

3Q | 2015

Supplemental Information

FURNISHED AS OF NOVEMBER 4, 2015 (UNAUDITED)



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Copies of this report may be obtained at www.healthcarerealty.com or by contacting Investor Relations at 615.269.8175 or communications@healthcarerealty.com.

Forward looking statements and risk factors:

This Supplemental Information report contains disclosures that are “forward-looking statements” as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include all statements that do not relate solely to historical or current facts and can be identified by the use of words and phrases such as “can,” “may,” “payable,” “indicative,” “annualized,” “expect,” “expected,” “future cash or NOI,” “deferred revenue,” “rent increases,” “range of expectations,” “components of expected 2015 FFO,” and other comparable terms in this report. These forward-looking statements are made as of the date of this report and are not guarantees of future performance. These statements are based on the current plans and expectations of Company management and are subject to a number of unknown risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from those described in this release or implied by such forward-looking statements. Such risks and uncertainties include, among other things, the following: changes in the economy; increases in interest rates; the availability and cost of capital at expected rates; changes to facility-related healthcare regulations; competition for quality assets; negative developments in the operating results or financial condition of the Company’s tenants, including, but not limited to, their ability to pay rent and repay loans; the Company’s ability to reposition or sell facilities with profitable results; the Company’s ability to re-lease space at similar rates as vacancies occur; the Company’s ability to renew expiring long-term single-tenant net leases; the Company’s ability to timely reinvest proceeds from the sale of assets at similar yields; government regulations affecting tenants’ Medicare and Medicaid reimbursement rates and operational requirements; unanticipated difficulties and/or expenditures relating to future acquisitions and developments; changes in rules or practices governing the Company’s financial reporting; the Company may be required under purchase options to sell properties and may not be able to reinvest the proceeds from such sales at rates of return equal to the return received on the properties sold; uninsured or underinsured losses related to casualty or liability; the incurrence of impairment charges on its real estate properties or other assets; and other legal and operational matters. Other risks, uncertainties and factors that could cause actual results to differ materially from those projected are detailed under the heading “Risk Factors,” in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) for the year ended December 31, 2014 and other risks described from time to time thereafter in the Company’s SEC filings. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate Information

Healthcare Realty Trust is a real estate investment trust that integrates owning, managing, financing and developing income-producing real estate properties associated primarily with the delivery of outpatient healthcare services throughout the United States. The Company had investments of approximately \$3.2 billion in 195 real estate properties as of September 30, 2015. The Company's 195 owned real estate properties are located in 30 states and total approximately 14.1 million square feet. The Company provided leasing and property management services to approximately 9.6 million square feet nationwide.

Corporate Headquarters

Healthcare Realty Trust Incorporated

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Nashville, Tennessee 37203

Phone: 615.269.8175

Fax: 615.269.8461

E-mail: communications@healthcarerealty.com

Website: www.healthcarerealty.com

Executive Officers

David R. Emery	Chairman of the Board and Chief Executive Officer
John M. Bryant, Jr.	Executive Vice President and General Counsel
Scott W. Holmes	Executive Vice President and Chief Financial Officer
Todd J. Meredith	Executive Vice President - Investments
B. Douglas Whitman, II	Executive Vice President - Corporate Finance

Board of Directors

David R. Emery	Chairman of the Board and Chief Executive Officer, Healthcare Realty Trust Incorporated
Errol L. Biggs, Ph.D.	Director, Graduate Programs in Health Administration, University of Colorado
C. Raymond Fernandez, M.D.	Retired Chief Executive Officer, Piedmont Clinic
Edwin B. Morris III	Managing Director, Morris & Morse Company, Inc.
J. Knox Singleton	President and Chief Executive Officer, Inova Health System
Bruce D. Sullivan	Retired Audit Partner, Ernst & Young LLP
Christann M. Vasquez	President, Dell Seton Medical Center at University of Texas
Roger O. West	Retired General Counsel, Healthcare Realty Trust Incorporated
Dan S. Wilford	Retired President and Chief Executive Officer, Memorial Hermann Healthcare System

Professional Services

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

BDO USA, LLP

414 Union Street, Suite 1800, Nashville, Tennessee 37219

TRANSFER AGENT

Wells Fargo N.A., Shareowner Services

1110 Centre Pointe Curve, Suite 101, Mendota Heights, Minnesota 55120-4100

Stock Exchange, Symbol and CUSIP Number

SECURITY DESCRIPTION	STOCK EXCHANGE	SYMBOL	CUSIP NUMBER
Common Stock	NYSE	HR	421946104
Senior Notes due 2021	OTC	HR	421946AG9
Senior Notes due 2023	OTC	HR	421946AH7
Senior Notes due 2025	OTC	HR	421946AJ3

Dividend Reinvestment Plan

Through the Company's transfer agent, Wells Fargo, named stockholders of record can re-invest dividends in shares at a 5% discount and may also purchase up to \$60,000 of HR common stock per calendar year without a service or sales charge.

For information, write Wells Fargo Shareowner Services, P.O. Box 64856, St. Paul, Minnesota 55164-0856, or call 1.800.468.9716. Information may also be obtained at the transfer agent's website, www.shareowneronline.com.

Direct Deposit of Dividends

Direct deposit of dividends is offered as a convenience to stockholders of record. For information, write Wells Fargo Shareowner Services, P.O. Box 64856, St. Paul, Minnesota 55164-0856, or call 1.800.468.9716. Information may also be obtained at the transfer agent's website, www.shareowneronline.com.

