

HEALTHCARE TRUST OF AMERICA, INC.

Form 10-Q

April 26, 2019

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UNITED STATES

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

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

For the quarterly period ended March 31, 2019

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)

(480) 998-3478 **http://www.htareit.com**
Registrant's telephone number, including area code Internet address
N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Healthcare Trust of America, Inc.	Large-accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>	Emerging growth 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"/>	Smaller reporting company <input type="checkbox"/>	Emerging growth company <input type="checkbox"/>

(Do not check if a smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Healthcare Trust of America, Inc.
Healthcare Trust of America Holdings, LP

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

As of April 22, 2019, there were 205,097,423 shares of Class A common stock of Healthcare Trust of America, Inc. outstanding.

Explanatory Note

This quarterly report combines the Quarterly Reports on Form 10-Q (“Quarterly Report”) for the quarter ended March 31, 2019, 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 Quarterly 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 March 31, 2019, HTA owned a 98.1% 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 as 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 (“OP Units”).

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

We believe combining the Quarterly Reports of HTA and HTALP, including the notes to the condensed consolidated financial statements, into this single Quarterly 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 Quarterly Report applies to both HTA and HTALP; and
- creates time and cost efficiencies through the preparation of a single combined Quarterly Report instead of two separate Quarterly Reports.

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

- the condensed consolidated financial statements;
- certain accompanying notes to the condensed consolidated financial statements, including Note 8 - Debt, Note 12 - Stockholders’ Equity and Partners’ Capital, Note 14 - Per Share Data of HTA, and Note 15 - Per Unit Data of HTALP; as defined by the National Association of Real Estate Investment Trusts (“NAREIT”), the Funds From Operations (“FFO”) and Normalized FFO in Part 1, Item 2 of this Quarterly Report;
- the Controls and Procedures in Part 1, Item 4 of this Quarterly Report; and
- the Certifications of the Chief Executive Officer and the Chief Financial Officer included as Exhibits 31 and 32 to this Quarterly Report.

In the sections of this Quarterly Report that combine disclosure for HTA and HTALP, this Quarterly 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.

**HEALTHCARE TRUST OF AMERICA, INC. AND
HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
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	March 31, 2019	December 31, 2018
ASSETS		
Real estate investments:		
Land	\$483,848	\$481,871
Building and improvements	5,807,582	5,787,152
Lease intangibles	596,568	599,864
Construction in progress	6,541	4,903
	6,894,539	6,873,790
Accumulated depreciation and amortization	(1,264,637)	(1,208,169)
Real estate investments, net	5,629,902	5,665,621
Investment in unconsolidated joint venture	67,072	67,172
Cash and cash equivalents	61,073	126,221
Restricted cash	7,402	7,309
Receivables and other assets, net	221,202	223,415
Right-of-use assets, net	243,446	—
Other intangibles, net	12,457	98,738
Total assets	\$6,242,554	\$6,188,476
LIABILITIES AND EQUITY		
Liabilities:		
Debt	\$2,541,619	\$2,541,232
Accounts payable and accrued liabilities	139,462	185,073
Security deposits, prepaid rent and other liabilities	42,044	59,567
Lease liabilities	197,313	—
Intangible liabilities, net	40,820	61,146
Total liabilities	2,961,258	2,847,018
Commitments and contingencies		
Redeemable noncontrolling interests	6,520	6,544
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; 205,099,708 and 205,267,349 shares issued and outstanding as of March 31, 2019 and December 31, 2018, respectively	2,051	2,053
Additional paid-in capital	4,517,961	4,525,969
Accumulated other comprehensive (loss) income	(75)	307
Cumulative dividends in excess of earnings	(1,322,443)	(1,272,305)
Total stockholders' equity	3,197,494	3,256,024
Noncontrolling interests	77,282	78,890
Total equity	3,274,776	3,334,914
Total liabilities and equity	\$6,242,554	\$6,188,476

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

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

	Three Months Ended March 31,	
	2019	2018
Revenues:		
Rental income	\$ 168,875	\$ 175,567
Interest and other operating income	91	94
Total revenues	168,966	175,661
Expenses:		
Rental	51,468	56,022
General and administrative	11,290	8,786
Transaction	40	191
Depreciation and amortization	69,481	70,392
Interest expense	23,970	26,253
Impairment	—	4,606
Total expenses	156,249	166,250
Loss on sale of real estate, net	(37)	—
Income from unconsolidated joint venture	486	570
Other income	535	35
Net income	\$ 13,701	\$ 10,016
Net income attributable to noncontrolling interests ⁽¹⁾	(261)	(214)
Net income attributable to common stockholders	\$ 13,440	\$ 9,802
Earnings per common share - basic:		
Net income attributable to common stockholders	\$0.07	\$0.05
Earnings per common share - diluted:		
Net income attributable to common stockholders	\$0.06	\$0.05
Weighted average common shares outstanding:		
Basic	205,080	205,069
Diluted	208,999	209,177

(1) Includes amounts attributable to redeemable noncontrolling interests.

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

Table of Contents**HEALTHCARE TRUST OF AMERICA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****(In thousands)****(Unaudited)**

	Three Months Ended	
	March 31,	
	2019	2018
Net income	\$13,701	\$10,016
Other comprehensive (loss) income		
Change in unrealized (losses) gains on cash flow hedges	(390)	900
Total other (loss) comprehensive income	(390)	900
Total comprehensive income	13,311	10,916
Comprehensive income attributable to noncontrolling interests	(225)	(198)
Total comprehensive income attributable to common stockholders	\$13,086	\$10,718

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

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

	Class A Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Cumulative Dividends in Excess of Earnings	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	Shares	Amount						
Balance as of December 31, 2017	204,892	\$ 2,049	\$ 4,508,528	\$ 274	\$(1,232,069)	\$ 3,278,782	\$ 84,666	\$ 3,363,448
Share-based award transactions, net	289	3	3,504	—	—	3,507	—	3,507
Repurchase and cancellation of common stock	(92)	(1)	(2,708)	—	—	(2,709)	—	(2,709)
Redemption of noncontrolling interest and other	91	1	2,412	—	—	2,413	(2,413)	—
Dividends declared (\$0.305 per common share)	—	—	—	—	(62,559)	(62,559)	(1,307)	(63,866)
Net income	—	—	—	—	9,802	9,802	181	9,983
Other comprehensive income	—	—	—	883	—	883	17	900
Balance as of March 31, 2018	205,180	\$ 2,052	\$ 4,511,736	\$ 1,157	\$(1,284,826)	\$ 3,230,119	\$ 81,144	\$ 3,311,263
Balance as of December 31, 2018	205,267	\$ 2,053	\$ 4,525,969	\$ 307	\$(1,272,305)	\$ 3,256,024	\$ 78,890	\$ 3,334,914
Share-based award transactions, net	293	3	3,386	—	—	3,389	—	3,389
Repurchase and cancellation of common stock	(478)	(5)	(11,921)	—	—	(11,926)	—	(11,926)
Redemption of noncontrolling interest and other	18	—	527	—	—	527	(527)	—
Dividends declared (\$0.310 per common share)	—	—	—	—	(63,578)	(63,578)	(1,306)	(64,884)
Net income	—	—	—	—	13,440	13,440	233	13,673
Other comprehensive loss	—	—	—	(382)	—	(382)	(8)	(390)
Balance as of March 31, 2019	205,100	\$ 2,051	\$ 4,517,961	\$ (75)	\$(1,322,443)	\$ 3,197,494	\$ 77,282	\$ 3,274,776

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

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

	Three Months Ended	
	March 31,	
	2019	2018
Cash flows from operating activities:		
Net income	\$ 13,701	\$ 10,016
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	66,528	68,303
Share-based compensation expense	3,389	3,507
Impairment	—	4,606
Income from unconsolidated joint venture	(486)	(570)
Distributions from unconsolidated joint venture	750	—
Loss on sale of real estate, net	37	—
Changes in operating assets and liabilities:		
Receivables and other assets, net	2,546	9,277
Accounts payable and accrued liabilities	(40,402)	(30,780)
Prepaid rent and other liabilities	2,492	(3,479)
Net cash provided by operating activities	48,555	60,880
Cash flows from investing activities:		
Investments in real estate	(18,592)	(11,887)
Development of real estate	(2,014)	(13,235)
Proceeds from the sale of real estate	1,193	—
Capital expenditures	(16,815)	(17,417)
Collection of real estate notes receivable	181	172
Net cash used in investing activities	(36,047)	(42,367)
Cash flows from financing activities:		
Payments on secured mortgage loans	(587)	(1,598)
Security deposits	—	52
Repurchase and cancellation of common stock	(11,926)	(2,709)
Dividends paid	(63,686)	(62,546)
Distributions paid to noncontrolling interest of limited partners	(1,364)	(1,334)
Net cash used in financing activities	(77,563)	(68,135)
Net change in cash, cash equivalents and restricted cash	(65,055)	(49,622)
Cash, cash equivalents and restricted cash - beginning of period	133,530	118,560
Cash, cash equivalents and restricted cash - end of period	\$ 68,475	\$ 68,938

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

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HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except unit data)
(Unaudited)

	March 31, 2019	December 31, 2018
ASSETS		
Real estate investments:		
Land	\$483,848	\$481,871
Building and improvements	5,807,582	5,787,152
Lease intangibles	596,568	599,864
Construction in progress	6,541	4,903
	6,894,539	6,873,790
Accumulated depreciation and amortization	(1,264,637)	(1,208,169)
Real estate investments, net	5,629,902	5,665,621
Investment in unconsolidated joint venture	67,072	67,172
Cash and cash equivalents	61,073	126,221
Restricted cash	7,402	7,309
Receivables and other assets, net	221,202	223,415
Right-of-use assets, net	243,446	—
Other intangibles, net	12,457	98,738
Total assets	\$6,242,554	\$6,188,476
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Debt	\$2,541,619	\$2,541,232
Accounts payable and accrued liabilities	139,462	185,073
Security deposits, prepaid rent and other liabilities	42,044	59,567
Lease liabilities	197,313	—
Intangible liabilities, net	40,820	61,146
Total liabilities	2,961,258	2,847,018
Commitments and contingencies		
Redeemable noncontrolling interests	6,520	6,544
Partners' Capital:		
Limited partners' capital, 3,910,767 and 3,929,083 units issued and outstanding as of March 31, 2019 and December 31, 2018, respectively	77,012	78,620
General partners' capital, 205,099,708 and 205,267,349 units issued and outstanding as of March 31, 2019 and December 31, 2018, respectively	3,197,764	3,256,294
Total partners' capital	3,274,776	3,334,914
Total liabilities and partners' capital	\$6,242,554	\$6,188,476

