

# Healthcare Trust of America, Inc.

*Largest Dedicated Owner of Medical Office Properties*

## Investor Presentation – February 2018



# FORWARD LOOKING STATEMENTS

This document contains both historical and forward-looking statements. Forward-looking statements are based on current expectations, plans, estimates, assumptions and beliefs, including expectations, plans, estimates, assumptions and beliefs about our company, the real estate industry, pending acquisitions, future medical office building performance and the debt and equity capital markets. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of 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 information concerning possible or assumed future results of operations of our Company. The forward-looking statements included in this document are subject to numerous risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. Factors which could have a material adverse effect on our operations and future prospects include, but are not limited to: changes in economic conditions affecting the healthcare property sector, the commercial real estate market and the credit market; our ability to complete our pending acquisitions; competition for acquisition of medical office buildings and other facilities that serve the healthcare industry; economic fluctuations in certain states in which our property investments are geographically concentrated; retention of our senior management team; financial stability and solvency of our tenants; supply and demand for operating properties in the market areas in which we operate; our ability to acquire properties, and to successfully operate those properties once acquired; changes in property taxes; legislative and regulatory changes, including changes to laws governing the taxation of REITs and changes to laws governing the healthcare industry; fluctuations in reimbursements from third party payors such as Medicare and Medicaid; changes in interest rates; the availability of capital and financing; restrictive covenants in our credit facilities; changes in our credit ratings; our ability to remain qualified as a REIT; and the risk factors set forth in our 2016 Annual Report on Form 10-K filed on February 21, 2017.

Forward-looking statements speak only as of the date made. Except as otherwise required by the federal securities laws, we undertake no obligation to update any forward-looking statements to reflect the events or circumstances arising after the date as of which they are made. As a result of these risks and uncertainties, readers are cautioned not to place undue reliance on the forward looking statements included in this document or that may be made elsewhere from time to time by, or on behalf of, us.

For definitions of terms and reconciliations for certain financial measures disclosed herein, including, but not limited to, funds from operations (FFO), normalized funds from operations (Normalized FFO), annualized base rents (ABR), net operating income (NOI), and on-campus/aligned, please see our Company's earnings press release issued on February 15, 2018 and our Company's Supplemental Financial Package for the quarter ended December 31, 2017, each of which is available in the investor relations section of our Company's website located at [www.htareit.com](http://www.htareit.com).



# HTA: LARGEST DEDICATED OWNER OF MEDICAL OFFICE



**24+**

MILLION SQUARE FEET

**OUTPATIENT  
MEDICAL IS  
GROWING**

Healthcare is growing and moving outpatient  
Fragmented MOB sector provides opportunity for industry leadership

**OPERATING  
PLATFORM WITH  
SCALE**

Property Management,  
Engineering, Leasing &  
Development Drives Efficiencies  
& Consistent Growth



**20+**

KEY MARKETS  
NATIONWIDE

**STEADY FINANCIAL  
PERFORMANCE**



**3.1%**

AVERAGE  
SAME STORE  
NOI GROWTH

High tenant retention  
Consistent same store growth  
Limited capital requirement

**INVESTMENT  
GRADE BALANCE  
SHEET**

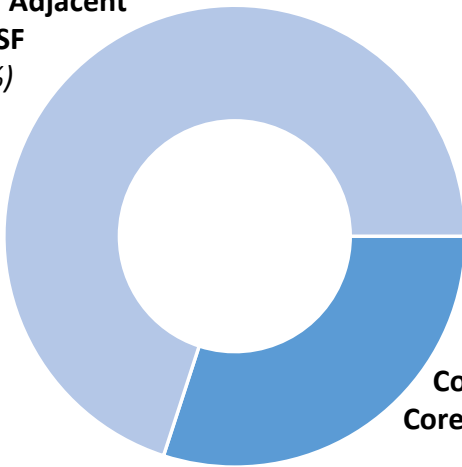
Strong Balance Sheet with  
Financial Flexibility



# HIGH QUALITY PORTFOLIO IN KEY MARKETS

## CORE REAL ESTATE PORTFOLIO

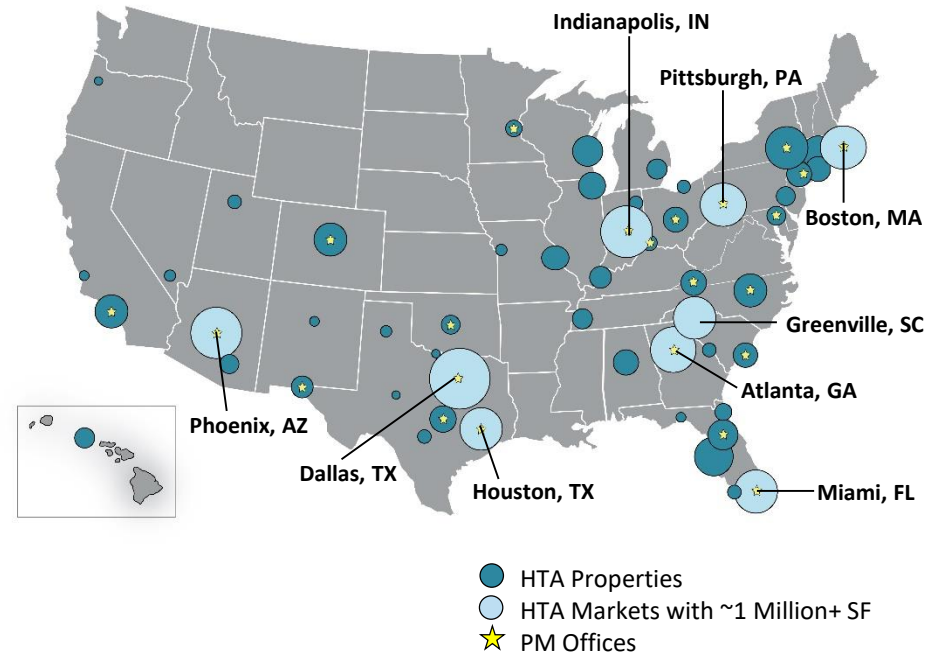
**On-Campus / Adjacent**  
**17M SF**  
**(70%)**



**Community  
Core Outpatient**  
**7M SF**  
**(30%)**

HTA targets core, critical assets where healthcare is delivered on-campus and increasingly off-campus in community core and academic centered outpatient locations

## CRITICAL MASS IN KEY GATEWAY MARKETS



Our focus is in 20-25 gateway markets with superior macroeconomic trends that creates scale for efficient, profitable operations



# EXPERIENCED MANAGEMENT TEAM

## HTA's Executive Leadership Team Has Decades of Experience



**Scott D. Peters**  
Founder, Chairman, and CEO  
*HTA in 2006*

- ▶ CEO of Grubb & Ellis (NYSE), '07-'08
- ▶ CEO of NNN Realty Advisors, '06-'08
- ▶ EVP, CFO, Triple Net Properties, Inc., '04-'06
- ▶ Co-Founder, CFO of Golf Trust of America, Inc. (AMEX), '97-'07
- ▶ EVP, Pacific Holding Company/LSR, '92-'96
- ▶ EVP, CFO, Castle & Cooke Properties, Inc. (Dole Food Co.), '88-'92



### **Robert Milligan, Chief Financial Officer**

*(With HTA Since 2011)*

- ▶ EVP Capital Markets, HTA, '11 – '14
- ▶ Vice President, Bank of America Merrill Lynch, '07-'11
- ▶ Senior Analyst / Financial Management Program, General Electric, '03 –'07



### **Amanda Houghton, EVP – Asset Management**

*(With HTA Since 2009)*

- ▶ Manager of Joint Ventures, Glenborough LLC, '06-'09
- ▶ Senior Analyst, ING Clarion, '05 –'06
- ▶ Senior Analyst, Weyerhaeuser Realty Investors, '04-'05
- ▶ RSM EquiCo and Bernstein, Conklin, & Balcombe, '01-'03



### **Ann Atkinson, SVP – Acquisitions**

*(With HTA Since 2012)*

- ▶ Director of Acquisitions, HTA, '12 – '16
- ▶ Real Estate Investment Specialist, JDM Partners, LLC, '10-'12
- ▶ Medical Office Investment Broker, Cassidy Turley (f/k/a Grubb & Ellis), '04 –'10



### **David Gershenson, Chief Accounting Officer**

*(With HTA Since 2012)*

- ▶ SVP Finance / Director of FP&A, HTA, '14 – '17
- ▶ Assistant Controller, HTA '12 – '14
- ▶ Senior Manager, BDO USA LLP, '03 – '12
- ▶ Certified Public Accountant – California



