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## **NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST RELEASES SECOND QUARTER 2017 RESULTS**

TORONTO, August 10, 2017 /CNW/ - 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 months ended June 30, 2017.

### **2017 Second Quarter Financial and Operational Highlights:**

For the three months ended June 30, 2017, the REIT delivered strong financial and operating results with key highlights as follows:

- AFFO per unit for the second quarter 2017 of \$0.25 and \$0.98 on an annualized basis (\$0.96 per unit on a normalized basis);
- AFFO payout ratio of 81.6% (83.3% normalized) for the second quarter based on the REIT's annual distribution of \$0.80 per unit;
- Recognition of a \$121.7M fair value gain in the REIT's total investment property portfolio, primarily driven by gains in Australasia;
- Net asset value of \$12.20 per unit, a slight decrease from Q1-2017 mainly due to the April 2017 equity offering and appreciation of the Canadian dollar relative to the REIT's other currencies;
- Leverage increased 288bps to 43.5% (51.7 % including convertible debentures), from 40.6% (49.9% including convertible debentures) at the end of Q1-2016 largely due to financing in respect of the acquisition of Generation Healthcare REIT ("Generation");
- Strong portfolio occupancy of 95.7%, led by the international portfolio occupancy of 99%;
- Weighted average lease expiry of 11.4 years, underpinned by the international portfolio with a weighted average lease expiry of 15.8 years; and
- Canadian dollar same property NOI growth of 0.6% and 5.2%, relative to Q1-2017 and Q2-2016, respectively, driven largely by inflation indexation on leases at the REIT's international assets;
- Vital Healthcare Properties Trust ("Vital"), the REIT's New Zealand listed subsidiary reported record FY 2017 results, highlighted by net profit after tax of NZ\$53M, up 37% over 2016.

During the second quarter and subsequent to quarter end, the REIT has continued executing on committed, low-risk development and expansion projects, completing accretive debt and equity financings and pursuing select accretive acquisitions, including the addition of strategic healthcare assets in Australia – one of its core international markets.

Key initiatives include completing the:

- A\$392M acquisition of Generation in mid-July. The REIT now owns 100% of the A\$695M - 16 property portfolio providing increased exposure to the robust Australian market and access to an accretive \$110M development pipeline;
- \$98M April equity offering, providing incremental capital to improve financial profile and partially fund the Generation acquisition;
- \$110M of property level debt refinanced in Q2-2017 with new mortgages totaling \$128.5M with the average interest rate declining 69 bps to 3.67%;

- \$85M of acquisitions in Australia/New Zealand including the purchase of the Ormiston Hospital, Hironnelle Private Hospital, and the Hills Clinic;
- \$45M Frankston Private Hospital expansion in Melbourne, Australia which is fully-leased for 20 years to Healthscope, Australia's second largest private hospital operator.

Looking ahead, the REIT will focus on reducing its leverage to pre-Generation acquisition levels through completing \$225M of capital recycling initiatives and \$246M value-added development projects while adding accretive growth through \$159M of recently announced acquisitions. Finally, the REIT will advance ongoing discussions with new institutional partners in each of its international markets as a means to leverage its platform in the continuing consolidation of healthcare real estate globally.

In support of the REIT's strategy, healthcare industry trends remain constructive globally.

Paul Dalla Lana, the REIT's CEO noted:

"Building on 8 strong quarters of earnings growth and value creation, I am pleased that NorthWest's global team has been able to again deliver strong results at the high end of our guidance range. Of note this quarter are the REIT's recently completed Generation acquisition and its subsidiary Vital's record results and growth. Both provide increased exposure to the important Australian and New Zealand healthcare markets, and position the REIT with an even larger and higher quality portfolio underpinned by more long-term, inflation indexed assets leased to top global operators. Looking forward, we continue to see a myriad of opportunities for accretive growth and enhanced unitholder value driven by positive healthcare fundamentals and by leveraging our leading position as in each market."

#### **Selected Financial Information:**

<i>(unaudited)</i>	<i>Three Months Ended</i>	<i>Three Months Ended</i>
<i>(\$000's, except unit and per unit amounts)</i>	<i>June 30,2017</i>	<i>March 31,2017</i>
Number of properties	143	141
Gross leasable area (sf)	9,673,467	9,512,107
Occupancy <sup>(1)</sup>	95.7%	95.7%
Weighted Average Lease Expiry (Years)	11.4	11.2
Net Operating Income	\$54,131	\$52,894
Net Income(Loss) attributable to unitholders	\$63,917	\$49,799
Funds from Operations ("FFO")	\$25,912	\$24,524
Adjusted Funds from Operations ("AFFO")	\$25,983	\$23,083
Debt to Gross Book Value – Declaration of Trust	43.5%	40.6%
Debt to Gross Book Value – Including Convertible Debentures	51.7%	49.9%
<u>Per unit data</u>		
FFO	\$0.24	\$0.26

AFFO	\$0.25	\$0.25
Distributions	\$0.20	\$0.20
AFFO Payout ratio	82%	82%

The REIT invites you to participate in its conference call with senior management to discuss our second quarter 2017 results on Friday, August 11, 2017 at 10:00 AM (Eastern).

The conference call can be accessed by dialing 647-427-7450 or 1-888-231-8191. The conference ID is 55637469.

Audio replay will be available until August 11, 2017 by dialing 416-849-0833 or 1-855-859-2056. The passcode is 55637469.

In conjunction with the release of the REIT's first quarter 2017 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](http://www.nwhreit.com/Investors/Presentations)

### **Vital Healthcare Property Trust**

On August 10, 2017, Vital Trust also announced its financial results for the 3 months ended June 30, 2017. Details on Vital Trust's financial results are available on Vital Trust's website at [www.vitalhealthcareproeprty.co.nz](http://www.vitalhealthcareproeprty.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. NorthWest provides investors with access to a portfolio of high quality healthcare real estate assets comprised of interests in a diversified portfolio of 142 income-producing properties and 9.5 million square feet of gross leasable area. Its properties are located throughout major markets in Canada, Brazil, Germany, Australia and New Zealand. NorthWest'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, NorthWest leverages over 180 professionals across 9 offices in 5 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 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 second quarter ending June 30, 2017, which is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Also on SEDAR are the condensed consolidated unaudited interim financial statements of the REIT for the three months ended June 30, 2017.

### **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](http://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.