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Barwon wraps up two medical facilities for healthcare fund

by Nick Lenaghan



The North Lakes medical facility in Queensland which Barwon has acquired for its institutional healthcare property fund.

Boutique fund manager Barwon Investment Partners is close to investing out its institutional healthcare property fund after securing two medical facilities in Queensland for around \$50 million combined.

The latest acquisitions take Barwon's funds under management in healthcare real estate past \$600 million, after a busy period of acquisitions for Sydney-based investment house.

One of its vehicles, the Barwon Institutional Healthcare Property Fund, is nearing its original \$500 million investment target, raising the prospect that Barwon will consider a fresh capital raising to expand the fund.

Barwon is not alone. The push into healthcare property is gaining pace among institutional investors with private hospitals, as real estate, [outperforming other commercial property classes in 2017](#).

In its latest deals, Barwon has acquired two cancer centres in Queensland, both run by Icon. One is in North Lakes, the other is in Mackay.

The North Lakes transaction was brokered by Savills Jack Morrison and Peter Chapple. The Mackay deal was done off-market and both facilities were bought from private developers.

Icon is the country's largest dedicated provider of cancer care, with 26 cancer centres across the nation.

Barwon partner Tom Patrick said the North Lakes facility was a key component of the area's burgeoning medical precinct and was supported by strong population growth in southeast Queensland.

The Queensland deals follow quickly on from two other acquisitions by Barwon.

In early May it took over an [an integrated hospital campus at Deakin](#) in the Australian Capital Territory for more than \$100 million.

That deal came less than a week after Barwon had directed \$100 million [into the development of a new private hospital at Penrith](#) in Sydney's west.

[Barwon launched its institutional healthcare property fund in late 2016](#) to tap into the rising appetite for medical-related real estate.

The fund was [seeded with its first asset early last year](#) after taking in \$300 million in equity commitments.

Barwon is competing for investment with major platforms such as Australian Unity's unlisted healthcare property trust, [which raised \\$250 million last November](#) to bankroll its growing development pipeline.

New Zealand's Vital Healthcare, another big player, [is expanding its Australian portfolio](#). Its largest shareholder is Canada's NorthWest Healthcare Properties REIT, which also bought out Generation Healthcare REIT last year [in a \\$500 million deal](#).

The country's largest office landlord, Dexus, has also taken a big step into medical real estate, [seeding an unlisted \\$760 million healthcare property fund last year](#).