



# Investor Presentation

March 2018



Hayden Research Campus

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# INTRODUCTION TO HCP



### DIVERSIFIED

#### BALANCED PORTFOLIO

19 Million Sq. Ft. Medical Office

8 Million Sq. Ft. Life Science

46,000 Senior Housing Units

### INVESTMENT GRADE

#### STRONG BALANCE SHEET

S&P: BBB (Positive Outlook)

Moody's: Baa2 (Stable)

Fitch: BBB (Stable)



### SCALE

#### 828 PROPERTIES

\$18 Billion in Enterprise Value<sup>(1)</sup>

\$10 Billion in Market Cap<sup>(1)</sup>

### ESTABLISHED

#### 32 YEARS AS A PUBLIC COMPANY

Member of S&P 500

6.8% Dividend Yield<sup>(2)</sup>

(1) Enterprise value and market capitalization based on HCP's share price of \$21.89 on 2/22/18 and total consolidated debt and HCP's share of unconsolidated JV debt as of 12/31/17.

(2) Based on share price as of 2/22/18.

- ✓ **High-quality, 95% private-pay portfolio** with a balanced emphasis on **Medical Office, Life Science, and Senior Housing** real estate
- ✓ **~50% of cash NOI from specialty office** which includes primarily on-campus Medical Office portfolio and premier Life Science properties in San Francisco and San Diego
- ✓ **~40% of cash NOI from a diversified senior housing portfolio** with a balanced mix of well-covered triple-net leases and operating properties
- ✓ **\$1 billion** development and redevelopment pipeline with an **additional 1.6 million square feet of entitlements**
- ✓ Investment grade balance sheet with ample liquidity and **no significant debt maturities until 2019**
- ✓ Global leader in **sustainability** & best-in-class disclosures and **transparency**



Cypress MOB  
Cypress, TX



**TOM HERZOG** PRESIDENT AND CHIEF EXECUTIVE OFFICER

Mr. Herzog is our President and CEO and a member of our Board of Directors. Mr. Herzog is responsible for all aspects of the Company's business and has been instrumental in the recent repositioning of the Company through the sale or transfer of non-strategic assets, balance sheet improvements, and reductions in tenant concentrations. Prior to joining HCP, Mr. Herzog was CFO of UDR, Inc. from January 2013 until June 2016. Prior to joining UDR, Mr. Herzog served in various CFO and Chief Accounting Officer roles in the real estate industry.



**PETER SCOTT** CHIEF FINANCIAL OFFICER

Mr. Scott is our EVP and Chief Financial Officer and is responsible for all aspects of the Company's finance, treasury, tax, risk management, and investor relations activities. In addition, Mr. Scott sits on our Investment Committee. Prior to joining HCP in 2017, he served as Managing Director, Real Estate Banking Group of Barclays from 2014 to 2017. His experience also includes various positions of increasing responsibility at the financial services firms Credit Suisse from 2011 to 2014, Barclays from 2008 to 2011 and Lehman Brothers from 2002 to 2008.



**SCOTT BRINKER** CHIEF INVESTMENT OFFICER

Mr. Brinker is our EVP and Chief Investment Officer. In addition to leading the Company's investment activities, Mr. Brinker will also oversee our senior housing platform. Prior to joining HCP, Mr. Brinker most recently served as EVP and Chief Investment Officer at Welltower from July 2014 to January 2017. Prior to that, he served as Welltower's EVP of Investments from January 2012 to July 2014. From July 2001 to January 2012, he served in various investment and portfolio management related capacities with Welltower.



**TOM KLARITCH** CHIEF OPERATING OFFICER

Mr. Klaritch is our EVP and Chief Operating Officer and oversees the Company's specialty office platform with the life science and medical office businesses reporting to him, and works closely with the respective teams to advance the competitive performance and growth of this platform. Prior to joining HCP, Mr. Klaritch served as Senior Managing Director - Medical Office Properties from April 2008 to August 2017. In aggregate, Mr. Klaritch has 35 years of operational and financial management experience in the medical office and hospital sectors.



**KENDALL YOUNG** SENIOR MANAGING DIRECTOR

Mr. Young is our Senior Managing Director - Senior Housing Properties and has been an Executive Vice President in HCP's senior housing platform since September 2010. Prior to joining HCP, he was affiliated with Strategic Value Partners, where he was Managing Director, Global Head of Asset Management, from 2007 to 2010. Before that, he was Managing Director and Global Head of Asset Management for Merrill Lynch's real estate principal investment business from 2005 to 2007 and was Managing Director at GE Capital Real Estate from 1992 to 2005.

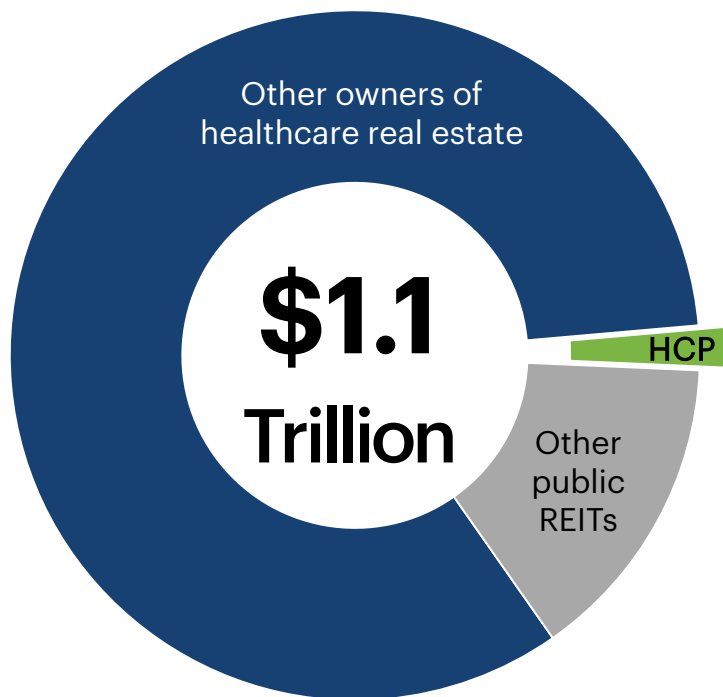


**TROY McHENRY** GENERAL COUNSEL & CORPORATE SECRETARY

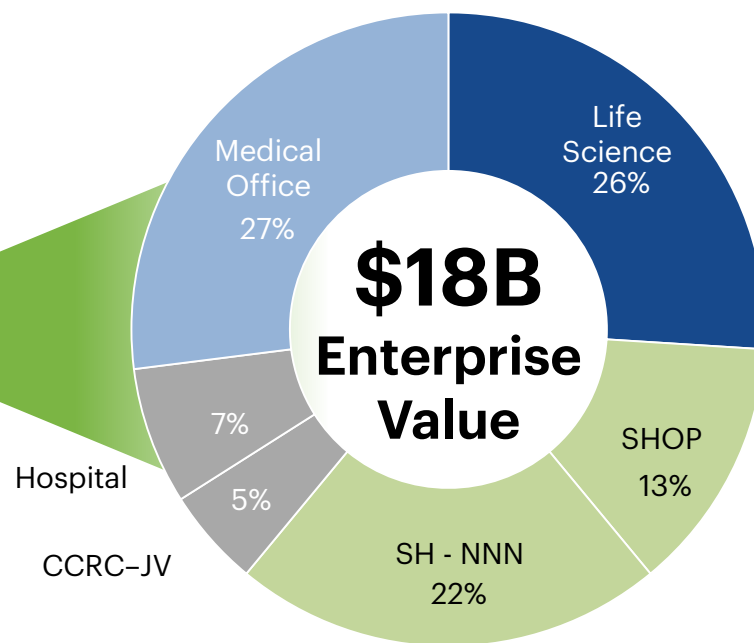
Mr. McHenry is our EVP, General Counsel and Corporate Secretary and serves as the chief legal officer. He is responsible for providing oversight and a legal perspective for the Company's real estate and financing transactions, litigation, as well as corporate governance and SEC/NYSE compliance. He previously served as SVP - Legal and HR from July 2013 to February 2016, as well as other legal related capacities since December 2010. Prior to joining HCP, Mr. McHenry held various legal leadership roles with MGM Resorts International, Boyd Gaming Corp., and DLA Piper.

