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Aspen Group Announces New Residential Land Development Syndicate

Aspen Group (ASX: APZ) is pleased to announce the release of a new residential land development syndicate, ***Enclave at St Leonards Limited*** (Enclave).

Enclave will provide an exciting new product offering to Aspen's retail distribution network, utilising both the Group's significant financial planning distribution networks, as well as its existing retail investor base. The project adds further depth to Aspen's funds management platform, representing the first retail offering by Aspen Living, with previous syndicates aimed at the non-retail investor market.

Aspen has created Enclave through the syndication of a non-core balance sheet asset. As previously communicated, non-core land assets held on balance sheet, which were previously earmarked for retirement living development, are to be syndicated or sold. The Enclave is the first divestment of these assets.

Aspen Group Managing Director, Mr Gavin Hawkins, said the release of Enclave achieved a number of Aspen's strategic goals.

"Enclave has demonstrated our ability to recycle non-core assets into more accretive opportunities, expanded our funds management product list and increased the pipeline of residential lots under development," said Mr Hawkins.

Background to Enclave

Enclave will undertake development of a well located infill residential site, capitalising on the shortage of affordable residential land in the Perth metropolitan area. The development, which has zoning approval in place for residential development, is located 15 kilometres from the Perth CBD. The syndication will seek to raise \$11.5 million through the sophisticated and retail investor market and is offering a target Internal Rate of Return of 18% p.a. over a two year investment timeframe.

Growth of Residential Funds Management Division

The recycling of such non-core development land into a syndicated residential project is part of the Group's strategy of growing earnings through better utilisation of existing assets, thereby presenting valuable and identifiable growth opportunities.

Mr Hawkins said, "Stage 1 pre-sales of \$44 million within 12 months at the adjoining Aspen managed St Leonards Private Estate, as well as the strong demand for quality and affordable residential developments in the area give us confidence in the success of the development."

Aspen Group has established itself as a significant participant in the residential property sector, through its syndicated property development model. It has a substantial pipeline of circa 4,000 residential zoned lots with forecast total sales value of \$1.4 billion across its five residential projects.

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About Aspen Group

Aspen Group is an ASX listed property investment and funds management group, focused on acquiring quality property assets and creating and managing innovative property funds and syndicates.

Formed in 2001, Aspen has progressed rapidly and is now a member of the S&P/ASX 300 index with assets under management of \$1.4 billion.

Aspen's core strength lies within the Group's broad expertise across property acquisition, development and management enabling the Group to provide leading edge property solutions.

Aspen directly owns and manages a well diversified portfolio of commercial property assets Australia-wide. The portfolio is spread across the office, industrial and retail sectors and has grown through acquisitions and portfolio revaluations of existing properties driven by a strong property management focus.

Aspen also has developed an outstanding reputation for creating unique and successful funds management products and related services. These managed funds have provided investment opportunities across a broad spectrum of property sectors including holiday and accommodation parks, residential land subdivisions, CBD office developments, private hospital developments and retirement and accommodation villages.

Aspen continues to source acquisition opportunities for both balance sheet and syndication purposes in order to achieve further growth in both assets and earnings for securityholders.

Website www.aspengroup.com.au