

2Q | 2016

Supplemental Information

FURNISHED AS OF AUGUST 3, 2016 (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,” “budget,” “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. As of June 30, 2016, the Company had investments of approximately \$3.4 billion in 202 real estate properties in 30 states totaling approximately 14.5 million square feet. The Company provided leasing and property management services to approximately 10.0 million square feet nationwide.

Corporate Headquarters

Healthcare Realty Trust Incorporated

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Nashville, Tennessee 37203

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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
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
C. Raymond Fernandez, M.D.	Retired Chief Executive Officer, Piedmont Clinic
Peter F. Lyle	Vice President of Health Systems, Pharma and Medical Practice Services, 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
Dan S. Wilford	Retired 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 August 2, 2016, the Company declared a dividend of \$0.30 per share, payable on August 31, 2016, to stockholders of record on August 17, 2016.

Analyst Coverage

Cantor Fitzgerald, L.P.	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
Morgan Stanley	

Balance Sheet Information ⁽¹⁾

(dollars in thousands, except per share data)

ASSETS

	2016		2015		
	Q2	Q1	Q4	Q3	Q2
Real estate properties:					
Land	\$208,386	\$201,157	\$198,585	\$186,108	\$186,231
Buildings, improvements and lease intangibles	3,235,744	3,181,748	3,135,893	3,042,367	3,033,213
Personal property	10,032	9,881	9,954	9,833	9,970
Construction in progress	35,174	31,669	19,024	15,455	8,284
Land held for development	17,438	17,434	17,452	17,475	16,952
Total real estate properties	3,506,774	3,441,889	3,380,908	3,271,238	3,254,650
Less accumulated depreciation and amortization	(819,744)	(790,819)	(761,926)	(737,398)	(730,125)
Total real estate properties, net	2,687,030	2,651,070	2,618,982	2,533,840	2,524,525
Cash and cash equivalents	9,026	2,174	4,102	8,497	8,431
Mortgage notes receivable	—	—	—	—	1,900
Assets held for sale and discontinued operations, net	710	706	724	6,380	14,192
Other assets, net ⁽²⁾	185,298	187,665	186,416	186,221	184,592
Total assets	\$2,882,064	\$2,841,615	\$2,810,224	\$2,734,938	\$2,733,640

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:					
Notes and bonds payable ⁽²⁾	\$1,414,739	\$1,418,347	\$1,424,992	\$1,374,537	\$1,381,865
Accounts payable and accrued liabilities	70,408	66,013	75,489	65,839	57,143
Liabilities of discontinued operations	17	20	33	216	168
Other liabilities	46,452	64,236	66,963	65,648	66,035
Total liabilities	1,531,616	1,548,616	1,567,477	1,506,240	1,505,211
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	1,067	1,042	1,015	1,005	1,004
Additional paid-in capital	2,609,880	2,533,130	2,461,376	2,435,849	2,432,979
Accumulated other comprehensive loss	(1,485)	(1,527)	(1,569)	(1,611)	(1,653)
Cumulative net income attributable to common stockholders	930,985	918,841	909,685	891,027	863,547
Cumulative dividends	(2,189,999)	(2,158,487)	(2,127,760)	(2,097,572)	(2,067,448)
Total stockholders' equity	1,350,448	1,292,999	1,242,747	1,228,698	1,228,429
Total liabilities and stockholders' equity	\$2,882,064	\$2,841,615	\$2,810,224	\$2,734,938	\$2,733,640

CAPITAL FUNDING

Re/development	\$8,542	\$16,758	\$9,322	\$7,103	\$4,165
1st generation tenant improvements	4,677	393	3,208	3,959	1,150
2nd generation tenant improvements	6,119	4,888	4,281	3,637	2,496
Leasing commissions paid	1,587	1,079	1,856	1,050	1,251
Capital additions:					
Revenue enhancing	1,525	717	1,803	1,963	3,188
Routine and non-revenue enhancing	4,377	1,600	2,393	1,543	3,580

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

(2) The Company adopted a new accounting standard (ASU 2015-03 - "Simplifying the Presentation of Debt Issuance Costs") on January 1, 2016 which resulted in a reclassification of deferred financing costs from Other assets to the Notes and bonds payable line item.