## HCP Has a Significant Pipeline for Future Growth

U.S. HEALTHCARE REAL ESTATE<sup>(1)</sup>



HCP's PRO FORMA PORTFOLIO<sup>(2)</sup>



(1) Sources: National Investment Center for Seniors Housing & Care (NIC), HCP research.

(2) Target percentages represent 4Q 2017 Cash NOI plus Interest Income adjusted to reflect acquisitions and dispositions as if they occurred on the first day of the quarter and the sale of the following: (i) our remaining 40% interest in the RIDEA II JV, (ii) our UK holdings and Tandem investment and (iii) four life science properties that were held for sale as of 12/31/17. Also includes \$3 million of anticipated quarterly stabilized Cash NOI from our Hayden (life science asset) acquisition and stabilized Cash NOI from Phase II of The Cove. Percentages also reflect assumed Brookdale asset sales and transitions expected to occur during 2018. Hospitals and CCRC-JV are included in our other non-reportable segments. Enterprise value and market capitalization based on HCP's share price of \$21.89 on 2/22/18 and total consolidated debt and HCP's share of unconsolidated JV debt as of 12/31/17.

## Strategic Growth Initiatives Across Segments

As Baby Boomers Age, They Will Continue to Seek...

Outpatient services and specialist doctor visits performed more efficiently in a **Medical Office** building setting

New and innovative drugs, treatments and healthcare devices, which will be serviced by our **Life Science** portfolios

**Senior Housing** communities offering social activities, daily living assistance, and coordination with outside healthcare providers



Parker Adventist

Denver, CO

- Grow relationships with top hospitals and health systems
- Pursue on-campus and select off-campus assets with strong hospitals and health systems in relevant markets
- Execute on redev potential in our older, on-campus portfolio



The Cove

South San Francisco, CA

- Focus on the three major Life Science markets
- Assemble clusters of assets through acquisitions, development and redevelopment
- Grow existing relationships by providing expansion opportunities to our tenants



The Solana Preserve

Houston, TX

- Focus on locations with strong 5-mile / 20-min drive time demographics and favorable supply outlooks
- Active asset and portfolio management to reduce risks
- Capitalize on select development and redevelopment opportunities



# Execution of Strategic Repositioning

2016

SPUN-OFF SNF  
ASSETS

1H 2017

3<sup>RD</sup> PARTY  
BROOKDALE ASSET  
SALES

FOUR SEASONS  
LOAN SALE

SALE OF 40%  
INTEREST IN  
RIDEA II

2H 2017

HC-ONE  
REPAYMENT

\$500M BOND  
TENDER

ENTERED BOSTON  
LIFE SCIENCE  
MARKET<sup>(1)</sup>

Expected 2018<sup>(2)</sup>

SALES TO  
BROOKDALE

SALE OF  
REMAINING  
RIDEA II INTEREST

EXIT U.K.  
INVESTMENTS

3<sup>RD</sup> PARTY  
BROOKDALE SALES  
AND TRANSITIONS

TANDEM  
RESOLUTION

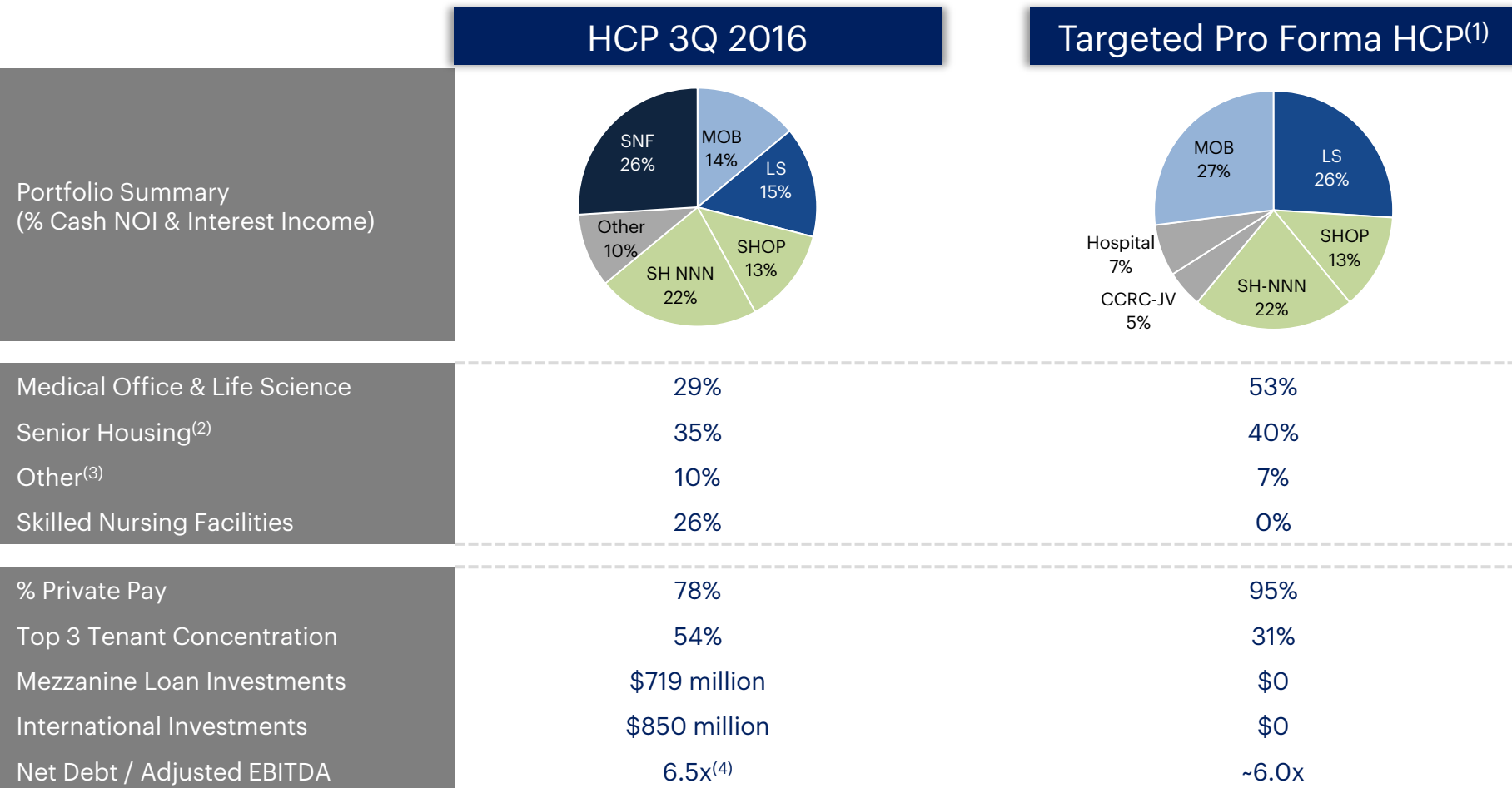
Rapid Progress With A Clear Path to Completion

(1) See page 15 for details on recent Hayden life science campus acquisition.

(2) See page 30 for additional information on timing of transactions.

# Execution of Strategic Repositioning

## Results in a More Focused, High-Quality Portfolio



(1) Target percentages represent 4Q 2017 Cash NOI plus Interest Income adjusted to reflect acquisitions and dispositions as if they occurred on the first day of the quarter and the sale of the following: (i) our remaining 40% interest in the RIDEA II JV, (ii) our UK holdings and Tandem investment and (iii) four life science properties that were held for sale as of 12/31/17. Also includes \$3 million of anticipated quarterly stabilized Cash NOI from our Hayden (life science asset) acquisition and stabilized Cash NOI from Phase II of The Cove. Percentages also reflect assumed Brookdale asset sales and transitions expected to occur during 2018. Hospitals and CCRC-JV are included in our other non-reportable segments.

(2) Includes CCRC-JV in both periods.

(3) 3Q16 includes interest income, hospitals, and UK investments. Targeted Pro Forma HCP reflects Cash NOI and interest income from remaining hospital investments.

(4) Represents net debt / adjusted EBITDA post spin-off of QCP, pro forma for related debt repayment.

