

# Announcement

2 June 2020

## Australian Unity Healthcare Property Trust (Trust) – ARSN 092 755 318

### May 2020 Property Valuations and an Acquisition

As part of our active management approach and in response to recent property market uncertainty resulting from the COVID-19 pandemic, we have independently valued 56% (by total book value) of the Trust's properties in May 2020. As a result, 72% (by total book value) of the Trust's direct property assets have been subject to a full independent valuation since April 2020. Any changes to valuations were reflected in the unit price for the Trust's withdrawal facility paid in May 2020.

As ever, our focus is to act in the best interest of investors. We will continue to monitor the impacts of the COVID-19 pandemic and further valuations may be undertaken from time to time if we believe it is appropriate to do so.

### Property valuations

The property valuations resulted in a net increase of \$241.4 million or 28.3% from the properties' previous independent valuations.

Compared to the pre-valuation book values, the independent valuations resulted in a 0.5% net decrease which was primarily driven by writing off costs associated with the Trust's recent acquisitions.

The material valuations included:

**Herston Quarter – STARS, Herston QLD** – Compared to the previous independent valuation, the property's value increased by \$182.0 million or 96.3% as a result of development expenditure since the last valuation. However, the firming of capitalisation rate from 5.75% to 5.50% was offset by additional unrecoverable project costs including project management and legal costs and resulted in a marginal decrease from the book value.

**Peninsula Private Hospital, Langwarrin VIC** – Compared to the pre-valuation book value, the new valuation reflects an increase of \$10.0 million or 5.1%. This increase is the result of development expenditure at the property. The capitalisation rate firmed from 5.50% to 5.25% reflecting development completion, a strong tenant covenant and general tightening of yields across the sector.

**Infinite Aged Care Facilities in Queensland** – The valuation of the six Infinite Aged Care facilities located in Queensland (Manoora, Caravonica, Edmonton, Toowoomba, Cornubia and Ipswich) resulted to a total net decrease of \$15.6 million or 9.7% from the properties' total book value prior to the valuation. The decrease in value is primarily due to the write off of the acquisition costs.

### Valuation details:

Property	Previous independent valuation	Pre-valuation book value	New independent valuation	Previous capitalisation rate	New capitalisation rate	Variance to book value	Variance to book value
Herston Quarter – STARS, QLD	\$189,000,000	\$371,280,211	\$371,000,000	5.75%	5.50%	(\$280,211)	(0.1%)
Peninsula Private Hospital, VIC	\$168,000,000	\$195,977,134	\$206,000,000	5.50%	5.25%	\$10,022,866	5.1%