Statements of Income Information

(dollars in thousands)

	2016				2015		2014	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenues								
Rental income	\$101,472	\$98,740	\$97,466	\$95,383	\$95,450	\$95,034	\$93,648	\$92,095
Mortgage interest	—	—	—	29	31	31	32	44
Other operating	1,170	1,281	1,116	1,313	1,227	1,391	1,320	1,474
	102,642	100,021	98,582	96,725	96,708	96,456	95,000	93,613
Expenses								
Property operating	36,263	35,406	36,758	35,247	33,927	34,263	33,386	34,204
General and administrative	8,129	10,246	7,216	6,258	6,713	6,738	5,990	5,185
Depreciation	28,528	27,693	27,019	26,571	26,552	26,387	25,881	25,345
Amortization	2,762	2,700	2,556	2,386	2,474	2,667	2,630	2,656
Bad debts, net of recoveries	78	(39)	9	(21)	27	(207)	(92)	3
	75,760	76,006	73,558	70,441	69,693	69,848	67,795	67,393
Other Income (Expense)								
Gain on sales of real estate properties	1	—	9,138	5,915	41,549	—	—	—
Interest expense	(14,815)	(14,938)	(14,885)	(15,113)	(17,213)	(18,322)	(18,237)	(18,192)
Loss on extinguishment of debt	—	—	—	—	(27,998)	—	—	—
Pension termination	(4)	—	—	—	(5,260)	—	—	—
Impairment of real estate assets	—	—	(1)	(310)	—	(3,328)	—	—
Impairment of internally-developed software	—	—	—	—	(654)	—	—	—
Interest and other income, net	93	86	78	72	147	91	91	409
	(14,725)	(14,852)	(5,670)	(9,436)	(9,429)	(21,559)	(18,146)	(17,783)
Income From Continuing Operations	12,157	9,163	19,354	16,848	17,586	5,049	9,059	8,437
Discontinued Operations								
Income (loss) from discontinued operations	(19)	(7)	(10)	61	330	333	729	221
Impairments of real estate assets	—	—	(686)	—	—	—	(995)	(4,505)
Gain on sales of real estate properties	7	—	—	10,571	—	—	9,280	—
Income (Loss) From Discontinued Operations	(12)	(7)	(696)	10,632	330	333	9,014	(4,284)
Net Income	12,145	9,156	18,658	27,480	17,916	5,382	18,073	4,153
Less: Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	(162)
Net Income Attributable To Common Stockholders	\$12,145	\$9,156	\$18,658	\$27,480	\$17,916	\$5,382	\$18,073	\$3,991

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

(amounts in thousands, except for share data)

	2016		2015				2014	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net Income Attributable to Common Stockholders	\$12,145	\$9,156	\$18,658	\$27,480	\$17,916	\$5,382	\$18,073	\$3,991
Gain on sales of real estate properties	(8)	—	(9,138)	(16,486)	(41,549)	—	(9,280)	—
Impairments of real estate assets	—	—	687	310	—	3,328	995	4,505
Real estate depreciation and amortization	31,716	30,800	29,907	29,317	29,388	29,370	28,707	28,450
Total adjustments	31,708	30,800	21,456	13,141	(12,161)	32,698	20,422	32,955
Funds from Operations Attributable to Common Stockholders	\$43,853	\$39,956	\$40,114	\$40,621	\$5,755	\$38,080	\$38,495	\$36,946
Acquisition costs	232	1,618	1,068	121	167	38	471	188
Pension termination	4	—	—	—	5,260	—	—	—
Loss on extinguishment of debt	—	—	—	—	27,998	—	—	—
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)
Revaluation of awards upon retirement	—	89	—	—	—	—	—	—
Normalized Funds from Operations Attributable to Common Stockholders	\$44,089	\$41,663	\$41,142	\$40,742	\$39,834	\$38,259	\$38,444	\$36,689
Funds from Operations per Common Share—Diluted	\$0.42	\$0.39	\$0.40	\$0.41	\$0.06	\$0.38	\$0.39	\$0.38
Normalized Funds from Operations Per Common Share—Diluted	\$0.42	\$0.41	\$0.41	\$0.41	\$0.40	\$0.39	\$0.39	\$0.38
FFO Weighted Average Common Shares Outstanding	104,770	102,165	100,474	99,997	99,945	99,137	98,086	97,329

- (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.

Debt Metrics

(dollars in thousands)

SUMMARY OF INDEBTEDNESS

	Q2 2016 Interest Expense ⁽¹⁾	Balance as of 6/30/2016	Weighted Months to Maturity	Effective Interest Rate
Senior Notes due 2021, net of discount	\$5,830	\$396,816	55	5.97%
Senior Notes due 2023, net of discount	2,391	247,096	82	3.95%
Senior Notes due 2025, net of discount ⁽²⁾	2,469	247,709	106	4.08%
Total Senior Notes Outstanding	\$10,690	\$891,621	76	4.89%
Unsecured credit facility due 2017 ⁽³⁾	823	190,000	10	1.61%
Unsecured term loan facility due 2019 ⁽³⁾	831	199,374	32	1.66%
Mortgage notes payable, net	1,668	133,744	78	5.17%
Total Outstanding Notes and Bonds Payable	\$14,012	\$1,414,739	61	4.02%
Interest cost capitalization	(273)			
Unsecured credit facility fee and deferred financing costs	1,076			
Total Quarterly Consolidated Interest Expense	\$14,815			