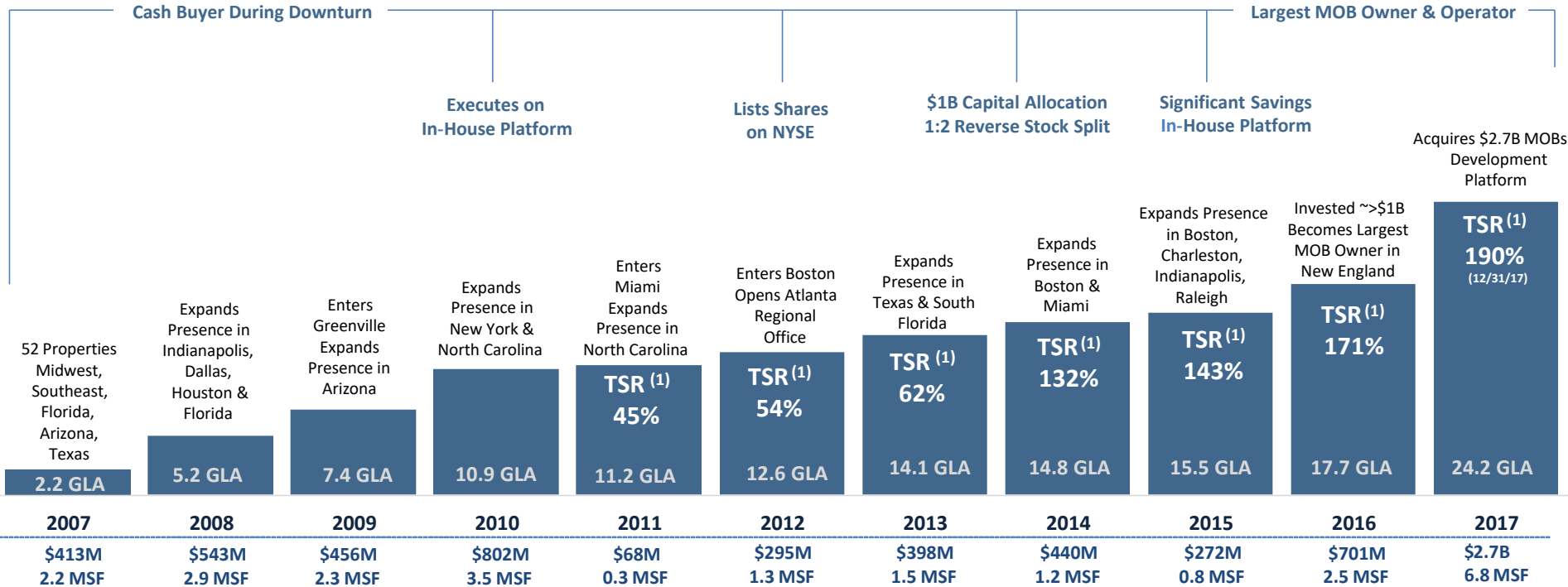
### **Caroline Chiodo, SVP- Finance**

*(With HTA Since 2018)*

- ▶ SVP Finance, HTA, 2018
- ▶ Global Research Analyst, Duff&Phelps Investment Management Co. '15 – '17
- ▶ Vice President, Sandler Capital Management, '11 – '14
- ▶ Research Analyst, Wells Capital Management, '04 – '11



# A DECADE OF VALUE CREATION



## Identified and Established Pure Play MOB Strategy 2006–2011: Invested \$2.3B, 11.2 MSF

- Cash Buyer During Great Recession
- Grew Portfolio with Limited Competition
- Attractive Cap Rates lead to Accretive Deals
- Strong Balance Sheet with Low Leverage
- Investment Grade Ratings from S&P/Moody's

## Achieving Critical Mass in Key Cities Building Operating Platform 2012–2016: Invested \$2.1B, 7.2 MSF

- Shares Listed on NYSE – No Dilutive Equity
- In-House Asset Mgmt & Leasing Platform
- ~\$1B Raised via Equity & Bond Offerings
- 1:2 Reverse Stock Split
- ~3% Same-Store Growth

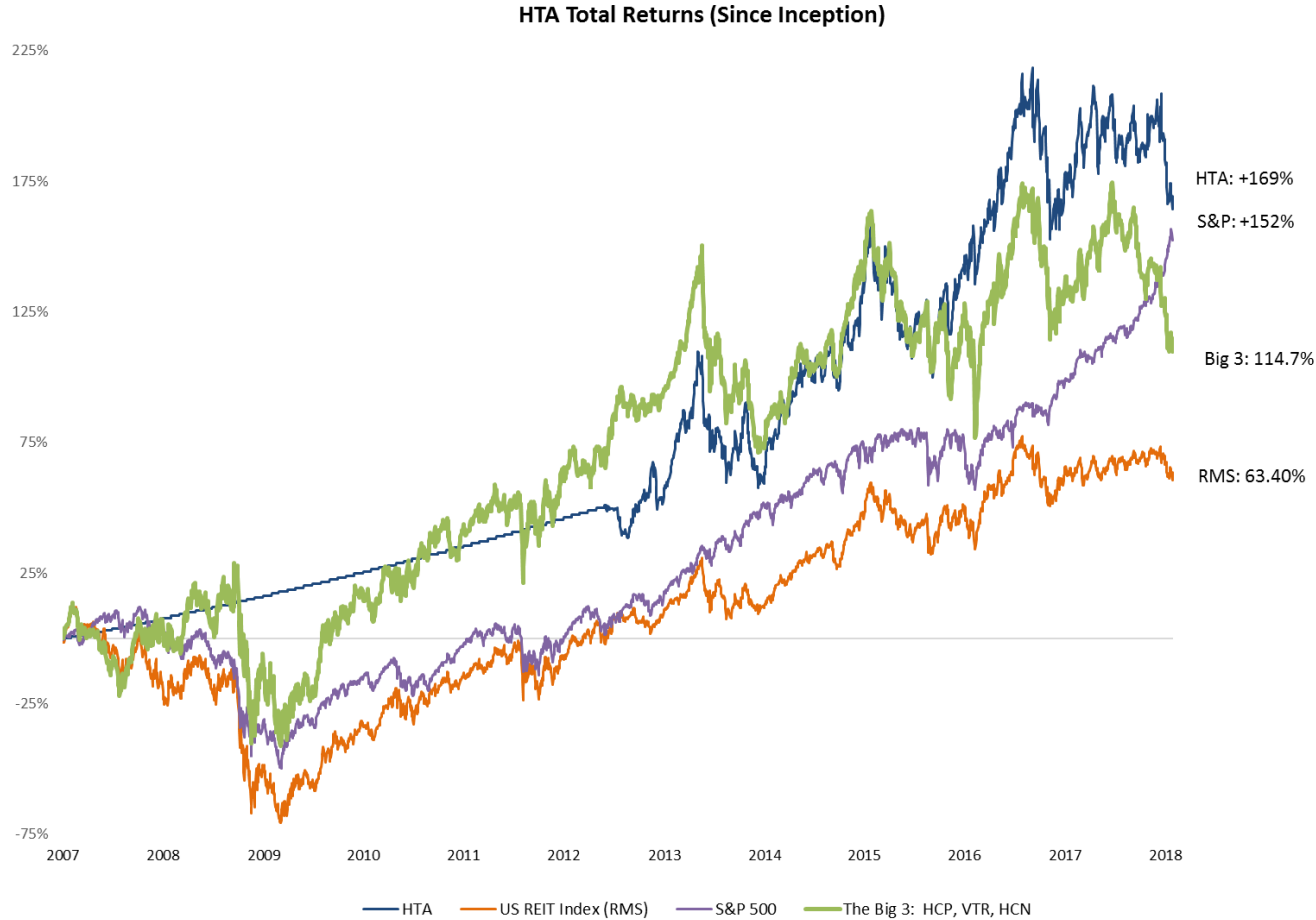
## Industry Leader Positioned For Growth 2017 : Invested \$2.7B, 6.8 MSF

- Full Service Platform with Significant Relationships
- Significant Operating Capabilities for Continued Growth
- Significant Same Store Growth Potential
- Strong, Conservative Balance Sheet

(1) TSR (total shareholder returns) represents stock appreciation plus the reinvestment of dividends.