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

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

	Three Months Ended March 31,	
	2019	2018
Revenues:		
Rental income	\$ 168,875	\$ 175,567
Interest and other operating income	91	94
Total revenues	168,966	175,661
Expenses:		
Rental	51,468	56,022
General and administrative	11,290	8,786
Transaction	40	191
Depreciation and amortization	69,481	70,392
Interest expense	23,970	26,253
Impairment	—	4,606
Total expenses	156,249	166,250
Loss on sale of real estate, net	(37)	—
Income from unconsolidated joint venture	486	570
Other income	535	35
Net income	\$ 13,701	\$ 10,016
Net income attributable to noncontrolling interests	(28)	(33)
Net income attributable to common unitholders	\$ 13,673	\$ 9,983
Earnings per common unit - basic:		
Net income attributable to common unitholders	\$0.07	\$0.05
Earnings per common unit - diluted:		
Net income attributable to common unitholders	\$0.07	\$0.05
Weighted average common units outstanding:		
Basic	208,999	209,177
Diluted	208,999	209,177

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

Table of Contents**HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****(In thousands)****(Unaudited)**

	Three Months Ended March 31,	
	2019	2018
Net income	\$13,701	\$10,016
Other comprehensive (loss) income		
Change in unrealized (losses) gains on cash flow hedges	(390)	900
Total other comprehensive (loss) income	(390)	900
Total comprehensive income	13,311	10,916
Comprehensive income attributable to noncontrolling interests	(28)	(33)
Total comprehensive income attributable to common unitholders	\$13,283	\$10,883

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

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HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL
(In thousands)
(Unaudited)

	General Partners' Capital		Limited Partners' Capital		Total Partners' Capital
	Units	Amount	Units	Amount	
Balance as of December 31, 2017	204,892	\$ 3,279,052	4,124	\$ 84,396	\$ 3,363,448
Share-based award transactions, net	289	3,507	—	—	3,507
Redemption and cancellation of general partner units	(92)	(2,709)	—	—	(2,709)
Redemption of limited partner units and other	91	2,413	(91)	(2,413)	—
Distributions declared (\$0.305 per common unit)	—	(62,559)	—	(1,307)	(63,866)
Net income	—	9,802	—	181	9,983
Other comprehensive income	—	883	—	17	900
Balance as of March 31, 2018	205,180	\$ 3,230,389	4,033	\$ 80,874	\$ 3,311,263
Balance as of December 31, 2018	205,267	\$ 3,256,294	3,929	\$ 78,620	\$ 3,334,914
Share-based award transactions, net	293	3,389	—	—	3,389
Redemption and cancellation of general partner units	(478)	(11,926)	—	—	(11,926)
Redemption of limited partner units and other	18	527	(18)	(527)	—
Distributions declared (\$0.310 per common unit)	—	(63,578)	—	(1,306)	(64,884)
Net income	—	13,440	—	233	13,673
Other comprehensive loss	—	(382)	—	(8)	(390)
Balance as of March 31, 2019	205,100	\$ 3,197,764	3,911	\$ 77,012	\$ 3,274,776

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Table of Contents**HEALTHCARE TRUST OF AMERICA HOLDINGS, LP
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(In thousands)****(Unaudited)**

	Three Months Ended March 31,	
	2019	2018
Cash flows from operating activities:		
Net income	\$ 13,701	\$ 10,016
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	66,528	68,303
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Impairment	—	4,606
Income from unconsolidated joint venture	(486)	(570)
Distributions from unconsolidated joint venture	750	—
Loss on sale of real estate, net	37	—
Changes in operating assets and liabilities:		
Receivables and other assets, net	2,546	9,277
Accounts payable and accrued liabilities	(40,402)	(30,780)
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Net cash provided by operating activities	48,555	60,880
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Proceeds from the sale of real estate	1,193	—
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Cash flows from financing activities:		
Payments on secured mortgage loans	(587)	(1,598)
Security deposits	—	52
Repurchase and cancellation of general partner units	(11,926)	(2,709)
Distributions paid to general partner	(63,686)	(62,546)
Distributions paid to limited partners and redeemable noncontrolling interests	(1,364)	(1,334)
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Cash, cash equivalents and restricted cash - beginning of period	133,530	118,560
Cash, cash equivalents and restricted cash - end of period	\$ 68,475	\$ 68,938

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

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

NOTES TO UNAUDITED CONDENSED 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, in an umbrella partnership, or “UPREIT” structure. HTA has qualified and intends to continue to be taxed as a REIT for federal income tax purposes under the applicable sections of the Internal Revenue Code.

We own real estate primarily consisting of medical office buildings (“MOBs”) located on or adjacent to hospital campuses or in off-campus, community core outpatient locations across 32 states within the United States, and we lease space to tenants primarily consisting of health systems, research and academic institutions, and various sized physician practices. Through our full-service operating platform we provide leasing, asset management, acquisitions, development and other related services for our properties.

Our primary objective is to maximize stockholder value with 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, building services and property management oversight; (ii) target accretive acquisitions and developments 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. Additionally, from time to time we consider, on an opportunistic basis, significant portfolio acquisitions that we believe fit our core business and we expect to enhance our existing portfolio.

2. Summary of Significant Accounting Policies

The summary of significant accounting policies presented below is designed to assist in understanding our condensed consolidated financial statements. Such condensed 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 generally accepted accounting principles in the U.S. (“GAAP”) in all material respects and have been consistently applied in preparing our accompanying condensed consolidated financial statements.

Basis of Presentation

Our accompanying condensed consolidated financial statements include our accounts and those of our subsidiaries and any consolidated variable interest entities (“VIEs”). All inter-company balances and transactions have been eliminated in the accompanying condensed consolidated financial statements.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Interim Unaudited Financial Data

Our accompanying condensed consolidated financial statements have been prepared by us in accordance with GAAP in conjunction with the rules and regulations of the SEC. Certain information and footnote disclosures required for annual financial statements have been condensed or excluded pursuant to SEC rules and regulations. Accordingly, our accompanying condensed consolidated financial statements do not include all information and footnotes required by GAAP for complete financial statements. Our accompanying condensed consolidated financial statements reflect all adjustments, which are, in our opinion, of a normal recurring nature and necessary for a fair presentation of our financial position, results of operations and cash flows for the interim periods. Interim results of operations are not necessarily indicative of the results to be expected for the full year; such results may be less favorable for the full year. Our accompanying condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto included in our 2018 Annual Report on Form 10-K.

Table of Contents**HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)*****Principles of Consolidation***

The condensed consolidated financial statements include the accounts of our subsidiaries and consolidated joint venture arrangements. The portions of the HTALP operating partnership not owned by us are presented as noncontrolling interests in our consolidated balance sheets and statements of operations, consolidated statements of comprehensive income, 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 noncontrolling interests on the accompanying condensed consolidated balance sheets. Holders of OP Units are considered to be noncontrolling interest holders in HTALP and their ownership interests are reflected as equity on the accompanying condensed consolidated balance sheets. Further, a portion of the earnings and losses of HTALP are allocated to noncontrolling interest holders based on their respective ownership percentages. Upon conversion of OP Units to common stock, any difference between the fair value of the common stock issued and the carrying value of the OP Units converted to common stock is recorded as a component of equity. As of March 31, 2019 and December 31, 2018, there were approximately 3.9 million 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. The HTALP operating partnership and our other joint venture arrangements are VIEs because the limited partners in those partnerships, although entitled to vote on certain matters, do not possess kick-out rights or substantive participating rights. Additionally, we determined that we are the primary beneficiary of our VIEs. Accordingly, we consolidate our interests in the HTALP operating partnership and in our other joint venture arrangements. However, because we hold what is deemed a majority voting interest in the HTALP operating partnership and our 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.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of all highly liquid investments with a maturity of three months or less when purchased. Restricted cash is comprised of (i) reserve accounts for property taxes, insurance, capital improvements and tenant improvements; (ii) collateral accounts for debt and interest rate swaps; and (iii) deposits for future investments.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the accompanying consolidated balance sheets to the combined amounts shown on the accompanying consolidated statements of cash flows (in thousands):

	March 31,	
	2019	2018
Cash and cash equivalents	\$61,073	\$56,243
Restricted cash	7,402	12,695
Total cash, cash equivalents and restricted cash	\$68,475	\$68,938

Revenue Recognition

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 amounts contractually due under the lease agreements are recorded as straight-line rent receivables. Tenant reimbursements, which is comprised of additional amounts recoverable from tenants for real estate taxes, common area maintenance and other certain operating expenses are

recognized as revenue on a gross basis in the period in which the related recoverable expenses are incurred. We accrue revenue corresponding to these expenses on a quarterly basis to adjust recorded amounts to our best estimate of the final annual amounts to be billed. Subsequent to year-end, on a calendar year basis, we perform reconciliations on a lease-by-lease basis and bill or credit each tenant for any differences between the estimated expenses we billed and the actual expenses that were incurred. 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.

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

The revenue recognition process is based on a five-step model to account for revenue arising from contracts with customers as outlined in Topic 606. We recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. We have identified all of our revenue streams and we have concluded that rental income from leasing arrangements represents a substantial portion of our revenue and is governed and evaluated with the adoption of Topic 842.

Investments in Real Estate

Depreciation expense of buildings and improvements for the three months ended March 31, 2019 and 2018 was \$52.1 million and \$50.7 million, respectively.

Leases

As lessor we lease space in our MOBs primarily to medical enterprises for terms ranging from three to seven years in length. The assets underlying these leases consist of buildings and associated land which are included as real estate investments on our condensed consolidated balance sheets. All of our leases for which we are the lessor are classified as operating leases under Topic 842.

