

Market Release

10 July 2019

Vital announces FY19 portfolio revaluation gain of \$102.4 million

Vital Healthcare Property Trust ('Vital') today announced a preliminary unaudited portfolio revaluation increase of \$102.4m (up 5.9%) for the twelve months ending 30 June 2019

Vital has received draft independent valuations for 100% of the portfolio which indicates a revaluation gain of \$60.0m for the six months ending 30 June 2019. The six month revaluation gain is expected to increase Vital's net tangible assets by approximately 13 cents per unit. The portfolio is expected to be valued at \$1.84bn at 30 June 2019.

Miles Wentworth, Interim Manager of the Trust said "These valuation gains reflect the quality of Vital's portfolio being defensive assets in strong catchments. It also recognises the attractive longer weighted average lease terms associated with the portfolio, the continuing high occupancy levels as well as ongoing strong investor demand for low-volatility healthcare property assets."

The gains include the positive impact of recently completed projects at Lingard Private (NSW) and Maitland Private (NSW).

Over the year, Vital's total portfolio weighted average capitalisation rate firmed 15 basis points to 5.61% while contract rents increased 2.9% on a same currency like-for-like basis, over the previous year. Based on independent assessments of market rents, the portfolio is approximately 1% under-rented.

The Australian portfolio weighted average capitalisation rate firmed 16 basis points to 5.57% and the New Zealand portfolio weighted average capitalisation rate firmed 11 basis points to 5.72%.

| | Cap rate 30-Jun-19 | Cap rate 30-Jun-18 | Variance (bps) |
|-----------------------------------|-----------------------|-----------------------|-------------------|
| Metro | | | |
| Australia | 5.52% | 5.64% | -12 |
| New Zealand | 5.62% | 5.73% | -11 |
| Weighted Average Metro | 5.55% | 5.67% | -12 |
| Regional | | | |
| Australia | 5.65% | 5.91% | -26 |
| New Zealand | 7.05% | 7.06% | -1 |
| Weighted Average Regional | 5.74% | 5.98% | -24 |
| Weighted Average Portfolio | 5.61% | 5.76% | -15 |

| | Cap rate 30-Jun-19 | Cap rate 30-Jun-18 | Variance (bps) |
|-----------------------------------|-----------------------|-----------------------|-------------------|
| Acute Hospitals | 5.55% | 5.69% | -13 |
| Psychiatric Hospitals | 5.25% | 5.42% | -17 |
| Rehabilitation Hospitals | 5.51% | 5.64% | -14 |
| Medical Office Buildings | 5.95% | 6.17% | -21 |
| Aged Care | 7.12% | 7.19% | -7 |
| Weighted Average Portfolio | 5.61% | 5.76% | -15 |

All valuations were undertaken by independent valuers and their results remain subject to finalisation and independent audit. Further details will be provided in the financial results, expected to be announced in the first half of August.

- ENDS -

ENQUIRIES

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About Vital Healthcare Property:

Vital Healthcare Property Trust is an NZX-listed fund that invests in high-quality health and medical-related properties in New Zealand and Australia. Our tenants are hospital and healthcare operators who provide a wide range of medical and health services.

With a core focus on healthcare real estate, we understand and accommodate the needs of our healthcare tenants. We operate in a niche segment of the property market, characterised by long weighted average lease terms and high occupancy rates and with an ageing population across both countries, it's also one that's growing.

For more information, visit our website: www.vitalhealthcareproperty.co.nz