UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024
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 001-08895

Healthpeak Properties, Inc.
(Exact name of registrant as specified in its charter)

Maryland	**33-0091377**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4600 South Syracuse Street, Suite 500
Denver, CO 80237
(Address of principal executive offices) (Zip Code)
(720) 428-5050
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1.00 par value	DOC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 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. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). 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.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 24, 2024, there were 699,291,414 shares of the registrant's $1.00 par value common stock outstanding.

HEALTHPEAK PROPERTIES, INC.
INDEX

PART I. FINANCIAL INFORMATION

Item 1.	Financial Statements (Unaudited):	3
	Consolidated Balance Sheets	3
	Consolidated Statements of Operations	4
	Consolidated Statements of Comprehensive Income (Loss)	5
	Consolidated Statements of Equity and Redeemable Noncontrolling Interests	6
	Consolidated Statements of Cash Flows	8
	Notes to the Consolidated Financial Statements	9
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	41
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	67
Item 4.	Controls and Procedures	68
	PART II. OTHER INFORMATION	
Item 1A.	Risk Factors	69
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	69
Item 5.	Other Information	69
Item 6.	Exhibits	70
Signatures		71

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Healthpeak Properties, Inc.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)
(Unaudited)

	June 30, 2024	December 31, 2023
ASSETS		
Real estate:		
Buildings and improvements	$ 16,448,690	$ 13,329,464
Development costs and construction in progress	739,318	643,217
Land and improvements	3,005,974	2,647,633
Accumulated depreciation and amortization	(3,796,108)	(3,591,951)
Net real estate	16,397,874	13,028,363
Loans receivable, net of reserves of $9,143 and $2,830	275,478	218,450
Investments in and advances to unconsolidated joint ventures	927,204	782,853
Accounts receivable, net of allowance of $2,751 and $2,282	59,658	55,820
Cash and cash equivalents	106,886	117,635
Restricted cash	52,409	51,388
Intangible assets, net	1,076,087	314,156
Assets held for sale, net	—	117,986
Right-of-use asset, net	440,558	240,155
Other assets, net	843,554	772,044
Total assets	$ 20,179,708	$ 15,698,850
LIABILITIES AND EQUITY		
Bank line of credit and commercial paper	$ 25,000	$ 720,000
Term loans	1,645,456	496,824
Senior unsecured notes	6,551,155	5,403,378
Mortgage debt	381,416	256,097
Intangible liabilities, net	227,370	127,380
Liabilities related to assets held for sale, net	—	729
Lease liability	313,469	206,743
Accounts payable, accrued liabilities, and other liabilities	709,219	657,196
Deferred revenue	907,852	905,633
Total liabilities	10,760,937	8,773,980
Commitments and contingencies (Note 11)		
Redeemable noncontrolling interests	1,433	48,828
Common stock, $1.00 par value: 1,500,000,000 and 750,000,000 shares authorized; 700,316,807 and 547,156,311 shares issued and outstanding	700,317	547,156
Additional paid-in capital	12,859,567	10,405,780
Cumulative dividends in excess of earnings	(4,844,683)	(4,621,861)
Accumulated other comprehensive income (loss)	42,297	19,371
Total stockholders' equity	8,757,498	6,350,446
Joint venture partners	324,681	310,998
Non-managing member unitholders	335,159	214,598
Total noncontrolling interests	659,840	525,596
Total equity	9,417,338	6,876,042
Total liabilities and equity	$ 20,179,708	$ 15,698,850

See accompanying Notes to the Unaudited Consolidated Financial Statements.

Healthpeak Properties, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues:				
Rental and related revenues	$ 546,781	$ 409,967	$ 1,008,814	$ 802,398
Resident fees and services	140,891	130,184	279,667	257,268
Interest income and other	7,832	5,279	13,583	11,442
Total revenues	695,504	545,430	1,302,064	1,071,108
Costs and expenses:				
Interest expense	74,910	49,074	135,817	97,037
Depreciation and amortization	283,498	197,573	502,717	376,798
Operating	273,827	221,837	517,556	444,925
General and administrative	26,718	25,936	50,017	50,483
Transaction and merger-related costs	7,759	637	114,979	3,062
Impairments and loan loss reserves (recoveries), net	(553)	2,607	10,905	394
Total costs and expenses	666,159	497,664	1,331,991	972,699
Other income (expense):				
Gain (loss) on sales of real estate, net	122,044	4,885	125,299	86,463
Other income (expense), net	4,004	1,955	82,520	2,727
Total other income (expense), net	126,048	6,840	207,819	89,190
Income (loss) before income taxes and equity income (loss) from unconsolidated joint ventures	155,393	54,606	177,892	187,599
Income tax benefit (expense)	(2,728)	(1,136)	(16,426)	(1,438)
Equity income (loss) from unconsolidated joint ventures	51	2,729	2,427	4,545
Net income (loss)	152,716	56,199	163,893	190,706
Noncontrolling interests' share in earnings	(6,669)	(4,300)	(11,170)	(19,855)
Net income (loss) attributable to Healthpeak Properties, Inc.	146,047	51,899	152,723	170,851
Participating securities' share in earnings	(214)	(149)	(414)	(1,402)
Net income (loss) applicable to common shares	$ 145,833	$ 51,750	$ 152,309	$ 169,449
Earnings (loss) per common share:				
Basic	$ 0.21	$ 0.09	$ 0.23	$ 0.31
Diluted	$ 0.21	$ 0.09	$ 0.23	$ 0.31
Weighted average shares outstanding:				
Basic	702,382	547,026	651,642	546,936
Diluted	703,268	547,294	652,113	547,204

See accompanying Notes to the Unaudited Consolidated Financial Statements.

Healthpeak Properties, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss)	$ 152,716	$ 56,199	$ 163,893	$ 190,706
Other comprehensive income (loss):				
Net unrealized gains (losses) on derivatives	3,690	12,668	22,798	3,191
Change in Supplemental Executive Retirement Plan obligation and other	64	64	128	128
Total other comprehensive income (loss)	3,754	12,732	22,926	3,319
Total comprehensive income (loss)	156,470	68,931	186,819	194,025
Total comprehensive (income) loss attributable to noncontrolling interests	(6,669)	(4,300)	(11,170)	(19,855)
Total comprehensive income (loss) attributable to Healthpeak Properties, Inc.	$ 149,801	$ 64,631	$ 175,649	$ 174,170

See accompanying Notes to the Unaudited Consolidated Financial Statements.

Healthpeak Properties, Inc.
CONSOLIDATED STATEMENTS OF EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS
(In thousands, except per share data)
(Unaudited)

For the three months ended June 30, 2024:

	Common Stock								
	Shares	Amount	Additional Paid-In Capital	Cumulative Dividends In Excess Of Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Total Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
April 1, 2024	703,733	$ 703,733	$ 12,918,936	$ (4,779,599)	$ 38,543	$ 8,881,613	$ 663,038	$ 9,544,651	$ 54,848
Net income (loss)	—	—	—	146,047	—	146,047	6,709	152,756	(40)
Other comprehensive income (loss)	—	—	—	—	3,754	3,754	—	3,754	—
Issuance of common stock, net	76	76	192	—	—	268	—	268	—
Conversion of DownREIT units to common stock	96	96	2,276	—	—	2,372	(2,372)	—	—
Repurchase of common stock	(3,588)	(3,588)	(64,646)	—	—	(68,234)	—	(68,234)	—
Stock-based compensation	—	—	2,367	—	—	2,367	2,923	5,290	—
Common dividends ($0.30 per share)	—	—	—	(211,131)	—	(211,131)	—	(211,131)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	(10,458)	(10,458)	(49)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	2
Purchase of noncontrolling interests	—	—	—	—	—	—	—	—	(52,886)
Adjustments to redemption value of redeemable noncontrolling interests	—	—	442	—	—	442	—	442	(442)
June 30, 2024	700,317	$ 700,317	$ 12,859,567	$ (4,844,683)	$ 42,297	$ 8,757,498	$ 659,840	$ 9,417,338	$ 1,433

For the three months ended June 30, 2023:

	Common Stock								
	Shares	Amount	Additional Paid-In Capital	Cumulative Dividends In Excess Of Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Total Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
April 1, 2023	546,995	$ 546,995	$ 10,360,058	$ (4,316,038)	$ 18,721	$ 6,609,736	$ 527,997	$ 7,137,733	$ 85,902
Net income (loss)	—	—	—	51,899	—	51,899	4,153	56,052	147
Other comprehensive income (loss)	—	—	—	—	12,732	12,732	—	12,732	—
Issuance of common stock, net	51	51	132	—	—	183	—	183	—
Conversion of DownREIT units to common stock	7	7	216	—	—	223	(223)	—	—
Repurchase of common stock	—	—	(7)	—	—	(7)	—	(7)	—
Stock-based compensation	—	—	2,256	—	—	2,256	3,138	5,394	—
Common dividends ($0.30 per share)	—	—	—	(164,284)	—	(164,284)	—	(164,284)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	(8,269)	(8,269)	(54)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	124
Adjustments to redemption value of redeemable noncontrolling interests	—	—	22,327	—	—	22,327	—	22,327	(22,327)
June 30, 2023	547,053	$ 547,053	$ 10,384,982	$ (4,428,423)	$ 31,453	$ 6,535,065	$ 526,796	$ 7,061,861	$ 63,792

For the six months ended June 30, 2024:

	Common Stock								
	Shares	Amount	Additional Paid-In Capital	Cumulative Dividends In Excess Of Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Total Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
January 1, 2024	547,156	$ 547,156	$ 10,405,780	$ (4,621,861)	$ 19,371	$ 6,350,446	$ 525,596	$ 6,876,042	$ 48,828
Net income (loss)	—	—	—	152,723	—	152,723	11,027	163,750	143
Other comprehensive income (loss)	—	—	—	—	22,926	22,926	—	22,926	—
Shares issued as part of the Merger	162,231	162,231	2,611,916	—	—	2,774,147	—	2,774,147	—
Issuance of common stock, net	375	375	201	—	—	576	—	576	—
Conversion of DownREIT units to common stock	96	96	2,276	—	—	2,372	(2,372)	—	—
Repurchase of common stock	(9,541)	(9,541)	(160,688)	—	—	(170,229)	—	(170,229)	—
Stock-based compensation	—	—	4,194	—	—	4,194	6,315	10,509	—
Common dividends ($0.60 per share)	—	—	—	(375,545)	—	(375,545)	—	(375,545)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	(17,453)	(17,453)	(312)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	12
Purchase of noncontrolling interests	—	—	—	—	—	—	—	—	(52,886)
Noncontrolling interests acquired as part of the Merger	—	—	—	—	—	—	136,727	136,727	1,536
Adjustments to redemption value of redeemable noncontrolling interests	—	—	(4,112)	—	—	(4,112)	—	(4,112)	4,112
June 30, 2024	700,317	$ 700,317	$ 12,859,567	$ (4,844,683)	$ 42,297	$ 8,757,498	$ 659,840	$ 9,417,338	$ 1,433

For the six months ended June 30, 2023:

	Common Stock								
	Shares	Amount	Additional Paid-In Capital	Cumulative Dividends In Excess Of Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Total Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
January 1, 2023	546,642	$ 546,642	$ 10,349,614	$ (4,269,689)	$ 28,134	$ 6,654,701	$ 527,897	$ 7,182,598	$ 105,679
Net income (loss)	—	—	—	170,851	—	170,851	19,542	190,393	313
Other comprehensive income (loss)	—	—	—	—	3,319	3,319	—	3,319	—
Issuance of common stock, net	642	642	(285)	—	—	357	—	357	—
Conversion of DownREIT units to common stock	7	7	216	—	—	223	(223)	—	—
Repurchase of common stock	(238)	(238)	(6,236)	—	—	(6,474)	—	(6,474)	—
Stock-based compensation	—	—	(621)	—	—	(621)	10,580	9,959	—
Common dividends ($0.60 per share)	—	—	—	(329,585)	—	(329,585)	—	(329,585)	—
Distributions to noncontrolling interests	—	—	—	—	—	—	(31,000)	(31,000)	(126)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	—	220
Adjustments to redemption value of redeemable noncontrolling interests	—	—	42,294	—	—	42,294	—	42,294	(42,294)
June 30, 2023	547,053	$ 547,053	$ 10,384,982	$ (4,428,423)	$ 31,453	$ 6,535,065	$ 526,796	$ 7,061,861	$ 63,792

See accompanying Notes to the Unaudited Consolidated Financial Statements.

Healthpeak Properties, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2024	**2023**
Cash flows from operating activities:		
Net income (loss)	$ 163,893	$ 190,706
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization of real estate, in-place lease, and other intangibles	502,717	376,798
Stock-based compensation amortization expense	8,180	7,532
Merger-related post-combination stock compensation expense	16,223	—
Amortization of deferred financing costs and debt discounts (premiums)	11,840	5,774
Straight-line rents	(22,545)	(5,431)
Amortization of nonrefundable entrance fees and above (below) market lease intangibles	(58,415)	(54,910)
Equity loss (income) from unconsolidated joint ventures	(2,427)	(4,545)
Distributions of earnings from unconsolidated joint ventures	7,761	352
Deferred income tax expense (benefit)	11,066	(901)
Impairments and loan loss reserves (recoveries), net	10,905	394
Loss (gain) on sales of real estate, net	(125,299)	(86,463)
Loss (gain) upon change of control, net	(77,978)	(234)
Casualty-related loss (recoveries), net	(1,257)	(266)
Other non-cash items	(841)	2,505
Changes in:		
Decrease (increase) in accounts receivable and other assets, net	19,334	9,656
Increase (decrease) in accounts payable, accrued liabilities, and deferred revenue	5,607	30,770
Net cash provided by (used in) operating activities	468,764	471,737
Cash flows from investing activities:		
Acquisitions of real estate	—	(15,770)
Development, redevelopment, and other major improvements of real estate	(229,544)	(394,141)
Leasing costs, tenant improvements, and recurring capital expenditures	(53,235)	(42,233)
Proceeds from sales of real estate, net	369,475	141,651
Proceeds from the Callan Ridge JV transaction, net	125,662	—
Investments in unconsolidated joint ventures	(37,423)	(28,214)
Distributions in excess of earnings from unconsolidated joint ventures	15,757	6,420
Proceeds from insurance recovery	4,090	14,265
Proceeds from sales/principal repayments on loans receivable and marketable debt securities	86,210	184,299
Investments in loans receivable and other	(12,031)	(4,946)
Cash paid in connection with the Merger, net	(179,215)	—
Net cash provided by (used in) investing activities	89,746	(138,669)
Cash flows from financing activities:		
Borrowings under bank line of credit and commercial paper	3,146,000	6,014,005
Repayments under bank line of credit and commercial paper	(3,841,000)	(6,680,611)
Issuances and borrowings of term loans, senior unsecured notes, and mortgage debt	750,000	743,778
Repayments and repurchases of term loans, senior unsecured notes, and mortgage debt	(1,963)	(2,619)
Payments for deferred financing costs	(5,438)	(7,322)
Issuance of common stock and exercise of options, net of offering costs	174	(298)
Repurchase of common stock	(170,229)	(6,474)
Dividends paid on common stock	(375,143)	(328,930)
Distributions to and purchase of noncontrolling interests	(70,651)	(31,126)
Contributions from and issuance of noncontrolling interests	12	220
Net cash provided by (used in) financing activities	(568,238)	(299,377)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(9,728)	33,691
Cash, cash equivalents, and restricted cash, beginning of period	169,023	126,834
Cash, cash equivalents, and restricted cash, end of period	$ 159,295	$ 160,525

See accompanying Notes to the Unaudited Consolidated Financial Statements.