SELECTED FINANCIAL DEBT COVENANTS ⁽⁴⁾

	Calculation	Requirement	Trailing Twelve Months Ended 6/30/2016	Proforma ⁽⁶⁾
Revolving Credit Facility and Term Loan				
Leverage Ratio	Total Debt / Total Capital	Not greater than 60%	39.7%	32.4%
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%	40.7%	
Fixed Charge Coverage Ratio	EBITDA / Fixed Charges	Not less than 1.65x	3.5x	
Unsecured Coverage Ratio	Unsecured EBITDA / Unsecured Interest	Not less than 1.75x	4.0x	
Excess Tangible Net Worth	Tangible Net Worth - Required Base	Greater than \$0	\$956,398	
Construction and Development	CIP / Total Assets	Not greater than 15%	1.2%	
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%	38.5%	31.5%
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%	260.5%	
Debt Service Coverage	EBITDA / Interest Expense	Not less than 1.5x	3.9x	
Other				
Net Debt to EBITDA	Total Debt less Cash on Hand / EBITDA	Not required	6.3x	4.9x
Debt to Enterprise Value ⁽⁵⁾	Total Debt / Enterprise Value	Not required	25.4%	22.0%

(1) The Company adopted a new accounting standard (ASU 2015-03 - "Simplifying the Presentation of Debt Issuance Costs") on January 1, 2016 which resulted in a reclassification of deferred financing costs from Other assets to the Notes and bonds payable line item. The Company adjusted the effective interest rates to reflect this change.

(2) 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.

(3) As of July 5, 2016, the balance of the unsecured credit facility due 2017, which on July 29, 2016 was amended and extended through July 2020, was repaid with proceeds from the issuance of 9.2 million shares resulting in proceeds of \$304.6 million. In addition, the Company repaid \$50.0 million outstanding on the unsecured term loan due 2019.

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

(5) Based on the closing price of \$36.16 on July 29, 2016 and 115,862,407 shares outstanding.

(6) The proforma calculations include the effects of issuance of 9.2 million shares at \$33.13 for net proceeds, after offering expenses, of \$304.6 million.

Investment Activity

(dollars in thousands)

2016 ACQUISITION ACTIVITY

Location	Campus Location	Distance to Campus	Health System Affiliation	Closing	Purchase Price	Acquisition Costs	Square Feet	Aggregate Leased %	Cap Rate ⁽²⁾
Seattle, WA ⁽¹⁾	ADJ	0.24 miles	UW Medicine	3/31/2016	\$38,259	\$1,618	69,712	100%	5.5%
Seattle, WA	ON	0.00 miles	UW Medicine	4/29/2016	21,615	362	46,637	100%	5.9%
Los Angeles, CA	ON	0.00 miles	HCA	5/13/2016	20,000	232	63,012	80%	5.1%
Total					\$79,874	\$2,212	179,361	93%	5.5%

HISTORICAL INVESTMENT ACTIVITY

	Acquisitions ⁽³⁾	Mortgage Funding	Construction Mortgage Funding	Re/Development Funding	Total Investments	Dispositions
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
2016	79,874	—	—	25,300	105,174	—
Total	\$664,074	\$1,900	\$138,272	\$63,151	\$867,397	\$386,109
% of Total	76.6%	0.2%	15.9%	7.3%	100%	

RE/DEVELOPMENT ACTIVITY

Location	Type ⁽⁴⁾	Campus Location	Square Feet	Budget	Amount Funded Q2 2016	Total Amount Funded Through 6/30/2016	Estimated Remaining Fundings	Aggregate Leased %	Estimated Completion Date
Construction activity									
Nashville, TN ⁽⁵⁾	Redev	On	294,000	\$51,800	\$6,418	\$39,230	\$12,570	83%	Q1 2017
Denver, CO	Dev	On	98,000	26,500	2,124	2,994	23,506	35%	Q2 2017
Total construction activity			392,000	\$78,300	\$8,542	\$42,224	\$36,076	71%	

(1) Acquisition costs in Q1 2016 include seller credits related to a loan prepayment, brokerage commission and excise taxes.

(2) Represents the forecasted first year NOI / purchase price plus acquisition costs and expected capital additions.

