

HEALTHCARE TRUST OF AMERICA, INC.

Form 10-K

February 21, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the year ended December 31, 2016

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-35568 (Healthcare Trust of America, Inc.)

Commission File Number: 333-190916 (Healthcare Trust of America Holdings, LP)

HEALTHCARE TRUST OF AMERICA, INC.

HEALTHCARE TRUST OF AMERICA HOLDINGS, LP

(Exact name of registrant as specified in its charter)

Maryland (Healthcare Trust of America, Inc.) 20-4738467

Delaware (Healthcare Trust of America Holdings, LP) 20-4738347

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

16435 N. Scottsdale Road, Suite 320, Scottsdale, Arizona 85254

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (480) 998-3478

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
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Class A common stock, par value \$0.01 per share	New York Stock Exchange
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Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Healthcare Trust of America, Inc. Yes No Healthcare Trust of America Holdings, LP Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Healthcare Trust of America, Inc. Yes No Healthcare Trust of America Holdings, LP Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Healthcare Trust of America, Inc. Yes No Healthcare Trust of America Holdings, LP Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Healthcare Trust of America, Inc. Yes No Healthcare Trust of America Holdings, LP Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Healthcare Trust of America, Inc.	Large-accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>
Healthcare Trust of America Holdings, LP	Large-accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input checked="" type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Healthcare Trust of America, Inc. Yes No Healthcare Trust of America Holdings, LP Yes No

The aggregate market value of Healthcare Trust of America, Inc.'s Class A common stock held by non-affiliates as of June 30, 2016, the last business day of the most recently completed second fiscal quarter, was approximately \$4,424,137,000, computed by reference to the closing price as reported on the New York Stock Exchange.

As of February 15, 2017, there were 141,772,001 shares of Class A common stock of Healthcare Trust of America, Inc. outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy statement for the Annual Meeting of Stockholders are incorporated by reference into Part III, Items 10-14 of this Annual Report on Form 10-K.

Explanatory Note

This Annual Report combines the Annual Reports on Form 10-K (“Annual Report”) for the year ended December 31, 2016 of Healthcare Trust of America, Inc. (“HTA”), a Maryland corporation, and Healthcare Trust of America Holdings, LP (“HTALP”), a Delaware limited partnership. Unless otherwise indicated or unless the context requires otherwise, all references in this Annual Report to “we,” “us,” “our,” “the Company” or “our Company” refer to HTA and HTALP, collectively, and all references to “common stock” shall refer to the Class A common stock of HTA.

HTA operates as a real estate investment trust (“REIT”) and is the general partner of HTALP. As of December 31, 2016, HTA owned a 97.0% partnership interest in HTALP, and other limited partners, including some of HTA’s directors, executive officers and their affiliates, owned the remaining partnership interest (including the long-term incentive plan (“LTIP” units) in HTALP. As the sole general partner of HTALP, HTA has the full, exclusive and complete responsibility for HTALP’s day-to-day management and control, including its compliance with the Securities and Exchange Commission (“SEC”) filing requirements.

We believe it is important to understand the few differences between HTA and HTALP in the context of how we operate as an integrated consolidated company. HTA operates in an umbrella partnership REIT structure in which HTALP and its subsidiaries hold substantially all of the assets. HTA’s only material asset is its ownership of partnership interests of HTALP. As a result, HTA does not conduct business itself, other than acting as the sole general partner of HTALP, issuing public equity from time to time and guaranteeing certain debts of HTALP. HTALP conducts the operations of the business and issues publicly-traded debt, but has no publicly-traded equity. Except for net proceeds from public equity issuances by HTA, which are generally contributed to HTALP in exchange for partnership units of HTALP, HTALP generates the capital required for the business through its operations and by direct or indirect incurrence of indebtedness or through the issuance of its partnership units.

Noncontrolling interests, stockholders’ equity and partners’ capital are the primary areas of difference between the consolidated financial statements of HTA and HTALP. Limited partnership units in HTALP are accounted for as partners’ capital in HTALP’s consolidated balance sheets and as noncontrolling interest reflected within equity in HTA’s consolidated balance sheets. The differences between HTA’s stockholders’ equity and HTALP’s partners’ capital are due to the differences in the equity issued by HTA and HTALP, respectively.

The Company believes combining the Annual Reports of HTA and HTALP, including the notes to the consolidated financial statements, into this single Annual Report results in the following benefits:

- enhances stockholders’ understanding of HTA and HTALP by enabling stockholders to view the business as a whole in the same manner that management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation since a substantial portion of the disclosure in this Annual Report applies to both HTA and HTALP; and
- creates time and cost efficiencies through the preparation of a single combined Annual Report instead of two separate Annual Reports.

In order to highlight the material differences between HTA and HTALP, this Annual Report includes sections that separately present and discuss areas that are materially different between HTA and HTALP, including:

- the Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities in Item 5 of this Annual Report;
- the Selected Financial Data in Item 6 of this Annual Report;
- the Funds From Operations (“FFO”) and Normalized FFO in Item 7 of this Annual Report;
- the Controls and Procedures in Item 9A of this Annual Report;
- the consolidated financial Statements in Item 15 of this Annual Report;
- certain accompanying notes to the consolidated financial statements, including Note 3 - Investments in Real Estate, Note 7 - Debt, Note 10 - Stockholders’ Equity and Partners’ Capital, Note 12 - Per Share Data of HTA, Note 13 - Per Unit Data of HTALP, Note 15 - Tax Treatment of Dividends of HTA, Note 17 - Selected Quarterly Financial Data of HTA and Note 18 - Selected Quarterly Financial Data of HTALP;
- the Statement Regarding the Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends included as Exhibit 12.1 to this Annual Report; and
- the Certifications of the Chief Executive Officer and the Chief Financial Officer included as Exhibits 31 and 32 to this Annual Report.

In the sections of this Annual Report that combine disclosure for HTA and HTALP, this Annual Report refers to actions or holdings as being actions or holdings of the Company. Although HTALP (directly or indirectly through one of its subsidiaries) is generally the entity that enters into contracts, holds assets and issues or incurs debt, management believes this presentation is appropriate for the reasons set forth above and because the business of the Company is a single integrated enterprise operated through HTALP.

2

HEALTHCARE TRUST OF AMERICA, INC. AND
HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
TABLE OF CONTENTS

	Page
<u>PART I</u>	
<u>Item 1. Business</u>	<u>4</u>
<u>Item 1A. Risk Factors</u>	<u>21</u>
<u>Item 1B. Unresolved Staff Comments</u>	<u>34</u>
<u>Item 2. Properties</u>	<u>35</u>
<u>Item 3. Legal Proceedings</u>	<u>36</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>36</u>
<u>PART II</u>	
<u>Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	<u>37</u>
<u>Item 6. Selected Financial Data</u>	<u>39</u>
<u>Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>41</u>
<u>Item 7A. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>54</u>
<u>Item 8. Financial Statements and Supplementary Data</u>	<u>55</u>
<u>Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure</u>	<u>55</u>
<u>Item 9A. Controls and Procedures</u>	<u>55</u>
<u>Item 9B. Other Information</u>	<u>58</u>
<u>PART III</u>	
<u>Item 10. Directors, Executive Officers and Corporate Governance</u>	<u>59</u>
<u>Item 11. Executive Compensation</u>	<u>59</u>
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	<u>59</u>
<u>Item 13. Certain Relationships and Related Transactions, and Director Independence</u>	<u>59</u>
<u>Item 14. Principal Accounting Fees and Services</u>	<u>59</u>
<u>PART IV</u>	
<u>Item 15. Exhibits, Financial Statement Schedules</u>	<u>60</u>

Table of Contents

PART I

Item 1. Business

BUSINESS OVERVIEW

HTA, a Maryland corporation, and HTALP, a Delaware limited partnership, were incorporated or formed, as applicable, on April 20, 2006.

HTA is a publicly traded REIT and one of the leading owners and operators of medical office buildings (“MOBs”) in the United States (“U.S.”). We focus on owning and operating MOBs that serve the future of healthcare delivery and are located on health system campuses, near university medical centers, or in community core outpatient locations. We also focus on key markets that have attractive demographics and macro-economic trends and where we can utilize our institutional property management and leasing platform to generate strong tenant relationships and operating cost efficiencies. Our primary objective is to enhance the value of our real estate assets through dedicated asset and property management, which generates consistent revenue streams and manageable expenses. As a result of our core business strategy, we seek to generate stockholder value through consistent and growing dividends, which are attainable through sustainable cash flows. Over the last decade, the Company has invested \$4.2 billion primarily in MOBs as well as other healthcare real estate assets that are located in high quality markets that possess above average economic and socioeconomic drivers.

We invest in MOBs that we believe are critical to the delivery of healthcare in a changing environment. Healthcare is the fastest growing segment of the U.S. economy, with an expected average growth rate of nearly 6.0% between 2016 and 2025. Overall U.S. spending is expected to increase to 20.1% of GDP by 2025 according to the U.S. Centers for Medicare & Medicaid Services. In addition, healthcare is experiencing the fastest employment growth in the U.S., a trend that is expected to continue over the next decade. These high levels of demand are primarily driven by an aging U.S. population and the long-term impact of an increasing number of insured individuals nationwide. This increase in demand, combined with advances in less invasive medical procedures, is driving many healthcare services to lower costs and to more convenient outpatient settings that are less reliant on hospital campuses. As a result, HTA believes that well-located MOBs should provide stable cash flows with relatively low vacancy risk, resulting in consistent long-term growth.

As of December 31, 2016, our portfolio consisted of approximately 17.7 million square feet of gross leasable area (“GLA”). Approximately 97% of our GLA, is located on the campuses of, or aligned with, nationally or regionally recognized healthcare systems. We believe these key locations and affiliations create significant demand from healthcare related tenants for our properties. Further, our portfolio is primarily concentrated within major U.S. metropolitan statistical areas (“MSAs”) that we believe will provide above-average economic growth and socioeconomic benefits over the coming years, with over 92% of our investments located in the top 75 MSAs. Effective December 15, 2014, HTA completed a reverse stock split (the “Reverse Stock Split”) of its common stock. As a result of the Reverse Stock Split, every two issued and outstanding shares of common stock were converted into one share of common stock. HTA’s par value and shares authorized remained unchanged. Concurrently with the Reverse Stock Split, HTALP effected a corresponding Reverse Stock Split of its outstanding units of limited partnership interests. The weighted average shares/units outstanding and per share/unit amounts for all periods prior to 2015 have been adjusted retroactively to reflect the Reverse Stock Split.

Our principal executive office is located at 16435 North Scottsdale Road, Suite 320, Scottsdale, AZ 85254, and our telephone number is (480) 998-3478. We maintain a website at www.htareit.com where additional information about us can be accessed. The contents of the site are not incorporated by reference in, or otherwise a part of this filing. We make our periodic and current reports, as well as any amendments to such reports, available at www.htareit.com as soon as reasonably practicable after such materials are electronically filed with the SEC. These reports are also available in hard copy to any stockholder upon request by contacting the investor relations at the number above or via email at info@htareit.com.

HIGHLIGHTS

• For the year ended December 31, 2016, our total revenue increased 14.1%, or \$57.1 million, to \$460.9 million, compared to the year ended December 31, 2015.

For the year ended December 31, 2016, net income attributable to common stockholders was \$0.33 per diluted share, or \$45.9 million, compared to \$0.26 per diluted share, or \$32.9 million, for the year ended December 31, 2015.

For the year ended December 31, 2016, HTA's FFO, as defined the National Association of Real Estate Investment Trusts ("NAREIT"), was \$1.54 per diluted share, or \$215.6 million, an increase of \$0.07 per diluted share, or 4.8%, compared to the year ended December 31, 2015. For the year ended December 31, 2016, HTALP's FFO was \$1.55 per diluted share, or \$216.9 million, an increase of \$0.08 per diluted share, or 5.4%, compared to the year ended December 31, 2015.

Table of Contents

For the year ended December 31, 2016, HTA's and HTALP's Normalized FFO was \$1.61 per diluted share, or \$225.2 million, an increase of \$0.08 per diluted share, or 5.2%, compared to the year ended December 31, 2015.

For additional information on FFO and Normalized FFO, see Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations, which includes a reconciliation to net income attributable to common stockholders/unitholders and an explanation of why we present this non-GAAP financial measure.

For the year ended December 31, 2016, our Net Operating Income ("NOI") increased 13.1%, or \$36.7 million, to \$317.2 million, compared to the year ended December 31, 2015.

- For the year ended December 31, 2016, we achieved Same-Property Cash NOI growth of 2.9%.

For additional information on NOI and Same-Property Cash NOI, see Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations, which includes a reconciliation to net income attributable to common stockholders/unitholders and an explanation of why we present this non-GAAP financial measure.

- During the year ended December 31, 2016, our leased rate (includes leases which have been executed, but which have not yet commenced) was 91.9% by GLA and our occupancy rate was 91.2% by GLA.

During the year ended December 31, 2016, tenant retention for the Same-Property portfolio was 80%, which included approximately 1.3 million square feet of expiring leases, which we believe is indicative of our commitment to maintaining high quality MOB's in desirable locations and fostering strong tenant relationships. Tenant retention is defined as the sum of the total leased GLA of tenants that renewed a lease during the period over the total GLA of leases that renewed or expired during the period.

During the year ended December 31, 2016, we invested \$700.8 million in MOB's, an increase in our total investments of approximately 19.6% by purchase price. These investments totaled approximately 2.5 million square feet of GLA and were located in our key markets of Boston, Massachusetts; Columbus, Ohio; Dallas, Texas; Hartford, Connecticut; Raleigh-Durham, North Carolina and Tampa, Florida, and strategically expanded our presence into the new markets of Birmingham, Alabama; Orange County/Los Angeles, California; and Portland, Oregon.

Part of our investment strategy also includes recycling assets that we consider non-core or are located outside our key markets. During the year ended December 31, 2016, we completed dispositions of six senior care facilities located in Texas and California for an aggregate gross sales price of \$39.5 million, generating gains of \$9.0 million.

As of December 31, 2016, we had total leverage, measured by debt to total market capitalization, of 29.4% and total liquidity of \$767.7 million, including cash and cash equivalents of \$11.2 million and \$756.5 million available on our unsecured revolving credit facility (includes the impact of \$5.5 million of outstanding letters of credit).

BUSINESS STRATEGIES

Corporate Strategies

Invest in and Maintain a Portfolio of Properties that are Valuable for the Future of Healthcare Delivery

The Company is focused on investing in and maintaining a real estate portfolio that consists of well located MOB's that allow for the efficient delivery of healthcare over the long-term. To date, we have invested \$4.2 billion to create one of the largest portfolios (based on GLA) of healthcare real estate that is focused on the MOB sector in the U.S.

We look to allocate capital to properties that exhibit the following key attributes:

Located on the campuses of, or aligned with, nationally and regionally recognized healthcare systems in the U.S. We seek to invest in properties that have long-term value for healthcare providers, including those that benefit from their proximity to and/or affiliation with prominent healthcare systems. These healthcare systems typically possess high credit quality and are capable of investing capital into their campuses. We believe our affiliations with these health systems helps ensure long-term tenant demand. At December 31, 2016, 67% of our portfolio was located on the campuses of, or adjacent to, nationally and regionally recognized healthcare systems.

Located in core community outpatient locations. We seek to invest in properties that will have long-term value for healthcare providers, including those that are located in key outpatient medical hubs that are located in communities. These properties benefit from their proximity to attractive patient populations, maintain a mix of physician practices and specialties, and are convenient for patients and physicians alike. In addition, these properties and medical hubs can be centers for healthcare away from hospital campuses while benefiting from the advancement of healthcare technology, which allow for lower cost settings, more services and procedures to be performed away from hospitals,

and the growing requirement for convenient healthcare. We believe these factors ensure long-term tenant demand. At December 31, 2016, 33% of our portfolio was located in core community outpatient locations.

5

Table of Contents

Attractive markets where we can maximize efficiencies through our asset management and leasing platform. We seek to own MOBs in markets with attractive demographics, economic growth and higher barriers to entry which support growing tenant demand. This focus on key markets also allows us to create operating and cost efficiencies by achieving critical mass in these markets. We have developed a strong presence across 20 to 25 key markets since our inception. In each of these markets, we have established a strong asset management and leasing platform that has allowed us to develop valuable relationships with health systems, physician practices, universities and regional development firms that have led to investment and leasing opportunities. Our local platforms have also enabled us to focus on generating cost efficiencies as we gain scale across individual markets. As of December 31, 2016, we had over 700,000 square feet of GLA in each of our top ten markets and 92% of our GLA is located in the top 75 MSAs. Occupied with limited near term leasing risks. We seek to invest in and maintain well occupied properties that we believe are critical to the delivery of healthcare within that specific market. As of December 31, 2016, our portfolio was 91.9% leased. We believe this creates tenant demand that supports higher occupancy and drives strong, long-term tenant retention as hospitals and physicians are reluctant to move or relocate, as evidenced by our Same-Property portfolio tenant retention rate of 80% as of the year ended December 31, 2016. Further, we have elected not to have an active development platform that seeks to invest in higher risk, lease-up opportunities.

Credit-worthy tenants. Our primary tenants are healthcare systems, academic medical centers and leading physician groups. These groups typically have strong and stable financial performance, which we believe helps ensure stability in our long-term rental income and tenant retention. As of December 31, 2016, 55% of our annual base rent was derived from credit-rated tenants, primarily health systems. A significant amount of our remaining rent comes from physician groups and medical healthcare system tenants that are credit-worthy based on our internal underwriting and due diligence, but do not have the size to benefit from a formal credit rating by a nationally recognized rating agency.

Diversified and synergistic mix of tenants. Our primary focus is placed on ensuring an appropriate and diversified mix of tenants from different practice types, as well as complimentary practices that provide synergies within both individual buildings and the broader health system campuses. We actively invest in both multi-tenant properties, which generally have shorter-term leases on smaller spaces, and single-tenant properties, which generally have longer-term leases. The multi-tenant buildings provide for lower lease rollover risks in any particular year and typically allow rents to reset to current market rates that may be higher than the in place rental rates. We believe single-tenant buildings provide steady long-term cash flow, but generally provide for more limited long-term growth.

Maximize Internal Growth through Proactive Asset Management, Leasing and Property Management Oversight
Our internal asset management team operates 91% of our total portfolio, which is a significant increase from 34% of our total portfolio five years ago. We believe this direct asset management approach allows us to maximize our internal growth by improving occupancy, achieving operating efficiencies and creating long-term tenant relationships at our properties, resulting in optimized rental rates. Specific components of our overall strategy include:

Maintaining regional offices in markets where we have a significant presence. HTA has 17 local asset management offices, including its corporate headquarters in Scottsdale, Arizona. Key regional asset management offices include Albany, Atlanta, Boston, Charleston, Dallas, Houston, Indianapolis and Miami. We have additional management offices strategically located within our 20 to 25 key markets across the U.S.

Create local relationships with local healthcare providers, including national and regional healthcare systems, physicians and other providers.

Improving the quality of service provided to our tenants by being attentive to their needs, managing expenses and strategically investing capital to remain competitive within our markets. During the year ended December 31, 2016, we achieved tenant retention for the Same-Property portfolio of 80%.

Utilizing local and regional economies of scale to focus on operating cost efficiencies for our properties.

Maintaining or increasing our average rental rates, actively leasing vacant space and reducing leasing concessions.

These leasing results contributed to our 2.9% or more Same-Property Cash NOI growth each quarter during the year ended December 31, 2016.

Maintaining a portfolio of high-quality medical office buildings that we believe are critical to the delivery of healthcare now and in the future, while enhancing our reputation as a dedicated leading MOB owner and operator.

Table of Contents

Achieve External Growth through Targeted Investments

We plan to grow externally through targeted investments that improve the quality of our portfolio and are accretive to our cost of capital. To achieve this growth in competitive markets, we seek:

Targeted property investments, generally located within our key markets. These transactions allow us to focus on the quality of individual properties and ensure they are accretive to our cost of capital. They also allow us to exhibit meaningful growth given our current mid-market size.

Long-term relationships with key industry participants. We will continue our emphasis on long-term relationship building as we have over the last ten years. These relationships are cultivated by our senior management team, with key industry participants, including health systems as well as local and regional developers, which have traditionally provided us with valuable investment opportunities.

- Local knowledge through our internal asset management platform. Our local personnel participate in local industry activities that can provide insightful information with respect to potential opportunities.

Actively Maintain Conservative Capital Structure

We have and continue to actively manage our balance sheet to maintain an attractive investment grade credit rating, to maintain conservative leverage and to preserve financing flexibility, which ultimately hedges inherent risk and provides us with attractive capital sources that allow us to take advantage of strategic external growth opportunities. In addition, we may also strategically dispose of properties that we believe no longer align with our strategic growth objectives in order to redeploy the capital generated by these dispositions into higher yielding MOBs that we believe have better longer-term growth prospects. The strength of our balance sheet is demonstrated by our investment grade credit ratings. To maintain our strong and conservative balance sheet, we:

Maintain a low leverage ratio. Our leverage ratio, measured by debt to total market capitalization, was 29.4% and total debt to adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”) was 5.7x as of December 31, 2016.

- Continue to maintain a high level of liquidity. As of December 31, 2016, we had \$756.5 million available on our unsecured revolving credit facility.

Utilize multiple capital sources, including public debt and equity, unsecured bank loans and secured property level debt.

Limit the amount of secured debt. During 2016, the percentage of secured debt, including net discounts and deferred financing costs to total market capitalization, decreased to 4% from 6% in 2015.

Maintain well laddered debt maturities, which extend through 2026 with no significant exposure in any one year.

As of December 31, 2016, the weighted average remaining term of our debt portfolio was 5.7 years, including extension options.

HEALTHCARE INDUSTRY

Healthcare Sector Growth

We operate medical office real estate within the healthcare industry, which we believe is benefiting from several significant macroeconomic drivers, such as an aging population, millennials beginning to form families, and an increase in the insured population. These trends are driving growth in healthcare spending at a rate significantly faster than the broader U.S. economy.

The U.S. population is experiencing significant aging of its population, as advancements in medical technology and changes in treatment methods enable people to live longer. This is expected to drive healthcare utilization higher as individuals consume more healthcare as they get older. Between 2016 and 2026, the U.S. population over 65 years of age is projected to increase by more than 37% and total over 19% of the U.S. population as the baby boomer generation enters retirement. Individuals of this age spend the highest amounts on healthcare, averaging over \$5,800 per individual over the age of 65 according to 2014 Consumer Expenditure Survey. This compares to healthcare expenditures of less than \$1,600 per year for individuals under the age of 30. The older population group will increasingly require treatment and management of chronic and acute health ailments. We believe much of this increased care will take place in lower cost outpatient settings, which will continue to support MOB demand in the long term.

Table of Contents

In addition, the large millennial generation is just now starting to reach their thirties and form families. During this age period, healthcare expenditures double on average. As this large generation utilizes additional healthcare services, it is expected they will do so in more convenient outpatient settings.

The number of insured individuals in the U.S. continues to increase, as the population grows and as a result of the impact of U.S. government actions, including the Patient Protection and Affordable Care Act of 2010 (the “Affordable Care Act”). Since 1999, the number of individuals covered by healthcare insurance in the U.S. has increased over 20%. Although government policies may change under different administrations, the emphasis on providing affordable healthcare insurance for individuals is expected to remain a priority for government officials.

8

Table of Contents

As a result of these factors, the healthcare sector is the fastest growing sector of the U.S. economy. According to the latest data from 2016, Americas spent nearly \$3.2 trillion or 17.8% of total GDP, on healthcare expenditures in 2015, an increase of 5.5% from the previous year. The U.S. Centers for Medicare & Medicaid Services project that total healthcare expenditures will reach approximately \$5.6 trillion by 2025. Healthcare expenditures are projected to grow an average 5.8% annually through 2025 and account for 20.1% of GDP by 2025. This growth in healthcare expenditures reflects the increasing demand for healthcare. It is also driving demand for cost effective care which generally takes place in outpatient settings such as MOBs.

Employment in the healthcare industry has steadily increased for at least 20 years despite three recessions.

Healthcare-related jobs are among the fastest growing occupations, projected to increase by 19% between 2014 and 2024, significantly higher than the general U.S. employment growth projection of 7%, according to the Bureau of Labor Statistics. Additionally, the Bureau of Labor Statistics projects nine out of the top 12 occupations with the highest growth for workers will be in the healthcare sector. We expect the increased growth in the healthcare industry will correspond with a growth in demand for MOBs and other facilities that serve the healthcare industry.

Table of Contents

Medical Office Building Supply and Demand

We believe that healthcare real estate, specifically MOB, and its rents and valuations are less susceptible to changes in the general economy than general commercial real estate due to macroeconomic trends supporting the healthcare sector and the defensive nature of healthcare expenditures during economic downturns. For this reason, we believe MOB investments provide more consistent rental revenue streams, higher occupancies and tenant retention that could potentially translate into a more stable return to investors compared to other types of real estate investments which may be more susceptible to higher vacancies and unreliable rental revenue streams. We also believe that demand for MOB will increase due to a number of MOB specific factors, including:

Evolution in the healthcare industry resulting in more efficient and less invasive procedures that have traditionally been performed in hospitals, such as surgery, that have moved to outpatient facilities as a result of shifting consumer preferences, limited space in hospitals and lower costs.

An increase in medical office visits due to the overall rise in healthcare utilization which in turn has driven hiring within the healthcare sector. Additionally, the rate of employment growth in physicians' offices and outpatient care facilities has outpaced employment growth in hospitals during the past decade, further supporting the trend of increased utilization of healthcare services outside of the hospital. This is forecasted to continue, with the number of healthcare providers, particularly nurses, physicians, and technical specialists, growing significantly faster than the U.S. average.

Table of Contents

High credit quality of physician tenants. In recent years, MOB tenants have increasingly consisted of larger hospital and physician groups. These groups utilize their size and expertise to obtain high rates of reimbursement and share overhead operating expenses which creates significant rent coverage, or an ability to pay rent. We believe these larger groups are generally credit-worthy and provide stability and long-term value for MOB.

Construction of MOB has been relatively constrained over the last five years, with high cost barriers to development in markets in which we invest.

PORTFOLIO OF PROPERTIES

As of December 31, 2016, our portfolio consisted of approximately 17.7 million square feet of GLA, with a leased rate of 91.9% (includes leases which have been executed, but which have not yet commenced).

Our properties were primarily located on the campuses of, or aligned with, nationally and regionally recognized healthcare systems in the U.S. These include leading health systems such as Highmark-Allegheny Health Network, Greenville Health System, Tufts Medical Center, Hospital Corporation of America, Providence St. Joseph Health and Steward Health Care System. As of December 31, 2016, 97% of our portfolio, based on GLA, was located on the campuses of, or aligned with, nationally and regionally recognized healthcare systems.

Portfolio Diversification by Type	Number of Buildings	Number of States	GLA (1)	Percent of Total GLA	Annualized Base Rent (1)(2)	Percent of Annualized Base Rent
Medical Office Buildings						
Single-tenant	83	20	4,121	23.3 %	\$ 88,364	23.6 %
Multi-tenant	259	26	12,588	71.0	257,314	68.8
Other Healthcare Facilities						
Hospitals	10	4	655	3.7	23,200	6.2
Senior care	3	1	355	2.0	5,114	1.4
Total	355	31	17,719	100 %	\$ 373,992	100 %

(1) Amounts presented in thousands.

(2) Annualized base rent is calculated by multiplying contractual base rent as of the end of the year by 12 (excluding the impact of abatements, concessions, and straight-line rent).

Table of Contents

SIGNIFICANT TENANTS

As of December 31, 2016, none of the tenants at our properties accounted for more than 4.5% of our annualized base rent. The table below shows our key health system relationships as of December 31, 2016.

Health System ⁽¹⁾	Weighted Average Remaining Lease Term ⁽²⁾	Total Leased GLA ⁽³⁾	Percent of Leased GLA	Annualized Base Rent ⁽³⁾⁽⁴⁾	Percent of Annualized Base Rent
Highmark-Allegheny Health Network	6	914	5.6 %	\$ 16,446	4.4 %
Greenville Health System	7	798	4.9	15,415	4.1
Tufts Medical Center	11	252	1.6	9,952	2.7
Hospital Corporation of America	3	352	2.2	9,024	2.4
Providence St. Joseph Health	3	262	1.6	8,682	2.3
Steward Health Care System	10	321	2.0	7,904	2.1
Community Health Systems (TN)	2	332	2.0	7,889	2.1
Aurora Health Care	7	277	1.7	6,385	1.7
Boston Medical Center	4	87	0.5	4,804	1.3
Rush University Medical Center	3	137	0.8	4,800	1.3
Indiana University Health	2	309	1.9	4,541	1.2
Deaconess Health System	7	261	1.6	4,130	1.1
Tenet Healthcare	3	173	1.1	4,072	1.1
Boston University	4	74	0.5	4,021	1.1
Banner Health	3	141	0.9	3,553	1.0
Community Health Network (IN)	4	187	1.2	3,544	1.0
Mercy Health	11	112	0.7	3,540	1.0
Total		4,989	30.8 %	\$ 118,702	31.9 %

(1) The amounts in this table illustrate only direct leases with selected top health systems in our portfolio and are not inclusive of all health system tenants.

(2) Amounts presented in years.

(3) Amounts presented in thousands.

(4) Annualized base rent is calculated by multiplying contractual base rent as of the end of the year by 12 (excluding the impact of abatements, concessions, and straight-line rent).

Table of Contents

GEOGRAPHIC CONCENTRATION

As of December 31, 2016, our portfolio was concentrated in key markets that we have determined to be strategic based on demographic trends, projected demand for healthcare and overall asset management efficiencies.

Key Markets	Investment (1)	Percent of Investment	Total GLA (1)	Annualized Base Rent (1)(2)	Percent of Annualized Base Rent
Boston, MA	\$410,730	9.7 %	1,037	\$ 32,049	8.6 %
Hartford/New Haven, CT	265,095	6.2	936	19,740	5.3
Dallas, TX	244,778	5.8	728	17,685	4.7
Houston, TX	196,295	4.6	874	20,373	5.4
Phoenix, AZ	189,641	4.5	1,018	19,203	5.1
Orange County/Los Angeles, CA	189,500	4.5	432	11,983	3.2
Albany, NY	179,253	4.2	880	16,045	4.3
Greenville, SC	179,070	4.2	965	18,050	4.8
Miami, FL	173,807	4.1	888	18,249	4.9
Atlanta, GA	156,743	3.7	663	13,232	3.5
Indianapolis, IN	155,700	3.7	977	15,345	4.1
Pittsburgh, PA	148,612	3.5	1,095	19,394	5.2
Raleigh, NC	135,010	3.2	532	12,611	3.4
Tampa, FL	133,986	3.2	439	9,692	2.6
Denver, CO	111,700	2.6	371	8,465	2.3
White Plains, NY	92,750	2.2	276	6,839	1.8
Columbus, OH	77,068	1.8	323	5,034	1.3
Charleston, SC	75,021	1.8	290	5,946	1.6
Orlando, FL	62,300	1.5	289	6,158	1.6
Honolulu, HI	47,250	1.1	143	3,886	1.0
Top 20 MSAs	3,224,309	76.1	13,156	279,979	74.7
Additional Top 75 MSAs	692,198	16.3	3,098	63,937	17.1
Total Key Markets & Top 75 MSAs	\$3,916,507	92.4 %	16,254	\$ 343,916	91.8 %

(1) Amounts presented in thousands.

(2) Annualized base rent is calculated by multiplying contractual base rent as of the end of the year by 12 (excluding the impact of abatements, concessions, and straight-line rent).

COMPETITION

We compete with many other real estate investment entities, including financial institutions, pension funds, real estate developers, other REITs, other public and private real estate companies, and private real estate investors for the acquisition of MOBAs and other facilities that serve the healthcare industry. During the acquisition process, we compete with others who may have a competitive advantage in terms of size, capitalization, local knowledge of the marketplace and extended contacts throughout the region. Any combination of these factors may result in an increased purchase price for properties or other real estate related assets of interest to us, which may reduce the number of opportunities available to us that meet our investment criteria. If the number of opportunities that meet our investment criteria are limited, our ability to increase stockholder value may be adversely impacted.

We face competition in leasing available MOBAs and other facilities that serve the healthcare industry to prospective tenants. As a result, we may have to provide rent concessions, incur charges for tenant improvements, offer other inducements, or we may be unable to timely lease vacant space in our properties, all of which may have an adverse impact on our results of operations. At the time we elect to dispose of our properties, we will also be in competition with sellers of similar properties to locate suitable purchase opportunities.

We believe our focus on MOBAs, our experience and expertise and our ongoing relationships with healthcare providers provide us with a competitive advantage. We have established an asset identification and acquisition network with

healthcare providers and local developers which provides for the early identification of and access to acquisition opportunities. In addition, we believe this broad network allows us to effectively lease available space, retain our tenants, and maintain and improve our assets.

13

Table of Contents

GOVERNMENT REGULATIONS

Healthcare-Related Regulations

Overview. The healthcare industry is heavily regulated by federal, state and local governmental agencies. Our tenants generally are subject to laws and regulations covering, among other things, licensure, certification for participation in government programs, fraud and abuse, relationships with physicians and other referral sources, and reimbursement. Changes in these laws and regulations could negatively affect the ability of our tenants to satisfy their contractual obligations, including making lease payments to us.

Healthcare Legislation. In March 2010, President Obama signed the Affordable Care Act into law. The Affordable Care Act, along with other healthcare reform efforts, has resulted in comprehensive healthcare reform in the U.S. through a phased approach, which began in 2010 and will conclude in 2018. The laws are intended to reduce the number of individuals in the U.S. without health insurance and significantly change the means by which healthcare is organized, delivered and reimbursed. The Affordable Care Act expanded reporting requirements and responsibilities related to facility ownership and management, patient safety, quality of care, and certain financial transactions, including payments by the pharmaceutical and medical industry to doctors and teaching hospitals. In the ordinary course of their businesses, our tenants may be regularly subjected to inquiries, investigations and audits by federal and state agencies that oversee these laws and regulations. If they do not comply with the additional reporting requirements and responsibilities, our tenants' ability to participate in federal healthcare programs may be adversely affected. Moreover, there may be other aspects of the comprehensive healthcare reform legislation for which regulations have not yet been adopted, which, depending on how they are implemented, could adversely affect our tenants and their ability to meet their lease obligations to us.

The Affordable Care Act has faced numerous judicial, legislative and executive challenges. Although there continue to be judicial challenges to the Affordable Care Act, the Supreme Court has thus far upheld the Affordable Care Act, including, most recently, in their June 25, 2015 ruling on *King v. Burwell*. However, during the 2016 Presidential and Congressional campaigns, Republicans promised they would seek the repeal of the Affordable Care Act. On January 20, 2017, newly-sworn-in President Trump issued an executive order aimed at seeking the prompt repeal of the Affordable Care Act, and directed the heads of all executive departments and agencies to minimize the economic and regulatory burdens of the Affordable Care Act to the maximum extent permitted by law. In addition, there have been and continue to be numerous Congressional attempts to amend and repeal the Affordable Care Act. We cannot predict whether any of these attempts to amend or repeal the Affordable Care Act will be successful. The future of the Affordable Care Act is uncertain and any changes to existing laws and regulations, including the Affordable Care Act's repeal, modification or replacement, could have a long-term financial impact on the delivery of and payment for healthcare. Both our tenants and us may be adversely affected by the law or its repeal, modification or replacement.

Reimbursement Programs. Sources of revenue for our tenants may include the federal Medicare program, Tricare, state Medicaid programs, private insurance carriers, health maintenance organizations, preferred provider arrangements and self-insured employers, among others. Medicare, Tricare and Medicaid programs, as well as numerous private insurance and managed care plans, generally require participating providers to accept government-determined reimbursement levels as payment in full for services rendered, without regard to facility charges. Changes in the reimbursement rate or methods of payment from third-party payors, including Medicare and Medicaid, could result in a substantial reduction in our tenants' revenues.

In previous years, Medicare's physician fee-for-service reimbursements were subject to a significant, automatic reduction in rates. Congress repeatedly enacted temporary legislation postponing the implementation of these physician rate cuts. In April 2015, the Medicare Access and CHIP Reauthorization Act of 2015, enacted rules that establishes physician reimbursement rates that allow for steady increases in rates over the near future.

Despite this "doc-fix" legislation, we cannot predict whether future Congressional proposals will seek to reduce physician reimbursements. Efforts by other such payors to reduce healthcare costs will likely continue, which may result in reductions or slower growth in reimbursement for certain services provided by some of our tenants. Further, revenue realizable under third-party payor agreements can change after examination and retroactive adjustment by payors during the claims settlement processes or as a result of post-payment audits. Payors may disallow requests for reimbursement based on determinations that certain costs are not reimbursable or reasonable, because additional

documentation is necessary or because certain services were not covered or were not medically necessary. The recently enacted healthcare reform law and regulatory changes could impose further limitations on government and private payments to healthcare providers. In some cases, states have enacted or are considering enacting measures designed to reduce their Medicaid expenditures and to make changes to private healthcare insurance. In addition, the failure of any of our tenants to comply with various laws and regulations could jeopardize their ability to continue participating in Medicare, Tricare, Medicaid and other government sponsored payment programs. The financial impact on our tenants' failure to comply with such laws and regulations could restrict their ability to make rent payments to us.

14

Table of Contents

Various laws and Center for Medicare and Medicaid Services (“CMS”) initiatives and rules are also reducing or changing medical provider compensation and reimbursement. Recent changes include, among others: Section 603 of the Bipartisan Budget Act of 2015, which eliminates certain facility fee reimbursements for outpatient centers that are located further than 250 yards from the main hospital campus. Existing health system facilities will continue to receive these facility fee reimbursements, but new facilities will not, resulting in minimal impact to our existing tenants’ operations.

Alternative payment models and payment reforms that compensate medical providers by quality of care and other criteria over quantity of care. The Health Care Payment Learning and Action Network is a network which is seeking to implement these reforms and CMS has various rules, such as the Merit-Based Incentive Payment System and Alternative Payment Models, which are changing how it compensates medical providers.

Proposed and finalized CMS rules which impact payments for specific types of services such as the “Lower Extremity Joint Replacement” and adjust reimbursement rates for specific types of healthcare facilities.