Healthpeak Properties, Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. Business

Overview

Healthpeak Properties, Inc., a Standard & Poor's 500 company, is a Maryland corporation that is organized to qualify as a real estate investment trust ("REIT") and that, together with its consolidated entities (collectively, "Healthpeak" or the "Company"), owns, operates, and develops high-quality real estate focused on healthcare discovery and delivery in the United States ("U.S."). Healthpeak® has a diverse portfolio comprised of investments in the following reportable healthcare segments: (i) outpatient medical; (ii) lab; and (iii) continuing care retirement community ("CCRC").

The Company's corporate headquarters are in Denver, Colorado, and it has additional corporate offices in California, Tennessee, Wisconsin, and Massachusetts, and property management offices in several locations throughout the U.S.

On February 10, 2023, the Company completed its corporate reorganization (the "Reorganization") into an umbrella partnership REIT ("UPREIT"). Substantially all of the Company's business is conducted through Healthpeak OP, LLC ("Healthpeak OP"). The Company is the managing member of Healthpeak OP and does not have material assets or liabilities, other than through its investment in Healthpeak OP. For additional information on the UPREIT Reorganization, see the Company's Current Report on Form 8-K12B filed with the U.S. Securities and Exchange Commission ("SEC") on February 10, 2023.

On March 1, 2024, the Company completed its planned merger with Physicians Realty Trust (see Note 3).

NOTE 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information. Management is required to make estimates and assumptions in the preparation of financial statements in conformity with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's estimates.

The consolidated financial statements include the accounts of Healthpeak Properties, Inc., its wholly-owned subsidiaries, joint ventures ("JVs"), and variable interest entities ("VIEs") that it controls through voting rights or other means. Intercompany transactions and balances have been eliminated upon consolidation. All adjustments (consisting of normal recurring adjustments) necessary to present fairly the Company's financial position, results of operations, and cash flows have been included. Operating results for the three and six months ended June 30, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024. The accompanying unaudited interim financial information should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC.

Government Grant Income

On March 27, 2020, the federal government enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") to provide financial aid to individuals, businesses, and state and local governments. During the three and six months ended June 30, 2023, the Company received government grants under the CARES Act primarily to cover increased expenses and lost revenues during the coronavirus pandemic. Grant income is recognized to the extent that qualifying expenses and lost revenues exceed grants received and the Company will comply with all conditions attached to the grant. As of June 30, 2024, the amount of qualifying expenditures and lost revenues exceeded grant income recognized and the Company believes it has complied and will continue to comply with all grant conditions. In the event of non-compliance, all such amounts received are subject to recapture.

The following table summarizes information related to government grant income received and recognized by the Company (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Government grant income recorded in other income (expense), net	$ —	$ 47	$ —	$ 184
Government grant income recorded in equity income (loss) from unconsolidated joint ventures	—	—	—	229
Total government grants received	$ —	$ 47	$ —	$ 413

Recent Accounting Pronouncements

Adopted

Reference Rate Reform. From March 2020 to December 2022, the Financial Accounting Standards Board ("FASB") issued a series of Accounting Standards Updates ("ASUs") that provide optional expedients that may be elected through December 31, 2024 to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform on financial reporting. The amendments in these ASUs were effective immediately upon issuance. During the first quarter of 2023, the Company amended certain of its variable rate mortgage debt and the related interest rate swap agreements to change the interest rate benchmark from the London Interbank Offered Rate ("LIBOR") to the Secured Overnight Financing Rate ("SOFR") and accordingly, the Company elected to apply certain practical expedients provided by these ASUs related to cash flow hedges. These expedients and the effects of reference rate reform have not had a material impact on the Company's consolidated financial position, results of operations, cash flows, or disclosures.

Not Yet Adopted

Segment Reporting. In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), to improve reportable segment disclosure requirements so that investors can better understand an entity's overall performance and assess potential future cash flows. The amendments in ASU 2023-07 include, but are not limited to: (i) disclosure of, on an annual basis, significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss; (ii) disclosure of, on an annual and interim basis, an amount for other segment items by reportable segment and a description of its composition (the other segment items category is the difference between segment revenue less the significant expenses disclosed and each reported measure of segment profit or loss); (iii) disclosure of, on an interim basis, all currently required annual disclosures about a reportable segment's profit (loss) and assets; (iv) clarification that if the CODM uses more than one measure of a segment's profit or loss in assessing segment performance and deciding how to allocate resources, an entity may report one or more of those additional measures of segment profit; and (v) disclosure of the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company is evaluating the impact ASU 2023-07 will have on its disclosures.

Income Taxes. In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"), to provide disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. One of the amendments in ASU 2023-09 includes disclosure of, on an annual basis, a tabular rate reconciliation (using both percentages and reporting currency amounts) of (i) the reported income tax expense (or benefit) from continuing operations, to (ii) the product of the income (or loss) from continuing operations before income taxes and the applicable statutory federal income tax rate of the jurisdiction of domicile using specific categories, including separate disclosure for any reconciling items within certain categories that are equal to or greater than a specified quantitative threshold of 5%. ASU 2023-09 also requires disclosure of, on an annual basis, the year to date amount of income taxes paid (net of refunds received) disaggregated by federal, state, and foreign jurisdictions, including additional disaggregated information on income taxes paid (net of refunds received) to an individual jurisdiction equal to or greater than 5% of total income taxes paid (net of refunds received). The amendments in ASU 2023-09 are effective for annual periods beginning after December 15, 2024. The Company is evaluating the impact ASU 2023-09 will have on its disclosures.

NOTE 3. The Merger

On March 1, 2024 (the "Closing Date"), pursuant to the Agreement and Plan of Merger dated October 29, 2023 (the "Merger Agreement"), by and among the Company, DOC DR Holdco, LLC (formerly known as Alpine Sub, LLC), a wholly owned subsidiary of the Company ("DOC DR Holdco"), DOC DR, LLC (formerly known as Alpine OP Sub, LLC), a wholly owned subsidiary of Healthpeak OP ("DOC DR OP Sub"), Physicians Realty Trust, and Physicians Realty L.P. (the "Physicians Partnership"): (i) Physicians Realty Trust merged with and into DOC DR Holdco (the "Company Merger"), with DOC DR Holdco surviving as a wholly owned subsidiary of the Company (the "Company Surviving Entity"); (ii) immediately following the effectiveness of the Company Merger, the Company contributed all of the outstanding equity interests in the Company Surviving Entity to Healthpeak OP (the "Contribution"); and (iii) immediately following the Contribution, Physicians Partnership merged with and into DOC DR OP Sub (the "Partnership Merger" and, together with the Company Merger, the "Merger"), with DOC DR OP Sub surviving as a subsidiary of Healthpeak OP (the "Partnership Surviving Entity"). Subsequent to the Closing Date, the "Combined Company" means the Company and its subsidiaries.

On the Closing Date and in connection with the Merger, (i) each outstanding common share of beneficial interest of Physicians Realty Trust ("Physicians Realty Trust common shares") (other than Physicians Realty Trust common shares that were canceled in accordance with the Merger Agreement) was automatically converted into the right to receive 0.674 (the "Exchange Ratio") shares of the Company's common stock, and (ii) each outstanding common unit of the Physicians Partnership was converted into common units in the Partnership Surviving Entity equal to the Exchange Ratio.

As a result of the Merger, the Company acquired 299 outpatient medical buildings. The primary reason for the Merger was to expand the Company's size, scale, and diversification, in order to further enhance the Company's competitive advantages and accelerate investment activities.

The Merger was accounted for using the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") 805, *Business Combinations* ("ASC 805"), which requires, among other things, the assets acquired and the liabilities assumed to be recognized at their acquisition date fair value. For accounting purposes, the Company was treated as the accounting acquirer of Physicians Realty Trust. The Company was considered to be the accounting acquirer primarily because: (i) the Company is the entity that transferred consideration to consummate the Merger; (ii) the Company's stockholders as a group retained the largest portion of the voting rights of the Combined Company and have the ability to elect, appoint, or remove a majority of the members of the Combined Company's board of directors; and (iii) its senior management constitutes the majority of management of the Combined Company.

The consideration transferred on the Closing Date is as follows (in thousands, except per share data):

		March 1, 2024
Physicians Realty Trust common shares and Physicians Realty Trust restricted shares, PSUs, and RSUs exchanged[(1)]		240,699
Exchange Ratio		0.674
Shares of Healthpeak common stock issued		162,231
Closing price of Healthpeak common stock on March 1, 2024[(2)]	$	17.10
Fair value of Healthpeak common stock issued to the former holders of Physicians Realty Trust common shares, restricted shares, PSUs, and RSUs	$	2,774,147
Less: Fair value of preliminary share consideration attributable to the post-combination period[(3)]		(16,223)
Physicians Realty Trust revolving credit facility termination[(4)]	$	175,411
Settlement of Physicians Realty Trust's transaction costs		23,913
Payments made in connection with share settlement[(5)]		11,315
Preliminary cash consideration	$	210,639
Consideration transferred	$	2,968,563

(1) Includes 241 million Physicians Realty Trust common shares and Physicians Realty Trust restricted shares outstanding as of March 1, 2024, inclusive of: (i) 200 thousand Physicians Realty Trust restricted shares; (ii) 1 million Physicians Realty Trust common shares issuable pursuant to outstanding Physicians Realty Trust performance-based restricted stock unit ("PSUs") (reflected at the maximum level of performance); and (iii) 300 thousand Physicians Realty Trust common shares issuable pursuant to outstanding Physicians Realty Trust restricted stock units ("RSUs").

(2) The fair value of Healthpeak common stock issued to former holders of Physicians Realty Trust common shares and Physicians Realty Trust restricted shares, PSUs, and RSUs was based on the per share closing price of Healthpeak common stock on March 1, 2024.

(3) Represents the fair value of unvested Physicians Realty Trust restricted shares, PSUs, and RSUs attributable to post-combination services that were converted into Healthpeak common stock on the Closing Date in accordance with the Merger Agreement. Although no future service after the Closing Date is required, the value attributable to post-combination services reflected the incremental fair value provided to the Physicians Realty Trust equity award holders and the accelerated vesting of such awards at the Closing Date in accordance with the Merger Agreement. This amount was recognized as transaction and merger-related costs on the Consolidated Statements of Operations.

(4) Represents the Company's cash repayment of all outstanding balances under Physicians Realty Trust's revolving credit facility on the Closing Date in connection with the related termination.

(5) Includes cash settlement of: (i) tax liability related to holdback elections made under the pre-existing terms and conditions of Physicians Realty Trust's equity programs and (ii) fractional share consideration.

Preliminary Purchase Price Allocation

For the Company's real estate acquisitions that are accounted for as business combinations, the Company allocates the acquisition consideration (excluding acquisition costs) to the assets acquired, liabilities assumed, and noncontrolling interests at fair value as of the acquisition date. Any excess of the consideration transferred relative to the fair value of the net assets acquired is accounted for as goodwill. Acquisition costs related to business combinations are expensed as incurred. The preliminary estimated fair values of the assets acquired, liabilities assumed, and noncontrolling interests were based on information that was available at the Closing Date. The fair values were determined using standard valuation methodologies, such as the cost, market, and income approach. These methodologies require various assumptions, including those of a market participant.

The following table summarizes the preliminary estimated fair values of the assets acquired, liabilities assumed, and noncontrolling interests at the Closing Date (in thousands):

		March 1, 2024
ASSETS		
Real estate:		
Buildings and improvements	$	3,199,884
Development costs and construction in progress		68,171
Land and improvements		435,353
Real estate		3,703,408
Loans receivable		118,908
Investments in and advances to unconsolidated joint ventures		58,636
Accounts receivable, net(1)		9,536
Cash and cash equivalents		30,417
Restricted cash		1,007
Intangible assets(2)		890,827
Right-of-use asset		191,415
Other assets		44,691
Total assets	$	5,048,845
LIABILITIES AND EQUITY		
Term loans	$	402,320
Senior unsecured notes		1,139,760
Mortgage debt		127,176
Intangible liabilities(3)		149,875
Lease liability		97,160
Accounts payable, accrued liabilities, and other liabilities		72,864
Total liabilities	$	1,989,155
Redeemable noncontrolling interests		1,536
Joint venture partners(4)		20,109
Non-managing member unitholders(5)		116,618
Total noncontrolling interests	$	136,727
Fair value of net assets acquired and liabilities assumed, net of noncontrolling interests	$	2,921,427
Goodwill		47,136
Total purchase price	$	2,968,563

(1) Includes $14 million of gross contractual accounts receivable.
(2) The intangible assets acquired had a weighted average amortization period of 6 years (see Note 9).
(3) The intangible liabilities acquired had a weighted average amortization period of 9 years (see Note 9).
(4) Includes six consolidated joint ventures in which the Company held ownership interests ranging from 56.7% to 99.7%.
(5) In connection with the Merger, Physicians Partnership merged with and into DOC DR OP Sub with DOC DR OP Sub surviving as the Partnership Surviving Entity. The Company controls the Partnership Surviving Entity via its ownership of its managing member, and the Partnership Surviving Entity is consolidated by the Company.

As of June 30, 2024, the Company had not finalized the determination of fair value of certain tangible and intangible assets acquired and liabilities assumed including, but not limited to, real estate assets, loans receivable, investments in and advances to unconsolidated joint ventures, intangible assets and liabilities, noncontrolling interests, and goodwill. As such, the assessment of fair value of assets acquired and liabilities assumed is preliminary and was based on information that was available at the time the Consolidated Financial Statements were prepared. The finalization of the purchase accounting assessment could result in material changes in the Company's determination of the fair value of assets acquired and liabilities assumed, which will be recorded as measurement period adjustments in the period in which they are identified, up to one year from the Closing Date.

A preliminary estimate of approximately $47 million has been allocated to goodwill. The recognized goodwill is attributable to expected synergies, cost savings, acquired workforce, and potential economies of scale benefits from outpatient medical property management and tenant and vendor relationships following the closing of the Merger. None of the goodwill recognized is expected to be deductible for tax purposes.

Merger-Related Costs

During the three months ended June 30, 2024, the Company incurred approximately $7 million of merger-related costs, including $5 million of legal, accounting, tax, and other costs of combining operations with Physicians Realty Trust and $3 million of severance expense related to legacy Healthpeak employees. During the six months ended June 30, 2024, the Company incurred approximately $114 million of merger-related costs, which primarily related to advisory, legal, accounting, tax, post-combination severance and stock compensation expense, and other costs of combining operations with Physicians Realty Trust. Included in this amount is: (i) $38 million of fees paid to investment banks and advisors to help the Company negotiate the terms of the transactions contemplated by the Merger Agreement and to advise the Company on other merger-related matters, inclusive of $21 million of success-based fees incurred upon consummation of the Merger, (ii) $26 million of severance expense due to certain Physicians Realty Trust dual-trigger severance arrangements that are required to be recognized as post-combination expense in accordance with ASC 805, (iii) $16 million of post-combination stock compensation expense for the accelerated vesting of Physicians Realty Trust equity awards pursuant to the terms of the Merger Agreement, based on the fair value of Healthpeak common stock issued to holders of Physicians Realty Trust equity awards, (iv) $23 million of legal, accounting, tax, and other costs, and (v) $10 million of severance expense related to legacy Healthpeak employees.