# SEGMENT OVERVIEWS



# Diversified Senior Housing Portfolio

## Mix of Well-Covered Triple-Net & Operating Communities

**357**

Properties

**45,500**

Units

**88%**

Cash NOI in NIC-99 Markets

**1.13x/1.34x**

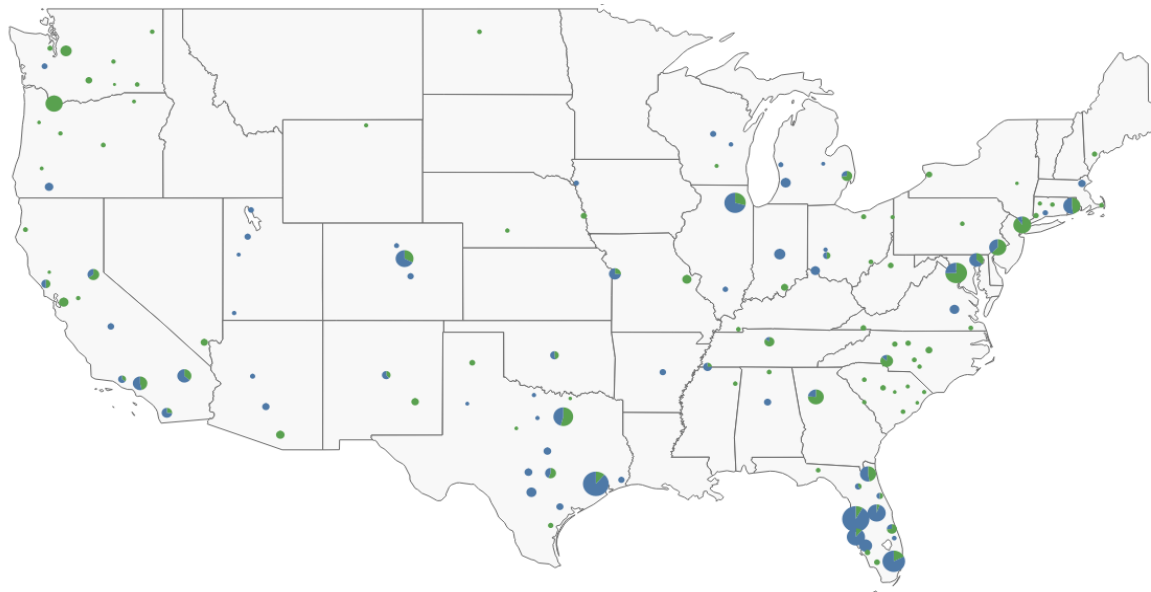
EBITDAR / EBITDARM CFC on triple-net portfolio<sup>(1)</sup>



**NNN**  
56% of Cash NOI



**SHOP<sup>(2)</sup>**  
44% of Cash NOI



**Aegis Living**

**Atria**  
SENIOR LIVING

**BROOKDALE**  
SENIOR LIVING

**Capital**  
SENIOR LIVING

**mbk**  
SENIOR LIVING

**Oakmont**  
Senior Living

**SENIOR LIFESTYLE**  
FAMILY-OWNED COMMUNITIES

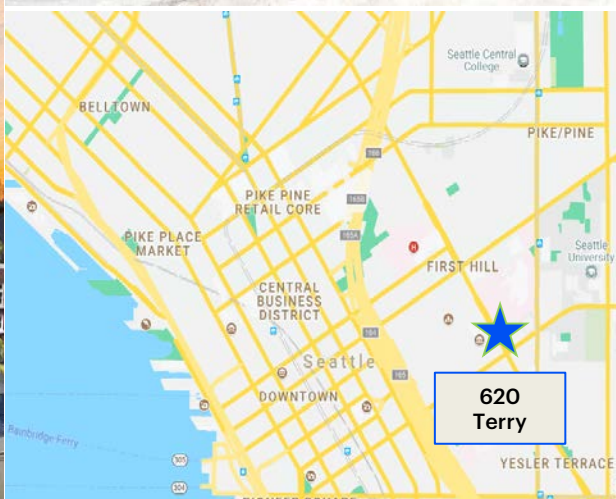
**SUNRISE**  
SENIOR LIVING

Note: Property and unit counts presented above based on reported data as of 12/31/17 and includes CCRC-JV and has not been updated for pending Brookdale transactions.

(1) Coverages shown above are pro forma to reflect the Brookdale Transaction. Q4 2017 reported Facility EBITDAR and EBITDARM CFC were 1.09x and 1.28x, respectively.

(2) Includes CCRC-JVs.

## Participating Development Financing



- \$115M participating development financing on a 24-story, 243-unit luxury senior living development
- Centrally located in the First Hill neighborhood of Downtown Seattle; three major hospital systems located within a 5-block radius
- Limited rental competitors of comparable quality and no new supply in a 5-mile radius
- Strong borrower sponsorship from Columbia Pacific Advisors; experienced and aligned operator Leisure Care
- Residents can age in-place as their care needs change; separate high-acuity Assisted Living and Memory Care floors
- Construction scheduled to be completed in Fall 2019
- Structure provides HCP a pathway to real estate ownership
- 620 Terry is our 8<sup>th</sup> participating development financing project since creating the program in 2011

**97%**

Average occupancy over the past 2 years

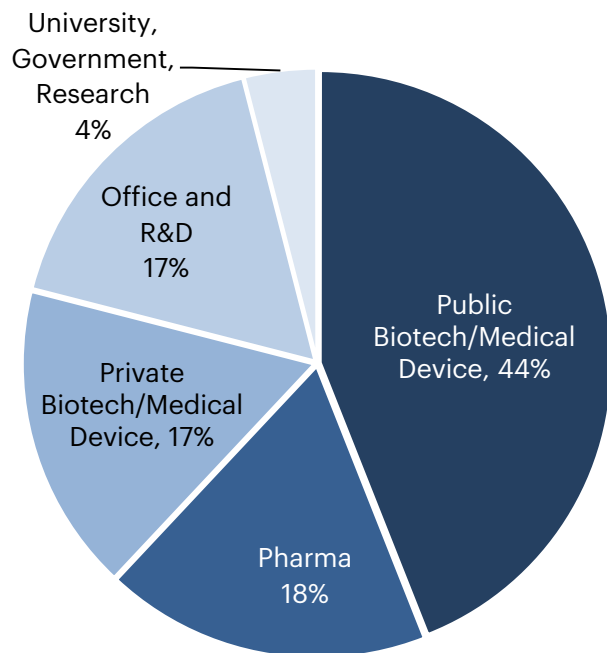
**82%**

Revenues from public or well-established private companies

**20+**

Years as premier life science owner and developer with 1.6M sq. ft. of entitled land

## Annualized Base Rent by Tenant Type



## Deep Industry Relationships



## Hayden Research Campus

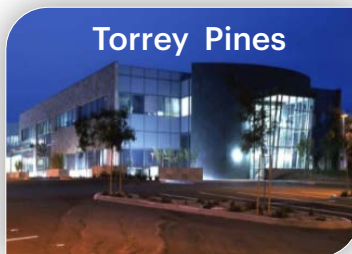


- \$228M Hayden Research Campus acquisition represents HCP's entry into Boston and gives us immediate scale in a life science market with future growth opportunity
- Hayden is a life science research campus located in Lexington, MA (5 miles west of West Cambridge/Alewife life science submarket)
- High-quality assets with existing tenants including Shire US and Merck; the Hayden campus consists of:
  - Two existing life science office buildings (400K sq. ft.)
  - Potential future development opportunity (209K sq. ft.)
- Currently 86% leased with committed leases to bring occupancy to 97%; expected stabilized yield of 5.9%
- King Street is a leading local developer, owner and operator and will serve as HCP's "boots on the ground"



# Life Science Portfolio Overview

## Focused Presence in All 3 Top Life Science Markets





# Life Science Market in Focus

## South San Francisco



### S. San Francisco submarket ~9M sq. ft.

- Direct lab vacancy: 1.9%
- Total lab availability: 2.2%
- 2017 net absorption: 450,000 sq. ft.