These new laws, initiatives and CMS rules reflect an ongoing effort to reduce healthcare costs and reimburse medical providers based on criteria other than fee-for-service. Although their impact is difficult to predict, these laws, initiatives and CMS rules may adversely impact medical providers’ reimbursement and our tenants’ ability to make rent payments to us.

Fraud and Abuse Laws. There are various federal and state laws prohibiting fraudulent and abusive business practices by healthcare providers who participate in, receive payments from, or are in a position to make referrals in connection with, government-sponsored healthcare programs, including the Medicare and Medicaid programs. Additionally, the Affordable Care Act includes program integrity provisions that both create new authorities and expand existing authorities for federal and state governments to address fraud, waste and abuse in federal healthcare programs. Our lease arrangements with certain tenants may also be subject to these fraud and abuse laws. These laws include, among others:

the Federal Anti-Kickback Statute, which prohibits, among other things, the offer, payment, solicitation or receipt of any form of remuneration in return for, or to induce, the referral or recommendation for the ordering of any item or service reimbursed by a federal healthcare program, including Medicare or Medicaid;

the Federal Physician Self-Referral Prohibition, commonly referred to as the “Stark Law,” which: (1) requires hospital landlords of facilities with financial relationships to charge a fair market value rent that does not take into account the volume or value of referrals and subject to specific exceptions; and (2) restricts physicians from making referrals for specifically designated health services for which payment may be made under Medicare and Medicaid programs to an entity with which the physician, or an immediate family member, has a financial relationship;

the False Claims Act, which prohibits any person from knowingly presenting or causing to be presented false or fraudulent claims for payment to the federal government, including claims paid by the Medicare and Medicaid programs;

the Civil Monetary Penalties Law, which authorizes the U.S. Department of Health and Human Services to impose monetary penalties for certain fraudulent acts and regulatory violations and to exclude violators from participating in federal healthcare programs;

the Health Insurance Portability and Accountability Act, as amended by the Health Information Technology for Economic and Clinical Health Act of the American Recovery and Reinvestment Act of 2009, which protects the privacy and security of personal health information; and

- State laws which prohibit kickbacks, self-referrals and false claims, and are generally applicable to commercial and state payors.

In the ordinary course of their business, our tenants may be subject to inquiries, investigations and audits by federal and state agencies that oversee applicable laws and regulations. Private enforcement of healthcare fraud has also increased, due in large part to amendments to the civil False Claims Act that were designed to encourage private individuals to sue on behalf of the government. These whistleblower suits, known as qui tam suits, may be filed by almost anyone, including present and former employees or patients. In addition to the False Claims Act, there may be civil litigation between private parties which seek damages for violations of federal and state laws. These types of actions may result in monetary penalties, punitive sanctions, damage assessments, imprisonment, increased

governmental oversight, denial of Medicare and Medicaid payments and/or exclusion from the Medicare and Medicaid programs. Investigation by a federal or state governmental body for violation of fraud and abuse laws, imposition of any of these penalties upon one of our tenants, and civil litigation could jeopardize that tenant's ability to operate or to make rent payments to us.

15

Table of Contents

Healthcare Licensure and Certification. Some of our medical properties and our tenants may require a license, multiple licenses, a certificate of need (“CON”), or other certification to operate. Failure to obtain a license, CON, other certification, or loss of a required license, CON, or some other certification would prevent a facility from operating in the manner intended by the tenant. This event could adversely affect our tenants’ ability to make rent payments to us. State and local laws also may regulate plant expansion, including the addition of new beds or services or acquisition of medical equipment and the construction of healthcare-related facilities, by requiring a CON or other similar approval. State CON laws are not uniform throughout the U.S. and are subject to change. We cannot predict the impact of state CON laws on our facilities or the operations of our tenants.

Real Estate Ownership-Related Regulations

Many laws and governmental regulations are applicable to our properties and changes in these laws and regulations, or their interpretation by agencies and the courts, occur frequently. For example:

Costs of Compliance with the Americans with Disabilities Act. Under the Americans with Disabilities Act of 1990, as amended (the “ADA”), all places of public accommodation are required to comply with federal requirements related to access and use by disabled persons. Although we believe that we are in substantial compliance with present requirements of the ADA, none of our properties have been audited and we have only conducted investigations of a few of our properties to determine compliance. We may incur additional costs in connection with compliance with the ADA. Additional federal, state and local laws also may require modifications to our properties or restrict our ability to renovate our properties. We cannot predict the cost of compliance with the ADA or other legislation. We may incur substantial costs to comply with the ADA or any other legislation.

Costs of Government Environmental Regulation and Private Litigation. Environmental laws and regulations hold us liable for the costs of removal or remediation of certain hazardous or toxic substances which may be on our properties. These laws could impose liability on us without regard to whether we are responsible for the presence or release of the hazardous materials. Government investigations and remediation actions may cause substantial costs and the presence of hazardous substances on a property could result in personal injury or similar claims by private plaintiffs. Various laws also impose liability on persons who arrange for the disposal or treatment of hazardous or toxic substances and such persons oftentimes must incur the cost of removal or remediation of hazardous substances at the disposal or treatment facility. These laws often impose liability whether or not the person arranging for the disposal ever owned or operated the disposal facility. As the owner and operator of our properties, we may be deemed to have arranged for the disposal or treatment of hazardous or toxic substances.

Use of Hazardous Substances by Some of Our Tenants. Some of our tenants routinely handle hazardous substances and wastes on our properties as part of their routine operations. Environmental laws and regulations subject these tenants, and potentially us, to liability resulting from such activities. Our leases require our tenants to comply with these environmental laws and regulations and to indemnify us for any related liabilities. We are unaware of any material noncompliance, liability or claim relating to hazardous or toxic substances or petroleum products in connection with any of our properties.

Other Federal, State and Local Regulations. Our properties are subject to various federal, state and local regulatory requirements, such as state and local fire and life safety requirements. If we fail to comply with these various requirements, we may incur governmental fines or private damage awards. While we believe that our properties are currently in material compliance with all of these regulatory requirements, we do not know whether existing requirements will change or whether future requirements will require us to make significant unanticipated expenditures that will adversely affect our ability to make distributions to our stockholders. We believe, based in part on engineering reports which are generally obtained by us at the time we acquire the properties, that all of our properties comply in all material respects with current regulations. However, if we were required to make significant expenditures under applicable regulations, our financial condition, results of operations, cash flow, ability to satisfy our debt service obligations and to pay distributions to our stockholders could be adversely affected.

EMPLOYEES

As of December 31, 2016, we had approximately 214 employees, of which 1% are subject to a collective bargaining agreement.

Table of Contents

TAX MATTERS

We filed an election with our 2007 federal income tax return to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”). We believe we have satisfied the requirements to qualify as a REIT for all tax years starting in 2007 and we intend to maintain our qualification as a REIT in the future. As a qualified REIT, with limited exceptions, we are generally not subject to federal and certain state income tax on net income that we currently distribute to stockholders. We expect to continue to make distributions sufficient to avoid income tax.

While we believe that we are organized and qualified as a REIT and we intend to operate in a manner that will allow us to continue to qualify as a REIT, there can be no assurance that we will be successful in this regard. Our qualification as a REIT depends upon our ability to meet, through our annual operating results, asset diversification, distribution levels and diversity of stock ownership and the various qualification tests imposed under the Code. If we fail to maintain our qualification as a REIT, corporate level income tax would apply to our taxable income at the current corporate tax rates. As a result, the amount available for distributions to stockholders would be reduced and we would no longer be required to make distributions. Failure to qualify as a REIT could also adversely affect our ability to make investments and raise capital.

Qualification as a REIT involves the application of highly technical and complex provisions of the Code for which there are limited judicial and administrative interpretations and involves the determination of a variety of factual matters and circumstances not entirely within our control.

Federal Income Tax Changes and Updates for Incorporation in Existing Registration Statements

The following discussion supplements and updates the disclosures under “Material U.S. Federal Income Tax Considerations” in the prospectus dated February 27, 2015 contained in our Registration Statement on Form S-3 filed with the SEC on February 27, 2015 (the “Prospectus”), and in our other registration statements into which this Annual Report is incorporated by reference.

Taxation of Our Company

As discussed in the Prospectus under “Material U.S. Federal Income Tax Considerations - Taxation of Our Company” and “Material U.S. Federal Income Tax Considerations - Investments in TRSs,” even if we qualify for taxation as a REIT, we will be subject to U.S. federal income tax in certain circumstances. Among those circumstances, we will be subject to a 100% tax on the amounts of any rents from real property, deductions, or excess interest received from a taxable REIT subsidiary (a “TRS”) that would be reduced under the Code, in order to clearly reflect the income of the TRS or to the extent that such interest payments are in excess of a rate that is commercially reasonable. Pursuant to the Protecting Americans from Tax Hikes Act of 2015, which was signed into law on December 18, 2015 (the “Act”) and effective for taxable years beginning after December 31, 2015, we will also be subject to a 100% tax on certain income (net of certain deductions) imputed to a TRS, as a result of redetermining or reallocating income among related or commonly controlled entities.

Qualification as a REIT

Income Tests

Gain from the Sale of Real Estate Assets. As discussed in the Prospectus under “Material U.S. Federal Income Tax Considerations - Qualification as a REIT - Income Tests,” we must satisfy two gross income requirements annually to maintain our qualification as a REIT. Qualifying income for purposes of the 95% gross income test described therein generally includes the items identified in the second bullet point under “Income Tests”; however, effective for taxable years beginning after December 31, 2015, gain from the sale of “real estate assets” also includes gain from the sale of a debt instrument issued by a “publicly offered REIT” (i.e., a REIT that is required to file annual and periodic reports with the SEC under the Exchange Act) even if not secured by real property or an interest in real property. However, for purposes of the 75% income test, gain from the sale of a debt instrument issued by a publicly offered REIT would not be treated as qualifying income to the extent such debt instrument would not be a real estate asset but for the inclusion of debt instruments of publicly offered REITs in the meaning of real estate assets effective for taxable years beginning after December 31, 2015, as described below under “Asset Tests - Qualifying Assets.”

Investments in Certain Debt Instruments. As discussed in the Prospectus under “Material U.S. Federal Income Tax Considerations - Investments in Certain Debt Instruments,” interest income generally constitutes qualifying mortgage interest for purposes of the 75% gross income test to the extent that the obligation upon which such interest is paid is

secured by a mortgage on real property or an interest in real property. Except as provided in the following sentence, if we receive interest income with respect to a mortgage loan that is secured by both real and other property, and the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property on the date that we committed to acquire the loan, or agreed to modify the loan in a manner that is treated as an acquisition of a new loan for U.S. federal income tax purposes, the interest income will be apportioned between the real property and the other collateral, and our income from the arrangement will qualify for purposes of the 75% gross income requirement only to the extent that the interest is allocable

17

Table of Contents

to the real property. For taxable years beginning after December 31, 2015, in the case of mortgage loans secured by both real and personal property, if the fair market value of such personal property does not exceed 15% of the total fair market value of all property securing the loan, then the personal property securing the loan will be treated as real property for purposes of determining whether the mortgage is qualifying under the 75% asset requirement and the interest income from such loan qualifies for purposes of the 75% gross income requirement.

Hedging Transactions. The discussion in the Prospectus under “Material U.S. Federal Income Tax Considerations - Qualification as a REIT - Income Tests - Hedging transactions” is replaced in its entirety with the following:

We may enter into hedging transactions with respect to one or more of our assets or liabilities. Hedging transactions could take a variety of forms, including interest rate swaps or cap agreements, options, futures contracts, forward rate agreements or similar financial instruments. Except to the extent as may be provided by future Treasury Regulations, any income from a hedging transaction which is clearly identified as such before the close of the day on which it was acquired, originated or entered into, including gain from the disposition or termination of such a transaction, will not constitute gross income for purposes of the 95% and 75% gross income tests, provided that the hedging transaction is entered into (i) in the normal course of our business primarily to manage risk of interest rate or price changes or currency fluctuations with respect to indebtedness incurred or to be incurred by us to acquire or carry real estate assets or (ii) primarily to manage the risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% income tests (or any property which generates such income or gain).

Effective for taxable years beginning after December 31, 2015, if we have entered into a qualifying hedge described above with respect to certain indebtedness or property, or the Original Hedge, and a portion of the hedged indebtedness is extinguished or property hedged is disposed of and in connection with such extinguishment or disposition we enter into one or more clearly identified hedging transactions that would, in general, hedge the Original Hedge, or the Counteracting Hedge, income from the applicable Original Hedge and income from the Counteracting Hedge (including gain from the disposition of the Original Hedge or the Counteracting Hedge) will not be treated as gross income for purposes of the 95% and 75% gross income tests to the extent that the Counteracting Hedge hedges the Original Hedge.

To the extent we enter into other types of hedging transactions, the income from those transactions is likely to be treated as nonqualifying income for purposes of both the 75% and 95% gross income tests. We intend to structure and monitor our hedging transactions so that such transactions do not jeopardize our ability to qualify as a REIT.

Asset Tests

Qualifying Assets. As discussed in the Prospectus under “Material U.S. Federal Income Tax Considerations - Qualification as a REIT - Asset Tests,” to maintain our qualification as a REIT, we also must satisfy several asset tests at the end of each quarter of each taxable year. Under the first test described in the Prospectus, at least 75% of the value of our total assets must consist of the qualifying assets described in the Prospectus. In addition to those items described in the Prospectus, pursuant to the Act, effective for taxable years beginning after December 31, 2015, qualifying assets for purposes of the 75% asset test includes: (i) personal property leased in connection with real property to the extent that rents attributable to such personal property are treated as “rents from real property” for purposes of the 75% gross income test and (ii) debt instruments issued by “publicly offered REITs.” However, the Act further provides an additional test, effective for taxable years beginning after December 31, 2015, under which not more than 25% of the value of our total assets may be represented by debt instruments issued by publicly offered REITs to the extent those debt instruments would not be real estate assets but for the inclusion of debt instruments of publicly offered REITs in the meaning of real estate assets effective for taxable years beginning after December 31, 2015, as described above.

Securities of TRSs. In addition, the fourth test described in the Prospectus under “Material U.S. Federal Income Tax Considerations - Qualification as a REIT - Asset Tests,” that securities of TRSs cannot represent more than 25% of our total assets, has been modified by the Act such that, for taxable years beginning after December 31, 2017, securities of TRSs cannot represent more than 20% of our total assets.

Annual Distribution Requirements

Preferential Dividends. The Prospectus discusses our distribution requirements under the caption “Material U.S. Federal Income Tax Considerations - Qualification as a REIT - Annual Distribution Requirements.” The prohibition

against “preferential dividends” described in that section is applicable for distributions in taxable years beginning on or before December 31, 2014. For all subsequent taxable years, so long as we continue to be a “publicly offered REIT,” the preferential dividend rule will not apply.

18

Table of Contents

Taxation of U.S. Stockholders

Distributions. The Prospectus discusses the taxation of U.S. stockholders on distributions with respect to “qualified dividend income” and “capital gain dividends” under the caption “Material U.S. Federal Income Tax Considerations - Taxation of U.S. Stockholders - Distributions.” In addition to the discussion contained therein, effective for distributions in taxable years beginning after December 31, 2015, the aggregate amount of dividends that we may designate as “capital gain dividends” or “qualified dividend income” with respect to any taxable year may not exceed the dividends paid by us with respect to such year, including dividends that are paid in the following year that are treated as paid with respect to such year.

Taxation of Non-U.S. Stockholders

Distributions

FIRPTA Ownership Exemptions. The Prospectus discusses the Foreign Investment in Real Property Tax Act of 1980 (“FIRPTA”) exemption with respect to non-U.S. stockholders that own no more than 5% of our Class A common stock during the specified period on distributions attributable to gain from sales or exchanges by us of “United States real property interests” under the caption “Material U.S. Federal Income Tax Considerations - Taxation of Non-U.S. Stockholders - Distributions.” This FIRPTA exemption limit on distributions on publicly-traded REIT stock has been increased from ownership of more than 5% of such stock to ownership of more than 10% of such stock for distributions on or after December 18, 2015. In addition, the Prospectus notes that we may be required to withhold 10% of any distribution that exceeds our current and accumulated earnings and profits. This 10% withholding requirement was increased to 15% under the Act for distributions after February 16, 2016. Consequently, although we intend to withhold at a rate of 30% on the entire amount of any relevant distribution, to the extent we do not do so, we may withhold at a rate of 15% on any portion of a distribution not subject to withholding at a rate of 30%.

Distributions to Qualified Shareholders. In addition, the discussion in the Prospectus is further supplemented by inserting the paragraphs below at the end of the subsection with the heading “Material U.S. Federal Income Tax Considerations - Taxation of Non-U.S. Stockholders - Distributions.”

Distributions to Qualified Shareholders. Subject to the exception discussed below, for purposes of any distribution on or after December 18, 2015 to a “qualified shareholder” who holds REIT stock directly (or indirectly through one or more partnerships), such REIT stock will not be treated as a “United States real property interest” and, thus, such distribution should not be subject to special rules under FIRPTA. However, a “qualified shareholder” with one or more “applicable investors” (i.e., persons other than “qualified shareholders” who hold interests in the “qualified shareholder” (other than interests solely as a creditor), and hold (or are deemed to hold under attribution rules) more than 10% of the stock of such REIT (whether or not by reason of the investor’s ownership in the “qualified shareholder”)), as well as such applicable investors, may be subject to FIRPTA rules.

A “qualified shareholder” is a foreign person that (i) either is eligible for the benefits of a comprehensive income tax treaty with the United States which includes an exchange of information program and whose principal class of interests is listed and regularly traded on one or more recognized stock exchanges (as defined in such comprehensive income tax treaty), or is a foreign partnership that is created or organized under foreign law as a limited partnership in a jurisdiction that has an agreement for the exchange of information with respect to taxes with the United States and has a class of limited partnership units that is regularly traded on the NYSE or NASDAQ markets representing greater than 50% of the value of all the partnership units, (ii) is a qualified collective investment vehicle (defined below), and (iii) maintains records on the identity of each person who, at any time during the foreign person’s taxable year, is the direct owner of 5% or more of the class of interests or units (as applicable) described in (i), above.

A qualified collective investment vehicle is a foreign person that (i) would be eligible for a reduced rate of withholding with respect to ordinary dividends paid by a REIT under the comprehensive income tax treaty described above, even if such entity holds more than 10% of the stock of such REIT, (ii) is publicly traded, is treated as a partnership under the Code, is a withholding foreign partnership, and would be treated as a “United States real property holding corporation” during a specified period if it were a domestic corporation, or (iii) is designated as such by the Secretary of the Treasury and is either (a) fiscally transparent within the meaning of Section 894 of the Code, or (b) required to include dividends in its gross income, but is entitled to a deduction for distributions to its investors.

Qualified Foreign Pension Funds. With respect to any distribution after December 18, 2015 to a “qualified foreign pension fund” or an entity all of the interests of which are held by a “qualified foreign pension fund” who holds REIT stock directly (or indirectly through one or more partnerships), such distribution will not be subject to special rules under FIRPTA.

19

Table of Contents

A qualified foreign pension fund is any trust, corporation, or other organization or arrangement (i) which is created or organized under the law of a country other than the U.S., (ii) which is established to provide retirement or pension benefits to participants or beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, (iii) which does not have a single participant or beneficiary with a right to more than 5% of its assets or income, (iv) which is subject to government regulation and provides annual information reporting about its beneficiaries to the relevant tax authorities in the country in which it is established or operates, and (v) with respect to which, under the laws of the country in which it is established or operates, (A) contributions to such trust, corporation, organization or arrangement that would otherwise be subject to tax under such laws are deductible or excluded from the gross income of such entity or taxed at a reduced rate, or (B) taxation of any investment income of such trust, corporation, organization or arrangement is deferred or such income is taxed at a reduced rate.

The provisions of the Act relating to qualified shareholders, applicable investors, and qualified foreign pension funds are complex. Stockholders should consult their tax advisors with respect to the impact of the Act on them.

Dispositions

In addition, the discussion in the Prospectus is further supplemented by inserting the paragraphs below at the end of the subsection with the heading “Material U.S. Federal Income Tax Considerations - Taxation of Non-U.S.

Stockholders - Dispositions.”

Qualified Shareholders and Qualified Pension Funds. After December 18, 2015, a sale of our Class A common stock by:

■ a “qualified shareholder” without one or more applicable investors or

■ a “qualified pension fund”

who holds such Class A common stock directly (or indirectly through one or more partnerships) will not be subject to U.S. federal income taxation under FIRPTA. A “qualified shareholder” with one or more applicable investors may be subject to such rules.

The provisions of the Act relating to qualified shareholders, applicable investors and qualified foreign pension funds are complex. Stockholders should consult their tax advisors with respect to the impact of the Act on them.

FATCA Withholding

The discussion in the Prospectus under “Material U.S. Federal Income Tax Considerations - FATCA Withholding” is replaced in its entirety with the following:

Sections 1471 through 1474 of the Code and the Treasury regulations promulgated thereunder (commonly referred to as “FATCA”) generally impose a 30% withholding tax on U.S. source dividends and, beginning January 1, 2019, gross proceeds from the sale or other disposition of stock or property that is capable of producing U.S. source dividends paid to (i) a foreign financial institution (as defined in Section 1471(d)(4) of the Code) unless such foreign financial institution agrees, pursuant to an agreement with the U.S. Treasury Department or otherwise, to collect and disclose certain information regarding its direct and indirect U.S. owners (which, for this purpose, can include certain debt and equity holders of such foreign financial institution as well as the direct and indirect owners of financial accounts maintained by such institution) and satisfies certain other requirements, and (ii) certain other non-U.S. entities unless such entities provide the payor with information regarding certain direct and indirect U.S. owners of the entity, or certify that they have no such U.S. owners, and comply with certain other requirements. Withholding under FATCA is imposed on payments to foreign financial institutions and other applicable payees whether they receive such payments in the capacity of an intermediary or for their own account. Certain countries have entered into, and other countries are expected to enter into, agreements with the United States to facilitate the type of information reporting required under FATCA. While the existence of such agreements will not eliminate the risk that payments in respect of our Class A common stock will be subject to the withholding described above, these agreements are expected to reduce the risk of the withholding for investors in (or indirectly holding our Class A common stock through financial institutions in) those countries. Each non-U.S. stockholder and any U.S. stockholder holding our Class A common stock through a foreign financial institution is urged to consult its tax advisor about the possible impact of these rules on their investment in our Class A common stock, and the entities through which they hold our Class A common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the

imposition of this 30% withholding of tax under FATCA.

EXECUTIVE OFFICERS OF THE REGISTRANT

The information regarding our executive officers included in Part III, Item 10 of this Annual Report is incorporated herein by reference.

20

Table of Contents

Item 1A. Risk Factors

Risks Related to Our Business

We are dependent on investments in the healthcare property sector, making our profitability more vulnerable to a downturn or slowdown in that specific sector than if we were investing in multiple industries.

We concentrate our investments in the healthcare property sector. As a result, we are subject to risks inherent to investments in a single industry. A downturn or slowdown in the healthcare property sector would have a greater adverse impact on our business than if we had investments in multiple industries. Specifically, a downturn in the healthcare property sector could negatively impact the ability of our tenants to make lease payments to us as well as our ability to maintain rental and occupancy rates, which could adversely affect our business, financial condition and results of operations, the market price of our common stock and our ability to make distributions to our stockholders. Our ability to make future acquisitions may be impeded, or the cost of these acquisitions may be increased, due to a variety of factors, including competition for the acquisition of MOBs and other facilities that serve the healthcare industry.

At any given time, we may be pursuing property acquisitions or have properties subject to letters of intent, but we cannot assure you that we will acquire any such properties because the letters of intent are non-binding and potential transaction opportunities are subject to a variety of factors, including: (i) the willingness of the current property owner to proceed with a potential transaction with us; (ii) our completion of due diligence that is satisfactory to us and our receipt of internal approvals; (iii) the negotiation and execution of mutually acceptable binding purchase agreements; and (iv) the satisfaction of closing conditions, including our receipt of third-party consents and approvals. We also compete with many other entities engaged in real estate investment activities for the acquisition of MOBs and other facilities that serve the healthcare industry, including national, regional and local operators, acquirers and developers of healthcare properties. The competition for the acquisition of healthcare properties may significantly increase the prices we must pay for MOBs and other facilities that serve the healthcare industry or other real estate related assets we seek to acquire. This competition may also effectively limit the number of suitable investment opportunities offered to us or the number of properties that we are able to acquire, and may increase the bargaining power of property owners seeking to sell to us, making it more difficult for us to acquire new properties on attractive terms. The potential sellers of our acquisition targets may find our competitors to be more attractive purchasers because they may have greater resources, may be willing to pay more to acquire the properties or may have a more compatible operating philosophy. In particular, larger healthcare REITs may enjoy significant competitive advantages over us that result from, among other things, a lower cost of capital and enhanced operating efficiencies. Moreover, our competitors generally may be able to accept more risk with respect to their acquisitions than we can prudently manage or are willing to accept. In addition, the number of our competitors and the amount of funds competing for suitable investment properties may increase, which could result in increased demand for these properties and, therefore, increased prices to acquire them. Because of an increased interest in single-property acquisitions among tax-motivated individual purchasers, we may pay higher prices for the purchase of single properties in comparison with the purchase of multi-property portfolios. If we pay higher prices for MOBs and other facilities that serve the healthcare industry, or otherwise incur significant costs and divert management attention in connection with the evaluation and negotiation of potential acquisitions, including potential transactions that we are subsequently unable or elect not to complete, our business, financial condition and results of operations, the market price of our common stock and our ability to make distributions to our stockholders may be adversely affected.

We may not be able to maintain or expand our relationships with hospitals, healthcare system and developers, which may impede our ability to identify and complete acquisitions directly from hospitals, healthcare systems and developers, and may otherwise adversely affect our growth, business, financial condition and results of operations, the market price of our common stock and our ability to make distributions to our stockholders.

The success of our business depends to a large extent on our past, current and future relationships with hospitals, healthcare systems and developers, including our ability to acquire properties directly from hospitals, healthcare systems and developers. We invest a significant amount of time to develop and maintain these relationships, and these relationships have helped us secure acquisition opportunities. Facilities that are acquired directly from hospitals, healthcare systems and developers are typically more attractive to us as a purchaser because of the absence of a formal

competitive marketing process, which could lead to higher prices. If any of our relationships with hospitals, healthcare systems and developers deteriorates, or if a conflict of interest or non-compete arrangement prevents us from expanding these relationships, our professional reputation within the industry could be damaged and we may not be able to secure attractive acquisition opportunities directly from hospitals, healthcare systems and developers in the future, which could adversely affect our ability to locate and acquire facilities at attractive prices.

21

Table of Contents

Our results of operations, our ability to pay distributions to our stockholders and our ability to dispose of our investments are subject to general economic conditions affecting the commercial real estate and credit markets. Our business is sensitive to national, regional and local economic conditions, as well as the commercial real estate and credit markets. For example, a financial disruption or credit crisis could negatively impact the value of commercial real estate assets, contributing to a general slowdown in our industry. A slow economic recovery could cause a reduction in the overall volume of transactions, number of sales and leasing activities of the type that we previously experienced. We are unable to predict future changes in national, regional or local economic, demographic or real estate market conditions.

Adverse economic conditions in the commercial real estate and credit markets may result in:

- defaults by tenants at our properties due to bankruptcy, lack of liquidity or operational failures;
- increases in vacancy rates due to tenant defaults, the expiration or termination of tenant leases and reduced demand for MOB and other facilities that serve the healthcare industry;
- increases in tenant inducements, tenant improvement expenditures, rent concessions or reduced rental rates, especially to maintain or increase occupancies at our properties;
- reduced values of our properties, thereby limiting our ability to dispose of our assets at attractive prices or obtain debt financing secured by our properties on satisfactory terms, as well as reducing the availability of unsecured loans;
- the value and liquidity of our short-term investments and cash deposits being reduced as a result of a deterioration of the financial condition of the institutions that hold our cash deposits or the institutions or assets in which we have made short-term investments, the dislocation of the markets for our short-term investments, increased volatility in market rates for such investment and other factors;
- one or more lenders under our credit facilities refusing to fund their financing commitments to us and, in such event, we are unable to replace the financing commitments of any such lender or lenders on favorable terms, or at all;
- a recession or rise in interest rates, which could make it more difficult for us to lease our properties or dispose of our properties or make alternative interest-bearing and other investments more attractive, thereby lowering the relative value of our existing real estate investments;
- one or more counterparties to our interest rate swaps default on their obligations to us, thereby increasing the risk that we may not realize the benefits of these instruments;
- increases in the supply of competing properties or decreases in the demand for our properties, which may impact our ability to maintain or increase occupancy levels and rents at our properties or to dispose of our investments; and
- increased insurance premiums, real estate taxes or energy costs or other expenses, which may reduce funds available for distribution to our stockholders or, to the extent such increases are passed through to our tenants, may lead to tenant defaults, tenant turnover, or make it difficult for us to increase rents to tenants on lease turnover which may limit our ability to increase our returns.

Our business, financial condition and results of operations, the market price of our common stock and our ability to pay distributions to our stockholders may be adversely affected to the extent an economic slowdown or downturn is prolonged or becomes more severe.

Our growth depends on external sources of capital that are outside of our control, which may affect our ability to seize strategic opportunities, satisfy debt obligations and make distributions to our stockholders.

In order to qualify as a REIT, we must distribute to our stockholders, on an annual basis, at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gains.

Because of these distribution requirements, we may not be able to fund future capital needs, including any necessary acquisition financing, from operating cash flow. Consequently, we may need to rely on third-party sources to fund our capital needs, meet our debt service obligations, make distributions to our stockholders or make future investments necessary to implement our business strategy. We may not be able to obtain financing on favorable terms, in the time period we desire, or at all. Our access to third-party sources of capital depends, in part, on a number of factors, including: general market conditions; the market's perception of our growth potential; our current debt levels; our current and expected future earnings; our cash flow and cash distributions; and the market price per share of our common stock. If we cannot obtain capital from third-party sources, we may not be able to acquire properties when strategic opportunities exist, satisfy our principal and interest obligations to our lenders or make the cash distributions

to our stockholders necessary to maintain our qualification as a REIT.

22

Table of Contents

Our success depends to a significant degree upon the continued contributions of certain key personnel, each of whom would be difficult to replace. If we were to lose the benefit of the experience, efforts and abilities of one or more of these individuals, our operating results could suffer.

Our ability to achieve our investment objectives and to pay distributions is dependent upon the performance of our Board of Directors, our executive officers and our other employees, in the identification and acquisition of investments, the determination and finalization of our financing arrangements, the asset management of our investments, and the operation of our day-to-day activities. Our stockholders will have no opportunity to evaluate the terms of transactions or other economic or financial data concerning our investments that are not described in this Annual Report or other periodic filings with the SEC. We rely primarily on the management ability of our executive officers and the governance by the members of our Board of Directors, each of whom would be difficult to replace. We do not have any key-person life insurance on our executive officers. Although we have entered into employment agreements with each of our executive officers, these employment agreements contain various termination and resignation rights. If we were to lose the benefit of the experience, efforts and abilities of these executives, without satisfactory replacements, our operating results could suffer. In addition, if any member of our Board of Directors were to resign, we would lose the benefit of such director's governance, experience and familiarity with us and the sector within which we operate. As a result of the foregoing, we may be unable to achieve our investment objectives or to pay distributions to our stockholders.

We rely on information technology in our operations; any material failure, inadequacy, interruption or security failure of that technology could harm our business, results of operations and financial condition.

We rely on information technology networks and systems, including the Internet, to process, transmit and store electronic information, and to manage or support a variety of business processes, including financial transactions and records, personal identifying information, and tenant and lease data. Although we have taken steps to protect the security of our information systems and the data maintained in those systems, it is possible that our safety and security measures will not be able to prevent the systems' improper functioning or damage, or the improper access or disclosure of personally identifiable information such as in the event of cyber-attacks. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorized disclosure of confidential information. Any failure to maintain proper function, security and availability of our information systems could interrupt our operations, damage our reputation, subject us to liability claims or regulatory penalties and could have an adverse effect on our business, results of operations and financial condition.

Risks Related to our Organizational Structure

We may structure acquisitions of property in exchange for limited partnership units of our operating partnership on terms that could limit our liquidity or our flexibility.

We may continue to acquire properties by issuing limited partnership units of our operating partnership, HTALP, in exchange for a property owner contributing property to us. If we continue to enter into such transactions in order to induce the contributors of such properties to accept units of our operating partnership rather than cash in exchange for their properties, it may be necessary for us to provide additional incentives. For instance, our operating partnership's limited partnership agreement provides that any holder of units may exchange limited partnership units on a one-for-one basis for, at our option, cash equal to the value of an equivalent number of shares of common stock. We may, however, enter into additional contractual arrangements with contributors of property under which we would agree to repurchase a contributor's units for shares of our common stock or cash, at the option of the contributor, at set times. If the contributor required us to repurchase units for cash pursuant to such a provision, it would limit our liquidity and, thus, our ability to use cash to make other investments, satisfy other obligations or make distributions to stockholders. Moreover, if we were required to repurchase units for cash at a time when we did not have sufficient cash to fund the repurchase, we might be required to sell one or more of our properties to raise funds to satisfy this obligation. Furthermore, we might agree that if distributions the contributor received as a limited partner in our operating partnership did not provide the contributor with an established return level, then upon redemption of the contributor's units we would pay the contributor an additional amount necessary to achieve that return. Such a provision could further negatively impact our liquidity and flexibility. Finally, in order to allow a contributor of a

property to defer taxable gain on the contribution of property to our operating partnership, we might agree not to sell a contributed property for a defined period of time or until the contributor exchanged the contributor's units for cash or shares. Such an agreement would prevent us from selling those properties, even if market conditions would allow such a sale to be favorable to us.

23

Table of Contents

Our Board of Directors may change our investment objectives and major strategies and take other actions without seeking stockholder approval.

Our Board of Directors determines our investment objectives and major strategies, including our strategies regarding investments, financing, growth, debt capitalization, REIT qualification and distributions. Our Board of Directors may amend or revise these and other strategies without a vote of the stockholders. Under our charter and Maryland law, our stockholders will have a right to vote only on the following matters:

the election or removal of directors;

our dissolution;

certain mergers, consolidations, conversions, statutory share exchanges and sales or other dispositions of all or substantially all of our assets; and

amendments of our charter, except that our Board of Directors may amend our charter without stockholder approval to change our name or the name or other designation, or the par value of any class or series of our stock and the aggregate par value of our stock, increase or decrease the aggregate number of our shares of stock or the number of our shares of any class or series that we have the authority to issue or effect certain reverse stock splits.

As a result, our stockholders will not have a right to approve most actions taken by our Board of Directors.

Certain provisions of Maryland law could inhibit changes in control of us, which could lower the value of our common stock.

Certain provisions of the Maryland General Corporation Law (“MGCL”) applicable to us may have the effect of inhibiting or deterring a third party from making a proposal to acquire us or of delaying or preventing a change of control under circumstances that otherwise could provide our stockholders with the opportunity to realize a premium over the then-prevailing market price of such shares, including:

provisions of the MGCL that permit our Board of Directors, without our stockholders’ approval and regardless of what is currently provided in our charter or bylaws, to implement certain takeover defenses, including adopting a classified board;

“business combination” provisions that, subject to limitations, prohibit certain business combinations, asset transfers and equity security issuances or reclassifications between us and an “interested stockholder” (defined generally as any person who beneficially owns 10% or more of the voting power of our outstanding voting stock or an affiliate or associate of ours who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of our then outstanding stock) or an affiliate of an interested stockholder for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter may impose supermajority voting requirements unless certain minimum price conditions are satisfied; and

“control share” provisions that provide that holders of “control shares” of HTA (defined as shares which, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a “control share acquisition” (defined as the direct or indirect acquisition of ownership or control of issued and outstanding “control shares”) have no voting rights except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

Our Board of Directors has adopted a resolution providing that any business combination between us and any other person is exempted from this statute, provided that such business combination is first approved by our board. This resolution, however, may be altered or repealed in whole or in part at any time. In the case of the control share provisions of the MGCL, we have opted out of these provisions pursuant to a provision in our bylaws. We may, however, by amendment to our bylaws, opt in to the control share provisions of the MGCL. We may also choose to adopt a classified board or other takeover defenses in the future. Any such actions could deter a transaction that may otherwise be in the interest of our stockholders.

Table of Contents

Risks Related to Investments in Real Estate and Other Real Estate Related Assets

We are dependent on the financial stability of our tenants.

Lease payment defaults by our tenants would cause us to lose the revenue associated with such leases. Although 55% of our annualized base rent was derived from tenants (or their parent companies) that have a credit rating, a tenants' credit rating (or its' parents credit rating) is no guarantee of a tenant's ability to perform its lease obligations and a parent company may choose not to satisfy the obligations of a subsidiary that fails to perform its obligations. If the property is subject to a mortgage, a default by a significant tenant on its lease payments to us may result in a foreclosure on the property if we are unable to find an alternative source of revenue to meet mortgage payments. In the event of a tenant default, we may experience delays in enforcing our rights as a landlord and we may incur substantial costs in protecting our investment and re-leasing our property, and we may not be able to re-lease the property for the rent previously received, if at all. Lease terminations and expirations could also reduce the value of our properties.

We face potential adverse consequences of bankruptcy or insolvency by our tenants.

We are exposed to the risk that our tenants could become bankrupt or insolvent. This risk would be magnified to the extent that a tenant leased space from us in multiple facilities. The bankruptcy and insolvency laws afford certain rights to a party that has filed for bankruptcy or reorganization. For example, a debtor-tenant may reject its lease with us in a bankruptcy proceeding. In such a case, our claim against the debtor-tenant for unpaid and future rents would be limited by the statutory cap of the U.S. Bankruptcy Code. This statutory cap might be substantially less than the remaining rent actually owed to us under the lease, and it is quite likely that any claim we might have against the tenant for unpaid rent would not be paid in full. In addition, a debtor-tenant may assert in a bankruptcy proceeding that its lease should be re-characterized as a financing agreement. If such a claim is successful, our rights and remedies as a lender, compared to our rights and remedies as a landlord, would generally be more limited.

