

MEDIA RELEASE

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Barwon Investment Partners and Healthe Care Australia finalise \$200m Central Coast hospital transaction

Barwon Investment Partners (Barwon) and Healthe Care Australia (Healthe Care) have partnered to conclude a sale-and-lease-back transaction to acquire Gosford Private Hospital on the Central Coast, NSW.

The acquisition is on behalf of the Barwon Institutional Healthcare Property Fund, while current owner and Australia's third largest private hospital operator Healthe Care will continue to operate Gosford Private on a long term 25 year lease arrangement, with options for up to a further 75 years.



Planned expansion (concept drawing), Gosford Private Hospital

The transaction will facilitate further investment and material expansion of Gosford Private, with plans for a \$32m redevelopment to ultimately deliver 12 theatres, additional beds, an expanded day surgery unit/recovery chairs, a brand new maternity ward and more to meet the growing demands of the Central Coast community already approved.

Barwon Founding Partner Robert Morrison said are pleased to announce this acquisition, which will be a strong addition to the Barwon Institutional Healthcare Property Fund.

“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.”

Barwon Partner and Head of Healthcare Property Tom Patrick said the asset represented a key component of the healthcare infrastructure in the fast-growing Gosford region.

“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.”

Healthe Care CEO Steve Atkins said the sale of Gosford Private secured Healthe Care's future commitment to invest and grow Gosford Private to meet the needs of the community.

“Having Barwon as our property partner in this growth is an exciting opportunity for all involved. Gosford Private was one of our first hospital acquisitions, and the only asset across our portfolio of 34 healthcare facilities that we own. 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.”

Gosford Private Hospital currently has 129 inpatient beds, 74 treatment stations, 9 operating theatres, 2 cardiac catheterization labs and 2 endoscopy procedure rooms. The property has a gross floor area of 13,855sqm and a site area of 23,990sqm. It is the region’s dominant private hospital offering high acuity care for residents in Gosford and the fast-growing coastal communities between Sydney and Newcastle.

It is Healthe Care’s third private hospital on the Central Coast alongside Brisbane Waters Private Hospital (109 beds, Woy Woy) and Tuggerah Lakes Private Hospital (20 beds, Kanwal).

Barwon Institutional Healthcare Property Fund was launched in November 2016 when Barwon secured \$300m of seed equity commitments from five Australian Institutional Investors including four superannuation funds. The Fund has since grown to a gross asset value of \$500m comprising 13 healthcare assets including the Calvary John James Hospital in Canberra and the new Somerset Private Hospital currently under development in Penrith. Other portfolio assets include pathology laboratory facilities, mental health hospitals, oncology facilities and multidiscipline medical centres located in QLD, NSW, Victoria, ACT and WA.

Barwon is also pleased to announce that it has raised a further \$375m of equity commitments from existing and new fund investors. In addition to Gosford Private Hospital, this equity will be deployed into secondary and tertiary healthcare assets offering long leases with strong operators. Barwon’s fund mandate allows it to invest in established healthcare assets as well as brown field expansion assets and green field developments where Barwon will partner with hospital operators and healthcare developers.

Barwon also manages the Barwon Healthcare Property Fund, a fund which invests in the primary healthcare sector with a focus on medical centres, pathology and radiology facilities. The Barwon Healthcare Property Fund is open to wholesale investors, including family offices, wealth groups and self managed super funds.

About Barwon Investment Partners (Barwon)

Barwon’s funds under management in healthcare real estate, at the conclusion of the Gosford Private Hospital acquisition and its expansion, will be approaching \$1billion. Barwon also manages the Barwon Healthcare Property Fund (BHPF), a fund which invests in the primary healthcare sector with a focus on medical centres, pathology and radiology facilities. This Fund (BHPF) is open to wholesale investors. Please contact us if interest to invest in this Fund.

About Healthe Care Australia (Healthe Care)

Healthe Care is a subsidiary of Luye Medical, the healthcare service division of Luye Group. As a leading pan-Asian healthcare services group, the Healthe Care management team continues to work with other Luye Executives to explore growth opportunities across South East Asia and China. The company is the third largest corporate private hospital operator in Australia and one of the country’s largest privately-owned healthcare organisations. Healthe Care employs near 7,000 people and operates a portfolio of 34 hospitals located in major cities and key regional areas across Australia and one in New Zealand, with around 2,500 beds and 70 operating theatres.

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