The Company expects to incur approximately $2 million of additional severance expense related to legacy Healthpeak employees through the end of 2024. These merger-related costs are included in transaction and merger-related costs on the Consolidated Statements of Operations.

Unaudited Pro Forma Financial Information

The Consolidated Statements of Operations for the three months ended June 30, 2024 include $146 million of revenues and $18 million of net loss applicable to common shares associated with the results of operations of legacy Physicians Realty Trust. The Consolidated Statements of Operations for the six months ended June 30, 2024 include $194 million of revenues and $38 million of net loss applicable to common shares associated with the results of operations of legacy Physicians Realty Trust from the Closing Date to June 30, 2024.

The following unaudited pro forma information presents a summary of the results of operations for the Combined Company, as if the Merger had been consummated on January 1, 2023 (in thousands). The following unaudited pro forma financial information is not necessarily indicative of the results of operations had the acquisition been effected on the assumed date, nor is it necessarily an indication of trends in future results for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the unaudited pro forma financial information, cost savings from operating efficiencies, potential synergies, and the impact of incremental costs incurred in integrating the businesses.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Total revenues	$ 688,293	$ 692,852	$ 1,386,995	$ 1,366,516
Net income (loss) applicable to common shares	154,577	7,484	242,286	(28,192)

The unaudited pro forma financial information above includes nonrecurring significant adjustments made to account for certain costs incurred as if the Merger had been completed on January 1, 2023. Transaction and merger-related costs of $7 million and $114 million that were incurred during the three and six months ended June 30, 2024, respectively, were excluded from the unaudited pro forma financial information for the three and six months ended June 30, 2024, respectively, but included for the six months ended June 30, 2023. The six months ended June 30, 2023 also includes $11 million of transaction and merger-related costs that were recognized during the year ended December 31, 2023.

NOTE 4. Real Estate Investments

2023 Real Estate Investment Acquisitions

60 Loomis Land Parcel

In January 2023, the Company acquired a lab land parcel in Cambridge, Massachusetts for $9 million.

Wylie Outpatient Medical Building

In April 2023, the Company acquired the remaining 80% interest in one of the outpatient medical buildings in the Ventures IV unconsolidated joint venture for $4 million (see Note 8). Concurrent with the acquisition, the Company began consolidating the building and recognized a gain upon change of control of $0.2 million, which is recorded in other income (expense), net.

Development Activities

The Company's commitments, which are primarily related to development and redevelopment projects and Company-owned tenant improvements, decreased by $10 million to $169 million at June 30, 2024, when compared to December 31, 2023, primarily as a result of additional construction spend on projects in development and redevelopment during the first half of 2024, thereby decreasing the remaining commitment, partially offset by: (i) additional commitments on projects placed into development and redevelopment during the period and (ii) commitments related to development projects acquired as part of the Merger.

NOTE 5. Dispositions of Real Estate

2024 Dispositions of Real Estate

During the three months ended March 31, 2024, the Company sold two outpatient medical buildings for $29 million, resulting in total gain on sales of $3 million.

During the three months ended June 30, 2024, the Company sold a portfolio of seven lab buildings for $180 million, resulting in total gain on sales of $55 million. Also during the three months ended June 30, 2024, the Company sold 11 outpatient medical buildings for $179 million, resulting in total gain on sales of $67 million.

In July 2024, the Company completed negotiations and subsequently closed the sale of a portfolio of 59 outpatient medical buildings for $674 million and provided the buyer with a mortgage loan secured by the real estate sold for $405 million (see Note 7).

2023 Dispositions of Real Estate

During the three months ended March 31, 2023, the Company sold two lab buildings in Durham, North Carolina for $113 million, resulting in total gain on sales of $60 million. Also during the three months ended March 31, 2023, the Company sold two outpatient medical buildings for $32 million, resulting in total gain on sales of $21 million.

Held for Sale

As of June 30, 2024, no assets were classified as held for sale. As of December 31, 2023, two lab buildings and one outpatient medical building were classified as held for sale, with a carrying value of $118 million, primarily comprised of net real estate assets. As of December 31, 2023, liabilities related to the assets held for sale were $1 million. During the three months ended March 31, 2024, the Company sold the outpatient medical building and a 65% interest in the two lab buildings (see Note 8) held for sale as of December 31, 2023.

Impairments of Real Estate

During the three and six months ended June 30, 2024 and 2023, the Company did not recognize any impairment charges.

NOTE 6. Leases

Lease Income

The following table summarizes the Company's lease income (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Fixed income from operating leases	$ 404,225	$ 311,663	$ 747,639	$ 606,179
Variable income from operating leases	142,556	98,304	261,175	196,219

Initial Direct Costs

Initial direct costs incurred in connection with successful property leasing are capitalized as deferred leasing costs and consist of leasing commissions paid to external third party brokers. Initial direct costs include only those costs that are incremental to the arrangement and would not have been incurred if the lease had not been obtained. Initial direct costs are included in other assets, net in the Consolidated Balance Sheets and amortized in depreciation and amortization in the Consolidated Statements of Operations using the straight-line method over the lease term. At each of June 30, 2024 and December 31, 2023, net initial direct costs were $172 million.

Straight-Line Rents

For operating leases with minimum scheduled rent increases, the Company recognizes income on a straight-line basis over the lease term when collectibility of future minimum lease payments is probable. If the Company determines that collectibility of future minimum lease payments is not probable, the straight-line rent receivable balance is written off and recognized as a decrease in revenue in that period and future revenue recognition is limited to amounts contractually owed and paid. The Company does not resume recognition of income on a straight-line basis unless it determines that collectibility of future payments related to these leases is probable. For the Company's portfolio of operating leases that are deemed probable of collection but exhibit a certain level of collectibility risk, the Company may also recognize an incremental allowance as a reduction to revenue. At June 30, 2024 and December 31, 2023, straight-line rent receivable, net of allowance, was $319 million and $310 million, respectively. Straight-line rent receivable is included in other assets, net in the Consolidated Balance Sheets.

Tenant Updates

During the first quarter of 2023, the Company wrote off $9 million of straight-line rent receivable associated with four in-place operating leases with Sorrento Therapeutics, Inc. ("Sorrento"), which commenced voluntary reorganization proceedings (the "Filing") under Chapter 11 of the U.S. Bankruptcy Code during the period. This write-off was recognized as a reduction in rental and related revenues on the Consolidated Statements of Operations. Subsequent to the write-off, revenue related to this tenant is recognized on a cash basis. Sorrento also had a single development lease with the Company, but had not taken occupancy at the time of the Filing. The Company has filed proofs of claims for damages related to its rejected leases, which include the development lease and three of the four operating leases. During the three months ended June 30, 2023, the Company received $2 million by drawing on Sorrento's letter of credit. These cash proceeds of $2 million were recognized as lease termination fee income, which is included in rental and related revenues on the Consolidated Statements of Operations. In April 2024, the U.S. Bankruptcy Court approved the assignment and assumption of the remaining operating lease by the buyer of Sorrento's assets. Given the nature of bankruptcy proceedings, the probability, timing, and amount of the additional proceeds, if any, that the Company may ultimately receive in connection with the claims are uncertain. Accordingly, the Company has not recorded any estimated recoveries associated with these claims as of June 30, 2024 or December 31, 2023.

On October 26, 2023, the Company amended its lease with Graphite Bio, Inc., which later merged with LENZ Therapeutics, Inc. in March 2024 ("Graphite Bio"), at one of its lab buildings in South San Francisco, California. Under the terms of the amended lease agreement, Graphite Bio's lease expiration date was accelerated from April 2033 to December 2024 in exchange for an upfront cash payment of $37 million, comprised of a $21 million termination fee and $16 million prepayment of Graphite Bio's contractual rent through the amended term. The $37 million is being recognized as rental and related revenues on the Consolidated Statements of Operations on a straight-line basis through the amended term of the lease.

In July 2024, the Company executed an early lease renewal for approximately 2 million square feet leased by CommonSpirit Health ("CommonSpirit"). The renewal, which is subject to a master agreement, extends the weighted average lease term of existing leases from July 2027 to December 2035, amends the contractual rents to current market rates, and increases the annual contractual lease escalations from 2.5% to 3.0%. In connection with this extension, CommonSpirit is provided the right to reduce the amount of space leased by up to approximately 200,000 square feet at any time after the original lease maturity dates.

NOTE 7. Loans Receivable

The following table summarizes the Company's loans receivable (in thousands):

	June 30, 2024	December 31, 2023
Secured loans[(1)(2)]	$ 200,583	$ 178,678
CCRC resident loans	53,346	42,733
Mezzanine loans[(2)]	35,820	—
Unamortized discounts and fees[(3)]	(5,128)	(131)
Reserve for loan losses	(9,143)	(2,830)
Loans receivable, net	$ 275,478	$ 218,450

(1) At June 30, 2024, the Company had $69 million of remaining commitments to fund additional loans for outpatient medical capital expenditure projects. At December 31, 2023, the Company had $29 million of remaining commitments to fund additional loans for senior housing redevelopment and capital expenditure projects. This $29 million commitment was reduced to zero in February 2024 in conjunction with the refinance of the Sunrise Senior Housing Portfolio Seller Financing as discussed below.

(2) Includes secured loans and mezzanine loans acquired as part of the Merger (see Note 3).

(3) As of June 30, 2024, includes net unamortized discounts of $5 million related to the loans receivable acquired as part of the Merger (see Note 3).

The Merger

On March 1, 2024, upon the consummation of the Merger, the Company acquired 9 secured loans with an aggregate outstanding principal balance of $89 million and 10 mezzanine loans with an aggregate outstanding principal balance of $36 million, for a total of $124 million. Typically, each secured loan is secured by a mortgage on a related outpatient medical building, each construction loan (included in secured loans above) is secured by a mortgage on the land and improvements as constructed, generally with guarantees from the borrowers, and each mezzanine loan is collateralized by an ownership interest in the respective borrower. As of the Closing Date, the secured loans had maturities ranging from June 2024 to July 2027 and stated fixed interest rates ranging from 7.00% to 10.00%. The mezzanine loans had maturities ranging from June 2024 to June 2027 and stated fixed interest rates ranging from 8.00% to 10.00%.

As of June 30, 2024, unamortized net discounts on the secured loans and mezzanine loans acquired were $1 million and $3 million, respectively. These discounts are recognized in interest income and other on the Consolidated Statements of Operations using the effective interest rate method over the remaining term of the loans. As of June 30, 2024, six of the secured loans acquired had $69 million of remaining commitments to fund outpatient medical capital expenditure projects.

Sunrise Senior Housing Portfolio Seller Financing

In conjunction with the sale of 32 senior housing operating properties ("SHOP") facilities for $664 million in January 2021, the Company provided the buyer with initial financing of $410 million. The remainder of the sales price was received in cash at the time of sale. Additionally, the Company agreed to provide up to $92 million of additional financing for capital expenditures (up to 65% of the estimated cost of capital expenditures). The initial and additional financing is secured by the buyer's equity ownership in each property. In June 2023, the interest rate on this secured loan was converted from a variable rate based on LIBOR to a variable rate based on Term SOFR (plus a 10 basis point adjustment related to SOFR transition).

In June 2021, February 2022, July 2022, and December 2022, the Company received partial principal repayments of $246 million, $8 million, $27 million, and $10 million, respectively, in conjunction with the disposition of the underlying collateral. In connection with these principal repayments, the additional financing available was reduced to $40 million, of which $11 million had been funded as of December 31, 2023.

In February 2024, this loan reached its maturity and was refinanced with the Company. In connection with the refinance, the Company received a partial principal repayment of $69 million and the maturity date was extended to August 2027. The interest rate on the loan remained as Term SOFR (plus a 10 basis point adjustment related to SOFR transition) plus 4.0% for the first two years of the extended term, but increases to 5.0% for the last 18 months of the extended term and is now subject to a fixed floor of 9%. In connection with the refinance, the additional financing was reduced to $1 million, all of which was funded in February 2024. Therefore, at June 30, 2024, the Company no longer has a commitment to provide the borrower with additional financing for capital expenditures. In May 2024, the Company received a partial principal repayment of $5 million in conjunction with the disposition of the underlying collateral. At June 30, 2024 and December 31, 2023, this secured loan had an outstanding principal balance of $58 million and $131 million, respectively.

Other SHOP Seller Financing

In conjunction with the sale of 16 additional SHOP facilities for $230 million in January 2021, the Company provided the buyer with financing of $150 million. The remainder of the sales price was received in cash at the time of sale. The financing is secured by the buyer's equity ownership in each property. Upon maturity in January 2023, the borrower did not make the required principal repayment. In February 2023, the borrower made a partial principal repayment of $102 million and the remaining balance owed was refinanced with the Company. In connection with the refinance, the maturity date of the loan was extended to January 2024 and the interest rate on the loan was increased to a variable rate based on Term SOFR (plus an 11 basis point adjustment related to SOFR transition) plus 6.0% for the first six months of the extended term, increasing to 7.0% for the last six months of the extended term. The Company also received a $1 million extension fee in connection with the refinance, which was recognized in interest income through the maturity date of January 2024.

In January 2024, the loan was refinanced with the Company. In connection with the refinance, the maturity date of the loan was extended to January 2025. The interest rate on the loan remained as Term SOFR (plus an 11 basis point adjustment related to SOFR transition) plus 7.0%, but is now subject to a fixed floor of 12%. The Company also received a $1 million extension fee in connection with the refinance, which is recognized in interest income over the remaining term of the loan. At each of June 30, 2024 and December 31, 2023, this secured loan had an outstanding principal balance of $48 million.

Outpatient Medical Seller Financing

In conjunction with the sale of 59 outpatient medical buildings for $674 million in July 2024 (see Note 5), the Company provided the buyer with a mortgage loan secured by the real estate sold for $405 million. The remainder of the sales price was received in cash at the time of sale. The seller financing has an initial term that matures in July 2026 and includes two 12-month extension options. The interest rate on the seller financing is fixed at 6.0% for the initial term and increases to 6.5% during the optional extension periods.

2024 Other Loans Receivable Transactions

In May 2024, the Company extended the maturity date of one mezzanine loan with an outstanding balance of $2 million from May 2026 to May 2027.

In June 2024, the Company extended the maturity date of one mezzanine loan with an outstanding balance of $1 million from June 2024 to June 2025 and one secured loan with an outstanding balance of $12 million from June 2024 to September 2024.

2023 Other Loans Receivable Transactions

In February 2023, the Company received full repayment of the outstanding balance of one $35 million secured loan.

In April 2023, the Company received full repayment of the outstanding balance of one $14 million secured loan.

In May 2023, the Company received full repayment of two outstanding secured loans with an aggregate balance of $12 million.

Also in May 2023, the interest rate on one secured loan with an outstanding balance of $21 million was converted from a variable rate based on LIBOR to a variable rate based on Term SOFR (plus a 10 basis point adjustment related to SOFR transition). In October 2023, the Company received full repayment of the outstanding balance of this $21 million secured loan.

CCRC Resident Loans

For certain residents that qualify, CCRCs may offer to lend residents the necessary funds to satisfy the entrance fee requirements so that they are able to move into a community while still continuing the process of selling their previous home. The loans are due upon sale of the resident's previous home. At June 30, 2024 and December 31, 2023, the Company held $53 million and $43 million, respectively, of such notes receivable.