Our tenant base may not remain stable or could become more concentrated which could harm our operating results and financial condition.

Our tenant base may not remain stable or could become more concentrated among particular physicians and physician groups with varying practices and other medical service providers in the future. Subject to the terms of the applicable leases, our tenants could decide to leave our properties for numerous reasons, including, but not limited to, financial stress or changes in the tenant's ownership or management. Our tenants service the healthcare industry and our tenant mix could become even more concentrated if a preponderance of our tenants practice in a particular medical field or are reliant upon a particular healthcare system. If any of our tenants become financially unstable, our operating results and prospects could suffer, particularly if our tenants become more concentrated.

Our MOB's and our other facilities that serve the healthcare industry and our tenants may be subject to competition. Our MOB's and other facilities that serve the healthcare industry often face competition from nearby hospitals and other MOB's that provide comparable services. Some of those competing facilities are owned by governmental agencies and supported by tax revenues, while others are owned by nonprofit corporations and may be supported to a large extent by endowments and charitable contributions. These types of financial support are not available to buildings we own.

Similarly, our tenants face competition from other medical practices in nearby hospitals and other medical facilities. Further, referral sources, including physicians and managed care organizations, may change their lists of hospitals or physicians to which they refer patients. Competition and loss of referrals could adversely affect our tenants' ability to make rental payments, which could adversely affect our rental revenues. Any reduction in rental revenues resulting from the inability of our MOB's and our other facilities that serve the healthcare industry and our tenants to compete successfully may have an adverse effect on our business, financial condition and results of operations, the market price of our common stock and our ability to make distributions to our stockholders.

Table of Contents

The hospitals on whose campuses our MOBs are located and their affiliated healthcare systems could fail to remain competitive or financially viable, which could adversely impact their ability to attract physicians and physician groups to our MOBs and our other facilities that serve the healthcare industry.

Our MOB operations and other facilities that serve the healthcare industry depend on the viability of the hospitals on whose campuses our MOBs are located and their affiliated healthcare systems in order to attract physicians and other healthcare-related users. The viability of these hospitals, in turn, depends on factors such as the quality and mix of healthcare services provided, competition, demographic trends in the surrounding community, market position and growth potential, as well as the ability of the affiliated healthcare systems to provide economies of scale and access to capital. If a hospital whose campus is located on or near one of our MOBs is unable to meet its financial obligations, and if an affiliated healthcare system is unable to support that hospital, the hospital may not be able to compete successfully or could be forced to close or relocate, which could adversely impact its ability to attract physicians and other healthcare-related users. Because we rely on our proximity to and affiliations with these hospitals to create tenant demand for space in our MOBs, their inability to remain competitive or financially viable, or to attract physicians and physician groups, could adversely affect our MOB operations and have an adverse effect on us. The unique nature of certain of our properties, including our senior healthcare properties, may make it difficult to lease or transfer our property or find replacement tenants, which could require us to spend considerable capital to adapt the property to an alternative use or otherwise negatively affect our performance.

Some of the properties we own or may seek to acquire are specialized medical facilities or otherwise designed or built for a particular tenant of a specific type of use known as a single use facility. For example, senior healthcare facilities present unique challenges with respect to leasing and transfer. Skilled nursing, assisted living and independent living facilities are typically highly customized and may not be easily modified to accommodate non-healthcare-related uses. The improvements generally required to conform a property to healthcare use, such as upgrading electrical, gas and plumbing infrastructure, are costly and oftentimes operator-specific. As a result, these property types may not be suitable for lease to traditional office tenants or other healthcare tenants with unique needs without significant expenditures or renovations. A new or replacement tenant may require different features in a property, depending on that tenant's particular operations.

If we or our tenants terminate or do not renew the leases for our properties or our tenants lose their regulatory authority to operate such properties or default on their lease obligations to us for any reason, we may not be able to locate, or may incur additional costs to locate, suitable replacement tenants to lease the properties for their specialized uses. Alternatively, we may be required to spend substantial amounts to modify a property for a new tenant, or for multiple tenants with varying infrastructure requirements, before we are able to re-lease the space or we could otherwise incur re-leasing costs. Furthermore, because transfers of healthcare facilities may be subject to regulatory approvals not required for transfers of other types of property, there may be significant delays in transferring operations of senior healthcare facilities to successor operators. Any loss of revenues or additional capital expenditures required as a result may have an adverse effect on our business, financial condition and results of operations, the market price of our common stock and our ability to make distributions to our stockholders.

Uninsured losses relating to real estate and lender requirements to obtain insurance may reduce stockholder returns. There are types of losses relating to real estate, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, floods, hurricanes, pollution or environmental matters, for which we do not intend to obtain insurance unless we are required to do so by mortgage lenders. If any of our properties incurs a casualty loss that is not fully covered by insurance, the value of our assets will be reduced by any such uninsured loss. In addition, other than any reserves we may establish, we have no source of funding to repair or reconstruct any uninsured damaged property, and we cannot assure our stockholders that any such sources of funding will be available to us for such purposes in the future. Also, to the extent we must pay unexpectedly large amounts for uninsured losses, we could suffer reduced earnings that would result in less cash to be distributed to our stockholders. In cases where we are required by mortgage lenders to obtain casualty loss insurance for catastrophic events or terrorism, such insurance may not be available, or may not be available at a reasonable cost, which could inhibit our ability to finance or refinance our properties. Additionally, if we obtain such insurance, the costs associated with owning a property would increase and could have an adverse effect on the net income from the property and, thus, the cash available for

distribution to our stockholders.

We may fail to successfully operate acquired properties.

Our ability to successfully operate any properties is subject to the following risks:

- we may acquire properties that are not initially accretive to our results upon acquisition and we may not successfully manage and lease those properties to meet our expectations;
- we may spend more than budgeted to make necessary improvements or renovations to acquired properties;

26

Table of Contents

we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations and, as a result, our results of operations and financial condition could be adversely affected;

market conditions may result in higher than expected vacancy rates and lower than expected rental rates; and we may acquire properties subject to liabilities, including contingent liabilities, and without any recourse, or with only limited recourse, with respect to unknown liabilities for the clean-up of undisclosed environmental contamination, claims by tenants or other persons dealing with former owners of the properties, liabilities, claims, and litigation, including indemnification obligations, whether or not incurred in the ordinary course of business, relating to periods prior to or following our acquisitions, claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties, and liabilities for taxes relating to periods prior to our acquisitions.

If we are unable to successfully operate acquired properties, our financial condition, results of operations, the market price of our common stock, cash flow and ability to satisfy our principal and interest obligations and to make distributions to our stockholders could be adversely affected.

We may not be able to control our operating costs or our expenses may remain constant or increase, even if our revenue does not increase, which could cause our results of operations to be adversely affected.

Factors that may adversely affect our ability to control operating costs include the need to pay for insurance and other operating costs, including real estate taxes, which could increase over time, the need periodically to repair, renovate and re-let space, the cost of compliance with governmental regulation, including zoning and tax laws, the potential for liability under applicable laws, interest rate levels and the availability of financing. If our operating costs increase as a result of any of the foregoing factors, our results of operations may be adversely affected. The expenses of owning and operating MOB and other facilities that serve the healthcare industry are not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from the property. As a result, if our revenue declines, we may not be able to reduce our expenses accordingly. Certain costs associated with real estate investments may not be reduced even if a property is not fully occupied or other circumstances cause our revenues to decrease. If one or more of our properties is mortgaged and we are unable to meet the mortgage payments, the lender could foreclose on the mortgage and take possession of the properties, resulting in a further reduction in our net income. Increases in property taxes could adversely affect our cash flow.

Our properties are subject to real and personal property taxes that may increase as tax rates change and as the real properties are assessed or reassessed by taxing authorities. Some of our leases generally provide that the property taxes or increases therein are charged to the tenants as an expense related to the real properties that they occupy, while other leases provide that we are generally responsible for such taxes. We are also generally responsible for real property taxes related to any vacant space. In any case, as the owner of the properties, we are ultimately responsible for payment of the taxes to the applicable government authorities. If real property taxes increase, our tenants may be unable to make the required tax payments, ultimately requiring us to pay the taxes even if the tenant is obligated to do so under the terms of the lease. If we fail to pay any such taxes, the applicable taxing authority may place a lien on the real property and the real property may be subject to a tax sale.

Our ownership of certain MOB properties and other facilities are subject to ground leases or other similar agreements which limit our uses of these properties and may restrict our ability to sell or otherwise transfer such properties. As of December 31, 2016, we held interests in MOB properties and other facilities that serve the healthcare industry through leasehold interests in the land on which the buildings are located and we may acquire additional properties in the future that are subject to ground leases or other similar agreements. As of December 31, 2016, these properties represented 32% of our total GLA. Many of our ground leases and other similar agreements limit our uses of these properties and may restrict our ability to sell or otherwise transfer such properties without the ground landlord's consent, which may impair their value.

Table of Contents

Uncertain market conditions relating to the future disposition of properties or other real estate related assets could cause us to sell our properties or real estate assets on unfavorable terms or at a loss in the future.

We intend to hold our various real estate investments until such time as we determine that a sale or other disposition appears to be advantageous to achieve our investment objectives. Our Chief Executive Officer and our Board of Directors may exercise their discretion as to whether and when to sell a property and we will have no obligation to sell properties at any particular time. Our Board of Directors may also choose to effect a liquidity event in which we liquidate our investments in other real estate related assets. We generally intend to hold properties for an extended period of time and our mortgage investments until maturity, and we cannot predict with certainty the various market conditions affecting real estate investments that will exist at any particular time in the future. Because of the uncertainty of market conditions that may affect the future disposition of our properties, we may not be able to sell our properties at a profit in the future or at all, and we may incur prepayment penalties in the event we sell a property subject to a mortgage earlier than we otherwise had planned. Additionally, if we liquidate our mortgage investments prior to their maturity, we may be forced to sell those investments on unfavorable terms or at a loss. For instance, if we are required to liquidate mortgage loans at a time when prevailing interest rates are higher than the interest rates of such mortgage loans, we would likely sell such loans at a discount to their stated principal values. Any inability to sell a property or liquidation of a mortgage investment prior to maturity could adversely impact our business, financial condition and results of operation, the market price of our common stock and ability to pay distributions to our stockholders.

The mortgage or other real estate-related loans in which we have in the past, and may in the future, invest may be impacted by unfavorable real estate market conditions and delays in liquidation, which could decrease their value. If we make additional investments in real estate notes receivable, we will be at risk of loss on those investments, including losses as a result of borrower defaults on mortgage loans. These losses may be caused by many conditions beyond our control, including economic conditions affecting real estate values, tenant defaults and lease expirations, interest rate levels and the other economic and liability risks associated with real estate as described elsewhere under this heading. Furthermore, if there are borrower defaults under our mortgage loan investments, we may not be able to foreclose on or obtain a suitable remedy with respect to such investments. Specifically, we may not be able to repossess and sell the properties under our mortgage loans quickly, which could reduce the value of our investment. For example, an action to foreclose on a property securing a mortgage loan is regulated by state statutes and rules and is subject to many of the delays and expenses of lawsuits if the defendant raises defenses or counterclaims. In the event of a borrower default, these restrictions, among other things, may impede our ability to foreclose on or sell the mortgaged property or to obtain proceeds sufficient to repay all amounts due to us on the mortgage loan. Additionally, if we acquire property by foreclosure following a borrower default under our mortgage loan investments, we will have the economic and liability risks as the owner described above. Thus, we do not know whether the values of the property securing any of our investments in real estate related assets will remain at the levels existing on the dates we initially make the related investment. If the values of the underlying properties decline, our risk will increase and the value of our interests may decrease.

Lease rates under our long-term leases may be lower than fair market lease rates over time.

We have entered into and may in the future enter into long-term leases with tenants at certain of our properties. Certain of our long-term leases provide for rent to increase over time. However, if we do not accurately judge the potential for increases in market rental rates, we may set the terms of these long-term leases at levels such that even after contractual rental increases, the rent under our long-term leases is less than then-current market rental rates. Further, we may have no ability to terminate those leases or to adjust the rent to then-prevailing market rates. As a result, our income and distributions could be lower than if we did not enter into long-term leases.

Rents associated with new leases for properties in our portfolio may be less than expiring rents (lease roll-down) on existing leases, which may adversely affect our financial condition, results of operations and cash flow.

Our operating results depend upon our ability to maintain and increase rental rates at our properties while also maintaining or increasing occupancy. The rental rates for expiring leases may be higher than starting rental rates for new leases and we may also be required to offer greater rental concessions than we have historically. The rental rate spread between expiring leases and new leases may vary both from property to property and among different leased

spaces within a single property. If we are unable to obtain sufficient rental rates across our portfolio, our business, financial condition and results of operation, the market price of our common stock and ability to pay distributions to our stockholders could be adversely affected.

28

Table of Contents

Costs associated with complying with the Americans with Disabilities Act of 1990 may result in unanticipated expenses.

Under the ADA, all places of public accommodation are required to meet certain U.S. federal requirements related to access and use by disabled persons. A number of additional U.S. federal, state and local laws may also require modifications to our properties, or restrict certain further renovations of the properties, with respect to access thereto by disabled persons. Noncompliance with the ADA could result in the imposition of fines or an award of damages to private litigants and/or an order to correct any non-complying feature, which could result in substantial capital expenditures. We have not conducted an audit or investigation of all of our properties to determine our compliance and we cannot predict the ultimate cost of compliance with the ADA or other legislation. If one or more of our properties is not in compliance with the ADA or other related legislation, then we would be required to incur additional costs to bring the facility into compliance. If we incur substantial costs to comply with the ADA or other related legislation, our business, financial condition and results of operations, the market price of our common stock and ability to make distributions to our stockholders may be adversely affected.

Risks Related to the Healthcare Industry

New laws or regulations affecting the heavily regulated healthcare industry, changes to existing laws or regulations, loss of licensure or failure to obtain licensure could result in the inability of our tenants to make rent payments to us. The healthcare industry is heavily regulated by federal, state and local governmental agencies. Our tenants generally are subject to laws and regulations covering, among other things, licensure, certification for participation in government programs, and relationships with physicians and other referral sources. Changes in these laws and regulations could negatively affect the ability of our tenants to make lease payments to us and our ability to make distributions to our stockholders.

Many of our medical properties and our tenants may require a license or multiple licenses or a CON to operate. Failure to obtain a license or a CON or loss of a required license or a CON would prevent a facility from operating in the manner intended by the tenant. These events could adversely affect our tenants' ability to make rent payments to us. State and local laws also may regulate expansion, including the addition of new beds or services or acquisition of medical equipment, and the construction of facilities that serve the healthcare industry, by requiring a CON or other similar approval. State CON laws are not uniform throughout the U.S. and are subject to change. We cannot predict the impact of state CON laws on our facilities or the operations of our tenants.

In limited circumstances, loss of state licensure or certification or closure of a facility could ultimately result in loss of authority to operate the facility and require new CON authorization to re-institute operations. As a result, a portion of the value of the facility may be reduced, which would adversely impact our business, financial condition and results of operations, the market price of our common stock and our ability to make distributions to our stockholders.

Comprehensive healthcare reform legislation could adversely affect our business, financial condition and results of operations, the market price of our common stock and our ability to pay distributions to stockholders.

In March 2010, President Obama signed the Affordable Care Act. The Affordable Care Act, along with other healthcare reform efforts has resulted in comprehensive healthcare reform in the U.S. through a phased approach, which began in 2010 and will conclude in 2018. It remains difficult to predict the impact of these laws on us due to their complexity, lack of implementing regulations or interpretive guidance, and the gradual implementation of the laws over a multi-year period. During the 2016 Presidential and Congressional campaigns, Republicans promised they would seek the repeal of the Affordable Care Act. On January 20, 2017, newly-sworn-in President Trump issued an executive order aimed at seeking the prompt repeal of the Affordable Care Act, and directed the heads of all executive departments and agencies to minimize the economic and regulatory burdens of the Affordable Care Act to the maximum extent permitted by law. In addition, there have been and continue to be numerous Congressional attempts to amend and repeal the law. We cannot predict whether any of these attempts to amend or repeal the law will be successful. The future of the Affordable Care Act is uncertain and any changes to existing laws and regulations, including the Affordable Care Act's repeal, modification or replacement, could have a long-term financial impact on the delivery of and payment for healthcare. Both our tenants and us may be adversely affected by the law or its repeal, modification or replacement.

Reductions in reimbursement from third party payors, including Medicare and Medicaid, could adversely affect the profitability of our tenants and hinder their ability to make rent payments to us.

Sources of revenue for our tenants may include the federal Medicare program, state Medicaid programs, private insurance carriers, health maintenance organizations, preferred provider arrangements and self-insured employers, among others. Changes in the reimbursement rate or methods of payment from third-party payors, including Medicare and Medicaid, could impact the revenue of our tenants.

Table of Contents

The healthcare industry also faces various challenges, including increased government and private payor pressure on healthcare providers to control or reduce costs. A focus on controlling costs could have an adverse effect on the financial condition of some or all of our tenants. The financial impact on our tenants could restrict their ability to make rent payments to us, which would have an adverse effect on our business, financial condition and results of operations and our ability to make distributions to our stockholders.

Government budget deficits could lead to a reduction in Medicaid and Medicare reimbursement, which could adversely affect the financial condition of our tenants.

Adverse U.S. economic conditions have negatively affected state budgets, which may put pressure on states to decrease reimbursement rates with the goal of decreasing state expenditures under state Medicaid programs. The need to control Medicaid expenditures may be exacerbated by the potential for increased enrollment in state Medicaid programs due to unemployment, declines in family incomes and eligibility expansions required by the recently enacted healthcare reform law. These potential reductions could be compounded by the potential for federal cost-cutting efforts that could lead to reductions in reimbursement rates under both the federal Medicare program and state Medicaid programs. Potential reductions in reimbursements under these programs could negatively impact the ability of our tenants and their ability to meet their obligations to us, which could, in turn, have an adverse effect on our business, financial condition and results of operations, the market price of our common stock and our ability to make distributions to our stockholders.

Some tenants at our MOB's and our other facilities that serve the healthcare industry are subject to fraud and abuse laws, the violation of which by a tenant may jeopardize the tenant's ability to make rent payments to us.

As described in the Item 1 - Business, there are various federal and state laws prohibiting fraudulent and abusive business practices by healthcare providers who participate in, receive payments from, or are in a position to make referrals in connection with, government-sponsored healthcare programs, including the Medicare and Medicaid programs. In the ordinary course of their business, our tenants may be subject to inquiries, investigations and audits by federal and state agencies as well as whistleblower suits under the False Claims Act from private individuals. An investigation by a federal or state governmental agency for violation of fraud and abuse laws, a whistleblower suit, or the imposition of criminal/civil penalties upon one of our tenants could jeopardize that tenant's ability to operate or to make rent payments. In turn, this may have an adverse effect on our business, financial condition and results of operations and our ability to make distributions to our stockholders.

Risks Related to Debt Financing

We have and intend to incur indebtedness, which may increase our business risks, could hinder our ability to make distributions and could decrease the value of our Company.

As of December 31, 2016, we had fixed and variable rate debt of \$1.8 billion outstanding. We intend to continue to finance a portion of the purchase price of our investments in real estate and other real estate related assets by borrowing funds. In addition, we may incur mortgage debt and pledge some or all of our real properties as security for that debt to obtain funds to acquire additional real properties or for working capital. We may also borrow funds to satisfy the REIT tax qualification requirement that we distribute at least 90% of our annual ordinary taxable income to our stockholders. Furthermore, we may borrow if we otherwise deem it necessary or advisable to ensure that we maintain our qualification as a REIT for U.S. federal income tax purposes. We have historically maintained a low leveraged balance sheet and intend to continue to maintain this structure over the long run. However, our total leverage may fluctuate on a short term basis as we execute our business strategy.

High debt levels will cause us to incur higher interest charges, which would result in higher debt service payments and could be accompanied by restrictive covenants. If there is a shortfall between the cash flow from a property and the cash flow needed to service mortgage debt on that property, then the amount available for distributions to our stockholders may be reduced. In addition, incurring mortgage debt increases the risk of loss since defaults on indebtedness secured by a property may result in lenders initiating foreclosure actions. In that case, we could lose the property securing the loan that is in default, thus reducing the value of the Company. For tax purposes, a foreclosure of any of our properties will be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we will recognize taxable income on foreclosure, but we would not receive any cash proceeds.

We may give full or partial guarantees to lenders of mortgage debt to our affiliated entities that own our properties. When we give a guaranty on behalf of an affiliated entity that owns one of our properties, we will be responsible to the lender for satisfaction of the debt if it is not paid by our affiliated entity. If any mortgage contains cross-collateralization or cross-default provisions, a default by us on a single property could affect multiple properties. If any of our properties are foreclosed upon due to a default by us, our ability to pay cash distributions to our stockholders could be adversely affected.

30

Table of Contents

Covenants in the instruments governing our existing indebtedness limit our operational flexibility and a covenant breach could adversely affect our operations.

The terms of the instruments governing our existing indebtedness require us to comply with a number of customary financial and other covenants. These provisions include, among other things: a limitation on the incurrence of additional indebtedness; limitations on mergers; investments; acquisitions; redemptions of capital stock; transactions with affiliates; and maintenance of specified financial ratios. Our continued ability to incur debt and operate our business is subject to compliance with these covenants, which limit our operational flexibility. Breaches of these covenants could result in defaults by us under applicable debt instruments, even if payment obligations are satisfied. Financial and other covenants that limit our operational flexibility, as well as defaults resulting from our breach of any of these covenants in our debt instruments, could have an adverse effect on our financial condition and results of operations.

Adverse changes in our credit ratings could impair our ability to obtain additional debt and equity financing on favorable terms, if at all, and negatively impact the market price of our securities, including our common stock. Our credit ratings are based on our operating performance, liquidity and leverage ratios, overall financial position and other factors employed by the credit rating agencies in their rating analysis of us. Our credit ratings can affect the amount and type of capital we can access, as well as, the terms of any financings we may obtain. There can be no assurance that we will be able to maintain our current credit ratings, and, in the event that our current credit ratings deteriorate, we would likely incur higher borrowing costs and it may be more difficult or expensive for us to obtain additional financing or refinance existing obligations and commitments. Also, a downgrade in our credit ratings would trigger additional costs or other potentially negative consequences for us under our current and future credit facilities and debt instruments.

Risks Related to Joint Ventures

The terms of joint venture agreements or other joint ownership arrangements into which we have entered and may enter could impair our cash flow, our operating flexibility and our results of operations.

In connection with the purchase of real estate, we have entered and may continue to enter into joint ventures with third parties. We may also purchase or develop properties in co-ownership arrangements with the sellers of the properties, developers or other persons. Our joint venture partners may also have rights to take actions over which we have no control and may take actions contrary to our interests. Joint ownership of an investment in real estate may involve risks not associated with direct ownership of real estate, including the following:

- a venture partner may at any time have economic or other business interests or goals which are or become inconsistent with our business interests or goals, including inconsistent goals relating to the sale of properties held in a joint venture or the timing of the termination and liquidation of the venture;

- a venture partner might become bankrupt and such proceedings could have an adverse impact on the operation of the partnership or joint venture;

- a venture partner's actions might have the result of subjecting the property to liabilities in excess of those contemplated; and

- a venture partner may be in a position to take action contrary to our instructions or requests, or contrary to our policies or objectives, including our policy with respect to qualifying and maintaining our qualification as a REIT.

Under certain joint venture arrangements, neither venture partner may have the power to control the venture nor an impasse could occur, which might adversely affect the joint venture and decrease potential returns to our stockholders. If we have a right of first refusal or buy/sell right to buy-out a venture partner, we may be unable to finance such a buy-out or we may be forced to exercise those rights at a time when it would not otherwise be in our best interest to do so. If our interest is subject to a buy/sell right, we may not have sufficient cash, available borrowing capacity or other capital resources to allow us to purchase an interest of a venture partner subject to the buy/sell right, in which case we may be forced to sell our interest when we would otherwise prefer to retain our interest. In addition, we may not be able to sell our interest in a joint venture on a timely basis or on acceptable terms if we desire to exit the venture for any reason, particularly if our interest is subject to a right of first refusal in favor of our venture partner.

Table of Contents

Federal Income Tax Risks

Failure to qualify as a REIT for U.S. federal income tax purposes would subject us to federal income tax on our taxable income at regular corporate rates, which would substantially reduce our ability to make distributions to our stockholders.

We elected to be taxed as a REIT for U.S. federal income tax purposes beginning with our taxable year ended December 31, 2007 and we believe that our current and intended manner of operation will enable us to continue to meet the requirements to be taxed as a REIT. To qualify as a REIT, we must meet various requirements set forth in the Code concerning, among other things, the ownership of our outstanding common stock, the nature of our assets, the sources of our income and the amount of our distributions to our stockholders. The REIT qualification requirements are extremely complex and interpretations of the federal income tax laws governing qualification as a REIT are limited. Accordingly, we cannot be certain that we will be successful in operating so as to qualify as a REIT. At any time, new laws, interpretations or court decisions may change the federal tax laws relating to, or the federal income tax consequences of, qualification as a REIT. It is possible that future economic, market, legal, tax or other considerations may cause our Board of Directors to revoke our REIT election, which it may do without stockholder approval.

If we were to fail to qualify as a REIT for any taxable year, we would not be able to deduct distributions to shareholders in computing our taxable income and we would be subject to U.S. federal income tax on our taxable income at corporate rates. We could also be subject to the federal alternative minimum tax and increased state and local taxes. Losing our qualification as a REIT would reduce our net earnings available for investment or distribution to stockholders due to the additional tax liability and we would no longer be required to make distributions. To the extent that distributions had been made in anticipation of our qualifying as a REIT, we might be required to borrow funds or liquidate some investments in order to pay the applicable corporate income tax. In addition, we would generally be disqualified from treatment as a REIT for the four taxable years following the year in which we lose our qualification as a REIT.

As a result of all these factors, our failure to qualify as a REIT could impair our ability to expand our business and raise capital, and would substantially reduce our ability to make distributions to our stockholders.

To continue to qualify as a REIT and to avoid the payment of U.S. federal income and excise taxes, we may be forced to borrow funds, use proceeds from the issuance of securities or sell assets to pay distributions, which may result in our distributing amounts that may otherwise be used for our operations or cause us to forgo otherwise attractive opportunities.

To obtain the favorable tax treatment accorded to REITs, we normally will be required each year to distribute to our stockholders at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and by excluding net capital gains. We will be subject to U.S. federal income tax on our undistributed taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which distributions we pay with respect to any calendar year are less than the sum of: (a) 85% of our ordinary income; (b) 95% of our capital gain net income; and (c) 100% of our undistributed income from prior years. These requirements could cause us to make distributions to our stockholders at disadvantageous times or when we do not have funds readily available for distribution, or we may be required to liquidate otherwise attractive investments. These requirements could additionally cause us to distribute amounts that otherwise would be spent on acquisitions of properties and it is possible that we might be required to borrow funds, use proceeds from the issuance of securities or sell assets in order to distribute enough of our taxable income to maintain our qualification as a REIT and to avoid the payment of federal income and excise taxes. Thus, compliance with the REIT requirements may hinder our ability to operate solely on the basis of maximizing profits.

To preserve our qualification as a REIT, our charter contains ownership limits with respect to our capital stock that may delay, defer or prevent a change of control of HTA or other transaction that may be benefit our stockholders. To assist us in preserving our qualification as a REIT, our charter contains a limitation on ownership that prohibits any individual, entity or group, unless exempted by our Board of Directors, from directly acquiring beneficial ownership of more than 9.8% of the value of HTA's then outstanding capital stock (which includes common stock and any preferred stock HTA may issue) or more than 9.8% of the value or number of shares, whichever is more restrictive, of

HTA's then outstanding common stock.

Any attempted transfer of HTA's stock which, if effective, would result in HTA's stock being beneficially owned by fewer than 100 persons will be null and void. Any attempted transfer of HTA's stock which, if effective, would result in violation of the ownership limits discussed above or in HTA being "closely held" under Section 856(h) of the Code or otherwise failing to qualify as a REIT, will cause the number of shares causing the violation (rounded up to the nearest whole share) to be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries and the proposed transferee will not acquire any rights in the shares.

32

Table of Contents

These ownership limits may prohibit business combinations that would otherwise have been approved by our Board of Directors and our stockholders and may also decrease our stockholders' ability to sell their shares of our common stock. These ownership limits could also delay, defer or prevent a transaction, such as a tender offer, or a change of control that might involve a premium price for our common stock or might otherwise be in the best interests of our stockholders.

Risks Related to Our Common Stock

The price of our common stock has and may continue to fluctuate, which may make it difficult for you to sell our common stock when you want to do so, or at prices you find attractive.

The price of our common stock on the New York Stock Exchange ("NYSE") constantly changes and has been subject to price fluctuations. We expect that the market price of our common stock will continue to fluctuate. Our stock price can fluctuate as a result of a variety of factors, many of which are beyond our control. These factors may include:

- actual or anticipated variations in our quarterly operating results;
- changes in our earnings estimates or publication of research reports about us or the real estate industry, although no assurance can be given that any research reports about us will be published;
- future sales of substantial amounts of common stock by our existing or future stockholders;
- increases in market interest rates, which may lead purchasers of our stock to demand a higher yield;
- changes in market valuations of similar companies;
- adverse market reaction to any increased indebtedness we incur in the future;
- additions or departures of key personnel;
- actions by institutional stockholders;
- speculation in the press or investment community; and
- general market and economic conditions.

In addition, the stock market in general may experience extreme volatility that may be unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the market price of our common stock.

Future offerings of debt securities, which would be senior to our common stock, or equity securities, which would dilute our existing stockholders and may be senior to our common stock, may adversely affect the market price of our common stock.

In the future, we may issue debt or equity securities, including medium term notes, senior or subordinated notes and classes of preferred or common stock. Debt securities or shares of preferred stock will generally be entitled to receive distributions, both current and in connection with any liquidation or sale, prior to the holders of our common stock.

Our Board of Directors may issue such securities without stockholder approval and under Maryland law may amend our charter to increase the aggregate number of authorized shares of capital stock or the number of authorized shares of capital stock of any class or series without stockholder approval. We are not required to offer any such additional debt or equity securities to existing holders of our common stock on a preemptive basis. Therefore, offerings by us of our common stock or other equity securities may dilute the percentage ownership interest of our existing stockholders. To the extent we issue additional equity interests, our stockholders' percentage ownership interest in us will be diluted. Depending upon the terms and pricing of any additional offerings and the value of our properties and other real estate related assets, our stockholders may also experience dilution in both the book value and fair market value of their shares. As a result, future offerings of our debt or equity securities, or the perception that such offerings may occur, may reduce the market price of our common stock and/or the distributions that we pay with respect to our common stock.

The availability and timing of cash distributions to our stockholders is uncertain, which could adversely affect the market price of our common stock and may include a return of capital.

Our organizational documents do not establish a limit on the amount of net proceeds we may use to fund distributions. All distributions, however, will be at the sole discretion of our Board of Directors and will depend upon our actual and projected financial condition, results of operations, cash flows, liquidity and FFO, maintenance of our REIT qualification and such other matters as our Board of Directors may deem relevant from time to time. We cannot assure our stockholders that sufficient cash will be available to make distributions or that the amount of distributions will

increase over time. Our failure to meet the market's expectations with regard to future cash distributions likely would adversely affect the market price of our common stock.

33

Table of Contents

Increases in market interest rates and related risks may cause the value of our investments in real estate related assets to be reduced and could result in a decrease in the value of our common stock.

One of the factors that may influence the price of our common stock will be the dividend distribution rate on our common stock (as a percentage of the price of our common stock) relative to market interest rates. If market interest rates rise, prospective purchasers of common stock may expect a higher distribution rate. Higher interest rates would not, however, result in more funds being available for distribution. In fact, if market interest rates rise, the market value of our fixed income securities would likely decline, our borrowing costs would likely increase and our funds available for distribution would likely decrease. During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments. This may lock in a below-market interest rate, increase the security's duration and reduce the value of the security. During periods of declining interest rates, an issuer may be able to exercise an option to prepay principal earlier than scheduled, which may force us to reinvest in lower yielding securities. Preferred and debt securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem an obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer. These risks may reduce the value of our investments in real estate related assets. Therefore, we may not be able, or we may not choose, to provide a higher distribution rate. As a result, prospective purchasers may decide to purchase other securities rather than our common stock, which would reduce the demand for, and result in a decline in the market price of, our common stock.

Item 1B. Unresolved Staff Comments

Not applicable.

Table of Contents

Item 2. Properties

We have invested \$4.2 billion in MOBs and other healthcare real estate assets that serve the healthcare industry through December 31, 2016. As of December 31, 2016, our portfolio consisted of approximately 17.7 million square feet of GLA, with a leased rate of 91.9% (includes leases which have been executed, but which have not yet commenced). Approximately 97% of our portfolio, based on GLA, was located on the campuses of, or aligned with, nationally or regionally recognized healthcare systems. Our portfolio is diversified geographically across 31 states, with no state having more than 13% of the total GLA as of December 31, 2016. All but two of our properties are 100% owned.

As of December 31, 2016, we owned fee simple interests in properties representing 68% of our total GLA. We hold long-term leasehold interests in the remaining properties in our portfolio, representing 32% of our total GLA. As of December 31, 2016, these leasehold interests had an average remaining term of 48.2 years.

The following information generally applies to our properties:

- we believe all of our properties are adequately covered by insurance and are suitable for their intended purposes;
- our properties are located in markets where we are subject to competition in attracting new tenants and retaining current tenants; and
- depreciation is provided on a straight-line basis over the estimated useful lives of the buildings, up to 39 years, and over the shorter of the lease term or useful lives of the tenant improvements.

Tenant Lease Expirations

The following table presents the sensitivity of our annualized base rent due to tenant lease expirations for existing leases for the next 10 years:

Expiration ⁽¹⁾	Number of Expiring Leases	Total GLA of Expiring Leases ⁽²⁾	Percent of Expiring Leases	Annualized Base Rent of Expiring Leases ⁽²⁾⁽³⁾	Percent of Total Annualized Base Rent
Month-to-month	164	404	2.5 %	\$ 8,871	2.4 %
2017	519	1,750	10.8	40,375	10.8
2018	385	1,812	11.1	38,071	10.2
2019	372	1,717	10.5	44,123	11.8
2020	264	1,222	7.5	29,782	8.0
2021	389	2,159	13.2	46,896	12.4
2022	158	1,262	7.8	30,218	8.1
2023	106	977	6.0	20,131	5.4
2024	117	1,573	9.7	34,398	9.2
2025	125	684	4.2	13,579	3.6
2026	64	584	3.6	11,460	3.1
Thereafter	122	2,131	13.1	56,088	15.0
Total	2,785	16,275	100 %	\$ 373,992	100 %

(1) Leases scheduled to expire on December 31 of a given year are included within that year in the table.

(2) Amounts presented in thousands.

(3) Annualized base rent is calculated by multiplying contractual base rent as of the end of the year by 12 (excluding the impact of abatements, concessions, and straight-line rent).

Table of Contents

Geographic Diversification/Concentration Table

The following table lists the states in which our properties are located and provides certain information regarding our portfolio's geographic diversification/concentration as of December 31, 2016:

State	GLA (1)	Percent of GLA	Annualized Base Rent (1)(2)	Percent of Annualized Base Rent
Alabama	319	1.8 %	\$ 6,325	1.7 %
Arizona	1,232	7.0	22,889	6.1
California	474	2.7	13,246	3.5
Colorado	371	2.1	8,465	2.3
Connecticut	936	5.3	19,740	5.3
Florida	1,915	10.8	41,406	11.1
Georgia	735	4.1	15,804	4.2
Hawaii	143	0.8	3,886	1.0
Illinois	139	0.8	4,867	1.3
Indiana	1,392	7.9	22,511	5.9
Kansas	66	0.4	1,908	0.5
Maryland	181	1.0	4,524	1.2
Massachusetts	1,013	5.7	31,193	8.3
Michigan	203	1.1	5,298	1.4
Minnesota	158	0.9	1,451	0.4
Missouri	297	1.7	7,555	2.0
Nevada	73	0.4	1,426	0.4
New Hampshire	72	0.4	1,373	0.4
New Mexico	54	0.3	1,450	0.4
New York	1,108	6.3	22,366	6.0
North Carolina	532	3.0	12,611	3.4
Ohio	527	3.0	7,890	2.1
Oklahoma	186	0.9	3,979	1.1
Oregon	23	0.1	528	0.1
Pennsylvania	1,204	6.8	21,194	5.7
South Carolina	1,286	7.3	24,242	6.5
Tennessee	445	2.5	8,161	2.2
Texas	2,183	12.3	48,587	13.0
Utah	112	0.6	2,083	0.6
Virginia	63	0.4	649	0.2
Wisconsin	277	1.6	6,385	1.7
Total	17,719	100 %	\$ 373,992	100 %

(1) Amounts presented in thousands.

(2) Annualized base rent is calculated by multiplying contractual base rent as of the end of the year by 12 (excluding the impact of abatements, concessions, and straight-line rent).

Item 3. Legal Proceedings

We are subject to claims and litigation arising in the ordinary course of business. We do not believe any liability from any reasonably foreseeable disposition of such claims and litigation, individually or in the aggregate, would have a material adverse effect on our accompanying consolidated financial statements.

Item 4. Mine Safety Disclosures

Not applicable

36

Table of Contents

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

The following table sets forth the high and low sales prices of HTA's common stock as reported on the NYSE and the dividends declared per share by HTA. There is no established market for trading HTALP's common units.

2016	High	Low	Dividends
			Declared Per Share
First Quarter	\$29.42	\$25.90	\$ 0.295
Second Quarter	32.57	27.99	0.295
Third Quarter	34.64	31.38	0.300
Fourth Quarter	32.60	26.34	0.300
Total			\$ 1.190
2015	High	Low	Dividends
			Declared Per Share
First Quarter	\$30.28	\$25.69	\$ 0.290
Second Quarter	28.54	23.55	0.290
Third Quarter	26.25	22.35	0.295
Fourth Quarter	27.24	23.98	0.295
Total			\$ 1.170

Dividends

In accordance with the terms of HTALP's partnership agreement, the dividend HTA pays to its stockholders is equal to the amount of distributions it receives from HTALP. Therefore, the distribution amounts presented above reflect the amount of distributions paid by HTALP to HTA.

