


NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST ANNOUNCES \$70 MILLION CONVERTIBLE DEBENTURE BOUGHT DEAL AND CONTINUED INTERNATIONAL GROWTH

TORONTO, ON - December 6, 2016 — NorthWest Healthcare Properties Real Estate Investment Trust (“NorthWest” or the “REIT”) (TSX: NWH.UN) announced today a public offering, on a “bought deal” basis, of \$70 million principal amount of convertible unsecured subordinated debentures, at a price of \$1,000 per debenture, with an interest rate of 5.25% per annum, payable semi-annually on the last day of June and December commencing on June 30, 2017 (the “Debentures”). The Debentures will mature on December 31, 2021.

The offering is being made through a syndicate of underwriters led by BMO Capital Markets and RBC Capital Markets.

The REIT has also granted the underwriters the option to purchase up to \$10.5 million principal amount of additional Debentures at a price of \$1,000 per Debenture to cover over-allotments, exercisable in whole or in part anytime up to 30 days following closing of the offering.

The Debentures will be convertible at the holder’s option into units of the REIT at a conversion price of \$12.80 per unit. The debentures will not be redeemable prior to December 31, 2019. From January 1, 2020 to December 31, 2020, the Debentures may be redeemed in whole or in part from time to time at the REIT’s option, at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the units on the Toronto Stock Exchange for the 20 consecutive trading days preceding the date on which the notice of redemption is given is not less than 125% of the conversion price. From January 1, 2021 onward, the Debentures will be redeemable at the option of the REIT, in whole or in part, at a redemption price equal to par plus accrued and unpaid interest.

NorthWest intends to use the net proceeds of the offering, together with existing resources, to repay approximately \$70 million of Brazilian term loans maturing in December 2016 with an interest rate of 10.3%, to fund the acquisition of a \$19.1 million (€13.5M) medical office building located in Hamburg, Germany (the “German MOB Acquisition”), to fund the future repayment of higher cost convertible debentures with 2017 par calls, and for general trust purposes.

Collectively, the Offering and identified use of proceeds are expected to be immediately accretive and generally leverage neutral. The REIT continues to execute on its strategy of repaying higher cost debt to lower its overall cost of capital and generate accretive growth in its target markets.

The offering is subject to normal regulatory approvals, including approval of the Toronto Stock Exchange, and is expected to close on or about December 15, 2016.

The Debentures will be offered pursuant to the REIT’s base shelf prospectus dated September 12, 2016. The terms of the Debentures will be described in a prospectus supplement to be filed with securities regulators in all provinces and territories of Canada and may also be offered by way of private placement in the United States.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

German MOB Acquisition

The REIT has entered into an agreement to acquire, subject to customary closing conditions, a medical office building located in Hamburg, a major port city in northern Germany which is the second largest city in the country

having a population of approximately 5 million. The medical office building comprises approximately 60,000 square feet and is substantially full. The building has a roster of medical tenants that have entered into inflation indexed leases having a weighted average lease expiry in excess of 7 years. The acquisition price, subject to customary adjustments, is approximately C\$19.1 million (€ 13.5 million), representing an approximate 6.2% initial capitalization rate. This acquisition brings the REIT's German portfolio to 21 properties and marks the continuing growth of the REIT's healthcare real estate presence in this region. Closing is expected to occur in the first quarter of 2017 and to be immediately accretive, and will be funded from an in-place mortgage of approximately €8.4 million (C\$11.9 million) having an interest rate of 1.81% and from internal resources.

About NorthWest Healthcare Properties Real Estate Investment Trust

NorthWest Healthcare Properties Real Estate Investment Trust (TSX: NWH.UN) is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. The REIT provides investors with access to a portfolio of high quality international healthcare real estate infrastructure comprised of interests in a diversified portfolio of 137 income-producing properties and 9.2 million square feet of gross leasable area located throughout major markets in Canada, Brazil, Germany, Australia and New Zealand. The REIT's portfolio of medical office buildings, clinics, and hospitals is characterized by long term indexed leases and stable occupancies. With a fully integrated and aligned senior management team, the REIT leverages over 180 professionals across 9 offices in 5 countries to serve as a long term real estate partner to leading healthcare operators.

Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of applicable securities laws, including statements about the offering, the proposed use of proceeds thereof, the REIT's strategy, and the extent to which the offering and German MOB Acquisition are expected to be accretive. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the risk that the offering and German MOB Acquisition will not be completed on the terms proposed, or at all. The statements in this news release are made as of the date of this release. Although the REIT believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein. A discussion of the risk factors applicable to the REIT is contained under the heading "Risk Factors" in the REIT's annual information form dated March 14, 2016 and management information circular dated April 14, 2016, copies of which each may be obtained on the SEDAR website at www.sedar.com.

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