

# Australian Unity expands with \$1.2b pipeline

**Martin Kelly** *Reporter*



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Australian Unity's Healthcare Property Trust (HPT) has announced \$250 million in new projects in Sydney and the Gold Coast, part of a \$1.2 billion planned development pipeline over the next four to five years.

The proposed works include new hospital, medical centre and brownfield expansion projects in NSW, Victoria and Queensland which, when complete, will boost the value of assets under management by more than 30 per cent.

"We've got a clear line of sight to \$4 billion," said Chris Smith, general manager, Healthcare Property at Australian Unity.

Mr Smith said work would start within a month on a new \$96 million hospital in Terrey Hills on Sydney's northern beaches, which HPT is funding through a mix of debt and equity.

HPT bought the four-hectare site for \$8 million from interests associated with Wyvern Health, which has signed a 30-year lease and major works agreement with Australian Unity to develop and operate the hospital.



Wyvern Private Hospital, Terrey Hills, is due for completion in mid-2023.

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Scheduled for completion in mid-2023, it will be called Wyvern Private Hospital and include eight operating theatres, 84 beds, associated clinical support units such as radiology and pathology, consulting suites and a 148-space car park.

He said the northern beaches and upper north shore were areas with high levels of health insurance while the agreement with Wyvern and its doctor shareholders would ensure a strong flow of referral business.

“This is a doctor-led model,” Mr Smith said. “We know demand is strong in Terrey Hills – the northern Sydney catchment is a highly insured population with 75 per cent covered by private health insurance compared with 50 per cent across greater Sydney.”

On the Gold Coast, HPT and hospital operator Aurora Healthcare Australia have lodged a development application for a \$150 million expansion of the Robina Private Hospital to meet increasing demand for mental health

[\[https://www.afr.com/property/commercial/northwest-to-boost-mental-health-beds-as-more-people-seek-help-20220210-p59vad\]](https://www.afr.com/property/commercial/northwest-to-boost-mental-health-beds-as-more-people-seek-help-20220210-p59vad) and surgical services.

Julia Strickland-Bellamy, chief executive of Aurora Healthcare, said the 90-bed Robina Private Hospital, built in 2016, was now operating at full capacity and needed more space.

“The expansion will enable Robina Private Hospital to expand all existing services and provide additional purpose-designed speciality units for the ever-growing health and mental health service requirements here on the Gold Coast,” Ms Strickland-Bellamy said.

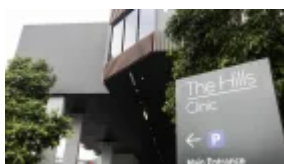
Aurora Healthcare has committed to leasing one-third of the new, nine-level building and Mr Smith said HPT was in productive talks with another operator to take out most of the balance.



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Mr Smith said HPT, which owns 75 properties, had relatively low gearing at 17 per cent and secured a new \$150 million debt facility at the end of last year “which gives us plenty of firepower” as it moves into a new growth phase.

This follows a failed hostile takeover bid by NorthWest Healthcare Properties last year [<https://www.afr.com/street-talk/northwest-pulls-australian-unity-bid-20210714-p589qv>].

Among a range of initiatives, he said HPT had secured a key, 8000 square metre development site opposite Royal Adelaide Hospital and was expanding several of its hospitals.

These include the Matilda Private Hospital Nepean, Sunshine Private Hospital St Albans and the Brisbane Waters Private Hospital at Woy Woy.

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