

Markets

Macquarie to Buy 50% Stake in Medical Properties Trust Portfolio

by Gillian Tan

September 1, 2021

- ▶ Deal values 8 Massachusetts hospitals at \$1.78 billion
- ▶ Investment made from Macquarie Infrastructure Partners V fund

Medical Properties Trust Inc. agreed to sell a 50% stake in a portfolio of eight Massachusetts-based hospitals to a fund managed by Macquarie Asset Management, as health-care infrastructure continues to garner interest from investors traditionally focused on toll roads, ports and utilities.

The transaction with Macquarie Infrastructure Partners V LP, an affiliate of Macquarie Group Ltd., values the portfolio at \$1.78 billion and is expected to generate \$1.3 billion in proceeds for Medical Properties Trust, Edward K Aldag Jr., chairman and chief executive officer of the Birmingham, Alabama-based real estate investment trust, said in an interview.

“Hospitals are a pivotal part of the infrastructure of any community, just like water systems,” said Aldag. “We hope it’s the beginning of the relationship, and

that we can do more transactions with Macquarie like this.”

Beginning last August, Medical Properties Trust fielded calls from investors seeking to invest alongside the REIT in its hospitals, in part due to an unprecedented reliance on such facilities during the pandemic. Infrastructure and real estate funds as well as sovereign wealth funds expressed interest, said Steve Hamner, the REIT’s chief financial officer.

Medical Properties Trust plans to spend the proceeds on paying debt and funding the \$950 million purchase of 18 behavioral-health hospital facilities that it announced in June, Aldag said. The REIT has been acquisitive this year, agreeing to buy five hospitals in South Florida from Tenet Healthcare Corp. and inking a sale-leaseback transaction for facilities in Los Angeles.

“We have a very strong pipeline and will continue to invest primarily in acute hospitals in the countries we’re located in,” Aldag said.

Founded in 2003, the REIT operates in the U.S., the U.K., Germany, Switzerland and Australia, among other nations. Its shares have gained about 34% in the past five years, outperforming the MSCI U.S. REIT Index, which has rallied roughly 18%.

Macquarie’s foray into U.S. hospitals comes as infrastructure funds seek out opportunities in health care. Stonepeak Infrastructure Partners in June said it would provide equity and debt financing to support Akumin Inc.’s purchase of Alliance HealthCare Services Inc., which provides radiology and oncology services.

Mizuho Financial Group advised Macquarie Asset Management and CBRE advised Medical Properties Trust.

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Medical Properties Trust