

HEALTHCARE AND RETIREMENT LIVING

Changing of the guard

Boutique to corporate -
a shift in ownership

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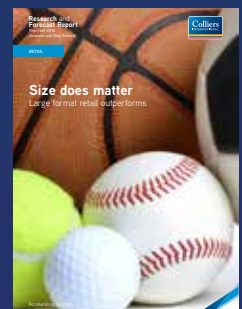
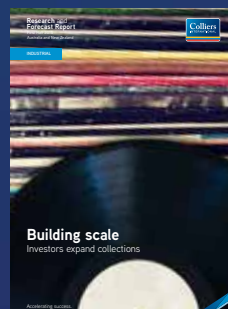
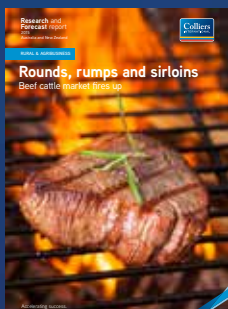
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The investment sector that cannot be ignored

The Healthcare & Retirement Living sector has been undergoing a period of transformation, moving from boutique to corporate in the face of a continued shortage of stock and growing demand. Private and family operators are increasingly being consolidated and concentrated amongst fewer larger players in recognition that size and scale support greater profitability, smoother cash-flows and reduced risk. The outlook for the sector is positive, with increasing activity and market uptake in the medium term.

By Tom Duncan
Associate Director | Research
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The Healthcare and Retirement Living (HRL) sector, which includes aged care, retirement living, manufactured homes, medical centres and hospitals, is poised for growth. This will be fuelled by strong investment fundamentals and Australia's growing and ageing population who will seek more economic living options. HRL is subject to significant market interest. This is in recognition of the changing nature of Australia's demographics and economic trends, which are leading to a greater need than ever for a solid offering in this key sector.

Aged care has been buoyed by private equity investment and recent Australian stock market listings of Japara, Regis and Estia which have attracted strong market interest. This has raised the profile of residential aged care especially given the strong performance by the recently listed companies. The industry has been undergoing consolidation since regulatory reforms provided clarity on the operations of the sector in 2014. The recent activity has delivered strong value growth and correspondingly transactions will continue in the current market.

Retirement living caters for retirees who wish to reside within communities of a similar age profile and benefit from shared access to services such as medical, community and recreational facilities. Consolidation has been gradual since 2002 with the emergence of a number of dominant players. Retirement living suffered during and post-GFC but has again become a focus for growth, with the roll-out of new and improved retirement living offerings expected to accelerate. Private owners are recognising that now is a prudent time to capitalise on prevailing market conditions by selling to larger entities that have embarked on a quest for scale.

A manufactured home is a self-contained dwelling that is built or packaged off-site and then transported to an estate for assembly on a site leased from the respective park operator. In the face of property prices which are rising faster than wages and the need for more retirees to release capital in order to fund retirements, manufactured homes provide an attractive option for residents. The sector has experienced a dramatic improvement in the quality of product which has broadened its market appeal. Consolidation in this sector has continued and it is the recipient of interest from domestic and overseas parties, particularly the USA. Realisation of the opportunities afforded by Manufactured Home Estates is highlighted by developers and investors choosing to recalibrate and reweight their portfolios towards the sector.

The private hospital sector is benefiting from the ageing demographic profile of Australia, in particular life expectancy increases and the growing number of Australians who have private healthcare. The sector remains a key target for savvy investors seeking a strong defensive play.

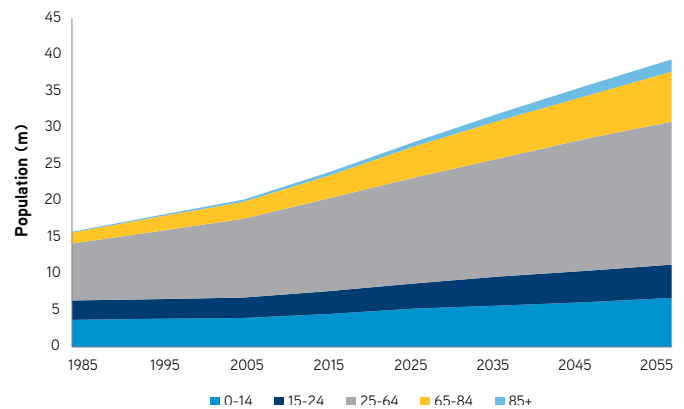
The HRL sector in Australia is maturing and will perform extremely well in the coming years. This will ensure that the various submarkets within it are well positioned for a positive future.

Investment drivers

Rapidly growing retiree population

Australia's population is on a high growth trajectory. Between 2015 and 2055 total population is projected to grow from 23.9 million to 39.4 million. This equates an increase of 15.5 million or 65 percent over the 40-year period. However the number of older Australians aged 65 years and above will grow disproportionately, more than doubling from 3.6 million to 8.5 million over the period.

AUSTRALIAN POPULATION GROWTH

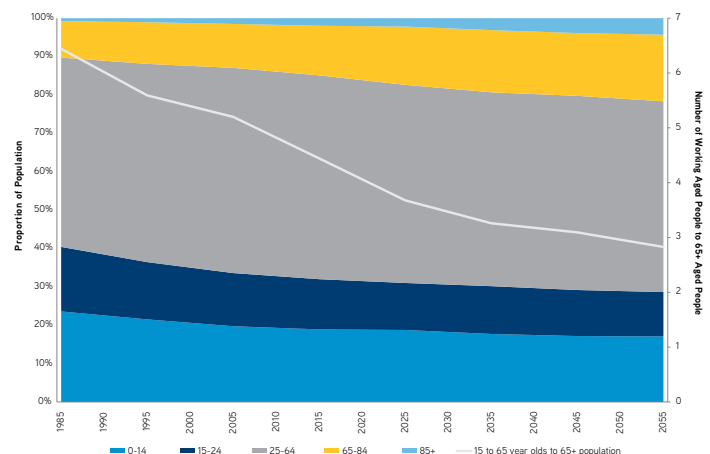


Source: Colliers Edge/ABS

Lower proportion of workers to retirees

As the number and proportion of older residents in Australia grows, the relative number and proportion of working age residents aged 15 to 64 is plummeting. In 1985 there were 6.4 workers for every retiree but by 2055 the relative number will more than halve to 2.8 workers per retiree. This will place an increasing financial burden on working residents to support the retiree population or require other demographic changes such as increasing the age of retirement and provision of additional affordable retirement options.

WORKING AGED POPULATION TO 65+ POPULATION

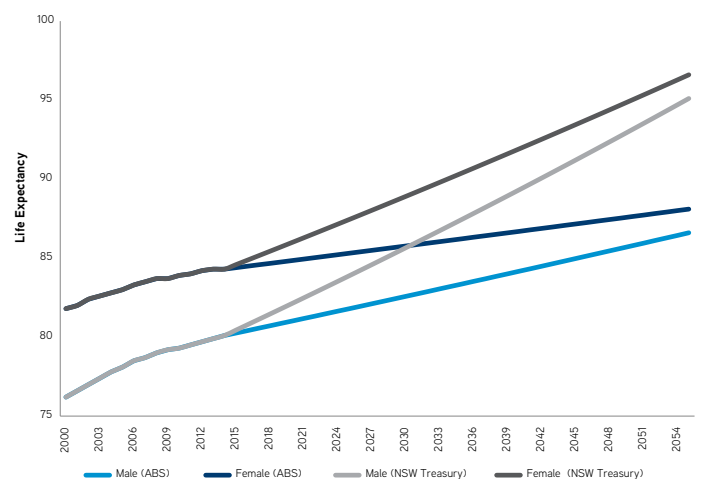


Source: Colliers Edge/ABS

Life expectancy increasing as the population ages

As a result of medical improvements which are increasing life expectancy, together with lower fertility rates, the population of Australia will age. In 2015 life expectancy averages around 80 for a male and 84 for a female. This is projected to increase to between 87 and 88 for males and females respectively by 2055 based on ABS projections or between 95 for males and 97 for females based on Treasury projections. More people living longer means more demand for healthcare and retirement living and the related services which the sector provides.

LIFE EXPECTANCY: HISTORIC AND PROJECTED



Source: Colliers Edge/ABS/NSW Treasury

Health care cover

The proportion of Australians with medical insurance is heavily influenced by Government policy. In the early 1970's over three quarters of the population had insurance but with the introduction of private insurance in 1975 and Medicare in 1984 insurance levels fell. The Medicare Levy Surcharge increase in 2008 and the 30 percent rebate means testing from July 2012 has seen private health insurance rise to 47 percent in 2014. This is well above other countries such as the UK which has 14 percent coverage. Due to the surcharge, paid by those opting out of private health insurance, it is probable fund members will maintain hospital insurance, take lower end policies with higher co-payments and reduced ancillary benefits.