### Largest landlord in S. San Francisco controlling ~30% of the cluster market

- 2.7 million sq. ft.
- \$143 million of Q4 2017 annualized base rent

### The Cove at Oyster Point

- \$720 million total project cost across four phases
- \$620 million delivered or in-process
- 478,000 sq. ft. delivered, 336,000 sq. ft. in-process and 164,000 sq. ft. of remaining entitlements

### 1.2 million sq. ft. of S. San Francisco entitlements

- 1 Sierra Point: 600,000 sq. ft. (see pg 24)
- 2 Forbes Research Center: 326,000 sq. ft.
- 3 The Cove: 164,000 sq. ft.
- 4 Modular Labs III: 106,000 sq. ft.

# Industry-Leading On-Campus Medical Office Portfolio



257 properties encompassing 19 million sq. ft.

**~80%**  
Average retention rate  
last five years

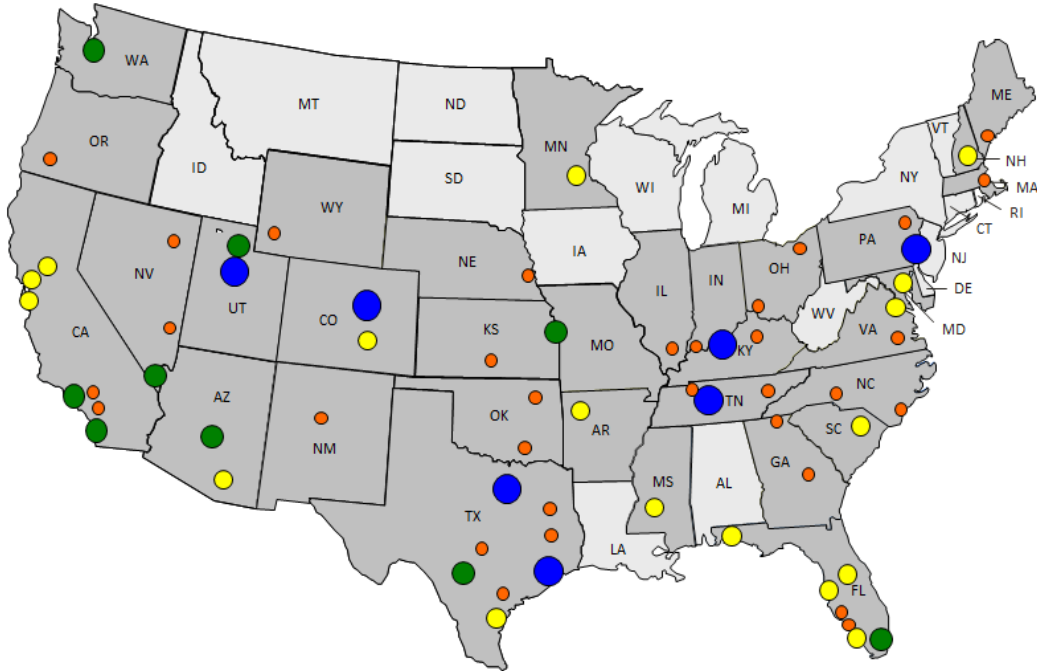
**81% / 94%**  
On-Campus / Affiliated

**90%+**  
Consistently Occupied

HCA®



MEMORIAL  
HERMANN



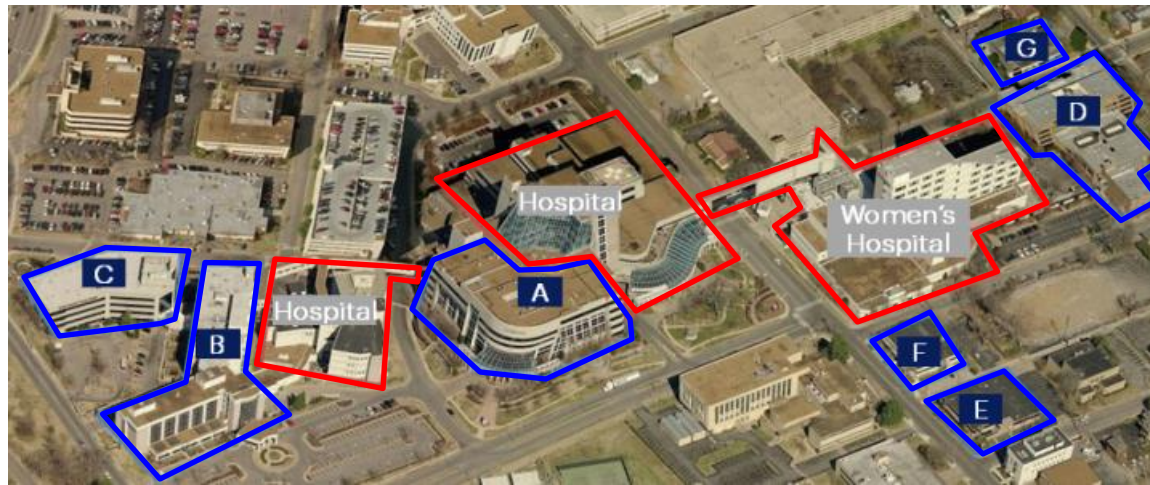
Market Density (sq. ft.)

- 500K+
- 250K- 500K
- 100K - 250K
- under 100K SF

# Sample On-Campus Strategy: Centennial Medical Center

- HCP's Nashville portfolio is anchored by the 100% leased, seven-building, 615,000 sq. ft. on-campus cluster on HCA's Centennial Medical Center<sup>(1)</sup>
- Centennial campus is made up of three hospitals with ~650 beds and ~30,000 admissions/yr

## Strategically Located Portfolio in Nashville CBD Driving Above-Market Fundamentals



**A: Physician's Park**



GLA: 197,500 sq. ft.  
Occupancy: **100%**

**B: Parkview**



GLA: 188,800 sq. ft.  
Occupancy: **100%**

**C: Atrium**



GLA: 95,500 sq. ft.  
Occupancy: **100%**

**D: Medical Plaza**



GLA: 95,800 sq. ft.  
Occupancy: **100%**

(1) HCP owned MOB's not pictured: E: 2222 State, 18,300 sq. ft., occupancy 100%; F: Building C, 8,700 sq. ft., occupancy 100%; G: Tace 10,000 sq. ft., occupancy 100%. Occupancy data as of 12/31/17.

**6.4x**

EBITDAR lease coverage<sup>(1)</sup>

**70%**

Cash NOI from acute-care hospitals



- \$531M investment dollars, 14 properties and 2,100 beds
- Value concentrated in two strong acute-care hospitals accounting for nearly 50% of hospital NOI
- NNN leases with 1.5%-2.5% average annual rent escalators

## Medical City Dallas Overview

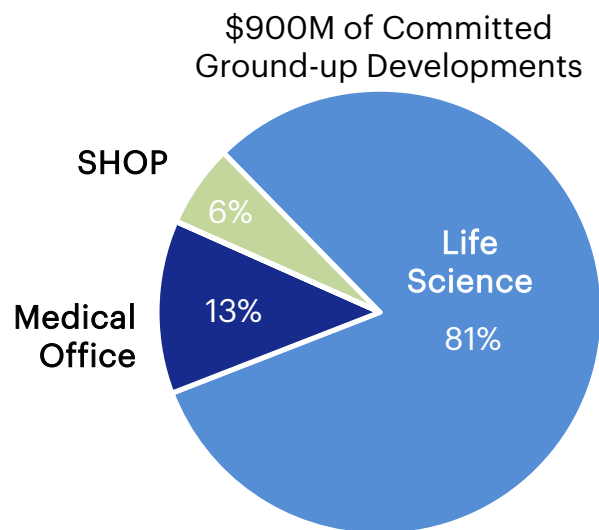


- 2 million sq. ft. integrated hospital and medical office campus
- Hospital Corporation of America (HCA) operates the hospital and is the nation's largest for-profit hospital system
- Medical City Dallas hospital generated \$4.9 billion in gross patient revenue for Medicare year end 2017
- In addition to the hospital, HCP owns 760,000 sq. ft. of on-campus medical office space
- Hospital campus expansion over the last 10 years has generated follow-on MOB investment opportunities for HCP

(1) EBITDAR lease coverage is for the trailing 12-months ended September 30, 2017.