# TRACK RECORD DELIVERING SHAREHOLDER VALUE



- ▶ 9.0% Annualized Average Total Returns Since First Distribution
- ▶ Individuals who invested \$1,000 with HTA at inception have an investment worth over \$2,696 with reinvested dividends at 1/31/18





## MEDICAL OFFICE SECTOR





# MEDICAL OFFICE PROVIDES ATTRACTIVE RISK AND RETURNS



	MOB	Skilled Nursing	Senior Housing	Traditional Office
Aging Demographics	✓	✓	✓	✗
Outpatient Trends	✓	✓	✗	✗
Limited Reliance on Gov't Reimbursements	✓	✗	✓	✓
Limited New Supply	✓	✓	✗	✗
Not Operator Dependent	✓	✗	✗	✓
Critical Locations	✓	✗	✗	✓
Multi-Tenant Properties	✓	✗	✗	✓
Strong Rent Coverage	8-9X	1.5X	1.2X	✓
High Retention / Low Re-Tenancing Costs	✓	✗	✗	✗
Yields	Moderate Steady Growth	Highest Most Risk	Moderate	Lowest Yields



# MEDICAL OFFICE: HEALTHCARE TAILWINDS

## Demographics Drive Increased Healthcare Utilization

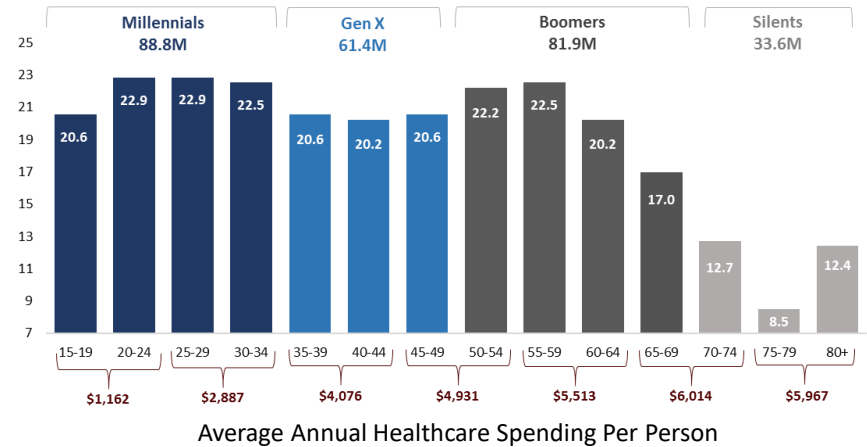
- ▶ Aging demographics boost healthcare spending
- ▶ 10,000 people turning 65 every day (4x as many physician visits as younger population)
- ▶ Millennials are forming families, a key inflection point for healthcare volumes
- ▶ Average lifespan will surpass 80 by 2020

## Healthcare is Moving Outpatient

- ▶ Focus on Cost-Effective Care – Private Insurers & Government Providers
- ▶ Outpatient Procedures are Cost Effective - Visits are Increasing
- ▶ Health Systems & Providers Focused on Convenience – Serving Patients Where They Are
- ▶ Medical Office is Primary Beneficiary of this trend

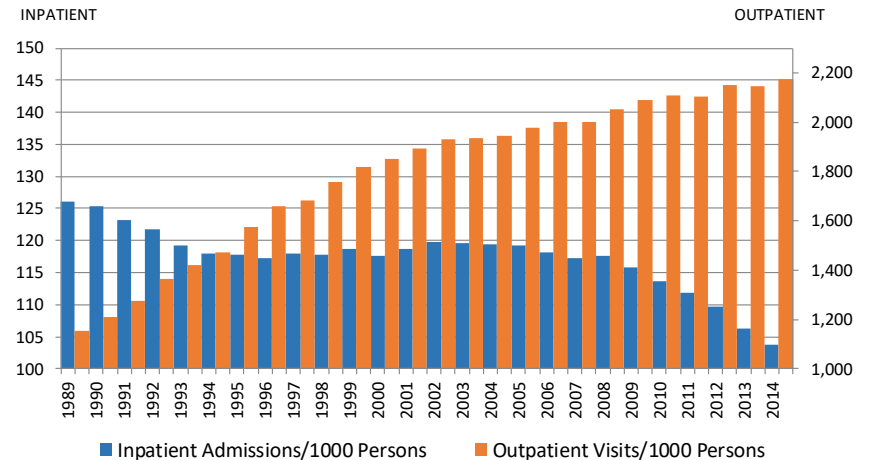
## DEMOGRAPHICS SUPPORT INCREASED HEALTHCARE SPENDING

(MILLENNIAL AND BOOMER LIFE MILESTONES WILL POSITIVELY IMPACT HEALTHCARE DEMAND)



Source: U.S. Bureau of Labor Statistics

## OUTPATIENT VISITS ARE INCREASING OVERTIME



Source: American Hospital Association



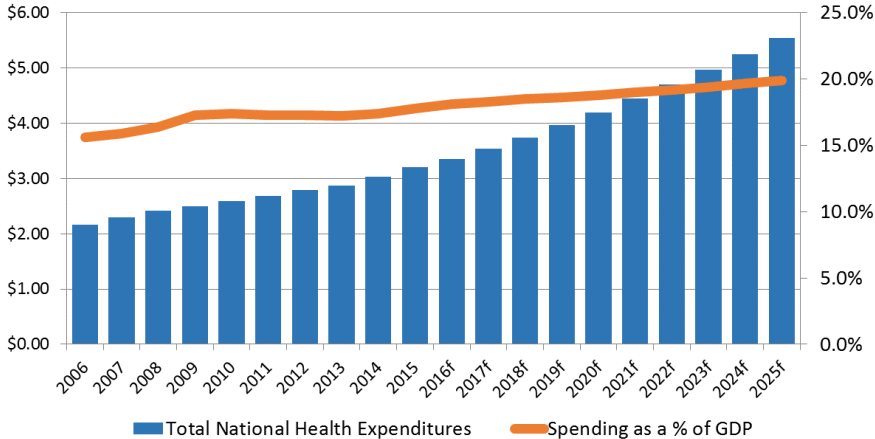
# MEDICAL OFFICE: HEALTHCARE TAILWINDS

## Healthcare Spending Expected to Grow

- ▶ US healthcare spending grew 4.3% in 2016; as a share of the nation's GDP health spending accounted for 17.9%
- ▶ Healthcare Expenditures Increasing to 20% of U.S. GDP

## HEALTHCARE SPENDING CONTINUES TO INCREASE

(National Healthcare Expenditures 2006 – 2025f)



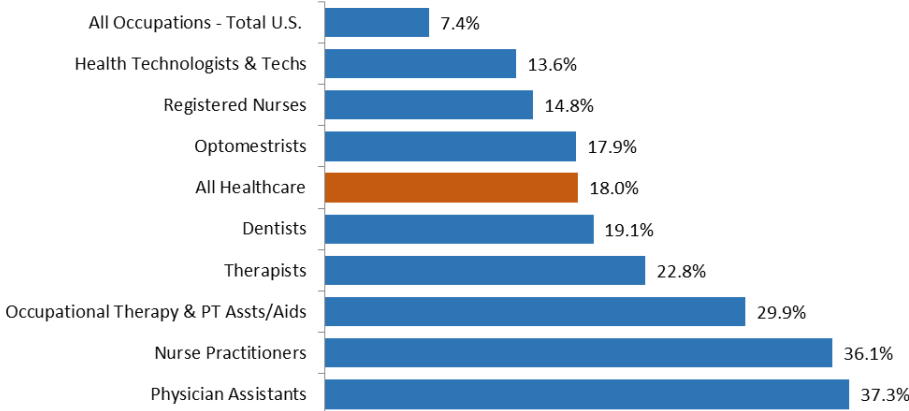
Source: U.S. Centers for Medicare & Medicaid Services

## Healthcare is Fastest Growing Occupation of U.S. Economy

- ▶ Healthcare employment is growing 2x faster than any other sector
- ▶ Healthcare support occupations and practitioners are projected to be the two fastest growing occupational groups during the 2016-2026 decade
- ▶ The groups are projected to contribute the most new jobs with a combined increase of 2.3 million new jobs

## 1 IN 4 NEW JOBS CREATED ARE IN HEALTHCARE

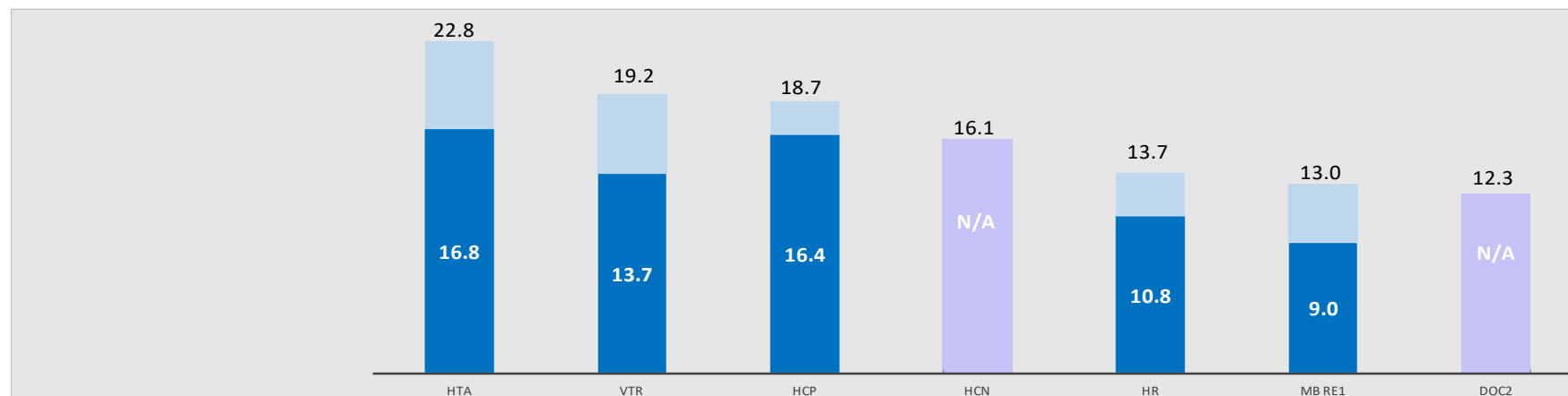
(Projected U.S. Employment Growth 2016- 2026f)