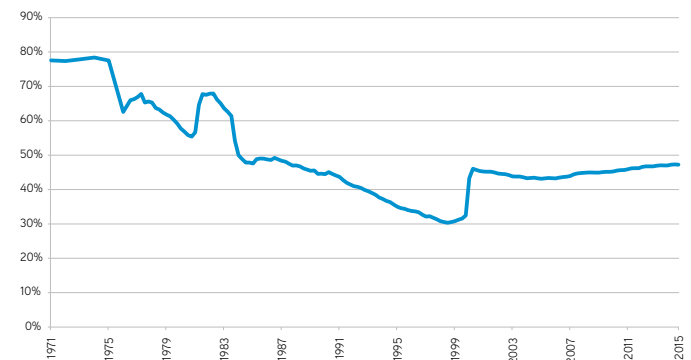
Greater government spend on the older generation

Older people place a significantly greater financial burden on Government spending than other age cohorts on a per person basis. Starting from birth, government spending initially peaks at an average \$31,690 per person per annum for the 5 to 9 age cohort, largely as a result of educational spending, before declining through secondary education and stabilising during working age. Once the age pension is enacted, the period thereafter is characterised by a steep growth in government spending attributed to health and aged care in addition to the pension. By the time residents reach 70 to 74 spending per person per annum rises to \$32,568 and by 90 to 94 it is \$72,630. This is some 4.7 times greater than spending on a person aged in the 20 to 24 age cohort.

Government spend on health and aged care to increase

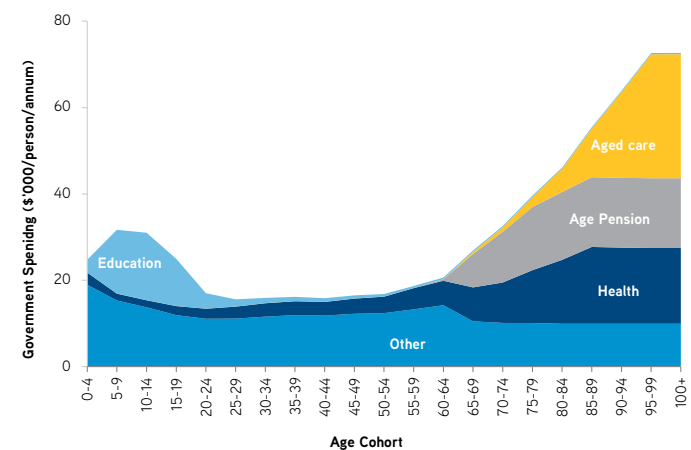
The expanding older population in Australia will absorb a greater proportion of government spending. In 2011-12 'other' Government spending, which includes disability, social security, welfare and defence spending, accounted for 43 percent of total government spending with all retiree related spending (health care, aged pension and aged care) accounting for 37 percent. Over the period to 2060 all non-aged related spending will fall and all retiree related spending will grow, both in proportional and actual monetary terms, increasing to over half (52 percent) of total government spending. This bodes well for demand for retiree related sectors and their investment and growth prospects.

HOSPITAL TREATMENT COVERAGE



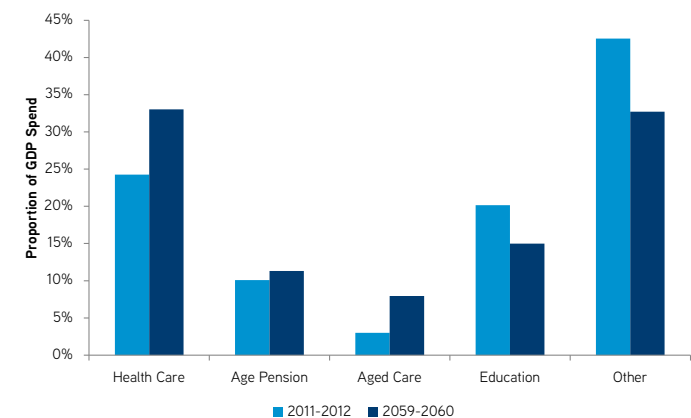
Note: Insured persons as percentage of population
Source: Colliers Edge/PHIAC Industry Statistics

GOVERNMENT SPENDING BY AGE



Source: Colliers Edge/Productivity Commission (2011-12)

GOVERNMENT SPEND AS A PROPORTION OF GDP

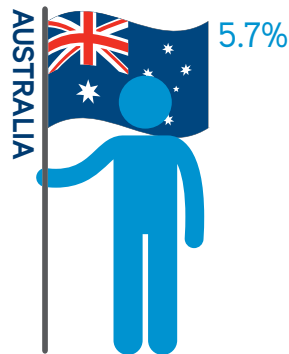
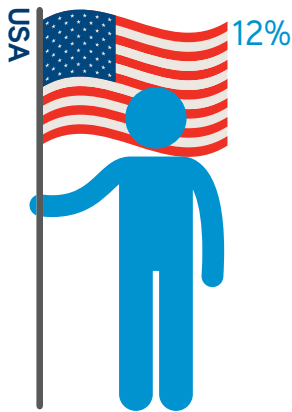


Source: Colliers Edge/Productivity Commission

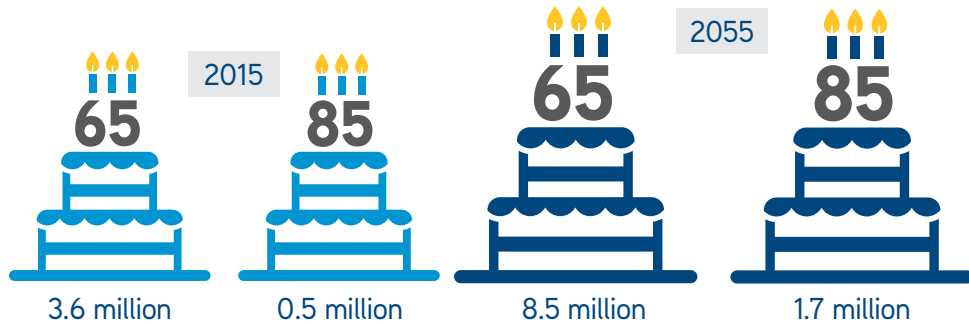
Our perspective

2015

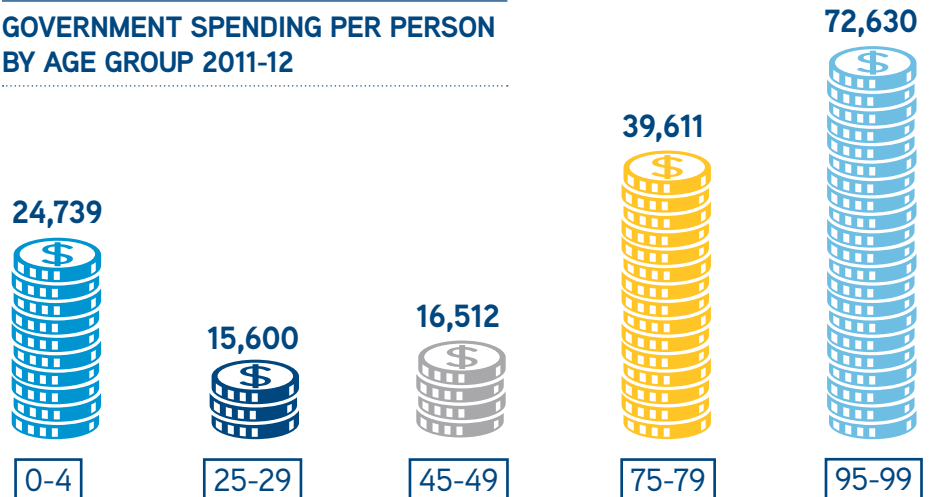
AUSTRALIAN RETIREMENT LIVING UPTAKE WELL BELOW USA



GROWING OLDER POPULATION



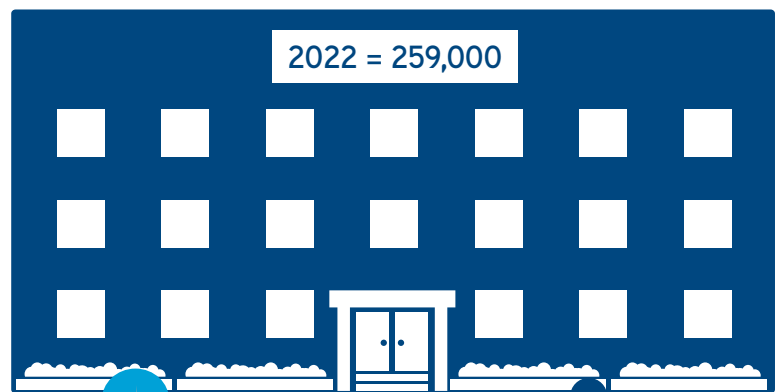
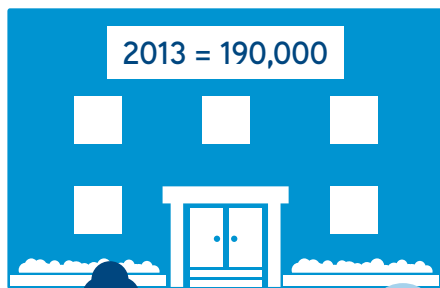
GOVERNMENT SPENDING PER PERSON BY AGE GROUP 2011-12



SIGNIFICANT INCREASE IN AGED CARE DEMAND

*Department of Health Forecasts

69,000 additional places required | 7,667 places a year required



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HEALTHCARE AND RETIREMENT LIVING