Dividends Declared

On November 3, 2015, the Company declared a dividend of \$0.30 per share, payable on November 30, 2015, to stockholders of record on November 16, 2015.

Analyst Coverage

Cowen and Company, LLC	KeyBanc Capital Markets Inc.
Goldman, Sachs & Co.	Mizuho Securities USA Inc.
Green Street Advisors, Inc.	RBC Capital Markets, LLC
J.J.B. Hilliard W.L. Lyons, LLC	Stifel, Nicolaus & Company, Inc.
J.P. Morgan Securities LLC	SunTrust Robinson Humphrey, Inc.
JMP Securities LLC	Wells Fargo Securities, LLC

Historical Reconciliation of FFO ^{(1) (2)}

(amounts in thousands, except for share data)

	2015			2014			2013	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net Income Attributable to Common Stockholders	\$27,480	\$17,916	\$5,382	\$18,073	\$3,991	\$5,971	\$3,852	\$12,384
Gain on sales of properties	(16,486)	(41,549)	—	(9,280)	—	(3)	—	(2,748)
Impairments of real estate assets	310	—	3,328	995	4,505	3,105	3,425	—
Leasing commission amortization ⁽³⁾	879	846	838	810	753	705	732	599
Real estate depreciation and amortization	28,438	28,542	28,532	27,897	27,697	27,017	26,248	25,776
Total adjustments	13,141	(12,161)	32,698	20,422	32,955	30,824	30,405	23,627
Funds from Operations Attributable to Common Stockholders	\$40,621	\$5,755	\$38,080	\$38,495	\$36,946	\$36,795	\$34,257	\$36,011
Acquisition costs	121	167	38	471	188	49	—	681
Loss on extinguishment of debt	—	27,998	—	—	—	—	—	—
Pension termination	—	5,260	—	—	—	—	—	—
Impairment of internally-developed software	—	654	—	—	—	—	—	—
Severance expense	—	—	141	—	—	—	—	—
Security deposit recognized upon sale	—	—	—	(407)	—	—	—	—
Reversal of restricted stock amortization upon director / officer resignation	—	—	—	(115)	(445)	—	—	—
Refund of prior year overpayment of certain operating expenses	—	—	—	—	—	(1,919)	—	—
Gain on sale of cost method investment in real estate	—	—	—	—	—	—	—	(1,492)
Normalized Funds from Operations Attributable to Common Stockholders	\$40,742	\$39,834	\$38,259	\$38,444	\$36,689	\$34,925	\$34,257	\$35,200
Funds from Operations per Common Share—Diluted	\$0.41	\$0.06	\$0.38	\$0.39	\$0.38	\$0.38	\$0.36	\$0.38
Normalized Funds from Operations Per Common Share—Diluted	\$0.41	\$0.40	\$0.39	\$0.39	\$0.38	\$0.36	\$0.36	\$0.37
FFO Weighted Average Common Shares Outstanding	99,997	99,945	99,137	98,086	97,329	95,798	95,585	95,485

- (1) Funds from operations (“FFO”) and FFO per share are operating performance measures adopted by the National Association of Real Estate Investment Trusts, Inc. (“NAREIT”). NAREIT defines FFO as the most commonly accepted and reported measure of a REIT’s operating performance equal to “net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.”
- (2) FFO does not represent cash generated from operating activities determined in accordance with accounting principles generally accepted in the United States of America and is not necessarily indicative of cash available to fund cash needs. FFO should not be considered alternatives to net income attributable to common stockholders as indicators of the Company’s operating performance or as alternatives to cash flow as measures of liquidity.
- (3) In the third quarter of 2015, the Company began including an add-back for leasing commission amortization in order to provide a better basis for comparing its results of operations with those of others in the industry, consistent with the NAREIT definition of FFO. All periods presented have been adjusted.

Statements of Income Information

(dollars in thousands)

	2015			2014			2013
	Q3	Q2	Q1	Q4	Q3	Q2	Q4
Revenues							
Rental income	\$95,383	\$95,450	\$95,034	\$93,648	\$92,095	\$89,279	\$84,824
Mortgage interest	29	31	31	32	44	969	2,411
Other operating	1,313	1,227	1,391	1,320	1,474	1,423	1,386
	96,725	96,708	96,456	95,000	93,613	91,671	88,621
Expenses							
Property operating	35,247	33,927	34,263	33,386	34,204	33,635	31,227
General and administrative	6,258	6,713	6,738	5,990	5,185	5,661	5,758
Depreciation	26,571	26,552	26,387	25,881	25,345	24,491	23,074
Amortization	2,386	2,474	2,667	2,630	2,656	2,775	2,826
Bad debts, net of recoveries	(21)	27	(207)	(92)	3	73	61
	70,441	69,693	69,848	67,795	67,393	66,635	62,946
Other Income (Expense)							
Gain on sales of properties	5,915	41,549	—	—	—	—	—
Gain on sale of cost method investment in real estate	—	—	—	—	—	—	1,492
Interest expense	(15,113)	(17,213)	(18,322)	(18,237)	(18,192)	(18,066)	(17,772)
Loss on extinguishment of debt	—	(27,998)	—	—	—	—	—
Pension termination	—	(5,260)	—	—	—	—	—
Impairment of real estate assets	(310)	—	(3,328)	—	—	—	—
Impairment of internally-developed software	—	(654)	—	—	—	—	—
Interest and other income, net	72	147	91	91	409	2,035	261
	(9,436)	(9,429)	(21,559)	(18,146)	(17,783)	(16,031)	(16,019)
Income From Continuing Operations	16,848	17,586	5,049	9,059	8,437	9,005	9,656
Discontinued Operations							
Income (loss) from discontinued operations	61	330	333	729	221	108	52
Impairments of real estate assets	—	—	—	(995)	(4,505)	(3,105)	—
Gain on sales of properties	10,571	—	—	9,280	—	3	2,748
Income (Loss) From Discontinued Operations	10,632	330	333	9,014	(4,284)	(2,994)	2,800
Net Income	27,480	17,916	5,382	18,073	4,153	6,011	12,456
Less: Net income attributable to noncontrolling interests	—	—	—	—	(162)	(40)	(72)
Net Income Attributable To Common Stockholders	\$27,480	\$17,916	\$5,382	\$18,073	\$3,991	\$5,971	\$12,384

