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by [Nick Lenaghan](#)

Barwon boosts health fund with \$100m Penrith hospital



Barwon is partnering with DPA Health, GenesisCare and PRP on a private hospital in Penrith.

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Barwon Investment Partners will invest into a new \$100 million private hospital, including a cancer treatment centre at Penrith in Sydney's west.

It is the fifth investment for the institutional healthcare property fund which [Barwon launched in late 2016](#) to tap into rising appetite for medical-related real estate. The fund was [seeded with its first asset early last year](#). The Penrith deal takes Barwon's funds under management in healthcare real estate to more than \$350 million.

Barwon's Institutional Healthcare Property Fund has \$300 million in equity commitments and is targeting a portfolio size of \$500 million.

Barwon is partnering with operators DPA Health, GenesisCare and PRP to deliver the Penrith facility.

The first stage is due for completion in late 2019. The 5300 square metre building includes a cancer treatment centre, diagnostic imaging, a private hospital, pathology, pharmacy and consulting rooms.

"Our catchment analysis indicates clearly that the Penrith area has been under-serviced from a private perspective with people having to leave the area to get services," said Barwon partner Tom Patrick.

"We are seeing the public hospital grow bigger and bigger. We expect to see the private offering here grow substantially over time which will complement and support the expansion of the public service offering."

Busy sector

The Penrith investment includes additional land for potential expansion.

"Our vision for the second stage of the facility is to include additional secondary and primary care services such as mental health and primary healthcare," Mr Patrick said.

"Alternatively, we have capacity to deliver a second stage for the private hospital."

DPA Health is an independent private hospital operator managing seven private hospitals already. PRP Diagnostic Imaging will provide imaging services while GenesisCare, which operates in Australia, the UK and Spain, will provide specialised cancer services.

"We're pleased to be working with Barwon, the community and clinicians, so that patients in Sydney's outer west can receive rapid access to state-of-the-art cancer care," said GenesisCare managing director Dan Collins.

Barwon has been actively assembling its healthcare fund, acquiring [two pathology labs in separate deals](#) and taking over [the Australian section of the Evolution Healthcare portfolio](#), three New South Wales hospitals, for \$76.5 million in April last year.

More broadly, the healthcare property sector has been busy as institutional appetite for it increases.

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](#).