AUSTRALIA

RIISING IMPORTANCE OF PRIVATE HOSPITALS



Private hospitals treat **40%** of all patients

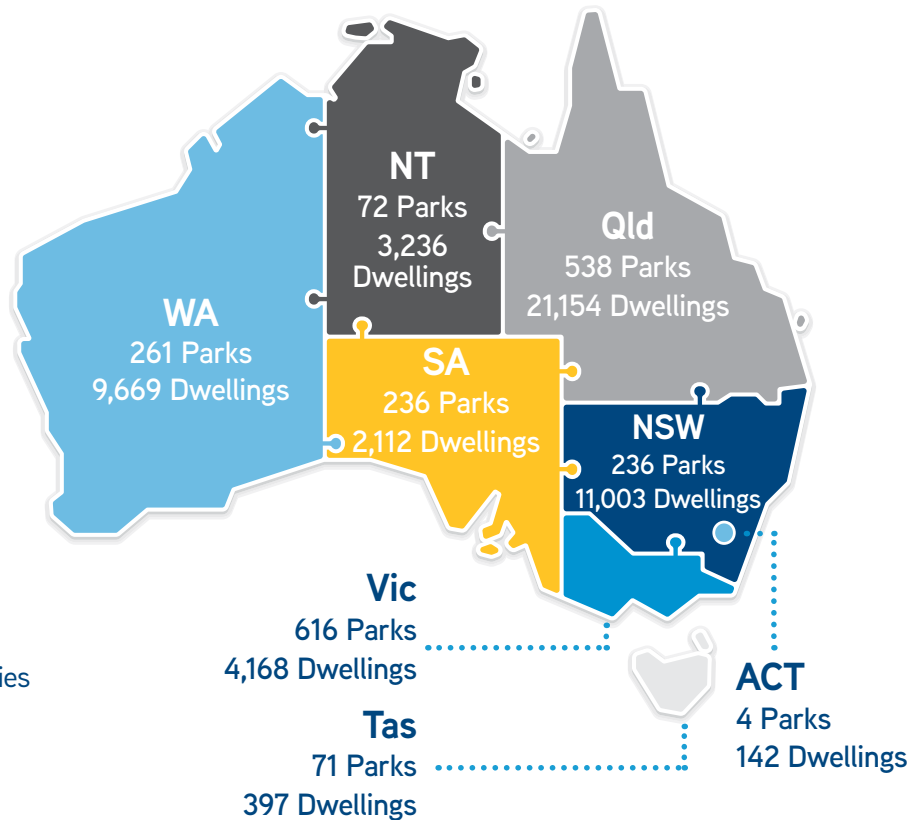


Private hospitals perform **2 of 3** elective surgeries

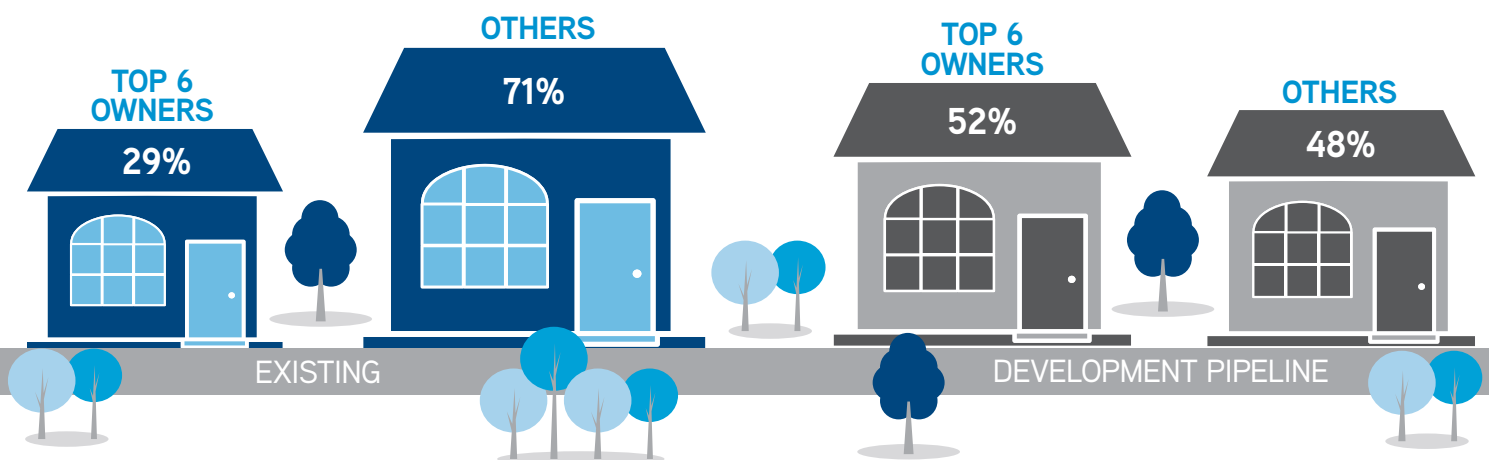


Private hospitals provide **1 of 3** beds in Australia

DISTRIBUTION OF MHE AND DWELLINGS BY STATE



RETIREMENT VILLAGE PIPELINE DOMINATED BY CORPORATES



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AGED CARE

Values versus valuations

Aged care accommodation is defined by the Australian Institute of Health and Welfare (AIHW) as comprising:

"A special-purpose facility which provides accommodation and other types of support, including assistance with day-to-day living, intensive forms of care, and assistance towards independent living, to frail and aged residents. Facilities are accredited by the Aged Care Standards and Accreditation Agency Ltd to receive funding from the Australian Government through residential aged care subsidies."

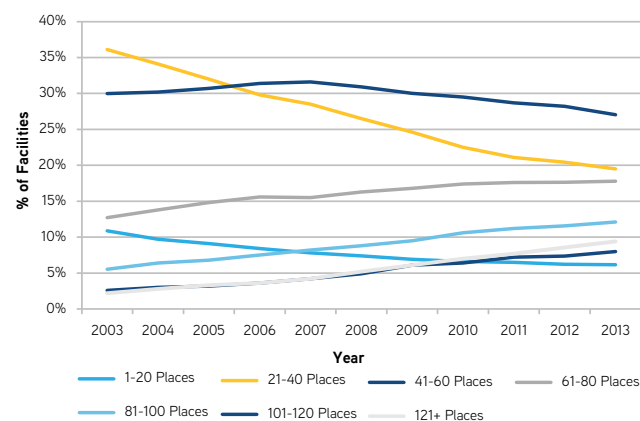
Residential Aged Care Facilities provide accommodation and nursing care for residents who have a continuing need for nursing assistance. Fully qualified staff are available around the clock to provide care to residents as required. The needs of residents are assessed by Aged Care Assessment Teams prior to entry and monitored thereafter as needed. Through changes introduced with the Aged Care Act 1997, 'Ageing in Place' allows residents to receive either low or high level care within the same facility.

The aged care industry is continuing a process of change through the phasing out of multi bed wards in response to the evolving demands and expectations of modern society. Modern

aged care developments now comprise single bed wards with ensuites as opposed to multi bed wards. These higher standards of accommodation allow operators to command greater private pay levels via Daily Accommodation Payments or Refundable Accommodation Deposits (DAP and RAD).

Reflecting consolidation in the sector, as shown in the graph below the proportion of the small aged care facilities has been declining and the proportion of larger aged care facilities increasing.

TRENDS IN NUMBER AND SIZE OF RESIDENTIAL AGED CARE SERVICES



Source: Colliers Edge

The residential aged care market is typified by a small number of transactions occurring in any given year. The industry is viewed as relatively secure due to the high level of government funding arrangements supported by an ageing population. These characteristics underpin what is essentially an outsourced social infrastructure asset class. There are also significant barriers to new providers gaining entry into this sector such as the requirement for a granting of approved provider status, obtaining approved bed licences, availability of land, costs of construction and management expertise. As a result, aged care facilities are typically acquired by existing operators rather than the new investors, although in recent years some investment vehicles have been established with a separate management structure in place.



Alma Place, Taree NSW
Sold by Colliers International

The Australian aged care sector is poised for growth as result of:

- Population growth and an ageing population;
- Increases in medical issues affecting the aged such as dementia and diabetes; and
- Increased life expectancy.

Supply side factors will have an effect on overall demand for aged care facilities. A lack of appropriate facilities to accommodate the expected growth in requirement could result in a significant imbalance between supply and demand within Australia. This will increase the desirability of owning aged care assets to investors.

Consolidation is a continuing trend in this sector. This has been reflected in the appetite for investment which has moved from gloom to boom as investors see the blue sky potential following Government reforms in the sector. Further industry consolidation is anticipated with an influx of private equity and property funds, as the nature of the assets and long term sustainability of demand makes aged care very attractive.

Aged care reforms have brought increased uncertainty to DAPs and RADs associated with the cost of compliance. As a result of this, smaller operators are showing signs that they are willing to capitalise on the seller's market conditions and take steps towards

exiting the sector. Furthermore, this has highlighted that bigger is better with larger operators achieving efficiencies from scale through consolidation.

Current share values

In 2014, three aged care groups successfully listed on the Australian Stock Exchange – Japara Healthcare, Regis Aged Care and Estia Health. This has provided the market with greater transparency on the performance of quality aged care operations and investor demand for exposure to the sector.

As at 5 June 2015, the share price of these three companies reflected the following:

	SHARE PRICE	MARKET CAPITALISATION	IMPLIED EBITDA MULTIPLE FY15
Japara	\$2.65	697 million	15.8x
Regis	\$5.49	1.6 billion	19.7x
Estia	\$6.13	1.1 billion	23.8x

Source: Colliers Edge/Credit Suisse

Typically, stand-alone aged care facilities are valued 6 to 8 times sustainable Earnings before Interest, Taxes and Amortisation (EBITDA). Small premiums are paid for portfolios where synergies from scale can be achieved. So what is the explanation for the disparity between EBITDA and their valuation book value?



