

# INVESTOR NEWS

ISSUE 14, APRIL 2022

## Update from the CEO

### AN ACTION-PACKED SIX MONTHS

Since the World Health Organisation declared Covid-19 a pandemic in March 2020, almost exactly two years ago, health and aged care communities in New Zealand and worldwide have learned a lot about the coronavirus.

We now have a better understanding of the routes of transmission, and how vaccination plays a crucial role in preventing serious illness. In New Zealand we have been able to access effective vaccines and achieve very high vaccination rates across our most vulnerable populations.

Two years on, the uncertainty in that first autumn has given way to a much better-prepared team that has the tools to prevent infections and help those who fall ill through infection.

Last November I highlighted the importance of diagnostics as a first line of defence for Arvida communities. Rapid antigen tests have certainly helped to keep infection out of our villages, month after month. Our regular surveillance testing has picked up many asymptomatic positive cases. These cases might have otherwise gone undetected until much later, with more severe outcomes and viral spread likely.

I would like to thank all our visitors for their respect of our settings and cooperation with taking tests when required. This compliance has contributed greatly to making our communities safer for residents and our teams.

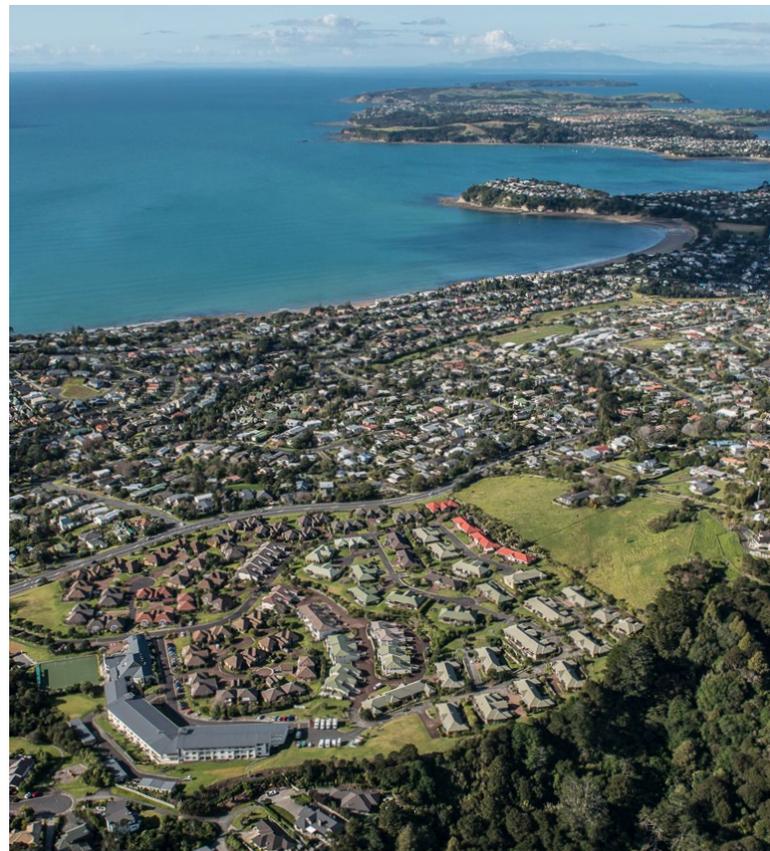
Epidemiologists and their modellers predict the caseload peak has occurred in Auckland and is close to occurring in other parts of the country. Once the peaks have past, we hope a return to normal operations is close - albeit with some precautions in place to reflect the government's traffic light settings. Already six months have zipped by since I stepped into the role of chief executive. A lot has been achieved in this time. Included in this newsletter is a brief update on our development and sales activity as we head into financial year end. Both are tracking to record levels compared to prior periods.



JEREMY NICOLL  
CHIEF EXECUTIVE

I am pleased to report the successful bringing together of the Arena communities into Arvida. The inclusion of their teams into ours has been seamless, even with the disruptions of Covid-19. Our planned integration programme is progressing well and master planning is underway for future development opportunities across the Arena sites.

Richard Davis, the chief executive of Arena, has been welcomed to Arvida's head office in the role of chief operating officer. His wealth of experience, obtained locally and overseas, complements the expertise within our executive management team.