Loans Receivable Internal Ratings

In connection with the Company's quarterly review process or upon the occurrence of a significant event, loans receivable are reviewed and assigned an internal rating of Performing, Watch List, or Workout. Loans that are deemed Performing meet all present contractual obligations, and collection and timing of all amounts owed is reasonably assured. Watch List Loans are defined as loans that do not meet the definition of Performing or Workout. Workout Loans are defined as loans in which the Company has determined, based on current information and events, that: (i) it is probable it will be unable to collect all amounts due according to the contractual terms of the agreement, (ii) the borrower is delinquent on making payments under the contractual terms of the agreement, and (iii) the Company has commenced action or anticipates pursuing action in the near term to seek recovery of its investment.

The following table summarizes, by year of origination, the Company's internal ratings for loans receivable, net of unamortized discounts, fees, and reserves for loan losses, as of June 30, 2024 (in thousands):

	Year of Origination[1]						
Investment Type	**2024**	**2023**	**2022**	**2021**	**2020**	**Prior**	**Total**
Secured loans							
Risk rating:							
Performing loans	$ 37,466	$ 26,854	$ 24,221	$ 101,984	$ —	$ —	$ 190,525
Watch list loans	—	—	—	—	—	—	—
Workout loans	—	—	—	—	—	—	—
Total secured loans	$ 37,466	$ 26,854	$ 24,221	$ 101,984	$ —	$ —	$ 190,525
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Current period recoveries	—	—	—	—	—	—	—
Current period net write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Mezzanine loans							
Risk rating:							
Performing loans	$ —	$ 4,924	$ 4,573	$ 8,034	$ 10,863	$ 3,213	$ 31,607
Watch list loans	—	—	—	—	—	—	—
Workout loans	—	—	—	—	—	—	—
Total mezzanine loans	$ —	$ 4,924	$ 4,573	$ 8,034	$ 10,863	$ 3,213	$ 31,607
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Current period recoveries	—	—	—	—	—	—	—
Current period net write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —
CCRC resident loans							
Risk rating:							
Performing loans	$ 36,219	$ 16,838	$ 289	$ —	$ —	$ —	$ 53,346
Watch list loans	—	—	—	—	—	—	—
Workout loans	—	—	—	—	—	—	—
Total CCRC resident loans	$ 36,219	$ 16,838	$ 289	$ —	$ —	$ —	$ 53,346
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Current period recoveries	—	—	—	—	—	—	—
Current period net write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —

(1) Additional loans funded for capital expenditure projects (as discussed above) is included in the year of origination of the initial loan.

Reserve for Loan Losses

The Company evaluates the liquidity and creditworthiness of its borrowers on a quarterly basis to determine whether any updates to the future expected losses recognized upon inception are necessary. The Company's evaluation considers payment history and current credit status, industry conditions, current economic conditions, forecasted economic conditions, individual and portfolio property performance, credit enhancements, liquidity, and other factors. Future economic conditions are based primarily on near-term economic forecasts from the Federal Reserve and reasonable assumptions for long-term economic trends. The determination of loan losses also considers concentration of credit risk associated with the senior housing and outpatient medical industries to which its loans receivable relate. The Company's borrowers furnish property, portfolio, and guarantor/operator-level financial statements, among other information, on a monthly or quarterly basis; the Company utilizes this financial information to calculate the debt service coverages in its assessment of internal ratings that it uses as a primary credit quality indicator. Debt service coverage information is evaluated together with other property, portfolio, and operator performance information, including revenue, expense, net operating income, occupancy, rental rates, capital expenditures, and EBITDA (defined as earnings before interest, tax, and depreciation and amortization), along with other liquidity measures. The Company evaluates, on a monthly basis or immediately upon a significant change in circumstance, its borrowers' ability to service their obligations with the Company.

The following table summarizes the Company's reserve for loan losses (in thousands):

	June 30, 2024			December 31, 2023		
	Secured Loans	Mezzanine Loans and Other[(1)]	Total	Secured Loans	Mezzanine Loans and Other[(1)]	Total
Reserve for loan losses, beginning of period	$ 2,830	$ —	$ 2,830	$ 8,280	$ —	$ 8,280
Provision for expected loan losses on funded loans receivable	5,209	1,104	6,313	2,088	—	2,088
Expected loan losses (recoveries) related to loans sold or repaid	—	—	—	(7,538)	—	(7,538)
Reserve for loan losses, end of period	$ 8,039	$ 1,104	$ 9,143	$ 2,830	$ —	$ 2,830

(1) Includes CCRC resident loans.

Additionally, at June 30, 2024 and December 31, 2023, a liability of $5.3 million and $0.7 million, respectively, related to expected credit losses for unfunded loan commitments was included in accounts payable, accrued liabilities, and other liabilities.

The change in the reserve for expected loan losses during the six months ended June 30, 2024 is primarily due to: (i) reserves recognized on senior loans and mezzanine loans receivable acquired as part of the Merger and (ii) reserves recognized on seller financing loans refinanced during the first quarter of 2024.

NOTE 8. Investments in and Advances to Unconsolidated Joint Ventures

The Company owns interests in the following entities that are accounted for under the equity method (dollars in thousands):

				Carrying Amount	
Entity[(1)]	Segment	Property Count[(2)]	Ownership %[(2)]	June 30, 2024	December 31, 2023
South San Francisco JVs[(3)]	Lab	7	70	$ 425,110	$ 393,374
SWF SH JV	Other	19	54	324,999	332,693
Callan Ridge JV	Lab	2	35	69,844	—
PMAK JV[(4)]	Outpatient medical	59	12	39,198	—
Lab JV	Lab	1	49	31,365	31,761
Needham Land Parcel JV[(5)]	Lab	—	38	17,192	17,084
Davis JV[(4)]	Outpatient medical	15	49	12,156	—
Outpatient Medical JVs[(6)]	Outpatient medical	2	20 - 67	7,340	7,941
				$ 927,204	$ 782,853

(1) These entities are not consolidated because the Company does not control, through voting rights or other means, the joint ventures.
(2) Property counts and ownership percentages are as of June 30, 2024.
(3) Includes seven unconsolidated lab joint ventures in South San Francisco, California in which the Company holds a 70% ownership percentage in each joint venture. The Company is entitled to a preferred return, a promote, and certain fees in exchange for development and asset management services provided to these joint ventures when certain conditions are met. These joint ventures have been aggregated herein due to similarity of the investments and operations.
(4) Includes unconsolidated joint ventures acquired as part of the Merger (see Note 3). The properties underlying the PMAK JV are excluded from the Company's total property count.
(5) Land held for development is excluded from the property count as of June 30, 2024.
(6) Includes two unconsolidated outpatient medical joint ventures in which the Company holds an ownership percentage as follows: (i) Ventures IV (20%) and (ii) Suburban Properties, LLC (67%). In April 2023, the Company acquired the remaining 80% interest in one of the two properties that were in the Ventures IV unconsolidated joint venture for $4 million (see Note 4). These joint ventures have been aggregated herein due to similarity of the investments and operations.

Callan Ridge JV

In January 2024, the Company sold a 65% interest in two lab buildings in San Diego, California (the "Callan Ridge JV") to a third-party (the "JV Partner") for net proceeds of $128 million. Following the transaction, the Company and the JV Partner share in key decisions of the assets through their voting rights, resulting in the Company deconsolidating the assets, recognizing its retained 35% investment in the Callan Ridge JV at fair value, and accounting for its investment using the equity method. The fair value of the Company's retained investment was based on a market approach, utilizing an agreed-upon contractual sales price, which is considered to be a Level 3 measurement within the fair value hierarchy. During the six months ended June 30, 2024, the Company recognized a gain upon change of control of $78 million, which is recorded in other income (expense), net.

NOTE 9. Intangibles

Intangible assets primarily consist of lease-up intangibles and above market lease intangibles. The following table summarizes the Company's intangible lease assets (dollars in thousands):

Intangible lease assets	June 30, 2024	December 31, 2023
Gross intangible lease assets(1)	$ 1,611,677	$ 739,228
Accumulated depreciation and amortization(2)	(535,590)	(425,072)
Intangible assets, net	$ 1,076,087	$ 314,156
Weighted average remaining amortization period in years	5	5

(1) As of June 30, 2024 and December 31, 2023, includes $1.56 billion and $725 million, respectively, of gross lease-up intangibles and $53 million and $14 million, respectively, of gross above market lease intangibles.
(2) As of June 30, 2024 and December 31, 2023, includes $525 million and $418 million, respectively, of accumulated depreciation and amortization on lease-up intangibles and $11 million and $7 million, respectively, of accumulated depreciation and amortization on above market lease intangibles.

Intangible liabilities consist of below market lease intangibles. The following table summarizes the Company's intangible lease liabilities (dollars in thousands):

Intangible lease liabilities	June 30, 2024	December 31, 2023
Gross intangible lease liabilities	$ 374,084	$ 228,105
Accumulated depreciation and amortization	(146,714)	(100,725)
Intangible liabilities, net	$ 227,370	$ 127,380
Weighted average remaining amortization period in years	9	7

On the Closing Date of the Merger, the Company acquired intangible assets of $891 million, inclusive of $852 million of lease-up intangibles and $39 million of above market lease intangibles, and intangible liabilities of $150 million (see Note 3). The intangible assets and liabilities acquired had a weighted average amortization period at acquisition of 6 years and 9 years, respectively.

During the year ended December 31, 2023, in conjunction with the Company's acquisition of real estate, the Company acquired $0.5 million of intangible assets with a weighted average amortization period at acquisition of 5 years.

Goodwill

On the Closing Date of the Merger, the Company recognized goodwill of $47 million, which was allocated to the Company's outpatient medical segment (see Note 3). Goodwill is included in other assets, net on the Consolidated Balance Sheets. At June 30, 2024 and December 31, 2023, goodwill was allocated to the Company's segment assets as follows (in thousands):

Segment	June 30, 2024	December 31, 2023
Outpatient medical	$ 61,314	$ 14,178
CCRC	1,998	1,998
Other non-reportable	1,851	1,851
	$ 65,163	$ 18,027

NOTE 10. Debt

Healthpeak OP, the Company's consolidated operating subsidiary, is the borrower under, and the Company, DOC DR Holdco, and DOC DR OP Sub are the guarantors of, the Revolving Facility, 2027 Term Loans, 2029 Term Loan, Commercial Paper Program (each as defined below), and senior unsecured notes issued by the Company prior to the Merger. DOC DR OP Sub is the borrower under, and the Company, Healthpeak OP, and DOC DR Holdco are guarantors of, the 2028 Term Loan (as defined below) and senior unsecured notes issued by the Physicians Partnership prior to, and assumed by the Company as part of, the Merger. Guarantees of senior unsecured notes are full and unconditional and applicable to existing and future senior unsecured notes.

The Merger

On March 1, 2024, upon the consummation of the Merger, the Company assumed senior unsecured term loans in an aggregate principal amount of $400 million (the "2028 Term Loan") that mature in May 2028 (see Note 3) pursuant to an amendment to a term loan agreement originally executed by the Physicians Partnership, as borrower, and the other parties thereto. DOC DR OP Sub is the borrower under, and the Company, Healthpeak OP, and DOC DR Holdco are guarantors of, the 2028 Term Loan.

In connection with the assumption of the 2028 Term Loan, the Company acquired three related interest rate swap instruments that were redesignated as cash flow hedges as of the Closing Date. The 2028 Term Loan associated with these interest rate swap instruments is reported as fixed rate debt due to the Company having effectively established a fixed interest rate for the underlying debt instruments. Based on DOC DR OP Sub's credit ratings as of June 30, 2024, the 2028 Term Loan had a blended fixed effective interest rate of 4.44% inclusive of the amortization of the related premium. See also Note 18 for a discussion of the impact of the related interest rate swap instruments.

Loans outstanding under the 2028 Term Loan bear interest at an annual rate equal to (i) the applicable margin, plus (ii) Daily SOFR (plus a 10 basis point adjustment related to SOFR transition). The applicable margin under the 2028 Term Loan ranges from 0.85% to 1.65% for Daily SOFR loans and is based on the credit ratings of DOC DR OP Sub. Based on the Company's credit ratings as of June 30, 2024, and inclusive of the adjustment related to SOFR transition, the margin on the 2028 Term Loan was 1.00%.

Additionally, on March 1, 2024, concurrently with the consummation of the Merger, DOC DR OP Sub assumed, and the Company and Healthpeak OP guaranteed, Physicians Partnership's $1.25 billion aggregate principal of senior unsecured notes (see Note 3), including: (i) $400 million aggregate principal amount of 4.30% senior unsecured notes due 2027, (ii) $350 million aggregate principal amount of 3.95% senior unsecured notes due 2028, and (iii) $500 million aggregate principal amount of 2.63% senior unsecured notes due 2031. On the Closing Date, the Company capitalized $1 million of costs paid to the bondholders, which are being amortized into interest expense on the Consolidated Statements of Operations over the terms of the related senior unsecured notes. The senior unsecured notes contain certain covenants that are consistent with the Healthpeak OP's previously issued senior unsecured notes, as further described below.

Lastly, on March 1, 2024, concurrently with the consummation of the Merger, the Company assumed $128 million aggregate principal of mortgage debt (see Note 3), which was secured by five outpatient medical buildings, with an aggregate carrying value of $259 million as of March 1, 2024. Of this $128 million, $59 million was fixed rate debt with a weighted average contractual interest rate of 3.77% and maturities ranging from November 2024 through December 2026 and $69 million was variable rate debt with a weighted average contractual interest rate of 7.25% and maturities ranging from December 2026 through November 2028. The Company recognized a net discount of $0.5 million on the $128 million aggregate principal of mortgage debt assumed on the Closing Date, which is being amortized into interest expense on the Consolidated Statements of Operations using the effective interest rate method. The Company acquired one related interest rate swap instrument with a notional amount of $36 million of variable rate mortgage debt that was redesignated as a cash flow hedge as of the Closing Date (see Note 18). As a result, $36 million of the variable rate mortgage debt associated with this interest rate swap instrument is reported as fixed rate debt due to the Company having effectively established a fixed interest rate for the underlying debt instrument.

Bank Line of Credit and Term Loans

Revolving Facility

On May 23, 2019, the Company executed a $2.5 billion unsecured revolving line of credit facility, with a maturity date of May 23, 2023 and two six-month extension options, subject to certain customary conditions. In September 2021, the Company executed an amended and restated unsecured revolving line of credit (the "Revolving Facility") to increase total revolving commitments from $2.5 billion to $3.0 billion and extend the maturity date to January 20, 2026. This maturity date may be further extended pursuant to two six-month extension options, subject to certain customary conditions. Borrowings under the Revolving Facility accrue interest at the applicable interest rate benchmark plus a margin that depends on the credit ratings of the Company's senior unsecured long-term debt. On February 10, 2023, the Company executed an amendment to the Revolving Facility to convert the interest rate benchmark from LIBOR to SOFR. The Company also pays a facility fee on the entire revolving commitment that depends on its credit ratings. Additionally, the Revolving Facility includes a sustainability-linked pricing component whereby the applicable margin may be reduced by up to 0.025% based on the Company's achievement of specified sustainability-linked metrics, subject to certain conditions. Based on the Company's credit ratings at June 30, 2024, and inclusive of achievement of a sustainability-linked metric, the margin on the Revolving Facility was 0.85% and the facility fee was 0.15%. The Revolving Facility includes a feature that allows the Company to increase the borrowing capacity by an aggregate amount of up to $750 million, subject to securing additional commitments. On March 1, 2024, concurrently with the consummation of the Merger, the Company executed an amendment to the Revolving Facility to, among other things, join DOC DR Holdco and DOC DR OP Sub as guarantors of Healthpeak OP's obligations under the Revolving Facility. At each of June 30, 2024 and December 31, 2023, the Company had no balance outstanding under the Revolving Facility.