Leases, for which we are the lessee, are classified as separate components on our condensed consolidated balance sheets. Operating leases are included as right-of-use (“ROU”) assets, net, with a corresponding lease liability. A lease liability is recognized for our obligation related to the lease and an ROU asset represents our right to use the underlying asset over the lease term. Refer to Note 7 - Leases in the accompanying notes to the condensed consolidated financial statements for more detail relating to our leases.

Redeemable Noncontrolling Interests

We account for redeemable equity securities in accordance with ASU 2009-04 Liabilities (Topic 480): Accounting for Redeemable Equity Instruments, which requires that equity securities redeemable at the option of the holder, not solely within our control, be classified outside permanent stockholders’ equity. We classify redeemable equity securities as redeemable noncontrolling interests in the accompanying consolidated balances sheets. 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. We measure the redemption value and record an adjustment to the carrying value of the equity securities as a component of redeemable noncontrolling interest. As of March 31, 2019 and December 31, 2018, we had redeemable noncontrolling interests of \$6.5 million. Refer to Note 11 - Redeemable Noncontrolling Interests in the accompanying notes to the condensed consolidated financial statements for more detail relating to our redeemable noncontrolling interests.

Unconsolidated Joint Ventures

We account for our investments in unconsolidated joint ventures using the equity method of accounting because we have the ability to exercise significant influence, but not control, over the financial and operational policy decisions of the investments. Using the equity method of accounting, the initial investment is recognized at cost and subsequently adjusted for our share of the net income and any distributions from the joint venture. As of March 31, 2019 and December 31, 2018, we had a 50% interest in one such investment with a carrying value and maximum exposure to risk of \$67.1 million and \$67.2 million, respectively, which is recorded in investment in unconsolidated joint venture in the accompanying condensed consolidated balance sheets. We record our share of net income in income from unconsolidated joint venture in the accompanying condensed consolidated statements of operations. For the three months ended March 31, 2019 and 2018, we recognized income of \$0.5 million and \$0.6 million, respectively.

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

Recently Issued or Adopted Accounting Pronouncements

Recently Adopted Accounting Pronouncements

Topic 842, Leases

In February 2016, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) 2016-02, codified as ASC 842 - Leases (Topic 842). This new standard superseded ASC Topic 840 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. Topic 842 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.

We adopted Topic 842 as of January 1, 2019 and elected the practical expedient to use the optional transition method, which allows us to recognize a cumulative-effect adjustment to the opening balance of retained earnings at January 1, 2019. Using the optional transition method, the cumulative effect adjustment was immaterial and as such no adjustment was made to beginning retained earnings. In addition, it was determined in our analysis that finance leases which we are the lessee were immaterial and as such were excluded from our disclosures.

In addition to electing the optional transition method above, we also elected the following practical expedients offered by the FASB which will allow us:

to not reassess (i) whether an expired or existing contract contains a lease arrangement, (ii) lease classification related to expired or existing lease arrangements, or (iii) whether costs incurred on expired or existing leases qualify as initial direct costs;

to not separate, as the lessor, certain non-lease components, such as common area maintenance from lease revenue if the (i) timing and pattern of revenue recognition are the same for the non-lease component, and (ii) related lease component and the combined single lease component would be classified as an operating lease;

to exclude land easements from assessment in determining whether they meet the definition of a lease up to the time of adoption; and

to not record on our condensed consolidated balance sheets, lease liabilities and right of use (“ROU”) assets with lease terms of 12 months or less.

Lessee Impact

Leases for which we are the lessee, including ground leases and corporate leases primarily for office space, have been recorded on our condensed consolidated balance sheets as either finance or operating leases with lease liability obligations and corresponding ROU assets based on the present value of the minimum rental payments remaining as of the initial adoption date of January 1, 2019.

Lessor Impact

Topic 842 modifies the treatment of initial direct costs, which historically under Topic 840 have been capitalized upon meeting criteria provided for in that applicable guidance. These initial direct costs now under ASC 842 are eligible for capitalization only if they are incremental in nature, (i.e., would only be incurred if we enter into a new lease arrangement). Under this guidance, only commissions paid and other incurred costs incremental to our leasing activity qualify as initial direct costs. These costs, which were previously capitalized, have been classified as general and administrative expenses on our condensed consolidated statements of operations. For the three months ended March 31, 2018, we capitalized approximately \$1.3 million of initial direct costs.

Additionally, as part of Topic 842, ASU 2018-20 states that (i) a lessor must analyze sales (and other similar) tax laws on a jurisdiction-by-jurisdiction basis to determine whether those taxes are lessor costs or lessee costs and (ii) a lessor shall exclude from variable payments, lessor costs (i.e., property taxes, insurance) paid by a lessee directly to a third party. However, costs that are paid by a lessor directly to a third party and are reimbursed by a lessee are considered lessor costs that shall be accounted for by the lessor as variable payments. As a result of the adoption of Topic 842, we no longer record income or expense when the lessee pays the property taxes directly to a third party. For the three months ended March 31, 2018, this amount was approximately \$3.6 million.

Except where stated above, the adoption of Topic 842 did not have a substantive impact on our results of operations and cash flows and no significant impact on any of our debt covenants.

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Table of Contents**HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)***ASU 2018-07, Compensation - Stock Compensation; Improvements to Nonemployee Share-Based Payment Accounting*

In June 2018, the FASB issued ASU 2018-07, which expands the scope of Topic 718. The amendments specify that ASU 2018-07 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. ASU 2018-07 also clarifies that it does not apply to share-based payments used to effectively provide (i) financing to the issuer or (ii) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under Topic 606. We adopted ASU 2018-07 on January 1, 2019 (the effective date) and did not have any reclassifications or material impacts on our consolidated financial statements as a result of this adoption.

Recently Issued Accounting Pronouncements*ASU 2016-13, Financial Instruments Credit Losses; Measurement of Credit Losses on Financial Instruments and ASU 2018-19, Improvements to Topic 326, Financial Instruments-Credit Losses*

In June 2016, the FASB issued ASU 2016-13, which is intended to improve financial reporting by requiring more timely 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 2018-19 also clarifies that receivables arising from operating leases are not within the scope of Subtopic 326-20. Instead, impairment of these receivables should be accounted for in accordance with Topic 842, Leases. We will adopt ASU 2016-13 and ASU 2018-19 as of January 1, 2020 (the effective date) and do not anticipate there to be a material impact to our consolidated financial statements and related notes based on our ongoing evaluation.

ASU 2018-13, Fair Value Measurement; Changes to the Disclosure Requirements for Fair Value Measurement

In August 2018, the FASB issued ASU 2018-13, which modifies the disclosure requirements on fair value measurements in Topic 820 as follows: (a) disclosure removals: (i) the amount of and reasons for transfers between Level 1 and Level 2; (ii) the policy for timing of transfers between levels; and (iii) the valuation process for Level 3 fair value measurements; (b) disclosure modifications: (i) no requirement to disclose the timing of liquidation unless the investee has communicated the timing to the reporting entity or announced the timing publicly; and (ii) for Level 3 fair value measurements, a narrative description of measurement uncertainty at the reporting date, not the sensitivity to future changes; and (c) disclosure additions: (i) for recurring Level 3 measurements, disclose the changes in unrealized gains and losses for the period included in OCI and the statement of comprehensive income; and (ii) for Level 3 fair value measurements in the table of significant input, disclose the range and weighted average of the significant unobservable inputs and the way it is calculated. We will adopt ASU 2018-13 as of January 1, 2020 (the effective date) and will consider all level inputs but do not we do not anticipate there to be a material impact to our consolidated financial statements and related notes based on our ongoing evaluation.

3. Investments in Real Estate

For the three months ended March 31, 2019, our investments had a purchase price of \$18.8 million. As part of this investment, we incurred approximately \$76,000 of capitalized costs. The allocations for these investments, in which we own a controlling financial interest, are set forth below in the aggregate for the three months ended March 31, 2019 and 2018, respectively (in thousands):

	Three Months Ended March 31,	
	2019	2018
Land	\$3,311	\$1,084
Building and improvements	13,449	10,280
In place leases	1,927	662
Below market leases	(95) (139
Above market leases	160	—

Net assets acquired	18,752	11,887
Other, net	74	447
Aggregate purchase price	\$18,826	\$12,334

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

The acquired intangible assets and liabilities referenced above had weighted average lives of the following terms for the three months ended March 31, 2019 and 2018, respectively (in years):

	Three Months Ended March 31, 2019 2018	
Acquired intangible assets	9.1	8.4
Acquired intangible liabilities	9.1	8.4

4. Impairment

During the three months ended March 31, 2019, we recorded no impairment charges. During the three months ended March 31, 2018, we recorded an impairment charge of \$4.6 million on two MOBs located in Texas and South Carolina.

5. Intangible Assets and Liabilities

Intangible assets and liabilities consisted of the following as of March 31, 2019 and December 31, 2018, respectively (in thousands, except weighted average remaining amortization terms):

	March 31, 2019		December 31, 2018	
	Balance	Weighted Average Remaining Amortization in Years	Balance	Weighted Average Remaining Amortization in Years
Assets:				
In place leases	\$447,922	9.8	\$449,424	9.8
Tenant relationships	148,646	9.4	150,440	9.4
Above market leases	36,860	6.2	36,862	6.1
Below market leasehold interests ⁽¹⁾	—		91,759	64.3
	633,428		728,485	
Accumulated amortization	(359,593)		(355,576)	
Total	\$273,835	9.6	\$372,909	22.1
Liabilities:				
Below market leases	\$61,135	14.6	\$61,395	14.6
Above market leasehold interests ⁽¹⁾	—		20,610	49.2
	61,135		82,005	
Accumulated amortization	(20,315)		(20,859)	
Total	\$40,820	14.6	\$61,146	25.3

(1) As a result of the adoption of Topic 842 on January 1, 2019, the presentation of below and above market leasehold interests as of March 31, 2019 does not conform to the prior year presentation.