Balance Sheet Information ⁽¹⁾

(dollars in thousands, except per share data)

ASSETS

	2015			2014	
	Q3	Q2	Q1	Q4	Q3
Real estate properties:					
Land	\$186,108	\$186,231	\$187,951	\$183,060	\$183,991
Buildings, improvements and lease intangibles	3,042,367	3,033,213	3,077,828	3,048,251	3,030,960
Personal property	9,833	9,970	10,014	9,914	9,535
Construction in progress	15,455	8,284	—	—	—
Land held for development	17,475	16,952	21,376	17,054	17,054
Total real estate properties	3,271,238	3,254,650	3,297,169	3,258,279	3,241,540
Less accumulated depreciation and amortization	(737,398)	(730,125)	(723,393)	(700,671)	(693,517)
Total real estate properties, net	2,533,840	2,524,525	2,573,776	2,557,608	2,548,023
Cash and cash equivalents	8,497	8,431	10,417	3,519	1,684
Mortgage notes receivable	—	1,900	1,900	1,900	1,900
Assets held for sale and discontinued operations, net	6,380	14,192	14,164	9,146	11,479
Other assets, net	192,969	191,524	188,198	185,337	178,238
Total assets	\$2,741,686	\$2,740,572	\$2,788,455	\$2,757,510	\$2,741,324

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:					
Notes and bonds payable	\$1,381,285	\$1,388,797	\$1,444,555	\$1,403,692	\$1,403,379
Accounts payable and accrued liabilities	65,839	57,143	50,144	70,240	60,017
Liabilities of discontinued operations	216	168	102	372	508
Other liabilities	65,648	66,035	64,469	62,152	57,913
Total liabilities	1,512,988	1,512,143	1,559,270	1,536,456	1,521,817
Commitments and contingencies					
Stockholders' equity:					
Preferred stock, \$.01 par value; 50,000 shares authorized; none issued and outstanding	—	—	—	—	—
Common stock, \$.01 par value; 150,000 shares authorized	1,005	1,004	1,001	988	981
Additional paid-in capital	2,435,849	2,432,979	2,423,121	2,389,830	2,374,345
Accumulated other comprehensive income (loss)	(1,611)	(1,653)	(3,242)	(2,519)	51
Cumulative net income attributable to common stockholders	891,027	863,547	845,631	840,249	822,176
Cumulative dividends	(2,097,572)	(2,067,448)	(2,037,326)	(2,007,494)	(1,978,046)
Total stockholders' equity	1,228,698	1,228,429	1,229,185	1,221,054	1,219,507
Total liabilities and stockholders' equity	\$2,741,686	\$2,740,572	\$2,788,455	\$2,757,510	\$2,741,324

OTHER INFORMATION

Capital additions:					
Revenue enhancing	\$1,963	\$3,188	\$781	\$1,361	\$187
Routine and non-revenue enhancing	1,543	3,580	1,469	2,635	2,501
2nd generation tenant improvements	3,637	2,496	2,992	5,956	4,085
1st generation tenant improvements	3,959	1,150	3,463	4,475	3,351
Leasing commissions paid	1,037	1,251	2,416	2,920	1,287

(1) The balance sheet information is presented as of the last day of the quarter indicated.

Debt Metrics

(dollars in thousands)

SUMMARY OF INDEBTEDNESS

	Q3 2015 Interest Expense	Balance as of 9/30/2015	Weighted Months to Maturity	Effective Interest Rate
Senior Notes due 2021, net of discount	\$5,826	\$398,090	64	5.86%
Senior Notes due 2023, net of discount	2,390	248,389	91	3.85%
Senior Notes due 2025, net of discount ⁽¹⁾	2,468	249,800	115	3.97%
Total Senior Notes Outstanding	\$10,684	\$896,279	85	4.77%
Unsecured credit facility due 2017	589	142,000	19	1.34%
Unsecured term loan facility due 2019	815	200,000	41	1.39%
Mortgage notes payable, net	1,867	143,006	58	5.28%
Total Outstanding Notes and Bonds Payable	\$13,955	\$1,381,285	69	3.98%
Interest cost capitalization	(80)			
Deferred financing costs	734			
Unsecured credit facility fee	504			
Total Quarterly Consolidated Interest Expense	\$15,113			

(1) The effective interest rate includes the impact of the \$1.7 million settlement of a forward-starting interest rate swap that is included in accumulated other comprehensive income on the Company's Condensed Consolidated Balance Sheets.