Regis Parkland Manor, Ferny Grove Qld
Valued by Colliers International

Why the disparity?

Micro and macro issues both contribute towards explaining this disparity.

Micro issues which impact upon the relative attraction of aged care facilities include:

1. Geographic diversity:

- Strong metropolitan location versus regional location;

2. Property diversity:

- Age of facility;
- Number of beds (generally allowing for increased efficiencies); and
- Design and layout (singles and doubles with ensuite versus multi-bed wards with shared ablutions).

3. Quality of management:

- Aged Care Funding Instrument management;
- Cost management (staffing ratios); and
- Proportion of RAD to DAP.

From a macro-economic perspective aged care is influenced by issues such as an excess of capital chasing cash return and the growth and focus on investment in social infrastructure.

Noting these factors, the major reason for this discrepancy is that traditional valuation techniques have missed the split of operations and property. Experience from other sectors consistently

demonstrates that separation of these risk classes results in the sum of the parts being more than the whole.

Aged Care property returns versus operational return

A quality aged care facility producing \$100 EBITDA can expect to be valued roughly on a stand-alone basis at up to \$800. If we analyse this income stream and separate an 'arm's length' return to a property investor and the aged care operator, the split of value can be understood as follows.

		MULTIPLE	BUSINESS VALUE
Rent to Property Investor	\$50	12x	\$600
Post Rent EBITDA to Operator	\$50	6x to 10x*	\$300-\$500

*conservative estimates would have a 6x multiple, however "similar sectors" such as private hospitals and childcare would argue its closer to 10x multiple.

In this scenario the business value has increased to a 9 to 12 times multiple or \$900 to \$1,100 (an increase of between 12.5 to 37.5 percent). As reflected in the share prices of listed operators, investors seem to already be pricing this value in to the share price.

The complication with sale and leaseback in aged care has always been accommodation bonds (RADs in the new terminology). These are lump sum deposits provided by a resident on entering



an aged care facility and generally refunded to the family when the resident leaves. Accounting rules dictate that RADs are treated as a short term liability on the asset balance sheet but there is varying opinions in the industry on RADs.

In normal lease terms the lessee (operator) benefits from any RADs and DAPs obtained and given there are restricted uses of these funds, the operator is able to earn interest or re-invest in capital expenditure.

Issues facing the use of RADs going forward are:

- RADs offer the cheapest form of finance for operators. Unlike banks and property/equity investors, there is no cost associated with the finance as operators do not pay interest on the bonds; and
- Following legislation changes in 2014, the certainty of RADs has diminished. While more beds can attract a RAD as the distinction between high care and low is now removed, the resident can choose to make daily payments.

Aged care operators can face several issues related to RADs:

- The certainty of RAD collection has reduced;
- The opportunity to grow will be restricted by this RAD collection; and
- Too many RADs – Some operators have grown their RAD pool on a facility basis to large levels where the cash from the RADs has been used on non-income producing investment such as development sites. As a result the industry needs to take a view on sustainability. Gradual deregulation of the sector is occurring and a potential release on the availability of bed licences by the Department of Social Services (which currently controls bed licences), or the removal of the licensing regime, will put pressure on facilities with large RAD net liabilities. The feedback from acquisitive aged care providers is **that investment targets become less attractive as RAD liability gets towards replacement cost of the asset.**

Enter sale and leaseback

Property investors can provide money today for expansion and acquisition opportunities, allowing the aged care operator greater flexibility when looking at business finance. Recently Generation Healthcare REIT investing into the freehold of three RSL Care facilities at a purchase yield of 7.65 percent or a multiple of 13.

Colliers International and its key personnel have worked with both aged care operators and property investors for over seven years to create leasing agreements that address:



Beresford Hall, Rose Bay NSW
Valued by Colliers International

- Treatment and uses of RADs that satisfy regulatory requirements, aged care operators and property investor demands;
- Security and flexibility for both property investor and aged care operator; and
- Common investment objectives that deal with potential exits for investors

In our view, the future picture of the aged care industry and the major players in the sector in the next five to ten years will be dependent on how flexible and creative they can be in their sustainable financing structures for expansion. The current consolidation and expansion of major operators will continue, delivering a positive and buoyant market sector. The enduring interest, growth of social infrastructure and demographic changes will deliver increased competition for existing assets and results in significant new development.



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RETIREMENT LIVING

Size and scale the key to even DMF cash-flows

Background information

Retirement villages comprise residential developments tailored for over-55s however the reality is that the average resident entering a modern day retirement village is in their 70's. The architecture, quality, services and facilities available vary significantly between different retirement villages. Tenure for retirement villages is subject to legislation which varies by State in conjunction with operator preference. Retirement village operators utilise a range of different financial structures and ownership models as follows:

- Strata title ownership;
- Loan license;
- Leasehold;
- Licence to occupy; and
- Rental.

The rental model in Australia makes up a very small percentage of retirement village accommodation and caters predominately for the more affordable end of the seniors market.

Retirement villages comprise a dedicated fit-for-purpose community for retirees who live in dwellings termed independent living units (ILUs). Retirees are able to live as they desire within this unique offering. Residents of ILUs receive access to;

- Communal and multiple leisure facilities which may otherwise be unaffordable;
- Maintenance free living;
- Security;
- Emergency support services; and
- Their preferred lifestyle whilst maintaining their independence.

Financial metrics

The most popular payment model for retirement living is the Deferred Management Fee (DMF) which is payable to the operator when a resident exits a village. This structure can take various forms. The two main structures are as follows:

1. Calculated from the time of entry and accrues year-on-year to the date the resident departs a village. The accrual is calculated on the current selling price as opposed to what the resident paid; or
2. Calculated from the time of entry and accrues year-on-year to the date the resident departs a village. The accrual is calculated on the price that the resident actually paid with a separate mechanism dividing the share of capital gain to the resident and/or operator.

Valuation considerations

Some 184,000 Australians are currently estimated to live in retirement villages which equates to a penetration rate of 5.7 percent based on data collated for the Property Council of Australia.



Little Bay Retirement Village, NSW
Sold by Colliers International



Waterbrook, Greenwich NSW
Sold by Colliers International

Prior to the GFC the market for DMF assets was at a premium (discount rates of greater than 10 percent, growth rates equivalent to 6 percent). This was primarily due to two main factors:

1. Influence of the ageing population fundamentals; and
2. An emergence of new investors in the sector including a relatively discreet group of institutions, merchant banks, listed property trusts and wholesale vehicles entering the industry for the first time.

Cash-flow potential during this time was at a sector high due to buoyant economic conditions coupled with strong demand feeding the sector. The influx of new market entrants and their appetite for immediate scale created a premium value for all assets, particularly portfolios which provide access to size and scale expediently. It could also be argued that the relative inexperience of some of these new investors lead to the premium values whilst these parties were trying to understand the sector.

Following the GFC the original major investors largely curtailed their acquisition activity. Recently however we have seen significant large scale portfolio investment from the major institutions including Lend Lease, Stockland and Retire Australia with their new investment partner Infratil (NZ Super). These investments have been made between late 2014 to June 2015 and discount rates for premium products are reportedly as low as 12 percent. The last 12 to 18 months has seen estimated retirement living transactional volumes of greater than AUD\$1 billion.

This renewed activity appears to indicate a new period of consolidation attributable to institutional markets and REIT's together with a robust residential market particularly in Sydney and Melbourne. In addition the ageing demographic of Australia is entering an exponential growth phase projected through to 2051 and beyond.

Difficulties in determining sector investment pricing

A number of difficulties are associated with determining pricing for retirement village transactions:

- Historically transactional activity has been irregular and scarce. Transactional details are tightly held, particularly information associated with the take-over of debt and tax structuring that maximise sale outcomes;
- A large number of transactions occur off market with the information necessary to understand the commercial deal never publically available, which leads to highly speculative analysis; and
- The detail required to undertake full and proper analysis is significantly greater than for the majority of other real estate assets.

The future

The ageing demographic profile of Australia supports the long term viability of the retirement village sector and reinforces a strong case for investment as demonstrated by:

- The major industry participants who seek to hold and grow their positions where funding is becoming more freely available;
- The introduction of new private buyers to the sector including Asian investors, both high net worth and institutional. Such investors recognise the value of the ageing demographic, stable political environment, and the relatively low Australian dollar; and
- The continued growth and expansion of Not-for-Profit ownership in the industry.

Future challenges

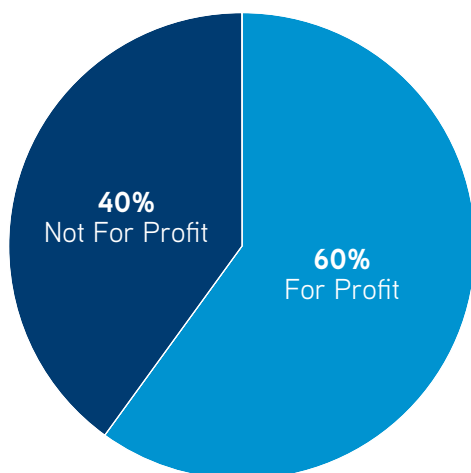
Some of the challenges that will affect the retirement village industry going forward are as follows:

- Keeping up with the lofty expectations of baby boomers in terms of product design and location. Where does that leave existing product and what is the potential to redevelop villages to take into account these new expectations?
- DMF sustainability. Modifying or re-inventing payment structures or creation of new structures that are not of a deferred nature;
- The emergence of alternative retirement accommodation solutions such as Manufactured Home Estates (MHEs) where the legislative obligations are not as prohibitive;
- GSTR 2011/1 – Continued fallout from an Australian Tax Office ruling on the development and sale of a leasehold village;
- Cash flow volatility. Returns on retirement village assets are realised upon change of resident through the DMF approach. This can create a variable cash-flow which is difficult to predict, but this can be neutralised based on portfolio of size; and
- Regulatory/sectoral controls from Government.