The following is a summary of the net intangible amortization for the three months ended March 31, 2019 and 2018, respectively (in thousands):

	Three Months Ended March 31, 2019 2018	
Amortization recorded against rental income related to above and (below) market leases	\$(491)	\$(62)
Rental expense related to above and (below) market leasehold interests ⁽¹⁾	—	277
Amortization expense related to in place leases and tenant relationships	14,665	17,648

(1) As a result of the adoption of Topic 842 on January 1, 2019, the presentation of rental expense related to above and (below) market leasehold interests as of March 31, 2019 does not conform to the prior year presentation.

Table of Contents**HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)****6. Receivables and Other Assets**

Receivables and other assets consisted of the following as of March 31, 2019 and December 31, 2018, respectively (in thousands):

	March 31, 2019	December 31, 2018
Tenant receivables, net	\$16,038	\$14,588
Other receivables, net	20,280	16,078
Deferred financing costs, net	5,618	6,049
Deferred leasing costs, net	30,815	30,731
Straight-line rent receivables, net	97,362	92,973
Prepaid expenses, deposits, equipment and other, net	50,495	61,885
Derivative financial instruments - interest rate swaps	594	1,111
Total	\$221,202	\$223,415

The following is a summary of the amortization of deferred leasing costs and financing costs for the three months ended March 31, 2019, and 2018, respectively (in thousands):

	Three Months Ended March 31,	
	2019	2018
Amortization expense related to deferred leasing costs	\$2,154	\$1,506
Interest expense related to deferred financing costs	431	431

7. Leases

The majority of our lease expenses are derived from our ground leases and a few corporate leases, primarily for office space. We recognize lease expense for these leases on a straight-line basis over the lease term. Many of our leases contain renewal options that can extend the lease term from one to ten years, or in certain cases, more. The exercise of lease renewal options is at our sole discretion. Certain of our ground leases have the option to purchase the land at the end of the initial term. Our leases have one of the following payment options (i) fixed payment throughout the term, (ii) fixed payments with periodic escalations, (iii) variable lease payments based on the Consumer Price Index (“CPI”) or other similar index, and (iv) a combination of the aforementioned. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants other than certain prohibitions as to the nature of business that can be conducted within the buildings which we own to limit activities that may be deemed competitive in nature to the ground lessor's activities. As of March 31, 2019, we have no new ground leases or corporate leases that have not yet commenced.

As part of the adoption of Topic 842, a lease liability and a corresponding ROU asset was recorded on our condensed consolidated balance sheets effective January 1, 2019. The lease liability was calculated as the present value of the remaining lease payments using the lease term at lease commencement and an incremental borrowing rate. In determining this calculation, we made the following assumptions and judgments:

- only material ground leases and corporate leases exceeding one year in length, were included in our lease population. Office equipment and other non-essential leases were excluded from the population due to immateriality; and
- a series of incremental borrowing rates were determined based on observed prices and credit spreads of our unsecured senior debt as of December 31, 2018 after applying treasury or other similar index rates as of January 1, 2019 to leases that correspond to the remaining lease terms, adjusted for the effects of collateral.

The ROU asset was calculated as the sum of the lease liability, deferred rent of approximately (\$19.0) million, and the above and below market leasehold interest balances as of December 31, 2018 of approximately \$66.5 million, which were previously recorded as other intangibles and intangible liabilities on our condensed consolidated balance sheets.

Table of Contents**HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)*****Lessee - Lease Costs***

Lease costs consisted of the following for the three months ended March 31, 2019 (in thousands):

	March 31, 2019
Operating lease cost	\$3,055
Variable lease cost	381
Total lease cost	\$3,436

Lessee - Lease Term and Discount Rates

The following is the weighted average remaining lease term and the weighted average discount rate for our operating leases as of March 31, 2019 (weighted average remaining lease term in years):

	March 31, 2019
Weighted-average remaining lease term	
Operating leases	48.7
Weighted-average discount rate	
Operating leases	5.3 %

Lessee - Maturity of Lease Liabilities

The following table summarizes the future minimum lease obligations of our operating leases as of March 31, 2019 under Topic 842 (in thousands):

Year	March 31, 2019
2019	\$7,751
2020	10,408
2021	9,877
2022	10,031
2023	10,132
Thereafter	639,234
Total undiscounted lease payments	\$687,433
Less: Interest	(490,120)
Present value of lease liabilities	\$197,313

As previously disclosed in our 2018 Annual Report on Form 10-K and under the previous lease accounting standard, Topic 840, the following table summarizes the future minimum lease obligations of our operating leases as of December 31, 2018 (in thousands):

Year	December 31, 2018
2019	\$10,309
2020	10,408
2021	9,877
2022	10,031
2023	10,132
Thereafter	639,234
Total	\$689,991

Table of Contents**HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)*****Lessor - Lease Costs and Maturity of Lease Liabilities***

We recognized \$168.5 million of rental and other revenues related to our operating lease payments of which \$37.9 million related to variable lease payments for the three months ended March 31, 2019.

The following table summarizes the future minimum rent contractually due under operating leases, excluding tenant reimbursements of certain costs, as of March 31, 2019 under Topic 842 (in thousands):

Year	March 31, 2019
2019	\$370,820
2020	457,596
2021	409,494
2022	356,994
2023	309,389
Thereafter	1,331,392
Total	\$3,235,685

As previously disclosed in our 2018 Annual Report on Form 10-K and under the previous lease accounting standard, Topic 840, the following table summarizes the future minimum rent contractually due under operating leases, excluding tenant reimbursements of certain costs, as of December 31, 2018 (in thousands):

Year	December 31, 2018
2019	\$497,083
2020	448,956
2021	401,871
2022	341,889
2023	294,451
Thereafter	1,244,246
Total	\$3,228,496

8. Debt

Debt consisted of the following as of March 31, 2019 and December 31, 2018, respectively (in thousands):

	March 31, 2019	December 31, 2018
Unsecured revolving credit facility	\$—	\$—
Unsecured term loans	500,000	500,000
Unsecured senior notes	1,850,000	1,850,000
Fixed rate mortgages	210,834	211,421
	2,560,834	2,561,421
Deferred financing costs, net	(13,048)	(13,741)
Discount, net	(6,167)	(6,448)
Total	\$2,541,619	\$2,541,232

Unsecured Credit Agreement***Unsecured Revolving Credit Facility due 2022***

In 2017, HTALP entered into an amended and restated \$1.3 billion unsecured credit agreement (the “Unsecured Credit Agreement”) which increased the amount available under the unsecured revolving credit facility to \$1.0 billion and extended the maturities of the unsecured revolving credit facility to June 30, 2022 and for the \$300.0 million unsecured term loan referenced below until February 1, 2023. The maximum principal amount of the Unsecured Credit Agreement may be increased by up to \$750.0 million, subject to certain conditions, for a total principal amount of \$2.05 billion.

Borrowings under the unsecured revolving credit facility accrue interest at a rate equal to adjusted LIBOR, plus a margin ranging from 0.83% 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 March 31, 2019, the margin associated with our borrowings was 1.00% per annum and the facility fee was 0.20% per annum.

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Table of Contents**HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)***Unsecured Term Loan due 2023*

In 2017, we entered into the Unsecured Credit Agreement as noted above. As part of this agreement, we obtained a \$300.0 million unsecured term loan that was guaranteed by HTA with a maturity date of February 1, 2023. Borrowings under this unsecured term loan accrue interest equal to adjusted LIBOR, plus a margin ranging from 0.90% to 1.75% per annum based on our credit rating. The margin associated with our borrowings as of March 31, 2019 was 1.10% per annum. Including the impact of the interest rate swaps associated with our unsecured term loan, the interest rate was 3.65% per annum, based on our current credit rating. As of March 31, 2019, HTALP had \$300.0 million under this unsecured term loan outstanding.

\$200.0 Million Unsecured Term Loan due 2024

On August 1, 2018, HTALP entered into a modification of our \$200.0 million unsecured term loan previously due in 2023. The modification decreased pricing at our current credit rating by 65 basis points and extended the maturity date to January 15, 2024. The other material terms of the unsecured term loan prior to the modification remained substantially unchanged. Borrowings under the unsecured term loan accrue interest at a rate equal to LIBOR, plus a margin ranging from 0.75% to 1.65% per annum based on our credit rating. The margin associated with our borrowings as of March 31, 2019 was 1.00% per annum. HTALP had interest rate swaps on a portion of the balance, which resulted in a fixed interest rate at 2.77% per annum. As of March 31, 2019, HTALP had \$200.0 million under this unsecured term loan outstanding.

\$300.0 Million Unsecured Senior Notes due 2021

As of March 31, 2019, HTALP had \$300.0 million of unsecured senior notes outstanding that are guaranteed by HTA. These 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. Additionally, these unsecured senior notes were offered at 99.21% of the principal amount thereof, with an effective yield to maturity of 3.50% per annum. As of March 31, 2019, HTALP had \$300.0 million of these unsecured senior notes outstanding that mature on July 15, 2021.

\$400.0 Million Unsecured Senior Notes due 2022

In 2017, in connection with the \$500.0 million unsecured senior notes due 2027 referenced below, HTALP issued \$400.0 million of unsecured senior notes that are guaranteed by HTA. These unsecured senior notes are registered under the Securities Act, bear interest at 2.95% per annum and are payable semi-annually. Additionally, these unsecured senior notes were offered at 99.94% of the principal amount thereof, with an effective yield to maturity of 2.96% per annum. As of March 31, 2019, HTALP had \$400.0 million of these unsecured senior notes outstanding that mature on July 1, 2022.

\$300.0 Million Unsecured Senior Notes due 2023

As of March 31, 2019, HTALP had \$300.0 million of unsecured senior notes outstanding that are guaranteed by HTA. These unsecured senior notes are registered under the Securities Act, bear interest at 3.70% per annum and are payable semi-annually. Additionally, these unsecured senior notes were offered at 99.19% of the principal amount thereof, with an effective yield to maturity of 3.80% per annum. As of March 31, 2019, HTALP had \$300.0 million of these unsecured senior notes outstanding that mature on April 15, 2023.

