# 4Q | 2015

# Supplemental Information

FURNISHED AS OF FEBRUARY 16, 2016 (UNAUDITED)

HEALTHCARE REALTY

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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 2016 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, 2015 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 $3.3 billion in 198 real estate properties as of December 31, 2015. The Company's 198 owned real estate properties are located in 30 states and total approximately 14.3 million square feet. The Company provided leasing and property management services to approximately 9.8 million square feet nationwide.

## Corporate Headquarters

Healthcare Realty Trust Incorporated
West End Avenue, Suite 700
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 |
| J. Christopher Douglas | Executive Vice President and Chief Financial Officer (effective March 1, 2016) |
| Scott W. Holmes | Executive Vice President and Chief Financial Officer (effective through February 29, 2016) |
| 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 |
| Nancy H. Agee | President and Chief Executive Officer, Carilion Clinic |
| Errol L. Biggs, Ph.D. | Director, Graduate Programs in Health Administration, University of Colorado(1) |
| C. Raymond Fernandez, M.D. | Retired Chief Executive Officer, Piedmont Clinic |
| Peter F. Lyle | Vice President of Health Systems and Medical Group Consulting, Medical Management Associates, Inc. |
| 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(1) |
| Dan S. Wilford | Retired President and Chief Executive Officer, Memorial Hermann Healthcare System |

(1) Retired from the Board of Directors effective February 16, 2016

# Corporate Information

## 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 February 2, 2016, the Company declared a dividend of $0.30 per share, payable on February 29, 2016, to stockholders of record on February 18, 2016.

## Analyst Coverage

Cowen and Company, LLC

Goldman, Sachs & Co.

Green Street Advisors, Inc.

J.J.B. Hilliard W.L. Lyons, LLC

J.P. Morgan Securities LLC

JMP Securities LLC

Morgan Stanley

KeyBanc Capital Markets Inc.

Mizuho Securities USA Inc.

RBC Capital Markets, LLC

Stifel, Nicolaus & Company, Inc.

SunTrust Robinson Humphrey, Inc.

Wells Fargo Securities, LLC

# Historical Reconciliation of FFO [1] [2]

**(amounts in thousands, except for share data)**

| | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 | 2014 Q4 | 2014 Q3 | 2014 Q2 | 2014 Q1 |
|---|---|---|---|---|---|---|---|---|
| Net Income Attributable to Common Stockholders | $18,658 | $27,480 | $17,916 | $5,382 | $18,073 | $3,991 | $5,971 | $3,852 |
| Gain on sales of real estate properties | (9,138) | (16,486) | (41,549) | — | (9,280) | — | (3) | — |
| Impairments of real estate assets | 687 | 310 | — | 3,328 | 995 | 4,505 | 3,105 | 3,425 |
| Leasing commission amortization [3] | 886 | 879 | 846 | 838 | 810 | 753 | 705 | 732 |
| Real estate depreciation and amortization | 29,021 | 28,438 | 28,542 | 28,532 | 27,897 | 27,697 | 27,017 | 26,248 |
| Total adjustments | **21,456** | **13,141** | **(12,161)** | **32,698** | **20,422** | **32,955** | **30,824** | **30,405** |
| **Funds from Operations Attributable to Common Stockholders** | **$40,114** | **$40,621** | **$5,755** | **$38,080** | **$38,495** | **$36,946** | **$36,795** | **$34,257** |
| Acquisition costs | 1,068 | 121 | 167 | 38 | 471 | 188 | 49 | — |
| 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 | (40) | — | — | — | (115) | (445) | — | — |
| Refund of prior year overpayment of certain operating expenses | — | — | — | — | — | — | (1,919) | — |
| **Normalized Funds from Operations Attributable to Common Stockholders** | **$41,142** | **$40,742** | **$39,834** | **$38,259** | **$38,444** | **$36,689** | **$34,925** | **$34,257** |
| **Funds from Operations per Common Share—Diluted** | **$0.40** | **$0.41** | **$0.06** | **$0.38** | **$0.39** | **$0.38** | **$0.38** | **$0.36** |
| **Normalized Funds from Operations Per Common Share—Diluted** | **$0.41** | **$0.41** | **$0.40** | **$0.39** | **$0.39** | **$0.38** | **$0.36** | **$0.36** |
| **FFO Weighted Average Common Shares Outstanding** | **100,474** | **99,997** | **99,945** | **99,137** | **98,086** | **97,329** | **95,798** | **95,585** |