Term Loan Agreement

On August 22, 2022, the Company executed a term loan agreement (as amended or modified as described herein, the "Term Loan Agreement") that provided for two senior unsecured delayed draw term loans in an aggregate principal amount of up to $500 million (the "2027 Term Loans"). The 2027 Term Loans were available to be drawn from time to time during a 180-day period after closing, subject to customary borrowing conditions, and the Company drew the entirety of the $500 million under the 2027 Term Loans in October 2022. $250 million of the 2027 Term Loans has an initial stated maturity of 4.5 years, which may be extended for a one-year period subject to certain customary conditions. The other $250 million of the 2027 Term Loans has a stated maturity of five years with no option to extend.

Loans outstanding under the 2027 Term Loans accrue interest at Term SOFR plus a margin that depends on the credit ratings of the Company's senior unsecured long-term debt. The 2027 Term Loans also include a sustainability-linked pricing component whereby the applicable margin under the 2027 Term Loans may be reduced by 0.01% based on the Company's achievement of specified sustainability-linked metrics. Based on the Company's credit ratings as of June 30, 2024, and inclusive of achievement of a sustainability-linked metric and an adjustment related to SOFR transition, the margin on the 2027 Term Loans was 0.94%.

In August 2022, the Company entered into two forward-starting interest rate swap instruments that are designated as cash flow hedges (see Note 18). The 2027 Term Loans associated with these interest rate swap instruments are reported as fixed rate debt due to the Company having effectively established a fixed interest rate for the underlying debt instruments. Based on the Company's credit ratings as of June 30, 2024, the 2027 Term Loans had a blended fixed effective interest rate of 3.76%, inclusive of the impact of these interest rate swap instruments and amortization of the related debt issuance costs.

On March 1, 2024, concurrently with the consummation of the Merger, the Company executed an amendment to the Term Loan Agreement pursuant to which (i) the maximum incremental borrowing capacity under the Term Loan Agreement was increased from $1.0 billion to $1.5 billion, subject to securing additional commitments, (ii) the Company borrowed senior unsecured term loans in an aggregate principal amount of $750 million with a stated maturity of five years (the "2029 Term Loan"), and (iii) DOC DR Holdco and DOC DR OP Sub were joined as guarantors of Healthpeak OP's obligations under the Term Loan Agreement. As of June 30, 2024, the unused borrowing capacity under the Term Loan Agreement was $250 million.

Loans outstanding under the 2029 Term Loan accrue interest at Daily SOFR plus a margin that depends on the credit ratings of the Company's senior unsecured long-term debt. Based on the Company's credit ratings as of June 30, 2024, and inclusive of an adjustment related to SOFR transition, the margin on the 2029 Term Loan was 0.95%.

In January 2024, the Company entered into forward-starting interest rate swap instruments that are designated as cash flow hedges (see Note 18). The 2029 Term Loan associated with these interest rate swaps is reported as fixed rate debt due to the Company having effectively established a fixed interest rate for the underlying debt instruments. Based on the Company's credit ratings as of June 30, 2024, the 2029 Term Loan had a blended fixed effective interest rate of 4.66%, inclusive of the impact of these interest rate swap instruments and amortization of the related debt issuance costs.

At June 30, 2024 and December 31, 2023, the Company had $1.25 billion and $500 million, respectively, of loans outstanding under the Term Loan Agreement.

The Revolving Facility, 2027 Term Loans, 2028 Term Loan, and 2029 Term Loan are subject to certain financial restrictions and other customary requirements, including financial covenants and cross-default provisions to other indebtedness. Among other things, these covenants, using terms defined in the applicable agreement: (i) limit the ratio of Enterprise Total Indebtedness to Enterprise Gross Asset Value to 60%; (ii) limit the ratio of Enterprise Secured Debt to Enterprise Gross Asset Value to 40%; (iii) limit the ratio of Enterprise Unsecured Debt to Enterprise Unencumbered Asset Value to 60%; (iv) require a minimum Fixed Charge Coverage ratio of 1.5 times; and (v) require a minimum Consolidated Tangible Net Worth of $7.7 billion. The Company believes it was in compliance with each of these covenants at June 30, 2024.

Commercial Paper Program

In September 2019, the Company established an unsecured commercial paper program (the “Commercial Paper Program”). Under the terms of the Commercial Paper Program, the Company may issue, from time to time, short-term unsecured notes with varying maturities. Amounts available under the Commercial Paper Program may be borrowed, repaid, and re-borrowed from time to time. At each of June 30, 2024 and December 31, 2023, the maximum aggregate face or principal amount that could be outstanding at any one time was $2.0 billion. Amounts borrowed under the Commercial Paper Program will be sold on terms that are customary for the U.S. commercial paper market and will be at least equal in right of payment with all of the Company’s other unsecured and unsubordinated indebtedness. The Company uses its Revolving Facility as a liquidity backstop for the repayment of short-term unsecured notes issued under the Commercial Paper Program. At June 30, 2024, the Company had $25 million of notes outstanding under the Commercial Paper Program, with original maturities of approximately 4 days and a weighted average interest rate of 5.52%. At December 31, 2023, the Company had $720 million of notes outstanding under the Commercial Paper Program, with original maturities of approximately 37 days and a weighted average interest rate of 5.70%.

Senior Unsecured Notes

At June 30, 2024 and December 31, 2023, the Company had senior unsecured notes outstanding with an aggregate principal balance of $6.7 billion and $5.5 billion, respectively. The senior unsecured notes contain certain covenants including limitations on debt, maintenance of unencumbered assets, cross-acceleration provisions, and other customary terms. The Company believes it was in compliance with these covenants at June 30, 2024.

During the six months ended June 30, 2024, there were no issuances, repurchases, or redemptions of senior unsecured notes; however, as described above, concurrently with the consummation of the Merger, the Company assumed $1.25 billion aggregate principal of senior unsecured notes.

The following table summarizes the Company’s senior unsecured note issuances for the year ended December 31, 2023 (dollars in thousands):

Issue Date	Amount	Coupon Rate	Maturity Year
January 17, 2023	$ 400,000	5.25 %	2032
May 10, 2023[(1)]	350,000	5.25 %	2032

(1) In May 2023, the Company issued $350 million of 5.25% senior unsecured notes due 2032, which constituted an additional issuance of, and are treated as a single series with, the $400 million of senior unsecured notes due 2032 issued in January 2023.

During the year ended December 31, 2023, there were no repurchases or redemptions of senior unsecured notes.

Mortgage Debt

At June 30, 2024 and December 31, 2023, the Company had $381 million and $255 million, respectively, in aggregate principal of mortgage debt outstanding. At June 30, 2024, this mortgage debt was secured by 20 outpatient medical buildings and 2 CCRCs, with an aggregate carrying value of $830 million. At December 31, 2023, this mortgage debt was secured by 15 outpatient medical buildings and 2 CCRCs, with an aggregate carrying value of $587 million.

Mortgage debt generally requires monthly principal and interest payments, is collateralized by real estate assets, and is non-recourse. Mortgage debt typically requires maintenance of the assets in good condition, includes conditions to obtain lender consent to enter into or terminate material leases, requires insurance on the assets, requires payment of real estate taxes, restricts transfer of the encumbered assets and repayment of the loan, and prohibits additional liens. Some of the mortgage debt may require tenants or operators to maintain compliance with the applicable leases or operating agreements of such real estate assets.

During each of the three months ended June 30, 2024 and 2023, the Company made aggregate principal repayments of mortgage debt of $1 million. During the six months ended June 30, 2024 and 2023, the Company made aggregate principal repayments of mortgage debt of $2 million and $3 million, respectively.

The Company has $142 million of mortgage debt secured by a portfolio of 13 outpatient medical buildings that matures in May 2026. In April 2022, the Company terminated its existing interest rate cap instruments associated with this variable rate mortgage debt and entered into two interest rate swap instruments that are designated as cash flow hedges and mature in May 2026. In February 2023, the agreements associated with this variable rate mortgage debt were amended to change the interest rate benchmarks from LIBOR to SOFR, effective March 2023. Concurrently, the Company modified the related interest rate swap instruments to reflect the change in the interest rate benchmarks from LIBOR to SOFR (see Note 18). The variable rate mortgage debt associated with these interest rate swap instruments is reported as fixed rate debt due to the Company having effectively established a fixed interest rate for the underlying debt instrument.

Debt Maturities

The following table summarizes the Company's stated debt maturities and scheduled principal repayments at June 30, 2024 (dollars in thousands):

				Senior Unsecured Notes[(2)]		Mortgage Debt[(3)]		
Year	**Bank Line of Credit**	**Commercial Paper[(1)]**	**Term Loans**	**Amount**	**Interest Rate[(4)]**	**Amount**	**Interest Rate[(4)]**	**Total**
2024	$ —	$ —	$ —	$ —	— %	$ 28,564	7.22 %	$ 28,564
2025	—	—	—	800,000	3.92 %	3,684	4.01 %	803,684
2026	—	25,000	—	650,000	3.40 %	344,999	4.90 %	1,019,999
2027	—	—	500,000	850,000	3.23 %	842	5.57 %	1,350,842
2028	—	—	400,000	850,000	3.53 %	2,775	5.30 %	1,252,775
Thereafter	—	—	750,000	3,550,000	4.35 %	—	— %	4,300,000
	—	25,000	1,650,000	6,700,000		380,864		8,755,864
Premiums, (discounts), and debt issuance costs, net	—	—	(4,544)	(148,845)		552		(152,837)
	$ —	$ 25,000	$ 1,645,456	$ 6,551,155		$ 381,416		$ 8,603,027

(1) Commercial Paper Program borrowings are backstopped by the Revolving Facility. As such, the Company calculates the weighted average remaining term of its Commercial Paper Program borrowings using the maturity date of the Revolving Facility.

(2) Effective interest rates on the senior unsecured notes range from 1.54% to 6.87% with a weighted average effective interest rate of 3.96% and a weighted average maturity of 5 years.

(3) Effective interest rates on the mortgage debt range from 3.44% to 9.02% with a weighted average effective interest rate of 5.07% and a weighted average maturity of 2 years. These interest rates include the impact of designated interest rate swap instruments, which effectively fix the interest rate on certain variable rate debt.

(4) Represents the weighted-average effective interest rate as of the end of the applicable period, including amortization of debt premiums (discounts) and debt issuance costs.

NOTE 11. Commitments and Contingencies

Legal Proceedings

From time to time, the Company is a party to legal proceedings, lawsuits and other claims that arise in the ordinary course of the Company's business. The Company is not aware of any legal proceedings or claims that it believes may have, individually or taken together, a material adverse effect on the Company's financial condition, results of operations, or cash flows. The Company's policy is to expense legal costs as they are incurred.

DownREITs and Other Partnerships

In connection with the formation of certain limited liability companies ("DownREITs"), members may contribute appreciated real estate to a DownREIT in exchange for DownREIT units. These contributions are generally tax-deferred, so that the pre-contribution gain related to the property is not taxed to the member. However, if a contributed property is later sold by the DownREIT, the unamortized pre-contribution gain that exists at the date of sale is specifically allocated and taxed to the contributing members. In many of the DownREITs, the Company has entered into indemnification agreements with those members who contributed appreciated property into the DownREIT. Under these indemnification agreements, if any of the appreciated real estate contributed by the members is sold by the DownREIT in a taxable transaction within a specified number of years, the Company will reimburse the affected members for the federal and state income taxes associated with the pre-contribution gain that is specially allocated to the affected member under the Internal Revenue Code ("make-whole payments"). These make-whole payments include a tax gross-up provision. The Company has indemnification agreements on a total of 41 properties within its DownREITs.

Additionally, the Company owns a 49% interest in the Lab JV (see Note 8). If the property in the joint venture is sold in a taxable transaction, the Company is generally obligated to indemnify its joint venture partner for its federal and state income taxes associated with the gain that existed at the time of the contribution to the joint venture.

NOTE 12. Equity and Redeemable Noncontrolling Interests

Dividends

On July 24, 2024, the Company's Board of Directors declared a quarterly cash dividend of $0.30 per share. The common stock cash dividend will be paid on August 16, 2024 to stockholders of record as of the close of business on August 5, 2024.

During each of the three months ended June 30, 2024 and 2023, the Company declared and paid common stock cash dividends of $0.30 per share. During each of the six months ended June 30, 2024 and 2023, the Company declared and paid common stock cash dividends of $0.60 per share.

Issuance of Common Stock in Connection with the Merger

Pursuant to the terms set forth in the Merger Agreement, on the Closing Date, each outstanding share of Physicians Realty Trust (other than Physicians Realty Trust common shares that were canceled in accordance with the Merger Agreement) automatically converted into the right to receive 0.674 shares of the Company's common stock. Based on the number of outstanding Physicians Realty Trust common shares as of the Closing Date, the Company issued 162 million shares of common stock. Refer to Note 3 for additional information regarding the Merger.

At-The-Market Equity Offering Program

In February 2023, in connection with the Reorganization, the Company terminated the previous at-the-market equity offering program (as amended from time to time, the "2020 ATM Program") and established a new at-the-market equity offering program (the "2023 ATM Program" and, together with the 2020 ATM Program, the "ATM Programs"). The 2023 ATM Program was amended in March 2024 to contemplate the sale of the remaining shares of common stock pursuant to the Company's Registration Statement on Form S-3 filed with the SEC on February 8, 2024. The ATM Programs allow for the sale of shares of common stock having an aggregate gross sales price of up to $1.5 billion (i) by the Company through a consortium of banks acting as sales agents or directly to the banks acting as principals or (ii) by a consortium of banks acting as forward sellers on behalf of any forward purchasers pursuant to a forward sale agreement (each, an "ATM forward contract"). The use of ATM forward contracts allows the Company to lock in a share price on the sale of shares at the time the ATM forward contract becomes effective, but defer receiving the proceeds from the sale of shares until a later date.

ATM forward contracts generally have a one to two year term. At any time during the term, the Company may settle a forward sale by delivery of physical shares of common stock to the forward seller or, at the Company's election, in cash or net shares. The forward sale price the Company expects to receive upon settlement of outstanding ATM forward contracts will be the initial forward price established upon the effective date, subject to adjustments for: (i) accrued interest, (ii) the forward purchasers' stock borrowing costs, and (iii) certain fixed price reductions during the term of the ATM forward contract.

At June 30, 2024, $1.5 billion of the Company's common stock remained available for sale under the 2023 ATM Program.

ATM Forward Contracts

During each of the three and six months ended June 30, 2024 and 2023, the Company did not utilize the forward provisions under the ATM Programs.

ATM Direct Issuances

During each of the three and six months ended June 30, 2024 and 2023, there were no direct issuances of shares of common stock under the ATM Programs.