Who owns retirement villages

The retirement village concept was originally conceived by churches and charities, but the private/institutional sector has increasingly realised the financial potential of the sector. Approximately 60 percent of the sector is currently accounted for by For Profit operators such as Lend Lease Retirement Living, Aveo, Stockland, Retire Australia, Living Choice and Australian Unity and 40 percent by the Not for Profit operators.

RETIREMENT VILLAGES, PROFIT VS NOT FOR PROFIT OPERATORS



Source: Colliers Edge

Approximately 5.7 percent of elderly Australians currently reside in Retirement Villages. This represents a significant increase from 4 percent in 2007 but is well below American penetration rates of 12 percent over 65 who take up seniors living (retirement village) as their preferred form of accommodation. This statistic presents investors/operators with optimism regarding the future growth potential of retirement villages in Australia, particularly given prevailing demographic trends.



Watermark, Wagga Wagga NSW
Sold by Colliers International

Unravelling the DMF

As previously indicated the most commonly used model to derive financial returns to operators of retirement villages is the DMF model.

In the most common structure of this model, occupancy rights are provided to residents under a long term contract (typically a 99 year lease). This lease commits the resident to paying a management fee, deferred until exit or re-sale. DMF is generally calculated as a percentage of the entry or exit value of the contract, based on length of tenure (capped at a certain number of years) usually payable from the proceeds of re-sale. Depending on operator and unit entry price the DMF is generally capped at between 20 to 35 percent over a 5 to 10 year period. The payments are divided between operator and stakeholder/s once the ILU is sold to the new incoming resident.

The DMF model is largely unique to Australia and New Zealand, being inherited through a transition from the foundations of retirement villages from the Not for Profit sector. Not for Profits have used the Loan and Licence model since inception in the 1950's. The industry was opened up to developers in the 1980's as a response to demand rising faster than supply, the DMF model was adopted due to the tax benefits this provided.

Many operators are reviewing their DMF models and seeking flexibility in their approach. This is due to a bid to gain greater customer approval of the DMF model, for example Aveo Group is now beginning to standardise contracts for new residents. The Aveo contract remains commercial by accruing all of the DMF in the first three years but also provides significant concessions to the resident including guaranteed buy back clauses and no refurbishment costs. It may be broadly summarised as follows:

1. 3 year 35 percent DMF – Year One: 7 percent, Year Two: 14 percent, Year Three 14 percent on the ingoing price paid;
2. No capital gain or loss to the resident;
3. No sales commissions or marketing costs (this being replaced by a membership fee);

4. No refurbishment costs;
5. Guaranteed buy-back sale in six months (NSW and TAS) or 12 months (QLD, VIC, SA). This guarantee is imposed via legislation due to the operator taking 100 percent capital gain;
6. Aveo 'membership' fee: \$1,500 per annum (p.a.) plus 2.5 percent increase p.a. paid on departure;
7. Monthly fees subsidy: \$400 p.a. paid by Aveo to assist with fees;
8. 21 day cooling off period without penalties or administration fees; and
9. 90 day settling in period: legal fees and monthly village fees only. This settling in period is also required by legislation.

Because DMF arises when residents exit a village, uneven cash flow may arise when looking at each village in isolation. This unevenness of cashflow is timing related, not quantum related, and can be offset via size and scale in a portfolio. As a result consolidation of assets is being pursued, as demonstrated recently by Lend Lease in their purchase of the Retirement Alliance portfolio in November 2014.

The ideal balance of a portfolio will include;

- An appropriate mix of new and innovative product;
- Mature villages with regular turnover; and
- Geographically diverse to align to demographic profiles.

Looking backward to look forward - Consolidation in the retirement village sector

Since the early 1990s speculation on both the Australian consolidation of retirement villages and forecast future retirement village penetration rates has been a topic of much consternation. Conventional wisdom held that the major groups would be much larger today than they actually are.

Consolidation in the retirement village market did occur through to 2002 and then again between 2005 and 2008 with significant activity and price growth recorded, but this began stalling in 2009. This stalling was likely due to the reduction in residential house value growth and operators understanding the portfolios they had acquired. Activity between 2009 and 2012 was largely driven by distressed assets.

Consolidation of the major operators in the retirement village sector is now increasingly evident. The recent exit from the sector by the Oman Investment fund (Retirement Alliance) as well as Morgan Stanley Real Estate Investing and the JP Morgan Global Special Opportunities Group (Retire Australia), means that the retirement village sector with its largely unique DMF model is

now predominantly back in the hands of domestic operators from Australia and New Zealand.

Looking forward, it is anticipated that consolidation of retirement villages will continue due to the benefits of scale, predictability of cashflow and operational efficiencies which this delivers. The 'Intelligence' and Intellectual Property required to understand and operate effectively and efficiently in the sector and various regions is detailed to learn, but once acquired can be applied to multiple portfolios.

Transactional activity is occurring throughout Australia, most frequently through an off market basis. Colliers International Healthcare and Retirement Living anticipate a greater volume of transactions over the next two to three years than the previous eight years, due to the reasons mentioned above.

Recent activity has stimulated asset liquidity, demonstrated confidence in the sector and contributed to some degree a seller's market. This has created greater competition for scarce portfolios and improved asset end values and sale prices. Typical discount rates presently are 12 to 14 percent for Premium assets, 14 to 16 percent for Secondary assets and 16 to 20 percent for Tertiary assets. Because of this, in conjunction with the need for size and scale in the sector, demand is driving the lower discount rates. Savvy private operators are seizing the opportunity to sell their assets in order to capitalise on prevailing market conditions.

With improving general market conditions during the last 12 to 18 months and the expected performance of retirement villages in the future, we envisage the emergence of increased development within the sector. This will also align to the 'new' or 'updated' DMF models that are being implemented and considered by most operators.



Heritage of Hunters Hill, NSW
Valued by Colliers International



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MANUFACTURED HOME ESTATES

Significant opportunities in this evolving sector

MHEs, previously referred to as relocatable home parks, are a retirement style concept which has evolved from the often negatively publicised permanent caravan park. MHEs are an affordable 'lifestyle' product that provide an alternative to traditional retirement homes and villages. MHEs operate under a loan/licence agreement in which the resident owns the relocatable home and leases the right to occupy the MHE site from the village owner/operator. Supply of sites is restricted by Council issued Approvals to Operate, outlining the number of manufactured home sites developable within the MHE.

Modern MHEs provide affordability for retirees without compromising on quality, security, or facilities. The upper end of MHE developments are becoming of a much higher standard than other retirement living alternatives.

Community facilities available in MHEs typically including swimming pools, tennis courts, bowling greens, community halls,

parks, nature trails, BBQ areas and even marina berths. The manufactured homes are fully serviced and presented in such a way that they have a similar appearance to a fixed building with timber or rendered facades, decks, pergolas and carports. Similarly to traditional residential and retirement products, MHEs are available at different price points, based on the level of facilities, quality and location.

Based on analysis by Colliers International there are over 2,500 locations in Australia which provide a level of permanent residential, short term and/or worker accommodation. These include MHE (six percent), tourist parks (64 percent) and caravan parks/mixed use caravan parks (30 percent). These statistics demonstrate the relative infancy of the MHE market in Australia and the significant growth potential that the sector offers.

Permanent residents of MHEs purchase and own the manufactured home and lease the dwelling site upon which the home is located. Residents pay a rental for the site which includes the site rental as well as the operation/management of the MHE and use of the community facilities if any are provided, similar to annuity streams.

The underlying land, utility connections, roads and common facilities such as swimming pool and clubhouse is retained by the land owner who operates as a manager or leases to a third party manager.

Investment drivers for MHEs comprise:

- Stable recurring income streams;
- Income underpinned by government given that most residents are eligible for rental assistance;
- Growing demand for affordable housing with house prices rising faster than incomes;
- Capital-light development;
- Shortage of supply of affordable seniors accommodation;
- Largest, fastest growing target market within the seniors living spectrum;



Bayway Village, Fern Bay NSW
Valued by Colliers International

- The ageing population in Australia which will increase demand for affordable housing options;
- Well positioned to capture demand from retirees who's wealth liquidity was adversely impacted by the GFC; and
- Providing a land bank with cash flows.

Some of the key industry trends currently impacting upon this sector are:

- **Consolidation** – there has been a general trend for older-style, family owner-manager caravan parks to be acquired by larger business benefiting from economies of scale with dedicated management teams and a greater focus on profitability;
- **Conversion** – Investment groups are purchasing mixed use/ tourist caravan parks and converting the use to permanent occupations – MHE.