# DEVELOPMENT AND REDEVELOPMENT

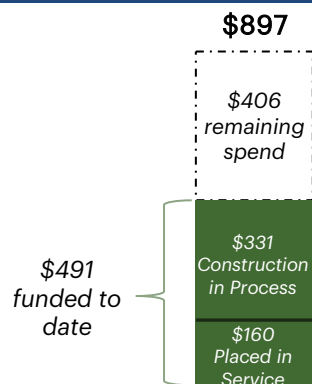




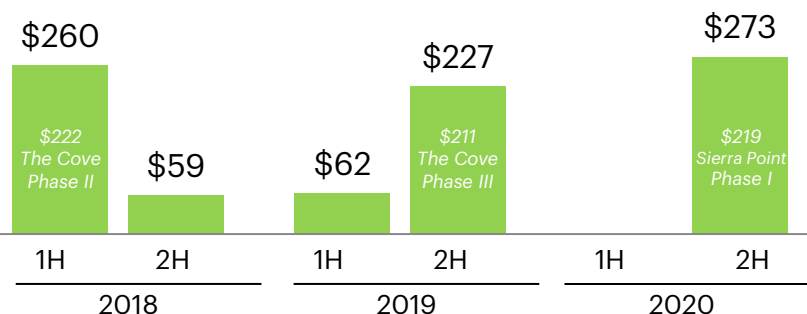
- Phases I & II of The Cove development are 100% leased; recently commenced Phase III representing ~336,000 sq. ft.
- Medical Office developments are 65% leased and affiliated with / anchored by strong health systems (Memorial Hermann and HCA)
- Development program targets 150-200 basis point spread between development yield and market cap rates; current pipeline expected yield is above the high-end of this range

## Driver to Increase NAV and Earnings Over Time

- Represents a driver of accretive NAV and earnings growth upon stabilization, supplementing internal growth
- \$406M of remaining spend to be funded with retained cash flow and non-core asset sales



## Pipeline Expected to Stabilize in Phases over Next Three Years



(1) Reflects committed ground-up development projects as of 12/31/17.

## Redevelopment

- Our portfolio has significant embedded redevelopment potential
- We expect to increase the size of our current redevelopment pipeline to target ~\$100 million of projects per year over the next several years
- Target cash-on-cost returns of 9-12%

### 3535 Market Redevelopment

- \$40 million redevelopment to reposition this well-located, urban medical office building adjacent to The University of Pennsylvania



## Life Science Land Bank and Entitlements

Project	Submarket	Sq. Ft. <sup>(1)</sup>	Investment (\$M)
Sierra Point (add'l phases)	S. San Fran	365	\$53
Forbes Research	S. San Fran	326	\$47
The Cove – Phase IV	S. San Fran	164	\$13
Brittania Modular Labs III	S. San Fran	106	\$11
<b>Total San Fran</b>		<b>961</b>	<b>\$124</b>
Poway II	Poway	465	\$43
Torrey Pines	Torrey Pines	93	\$12
Directors Place	Sorrento Mesa	82	\$6
<b>Total San Diego</b>		<b>640</b>	<b>\$61</b>
<b>Total Land</b>		<b>1,601</b>	<b>\$185</b>

- 1.6 million sq. ft. of entitlements on parcels we own and control
- Entitled land is located in key West Coast life science markets of San Francisco and San Diego
- Creates a shadow development pipeline in-excess of \$900 million

(1) Estimated rentable square feet in 000s.

# Key Development Projects

## The Cove and Sierra Point



### The Cove (S. San Francisco)

- \$720 million, ~1M sq. ft. Class A life science development in South San Francisco
- 478,000 sq. ft. of Phases I & II are 100% leased; 336,000 sq. ft. Phase III anticipated delivery 4Q18
- LEED Silver campus with market-leading amenities including full-service food, fitness and 187-room AC Hotel (Marriott)

### Sierra Point (S. San Francisco)

- Premier 23-acre waterfront development site with entitlements to develop approximately 600,000 sq. ft. over time in a flexible, highly-amenitized design
- Sierra Point will be developed in phases as demand dictates
- Phase I consists of 215,000 sq. ft. with an estimated cost of \$220 million and initial delivery of 2H19



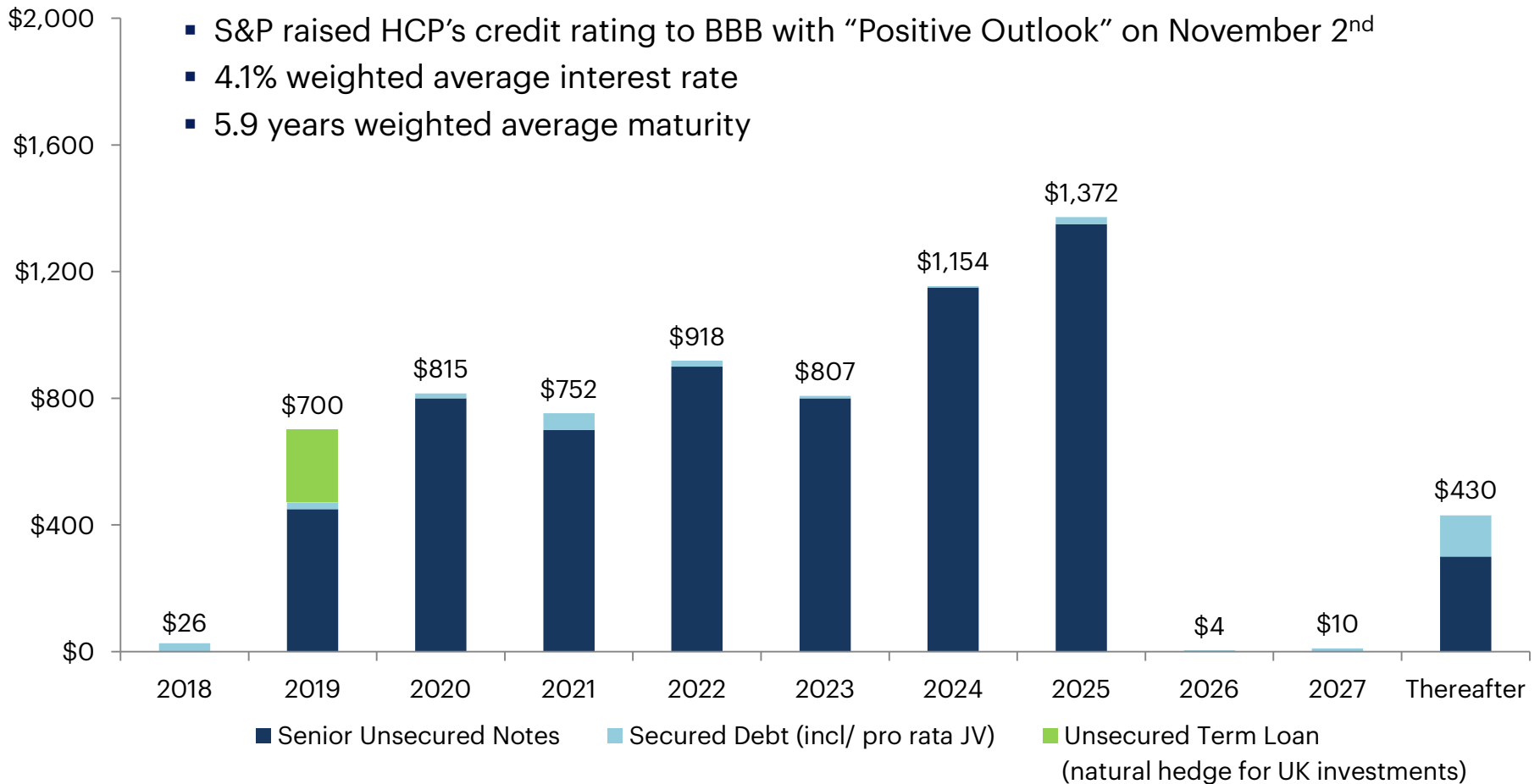
# BALANCE SHEET, GUIDANCE & SUSTAINABILITY



# Debt Maturity Schedule<sup>(1)</sup>

## Well-Laddered with No Material Maturities Until 2019

(\$ in millions)



(1) As of 12/31/17, excludes \$1,017 million on revolving credit facility with an initial maturity of October 2021, plus two six-month extension options at our discretion.