\$350.0 Million Unsecured Senior Notes due 2026

As of March 31, 2019, HTALP had \$350.0 million of unsecured senior notes outstanding that are guaranteed by HTA. These unsecured senior notes are registered under the Securities Act, bear interest at 3.50% per annum and are payable semi-annually. Additionally, these 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 March 31, 2019, HTALP had \$350.0 million of these unsecured senior notes outstanding that mature on August 1, 2026.

\$500.0 Million Unsecured Senior Notes due 2027

In 2017, in connection with the \$400.0 million unsecured senior notes due 2022 referenced above, HTALP issued \$500.0 million of unsecured senior notes that are guaranteed by HTA. These unsecured senior notes are registered under the Securities Act, bear interest at 3.75% per annum and are payable semi-annually. Additionally, these unsecured senior notes were offered at 99.49% of the principal amount thereof, with an effective yield to maturity of

3.81% per annum. As of March 31, 2019, HTALP had \$500.0 million of these unsecured senior notes outstanding that mature on July 1, 2027.

Fixed Rate Mortgages

As of March 31, 2019, HTALP and its subsidiaries had fixed rate mortgages with interest rates ranging from 2.85% to 4.00% per annum and a weighted average interest rate of 3.96% per annum.

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The following table summarizes the debt maturities and scheduled principal repayments of our indebtedness as of March 31, 2019 (in thousands):

Year	Amount
2019	\$96,776
2020	97,429
2021	302,504
2022	402,005
2023	612,120
Thereafter	1,050,000
Total	\$2,560,834

Deferred Financing Costs

As of March 31, 2019, the future amortization of our deferred financing costs is as follows (in thousands):

Year	Amount
2019	\$2,399
2020	2,890
2021	2,717
2022	2,096
2023	1,040
Thereafter	1,906
Total	\$13,048

Debt Covenants

We are required by the terms of our applicable loan 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 loan 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 ("NOI") to unsecured interest expense. As of March 31, 2019, we believe that we were in compliance with all such financial covenants and reporting requirements. In addition, certain of our loan agreements include events of default provisions that we believe are customary for these types of facilities, including restricting us from making dividend distributions to our stockholders in the event we are in default thereunder, except to the extent necessary for us to maintain our REIT status.

9. Derivative Financial Instruments and Hedging Activities***Risk Management Objective of Using Derivative Financial Instruments***

We may use derivative financial instruments, including interest rate swaps, caps, options, floors and other interest rate derivative contracts, to hedge all or a portion of the interest rate risk associated with our borrowings. The principal objective of such arrangements is to minimize the risks and/or costs associated with our operating and financial structure as well as to hedge specific anticipated transactions. We do not intend to utilize derivatives for speculative or other purposes other than interest rate risk management. The use of derivative financial instruments carries certain risks, including the risk that the counterparties to these contractual arrangements are not able to perform under the agreements. To mitigate this risk, we only enter into derivative financial instruments with counterparties with high credit ratings and with major financial institutions with which we and our affiliates may also have other financial relationships. We do not anticipate that any of the counterparties will fail to meet their obligations. 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, the fair value of derivative financial instruments designated as cash flow hedges are adjusted to reflect the impact of our credit quality.

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Our objectives in using interest rate derivatives are to add stability to interest expense and to manage our exposure to interest rate movements. To accomplish this objective, we primarily use interest rate swaps and treasury locks as part of our interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable rate amounts from a counterparty in exchange for us making fixed rate payments over the life of the agreements without exchange of the underlying notional amount. A treasury lock is a synthetic forward sale of a U.S. treasury note, which is settled in cash based upon the difference between an agreed upon treasury rate and the prevailing treasury rate at settlement. Such treasury locks are entered into to effectively fix the treasury component of an upcoming debt issuance.

Amounts reported in accumulated other comprehensive income (loss) in the accompanying condensed consolidated balance sheets related to derivatives will be reclassified to interest expense as interest payments are made on our variable rate debt. The remaining cash flow hedges mature on July 17, 2019, until such time we estimate that an additional \$0.4 million will be reclassified from other comprehensive income in the accompanying condensed consolidated balance sheets as an increase to interest related to derivative financial instruments in the accompanying condensed consolidated statements of operations.

As of March 31, 2019, we had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk (in thousands, except number of instruments):

Cash Flow Hedges	March 31, 2019
Number of instruments	2
Notional amount	\$155,000

The table below presents the fair value of our derivative financial instruments designated as cash flow hedges as well as the classification in the accompanying condensed consolidated balance sheets as of March 31, 2019 and December 31, 2018, respectively (in thousands).

		Fair Value at:	
Asset Derivatives			
Derivatives Designated as Hedging Instruments:	Balance Sheet Location		
	Interest rate swaps	Receivables and other assets	\$594 \$ 1,111

The table below presents the gain or loss recognized on our derivative financial instruments designated as cash flow hedges as well as the classification in the accompanying condensed consolidated statements of operations for the three months ended March 31, 2019 and 2018, respectively (in thousands).

	Gain (Loss) Recognized in OCI on Derivative		Statement of Operations Location	Gain (Loss) Reclassified from Accumulated OCI into Income	
	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018		Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Derivatives Cash Flow Hedging Relationships:					
Interest rate swaps	\$(21)	\$970	Interest expense	\$ 369	\$ 70

Tabular Disclosure of Offsetting Derivatives

The table below sets forth the net effects of offsetting and net presentation of our derivatives as of March 31, 2019 and December 31, 2018, respectively (in thousands). The net amounts of derivative assets can be reconciled to the tabular disclosure of fair value. The tabular disclosure of fair value provides the location that derivative assets are presented in

the accompanying condensed consolidated balance sheets.

Offsetting of Derivative Assets

	Gross Amounts of Recognized Assets	Gross Amounts in the Balance Sheets	Net Amounts of Assets Presented in the Balance Sheets	Financial Instruments	Cash Collateral Received	Net Amount
March 31, 2019	\$ 594	\$ —	\$ 594	\$ —	\$ —	\$ 594
December 31, 2018	1,111	—	1,111	—	—	1,111

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We have agreements with each of our derivative counterparties that contain a provision that if we default on any of our indebtedness, including a default where repayment of the indebtedness has not been accelerated by the lender, then we could also be declared in default on our derivative obligations.

We also have agreements with each of our derivative counterparties that incorporate provisions from our indebtedness with a lender affiliate of the derivative counterparty requiring it to maintain certain minimum financial covenant ratios on our indebtedness. Failure to comply with the covenant provisions would result in us being in default on any derivative instrument obligations covered by these agreements.

As of March 31, 2019, there is no fair value of derivatives in a net liability position. As of March 31, 2019, we have not posted any collateral related to these agreements and we were not in breach of any of the provisions of these agreements. As such, there is no termination value as of March 31, 2019. If we had breached any of the provisions of these agreements, we could have been required to settle our obligations under these agreements.

10. Commitments and Contingencies***Litigation***

We engage in litigation from time to time with various parties as a routine part of our business, including tenant defaults. 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 adverse effect on our condensed 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 condensed 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.

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 adverse effect on our condensed consolidated financial position, results of operations or cash flows.

11. Redeemable Noncontrolling Interests

As discussed in Note 2 - Summary of Significant Accounting Policies, redeemable noncontrolling interests in the accompanying condensed consolidated balance sheets represent the noncontrolling interest in a joint venture in which we own the majority interest. As of March 31, 2019, approximately 14.0% of the earnings of the joint venture are allocated to redeemable noncontrolling interests. The noncontrolling interest holders in the joint venture have the option to redeem their noncontrolling interest in the joint venture through the exercise of put options that were issued at the initial formation of the joint venture. The last exercisable put option is on June 30, 2019. The redemption price is based on the fair value of their interest at the time of option exercise. Accordingly, any former redeemable noncontrolling interest remaining after June 30, 2019 will be reclassified to permanent stockholders' equity from redeemable noncontrolling interests to noncontrolling interests on our condensed consolidated balance sheets due to the expiration of the redeemable feature of these instruments.

The following is summary of the activity of our redeemable noncontrolling interests as of March 31, 2019 and December 31, 2018, respectively (in thousands):

	March 31, 2019	December 31, 2018
Beginning balance	\$6,544	\$ 6,737
Net income attributable to noncontrolling interests	28	89
Distributions	(52)	(282)
Ending balance	\$6,520	\$ 6,544

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HTALP's operating 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 OP Unit in HTALP will receive distributions from HTALP in an amount equal to the dividend distributions paid to the holder of one share of our common stock. In addition, for each share of common stock issued or redeemed by HTA, HTALP issues or redeems a corresponding number of OP Units.

Common Stock Offerings

In December 2018, we entered into new equity distribution agreements with various sales agents with respect to our at-the-market ("ATM") offering program of common stock with an aggregate sales amount of up to \$500.0 million. We contemporaneously terminated our prior ATM equity distribution agreements. As of March 31, 2019, \$500.0 million remained available for issuance by us under the new ATM.

Stock Repurchase Plan

During the three months ended March 31, 2019, we repurchased 345,786 shares of our common stock, at an average price of \$24.65 per share, for an aggregate amount of approximately \$8.5 million, pursuant to our stock repurchase plan. As of March 31, 2019, the remaining amount of common stock available for repurchase under our stock repurchase plan was approximately \$224.3 million.

Common Stock Dividends

See our accompanying condensed consolidated statements of equity and condensed statements of changes in partners' capital for the dividends declared during the three months ended March 31, 2019 and 2018. On April 25, 2019, our Board of Directors announced a quarterly dividend of \$0.310 per share of common stock and per OP Unit to be paid on July 11, 2019 to stockholders of record of our common stock and holders of our OP Units on July 3, 2019.

Incentive Plan

Our Incentive Plan permits the grant of incentive awards to our employees, officers, non-employee directors and consultants as selected by our Board of Directors. This Plan authorizes us to grant 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 shares. As of March 31, 2019, there were 1,092,509 awards available for grant under the Plan.

Restricted Common Stock

For the three months ended March 31, 2019 and 2018, we recognized compensation expense of \$3.4 million and \$3.5 million, respectively. Substantially all compensation expense was recorded in general and administrative expenses in the accompanying condensed consolidated statements of operations.