SELECTED FINANCIAL DEBT COVENANTS ⁽²⁾

	Calculation	Requirement	Trailing Twelve Months Ended 9/30/2015
Revolving Credit Facility and Term Loan			
Leverage Ratio	Total Debt / Total Capital	Not greater than 60%	41.4%
Secured Leverage Ratio	Total Secured Debt / Total Capital	Not greater than 30%	4.2%
Unencumbered Leverage Ratio	Unsecured Debt / Unsecured Real Estate	Not greater than 60%	42.5%
Fixed Charge Coverage Ratio	EBITDA / Fixed Charges	Not less than 1.65x	3.1x
Unsecured Coverage Ratio	Unsecured EBITDA / Unsecured Interest	Not less than 1.75x	3.3x
Tangible Net Worth	Tangible Net Worth - Required Base	Greater than \$0	\$841,952
Construction and Development	CIP / Total Assets	Not greater than 15%	0.6%
Asset Investments	Mortgages & Unimproved Land / Total Assets	Not greater than 20%	0.6%
Senior Notes			
Incurrence of Total Debt	Total Debt / Total Assets	Not greater than 60%	39.8%
Incurrence of Debt Secured by Any Lien	Secured Debt / Total Assets	Not greater than 40%	4.1%
Maintenance of Total Unsecured Assets	Unencumbered Assets / Unsecured Debt	Not less than 150%	251.0%
Debt Service Coverage	EBITDA / Interest Expense	Not less than 1.5x	3.4x
Other			
Debt to EBITDA	Total Debt / EBITDA	Not required	6.1x
Debt to Enterprise Value ⁽³⁾	Total Debt / Enterprise Value	Not required	34.3%

(2) Does not include all financial and non-financial covenants and restrictions that are required by the Company's various debt agreements.

(3) Based on the closing price of \$26.36 on October 30, 2015 and 100,640,368 shares outstanding.

Investment Activity

(dollars in thousands)

2015 ACQUISITION ACTIVITY

Location	Property Type	Campus Location	Health System Affiliation	Closing	Purchase Price of Acquisition	Square Feet	Aggregate Leased %
San Jose, CA	MOB	Adj	Kaiser/Washington	1/15/2015	\$39,250	110,679	97%
Seattle, WA	MOB	On	CHI	6/26/2015	14,000	35,558	93%
Seattle, WA	MOB	On	Providence	9/1/2015	28,000	52,813	100%
Denver, CO	MOB	Off	N/A	9/14/2015	6,500	47,508	73%
Total					\$87,750	246,558	93%

HISTORICAL INVESTMENT ACTIVITY

	Acquisitions ⁽¹⁾	Mortgage Funding	Construction Mortgage Funding	Re/Development Funding	Total Investments	Dispositions
2011	\$150,312	\$40,000	\$61,931	\$79,375	\$331,618	\$22,700
2012	94,951	—	78,297	5,608	178,856	91,384
2013	216,956	—	58,731	—	275,687	101,910
2014	85,077	1,900	1,244	4,384	92,605	34,840
2015	87,750	—	—	18,458	106,208	138,740
Total	\$635,046	\$41,900	\$200,203	\$107,825	\$984,974	\$389,574
% of Total	64.5%	4.3%	20.3%	10.9%	100%	

RE/DEVELOPMENT ACTIVITY

Location	Type ⁽²⁾	Campus Location	Square Feet	Budget	Amount Funded Q3 2015	Total Amount Funded Through 9/30/2015	Estimated Remaining Fundings	Aggregate Leased %	Estimated Completion Date
Construction activity									
Birmingham, AL ⁽³⁾	Redev	Off	138,000	\$15,400	\$2,997	\$6,119	\$9,281	100%	Q4 2015
Austin, TX	Dev	Adj	12,900	5,575	1,708	1,764	3,811	62%	Q2 2016
Nashville, TN ⁽⁴⁾	Redev	On	294,000	51,800	2,398	14,959	36,841	83%	Q1 2017
Total construction activity			444,900	\$72,775	\$7,103	\$22,842	\$49,933	88%	
Pre-construction activity ⁽⁵⁾									
Denver, CO	Dev	On	98,000	26,500	63	79	26,421	35%	
Total Re/development activity			542,900	\$99,275	\$7,166	\$22,921	\$76,354	78%	

(1) Net of mortgage notes receivable payoffs upon acquisition.

(2) Redev - Redevelopment; Dev - Development

(3) Includes \$5.9 million for the addition of a 400-space parking garage and \$9.5 million in tenant improvement allowances and commissions.

(4) Includes \$15.2 million for the addition of 70,000 rentable square feet, \$18.9 million for a 907-space parking garage and associated land and \$17.7 million for existing building upgrades and tenant improvement allowances associated with newly executed leases.

(5) Includes projects that are in the design phase, but are expected to begin construction once permits and final contracts are executed.

Portfolio by Market and Building Size

(dollars in thousands)