## Environmental, Social and Governance Leadership

Our commitment to sustainability is critical to our continued long-term success. We recognize sustainable growth comes from operating our business with integrity and in a manner that respects the environment and each of our stakeholders.

### *ENERGY STAR Partner of the Year*



HCP was named an ENERGY STAR Partner of the Year by the Environmental Protection Agency for outstanding efforts to improve energy efficiency at our properties.

### *GRESB Green Star Recipient*



The Global Real Estate Sustainability Benchmark is an investor driven organization assessing the ESG performance of the real estate sector. Companies with outstanding scores in ESG implementation and measurement receive the Green Star rating.

### *DJSI Series Constituent (N. America and World Indices)*



The annual DJSI Assessment is an integrated measurement of ESG criteria with a strong focus on long-term shareholder value. Companies scoring in the top 20% (N. America) and 10% (World) are included in the series.

### *The Sustainability Yearbook Constituent*



The Sustainability Yearbook features the most sustainable companies in the world. Companies scoring in the top 15% in each industry on the annual DJSI Assessment are named to the Yearbook.

### *CDP Leadership Band Constituent*



CDP publishes the environmental data of companies on behalf of more than 800 investors through its annual Investor Survey. Companies scoring an A- or above are named to the Leadership Band.

### *FTSE4Good Index Series Constituent*



The FTSE4Good Index Series identifies companies that meet globally recognized corporate responsibility standards. An annual ESG Rating of at least 2.7 (out of 5) must be maintained to remain a constituent of the series.

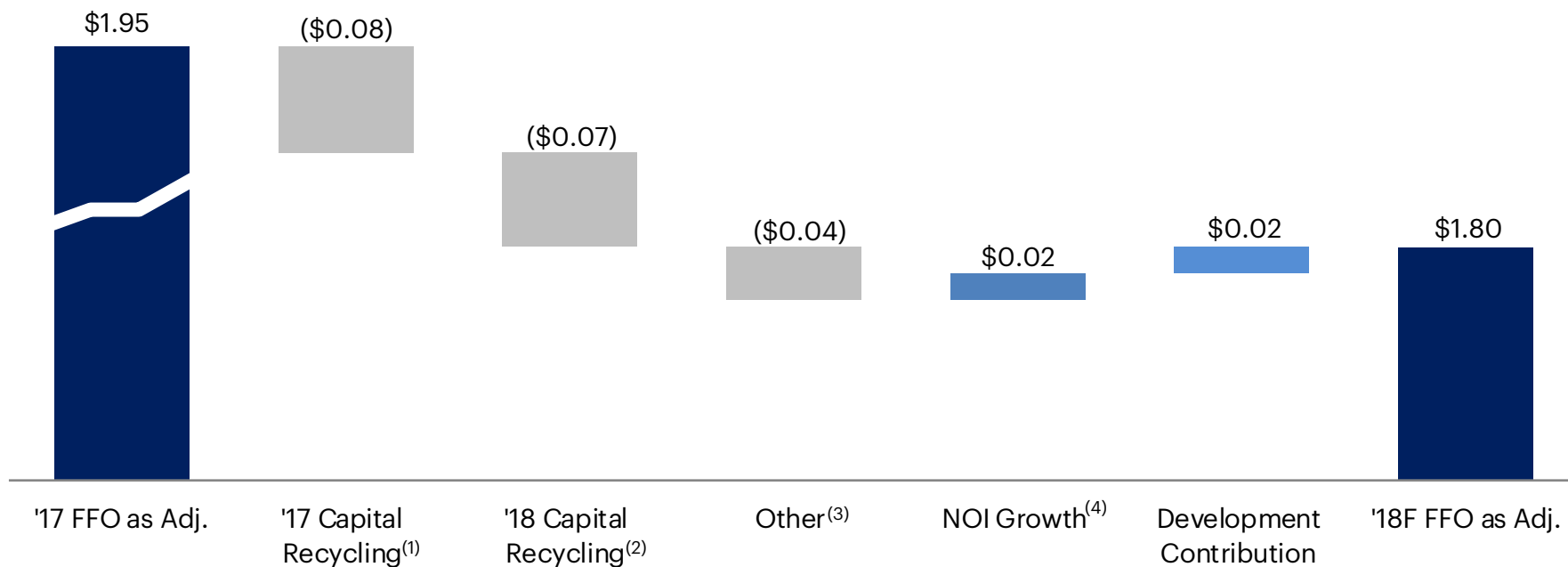
# Appendix I – 2018 Guidance Assumptions



# 2018 Guidance Assumptions

## 2017 to 2018 Earnings Bridge

(\$/share)



(1) Includes impact to '18 FFO as adjusted resulting from major repositioning transactions completed in 2017 (RIDEA II sale of 40% interest (1/17), Brookdale 64 sales (3/17), and HC-One debt payoff (6/17)).

(2) Includes '18 Brookdale transactions, UK portfolio sale and Genentech purchase option exercise.

(3) Includes miscellaneous dispositions (including Tandem), tax law changes, and incremental drag from redevelopments.

(4) 2018 NOI growth impacted by non-comparable items including: \$2.5M of the \$5.0M total rent reduction related to the Brookdale transaction and a renewal of a 147K sq. ft. lease in South San Francisco resulting in a \$6.5M reduction in Cash NOI.

# 2018 Guidance Assumptions

## Sources and Uses



\$ in millions

### Sources

	Timing	Amount	Cash Yield
Sales to Brookdale <sup>(1)</sup>	End of Q1	\$275	7.4%
UK portfolio sale	Q2	\$500 - \$600	6.0% - 7.2%
RIDEA II JV interest sale	Q2	\$332	6.8%
Genentech purchase option	7/1/2018	\$269	8.0%
3rd party Brookdale sales	Mid-Year	\$600 - \$700	6.8% - 8.0%
Other <sup>(2)</sup>	Various	\$300 - \$350	6.5% - 7.5%
<b>Total</b>		<b>\$2,400</b>	<b>~7%</b>

### Uses

Debt repayment <sup>(3)</sup>		\$1,500	~4%
Capital spend			
1 <sup>st</sup> generation tenant improvements / ICE		\$55 - \$58	
Casualty related capital <sup>(4)</sup>		\$16 - \$18	
Revenue enhancing		\$45 - \$50	
Development and redevelopment		\$330 - \$370	
HCP's share of unconsolidated JVs capital expenditures		\$65 - \$80	
Total capital spend		\$511 - \$576	
Investments <sup>(5)</sup>		\$265 - \$450	
<b>Total</b>		<b>\$2,400</b>	

(1) Includes a \$32 million sale that occurred in January 2018.

(2) Proceeds include Tandem, remaining Brookdale 25 assets and other dispositions. Cash yield excludes Tandem.

(3) Assumes a blended rate of approximately 4%. Timing of the sources for debt repayment provided in the Source table above.

(4) Related to installation of generators at certain of HCP's senior housing communities in Florida and hurricane remediation.

(5) Includes \$62 million purchase of Brookdale's 10% interest in RIDEA I, \$200 million of spec acquisitions, 620 Terry fundings and general corporate purposes.

# 2018 Guidance Assumptions

## Detailed Financial Assumptions

	2018 Guidance
Year-Over-Year SPP Cash NOI Growth	
Senior housing triple-net <sup>(1)</sup>	0.50% - 1.50%
SHOP	(4.00%) - 0.00%
Life science <sup>(2)</sup>	0.25% - 1.25%
Medical office	1.75% - 2.75%
Other	0.50% - 1.50%
<b>Total Portfolio SPP Cash NOI Growth<sup>(3)</sup></b>	<b>0.25% - 1.75%</b>
Interest income	\$9M - \$11M
G&A expense	\$82M - \$87M
Interest expense	\$255M - \$275M
HCP's share of unconsolidated JVs total cash NOI	\$76M - \$84M
HCP's share of unconsolidated JVs FFO	\$55M - \$63M
Diluted FFO as adjusted per share	\$1.77 - \$1.83
Dividend per share	\$1.48

See page 50 of HCP's 4Q17 Supplemental Report for additional guidance detail.

