

Market Release

21 November 2016

Acquisition of Ekeru Medical Centre and strategic sites

Vital Healthcare Property Trust (Vital) today announced the acquisition of a majority interest in the Ekeru Medical Centre at Box Hill in Melbourne for A\$24.4m.

Modern medical office building located in Box Hill, Melbourne, Victoria.

Constructed in 2014, Ekeru is a modern, multi-tenanted four level medical office building comprising a total area of 3,605 sqm and basement parking for 133 cars. Vital will have a controlling interest in the building with a small number of individual strata units remaining in the private ownership of a select group of consultants, surgeons and doctors who practice from the units.

The Box Hill medical precinct includes the recently redeveloped 400 bed, 10 theatre Box Hill Public Hospital and Vital's own Epworth Eastern Hospital (223 beds and 10 theatres) and Medical Centre (18 fully occupied consulting suites).

Chief Executive of the Manager David Carr said, "With the expansion undertaken last year at Epworth Eastern Hospital, ensuring we maintain flexibility to support Epworth's ongoing growth initiatives remains essential.

Box Hill is experiencing significant growth with a number of large scale residential towers being developed, driving a material increase in population for the area. The Ekeru acquisition provides an attractive opportunity to secure a quality modern asset which will support the delivery of long-term growth options at Vital's Epworth Eastern campus".

Ekeru's major tenant is Imaging Associates, representing approximately 40% of rental income. Other tenants include: Sonic Healthcare, Monash IVF and Sportsmed Biologic providing a building WALE by income of 4.2 years. The A\$24.4m purchase price reflects a blended yield of 6.75%.

Vital strategic acquisitions update.

In June 2016 Vital announced it was working on a number of initiatives to protect and enhance long term value at a number of its larger metropolitan properties. Vital has now acquired five sites adjacent to strategic assets for approximately A\$10m. Two sites are in Victoria, two in New South Wales and one in Western Australia.

Mr Carr said, "The sites will simplify and facilitate future expansion, directly supporting long-term growth initiatives with our partners and enable us to execute on our scale and diversification strategy. We expect to continue with this initiative as appropriate and required".

- 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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