
**NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST PROVIDES
UPDATE ON AUSTRALIAN LEASING, ACQUISITION, DEVELOPMENT AND FINANCING
INITIATIVES AT GENERATION HEALTHCARE**

TORONTO, SEPTEMBER 28, 2017 - NorthWest Healthcare Properties REIT (TSX: NWH.UN) ("NorthWest") is pleased to announce that its wholly owned Australian subsidiary Generation Healthcare ("Generation"), has substantially completed or entered into agreements to complete significant leasing, acquisition, development and financing initiatives as follows:

- Successfully reached substantial completion of the A\$110.0M (A\$40.0M plus fit-out costs at Generation's interest), 17,000 SqM state-of-art private hospital development adjacent to the Casey Public Hospital and the Casey Specialist Medical Centre ("Casey Stage II") in partnership with St John of God Health Care ("SJOG"), Australia's largest not-for-profit private healthcare group. SJOG will operate the hospital under a 20 year initial lease term, with an initial annual rent of A\$3.2M (C\$3.1M), subject to fixed annual adjustments of 3%. The completion of the project is expected to generate significant value creation, representing the spread between the initial development yield and an estimated stabilized cap rate of less than 6.0%. Further details in respect of Casey Stage II are available at www.nwhreit.com/Mailers/2017-Q2/Casey2.pdf.
- Entered into a new partnership with Healthe Care Australia ("Healthe Care"), Australia's third largest corporate private hospital operator and pan-Asian healthcare services group, to lease approximately 3,200 SqM at Epping Medical Centre & Private Hospital ("Epping"), a high quality 10,042 SqM specialist medical centre, located in the north of Melbourne, Victoria. Healthe Care will provide four operating theatres and 30 inpatient beds by early 2018. Additionally, the parties have agreed in principle to develop an approximately A\$250M (C\$244M) 360 bed private hospital on land adjoining the Epping Medical Centre to be entirely leased by Healthe Care on a long-term staged basis. Detailed terms are expected to be finalized in 2018. The private hospital will be a key addition to the region's health infrastructure, which in conjunction with the Northern Public Hospital located 250m away, will create a scaled, integrated health campus capable of addressing expected local population growth of more than 60% over the next 20 years.

The Healthe Care tenancy and future private hospital will significantly enhance the value of Epping and, as a result, Generation now expects to exercise its put/call option, which expires on September 6, 2018, to acquire a 50% equity interest in the property. Generation's initial investment in Epping was made in October 2016 and structured as a debt investment with a put/call option. Following option exercise, Generation's 50% equity interest is expected to generate annual NOI of A\$1.8M (C\$1.7M), resulting in an approximate 8.0% yield on Generation's initial investment after accounting for Generation's share of tenant fit out costs. Based on current capitalization rates for comparable properties of less than 6.0%, Generation expects the investment to generate significant value creation.

- Agreed, subject to customary closing conditions, with Epworth Healthcare to acquire the remaining 50% interest in Epworth Freemasons Hospital that Generation does not already own for A\$55.5M (C\$54.3M) inclusive of transaction costs. Epworth Freemasons Hospital is a 188

bed / 8 operating theatre private hospital located in central Melbourne, Victoria. As part of the agreement, the parties have also agreed revised terms for a larger A\$86.0M (C\$84.1M) expansion of the Hospital via the Grey Street Centre and Albert Street carpark along with Epworth extending its existing lease to 30 years upon completion of the Grey Street expansion.

- Received from a major Australian bank an indicative term sheet for a new five year approximately A\$485.0M (C\$474.1M) term loan facility to refinance existing Generation portfolio lending facilities, higher cost corporate debt, and to provide working capital and funding for ongoing expansions committed in region. The financing, which remains subject to typical terms, conditions and final documentation, is expected to close later this year.

The delivery of Casey Stage II along with Frankston Private Hospital, completed in April, further advances the organic growth that resides within the Generation portfolio. These projects combined with the Grey Street Centre and Albert Street Carpark at Epworth's Freemasons Hospital which is currently under development, and the new Epping Medical Centre lease-up and Private Hospital expansion are a testament to both the quality of Generation's relationships as well as its track record of value creation and serve to highlight the embedded value of the development pipeline that was acquired as part of NorthWest's acquisition of Generation.

Commenting on the activity, NorthWest's Chief Executive Officer, Paul Dalla Lana, said:

"I am very pleased to report the completion of existing and commencement of new value creating activities at Generation in Australia. This potential was the basis for our historic and more recent investments in the business, and the results highlight the high quality, value-enhancing opportunities available to the REIT in Australia. In conjunction with an equally high-quality management team, portfolio, and expansion pipeline at its NZX-listed subsidiary Vital Healthcare Properties, NorthWest is optimistic about its potential to build on its leading industry position and relationships to deliver further accretive growth in the region."

Additionally, Generation's Chief Executive Officer, Mr. Miles Wentworth, said:

"Bringing Health Care to Epping to create a scaled, integrated health campus will result in mutually beneficial outcomes for patients, the broader community and Generation. We are pleased to support Health Care's continued growth to provide acute and sub-acute healthcare services in Victoria.

Casey Stage 2 is due for completion in the coming few weeks following the successful construction phase of the project. Co-located with the Casey Public Hospital and the Generation owned St John of God Specialist Centre delivers an integrated health campus in a significant growth corridor of Melbourne.

The transaction with Epworth Healthcare will see Generation become the 100% freehold owner of Epworth Freemasons Private Hospital and undertake the \$86M Grey Street Centre and Albert Street projects on a fully pre-committed basis by Epworth, on a 30 year initial lease term."

About NorthWest Healthcare Properties Real Estate Investment Trust

NorthWest Healthcare Properties Real Estate Investment Trust (TSX:NWH.UN) is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. 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 144 income-producing properties and 9.7

million square feet of gross leasable area located throughout major markets in Canada, Brazil, Germany, 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.

This press release contains forward-looking statements which reflect the REIT's current expectations regarding future events. The forward-looking statements involve risks and uncertainties. Actual results could differ materially from those projected herein. The REIT disclaims any obligation to update these forward-looking statements.