Healthcare Real Estate Sector
## HCRE Sector Valued at $1T

### Size and Scope of US Health Care Real Estate Sector as of 12/31/2017

<table>
<thead>
<tr>
<th>Property Type</th>
<th># Props</th>
<th>Total Square Feet</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital/Inpatient</td>
<td>5,522</td>
<td>1.6B</td>
<td>$640B</td>
</tr>
<tr>
<td>MOB</td>
<td>32,158</td>
<td>1.3B</td>
<td>$372B</td>
</tr>
<tr>
<td><strong>Total MOB + Hospital</strong></td>
<td><strong>37,680</strong></td>
<td><strong>2.9B</strong></td>
<td><strong>$1.0T</strong></td>
</tr>
</tbody>
</table>

Source: Revista; Data believed to be accurate but not guaranteed. You may quote this data with proper credit to Revista or www.revistamed.com
MOB Sector Majority Owned by Users

MOB Ownership by Type of Owner; as of 12/31/2017

- **51%**: Hospitals/Health Systems
- **19%**: Private Investors
- **14%**: Providers
- **11%**: REIT
- **5%**: Government/Other

Source: Revista; Data believed to be accurate but not guaranteed. You may quote this data with proper credit to Revista or www.revistamed.com
MOB/Outpatient Sector Moving Away from Campus

Total MOB/Outpatient Square Feet - by Year Built 1980 to 2018 (2018 YTD)

Year Built

Source: Revista; Data believed to be accurate but not guaranteed. You may quote this data with proper credit to Revista or www.revistamed.com
MOB Fundamentals Off Peak

Key Same Store YOY Stats – Investor Owned Outpatient Buildings (represents ~150M SF)

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HCRE Transaction Volumes Moderating

US Medical Real Estate Transaction Volume, Annual, Sales $2.5M+

Volume Trends - All Medical Real Estate

<table>
<thead>
<tr>
<th>Year</th>
<th>All Hospitals</th>
<th>Medical Office Building</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$4.5B</td>
<td>$11.8B</td>
</tr>
<tr>
<td>2016</td>
<td>$7.3B</td>
<td>$11.7B</td>
</tr>
<tr>
<td>2017</td>
<td>$6.7B</td>
<td>$15.8B</td>
</tr>
<tr>
<td>2018</td>
<td>$3.6B</td>
<td>$11.9B</td>
</tr>
</tbody>
</table>

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Buyer Landscape is Changing

Share of Transaction Volume by Buyer Type – All Medical Real Estate; Annual, Sales $2.5M+

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On/Off Campus Cap Rates Coming off Lows

Average MOB Capitalization Rates (%), on and Off Campus, Quarterly (4 Qtr. Rolling Average), Sales $2.5M+

MOB Cap Rate/Yield Trends On/Off Campus

Source: Revista; Data believed to be accurate but not guaranteed. You may quote this data with proper credit to Revista or www.revistamed.com
# MOB Trophy Markets

Top 10 Metro Areas for MOB Transaction Volume Past 12 Months, Sales $2.5M+  

<table>
<thead>
<tr>
<th>Rank</th>
<th>CBSA Name</th>
<th>Volume</th>
<th>Square Feet</th>
<th>Per SF</th>
<th>Avg. Cap Rate/Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>New York-Newark-Jersey City, NY-NJ-PA</td>
<td>$1,272.8M</td>
<td>2.8M</td>
<td>$384</td>
<td>5.9</td>
</tr>
<tr>
<td>2</td>
<td>Houston-The Woodlands-Sugar Land, TX</td>
<td>$886.2M</td>
<td>1.9M</td>
<td>$390</td>
<td>5.4</td>
</tr>
<tr>
<td>3</td>
<td>Chicago-Naperville-Elgin, IL-IN-WI</td>
<td>$692.9M</td>
<td>1.8M</td>
<td>$401</td>
<td>6.4</td>
</tr>
<tr>
<td>4</td>
<td>Atlanta-Sandy Springs-Roswell, GA</td>
<td>$446.8M</td>
<td>1.2M</td>
<td>$333</td>
<td>6.7</td>
</tr>
<tr>
<td>5</td>
<td>Milwaukee-Waukesha-West Allis, WI</td>
<td>$399.4M</td>
<td>1.2M</td>
<td>$315</td>
<td>6.1</td>
</tr>
<tr>
<td>6</td>
<td>Charlotte-Concord-Gastonia, NC-SC</td>
<td>$385.4M</td>
<td>0.7M</td>
<td>$358</td>
<td>6.1</td>
</tr>
<tr>
<td>7</td>
<td>Philadelphia-Camden-Wilmington, PA-NJ-DE-MD</td>
<td>$383.0M</td>
<td>1.5M</td>
<td>$269</td>
<td>6.2</td>
</tr>
<tr>
<td>8</td>
<td>Dallas-Fort Worth-Arlington, TX</td>
<td>$354.2M</td>
<td>1.0M</td>
<td>$348</td>
<td>7.8</td>
</tr>
<tr>
<td>9</td>
<td>Greenville-Anderson-Mauldin, SC</td>
<td>$295.5M</td>
<td>0.8M</td>
<td>$333</td>
<td>6.0</td>
</tr>
<tr>
<td>10</td>
<td>Phoenix-Mesa-Scottsdale, AZ</td>
<td>$294.4M</td>
<td>1.3M</td>
<td>$302</td>
<td>7.2</td>
</tr>
</tbody>
</table>

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2019 Outlook for Medical Real Estate

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Pictured: Women’s Care of Florida MOB. Photo courtesy Nexcore Group
Healthcare Industry
Real Estate Demand Across Integrated Health Delivery Networks
Appendix
20% Medicaid (and CHIP)
14% Medicare
9% Uninsured
49% Employer-sponsored insurance
2% Military or VA
7% Individual market

Hardest hit by 2017 individual health
THE NATION'S HEALTH DOLLAR ($3.3 TRILLION), CALENDAR YEAR 2016 WHERE IT WENT

- Hospital Care, 32%
- Physician and Clinical Services, 20%
- Prescription Drugs, 10%
- Dental Services, 4%
- Other Professional Services, 3%
- Other, 14%
- Nursing Care Facilities and Continuing Care Retirement Communities, 5%
- Government Administration and Net cost of Health Insurance, 8%
- Durable Medical Equipment, 2%
- Other Non-Durable Medical Products, 2%
- Home Health Care, 3%
- Other Health Residential and Personal Care, 5%
- Public Health
The U.S. Spent $3,205.6 Billion on Health Care in 2015
Where Did It Go?*

- Hospital care: $1,036.1 billion (32.3%)
- Physician services: $502.8 billion (15.7%)
- Clinical services: $132.1 billion (4.1%)
- Prescription drugs: $324.6 billion (10.1%)
- Other personal health care: $476 billion (14.8%)
- Nursing care facilities: $156.8 billion (4.9%)
- Home health care: $88.8 billion (2.8%)
- Government administration: $42.6 billion (1.3%)
- Net cost of health insurance: $210.1 billion (6.6%)
- Government public health activities: $80.9 billion (2.5%)
- Investment: $154.7 billion (4.8%)

*Data from Urban Land Institute.