Source: U.S. Bureau of Labor Statistics



## MOB Comparison- Listed by Size of GLA



	HTA	VTR	HCP	HCN	HR	MB RE <sup>1</sup>	DOC <sup>2</sup>
<b>MOB GLA (MM SF)</b>	22.8	19.2	18.7	16.1	13.7	13.0	12.3
<b>MOB On-Campus GLA (MM SF)</b>	16.8	13.7	16.4	N/A	10.8	9.0	N/A
<b>Top - 75 MSA's (% of GLA)</b>	94%	73%	89%	86%	89%	75%	65%
<b>Avg SS Growth (since 2012)</b>	3.1%	1.9%	2.2%	2.3%	3.3%	N/A	2.3%
<b>Annualized FFO Growth (since 2012)</b>	4.9%	1.5%	-5.7%	3.0%	2.7%	N/A	11.2% <sup>3</sup>
<b>Recurring Capex as % of NOI 2017</b>	10.8%	15.5%	19.1%	6.8%	17.6%	N/A	4.6%
<b>Moody's / S&amp;P Ratings</b>	Baa2 / BBB	Baa1 / BBB+	Baa2 / BBB	Baa1 / BBB+	Baa2 / BBB	N/A	Baa3 / BBB-

1. MB Real Estate- a private real estate firm. 2. As of 9/30/2017 3. Since 2014

Note: Competitor Data from Company Filings and HTA's property level analysis



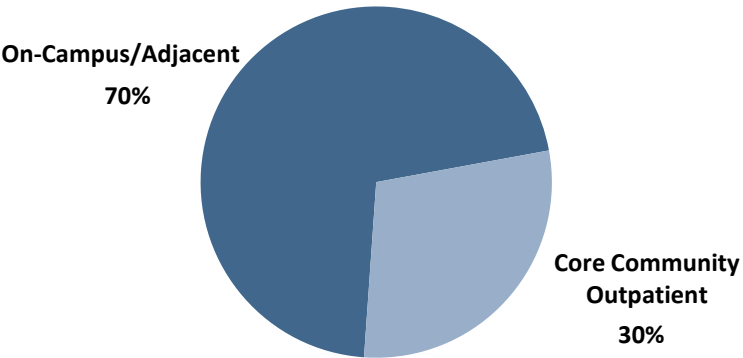


## HTA PORTFOLIO



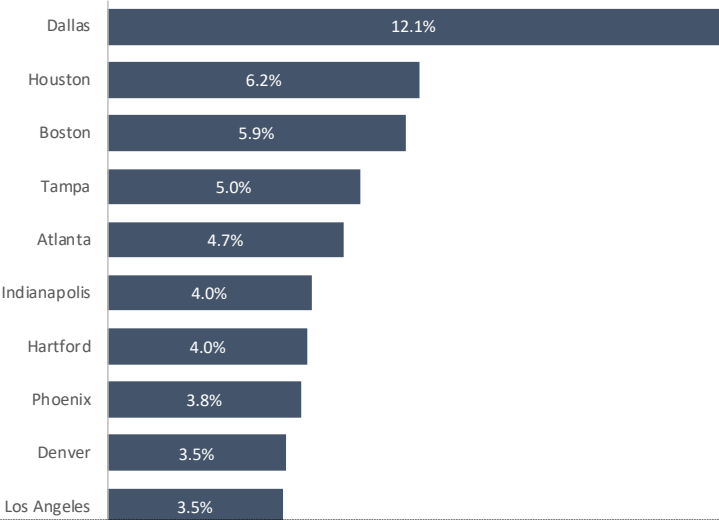
## Core-Critical Real Estate Portfolio

(% of GLA)



## Premiere Gateway Cities – Top 10

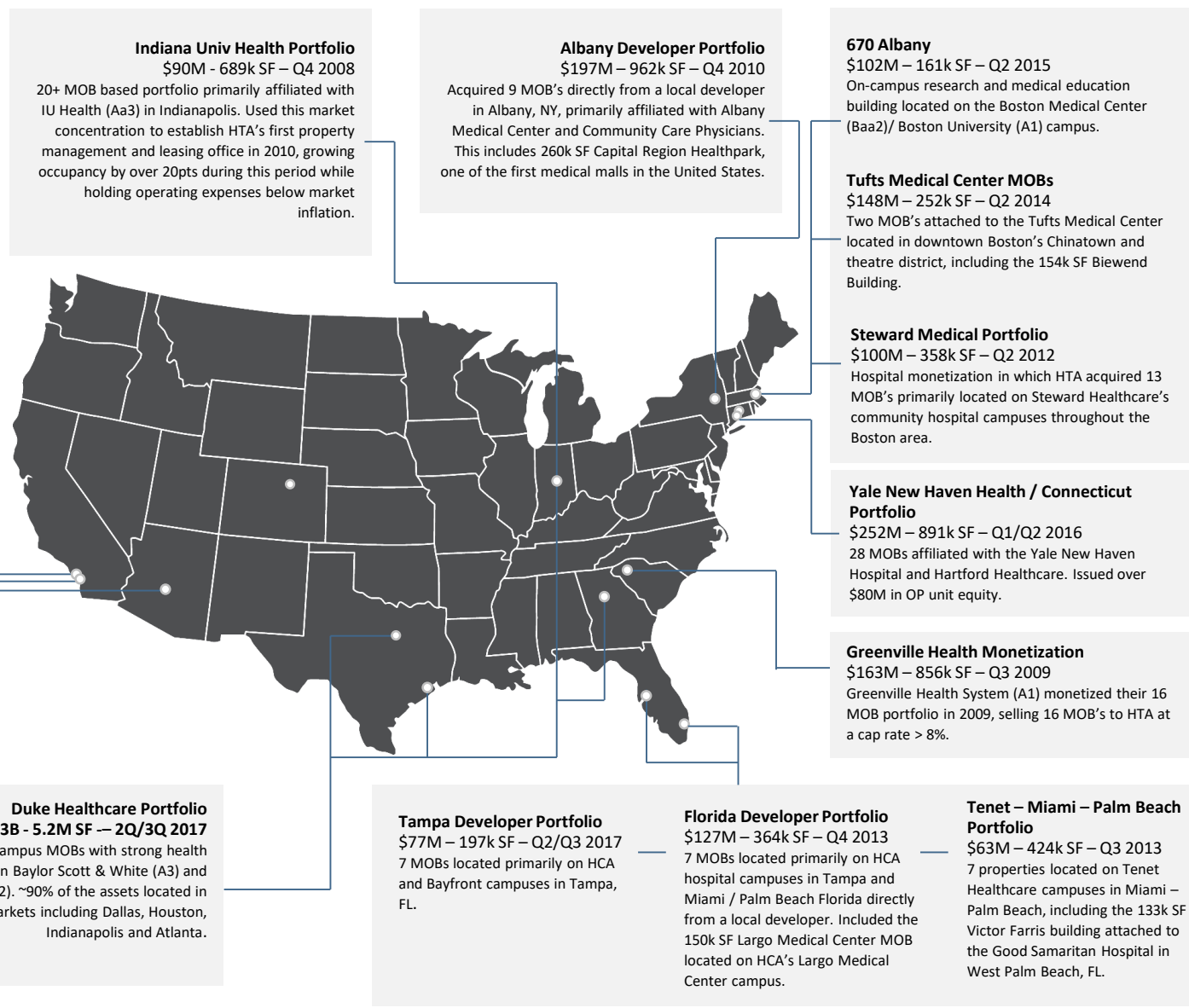
(% of Invested \$)



	Gross real estate investments (\$ billions)	\$7.0
<b>HIGH QUALITY REAL ESTATE PORTFOLIO</b>	Total portfolio gross leasable area (GLA, millions)	24.1
	Key Market and Top 75 MSA exposure (invested \$)	94%
	Leased rate (%)	92%
	Properties managed by HTA's in-house asset management	93%
<b>ASSET MGMT DRIVES PERFORMANCE</b>	Same-property tenant retention since listing (2012)	78%
	Average same-store cash NOI growth since listing (2012)	3.1%
	Average remaining lease term for all buildings (years)	5.4
	Annualized NFFO/share growth since 2012 (CAGR)	4.9%
<b>STRONG PERFORMANCE</b>	Total Annual Shareholder Returns Since Inception	169%
	Credit ratings by Moody's and Standard & Poor's	Baa2 / BBB
<b>INVESTMENT GRADE BALANCE SHEET</b>	Total Liquidity (\$billions)	\$1.2
	Total Net Debt / Total Market Capitalization	29.9%
	Total Net Debt / Adjusted EBITDAre	5.9X



# KEY INVESTMENTS



**Mission Healthcare Portfolio**  
 \$150M - 262k SF - 3Q 2016  
 4 fee-simple MOB's located on the campus of Mission Hospital in Orange County, CA, part of Providence St. Joseph Health (A1)

**Indiana Univ Health Portfolio**  
 \$90M - 689k SF - Q4 2008  
 20+ MOB based portfolio primarily affiliated with IU Health (Aa3) in Indianapolis. Used this market concentration to establish HTA's first property management and leasing office in 2010, growing occupancy by over 20pts during this period while holding operating expenses below market inflation.

