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## Barwon checks in to Gosford in \$200m deal

**Nick Lenaghan** *Property Editor*

Barwon Investment Partners has struck a \$200 million sale-and-lease-back deal with operator Health Care Australia to acquire Gosford Private Hospital on the NSW Central Coast.

The acquisition will be held in the Barwon Institutional Healthcare Property Fund, a vehicle which the boutique fund manager [first seeded two years ago](#), after securing \$300 million in equity commitments from five institutional investors.

The fund holds to \$500 million in property with 13 healthcare assets including the Calvary John James Hospital in Canberra and the new Sumerset Private Hospital currently under development in Penrith.

The fund manager raised another \$375 million in equity commitments in the past year from existing and new fund investors which will help fund the Gosford Private Hospital acquisition and other opportunities.



A render of the planned expansion at Gosford.

As part of the Gosford deal, Healthe Care, the country's third largest private hospital operator, has struck a 25-year lease arrangement, with options for up to a further 75 years.  
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The transaction involves further investment and expansion at Gosford with plans for a \$32 million redevelopment which will deliver 12 theatres, additional beds, an expanded day surgery unit and a new maternity ward.

“The site is expansive, and lends itself to future brownfield development opportunities. We will be working closely with Healthe Care to expand and upgrade this important hospital facility, to better serve the Gosford community,” said Barwon partner and head of healthcare property Tom Patrick.

Healthe Care chief executive Steve Atkins said Gosford Private was one of the operator's first hospital acquisitions, and the only asset across its 34-facility portfolio that it owned.

"First and foremost we are a hospital operator, so this transaction allows Barwon to manage the asset, while Healthe Care focuses on providing clinical best practice, innovation in service delivery and positive patient outcomes, as we've done since 2005."

With the Gosford acquisition and the planned redevelopment Barwon's funds under management in healthcare real estate will be approaching \$1 billion.

“Our institutional investors are seeking exposure to the recurrent income and growth opportunities in the healthcare property sector and this investment will further improve the quality and diversification of our portfolio,” said Barwon founding partner Robert Morrison.

Investment into the healthcare property has been increasing. Canada's NorthWest Healthcare Properties, backed by GIC, is acquiring half of Healthscope's \$2.5 billion hospitals portfolio, [with New York-listed Medical Properties Trust taking over the other half.](#)

The Canadian property trust is boosting [its partnership with GIC to invest in Australian healthcare real estate to \\$3.5 billion.](#) Meanwhile local fund managers including Dexis are [also making inroads into the emerging sector.](#)