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

(4) Redev - Redevelopment; Dev - Development

(5) 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

(dollars in thousands)

BY MARKET

	Investment ⁽¹⁾	SQUARE FEET					
		MOB/OUTPATIENT (89.4%)		INPATIENT (7.0%)		OTHER (3.6%)	Total
		Multi-tenant	Single-tenant Net Lease	Rehab	Surgical	Other	
Dallas - Fort Worth, TX	\$480,258	2,149,939		42,627	156,245		2,348,811
Charlotte, NC	167,372	820,457					820,457
Seattle - Bellevue, WA	333,127	752,267	67,510				819,777
Nashville, TN	105,252	762,708					762,708
Los Angeles, CA	159,396	551,383		63,000			614,383
Houston, TX	129,127	591,027					591,027
Richmond, VA	146,718	548,801					548,801
Des Moines, IA	133,752	233,413	146,542			152,655	532,610
San Antonio, TX	103,115	483,811		39,786			523,597
Memphis, TN	91,337	515,876					515,876
Roanoke, VA	48,965		334,454			126,427	460,881
Austin, TX	131,063	354,481		66,095		12,958	433,534
Indianapolis, IN	77,029	382,695					382,695
Denver, CO	109,517	346,335		34,068			380,403
Honolulu, HI	136,717	298,427					298,427
Oklahoma City, OK	109,074	68,860	200,000				268,860
Chicago, IL	57,636	243,491					243,491
Miami, FL	52,897	241,980					241,980
Colorado Springs, CO	51,708	241,224					241,224
Phoenix, AZ	64,431	179,963		51,903			231,866
Detroit, MI	25,258	199,749				11,308	211,057
San Francisco, CA	86,143	210,621					210,621
South Bend, IN	43,961	205,573					205,573
Springfield, MO	111,293				186,000		186,000
Washington, DC	31,437	182,836					182,836
Other (31 markets)	462,041	1,324,132	296,623	373,722		214,864	2,209,341
Total	\$3,448,624	11,890,049	1,045,129	671,201	342,245	518,212	14,466,836
Number of Properties		165	14	11	2	10	202
Percent of Square Feet		82.2%	7.2%	4.6%	2.4%	3.6%	100.0%
Investment ⁽¹⁾		\$2,719,267	\$248,556	\$191,815	\$208,725	\$80,261	\$3,448,624
% of Investment		78.8%	7.2%	5.6%	6.1%	2.3%	100.0%

MSA BY RANK (% of total SF)

Rank	MOB / Outpatient	Total
Top 25	58%	55%
Top 50	83%	78%
Top 75	87%	81%
Top 100	91%	87%

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

Square Feet by Provider ⁽¹⁾

MOB SQUARE FEET

Top Providers	Health System Rank ⁽³⁾	Credit Rating	ASSOCIATED (92.9%) ⁽²⁾				Total MOB SF	% of Total MOB SF
			On	Adjacent ⁽⁴⁾	Anchored ⁽⁵⁾	Off		
Baylor Scott & White Health	19	AA-/Aa3	1,834,256	129,879	163,188	—	2,127,323	16.4%
Ascension Health	3	AA+/Aa2	967,996	148,356	30,096	—	1,146,448	8.9%
Catholic Health Initiatives	7	A/--	769,471	132,617	95,486	—	997,574	7.7%
HCA	2	BB/B1	460,839	185,904	157,388	—	804,131	6.2%
Carolinas HealthCare System	27	--/Aa3	353,537	98,066	313,513	—	765,116	5.9%
Tenet Healthcare Corporation	6	B/B1	570,264	67,790	—	—	638,054	4.9%
Bon Secours Health System	49	A-/A3	548,801	—	—	—	548,801	4.2%
Baptist Memorial Health Care	105	A/--	424,306	—	39,345	—	463,651	3.6%
Indiana University Health	22	AA-/Aa3	280,129	102,566	—	—	382,695	3.0%
University of Colorado Health	73	AA-/Aa3	150,291	161,099	33,850	—	345,240	2.7%
Trinity Health	8	AA-/Aa3	205,573	73,331	—	—	278,904	2.2%
Providence Health & Services	9	AA-/Aa3	126,361	129,181	—	—	255,542	2.0%
Medstar Health	31	A-/A2	241,739	—	—	—	241,739	1.9%
Advocate Health Care	26	AA/Aa2	142,955	95,436	—	—	238,391	1.8%
Memorial Hermann	43	A+/A1	—	206,090	—	—	206,090	1.6%
Community Health	4	B+/B2	201,574	—	—	—	201,574	1.6%
Mercy (St. Louis)	30	AA-/Aa3	—	—	200,000	—	200,000	1.5%
Overlake Health System	343	A/A2	191,051	—	—	—	191,051	1.5%
University of Washington	90	AA+/Aa1	107,074	69,712	—	—	176,786	1.4%
Other credit rated			695,273	560,499	90,607	—	1,346,379	10.4%
Subtotal - credit rated ⁽⁶⁾			8,271,490	2,160,526	1,123,473	—	11,555,489	89.3%
Non-credit rated			269,506	192,418	—	917,765	1,379,689	10.7%
Total			8,540,996	2,352,944	1,123,473	917,765	12,935,178	100.0%
% of Total			66.0%	18.2%	8.7%	7.1%		