Share Repurchase Programs

On August 1, 2022, the Company's Board of Directors approved a share repurchase program under which the Company could acquire shares of its common stock in the open market up to an aggregate purchase price of $500 million (the "2022 Share Repurchase Program"). Purchases of common stock under the 2022 Share Repurchase Program could be exercised at the Company's discretion with the timing and number of shares repurchased depending on a variety of factors, including price, corporate and regulatory requirements, and other corporate liquidity requirements and priorities. Under Maryland General Corporation Law, outstanding shares of common stock acquired by a corporation become authorized but unissued shares, which may be re-issued. During the three months ended June 30, 2024, the Company repurchased 3.6 million shares of its common stock at a weighted average price of $19.00 per share for a total of $68 million. During the six months ended June 30, 2024, the Company repurchased 9.4 million shares of its common stock at a weighted average price of $17.83 per share for a total of $168 million. During the year ended December 31, 2023, there were no repurchases under the 2022 Share Repurchase Program. At June 30, 2024, $276 million of the Company's common stock remained available for repurchase under the 2022 Share Repurchase Program, after considering $56 million of shares repurchased during the year ended December 31, 2022 and $168 million of shares repurchased during the six months ended June 30, 2024.

In July 2024, the Company repurchased an additional 1 million shares of its common stock under the 2022 Share Repurchase Program at a weighted average price of $19.42 per share for a total of $20 million.

On July 24, 2024, the Company's Board of Directors approved a new share repurchase program (the "2024 Share Repurchase Program") to supersede and replace the 2022 Share Repurchase Program. Upon adoption of the 2024 Share Repurchase Program, no further share repurchases may be made pursuant to the 2022 Share Repurchase Program. Under the 2024 Share Repurchase Program, the Company may acquire shares of its common stock in the open market or other similar purchase techniques (including in compliance with the safe harbor provisions of Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or pursuant to one or more plans adopted under Rule 10b5-1 promulgated under the Exchange Act), up to an aggregate purchase price of $500 million. Purchases of common stock under the 2024 Share Repurchase Program may be exercised at the Company's discretion with the timing and number of shares repurchased depending on a variety of factors, including price, corporate and regulatory requirements, and other corporate liquidity requirements and priorities. The 2024 Share Repurchase Program expires in July 2026 and may be suspended or terminated at any time without prior notice. No shares have been repurchased under the 2024 Share Repurchase Program.

Accumulated Other Comprehensive Income (Loss)

The following table summarizes the Company's accumulated other comprehensive income (loss) (in thousands):

	June 30, 2024	December 31, 2023
Unrealized gains (losses) on derivatives, net	$ 44,043	$ 21,245
Supplemental Executive Retirement Plan minimum liability	(1,746)	(1,874)
Total accumulated other comprehensive income (loss)	$ 42,297	$ 19,371

The Company has a defined benefit pension plan, known as the Supplemental Executive Retirement Plan, with one plan participant, a former Chief Executive Officer ("CEO") of the Company who departed in 2003. Changes to the Supplemental Executive Retirement Plan minimum liability are reflected in other comprehensive income (loss).

Noncontrolling Interests

Redeemable Noncontrolling Interests

Arrangements with noncontrolling interest holders are assessed for appropriate balance sheet classification based on the redemption and other rights held by the noncontrolling interest holder. Certain of the Company's noncontrolling interest holders have the ability to put their equity interests to the Company upon specified events or after the passage of a predetermined period of time (the "Option Requirements"). Each put option is payable in cash and subject to changes in redemption value in the event that the underlying property generates specified returns for the Company and meets certain promote thresholds pursuant to the respective agreements. Accordingly, the Company records redeemable noncontrolling interests outside of permanent equity and presents the redeemable noncontrolling interests at the greater of their carrying amount or redemption value at the end of each reporting period. In addition to the rights of the redeemable noncontrolling interest holders, once the Option Requirements have been met, the Company has the ability to buy out the interests of the noncontrolling interest holders. The values of the redeemable noncontrolling interests are subject to change based on the assessment of redemption value at each redemption date.

On March 1, 2024, concurrently with the consummation of the Merger, the Company assumed one redeemable noncontrolling interest, which had not yet met the conditions for redemption as of June 30, 2024.

In April 2024, the Company exercised its option to buy out four redeemable noncontrolling interests that met the criteria for redemption. Accordingly, during the three months ended June 30, 2024, the Company made aggregate cash payments for the total redemption value of $53 million to the related noncontrolling interest holders and acquired the redeemable noncontrolling interests associated with the entities.

Healthpeak OP

Immediately following the Reorganization, Healthpeak Properties, Inc. was the initial sole member and 100% owner of Healthpeak OP. During the three months ended March 31, 2023, subsequent to the Reorganization, certain employees of the Company ("OP Unitholders") were issued approximately 2 million noncontrolling, non-managing member units in Healthpeak OP ("OP Units"), all of which were profits interests in Healthpeak OP ("LTIP Units"). During the three months ended March 31, 2024, OP Unitholders were issued approximately 2 million OP Units, all of which were LTIP Units. When certain conditions are met, the OP Unitholders have the right to require redemption of part or all of their OP Units for cash or shares of the Company's common stock, at the Company's option as managing member of Healthpeak OP. The per unit redemption amount is equal to either one share of the Company's common stock or cash equal to the fair value of a share of common stock at the time of redemption. The Company classifies the OP Units in permanent equity because it may elect, in its sole discretion, to issue shares of its common stock to OP Unitholders who choose to redeem their OP Units rather than using cash. As of June 30, 2024, there were approximately 3 million OP Units outstanding and 65 thousand had met the criteria for redemption. As of December 31, 2023, there were approximately 2 million OP Units outstanding, none of which had met the criteria for redemption.

DownREITs

The non-managing member units of the Company's DownREITs are exchangeable for an amount of cash approximating the then-current market value of shares of the Company's common stock or, at the Company's option, shares of the Company's common stock (subject to certain adjustments, such as stock splits and reclassifications). Upon exchange of DownREIT units for the Company's common stock, the carrying amount of the DownREIT units is reclassified to stockholders' equity. At June 30, 2024, there were approximately 11 million DownREIT units (14 million shares of Healthpeak common stock are issuable upon conversion) outstanding in eight DownREIT LLCs, for all of which the Company holds a controlling interest and/or acts as the managing member. At June 30, 2024, the carrying value of the 11 million DownREIT units was $313 million. At December 31, 2023, there were approximately 5 million DownREIT units (7 million shares of Healthpeak common stock are issuable upon conversion) outstanding in seven DownREIT LLCs, for all of which the Company acts as the managing member. At December 31, 2023, the carrying value of the 5 million DownREIT units was $199 million.

NOTE 13. Earnings Per Common Share

Basic income (loss) per common share ("EPS") is computed based on the weighted average number of common shares outstanding. Diluted income (loss) per common share is computed based on the weighted average number of common shares outstanding plus the impact of forward equity sales agreements using the treasury stock method, common shares issuable from the assumed conversion of DownREIT units, stock options, certain performance restricted stock units, OP Units, and unvested restricted stock units. Only those instruments having a dilutive impact on the Company's basic income (loss) per share are included in diluted income (loss) per share during the periods presented.

Certain restricted stock units are considered participating securities, because dividend payments are not forfeited even if the underlying award does not vest, and require use of the two-class method when computing basic and diluted earnings per share.

The Company considers the potential dilution resulting from forward agreements under its ATM Programs to the calculation of earnings per share. At inception, the agreements do not have an effect on the computation of basic EPS as no shares are delivered until settlement. However, the Company uses the treasury stock method to calculate the dilution, if any, resulting from the forward sales agreements during the period of time prior to settlement. Refer to Note 12 for a discussion of the sale of shares under and settlement of forward sales agreements, of which there were none during the three and six months ended June 30, 2024 and 2023.

The following table illustrates the computation of basic and diluted earnings per share (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator - Basic				
Net income (loss)	$ 152,716	$ 56,199	$ 163,893	$ 190,706
Noncontrolling interests' share in earnings	(6,669)	(4,300)	(11,170)	(19,855)
Net income (loss) attributable to Healthpeak Properties, Inc.	146,047	51,899	152,723	170,851
Less: Participating securities' share in earnings	(214)	(149)	(414)	(1,402)
Net income (loss) applicable to common shares	$ 145,833	$ 51,750	$ 152,309	$ 169,449
Numerator - Dilutive				
Net income (loss) applicable to common shares	$ 145,833	$ 51,750	$ 152,309	$ 169,449
Add: distributions on dilutive convertible units and other	71	—	36	—
Dilutive net income (loss) available to common shares	$ 145,904	$ 51,750	$ 152,345	$ 169,449
Denominator				
Basic weighted average shares outstanding	702,382	547,026	651,642	546,936
Dilutive potential common shares - equity awards(1)	135	268	157	268
Dilutive potential common shares - OP Units(2)	751	—	314	—
Diluted weighted average common shares	703,268	547,294	652,113	547,204
Earnings (loss) per common share				
Basic	$ 0.21	$ 0.09	$ 0.23	$ 0.31
Diluted	$ 0.21	$ 0.09	$ 0.23	$ 0.31

(1) For all periods presented, represents the dilutive impact of 1 million outstanding equity awards (restricted stock units and stock options).
(2) For the three and six months ended June 30, 2024, represents the dilutive impact of 3 million outstanding OP Units.

For the three and six months ended June 30, 2024 and 2023, all 14 million and 7 million shares issuable upon conversion of DownREIT units, respectively, were not included because they were anti-dilutive.

NOTE 14. Segment Disclosures

The Company's reportable segments, based on how its CODM evaluates the business and allocates resources, are as follows: (i) outpatient medical, (ii) lab, and (iii) CCRC. The Company has non-reportable segments that are comprised primarily of: (i) an interest in an unconsolidated joint venture that owns 19 senior housing assets (the "SWF SH JV") and (ii) loans receivable. These non-reportable segments have been presented on an aggregate basis within the Notes to the Consolidated Financial Statements herein. The accounting policies of the segments are the same as those described in Note 2 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC, as updated by Note 2 herein.

The Company evaluates performance based on property Adjusted NOI. Adjusted NOI is defined as real estate revenues (inclusive of rental and related revenues, resident fees and services, and government grant income and exclusive of interest income), less property level operating expenses; Adjusted NOI excludes all other financial statement amounts included in net income (loss). Adjusted NOI eliminates the effects of straight-line rents, amortization of market lease intangibles, termination fees, actuarial reserves for insurance claims that have been incurred but not reported, and the impact of deferred community fee income and expense.

Adjusted NOI is a non-GAAP supplemental measures that is calculated as Adjusted NOI from consolidated properties, plus the Company's share of Adjusted NOI from unconsolidated joint ventures (calculated by applying the Company's actual ownership percentage for the period), less noncontrolling interests' share of Adjusted NOI from consolidated joint ventures (calculated by applying the Company's actual ownership percentage for the period). Management utilizes its share of Adjusted NOI in assessing its performance as the Company has various joint ventures that contribute to its performance. The Company does not control its unconsolidated joint ventures, and the Company's share of amounts from unconsolidated joint ventures do not represent the Company's legal claim to such items. The Company's share of Adjusted NOI should not be considered a substitute for, and should only be considered together with and as a supplement to, the Company's financial information presented in accordance with GAAP. Management believes that Adjusted NOI is an important supplemental measure because it provides relevant and useful information by reflecting only income and operating expense items that are incurred at the property level and presenting it on an unlevered basis. Additionally, management believes that net income (loss) is the most directly comparable GAAP measure to Adjusted NOI. Adjusted NOI should not be viewed as an alternative measure of operating performance to net income (loss) as defined by GAAP since it does not reflect various excluded items.

Non-segment assets consist of assets in the Company's other non-reportable segments and corporate non-segment assets. Corporate non-segment assets consist primarily of corporate assets, including cash and cash equivalents, restricted cash, accounts receivable, loans receivable, other assets, real estate assets held for sale, and liabilities related to assets held for sale.

The following tables summarize information for the reportable segments (in thousands):

For the three months ended June 30, 2024:

	Outpatient Medical	Lab	CCRC	Other Non-reportable	Corporate Non-segment	Total
Total revenues	$ 332,515	$ 214,266	$ 140,891	$ 6,878	$ 954	$ 695,504
Less: Interest income and other	—	—	—	(6,878)	(954)	(7,832)
Healthpeak's share of unconsolidated joint venture total revenues	6,903	4,301	—	21,378	—	32,582
Noncontrolling interests' share of consolidated joint venture total revenues	(9,341)	(33)	—	—	—	(9,374)
Operating expenses	(111,702)	(56,656)	(105,469)	—	—	(273,827)
Healthpeak's share of unconsolidated joint venture operating expenses	(2,464)	(1,528)	—	(15,790)	—	(19,782)
Noncontrolling interests' share of consolidated joint venture operating expenses	2,609	9	—	—	—	2,618
Adjustments to NOI[(1)]	(10,430)	(13,289)	(1,739)	226	—	(25,232)
Adjusted NOI	208,090	147,070	33,683	5,814	—	394,657
Plus: Adjustments to NOI[(1)]	10,430	13,289	1,739	(226)	—	25,232
Interest income and other	—	—	—	6,878	954	7,832
Interest expense	(4,070)	—	(984)	—	(69,856)	(74,910)
Depreciation and amortization	(173,408)	(75,947)	(34,143)	—	—	(283,498)
General and administrative	—	—	—	—	(26,718)	(26,718)
Transaction and merger-related costs	(41)	(478)	24	—	(7,264)	(7,759)
Impairments and loan loss reserves, net	—	—	—	553	—	553
Gain (loss) on sales of real estate, net	66,831	55,213	—	—	—	122,044
Other income (expense), net	1,383	185	(479)	38	2,877	4,004
Less: Healthpeak's share of unconsolidated joint venture NOI	(4,439)	(2,773)	—	(5,588)	—	(12,800)
Plus: Noncontrolling interests' share of consolidated joint venture NOI	6,732	24	—	—	—	6,756
Income (loss) before income taxes and equity income (loss) from unconsolidated joint ventures	111,508	136,583	(160)	7,469	(100,007)	155,393
Income tax benefit (expense)	—	—	—	—	(2,728)	(2,728)
Equity income (loss) from unconsolidated joint ventures	(2,922)	2,247	—	726	—	51
Net income (loss)	$ 108,586	$ 138,830	$ (160)	$ 8,195	$ (102,735)	$ 152,716

(1) Represents straight-line rents, amortization of market lease intangibles, net, actuarial reserves for insurance claims that have been incurred but not reported, deferral of community fees, and termination fees. Includes the Company's share of income (loss) generated by unconsolidated joint ventures and excludes noncontrolling interests' share of income (loss) generated by consolidated joint ventures.