(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 (including amortization of leasing commissions), 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 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 | 2014 Q4 | 2014 Q3 | 2014 Q2 | 2014 Q1 |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | |
| Rental income | $97,466 | $95,383 | $95,450 | $95,034 | $93,648 | $92,095 | $89,279 | $86,502 |
| Mortgage interest | — | 29 | 31 | 31 | 32 | 44 | 969 | 2,621 |
| Other operating | 1,116 | 1,313 | 1,227 | 1,391 | 1,320 | 1,474 | 1,423 | 1,448 |
| | **98,582** | **96,725** | **96,708** | **96,456** | **95,000** | **93,613** | **91,671** | **90,571** |
| **Expenses** | | | | | | | | |
| Property operating | 36,758 | 35,247 | 33,927 | 34,263 | 33,386 | 34,204 | 33,635 | 32,831 |
| General and administrative | 7,216 | 6,258 | 6,713 | 6,738 | 5,990 | 5,185 | 5,661 | 5,972 |
| Depreciation | 27,019 | 26,571 | 26,552 | 26,387 | 25,881 | 25,345 | 24,491 | 23,667 |
| Amortization | 2,556 | 2,386 | 2,474 | 2,667 | 2,630 | 2,656 | 2,775 | 2,759 |
| Bad debts, net of recoveries | 9 | (21) | 27 | (207) | (92) | 3 | 73 | 47 |
| | **73,558** | **70,441** | **69,693** | **69,848** | **67,795** | **67,393** | **66,635** | **65,276** |
| **Other Income (Expense)** | | | | | | | | |
| Gain on sales of real estate properties | 9,138 | 5,915 | 41,549 | — | — | — | — | — |
| Interest expense | (14,885) | (15,113) | (17,213) | (18,322) | (18,237) | (18,192) | (18,066) | (17,918) |
| Loss on extinguishment of debt | — | — | (27,998) | — | — | — | — | — |
| Pension termination | — | — | (5,260) | — | — | — | — | — |
| Impairment of real estate assets | (1) | (310) | — | (3,328) | — | — | — | — |
| Impairment of internally-developed software | — | — | (654) | — | — | — | — | — |
| Interest and other income, net | 78 | 72 | 147 | 91 | 91 | 409 | 2,035 | 100 |
| | **(5,670)** | **(9,436)** | **(9,429)** | **(21,559)** | **(18,146)** | **(17,783)** | **(16,031)** | **(17,818)** |
| **Income From Continuing Operations** | **19,354** | **16,848** | **17,586** | **5,049** | **9,059** | **8,437** | **9,005** | **7,477** |
| **Discontinued Operations** | | | | | | | | |
| Income (loss) from discontinued operations | (10) | 61 | 330 | 333 | 729 | 221 | 108 | (89) |
| Impairments of real estate assets | (686) | — | — | — | (995) | (4,505) | (3,105) | (3,425) |
| Gain on sales of real estate properties | — | 10,571 | — | — | 9,280 | — | 3 | — |
| **Income (Loss) From Discontinued Operations** | **(696)** | **10,632** | **330** | **333** | **9,014** | **(4,284)** | **(2,994)** | **(3,514)** |
| **Net Income** | **18,658** | **27,480** | **17,916** | **5,382** | **18,073** | **4,153** | **6,011** | **3,963** |
| Less: Net income attributable to noncontrolling interests | — | — | — | — | — | (162) | (40) | (111) |
| **Net Income Attributable To Common Stockholders** | **$18,658** | **$27,480** | **$17,916** | **$5,382** | **$18,073** | **$3,991** | **$5,971** | **$3,852** |

# Balance Sheet Information [1]

## (dollars in thousands, except per share data)

### ASSETS

| | 2015 | | | | 2014 |
|---|---|---|---|---|---|
| **Real estate properties:** | Q4 | Q3 | Q2 | Q1 | Q4 |
| Land | $198,585 | $186,108 | $186,231 | $187,951 | $183,060 |
| Buildings, improvements and lease intangibles | 3,135,893 | 3,042,367 | 3,033,213 | 3,077,828 | 3,048,251 |
| Personal property | 9,954 | 9,833 | 9,970 | 10,014 | 9,914 |
| Construction in progress | 19,024 | 15,455 | 8,284 | — | — |
| Land held for development | 17,452 | 17,475 | 16,952 | 21,376 | 17,054 |
| **Total real estate properties** | **3,380,908** | **3,271,238** | **3,254,650** | **3,297,169** | **3,258,279** |
| Less accumulated depreciation and amortization | (761,926) | (737,398) | (730,125) | (723,393) | (700,671) |
| **Total real estate properties, net** | **2,618,982** | **2,533,840** | **2,524,525** | **2,573,776** | **2,557,608** |
| Cash and cash equivalents | 4,102 | 8,497 | 8,431 | 10,417 | 3,519 |
| Mortgage notes receivable | — | — | 1,900 | 1,900 | 1,900 |
| Assets held for sale and discontinued operations, net | 724 | 6,380 | 14,192 | 14,164 | 9,146 |
| Other assets, net | 192,918 | 192,969 | 191,524 | 188,198 | 185,337 |
| **Total assets** | **$2,816,726** | **$2,741,686** | **$2,740,572** | **$2,788,455** | **$2,757,510** |

### LIABILITIES AND STOCKHOLDERS' EQUITY

| | | | | | |
|---|---|---|---|---|---|
| **Liabilities:** | | | | | |
| Notes and bonds payable | $1,431,494 | $1,381,285 | $1,388,797 | $1,444,555 | $1,403,692 |
| Accounts payable and accrued liabilities | 75,489 | 65,839 | 57,143 | 50,144 | 70,240 |
| Liabilities of discontinued operations | 33 | 216 | 168 | 102 | 372 |
| Other liabilities | 66,963 | 65,648 | 66,035 | 64,469 | 62,152 |
| **Total liabilities** | **1,573,979** | **1,512,988** | **1,512,143** | **1,559,270** | **1,536,456** |
| 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 | 1,015 | 1,005 | 1,004 | 1,001 | 988 |
| Additional paid-in capital | 2,461,376 | 2,435,849 | 2,432,979 | 2,423,121 | 2,389,830 |
| Accumulated other comprehensive income (loss) | (1,569) | (1,611) | (1,653) | (3,242) | (2,519) |
| Cumulative net income attributable to common stockholders | 909,685 | 891,027 | 863,547 | 845,631 | 840,249 |
| Cumulative dividends | (2,127,760) | (2,097,572) | (2,067,448) | (2,037,326) | (2,007,494) |
| **Total stockholders' equity** | **1,242,747** | **1,228,698** | **1,228,429** | **1,229,185** | **1,221,054** |
| **Total liabilities and stockholders' equity** | **$2,816,726** | **$2,741,686** | **$2,740,572** | **$2,788,455** | **$2,757,510** |