HEALTH SYSTEM ⁽²⁾⁽³⁾ BY RANK (% of total SF)

Rank	MOB / Outpatient	Total
Top 25	55%	51%
Top 50	73%	69%
Top 75	77%	72%
Top 100	79%	77%

LEASED SQUARE FEET

Top Providers	Health System Rank ⁽³⁾	Credit Rating	LEASED SQUARE FEET					% of Total Leased SF	% of Total Revenue
			# of Buildings	# of Leases	MOB	Inpatient / Other	Total		
Baylor Scott & White Health	19	AA-/Aa3	23	159	988,326	156,245	1,144,571	9.0%	10.0%
Mercy (St. Louis)	30	AA-/Aa3	2	2	200,000	186,000	386,000	3.0%	4.6%
Catholic Health Initiatives	7	A/--	14	82	549,166	—	549,166	4.3%	4.5%
Carolinas HealthCare System	27	--/Aa3	16	77	584,767	—	584,767	4.6%	4.4%
HealthSouth	89	BB-/Ba3	5	5	—	351,989	351,989	2.8%	2.9%
HCA	2	BB/B1	15	22	462,957	—	462,957	3.6%	2.7%
Baptist Memorial Health Care	105	A/--	7	18	105,419	—	105,419	0.8%	2.7%
Bon Secours Health System	49	A-/A3	7	62	269,025	—	269,025	2.1%	2.2%
Ascension Health	3	AA+/Aa2	16	51	305,214	—	305,214	2.4%	2.0%
Tenet Healthcare Corporation	6	B/B1	10	35	121,887	63,000	184,887	1.5%	1.7%
Total								34.1%	37.7%

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

(2) Includes total square feet of buildings located on-campus, adjacent and off-campus/anchored by healthcare systems.

(3) Ranked by revenue based on *Modern Healthcare's Healthcare Systems Financials Database*.

(4) The Company defines an adjacent property as being no more than 0.25 miles from a hospital campus.

(5) Includes buildings where health systems lease 40% or more of the property.

(6) Based on square footage, 89.3% of HR's MOB portfolio is associated with a credit-rated healthcare provider and 76.4% is associated with an investment-grade rated healthcare provider.

Square Feet by Proximity ⁽¹⁾⁽²⁾

MEDICAL OFFICE BUILDINGS BY LOCATION						
	2016 ⁽³⁾			2015		
	Q2	Q1		Q4	Q3	Q2
On campus	66%	66%		67%	67%	68%
Adjacent to campus ⁽³⁾	18%	18%		13%	13%	12%
Total on/adjacent	84%	84%		80%	80%	80%
Off campus - anchored by hospital system ⁽⁴⁾	9%	9%		9%	9%	9%
Off campus	7%	7%		11%	11%	11%
	100%	100%		100%	100%	100%

MEDICAL OFFICE BUILDINGS BY DISTANCE TO HOSPITAL CAMPUS						
Greater than	Less than or equal to	Number of Buildings	Square Feet	% of Total	Cumulative %	Campus Proximity
	0.00	107	8,540,996	66%	66%	On campus
0.00	250 yards	19	1,231,736	9%	75%	Adjacent ⁽³⁾
250 yards	0.25 miles	19	1,121,208	9%	84%	
0.25 miles	0.50	3	143,690	1%	85%	Off campus
0.50	1.00	3	336,602	3%	88%	
1.00	2.00	8	608,486	5%	93%	
2.00	5.00	10	476,633	4%	97%	
5.00	10.00	6	332,359	2%	99%	
10.00		4	143,468	1%	100%	
Total		179	12,935,178	100%		

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

(2) Hospitals include acute care hospitals with inpatient beds. The Company does not consider inpatient rehab hospitals (IRFs), skilled nursing facilities (SNFs) or long-term acute care hospitals (LTACHs) to be hospital campuses for distance calculations.

(3) Beginning in Q1 2016, the Company adopted a definition of an adjacent property as being no more than 0.25 miles from a hospital campus.

(4) Includes total square feet of buildings located on-campus, adjacent and off-campus/anchored by healthcare systems.

Lease Maturity, Size and Building Square Feet ⁽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	330	1,019,269	10.1%	1	8,749	0.4%	331	1,028,018	8.3%
2017	373	1,605,165	15.9%	5	334,454	14.6%	378	1,939,619	15.6%
2018	335	1,566,757	15.5%	—	—	—%	335	1,566,757	12.7%
2019	315	1,417,510	14.0%	9	371,805	16.3%	324	1,789,315	14.4%
2020	236	1,226,609	12.1%	1	83,318	3.6%	237	1,309,927	10.6%
2021	146	682,585	6.7%	2	143,868	6.3%	148	826,453	6.7%
2022	93	681,845	6.7%	2	137,016	6.0%	95	818,861	6.6%
2023	101	747,926	7.4%	1	75,000	3.3%	102	822,926	6.6%
2024	57	422,922	4.2%	1	51,903	2.3%	58	474,825	3.8%
2025	37	382,870	3.8%	2	91,561	4.0%	39	474,431	3.8%
Thereafter	37	359,282	3.6%	10	987,073	43.2%	47	1,346,355	10.9%