For the three months ended June 30, 2023:

	Outpatient Medical	Lab	CCRC	Other Non-reportable	Corporate Non-segment	Total
Total revenues	$ 186,661	$ 223,306	$ 130,184	$ 5,279	$ —	$ 545,430
Government grant income(1)	—	—	47	—	—	47
Less: Interest income and other	—	—	—	(5,279)	—	(5,279)
Healthpeak's share of unconsolidated joint venture total revenues	754	1,928	—	20,261	—	22,943
Noncontrolling interests' share of consolidated joint venture total revenues	(8,665)	(151)	—	—	—	(8,816)
Operating expenses	(65,350)	(54,832)	(101,655)	—	—	(221,837)
Healthpeak's share of unconsolidated joint venture operating expenses	(288)	(848)	—	(14,618)	—	(15,754)
Noncontrolling interests' share of consolidated joint venture operating expenses	2,409	35	—	—	—	2,444
Adjustments to NOI(2)	(4,008)	(14,943)	(728)	(9)	—	(19,688)
Adjusted NOI	111,513	154,495	27,848	5,634	—	299,490
Plus: Adjustments to NOI(2)	4,008	14,943	728	9	—	19,688
Interest income and other	—	—	—	5,279	—	5,279
Interest expense	(1,924)	—	(1,823)	—	(45,327)	(49,074)
Depreciation and amortization	(71,722)	(93,235)	(32,616)	—	—	(197,573)
General and administrative	—	—	—	—	(25,936)	(25,936)
Transaction and merger-related costs	(16)	—	(278)	—	(343)	(637)
Impairments and loan loss reserves, net	—	—	—	(2,607)	—	(2,607)
Gain (loss) on sales of real estate, net	—	—	—	4,885	—	4,885
Other income (expense), net	235	(2)	674	(19)	1,067	1,955
Less: Government grant income	—	—	(47)	—	—	(47)
Less: Healthpeak's share of unconsolidated joint venture NOI	(466)	(1,080)	—	(5,643)	—	(7,189)
Plus: Noncontrolling interests' share of consolidated joint venture NOI	6,256	116	—	—	—	6,372
Income (loss) before income taxes and equity income (loss) from unconsolidated joint ventures	47,884	75,237	(5,514)	7,538	(70,539)	54,606
Income tax benefit (expense)	—	—	—	—	(1,136)	(1,136)
Equity income (loss) from unconsolidated joint ventures	184	1,314	—	1,231	—	2,729
Net income (loss)	$ 48,068	$ 76,551	$ (5,514)	$ 8,769	$ (71,675)	$ 56,199

(1) Represents government grant income received under the CARES Act, which is recorded in other income (expense), net in the Consolidated Statements of Operations (see Note 2).

(2) Represents straight-line rents, amortization of market lease intangibles, net, actuarial reserves for insurance claims that have been incurred but not reported, deferral of community fees, and termination fees. Includes the Company's share of income (loss) generated by unconsolidated joint ventures and excludes noncontrolling interests' share of income (loss) generated by consolidated joint ventures.

For the six months ended June 30, 2024:

	Outpatient Medical	Lab	CCRC	Other Non-reportable	Corporate Non-segment	Total
Total revenues	$ 570,787	$ 438,027	$ 279,667	$ 11,937	$ 1,646	$ 1,302,064
Less: Interest income and other	—	—	—	(11,937)	(1,646)	(13,583)
Healthpeak's share of unconsolidated joint venture total revenues	9,642	9,162	—	42,911	—	61,715
Noncontrolling interests' share of consolidated joint venture total revenues	(18,217)	(196)	—	—	—	(18,413)
Operating expenses	(192,970)	(113,496)	(211,090)	—	—	(517,556)
Healthpeak's share of unconsolidated joint venture operating expenses	(3,547)	(2,852)	—	(31,889)	—	(38,288)
Noncontrolling interests' share of consolidated joint venture operating expenses	5,039	52	—	—	—	5,091
Adjustments to NOI[(1)]	(16,556)	(34,724)	(1,739)	179	—	(52,840)
Adjusted NOI	354,178	295,973	66,838	11,201	—	728,190
Plus: Adjustments to NOI[(1)]	16,556	34,724	1,739	(179)	—	52,840
Interest income and other	—	—	—	11,937	1,646	13,583
Interest expense	(26,775)	—	(1,979)	—	(107,063)	(135,817)
Depreciation and amortization	(279,699)	(154,855)	(68,163)	—	—	(502,717)
General and administrative	—	—	—	—	(50,017)	(50,017)
Transaction and merger-related costs	(154)	(486)	(49)	—	(114,290)	(114,979)
Impairments and loan loss reserves, net	—	—	—	(10,905)	—	(10,905)
Gain (loss) on sales of real estate, net	70,086	55,213	—	—	—	125,299
Other income (expense), net	1,454	79,168	(718)	38	2,578	82,520
Less: Healthpeak's share of unconsolidated joint venture NOI	(6,095)	(6,310)	—	(11,022)	—	(23,427)
Plus: Noncontrolling interests' share of consolidated joint venture NOI	13,178	144	—	—	—	13,322
Income (loss) before income taxes and equity income (loss) from unconsolidated joint ventures	142,729	303,571	(2,332)	1,070	(267,146)	177,892
Income tax benefit (expense)	—	—	—	—	(16,426)	(16,426)
Equity income (loss) from unconsolidated joint ventures	(4,032)	5,059	—	1,400	—	2,427
Net income (loss)	$ 138,697	$ 308,630	$ (2,332)	$ 2,470	$ (283,572)	$ 163,893

(1) Represents straight-line rents, amortization of market lease intangibles, net, actuarial reserves for insurance claims that have been incurred but not reported, deferral of community fees, and termination fees. Includes the Company's share of income (loss) generated by unconsolidated joint ventures and excludes noncontrolling interests' share of income (loss) generated by consolidated joint ventures.

For the six months ended June 30, 2023:

	Outpatient Medical	Lab	CCRC	Other Non-reportable	Corporate Non-segment	Total
Total revenues	$ 373,628	$ 428,770	$ 257,268	$ 11,442	$ —	$ 1,071,108
Government grant income[1]	—	—	184	—	—	184
Less: Interest income and other	—	—	—	(11,442)	—	(11,442)
Healthpeak's share of unconsolidated joint venture total revenues	1,498	4,093	—	40,607	—	46,198
Healthpeak's share of unconsolidated joint venture government grant income	—	—	—	229	—	229
Noncontrolling interests' share of consolidated joint venture total revenues	(17,628)	(294)	—	—	—	(17,922)
Operating expenses	(129,749)	(112,397)	(202,779)	—	—	(444,925)
Healthpeak's share of unconsolidated joint venture operating expenses	(595)	(2,030)	—	(29,624)	—	(32,249)
Noncontrolling interests' share of consolidated joint venture operating expenses	5,004	75	—	—	—	5,079
Adjustments to NOI[2]	(7,825)	(15,776)	(678)	(31)	—	(24,310)
Adjusted NOI	224,333	302,441	53,995	11,181	—	591,950
Plus: Adjustments to NOI[2]	7,825	15,776	678	31	—	24,310
Interest income and other	—	—	—	11,442	—	11,442
Interest expense	(3,845)	—	(3,639)	—	(89,553)	(97,037)
Depreciation and amortization	(142,881)	(168,817)	(65,100)	—	—	(376,798)
General and administrative	—	—	—	—	(50,483)	(50,483)
Transaction and merger-related costs	(148)	(158)	(497)	—	(2,259)	(3,062)
Impairments and loan loss reserves, net	—	—	—	(394)	—	(394)
Gain (loss) on sales of real estate, net	21,312	60,498	—	4,653	—	86,463
Other income (expense), net	439	2	7	(19)	2,298	2,727
Less: Government grant income	—	—	(184)	—	—	(184)
Less: Healthpeak's share of unconsolidated joint venture NOI	(903)	(2,063)	—	(11,212)	—	(14,178)
Plus: Noncontrolling interests' share of consolidated joint venture NOI	12,624	219	—	—	—	12,843
Income (loss) before income taxes and equity income (loss) from unconsolidated joint ventures	118,756	207,898	(14,740)	15,682	(139,997)	187,599
Income tax benefit (expense)	—	—	—	—	(1,438)	(1,438)
Equity income (loss) from unconsolidated joint ventures	374	1,911	—	2,260	—	4,545
Net income (loss)	$ 119,130	$ 209,809	$ (14,740)	$ 17,942	$ (141,435)	$ 190,706

(1) Represents government grant income received under the CARES Act, which is recorded in other income (expense), net in the Consolidated Statements of Operations (see Note 2).
(2) Represents straight-line rents, amortization of market lease intangibles, net, actuarial reserves for insurance claims that have been incurred but not reported, deferral of community fees, and termination fees. Includes the Company's share of income (loss) generated by unconsolidated joint ventures and excludes noncontrolling interests' share of income (loss) generated by consolidated joint ventures.

See Note 3 for impacts to segment assets as a result of the Merger. See these Notes to the Consolidated Financial Statements for other significant transactions impacting the Company's segment assets during the periods presented.

NOTE 15. Supplemental Cash Flow Information

The following table provides supplemental cash flow information (in thousands):

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Supplemental cash flow information:		
Interest paid, net of capitalized interest	$ 120,887	$ 90,911
Income taxes paid (refunded)	4,794	2,855
Capitalized interest	31,908	28,182
Supplemental schedule of non-cash investing and financing activities:		
Increase in ROU asset in exchange for new lease liability related to operating leases	15,312	121
Accrued construction costs	120,437	142,826
Net noncash impact from the consolidation of property previously held in an unconsolidated joint venture	—	993
Retained investment in connection with Callan Ridge JV (see Note 8)	69,255	—
Non-cash assets and liabilities assumed in connection with the Merger (see Note 3)	2,927,611	—

The following table summarizes cash, cash equivalents, and restricted cash (in thousands):

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Beginning of period:		
Cash and cash equivalents	$ 117,635	$ 72,032
Restricted cash	51,388	54,802
Cash, cash equivalents, and restricted cash	$ 169,023	$ 126,834
End of period:		
Cash and cash equivalents	$ 106,886	$ 103,780
Restricted cash	52,409	56,745
Cash, cash equivalents, and restricted cash	$ 159,295	$ 160,525

Cash and Cash Equivalents

The Company maintains its cash and cash equivalents at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per institution. As of June 30, 2024 and December 31, 2023, the account balances at certain institutions exceeded the FDIC insurance coverage.

NOTE 16. Variable Interest Entities

Operating Subsidiary

Healthpeak OP is the Company's operating subsidiary and a limited liability company that has governing provisions that are the functional equivalent of a limited partnership. The Company holds a membership interest in Healthpeak OP, acts as the managing member of Healthpeak OP, and exercises full responsibility, discretion, and control over the day-to-day management of Healthpeak OP. Because the noncontrolling interests in Healthpeak OP do not have substantive liquidation rights, substantive kick-out rights without cause, or substantive participating rights, the Company has determined that Healthpeak OP is a VIE. The Company, as managing member, has the power to direct the core activities of Healthpeak OP that most significantly affect Healthpeak OP's performance, and through its interest in Healthpeak OP, has both the right to receive benefits from and the obligation to absorb losses of Healthpeak OP. Accordingly, the Company is the primary beneficiary of Healthpeak OP and consolidates Healthpeak OP. As the Company conducts its business and holds its assets and liabilities through Healthpeak OP, the total consolidated assets and liabilities, income (losses), and cash flows of Healthpeak OP represent substantially all of the total consolidated assets and liabilities, including the consolidated and unconsolidated entities discussed in this Note 16, income (losses), and cash flows of the Company.

Unconsolidated Variable Interest Entities

At each of June 30, 2024 and December 31, 2023, the Company had investments in two unconsolidated VIE joint ventures. The Company determined it is not the primary beneficiary of and therefore does not consolidate these VIEs because it does not have the ability to control the activities that most significantly impact their economic performance. Except for the Company's equity interest in the unconsolidated joint ventures (the LLC Investment and Needham Land Parcel JV discussed below), it has no formal involvement in these VIEs beyond its investments.

LLC Investment. The Company holds a limited partner ownership interest in an unconsolidated LLC ("LLC Investment") that has been identified as a VIE. The Company's involvement in the entity is limited to its equity investment as a limited partner and it does not have any substantive participating rights or kick-out rights over the general partner. The assets and liabilities of the entity primarily consist of three hospitals as well as senior housing real estate. Any assets generated by the entity may only be used to settle its contractual obligations (primarily capital expenditures and debt service payments).

Needham Land Parcel JV. In December 2021, the Company acquired a 38% interest in a lab development joint venture in Needham, Massachusetts for $13 million. Current equity at risk is not sufficient to finance the joint venture's activities. The assets and liabilities of the entity primarily consist of real estate and debt service obligations. Any assets generated by the entity may only be used to settle its contractual obligations (primarily development costs and debt service payments). See Note 8 for additional descriptions of the nature, purpose, and operating activities of this unconsolidated VIE and interests therein.

Debt Securities Investment. At December 31, 2022, the Company held $22 million of commercial mortgage-backed securities ("CMBS") issued by Federal Home Loan Mortgage Corporation (commonly referred to as Freddie Mac) through a special purpose entity that had been identified as a VIE because it was "thinly capitalized." The CMBS issued by the VIE were backed by mortgage debt obligations on real estate assets. These securities were classified as held-to-maturity because the Company had the intent and ability to hold the securities until maturity. These securities matured on December 31, 2022, and the Company received the related proceeds in January 2023. At each of June 30, 2024 and December 31, 2023, there was no balance remaining for these securities.

The classification of the related assets and liabilities and the maximum loss exposure as a result of the Company's involvement with these VIEs at June 30, 2024 was as follows (in thousands):

VIE Type	Asset Type	Maximum Loss Exposure and Carrying Amount[(1)]
LLC Investment	Other assets, net	$ 14,985
Needham Land Parcel JV	Investments in and advances to unconsolidated joint ventures	17,192

(1) The Company's maximum loss exposure represents the aggregate carrying amount of such investments.

As of June 30, 2024, the Company had not provided, and is not required to provide, financial support through a liquidity arrangement or otherwise, to its unconsolidated VIEs, including under circumstances in which it could be exposed to further losses (e.g., cash shortfalls).

Consolidated Variable Interest Entities

The Company's consolidated total assets and total liabilities at June 30, 2024 and December 31, 2023 include certain assets of VIEs that can only be used to settle the liabilities of the related VIE. The VIE creditors do not have recourse to the Company.

Ventures V, LLC. The Company holds a 51% ownership interest in and is the managing member of a joint venture entity formed in October 2015 that owns and leases outpatient medical buildings ("Ventures V"). The Company classifies Ventures V as a VIE due to the non-managing member lacking substantive participation rights in the management of Ventures V or kick-out rights over the managing member. The Company consolidates Ventures V as the primary beneficiary because it has the ability to control the activities that most significantly impact the VIE's economic performance. The assets of Ventures V primarily consist of leased properties (net real estate), rents receivable, and cash and cash equivalents; its obligations primarily consist of capital expenditures for the properties. Assets generated by Ventures V may only be used to settle its contractual obligations.

MSREI JV. The Company holds a 51% ownership interest in, and is the managing member of, a joint venture entity formed in August 2018 that owns and leases outpatient medical buildings (the "MSREI JV"). The MSREI JV is a VIE due to the non-managing member lacking substantive participation rights in the management of the joint venture or kick-out rights over the managing member. The Company consolidates the MSREI JV as the primary beneficiary because it has the ability to control the activities that most significantly impact the VIE's economic performance. The assets of the MSREI JV primarily consist of leased properties (net real estate), rents receivable, and cash and cash equivalents; its obligations primarily consist of capital expenditures for the properties. Assets generated by the MSREI JV may only be used to settle its contractual obligations.

DownREITs. As of June 30, 2024 and December 31, 2023, the Company held a controlling ownership interest in and was the managing member of eight and seven DownREITs, respectively. In connection with the Merger, during the three months ended March 31, 2024, Physicians Partnership merged with and into DOC DR OP Sub with DOC DR OP Sub surviving as the Partnership Surviving Entity (see Note 3), which resulted in an increase in VIE assets and liabilities when comparing June 30, 2024 to December 31, 2023. The Company classifies the DownREITs as VIEs due to the non-managing members lacking substantive participation rights in the management of the DownREITs or kick-out rights over the managing member. The Company consolidates the DownREITs as the primary beneficiary because it has the ability to control the activities that most significantly impact these VIEs' economic performance. The assets of the DownREITs primarily consist of leased properties (net real estate), rents receivable, and cash and cash equivalents; their obligations primarily consist of capital expenditures for the properties, debt service payments, and with respect to DOC DR OP Sub, certain guarantees. Assets generated by the DownREITs (primarily from tenant rents) may only be used to settle their contractual obligations (primarily from debt service and capital expenditures).