On February 15, 2017, HTA's Board of Directors authorized a quarterly cash dividend of \$0.30 per share to be paid on April 11, 2017 to stockholders of record on April 3, 2017.

Stockholders

As of February 15, 2017, HTA had 2,425 stockholders of record.

Table of Contents

Stock Performance Graph

The graph below compares the cumulative returns of HTA, MSCI US REIT (RMS) Index, S&P 500 Index and SNL U.S. REIT Healthcare Index from the date of our listing on the NYSE on June 6, 2012 through December 31, 2016. All periods prior to 2015 have been adjusted retroactively to reflect the Reverse Stock Split. The total returns assume dividends are reinvested.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

During the three months ended December 31, 2016, HTA repurchased shares of its common stock as follows:

Period	Total Number of Shares Purchased (1)(2)	Average Price Paid per Share ⁽¹⁾ (2)	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program	Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
October 1, 2016 to October 31, 2016	—	\$ —	—	—
November 1, 2016 to November 30, 2016	—	—	—	—
December 1, 2016 to December 31, 2016	7,614	28.54	—	—

(1) Purchases mainly represent shares withheld to satisfy withholding obligations on the vesting of restricted shares. The price paid per share was the then closing price of our common stock on the NYSE.

(2) For each share of common stock redeemed by HTA, HTALP redeems a corresponding number of units in the operating partnership. Therefore, the units in the operating partnership repurchased by HTALP are the same as the shares of common stock repurchased by HTA as shown above.

Securities Authorized for Issuance under Equity Compensation Plans

The Amended and Restated 2006 Incentive Plan (the "Plan") authorizes the granting of awards in any of the following forms: options; stock appreciation rights; restricted stock; restricted or deferred stock units; performance awards; dividend equivalents; other stock-based awards, including units in operating partnership; and cash-based awards. Subject to adjustment as provided in the Plan, the aggregate number of shares of our common stock reserved and available for issuance pursuant to awards granted under the Plan is 5,000,000.

Recent Sales of Unregistered Securities, Use of Proceeds from Registered Securities Paid
None.

Table of Contents

Item 6. Selected Financial Data

The following should be read with Item 1A - Risk Factors, Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations, our accompanying consolidated financial statements and the notes thereto, as acquisitions, changes in accounting policies and other items impact the comparability of our financial data. Our historical results are not necessarily indicative of results for any future period.

Healthcare Trust of America, Inc.

	December 31,						
(In thousands)	2016	2015	2014	2013	2012		
Balance Sheet Data:							
Real estate investments, net	\$3,503,020	\$2,959,468	\$2,822,844	\$2,526,991	\$2,231,530		
Total assets ⁽¹⁾	3,747,844	3,172,300	3,031,384	2,744,666	2,407,421		
Debt ⁽¹⁾	1,768,905	1,590,696	1,402,195	1,206,573	1,030,690		
Noncontrolling interests	93,143	27,534	29,282	12,543	10,329		
Total equity	1,780,417	1,406,958	1,476,421	1,399,749	1,264,595		
			Year Ended December 31,				
(In thousands, except per share data)			2016	2015	2014	2013	2012
Statement of Operations Data:							
Total revenues ⁽²⁾			\$460,928	\$403,822	\$371,505	\$321,601	\$299,644
Rental expenses ⁽²⁾			143,751	123,390	113,508	97,316	95,307
Net income (loss) attributable to common stockholders			45,912	32,931	45,371	24,261	(24,424)
Net income (loss) attributable to common stockholders per share - basic ⁽³⁾			0.34	0.26	0.38	0.21	(0.22)
Net income (loss) attributable to common stockholders per share - diluted ⁽³⁾			0.33	0.26	0.37	0.21	(0.22)
Statement of Cash Flows Data:							
Cash flows provided by operating activities			\$203,695	\$191,095	\$168,499	\$147,824	\$116,785
Cash flows used in investing activities			(606,315)	(269,264)	(259,702)	(374,700)	(283,545)
Cash flows provided by financing activities			400,781	80,826	83,535	229,001	113,225
Other Data:							
Dividends declared to stockholders			\$164,221	\$147,539	\$139,355	\$132,680	\$142,044
Dividends declared per share ⁽³⁾			1.19	1.17	1.16	1.15	1.28
Dividends paid in cash to stockholders			159,174	146,372	137,158	129,360	93,273
Dividends reinvested			—	—	—	—	31,916
FFO attributable to common stockholders ⁽⁴⁾			215,570	188,206	157,746	145,908	91,994
Normalized FFO attributable to common stockholders ⁽⁴⁾			225,221	195,920	176,639	147,834	135,262
NOI ⁽⁵⁾			317,177	280,432	257,997	224,285	204,337

(1) The amounts for 2012-2014 differ from amounts previously reported in our Annual Reports for the years ended December 31, 2012, 2013 and 2014, as a result of the retrospective presentation of the early adoption of ASU 2015-03 and 2015-15 as of December 31, 2015.

(2) The amounts for the years ended December 31, 2012 and 2013 differ from amounts previously reported in our Annual Reporting for the year ended December 31, 2013, as a result of discontinued operations of one property classified as held for sale in 2013. During 2014, this property was reclassified out of held for sale and the results of operations were included within the results of operating properties for all periods presented.

(3) The amounts for the years ended December 31, 2012 and 2013 have been adjusted retroactively to reflect the Reverse Stock Split effected on December 31, 2014.

(4) For additional information on FFO and Normalized FFO, see Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations, which includes a reconciliation to net income or loss attributable to common stockholders and an explanation of why we present these non-GAAP financial measures.

(5) For additional information on NOI, see Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations, which includes a reconciliation to net income or loss attributable to common stockholders and an explanation of why we present this non-GAAP financial measure.

Table of Contents

Healthcare Trust of America Holdings, LP

	December 31,				
(In thousands)	2016	2015	2014	2013	2012
Balance Sheet Data:					
Real estate investments, net	\$3,503,020	\$2,959,468	\$2,822,844	\$2,526,991	\$2,231,530
Total assets ⁽¹⁾	3,747,844	3,172,300	3,031,384	2,744,666	2,407,421
Debt ⁽¹⁾	1,768,905	1,590,696	1,402,195	1,206,573	1,030,690
Total partners' capital	1,780,417	1,406,958	1,476,421	1,401,294	1,266,199
	Year Ended December 31,				
(In thousands, except per unit data)	2016	2015	2014	2013	2012
Statement of Operations Data:					
Total revenues ⁽²⁾			\$460,928	\$403,822	\$371,505
Rental expenses ⁽²⁾			143,751	123,390	113,508
Net income (loss) attributable to common unitholders			47,227	33,445	45,861
Net income (loss) attributable to common unitholders per unit - basic ⁽³⁾	0.34	0.26	0.38	0.21	(0.22)
Net income (loss) attributable to common unitholders per unit - diluted ⁽³⁾	0.34	0.26	0.38	0.21	(0.22)
Statement of Cash Flows Data:					
Cash flows provided by operating activities			\$203,695	\$191,095	\$168,499
Cash flows used in investing activities			(606,315)	(269,264)	(259,702)
Cash flows provided by financing activities			400,781	80,826	83,535
Other Data:					
Distributions declared to general partner			\$164,221	\$147,539	\$139,355
Distributions declared per unit ⁽³⁾	1.19	1.17	1.16	1.15	1.28
Distributions paid in cash to general partner			159,174	146,372	137,158
Distributions reinvested			—	—	—
FFO attributable to common unitholders ⁽⁴⁾	216,885	188,720	158,236	146,280	92,010
Normalized FFO attributable to common unitholders ⁽⁴⁾	225,221	195,920	176,639	147,835	135,262
NOI ⁽⁵⁾	317,177	280,432	257,997	224,285	204,337

(1) The amounts for 2012-2014 differ from amounts previously reported in our Annual Reports for the years ended December 31, 2012, 2013 and 2014, as a result of the retrospective presentation of the early adoption of ASU 2015-03 and 2015-15 as of December 31, 2015.

(2) The amounts for the years ended December 31, 2012 and 2013 differ from amounts previously reported in our Annual Reporting for the year ended December 31, 2013, as a result of discontinued operations of one property classified as held for sale in 2013. During 2014, this property was reclassified out of held for sale and the results of operations were included within the results of operating properties for all periods presented.

(3) The amounts for the years ended December 31, 2012 and 2013 have been adjusted retroactively to reflect the Reverse Stock Split effected on December 31, 2014.

(4) For additional information on FFO and Normalized FFO, see Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations, which includes a reconciliation to net income or loss attributable to common unitholders and an explanation of why we present these non-GAAP financial measures.

(5) For additional information on NOI, see Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations, which includes a reconciliation to net income or loss attributable to common unitholders and an explanation of why we present this non-GAAP financial measure.

Table of Contents

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The use of the words "we," "us" or "our" refers to HTA and HTALP, collectively.

The following discussion should be read in conjunction with our consolidated financial statements and notes appearing elsewhere in this Annual Report. Such consolidated financial statements and information have been prepared to reflect HTA's and HTALP's financial position as of December 31, 2016 and 2015, together with results of operations and cash flows for the years ended December 31, 2016, 2015 and 2014.

The information set forth below is intended to provide readers with an understanding of our financial condition, changes in financial condition and results of operations.

Forward-Looking Statements;

Executive Summary;

Company Highlights;

Critical Accounting Policies;

Recently Issued or Adopted Accounting Pronouncements;

Factors Which May Influence Results of Operations;

Results of Operations;

Non-GAAP Financial Measures;

Liquidity and Capital Resources;

Commitments and Contingencies;

Debt Service Requirements;

Contractual Obligations;

Off-Balance Sheet Arrangements; and

Inflation.

Forward-Looking Statements

Certain statements contained in this Annual Report constitute forward-looking statements within the meaning of the safe harbor from civil liability provided for such statements by the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act")). Such statements include, in particular, statements about our plans, strategies, prospects and estimates regarding future MOB market performance. Additionally, such statements are subject to certain risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially and in adverse ways from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of our performance in future periods. Forward-looking statements are generally identifiable by the use of such terms as "expect," "project," "may," "should," "could," "would," "intend," "plan," "anticipate," "estimate," "believe," "continue," "opinion," "potential," "pro forma" or the negative of such terms and other comparable terminology. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this Annual Report is filed with the SEC. We cannot guarantee the accuracy of any such forward-looking statements contained in this Annual Report, and we do not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

Any such forward-looking statements reflect our current views about future events, are subject to unknown risks, uncertainties, and other factors, and are based on a number of assumptions involving judgments with respect to, among other things, future economic, competitive and market conditions, all of which are difficult or impossible to predict accurately. To the extent that our assumptions differ from actual results, our ability to meet such forward-looking statements, including our ability to generate positive cash flow from operations, provide dividends to stockholders and maintain the value of our real estate properties, may be significantly hindered. Factors that might impair our ability to meet such forward-looking statements include, without limitation, those discussed in Part I, Item 1A - Risk Factors are included herein and other filings with the SEC.

Forward-looking statements express expectations of future events. All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties that could cause actual events or results to differ materially from those projected. Due to these inherent uncertainties, our stockholders are urged not to place undue reliance on

forward-looking statements. Forward-looking statements speak only as of the date made. In addition, we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to projections over time, except as required by law.

41

Table of Contents

These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Additional information concerning us and our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

Executive Summary

HTA is one of the largest publicly-traded REITs focused on MOBs in the U.S. as measured by the GLA of its MOBs. HTA conducts substantially all of its operations through HTALP. We invest in MOBs that we believe will serve the future of healthcare delivery, and MOBs that are primarily located on health system campuses, near university medical centers, or in core community outpatient locations. We also focus on our key markets that have certain demographic and macro-economic trends and where we can utilize our institutional property management and leasing platform to generate strong tenant relationships and operating cost efficiencies. Our primary objective is to maximize stockholder value with disciplined growth through strategic investments that provide an attractive risk-adjusted return for our stockholders by consistently increasing our cash flow. In pursuing this objective, we: (i) seek internal growth through proactive asset management, leasing and property management oversight; (ii) target accretive acquisitions of MOBs in markets with attractive demographics that complement our existing portfolio; and (iii) actively manage our balance sheet to maintain flexibility with conservative leverage.

Since 2006, we have invested \$4.2 billion to create a portfolio of MOBs and other healthcare assets consisting of approximately 17.7 million square feet of GLA throughout the U.S. As of December 31, 2016, approximately 97% of our portfolio, based on GLA, was located on the campuses of, or aligned with, nationally or regionally recognized healthcare systems. Our portfolio is diversified geographically across 31 states, with no state having more than 13% of our total GLA as of December 31, 2016. We are concentrated in 20 to 25 key markets that are experiencing higher economic and demographic trends, than other markets, on average, that we expect will drive demand for MOBs.

Approximately 92% of our portfolio, based on GLA, is located in top 75 MSAs with Boston, Hartford/New Haven, Dallas, Houston, Phoenix and Orange County/Los Angeles being our largest markets by investment.

Company Highlights

Portfolio Operating Performance

• For the year ended December 31, 2016, our total revenue increased 14.1%, or \$57.1 million, to \$460.9 million, compared to the year ended December 31, 2015.

• For the year ended December 31, 2016, net income attributable to common stockholders was \$0.33 per diluted share, or \$45.9 million, compared to \$0.26 per diluted share, or \$32.9 million, for the year ended December 31, 2015.

• For the year ended December 31, 2016, HTA's FFO, as defined by NAREIT, increased 14.5% to \$215.6 million, compared to the year ended December 31, 2015. HTA's FFO per diluted share increased 4.8% to \$1.54 per diluted share, compared to the year ended December 31, 2015. For the year ended December 31, 2016, HTALP's FFO increased 14.9% to \$216.9 million, compared to the year ended December 31, 2015. HTALP's FFO per diluted share increased 5.4% to \$1.55 per diluted share, compared to the year ended December 31, 2015.

• For the year ended December 31, 2016, HTA's and HTALP's Normalized FFO was \$1.61 per diluted share, or \$225.2 million, an increase of \$0.08 per diluted share, or 5.2%, compared to the year ended December 31, 2015.

• For additional information on FFO and Normalized FFO, see "FFO and Normalized FFO" below, which includes a reconciliation to net income attributable to common stockholders/unitholders and an explanation of why we present this non-GAAP financial measure.

• For the year ended December 31, 2016, our NOI increased 13.1%, or \$36.7 million, to \$317.2 million, compared to the year ended December 31, 2015.

• For the year ended December 31, 2016, our Same-Property Cash NOI increased 2.9%, or \$7.3 million, to \$258.3 million, compared to the year ended December 31, 2015.

• For additional information on NOI and Same-Property Cash NOI, see "NOI, Cash NOI and Same-Property Cash NOI" below, which includes a reconciliation to net income and an explanation of why we present these non-GAAP financial measures.

Internal Growth through Proactive Asset Management Leasing and Property Management

• As of December 31, 2016, our leased rate (includes leases which have been executed, but which have not yet commenced) was 91.9% by GLA and our occupancy rate was 91.2% by GLA.

We entered into new and renewal leases on approximately 1.6 million square feet of GLA, or 9.0%, of our portfolio for the year ended December 31, 2016.

42

Table of Contents

During the year ended December 31, 2016, tenant retention for the Same-Property portfolio was 80%, which included approximately 1.3 million square feet of expiring leases, which we believe is indicative of our commitment to maintaining buildings in desirable locations and fostering strong tenant relationships. Tenant retention is defined as the sum of the total leased GLA of tenants that renewed a lease during the period over the total GLA of leases that renewed or expired during the period.

As of December 31, 2016, our in-house property management and leasing platform operated approximately 16.1 million square feet of GLA, or 91%, of our total portfolio.

Key Market Focused Strategy and Investments

We believe we have been one of the most active investors in the medical office sector over the last ten years and have developed a strong presence across 20 to 25 key markets. In each of these markets we have established a strong asset management and leasing platform that has allowed us to develop valuable relationships with health systems, physician practices, universities, and regional development firms that have led to investment and leasing opportunities. Our local platforms have also enabled us to focus on generating cost efficiencies as we gain scale across individual markets and regions.

As of December 31, 2016, we had over 700,000 square feet of GLA in each of our top ten markets. We expect to establish this scale across 20 to 25 key markets as our portfolio expands.

Our key markets represent top MSAs with strong growth metrics in jobs, household income and population; as well as low unemployment and mature healthcare infrastructures. Many are also supported by strong university systems.

Our investment strategy includes alignment with key healthcare systems, hospitals and leading academic medical universities.

Over the last several years, our investments have been focused in our key markets, with the majority of our investments also being located either on the campuses of, or aligned with, nationally and regionally recognized healthcare systems.

During the year ended December 31, 2016, we acquired investments of \$700.8 million, located in our key markets of Boston, Massachusetts; Columbus, Ohio; Dallas, Texas; Hartford/New Haven, Connecticut; Raleigh-Durham, North Carolina; and Tampa, Florida, and strategically expanded our presence into the new markets of Birmingham, Alabama; Orange County/Los Angeles, California; and Portland, Oregon.

During the year ended December 31, 2016, we completed dispositions of six senior care facilities located in Texas and California for an aggregate gross sales price of \$39.5 million, generating net gains of \$9.0 million. Net of dispositions, the increase in our portfolio size was approximately 18.9% based on purchase price.

Financial Strategy and Balance Sheet Flexibility

As of December 31, 2016, we had total leverage, measured by debt to total market capitalization, of 29.4%. Total liquidity was \$767.7 million, including cash and cash equivalents of \$11.2 million, and \$756.5 million available on our unsecured revolving credit facility (includes the impact of \$5.5 million of outstanding letters of credit).

During the year ended December 31, 2016, we issued \$492.5 million of equity at an average price of \$29.33 per share. This was comprised of \$297.8 million from the sale of common stock in underwritten public offerings at an average price of \$30.64 per share, \$122.9 million from the sale of common stock under our at-the-market ("ATM") offering program at an average price of \$27.82 per share, and \$71.8 million from the issuance of limited partner units in HTALP ("OP Units") in connection with acquisition transactions.

In July 2016, HTALP issued \$350.0 million of senior unsecured 10-year notes, with a coupon of 3.50% per annum.

In September 2016, HTALP executed a \$200.0 million 7-year unsecured term loan with proceeds used to refinance our \$155.0 million unsecured term loan due in 2019, and pay down existing mortgage loans.

Table of Contents

Critical Accounting Policies

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires our management to use judgment in the application of accounting principles, including making estimates. We base our estimates on experience and various other assumptions we believe are reasonable under the circumstances. These estimates affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting periods. However, if our judgment or interpretation of the facts and circumstances relating to the various transactions or other matters had been different, it is possible that different accounting would have been applied, resulting in different presentation of our financial statements. We periodically reevaluate our estimates and in the event they prove to be different from actual results, we make adjustments in subsequent periods to reflect more current estimates about matters that are inherently uncertain. Below is a discussion of accounting policies that we consider critical as they may require more complex judgment in their application or require estimates about matters that are inherently uncertain. For further information on significant accounting policies that impact us, see Note 2 - Summary of Significant Accounting Policies to the accompanying consolidated financial statements.

Basis of Presentation

Our accompanying consolidated financial statements include our accounts and those of our wholly-owned subsidiaries and joint venture entities in which we own a majority interest with the ability control operations. We consolidate variable interest entities (“VIEs”) when we are the primary beneficiary. All inter-company balances and transactions have been eliminated in the accompanying consolidated financial statements.

We make judgments with respect to our level of influence or control and whether we are (or are not) the primary beneficiary of a VIE. Consideration of various factors includes, but is not limited to, our ability to direct the activities that most significantly impact the entity’s economic performance, our form or ownership interest, our representation on the entity’s governing body, the size and seniority of our investment, our ability and rights of other investors to participate in policy making decisions, replace the manager and/or liquidate the entity, if applicable. Our ability to correctly assess our influence or control over an entity when determining the primary beneficiary of a VIE affects the presentation of these entities in our consolidated financial statements. If we perform a primary beneficiary analysis at a date other than at inception of the VIE, our assumptions may be different and may result in the identification of a different primary beneficiary.

Revenue Recognition and Allowance for Uncollectible Accounts

Rental revenue is our primary source of revenue. At the inception of a new lease we assess the terms and conditions to determine proper classification. If the estimates utilized by us in our assessment were different, then our lease classification for accounting purposes may have been different, which could impact the timing and amount of revenue recognized.

We recognize rental revenue from operating leases on a straight-line basis over the term of the related lease (including rent holidays). Tenant reimbursement revenue, which is comprised of additional amounts recoverable from tenants for common area maintenance expenses and certain other recoverable expenses, is recognized as revenue in the period in which the related expenses are incurred. Tenant receivables, including straight-line rent receivables, are carried net of the allowances for uncollectible amounts. An allowance is maintained for estimated losses resulting from the inability of certain tenants to meet the contractual obligations under their leases. Our determination of the adequacy of these allowances requires judgment and is based primarily upon evaluations of historical loss experience, the tenant’s financial condition, security deposits, letters of credit, lease guarantees, current economic conditions and other relevant factors. Our estimates may differ from actual results, which could significantly impact our consolidated financial statements.

Investments in Real Estate

We record the purchase price of completed business combinations to tangible and intangible assets and liabilities based on their respective fair values. Tangible assets primarily consist of land and buildings and improvements. Additionally, the purchase price is inclusive of above or below market leases, above or below market leasehold interests, in place leases, tenant relationships, above or below market debt assumed, interest rate swaps assumed and any contingent consideration. The determination of the fair value requires us to make certain estimates and

assumptions.

The fair value of the land and buildings and improvements is based upon our determination of the value of the property as if it were to be replaced or as if it were vacant using discounted cash flow models similar to those used by market participants. Factors considered by us include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases.

The value of in place leases is based on our evaluation of the specific characteristics of each tenant's lease. The factors considered include estimated lease-up periods, market rent and other market conditions.

44

Table of Contents

We analyze the acquired leases to determine whether the rental rates are above or below market. The value associated with above or below market leases is based upon the present value (using a discount rate which reflects the risks associated with the acquired leases) of the difference between (i) the contractual amounts to be received pursuant to the lease over its remaining term and (ii) our estimate of the amounts that would be received using fair market rates over the remaining term of the lease.

We analyze the acquired leasehold interests to determine whether the rental rates are above or below market. The value associated with above or below market leasehold interests is based upon the present value (using a discount rate which reflects the risks associated with the acquired leases) of the difference between (i) the contractual amounts to be paid pursuant to the lease over its remaining term and (ii) our estimate of the amounts that would be paid using fair market rates over the remaining term of the lease.

We record debt or interest rate swaps assumed at fair value. The amount of above or below market debt is determined based upon the present value of the difference between the cash flow stream of the assumed mortgage and the cash flow stream of a market rate mortgage. The value of interest rate swaps is based upon a discounted cash flow analysis on the expected cash flows, taking into account interest rate curves and the period to maturity.

We record contingent consideration at fair value as of the acquisition date and reassess the fair value as of the end of each reporting period, with any changes being recognized in earnings.

We are required to make certain estimates in order to determine the fair value of the tangible and intangible assets and liabilities acquired in a business investment. Our assumptions directly impact our results of operations, as amounts allocated to certain assets and liabilities have different depreciation and amortization lives. In addition, the amortization and depreciation of these assets and liabilities are recorded in different line items in our accompanying consolidated statements of operations.

Recoverability of Real Estate Investments

Real estate investments are evaluated for potential impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Impairment losses are recorded when indicators of impairment are present and the carrying amount of the asset is greater than the sum of future undiscounted cash flows expected to be generated by that asset over the remaining expected holding period. We would recognize an impairment loss when the carrying amount is not recoverable to the extent the carrying amount exceeds the fair value of the property. The fair value is generally based on discounted cash flow analyses. In performing the analysis we consider executed sales agreements or management's best estimate of market comparables, future occupancy levels, rental rates, capitalization rates, lease-up periods and capital requirements.

Recently Issued or Adopted Accounting Pronouncements

See Note 2 - Summary of Significant Accounting Policies to our accompanying consolidated financial statements for a discussion of recently issued or adopted accounting pronouncements.

Factors Which May Influence Results of Operations

We are not aware of any material trends or uncertainties, other than national economic conditions affecting real estate generally and the risk factors previously listed in Part I, Item 1A - Risk Factors, that may reasonably be expected to have a material impact, favorable or unfavorable, on revenues or income from the investment, management and operation of our properties.

Rental Income

The amount of rental income generated by our properties depends principally on our ability to maintain the occupancy rates of currently leased space and to lease currently available space and space that will become available from unscheduled lease terminations at the then applicable rental rates. Negative trends in one or more of these factors could adversely affect our rental income in future periods.

Investment Activity

During the years ended December 31, 2016, 2015 and 2014, we had investments with an aggregate gross purchase price of \$700.8 million, \$280.9 million and \$439.5 million, respectively. During the years ended December 31, 2016, 2015 and 2014, we had dispositions with an aggregate gross sales price of \$39.5 million, \$35.7 million and \$82.9 million, respectively. The amount of any future acquisitions or dispositions could have a significant impact on our results of operations in future periods.

Table of Contents

Results of Operations

Comparison of the Years Ended December 31, 2016, 2015 and 2014

As of December 31, 2016, 2015 and 2014, we owned and operated approximately 17.7 million, 15.5 million and 14.8 million square feet of GLA, respectively, with a leased rate of 91.9%, 92.0% and 92.0%, respectively, (includes leases which have been executed, but which have not yet commenced) and an occupancy rate of 91.2%, 91.4% and 91.4%, respectively. All explanations are applicable to both HTA and HTALP unless otherwise noted.

Rental Income

For the years ended December 31, 2016, 2015 and 2014, rental income was comprised of the following (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Contractual rental income	\$445,469	\$390,288	\$357,704
Straight-line rent and amortization of above (below) market leases	8,118	8,120	7,692
Other operating revenue	6,976	5,145	4,175
Total	\$460,563	\$403,553	\$369,571

Contractual rental income, which includes expense reimbursements, increased \$55.2 million for the year ended December 31, 2016, compared to the year ended December 31, 2015. This increase was primarily due to \$55.3 million of additional contractual rental income from our 2015 and 2016 acquisitions (including properties owned in both periods) and contractual rent increases, partially offset by a \$4.0 million decrease in contractual rent as a result of the buildings we sold during 2015 and 2016.

Average starting and ending annual base rents and square feet entered into for new and renewal leases consisted of the following for the years ended December 31, 2016, 2015 and 2014 (in square feet and per square foot of GLA):

	Year Ended December 31,		
	2016	2015	2014
New and renewal leases:			
Average starting annual base rents	\$22.57	\$ 23.07	\$ 20.75
Average ending annual base rents	22.38	23.07	21.01

Square feet of GLA 1,603,000 1,000,000 1,600,000

Lease rates can vary across markets, and lease rates that are considered above or below current market rent may change over time. Leases that expired in 2016 had rents that we believed were at market rates. Generally, leasing concessions vary depending on lease type and term.

Tenant improvements, leasing commissions and tenant concessions for new and renewal leases consisted of the following for the years ended December 31, 2016, 2015 and 2014 (in per square foot of GLA):

	Year Ended December 31,		
	2016	2015	2014
New leases:			
Tenant improvements	\$23.50	\$25.66	\$19.51
Leasing commissions	3.63	4.04	4.14
Tenant concessions	3.36	5.73	5.20
Renewal leases:			
Tenant improvements	\$7.34	\$7.35	\$2.44
Leasing commissions	1.57	1.27	1.14
Tenant concessions	1.58	1.74	1.08

The average term for new and renewal leases executed consisted of the following for the years ended December 31, 2016, 2015 and 2014 (in years):

	Year Ended December 31,		
	2016	2015	2014

New leases	6.2	7.4	6.4
Renewal leases	4.7	5.7	5.1

46

Table of Contents

Rental Expenses

For the years ended December 31, 2016, 2015 and 2014, rental expenses attributable to our properties were \$143.8 million, \$123.4 million and \$113.5 million, respectively. The increase in rental expenses for the year ended December 31, 2016, compared to 2015, was primarily due to \$24.6 million of additional rental expenses associated with our 2015 and 2016 acquisitions, partially offset by improved operating efficiencies and a \$1.1 million decrease in rental expenses as a result of the buildings we sold during 2015 and 2016. The increase in rental expenses for the year ended December 31, 2015, compared to 2014, was primarily due to \$16.5 million of additional rental expenses associated with our 2014 and 2015 acquisitions, partially offset by improved operating efficiencies and a decrease in rental expenses as a result of the buildings we sold in 2014 and 2015.

General and Administrative Expenses

For the years ended December 31, 2016, 2015 and 2014, general and administrative expenses were \$28.8 million, \$25.6 million and \$24.9 million, respectively. These increases in general and administrative expenses were primarily due to the increase in non-cash compensation expense. General and administrative expenses include such costs as salaries, corporate overhead and professional fees, among other items.

Acquisition-Related Expenses

For the years ended December 31, 2016, 2015 and 2014, acquisition-related expenses were \$6.5 million, \$4.6 million and \$9.5 million, respectively. The increase in acquisition-related expenses for the year ended December 31, 2016, compared to 2015, was primarily due to increased acquisition activity during 2016. The decrease in acquisition-related expenses for the year ended December 31, 2015, compared to 2014, was primarily due to lower closing costs incurred by us on our 2015 acquisitions.

Depreciation and Amortization Expense

For the years ended December 31, 2016, 2015 and 2014, depreciation and amortization expense was \$176.9 million, \$154.1 million and \$140.4 million, respectively. These increases in depreciation and amortization expense from year to year were primarily due to the increase in the size of our portfolio.

Impairment Charge

During the year ended December 31, 2016, we recorded impairment charges of \$3.1 million that related to two MOB's in our portfolio. During the year ended December 31, 2015, we recorded impairment charges of \$2.6 million, which included \$1.7 million that related to a MOB we disposed of during 2015 and \$0.9 million that related to another MOB in our portfolio. We did not record any impairment charges in 2014.

Interest Expense and Net Change in Fair Value of Derivative Financial Instruments

Interest expense excluding the impact of the net change in fair value of derivative financial instruments increased by \$4.0 million during the year ended December 31, 2016, compared to 2015. The increase was primarily the result of higher average debt outstanding during the year ended December 31, 2016, as a result of partially funding our investments over the last 12 months with debt and a change in the composition of debt, driven by an increase in long-term senior unsecured notes, including the \$350.0 million 10-year senior unsecured notes issued in July 2016 at a coupon rate of 3.50%, per annum, offset by a reduction in the aggregate variable unsecured revolving credit facility borrowings and mortgage loans outstanding. During the year ended December 31, 2016, the fair market value of our derivatives increased \$1.3 million, compared to a decrease of \$0.8 million during the year ended December 31, 2015. Interest expense excluding the impact of the net change in fair value of derivative financial instruments increased by \$0.6 million during the year ended December 31, 2015, compared to 2014. The increase was primarily due to the issuance of \$300.0 million of unsecured senior notes in June 2014, partially offset by the change in our debt composition from the payoff of fixed rate mortgage loans using our variable rate unsecured revolving credit facility which has a lower interest rate. During the year ended December 31, 2015, the fair market value of our derivatives decreased \$0.8 million, compared to a decrease of \$2.9 million during the year ended December 31, 2014.

To achieve our objectives, we borrow at both fixed and variable rates. We also enter into derivative financial instruments, such as interest rate swaps, in order to mitigate our interest rate risk on a related financial instrument. We do not enter into derivative or interest rate transactions for speculative purposes. Derivatives not designated as hedges are not speculative and are used to manage our exposure to interest rate movements.

Gain on Sales of Real Estate

For the year ended December 31, 2016, we realized net gains of \$9.0 million from the disposition of six senior care facilities located in Texas and California. For the year ended December 31, 2015, we realized net gains of \$0.2 million from the disposition of six MOBs. For the year ended December 31, 2014, we realized net gains of \$27.9 million from the disposition of three portfolios of MOBs.

Table of Contents

Gain or Loss on Extinguishment of Debt

For the years ended December 31, 2016 and 2014, we realized a net loss on extinguishment of debt of \$3.0 million and \$4.7 million, respectively. For the year ended December 31, 2015, we realized a net gain on extinguishment of debt of \$0.1 million.

Other Income and Expense

For the year ended December 31, 2016 and 2014, we had other income of \$0.3 million and \$49,000, respectively. For the year ended December 31, 2015, we had other expenses of \$1.4 million. The net decrease for the year ended December 31, 2015, compared to 2014, was primarily due to the acceleration of management fees paid in connection with an acquisition-related management agreement that was entered into upon the date of acquisition.

NOI and Same-Property Cash NOI

NOI increased \$36.7 million to \$317.2 million for the year ended December 31, 2016, compared to the year ended December 31, 2015. The increase was primarily due to \$35.8 million of additional NOI from our 2015 and 2016 acquisitions, partially offset by a \$3.2 million decrease in NOI as a result of the buildings we sold during 2015 and 2016, and a reduction in straight-line rent from properties we owned more than a year. NOI increased \$22.4 million to \$280.4 million for the year ended December 31, 2015, compared to the year ended December 31, 2014. The increase was primarily due to \$28.9 million of additional NOI from our 2014 and 2015 acquisitions, partially offset by a decrease in NOI as a result of the buildings we sold during 2014 and 2015, a reduction of interest income from the real estate notes receivable paid off by the borrowers during 2014 and a reduction in straight-line rent.

Same-Property Cash NOI increased \$7.3 million to \$258.3 million for the year ended December 31, 2016, compared to the year ended December 31, 2015. Same-Property Cash NOI increased \$6.2 million to \$224.0 million for the year ended December 31, 2015, compared to the year ended December 31, 2014. The increases were primarily the result of rent escalations, an increase in average occupancy and improved operating efficiencies.

Non-GAAP Financial Measures

FFO and Normalized FFO

We compute FFO in accordance with the current standards established by NAREIT. NAREIT defines FFO as net income or loss attributable to common stockholders/unitholders (computed in accordance with GAAP), excluding gains or losses from sales of real estate property and impairment write-downs of depreciable assets, plus depreciation and amortization related to investments in real estate, and after adjustments for unconsolidated partnerships and joint ventures. We present this non-GAAP financial measure because we consider it an important supplemental measure of our operating performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. Historical cost accounting assumes that the value of real estate assets diminishes ratably over time. Since real estate values have historically risen or fallen based on market conditions, many industry investors have considered the presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. Because FFO excludes depreciation and amortization unique to real estate, among other items, it provides a perspective not immediately apparent from net income or loss attributable to common stockholders/unitholders.

We also compute Normalized FFO, which excludes from FFO: (i) acquisition-related expenses; (ii) gain or loss on change in fair value of derivative financial instruments; (iii) gain or loss on extinguishment of debt; (iv) noncontrolling income or loss from partnership units included in diluted shares (only applicable to HTA); and (v) other normalizing items, which include items that are unusual and infrequent in nature. We present this non-GAAP financial measure because it allows for the comparison of our operating performance to other REITs and between periods on a consistent basis. Our methodology for calculating Normalized FFO may be different from the methods utilized by other REITs and, accordingly, may not be comparable to other REITs. Normalized FFO should not be considered as an alternative to net income or loss attributable to common stockholders/unitholders (computed in accordance with GAAP) as an indicator of our financial performance, nor is it indicative of cash available to fund cash needs. Normalized FFO should be reviewed in connection with other GAAP measurements.

The amounts included in the calculation of FFO and Normalized FFO are generally the same for HTALP and HTA, except for net income or loss attributable to common stockholders/unitholders, noncontrolling income or loss from partnership units included in diluted shares (only applicable to HTA) and the weighted average shares of HTA

common stock or HTALP partnership units outstanding.

48

Table of Contents

The following is the reconciliation of HTA's FFO and Normalized FFO to net income attributable to common stockholders for the years ended December 31, 2016, 2015 and 2014 (in thousands, except per share data):

	Year Ended December 31,		
	2016	2015	2014
Net income attributable to common stockholders	\$45,912	\$32,931	\$45,371
Depreciation and amortization expense related to investments in real estate	175,544	152,846	140,269
Gain on sales of real estate, net	(8,966)	(152)	(27,894)
Impairment	3,080	2,581	—
FFO attributable to common stockholders	\$215,570	\$188,206	\$157,746
Acquisition-related expenses	6,538	4,555	9,545
(Gain) loss on change in fair value of derivative financial instruments, net	(1,344)	769	2,870
Loss (gain) on extinguishment of debt, net	3,025	(123)	4,663
Noncontrolling income from partnership units included in diluted shares	1,315	514	490
Other normalizing items, net ⁽¹⁾⁽²⁾⁽³⁾	117	1,999	1,325
Normalized FFO attributable to common stockholders	\$225,221	\$195,920	\$176,639
Net income attributable to common stockholders per diluted share	\$0.33	\$0.26	\$0.37
FFO adjustments per diluted share, net	1.21	1.21	0.93
FFO attributable to common stockholders per diluted share	\$1.54	\$1.47	\$1.30
Normalized FFO adjustments per diluted share, net	0.07	0.06	0.16
Normalized FFO attributable to common stockholders per diluted share	\$1.61	\$1.53	\$1.46
Weighted average diluted common shares outstanding	140,259	128,004	121,168

(1) For the year ended December 31, 2016, other normalizing items excludes lease termination fees as they are deemed to be generated in the ordinary course of business.

(2) For the year ended December 31, 2015, other normalizing items primarily include the acceleration of management fees paid in connection with an acquisition-related management agreement that was entered into at the time of acquisition for our Florida portfolio that was acquired in December 2013.

(3) For the year ended December 31, 2014, other normalizing items primarily include the write-off of deferred financing costs related to refinancing our revolving credit and term loan facility (the "Unsecured Credit Agreement").