### OTHER INFORMATION

| | | | | | |
|---|---|---|---|---|---|
| **Capital additions:** | | | | | |
| Revenue enhancing | $1,803 | $1,963 | $3,188 | $781 | $1,361 |
| Routine and non-revenue enhancing | 2,393 | 1,543 | 3,580 | 1,469 | 2,635 |
| 2nd generation tenant improvements | 4,281 | 3,637 | 2,496 | 2,992 | 5,956 |
| 1st generation tenant improvements | 3,208 | 3,959 | 1,150 | 3,463 | 4,475 |
| Leasing commissions paid | 1,856 | 1,050 | 1,251 | 3,347 | 2,025 |

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

# Debt Metrics
## (dollars in thousands)

### SUMMARY OF INDEBTEDNESS

| | Q4 2015 Interest Expense | Balance as of 12/31/2015 | Weighted Months to Maturity | Effective Interest Rate |
|---|---|---|---|---|
| Senior Notes due 2021, net of discount | $5,827 | $398,168 | 61 | 5.86% |
| Senior Notes due 2023, net of discount | 2,390 | 248,435 | 88 | 3.85% |
| Senior Notes due 2025, net of discount (1) | 2,468 | 249,804 | 112 | 3.97% |
| **Total Senior Notes Outstanding** | **$10,685** | **$896,407** | **82** | **4.77%** |
| Unsecured credit facility due 2017 | 676 | 206,000 | 16 | 1.58% |
| Unsecured term loan facility due 2019 | 721 | 200,000 | 38 | 1.63% |
| Mortgage notes payable, net | 1,829 | 129,087 | 68 | 5.24% |
| **Total Outstanding Notes and Bonds Payable** | **$13,911** | **$1,431,494** | **65** | **3.92%** |
| Interest cost capitalization | (126) | | | |
| Deferred financing costs | 742 | | | |
| Unsecured credit facility fee | 358 | | | |
| **Total Quarterly Consolidated Interest Expense** | **$14,885** | | | |

(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 12/31/2015 |
|---|---|---|---|
| **Revolving Credit Facility and Term Loan** | | | |
| Leverage Ratio | Total Debt / Total Capital | Not greater than 60% | 41.8% |
| Secured Leverage Ratio | Total Secured Debt / Total Capital | Not greater than 30% | 3.7% |
| Unencumbered Leverage Ratio | Unsecured Debt / Unsecured Real Estate | Not greater than 60% | 42.6% |
| Fixed Charge Coverage Ratio | EBITDA / Fixed Charges | Not less than 1.65x | 3.2x |
| Unsecured Coverage Ratio | Unsecured EBITDA / Unsecured Interest | Not less than 1.75x | 3.5x |
| Excess Tangible Net Worth | Tangible Net Worth - Required Base | Greater than $0 | $862,832 |
| Construction and Development | CIP / Total Assets | Not greater than 15% | 0.7% |
| 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% | 40.2% |
| Incurrence of Debt Secured by Any Lien | Secured Debt / Total Assets | Not greater than 40% | 3.6% |
| Maintenance of Total Unsecured Assets | Unencumbered Assets / Unsecured Debt | Not less than 150% | 249.4% |
| Debt Service Coverage | EBITDA / Interest Expense | Not less than 1.5x | 3.5x |
| **Other** | | | |
| Debt to EBITDA | Total Debt / EBITDA | Not required | 6.4x |
| Debt to Enterprise Value (3) | Total Debt / Enterprise Value | Not required | 32.7% |

(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 $29.04 on January 29, 2016 and 102,209,816 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% |
| Tacoma, WA | MOB | Adj | MultiCare | 10/23/2015 | 8,846 | 33,169 | 100% |
| Oakland, CA | MOB | On | Sutter Health | 11/3/2015 | 47,000 | 99,942 | 97% |
| Seattle, WA | MOB | On | UW Medicine | 11/18/2015 | 27,580 | 60,437 | 100% |
| Minneapolis, MN | MOB | On | Allina Health | 12/18/2015 | 16,040 | 64,143 | 92% |
| **Total** | | | | | **$187,216** | **504,249** | **95%** |

## 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 | 187,216 | — | — | 27,859 | 215,075 | 157,975 |
| **Total** | **$734,512** | **$41,900** | **$200,203** | **$117,226** | **$1,093,841** | **$408,809** |
| **% of Total** | **67.1%** | **3.8%** | **18.3%** | **10.8%** | **100%** | |

