

24 November 2020

Acquisition of Grace Hospital, Tauranga, New Zealand

NorthWest Healthcare Properties Management Limited (the **Manager**), as manager of Vital Healthcare Property Trust (**Vital**), is pleased to announce the acquisition of Grace Hospital in New Zealand. This 51-bed, 11-theatre facility was purpose-built in 2007 and expanded earlier this year. It is Tauranga's only private in-patient hospital and is located on a ~4-hectare site providing significant future expansion opportunities. As part of the acquisition Vital will support Grace Hospital's \$50m Master Plan to be built over the next 5 years¹.

The property will be fully leased to a joint venture between Evolution Healthcare (formerly Acurity Health Group) and Southern Cross Hospitals for 30 years from settlement and provide a rental yield of 5.25% (based on year 2 stabilised / market rent).

Vital's Fund Manager, Aaron Hockly, said:

"We are delighted to be expanding our partnership with Evolution Healthcare and Southern Cross Hospitals.

The hospital operators were motivated to this sale and leaseback due to our development capability and both Vital's financial capacity and the Manager's development expertise. Due to growing demand for in-patient facilities in the Bay of Plenty region coupled with limited alternative supply, the operators expect to further expand this facility in coming years.

This acquisition is aligned with Vital's strategy and the 30-year lease to New Zealand's largest (Southern Cross) and third largest (Evolution) private hospital operators provides long-term income security for our unitholders."

This \$95m acquisition was referred to as part of Vital's \$157.5m equity raising announcements on 7 October 2020. As the acquisition is expected to be funded by ~\$100m of asset sales, the acquisition is not forecast to have any material impact on Vital's gearing or earnings.

The acquisition remains subject to several customary conditions including satisfactory completion of due diligence, but it is expected to settle by the end of 2020.

¹ Any future funding from Vital is subject to business case support among other conditions.



Photographer: Rose Minnee

– ENDS –

ENQUIRIES:

Aaron Hockly
Fund Manager - Vital
Tel 09 973 7301, Email aaron.hockly@nwhreit.com

Michael Groth
Chief Financial Officer, NorthWest Healthcare Properties Management Limited
Tel +61 409 936 104, Email michael.groth@nwhreit.com

About Vital (NZX code VHP):

Vital Healthcare Property Trust is an NZX-listed fund that invests in high-quality healthcare properties in New Zealand and Australia including private hospitals (~80% of rent), Medical Office Buildings (~10% of rent) and aged care (~8% of rent).

Vital is the only specialist listed landlord of healthcare property in Australasia and currently has a portfolio valued at over \$2.2 billion.

Vital is managed by NorthWest Healthcare Properties Management Limited, a subsidiary of Toronto Stock Exchange listed NorthWest Healthcare Properties REIT, a global owner and manager of healthcare property.

For more information, visit our website: www.vhpt.co.nz