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Property	Previous independent valuation	Pre-valuation book value	New independent valuation	Previous capitalisation rate	New capitalisation rate	Variance to book value	Variance to book value
8 Herbert St, St Leonards NSW	\$65,400,000	\$69,493,348	\$69,500,000	5.88%	5.63%	\$6,652	0.0%
Brisbane Waters Private Hospital, NSW	\$50,500,000	\$50,855,337	\$52,300,000	6.00%	5.75%	\$1,444,663	2.8%
Brunswick Private Hospital, VIC	\$41,700,000	\$42,099,120	\$43,750,000	5.75%	5.75%	\$1,650,880	3.9%
Sunshine Day Surgery and Clinic, VIC <sup>1</sup>	\$36,260,000	\$36,746,285	\$32,500,000	6.25%	6.00%	(\$4,246,285)	(11.6%)
Infinite Aged Care, Manooora QLD	\$27,050,000	\$34,277,092	\$31,100,000	6.65%	6.50%	(\$3,177,092)	(9.3%)
Western Hospital, Henley Beach SA	\$27,400,000	\$28,236,231	\$29,400,000	7.00%	6.50%	\$1,163,769	4.1%
Tuggerah Lakes Private Hospital, NSW	\$24,850,000	\$25,360,311	\$26,400,000	6.00%	5.75%	\$1,039,689	4.1%
Infinite Aged Care, Caravonica QLD	\$21,640,000	\$27,450,178	\$24,850,000	6.65%	6.50%	(\$2,600,178)	(9.5%)
Infinite Aged Care, Edmonton QLD	\$21,640,000	\$27,432,828	\$24,850,000	6.65%	6.50%	(\$2,582,828)	(9.4%)
Infinite Aged Care, Toowoomba QLD	\$23,330,000	\$27,130,876	\$23,900,000	6.25%	6.25%	(\$3,230,876)	(11.9%)
Infinite Aged Care, Cornubia QLD	\$23,160,000	\$26,932,270	\$23,750,000	6.25%	6.25%	(\$3,182,270)	(11.8%)
North Shore Specialist Day Hospital, NSW	\$22,750,000	\$22,750,000	\$22,750,000	6.38%	6.38%	\$0	0.0%
2 Short St, Southport QLD	\$17,700,000	\$18,159,570	\$17,300,000	6.00%	6.25%	(\$859,570)	(4.7%)
Infinite Aged Care, Ipswich QLD	\$16,320,000	\$18,543,839	\$17,000,000	6.50%	6.25%	(\$1,543,839)	(8.3%)
Gosford Private Medical Centre, NSW	\$14,450,000	\$14,460,667	\$15,000,000	7.00%	6.75%	\$539,333	3.7%
Ipswich Medical Centre and Day Surgery, QLD	\$13,800,000	\$14,309,091	\$14,500,000	7.25%	7.00%	\$190,909	1.3%
Mackay Medical Centre and Day Hospital, QLD	\$11,950,000	\$12,266,567	\$13,150,000	7.00%	6.75%	\$883,433	7.2%
14 Highfields Circuit, Port Macquarie QLD	\$11,700,000	\$11,707,702	\$11,800,000	6.00%	6.00%	\$92,299	0.8%
7 Vidler Avenue, Woy Woy NSW	\$2,465,000	\$2,605,029	\$2,400,000	6.25%	6.00%	(\$205,029)	(7.9%)
70 Moreland Road, Brunswick VIC	\$1,300,000	\$1,300,000	\$1,200,000	n/a <sup>2</sup>		(\$100,000)	(7.7%)
93 Davies St, Brunswick VIC	\$910,000	\$910,000	\$910,000	n/a		\$0	0.0%
24 Gillon Court, St Albans VIC	\$1,075,000	\$1,168,068	\$750,000	n/a		(\$418,068)	(35.8%)
15 Dwyer Ave, Woy Woy NSW	\$725,000	\$725,955	\$580,000	n/a		(\$145,955)	(20.1%)
651 Pacific Highway, Kanwal NSW	\$700,000	\$700,000	\$570,000	n/a		(\$130,000)	(18.6%)

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Property	Previous independent valuation	Pre-valuation book value	New independent valuation	Previous capitalisation rate	New capitalisation rate	Variance to book value	Variance to book value
3 Wiowera St, Kanwal NSW	\$380,000	\$380,000	\$350,000	n/a		(\$30,000)	(7.9%)
1 Wiowera St, Kanwal NSW	\$375,000	\$375,000	\$340,000	n/a		(\$35,000)	(9.3%)
<b>Total</b>	<b>\$836,530,000</b>	<b>\$1,083,632,707</b>	<b>\$1,077,900,000</b>			<b>(\$5,732,707)</b>	<b>(0.5%)</b>

Notes:

- 1 Titles have recently been consolidated with four adjacent properties and the May 2020 valuation takes this into consideration.
- 2 The table indicates that previous and new capitalisation rates are 'n/a' (not applicable) for several properties. This is because the property is held for future development.

### Acquisition of Lot 907, Corner Eccles and Florey Boulevard, Birtinya QLD

We are pleased to advise that on 29 May 2020, the Trust settled the acquisition of a property at Lot 907, Corner Eccles and Florey Boulevard, Birtinya QLD for \$3.6 million (plus acquisition costs). Located opposite the Sunshine Coast University Hospital, the 3,600 square metres vacant land is intended for future healthcare development. Design and development plans will progress following the settlement.

### Trust borrowing details

As of 29 May 2020, the Trust's gearing ratio was 25.5% and the gross assets stood at \$2.16 billion with total borrowings of \$552.5 million.

### More information

We regularly provide up to date information about the Trust, including quarterly Fund Updates and continuous disclosure information. These contain current information about the Trust's gearing, interest cover, borrowings, Trust diversification, valuation policy, related party transactions, distribution practices and withdrawal rights.

Please refer to the 'Trust information' section of this website or contact Investor Services on 13 29 39 for copies of the Fund Update.