(1) Includes \$2.5M of the \$5.0M total rent reduction related to the Brookdale transaction; excluding this non-comparable item, mid-point SPP Cash NOI growth is 2.0%.

(2) Renewal of a 147K sq. ft. lease in South San Francisco resulted in a \$6.5M reduction in SPP Cash NOI, excluding this non-comparable item, mid-point SPP Cash NOI growth is 3.75%.

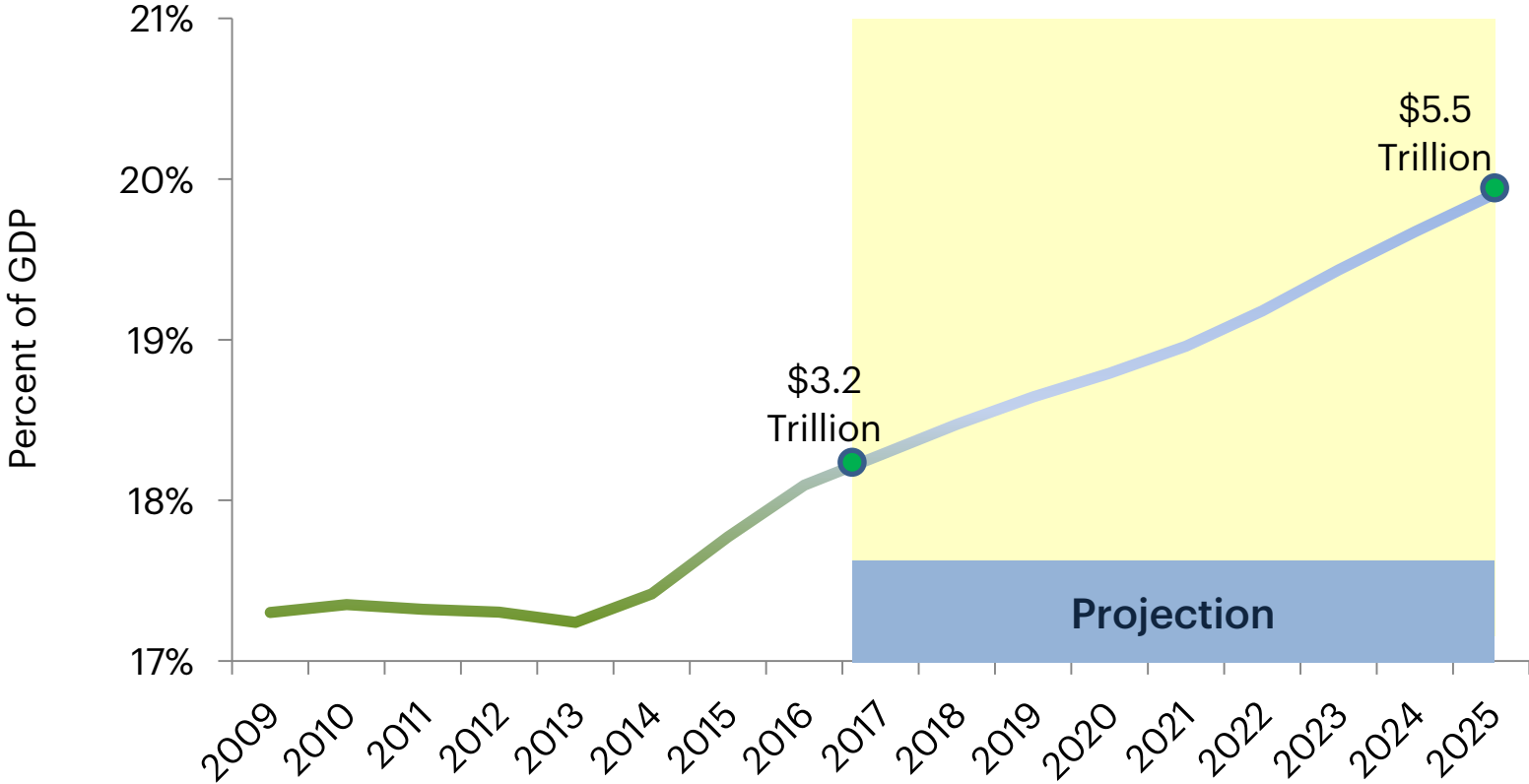
(3) Excluding the two non-comparable items above, the mid-point of 2018 SPP Cash NOI growth is 2.0%.

# Appendix II – Demographic Drivers of Demand





## Healthcare Expenditures as a Percentage of U.S. GDP

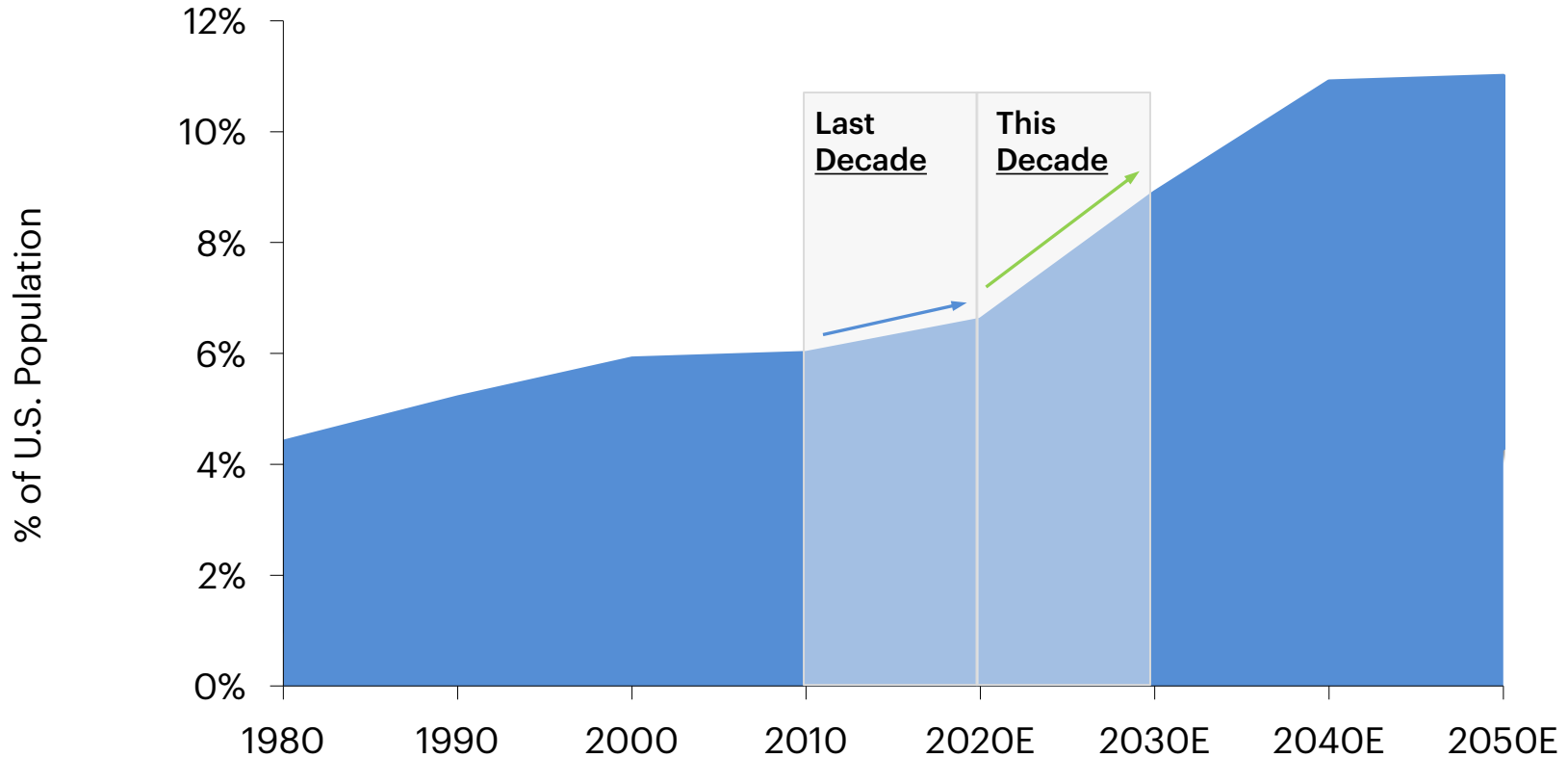


CMS projects a \$2.3 trillion increase in spending within the next 10 years – this would likely provide abundant opportunities for our three core segments

Source: CMS.