*Aerial view of Auckland's Whangaparaoa Peninsula, with Arena Living's Peninsula Club in the foreground.*

## OMICRON AND COMMUNITY SETTINGS

Dealing with the Omicron variant has been a major focus for many of Arvida's leaders and managers this year.

As the variant became more widespread, we were quick to respond by changing infection control settings across our communities. Surveillance testing, using rapid antigen tests, has helped to keep our communities open to family and visitors. Making sure life continues with some degree of normality has been a priority for village teams, who have constantly strived to maintain residents' connections and quality of life. Rapid antigen tests also provided our teams with an extra layer of protection and the ability to better manage their own health.

The change in settings has required additional investment in people, PPE and rapid antigen tests over this period, of around \$4-5 million.

As we did last year, we have supported staff with an hourly bonus through phase 3 of the government's red traffic light setting.

Admissions at some care centres have occasionally paused to manage staffing levels. This has meant care occupancy has tracked lower over the fourth quarter.

Our successful drive to lift vaccination rates has resulted in all staff and nearly all care residents being fully vaccinated. Most have also had their booster shot. The government is now considering the merits of a fourth vaccine for those who are vulnerable or over 65.

A month into the surge, we are now beginning to see some early signs that cases are subsiding in Auckland. There are also indications the Omicron wave may soon start to plateau elsewhere.

## Team Member Profile

### WELLNESS & CARE ALESHIA RAYNER

Aleshia Rayner, Head of Wellness Operations, is an integral member of the Arvida Wellness & Care team. Having devoted her entire working career to transforming the ageing experience for older New Zealanders, Aleshia is on a mission to ensure people continue to live well - whatever their age or stage of life.

Aleshia began working in the industry at 15 years of age. Known as the 'Saturday girl' by residents and staff at her first retirement community, her ultimate goal was to one day manage a village in order to bring about meaningful change. At the age of 25, Aleshia became one of the youngest village managers in the industry when she arrived at Arvida Park Lane. Her passion, drive and skill were immediately evident, as she helped Park Lane become one of Arvida's most successful villages and the flagship for our 'Attitude of Living Well' philosophy.

In 2020, after supporting Park Lane residents and staff through New Zealand's first lockdown, Aleshia became Head of Wellness Operations at Arvida support office. We caught up with her recently, to learn more about how she stays motivated.

#### **Q: Why Arvida?**

I am extremely proud to have been with Arvida from the beginning and witness the way we are positively impacting residents' lives. I love being part of a company that is both authentic and innovative. It's extremely satisfying to know we are challenging norms, empowering people to live their best life and supporting wellbeing for all.

#### **Q. How would you describe your role?**

As part of the Wellness & Care team, I am available to support village teams (staff and residents) to consider

how the Attitude of Living Well™ relates to their community.

I provide practical ideas, education and solutions to help operationalise our model of care. This includes looking at rostering in households; initiatives to support team development; mentoring our leaders; and brainstorming and identifying ways to ensure any decision making includes resident and staff input. I also support other parts of the business, such as development, human resources, and sales and marketing. I enjoy the opportunity to collaborate with others to ensure positive resident outcomes. Ultimately, I am helping to support a resident-led culture of care.

#### **Q. What are you looking forward to in 2022?**

Within the Wellness & Care team, we have a number of projects coming up. In particular I am excited about the introduction of our new health and disability standard - Ngā Paerewa - which will see us have the opportunity to strengthen diversity and inclusion with Māori and Pacific Island communities. The opening of Rhodes on Cashmere's care centre in Christchurch is also an exciting opportunity to further strengthen our point of difference in the industry. I am really looking forward to supporting the newly developed care team there who will be making history in Canterbury!





TRISTAN SAUNDERS  
GM SALES

## Sales Update

Heightened enquiry leading into the summer holiday months has translated into record settlements. Sales activity has tracked significantly higher than for the same six month period last year.

At the end of March 2022, a total of 327 sales of occupation rights (new and resale) had settled in the six-month period since reporting our interim results. This is a 26% lift on last year's volume for the corresponding period. The gross sales value in this period was up 33% to \$197 million bringing total sales to \$325 million for the financial year, subject to completion of year end audit processes.

Resales activity continues to be a strength with record gains of \$31 million from 204 resales settled in this period. This was a 101% lift in resale gains on the corresponding six months. For the financial year, the average resale price has increased 14% to \$505,000 from the previous financial year end.