The attraction of MHE

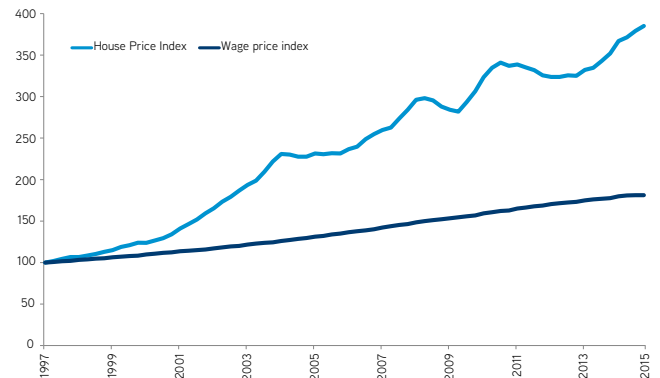
The population of Australia is ageing, supporting demand for housing capable of meeting the lifestyle needs of growing amounts of older residents. Improvements in health care and medical advancements mean that older Australians are likely to remain independent for longer. This will present opportunities for older Australians to keep participating in the community and to experience more active and engaged retirement years.

This demographic change in addition to the value proposition of MHEs is expected to drive growth in the sector, which is characterised by autonomous and independent living. This has been demonstrated by recent investor confidence, such as Blackstone's AUD\$150 million joint venture with National Lifestyle Villages, the focussed investment of Ingenia and the recent ASX listing of Gateway Lifestyle including the merger of Tasman Capital.

The increasing number of senior Australians, the cost associated with spending a longer period of time in retirement as well as a greater ability to remain independent will drive growth.

The longer expected retirement period in combination with the ever growing gap between property price growth and income growth is supporting the case for affordable retirement living alternatives such as MHEs.

AUSTRALIAN HOUSE PRICE INDEX VS WAGE PRICE INDEX



Source: Colliers Edge and ABS (as at June 2015)

The complex and often perceived costly financial structure of traditional retirement homes and villages, are leading to MHEs becoming increasingly popular as a retirement living product. Security of income and the potential to add value through additional development and management efficiencies is facilitating investor interest in Australian MHEs both from within Australia and internationally.

The highly fragmented nature of the MHE market is set for further consolidation this year. Demand for assets has intensified as the falling Australian dollar drives international investors to compete with domestic players seeking high-yielding investment opportunities and to build portfolios in this growth sector.



Ocean Club Resort, Lake Cathie NSW

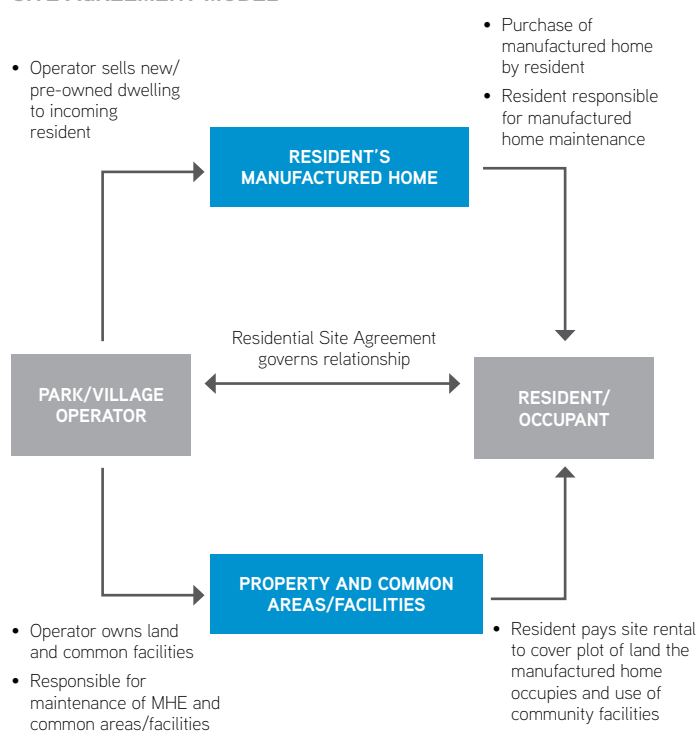


Ocean Club Seniors Living, Lake Cathie NSW

Financial structure/benefits

A typical MHE operations structure is outlined in the figure below:

SITE AGREEMENT MODEL



Once a manufactured home is sold and placed on a demarked site within the estate, the resident enters into a site agreement. The agreement stipulates the payment of a site fee (which may be subsidised by the Federal Government for qualified retirees) which in return allows the resident the quiet enjoyment of what is essentially a like-minded community plus the use of common facilities.

The affordability of MHEs is driving the increase in popularity amongst residents. Retirees are able to sell the family home and free up equity, then purchase a manufactured home at 50 to 60

percent of the cost of an equivalent residential property. This delivers extra spending money for holidays, spending on family and maintenance of a 'nest egg'.

MHEs provide a range of benefits to residents and owners/investors as follows:

The resident

- Commonwealth Rental Assistance for over 65's;
- No stamp duty on the purchase of manufactured homes;
- No entry/exit fees (other than the home purchase and associated selling costs); and
- No additional rates, taxes or Capex sinking fund contributions (these are usually included in the site rental).

The owner/investor

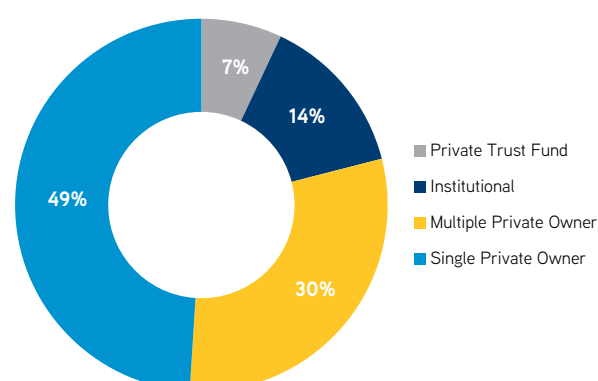
- Secure rental income with the potential for regular increases;
- One off profits to be made from the development and sale of new homes; and
- Re-sales commissions of existing homes.

Investor/market breakdown

A sector traditionally dominated by private single owner operators; the MHE market has evolved into one that is attracting the interest of large scale and institutional investors. Australian MHEs are fast being recognised as the next big property growth sector, with significant global investors currently investing or considering investment in MHEs.

Current MHE ownership in Australia is broken down as shown below. Whilst private ownership still remains the preeminent ownership type, corporate ownership is rapidly increasing. This reflects consolidation in the industry by multi-MHE owners who are taking advantage of the efficiencies to be gained through multi property portfolios.

AUSTRALIAN MHE OWNERSHIP



Source: Colliers Edge

A breakdown of the key operators in the Australian mixed use caravan park and MHE industry is shown in the table on the following page, with further consolidation set to occur as a result of Gateway Lifestyle acquiring Tasman and to their IPO (the first for a dedicated MHE owner/operator in Australia) which occurred early June 2015.

OPERATOR	NUMBER OF PARKS AND VILLAGES							TOTAL
	NSW	NT	QLD	SA	TAS	VIC	WA	
Ingenia Communities	18		2					20
Discovery Holiday Parks	4	1	8	6	6	1	7	33
Aspen Parks Property Fund	6		1	2		4	9	22
Gateway Lifestyle Residential Parks (Alceon)	12		10			3		25
Tasman Lifestyle	9		2					11
Hampshire Villages	6					1		7
Palm Lake Resorts	6		11			3		20
Lifestyle Communities						10		10
National Lifestyle Villages						1	9	10
Living Gems			7					7
Total	61	1	41	8	6	23	25	165

We are aware of a number of additional developments and pending transactions which will enhance the portfolios of the operators referenced above.

Investor Appetite

The scrambling of local players expanding portfolios and additional interest from US and international investment in MHE is causing compression in yields and seeing operators taking alternative paths to achieving greater profits.

The Australian MHE industry is experiencing strong interest from overseas operators looking to globalise their operations by acquiring a platform in Australia which will differentiate them from competitors in their existing markets. The low Australian dollar and availability of low interest debt as well as opportunities to gain both yield and development uplift make the local MHE market an enticing opportunity for overseas groups.

US investors are seeing similarities between the relatively emergent Australian MHE market and the established United States manufactured housing market. As a result sizeable international investment in the sector is imminent for Australia this year. With their focus now clearly on the MHE industry, competition for portfolio growth has intensified and will continue.

The quality of the product offering in Australia is very competitive by international standards with significant development profits achievable on the sale of new manufactured homes. In the US, this appears to have been the market some 25 years ago and is no longer the case. In the US market, the manufactured home industry is seen as an alternative to standard residential development, whilst in Australia, MHE developments are targeted to the over 55's market.

Recent enquiries with major US MHE operators have revealed that a lack of profits from home sales made in the US is attributable to the different social demographic seen in some locations, where the manufactured home product is aimed at lower socio-economic groups. This is another underlying reason why Australia is attracting so much attention, given that the structure of home

ownership and village quality across the board creates significant home sale profits essentially comprising a bi-product of the Australian residential market.