**Albany Developer Portfolio**  
 \$197M - 962k SF - Q4 2010  
 Acquired 9 MOB's directly from a local developer in Albany, NY, primarily affiliated with Albany Medical Center and Community Care Physicians. This includes 260k SF Capital Region Healthpark, one of the first medical malls in the United States.

**670 Albany**  
 \$102M - 161k SF - Q2 2015  
 On-campus research and medical education building located on the Boston Medical Center (Baa2)/ Boston University (A1) campus.

**Tufts Medical Center MOB's**  
 \$148M - 252k SF - Q2 2014  
 Two MOB's attached to the Tufts Medical Center located in downtown Boston's Chinatown and theatre district, including the 154k SF Biewend Building.

**Dignity Health Portfolio**  
 \$150M - 591k SF - April 2017  
 11 MOB's located primarily on Dignity Health (A3) hospital campuses in Phoenix and Southern California. Includes the 168k SF McAuley MOB located on St. Joseph's Phoenix campus, home to the Barrow's Neurological Institute.

**Steward Medical Portfolio**  
 \$100M - 358k SF - Q2 2012  
 Hospital monetization in which HTA acquired 13 MOB's primarily located on Steward Healthcare's community hospital campuses throughout the Boston area.

**Banner Healthcare Portfolio**  
 \$107M - 606k SF - Q4 2009  
 20 MOB's located on Banner Health (A2) campuses in Phoenix, AZ. Have since sold 3 single tenant MOB's generating gains of over \$40MM.

**Yale New Haven Health / Connecticut Portfolio**  
 \$252M - 891k SF - Q1/Q2 2016  
 28 MOB's affiliated with the Yale New Haven Hospital and Hartford Healthcare. Issued over \$80M in OP unit equity.

**Duke Healthcare Portfolio**  
 \$2.3B - 5.2M SF - 2Q/3Q 2017  
 71 primarily on-campus MOB's with strong health system affiliation Baylor Scott & White (A3) and Ascension (Aa2). ~90% of the assets located in HTA's key markets including Dallas, Houston, Indianapolis and Atlanta.

**Greenville Health Monetization**  
 \$163M - 856k SF - Q3 2009  
 Greenville Health System (A1) monetized their 16 MOB portfolio in 2009, selling 16 MOB's to HTA at a cap rate > 8%.

**Tampa Developer Portfolio**  
 \$77M - 197k SF - Q2/Q3 2017  
 7 MOB's located primarily on HCA and Bayfront campuses in Tampa, FL.

**Florida Developer Portfolio**  
 \$127M - 364k SF - Q4 2013  
 7 MOB's located primarily on HCA hospital campuses in Tampa and Miami / Palm Beach Florida directly from a local developer. Included the 150k SF Largo Medical Center MOB located on HCA's Largo Medical Center campus.

**Tenet - Miami - Palm Beach Portfolio**  
 \$63M - 424k SF - Q3 2013  
 7 properties located on Tenet Healthcare campuses in Miami - Palm Beach, including the 133k SF Victor Farris building attached to the Good Samaritan Hospital in West Palm Beach, FL.



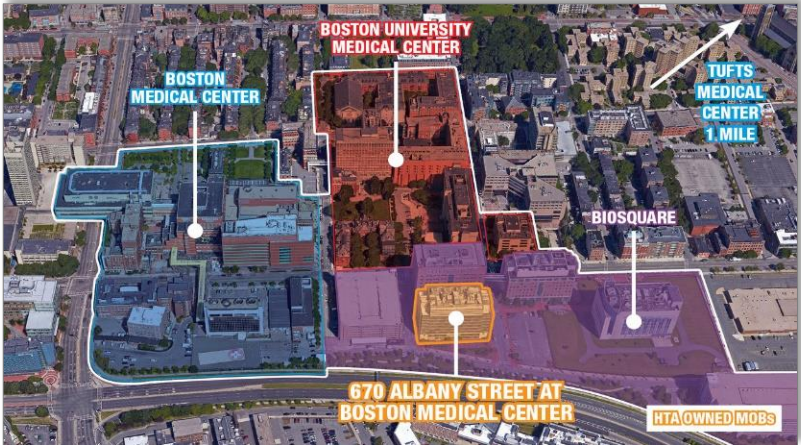
# ON-CAMPUS/ ADJACENT (70%)

## Hospital Campus



GREENVILLE, SC – \$179M, ACQUIRED 2009

## Academic Medical Center



TUFTS & BOSTON UNIVERSITY, BOSTON, MA – \$250M, ACQUIRED 2014-2015

### Benefits:

- ▶ Health system and academic campuses have significant investments in healthcare infrastructure that is difficult to relocate – long-term, steady demand
- ▶ Aligned or located on campuses of nationally and regionally recognized healthcare systems
- ▶ High energy campuses where hospitals/universities are expanding and recruiting physicians
- ▶ Physician convenience - hospital utilization or teach/research at medical schools

### Considerations:

- ▶ Ground leases imposed by health systems can often restrict tenants in on-campus MOB's; hospital campuses not always convenient for patients
- ▶ More hospitals consolidating as more procedures move to outpatient settings





# COMMUNITY CORE – OUTPATIENT (30%)

- ▶ More than 2/3 of all physicians practice “off-campus” (source: Revista)
- ▶ Off-Campus is the lowest cost location for healthcare
- ▶ Physician synergies and referral patterns provide stable leasing environment

## Growth Drivers for Off-Campus

- ▶ Medical technology advances allows for more care to be done off-campus. (i.e. full hip replacements)
- ▶ Providers focused on capturing patients – Accountable Care Organizations, Population Health Management
- ▶ Health Insurers focusing off-campus to lower cost; United Healthcare is the largest employer of physicians (17k+) and positions them off-campus

## Core Off-Campus Performance Is Strong

- ▶ Traditional Real Estate – Well positioned off-campus MOB's performs as well as good, on-campus MOBs: High Retention and Rent Spreads
- ▶ Community Core = (i) Medical Hubs Off-Campus, (ii) Affluent Submarket, (iii) Highly Visible Locations, and (iv) Multi-Tenanted

## HTA's Community Core Portfolio



(% of HTA's Off-Campus Portfolio)

- 76% in Medical Hubs, cluster of medical buildings away from campus
- 65% Multi-Tenanted Buildings
- 86% in High Visibility Locations, located adjacent to a freeway or major arterial roads
- 75% in Affluent Submarkets or Commercial District locations



# KEY MARKETS – STRONG MACRO ECONOMIC TRENDS

Key Market	MSA Rank	GLA (In Thousands)	Invested (\$MM)	% of Invested \$
Dallas   Ft. Worth	4	2,053	\$843	12.1%
Houston	5	1,484	\$431	6.2%
Boston	10	1,037	\$411	5.9%
Tampa	18	943	\$348	5.0%
Atlanta	9	1,088	\$325	4.7%
Indianapolis	33	1,396	\$282	4.0%
Hartford   New Haven	47 / 64	969	\$278	4.0%
Phoenix	12	1,315	\$268	3.8%
Denver	21	538	\$247	3.5%
Orange County   L.A.	2	513	\$241	3.5%
Miami	8	996	\$229	3.3%
Chicago	20	382	\$191	2.7%
Raleigh, NC	46	608	\$186	2.7%
Albany	61	881	\$179	2.6%
Greenville	64	965	\$179	2.6%
Austin	35	408	\$164	2.4%
Orlando	14	511	\$156	2.2%
Pittsburgh	22	1,094	\$149	2.1%
New York MSA	1	333	\$126	1.8%
Milwaukee	54	368	\$116	1.7%
<b>Top 20 MSA's</b>		<b>17,882</b>	<b>\$5,348</b>	<b>76.7%</b>
<b>Other Top 75 MSA's</b>		<b>4,527</b>	<b>\$1,199</b>	<b>17.2%</b>
<b>Top 75 MSA's</b>		<b>22,409</b>	<b>\$6,547</b>	<b>93.9%</b>