The following is the reconciliation of HTALP's FFO and Normalized FFO to net income attributable to common unitholders for the years ended December 31, 2016, 2015 and 2014 (in thousands, except per unit data):

	Year Ended December 31,		
	2016	2015	2014
Net income attributable to common unitholders	\$47,227	\$33,445	\$45,861
Depreciation and amortization expense related to investments in real estate	175,544	152,846	140,269
Gain on sales of real estate, net	(8,966)	(152)	(27,894)
Impairment	3,080	2,581	—
FFO attributable to common unitholders	\$216,885	\$188,720	\$158,236
Acquisition-related expenses	6,538	4,555	9,545
(Gain) loss on change in fair value of derivative financial instruments, net	(1,344)	769	2,870
Loss (gain) on extinguishment of debt, net	3,025	(123)	4,663
Other normalizing items, net ⁽¹⁾⁽²⁾⁽³⁾	117	1,999	1,325
Normalized FFO attributable to common unitholders	\$225,221	\$195,920	\$176,639
Net income attributable to common unitholders per diluted unit	\$0.34	\$0.26	\$0.38
FFO adjustments per diluted unit, net	1.21	1.21	0.92

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FFO attributable to common unitholders per diluted unit	\$1.55	\$1.47	\$1.30
Normalized FFO adjustments per diluted unit, net	0.06	0.06	0.16
Normalized FFO attributable to common unitholders per diluted unit	\$1.61	\$1.53	\$1.46
Weighted average diluted common units outstanding	140,259	128,079	121,340

(1) For the year ended December 31, 2016, other normalizing items excludes lease termination fees as they are deemed to be generated in the ordinary course of business.

(2) For the year ended December 31, 2015, other normalizing items primarily include the acceleration of management fees paid in connection with an acquisition-related management agreement that was entered into at the time of acquisition for our Florida portfolio that was acquired in December 2013.

(3) For the year ended December 31, 2014, other normalizing items primarily include the write-off of deferred financing costs related to refinancing our Unsecured Credit Agreement.

Table of Contents

NOI, Cash NOI and Same-Property Cash NOI

NOI is a non-GAAP financial measure that is defined as net income or loss (computed in accordance with GAAP) before: (i) general and administrative expenses; (ii) acquisition-related expenses; (iii) depreciation and amortization expense; (iv) impairment; (v) interest expense and net change in fair value of derivative financial instruments; (vi) gain or loss on sales of real estate; (vii) gain or loss on extinguishment of debt; and (viii) other income or expense. We believe that NOI provides an accurate measure of the operating performance of our operating assets because NOI excludes certain items that are not associated with the management of our properties. Additionally, we believe that NOI is a widely accepted measure of comparative operating performance of REITs. However, our use of the term NOI may not be comparable to that of other REITs as they may have different methodologies for computing this amount. NOI should not be considered as an alternative to net income or loss (computed in accordance with GAAP) as an indicator of our financial performance. NOI should be reviewed in connection with other GAAP measurements.

Cash NOI is a non-GAAP financial measure which excludes from NOI: (i) straight-line rent adjustments and (ii) amortization of below and above market leases/leasehold interests. Contractual base rent, contractual rent increases, contractual rent concessions and changes in occupancy or lease rates upon commencement and expiration of leases are a primary driver of our revenue performance. We believe that Cash NOI, which removes the impact of straight-line rent adjustments, provides another measurement of the operating performance of our operating assets. Additionally, we believe that Cash NOI is a widely accepted measure of comparative operating performance of REITs. However, our use of the term Cash NOI may not be comparable to that of other REITs as they may have different methodologies for computing this amount. Cash NOI should not be considered as an alternative to net income or loss (computed in accordance with GAAP) as an indicator of our financial performance. Cash NOI should be reviewed in connection with other GAAP measurements.

To facilitate the comparison of Cash NOI between periods, we calculate comparable amounts for a subset of our owned properties referred to as “Same-Property”. Same-Property Cash NOI excludes properties which have not been owned and operated by us during the entire span of all periods presented, excluding properties intended for disposition in the near term, notes receivable interest income and certain non-routine items. Same-Property Cash NOI should not be considered as an alternative to net income or loss (computed in accordance with GAAP) as an indicator of our financial performance. Same-Property Cash NOI should be reviewed in connection with other GAAP measurements. The following is the reconciliation of HTA’s and HTALP’s NOI and Cash NOI to net income for the years ended December 31, 2016, 2015 and 2014 (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Net income	\$47,345	\$33,557	\$45,994
General and administrative expenses	28,773	25,578	24,947
Acquisition-related expenses	6,538	4,555	9,545
Depreciation and amortization expense	176,866	154,134	140,432
Impairment	3,080	2,581	—
Interest expense and net change in fair value of derivative financial instruments	60,802	58,876	60,359
Gain on sales of real estate, net	(8,966)	(152)	(27,894)
Loss (gain) on extinguishment of debt, net	3,025	(123)	4,663
Other (income) expense	(286)	1,426	(49)
NOI	\$317,177	\$280,432	\$257,997
Straight-line rent adjustments, net	(4,159)	(6,917)	(8,106)
Amortization of below and above market leases/leasehold interests, net and lease termination fees ⁽¹⁾	682	2,317	2,505
Cash NOI	\$313,700	\$275,832	\$252,396

(1) For the year ended December 31, 2016, Cash NOI includes lease termination fees as they are deemed to be generated in the ordinary course of business.

Table of Contents

The following is the reconciliation of HTA's and HTALP's Same-Property Cash NOI to Cash NOI for the years ended December 31, 2016 and 2015 (in thousands):

	Year Ended	
	December 31,	
	2016	2015
Cash NOI	\$313,700	\$275,832
Notes receivable interest income (183)	—	—
Non Same-Property Cash NOI (55,210)	(24,859)	(24,859)
Same-Property Cash NOI ⁽¹⁾	\$258,307	\$250,973

(1) Same-Property includes 275 buildings for the years ended December 31, 2016 and 2015.

The following is the reconciliation of HTA's and HTALP's Same-Property Cash NOI to Cash NOI for the years ended December 31, 2015 and 2014 (in thousands):

	Year Ended	
	December 31,	
	2015	2014
Cash NOI	\$275,832	\$252,396
Notes receivable interest income —	(1,563)	(1,563)
Non Same-Property Cash NOI (51,839)	(33,049)	(33,049)
Same-Property Cash NOI ⁽¹⁾	\$223,993	\$217,784

(1) Same-Property includes 257 buildings for the years ended December 31, 2015 and 2014.

Liquidity and Capital Resources

Our primary sources of cash include: (i) cash flow from operations; (ii) borrowings under our unsecured revolving credit facility; (iii) net proceeds from the issuances of debt and equity securities; and (iv) proceeds from our dispositions. During the next 12 months our primary uses of cash are expected to include: (i) the funding of acquisitions of MOBs and other facilities that serve the healthcare industry; (ii) capital expenditures; (iii) the payment of operating expenses; (iv) debt service payments including principal payments; and (v) the payment of dividends to our stockholders. We anticipate cash flow from operations, restricted cash and reserve accounts and our unsecured revolving credit facility, if needed, will be sufficient to fund our operating expenses, capital expenditures and dividends to stockholders. Investments and maturing indebtedness may require funds from the issuance of debt and/or equity securities or proceeds from sales of real estate.

As of December 31, 2016, we had liquidity of \$767.7 million, including \$756.5 million available on our \$850.0 million unsecured revolving credit facility (includes the impact of \$5.5 million of outstanding letters of credit) and \$11.2 million of cash and cash equivalents.

As of December 31, 2016, \$177.1 million was available for issuance under our \$300.0 million ATM program. In addition, we had unencumbered properties with a gross book value of \$3.8 billion. The unencumbered properties may be used as collateral to secure additional financings in future periods or refinance our current debt as it becomes due. Our ability to raise funds from future debt and equity issuances is dependent on our investment grade credit ratings, general economic and market conditions and our operating performance.

When we acquire a property, we prepare a capital plan that contemplates the estimated capital needs of that investment. In addition to operating expenses, capital needs may also include costs of refurbishment, tenant improvements or other major capital expenditures. The capital plan for each investment will be adjusted through ongoing, regular reviews of our portfolio or as necessary to respond to unanticipated additional capital needs. As of December 31, 2016, we estimate that our expenditures for capital improvements for 2017 will range from \$30.0 million to \$40.0 million depending on leasing activity. As of December 31, 2016, we had \$7.5 million of restricted cash and reserve accounts for such capital expenditures. We cannot provide assurance, however, that we will not

exceed these estimated expenditure levels.

If we experience lower occupancy levels, reduced rental rates, reduced revenues as a result of asset sales, or increased capital expenditures and leasing costs compared to historical levels due to competitive market conditions for new and renewal leases, the effect would be a reduction of net cash provided by operating activities. If such a reduction of net cash provided by operating activities is realized, we may have a cash flow deficit in subsequent periods. Our estimate of net cash available is based on various assumptions which are difficult to predict, including the levels of our leasing activity and related leasing costs. Any changes in these assumptions could impact our financial results and our ability to fund working capital and unanticipated cash needs.

51

Table of Contents

Cash Flows

The following is a summary of our cash flows for the years ended December 31, 2016 and 2015 (in thousands):

	Year Ended December 31,			Current	Prior
	2016	2015	2014	Year Change	Year Change
Cash and cash equivalents - beginning of year	\$13,070	\$10,413	\$18,081	\$2,657	\$(7,668)
Net cash provided by operating activities	203,695	191,095	168,499	12,600	22,596
Net cash used in investing activities	(606,315)	(269,264)	(259,702)	(337,051)	(9,562)
Net cash provided by financing activities	400,781	80,826	83,535	319,955	(2,709)
Cash and cash equivalents - end of year	\$11,231	\$13,070	\$10,413	\$(1,839)	\$2,657

Net cash provided by operating activities increased in 2016 primarily due to the impact of our 2015 and 2016 acquisitions, contractual rent increases and improved operating efficiencies, partially offset by our 2015 and 2016 dispositions. Net cash provided by operating activities increased in 2015 primarily due to the impact of our 2014 and 2015 acquisitions, contractual rent increases and improved operating efficiencies, partially offset by our 2014 and 2015 dispositions. We anticipate cash flows from operating activities to increase as a result of the above items and continued leasing activity in our existing portfolio.

For the year ended December 31, 2016, net cash used in investing activities primarily related to investments in real estate of \$592.0 million and capital expenditures of \$43.0 million, partially offset by the proceeds from the sales of real estate of \$26.6 million. For the year ended December 31, 2015, net cash used in investing activities primarily related to investments in real estate of \$279.3 million and capital expenditures of \$29.3 million, partially offset by proceeds from the sales of real estate of \$34.6 million. For the year ended December 31, 2014, net cash used in investing activities primarily related to investments in real estate of \$307.3 million and capital expenditures of \$29.0 million, partially offset by proceeds from the sales of real estate of \$78.9 million and proceeds from the collection of real estate notes receivable of \$28.5 million. We anticipate cash flows used in investing activities to increase as we continue to acquire more properties.

For the year ended December 31, 2016, net cash provided by financing activities primarily related to net proceeds of shares of common stock issued of \$418.9 million, proceeds from unsecured senior notes of \$347.7 million, partially offset by dividends paid to holders of our common stock of \$159.2 million, net payments on our unsecured revolving credit facility of \$130.0 million and payments on our mortgage loans of \$110.9 million. For the year ended December 31, 2015, net cash provided by financing activities primarily related to net borrowings of \$282.0 million on our Unsecured Credit Agreement and net proceeds of shares of common stock issued of \$44.3 million, partially offset by dividends paid to holders of our common stock of \$146.4 million and payments on our mortgage loans of \$94.9 million. For the year ended December 31, 2014, net cash provided by financing activities primarily related to net proceeds from the issuance of unsecured senior notes of \$297.6 million and net proceeds of shares of common stock issued of \$152.0 million, partially offset by dividends paid to holders of our common stock of \$137.2 million, payments on our mortgage and term loans of \$192.2 million and net payments on our unsecured revolving credit facility of \$19.0 million.

Dividends

The amount of dividends HTA pays to its stockholders is determined by its Board of Directors, in its sole discretion, and is dependent on a number of factors, including funds available, our financial condition, capital expenditure requirements and annual dividend distribution requirements needed to maintain our status as a REIT under the Internal Revenue Code of 1986, as amended. HTA has paid monthly or quarterly dividends since February 2007, and if our investments produce sufficient cash flow, we expect to continue to pay dividends to our stockholders. Because our cash available for dividend distributions in any year may be less than 90% of our taxable income for the year, we may obtain the necessary funds through borrowings, issuing new securities or selling assets to pay out enough of our taxable income to satisfy our dividend distribution requirement. HTA's organizational documents do not establish a limit on dividends that may constitute a return of capital for federal income tax purposes. The dividend HTA pays to its stockholders is equal to the distributions received from HTALP in accordance with the terms of HTALP's partnership agreement. It is HTA's intention to continue to pay dividends. However, HTA's Board of Directors may

reduce our dividend rate and HTA cannot guarantee the timing and amount of dividends that it may pay in the future, if any.

For the year ended December 31, 2016, HTA paid cash dividends of \$159.2 million. In January 2017, HTA paid cash dividends of \$42.5 million for the quarter ended December 31, 2016. On February 15, 2017, HTA declared a quarterly cash dividend of \$0.30 per share to be paid on April 11, 2017 to stockholders of record on April 3, 2017.

Financing

We have historically maintained a low leveraged balance sheet and intend to continue to maintain this structure over the long run. However, our total leverage may fluctuate on a short term basis as we execute our business strategy. As of December 31, 2016, our leverage ratio, measured by debt to total market capitalization, was 29.4%.

Table of Contents

As of December 31, 2016, we had debt outstanding of \$1.8 billion and the weighted average interest rate was 3.35% per annum, inclusive of the impact of our interest rate swaps. The following is a summary of our unsecured and secured debt. See Note 7 - Debt to our accompanying consolidated financial statements for a further discussion of our debt.

Unsecured Revolving Credit Facility

As of December 31, 2016, \$756.5 million was available on our \$850.0 million unsecured revolving credit facility. Our unsecured revolving credit facility matures in January 2020.

Unsecured Term Loans

As of December 31, 2016, we had \$500.0 million of unsecured term loans outstanding, comprised of a \$300.0 million term loan under our Unsecured Credit Agreement maturing in 2019 and a \$200.0 million unsecured term loan maturing in 2023. The \$300.0 million term loan includes a one-year extension exercisable at the option of the borrower, subject to certain conditions.

Unsecured Senior Notes

As of December 31, 2016, we had \$950.0 million of unsecured notes outstanding, comprised of \$300.0 million of unsecured senior notes maturing in 2021, \$300.0 million of unsecured senior notes maturing in 2023 and \$350.0 million of unsecured notes maturing in 2026.

Mortgage Loans

During the year ended December 31, 2016, we made payments of \$110.9 million on our mortgage loans and have \$76.6 million of principal payments due in 2017.

Commitments and Contingencies

See Note 9 - Commitments and Contingencies to our accompanying consolidated financial statements for a further discussion of our commitments and contingencies.

Debt Service Requirements

We are required by the terms of our applicable loan agreements to meet certain financial covenants, such as minimum net worth and liquidity, and reporting requirements, among others. As of December 31, 2016, we believe that we were in compliance with all such covenants and we are not aware of any covenants that it is reasonably likely that we would not be able to meet.

Contractual Obligations

The table below presents our obligations and commitments to make future payments under our debt obligations and lease agreements as of December 31, 2016 (in thousands):

	Payment Due by Period				Total
	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	
Debt ⁽¹⁾	\$76,582	\$315,561	\$441,637	\$947,686	\$1,781,466
Interest ⁽²⁾	58,256	111,471	94,717	98,742	363,186
Ground lease and other operating lease obligations	6,709	13,501	14,908	532,275	567,393
Total	\$141,547	\$440,533	\$551,262	\$1,578,703	\$2,712,045

(1) The table does not reflect the one year extension on \$300.0 million of our debt that matures in 2019 subject to certain conditions.

(2) Interest on variable rate debt is calculated using the forward rates in effect at December 31, 2016 and excludes the impact of our interest rate swaps.

Off-Balance Sheet Arrangements

As of and during the year ended December 31, 2016, we had no off-balance sheet arrangements.

Inflation

We are exposed to inflation risk as income from future long-term leases is the primary source of our cash flows from operations. There are provisions in the majority of our tenant leases that protect us from the impact of normal inflation. These provisions include rent escalations, reimbursement billings for operating expense pass-through charges and real estate tax and insurance reimbursements on a per square foot allowance. However, due to the

long-term nature of our leases, among other factors, the leases may not reset frequently enough to cover inflation.

53

Table of Contents

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing our business plan, we believe the primary market risk to which we have exposure is interest rate risk.

We are exposed to the effects of interest rate changes on our variable rate debt. Interest rate changes on our fixed rate debt will generally not affect our future earnings or cash flows unless such instruments mature or are otherwise terminated. Our interest rate risk is monitored using a variety of techniques. In order to mitigate our interest rate risk, we enter into derivative financial instruments such as interest rate swaps and caps. To the extent we enter into such derivative financial instruments, we are exposed to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes us, which creates credit risk for us. When the fair value of a derivative contract is negative, we owe the counterparty and, therefore, it does not possess credit risk. It is our policy to enter into these transactions with what we believe are high quality counterparties, including those with whom we have a lending relationship. We believe the likelihood of realized losses from counterparty non-performance is remote. We manage the market risk associated with interest rate swaps or caps by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken. We do not enter into derivative or interest rate transactions for speculative purposes.

We have, and may in the future enter into, derivative instruments for which we have not and may not elect hedge accounting treatment. Because we have not elected to apply hedge accounting treatment to these derivatives, the gains or losses resulting from their mark-to-market at the end of each reporting period are recognized as an increase or decrease in interest expense in our accompanying consolidated statements of operations.

The table below presents, as of December 31, 2016, the principal amounts of our fixed and variable debt and the weighted average interest rates, excluding the impact of interest rate swaps, by year of expected maturity to evaluate the expected cash flows and sensitivity to interest rate changes (in thousands, except interest rates):

	Expected Maturity Date							Total
	2017	2018	2019	2020	2021	Thereafter		
Fixed rate debt	\$75,596	\$3,671	\$9,720	\$22,672	\$303,333	\$739,569	\$1,154,561	
Weighted average interest rate on fixed rate debt (per annum)	5.87	% 5.43	% 6.01	% 6.10	% 3.39	% 3.97	% 3.89	%
Variable rate debt	\$986	\$1,051	\$301,119	\$115,123	\$509	\$208,117	\$626,905	
Weighted average interest rate on variable rate debt based on forward rates in effect as of December 31, 2016 (per annum)	2.68	% 3.20	% 2.96	% 3.26	% 4.85	% 4.25	% 2.08	%

As of December 31, 2016, we had \$1.8 billion fixed and variable rate debt with interest rates ranging from 1.80% to 6.39% per annum and a weighted average interest rate of 3.25% per annum, excluding the impact of interest rate swaps. We had \$1,154.6 million (excluding net premium/discount and deferred financing costs) of fixed rate debt with a weighted average interest rate of 3.89% per annum and \$626.9 million (excluding net premium/discount and deferred financing costs) of variable rate debt with a weighted average interest rate of 2.08% per annum as of December 31, 2016, excluding the impact of interest rate swaps.

As of December 31, 2016, the fair value of our fixed rate debt was \$1,155.1 million and the fair value of our variable rate debt was \$628.8 million based upon prevailing market rates as of December 31, 2016.

As of December 31, 2016, we had interest rate swaps outstanding that effectively fix \$190.7 million of our variable rate debt. Including the impact of these interest rate swaps, the effective rate on our variable rate and total debt is 2.35% and 3.35% per annum, respectively.

In addition to changes in interest rates, the value of our future properties is subject to fluctuations based on changes in local and regional economic conditions and changes in the creditworthiness of tenants, which may affect our ability to refinance our debt if necessary.

Table of Contents

Item 8. Financial Statements and Supplementary Data

See the disclosure listed at Item 15 - Exhibits, Financial Statement Schedules subsections (a)(1) and (a)(2).

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Healthcare Trust of America, Inc.

(a) Evaluation of disclosure controls and procedures. HTA maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports pursuant to the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to management, including HTA's Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer and principal accounting officer), to allow timely decisions regarding required disclosures.

As of December 31, 2016, an evaluation was conducted by HTA under the supervision and with the participation of its management, including HTA's Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, HTA's Chief Executive Officer and the Chief Financial Officer concluded that HTA's disclosure controls and procedures were effective as of December 31, 2016.

(b) Management's report on internal control over financial reporting. HTA's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of HTA's management, including its Chief Executive Officer and Chief Financial Officer, HTA conducted an evaluation of the effectiveness of its internal control over financial reporting based on the criteria in the 2013 Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, HTA's Chief Executive Officer and Chief Financial Officer concluded that HTA's internal control over financial reporting was effective as of December 31, 2016.

Our independent registered public accounting firm, Deloitte & Touche LLP, independently assessed the effectiveness of HTA's internal control over financial reporting. Deloitte & Touche LLP has issued a report, which is included at the end of Item 9A of this Annual Report.

(c) Changes in internal control over financial reporting. There were no changes in HTA's internal control over financial reporting that occurred during the quarter ended December 31, 2016 that have materially affected, or are reasonably believed to be likely to materially affect, HTA's internal control over financial reporting.

February 21, 2017

Table of Contents

Healthcare Trust of America Holdings, LP

(a) Evaluation of disclosure controls and procedures. HTALP maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports pursuant to the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to management, including HTA's Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer and principal accounting officer), to allow timely decisions regarding required disclosures.

As of December 31, 2016, an evaluation was conducted by HTALP under the supervision and with the participation of its management, including HTA's Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, HTA's Chief Executive Officer and the Chief Financial Officer, on behalf of HTA in its capacity as general partner of HTALP, concluded that HTALP's disclosure controls and procedures were effective as of December 31, 2016.

(b) Management's report on internal control over financial reporting. HTALP's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of its management, including HTA's Chief Executive Officer and Chief Financial Officer, HTALP conducted an evaluation of the effectiveness of its internal control over financial reporting based on the criteria in the 2013 Internal Control-Integrated Framework issued by COSO. Based on this evaluation, HTALP's management, including HTA's Chief Executive Officer and Chief Financial Officer, concluded that HTALP's internal control over financial reporting was effective as of December 31, 2016.

This Annual Report does not include an attestation report of HTALP's independent registered public accounting firm, Deloitte & Touche LLP, pursuant to rules of the SEC applicable to "non-accelerated filers."

(c) Changes in internal control over financial reporting. There were no changes in HTALP's internal control over financial reporting that occurred during the quarter ended December 31, 2016 that have materially affected, or are reasonably believed to be likely to materially affect, HTALP's internal control over financial reporting.

February 21, 2017

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Healthcare Trust of America, Inc.
Scottsdale, Arizona

We have audited the internal control over financial reporting of Healthcare Trust of America, Inc. and subsidiaries (the "Company") as of December 31, 2016, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedules as of and for the year ended December 31, 2016 of the Company and our report dated February 21, 2017 expressed an unqualified opinion on those consolidated financial statements and financial statement schedules.

/s/ DELOITTE & TOUCHE LLP

Phoenix, Arizona
February 21, 2017

Table of Contents

Item 9B. Other Information

None.

58

Table of Contents

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item 10 is incorporated by reference to the material under the headings “Proposal 1: Election of Directors,” “Corporate Governance,” “Executive Officers” and “Section 16(a) Beneficial Ownership Reporting Compliance,” in HTA’s definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which it will file with the SEC no later than April 30, 2017.

Item 11. Executive Compensation

The information required by this Item 11 is incorporated by reference to the material under the headings “Compensation of Directors,” “Compensation Discussion and Analysis,” “Compensation Committee Report” and “Compensation of Executive Officers” in HTA’s definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which it will file with the SEC no later than April 30, 2017.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item 12 is incorporated by reference to the material under the headings “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plans” in HTA’s definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which it will file with the SEC no later than April 30, 2017.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item 13 is incorporated by reference to the material under the heading “Certain Relationships and Related Party Transactions” in HTA’s definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which it will file with the SEC no later than April 30, 2017.

Item 14. Principal Accounting Fees and Services

The information required by this Item 14 is incorporated by reference to the material under the heading “Relationship with Independent Registered Public Accounting Firm: Audit and Non-Audit Fees” in HTA’s definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which it will file with the SEC no later than April 30, 2017.

Table of Contents

PART IV

Item 15. Exhibits, Financial Statement Schedules

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
(a)(1) Financial Statements:	
Reports of Independent Registered Public Accounting Firm	
<u>Healthcare Trust of America, Inc.</u>	61
<u>Healthcare Trust of America Holdings, LP</u>	62
Financial Statements of Healthcare Trust of America, Inc.	
<u>Consolidated Balance Sheets as of December 31, 2016 and 2015</u>	63
<u>Consolidated Statements of Operations for the Years Ended December 31, 2016, 2015 and 2014</u>	64
<u>Consolidated Statements of Equity for the Years Ended December 31, 2016, 2015 and 2014</u>	65
<u>Consolidated Statements of Cash Flows for the Years Ended December 31, 2016, 2015 and 2014</u>	66
Financial Statements of Healthcare Trust of America Holdings, LP	
<u>Consolidated Balance Sheets as of December 31, 2016 and 2015</u>	67
<u>Consolidated Statements of Operations for the Years Ended December 31, 2016, 2015 and 2014</u>	68
<u>Consolidated Statements of Changes in Partners Capital for the Years Ended December 31, 2016, 2015 and 2014</u>	69
<u>Consolidated Statements of Cash Flows for the Years Ended December 31, 2016, 2015 and 2014</u>	70
Notes for Healthcare Trust of America, Inc. and Healthcare Trust of America Holdings, LP	
<u>Notes to Consolidated Financial Statements</u>	71
(a)(2) Financial Statement Schedules:	
Financial Statement Schedules of Healthcare Trust of America, Inc. and Healthcare Trust of America Holdings, LP	
<u>Valuation and Qualifying Accounts (Schedule II)</u>	92
<u>Real Estate and Accumulated Depreciation (Schedule III)</u>	93
<u>Mortgage Loans on Real Estate Assets (Schedule IV)</u>	99
All other schedules have been omitted because they are inapplicable.	
(a)(3) Exhibits:	
The exhibits listed on the Exhibit Index (following the signature section of this Annual Report) are incorporated by reference into this Annual Report.	
(b) Exhibits:	
See Item 15(a)(1) above.	
(c) Financial Statement Schedules:	
See Item 15(a)(2) above.	

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Healthcare Trust of America, Inc.
Scottsdale, Arizona

We have audited the accompanying consolidated balance sheets of Healthcare Trust of America, Inc. and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations, equity, and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the consolidated financial statement schedules listed in the Index at Item 15. These consolidated financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Healthcare Trust of America, Inc. and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such consolidated financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We have also audited, in accordance with the standards of the Public Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2016, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 21, 2017 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Phoenix, Arizona
February 21, 2017

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Healthcare Trust of America Holdings, LP
Scottsdale, Arizona

We have audited the accompanying consolidated balance sheets of Healthcare Trust of America Holdings, LP and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations, changes in partners' capital, and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the consolidated financial statement schedules listed in the Index at Item 15. These consolidated financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Healthcare Trust of America Holdings, LP and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such consolidated financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

/s/ DELOITTE & TOUCHE LLP

Phoenix, Arizona
February 21, 2017

Table of Contents

HEALTHCARE TRUST OF AMERICA, INC.
 CONSOLIDATED BALANCE SHEETS
 (In thousands, except share data)

	December 31,	
	2016	2015
ASSETS		
Real estate investments:		
Land	\$386,526	\$303,706
Building and improvements	3,466,516	2,901,157
Lease intangibles	467,571	430,749
	4,320,613	3,635,612
Accumulated depreciation and amortization	(817,593)	(676,144)
Real estate investments, net	3,503,020	2,959,468
Cash and cash equivalents	11,231	13,070
Restricted cash and escrow deposits	13,814	15,892
Receivables and other assets, net	173,461	141,703
Other intangibles, net	46,318	42,167
Total assets	\$3,747,844	\$3,172,300
LIABILITIES AND EQUITY		
Liabilities:		
Debt	\$1,768,905	\$1,590,696
Accounts payable and accrued liabilities	105,034	94,933
Derivative financial instruments - interest rate swaps	1,920	2,370
Security deposits, prepaid rent and other liabilities	49,859	46,295
Intangible liabilities, net	37,056	26,611
Total liabilities	1,962,774	1,760,905
Commitments and contingencies		
Redeemable noncontrolling interests	4,653	4,437
Equity:		
Preferred stock, \$0.01 par value; 200,000,000 shares authorized; none issued and outstanding	—	—
Class A common stock, \$0.01 par value; 1,000,000,000 shares authorized; 141,719,134 and 127,026,839 shares issued and outstanding as of December 31, 2016 and 2015, respectively	1,417	1,270
Additional paid-in capital	2,754,818	2,328,806
Cumulative dividends in excess of earnings	(1,068,961)	(950,652)
Total stockholders' equity	1,687,274	1,379,424
Noncontrolling interests	93,143	27,534
Total equity	1,780,417	1,406,958
Total liabilities and equity	\$3,747,844	\$3,172,300

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

HEALTHCARE TRUST OF AMERICA, INC.
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (In thousands, except per share data)

	Year Ended December 31,		
	2016	2015	2014
Revenues:			
Rental income	\$460,563	\$403,553	\$369,571
Interest and other operating income	365	269	1,934
Total revenues	460,928	403,822	371,505
Expenses:			
Rental	143,751	123,390	113,508
General and administrative	28,773	25,578	24,947
Acquisition-related	6,538	4,555	9,545
Depreciation and amortization	176,866	154,134	140,432
Impairment	3,080	2,581	—
Total expenses	359,008	310,238	288,432
Income before other income (expense)	101,920	93,584	83,073
Interest expense:			
Interest related to derivative financial instruments	(2,377)	(3,140)	(5,904)
Gain (loss) on change in fair value of derivative financial instruments, net	1,344	(769)	(2,870)
Total interest related to derivative financial instruments, including net change in fair value of derivative financial instruments	(1,033)	(3,909)	(8,774)
Interest related to debt	(59,769)	(54,967)	(51,585)
Gain on sales of real estate, net	8,966	152	27,894
(Loss) gain on extinguishment of debt, net	(3,025)	123	(4,663)
Other income (expense)	286	(1,426)	49
Net income	\$47,345	\$33,557	\$45,994
Net income attributable to noncontrolling interests ⁽¹⁾	(1,433)	(626)	(623)
Net income attributable to common stockholders	\$45,912	\$32,931	\$45,371
Earnings per common share - basic:			
Net income attributable to common stockholders	\$0.34	\$0.26	\$0.38
Earnings per common share - diluted:			
Net income attributable to common stockholders	\$0.33	\$0.26	\$0.37
Weighted average common shares outstanding:			
Basic	136,620	126,074	119,904
Diluted	140,259	128,004	121,168

(1) Includes amounts attributable to redeemable noncontrolling interests.

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

HEALTHCARE TRUST OF AMERICA, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)

	Class A Common Stock ⁽¹⁾		Additional Paid-In Capital ⁽¹⁾	Cumulative Dividends in Excess of Earnings	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
	Shares	Amount					
Balance as of December 31, 2013	118,440	\$ 1,184	\$ 2,128,082	\$(742,060)	\$ 1,387,206	\$ 12,543	\$ 1,399,749
Issuance of common stock, net	6,371	64	151,950	—	152,014	—	152,014
Issuance of operating partnership units	—	—	—	—	—	16,960	16,960
Share-based award transactions, net	263	3	4,380	—	4,383	—	4,383
Repurchase and cancellation of common stock	(48)	(1)	(1,055)	—	(1,056)	—	(1,056)
Redemption of noncontrolling interest and other	61	1	(1,425)	—	(1,424)	995	(429)
Dividends (\$1.155 per common share)	—	—	—	(139,355)	(139,355)	(1,655)	(141,010)
Net income	—	—	—	45,371	45,371	439	45,810
Balance as of December 31, 2014	125,087	1,251	2,281,932	(836,044)	1,447,139	29,282	1,476,421
Issuance of common stock, net	1,800	18	43,631	—	43,649	—	43,649
Share-based award transactions, net	202	2	5,722	—	5,724	—	5,724
Repurchase and cancellation of common stock	(62)	(1)	(1,666)	—	(1,667)	—	(1,667)
Redemption of noncontrolling interest and other	—	—	(813)	—	(813)	—	(813)
Dividends (\$1.170 per common share)	—	—	—	(147,539)	(147,539)	(2,262)	(149,801)
Net income	—	—	—	32,931	32,931	514	33,445
Balance as of December 31, 2015	127,027	1,270	2,328,806	(950,652)	1,379,424	27,534	1,406,958
Issuance of common stock, net	14,138	141	417,022	—	417,163	—	417,163
Issuance of operating partnership units	—	—	—	—	—	74,460	74,460
Share-based award transactions, net	391	4	7,067	—	7,071	—	7,071
Repurchase and cancellation of common stock	(94)	(1)	(2,641)	—	(2,642)	—	(2,642)
Redemption of noncontrolling interest and	257	3	4,564	—	4,567	(5,709)	(1,142)

other

Dividends (\$1.190 per common share)	—	—	—	(164,221)	(164,221)	(4,457)	(168,678)
Net income	—	—	—	45,912	45,912	1,315	47,227
Balance as of December 31, 2016	141,719	\$1,417	\$2,754,818	\$(1,068,961)	\$1,687,274	\$93,143	\$1,780,417

(1) For the year ended December 31, 2013, amounts have been adjusted retroactively to reflect the Reverse Stock Split effected on December 15, 2014.

The accompanying notes are an integral part of these consolidated financial statements.

65

Table of Contents

HEALTHCARE TRUST OF AMERICA, INC.
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 (In thousands)

	Year Ended December 31,		
	2016	2015	2014
Cash flows from operating activities:			
Net income	\$47,345	\$33,557	\$45,994
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and other	175,285	151,614	137,188
Share-based compensation expense	7,071	5,724	4,383
Bad debt expense	846	828	312
Gain on sales of real estate, net	(8,966)	(152)	(27,894)
Impairment	3,080	2,581	—
Loss (gain) on extinguishment of debt, net	3,025	(123)	4,663
Change in fair value of derivative financial instruments	(1,344)	769	2,870
Changes in operating assets and liabilities:			
Receivables and other assets, net	(22,080)	(7,508)	(9,252)
Accounts payable and accrued liabilities	2,171	(6,284)	12,262
Security deposits, prepaid rent and other liabilities	(2,738)	10,089	(2,027)
Net cash provided by operating activities	203,695	191,095	168,499
Cash flows from investing activities:			
Investments in real estate	(591,954)	(279,334)	(307,271)
Acquisition of note receivable	—	—	(11,924)
Proceeds from the sales of real estate	26,555	34,629	78,854
Capital expenditures	(42,994)	(29,270)	(29,037)
Collection of real estate notes receivable	—	—	28,520
Restricted cash, escrow deposits and other assets	2,078	4,711	(18,844)
Net cash used in investing activities	(606,315)	(269,264)	(259,702)
Cash flows from financing activities:			
Borrowings on unsecured revolving credit facility	574,000	454,000	294,000
Payments on unsecured revolving credit facility	(704,000)	(272,000)	(313,000)
Proceeds from unsecured senior notes	347,725	—	297,615
Borrowings on unsecured term loans	200,000	100,000	—
Payments on unsecured term loans	(155,000)	—	(100,000)
Payments on secured mortgage loans	(110,935)	(94,856)	(92,236)
Deferred financing costs	(3,191)	(204)	(12,112)
Derivative financial instrument termination payments	—	—	(1,675)
Security deposits	924	(243)	(1,025)
Proceeds from issuance of common stock	418,891	44,324	152,014
Issuance of operating partnership units	2,706	—	—
Repurchase and cancellation of common stock	(2,642)	(1,667)	(1,056)
Redemption of redeemable noncontrolling interests	(4,572)	—	—
Dividends paid	(159,174)	(146,372)	(137,158)
Distributions to noncontrolling interest of limited partners	(3,951)	(2,156)	(1,832)
Net cash provided by financing activities	400,781	80,826	83,535
Net change in cash and cash equivalents	(1,839)	2,657	(7,668)
Cash and cash equivalents - beginning of year	13,070	10,413	18,081
Cash and cash equivalents - end of year	\$11,231	\$13,070	\$10,413

The accompanying notes are an integral part of these consolidated financial statements.

Table of ContentsHEALTHCARE TRUST OF AMERICA HOLDINGS, LP
CONSOLIDATED BALANCE SHEETS

(In thousands, except unit data)

	December 31,	
	2016	2015
ASSETS		
Real estate investments:		
Land	\$386,526	\$303,706
Building and improvements	3,466,516	2,901,157
Lease intangibles	467,571	430,749
	4,320,613	3,635,612
Accumulated depreciation and amortization	(817,593)	(676,144)
Real estate investments, net	3,503,020	2,959,468
Cash and cash equivalents	11,231	13,070
Restricted cash and escrow deposits	13,814	15,892
Receivables and other assets, net	173,461	141,703
Other intangibles, net	46,318	42,167
Total assets	\$3,747,844	\$3,172,300
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Debt	\$1,768,905	\$1,590,696
Accounts payable and accrued liabilities	105,034	94,933
Derivative financial instruments - interest rate swaps	1,920	2,370
Security deposits, prepaid rent and other liabilities	49,859	46,295
Intangible liabilities, net	37,056	26,611
Total liabilities	1,962,774	1,760,905
Commitments and contingencies		
Redeemable noncontrolling interests	4,653	4,437
Partners' Capital:		
Limited partners' capital, 4,323,095 and 1,929,942 units issued and outstanding as of December 31, 2016 and 2015, respectively	92,873	27,264
General partners' capital, 141,719,134 and 127,026,839 units issued and outstanding as of December 31, 2016 and 2015, respectively	1,687,544	1,379,694
Total partners' capital	1,780,417	1,406,958
Total liabilities and partners' capital	\$3,747,844	\$3,172,300

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per unit data)

	Year Ended December 31,		
	2016	2015	2014
Revenues:			
Rental income	\$460,563	\$403,553	\$369,571
Interest and other operating income	365	269	1,934
Total revenues	460,928	403,822	371,505
Expenses:			
Rental	143,751	123,390	113,508
General and administrative	28,773	25,578	24,947
Acquisition-related	6,538	4,555	9,545
Depreciation and amortization	176,866	154,134	140,432
Impairment	3,080	2,581	—
Total expenses	359,008	310,238	288,432
Income before other income (expense)	101,920	93,584	83,073
Interest expense:			
Interest related to derivative financial instruments	(2,377)	(3,140)	(5,904)
Gain (loss) on change in fair value of derivative financial instruments, net	1,344	(769)	(2,870)
Total interest related to derivative financial instruments, including net change in fair value of derivative financial instruments	(1,033)	(3,909)	(8,774)
Interest related to debt	(59,769)	(54,967)	(51,585)
Gain on sales of real estate, net	8,966	152	27,894
(Loss) gain on extinguishment of debt, net	(3,025)	123	(4,663)
Other income (expense)	286	(1,426)	49
Net income	\$47,345	\$33,557	\$45,994
Net income attributable to noncontrolling interests	(118)	(112)	(133)
Net income attributable to common unitholders	\$47,227	\$33,445	\$45,861
Earnings per common unit - basic:			
Net income attributable to common unitholders	\$0.34	\$0.26	\$0.38
Earnings per common unit - diluted:			
Net income attributable to common unitholders	\$0.34	\$0.26	\$0.38
Weighted average common units outstanding:			
Basic	140,259	128,079	121,340
Diluted	140,259	128,079	121,340

The accompanying notes are an integral part of these consolidated financial statements.