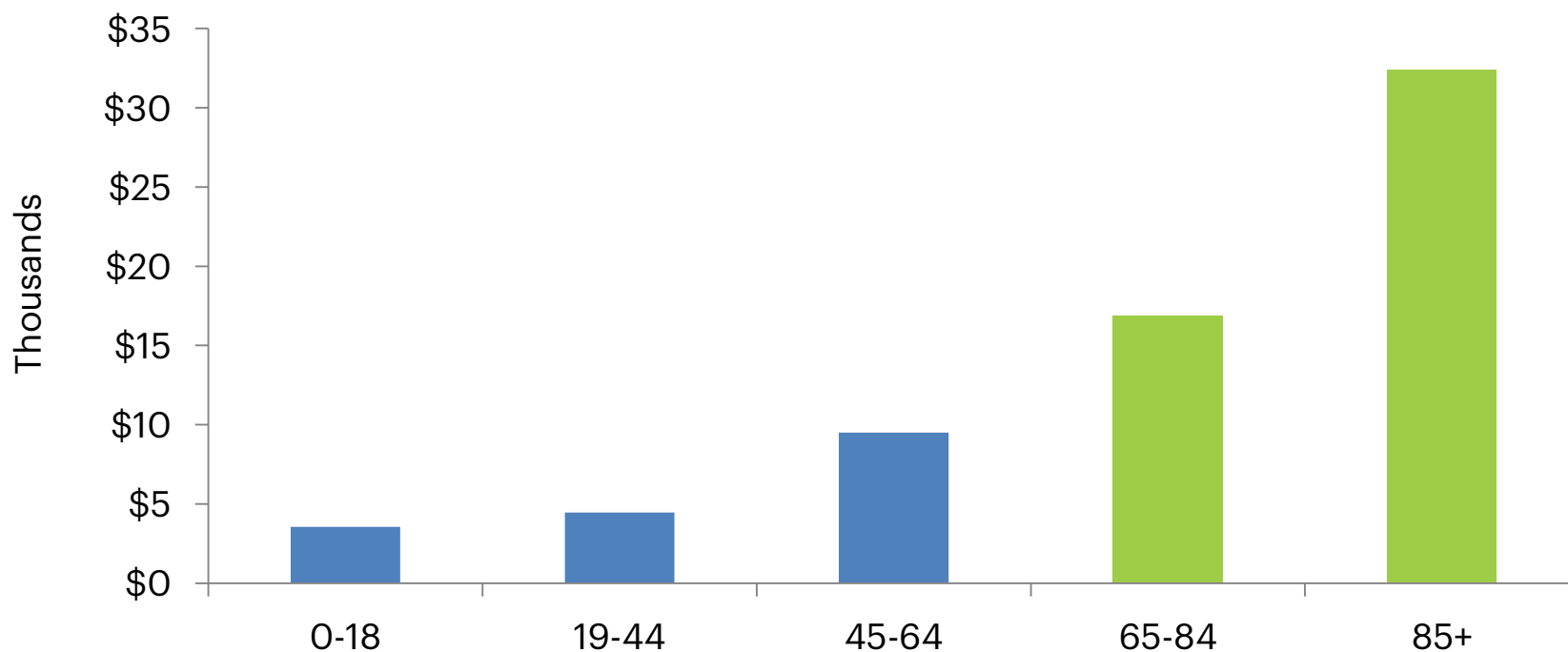
# Approaching Senior Demographic Tsunami

## First Wave of Baby Boomers Turn 75 in 2020



From 2020-2030, the 75+ population is expected to grow by 11 million people, representing a 50% increase in this segment of the population

## Average Annual Healthcare Expenditures by Age Group



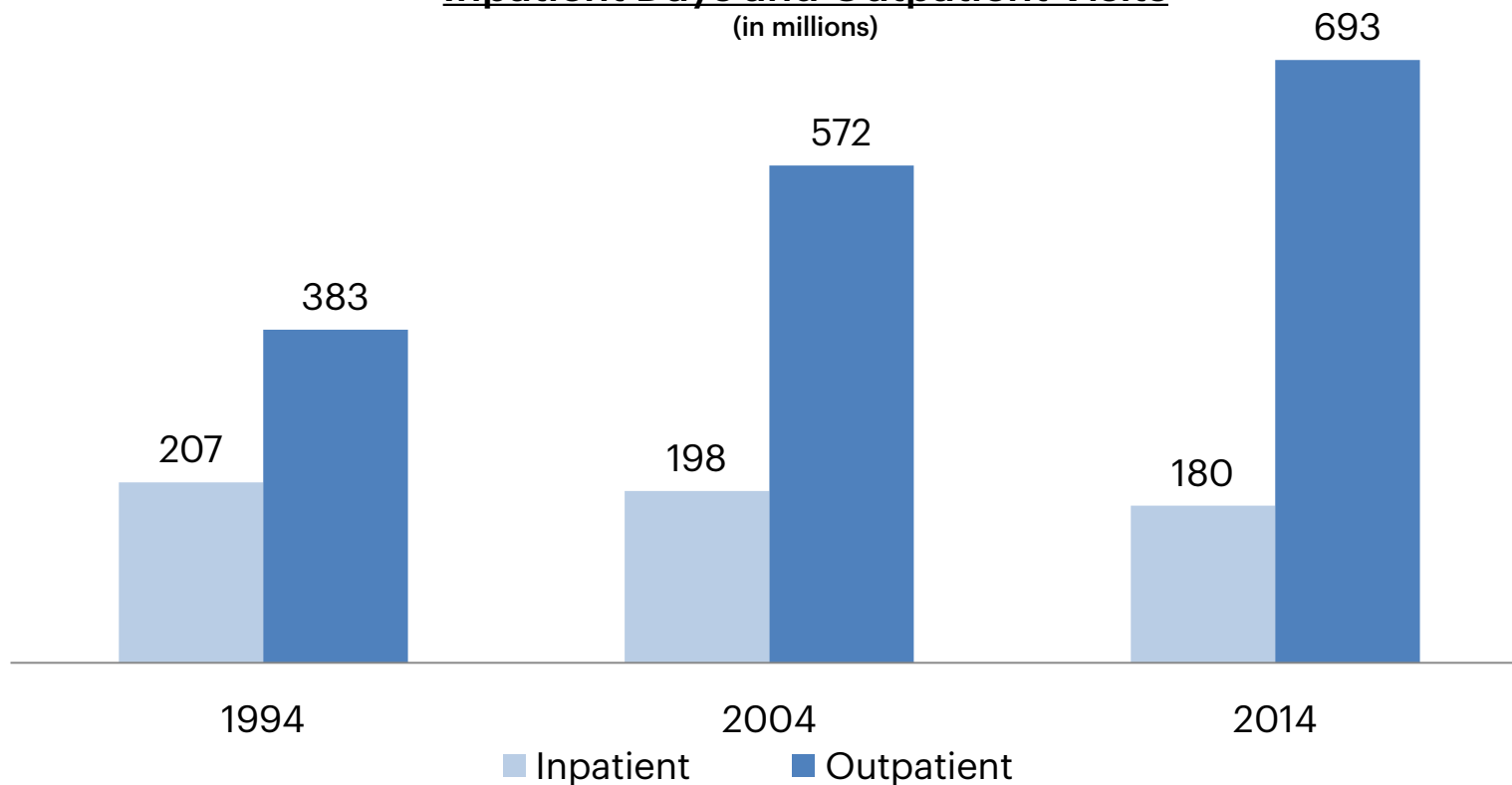
On average, annual healthcare spending by seniors age 65+ is over 4x the annual spending by the under 65 population

# MOBs Benefit from Increased Outpatient Visits

## Acute Services Move Away From Hospitals

### Inpatient Days and Outpatient Visits

(in millions)



Seniors make over 2x the number of annual physician visits compared to the under 65 population

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