	 HTA MARKETS	 U.S. AVG	
Baby Boomer Population Growth	4.0% ✓	3.4%	60bps Higher Growth
Median HHI Growth	3.6% ✓	3.4%	20bps Higher Growth
Unemployment	4.3% ✓	4.5%	20bps Lower Unemployment
Bachelor's Degree	19.4% ✓	18.4%	100bps More per Capita
Master's Degree	8.2% ✓	7.9%	30bps More per Capita
Real GDP Growth	17.2% ✓	16.4%	80bps Higher Growth

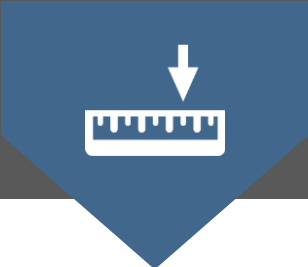




## OPERATING PLATFORM



# IN-HOUSE PROPERTY MANAGEMENT, BUILDING SERVICE AND LEASING



**22M+**

SF UNDER  
MANAGEMENT



**200+**

IN-HOUSE  
PROFESSIONALS  
DEDICATED TO ASSET  
MGMT AND LEASING



HIGH LEVELS OF  
SERVICE AND  
ATTENTION  
TO DETAIL



REGIONAL/LOCAL  
DEDICATION AND  
KNOWLEDGE



# IN-HOUSE PLATFORM DRIVES CONSISTENT GROWTH

## ASSET MANAGEMENT

45+ PROPERTY MANAGERS  
25+ ACCOUNTING PROFESSIONALS

- Vendor management and contract negotiation focused on operating expense reduction
- Operating expense benchmarking against HTA's national portfolio
- Lease abstracting, receivables and collections management and forecasting

## BUILDING SERVICES

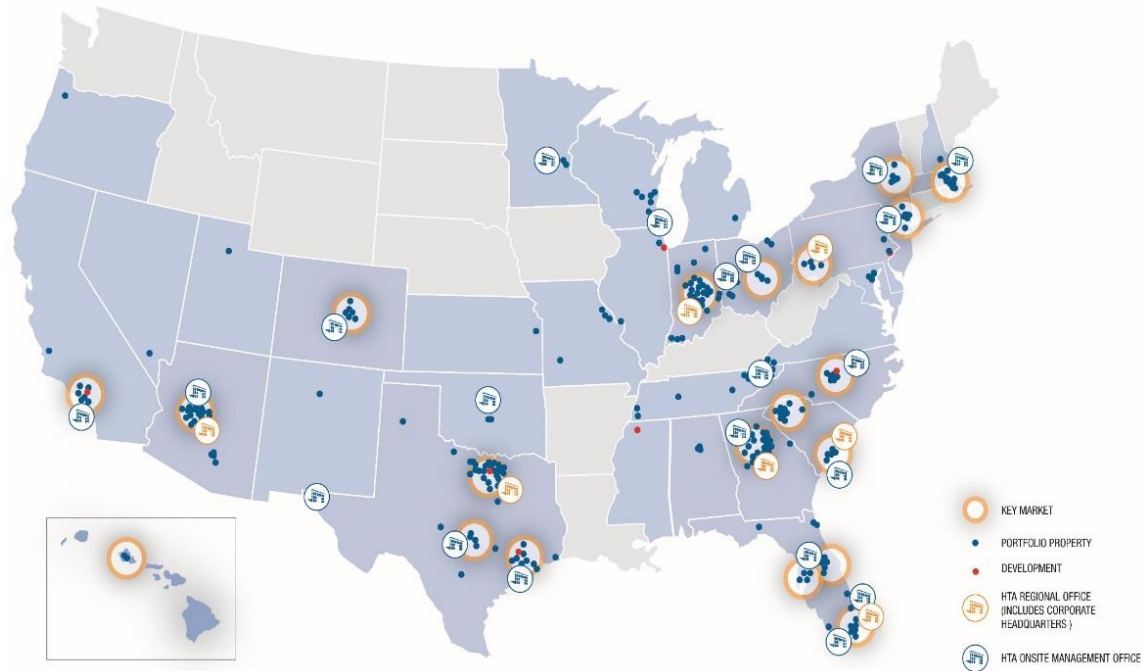
90+ BUILDING ENGINEERS

- Identification and coordination of all capital improvements and preventative maintenance
- Daily inspections and supervision of all contract maintenance
- Monitoring and reducing costly unexpected capital requirements
- Supervision of life safety systems and manage emergency on-call system

## LEASING SERVICES

20+ LEASING PROFESSIONALS

- Focus on building critical relationships directly with physicians and health systems
- Strategic leasing to maximize tenant synergy and retain tenants that are expanding practices
- Regional dedication and knowledge of surrounding medical office buildings leasing terms and tenancy



**In-House Property Management and Leasing Platform totaling 22.4 million square feet or 93% of the Total Portfolio**

**Existing Reputable Development Platform Enhances Growth Potential & Relationships with Key Tenants**

- ▶ Vertically integrated
- ▶ Deep network of healthcare relationships
- ▶ Track record of delivering projects on time and on budget



# STRATEGIC DEVELOPMENT CAPABILITIES

PLATFORM ACQUIRED FROM DUKE HEALTHCARE IN 2017



**4M**

SF HEALTHCARE  
DEVELOPED



**\$1.3B**

HEALTHCARE  
DEVELOPED OVER LAST  
10 YEARS



FLEXIBLE  
DEAL TERMS



FINANCING  
CAPABILITIES



MOB | Cancer Center | Outpatient Care



# DEVELOPMENT CASE STUDY – FACEY MOB



## System Relationship:

- Providence St. Joseph Health is the third largest nonprofit health system in the nation
- Providence St. Joseph Health's first venture using 3<sup>rd</sup> party development
- Strategic outpatient location in Santa Clarita
- Providence St. Joseph Health Relationship:
  - Both DRE/HTA have an established relationship with Providence St. Joseph Health
  - HTA owns and manages more than 250K SF on the campus of Providence St. Joseph Mission Hospital in Mission Viejo
- Credit Rating: Aa2 (Moody's)

## Key Details:

- MOB Size: 37,000 SF
- Estimated Total Cost: \$25M
- Build to Suit for Facey Medical Group
  - 10 Year, 100% Lease
- Yields:
  - Stabilized: 6.55%
  - 10-Year: 7.19%
- Expected delivery in 2Q 2018





## 2017 INVESTMENTS





# 2017 INVESTMENTS



**\$2.7B**

INVESTMENT  
YEAR-TO-DATE



**90%**

KEY STRATEGIC  
MARKETS



**5 → 5.5%**

CAPITALIZATION  
RATE

- High quality assets → 70% on-campus
- 90% overlap in key markets yields synergies in leasing, property management and development
- Eliminating 3<sup>rd</sup> party management fees as HTA's in-house platform will generate 25 bps yield by providing building services
- New developments coming online in 2018 will yield an additional 25 bps
- Limited capital expense due to average age of Duke assets – 8.8 Years



# 2017 INVESTMENTS CREATES MEDICAL OFFICE LEADER

Acquisition	MSA	Date	Invested (\$MM)	GLA (Thousand SF)	Affiliation
Duke Healthcare	Various	Q2 / Q3 / Q4 17	\$2,249.0	5,153	Various
Dignity	AZ & CA	Q2 17	\$150.0	592	Dignity Health
Northwest Houston MOBs	Houston, TX	Q2 17	\$137.6	370	North Cypress
Tampa MOBs	Tampa, FL	Q2 / Q3 17	\$76.8	197	HCA/ Bayfront
Texas Health Resources	Ft Worth, TX	Q2 17	\$38.5	78	Texas Health Resources
Tampa Medical Village	Tampa, FL	Q1 17	\$21.1	55	Surgery Parntners
Northpoint Medical Arts	Dallas, TX	Q4 17	\$19.8	119	Non-Aligned
Lake Norman MOB	Charlotte, NC	Q2 17	\$16.6	143	Lake Norman Regional
MatureWell	College Station, TX	Q1 17	\$13.6	23	St. Joseph
<b>Total 2017 YTD</b>			<b>\$2,723.0</b>	<b>6,729</b>	



# STRATEGIC RATIONALE

**24.1 mm** <sup>(2)</sup>  
*Combined Total GLA*

- ▶ **Transformational Acquisition Creates Dominant Public Pure-Play MOB Platform**
  - National Leader in outpatient healthcare real estate, an unconsolidated sector undergoing significant change and macroeconomic growth trends
  - Combined enterprise value of ~\$9.0 billion makes HTA the largest public MOB platform<sup>(1)</sup>

**~90%**  
*Assets Within HTA's Markets*

- ▶ **Significant Portfolio Overlap Creates Scale in Key Gateway Markets**
  - Portfolio focused in 20-25 markets with strong growth characteristics
  - Increased market density allows for significant operating synergies and growth opportunities utilizing the combined operating platform.
  - 17 markets with each having over 500k GLA

