



284 KING STREET EAST, TORONTO, ONTARIO, M5A 1K4
T: 416 366 8300 F: 416 366 6886

FOR IMMEDIATE RELEASE

TSX: NWH.UN

**NORTHWEST HEALTHCARE PROPERTIES REIT PROVIDES PORTFOLIO UPDATE
REFLECTING CONTINUED INTERNATIONAL GROWTH AND BALANCE SHEET
OPTIMIZATION**

Toronto, Ontario – January 10, 2017 – NorthWest Healthcare Properties Real Estate Investment Trust (TSX: NWH.UN) (“NorthWest” or the “REIT”) is pleased to provide a portfolio update in respect of recent developments at both of its Australasian affiliates, Generation Healthcare REIT (ASX:GHC) (“Generation REIT”) and Vital Healthcare Property Trust (NZX: VHP) (“Vital Trust”) as well as acquisition activities in Germany and completion of accretive deleveraging in Brazil.

Generation REIT – Recent Developments

During the fourth quarter, Generation REIT invested \$29.3M (A\$28.6M) in Epping Medical Centre by way of a \$22.8M (A\$22.3M) first mortgage and a \$6.5M (A\$6.4M) subordinated mortgage at a blended interest rate of 6.45%. The investment provides Generation REIT with an option to acquire a 50% interest in Epping Medical Centre for \$17.9M (A\$17.5M) upon partial repayment of the loans and was funded from existing resources.

Epping Medical Centre is a 108,000 square foot specialist medical facility located in the high growth suburb of Epping in Melbourne, Australia and is located in close proximity to Northern Public Hospital. The facility was completed in 2009 and is 52% leased to high quality tenants with the vacancy providing upside through the potential to establish theatre capacity and inpatient beds.

In addition, Generation REIT announced a preliminary increase in the value of its investment properties of \$25.3M (A\$26.0M), representing a 5.85% increase for the six months ended December 31, 2016. The revaluation gain was driven by 34 basis points of capitalization rate compression to a weighted average portfolio rate of 6.67%. Generation REIT also announced that it entered into an unconditional contract of sale to sell 84 Mollison Street, Bendigo, Victoria, Australia (“Bendigo”) for \$11.0M (A\$11.4M), representing a 9% premium to its most recent June 30, 2016 valuation. Bendigo is a ~26,000 square foot multi-tenant primary care centre that had previously been identified by management as non-core.

Separately, on December 30, 2016, NorthWest entered into a unit purchase agreement with Deutsche Bank to acquire an additional 6.7 million units of Generation REIT for \$13.2M (A\$13.6M) on February 24, 2017. As a result of the acquisition, NorthWest’s interest in GHC is expected to rise from 19.9% to 22.9%. The increased ownership position is not anticipated to have an impact on NorthWest’s accounting treatment of its investment in GHC for financial reporting purposes. The investment was funded from existing resources.

Vital Trust – Recent Developments

During the fourth quarter, Vital Trust acquired a majority interest in Eker Medical Centre (“Eker”) for \$24.1M (A\$24.4M) representing an initial yield of 6.75%. Eker is a ~39,000 square foot, fully-leased, multi-tenant medical office property, completed in 2014, with 133 underground parking stalls. Vital has a controlling interest in the property with a small number of strata title units owned by practicing doctors. The property is located in the Box Hill medical precinct of Melbourne, Australia near Vital Trust’s own Epworth Eastern Hospital and Box Hill Public Hospital. The acquisition was funded from existing resources.

In addition, Vital Trust also completed the acquisition of five sites adjacent to strategic assets for approximately C\$9.9M (A\$10.0m). Two sites are in Victoria, two in New South Wales and one in Western Australia. The sites will simplify and facilitate future expansion, directly supporting long-term growth initiatives with its partners.

German MOB Acquisitions

NorthWest has entered into separate agreements to acquire, subject to customary closing conditions, two medical office buildings totalling 91,000 square feet in the cities of Hamburg and Fulda, Germany for total consideration of \$29.0M (€20.8M), representing an approximate 6.1% initial capitalization rate.

The previously announced acquisition in Hamburg represents a new market for NorthWest in a major port city in northern Germany while Fulda represents a new tuck-in acquisition in a market near Frankfurt in which NorthWest currently owns a 115,000 square foot medical office building.

The acquisitions are expected to close in the first quarter of 2017 and will be funded from a combination of in-place mortgage financing totalling \$19.1M (€13.7M) with a weighted average interest rate of 1.95% and weighted average term to maturity of 5.0 years and internal resources.

These acquisitions bring NorthWest's German portfolio to 22 properties comprising 943,000 square feet of GLA and marks the continuing growth of NorthWest's healthcare real estate presence in the region.

Completion of Brazilian term loan repayment

As previously disclosed, NorthWest has completed the repayment of \$70.0 million of Brazilian term loans on December 21, 2016. The 10.3% interest rate term loans were repaid with proceeds from NorthWest’s \$80.5 million (including over allotment), 5.25% convertible debenture financing completed on December 21, 2016.

Commenting on recent portfolio developments, Paul Dalla Lana – Chairman & CEO of NorthWest said:

“We are pleased with these Australian and German transactions as they continue to advance our strategy of deploying capital into high quality healthcare real estate in our core geographies. Moreover, the accretive repayment of the Brazilian term loans furthers our strategy of lowering local currency debt in high cost markets while concurrently increasing our pool of unencumbered assets”.

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 136 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 nine offices in five countries to serve as a long term real estate partner to leading healthcare operators.

Forward Looking Information

Certain statements contained in this news release contain projections and “forward looking statements” within the meaning of that phrase under Canadian securities laws, including but not limited to the completion of the German MOB Acquisitions. When used in this news release, the words “may”, “would”, “should”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” and similar expressions may be used to identify forward looking statements. Those statements reflect the REIT’s current views with respect to future events or conditions. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by management as of the date hereof, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The REIT’s estimates, beliefs and assumptions, which may prove to be incorrect, include the various assumptions set forth herein, including, but not limited to, all conditions to closing of the German MOB Acquisitions being satisfied or waived. Forward looking statements are subject to certain risks and uncertainties, known and unknown, including, without limitation, risks disclosed in the REIT's annual information form dated March 10, 2016, management information circular dated April 14, 2016 and the REIT’s prospectus supplement dated December 8, 2016 and the REIT’s other public filings, copies of which each may be obtained on the SEDAR website at www.sedar.com. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by these forward looking statements. The REIT does not intend to nor assume any obligation to update these forward looking statements whether as a result of new information, plans, events or otherwise, unless required by law.

For Further Information:

Paul Dalla Lana
CEO, NorthWest Healthcare Properties REIT
(416) 366-8300 x1001