

Healthscope offloads hospital to developer

Larry Schlesinger

Takeover target Healthscope has sold its vacant Cotham Private Hospital in Melbourne's eastern suburbs to residential developer Hamton for about \$10 million.

The hospital, which closed in June last year, stands on a prime 2245-square-metre corner site on Cotham Road and Adeney Avenue in Kew, about 10 kilometres east of Melbourne's centre.

It was put up for sale last September with a \$15 million price tag, one of two hospitals – the other being Geelong Private Hospital – which the ASX-listed private hospital operator closed last year as part of a review of its \$1 billion property portfolio.

Hamton executive chairman and co-founder Paul Hameister said the company planned to develop a “boutique residential project for owner-occupiers” on the site.

“We are looking forward to adding value to the local area with our considered and very high-quality approach to development,” Mr Hameister said.

Hamton, which has a \$3.5 billion portfolio of completed and current projects, is heading up the \$2 billion multi-stage redevelopment of the Moonee Valley Racecourse in a joint venture with long-standing capital partners Hostplus and ISPT.

The sale of Cotham Private Hospital was negotiated by CBRE's Sandro Peluso, Julian White, Josh Twelftree and Jimmy Tat in conjunction with Dan Magree of Magree Property Advisory.

Mr Peluso said eight expressions of interest were received from a range of

residential developers, medical users and aged-care developers.

The sale of the private hospital comes amid major changes in the private healthcare sector, with ASX-listed giants Healius (previously Primary Health Care) and Healthscope the subject of multibillion-dollar takeover battles.

Canadian giant Brookfield Asset Management is leading the charge to acquire Healthscope for about \$4.5 billion, after it rejected a takeover bid from AustralianSuper and private equity group BGH.

Last week, Healius rejected a \$2 billion takeover bid from its largest shareholder, Jangho Group from China.

Separate to the takeover battle, the Healthscope board is also pursuing a sale and leaseback of its \$1 billion property portfolio that would sit within a new unlisted fund.

Sentiment in the private healthcare sector has weakened recently as fewer Australians opt to go private for medical treatment.



Cotham Private Hospital has been sold.