


**NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST
RELEASES STRONG SECOND QUARTER 2018 RESULTS AND CONTINUED EXECUTION
ON STRATEGIC PRIORITIES**

TORONTO, August 8, 2018 - 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 six months ended June 30, 2018.

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

"The second quarter of 2018 marked another active period for the REIT highlighted by the completion of three important strategic initiatives. Firstly, the REIT expanded its European footprint with the acquisition of two high quality medical office buildings in the Netherlands, an attractive market with defensive healthcare characteristics and a significant consolidation opportunity. Combined with its entry into the German post-acute care rehabilitation market in Q1 2018 through a partnership with Median Kliniken, the REIT is well positioned to leverage its operating experience in the region and further scale its European platform. Meanwhile in Australia, Q2 2018 marked another very significant milestone, with the REIT, together with Vital Trust, acquiring a 10% strategic interest in Healthscope Ltd., Australia's second largest private hospital operator with an objective to jointly acquire its underlying high quality real estate portfolio. Additionally, subsequent to quarter-end, the REIT entered into a A\$2.0 billion (debt and equity) joint venture with a large sovereign wealth fund to acquire and develop core Australian healthcare real estate. With significant growth opportunities in both Australia and Europe, the REIT will continue to leverage its differentiated healthcare real estate platform and anticipates attracting additional fee bearing institutional capital to support a target A\$2.0 billion growth pipeline. Taken together, these initiatives provide the REIT with significant runway and resources to continue to scale its business in both the near and long-term."

Q2-2018 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 152 property (including subsequent events), 10.6 million square foot diversified healthcare real estate portfolio underpinned by long-term inflation indexed leases. Although the relative strength of the Canadian dollar in all of our international regions negatively impacted second quarter results, strong source currency SP NOI and higher ANZ management fees have resulted in a stable operating result, which is expected to translate into future growth given natural portfolio hedges including inflation indexation.

For the three months ended June 30, 2018, the REIT delivered strong financial and operating results, illustrated by the following:

- Total revenue increased 16.4% in Q2 2018 to \$85.2 million from \$73.1 million in Q2 2017 primarily driven by the acquisition of the Australia REIT and net acquisition in Germany, Netherlands, Canada and Vital Trust;
- Total operating income¹ has decreased by 30.9% to \$68.8 million over the second quarter of 2017;
- Reported Net Income of \$39.1 million;

- Reported and Normalized AFFO per unit for the second quarter 2018 of \$0.20 and \$0.22 respectively;
- Source currency adjusted SPNOI growth of 5.0% in Q2 2018 as compared to Q2 2017;
- Recognition of a \$38.4 million fair value gain in the REIT's total investment property portfolio, driven primarily by gains in Australasia and Brazil;
- Leverage of 50.2% (56.1% including convertible debentures) at the end of Q2 2018. The REIT continues to target a 40% leverage ratio and expects leverage to decline towards that target over the mid-term;
- Gross book value has increased by 5.5% from \$4.7 billion to \$4.9 billion;
- Net asset value per unit has decreased by 4.1% to \$11.50 primarily driven by currency depreciation;
- Strong portfolio occupancy of 96.4% rising 50 bps from Q4 2017 and the international portfolio holding stable above 99% occupancy;
- Weighted average lease expiry of 12.3 years increased by 0.2 years from Q4 2017, underpinned by the international portfolio with a weighted average lease expiry of 16.6 years; and
- The percentage of leases subject to annual indexation² is 71.5% and serves as a strong base to deliver organic growth and a natural hedge in a rising interest rate environment.

During both the second 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 healthcare assets in Brazil, Germany and the Netherlands.

Key initiatives include:

- Completed \$265.5 million of transactional activity:
 - \$182.4 million of accretive acquisitions in Germany and the Netherlands with a weighted average capitalization rate of 6.5% supported by attractive long term financing with a weighted average interest rate of 2.50%;
 - Together with Vital Trust, the REIT acquired an interest in ASX-listed Healthscope, Australia's second largest private hospital operator, for \$83.1 million, providing it with a "seat at the table" in respect of any potential acquisition of its underlying high quality hospital real estate portfolio.
- Subsequent to quarter-end the REIT entered into a A\$2.0 billion Australian joint venture. The JV will have an indefinite term and will be 70% owned by a large sovereign wealth fund with the REIT owning the balance and acting as asset, investment, development, and property manager. As part of the transaction the REIT has agreed to sell a seed portfolio with an as complete value of A\$412 million. With the commitment of A\$1.4 billion of third party fee bearing assets, the REIT has crystalized significant value in its ANZ management platform.
- Subsequent to quarter-end the REIT entered into an agreement to acquire Hospital Morumbi from Rede D'Or for BRL \$258.8 million (C\$88.4 million) at a 7.5% capitalization rate. The acquisition is its seventh with Brazil's leading private hospital operator – Rede D'Or, and will be funded from net proceeds from the sale of initial assets into the institutional joint venture. The agreement remains subject to typical closing conditions and is expected to close in Q3 2018. The transaction also includes the acquisition of the hospital administration building at the REIT's existing HMB property

as well as the future acquisition of an ongoing development of a new out-patient care building onsite for a combined \$30M along with a renewed 25 year lease for the entire project upon completion.

For the balance of 2018 and building upon strong YTD results and portfolio improvements, the REIT will continue to drive internal growth through completion of its 11 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 June 30, 2018</i>	<i>Three months ended March 31, 2018</i>
Number of properties	152	148
Gross leasable area (sf)	10,607,298	10,072,474
Occupancy ⁽¹⁾	96.4%	96.3%
Weighted Average Lease Expiry (Years)	12.3	12.7
Net Operating Income	\$65,254	\$66,177
Net Income (Loss) attributable to unitholders	\$21,303	\$958
Funds from Operations ("FFO")	\$24,601	\$23,187
Adjusted Funds from Operations ("AFFO")	\$24,392	\$25,070
Debt to Gross Book Value - Declaration of Trust	50.2%	46.9%
Debt to Gross Book Value - Including Convertible Debentures	56.1%	53.1%

The REIT invites you to participate in its conference call with senior management to discuss our second quarter 2018 results on Thursday, August 9, 2018 at 10:00 AM (Eastern).

Investors are invited to access the call by dialing 416-764-8609 or toll-free 1 (888) 390-0605, conference ID# 75382771. A recording of this call will be made available Thursday, August 9th, 2018 beginning at 12:45 pm (ET) through to Thursday, August 16, 2018. To access the recording, please call 1 (888) 390-0541 or (416) 764-8677 and use the reservation number 75382771.

The conference call can be accessed by dialing (416) 764-8609 or toll-free 1 (888) 390-0605. The conference ID is 75382771.

Audio replay will be available until August 16, 2018 by dialing (416) 764-8677 or 1 (888) 390-0541. The passcode is 75382771.

In conjunction with the release of the REIT's second 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 August 8, 2018, Vital Trust also announced its 2018 full year results for the twelve months ended June 30, 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 June 30, 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 152 income-producing properties and 10.6 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 five 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 second quarter ending June 30, 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 months ended June 30, 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.