## RE/DEVELOPMENT ACTIVITY

| Location | Type [2] | Campus Location | Square Feet | Budget | Amount Funded Q4 2015 | Total Amount Funded Through 12/31/2015 | Estimated Remaining Fundings | Aggregate Leased % | Estimated Completion Date |
|---|---|---|---|---|---|---|---|---|---|
| **Construction activity** | | | | | | | | | |
| Birmingham, AL [3] | Redev | Off | 138,000 | $15,400 | $761 | $6,880 | $8,520 | 100% | Q4 2015 [3] |
| Austin, TX | Dev | Adj | 12,900 | 5,575 | 1,552 | 3,316 | 2,259 | 62% | Q2 2016 |
| Nashville, TN [4] | Redev | On | 294,000 | 51,800 | 6,859 | 21,818 | 29,982 | 83% | Q1 2017 |
| Denver, CO | Dev | On | 98,000 | 26,500 | 150 | 229 | 26,271 | 35% | Q2 2017 |
| **Total construction activity** | | | **542,900** | **$99,275** | **$9,322** | **$32,243** | **$67,032** | **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 which was completed in November 2015 and $9.5 million in tenant improvement allowances and commissions, a portion of which has not been completed.
(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.

# Portfolio by Market and Building Size

**(dollars in thousands)**

## BY MARKET

| | | SQUARE FEET | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | MOB/OUTPATIENT (89.4%) | | INPATIENT (7.1%) | | OTHER (3.5%) | | |
| | Investment[1] | Multi-tenant | Single-tenant Net Lease | Rehab | Surgical | Other | Total | % of Total |
| Dallas - Fort Worth, TX | $476,245 | 2,149,939 | | 42,627 | 156,245 | | 2,348,811 | 16.5% |
| Charlotte, NC | 166,948 | 820,457 | | | | | 820,457 | 5.7% |
| Nashville, TN | 103,448 | 762,708 | | | | | 762,708 | 5.3% |
| Seattle - Bellevue, WA | 273,384 | 635,918 | 67,510 | | | | 703,428 | 4.9% |
| Houston, TX | 128,139 | 591,027 | | | | | 591,027 | 4.1% |
| Los Angeles, CA | 137,120 | 488,371 | | 63,000 | | | 551,371 | 3.9% |
| Richmond, VA | 146,600 | 548,801 | | | | | 548,801 | 3.8% |
| Des Moines, IA | 133,725 | 233,413 | 146,542 | | | 152,655 | 532,610 | 3.7% |
| San Antonio, TX | 102,660 | 483,811 | | 39,786 | | | 523,597 | 3.7% |
| Memphis, TN | 91,030 | 515,876 | | | | | 515,876 | 3.6% |
| Roanoke, VA | 48,741 | | 334,454 | | | 126,427 | 460,881 | 3.2% |
| Austin, TX | 125,169 | 351,725 | | 66,095 | | | 417,820 | 2.9% |
| Indianapolis, IN | 76,878 | 382,695 | | | | | 382,695 | 2.7% |
| Denver, CO | 109,456 | 346,335 | | 34,068 | | | 380,403 | 2.7% |
| Honolulu, HI | 135,471 | 298,427 | | | | | 298,427 | 2.1% |
| Oklahoma City, OK | 109,038 | 68,860 | 200,000 | | | | 268,860 | 1.9% |
| Chicago, IL | 57,065 | 243,491 | | | | | 243,491 | 1.7% |
| Miami, FL | 52,070 | 241,980 | | | | | 241,980 | 1.7% |
| Colorado Springs, CO | 50,315 | 241,224 | | | | | 241,224 | 1.7% |
| Phoenix, AZ | 64,398 | 179,963 | | 51,903 | | | 231,866 | 1.7% |
| Detroit, MI | 24,676 | 199,749 | | | | 11,308 | 211,057 | 1.5% |
| San Francisco, CA | 84,830 | 210,621 | | | | | 210,621 | 1.5% |
| South Bend, IN | 43,742 | 205,573 | | | | | 205,573 | 1.4% |
| Springfield, MO | 111,293 | | | | 186,000 | | 186,000 | 1.3% |
| Washington, DC | 31,346 | 182,836 | | | | | 182,836 | 1.3% |
| Other (31 markets) | 455,155 | 1,324,132 | 296,623 | 373,722 | | 214,864 | 2,209,341 | 15.5% |
| **Total** | **$3,338,942** | **11,707,932** | **1,045,129** | **671,201** | **342,245** | **505,254** | **14,271,761** | **100.0%** |
| Number of Properties | | 162 | 14 | 11 | 2 | 9 | 198 | |
| Percent of Square Feet | | 82.1% | 7.3% | 4.7% | 2.4% | 3.5% | 100.0% | |
| Investment [1] | | $2,619,284 | $243,898 | $191,815 | $208,725 | $75,220 | $3,338,942 | |
| % of Investment | | 78.4% | 7.3% | 5.7% | 6.3% | 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 | 43.7% | 6,235,128 | 145,003 | 43 |
| <100,000 and ≥75,000 | 23.4% | 3,341,479 | 85,679 | 39 |
| <75,000 and ≥50,000 | 17.7% | 2,521,052 | 63,026 | 40 |
| <50,000 | 15.2% | 2,174,102 | 28,607 | 76 |
| **Total** | **100.0%** | **14,271,761** | **72,080** | **198** |

