


**NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST
RELEASES STRONG FOURTH QUARTER 2018 AND YEAR-END RESULTS AND CONTINUED
EXECUTION ON STRATEGIC PRIORITIES**

TORONTO, March 7, 2019 - NorthWest Healthcare Properties Real Estate Investment Trust (the "REIT") (TSX: NWH.UN), Canada's leading global diversified healthcare real estate investment trust, today announced its results for the three and twelve months ended December 31, 2018.

Commenting on recent developments at the REIT, Paul Dalla Lana, CEO, said:

"2018 was a transformative year for the REIT highlighted by the successful completion of the REIT's A\$2.0 billion (debt & equity) institutional joint venture (the "JV") and \$585 million of acquisitions, including the REIT's first acquisitions in the Netherlands and expansion into the German rehabilitation hospital sector. Post quarter end, the REIT entered into a definitive agreement to acquire a highly strategic portfolio of 11 high quality Australian hospitals from Healthscope for \$1.2 billion that solidifies Northwest as the leader in Australian healthcare real estate. The REIT also continued to build and strengthen key relationships with leading operators highlighted by the acquisition of Hospital Morumbi from Rede D'Or in Brazil, the acquisition of 4 rehabilitation hospitals from Median in Germany, and commenced new developments with Health Care, Acurity, and Epworth Foundation in Australia. To support this growth, the REIT completed \$375 million of capital recycling activity, including the sale of the seed portfolio to the JV and completed \$269 million of capital markets financing including a \$144 million equity offering that closed post quarter end. Operationally, performance continues to be excellent with the REIT delivering source currency cash recurring SP NOI growth of 4.3% in 2018 with occupancy up 80 bp YoY to 96.7% and 72% of NOI annually indexed to inflation. Increasingly, third-party capital has become an important driver of the REIT's growth, a trend that is expected to continue as existing capacity of \$1.6 billion is deployed and expected new commitments are formalized. Taken together it is clear the REIT is in the strongest position in its history with an improved \$5 billion healthcare real estate portfolio, a differentiated operating platform and strong relationships with leading healthcare operators looking to partner in the growing global healthcare market."

Q4-2018 Financial and Operational Highlights:

In addition to a very busy transactional quarter, the REIT continued to deliver stable financial and operational performance across an expanded 156 property, 11.2 million square foot diversified healthcare real estate portfolio underpinned by long-term inflation indexed leases which has translated into leading source currency SP NOI.

For the three months ended December 31, 2018, the REIT delivered strong financial and operating results, illustrated by the following:

- Total revenue increased 5.6% in Q4 2018 to \$89.1 million from \$84.4 million in Q4 2017 primarily driven by acquisitions in Germany, Netherlands, and Vital Trust;
- Total Operating Income¹ increased by 8.9% to \$71.2 million over Q4 2017;

¹ Defined as NOI plus (i) share of profit (loss) from associates; (ii) management fees; and (iii) interest income.

- Net Income increased 69.9% to \$103.6 million compared to \$60.1 million in Q4 2017;
- Reported and Normalized AFFO per unit for the fourth quarter 2018 of \$0.20 and \$0.22 respectively;
- Source currency adjusted SPNOI growth of 3.2% in Q4 2018 as compared to Q4 2017;
- Recognition of a \$58.2 million fair value gain in the REIT's total investment property portfolio, driven primarily by gains in Brazil and Australasia;
- Leverage of 47.8% (55.7% including convertible debentures) at the end of Q4 2018. The REIT continues to target a 50% leverage ratio and expects leverage to decline towards that target over the mid-term;
- Net asset value per unit of \$12.30, representing a 10.9% increase over Q3 2018 primarily driven by currency appreciation and portfolio valuation gains;
- Strong portfolio occupancy of 96.7% rising 40 bps from Q3 2018 with the international portfolio holding stable above 98% occupancy.

During both the fourth quarter and subsequent to quarter-end, the REIT has continued executing on its committed, low-risk development pipeline, completing accretive debt refinancing and pursuing select accretive acquisitions, including the addition of properties in Germany and Australia with a combined value of \$134 million.

2018 Full Year Financial and Operational Highlights:

During 2018, the REIT executed its international growth strategy to build regional scale, enhance portfolio quality, and solidify leading market positions in key geographic markets all while delivering growth on an absolute and per unit basis to unitholders. Key highlights are as follows:

- Net operating income has increased by 13.5% to \$263 million;
- AFFO per unit decreased by 8% from \$0.88 in 2017 to \$0.81 in 2018 primarily due to the impact associated with the REIT's strategic investment in Healthscope Limited ("HSO") and positioning for the Healthscope acquisition. As a reminder, NorthWest owns 13.4% of HSO which is subject to an offer from Brookfield Business Partners ("Brookfield") of between A\$2.40 and A\$2.50 per unit. On successful completion of the Brookfield offer (expected in Q2-2019), the REIT expects to sell its position at a gain with net proceeds used to fund, in part, the accretive acquisition of the Healthscope properties noted above.
- AFFO payout ratio of 98% (90% normalized) for the full year 2018 based on the REIT's \$0.80 per unit annual distribution;
- Strong organic growth with source currency weighted cash recurring SPNOI growth of 4.3% in 2018, driven largely by inflation indexation on leases at the REIT's international assets and occupancy gains;
- Strong portfolio occupancy of 96.7% rising 80 bps from Q4 2017 and the international portfolio holding stable above 98.3% occupancy;
- The percentage of NOI subject to annual indexation² is 72.0% and serves as a strong base to deliver organic growth and a natural hedge in a rising interest rate environment;
- Weighted average lease expiry of 12.6 years increased by 0.5 year, underpinned by the international portfolio with a weighted average lease expiry of 15.8 years;
- Gross book value has increased by 8.3% from \$4.7 billion to \$5.1 billion; and
- Net asset value per unit has increased by 2.5% to \$12.30 primarily driven by portfolio valuation gains.