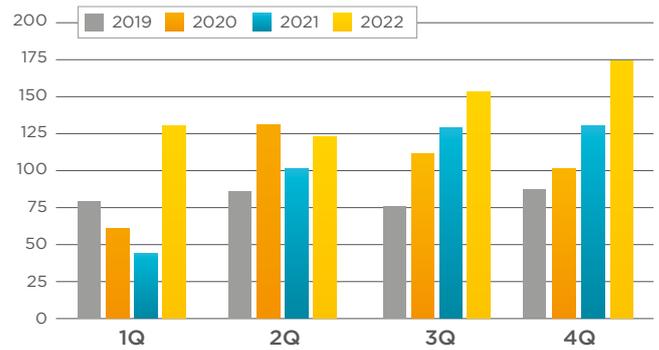
Gains from resales activity at the Arena villages has been in line with expectations set at the time of the capital raising.

We have also had a very strong period of new sales with volume up 29% to 123 settlements in the six-month period. This brings total new sale settlements to 243, versus 137 for the 2021 financial year.

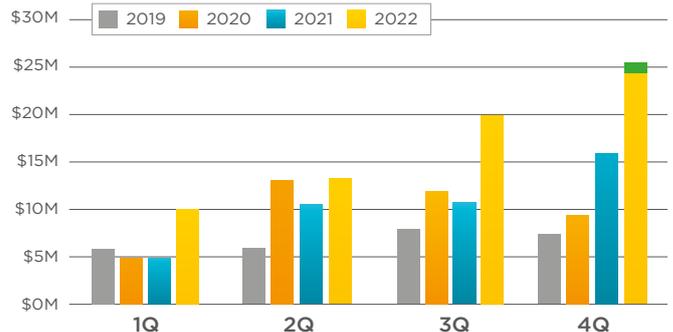
According to REINZ data, the New Zealand median house price was \$885,000 in February 2022. This was up 13.5% year-on-year, but down from November's peak of \$925,000. Auckland's median residential property price was \$1,190,000 - up 8.2% on a year prior, but down from the peak of \$1,300,000 recorded in November.

Economic commentators broadly point to forward housing market indicators continuing to soften over the

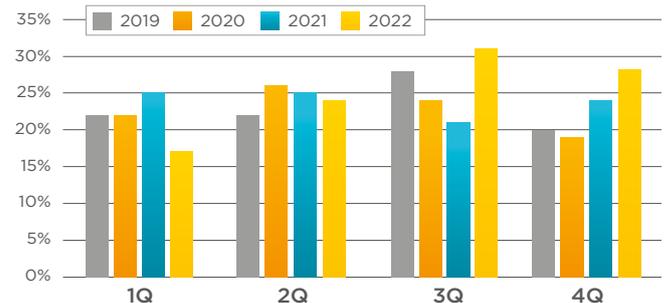
### TOTAL NUMBER OF SALES\* (Units)



### TOTAL GAINS ON SALES\* (\$ millions)



### RESALE MARGINS (%)



\* Aggregated for new and resale units. 4Q 2022 sales are subject to finalisation of year end audit processes and therefore could change.

next six months. However, while monthly house price inflation has recently been evolving in line with their expectations, uncertainty around the outlook remains high.

We continue to see upward pressure\* on our pricing regionally and recently completed a repricing exercise to account for the strength in the residential property market. Resales have continued to settle above the prices assumed in the independent valuations prepared for our March 2021 financial year end.

## SUSTAINABILITY IS IMPORTANT TO ARVIDA

Arvida is among 13 New Zealand-based companies that received a B or B- rating from CDP (the Carbon Disclosure Project [www.cdp.net](http://www.cdp.net)), a not-for-profit charity that runs a global carbon emission disclosure system for investors, companies, cities, states and regions to measure their environmental impacts. Of our NZX-listed peers, one achieved a B while another received a D rating. One chose not to participate. This was the first time Arvida chose to participate in the CDP disclosure programme.

The programme ranks entities based on responses to a detailed survey questionnaire that covers actions around climate change, forests and water. The ratings range from A (showing leadership compared to the market) to D.

Our B rating demonstrates we are taking active steps to manage climate change in our business. With the recent appointment of Arveen Horsefield to the position of Head of Sustainability and Compliance, we are increasing our commitment to shrinking Arvida's carbon footprint and living up to other sustainability goals.





