

# Market Release

5 April 2017

## Vital announces two acquisitions & settles Ormiston

Vital Healthcare Property Trust (Vital) today announced two separate acquisitions in Australia for a combined value of A\$27.6m. The weighted average yield is approximately 7.2% and directly supports Vital's scale and diversification strategy. Vital also announced it had settled the acquisition of Ormiston Hospital in Auckland.

### Acquisition of Grafton Aged Care facility with aged care partner, Hall & Prior

The Grafton Aged Care facility (Grafton) is a residential aged care facility located in South Grafton, NSW, approximately 70km north of Coffs Harbour on the Clarence River. The facility comprises 43 rooms with a mix of single, double and triple rooms, providing a total of 83 beds. Two adjacent residential properties were also acquired for potential future expansion. Total land area of the acquisition is approximately 12,400sqm.

With a relatively high and growing proportion of elderly in its catchment, both Hall & Prior and Vital envisage future expansion to meet the rising demand for aged care services. Grafton is being acquired on an initial 20 year lease term with Hall & Prior.

Chief Executive of Vital's Manager, David Carr said "This transaction builds on our earlier investment into the residential aged care sector with our highly experienced partner. We have adopted a conservative and prudent approach to opportunities since our initial acquisition in early 2016. However, our long-term outlook for the sector remains favourable with residential aged care a logical inclusion in our scale and diversification strategy".

Settlement occurred 31 March.

### Acquisition of Epworth Eastern Hospital (Epworth) fit-out and a 6 year lease extension to 25 years

The acquisition simplifies the ownership structure in preparation for further potential development works at the site. The prevailing lease obligations and periodic review mechanisms all remain unchanged.

Mr Carr said, "This is an excellent outcome for both Epworth and Vital. We both look forward to the Epworth Campus meeting the growing patient demand in the area and a continuation of the exceptional care provided by the Epworth team. The six-year lease extension to 25 years cements the long-term commitment to the partnership and delivers additional earnings certainty to Vital and investors".

The transaction settled in March.

### Settlement of Ormiston Hospital, Auckland

Further to the announcement of 27 February 2017, Vital is also pleased to announce that the acquisition of Ormiston Hospital in Flat Bush, Auckland has now settled.

**- ENDS -**

#### ENQUIRIES

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## About Vital Healthcare Property Trust

Vital Healthcare Property Trust (NZX: VHP) is Australasia's largest listed investor in healthcare real estate. Tenants include hospital operators and healthcare practitioners who deliver a wide range of medical and healthcare related services. The Manager of Vital Healthcare Property Trust is Vital Healthcare Management Limited.

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