**74%**  
*Leased to Major Hospital Systems<sup>(3)</sup>*

- ▶ **High-Quality Portfolio Focused On-Campus and in Community Core Locations**
  - ~76% located directly on or adjacent to health system campuses
  - Combined portfolios exhibit best-in-class same property NOI growth
  - Core critical assets with excellent visibility in prime position for healthcare delivery
  - 93% leased with 9.6 weighted average lease term<sup>(4)</sup>
  - New construction with an average age of 8 years<sup>(5)</sup> and very limited capital needs

**3.4%**  
*Combined Pro Forma SS NOI Growth<sup>(6)</sup>*

- ▶ **Combined Full-Service Operating Platform with History of Performance and Execution**
  - HTA's operating platform has demonstrated significant growth maximizing acquired properties
  - Proven development platform allows for full-service relationship with new and existing healthcare providers
  - Development assets are currently 86% pre-leased

(1) Excludes all properties with exercised ROFR/ROFOs. (2) Includes \$391 million investments in 24 MOBs, aggregating 1.4 million square feet as of June 30, 2017. (3) Based on GLA of 2Q Investments. (4) Weighted average lease term of Duke portfolio, does not include Dignity assets. (5) Average age of Duke portfolio, does not include Dignity assets. (6) Same store growth weighted by GLA at 12/31/16 since 2012.



# PROXIMITY TO EXISTING MARKETS DRIVES EFFICIENCIES

## Uniquely positioned to create synergies across HTA's existing markets

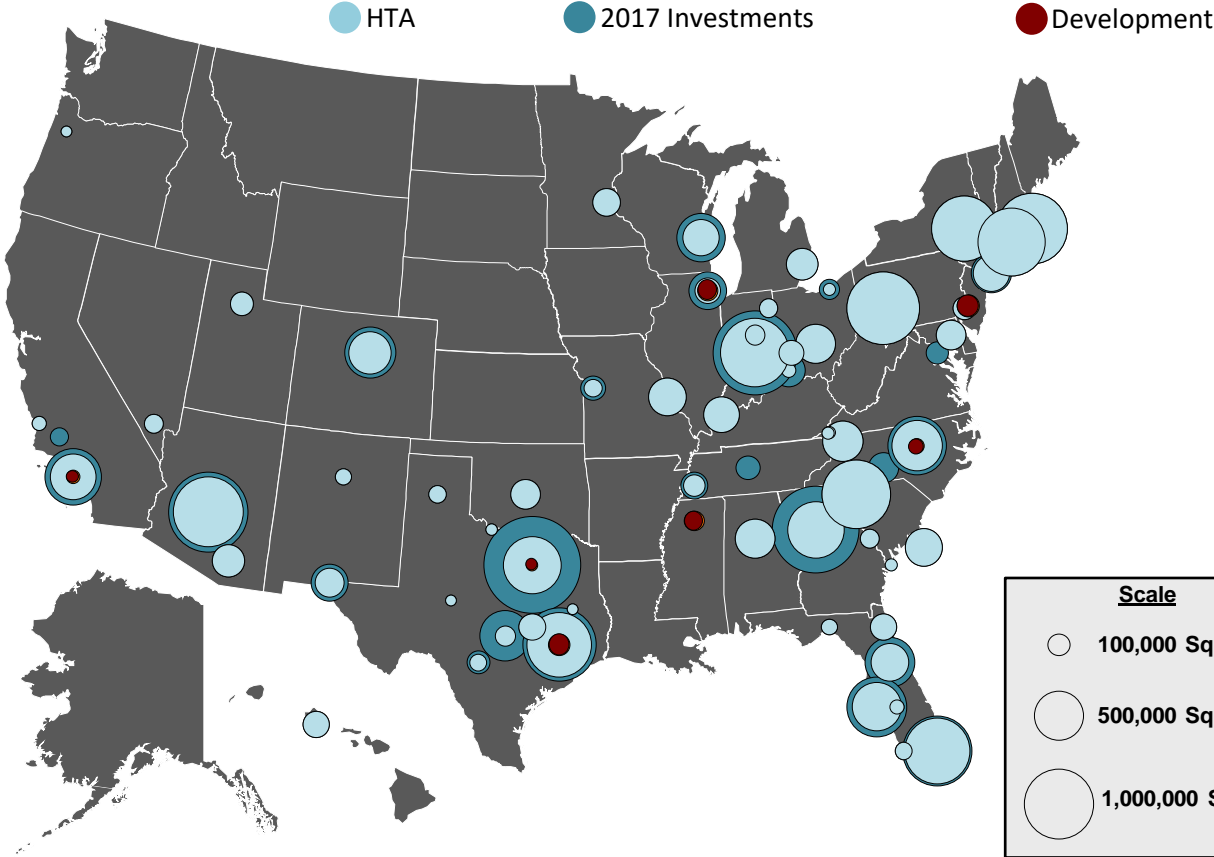
- ▶ HTA has significant existing operating experience in all top markets
- ▶ HTA manages 93% of the current portfolio through an In-House Property Management and Leasing Platform, leading to better operating margins.
- ▶ HTA is now in 17 markets with each having more than 500,000 GLA

### Proximity

#### Duke + 1H Acquisitions

Proximity to Closest HTA Asset	# of Buildings	% of Assets
Within 3 miles	7	6.9%
Within 5 miles	16	15.8%
Within 10 miles	45	44.6%
Within 20 miles	63	62.4%
Within 30 miles	72	71.3%
Within 50 miles	86	85.1%
	100 Buildings (94 Properties)	100%

### Combined Portfolio by Square Feet



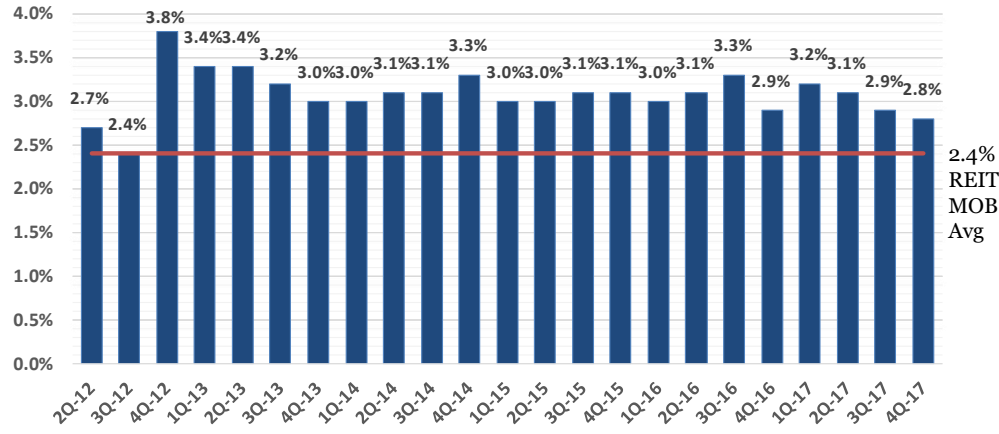


# FINANCIAL PERFORMANCE & BALANCE SHEET



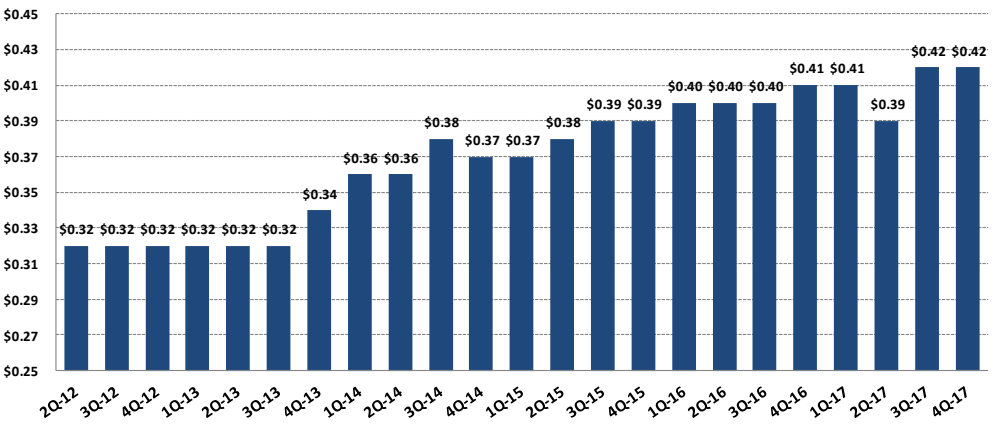
# TRACK RECORD OF CONSISTENT PERFORMANCE

## Consistent Same Store Growth – 3.1% Since Listing



- ▶ Medical office delivers consistent returns of 2-3% same-store growth given its defensive nature and high tenant retention
- ▶ HTA’s scale and property management platform has enabled it to deliver above-average growth
- ▶ Limited near term lease expirations and increasing use of profitable in-house platform should enable continued growth