As of March 31, 2019, we had \$10.3 million of unrecognized compensation expense, net of estimated forfeitures, which we will recognize over a remaining weighted average period of 1.8 years.

The following is a summary of our restricted common stock activity as of March 31, 2019 and 2018, respectively:

	March 31, 2019		March 31, 2018	
	Restricted Common Stock	Weighted Average Grant Date Fair Value	Restricted Common Stock	Weighted Average Grant Date Fair Value
Beginning balance	624,349	\$ 29.35	589,606	\$ 29.38
Granted	294,072	25.86	307,534	29.05
Vested	(291,857)	28.46	(205,270)	29.13
Forfeited	(1,580)	29.31	(20,061)	29.66
Ending balance	624,984	\$ 28.12	671,809	\$ 29.29

Table of Contents**HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)****13. Fair Value of Financial Instruments*****Financial Instruments Reported at Fair Value - Recurring***

The table below presents the carrying amounts and fair values of our financial instruments on a recurring basis as of March 31, 2019 and December 31, 2018 (in thousands):

	March 31, 2019		December 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Level 2 - Assets:				
Derivative financial instruments	\$594	\$594	\$1,111	\$1,111
Level 2 - Liabilities:				
Debt	\$2,541,619	\$2,549,340	\$2,541,232	\$2,508,599

The carrying amounts of cash and cash equivalents, tenant and other receivables, restricted cash, accounts payable, and accrued liabilities approximate fair value. 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 cash flow hedges 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 cash flow hedge positions and have determined that the credit valuation adjustments are not significant to their overall valuation. As a result, we have determined that our cash flow hedge valuations in their entirety are classified in Level 2 of the fair value hierarchy. For further discussion of the assumptions considered, refer to Note 2 - Summary of Significant Accounting Policies.

Financial Instruments Reported at Fair Value - Non-Recurring

We also have assets that under certain conditions are subject to measurement at fair value on a non-recurring basis. This generally includes assets subject to impairment.

14. Per Share Data of HTA

We include 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 three months ended March 31, 2019 and 2018, all of our 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 three months ended March 31, 2019 and 2018, respectively (in thousands, except per share data):

	Three Months Ended	
	March 31, 2019	2018
Numerator:		
Net income	\$13,701	\$10,016
Net income attributable to noncontrolling interests	(261)	(214)
Net income attributable to common stockholders	\$13,440	\$9,802
Denominator:		
Weighted average shares outstanding - basic	205,080	205,069
Dilutive shares - partnership units convertible into common stock	3,919	4,108
Adjusted weighted average shares outstanding - diluted	208,999	209,177
Earnings per common share - basic		
Net income attributable to common stockholders	\$0.07	\$0.05
Earnings per common share - diluted		
Net income attributable to common stockholders	\$0.06	\$0.05

Table of Contents**HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)****15. 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 three months ended March 31, 2019, and 2018, respectively (in thousands, except per unit data):

	Three Months Ended March 31,	
	2019	2018
Numerator:		
Net income	\$13,701	\$10,016
Net income attributable to noncontrolling interests	(28)	(33)
Net income attributable to common unitholders	\$13,673	\$9,983
Denominator:		
Weighted average units outstanding - basic	208,999	209,177
Dilutive units - partnership units convertible into common units	—	—
Adjusted weighted average units outstanding - diluted	208,999	209,177
Earnings per common unit - basic:		
Net income attributable to common unitholders	\$0.07	\$0.05
Earnings per common unit - diluted:		
Net income attributable to common unitholders	\$0.07	\$0.05

16. Supplemental Cash Flow Information

The following is the supplemental cash flow information for the three months ended March 31, 2019 and 2018, respectively (in thousands):

	Three Months Ended March 31,	
	2019	2018
Supplemental Disclosure of Cash Flow Information:		
Interest paid	\$33,397	\$37,518
Income taxes paid	64	656
Cash paid for operating leases	2,911	—
Supplemental Disclosure of Noncash Investing and Financing Activities:		
Accrued capital expenditures	\$5,163	\$760
Dividend distributions declared, but not paid	64,922	63,828
Redemption of noncontrolling interest	527	2,413
ROU assets obtained in exchange for lease obligations	197,099	—

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Item 2. 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 condensed consolidated financial statements and notes appearing elsewhere in this Quarterly Report, as well as with the audited consolidated financial statements, accompanying notes and Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our 2018 Annual Report on Form 10-K. Such condensed consolidated financial statements and information have been prepared to reflect HTA’s and HTALP’s financial position as of March 31, 2019 and December 31, 2018, together with results of operations and cash flows for three months ended March 31, 2019 and 2018. 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;

Off-Balance Sheet Arrangements; and

Inflation.

Forward-Looking Statements

Certain statements contained in this Quarterly 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,” “opportunity,” “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 Quarterly Report is filed with the SEC. We cannot guarantee the accuracy of any such forward-looking statements contained in this Quarterly 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 in our 2018 Annual Report on Form 10-K, which is incorporated herein.

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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.

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

We are the largest publicly-traded REIT focused on MOBs in the U.S. as measured by the GLA of our MOBs. We conduct substantially all of our 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 full-service operating platform to generate strong tenant and health system 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, building services and property management oversight; (ii) target accretive acquisitions and developments 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. Additionally, from time to time we consider, on an opportunistic basis, significant portfolio acquisitions that we believe fit our core business and could enhance our existing portfolio.

Since 2006, we have invested \$6.8 billion primarily in MOBs, development projects, land and other healthcare real estate assets consisting of approximately 23.2 million square feet of GLA throughout the U.S. Approximately 68% of our portfolio was located on the campuses of, or adjacent to, nationally and regionally recognized healthcare systems. Our portfolio is diversified geographically across 32 states, with no state having more than 20% of our total GLA as of March 31, 2019. 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. As of March 31, 2019, we had approximately 1 million square feet of GLA in nine of our top 20 markets and approximately 93% of our portfolio, based on GLA, is located in the top 75 MSAs, with Dallas, Houston, Boston, Tampa and Atlanta being our largest markets by investment.

Company Highlights***Portfolio Operating Performance***

For the three months ended March 31, 2019, total revenues were \$169.0 million.

For the three months ended March 31, 2019, net income was \$13.7 million, compared to \$10.0 million, for the three months ended March 31, 2018.

For the three months ended March 31, 2019, net income attributable to common stockholders was \$0.06 per diluted share, or \$13.4 million.

For the three months ended March 31, 2019, HTA's FFO, as defined by NAREIT, was \$82.9 million, or \$0.40 per diluted share. For the three months ended March 31, 2019, HTALP's FFO was \$83.1 million, or \$0.40 per diluted OP Unit. Due to the adoption of Topic 842, initial direct costs are now reported in general and administrative expenses. For three months ended March 31, 2018, we capitalized approximately \$1.3 million of initial direct costs.

For the three months ended March 31, 2019, HTA's and HTALP's Normalized FFO was \$0.40 per diluted share and OP Unit, or \$83.1 million.

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 three months ended March 31, 2019, NOI was \$117.5 million.

For the three months ended March 31, 2019, Same-Property Cash NOI increased 2.7%, or \$3.0 million, to \$112.4 million, compared to \$109.5 million for the three months ended March 31, 2018.

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

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 decade. This has enabled us to create a high quality portfolio focused on MOBs serving the future of healthcare with scale and significance in 20 to 25 key markets.

Our investment strategy includes alignment with key healthcare systems, hospitals, and leading academic medical universities. We are the largest owner of on-campus or adjacent MOBs in the country, with approximately 15.9 million square feet of GLA, or 68%, of our portfolio located in these locations. The remaining 32% of our portfolio is located in core community outpatient locations where healthcare is increasingly being delivered.

Over the past decade, our investments have been focused in our 20 to 25 key markets which we believe will outperform the broader U.S. from an economic and demographic perspective. As of March 31, 2019, approximately 93% of our portfolio’s GLA is located in the top 75 MSAs. 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 of our key markets are also supported by strong university systems.

Our key market focus has enabled us to establish scale across 20 to 25 key markets and effectively utilize our asset management and leasing platform to deliver consistent same store growth and additional yield on investments, and also cost effective service to tenants. As of March 31, 2019, we had approximately 1 million square feet of GLA in nine of our top 20 markets and approximately 0.5 million square feet of GLA in 15 of our top 20 markets.

During the three months ended March 31, 2019, we invested \$18.8 million to acquire an MOB in Westport, Connecticut.

Internal Growth through Proactive In-House Property Management and Leasing

We believe we have the largest full-service operating platform in the medical office sector that consists of our in-house asset management and leasing platform which allows us to better manage and service our existing portfolio. In each of these markets, we have established a strong in-house 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 full-service operating platform has also enabled us to focus on generating cost efficiencies as we gain scale across individual markets and regions.

As of March 31, 2019, our in-house asset management and leasing platform operated approximately 21.6 million square feet of GLA, or 93%, of our total portfolio.

As of March 31, 2019, our leased rate (which includes leases which have been executed, but which have not yet commenced) was 91.8% by GLA and our occupancy rate was 90.6% by GLA.

We entered into new and renewal leases on approximately 1.1 million square feet of GLA, or approximately 4.7%, of the GLA of our total portfolio, during the three months ended March 31, 2019.

During the three months ended March 31, 2019, tenant retention for the Same-Property portfolio was 86%, which included approximately 1.1 million square feet of GLA 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.

Financial Strategy and Balance Sheet Flexibility

As of March 31, 2019, we had total leverage, measured by debt less cash and cash equivalents to total capitalization, of 29.3%. Total liquidity was \$1.1 billion, including cash and cash equivalents of \$61.1 million and \$1 billion available on our unsecured revolving credit facility as of March 31, 2019.

During the three months ended March 31, 2019, we repurchased 345,786 shares of our common stock totaling approximately \$8.5 million, at an average price of \$24.65 per share, pursuant to our stock repurchase plan.

As of March 31, 2019, the weighted average remaining term of our debt portfolio was 4.8 years.

On April 25, 2019, our Board of Directors announced a quarterly dividend of \$0.310 per share of common stock and per OP Unit.