Table of ContentsHEALTHCARE TRUST OF AMERICA HOLDINGS, LP
CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

(In thousands)

	General Partners' Capital		Limited Partners' Capital		Total Partners' Capital
	Units ⁽¹⁾	Amount	Units ⁽¹⁾	Amount	
Balance as of December 31, 2013	118,440	\$1,387,476	1,527	\$13,818	\$1,401,294
Issuance of general partner units, net	6,371	152,014	—	—	152,014
Issuance of limited partner units	—	—	692	16,960	16,960
Share-based award transactions, net	263	4,383	(3)	—	4,383
Redemption and cancellation of general partner units	(48)	(1,056)	—	—	(1,056)
Redemption of limited partner units and other	61	(1,424)	(61)	(601)	(2,025)
Distributions (\$1.155 per common unit)	—	(139,355)	—	(1,655)	(141,010)
Net income	—	45,371	—	490	45,861
Balance as of December 31, 2014	125,087	1,447,409	2,155	29,012	1,476,421
Issuance of general partner units, net	1,800	43,649	—	—	43,649
Share-based award transactions, net	202	5,724	(225)	—	5,724
Redemption and cancellation of general partner units	(62)	(1,667)	—	—	(1,667)
Redemption of limited partner units and other	—	(813)	—	—	(813)
Distributions (\$1.170 per common unit)	—	(147,539)	—	(2,262)	(149,801)
Net income	—	32,931	—	514	33,445
Balance as of December 31, 2015	127,027	1,379,694	1,930	27,264	1,406,958
Issuance of general partner units, net	14,138	417,163	—	—	417,163
Issuance of limited partner units	—	—	2,650	74,460	74,460
Share-based award transactions, net	391	7,071	—	—	7,071
Redemption and cancellation of general partner units	(94)	(2,642)	—	—	(2,642)
Redemption of limited partner units and other	257	4,567	(257)	(5,709)	(1,142)
Distributions (\$1.190 per common unit)	—	(164,221)	—	(4,457)	(168,678)
Net income	—	45,912	—	1,315	47,227
Balance as of December 31, 2016	141,719	\$1,687,544	4,323	\$92,873	\$1,780,417

(1) For the year ended December 31, 2013, amounts have been adjusted retroactively to reflect the Reverse Stock Split effected on December 15, 2014.

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Table of Contents

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CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

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Payments on unsecured revolving credit facility	(704,000)	(272,000)	(313,000)
Proceeds from unsecured senior notes	347,725	—	297,615
Borrowings on unsecured term loans	200,000	100,000	—
Payments on unsecured term loans	(155,000)	—	(100,000)
Payments on secured mortgage loans	(110,935)	(94,856)	(92,236)
Deferred financing costs	(3,191)	(204)	(12,112)
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Issuance of limited partner units	2,706	—	—
Repurchase and cancellation of general partner units	(2,642)	(1,667)	(1,056)
Redemption of redeemable noncontrolling interests	(4,572)	—	—
Distributions paid to general partner	(159,174)	(146,372)	(137,158)
Distributions to limited partners and redeemable noncontrolling interests	(3,951)	(2,156)	(1,832)
Net cash provided by financing activities	400,781	80,826	83,535
Net change in cash and cash equivalents	(1,839)	2,657	(7,668)
Cash and cash equivalents - beginning of year	13,070	10,413	18,081
Cash and cash equivalents - end of year	\$11,231	\$13,070	\$10,413

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unless otherwise indicated or unless the context requires otherwise the use of the words “we,” “us” or “our” refers to Healthcare Trust of America, Inc. and Healthcare Trust of America Holdings, LP, collectively.

1. Organization and Description of Business

HTA, a Maryland corporation, and HTALP, a Delaware limited partnership, were incorporated or formed, as applicable, on April 20, 2006. HTA operates as a REIT and is the general partner of HTALP, which is the operating partnership. As of December 31, 2016, HTA owned a 97.0% partnership interest and other limited partners, including some of HTA’s directors, executive officers and their affiliates, owned the remaining partnership interest (including the LTIP units) in HTALP. As the sole general partner of HTALP, HTA has the full, exclusive and complete responsibility for HTALP’s day-to-day management and control. HTA operates in an umbrella partnership REIT structure in which HTALP and its subsidiaries hold substantially all of the assets. HTA’s only material asset is its ownership of partnership interests of HTALP. As a result, HTA does not conduct business itself, other than acting as the sole general partner of HTALP, issuing public equity from time to time and guaranteeing certain debts of HTALP. HTALP conducts the operations of the business and issues publicly-traded debt, but has no publicly-traded equity. HTA is one of the largest publicly-traded REITs focused on MOBs in the U.S. as measured by the GLA of its MOBs. HTA conducts substantially all of its operations through HTALP. We invest in MOBs that we believe will serve the future of healthcare delivery, and MOBs that are primarily located on health system campuses, near university medical centers, or in core community outpatient locations. We also focus on our key markets that have certain demographic and macro-economic trends and where we can utilize our institutional property management and leasing platform to generate strong tenant relationships and operating cost efficiencies. Our primary objective is to maximize stockholder value with disciplined growth through strategic investments that provide an attractive risk-adjusted return for our stockholders by consistently increasing our cash flow. In pursuing this objective, we: (i) seek internal growth through proactive asset management, leasing and property management oversight; (ii) target accretive acquisitions of MOBs in markets with attractive demographics that complement our existing portfolio; and (iii) actively manage our balance sheet to maintain flexibility with conservative leverage. HTA has qualified to be taxed as a REIT for federal income tax purposes and intends to continue to be taxed as a REIT.

Since 2006, we have invested \$4.2 billion to create a portfolio of MOBs and other healthcare assets consisting of approximately 17.7 million square feet of GLA throughout the U.S. As of December 31, 2016, approximately 97% of our portfolio, based on GLA, was located on the campuses of, or aligned with, nationally or regionally recognized healthcare systems. Our portfolio is diversified geographically across 31 states, with no state having more than 13% of our total GLA as of December 31, 2016. We are concentrated in 20 to 25 key markets that are experiencing higher economic and demographic trends than other markets, on average, that we expect will drive demand for MOBs.

Approximately 92% of our portfolio, based on GLA, is located in top 75 MSAs with Boston, Hartford/New Haven, Dallas, Houston, Phoenix and Orange County/Los Angeles being our largest markets by investment.

Effective December 15, 2014, HTA completed a Reverse Stock Split of its common stock. As a result of the Reverse Stock Split, every two issued and outstanding shares of common stock were converted into one share of common stock. HTA’s par value and shares authorized remained unchanged. Concurrently with the Reverse Stock Split, HTALP effected a corresponding Reverse Stock Split of its outstanding units of limited partnership interests. The weighted average shares/units outstanding and per share/unit amounts for all periods prior to 2015 have been adjusted retroactively to reflect the Reverse Stock Split.

Our principal executive office is located at 16435 North Scottsdale Road, Suite 320, Scottsdale, Arizona, 85254.

2. Summary of Significant Accounting Policies

The summary of significant accounting policies presented below is designed to assist in understanding our consolidated financial statements. Such consolidated financial statements and the accompanying notes are the representations of our management, who are responsible for their integrity and objectivity. These accounting policies conform to GAAP in all material respects and have been consistently applied in preparing our accompanying consolidated financial statements.

Basis of Presentation

Our accompanying consolidated financial statements include our accounts and those of our subsidiaries and any consolidated VIEs. All inter-company balances and transactions have been eliminated in the accompanying consolidated financial statements.

71

Table of Contents

HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Principles of Consolidation

As of January 1, 2016, the Company adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2015-02 and ASU 2016-17, as described below in “Recently Issued or Adopted Accounting Pronouncements”, which simplifies consolidation accounting by reducing the number of consolidation models and changing various aspects of current GAAP, including certain consolidation criteria for VIEs. The consolidated financial statements include our accounts of those of our subsidiaries and consolidated joint venture arrangements. The portions of the operating partnership not owned by us are presented as non-controlling interests in our consolidated balance sheets and statements of operations, consolidated statements of equity, and consolidated statements of changes in partners’ capital. The portions of other joint venture arrangements not owned by us are presented as redeemable non-controlling interests in our consolidated balance sheets. In addition, as described in Note 1 - Organization and Description of Business, certain third parties have been issued OP Units. Holders of OP Units are considered to be non-controlling interest holders in HTALP and their ownership interests are reflected as equity in the consolidated balance sheets. Further, a portion of the earnings and losses of HTALP are allocated to non-controlling interest holders based on their respective ownership percentages. Upon conversion of OP Units to common stock, any difference between the fair value of common shares issued and the carrying value of the OP Units converted is recorded as a component of equity. As of December 31, 2016, 2015 and 2014, there were approximately 4.3 million, 1.9 million and 2.2 million, respectively, of OP Units issued and outstanding.

VIEs are entities where investors lack sufficient equity at risk for the entity to finance its activities without additional subordinated financial support or where equity investors, as a group, lack one of the following: (i) the power to direct the activities that most significantly impact the entity’s economic performance; (ii) the obligation to absorb the expected losses of the entity; and (iii) the right to receive the expected returns of the entity. We consolidate our investment in VIEs when we determine that we are the primary beneficiary. A primary beneficiary is one that has both: (i) the power to direct the activities of the VIE that most significantly impacts the entity’s economic performance; and (ii) the obligation to absorb losses or the right to receive benefits of the VIE that could be significant to the entity. Our analysis of FASB ASU 2015-02 and ASU 2016-17 concluded that our operating partnership and other joint venture arrangements are VIEs, as the limited partners in the related partnerships, although entitled to vote on certain matters, do not possess kick-out rights or substantive participating rights. Additionally, we determined we are the primary beneficiary of our VIEs. Accordingly, we consolidate our interests in the operating partnership and other joint venture arrangements. Although, as we hold what is deemed a majority voting interest in the operating partnership and other joint venture arrangements, it qualifies for the exemption from providing certain disclosure requirements associated with investments in VIEs. We will evaluate on an ongoing basis the need to consolidate entities based on the standards set forth in GAAP as described above.

Use of Estimates

The preparation of our consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. These estimates are made and evaluated on an ongoing basis using information that is currently available as well as various other assumptions believed to be reasonable under the circumstances. Actual results could differ from those estimates, perhaps in adverse ways, and those estimates could be different under different assumptions or conditions.

Cash and Cash Equivalents

Cash and cash equivalents consist of all highly liquid investments with a maturity of three months or less when purchased.

Restricted Cash

Restricted cash is comprised of reserve accounts for property taxes, insurance, capital improvements and tenant improvements as well as collateral accounts for debt and interest rate swaps.

Table of Contents

HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Revenue Recognition, Tenant Receivables and Allowance for Uncollectible Accounts

Minimum annual rental revenue is recognized on a straight-line basis over the term of the related lease (including rent holidays). Differences between rental income recognized and amount contractually due under the lease agreements are recorded as straight-line rent receivables. Tenant reimbursement revenue, which is comprised of additional amounts recoverable from tenants for common area maintenance expenses and certain other recoverable expenses, is recognized as revenue in the period in which the related expenses are incurred. Tenant reimbursements are recorded on a gross basis, as we are generally the primary obligor with respect to purchasing goods and services from third-party suppliers, have discretion in selecting the supplier, and have credit risk. We recognize lease termination fees when there is a signed termination letter agreement, all of the conditions of the agreement have been met, and the tenant is no longer occupying the property. Rental income is reported net of amortization of inducements.

Tenant receivables and straight-line rent receivables are carried net of the allowances for uncollectible amounts. An allowance is maintained for estimated losses resulting from the inability of certain tenants to meet the contractual obligations under their leases. Our determination of the adequacy of these allowances is based primarily upon evaluations of historical loss experience, the tenant's financial condition, security deposits, letters of credit, lease guarantees and current economic conditions and other relevant factors. As of December 31, 2016, 2015 and 2014, we had \$2.0 million, \$2.2 million and \$2.0 million, respectively, in allowances for uncollectible accounts. During the years ended December 31, 2016, 2015 and 2014, we recorded bad debt expense of \$0.8 million, \$0.8 million and \$0.3 million, respectively.

Investments in Real Estate

A property acquired that is not subject to an existing lease is treated as an asset acquisition and recorded at its purchase price, inclusive of acquisition costs, allocated between the acquired tangible assets and assumed liabilities based upon their relative fair values at the date of acquisition. A property acquired with an existing lease is accounted for as a business combination and assets acquired and liabilities assumed, including identified intangible assets and liabilities, are recorded at fair value.

With the assistance of independent valuation specialists, we record the purchase price of completed business combinations associated with tangible and intangible assets and liabilities based on their fair values. The tangible assets (land and building and improvements) are determined based upon the value of the property as if it were to be replaced or as if it were vacant using discounted cash flow models similar to those used by market participants. Factors considered by us include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases. Additionally, the purchase price of the applicable completed acquisition property is inclusive of above or below market leases, above or below market leasehold interests, in place leases, tenant relationships, above or below market debt assumed, interest rate swaps assumed and any contingent consideration.

The value of above or below market leases is determined based upon the present value (using a discount rate which reflects the risks associated with the acquired leases) of the difference between (i) the contractual amounts to be received pursuant to the lease over its remaining term and (ii) our estimate of the amounts that would be received using fair market rates over the remaining term of the lease including any bargain renewal periods. The amounts associated with above market leases are included in other intangibles, net in our accompanying consolidated balance sheets and amortized to rental income over the remaining lease term. The amounts allocated to below market leases are included in intangible liabilities, net in our accompanying consolidated balance sheets and amortized to rental income over the remaining lease term.

The value associated with above or below market leasehold interests is determined based upon the present value (using a discount rate which reflects the risks associated with the acquired leases) of the difference between: (i) the contractual amounts to be paid pursuant to the lease over its remaining term; and (ii) our estimate of the amounts that would be paid using fair market rates over the remaining term of the lease including any bargain renewal periods. The amounts recorded for above market leasehold interests are included in intangible liabilities, net in our accompanying consolidated balance sheets and amortized to rental expense over the remaining lease term. The amounts allocated to

below market leasehold interests are included in other intangibles, net in our accompanying consolidated balance sheets and amortized to rental expense over the remaining lease term.

The total amount of other intangible assets includes in place leases and tenant relationships based on our evaluation of the specific characteristics of each tenant's lease and our overall relationship with that respective tenant. Characteristics considered by us in allocating these values include the nature and extent of the credit quality and expectations of lease renewals, among other factors. The amounts recorded for in place leases and tenant relationships are included in lease intangibles in our accompanying consolidated balance sheets and will be amortized to amortization expense over the remaining lease term.

73

Table of Contents

HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The value recorded for above or below market debt is determined based upon the present value of the difference between the cash flow stream of the assumed mortgage and the cash flow stream of a market rate mortgage. The amounts recorded for above or below market debt are included in debt in our accompanying consolidated balance sheets and are amortized to interest expense over the remaining term of the assumed debt.

The value recorded for interest rate swaps is based upon a discounted cash flow analysis on the expected cash flows, taking into account interest rate curves and the remaining term. See derivative financial instruments below for further discussion.

We record contingent consideration at fair value as of the acquisition date and reassess the fair value as of the end of each reporting period, with any changes being recognized in earnings.

The cost of operating properties includes the cost of land and buildings and related improvements. Expenditures that increase the service life of properties are capitalized and the cost of maintenance and repairs is charged to expense as incurred. The cost of buildings is depreciated on a straight-line basis over the estimated useful lives of the buildings up to 39 years and for tenant improvements, the shorter of the lease term or useful life, ranging from one month to 193 months. Furniture, fixtures and equipment is depreciated over five years. Depreciation expense of buildings and improvements for the years ended December 31, 2016, 2015 and 2014, was \$118.7 million, \$101.2 million, and \$87.9 million, respectively.

Real Estate Held for Sale

We consider properties as held for sale once management commits to a plan to sell the property and has determined that the sale is probable and expected to occur within one year. Upon classification as held for sale, we record the property at the lower of its carrying amount or fair value, less costs to sell, and cease depreciation and amortization. The fair value is generally based on discounted cash flow analyses, which involve management's best estimate of market participants' holding period, market comparables, future occupancy levels, rental rates, capitalization rates, lease-up periods and capital requirements. We did not classify any assets as held for sale for the years ended December 31, 2016, 2015 and 2014.

Recoverability of Real Estate Investments

Real estate investments are evaluated for potential impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Impairment losses are recorded when indicators of impairment are present and the carrying amount of the asset is greater than the sum of future undiscounted cash flows expected to be generated by that asset over the remaining expected holding period. We would recognize an impairment loss when the carrying amount is not recoverable to the extent the carrying amount exceeds the fair value of the property. The fair value is generally based on discounted cash flow analyses. In performing the analysis we consider executed sales agreements or management's best estimate of market comparables, future occupancy levels, rental rates, capitalization rates, lease-up periods and capital requirements. For the years ended December 31, 2016 and 2015, we recorded impairment charges of \$3.1 million and \$2.6 million, respectively. We did not record any impairment charges for the year ended December 31, 2014.

Real Estate Notes Receivable

We evaluate the carrying values of real estate notes receivable on an individual basis. Management periodically evaluates the realizability of future cash flows from real estate notes receivable when events or circumstances, such as the non-receipt of principal and interest payments and/or significant deterioration of the financial condition of the borrower, indicate that the carrying amount of the real estate notes receivable may not be recoverable. An impairment loss is recognized in current period earnings and is calculated as the difference between the carrying amount of the real estate notes receivable and the discounted cash flows expected to be received, or if foreclosure is probable, the fair value of the collateral securing the real estate notes receivable. For the years ended December 31, 2016, 2015 and 2014, there were no impairment losses.

Derivative Financial Instruments

We are exposed to the effect of interest rate changes in the normal course of business. We seek to mitigate these risks by following established risk management policies and procedures which include the occasional use of derivatives.

Our primary strategy in entering into derivative contracts is to add stability to interest expense and to manage our exposure to interest rate movements. We utilize derivative instruments, including interest rate swaps, to effectively convert a portion of our variable rate debt to fixed rate debt. We do not enter into derivative instruments for speculative purposes.

Derivatives are recognized as either assets or liabilities in our accompanying consolidated balance sheets and are measured at fair value. Since our derivative instruments are not designated as hedge instruments, they do not qualify for hedge accounting, and accordingly, changes in fair value are included as a component of interest expense in our accompanying consolidated statements of operations.

Table of Contents

HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The valuation of these instruments is determined with the assistance of an independent valuation specialist using a proprietary model that utilizes widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative and observable inputs. The proprietary model reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves, foreign exchange rates and implied volatilities. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

We incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts and guarantees.

Fair Value Measurements

Fair value is a market-based measurement and is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Depending on the nature of the asset or liability, various techniques and assumptions can be used to estimate the fair value. Financial assets and liabilities are measured using inputs from three levels of the fair value hierarchy, as follows:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to access at the measurement date. An active market is defined as a market in which transactions for the assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 — Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active (markets with few transactions), inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.) and inputs that are derived principally from or corroborated by observable market data correlation or other means (market corroborated inputs).

Level 3 — Unobservable inputs, only used to the extent that observable inputs are not available, reflect our assumptions about the pricing of an asset or liability.

We use fair value measurements to record fair value of certain assets and to estimate fair value of financial instruments not recorded at fair value but required to be disclosed at fair value.

Receivables and Other Assets

Deferred financing costs include amounts paid to lenders and others to obtain financing and are amortized to interest expense on a straight-line basis over the term of the unsecured revolving credit facility which approximates the effective interest method. Deferred leasing costs are amounts incurred in executing a lease, both for external broker and marketing costs, plus a portion of internal leasing related costs. Deferred leasing costs are amortized on a straight-line basis method over the term of the applicable lease. Deferred leasing costs are included in operating activities in our accompanying consolidated statements of cash flows.

Share-Based Compensation

We calculate the fair value of share-based awards on the date of grant. Restricted common stock is valued based on the closing price of our common stock on the NYSE. We amortize the share-based compensation expense over the period that the awards are expected to vest, net of estimated forfeitures. See Note 10 - Stockholders' Equity and Partners' Capital for further discussion.

Noncontrolling Interests

HTA's net income attributable to noncontrolling interests in the accompanying consolidated statements of operations relate to both noncontrolling interest reflected within equity and redeemable noncontrolling interests reflected outside of equity in the accompanying consolidated balance sheets. OP Units, including LTIP awards, are accounted for as partners' capital in HTALP's accompanying consolidated balance sheets and as noncontrolling interest reflected within equity in HTA's accompanying consolidated balance sheets.

Redeemable noncontrolling interests relate to the interests in our consolidated entities that are not wholly owned by us. As these redeemable noncontrolling interests provide for redemption features not solely within our control, we classify such interests outside of permanent equity or partners' capital. Accordingly, we record the carrying amount at the greater of the initial carrying amount (increased or decreased for the noncontrolling interest's share of net income or loss and distributions) or the redemption value.

75

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Income Taxes

HTA believes that it has qualified to be taxed as a REIT under the provisions of the Code, beginning with the taxable year ending December 31, 2007 and it intends to continue to qualify to be taxed as a REIT. To continue to qualify as a REIT for federal income tax purposes, HTA must meet certain organizational and operational requirements, including a requirement to pay dividend distributions to its stockholders of at least 90% of its annual taxable income. As a REIT, HTA is generally not subject to federal income tax on net income that it distributes to its stockholders, but it may be subject to certain state or local taxes on its income and property.

If HTA fails to qualify as a REIT in any taxable year, it will then be subject to U.S. federal income taxes on our taxable income and will not be permitted to qualify for treatment as a REIT for U.S. federal income tax purposes for four years following the year during which qualification is lost unless the IRS grants it relief under certain statutory provisions. Such an event could have a material adverse effect on its business, financial condition, results of operations and net cash available for dividend distributions to its stockholders.

As discussed in Note 1 - Organization and Description of Business, HTA conducts substantially all of its operations through HTALP. As a partnership, HTALP generally is not liable for federal income taxes. The income and loss from the operations of HTALP is included in the tax returns of its partners, including HTA, who are responsible for reporting their allocable share of the partnership income and loss. Accordingly, no provision for income taxes has been made on the accompanying consolidated financial statements.

We do not have any liability for uncertain tax positions that we believe should be recognized in our accompanying consolidated financial statements. The tax basis exceeded the carrying amount of the net real estate assets reported in our accompanying consolidated balance sheet by approximately \$365.1 million as of December 31, 2016.

Concentration of Credit Risk

We maintain the majority of our cash and cash equivalents at major financial institutions in the U.S. and deposits with these financial institutions may exceed the amount of insurance provided on such deposits; however, we regularly monitor the financial stability of these financial institutions and believe we are not currently exposed to any significant default risk with respect to these deposits. As of December 31, 2016, we had cash balances of \$15.3 million in excess of Federal Deposit Insurance Corporation insured limits.

Segment Disclosure

We have determined that we have one reportable segment, with activities related to investing in healthcare real estate assets. Our investments in healthcare real estate assets are geographically diversified and our chief operating decision maker evaluates operating performance on an individual asset level. As each of our assets has similar economic characteristics, long-term financial performance, tenants, and products and services, our assets have been aggregated into one reportable segment.

Recently Issued or Adopted Accounting Pronouncements

The following table provides a brief description of recently issued accounting pronouncements:

Accounting Pronouncement	Description	Effective Date	Effect on financial statements
ASU 2014-09 Revenue from Contracts with Customers (Issued May 2014)	ASU 2014-09 is a comprehensive new revenue recognition model requiring a company to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (i.e., payment) to which the company expects to be entitled in exchange for those goods or services. In adopting ASU 2014-09, companies may use either a	In July 2015, the FASB deferred the effective date of ASU 2014-09 to the first interim period within annual reporting periods beginning after December 15, 2017 along with the ability to early adopt as of the original	We have identified our revenue streams and are in the process of evaluating the impact on our consolidated financial statements and internal accounting processes; however, as the majority of our revenues are derived from real estate lease contracts, as discussed in relation to ASU 2016-02 below. We will adopt ASU 2014-09 effective January 1, 2018 using the

full retrospective or a modified
retrospective approach.

effective date.

retrospective approach and the
adoption will not have a material
impact on our consolidated financial
statements.

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Accounting Pronouncement	Description	Effective Date	Effect on financial statements
ASU 2016-02 Leases (Issued February 2016)	ASU 2016-02 will supersede the existing guidance for lease accounting and states that companies will be required to recognize lease assets and lease liabilities on the balance sheet and disclose key information about leasing arrangements. ASU 2016-02 requires qualitative and quantitative disclosures to supplement the amounts recorded in the financial statements so that users can understand the nature of the entity's leasing activities, including significant judgments and changes in judgments. Within ASU 2016-02 lessor accounting remained fairly unchanged. In adopting ASU 2016-02, companies will be required to use a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements.	ASU 2016-02 is effective for the fiscal years beginning after December 15, 2018 with early adoption permitted.	We will adopt ASU 2016-02 as of January 1, 2019 using the modified retrospective approach. We are currently evaluating the full impact ASU 2016-02 will have on our consolidated financial statements and disclosures, however, we anticipate there to be a significant increase in our assets and liabilities on our consolidated balance sheets due to the recognition of our current ground leases which represented rental expense of \$7.6 million and have an average remaining term of 48.2 years for the year ended December 31, 2016. In addition, we anticipate there to be a material impact on our consolidated balance sheets and statements of operations as certain leasing costs will no longer qualify for capitalization over the life of the lease but instead be required to be expensed as incurred.
ASU 2016-13 Financial Instruments Credit Losses: Measurement of Credit Losses on Financial Instruments (Issued June 2016)	ASU 2016-13 is intended to improve financial reporting by requiring timelier recognition of credit losses on loans and other financial instruments that are not accounted for at fair value through net income, including loans held for investment, held-to-maturity debt securities, trade and other receivables, net investment in leases and other such commitments. ASU 2016-13 requires that financial statement assets measured at an amortized cost be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis.	ASU 2016-13 is effective for fiscal years beginning after December 15, 2019 with early adoption permitted.	We do not anticipate early adoption, however, we are evaluating the impact of adopting ASU 2016-13 on our consolidated financial statements.
ASU 2016-15 Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments	ASU 2016-15 includes multiple provisions intended to clarify various aspects of cash flow presentation by making eight targeted changes to how cash receipts and cash payments are presented and classified in the statement of cash flows.	ASU 2016-15 is effective for fiscal years beginning after December 15, 2017 with	We will adopt ASU 2016-15 as of the year ended December 31, 2017. We do not anticipate there to be a material impact, however, we are still evaluating the impact ASU 2016-15 will have on our consolidated financial statements.

(Issued August 2016)

early adoption permitted.

ASU 2016-18
Statement of Cash
Flows: Restricted
Cash
(Issued November 2016)

ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows.

ASU 2016-18 is effective for fiscal years beginning after December 15, 2017 with early adoption permitted.

We will adopt ASU 2016-18 as of the year ended December 31, 2017. We do not anticipate there to be a material impact, however, we are still evaluating the impact ASU 2016-18 will have on our consolidated financial statements.

ASU 2017-01
Business
Combinations:
Clarifying the
Definition of a
Business
(Issued January 2017)

ASU 2017-01 clarifies the definition of a business by adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including, but not limited to, acquisitions, disposals, goodwill and consolidation.

ASU 2017-01 is effective for fiscal years beginning after December 15, 2017 with early adoption permitted.

We anticipate early adoption, however, we are currently evaluating the full impact ASU 2017-01 will have on our consolidated financial statements and disclosures. We anticipate a vast majority of our acquisitions and dispositions to result in asset acquisitions and dispositions rather than business combinations and a significant portion of our acquisition-related expenses to be capitalized.

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following table provides a brief description of recently adopted accounting pronouncements:

Accounting Pronouncement	Description	Effective Date	Effect on financial statements
ASU 2015-02 Amendments to the Consolidation Analysis (Issued February 2015)	ASU 2015-02 affects reporting entities that are required to evaluate whether they should consolidate certain legal entities. The amendments in ASU 2015-02 affect the following areas: (i) limited partnerships and similar legal entities; (ii) evaluating fees paid to a decision maker or a service provider as a variable interest; (iii) the effect of fee arrangements on the primary beneficiary determination; (iv) the effect of related parties on the primary beneficiary determination; and (v) certain investment funds.	ASU 2015-02 is effective for fiscal years beginning after December 15, 2015 with early adoption permitted.	We adopted ASU 2015-02 as of January 1, 2016. The adoption had no material impact on our interests in joint venture arrangements. Accordingly, there was no material impact on previous or current reporting periods' consolidated financial statements.
ASU 2015-16 Business Combinations - Simplifying the Accounting for Measurement-Period Adjustment (Issued September 2015)	ASU 2015-16 eliminates the requirement that an acquirer in a business combination has to account for measurement-period adjustments retrospectively. Instead, acquirers must recognize measurement-period adjustments during the period in which they determine the amount of the adjustment, including the effect on earnings of any amounts they would have recorded in previous periods if the accounting had been completed at the acquisition date.	ASU 2015-16 is effective for fiscal years beginning after December 15, 2015 with early adoption permitted.	We adopted ASU 2015-16 as of January 1, 2016. As a result of the adoption there was no material impact in the previous or current reporting periods' consolidated financial statements.

3. Investments in Real Estate

For the year ended December 31, 2016, our investments had an aggregate purchase price of \$700.8 million. We incurred \$2.9 million of costs attributable to these investments, which were recorded in acquisition-related expenses in the accompanying consolidated statements of operations. As part of the acquisitions, we assumed mortgage loans with an aggregate fair value of \$27.5 million and issued 2,650,409 OP Units with a market value at the time of issuance of \$71.8 million.

The following investments were determined to be individually not significant, but significant on a collective basis. The purchase price allocation for each of our investments are preliminary and subject to change until allocations are finalized, which will be no later than 12 months from the date of acquisition. The preliminary allocations for these investments are set forth below in the aggregate for the years ended December 31, 2016, 2015 and 2014 (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Land	\$85,017	\$19,828	\$85,442
Building and improvements	559,930	246,911	325,290
In place leases	56,807	24,646	31,437
Below market leases	(13,792)	(8,360)	(2,218)
Above market leases	4,626	1,336	2,325
Below market leasehold interests	4,189	2,698	1,625
Above market leasehold interests	(50)	(7,725)	—
Above market debt, net	(83)	—	(3,766)

Interest rate swaps	(779)	—	—
Net assets acquired	695,865	279,334	440,135
Other, net	4,899	1,526	(605)
Aggregate purchase price	\$700,764	\$280,860	\$439,530

The acquired intangible assets and liabilities referenced above had weighted average lives of the following for the years ended December 31, 2016, 2015 and 2014 (in years):

	Year Ended		
	December 31,		
	2016	2015	2014
Acquired intangible assets	8.4	24.8	10.8
Acquired intangible liabilities	7.7	51.7	8.3

78

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Subsequent to December 31, 2016, we completed an investment with a purchase price of \$13.6 million. The purchase price of this MOB was subject to certain post-closing adjustments. Due to the recent timing of the acquisition of this investment, we have not completed our initial purchase price allocation with respect to this investment and, therefore, cannot provide disclosures at this time similar to those contained in Note 3 - Investments in Real Estate to our consolidated financial statements.

We recognized the following revenues and net income for the years ended December 31, 2016, 2015 and 2014 related to investments in 2016, 2015 and 2014, respectively (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Revenues	\$44,458	\$17,746	\$15,528
Net income	6,592	5,190	3,161

Supplementary Pro Forma Information of HTA

The following unaudited pro forma consolidated results of operations of HTA for the years ended December 31, 2016 and 2015, assumes that all 2016 investments occurred on January 1, 2015 and excludes \$2.9 million of acquisition-related expenses (in thousands, except per share data):

	Year Ended December 31,	
	2016	2015
Revenues	\$488,159	\$475,480
Net income attributable to common stockholders	53,713	42,439
Net income attributable to common stockholders per share - basic	\$0.38	\$0.30
Net income attributable to common stockholders per share - diluted	0.37	0.29

The following unaudited pro forma consolidated results of operations of HTA for the years ended December 31, 2015 and 2014, assumes that all 2015 investments occurred on January 1, 2014 and excludes \$1.4 million of acquisition-related expenses (in thousands, except per share data):

	Year Ended December 31,	
	2015	2014
Revenues	\$418,499	\$403,670
Net income attributable to common stockholders	36,275	50,973
Net income attributable to common stockholders per share - basic	\$0.29	\$0.42
Net income attributable to common stockholders per share - diluted	0.28	0.42

The following unaudited pro forma consolidated results of operations of HTA for the year ended December 31, 2014 assumes that all 2014 investments occurred on January 1, 2013 and excludes \$6.3 million of acquisition-related expenses (in thousands, except per share data):

	Year Ended December 31, 2014
Revenues	\$ 399,500
Net income attributable to common stockholders	56,290
Net income attributable to common stockholders per unit - basic	\$ 0.45
Net income attributable to common stockholders per unit - diluted	0.44

The pro forma results are not necessarily indicative of the operating results that would have been obtained had the investments occurred at the beginning of the periods presented, nor are they necessarily indicative of future operating results.

79

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Supplementary Pro Forma Information of HTALP

The following unaudited pro forma consolidated results of operations of HTALP for the years ended December 31, 2016 and 2015, assumes that all 2016 investments occurred on January 1, 2015 and excludes \$2.9 million of acquisition-related expenses (in thousands, except per unit data):

	Year Ended	
	December 31,	
	2016	2015
Revenues	\$488,159	\$475,480
Net income attributable to common unitholders	55,028	42,954
Net income attributable to common unitholders per unit - basic	\$0.38	\$0.29
Net income attributable to common unitholders per unit - diluted	0.38	0.29

The following unaudited pro forma consolidated results of operations of HTALP for the years ended December 31, 2015 and 2014, assumes that all 2015 investments occurred on January 1, 2014 and excludes \$1.4 million of acquisition-related expenses (in thousands, except per unit data):

	Year Ended	
	December 31,	
	2015	2014
Revenues	\$418,499	\$403,670
Net income attributable to common unitholders	36,790	51,464
Net income attributable to common unitholders per unit - basic	\$0.29	\$0.42
Net income attributable to common unitholders per unit - diluted	0.29	0.42

The following unaudited pro forma consolidated results of operations of HTALP for the year ended December 31, 2014 assumes that all 2014 investments occurred on January 1, 2013 and excludes \$6.3 million of acquisition-related expenses (in thousands, except per unit data):

	Year
	Ended
	December
	31,
	2014
Revenues	\$ 399,500
Net income attributable to common unitholders	56,780
Net income attributable to common unitholders per unit - basic	\$ 0.45
Net income attributable to common unitholders per unit - diluted	0.45

The pro forma results are not necessarily indicative of the operating results that would have been obtained had the investments occurred at the beginning of the periods presented, nor are they necessarily indicative of future operating results.

4. Impairment and Dispositions

During the year ended December 31, 2016, we completed dispositions of six senior care facilities for an aggregate gross sales price of \$39.5 million, generating net gains of \$9.0 million. During the same period, we entered into promissory notes of \$12.7 million, for which we are the beneficiary, as part of certain dispositions and we additionally recorded impairment charges of \$3.1 million related to two MOBs in our portfolio. During the year ended December 31, 2015, we completed dispositions of six MOBs for an aggregate gross sales price of \$35.7 million, generating net gains of \$0.2 million. During the same period, we recorded impairment charges of \$2.6 million, which included \$1.7 million related to a MOB we disposed of during 2015 and \$0.9 million that related to another MOB in our portfolio.

During the year ended December 31, 2014, we completed three dispositions of portfolios of MOB's for an aggregate gross sales price of \$82.9 million, generating net gains of \$27.9 million. These dispositions consisted of non-core buildings or buildings located outside our key markets.