BY MARKET

		SQUARE FEET						
		MOB/OUTPATIENT (89.2%)		INPATIENT (7.2%)		OTHER (3.6%)		
		Multi-tenant	Single-tenant Net Lease	Rehab	Surgical	Other		
	Investment ⁽¹⁾						Total	% of Total
Dallas - Fort Worth, TX	\$473,751	2,149,939		42,627	156,245		2,348,811	16.7%
Charlotte, NC	166,734	820,457					820,457	5.8%
Nashville, TN	102,714	762,708					762,708	5.4%
Seattle - Bellevue, WA	236,067	542,312	67,510				609,822	4.3%
Houston, TX	128,039	591,027					591,027	4.2%
Los Angeles, CA	136,576	488,371		63,000			551,371	3.9%
Richmond, VA	145,694	548,801					548,801	3.9%
Des Moines, IA	133,678	233,413	146,542			152,655	532,610	3.8%
San Antonio, TX	102,052	483,811		39,786			523,597	3.7%
Memphis, TN	90,802	515,876					515,876	3.7%
Roanoke, VA	48,732		334,454			126,427	460,881	3.3%
Austin, TX	124,765	351,725		66,095			417,820	3.0%
Indianapolis, IN	76,775	382,695					382,695	2.7%
Denver, CO	109,375	346,335		34,068			380,403	2.7%
Honolulu, HI	134,623	298,427					298,427	2.1%
Oklahoma City, OK	109,033	68,860	200,000				268,860	1.9%
Chicago, IL	56,846	243,491					243,491	1.7%
Miami, FL	51,662	241,980					241,980	1.7%
Colorado Springs, CO	50,073	241,224					241,224	1.7%
Phoenix, AZ	64,164	179,963		51,903			231,866	1.6%
Detroit, MI	24,542	199,749				11,308	211,057	1.5%
South Bend, IN	43,707	205,573					205,573	1.5%
Springfield, MO	111,293				186,000		186,000	1.3%
Washington, DC	31,173	182,836					182,836	1.3%
Other (32 markets)	479,948	1,428,698	296,623	373,722		214,864	2,313,907	16.6%
Total	\$3,232,818	11,508,271	1,045,129	671,201	342,245	505,254	14,072,100	100.0%
Number of Properties		159	14	11	2	9	195	
Percent of Square Feet		81.8%	7.4%	4.8%	2.4%	3.6%	100.0%	
Investment ⁽¹⁾		\$2,518,651	\$238,416	\$191,815	\$208,725	\$75,211	\$3,232,818	
% of Investment		77.9%	7.4%	5.9%	6.5%	2.3%	100.0%	

BY BUILDING SQUARE FEET

Size Range by Square Feet	% of Total	Total Square Footage	Average Square Feet	Number of Properties
≥100,000	44.4%	6,235,128	145,003	43
<100,000 and ≥75,000	23.0%	3,241,537	85,304	38
<75,000 and ≥50,000	17.4%	2,454,502	62,936	39
<50,000	15.2%	2,140,933	28,546	75
Total	100.0%	14,072,100	72,165	195

(1) Excludes gross assets held for sale, land held for development, construction in progress and corporate property.

Square Feet by Provider, Rank and Location⁽¹⁾

BY PROVIDER

Top Providers	Health System Rank ⁽²⁾	Credit Rating	ASSOCIATED			LEASED	
			Buildings ⁽³⁾	SF ⁽³⁾	% of Total SF ⁽⁴⁾	SF	% of Total SF
Baylor Scott & White Health	20	AA-/Aa3	26	2,366,944	16.8%	1,115,800	7.9%
Ascension Health	3	AA+/Aa2	16	1,167,438	8.3%	290,122	2.1%
Catholic Health Initiatives	7	A/A2	14	997,574	7.1%	525,810	3.7%
HCA	2	B+/B1	14	867,546	6.2%	488,933	3.5%
Carolinas HealthCare System	26	--/Aa3	16	765,116	5.4%	586,552	4.2%
Tenet Healthcare Corporation	11	CCC+/B1	11	759,084	5.4%	183,228	1.3%
Bon Secours Health System	48	A-/A3	7	548,801	3.9%	264,638	1.9%
Baptist Memorial Health Care	93	A/--	7	515,876	3.7%	105,419	0.7%
HealthSouth	86	BB-/Ba3	6	412,989	2.9%	412,989	2.9%
Mercy (St. Louis)	28	AA-/Aa3	2	386,000	2.7%	386,000	2.7%
Indiana University Health	22	AA-/Aa3	3	382,695	2.7%	243,072	1.7%
University of Colorado Health	78	AA-/Aa3	5	345,240	2.5%	131,562	0.9%
Hawaii Pacific Health	161	A/A2	3	298,427	2.1%	59,606	0.4%
Trinity Health	13	AA-/Aa3	2	278,904	2.0%	130,902	0.9%
Providence Health & Services	6	AA-/Aa3	4	255,542	1.8%	131,614	0.9%
Medstar Health	32	A-/A2	3	241,739	1.7%	127,079	0.9%
Advocate Health Care	24	AA/Aa2	2	238,391	1.7%	75,224	0.5%
Memorial Hermann	44	A+/A1	4	206,090	1.5%	82,686	0.6%
Community Health Systems	5	B+/B1	4	201,574	1.4%	69,514	0.5%
Other Credit Rated			15	1,214,538	8.6%		
Total - Credit Rated			164	12,450,508	88.4%		
Total			195	14,072,100	100.0%		

BY RANK (% of total SF)

Rank	MSA		HEALTH SYSTEM ⁽²⁾⁽³⁾	
	MOB / Outpatient	Total	MOB / Outpatient	Total
Top 25	56%	54%	58%	54%
Top 50	83%	78%	75%	71%
Top 75	86%	81%	76%	72%
Top 100	91%	87%	84%	82%

MEDICAL OFFICE BUILDINGS BY LOCATION

	2015			2014		
	Q3	Q2	Q1	Q4	Q3	Q2
On campus / adjacent	80%	80%	80%	81%	79%	79%
Off campus ⁽⁵⁾	20%	20%	20%	19%	21%	21%
	100%	100%	100%	100%	100%	100%

(1) Excludes mortgage notes receivable, construction in progress and assets classified as held for sale.

(2) Ranked by revenue based on *Modern Healthcare's Healthcare Systems Financials Database*. The database includes nearly 500 of approximately 1,500 health systems in the United States.

(3) Associated buildings and square footage refers to on-campus, adjacent or off-campus/affiliated properties associated with these healthcare providers.