(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

| | | | ASSOCIATED | | | LEASED | |
|---|---|---|---|---|---|---|---|
| **Top Providers** | **Health System Rank**[2] | **Credit Rating** | **Buildings**[3] | **SF**[3] | **% of Total SF**[4] | **SF** | **% of Total SF** |
| Baylor Scott & White Health | 20 | AA-/Aa3 | 26 | 2,366,944 | 16.6% | 1,151,952 | 8.1% |
| Ascension Health | 3 | AA/Aa2 | 16 | 1,167,438 | 8.2% | 308,180 | 2.2% |
| Catholic Health Initiatives | 7 | A/A2 | 14 | 997,574 | 7.0% | 552,897 | 3.9% |
| HCA | 2 | BB/B1 | 14 | 867,546 | 6.1% | 462,957 | 3.2% |
| Carolinas HealthCare System | 26 | --/Aa3 | 16 | 765,116 | 5.4% | 592,753 | 4.2% |
| Tenet Healthcare Corporation | 11 | B/B1 | 10 | 701,054 | 4.9% | 184,887 | 1.3% |
| Bon Secours Health System | 48 | A-/A2 | 7 | 548,801 | 3.8% | 267,836 | 1.9% |
| Baptist Memorial Health Care | 93 | A-/-- | 7 | 515,876 | 3.6% | 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% | 246,528 | 1.7% |
| University of Colorado Health | 78 | AA-/Aa3 | 5 | 345,240 | 2.4% | 131,562 | 0.9% |
| Hawaii Pacific Health | 161 | A/A2 | 3 | 298,427 | 2.1% | 59,802 | 0.4% |
| Trinity Health | 13 | AA-/Aa3 | 2 | 278,904 | 2.0% | 137,053 | 1.0% |
| Providence Health & Services | 6 | AA-/Aa3 | 4 | 255,542 | 1.8% | 127,287 | 0.9% |
| Medstar Health | 32 | A-/A2 | 3 | 241,739 | 1.7% | 124,643 | 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 | 1.4% | 82,686 | 0.6% |
| Community Health Systems | 5 | B+/B1 | 4 | 201,574 | 1.4% | 73,402 | 0.5% |
| Other Credit Rated | | | 19 | 1,472,229 | 10.3% | 694,666 | 4.9% |
| **Total - Credit Rated** | | | **167** | **12,650,169** | **88.7%** | | |
| **Total** | | | **198** | **14,271,761** | **100.0%** | | |

## BY RANK (% of total SF)

| | MSA | | HEALTH SYSTEM[2][3] | |
|---|---|---|---|---|
| **Rank** | **MOB / Outpatient** | **Total** | **MOB / Outpatient** | **Total** |
| Top 25 | 57% | 54% | 58% | 54% |
| Top 50 | 83% | 78% | 75% | 70% |
| Top 75 | 86% | 81% | 76% | 71% |
| Top 100 | 91% | 87% | 84% | 82% |

## MEDICAL OFFICE BUILDINGS BY LOCATION

| | 2015 | | | | 2014 | |
|---|---|---|---|---|---|---|
| | **Q4**[5] | **Q3** | **Q2** | **Q1** | **Q4** | **Q3** |
| On campus / adjacent | 80% | 80% | 80% | 80% | 81% | 79% |
| Off campus | 20% | 20% | 20% | 20% | 19% | 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, 88.7% of HR's portfolio is associated with a credit-rated healthcare provider and 71.7% is associated with an investment-grade rated healthcare provider.
(5) Approximately 67% are on-campus, 13% are adjacent to a hospital campus, and 9% are located off-campus but are 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 |
| 2016 | 549 | 1,833,543 | 18.5% | 2 | 69,749 | 3.1% | 551 | 1,903,292 | 15.6% |
| 2017 | 340 | 1,471,485 | 14.8% | 5 | 334,454 | 14.6% | 345 | 1,805,939 | 14.8% |
| 2018 | 314 | 1,502,927 | 15.2% | — | — | —% | 314 | 1,502,927 | 12.3% |
| 2019 | 281 | 1,294,954 | 13.1% | 9 | 371,805 | 16.3% | 290 | 1,666,759 | 13.7% |
| 2020 | 204 | 1,090,981 | 11.0% | 1 | 83,318 | 3.6% | 205 | 1,174,299 | 9.6% |
| 2021 | 86 | 480,245 | 4.9% | 2 | 143,868 | 6.3% | 88 | 624,113 | 5.1% |
| 2022 | 87 | 608,710 | 6.1% | 2 | 137,016 | 6.0% | 89 | 745,726 | 6.1% |
| 2023 | 92 | 703,319 | 7.1% | 1 | 75,000 | 3.3% | 93 | 778,319 | 6.4% |
| 2024 | 53 | 395,790 | 4.0% | 1 | 51,903 | 2.3% | 54 | 447,693 | 3.7% |
| 2025 | 37 | 371,368 | 3.7% | 2 | 91,561 | 4.0% | 39 | 462,929 | 3.8% |
| Thereafter | 13 | 156,211 | 1.6% | 9 | 926,073 | 40.5% | 22 | 1,082,284 | 8.9% |

## AVERAGE TENANT SIZE

| | NUMBER OF LEASES | |
|---|---|---|
| Square Footage | Multi-Tenant Properties [(2)] | Single-Tenant Net Lease Properties |
| 0 - 2,500 | 982 | — |
| 2,501 - 5,000 | 572 | — |
| 5,001 - 7,500 | 184 | 1 |
| 7,501 - 10,000 | 104 | 1 |
| 10,001 + | 214 | 32 |
| **Total Leases** | **2,056** | **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 4,820 square feet.