BY LEASE SIZE

Square Footage	NUMBER OF LEASES	
	Multi-Tenant Properties ⁽²⁾	Single-Tenant Net Lease Properties
0 - 2,500	976	—
2,501 - 5,000	565	—
5,001 - 7,500	187	1
7,501 - 10,000	112	1
10,001 +	220	32
Total Leases	2,060	34

BY BUILDING SQUARE FEET

Size Range by Square Feet	% of Total	Total Square Footage	Average Square Feet	Number of Properties
≥100,000	43.1%	6,235,128	145,003	43
<100,000 and ≥75,000	23.1%	3,341,479	85,679	39
<75,000 and ≥50,000	18.7%	2,704,580	62,897	43
<50,000	15.1%	2,185,649	28,385	77
Total	100.0%	14,466,836	71,618	202

(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 4,909 square feet.

Occupancy Information ⁽¹⁾

(dollars in thousands)

OCCUPANCY							
				2016			2015
	Investment at 6/30/2016	Square Feet at 6/30/2016	Q2	Q1	Q4	Q3	Q2
Multi-Tenant							
Same store properties	\$2,284,072	10,252,590	87.8%	87.9%	87.6%	87.4%	87.4%
Acquisitions	331,992	921,069	95.0%	91.8%	89.7%	89.9%	90.7%
Development completions ⁽²⁾	4,817	12,958	15.2%	N/A	N/A	N/A	N/A
Reposition ⁽³⁾	153,878	995,472	57.0%	56.5%	56.7%	51.4%	50.7%
Total	\$2,774,759	12,182,089	85.7%	85.6%	85.3%	84.2%	84.2%
Single-Tenant Net lease							
Same store properties	\$673,865	2,284,747	100.0%	100.0%	100.0%	100.0%	100.0%
Total	\$673,865	2,284,747	100.0%	100.0%	100.0%	100.0%	100.0%
Total							
Same store properties	\$2,957,937	12,537,337	90.0%	90.0%	89.8%	89.6%	89.5%
Acquisitions	331,992	921,069	95.0%	93.3%	91.4%	91.7%	93.0%
Development completions ⁽²⁾	4,817	12,958	15.2%	N/A	N/A	N/A	N/A
Reposition ⁽³⁾	153,878	995,472	57.0%	56.5%	56.7%	51.4%	50.7%
Total	\$3,448,624	14,466,836	88.0%	87.9%	87.6%	86.8%	86.7%
# of Properties							
Same store properties			169	166	166	160	159
Acquisitions			15	16	16	17	18
Development completions ⁽²⁾			1	N/A	N/A	N/A	N/A
Reposition ⁽³⁾			17	17	16	18	19
Total			202	199	198	195	196

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

(2) Development completions consist of one property that was completed in April 2016 and is currently 100% leased.

(3) Reposition includes properties that are not stabilized based on specific criteria that are further discussed in the Company's Form 10-Q.

Same Store Properties

(dollars in thousands)

QUARTERLY ⁽¹⁾

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Multi-tenant								
Revenues	\$72,982	\$71,943	\$71,764	\$70,490	\$69,652	\$68,981	\$68,389	\$67,861
Expenses	30,620	30,140	32,218	30,778	29,557	29,965	29,658	30,647
NOI	\$42,362	\$41,803	\$39,546	\$39,712	\$40,095	\$39,016	\$38,731	\$37,214
Occupancy	87.8%	87.9%	87.7%	87.3%	87.6%	87.2%	87.3%	87.2%
Number of properties	135	135	135	135	135	135	135	135
Single-tenant net lease								
Revenues	\$16,457	\$16,529	\$16,518	\$16,451	\$16,345	\$16,370	\$16,167	\$15,891
Expenses	389	456	481	419	396	395	434	360
NOI	\$16,068	\$16,073	\$16,037	\$16,032	\$15,949	\$15,975	\$15,733	\$15,531
Occupancy	100.0%	100.0%	100.0%	100.0%	98.4%	98.4%	98.4%	89.7%
Number of properties	34	34	34	34	34	34	34	34
Total								
Revenues	\$89,439	\$88,472	\$88,282	\$86,941	\$85,997	\$85,351	\$84,556	\$83,752
Expenses	31,009	30,596	32,699	31,197	29,953	30,360	30,092	31,007
Same Store NOI	\$58,430	\$57,876	\$55,583	\$55,744	\$56,044	\$54,991	\$54,464	\$52,745
Occupancy	90.0%	90.1%	90.0%	89.6%	89.9%	89.5%	89.3%	89.2%
Number of properties	169	169	169	169	169	169	169	169
% NOI year-over-year growth	4.3%	5.2%	2.1%	5.7%				