(4) Based on square footage, 88.4% of HR's portfolio is associated with a credit-rated healthcare provider and 70.9% is associated with an investment-grade rated healthcare provider.

(5) Approximately 44% of the off-campus square footage is anchored by a hospital system.

Lease Maturity and Tenant Size⁽¹⁾

(dollars in thousands)

LEASE MATURITY SCHEDULE

	MULTI-TENANT			SINGLE-TENANT NET LEASE			TOTAL		
	Number of Leases	Square Feet	% of Square Feet	Number of Leases	Square Feet	% of Square Feet	Number of Leases	Square Feet	% of Total Square Feet
2015	196	611,281	6.3%	0	0	—%	196	611,281	5.1%
2016	385	1,286,559	13.3%	2	69,749	3.1%	387	1,356,308	11.4%
2017	335	1,459,410	15.1%	5	334,454	14.6%	340	1,793,864	15.0%
2018	284	1,415,854	14.7%	0	0	—%	284	1,415,854	11.9%
2019	269	1,252,878	13.0%	9	371,805	16.3%	278	1,624,683	13.6%
2020	167	994,268	10.3%	1	83,318	3.6%	168	1,077,586	9.0%
2021	82	437,234	4.5%	2	143,868	6.3%	84	581,102	4.9%
2022	83	600,675	6.2%	2	137,016	6.0%	85	737,691	6.2%
2023	95	754,915	7.8%	1	75,000	3.3%	96	829,915	6.9%
2024	53	395,935	4.1%	1	51,903	2.3%	54	447,838	3.7%
Thereafter	40	449,401	4.7%	11	1,017,634	44.5%	51	1,467,035	12.3%

AVERAGE TENANT SIZE

Square Footage	NUMBER OF LEASES	
	Multi-Tenant Properties ⁽²⁾	Single-Tenant Net Lease Properties
0 - 2,500	938	0
2,501 - 5,000	559	0
5,001 - 7,500	182	1
7,501 - 10,000	104	1
10,001 +	206	32
Total Leases	1,989	34

(1) Excludes mortgage notes receivable, land held for development, construction in progress, corporate property and assets classified as held for sale.

(2) The average lease size in the multi-tenant properties is 4,856 square feet.

Occupancy Information ⁽¹⁾

(dollars in thousands)

OCCUPANCY							
					2015	2014	
	Investment at 9/30/2015	Square Feet at 9/30/2015	Q3	Q2	Q1	Q4	Q3
Multi-Tenant							
Same store properties ⁽²⁾	\$2,068,277	9,598,055	87.4%	87.4%	86.8%	87.1%	87.0%
Acquisitions	307,808	1,060,291	89.9%	90.7%	90.5%	90.3%	88.7%
Reposition	193,008	1,129,007	51.4%	50.7%	50.7%	53.6%	53.2%
Total	\$2,569,093	11,787,353	84.2%	84.2%	83.8%	83.7%	83.9%
Single-Tenant Net lease							
Same store properties ⁽²⁾	\$561,137	2,050,679	100.0%	100.0%	100.0%	100.0%	100.0%
Acquisitions	102,588	234,068	100.0%	100.0%	100.0%	100.0%	100.0%
Total	\$663,725	2,284,747	100.0%	100.0%	100.0%	100.0%	100.0%
Total							
Same store properties ⁽²⁾	\$2,629,414	11,648,734	89.6%	89.5%	89.1%	89.3%	89.2%
Acquisitions	410,396	1,294,359	91.7%	93.0%	93.1%	93.1%	92.1%
Reposition	193,008	1,129,007	51.4%	50.7%	50.7%	53.6%	53.2%
Total	\$3,232,818	14,072,100	86.8%	86.7%	86.6%	86.4%	86.6%
# of Properties							
Same store properties ⁽²⁾			160	159	162	160	167
Acquisitions			17	18	18	18	14
Reposition			18	19	18	20	19
Total			195	196	198	198	200

(1) Excludes mortgage notes receivable, land held for development, construction in progress, corporate property and assets classified as held for sale.

(2) Historical percentages are adjusted to include development conversions that are now included in the same store properties.

Same Store Properties

(dollars in thousands)

QUARTERLY ⁽¹⁾⁽²⁾

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Multi-tenant								
Revenues	\$65,273	\$64,546	\$63,980	\$63,482	\$62,909	\$62,451	\$61,770	\$61,008
Expenses	28,672	27,528	27,887	27,598	28,546	28,221	27,800	26,892
NOI	\$36,601	\$37,018	\$36,093	\$35,884	\$34,363	\$34,230	\$33,970	\$34,116
Occupancy	87.4%	87.8%	87.4%	87.5%	87.4%	86.2%	85.9%	85.7%
Number of properties	128	128	128	128	128	128	128	128
Single-tenant net lease								
Revenues	\$14,378	\$14,283	\$14,332	\$14,135	\$13,860	\$13,803	\$13,756	\$13,702
Expenses	413	390	390	427	345	498	507	535
NOI	\$13,965	\$13,893	\$13,942	\$13,708	\$13,515	\$13,305	\$13,249	\$13,167
Occupancy	100.0%	100.0%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%
Number of properties	32	32	32	32	32	32	32	32
Total								
Revenues	\$79,651	\$78,829	\$78,312	\$77,617	\$76,769	\$76,254	\$75,526	\$74,710
Expenses	29,085	27,918	28,277	28,025	28,891	28,719	28,307	27,427
Same Store NOI	\$50,566	\$50,911	\$50,035	\$49,592	\$47,878	\$47,535	\$47,219	\$47,283
Occupancy	89.6%	90.0%	89.6%	89.4%	89.3%	88.4%	88.1%	87.9%
Number of properties	160	160	160	160	160	160	160	160
% NOI year-over-year growth	5.6%	7.1%	6.0%	4.9%				

