

# Announcement

27 August 2021

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

### August 2021 property revaluations

Thirty-nine of the Trust's properties were independently valued during August 2021, with a net increase of \$212.44 million or 9.37% from the properties' book value immediately prior to valuation. The material valuations included:

**Herston Quarter - STARS, Herston, QLD** – The property's value increased by \$33.27 million or 6.32% from the book value prior to valuation. This increase in value is primarily a result of the capitalisation rate firming from 4.50% to 4.25% reflecting recent transactions across the sector, the support of a strong tenant covenant and long weighted average lease expiry.

**Peninsula Private Hospital, Langwarrin, VIC** – The property's value increased by \$21.97 million or 9.02% from the book value prior to valuation. The increase in value is primarily due to an increase in market rent and the firming of the capitalisation rate from 4.50% to 4.25% reflecting recent transactions and tightening of yields across the sector, the support of a strong tenant covenant, future development opportunity and long weighted average lease expiry.

**RPAH Medical Centre, NSW** – The property's value increased by \$18.21 million or 16.82% from the book value prior to valuation. The increase in value is primarily due to the firming of the capitalisation rate from 5.75% to 5.00% reflecting recent transactions supporting the tightening of yields across the sector.

**Beleura Private Hospital, Mornington, VIC** – The property's value increased by \$17.70 million or 12.20% from the book value prior to valuation. The increase in value is primarily due to the firming of the capitalisation rate from 4.75% to 4.38% reflecting recent transactions supporting the tightening of yields across the sector and development expenditure incurred.

### Valuation details for the 10 highest movements in value

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
STARS, Herston Quarter, QLD	\$526,000,000	\$526,731,143	\$560,000,000	4.50%	4.25%	\$33,268,857	6.32%
Peninsula Private Hospital, VIC	\$243,500,000	\$243,527,523	\$265,500,000	4.50%	4.25%	\$21,972,477	9.02%
RPAH Medical Centre, NSW	\$108,000,000	\$108,287,772	\$126,500,000	5.75%	5.00%	\$18,212,228	16.82%
Beleura Private Hospital, VIC	\$122,500,000	\$145,047,452	\$162,750,000	4.75%	4.38%	\$17,702,548	12.20%
Sunshine Private Hospital, VIC	\$47,000,000	\$54,492,622	\$66,000,000	5.50%	5.00%	\$11,507,378	21.12%
15 Butterfield St, Herston QLD	\$105,300,000	\$105,796,264	\$115,000,000	5.50%	5.25%	\$9,203,736	8.70%
Mulgrave Private Hospital, VIC	\$155,250,000	\$155,333,124	\$163,250,000	5.00%	4.75%	\$7,916,877	5.10%
Berkeley Vale Private Hospital, NSW	\$21,000,000	\$21,017,885	\$28,500,000	5.50%	4.75%	\$7,482,116	35.60%
Robina Private Hospital, QLD	\$44,560,000	\$45,238,676	\$52,300,000	5.00%	4.50%	\$7,061,324	15.61%
Brunswick Private Hospital, VIC	\$45,500,000	\$46,135,976	\$53,000,000	5.00%	4.50%	\$6,864,024	14.88%

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Of the \$212.44 million increase in book value approximately \$160 million (~75%) is attributable to tightening of capitalisation rates whilst the remaining \$52.44 million (~25%) is attributable to positive leasing activity, development profits and rent increases.

The weighted average capitalisation rate as at 30 June 2021 was 5.16% and following these valuations, is now estimated at 4.77%.

The demand for healthcare property remains high with domestic and offshore private and institutional investors keen to gain or expand exposure to the sector. Off the back of this significant demand, capitalisation rates continue to firm with several transactions occurring over recent months at record levels.

We continue to monitor market transactions and will update valuations as required.

### Property acquisition and settlement

We are pleased to advise that on 4 August 2021 the Trust settled the acquisition of Part Lot 77, Bunjil Way, Knoxfield, Victoria for \$10.75 million (plus acquisition costs). Construction of a 177-bed residential aged care facility leased to Infinite Care for a 25-year term is expected to commence late 2021.

### Property sale and settlement

On 11 August 2021, the Trust settled the final sale tranche of vacant land at the Mackay Medical Centre & Day Surgery for \$600,000.

### Trust borrowing details

As of 26 August 2021, the Trust's gearing ratio was 15.64% and the gross assets stood at \$2.91 billion with total borrowings of \$455.30 million.

### 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.