JONATHAN ASH  
GM DEVELOPMENT

## Development Update



*New resident clubhouse at Queenstown Country Club.*

We have met our delivery target of 200+ new units built in this financial year.

Development programmes have largely kept to timetable notwithstanding government self-isolation requirements intermittently impacting many contractors and our construction teams. A total of 221 new units have been delivered in the 2022 financial year, with 153 new units

delivered in this financial half year.

During the period we also put the finishing touches on our new 1,650 sqm Warren and Mahoney designed clubhouse for residents at Queenstown Country Club. Opening of the clubhouse is planned for April 2022.

### KEY PROJECTS UPDATE - LOCATION & STATUS

<b>Te Puna Waiora, Kerikeri</b>	16 stage one villas were delivered in 1H22, all sold. 23 stage two villas have also been completed. A further 3 stage two villas will complete in April. 15 of these stage two villas have been sold. Bulk earthworks for stage three have commenced.
<b>Bethlehem Country Club, Tauranga</b>	2 apartments were completed in 2H22, along with the clubhouse renovation.
<b>Bethlehem Shores, Tauranga</b>	8 villas were delivered in 1H22, all sold. An additional 16 villas have been delivered in 2H22 as part of a stage that comprises 59 villas. 13 villas in this stage have sold with pricing tracking well.
<b>Copper Crest, Tauranga</b>	2 villas were delivered in 1H22, both sold. A total of 77 new sales were recorded at Copper Crest over FY22.
<b>Lauriston Park, Cambridge</b>	15 townhouse villas were delivered in 2H22, with 7 sold.
<b>Glenbrae, Rotorua</b>	4 duplex villas were delivered in 1H22, with 2 sold. Construction of an additional 8 duplex villas is progressing with 4 delivered in 2H22.
<b>Village at the Park, Wellington</b>	8 villas were delivered in 1H22 and a further 3 villas were delivered in 2H22. All 11 villas have sold. Construction has commenced on a second stage of 8 villas due for delivery in 1H23.
<b>Waimea Plains, Richmond</b>	20 villas were delivered in 1H22, all sold. An additional 37 villas have been delivered in 2H22, and another 5 villas due for delivery in April. 27 villas in this stage have sold.
<b>Rhodes on Cashmere, Christchurch</b>	Construction of 2 serviced apartments and 35 care suites was completed in 2H22. Soft fitout is in progress. This is due to complete in May.
<b>Queenstown Country Club, Queenstown</b>	10 villas were delivered in 1H22 and an additional 16 villas delivered in 2H22. 19 villas have sold.

#### Other major development activity in progress includes:

- **Aria Bay, Auckland:** Superstructure works for the 57 apartment complex is advancing. Completion is progressing to a 2H23 delivery.
- **Bethlehem Shores, Tauranga:** Procurement planning is well advanced for the care and apartment building. It will comprise 54 care suites and 53 apartments. Construction is due to commence 2H23.
- **Lauriston Park, Cambridge:** Construction of the 63 care-suite building is progressing well and is on track for 2H23 completion. Procurement of trades and suppliers is complete, largely mitigating cost escalation risk.
- **Peninsula Club, Auckland:** Delivery of 13 apartments is progressing well to a 1H23 delivery.
- **Queenstown Country Club:** Enabling work has commenced on the Stage 1 care and apartment building.

It will comprise 62 care suites and 29 apartments.

- **Te Awamutu:** Enabling works and bulk earthworks have progressed over summer; the first stage of 10 villas is expected to be delivered in 2H23.
- **Waikanae Beach:** Master planning is complete and Stage 1 design is advanced; the first stage of 10 villas is planned to be delivered in 2H23.
- **Waimea Plains, Richmond:** Planning is progressing for development of an Arvida Good Friends community centre and combined 59 unit care facility.

Master planning at the Arena villages is nearing completion. Pleasingly, the prospective yield across sites is more than anticipated, subject to board approvals. Additional information will be provided with our financial results in May. Additional greenfield sites for future broad acre development are being evaluated currently.

# Marketing Update: New Campaign

If you've seen our new television ad, you'll notice that people living in an Arvida Living Well community are depicted as younger than their years.

The brand campaign brings to life our Attitude of Living Well™ philosophy through the idea of 'living the age you feel'. It shows residents as their younger selves, because they're feeling good and doing things that make them happy and fulfilled.

