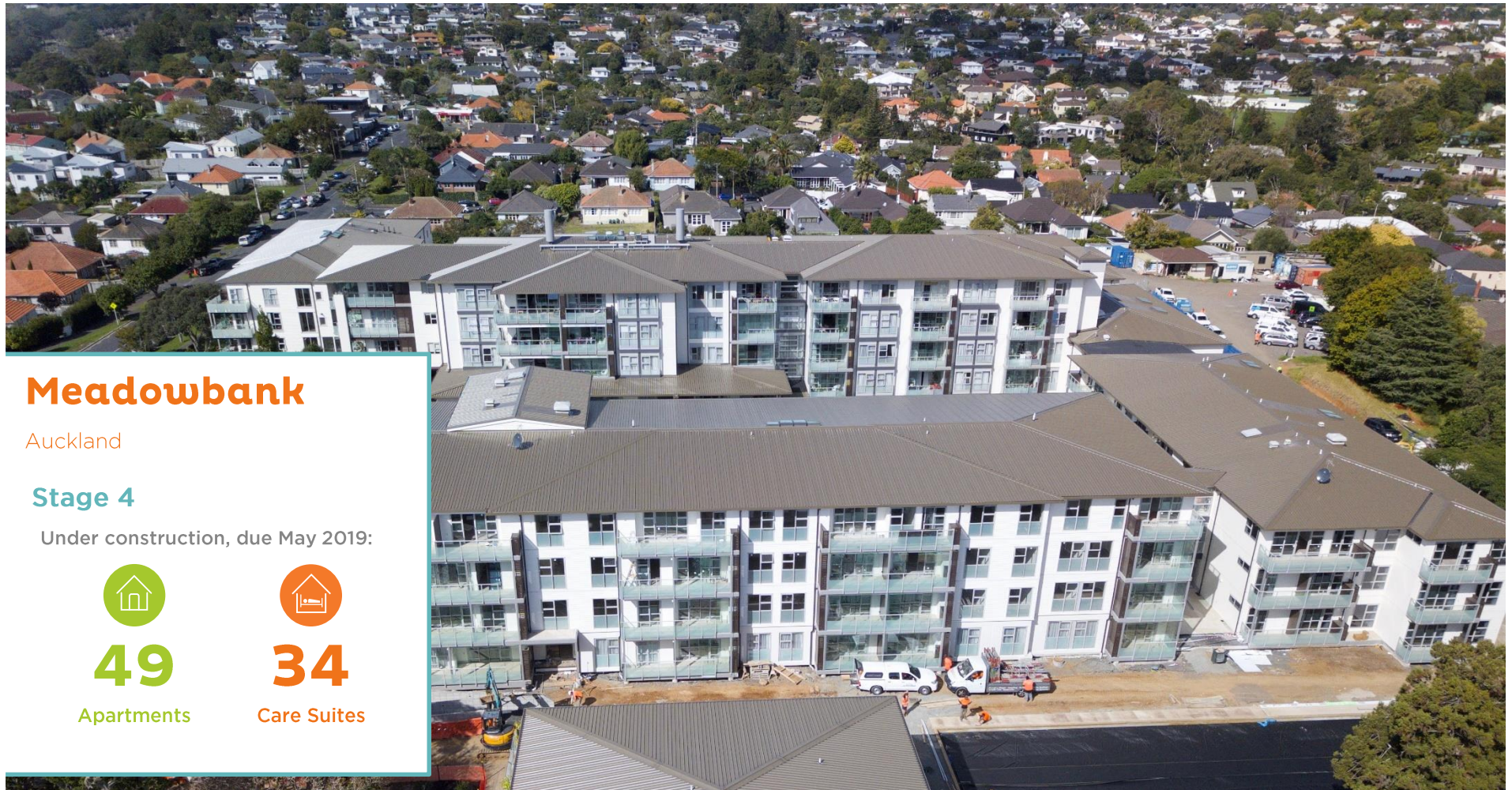
81

Care Suites

- Residents transferred from old Melrose facility in December 2018
- Care suite sales have commenced with good initial interest

Meadowbank Stage 4, Auckland

Meadowbank Stage 4 on track for completion in May 2019.



Meadowbank

Auckland

Stage 4

Under construction, due May 2019:



49

Apartments



34

Care Suites

Meadowbank Stage 5, Auckland

Meadowbank Stage 5 commenced construction in January 2019



Meadowbank

Auckland

Stage 5

Under construction, due around
FY2020:



26

Apartments

The Sands, Auckland

Construction of The Sands is on track and scheduled for completion in May 2019.



The Sands

Browns Bay, Auckland

The Sands will provide



64

Apartments



44

Care Suites

Due for completion in May 2019

Trevellyn, Hamilton

Construction of Trevellyn commenced in 2HY2018 and expected to be substantially complete on or about FY2019.

Trevellyn

Hamilton

Stage 1

Under construction,
due June 2019:



90

Care Suites

Stage 2

Scheduled to commence in FY2020:



63

Apartments

Community
Centre



Green Gables, Nelson

Redevelopment of Green Gables commenced in June 2018.



Green Gables

Nelson

Green Gables will provide



28

Apartments



61

Care Suites

Due for completion in FY2020

The BayView, Tauranga

Stage 2 commenced construction in December 2018.



The BayView

Tauranga

Stage 2

Commenced in 2HY2019



74

Apartments

Community
Centre

Windermere, Christchurch

Stage 1 of the development at Windermere commenced in January 2019

Windermere

Christchurch

Stage 1

Commenced and scheduled to complete in FY2021



22

Apartments



71

Care Suites



Gracelands, Hastings

Construction of Gracelands Stage I commenced in February 2019.



Gracelands

Hastings

Gracelands Stage I will provide



17

Villas

Due for completion in FY2020

Other projects under construction

A further 57 beds and units are being converted or under construction outside of our large redevelopment projects

Facility	Number of Units / Description of work	Expected Completion Date
Elderslea	26 care rooms converted to: 25 care suites and community centre 12 villas	1H FY2020
Woodlands	15 dementia care rooms & communal facilities converted to: 10 care suites and a dining extension	1H FY2020
Whitianga Stages 1 & 2	7 villas (Stage 1) 3 villas (Stage 2)	1H FY2020

Care Suite Conversions

36 care suite conversions have completed in FY19 year to date¹

Facility	Number of Units / Description of work	Completion Date
Woodlands	9 care rooms with common bathrooms converted to: 5 care suites with ensuites	July 2018
Otumarama	11 care rooms converted to: 7 care suites with ensuites	March 2019
Middlepark	15 care rooms converted to : 9 care suites	March 2019
Holmwood	4 care rooms containing four beds converted to: 8 care suites	6 conversions completed April 2019 2 suites to be completed when vacated
St Johns Wood	14 apartments converted to: 11 care suites, 1 respite room, & communal space (lounge, sluice room, hair dresser)	9 conversions completed Sept 18 2 suites to be completed when vacated

1. Year to Date ("YTD") is the period 1 June 2018 to 11 April 2019

Questions