

Barwon beats giants to buy \$200m medical portfolio

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BEN WILMOT



Commercial property reporter Sydney

Barwon Investment Partners has seen off tough competition from property giants Lendlease and Dexus to snap up a near \$200 million portfolio of medical properties across Australia and New Zealand.

The group, led by former AMP heavyweight Rob Morrison, has secured a portfolio of hospitals and medical centres in Australia and New Zealand from Evolution Healthcare as the pricing on properties in the area approaches the heightened levels on office building and retail centres.

Landlords are cashing in on the demographic tide that is driving more people to doctors' surgeries and hospitals as well as the desire of cash-strapped operators and governments to sell off properties.

Property fund managers are hoping buy up the new wave of small private hospitals that are being rolled out across Australia and grow to sufficient scale so they are in position to buy large portfolios that public and private owners are tipped to sell in future.

The Evolution Healthcare portfolio has local assets including Canberra Private Hospital, Wollongong Day Surgery and Shellharbour Private Hospital in the NSW, as well as assets in NZ.

Barwon Investment Partners has a \$500m institutional healthcare property fund that it is looking to expand and could develop parts of the initial portfolio. It may secure the right to buy further properties from Evolution.

It is not alone in buying healthcare assets. Office giant Dexus last year bought an Adelaide facility for \$42m and is developing a Sydney hospital to be occupied by Healthscope. Lendlease, a major hospital builder, has been looking to draw investors into the sector. All the landlords are targeting hospitals, private specialist facilities, day surgeries and medical centres, and ancillary healthcare assets.

Securing the portfolio is a step up for Barwon, which bought a Melbourne facility last November. It runs another medical fund that owns \$80m of medical properties.

The firm, Evolution Healthcare and real estate firm CBRE, which brokered the sale of leaseback of the facilities, declined to comment.