# Occupancy Information [1]

(dollars in thousands)

OCCUPANCY

| | Investment at 12/31/2015 | Square Feet at 12/31/2015 | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 | 2014 Q4 |
|---|---|---|---|---|---|---|---|
| **Multi-Tenant** | | | | | | | |
| Same store properties [2] | $2,212,984 | 10,028,941 | 87.6% | 87.4% | 87.4% | 86.8% | 87.1% |
| Acquisitions | 306,775 | 977,703 | 89.7% | 89.9% | 90.7% | 90.5% | 90.3% |
| Reposition | 149,976 | 980,370 | 56.7% | 51.4% | 50.7% | 50.7% | 53.6% |
| **Total** | **$2,669,735** | **11,987,014** | **85.3%** | **84.2%** | **84.2%** | **83.8%** | **83.7%** |
| **Single-Tenant Net lease** | | | | | | | |
| Same store properties [2] | $578,030 | 2,084,747 | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Acquisitions | 91,177 | 200,000 | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| **Total** | **$669,207** | **2,284,747** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** |
| **Total** | | | | | | | |
| Same store properties [2] | $2,791,014 | 12,113,688 | 89.8% | 89.6% | 89.5% | 89.1% | 89.3% |
| Acquisitions | 397,952 | 1,177,703 | 91.4% | 91.7% | 93.0% | 93.1% | 93.1% |
| Reposition | 149,976 | 980,370 | 56.7% | 51.4% | 50.7% | 50.7% | 53.6% |
| **Total** | **$3,338,942** | **14,271,761** | **87.6%** | **86.8%** | **86.7%** | **86.6%** | **86.4%** |
| **# of Properties** | | | | | | | |
| Same store properties [2] | | | 166 | 160 | 159 | 162 | 160 |
| Acquisitions | | | 16 | 17 | 18 | 18 | 18 |
| Reposition | | | 16 | 18 | 19 | 18 | 20 |
| **Total** | | | **198** | **195** | **196** | **198** | **198** |

(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]

| | Q4 2015 | Q3 2015 | Q2 2015 | Q1 2015 | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 |
|---|---|---|---|---|---|---|---|---|
| **Multi-tenant** | | | | | | | | |
| Revenues | $70,224 | $68,953 | $68,115 | $67,507 | $66,974 | $66,408 | $66,058 | $65,342 |
| Expenses | 31,768 | 30,311 | 29,105 | 29,485 | 29,192 | 30,177 | 29,766 | 29,378 |
| NOI | $38,456 | $38,642 | $39,010 | $38,022 | $37,782 | $36,231 | $36,292 | $35,964 |
| Occupancy | 87.6% | 87.1% | 87.5% | 87.1% | 87.2% | 87.1% | 86.3% | 86.0% |
| Number of properties | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 |
| **Single-tenant net lease** | | | | | | | | |
| Revenues | $14,723 | $14,656 | $14,561 | $14,610 | $14,407 | $14,131 | $13,803 | $13,756 |
| Expenses | 479 | 417 | 395 | 393 | 431 | 360 | 557 | 513 |
| NOI | $14,244 | $14,239 | $14,166 | $14,217 | $13,976 | $13,771 | $13,246 | $13,243 |
| Occupancy | 100.0% | 100.0% | 100.0% | 100.0% | 98.3% | 98.3% | 98.3% | 98.3% |
| Number of properties | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 |
| **Total** | | | | | | | | |
| Revenues | $84,947 | $83,609 | $82,676 | $82,117 | $81,381 | $80,539 | $79,861 | $79,098 |
| Expenses | 32,247 | 30,728 | 29,500 | 29,878 | 29,623 | 30,537 | 30,323 | 29,891 |
| Same Store NOI | $52,700 | $52,881 | $53,176 | $52,239 | $51,758 | $50,002 | $49,538 | $49,207 |
| Occupancy | 89.8% | 89.3% | 89.6% | 89.3% | 89.1% | 89.0% | 88.4% | 88.1% |
| Number of properties | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 |
| % NOI year-over-year growth | 1.8% | 5.8% | 7.3% | 6.2% | | | | |

TRAILING TWELVE MONTHS [1] [2]

| | Twelve Months Ended December 31, 2015 | 2014 | % Change |
|---|---|---|---|
| **Multi-tenant** | | | |
| Revenues | $274,799 | $264,782 | 3.8% |
| Expenses | $120,669 | $118,513 | 1.8 % |
| NOI | **$154,130** | **$146,269** | **5.4 %** |
| Revenue per average occupied square foot | $31.38 | $30.53 | 2.8% |
| Average occupancy | 87.3% | 86.5% | |
| Number of properties | 133 | 133 | |
| **Single-tenant net lease** | | | |
| Revenues | $58,550 | $56,097 | 4.4% |
| Expenses | $1,684 | $1,861 | (9.5)% |
| NOI | **$56,866** | **$54,236** | **4.8 %** |
| Revenue per average occupied square foot | $28.18 | $27.39 | 2.9% |
| Average occupancy | 99.7% | 98.3% | |
| Number of properties | 33 | 33 | |
| **Total** | | | |
| Revenues | $333,349 | $320,879 | 3.9% |
| Expenses | $122,353 | $120,374 | 1.6 % |
| Same Store NOI | **$210,996** | **$200,505** | **5.2 %** |
| Revenue per average occupied square foot | $30.77 | $29.93 | 2.8% |
| Average occupancy | 89.4% | 88.5% | |
| Number of Properties | 166 | 166 | |

