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# Ventas Closes On \$1.5B Wexford Buy

SEPTEMBER 2, 2016 | BY PAUL BUBNY

CHICAGO—The all-cash acquisition from affiliates of the Blackstone Group represents the healthcare REIT’s entry into the life science business, says CEO Debra Cafaro.

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*Cafaro says the deal adds “a new platform for growth.”*

CHICAGO—Healthcare giant **Ventas Inc.** said Thursday afternoon it had closed on its previously announced acquisition of the **Wexford Science & Technology** platform from affiliates of the **Blackstone Group**. First announced in early July, the \$1.5-billion all-cash deal originally was slated to close in the fourth quarter.

Chairman and CEO **Debra Cafaro** says the Wexford buy marks the REIT’s entry into the life science business “and provides even more diversified, reliable income and growth for our

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shareholders. With attractive real estate leased by top universities, academic medical centers and research companies, and a strategic partnership with leading developer Wexford, the transaction adds high quality properties and establishes a new platform for growth.”

The Wexford portfolio includes 23 operating properties that contain 4.1 million square feet, are 97% leased and represent a 2017 cash yield of 6.8%. Ventas also acquired two development assets pre-leased to Duke University and Wake Forest University that are expected to produce a stabilized unlevered yield of approximately 7.5%. The institutional life science and medical market is benefitting from the increasing longevity of the aging US population and biopharma drug development growth opportunities.

As part of the acquisition, Ventas will enter into a long-term management and pipeline agreement with Wexford, in which Ventas will own the existing real estate portfolio, Ventas will have exclusive rights to jointly develop future projects with Wexford, and Wexford will continue to manage the portfolio. Wexford will be independently owned and operated by its existing management team.

“We are delighted to partner with Ventas and we see great opportunities ahead as we continue to manage our existing high-quality portfolio,” says **Jim Berens**, president of Wexford. “The combination of Wexford’s development expertise and relationships together with Ventas’s financial strength and long-term commitment should enable us to serve our clients, develop exciting new projects and grow our business significantly.”

Wexford came under Blackstone ownership as part of the asset management giant’s \$8-billion acquisition of **BioMed Realty Trust**, which closed this past January. BioMed in turn paid \$670 million to acquire Wexford in June 2013, operating it as a subsidiary.



## Paul Bubny ›

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