

Announcement

27 November 2023

Australian Unity Healthcare Property Trust (Trust) – ARSN 092 755 318

November 2023 property revaluations

27 of the Trust's properties were independently valued during November 2023, with an aggregate net decrease of \$74.08 million or 5.3% from the properties' book value immediately prior to valuation. The valuation movement is largely attributable to one property (STARS, Herston QLD) – which accounts for \$50.29m of the movement. Excluding this property, the aggregate net decrease compared to the book values would be \$23.79m or 3%.

The Trust's weighted average capitalisation rate has softened from 4.80% as at 30 September 2023 to 4.93% as at 22 November 2023. The softening in capitalisation rates is a result of new market evidence and market sentiment associated with commercial property.

In line with our active management, 75.09% ⁽¹⁾ of the Trust's properties have been independently valued within the last six months and we will continue to update valuations as appropriate.

Material valuation changes include:

STARS, Herston, QLD – The property's value decreased by \$50.29 million or 8.3% from the book value prior to valuation. The reduction in value compared to the previous valuation is primarily as a result of the capitalisation rate softening offset by the annual increase in rent of the property being capitalised.

Tuggerah Lakes Hospital, Kanwal, NSW – The property's value decreased by \$7.72 million or 22.1% from the book value prior to valuation. The reduction in value compared to the previous valuation is primarily as a result of the capitalisation rate softening as a result of the tenant ceasing trading at the facility.

Wyvern Private Hospital, Terrey Hills, NSW – The property's value decreased by \$5.63 million or 7.2% from the book value prior to valuation. The write off compared to the book value is due to timing impacts of development completion. The increase in the current valuation compared to the previous valuation is due to development expenditure.

Matilda Nepean Private Hospital, Kingswood, NSW – The property's value increased by \$2.36 million or 4.5% from the book value prior to valuation. The increase in value compared to the previous valuation is a result of the annual increase in rent of the property being capitalised.

Key revaluation details

Property	Previous independent valuation	Pre-valuation book value	New independent valuation	Previous capitalisation rate	New capitalisation rate	Variance to book value	Variance to book value
151-153 Furlong Road, St Albans, VIC	\$6,000,000	\$6,000,000	\$3,900,000	4.25%	5.25%	(\$2,100,000)	(35.00%)
Tuggerah Lakes Hospital, Kanwal, NSW	\$35,000,000	\$35,019,798	\$27,300,000	4.75%	6.25%	(\$7,719,798)	(22.04%)

¹ by value, and excluding recent acquisitions

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24-28 Wayford Street, Elizabeth Vale, SA	\$9,300,000	\$10,625,417	\$9,500,000	6.00%	6.00%	(\$1,125,417)	(10.59%)
Ipswich Medical Centre & Day Hospital, QLD	\$23,300,000	\$23,435,508	\$21,000,000	4.75%	5.75%	(\$2,435,508)	(10.39%)
STARS, Herston, QLD	\$605,000,000	\$605,287,969	\$555,000,000	4.00%	4.50%	(\$50,287,969)	(8.31%)
Wyvern Private Hospital, Terrey Hills, NSW	\$22,300,000	\$78,134,975	\$72,500,000	5.25%	5.25%	(\$5,634,975)	(7.21%)
160-176 Walkerville Terrace, Walkerville, SA	\$36,300,000	\$35,319,284	\$37,100,000	5.00%	5.00%	\$1,780,716	5.04%
The Terraces Aged Care, QLD	\$38,000,000	\$38,008,821	\$39,900,000	5.25%	5.25%	\$1,891,179	4.98%
Matilda Nepean Private Hospital, Kingswood, NSW	\$52,500,000	\$52,740,353	\$55,100,000	4.75%	4.75%	\$2,359,647	4.47%
All other properties revalued (18)	\$498,530,000	\$518,322,584	\$507,512,600			(\$10,809,984)	(2.09%)
Total	\$1,326,230,000	\$1,402,894,709	\$1,328,812,600			(\$74,082,109)	(5.28%)

Divestment of Arena REIT (ASX: ARF) securities

The Trust has divested its remaining stake in ARF. Proceeds of approximately \$47 million have been used to reduce borrowings in the short term.

Trust borrowing details

As at 22 November 2023, the Trust's gearing ratio was 30.98% and the Trust's gross assets value stood at \$3.87 billion with total borrowings of \$1.22 billion.

More information

We regularly provide up to date information about the Trust, including quarterly Trust Updates and continuous disclosure information. These contain current information about the Trust's gearing, interest cover, borrowings, Trust diversification, valuation policy, related party transactions, distribution practices and withdrawal rights.

Please refer to the 'Trust information' section of this website or contact Investor Services on 1300 997 774 or +61 3 9616 8687 for copies of the Trust Update.