(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

| | Q4 2015 | Q3 2015 | Q2 2015 | Q1 2015 | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 |
|---|---|---|---|---|---|---|---|---|
| Rental income [(a)] | $97,466 | $95,383 | $95,450 | $95,034 | $93,648 | $92,095 | $89,279 | $86,502 |
| Property lease guaranty revenue [(b)] | 851 | 999 | 937 | 1,102 | 1,029 | 1,100 | 1,160 | 1,141 |
| Exclude straight-line rent revenue | (1,929) | (2,309) | (2,475) | (2,832) | (3,122) | (3,046) | (2,504) | (2,297) |
| Revenue | 96,388 | 94,073 | 93,912 | 93,304 | 91,555 | 90,149 | 87,935 | 85,346 |
| Property operating expense | (36,758) | (35,247) | (33,927) | (34,263) | (33,386) | (34,204) | (33,635) | (32,831) |
| **NOI** | **$59,630** | **$58,826** | **$59,985** | **$59,041** | **$58,169** | **$55,945** | **$54,300** | **$52,515** |
| Less: | | | | | | | | |
| Acquisitions | (6,038) | (4,976) | (4,535) | (4,433) | (3,542) | (3,053) | (1,719) | (40) |
| Reposition | (983) | (861) | (768) | (812) | (1,287) | (1,141) | (1,286) | (1,467) |
| Dispositions / other | 91 | (108) | (1,506) | (1,557) | (1,582) | (1,749) | (1,757) | (1,801) |
| **Same store NOI** | **$52,700** | **$52,881** | **$53,176** | **$52,239** | **$51,758** | **$50,002** | **$49,538** | **$49,207** |
| (a) Rental income reconciliation: | | | | | | | | |
| Property operating | $79,466 | $76,960 | $75,470 | $74,654 | $73,153 | $71,847 | $71,029 | $69,274 |
| Single-tenant net lease | 16,071 | 16,114 | 17,505 | 17,548 | 17,373 | 17,202 | 15,746 | 14,931 |
| Straight-line rent | 1,929 | 2,309 | 2,475 | 2,832 | 3,122 | 3,046 | 2,504 | 2,297 |
| Total consolidated rental income | $97,466 | $95,383 | $95,450 | $95,034 | $93,648 | $92,095 | $89,279 | $86,502 |
| (b) Other operating income reconciliation: | | | | | | | | |
| Property lease guaranty revenue | $851 | $999 | $937 | $1,102 | $1,029 | $1,100 | $1,160 | $1,141 |
| Interest income | 123 | 144 | 156 | 157 | 163 | 246 | 130 | 192 |
| Other | 142 | 170 | 134 | 132 | 128 | 128 | 133 | 115 |
| Total consolidated other operating income | $1,116 | $1,313 | $1,227 | $1,391 | $1,320 | $1,474 | $1,423 | $1,448 |

TRAILING TWELVE MONTHS

| | Twelve Months Ended December 31, | |
|---|---|---|
| | 2015 | 2014 |
| **NOI** | **$237,483** | **$220,929** |
| Less: | | |
| Acquisitions | (19,982) | (8,354) |
| Reposition | (3,424) | (5,181) |
| Dispositions / other | (3,081) | (6,889) |
| **Same store NOI** | **$210,996** | **$200,505** |

# Same Store Leasing Statistics [1]

| | 2015 Q4 | 2015 Q3 | 2015 Q2 | 2015 Q1 | 2014 Q4 | 2014 Q3 | 2014 Q2 | 2014 Q1 |
|---|---|---|---|---|---|---|---|---|
| **Contractual increases for in-place leases ("annual bumps")** | | | | | | | | |
| Multi-tenant properties | 3.0 % | 2.9 % | 3.1 % | 3.0 % | 2.9% | 3.0% | 3.0% | 2.9% |
| Single-tenant net lease properties | 1.6 % | 2.6 % | 2.2 % | 0.7 % | 6.9% | 3.5% | 2.1% | 1.7% |
| **Cash leasing spreads for renewals, multi-tenant properties** | 3.7 % | 2.1 % | 5.0 % | 3.6 % | 4.0% | 1.4% | 2.5% | 2.0% |
| **Tenant retention rate, multi-tenant properties** | 91.2 % | 82.4 % | 87.3 % | 83.1 % | 88.6% | 85.9% | 89.7% | 77.4% |

| | As of 12/31/2015 |
|---|---|
| **Multi-Tenant Contractual Rental Rate Increases by Type** | |
| Annual increase | 84.4% |
| Non-annual increase | 7.3% |
| No increase (term < 1 year) | 4.9% |
| No increase (term > 1 year) | 3.4% |
| | |
| **Tenant Type** | |
| Multi-Tenant properties | |
| Hospital | 45.8% |
| Physician and other | 54.2% |
| Single-Tenant net lease properties | |
| Hospital | 82.5% |
| Other | 17.5% |
| | |
| **Lease Structure, multi-tenant only** | |
| Gross | 16.6% |
| Modified gross | 31.1% |
| Net | 52.3% |
| | |
| **Ownership Type** | |
| Ground lease | 55.5% |
| Fee simple | 44.5% |