TRAILING TWELVE MONTHS ^{(1) (2)}

	Twelve Months Ended September 30,		
	2015	2014	% Change
Multi-tenant			
Revenues	\$257,281	\$248,138	3.7%
Expenses	\$111,685	\$111,459	0.2 %
NOI	\$145,596	\$136,679	6.5 %
Revenue per average occupied square foot	\$30.63	\$30.03	2.0%
Average occupancy	87.5%	86.1%	
Number of properties	128	128	
Single-tenant net lease			
Revenues	\$57,128	\$55,121	3.6%
Expenses	\$1,620	\$1,885	(14.1)%
NOI	\$55,508	\$53,236	4.3 %
Revenue per average occupied square foot	\$28.06	\$27.37	2.5%
Average occupancy	99.3%	98.2%	
Number of properties	32	32	
Total			
Revenues	\$314,409	\$303,259	3.7%
Expenses	\$113,305	\$113,344	0.0 %
Same Store NOI	\$201,104	\$189,915	5.9 %
Revenue per average occupied square foot	\$30.13	\$29.51	2.1%
Average occupancy	89.6%	88.2%	
Number of Properties	160	160	

(1) Excludes recently acquired or disposed properties, mortgage notes receivable, construction in progress, land held for development, corporate property, reposition properties and assets classified as held for sale.

(2) Properties previously disclosed as development conversion are now included in the same store properties.

Reconciliation of NOI

(dollars in thousands)

QUARTERLY								
	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Rental income ^(a)	\$95,383	\$95,450	\$95,034	\$93,648	\$92,095	\$89,279	\$86,502	\$84,824
Property lease guaranty revenue ^(b)	999	937	1,102	1,029	1,100	1,160	1,141	1,124
Exclude straight-line rent revenue	(2,309)	(2,475)	(2,832)	(3,122)	(3,046)	(2,504)	(2,297)	(2,939)
Revenue	94,073	93,912	93,304	91,555	90,149	87,935	85,346	83,009
Property operating expense	(35,247)	(33,927)	(34,263)	(33,386)	(34,204)	(33,635)	(32,831)	(31,227)
NOI	\$58,826	\$59,985	\$59,041	\$58,169	\$55,945	\$54,300	\$52,515	\$51,782
Less:								
Acquisitions	(6,822)	(6,322)	(6,181)	(5,310)	(4,816)	(3,189)	(1,661)	(987)
Reposition	(1,331)	(1,264)	(1,275)	(1,703)	(1,524)	(1,843)	(1,838)	(1,622)
Dispositions / other	(107)	(1,488)	(1,550)	(1,564)	(1,727)	(1,733)	(1,797)	(1,890)
Same store NOI	\$50,566	\$50,911	\$50,035	\$49,592	\$47,878	\$47,535	\$47,219	\$47,283
(a) Rental income reconciliation:								
Property operating	\$76,960	\$75,470	\$74,654	\$73,153	\$71,847	\$71,029	\$69,274	\$67,015
Single-tenant net lease	16,114	17,505	17,548	17,373	17,202	15,746	14,931	14,870
Straight-line rent	2,309	2,475	2,832	3,122	3,046	2,504	2,297	2,939
Total consolidated rental income	\$95,383	\$95,450	\$95,034	\$93,648	\$92,095	\$89,279	\$86,502	\$84,824
(b) Other operating income reconciliation:								
Property lease guaranty revenue	\$999	\$937	\$1,102	\$1,029	\$1,100	\$1,160	\$1,141	\$1,124
Interest income	144	156	157	163	246	130	192	173
Other	170	134	132	128	128	133	115	89
Total consolidated other operating income	\$1,313	\$1,227	\$1,391	\$1,320	\$1,474	\$1,423	\$1,448	\$1,386

TRAILING TWELVE MONTHS		
	Twelve Months Ended September 30,	
	2015	2014
NOI	\$236,021	\$214,542
Less:		
Acquisitions	(24,635)	(10,653)
Reposition	(5,573)	(6,827)
Dispositions / other	(4,709)	(7,147)
Same store NOI	\$201,104	\$189,915

Same Store Leasing Statistics ⁽¹⁾

	2015			2014			2013
	Q3	Q2	Q1	Q4	Q3	Q2	Q4
Contractual increases for in-place leases ("annual bumps")							
Multi-tenant properties	2.9%	3.1%	3.0%	2.9%	3.0%	3.0%	3.1%
Single-tenant net lease properties	2.6%	2.2%	0.7%	6.9%	3.5%	2.1%	3.0%
Cash leasing spreads for renewals, multi-tenant properties	2.1%	5.0%	3.6%	4.0%	1.4%	2.5%	1.6%
Tenant retention rate, multi-tenant properties	82.4%	87.3%	83.1%	88.6%	85.9%	89.7%	78.4%

As of
9/30/2015

Multi-Tenant Contractual Rental Rate Increases by Type

Annual increase	84.1%
Non-annual increase	7.7%
No increase (term < 1 year)	4.8%
No increase (term > 1 year)	3.4%

Tenant Type

Multi-Tenant properties	
Hospital	46.4%
Physician and other	53.6%
Single-Tenant net lease properties	
Hospital	82.2%
Other	17.8%

Lease Structure, multi-tenant only

Gross	17.4%
Modified gross	31.7%
Net	50.9%

Ownership Type

Ground lease	57.8%
Fee simple	42.2%

(1) Excludes mortgage notes receivable, construction in progress, land held for development, corporate property, reposition properties and assets classified as held for sale.