## Increasing Normalized FFO/ Share



- ▶ HTA’s same store growth falls to the bottom line and has driven increasing earnings per share since listing in 2012
- ▶ HTA’s existing infrastructure has proven ability to scale, growing \$2.7Bn in 2017 with limited increase in G&A – an efficient platform unrivaled by direct peers
- ▶ Low re-tenanting costs (10-12% of NOI vs 20%+ for peers and traditional office) drives cash flow performance



# WELL CAPITALIZED, FLEXIBLE BALANCE SHEET

HTA has completed the financing of its investments in a manner that maintains its strong, investment grade balance sheet with 12/31/17 Leverage of 29.9% Debt to Total Capitalization and 5.9x Debt/ EBITDA

## Equity Financing

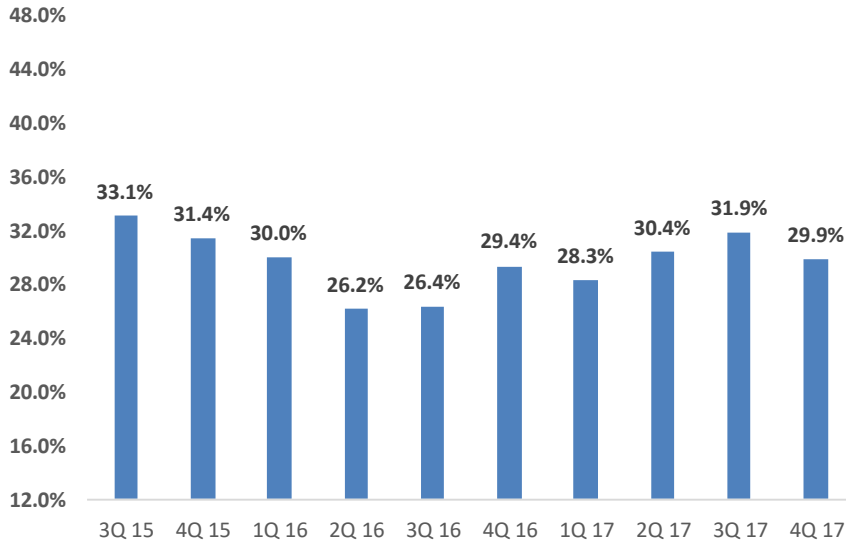
- Raised over \$1.9 Billion in common equity through overnight and ATM transactions in Q2
- Maintained low leverage profile despite significant investments
- Locked in cost of capital for long term accretion

## Debt Financing

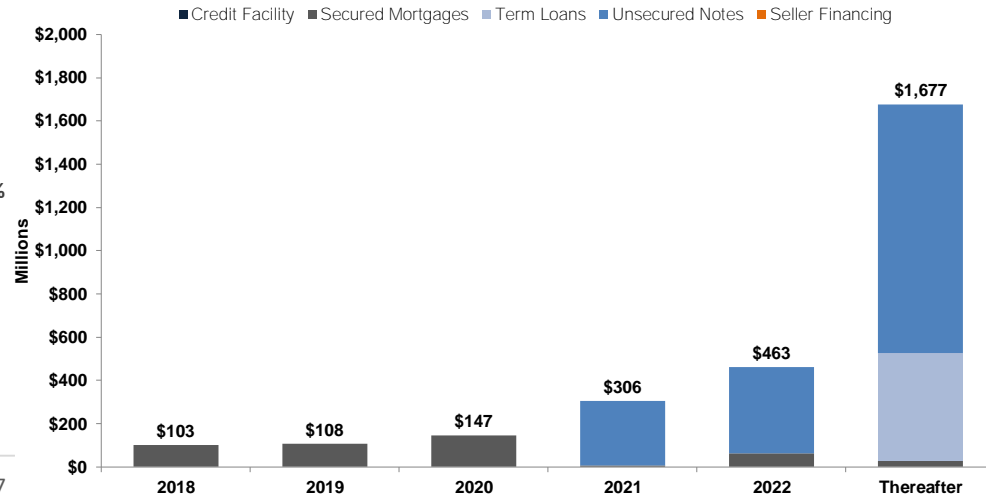
- Raised approximately \$1.2 Billion in debt to complete the financing
- \$900 Million in public unsecured bonds at 3.4% average interest rate and 7.7 years average duration
- \$286 Million in seller financing at 4.0% maturing in 3 equal installments

## Low Leverage / Limited Maturities

### Debt/Total Capitalization



### Well-Laddered Debt Capitalization with Limited Near-Term Maturities





# APPENDIX

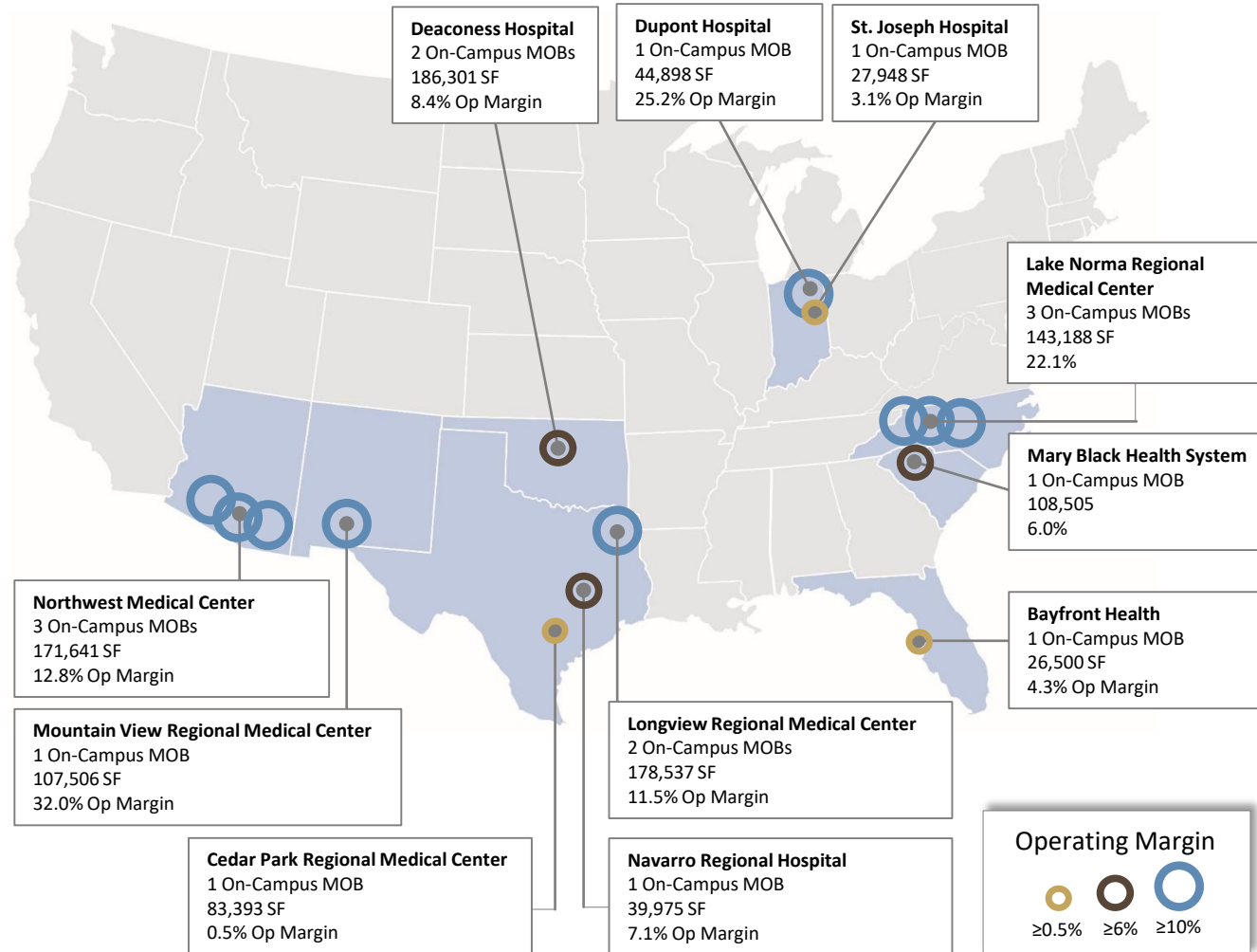




# COMMUNITY HEALTH SYSTEMS (CHS) EXPOSURE

## HTA Exposure to CHS

- 18 MOBs
- 11 CHS Campuses
- 1.1 Million SF (665,877 SF CHS Direct Leases)
- All hospitals are profitable
- 86% are operating above the industry average operating margins of 6% <sup>(1)</sup>
- Over 50% exceed 10% operating margins
- Limited to 2.9% of HTA ABR



(1) Data from latest regulatory filings per AHD



# Healthcare Trust of America, Inc.

