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by [Nick Lenaghan](#)

# Barwon injects Deakin hospital into healthcare fund



*The integrated hospital campus that sits on a 46,565-square-metre site at Deakin has been bought by Barwon.*

In its second major deal this month, Barwon Investment Partners has bought an integrated hospital campus at Deakin in the Australian Capital Territory for more than \$100 million.

The acquisition comes less than a week after the Sydney-based fund manager directed \$100 million [into the development of a new private hospital at Penrith](#) in Sydney's west.

The Deakin campus in the ACT includes a 125-bed surgical hospital leased to Calvary and a multi-let collocated specialist building with consulting rooms and diagnostic services.

The campus sits on a 46,565-square-metre site in Deakin and includes 19,427 square metres of accommodation.

"We are very pleased to be announcing this acquisition, which will be an important asset within the Barwon Institutional Healthcare Property Fund," said Barwon founding partner Robert Morrison.

"Our institutional investors are seeking exposure to the growing healthcare property sector and this investment will further improve the quality and diversification of our portfolio."

The transaction was managed by Grant Samuel on behalf of its owner, the John James Memorial Foundation. The transaction was struck on a yield of about 5.5 per cent.

Barwon partner Tom Patrick said the large site had the potential for further brownfield development.

"There are some obvious service gaps in the Canberra healthcare market which we will be seeking to support through building out existing facilities and accommodating new ones over time," he said.

## Seeking more acquisitions

The Deakin purchase takes Barwon's funds under management in healthcare real estate to more than \$450 million.

Barwon is confident it can secure more acquisitions this year to take its funds under management to more than \$500 million by the end of 2018.

[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](#). It has \$300 million in equity commitments and is targeting a portfolio size of \$500 million. The healthcare property sector has become a busier place as institutional demand for it increases. Players such as Barwon are 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 [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](#).