Components of Net Asset Value

(dollars in thousands)

Asset Type	Q3 2015 Same Store NOI ⁽¹⁾	Q3 2015 Acquisitions NOI	Q3 2015 Reposition NOI ⁽²⁾	Timing Adjustments ⁽³⁾	Q3 2015 Adjusted NOI	Annualized Adjusted NOI	% of Adjusted NOI
MOB / Outpatient	\$40,649	\$5,728	\$1,384	\$2,117	\$49,878	\$199,512	81.8%
Inpatient rehab	4,503	274	—	—	4,777	19,108	7.8%
Inpatient surgical	4,426	—	—	—	4,426	17,704	7.3%
Other	988	820	104	—	1,912	7,648	3.1%
Total NOI	\$50,566	\$6,822	\$1,488	\$2,117	\$60,993	\$243,972	100.0%

TOTAL SHARES OUTSTANDING (AS OF OCTOBER 30, 2015) 100,640,368

DEVELOPMENT PROPERTIES	
Land held for development	\$17,475
Construction in progress	15,455
Subtotal	\$32,930

OTHER ASSETS	
Assets held for sale ⁽⁴⁾	\$6,331
Reposition properties (net book value) ⁽²⁾	10,772
Cash and other assets ⁽⁵⁾	90,063
Subtotal	\$107,166

DEBT	
Unsecured credit facility	\$142,000
Unsecured term loan	200,000
Senior notes	896,279
Mortgage notes payable	143,006
Other liabilities ⁽⁶⁾	96,278
Subtotal	\$1,477,563

- (1) See Same Store Properties schedule on page 14 for details on same store NOI.
- (2) Reposition properties includes 18 properties, which comprise 1,129,007 square feet. The NOI table above includes 11 of these properties comprising 884,438 square feet that have generated positive NOI totaling approximately \$1.5 million. The remaining 7 properties, comprising 244,569 square feet, have generated an NOI loss of approximately \$0.2 million and are reflected at a net book value of \$10.8 million in the table below.
- (3) Same store NOI is adjusted to reflect quarterly NOI from properties acquired during the prior five quarters and development conversions adjustments represent an estimated full annual stabilization rate of \$27.5 million.
- (4) Assets held for sale includes two real estate properties that are excluded from same store NOI and reflect net book value or the contractual purchase price, if applicable.
- (5) Includes cash of \$8.5 million and other assets of \$81.6 million that are expected to generate future cash or NOI and assets that are currently causing non-cash reductions to NOI. Other assets include prepaid assets of \$64.1 million and above-market intangible assets (net) of \$17.4 million.
- (6) Includes only liabilities that are expected to reduce future cash or NOI and that are currently producing non-cash benefits to NOI. Included are accounts payable and accrued liabilities of \$66.0 million, pension plan liability of \$19.6 million, security deposits of \$6.4 million, market-rate lease intangibles of \$3.9 million, and deferred operating expense reimbursements of \$0.4 million. Also, excludes deferred revenue of \$35.4 million.

Components of Expected 2015 FFO

(dollars in thousands, except per square foot data)

SAME STORE QUARTERLY RANGE OF EXPECTATIONS

	Low	High
Occupancy		
Multi-Tenant	87.0%	89.0%
Single-Tenant Net Lease	100.0%	100.0%
Revenue per Occupied Square Foot		
Multi-Tenant	\$29.00	\$32.00
Single-Tenant Net Lease	\$25.00	\$26.00
Multi-Tenant NOI Margin	55.0%	60.0%
Multi-Tenant Contractual Rent Increases by Type (% of SF)		
Annual Increase	80.0%	90.0%
Non-annual Increase	7.5%	10.0%
No Increase (term < 1 year)	3.0%	5.0%
No Increase (term > 1 year)	4.0%	6.0%
Contractual increases for in-place leases ("annual bumps")		
Multi-Tenant	2.9%	3.1%
Single-Tenant Net Lease	2.0%	3.0%
Multi-Tenant Cash Leasing Spreads	1.0%	5.0%
Multi-Tenant Lease Retention Rate	75.0%	90.0%

ANNUAL RANGE OF EXPECTATIONS

	Low	High
Same Store NOI Growth		
Multi-Tenant ⁽¹⁾	6.0%	8.0%
Single-Tenant Net Lease ⁽²⁾	3.0%	4.0%
Normalized G&A	\$24,500	\$26,500
Funding Activity		
Acquisitions	\$100,000	\$175,000
Dispositions	(125,000)	(150,000)
Development	10,000	20,000
Redevelopment/Reposition	30,000	40,000
Capital Additions		
Revenue enhancing	6,000	10,000
Routine and non-revenue enhancing	8,000	12,000
1st Generation Tenant Improvements	10,000	15,000
2nd Generation Tenant Improvements	12,000	18,000
Leasing commissions	4,000	6,000
Cash Yield		
Acquisitions	5.75%	6.25%
Dispositions	5.25%	5.75%
Development (stabilized)	6.75%	8.00%
Redevelopment (stabilized)	7.50%	8.50%
Leverage (Debt/Cap)	40.0%	45.0%

(1) The expected same store NOI growth of the multi-tenant properties include the effect of the development conversion properties that were added to same store in the first quarter of 2015. Long-term same store NOI Growth, excluding changes in occupancy, is expected to range between 2% and 4%.

(2) The expected long-term same store NOI growth of the single-tenant net lease properties is expected to range between 2% and 3%.