Bremer Waters, Tasman Capital, Moores Pocket Qld
Valued by Colliers International

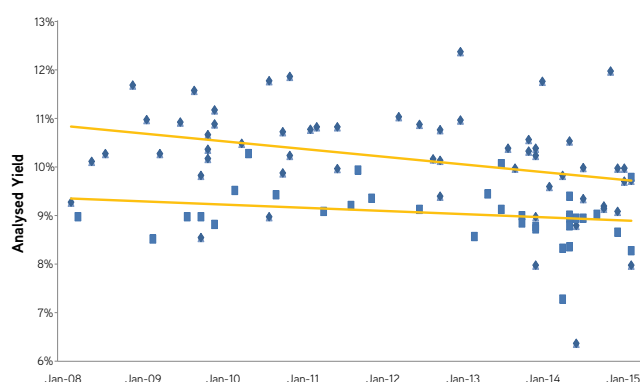


Ocean Club Resort, Lake Cathie NSW

Transactions

The graph below illustrates analysed yields of both MHEs and mixed use caravan parks that have transacted over the past seven years.

MHE AND MIXED USE PARK TRANSACTIONS



Source: Colliers Edge

As illustrated by the trend lines, yields for both MHEs and mixed use caravan parks over the 2008 to 2015 period have been compressing. The latest compression of analysed yields has been well documented through intensified activity in the market and this specialist asset class for the last 18 to 24 months.

MHE transactions clearly demonstrate lower comparative yields achieved and a gradual tightening over the period.

What is more apparent is the yield compression shown in mixed use caravan park purchases. This is due to major investment groups purchasing these parks relatively aggressively, in view of the potential to capitalise on the underlying approval for further long term (over 55's) sites through later conversion to manufactured homes. In the interim, the purchasers are able to operate the parks with solid underlying income streams/values under their current tourist or mixed use site operation. This transformation of use enabled one-off profits made from home sales as well as generating a secure income stream and lower operating expense ratio.

Some significant recent transactions within the industry are shown in the table below.

The majority of recent deals have demonstrated tightening yields however these continue to generally be above 8.25 percent which provides an excellent arbitrage against lending rates. This fact alone will ensure ongoing activity and tightening in the sector.

In a risk adverse environment, security of income is key. MHEs have demonstrated this for a number of years.

PARK NAME	SALE DATE	SALE PRICE	NO. SITES	RATE/SITE	ANALYSED YIELD
MIXED USE PARKS					
White Albatross Holiday Park	Dec 2014	\$23,000,000	311	\$73,955	8.39%
Ballina Gardens Caravan Park	Dec 2014	\$6,300,000	108	\$58,333	9.73%
Bougainvillia Holiday Park	Nov 2014	\$12,500,000	178	\$70,225	10.00%
Sydney Hills Holiday Park	Jan 2015	\$12,000,000	128	\$93,750	8.31%
MANUFACTURED HOME ESTATES					
Four Lanterns Estate	Jan 2015	\$7,420,000	102	\$72,745	8.30%
Valhalla Village	Jun 2014	\$27,000,000	420	\$57,143	8.97%
Sea Winds Village	Nov 2014	\$7,000,000	148	\$47,297	8.66%

Case Study

Gateway Lifestyle Bayside, Tingalpa QLD

The Gateway Lifestyle Bayside estate is situated in Tingalpa, Queensland. It comprises 7ha of land situated 12km from Brisbane CBD, in the Moreton Bay tourist area. When purchased by Gateway Lifestyle in late 2009, the park was occupied by low-socio demographic welfare recipients occupying park owned cabins and manufactured homes. Since then, Gateway has transformed the park into a dedicated MHE with brand new homes, roads/services and community facilities, including a community hall, bowling green, swimming pool and associated areas.

Approximately 70 percent of the park has now been redeveloped into new manufactured housing, with the remainder to be redeveloped as current rental agreements of permanent residents expire or are re-purchased within the Village.

The development outcome was beneficial to both developer and occupants. The developer was able to achieve profits in excess of

\$100,000 per new home sale whilst also receiving the site rental cash flow of circa \$150 per site per week. The occupant can now purchase a home within a secure community environment with brand new community facilities in a sought after location, situated amongst likeminded home owners.

In comparison to the median house price in Tingalpa of \$550,000, the median sale price for new houses within the village was \$315,000, less than 60 percent of the median house price. This allows residents to free up equity for retirement savings and spending on other items.

This case study is an example of the recent trends and opportunities which characterise the MHE sector, particularly in the context of increasing demand for this product type with the ageing Australian population and pressure on retirement incomes.

Original dwellings



New developments



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PRIVATE HOSPITAL AND MEDICAL CENTRES

Investment yields are stronger than valuations indicate

Hospital care in Australia is provided by a mix of public, private and private stand-alone (day surgery) medical facilities. Hospital care is provided as a free service in public hospitals but patients are prepared to pay for a choice of doctor, private room and faster access to the services provided by private hospitals. Based on the latest ABS survey of the sector Australia contains 592 private hospitals accounting for a penetration rate of 44 per cent of the national hospital total. One in three hospital beds in Australia is provided by the private sector and two of every five Australian patients are treated in private hospitals. Furthermore the number of admissions to private hospitals has increased by 47 percent over the 10 years to 2011-12, compared to 35 percent for public hospitals, indicating the level of demand growth the sector is experiencing.

Private hospital establishment types, defined in terms of legislative approval, services provided and patients treated, are classified into four main categories as follows:

- Acute care hospitals which treat medical and surgical patients. These require high capital and capex costs and support an EBITDAR (Earnings Before Interest, Taxes, Depreciation, Amortisation, and Restructuring or Rent) of 10 to 20 percent;
- Rehabilitation hospitals which support rehabilitation for neurological, musculo-skeletal, orthopaedic and other medical conditions, characterised by lower capital and capex costs and an EBITDAR of 15 to 25 percent;
- Psychiatric hospitals which assist patients with psychiatric, mental or behavioural disorders. Such facilities have lower capital and capex costs and an EBITDAR of 17.5 to 27.5 percent;
- Free-standing day hospitals which include general surgery, specialist endoscopy, ophthalmic, and plastic/cosmetic treatments. These facilities have lower capital and capex costs with EBITDAR varying dependent upon their purpose.

Current trends in the private hospital sector include:

- Increasing demand due to a growing and ageing population. It is estimated that hospital admissions for over-60 year olds account for 60 percent of total admissions, therefore a growing population of over-60s means greater demand for hospitals;
- A growing proportion of Australian residents covered by private health insurance;
- An increase in free-standing (day only) hospital activity. 69 percent of admissions to private hospitals in 2011-12 were for same-day treatments so the sector is well position to capitalise on this increased activity;



Gosford Medical Centre, NSW
Sold by Colliers International



Westmead Rehabilitation Private Hospital, NSW

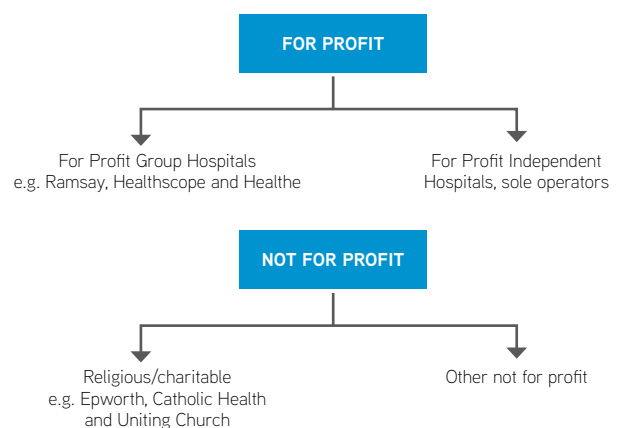
Sold by Colliers International

- Inclusion of medical suites, radiology, pathology, pharmacy and small retail tenancies in new hospital developments;
- Rejuvenation of the retail offer in existing private hospital facilities;
- Co-location of public and private hospitals;
- Industry consolidation and overseas expansion;
- Small medical and surgical hospitals have become unviable, however smaller rehabilitation and psychiatric hospitals remain viable due to their specialised nature, higher profit margin and their comparative lack of requirement for sizeable annual capital expenditure;
- Major groups gaining the advantage of centralised buying, OH&S, infection control and capability in health fund negotiations;
- Expansion of the religious sector in the private hospital sector;
- Upgrading existing facilities/private rooms to meet the requirements of privately insured patients;
- Continuation of industry consolidation and expansion of brownfield sites;
- Greenfield site developments now being undertaken, for example co-located private hospitals on the Gold Coast and Sunshine Coast;
- An industry-wide shortage of nurses prompting rising nurses salary and wage increases; and
- Federal Government initiatives to encourage people to obtain private health cover by increasing the Medicare Levy Surcharge in 2015/16, benefiting the sector.

Private hospital composition

In 2012-2013 Australian public and private hospitals provided of 86,771 beds, an average of 3.9 beds per 1,000 people. Of this public hospitals provided on average of 2.6 beds per 1,000 persons and private hospitals 1.3 beds per 1,000 persons. With the growing proportion of people privately insured, as a result of changes in the Medicare Levy Surcharge and the introduction of 30 percent means testing, interest in private hospitals is growing. As at December 2014, 47.2 percent of the Australian population were covered by private health insurance, some 11.2 million persons.

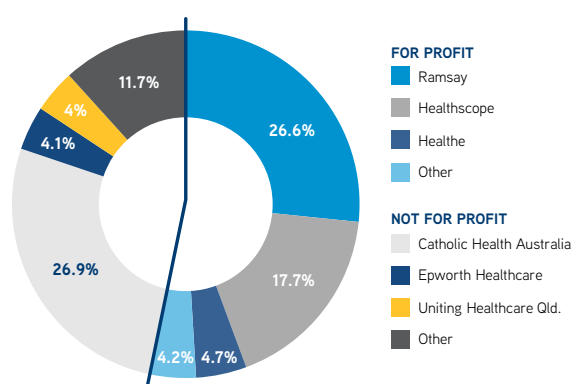
The private hospital industry can be classified into two major types of hospitals, For Profit and Not For Profit, which can be further segmented as follows.