80

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

5. Intangible Assets and Liabilities

Intangible assets and liabilities consisted of the following as of December 31, 2016 and 2015 (in thousands, except weighted average remaining amortization):

	December 31, 2016		December 31, 2015	
	Balance	Weighted Average Remaining Amortization in Years	Balance	Weighted Average Remaining Amortization in Years
Assets:				
In place leases	\$294,597	9.7	\$249,824	11.0
Tenant relationships	172,974	10.6	180,925	10.4
Above market leases	28,401	6.3	24,974	6.0
Below market leasehold interests	38,136	60.4	34,606	63.0
	534,108		490,329	
Accumulated amortization	(256,305)		(219,334)	
Total	\$277,803	16.1	\$270,995	16.6
Liabilities:				
Below market leases	\$34,370	18.6	\$22,240	27.2
Above market leasehold interests	11,632	53.0	11,582	53.7
	46,002		33,822	
Accumulated amortization	(8,946)		(7,211)	
Total	\$37,056	28.5	\$26,611	38.0

The following is a summary of the net intangible amortization for the years ended December 31, 2016, 2015 and 2014 (in thousands):

	Year Ended		
	December 31,		
	2016	2015	2014
Amortization recorded against rental income related to above or (below) market leases	\$255	\$1,936	\$2,096
Rental expense related to above or (below) market leasehold interests	453	414	457
Amortization expense related to in place leases and tenant relationships	52,213	47,444	48,465

As of December 31, 2016, the amortization of intangible assets and liabilities is as follows (in thousands):

Year	Assets	Liabilities
2017	\$48,338	\$ 3,456
2018	41,081	3,333
2019	34,608	3,120
2020	26,321	2,721
2021	21,853	2,462
Thereafter	105,602	21,964
Total	\$277,803	\$ 37,056

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

6. Receivables and Other Assets

Receivables and other assets consisted of the following as of December 31, 2016 and 2015 (in thousands):

	December 31,	
	2016	2015
Tenant receivables, net	\$8,722	\$5,820
Other receivables, net	9,233	11,882
Deferred financing costs, net	4,198	5,524
Deferred leasing costs, net	20,811	17,923
Straight-line rent receivables, net	74,052	65,543
Prepaid expenses, deposits, equipment and other, net	55,904	34,584
Derivative financial instruments - interest rate swaps	541	427
Total	\$173,461	\$141,703

The following is a summary of the amortization of deferred leasing costs and financing costs for the years ended December 31, 2016, 2015 and 2014 (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Amortization expense related to deferred leasing costs	\$4,647	\$4,177	\$3,319
Interest expense related to deferred financing costs ⁽¹⁾	1,326	1,339	1,810

(1) For the year ended December 31, 2014, amounts have been adjusted to reflect the retrospective presentation of the adoption of ASU 2015-03 and 2015-15 as of December 31, 2015.

As of December 31, 2016, the amortization of deferred leasing costs and financing costs is as follows (in thousands):

Year	Amount
2017	\$5,678
2018	4,950
2019	4,325
2020	2,629
2021	1,943
Thereafter	5,484
Total	\$25,009

7. Debt

Debt consisted of the following as of December 31, 2016 and 2015 (in thousands):

	December 31,	
	2016	2015
Unsecured revolving credit facility	\$88,000	\$218,000
Unsecured term loans	500,000	455,000
Unsecured senior notes	950,000	600,000
Fixed rate mortgages loans	204,562	298,030
Variable rate mortgages loans	38,904	28,988
	1,781,466	1,600,018
Deferred financing costs, net	(9,527)	(8,411)
Discounts, net	(3,034)	(911)
Total	\$1,768,905	\$1,590,696

Table of Contents

HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Unsecured Credit Agreement

Unsecured Revolving Credit Facility

In 2015, we entered into an Unsecured Credit Agreement which provides for a \$850.0 million unsecured revolving credit facility. The actual amount of credit available to us is a function of certain loan-to-value and debt service coverage ratios set forth in the unsecured revolving credit facility. The maximum principal amount of the unsecured revolving credit facility may be increased, subject to additional financing being provided by our existing lenders or new lenders being added to the unsecured revolving credit facility. The unsecured revolving credit facility matures on January 31, 2020 and is guaranteed by HTA.

Borrowings under the unsecured revolving credit facility accrue interest at a rate equal to adjusted LIBOR, plus a margin ranging from 0.88% to 1.55% per annum based on our credit rating. We also pay a facility fee ranging from 0.13% to 0.30% per annum on the aggregate commitments under the unsecured revolving credit facility. As of December 31, 2016, the margin associated with our borrowings was 1.05% per annum and the facility fee was 0.20% per annum.

Unsecured Term Loan

As of December 31, 2016, we had a \$300.0 million unsecured term loan outstanding that was guaranteed by HTA. Borrowings accrue interest equal to adjusted LIBOR, plus a margin ranging from 0.90% to 1.80% per annum based on our credit rating. The margin associated with our borrowings as of December 31, 2016 was 1.15% per annum. Including the impact of the interest rate swaps associated with our unsecured term loan, the interest rate was 1.90% per annum, based on our current credit rating. The unsecured term loan matures on January 31, 2019, and includes a one-year extension exercisable at the option of the borrower, subject to certain conditions.

\$200.0 Million Unsecured Term Loan

On September 26, 2016, HTALP executed a \$200.0 million unsecured term loan due on September 26, 2023. Proceeds were used to refinance our \$155.0 million unsecured term due on July 19, 2019 and to pay down existing mortgage loans. Borrowings under the unsecured term loan accrue interest at a rate equal to LIBOR, plus a margin ranging from 1.50% to 2.45% per annum based on our credit rating. The margin associated with our borrowings as of December 31, 2016 was 1.65% per annum. HTALP had interest rate swaps in place that fix the interest rate at 2.82% per annum, based on our current credit rating. As of December 31, 2016, HTALP had \$200.0 million outstanding on its unsecured term loan.

\$300.0 Million Unsecured Senior Notes due 2021

As of December 31, 2016, HTALP had \$300.0 million of unsecured senior notes outstanding that are guaranteed by HTA and that mature on July 15, 2021. The unsecured senior notes are registered under the Securities Act of 1933, as amended (the “Securities Act”), bear interest at 3.38% per annum and are payable semi-annually. The unsecured senior notes were offered at 99.21% of the principal amount thereof, with an effective yield to maturity of 3.50% per annum.

\$300.0 Million Unsecured Senior Notes due 2023

As of December 31, 2016, HTALP had \$300.0 million of unsecured senior notes outstanding that are guaranteed by HTA and that mature on April 15, 2023. The unsecured senior notes are registered under the Securities Act, bear interest at 3.70% per annum and are payable semi-annually. The unsecured senior notes were offered at 99.19% of the principal amount thereof, with an effective yield to maturity of 3.80% per annum.

\$350.0 Million Unsecured Senior Notes due 2026

On July 12, 2016, HTALP executed \$350.0 million of unsecured senior notes that are guaranteed by HTA. The unsecured senior notes are registered under the Securities Act, bear interest at 3.50% per annum and are payable semi-annually. The unsecured senior notes were offered at 99.72% of the principal amount thereof, with an effective yield to maturity of 3.53% per annum. As of December 31, 2016, HTALP had \$350.0 million of unsecured senior notes outstanding that mature on August 1, 2026.

Fixed and Variable Rate Mortgages

As of December 31, 2016, HTALP and its subsidiaries had fixed and variable rate mortgages loans with interest rates ranging from 2.20% to 6.39% per annum and a weighted average interest rate of 5.07% per annum. Including the

impact of the interest rate swap associated with our variable rate mortgage, the weighted average interest rate was 5.44% per annum.

83

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Future Debt Maturities

The following table summarizes the debt maturities and scheduled principal repayments of our indebtedness as of December 31, 2016 (in thousands):

Year	Amount
2017	\$76,582
2018	4,722
2019	310,839
2020	137,795
2021	303,842
Thereafter	947,686
Total	\$1,781,466

The above scheduled debt maturities do not include the extension available to us under the Unsecured Credit Agreement as discussed above.

Deferred Financing Costs

As of December 31, 2016, the amortization of deferred financing costs is as follows (in thousands):

Year	Amount
2017	\$ 1,847
2018	1,775
2019	1,780
2020	1,338
2021	1,060
Thereafter	1,727
Total	\$ 9,527

We are required by the terms of our applicable debt agreements to meet various affirmative and negative covenants that we believe are customary for these types of facilities, such as limitations on the incurrence of debt by us and our subsidiaries that own unencumbered assets, limitations on the nature of HTALP's business, and limitations on distributions by HTALP and its subsidiaries that own unencumbered assets. Our debt agreements also impose various financial covenants on us, such as a maximum ratio of total indebtedness to total asset value, a minimum ratio of EBITDA to fixed charges, a minimum tangible net worth covenant, a maximum ratio of unsecured indebtedness to unencumbered asset value, rent coverage ratios and a minimum ratio of unencumbered net operating income to unsecured interest expense. As of December 31, 2016, we believe that we were in compliance with all such financial covenants and reporting requirements. In addition, certain of our debt agreements include events of default provisions that we believe are customary for these types of facilities, including restricting HTA from making dividend distributions to its stockholders in the event HTA is in default thereunder, except to the extent necessary for HTA to maintain its REIT status.

8. Derivative Financial Instruments

The following table lists the derivative financial instrument assets and (liabilities) held by us as of December 31, 2016 (in thousands):

Notional Amount	Rate	Fair Value	Instrument	Maturity
\$50,000 LIBOR	1.39%	\$ 33	Swap	7/17/2019
105,000 LIBOR	1.24	486	Swap	7/17/2019
25,272 LIBOR + 1.45%	4.98	(1,551)	Swap	5/1/2020
6,083 LIBOR + 2.25%	4.04	22	Swap	1/1/2023
4,356 LIBOR + 0.49%	3.52	(369)	Swap	12/1/2023

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following table lists the derivative financial instrument assets and (liabilities) held by us as of December 31, 2015 (in thousands):

Notional Amount	Rate	Fair Value	Instrument	Maturity
\$100,000 LIBOR	0.86%	\$(142)	Swap	6/15/2016
50,000 LIBOR	1.39	(71)	Swap	7/17/2019
105,000 LIBOR	1.24	427	Swap	7/17/2019
26,092 LIBOR + 1.45%	4.98	(2,157)	Swap	5/1/2020

As of December 31, 2016 and 2015, the gross fair value of our derivative financial instruments was as follows (in thousands):

Derivatives Not Designated as Hedging Instruments:	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value December 31, 2016	Balance Sheet Location	Fair Value December 31, 2016
Interest rate swaps	Receivables and other assets	\$541	Derivative financial instruments	\$1,920
		\$ 427		\$ 2,370

There were no derivatives offset in our accompanying consolidated balance sheets as of December 31, 2016 and 2015. As of December 31, 2016 and 2015, we had derivatives subject to enforceable master netting arrangements which allowed for net cash settlement with the respective counterparties (in thousands):

	December 31, 2016		December 31, 2015	
	Amounts Subject to Gross Enforceable Master Netting Arrangements	Net Amounts	Amounts Subject to Gross Enforceable Master Netting Arrangements	Net Amounts
Asset derivatives	\$541	\$ —	\$427	\$ (427)
Liability derivatives	\$1,920	\$ 1,920	\$2,370	\$ (427)

We have agreements with each of our interest rate swap derivative counterparties which provide that if we default on certain of our unsecured indebtedness, our counterparties could declare us in default on our interest rate swap derivative obligations resulting in an acceleration of the indebtedness. In addition, we are exposed to credit risk in the event of non-performance by our derivative counterparties. We believe we mitigate the credit risk by entering into agreements with credit-worthy counterparties. We record counterparty credit risk valuation adjustments on interest rate swap derivative assets in order to properly reflect the credit quality of the counterparty. In addition, our fair value of interest rate swap derivative liabilities is adjusted to reflect the impact of our credit quality. As of December 31, 2016, there have been no termination events or events of default related to our interest rate swaps.

9. Commitments and Contingencies

Litigation

We engage in litigation with various parties as a routine part of our business, including tenant pursuits. However, we are not presently subject to any material litigation nor, to our knowledge, is any material litigation threatened against us, which if determined unfavorably to us, would have a material effect on our consolidated financial position, results of operations or cash flows.

Environmental Matters

We follow the policy of monitoring our properties for the presence of hazardous or toxic substances. While there can be no assurance that a material environmental liability does not exist at our properties, we are not currently aware of any environmental liability with respect to our properties that would have a material effect on our consolidated

financial position, results of operations or cash flows. Further, we are not aware of any material environmental liability or any unasserted claim or assessment with respect to an environmental liability at our properties that we believe would require additional disclosure or the recording of a loss contingency.

85

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Rental Expense

We have ground leases and other operating leases with landlords that generally require fixed annual rental payments and may also include escalation clauses and renewal options. These leases have terms up to 99 years, excluding extension options. Future minimum lease obligations under non-cancelable ground leases and other operating leases as of December 31, 2016 are as follows (in thousands):

Year	Amount
2017	\$6,709
2018	6,708
2019	6,793
2020	6,881
2021	8,027
Thereafter	532,275
Total	\$567,393

During the years ended December 31, 2016, 2015 and 2014, rental expense was \$8.5 million, \$6.9 million and \$4.8 million, respectively. The amount of contingent rent and sublease rent was not significant.

Other

Our other commitments and contingencies include the usual obligations of real estate owners and operators in the normal course of business. In our opinion, these matters are not expected to have a material effect on our consolidated financial position, results of operations or cash flows.

10. Stockholders' Equity and Partners' Capital

HTALP's partnership agreement provides that it will distribute cash flow from operations and net sale proceeds to its partners in accordance with their overall ownership interests at such times and in such amounts as the general partner determines. Dividend distributions are made such that a holder of one partnership unit in HTALP will receive distributions from HTALP in an amount equal to the dividend distributions paid to the holder of one share of HTA's common stock. In addition, for each share of common stock issued or redeemed by HTA, HTALP issues or redeems a corresponding number of partnership units.

During the year ended December 31, 2016, HTA issued \$492.5 million of equity at an average price of \$29.33 per share.

Common Stock Offerings

In January 2016, HTA entered into a new equity distribution agreement with respect to its ATM offering program of common stock with an aggregate sales amount of up to \$300.0 million. During the year ended December 31, 2016, HTA issued and sold 4,418,571 shares of its common stock for \$122.9 million at an average price of \$27.82 per share, and as of December 31, 2016, \$177.1 million remained available for issuance under the ATM.

During the year ended December 31, 2016, HTA completed underwritten public offerings with a cumulative 9,720,000 shares of common stock for \$297.8 million of gross proceeds at an average price of \$30.64 per share.

Common Unit Offerings

During the year ended December 31, 2016, HTA issued 2,650,409 partnership units in HTALP, respectively, for approximately \$71.8 million in connection with acquisition transactions. In addition to the above offerings, HTA issued \$2.7 million of partnership interests through a consolidated joint venture arrangement with one of our MOBs.

Common Stock Dividends

See our accompanying consolidated statements of equity for the dividends declared during 2016, 2015 and 2014. On February 15, 2017, HTA declared a quarterly cash dividend of \$0.30 per share to be paid on April 11, 2017 to stockholders of record for its common stock on April 3, 2017.

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**Incentive Plan**

The Plan permits the grant of incentive awards to our employees, officers, non-employee directors and consultants as selected by our Board of Directors. The Plan authorizes the granting of awards in any of the following forms: options; stock appreciation rights; restricted stock; restricted or deferred stock units; performance awards; dividend equivalents; other stock-based awards, including units in HTALP; and cash-based awards. Subject to adjustment as provided in the Plan, the aggregate number of awards reserved and available for issuance under the Plan is 5,000,000. As of December 31, 2016, there were 1,923,310 awards available for grant under the Plan.

LTIP Units

Awards under the LTIP consist of Series C units in HTALP and were subject to the achievement of certain performance and market conditions in order to vest. Once vested, the Series C units were converted into common units of HTALP, which may be converted into shares of HTA's common stock. The fair value of the LTIP units for which the restrictions lapsed during 2014 was \$0.3 million. There was no fair value of LTIP units for which the restrictions lapsed during 2016 and 2015.

We did not record compensation expense related to LTIP awards for the years ended December 31, 2016, 2015 and 2014. LTIP awards were fully expensed in 2013, except for 225,000 units with a grant date fair value of \$20.00 per unit that would only vest in the event of a change in control prior to May 16, 2015. These units were forfeited in May 2015.

Restricted Common Stock

The weighted average fair value of restricted common stock granted during the years ended December 31, 2016, 2015 and 2014 was \$29.82, \$26.52 and \$21.08, respectively. The fair value of restricted common stock for which the restriction lapsed during the years ended December 31, 2016, 2015 and 2014 were \$5.4 million, \$4.6 million and \$0.9 million, respectively.

We recognized compensation expense, equal to the fair market value of HTA's stock on the grant date, over the service period which is generally three to four years. For the years ended December 31, 2016, 2015 and 2014, we recognized compensation expense of \$7.1 million, \$5.7 million and \$4.4 million, respectively, which were recorded in general and administrative expenses in the accompanying consolidated statements of operations.

As of December 31, 2016, there was \$8.5 million of unrecognized compensation expense, net of estimated forfeitures, which will be recognized over a remaining weighted average period of 1.8 years.

The following is a summary of our restricted common stock activity during the years ended December 31, 2016 and 2015:

	December 31, 2016		December 31, 2015	
	Restricted Common Stock	Weighted Average Grant Date Fair Value	Restricted Common Stock	Weighted Average Grant Date Fair Value
Beginning balance	487,850	\$ 23.13	463,050	\$ 20.90
Granted	417,110	29.82	229,281	26.52
Vested	(237,999)	23.28	(176,730)	21.48
Forfeited	(26,091)	26.09	(27,751)	23.03
Ending balance	640,870	\$ 27.36	487,850	\$ 23.13

11. Fair Value of Financial Instruments**Financial Instruments Reported at Fair Value - Recurring**

The table below presents our assets and liabilities measured at fair value on a recurring basis as of December 31, 2016, aggregated by the applicable level in the fair value hierarchy (in thousands):

	Level 1	Level 2	Level 3	Total
Assets:				
Derivative financial instruments	\$	—\$541	\$	—\$541

Liabilities:

Derivative financial instruments \$ -\$1,920 \$ -\$1,920

87

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The table below presents our assets and liabilities measured at fair value on a recurring basis as of December 31, 2015, aggregated by the applicable level in the fair value hierarchy (in thousands):

	Level 1	Level 2	Level 3	Total
Assets:				
Derivative financial instruments	\$	-\$427	\$	-\$427
Liabilities:				
Derivative financial instruments	\$	-\$2,370	\$	-\$2,370

Financial Instruments Reported at Fair Value - Non-Recurring

The table below presents our assets measured at fair value on a non-recurring basis as of December 31, 2016, aggregated by the applicable level in the fair value hierarchy (in thousands):

	Level 1	Level 2	Level 3	Total
Assets:				
MOBs ⁽¹⁾	\$	-\$8,191	\$	-\$8,191

(1) During the year ended December 31, 2016, we recognized impairment charges of \$1.3 million and \$1.8 million to the carrying value of two MOBs. The estimated fair value as of December 31, 2016 for these MOBs was based upon a pending sales agreement and real estate market comparables, respectively.

The table below presents our assets measured at fair value on a non-recurring basis as of December 31, 2015, aggregated by the applicable level in the fair value hierarchy (in thousands):

	Level 1	Level 2	Level 3	Total
Assets:				
MOB ⁽¹⁾	\$	-\$547	\$	-\$547

(1) During the year ended December 31, 2015, we recognized a \$0.9 million impairment charge to the carrying value of an MOB. The estimated fair value as of December 31, 2015 was based upon a pending sales agreement on this MOB.

There have been no transfers of assets or liabilities between levels. We will record any such transfers at the end of the reporting period in which a change of event occurs that results in a transfer. Although we have determined that the majority of the inputs used to value our interest rate swap derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with these instruments utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by us and our counterparties. However, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our interest rate swap derivative positions and have determined that the credit valuation adjustments are not significant to their overall

valuation. As a result, we have determined that our interest rate swap derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Financial Instruments Disclosed at Fair Value

We consider the carrying values of cash and cash equivalents, tenant and other receivables, restricted cash and escrow deposits and accounts payable, and accrued liabilities, to approximate fair value for these financial instruments because of the short period of time between origination of the instruments and their expected realization. All of these financial instruments are considered Level 2.

The fair value of debt is estimated using borrowing rates available to us with similar terms and maturities, which is considered a Level 2 input. As of December 31, 2016, the fair value of the debt was \$1,784.0 million compared to the carrying value of \$1,768.9 million. As of December 31, 2015, the fair value of the debt was \$1,619.7 million compared to the carrying value of \$1,590.7 million.

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

12. Per Share Data of HTA

HTA includes unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents as “participating securities” pursuant to the two-class method. The resulting classes are our common stock and restricted stock. For the years ended December 31, 2016, 2015 and 2014, all of HTA’s earnings were distributed and the calculated earnings per share amount would be the same for all classes.

The following is the reconciliation of the numerator and denominator used in basic and diluted earnings per share of HTA for the years ended December 31, 2016, 2015 and 2014 (in thousands, except per share data):

	Year Ended December 31,		
	2016	2015	2014
Numerator:			
Net income	\$47,345	\$33,557	\$45,994
Net income attributable to noncontrolling interests	(1,433)	(626)	(623)
Net income attributable to common stockholders	\$45,912	\$32,931	\$45,371
Denominator:			
Weighted average shares outstanding - basic	136,620	126,074	119,904
Dilutive shares	3,639	1,930	1,264
Weighted average shares outstanding - diluted	140,259	128,004	121,168
Earnings per common share - basic			
Net income attributable to common stockholders	\$0.34	\$0.26	\$0.38
Earnings per common share - diluted			
Net income attributable to common stockholders	\$0.33	\$0.26	\$0.37

13. Per Unit Data of HTALP

The following is the reconciliation of the numerator and denominator used in basic and diluted earnings per unit of HTALP for the years ended December 31, 2016, 2015 and 2014 (in thousands, except per unit data):

	Year Ended December 31,		
	2016	2015	2014
Numerator:			
Net income	\$47,345	\$33,557	\$45,994
Net income attributable to noncontrolling interests	(118)	(112)	(133)
Net income attributable to common unitholders	\$47,227	\$33,445	\$45,861
Denominator:			
Weighted average units outstanding - basic	140,259	128,079	121,340
Dilutive units	—	—	—
Weighted average units outstanding - diluted	140,259	128,079	121,340
Earnings per common unit - basic:			
Net income attributable to common unitholders	\$0.34	\$0.26	\$0.38
Earnings per common unit - diluted:			
Net income attributable to common unitholders	\$0.34	\$0.26	\$0.38

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

14. Supplemental Cash Flow Information

The following is the supplemental cash flow information for the years ended December 31, 2016, 2015 and 2014 (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Interest paid	\$50,883	\$52,688	\$42,666
Income taxes paid	1,059	996	889

Supplemental Disclosure of Noncash Investing and Financing Activities:

Accrued capital expenditures	\$5,092	\$5,696	\$3,853
Debt and interest rate swaps assumed in connection with acquisitions	28,163	—	103,980
Dividend distributions declared, but not paid	43,867	37,886	36,275
Issuance of operating partnership units in connection with acquisitions	71,754	—	16,960
Note receivable included in the consideration of an acquisition	—	—	11,924
Notes receivable included in the consideration of dispositions	12,737	—	—
Redeemable noncontrolling interest assumed in connection with an acquisition	4,773	—	—
Redemption of noncontrolling interest	5,709	—	—

15. Tax Treatment of Dividends of HTA

The following is the income tax treatment of dividend distributions for the years ended December 31, 2016, 2015 and 2014 (in per share):

	Year Ended December 31,		
	2016	2015	2014
Ordinary income	\$0.8970	\$0.6634	\$0.6850
Return of capital	0.2880	0.2116	0.4700
Capital gain	0.0000	0.0000	0.0000
Total	\$1.1850	\$0.8750	\$1.1550

16. Future Minimum Rent

We have operating leases with tenants that expire at various dates through 2038 which generally include fixed increases or adjustments based on the consumer price index. Leases also provide for additional rents based on certain operating expenses. Future minimum rent contractually due under operating leases, excluding tenant reimbursements of certain costs, as of December 31, 2016 is as follows (in thousands):

Year	Amount
2017	\$373,903
2018	331,499
2019	299,420
2020	260,783
2021	230,492
Thereafter	747,109
Total	\$2,243,206

A certain amount of our rental income is from tenants with leases which are subject to contingent rent provisions. These contingent rents are subject to the tenant achieving periodic revenues in excess of specified levels. For the years ended December 31, 2016, 2015 and 2014, the amount of contingent rent earned by us was not significant.

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

17. Selected Quarterly Financial Data of HTA (Unaudited)

The following is the selected quarterly financial data of HTA for 2016 and 2015. We believe that all necessary adjustments, consisting of only normal recurring adjustments, have been included (in thousands, except per share data).

2016	Quarter Ended ⁽¹⁾			
	March 31	June 30	September 30	December 31
Revenues	\$107,315	\$113,234	\$118,340	\$122,039
Net income	10,036	13,516	6,639	17,154
Net income attributable to common stockholders	9,860	13,074	6,427	16,551
Earnings per common share - basic:				
Net income attributable to common stockholders	\$0.08	\$0.10	\$0.05	\$0.12
Earnings per common share - diluted:				
Net income attributable to common stockholders	\$0.08	\$0.09	\$0.04	\$0.11

(1) The sum of the individual quarterly amounts may not agree to the annual amounts included in the accompanying consolidated statements of operations due to rounding.

2015	Quarter Ended ⁽¹⁾			
	March 31	June 30	September 30	December 31
Revenues	\$98,520	\$99,311	\$103,942	\$102,049
Net income	6,942	9,488	6,554	10,573
Net income attributable to common stockholders	6,804	9,292	6,463	10,372
Earnings per common share - basic:				
Net income attributable to common stockholders	\$0.05	\$0.07	\$0.05	\$0.08
Earnings per common share - diluted:				
Net income attributable to common stockholders	\$0.05	\$0.07	\$0.05	\$0.08

(1) The sum of the individual quarterly amounts may not agree to the annual amounts included in the accompanying consolidated statements of operations due to rounding.

18. Selected Quarterly Financial Data of HTALP (Unaudited)

The following is the selected quarterly financial data of HTALP for 2016 and 2015. We believe that all necessary adjustments, consisting of only normal recurring adjustments, have been included (in thousands, except per unit data).

2016	Quarter Ended ⁽¹⁾			
	March 31	June 30	September 30	December 31
Revenues	\$107,315	\$113,234	\$118,340	\$122,039
Net income	10,036	13,516	6,639	17,154
Net income attributable to common unitholders	10,005	13,520	6,638	17,064
Earnings per common unit - basic:				
Net income attributable to common unitholders	\$0.08	\$0.10	\$0.05	\$0.12
Earnings per common unit - diluted:				
Net income attributable to common unitholders	\$0.08	\$0.10	\$0.05	\$0.12

(1) The sum of the individual quarterly amounts may not agree to the annual amounts included in the accompanying consolidated statements of operations due to rounding.

Quarter Ended ⁽¹⁾

2015	March 31	June 30	September 30	December 31
Revenues	\$98,520	\$99,311	\$ 103,942	\$ 102,049
Net income	6,942	9,488	6,554	10,573
Net income attributable to common unitholders	6,909	9,464	6,534	10,538
Earnings per common unit - basic:				
Net income attributable to common unitholders	\$0.05	\$0.07	\$0.05	\$0.08
Earnings per common unit - diluted:				
Net income attributable to common unitholders	\$0.05	\$0.07	\$0.05	\$0.08

(1) The sum of the individual quarterly amounts may not agree to the annual amounts included in the accompanying consolidated statements of operations due to rounding.

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(In thousands)

	Balance at Beginning of Period	Charged to Expenses	Adjustments to Valuation Accounts	Deductions	Balance at End of Period
2016 - Allowance for doubtful accounts	\$ 2,150	\$ 846	\$ —	—\$ (972)	\$ 2,024
2015 - Allowance for doubtful accounts	2,017	828	—	(695)	2,150
2014 - Allowance for doubtful accounts	2,121	312	—	(416)	2,017

92

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION

The following schedule presents our total real estate investments and accumulated depreciation for our operating properties as of December 31, 2016 (in thousands):

		Initial Cost to Company	Cost	Gross Amount at Which Carried at Close of Period Capitalized Subsequent	Total	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Building Depreciation in Income Statement is Computed (h)		
	Endorsements and Fixtures	Improvements (a)	Acquisition Land and Fixtures	Improvements (c)							
Shelby MOB	Alabaster, AL	\$ —	\$ 25,095	\$ 70	\$ —	\$ 25,165	\$ (350)	1995-1998	2016	36	
Simon Williamson Clinic	Birmingham, AL	—	25,689	—	—	25,689	(426)	2007	2016	36	
Jasper	Jasper, AL	—	5,973	—	—	5,973	(127)	1979	2016	25	
Phoenix Med Center	Glendale, AZ	—	452,768	536	453,304	3,757	(884)	1989	2011	39	
Thunderbird MOP	Glendale, AZ	12,342	42,679	3,710	3,822	389	27,231	(8,453)	1976-1987	2007	39
Peoria MOB	Peoria, AZ	—	604,394	515	604,909	5,514	(1,286)	2000	2010	39	
Baptist MC	Phoenix, AZ	—	12,637	1,834	—	14,471	(3,653)	1973	2008	39	
Desert Ridge MOB	Phoenix, AZ	—	27,738	2,633	—	30,371	(5,022)	2004-2006	2011	39	
Estrella Med Center	Phoenix, AZ	18,958	84,703	2,936	—	27,639	27,639	(5,948)	2004	2010	39
Sun City Boswell MOBs	Sun City, AZ	—	12,775	2,667	—	15,442	15,442	(4,843)	1971-2001	2009	39
Sun City Boswell West	Sun City, AZ	—	6,610	2,108	—	8,718	8,718	(2,392)	1992	2009	39
Sun City Webb MP	Sun City, AZ	—	16,188	2,061	—	18,249	18,249	(4,799)	1997-2004	2009	39
Sun City West MOB	Sun City, AZ	—	744,466	2,043	744,509	16,253	(4,697)	1987-2002	2009	39	
Gateway Med Plaza Tucson	Tucson, AZ	—	14,005	(22)	—	13,983	13,983	(2,656)	2008	2010	39
Academy MOP	Tucson, AZ	—	1,193,107	1,318	1,194,425	8,618	(2,549)	1978	2008	39	
	Tucson, AZ	—	1,309,572	3,781	1,313,353	22,662	(6,314)	1980-1984	2007	39	

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Tucson Desert Life MOP 5995 Plaza Drive	Cypress, CA	— 5,107,961	336	5,109,297	23,406	(4,867)	1986	2008	39
St. Mary Physician's Center	Long Beach, CA	— 1,815,242	1,275	1,815,517	13,332	(2,986)	1992	2007	39
Mission Medical Center MOBs	Mission Viejo, CA	— 21,917,672	—	21,917,672	139,583	(1,280)	1972-1985	2016	39
San Luis Obispo MOB	San Luis Obispo, CA	— —11,900	2,598	—14,498	14,498	(3,428)	2009	2010	39
Hampden Place MOB	Englewood, CO	— 3,032,553	299	3,032,852	15,884	(3,167)	2004	2009	39
Highlands Ranch MOP	Highlands Ranch, CO	— 2,240,426	3,018	2,240,444	15,684	(4,556)	1983-1985	2007	39
Lone Tree Medical Office Buildings	Lone Tree, CO	— 3,736,546	699	3,736,245	33,981	(2,232)	2004-2008	2014	38
Lincoln Medical Center	Parker, CO	— 5,122,638	92	5,122,730	33,872	(3,368)	2008	2013	39
80 Fisher Northwestern MOBs	Avon, CT	— —5,094	—	—5,094	5,094	(188)	2008	2016	39
533 Cottage - Northwestern	Bloomfield, CT	— 1,369,87	440	1,369,27	8,096	(228)	1985	2016	35
406 Farmington	Bloomfield, CT	— 728,964	—	728,964	4,690	(111)	1955	2016	35
704 Hebron	Farmington, CT	— 379,509	—	379,509	3,888	(89)	1988	2016	39
Gateway MOBs	Glastonbury, CT	— 2,22,344	—	2,22,344	8,767	(214)	2001	2016	37
Haynes MOBs	Glastonbury, CT	— 10,376,442	894	10,386,336	49,232	(1,228)	2007-2014	2016	39
Pomeroy MOBs	Manchester, CT	7,617,100	—	1,100,620	15,720	(346)	2007-2010	2016	39
Saybrook MOBs	Meriden, CT	— 1,704,078	—	1,704,078	11,852	(325)	2009-2011	2016	39
Yale Long Wharf	Middletown, CT	— —10,314	9	—10,323	10,323	(276)	1989	2016	28
Devine MOBs	New Haven, CT	— 9,387,691	1,007	9,387,698	69,065	(2,398)	1977	2016	30
Evergreen MOBs	North Haven, CT	— 3,289,671	—	3,289,671	22,952	(634)	2006-2013	2016	35
Day Hill MOBs	South Windsor, CT	12,593,839	4	5,565,843	31,408	(693)	2006-2011	2016	39
Riverside MOB	Windsor, CT	— 3,980,55	75	3,980,30	11,110	(328)	1990-1999	2016	30
	Bradenton, FL	— 2,236,89	—	2,236,89	9,919	(112)	1980	2016	25

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Brandon MOP	Brandon, FL —	906,946	583	907,529	8,430	(2,267)	1997	2008	39
McMullen MOB	Clearwater, FL —	3,477,621	9	3,477,630	16,100	(1,160)	2009	2014	39

93

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION — (Continued)

		Initial Cost to Company		Gross Amount at Which Carried at Close of Period		Buildings, Improvements and Fixtures	Total	Accumulated Depreciation	Date of Construction	Date Acquired	Life When Built	Depreciation Status	Corporation
		Encumbrances	Buildings, Improvements and Fixtures	Subsequent Costs	Land								
Orlando Rehab Hospital	Edgewood, FL	\$2,600	\$20,256	\$3,000	\$2,600	\$23,256	\$25,856	\$(4,180)	2007	2010	39		
Palmetto MOB	Hialeah, FL	—	15,512	1,582	—	17,094	17,094	(2,874)	1980	2013	39		
East FL Senior Jacksonville	Jacksonville, FL	4,291	9,220	(1)	4,291	9,219	13,510	(3,405)	1985	2007	39		
King Street MOB	Jacksonville, FL	—	7,232	(41)	—	7,191	7,191	(1,630)	2007	2010	39		
Jupiter MP	Jupiter, FL	1,204	11,778	563	1,204	12,341	13,545	(1,401)	1996-1997	2013	39		
Central FL SC	Lakeland, FL	768	3,002	329	768	3,331	4,099	(922)	1995	2008	39		
Vista Pro Center MOP	Lakeland, FL	1,082	3,587	754	1,082	4,341	5,423	(1,291)	1996-1999	2007-2008	39		
Largo Medical Center	Largo, FL	28,465	51,045	479	—	51,524	51,524	(4,646)	2009	2013	39		
Largo MOP	Largo, FL	729	8,908	1,201	729	10,109	10,838	(2,804)	1975-1986	2008	39		
FL Family Medical Center	Lauderdale Lakes, FL	—	4,257	517	—	4,774	4,774	(935)	1978	2013	39		
Northwest Medical Park	Margate, FL	—	9,525	92	—	9,617	9,617	(1,046)	2009	2013	39		
North Shore MOB	Miami, FL	—	4,942	392	—	5,334	5,334	(1,173)	1978	2013	39		
Sunset Professional and Kendall MOBs	Miami, FL	11,855	13,633	2,599	11,855	16,232	28,087	(2,250)	1954-2006	2014	27		
Common V MOB	Naples, FL	8,672	9,070	660	4,173	9,730	13,903	(2,696)	1990	2007	39		
Orlando Lake Underhill MOB	Orlando, FL	—	8,515	1,150	—	9,665	9,665	(2,118)	2000	2010	39		
Orlando Oviedo MOB	Oviedo, FL	—	5,711	427	—	6,138	6,138	(1,241)	1998	2010	39		
		686	8,102	5	686	8,107	8,793	(853)	2008	2013	39		

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Heart & Family Health MOB	Port St. Lucie, FL											
St. Lucie MC	Port St. Lucie, FL	—	6,127	—	—	6,127	6,127	(715)	2008	2013	39	
East FL Senior Sunrise Tallahassee Rehab Hospital	Sunrise, FL	—2,947	12,825	—	2,947	12,825	15,772	(4,198)	1989	2007	39	
FL Ortho Institute	Tallahassee, FL	—7,142	18,691	2,400	7,142	21,091	28,233	(4,080)	2007	2010	39	
Wellington MAP III	Temple Terrace, FL	—2,923	17,647	(1)	2,923	17,646	20,569	(3,406)	2001-2003	2010	39	
Victor Farris MOB	Wellington, FL	—	10,511	27	—	10,538	10,538	(2,009)	2006	2010	39	
East FL Senior Winter Park	West Palm Beach, FL	—	23,052	824	—	23,876	23,876	(3,293)	1988	2013	39	
Camp Creek Med Center	Winter Park, FL	—2,840	12,825	—	2,840	12,825	15,665	(4,495)	1988	2007	39	
Augusta Rehab Hospital	Atlanta, GA	—2,961	19,688	79	2,961	19,767	22,728	(4,825)	2006-2010	2010-2012	39	
Austell Medical Park	Augusta, GA	—1,059	20,899	—	1,059	20,899	21,958	(3,760)	2007	2010	39	
Decatur MP	Austell, GA	—432	4,057	26	432	4,083	4,515	(584)	2007	2013	39	
Yorktown MC	Decatur, GA	—3,166	6,862	712	3,166	7,574	10,740	(2,118)	1976	2008	39	
Gwinnett MOP	Fayetteville, GA	—2,802	12,502	2,388	2,802	14,890	17,692	(5,155)	1987	2007	39	
Marietta Health Park	Lawrenceville, GA	—1,290	7,246	2,130	1,290	9,376	10,666	(2,822)	1985	2007	39	
WellStar Tower MOB	Marietta, GA	—1,276	12,197	815	1,276	13,012	14,288	(3,773)	2000	2008	39	
Shakerag MC	Marietta, GA	—748	13,528	52	748	13,580	14,328	(755)	2007	2015	39	
Overlook at Eagle's Landing	Peachtree City, GA	12,245	3,290	1,318	743	4,608	5,351	(1,642)	1994	2007	39	
SouthCrest MOP	Stockbridge, GA	—638	6,685	502	638	7,187	7,825	(1,529)	2004	2010	39	
Cherokee Medical Center	Stockbridge, GA	—4,260	14,636	1,790	4,260	16,426	20,686	(4,849)	2005	2008	39	
Honolulu MOB	Woodstock, GA	—	16,558	30	—	16,588	16,588	(1,035)	2001	2015	35	
Kapolei Medical Park	Honolulu, HI	14,304	27,336	345	—	27,681	27,681	(2,020)	1997	2014	35	
Rush Oak Park MOB	Kapolei, HI	—	16,253	119	—	16,372	16,372	(1,491)	1999	2014	35	
	Oak Park, IL	—1,096	38,550	—	1,096	38,550	39,646	(5,843)	2000	2012	38	