Feeling younger than your actual age, known as your 'subjective age', is definitely good for your health. Research carried out by the University of Virginia says that people who are younger at heart are onto a winner.<sup>1</sup>

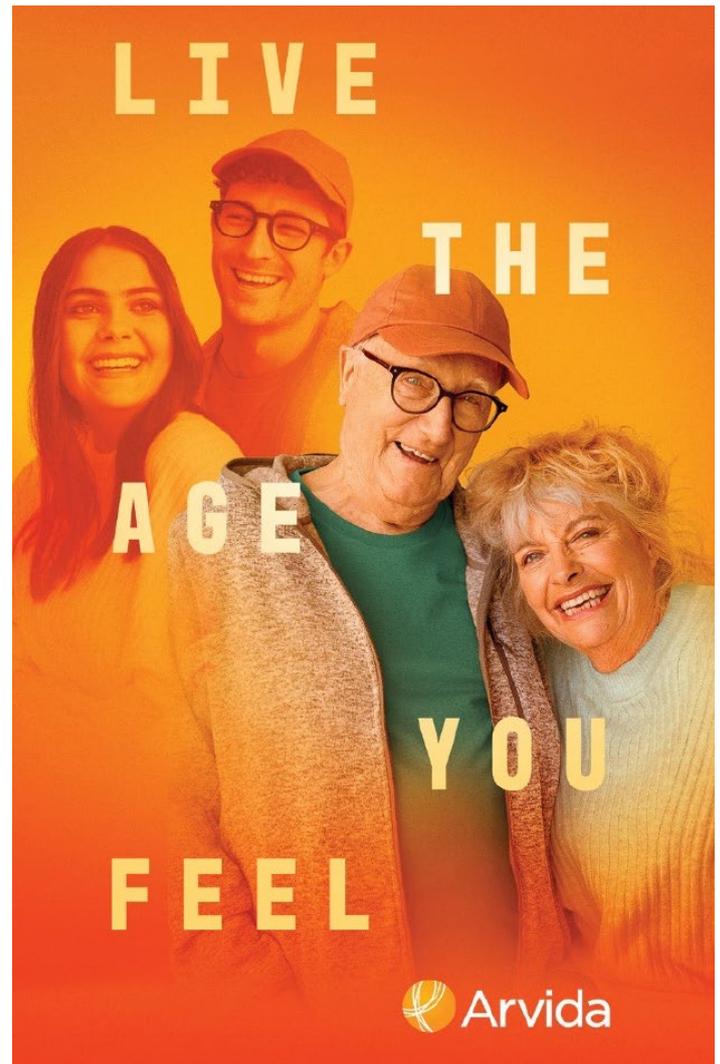
They are:

- More likely to retain their personality as they age
- More likely to feel positive and optimistic
- More likely to avoid anxiety and depression
- More likely to enjoy a greater range of activities
- Less likely to develop dementia
- Less likely to need hospital visits

Our brand storytelling highlights that Arvida communities are safe and trustworthy, have friendly people, offer piece of mind, encourage community connection and are welcoming. These are all emotional drivers for brand consideration in the retirement category.

Shot in late 2021 at our Park Lane retirement community in Christchurch, the campaign launched nationwide across all major TV channels, digital channels, cinema, radio and outdoor media in February 2022.

1. <https://www.bbc.com/future/article/20180712-the-age-you-feel-means-more-than-your-actual-birthdate>



## Arvida Good Friends

In May 2022, Arvida Good Friends™ will celebrate one year since launching Arvida's new community membership programme in Christchurch.

Over 550 members have been accessing rideshare transport and fitness services at our flagship Living Well Centre in Addington. Our Good Friends Go transport service has driven around 3,500 rides since launching and continues to grow in appeal.

Arvida Good Friends is also providing back-up support to the Canterbury DHB on a short term contract for government-funded care services to our independent residents. This initiative allows us to showcase the technology platform that powers our private home services to funding agencies. Covid and the DHB restructure has precluded Arvida Good Friends from securing local publicly-funded home help contracts.



Arvida Good Friends at Park Lane Living Well Centre.