In the 2010-2011 financial year Not for Profit religious and charitable private hospitals had a bed occupancy rate of 85.3 percent or 3,311,000 bed days which compared to an 88.2 percent occupancy rate in For Profit hospitals, equivalent to 4,350,000 bed days. Other types of Not for Profit hospitals had an occupancy of 67.3 percent, 107,000 bed days.

The major participants in the For Profit sector are Ramsay Health Care, Healthscope and Healthe Care. The religious/charitable segment is largely represented by the Catholic Health Australia (CHA) group and Epworth. CHA represents the interests of the various Catholic health and aged care agencies including approximately 75 hospitals accommodating 9,500 beds. Of the 75 hospitals 51 are public hospitals operated by CHA.

PRIVATE HOSPITAL OWNERSHIP – AUSTRALIA BY NUMBER OF BEDS



Source: Colliers Edge

The nature of demand

Property investor demand for private hospitals is very strong, but the investment opportunities remain limited. There are currently

three ASX/NZ listed property investment funds active in this space, comprising Australian Unity Healthcare Property Trust, Vital Healthcare Property Trust and Generation REIT. Ownership of private hospital assets is considered a defensive play by the property sector, and rightly so. Their performance over the last ten years, during a turbulent economic cycle, has been consistent, delivering steady income and capital growth returns. A number of boutique funds have also now been created which have managed to pick up some solid assets, generally above \$20 million. A number of investors have also progressed to invest in medical centres given the strength of the covenant, cash-flow and the lack of opportunities in the wider sector.

Institutional and overseas investors have been attempted to access the private hospital sector for a number of years; however the inability to gain instant size and scale normally achieved through the acquisition of portfolios has presented challenges. Institutional and overseas investors generally require either a signature investment above \$100 million or an investment offering diversity at above \$200 million. To date these investment opportunities have not presented themselves in the private hospital sector.

Attractive yields but some risk consideration

As a result, there have been limited private hospital transactions. The transactions that have occurred recently continue to support yields around 7.75 to 8.15 percent. Notwithstanding this, most investment groups acknowledge that a healthcare investment property with a long term lease to a quality operator would achieve a sub 7 percent yield. But until such a transaction occurs, valuers do not have comparable evidence to support such a valuation.



Westmead Rehabilitation Private Hospital, NSW
Sold by Colliers International



Westmead Rehabilitation Private Hospital, NSW
Sold by Colliers International

This squeeze in yields in private hospitals is consistent to the broader commercial property market that has seen dramatic compression in the last two years. This has been promoted by the low interest rate environment and the influx of capital from both the Australian and overseas investors in search of higher returns.

In spite of this it is not all upside. Investors need to be mindful of alternate use at the end of leases. If an operator decides to vacate, the purpose build hospital properties which they leave behind can be difficult to release for similar uses given the finite pool of tenants and thresholds for how many hospitals can be supported in a local area. Any lease for alternate use would be at a fraction of the value. As a result property investors need to work hard to find new operators, of which there are a limited number in Australia, or redevelop the property in a way that maximises future value.

Future asset trends

The functional design life of a hospital from the moment soil is turned is arguably eight to 10 years. With an allocation of two year design and construction, in addition to lead in time, the economically usable asset life may be as little as eight years prior to major redevelopment work being required. The inability to reconfigure private hospital assets adds to operational costs. Future-proofing measures can add significantly to construction costs, which in turn must be passed on to either then tenant through increased rent or absorbed by the investor. Strategies to

address this issue include prefab hospitals such as those offered by Codalto who will rent out an entire building, allowing the operator to avoid up front capital costs, or investment required to 'future proofing' assets. It also highlights the benefit having a long-lease to tenants in order to protect cash-flow.

We note that for medical centres the trend is likely to comprise a more holistic approach expanding the concept of health which addresses social in addition to mental and physical health status. This idea appears to be gaining support from Government. The holistic approach is described as 'wrap around' services. Ultimately this is likely to extend to include and community and social services co-locating with GP practices. In addition to this, the ongoing trend for shorter and reduced hospital stays has facilitated increased treatment by community care. As a result of the increased pressure on GPs that this creates, remote monitoring centres and GPs will evolve into community 'acute care' hubs.

Private hospitals and medical centres can be lucrative assets, reflected in strong returns and strong investor interest over the last five years. The sector is well-positioned for growth given expected demand increases from the Medicare Levy Surcharge and Australia's ageing population, as well as the evolving nature of the way in which community care is delivered. The highly specialised nature of the sector and the potential risks considered above, emphasise the need for a knowledgeable partner when considering property plays within the sector.



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2 purpose built aged care facilities, totalling 204 beds



Bonney Aged Care (3 facilities)
SA

c. \$45 million

3 high care facilities with 289 beds



Westmead Rehabilitation Private Hospital
NSW

c. \$30 million

60 bed rehabilitation private hospital



IBIS Gold Coast
QLD

c. \$23 million

Six facilities with 377 high and low care places



The Glen RACF
NSW

c. \$19.5 million

92 bed aged care facility constructed in 2009



Waterbrook Yowie Bay & Greenwich
QLD, NSW & VIC

c. \$18 million

Yowie Bay (86 ILA's) and Greenwich (70 ILA's) Lifestyle Resorts provide premium retirement living



Retirement Villages (Frank Whiddon Group)
NSW

c. \$13.5 million

155 units across 5 complexes



Gosford Medical Centre
NSW

c. \$13 million

2 story building comprising with a total approximate NLA of 1,107sqm



Watermark Wagga Wagga Retirement Village
NSW

c. \$4.5 million

56 apartments housed in three-storey apartment building



Trebartha Retirement Village
NSW

Undisclosed

56 self-contained apartments for independent living



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c. \$360 million

National retirement village portfolio consisting of 30 assets with 3,456 ILUs/SAs



Cook Care Portfolio
NSW & QLD

c. \$250 million

10 Residential Aged Care facilities with a total of 766 beds



ECH Inc Portfolio
SA & NT

c. \$200 million

A portfolio of 10 aged care facilities and one retirement village with a total of 1,195 beds



Estia Health Portfolio
VIC

c. \$150 million

10 residential aged care facilities with a total of 833 beds



Part Regis Portfolio
QLD, VIC, SA & WA

c. \$150 million

National aged care portfolio consisting of 10 assets with 809 beds



Tasman Portfolio
NSW & QLD

c. \$115 million

11 manufactured home parks with 1,520 sites



Gateway Lifestyle
QLD

c. \$90 million

8 manufactured home parks with 1,416 sites



Manchester Unity Portfolio
NSW

c. \$80 million

2 Residential Aged Care facilities with a total of 183 beds and 3 Retirement Villages with a total of 182 ILUs



Arena portfolio
NSW

c. \$70 million

NSW based medical centre portfolio consisting of 7 assets



Bayway Village
NSW

c. \$30 million

Manufactured home park with 501 operational sites and 670 approved sites



Part Ingenia Portfolio
NSW

c. \$25 million

6 Retirement Villages with a total of 473 ILUs



Mosman Private Hospital & Eye Clinic (Freehold)
NSW

c. \$7 million

46-bed private hospital and single eye clinic with over 10 consulting rooms



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- Preliminary acquisition or disposal advice
- Valuations for accounting purposes
- Insurance valuations
- Highest and best use analysis
- Valuation of bonds or licenses
- Rental assessments

Transaction Services

- Disposals and acquisitions
- Lease deals
- Sale and Leaseback
- Complex deal structuring and transaction negotiation
- Tailored strategic asset marketing

Consultancy

- Corporate real estate strategy
- Feasibility analysis
- Real estate capital strategy - ownership versus lease
- Portfolio audit and benchmarking
- Operational management reviews
- Asset management and compliance reviews
- Location/relocation strategy
- Market Research and analysis of Key Performance Indicators
- Hotspot analysis
- Market and demographic studies and GIS mapping

Across every healthcare & retirement living property and business type...

- Retirement villages
 - Independent living and over 50's resorts
 - Assisted living (serviced apartments)
- Aged care facilities
- Private hospitals and medical/surgical centres
 - Primary care (hospitals)
 - Day surgeries
 - Medical Centres
 - Mental health, rehabilitation and support services
- Manufactured housing estates
 - Over 50's lifestyle estates
 - MHE conversion opportunities
- Childcare centres

Everywhere

- *24 offices across Australia*
- *16 offices in New Zealand*



Let us accelerate your success. Speak to one of our Hotel experts today.

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How else can we help you?

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 - Tenant Representation
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- Corporate Solutions
- Design
- Development
- Facilities Management
- Financial Management
- Investment Services
- Insolvency Property Services
- Lease Administration
- Portfolio Management
- Portfolio Marketing
- Project Leasing
- Project Management
- Project Marketing
- Property Management
- Research
- Technology Solutions
- Transaction Management
- Valuation
- Workplace Strategy

Across every property type...

- Office
- Industrial
- Retail
- Residential
- Rural & Agribusiness
- Hotels
- Healthcare & Retirement



Everywhere

- **374 offices worldwide** throughout **63 countries**
- **43 offices** throughout **Australia** and **New Zealand**

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