(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 | Q4 2015 Same Store NOI[1] | Q4 2015 Acquisitions NOI | Q4 2015 Reposition NOI[2] | Timing Adjustments[3] | Q4 2015 Adjusted NOI | Annualized Adjusted NOI | % of Adjusted NOI |
|---|---|---|---|---|---|---|---|
| MOB / Outpatient | $42,492 | $5,210 | $991 | $2,482 | $51,175 | $204,700 | 82.2% |
| Inpatient rehab | 4,801 | — | — | — | 4,801 | 19,204 | 7.7% |
| Inpatient surgical | 4,442 | — | — | — | 4,442 | 17,768 | 7.1% |
| Other | 965 | 829 | 64 | — | 1,858 | 7,432 | 3.0% |
| **Total NOI** | **$52,700** | **$6,039** | **$1,055** | **$2,482** | **$62,276** | **$249,104** | **100.0%** |

**TOTAL SHARES OUTSTANDING (AS OFJANUARY 29, 2016) 102,209,816**

| | |
|---|---|
| **DEVELOPMENT PROPERTIES** | |
| Land held for development | $17,452 |
| Construction in progress | 19,024 |
| **Subtotal** | **$36,476** |
| **OTHER ASSETS** | |
| Assets held for sale[4] | $702 |
| Reposition properties (net book value)[2] | 8,721 |
| Cash and other assets[5] | 85,043 |
| **Subtotal** | **$94,466** |
| **DEBT** | |
| Unsecured credit facility | $206,000 |
| Unsecured term loan | 200,000 |
| Senior notes | 896,407 |
| Mortgage notes payable | 129,087 |
| Other liabilities[6] | 105,999 |
| **Subtotal** | **$1,537,493** |

(1) See Same Store Properties schedule on page 14 for details on same store NOI.
(2) Reposition properties includes 16 properties, which comprise 980,370 square feet. The NOI table above includes 10 of these properties comprising 773,111 square feet that have generated positive NOI totaling approximately $1.1 million. The remaining 6 properties, comprising 207,259 square feet, have generated an NOI loss of approximately $0.1 million and are reflected at a net book value of $8.7 million in the table above.
(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 one real estate property that is excluded from same store NOI and reflect net book value or the contractual purchase price, if applicable.
(5) Includes cash of $4.1 million and other assets of $80.9 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 $63.6 million and above-market intangible assets (net) of $17.3 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 $75.5 million, pension plan liability of $19.6 million, security deposits of $6.6 million, market-rate lease intangibles of $3.9 million, and deferred operating expense reimbursements of $0.4 million. Also, excludes deferred revenue of $36.4 million.

# Components of Expected 2016 FFO
(dollars in thousands, except per square foot data)

| SAME STORE QUARTERLY RANGE OF EXPECTATIONS | Low | High |
|---|---|---|
| **Occupancy** | | |
| Multi-Tenant | 87.5% | 89.5% |
| Single-Tenant Net Lease | 100.0% | 100.0% |
| **TTM Revenue per Occupied Square Foot [(1)]** | | |
| Multi-Tenant | $31.00 | $33.00 |
| Single-Tenant Net Lease | $28.00 | $29.00 |
| **Multi-Tenant TTM NOI Margin[(1)]** | 56.0% | 58.0% |
| **Multi-Tenant Contractual Rent Increases by Type (% of SF)** | | |
| Annual Increase | 80.0% | 90.0% |
| Non-annual Increase | 7.0% | 9.0% |
| No Increase (term < 1 year) | 4.0% | 6.0% |
| No Increase (term > 1 year) | 3.0% | 5.0% |
| **Contractual increases for in-place leases ("annual bumps")** | | |
| Multi-Tenant | 2.8% | 3.0% |
| Single-Tenant Net Lease | 1.0% | 3.0% |
| **Multi-Tenant Cash Leasing Spreads** | 2.5% | 6.0% |
| **Multi-Tenant Lease Retention Rate** | 75.0% | 90.0% |
| **TTM NOI Growth [(1)]** | | |
| Multi-Tenant[(2)] | 4.5% | 6.5% |
| Single-Tenant Net Lease | 1.0% | 3.0% |

| ANNUAL RANGE OF EXPECTATIONS | Low | High |
|---|---|---|
| **Normalized G&A [(3)]** | $28,500 | $31,500 |
| **Funding Activity** | | |
| Acquisitions | $125,000 | $175,000 |
| Dispositions | (50,000) | (100,000) |
| Development | 15,000 | 25,000 |
| Redevelopment/Reposition | 28,000 | 33,000 |
| 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 | 8,000 |
| **Cash Yield** | | |
| Acquisitions | 5.50% | 6.25% |
| Dispositions | 6.00% | 7.00% |
| Development (stabilized) | 6.75% | 8.00% |
| Redevelopment (stabilized) | 7.50% | 8.50% |
| **Leverage (Debt/Cap)** | 40.0% | 45.0% |

(1) TTM = Trailing Twelve Months
(2) Long-term same store NOI Growth, excluding changes in occupancy, is expected to range between 2% and 4%.
(3) Normalized G&A excludes acquisition expenses and includes amortization of non-cash share-based compensation awards of $7.4 million inclusive of $2.4 million related to 2015 performance awards.