Table of Contents**Critical Accounting Policies**

The complete list of our critical accounting policies was disclosed in our 2018 Annual Report on Form 10-K. On January 1, 2019 we adopted Topic 842. For more detail on the implementation and policies of this adoption see Note 2 - Summary of Significant Accounting Policies and Note 7 - Leases in the accompanying condensed consolidated financial statements. For further information on other significant accounting policies that impact us, see Note 2 - Summary of Significant Accounting Policies in the accompanying condensed consolidated financial statements.

Recently Issued or Adopted Accounting Pronouncements

See Note 2 - Summary of Significant Accounting Policies in the accompanying condensed 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, in our 2018 Annual Report on Form 10-K 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 three months ended March 31, 2019, we had an investment with a purchase price of \$18.8 million. During the three months ended March 31, 2018, we had investments with an aggregate gross purchase price of \$12.3 million. The amount of any future acquisitions or dispositions could have a significant impact on our results of operations in future periods.

Results of Operations**Comparison of the Three Months Ended March 31, 2019 and 2018**

As of March 31, 2019 and 2018, we owned and operated approximately 23.2 million and 24.1 million square feet of GLA, respectively, with a leased rate of 91.8% (which includes leases which have been executed, but which have not yet commenced), and an occupancy rate of 90.6%, and 90.7%, respectively. All explanations are applicable to both HTA and HTALP unless otherwise noted.

Comparison of the three months ended March 31, 2019 and 2018, respectively, is set forth below:

	Three Months Ended March 31,			
	2019	2018	Change	% Change
Revenues:				
Rental income	\$ 168,875	\$ 175,567	\$(6,692)	(3.8)%
Interest and other operating income	91	94	(3)	(3.2)
Total revenues	168,966	175,661	(6,695)	(3.8)
Expenses:				
Rental	51,468	56,022	(4,554)	(8.1)
General and administrative	11,290	8,786	2,504	28.5
Transaction	40	191	(151)	(79.1)
Depreciation and amortization	69,481	70,392	(911)	(1.3)
Interest expense	23,970	26,253	(2,283)	(8.7)
Impairment	—	4,606	(4,606)	NM
Total expenses	156,249	166,250	(10,001)	(6.0)
Loss on sale of real estate, net	(37)	—	(37)	NM
Income from unconsolidated joint venture	486	570	(84)	(14.7)
Other income	535	35	500	NM
Net income	\$ 13,701	\$ 10,016	\$ 3,685	36.8 %

NOI	\$117,498	\$119,639	\$(2,141)	(1.8)	%
Same-Property Cash NOI	\$112,449	\$109,465	\$2,984	2.7	%

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For the three months ended March 31, 2019 and 2018, respectively, rental income was comprised of the following (in thousands):

	Three Months Ended March 31,			
	2019	2018	Change	% Change
Contractual rental income	\$160,757	\$168,534	\$(7,777)	(4.6)%
Straight-line rent and amortization of above and (below) market leases	4,774	4,589	185	4.0
Other rental revenue	3,344	2,444	900	36.8
Total rental income	\$168,875	\$175,567	\$(6,692)	(3.8)%

Contractual rental income, which includes expense reimbursements, decreased \$(7.8) million for the three months ended March 31, 2019 compared to the three months ended March 31, 2018. This decrease was primarily due to \$6.7 million of reduced contractual rent as a result of buildings we sold during 2018 and 2019 and \$3.6 million of tenant paid property tax that we no longer record due to the adoption of Topic 842, partially offset by additional contractual rental income from our 2018 and 2019 acquisitions, and contractual rent increases for the three months ended March 31, 2019.

Average starting and expiring base rents for new and renewal leases consisted of the following for the three months ended March 31, 2019 and 2018, respectively (in thousands, except in average base rents per square foot of GLA):

**Three Months
Ended March 31,
2019 2018**

New and renewal leases:

Average starting base rents	\$17.77	\$23.33
Average expiring base rents	16.82	22.81

Square feet of GLA	1,099	663
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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 2019 had rents that we believed were at market rates. In general, 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 three months ended March 31, 2019 and 2018, respectively (in per square foot of GLA):

**Three Months
Ended March 31,
2019 2018**

New leases:

Tenant improvements	\$35.40	\$24.72
Leasing commissions	1.88	1.50
Tenant concessions	4.59	1.72

Renewal leases:

Tenant improvements	\$15.63	\$4.81
Leasing commissions	0.41	1.04
Tenant concessions	0.26	1.84

The average term for new and renewal leases executed consisted of the following for the three months ended March 31, 2019 and 2018, respectively (in years):

**Three
Months
Ended
March 31,
2019 2018**

New leases	7.5	6.4
Renewal leases	9.6	4.5

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Rental Expenses

For the three months ended March 31, 2019 and 2018, rental expenses attributable to our properties were \$51.5 million and \$56.0 million, respectively. The decrease in rental expenses was primarily due to \$2.2 million of reduced rental expenses as a result of buildings we sold during 2018 and 2019, improved operating efficiencies and \$3.6 million of tenant paid property tax that we no longer record due to the adoption of Topic 842, partially offset by additional rental expenses associated with our 2018 and 2019 acquisitions for the three months ended March 31, 2019.

General and Administrative Expenses

For the three months ended March 31, 2019 and 2018, general and administrative expenses were \$11.3 million and \$8.8 million, respectively. This increase was primarily due to an increase in the overall head count due to the continued growth of the company and stock based compensation expense. In addition, due to the adoption of Topic 842, initial direct costs are now reported in general and administrative expenses. For three months ended March 31, 2018, we capitalized approximately \$1.3 million of initial direct costs.

Depreciation and Amortization Expense

For the three months ended March 31, 2019 and 2018, depreciation and amortization expense was \$69.5 million and \$70.4 million, respectively. This decrease was associated with our 2018 and 2019 dispositions, partially offset by buildings we acquired during 2018 and 2019.

Impairment

During the three months ended March 31, 2019, we recorded no impairment charges. During the three months ended March 31, 2018, we recorded impairment charges of \$4.6 million related to two MOBs located in Texas and South Carolina with an aggregate value of \$13.0 million.

Interest Expense

For the three months ended March 31, 2019 and 2018, interest expense was \$24.0 million and \$26.3 million, respectively. This decrease in interest expense was primarily due to early payoffs of fixed rate mortgages from proceeds received in the Greenville disposition in August 2018.

To achieve our objectives, we borrow at both fixed and variable rates. From time to time, 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.

Net Income

Net income increased \$3.7 million to \$13.7 million for the three months ended March 31, 2019, compared to \$10.0 million for the three months ended March 31, 2018. This increase was primarily the result of continued growth in our operations and improved operating efficiencies.

NOI and Same-Property Cash NOI

For the three months ended March 31, 2019 and 2018, NOI was \$117.5 million and \$119.6 million, respectively. This decrease in NOI was primarily due to \$4.5 million of reduced NOI as a result of the buildings we sold during 2018 and 2019, and a reduction in straight-line rent from properties we owned more than a year, partially offset by additional NOI from our 2018 and 2019 acquisitions for the three months ended March 31, 2019.

Same-Property Cash NOI increased \$3.0 million to \$112.4 million for the three months ended March 31, 2019 compared to the three months ended March 31, 2018. This increase was 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. 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) transaction expenses; (ii) gain or loss on extinguishment of debt; (iii) noncontrolling income or loss from OP Units included in diluted shares (only applicable

to the Company); and (iv) other normalizing items, which include items that are unusual and infrequent in nature. 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.

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We present FFO and Normalized FFO because we consider them important supplemental measures of our operating performance and believe they are 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. FFO and Normalized FFO should not be considered as alternatives to net income or loss attributable to common stockholders/unitholders (computed in accordance with GAAP) as indicators of our financial performance, nor are they indicative of cash available to fund cash needs. FFO and Normalized FFO should be reviewed in connection with other GAAP measurements.

In addition, 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 OP Units included in diluted shares (only applicable to the Company) and the weighted average shares of our common stock or HTALP OP Units outstanding.

The following is the reconciliation of HTA's FFO and Normalized FFO to net income attributable to common stockholders for the three months ended March 31, 2019 and 2018, respectively (in thousands, except per share data):

	Three Months Ended	
	March 31,	
	2019	2018
Net income attributable to common stockholders	\$13,440	\$9,802
Depreciation and amortization expense related to investments in real estate	68,926	69,856
Loss on sale of real estate, net	37	—
Impairment	—	4,606
Proportionate share of joint venture depreciation and amortization	472	351
FFO attributable to common stockholders	\$82,875	\$84,615
Transaction expenses	40	191
Noncontrolling income from OP units included in diluted shares	233	181
Normalized FFO attributable to common stockholders	\$83,148	\$84,987
Net income attributable to common stockholders per diluted share	\$0.06	\$0.05
FFO adjustments per diluted share, net	0.34	0.35
FFO attributable to common stockholders per diluted share	\$0.40	\$0.40
Normalized FFO adjustments per diluted share, net	0.00	0.01
Normalized FFO attributable to common stockholders per diluted share	\$0.40	\$0.41

Weighted average diluted common shares outstanding 208,999 209,177

The following is the reconciliation of HTALP's FFO and Normalized FFO to net income attributable to common unitholders for the three months ended March 31, 2019 and 2018, respectively (in thousands, except per unit data):

	Three Months Ended	
	March 31,	
	2019	2018
Net income attributable to common unitholders	\$13,673	\$9,983
Depreciation and amortization expense related to investments in real estate	68,926	69,856
Loss on sale of real estate, net	37	—
Impairment	—	4,606
Proportionate share of joint venture depreciation and amortization	472	351
FFO attributable to common unitholders	\$83,108	\$84,796
Transaction expenses	40	191
Normalized FFO attributable to common unitholders	\$83,148	\$84,987
Net income attributable to common unitholders per diluted share	\$0.07	\$0.05

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FFO adjustments per diluted unit, net	0.33	0.36
FFO attributable to common unitholders per diluted unit	\$0.40	\$0.41
Normalized FFO adjustments per diluted unit, net	0.00	0.00
Normalized FFO attributable to common unitholders per diluted unit	\$0.40	\$0.41
Weighted average diluted common units outstanding	208,999	209,177