² Percentage of NOI subject to annual inflationary or market based adjustments.

Key initiatives include:

During 2018 and subsequent to year-end, the REIT has continued to execute on committed, low-risk development and expansion projects, complete accretive debt and equity financings, recycle capital, and pursue select accretive acquisitions. Significant achievements included:

- Entered into a A\$2.0 billion (debt & equity) joint venture with a global sovereign wealth fund to acquire and develop high quality healthcare real estate in Australia;
- Entered into definitive agreements to acquire 11 freehold hospital property assets from ASX-listed Healthscope Limited and its affiliates ("Healthscope") for approximately \$1.2 billion as part of a sale and leaseback transaction. By leveraging its capital relationships, NorthWest intends to structure the transaction such that it will manage the Portfolio and ultimately maintain an approximately 25% - 30% ownership interest. The transaction is expected to close in Q2-2019;
- Expansion of the REIT's European platform into the post-acute care (rehabilitation hospital) sector with the acquisition of four rehabilitation hospitals in sale lease back transactions with Median Kliniken, a key new operator relationship;
- Geographic expansion into the Netherlands with the acquisition of two high quality medical office buildings located in Rotterdam and Brunssum;
- Completed 12 acquisitions totalling \$585 million and 2.2 million square feet, including \$134 million in Q4 and subsequent to year end;
- Capital recycling totalling \$374 million including the \$207 million sale of a 70% interest in three high quality income producing Australian healthcare assets and one development property to the REIT's institutional JV partner.

For the balance of 2019 and building upon strong 2018 results and portfolio improvements, the REIT will continue to drive internal growth through completion of its 10 (\$344 million) active value-add development projects as well as execute on strategic growth initiatives in each of its regions. In support of the REIT's strategy, healthcare industry trends remain constructive globally with increasing levels of institutional investment validating the sector's defensive characteristics and growth opportunities.

Selected Financial Information:

<i>(unaudited)</i> <i>(\$000's, except unit and per unit amounts)</i>	<i>Three months ended December 31, 2018</i>	<i>Three months ended September 30, 2018</i>
Number of properties	156	153
Gross leasable area (sf)	11,244,071	10,841,260
Occupancy	96.7%	96.3%
Weighted Average Lease Expiry (Years)	12.6	12.5
Net Operating Income	\$66,802	\$65,213
Net Income (Loss) attributable to unitholders	\$72,744	\$(28,739)
Funds from Operations ("FFO")	\$26,525	\$24,416
Adjusted Funds from Operations ("AFFO")	\$24,569	\$24,206
Debt to Gross Book Value - Declaration of Trust	47.8%	49.4%
Debt to Gross Book Value - Including Convertible Debentures	55.7%	55.7%

The REIT invites you to participate in its conference call with senior management to discuss our fourth quarter 2018 results on Friday, March 8, 2019 at 10:00 AM (Eastern).

The conference call can be accessed by dialing (416) 764-8609 or toll-free 1 (888) 390-0605. The conference ID is 94853569.

Audio replay will be available until March 15, 2019 by dialing (416) 764-8677 or 1 (888) 390-0541. The passcode is 853569#.

In conjunction with the release of the REIT's Fourth quarter 2018 financial results, the REIT will post a current investor update presentation to its website where additional information on the REIT's investments and operating performance may be found. Please visit the REIT's website at www.nwhreit.com/Investors/Presentations

Vital Healthcare Property Trust

On March 1, 2018, Vital Trust also announced its 2018 second quarter results for the three months ended December 31, 2018. Details on Vital Trust's financial results are available on Vital Trust's website at www.vitalhealthcareproperty.co.nz

About NorthWest Healthcare Properties Real Estate Investment Trust

NorthWest Healthcare Properties Real Estate Investment Trust (TSX: NWH.UN) (**NorthWest**) is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. As at December 31, 2018 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 156 income-producing properties and 11.2 million square feet of gross leasable area located throughout major markets in Canada, Brazil, Europe, 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 six countries to serve as a long term real estate partner to leading healthcare operators.

For further information, please contact Paul Dalla Lana, CEO at (416) 366-8300 x 1001.

Non-IFRS Measures

Some financial measures used in this press release, such as Operating Income, adjusted same-property NOI, FFO, AFFO, Normalized AFFO, Net Asset Value per Unit, portfolio occupancy and weighted average lease expiry, are used by the real estate industry to measure and compare the operating performance of real estate companies, but they do not have any standardized meaning prescribed by IFRS. As such, they are unlikely to be comparable to similar measures presented by other real estate companies. These non-IFRS measures are more fully defined and discussed in the REIT's Management's Discussion and Analysis ("MD&A") for the fourth quarter ending December 31, 2018, which is available on the SEDAR website at www.sedar.com. Also on SEDAR are the condensed consolidated unaudited interim financial statements of the REIT for the three and twelve months ended December 31, 2018.

Forward-Looking Statements

This press release may contain forward-looking statements with respect to the REIT, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe", "normalized", "contracted", "stabilized" or "continue" or the negative thereof or similar variations. The REIT's actual results and performance discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the transactions contemplated herein are completed. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under "Risks and Uncertainties" in the REIT's Annual Information Form and the risks and uncertainties set out in the MD&A which are available on www.sedar.com. These cautionary statements qualify all forward-looking statements attributable to the REIT and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release, and, except as expressly required by applicable law, the REIT assumes no obligation to update such statements.