TRAILING TWELVE MONTHS ⁽¹⁾

	Twelve Months Ended June 30,		
	2016	2015	% Change
Multi-tenant			
Revenues	\$287,179	\$274,883	4.5%
Expenses	\$123,756	\$119,827	3.3%
NOI	\$163,423	\$155,056	5.4%
Revenue per average occupied square foot	\$31.96	\$30.76	3.9%
Average occupancy	87.6%	87.2%	
Number of properties	135	135	
Single-tenant net lease			
Revenues	\$65,955	\$64,773	1.8%
Expenses	\$1,745	\$1,585	10.1%
NOI	\$64,210	\$63,188	1.6%
Revenue per average occupied square foot	\$28.87	\$28.62	0.9%
Average occupancy	100.0%	99.0%	
Number of properties	34	34	
Total			
Revenues	\$353,134	\$339,656	4.0%
Expenses	\$125,501	\$121,412	3.4%
Same Store NOI	\$227,633	\$218,244	4.3%
Revenue per average occupied square foot	\$31.33	\$30.33	3.3%
Average occupancy	89.9%	89.3%	
Number of Properties	169	169	

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

Reconciliation of NOI

(dollars in thousands)

QUARTERLY

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Rental income ^(a)	\$101,472	\$98,740	\$97,466	\$95,383	\$95,450	\$95,034	\$93,648	\$92,095
Property lease guaranty revenue ^(b)	885	1,002	851	999	937	1,102	1,029	1,100
Exclude straight-line rent revenue	(2,091)	(2,132)	(1,929)	(2,309)	(2,475)	(2,832)	(3,122)	(3,046)
Revenue	100,266	97,610	96,388	94,073	93,912	93,304	91,555	90,149
Property operating expense	(36,263)	(35,406)	(36,758)	(35,247)	(33,927)	(34,263)	(33,386)	(34,204)
NOI	\$64,003	\$62,204	\$59,630	\$58,826	\$59,985	\$59,041	\$58,169	\$55,945
Less:								
Acquisitions / Development completions	(4,696)	(3,545)	(3,132)	(2,088)	(1,617)	(1,630)	(791)	(258)
Reposition	(957)	(881)	(1,006)	(885)	(820)	(863)	(1,332)	(1,194)
Dispositions / other	80	98	91	(109)	(1,504)	(1,557)	(1,582)	(1,748)
Same store NOI	\$58,430	\$57,876	\$55,583	\$55,744	\$56,044	\$54,991	\$54,464	\$52,745
(a) Rental income reconciliation:								
Property operating	\$83,283	\$80,501	\$79,466	\$76,960	\$75,470	\$74,654	\$73,153	\$71,847
Single-tenant net lease	16,098	16,107	16,071	16,114	17,505	17,548	17,373	17,202
Straight-line rent	2,091	2,132	1,929	2,309	2,475	2,832	3,122	3,046
Total consolidated rental income	\$101,472	\$98,740	\$97,466	\$95,383	\$95,450	\$95,034	\$93,648	\$92,095
(b) Other operating income reconciliation:								
Property lease guaranty revenue	\$885	\$1,002	\$851	\$999	\$937	\$1,102	\$1,029	\$1,100
Interest income	115	123	123	144	156	157	163	246
Other	170	156	142	170	134	132	128	128
Total consolidated other operating income	\$1,170	\$1,281	\$1,116	\$1,313	\$1,227	\$1,391	\$1,320	\$1,474

TRAILING TWELVE MONTHS

	Twelve Months Ended June 30,		
	2016	2015	% Change
Same store NOI	\$227,633	\$218,244	4.3 %
Reposition	3,729	4,209	(11.4)%
Subtotal	\$231,362	\$222,453	4.0 %
Acquisitions / Development completions	13,461	4,296	213.3 %
Dispositions / other	(160)	6,391	(102.5)%
NOI	\$244,663	\$233,140	4.9 %

Same Store Leasing Statistics ⁽¹⁾

	2016		2015				2014	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Contractual rent increases occurring in the quarter								
Multi-tenant properties	2.9%	2.9%	3.0%	2.9%	3.1%	3.0%	2.9%	3.0%
Single-tenant net lease properties	2.2%	1.0%	1.6%	2.6%	2.2%	0.7%	6.9%	3.5%
Total	2.7%	2.5%	2.8%	2.8%	2.9%	2.6%	4.0%	3.1%
Multi-tenant renewals								
Cash leasing spreads	6.3%	7.2%	3.7%	2.1%	5.0%	3.6%	4.0%	1.4%
Tenant retention rate	81.2%	87.2%	91.2%	82.4%	87.3%	83.1%	88.6%	85.9%