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Brownsburg MOB	Brownsburg, IN	—431	639	248	431	887	1,318	(424)	1989	2008	39
Athens SC	Crawfordsville, IN	—381	3,575	294	381	3,869	4,250	(1,277)	2000	2007	39
Crawfordsville MOB	Crawfordsville, IN	—318	1,899	157	318	2,056	2,374	(676)	1997	2007	39

94

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION — (Continued)

		Initial Cost to Company		Gross Amount at Which Carried at Close of Period				Accumulated Depreciation (f)	Date of Construction (g)	Date Acquired	Life on Which Building Depreciated in Income Statement Computed (h)	
		Encumbrances	Buildings, Improvements and Fixtures	Subsequent Costs	Land	Buildings, Improvements and Fixtures	Total (c)					
Deaconess Clinic Downtown	Evansville, IN	\$—	\$1,748	\$21,963	\$60	\$1,748	\$22,023	\$23,771	\$(5,223)	1952-1967	2010	39
Deaconess Clinic Westside	Evansville, IN	—	360	3,265	356	360	3,621	3,981	(828)	2005	2010	39
Dupont MOB	Fort Wayne, IN	—	—	8,246	27	—	8,273	8,273	(1,000)	2004	2013	39
Ft. Wayne MOB	Fort Wayne, IN	—	—	6,579	—	—	6,579	6,579	(1,335)	2008	2009	39
Community MP	Indianapolis, IN	—	560	3,581	297	560	3,878	4,438	(1,216)	1995	2008	39
Eagle Highlands MOP	Indianapolis, IN	—	2,216	11,154	7,214	2,216	18,368	20,584	(5,433)	1988-1989	2008	39
Epler Parke MOP	Indianapolis, IN	—	1,556	6,928	1,037	1,556	7,965	9,521	(2,630)	2002-2003	2007-2008	39
Glendale Prof Plaza	Indianapolis, IN	—	570	2,739	1,218	570	3,957	4,527	(1,509)	1993	2008	39
MMP Eagle Highlands	Indianapolis, IN	—	1,044	13,548	2,575	1,044	16,123	17,167	(5,141)	1993	2008	39
MMP East	Indianapolis, IN	—	1,236	9,840	3,642	1,236	13,482	14,718	(4,822)	1996	2008	39
MMP North	Indianapolis, IN	—	1,518	15,460	4,219	1,427	19,770	21,197	(5,911)	1995	2008	39
MMP South	Indianapolis, IN	—	1,127	10,414	1,763	1,127	12,177	13,304	(3,916)	1994	2008	39
Southpointe MOP	Indianapolis, IN	—	2,190	7,548	2,356	2,190	9,904	12,094	(3,138)	1996	2007	39
Kokomo MOP	Kokomo, IN	—	1,779	9,614	1,167	1,779	10,781	12,560	(3,464)	1992-1994	2007	39
Deaconess Clinic Gateway	Newburgh, IN	—	—	10,952	25	—	10,977	10,977	(2,277)	2006	2010	39
Community Health	Noblesville, IN	—	5,560	28,988	713	5,560	29,701	35,261	(1,884)	2009	2015	39

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Pavilion Zionsville MC	Zionsville, IN	—655	2,877	875	664	3,743	4,407	(1,212)	1992	2008	39
KS Doctors MOB	Overland Park, KS	—1,808	9,517	1,776	1,808	11,293	13,101	(3,351)	1978	2008	39
Nashoba Valley Med Center MOB	Ayer, MA	—	5,529	304	299	5,534	5,833	(922)	1976-2007	2012	31
670 Albany Tufts Medical Center	Boston, MA	—	104,365	11	—	104,376	104,376	(4,707)	2005	2015	39
St. Elizabeth's Med Center	Boston, MA	70,383	109,180	5,302	32,514	114,482	146,996	(9,329)	1924-2015	2014	35
Good Samaritan MOBs	Brighton, MA	—	20,929	2,703	1,379	22,253	23,632	(3,311)	1965-2013	2012	31
Pearl Street MOBs	Brockton, MA	—	15,887	473	144	16,216	16,360	(2,438)	1980-2007	2012	31
Carney Hospital MOB	Brockton, MA	7,041	18,193	—	4,714	18,193	22,907	—	1966-2004	2016	39
St. Anne's Hospital MOB	Dorchester, MA	—	7,250	632	530	7,352	7,882	(1,161)	1978	2012	31
Norwood Hospital MOB	Fall River, MA	—	9,304	55	40	9,319	9,359	(1,138)	2011	2012	31
Holy Family Hospital MOB	Foxborough, MA	—	9,489	186	2,295	7,380	9,675	(1,269)	1930-2000	2012	31
N. Berkshire MOB	Methuen, MA	—	4,502	242	168	4,576	4,744	(871)	1988	2012	31
Morton Hospital MOB	North Adams, MA	—	7,259	225	—	7,484	7,484	(1,501)	2002	2011	39
Stetson MOB	Taunton, MA	—	15,317	1,006	502	15,821	16,323	(3,774)	1988	2012	31
Johnston Professional Building	Weymouth, MA	—3,362	15,555	164	3,362	15,719	19,081	(1,151)	1900-1986	2015	20
Triad Tech Center	Baltimore, MD	13,780	21,481	233	—	21,714	21,714	(1,765)	1993	2014	35
St. John Providence MOB	Baltimore, MD	10,846	26,548	—	—	26,548	26,548	(4,900)	1989	2010	39
Fort Road MOB	Novi, MI	—	42,371	219	—	42,590	42,590	(8,236)	2007	2012	39
Gallery Professional	St. Paul, MN	—1,571	5,786	813	1,571	6,599	8,170	(1,951)	1981	2008	39
	St. Paul, MN	5,525	5,009	3,351	1,157	8,360	9,517	(4,037)	1979	2007	39

Building Chesterfield Rehab Hospital	Chesterfield, MO	—4,213	27,898	776	4,313	28,574	32,887	(7,403)	2007	2007	39
BJC West County MOB	Creve Coeur, MO	—2,242	13,130	593	2,242	13,723	15,965	(3,853)	1978	2008	39
Winghaven MOB	O'Fallon, MO	—1,455	9,708	613	1,455	10,321	11,776	(3,080)	2001	2008	39
BJC MOB	St. Louis, MO	—304	1,554	(952)	304	602	906	(390)	2001	2008	39
Des Peres MAP II	St. Louis, MO	—	11,386	1,136	—	12,522	12,522	(2,676)	2007	2010	39
Medical Park of Cary	Cary, NC	—2,931	19,855	2,623	2,931	22,478	25,409	(5,138)	1994	2010	39
Rex Cary MOB	Cary, NC	—1,449	18,226	224	1,449	18,450	19,899	(901)	2002	2015	39
Tryon Office Center	Cary, NC	—2,200	14,956	120	2,200	15,076	17,276	(922)	2002-2006	2015	39

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION — (Continued)

		Initial Cost to Company		Gross Amount at Which Carried at Close of Period		Totals		Accumulated Depreciation	Date of Acquisition	Date Acquired	Life on Which Building Depreciation in Income Statement is Computed (h)
	Endowment	Buildings, Improvements and Fixtures	to Acquire Land (a)	Buildings, Improvements and Fixtures	(c)	(b)	(d)	(e)	(f)	(g)	(h)
Duke Fertility Center	Durham, NC	\$ 596	\$ 3,882	\$ —	\$ 596	\$ 3,882	\$ 4,478	\$(21)	2006	2016	39
Hock Plaza II	Durham, NC	680	27,044	680	27,044	27,724	(140)	2006	2016	36	
3100 Blue Ridge Raleigh	Raleigh, NC	1,732	8,891	305	1,732	9,196	10,928	(927)	1985	2014	35
Medical Center Nutfield	Raleigh, NC	2,381	15,630	6,532	2,381	22,162	24,543	(4,233)	1989	2010	39
Professional Center	Derry, NH	1,075	10,320	745	1,075	11,065	12,140	(2,836)	1963	2008	39
Santa Fe 1640 MOB	Santa Fe, NM	697	4,268	64	697	4,332	5,029	(943)	1985	2010	39
Santa Fe 440 MOB	Santa Fe, NM	842	7,448	13	842	7,461	8,303	(1,630)	1978	2010	39
San Martin MAP	Las Vegas, NV	—	14,777	568	—	15,345	15,345	(2,762)	2007	2010	39
Madison Ave MOB	Albany, NY	83	2,759	61	83	2,820	2,903	(564)	1964-2008	2010	39
Patroon Creek HQ	Albany, NY	1,870	29,453	5,152	1,870	34,605	36,475	(6,682)	2001	2010	39
Patroon Creek MOB	Albany, NY	1,439	27,639	487	1,439	28,126	29,565	(5,389)	2007	2010	39
Washington Ave MOB	Albany, NY	1,699	18,440	489	1,699	18,929	20,628	(3,887)	1998-2000	2010	39
Putnam MOB	Carmel, NY	—	24,216	100	—	24,316	24,316	(4,110)	2000	2010	39
Capital Region Health Park	Latham, NY	2,305	37,494	3,212	2,305	40,712	43,017	(8,136)	2001	2010	39
Westchester MOBs	White Plains, NY	17,274	41,865	1,047	17,274	42,908	60,182	(5,049)	1967-1983	2014	29

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210 Westchester MOB	White Plains, NY	—	8,628	18,408	—	8,628	18,408	27,036	(1,493)	1981	2014	31
Diley Ridge MOB	Canal Winchester, OH	—	—	9,811	70	—	9,881	9,881	(475)	2010	2015	39
Market Exchange MOP	Columbus, OH	—	2,326	17,207	2,792	2,326	20,001	22,327	(5,259)	2001-2003	2007-2010	39
Polaris MOB	Columbus, OH	—	1,447	12,192	—	1,447	12,192	13,639	(266)	2012	2016	39
Gahanna MOB	Gahanna, OH	—	1,078	5,674	—	1,078	5,674	6,752	(62)	1997	2016	30
Hilliard MOB	Hilliard, OH	—	946	11,174	687	946	11,861	12,807	(568)	2013	2015	39
Hilliard II MOB	Hilliard, OH	—	959	7,260	3	959	7,263	8,222	(195)	2014	2016	38
Park Place MOP	Kettering, OH	—	1,987	11,341	2,594	1,987	13,935	15,922	(4,797)	1998-2002	2007	39
Liberty Falls MP	Liberty, OH	—	842	5,640	982	842	6,622	7,464	(2,176)	2008	2008	39
Parma Ridge MOB	Parma, OH	—	372	3,636	823	372	4,459	4,831	(1,351)	1977	2008	39
Deaconess MOP	Oklahoma City, OK	—	—	25,975	3,455	—	29,430	29,430	(7,996)	1991-1996	2008	39
Silverton Health MOB	Woodburn, OR	—	953	6,164	—	953	6,164	7,117	(129)	2001	2016	35
Monroeville MOB	Monroeville, PA	—	3,264	7,038	466	3,264	7,504	10,768	(1,677)	1985-1989	2013	39
2750 Monroe MOB	Norristown, PA	—	2,323	22,631	5,422	2,323	28,054	30,377	(8,409)	1985	2007	39
Federal North MOB	Pittsburgh, PA	—	2,489	30,268	262	2,489	30,530	33,019	(5,916)	1999	2010	39
Highmark Penn Ave WP	Pittsburgh, PA	—	1,774	38,921	2,256	1,774	41,177	42,951	(6,934)	1907-1998	2012	39
Allegheny HQ MOB	Pittsburgh, PA	—	1,514	32,368	454	1,514	32,822	34,336	(5,886)	2002	2010	39
39 Broad Street	Charleston, SC	—	3,180	1,970	2,443	3,180	4,122	7,597	(65)	1891	2015	39
Cannon Park Place	Charleston, SC	—	425	8,651	629	425	9,280	9,705	(1,706)	1998	2010	39
MUSC Elm MOB	Charleston, SC	—	1,172	4,361	—	1,172	4,361	5,533	(128)	2015	2016	39
Tides Medical Arts Center	Charleston, SC	—	3,763	19,787	45	3,763	19,832	23,595	(1,528)	2007	2014	39
GHS Memorial	Greenville, SC	—	—	8,301	869	—	9,170	9,170	(1,796)	1992	2009	39
GHS MMC		20,995	39,158	1,699	995	40,854	41,849	(8,372)	1987-1998	2009	39	39

	Greenville, SC											
GHS MOBs I	Greenville, SC	—	1,644	9,144	(792,294)	9,702	9,996	(2,262)	1974-1990	2009	39	
GHS Patewood MOP	Greenville, SC	—	—	64,537	1,170	65,707	65,707	(13,770)	1983-2007	2009	39	
GHS Greer MOBs	Greenville, Travelers Rest and Greer, SC	—	1,309	14,639	175,130	14,814	16,123	(3,093)	1992-2008	2009	39	
Hilton Head Heritage MOP	Hilton Head Island, SC	—	1,125	5,398	(9)	1,125	5,389	6,514	(1,126)	1996	2010	39

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION — (Continued)

		Initial Cost to Company			Gross Amount at Which Carried at Close of Cost Period Capitalized Subsequent				Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Building Depreciation in Income Statement is Computed (h)
	En- Lands	Buildings, Improvements and Fixtures	Acquisition (a)	Land	Buildings, Improvements and Fixtures	Totals (c)			(f)			
Hilton Head Moss Creek MOB	Hilton Head Island, SC	\$—	\$209	\$2,066	\$45	\$209	\$2,111	\$2,320	\$(396)	2010	2010	39
East Cooper Medical Arts Center	Mt. Pleasant, SC	—	2,470	6,289	45	2,470	6,334	8,804	(833)	2001	2014	32
East Cooper Medical Center	Mt. Pleasant, SC	—	2,073	5,939	1,053	2,073	6,992	9,065	(1,543)	1992	2010	39
MUSC University MOB	North Charleston, SC	—	1,282	8,689	24	1,282	8,713	9,995	(617)	2006	2015	36
Mary Black MOB	Spartanburg, SC	—	—	12,523	102	—	12,625	12,625	(3,138)	2006	2009	39
Lenox Office Park	Memphis, TN	—	1,670	13,626	(691)	1,670	12,935	14,605	(3,813)	2000	2007	39
Mountain Empire MOBs	Rogersville, Kingsport and Bristol, TN & Norton and Pennington Gap, VA	—	1,296	36,523	4,578	1,278	41,119	42,397	(11,284)	1976-2006	2008-2011	39
Amarillo Hospital	Amarillo, TX	—	1,110	17,688	29	1,110	17,717	18,827	(4,220)	2007	2008	39
Austin Heart MOB	Austin, TX	—	—	15,172	138	—	15,310	15,310	(1,522)	1999	2013	39
Post Oak North MC	Austin, TX	—	887	7,011	(41)	887	6,970	7,857	(774)	2007	2013	39
Texas A&M Health Science Center	Bryan, TX	—	—	32,494	61	—	32,555	32,555	(4,198)	2011	2013	39
		—	1,919	16,341	—	1,919	16,341	18,260	(3,100)	2006	2010	39

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Dallas Rehab Hospital	Carrollton, TX												
Cedar Hill MOB	Cedar Hill, TX	—778	4,830	144	778	4,974	5,752	(1,540)	2007		2008		39
Corsicana MOB	Corsicana, TX	—	6,781	24	—	6,805	6,805	(1,778)	2007		2009		39
Dallas LTAC Hospital	Dallas, TX	—2,301	20,627	—	2,301	20,627	22,928	(4,188)	2007		2009		39
Forest Park Pavilion	Dallas, TX	—9,670	11,152	(1,033)	9,670	10,119	19,789	(1,495)	2010		2012		39
Forest Park Tower	Dallas, TX	—3,340	35,071	10	3,340	35,081	38,421	(4,673)	2011		2013		39
Denton Med Rehab Hospital	Denton, TX	—2,000	11,704	—	2,000	11,704	13,704	(2,817)	2008		2009		39
Denton MOB	Denton, TX	—	7,543	—	—	7,543	7,543	(1,546)	2000		2010		39
Cliff Medical Plaza	El Paso, TX	—1,064	1,972	(14)	1,064	1,958	3,022	(295)	1977		2016		8
Providence Medical Plaza	El Paso, TX	—	5,396	328	—	5,724	5,724	(352)	1981		2016		20
Sierra Medical	El Paso, TX	—	2,998	124	—	3,122	3,122	(250)	1972		2016		15
Forest Park Frisco MC	Frisco, TX	—1,238	19,979	1,856	1,238	21,835	23,073	(2,675)	2012		2013		39
Greenville MOB	Greenville, TX	—616	10,822	363	616	11,185	11,801	(3,077)	2007		2008		39
7900 Fannin MOB	Houston, TX	—	34,764	932	—	35,696	35,696	(6,748)	2005		2010		39
Cypress Medical Building MOB	Houston, TX	—	4,678	195	—	4,873	4,873	(256)	1984		2016		30
Cypress Station MOB	Houston, TX	—1,345	8,312	878	1,345	9,190	10,535	(2,888)	1981		2008		39
Park Plaza MOB	Houston, TX	—5,719	50,054	352	5,719	50,406	56,125	(2,332)	1984		2016		24
Triumph Hospital NW	Houston, TX	—1,377	14,531	237	1,377	14,768	16,145	(4,762)	1986		2007		39
Lone Star Endoscopy MOB	Keller, TX	—622	3,502	(5)	622	3,497	4,119	(939)	2006		2008		39
Lewisville MOB	Lewisville, TX	—452	3,841	—	452	3,841	4,293	(862)	2000		2010		39
Terrace Medical Building	Nacogdoches, TX	—	179	—	—	179	179	(39)	1975		2016		5
Towers Medical Plaza	Nacogdoches, TX	—	786	(6)	—	780	780	(126)	1981		2016		10
	Pearland, TX	—1,602	7,017	(2,573)	3912	5,134	6,046	(1,281)	2003-2007		2010		39

Pearland MOB Independence Medical Village	Plano, TX	—4,229	17,874	—	4,229	17,874	22,103	(369)	2014	2016	39
San Angelo MOB	San Angelo, TX	—	3,907	—	—	3,907	3,907	(1,010)	2007	2009	39
Mtn Plains Pecan Valley	San Antonio, TX	—416	13,690	711	416	14,401	14,817	(3,465)	1998	2008	39
Sugar Land II MOB	Sugar Land, TX	—	9,648	270	—	9,918	9,918	(2,908)	1999	2010	39
Triumph Hospital SW	Sugar Land, TX	—1,670	14,018	(14)	1,656	14,018	15,674	(4,696)	1989	2007	39
Baylor MP	Waxahachie, TX	—865	6,728	(1,147)	865	5,581	6,446	(1,870)	2006	2008	39

97

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION — (Continued)

	Company	Encumbrances	Initial Cost to		Gross Amount at Which			Accumulated	Date of	
			Land	Buildings, Improvements and Fixtures	Cost Capitalized Subsequent to Acquisition (a)	Land	Buildings, Improvements and Fixtures			Total (c)	Depreciation (b)	Construction
Mtn Plains Clear Lake N. Texas Neurology MOB	Webster, TX	\$—	\$832	\$21,168	\$1,091	\$832	\$22,259	\$23,091	\$(5,320)	) 2006
Renaissance MC	Wichita Falls, TX	—	736	5,611	(1,758)	) 736	3,853	4,589	(1,505)	) 1957
Aurora - Franklin	Bountiful, UT	—	3,701	24,442	(216)	) 3,701	24,226	27,927	(5,916)	) 2004
Aurora - Menomonee	Franklin, WI	—	945	15,336	2	945	15,338	16,283	(4,275)	) 2003
Aurora - Mequon	Menomonee Falls, WI	—	1,055	14,998	—	1,055	14,998	16,053	(4,508)	) 1964
Aurora - Milwaukee	Mequon, WI	—	950	19,027	(3,029)	) 629	16,319	16,948	(4,686)	) 1992-2003
Aurora - Milwaukee	Milwaukee, WI	—	350	5,508	—	350	5,508	5,858	(1,643)	) 1983
Total		\$243,466	\$383,249	\$3,305,589	\$164,204	\$386,526	\$3,466,516	\$3,853,042	\$(581,505)	

(a) The cost capitalized subsequent to acquisition is net of dispositions.

(b) The above table excludes lease intangibles; see notes (d) and (g).

(c) The changes in total real estate for the years ended December 31, 2016, 2015 and 2014 are as follows (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Balance as of the beginning of the year	\$3,204,863	\$2,953,532	\$2,561,073
Acquisitions	647,339	266,747	410,732
Additions	43,637	28,828	33,109
Dispositions	(39,717)	(43,318)	(51,382)
Impairments	(3,080)	(926)	—
Balance as of the end of the year (d)	\$3,853,042	\$3,204,863	\$2,953,532

(d) The balances as of December 31, 2016, 2015 and 2014 exclude gross lease intangibles of \$467.6 million, \$430.7 million and \$419.3 million, respectively.

(e) The aggregate cost of our real estate for federal income tax purposes was \$4.3 billion.

(f) The changes in accumulated depreciation for the years ended December 31, 2016, 2015 and 2014 are as follows (in thousands):

	Year Ended December 31,		
	2016	2015	2014

Balance as of the beginning of the year	\$474,223	\$383,966	\$308,173
Additions	117,282	101,194	87,854
Dispositions	(10,000)	(10,937)	(12,061)
Balance as of the end of the year (g)	\$581,505	\$474,223	\$383,966

(g) The balances as of December 31, 2016, 2015 and 2014 exclude accumulated amortization of lease intangibles of \$236.1 million, \$201.9 million and \$166.0 million, respectively.

(h) Tenant improvements are depreciated over the shorter of the lease term or useful life, ranging from one month to 193 months, respectively. Furniture, fixtures and equipment are depreciated over five years.

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE ASSETS

The following shows changes in the carrying amounts of mortgage loans on real estate assets during the years ended December 31, 2016, 2015 and 2014 (in thousands):

	Year Ended December		
	31,	2015	2014
	2016	2015	2014
Balance as of the beginning of the year	\$—	\$	—\$28,520
Additions:			
New mortgage loans	12,737	—	11,924
Deductions:			
Mortgage loan included in the consideration for the acquisition of a building	—	—	(11,924)
Collection of mortgage loans	—	—	(28,520)
Balance as of the end of the year	\$12,737	\$	—\$—

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned thereunto duly authorized.

Healthcare Trust of America, Inc.

By: /s/ Scott D. Peters Chief Executive Officer, President and Chairman
Scott D. Peters (Principal Executive Officer)

Date: February 21, 2017

By: /s/ Robert A. Milligan Chief Financial Officer
Robert A. Milligan (Principal Financial Officer and Principal Accounting Officer)

Date: February 21, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Scott D. Peters Chief Executive Officer, President and Chairman
Scott D. Peters (Principal Executive Officer)

Date: February 21, 2017

By: /s/ Robert A. Milligan Chief Financial Officer
Robert A. Milligan (Principal Financial Officer and Principal Accounting Officer)

Date: February 21, 2017

By: /s/ W. Bradley Blair, II Director
W. Bradley Blair, II

Date: February 21, 2017

By: /s/ Maurice J. DeWald Director
Maurice J. DeWald

Date: February 21, 2017

By: /s/ Warren D. Fix Director
Warren D. Fix

Date: February 21, 2017

By: /s/ Peter N. Foss Director
Peter N. Foss

Date: February 21, 2017

By: /s/ Daniel S. Henson Director
Daniel S. Henson

Date: February 21, 2017

By: /s/ Larry L. Mathis Director
Larry L. Mathis

Date: February 21, 2017

By: /s/ Gary T. Wescombe Director
Gary T. Wescombe

Date: February 21, 2017

100

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned thereunto duly authorized.

Healthcare Trust of America Holdings, LP

By: Healthcare Trust of America, Inc.,
its General Partner

By: /s/ Scott D. Peters Chief Executive Officer, President and Chairman
Scott D. Peters (Principal Executive Officer)

Date: February 21, 2017

By: /s/ Robert A. Milligan Chief Financial Officer
Robert A. Milligan (Principal Financial Officer and Principal Accounting Officer)

Date: February 21, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Scott D. Peters Chief Executive Officer, President and Chairman
Scott D. Peters (Principal Executive Officer) of Healthcare Trust of America, Inc.,

Date: February 21, 2017 general partner of Healthcare Trust of America Holdings, LP

By: /s/ Robert A. Milligan Chief Financial Officer
Robert A. Milligan (Principal Financial Officer and Principal Accounting Officer) of
Date: February 21, 2017 Healthcare Trust of America, Inc., general partner of Healthcare Trust
of America Holdings, LP

By: /s/ W. Bradley Blair, II Director of Healthcare Trust of America, Inc., general partner of
W. Bradley Blair, II Healthcare Trust of America Holdings, LP

Date: February 21, 2017

By: /s/ Maurice J. DeWald Director of Healthcare Trust of America, Inc., general partner of
Maurice J. DeWald Healthcare Trust of America Holdings, LP

Date: February 21, 2017

By: /s/ Warren D. Fix Director of Healthcare Trust of America, Inc., general partner of
Warren D. Fix Healthcare Trust of America Holdings, LP

Date: February 21, 2017

By: /s/ Peter N. Foss Director of Healthcare Trust of America, Inc., general partner of
Peter N. Foss Healthcare Trust of America Holdings, LP

Date: February 21, 2017

By: /s/ Daniel S. Henson Director of Healthcare Trust of America, Inc., general partner of
Daniel S. Henson Healthcare Trust of America Holdings, LP

Date: February 22, 2017

By: /s/ Larry L. Mathis Director of Healthcare Trust of America, Inc., general partner of
Larry L. Mathis Healthcare Trust of America Holdings, LP

Date: February 21, 2017

By: /s/ Gary T. Wescombe Director of Healthcare Trust of America, Inc., general partner of
Gary T. Wescombe Healthcare Trust of America Holdings, LP

Date: February 21, 2017

101

Table of Contents

EXHIBIT INDEX

Pursuant to Item 601(a)(2) of Regulation S-K, this Exhibit Index immediately precedes the exhibits.

The following exhibits are included, or incorporated by reference, in this Annual Report for the fiscal year ended December 31, 2016 (and are numbered in accordance with Item 601 of Regulation S-K).

- Fifth Articles of Amendment and Restatement of Healthcare Trust of America, Inc., effective March 11, 2014
- 3.1 (included as Exhibit 3.1 to our Current Report on Form 8-K filed on March 11, 2014 and incorporated herein by reference).
- 3.2 Articles of Amendment of Healthcare Trust of America, Inc., effective December 15, 2014 (included as Exhibit 3.1 to our Current Report on Form 8-K filed on December 16, 2014 and incorporated herein by reference).
- 3.3 Articles of Amendment of Healthcare Trust of America, Inc., effective December 15, 2014 (included as Exhibit 3.2 to our Current Report on Form 8-K filed on December 16, 2014 and incorporated herein by reference).
- 3.4 Second Amended and Restated Bylaws of Healthcare Trust of America, Inc., effective March 11, 2014 (included as Exhibit 3.2 to our Current Report on Form 8-K filed on March 11, 2014 and incorporated herein by reference).
- 3.5 Certificate of Limited Partnership of NNN Healthcare/Office REIT Holdings, L.P. (included as Exhibit 3.3 to our Registration Statement on Form S-4 (File No. 333-190916) filed on August 30, 2013 and incorporated herein by reference).
- 3.6 Certificate of Correction to Certificate of Limited Partnership of NNN Healthcare/Office REIT Holdings, L.P. (included as Exhibit 3.4 to our Registration Statement on Form S-4 (File No. 333-190916) filed on August 30, 2013 and incorporated herein by reference).
- 3.7 Certificate of Amendment to Certificate of Limited Partnership of NNN Healthcare/Office REIT Holdings, L.P. (included as Exhibit 3.5 to our Registration Statement on Form S-4 (File No. 333-190916) filed on August 30, 2013 and incorporated herein by reference).
- 3.8 Amendment to the Certificate of Limited Partnership of NNN Healthcare/Office REIT Holdings, L.P. (included as Exhibit 3.6 to our Registration Statement on Form S-4 (File No. 333-190916) filed on August 30, 2013 and incorporated herein by reference).
- 3.9 Certificate of Amendment to Certificate of Limited Partnership of Grubb & Ellis Healthcare REIT Holdings, LP. (included as Exhibit 3.7 to our Registration Statement on Form S-4 (File No. 333-190916) filed on August 30, 2013 and incorporated herein by reference).
- 3.10 Certificate of Amendment to Certificate of Limited Partnership of Healthcare Trust of America Holdings, LP (included as Exhibit 3.8 to our Registration Statement on Form S-4 (File No. 333-190916) filed on August 30, 2013 and incorporated herein by reference).
- 3.11 Amended and Restated Agreement of Limited Partnership of Healthcare Trust of America Holdings, LP (included as Exhibit 10.1 to our Current Report on Form 8-K filed on December 21, 2012 and incorporated herein by reference).
- 4.1 Indenture, dated as of March 28, 2013, among Healthcare Trust of America Holdings, LP, Healthcare Trust of America, Inc. and U.S. Bank National Association, as trustee, including the form of 3.70% Senior Notes due 2023 and the guarantee thereof (included as Exhibit 4.1 to our Current Report on Form 8-K filed on March 28, 2013 and incorporated herein by reference).
- 4.2 Indenture, dated as of June 26, 2014, among Healthcare Trust of America Holdings, LP, Healthcare Trust of America, Inc. and U.S. Bank National Association, as trustee, including the form of 3.375% Senior Notes due 2021 and the guarantee thereof (included as Exhibit 4.1 to our Current Report on Form 8-K filed on June 26, 2014 and incorporated herein by reference).
- 5.1 Opinion of Venable LLP (included as Exhibit 5.1 to our Current Report on Form 8-K filed on September 13, 2016 and incorporated herein by reference).
- 10.1 Healthcare Trust of America, Inc. Amended and Restated 2006 Incentive Plan, dated February 24, 2011 (included as Exhibit 10.1 to our Current Report on Form 8-K filed on March 2, 2011 and incorporated herein by reference).
- 10.2 Healthcare Trust of America, Inc. 2006 Independent Directors Compensation Plan, effective as of July 8, 2015 (included as Exhibit 10.1 to our Quarterly Report on Form 10-Q filed on July 30, 2015 and incorporated herein by reference).

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- Form of Amended and Restated Indemnification Agreement executed by Scott D. Peters, W. Bradley Blair, II,
10.3 Maurice J. DeWald, Warren D. Fix, Larry L. Mathis and Gary T. Wescombe (included as Exhibit 10.1 to our
Current Report on Form 8-K filed on December 22, 2010 and incorporated herein by reference).
- 10.4 Form of Indemnification Agreement executed by Mark D. Engstrom (included as Exhibit 10.2 to our Current
Report on Form 8-K filed on December 22, 2010 and incorporated herein by reference).
- 10.5 Form of Indemnification Agreement executed by Amanda L. Houghton (included as Exhibit 10.49 to our Annual
Report on Form 10-K filed on March 1, 2013 and incorporated herein by reference).
- 10.6 Form of Indemnification Agreement executed by Robert A. Milligan (included as Exhibit 10.50 to our Annual
Report on Form 10-K filed on March 1, 2013 and incorporated herein by reference).

102

Table of Contents

- 10.7 Form of Indemnification Agreement executed by Steve W. Patterson and Peter N. Foss (included as Exhibit 10.2 to our Quarterly Report on Form 10-Q filed on July 30, 2015 and incorporated herein by reference).
- 10.8 Form of LTIP Award Agreement (CEO Version) (included as Exhibit 10.2 to our Current Report on Form 8-K filed on May 18, 2012 and incorporated herein by reference).
- 10.9 Form of LTIP Award Agreement (Executive Version) (included as Exhibit 10.3 to our Current Report on Form 8-K filed on May 18, 2012 and incorporated herein by reference).
- 10.10 Form of LTIP Award Agreement (Director Version) (included as Exhibit 10.4 to our Current Report on Form 8-K filed on May 18, 2012 and incorporated herein by reference).
- 10.11 Amended and Restated Employment Agreement between Healthcare Trust of America, Inc. and Scott D. Peters, effective July 8, 2016 (included as Exhibit 10.1 to our Quarterly Report on Form 10-Q filed on August 3, 2016 and incorporated herein by reference).
- 10.12 Amended and Restated Employment Agreement between Healthcare Trust of America, Inc. and Robert A. Milligan, effective July 8, 2016 (included as Exhibit 10.2 to our Quarterly Report on Form 10-Q filed on August 3, 2016 and incorporated herein by reference).
- 10.13 Amended and Restated Employment Agreement between Healthcare Trust of America, Inc. and Mark D. Engstrom, effective July 8, 2016 (included as Exhibit 10.3 to our Quarterly Report on Form 10-Q filed on August 3, 2016 and incorporated herein by reference).
- 10.14 Amended and Restated Employment Agreement between Healthcare Trust of America, Inc. and Amanda L. Houghton, effective July 8, 2016 (included as Exhibit 10.4 to our Quarterly Report on Form 10-Q filed on August 2, 2016 and incorporated herein by reference).
- 10.15 Credit Agreement by and among Healthcare Trust of America Holdings, LP, Healthcare Trust of America, Inc., JPMorgan Chase Bank, N.A., as administrative agent, Wells Fargo Bank, N.A. and Deutsche Bank Securities Inc., as syndication agents, U.S. Bank National Association, Fifth Third Bank, Capital One, N.A., Regions Bank, and Compass Bank, as documentation agents, and the Lenders Party Hereto dated March 29, 2012 (included as Exhibit 10.1 to our Current Report on Form 8-K filed on April 2, 2012 and incorporated herein by reference).
- 10.16 Guaranty by Healthcare Trust of America, Inc. for the benefit of JPMorgan Chase Bank, N.A., as administrative agent, the Lenders, the Issuing Bank and the Swingline Lender dated March 29, 2012 (included as Exhibit 10.2 to our Current Report on Form 8-K filed on April 2, 2012 and incorporate herein by reference).
- 10.17 Credit Agreement by and among Healthcare Trust of America Holdings, LP, Wells Fargo Bank, N.A., as administrative agent, Wells Fargo Securities, LLC, as lead arranger, and the Lenders Party Hereto, dated July 20, 2012 (included as Exhibit 10.8 to our Quarterly Report on Form 10-Q filed on August 9, 2012 and incorporated herein by reference).
- 10.18 Guaranty by Healthcare Trust of America, Inc. in favor of Wells Fargo Bank, N.A., as administrative agent dated July 20, 2012 (included as Exhibit 10.9 to our Quarterly Report on Form 10-Q filed on August 9, 2012 and incorporated herein by reference).
- 10.19 Term Loan Note (included as Exhibit 10.2 to our Current Report on Form 8-K filed on January 9, 2014 and incorporated herein by reference).
- 10.20 First Modification to Credit Agreement (included as Exhibit 10.3 to our Current Report on Form 8-K filed on January 9, 2014 and incorporated herein by reference).
- 10.21 Amended and Restated Revolving Credit and Term Loan Agreement, dated November 19, 2014, by and among Healthcare Trust of America Holdings, LP, Healthcare Trust of America, Inc., JP Morgan Chase Bank, N.A., as administrative agent, Wells Fargo Bank, National Association and U.S. Bank National Association, as syndication agents, Bank of Montreal, PNC Bank, National Association, The Bank of Nova Scotia, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as documentation agents, Compass Bank, Fifth Third Bank, Regions Bank, and Capital One, N.A., as managing agents and the lenders party thereto (included as Exhibit 10.1 to our Current Report on Form 8-K filed on November 24, 2014 and incorporated herein by reference).
- 10.22 Guaranty dated November 19, 2014, by Healthcare Trust of America, Inc. for the benefit of JPMorgan Chase Bank, N.A., as administrative agent, the Lenders, and Bank of America, N.A., as swing lender and issuing bank

(included as Exhibit 10.2 to our Current Report on Form 8-K filed on November 24, 2014 and incorporated herein by reference).

10.23 Second Modification to Credit Agreement, dated November 19, 2014, by and among Healthcare Trust of America Holdings, LP, Wells Fargo Bank, National Association, and the lenders party thereto (included as Exhibit 10.3 to our Current Report on Form 8-K filed on November 24, 2014 and incorporated herein by reference).

10.24 First Amendment to the Amended and Restated Revolving Credit and Term Loan Agreement, dated February 11, 2015, by and among Healthcare Trust of America, Inc., Healthcare Trust of America Holdings, LP, Bank of America, N.A. and JPMorgan Chase Bank, N.A., as administrative agent for the lenders (included as Exhibit 10.33 to our Annual Report on Form 10-K filed on February 23, 2015 and incorporated herein by reference).

103

Table of Contents

10.25	Equity Distribution Agreement, dated January 27, 2016, among Healthcare Trust of America, Inc. and Healthcare Trust of America Holdings, LP, on the one hand, and Wells Fargo Securities, LLC, BMO Capital Markets Corp., Jefferies LLC and J.P. Morgan Securities LLC, on the other hand (included as Exhibit 1.1 to our Current Report on Form 8-K filed on January 27, 2016 and incorporated herein by reference).
10.26	Third Modification to the Credit Agreement (included as Exhibit 10.1 in our Current Report on Form 8-K filed on September 29, 2016 and incorporated herein by reference).
10.27*	Restricted Stock Award Certificate.
12.1*	Statement Regarding Computation of Ratio of Earnings to Fixed Charges.
21.1*	Subsidiaries.
23.1*	Consent of Independent Registered Public Accounting Firm - Healthcare Trust of America, Inc.
23.2*	Consent of Independent Registered Public Accounting Firm - Healthcare Trust of America Holdings, LP.
23.3	Consent of Venable LLP (included as Exhibit 5.1 to our Current Report on Form 8-K filed on September 13, 2016 and incorporated herein by reference).
31.1*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America, Inc.
31.2*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America, Inc.
31.3*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America Holdings, LP.
31.4*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America Holdings, LP.
32.1**	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America Inc.
32.2**	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America, Inc.
32.3**	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America Holdings, LP.
32.4**	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America Holdings, LP.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith.

** Furnished herewith.

† Compensatory plan or arrangement.