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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) transaction 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; (viii) income or loss from unconsolidated joint venture; and (ix) 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

ome. 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

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 and operational properties referred to as "Same-Property". Same-Property Cash NOI excludes (i) properties which have not been owned and operated by us during the entire span of all periods presented and disposed properties, (ii) our share of unconsolidated joint ventures, (iii) development, redevelopment and land parcels, (iv) properties intended for disposition in the near term which have (a) been approved by the Board of Directors, (b) is actively marketed for sale, and (c) an offer has been received at prices we would transact and the sales process is ongoing, and (v) 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, Cash NOI and Same-Property Cash NOI to net income for the three months ended March 31, 2019 and 2018, respectively (in thousands):

	Three Months Ended March 31,	
	2019	2018
Net income	\$ 13,701	\$ 10,016
General and administrative expenses	11,290	8,786
Transaction expenses	40	191
Depreciation and amortization expense	69,481	70,392
Impairment	—	4,606
Interest expense	23,970	26,253
Loss on sale of real estate, net	37	—
Income from unconsolidated joint venture	(486)	(570)
Other income	(535)	(35)
NOI	\$ 117,498	\$ 119,639
Straight-line rent adjustments, net	(3,258)	(3,166)
Amortization of (below) and above market leases/leasehold interests, net and other GAAP adjustments	234	99
Notes receivable interest income	(27)	(36)

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Cash NOI	\$114,447	\$116,536
Acquisitions not owned/operated for all periods presented and disposed properties Cash NOI	(783)	(5,000)
Redevelopment Cash NOI	(269)	(820)
Intended for sale Cash NOI	(946)	(1,251)
Same-Property Cash NOI ⁽¹⁾	\$112,449	\$109,465

(1) Same-Property includes 412 buildings for the three months ended March 31, 2019 and 2018.

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Table of Contents**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: (a) the funding of acquisitions of MOBs, development properties and other facilities that serve the healthcare industry; (b) capital expenditures; (c) the payment of operating expenses; (d) debt service payments, including principal payments; and (e) 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 March 31, 2019, we had liquidity of \$1.1 billion, including \$1 billion available under our unsecured revolving credit facility and \$61.1 million of cash and cash equivalents.

In addition, we had unencumbered assets with a gross book value of \$6.6 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 March 31, 2019, we estimate that our expenditures for capital improvements for the remainder of 2019 will range from \$60 million to \$75 million depending on leasing activity. Although we cannot provide assurance that we will not exceed these estimated expenditure levels, our liquidity of \$1.1 billion allows us the flexibility to fund such capital expenditures.

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.

Cash Flows

The following is a summary of our cash flows for the three months ended March 31, 2019 and 2018, respectively (in thousands):

	Three Months Ended March 31,		
	2019	2018	Change
Cash, cash equivalents and restricted cash - beginning of period	\$133,530	\$118,560	\$14,970
Net cash provided by operating activities	48,555	60,880	(12,325)
Net cash used in investing activities	(36,047)	(42,367)	6,320
Net cash used in financing activities	(77,563)	(68,135)	(9,428)
Cash, cash equivalents and restricted cash - end of period	\$68,475	\$68,938	\$(463)

Net cash provided by operating activities decreased in 2019 primarily due to the impact of our 2018 and 2019 dispositions, primarily related to the timing of payments on certain liabilities, partially offset by our 2018 and 2019 acquisitions, contractual rent increases and improved operating efficiencies. 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 three months ended March 31, 2019, net cash used in investing activities primarily related to proceeds investments in real estate of \$18.6 million and capital expenditures of \$16.8 million. For the three months ended March 31, 2018, net cash used in investing activities primarily related to capital expenditures of \$17.4 million, development of real estate of \$13.2 million and investments in real estate of \$11.9 million.

For the three months ended March 31, 2019, net cash used in financing activities primarily related to dividends paid to holders of our common stock of \$63.7 million and the repurchase and cancellation of common stock of \$11.9 million. For the three months ended March 31, 2018, net cash used in financing activities primarily related to dividends paid to holders of our common stock of \$62.5 million.

Table of Contents***Dividends***

The amount of dividends we pay to our stockholders is determined by our Board of Directors, in their 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. We have 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. Our organizational documents do not establish a limit on dividends that may constitute a return of capital for federal income tax purposes. The dividend we pay to our stockholders is equal to the distributions received from HTALP in accordance with the terms of the HTALP partnership agreement. It is our intention to continue to pay dividends. However, our Board of Directors may reduce our dividend rate and we cannot guarantee the timing and amount of dividends that we may pay in the future, if any. For the three months ended March 31, 2019, we paid cash dividends of \$63.7 million on our common stock. In April 2019, we paid cash dividends on our common stock of \$63.6 million for the quarter ended March 31, 2019.

Financing

We have historically maintained a low leveraged balance sheet and intend to continue to maintain this structure in the long term. However, our total leverage may fluctuate on a short-term basis as we execute our business strategy. As of March 31, 2019, our leverage ratio, measured by debt less cash and cash equivalents to total capitalization, was 29.3%.

As of March 31, 2019, we had debt outstanding of \$2.5 billion and the weighted average interest rate therein was 3.47% per annum, inclusive of the impact of our cash flow hedges. The following is a summary of our unsecured and secured debt. See Note 8 - Debt in the accompanying condensed consolidated financial statements for a further discussion of our debt.

Unsecured Revolving Credit Facility

As of March 31, 2019, \$1.0 billion was available on our \$1.0 billion unsecured revolving credit facility. Our unsecured revolving credit facility matures in June 2022.

Unsecured Term Loans

As of March 31, 2019, we had \$500.0 million of unsecured term loans outstanding, comprised of \$300.0 million under our Unsecured Credit Agreement maturing in 2023, and \$200.0 million under our unsecured term loan maturing in 2024.

Unsecured Senior Notes

As of March 31, 2019, we had \$1.85 billion of unsecured senior notes outstanding, comprised of \$300.0 million of senior notes maturing in 2021, \$400.0 million of senior notes maturing in 2022, \$300.0 million of senior notes maturing in 2023, \$350.0 million of senior notes maturing in 2026, and \$500.0 million of senior notes maturing in 2027.

Fixed Rate Mortgages

During the three months ended March 31, 2019, we made payments on our fixed rate mortgages of \$0.6 million and have \$96.8 million of principal payments due during the remainder of 2019.

Commitments and Contingencies

There have been no material changes from the commitments and contingencies previously disclosed in our 2018 Annual Report on Form 10-K.

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 March 31, 2019, 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 in accordance with our loan agreements.

Off-Balance Sheet Arrangements

As of and during the three months ended March 31, 2019, we had no material off-balance sheet arrangements that have had or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

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.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes from the quantitative and qualitative disclosures about market risk previously disclosed in our 2018 Annual Report on Form 10-K.

Item 4. Controls and Procedures

Healthcare Trust of America, Inc.

HTA's management is responsible for establishing and maintaining disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports under 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 (as the principal executive officer) and Chief Financial Officer (as the principal financial officer and principal accounting officer), to allow timely decisions regarding required disclosures.

As of March 31, 2019, 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 Chief Financial Officer each concluded that HTA's disclosure controls and procedures were effective as of March 31, 2019.

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2019 that have materially affected, or are reasonably believed to be likely to materially affect, our internal control over financial reporting.

April 26, 2019

Healthcare Trust of America Holdings, LP

HTALP's management is responsible for establishing and maintaining disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports under 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 (as the principal executive officer) and Chief Financial Officer (as the principal financial officer and principal accounting officer), to allow timely decisions regarding required disclosures.

As of March 31, 2019, 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 Chief Financial Officer, on behalf of HTA in its capacity as general partner of HTALP, each concluded that HTALP's disclosure controls and procedures were effective as of March 31, 2019.

There were no changes in HTALP's internal control over financial reporting that occurred during the quarter ended March 31, 2019 that have materially affected, or are reasonably believed to be likely to materially affect, HTALP's internal control over financial reporting.

April 26, 2019

Table of Contents**PART II - OTHER INFORMATION****Item 1. 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 condensed consolidated financial statements.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in our 2018 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds***Purchases of Equity Securities by the Issuer and Affiliated Purchasers***

During the three months ended March 31, 2019, we repurchased shares of our 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
January 1, 2019 to January 31, 2019	464,458	\$24.80	—	(3)
February 1, 2019 to February 28, 2019	—	—	—	—
March 1, 2019 to March 31, 2019	13,991	28.88	—	—

(1) Purchases represent shares withheld to satisfy withholding obligations on the vesting of restricted shares and shares repurchased under our stock repurchase plan. 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 OP Units in the HTALP operating partnership. Therefore, the OP Units in the HTALP operating partnership repurchased by HTALP are the same as the shares of common stock repurchased by HTA as shown above.

(3) During the three months ended March 31, 2019, we repurchased 345,786 shares of our common stock, at an average price of \$24.65 per share, for an aggregate amount of approximately \$8.5 million under our stock repurchase plan.

Item 6. Exhibits

The exhibits listed on the Exhibit Index are included, and incorporated by reference, in this Quarterly Report.

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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 Quarterly Report for the quarter ended March 31, 2019 (and are numbered in accordance with Item 601 of Regulation S-K).

- 10.1 Letter Agreement between Healthcare Trust of America, Inc. and Scott D. Peters dated March 18, 2019 (included as Exhibit 10.1 to our Current Report on Form 8-K filed on March 18, 2019 and incorporated herein by reference)
- 10.2 Letter Agreement between Healthcare Trust of America, Inc. and Robert A. Milligan dated March 18, 2019 (included as Exhibit 10.2 to our Current Report on Form 8-K filed on March 18, 2019 and incorporated herein by reference)
- 10.3 Letter Agreement between Healthcare Trust of America, Inc. and Amanda L. Houghton dated March 18, 2019 (included as Exhibit 10.3 to our Current Report on Form 8-K filed on March 18, 2019 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* This instance document does not appear in the interactive data file because of XBRL tags are embedded within the inline XBRL 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.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this 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: April 26, 2019

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

Date: April 26, 2019

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: April 26, 2019

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

Date: April 26, 2019