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by Nick Lenaghan

Barwon fund goes west with healthcare development



Hillarys Plaza in Perth will have 3700 square metres of net lettable area.

Boutique fund manager Barwon Investment Partners has launched its first healthcare property asset in Perth, funding a \$20 million medical centre project in a northern coastal suburb.

The development will be structured as a fund-through arrangement. The facility will be delivered by AGEM Property Group, creating 3700 square metres of net lettable area across two levels.

The Hillarys Plaza project will accommodate a range of primary and allied healthcare providers along with commercial tenants.

The asset, with an end value of about \$20 million, is the latest addition to Barwon's Institutional Healthcare Property Fund, a [\\$500 million fund established to tap institutional appetite for healthcare funds](#).

The fund was created in late 2016 and Barwon [began seeding it early last year](#). It is almost fully invested under its original mandate following the Perth deal and [two existing medical facilities in Queensland acquired last month](#) for about \$50 million.

The Hillarys investment is Barwon's third fund-through transaction and joins the Somerset Private Hospital at Nepean in NSW, as part of its [pipeline of brownfield developments](#).

"We expect that the Hillarys Plaza will be a great addition to the fund's portfolio and will enhance access to key healthcare services for the residents of Hillarys and surrounding areas," Barwon's Peter Connors said.

AGEM's managing director Adrian Fiore said Barwon's involvement together with positive tenant engagement validated the developer's ambition for the project.

The Perth project comes as institutional investment pours into the burgeoning healthcare property sector.

This week, Healthscope announced it was [seeking a co-investor for a \\$1 billion unlisted property trust](#) to hold its hospital properties.

This month, Canada's NorthWest Healthcare Properties Real Estate Investment Trust, partnered by Singapore's GIC, [launched a \\$2 billion healthcare property venture](#) in Australia.

"The moment is ripe for the opportunity in Australia," NorthWest chairman Paul Dalla Lana told *The Australian Financial Review*.