As of 6/30/2016		
	Multi-tenant	Single-tenant Net Lease
Contractual Rental Rate Increases by Type		
Annual increase		
CPI	2.1%	57.6%
Fixed	83.5%	26.6%
Non-annual increase		
CPI	2.2%	5.3%
Fixed	4.1%	10.5%
No increase		
Term ≤ 1 year	4.5%	—%
Term > 1 year	3.6%	—%
Tenant Type		
Hospital	45.2%	82.6%
Physician and other	54.8%	17.4%
Lease Structure		
Gross	16.7%	—%
Modified gross	29.5%	—%
Net	53.8%	100.0%
Ownership Type		
Ground lease	64.3%	11.5%
Fee simple	35.7%	88.5%

(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.

Components of Net Asset Value

(dollars in thousands)

Asset Type	Q2 2016 Same Store NOI ⁽¹⁾	Q2 2016 Acquisitions/ Development Completions NOI ⁽²⁾	Q2 2016 Reposition NOI ⁽³⁾	Timing Adjustments ⁽⁴⁾	Q2 2016 Adjusted NOI	Annualized Adjusted NOI	% of Adjusted NOI
MOB / Outpatient	\$47,395	\$4,696	\$1,048	\$822	\$53,961	\$215,844	82.9%
Inpatient rehab	4,774	—	—	—	4,774	19,096	7.3%
Inpatient surgical	4,435	—	—	—	4,435	17,740	6.8%
Other	1,826	—	96	—	1,922	7,688	3.0%
Total NOI	\$58,430	\$4,696	\$1,144	\$822	\$65,092	\$260,368	100.0%

TOTAL SHARES OUTSTANDING (AS OF JUNE 30, 2016) 106,662,262

TOTAL SHARES OUTSTANDING (AS OF JULY 29, 2016) 115,862,407

DEVELOPMENT PROPERTIES

Land held for development	\$17,438
Construction in progress	35,174
Subtotal	\$52,612

OTHER ASSETS

Assets held for sale ⁽⁵⁾	\$702
Reposition properties (net book value) ⁽³⁾	8,595
Cash and other assets ⁽⁶⁾	88,985
Subtotal	\$98,282

DEBT

Unsecured credit facility	\$190,000
Unsecured term loan	200,000
Senior notes	900,000
Mortgage notes payable	132,881
Other liabilities ⁽⁷⁾	81,233
Subtotal	\$1,504,114

- (1) See Same Store Properties schedule on page 14 for details on same store NOI.
- (2) Adjusted to reflect quarterly NOI from properties acquired or developments completed during the full eight quarter period that are not included in same store NOI.
- (3) Reposition properties includes 17 properties which comprise 995,472 square feet. The NOI table above includes 11 of these properties comprising 810,492 square feet that have generated positive NOI totaling approximately \$1.1 million. The remaining 6 properties, comprising 184,980 square feet, have generated negative NOI of approximately \$0.2 million and are reflected at a net book value of \$8.6 million in the table above.
- (4) Timing adjustments related to current quarter acquisitions and the difference between leased and occupied square feet on previous developments.
- (5) Assets held for sale includes one real estate property that is excluded from same store NOI and reflects net book value.
- (6) Includes cash of \$9.0 million and other assets of \$80.0 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 \$63.1 million and above-market intangible assets (net) of \$16.9 million.
- (7) 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 \$70.4 million, security deposits of \$6.7 million, market-rate lease intangibles of \$3.5 million, and deferred operating expense reimbursements of \$0.6 million. Also, excludes deferred revenue of \$35.6 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%	89.0%
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	6.0%	8.0%
No Increase (term < 1 year)	4.0%	6.0%
No Increase (term > 1 year)	3.0%	5.0%
Contractual Increases Occurring in the Quarter		
Multi-Tenant	2.8%	3.0%
Single-Tenant Net Lease	1.0%	3.0%
Multi-Tenant Cash Leasing Spreads	3.0%	6.5%
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⁾	\$30,500	\$32,500
Funding Activity		
Acquisitions	\$200,000	\$250,000
Dispositions	(50,000)	(75,000)
Development	15,000	25,000
Redevelopment	28,000	33,000
1st Generation Tenant Improvements	10,000	15,000
2nd Generation Tenant Improvements	12,000	18,000
Leasing Commissions	4,000	8,000
Capital Additions		
Revenue enhancing	6,000	10,000
Routine and non-revenue enhancing	8,000	12,000
Cash Yield		
Acquisitions	5.50%	6.00%
Dispositions	7.50%	8.50%
Development (stabilized)	6.75%	8.00%
Redevelopment (stabilized)	7.50%	8.50%
Leverage (Debt/Cap)	32.0%	36.0%

(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.