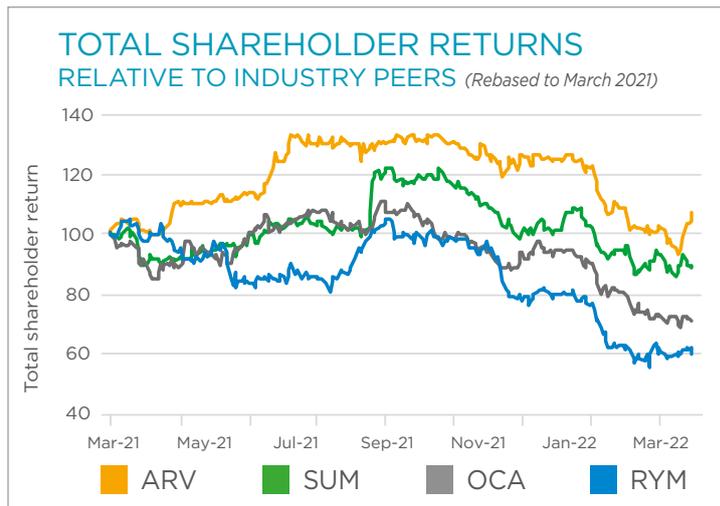
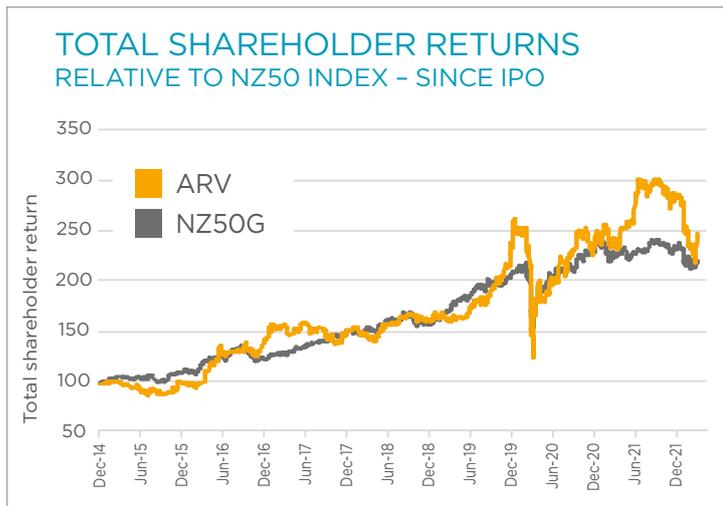
Another Arvida Good Friends Living Well Centre is being developed at Arvida's Waimea Plains community. Other regions are currently being considered to further expand Arvida Good Friends' reach.

Shareholders are welcome to call in and view the Arvida Good Friends Living Well Centre facilities and services at 47 Whiteleigh Avenue, Addington. Any of the team will be happy to give you a tour.

# INVESTOR CENTRE

We look to publish an investor update twice yearly. Your enquiries, feedback and suggestions are greatly welcomed.

Source: IRESS as at March 2022.



## DIVIDEND / DRP

The next dividend is scheduled for June 2022 following announcement of results for the 2022 financial year.

It is anticipated that shareholders will be able to participate in the dividend reinvestment plan again. The dividend reinvestment plan provides an easy and convenient way for shareholders to increase their

investment in Arvida without any brokerage fees. Participation is optional. Shareholders can decide whether to reinvest all, part or none of the cash dividends. Dividend reinvestment plan preferences can be updated at [www.investorcentre.com/nz](http://www.investorcentre.com/nz)

## GO ELECTRONIC

Many of our shareholders have elected to receive communications electronically. This not only ensures they receive shareholder related information promptly, but helps to reduce Arvida's carbon footprint.

If you'd like to change the way you receive communications from us or receive other communications by email, please go to [www.investorcentre.com/nz](http://www.investorcentre.com/nz)

If you're new to this website, you will need to create a login. Once you have registered and obtained your user ID, you will be able to log on and select 'My Profile', then click 'Update' from the 'Communications preferences' tile.

You will need your CSN/Shareholder number and FIN to use this online service. Once setup, you will have ongoing access with your own User ID and password.

## ARE YOUR DETAILS CORRECT?

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Alternatively, you can contact Computershare at +64 9 488 8777 or [enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz)

## Investor Calendar\*

### FINANCIAL YEAR END

31 March 2022

### RELEASE OF FULL YEAR RESULT

24 May 2022

### DIVIDEND PAYMENTS

16 June 2022 (2H FY22)

21 December 2022 (1H FY23)

### ANNUAL MEETING

30 June 2022, Auckland

\* Expected dates, subject to confirmation.

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