

2 July 2019

Australian Unity Healthcare Property Trust – ARSN 092 755 318

Property acquisitions and sales

The Australian Unity Healthcare Property Trust (Trust) acquired and sold several properties during June 2019 which are detailed below.

On 27 June 2019 the Trust settled the sale of The Calvary Rehabilitation Hospital, Walkerville, SA for \$13.5 million. In addition, the Trust settled the sale of the two adjoining properties, 12 View Road and 10 North East Road for a combined \$1.5 million. The decision to sell these properties was primarily due to Calvary Health Care advising that they would not renew for a further term remaining lease term after its expiration in February 2020.

On 18 June 2019 the Trust settled the sale of three properties located at 8 Sutter Place, 10 Sutter Place and 2 Govett Crescent, Figtree, NSW for a total of \$1,375,000. These sites were all used as consulting suites located opposite Figtree Private Hospital. A relocation of some health services to a new private hospital in the vicinity of the Wollongong Public Hospital resulted in demand for the properties reverting to residential and therefore the properties were surplus to the Trust's requirements.

On 26 June 2019 the Trust settled the acquisition of the property located at 24 Gillon Court, St Albans, VIC for \$1.075 million. This property is earmarked for expansion land for a proposed development of the Sunshine Private Hospital. This purchase is consistent with the Trust's stated strategy to grow the property portfolio through the acquisition of new properties and development.

June 2019 property revaluations

Six of the Trust's properties were independently valued during June 2019, with a net increase of \$4.98 million or 2.2% from the properties' book value immediately prior to valuation. The valuations are summarised as follows:

STARS, Herston, QLD – The independent value of the property increased by \$3.05 million or 1.6% from the property's book value immediately prior to valuation. The valuation increase reflects the value of ongoing development of the STARS and firming of the capitalisation rate from 6.00% to 5.75%.

Tuggerah Lakes Private Hospital, NSW – The independent value of the property increased by \$2.92 million or 13.3% from the property's book value immediately prior to valuation. The valuation increase reflects the completion of the development of the private hospital and the commencement of a 20-year lease to Health Care.

14 Highfields Circuit, Port Macquarie, NSW – The independent value of the property decreased by (\$71,570) or (0.6%) from the property's book value immediately prior to valuation. Although the book value decreased slightly, the variance to prior valuation increased significantly. This increase reflects the completion of the development of the medical and nuclear imaging facility in 22 January 2019 and the commencement of a 15-year lease to Healius Limited.

Other properties – The other property valuations reduced as a result of the write off of acquisition costs and demolition of existing property in preparation for development activities.

Valuation 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
STARS, Herston, QLD	\$80,000,000	\$185,954,800	\$189,000,000	6.00%	5.75%	\$3,045,200	1.6%
Tuggerah Lakes Private Hospital, NSW	\$4,390,000	\$21,926,590	\$24,850,000	n/a	6.00%	\$2,923,410	13.3%
14 Highfields Circuit, Port Macquarie, NSW	\$1,900,000	\$11,771,570	\$11,700,000	n/a	6.00%	(\$71,570)	(0.6%)
1 Wiowera Road, Kanwal, NSW	\$490,000	\$733,754	\$375,000	n/a	n/a	(\$358,754)	(48.9%)
3 Wiowera Road, Kanwal, NSW	\$490,000	\$490,000	\$380,000	n/a	n/a	(\$110,000)	(22.4%)
651 Pacific Highway, Kanwal, NSW	\$700,000	\$1,146,860	\$700,000	n/a	n/a	(\$446,860)	(39.0%)
Total	\$87,970,000	\$222,023,574	\$227,005,000			\$4,981,426	2.2%

Announcement



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Trust assets

As at 28 June 2019, the Trust's gearing ratio was 16.9% and the gross assets stood at \$1.63 billion, with total borrowings of \$275.10 million.

More information

We regularly provide up to date information about the Trust, including quarterly Fund 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.

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Applicable to Australian Unity Healthcare Property Trust

Retail Units AUS0102AU Wholesale Units AUS0112AU Class A Units AUS0037AU