Other Consolidated Real Estate Partnerships. The Company holds a controlling ownership interest in and is the general partner (or managing member) of multiple partnerships that own and lease real estate assets (the "Partnerships"). The Company classifies the Partnerships as VIEs due to the limited partners (non-managing members) lacking substantive participation rights in the management of the Partnerships or kick-out rights over the general partner (managing member). The Company consolidates the Partnerships as the primary beneficiary because it has the ability to control the activities that most significantly impact these VIEs' economic performance. The assets of the Partnerships primarily consist of leased properties (net real estate), rents receivable, and cash and cash equivalents; their obligations primarily consist of debt service payments and capital expenditures for the properties. Assets generated by the Partnerships (primarily from tenant rents) may only be used to settle their contractual obligations (primarily from debt service and capital expenditures).

Lab JVs. At December 31, 2023, the Company held a 98% or greater ownership interest in multiple joint venture entities that owned and leased lab buildings (the "Lab JVs"). The Lab JVs were VIEs as the members shared in certain decisions of the entities, but substantially all of the activities were performed on behalf of the Company. The Company consolidated the Lab JVs as the primary beneficiary because it had the ability to control the activities that most significantly impacted these VIEs' economic performance. The assets of the Lab JVs primarily consisted of leased properties (net real estate), rents receivable, and cash and cash equivalents; their obligations primarily consisted of capital expenditures for the properties. Assets generated by the Lab JVs were only used to settle their contractual obligations. In April 2024, the Company acquired the noncontrolling interests associated with these entities (see Note 12) and these entities are no longer included in the VIE assets and liabilities as of June 30, 2024.

Total assets and total liabilities include VIE assets and liabilities, excluding those of Healthpeak OP, as follows (in thousands):

	June 30, 2024	December 31, 2023
Assets		
Buildings and improvements	$ 5,083,571	$ 2,392,375
Development costs and construction in progress	96,695	47,481
Land and improvements	556,817	307,166
Accumulated depreciation and amortization	(688,068)	(665,791)
Net real estate	5,049,015	2,081,231
Loans receivable, net	120,149	—
Investments in and advances to unconsolidated joint ventures	51,354	—
Accounts receivable, net	13,426	5,906
Cash and cash equivalents	27,808	18,410
Restricted cash	1,865	613
Intangible assets, net	846,787	56,975
Right-of-use asset, net	286,454	97,575
Other assets, net	138,445	79,248
Total assets	$ 6,535,303	$ 2,339,958
Liabilities		
Term loans	$ 402,153	$ —
Senior unsecured notes	1,143,773	—
Mortgage debt	270,427	144,874
Intangible liabilities, net	119,822	11,884
Lease liability	198,104	99,725
Accounts payable, accrued liabilities, and other liabilities	130,912	54,975
Deferred revenue	58,506	48,316
Total liabilities	$ 2,323,697	$ 359,774

NOTE 17. Fair Value Measurements

The table below summarizes the carrying amounts and fair values of the Company's financial instruments either recorded or disclosed on a recurring basis (in thousands):

	June 30, 2024(3)		December 31, 2023(3)	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Loans receivable, net(2)	$ 275,478	$ 287,395	$ 218,450	$ 218,450
Interest rate swap instruments(2)	50,304	50,304	21,359	21,359
Bank line of credit and commercial paper(2)	25,000	25,000	720,000	720,000
Term loans(2)	1,645,456	1,645,456	496,824	496,824
Senior unsecured notes(1)	6,551,155	6,074,052	5,403,378	5,144,667
Mortgage debt(2)	381,416	379,742	256,097	244,135

(1) Level 1: Fair value is calculated based on quoted prices in active markets.

(2) Level 2: For loans receivable, net, interest rate swap instruments, and mortgage debt, fair value is based on standardized pricing models in which significant inputs or value drivers are observable in active markets. For bank line of credit, commercial paper, and term loans, the carrying values are a reasonable estimate of fair value because the borrowings are primarily based on market interest rates and the Company's credit rating.

(3) During the six months ended June 30, 2024 and year ended December 31, 2023, there were no material transfers of financial assets or liabilities within the fair value hierarchy.

NOTE 18. Derivative Financial Instruments

The Company uses derivative instruments to mitigate the effects of interest rate fluctuations on specific forecasted transactions as well as recognized financial obligations or assets. Utilizing derivative instruments allows the Company to manage the risk of fluctuations in interest rates and their related potential impact on future earnings and cash flows. The Company does not use derivative instruments for speculative or trading purposes. At June 30, 2024, a one percentage point increase or decrease in the underlying interest rate curve would result in a corresponding increase or decrease in the fair value of the derivative instruments by up to $60 million.

In April 2022, the Company entered into two interest rate swap instruments that are designated as cash flow hedges and mature in May 2026 on $142 million of variable rate mortgage debt secured by a portfolio of outpatient medical buildings (see Note 10). In February 2023, the Company modified these two interest rate swap instruments to reflect the change in the related variable rate mortgage debt's interest rate benchmarks from LIBOR to SOFR (see Note 10). The Company applied certain practical expedients provided by the reference rate reform ASUs in connection with the modifications to these cash flow hedges (see Note 2).

In August 2022, the Company entered into two forward-starting interest rate swap instruments on the $500 million aggregate principal amount of the 2027 Term Loans (see Note 10). The interest rate swap instruments are designated as cash flow hedges.

In January 2024, the Company entered into forward-starting interest rate swap instruments on the $750 million aggregate principal amount of the 2029 Term Loan (see Note 10). The interest rate swap instruments are designated as cash flow hedges.

Additionally, on March 1, 2024, concurrently with the consummation of the Merger, the Company acquired: (i) three interest rate swap instruments on the $400 million aggregate principal amount of the 2028 Term Loan that are designated as cash flow hedges and (ii) one interest rate swap instrument on $36 million of variable rate mortgage debt that is designated as a cash flow hedge (see Note 10).

The following table summarizes the Company's interest rate swap instruments (in thousands):

Date Entered(1)	Maturity Date	Hedge Designation	Notional Amount	Pay Rate	Receive Rate	Fair Value(2) June 30, 2024	Fair Value(2) December 31, 2023
October 2019(3)	October 2024	Cash flow	$ 36,050	1.37 %	1 mo. USD-SOFR CME Term	$ 470	$ —
April 2022	May 2026	Cash flow	51,100	4.99 %	USD-SOFR w/ -5 Day Lookback + 2.50%	1,874	1,602
April 2022	May 2026	Cash flow	91,000	4.54 %	USD-SOFR w/ -5 Day Lookback + 2.05%	3,337	2,851
August 2022	February 2027	Cash flow	250,000	2.60 %	1 mo. USD-SOFR CME Term	10,741	7,933
August 2022	August 2027	Cash flow	250,000	2.54 %	1 mo. USD-SOFR CME Term	12,338	8,973
May 2023(3)(4)	May 2028	Cash flow	400,000	3.59 %	USD-SOFR w/ -5 Day Lookback	7,414	—
January 2024(5)	February 2029	Cash flow	750,000	3.59 %	USD-SOFR w/ -5 Day Lookback	14,130	—
						$ 50,304	$ 21,359

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(1) Represents interest rate swap instruments that hedge fluctuations in interest payments on variable rate debt by converting the interest rates to fixed interest rates. The changes in fair value of designated derivatives that qualify as cash flow hedges are recorded in accumulated other comprehensive income (loss) on the Consolidated Balance Sheets.

(2) At each of June 30, 2024 and December 31, 2023, the interest rate swap instruments were in an asset position. Derivative assets are recorded at fair value in other assets, net on the Consolidated Balance Sheets.

(3) Includes interest rate swap instruments acquired as part of the Merger (see Note 3). These interest rate swap instruments were redesignated as cash flow hedges on the Closing Date. As a result of the Merger, the aggregate fair value of these interest rate swap instruments was determined to be $7 million on March 1, 2024, which was recognized within other assets, net on the Consolidated Balance Sheets on the Closing Date. These fair values are being amortized into interest expense on the Consolidated Statements of Operations over the terms of the related interest rate swap instruments.

(4) Includes two interest rate swap instruments each with notional amounts of $110 million and one interest rate swap instrument with a notional amount of $180 million.

(5) Includes the following: (i) two interest rate swap instruments each with a pay rate of 3.56% and $50 million notional amount; (ii) three interest rate swap instruments each with a pay rate of 3.57% and $50 million notional amount; (iii) one interest rate swap instrument with a pay rate of 3.58% and $100 million notional amount; (iv) five interest rate swap instruments each with a pay rate of 3.60% and $50 million notional amount; and (v) three interest rate swap instruments each with a pay rate of 3.61% and $50 million notional amount.

NOTE 19. Accounts Payable, Accrued Liabilities, and Other Liabilities

The following table summarizes the Company's accounts payable, accrued liabilities, and other liabilities (in thousands):

	June 30, 2024	December 31, 2023
Refundable entrance fees	$ 244,759	$ 251,874
Accrued construction costs	120,437	105,572
Accrued interest	76,034	59,492
Other accounts payable and accrued liabilities[1]	267,989	240,258
Accounts payable, accrued liabilities, and other liabilities	$ 709,219	$ 657,196

(1) As of June 30, 2024 and December 31, 2023, includes $6 million and $8 million, respectively, of severance-related obligations associated with the departure of a former CEO in October 2022 that had not yet been paid.

NOTE 20. Deferred Revenue

The following table summarizes the Company's deferred revenue, excluding deferred revenue related to assets classified as held for sale (in thousands):

	June 30, 2024	December 31, 2023
Nonrefundable entrance fees[1]	$ 581,530	$ 562,026
Other deferred revenue[2]	326,322	343,607
Deferred revenue	$ 907,852	$ 905,633

(1) During the three and six months ended June 30, 2024, the Company collected nonrefundable entrance fees of $34 million and $62 million, respectively, and recognized amortization of $21 million and $43 million, respectively. During the three and six months ended June 30, 2023, the Company collected nonrefundable entrance fees of $31 million and $60 million, respectively, and recognized amortization of $20 million and $40 million, respectively. The amortization of nonrefundable entrance fees is included within resident fees and services on the Consolidated Statements of Operations.

(2) Other deferred revenue is primarily comprised of prepaid rent, deferred rent, and tenant-funded tenant improvements owned by the Company. During the three and six months ended June 30, 2024, the Company recognized amortization related to other deferred revenue of $13 million and $27 million, respectively. During the three and six months ended June 30, 2023, the Company recognized amortization related to other deferred revenue of $18 million and $31 million, respectively. The amortization of other deferred revenue is included in rental and related revenues on the Consolidated Statements of Operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

On February 10, 2023, we completed our corporate reorganization (the "Reorganization") into an umbrella partnership REIT ("UPREIT"). Substantially all of our business is conducted through Healthpeak OP, LLC ("Healthpeak OP"). We are the managing member of Healthpeak OP and do not have material assets or liabilities, other than through our investment in Healthpeak OP.

All references in this report to "Healthpeak," the "Company," "we," "us," or "our" mean Healthpeak Properties, Inc., together with its consolidated subsidiaries. Unless the context suggests otherwise, references to "Healthpeak Properties, Inc." mean the parent company without its subsidiaries.

Cautionary Language Regarding Forward-Looking Statements

Statements in this Quarterly Report on Form 10-Q that are not historical factual statements are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements include, among other things, statements regarding our and our officers' intent, belief or expectation as identified by the use of words such as "may," "will," "project," "expect," "believe," "intend," "anticipate," "seek," "target," "forecast," "plan," "potential," "estimate," "could," "would," "should" and other comparable and derivative terms or the negatives thereof. Forward-looking statements reflect our current expectations and views about future events and are subject to risks and uncertainties that could cause actual results, including our future financial condition and results of operations, to differ materially from those expressed or implied by any forward-looking statements. You are urged to carefully review the disclosures we make concerning risks and uncertainties that may affect our business and future financial performance.

Forward-looking statements are based on certain assumptions and analysis made in light of our experience and perception of historical trends, current conditions and expected future developments as well as other factors that we believe are appropriate under the circumstances. While forward-looking statements reflect our good faith belief and assumptions we believe to be reasonable based upon current information, we can give no assurance that our expectations or forecasts will be attained. Further, we cannot guarantee the accuracy of any such forward-looking statement contained in this Quarterly Report on Form 10-Q.

As more fully set forth under Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, principal risks and uncertainties that may cause our actual results to differ materially from the expectations contained in the forward-looking statements include, among other things:

- macroeconomic trends, including inflation, interest rates, construction and labor costs, and unemployment;
- risks associated with the Merger (as defined below), including, but not limited to, our ability to integrate the operations of the Company and Physicians Realty Trust successfully and realize the anticipated synergies and other benefits of the Merger or do so within the anticipated time frame;
- changes within the industries in which we operate;
- significant regulation, funding requirements, and uncertainty faced by our lab tenants;
- factors adversely affecting our tenants', operators', or borrowers' ability to meet their financial and other contractual obligations to us;
- the insolvency or bankruptcy of one or more of our major tenants, operators, or borrowers;
- our concentration of real estate investments in the healthcare property sector, which makes us more vulnerable to a downturn in that specific sector than if we invested across multiple sectors;
- the illiquidity of real estate investments;
- our ability to identify and secure new or replacement tenants and operators;
- our property development, redevelopment, and tenant improvement risks, including project abandonments, project delays, and lower profits than expected;
- the ability of the hospitals on whose campuses our outpatient medical buildings are located and their affiliated healthcare systems to remain competitive or financially viable;
- our ability to develop, maintain, or expand hospital and health system client relationships;
- operational risks associated with third-party management contracts, including the additional regulation and liabilities of our properties operated through structures permitted by the Housing and Economic Recovery Act of 2008, which includes most of the provisions previously proposed in the REIT Investment Diversification and Empowerment Act of 2007 (commonly referred to as "RIDEA");
- economic conditions, natural disasters, weather, and other conditions that negatively affect geographic areas where we have concentrated investments;

- uninsured or underinsured losses, which could result in significant losses and/or performance declines by us or our tenants and operators;
- our use of joint ventures may limit our returns on and our flexibility with jointly owned investments;
- our use of fixed rent escalators, contingent rent provisions, and/or rent escalators based on the Consumer Price Index;
- competition for suitable healthcare properties to grow our investment portfolio;
- our ability to foreclose or exercise rights on collateral securing our real estate-related loans;
- any requirement that we recognize reserves, allowances, credit losses, or impairment charges;
- investment of substantial resources and time in transactions that are not consummated;
- our ability to successfully integrate or operate acquisitions;
- the potential impact on us and our tenants, operators, and borrowers from litigation matters, including rising liability and insurance costs;
- environmental compliance costs and liabilities associated with our real estate investments;
- our ability to satisfy environmental, social, and governance ("ESG") and sustainability commitments and requirements, as well as stakeholder expectations;
- epidemics, pandemics, or other infectious diseases, including the coronavirus disease ("Covid"), and health and safety measures intended to reduce their spread;
- human capital risks, including the loss or limited availability of our key personnel;
- our reliance on information technology systems and any material failure, inadequacy, interruption, or security failure of that technology;
- volatility, disruption, or uncertainty in the financial markets;
- increased borrowing costs, including due to rising interest rates;
- cash available for distribution to stockholders and our ability to make dividend distributions at expected levels;
- the availability of external capital on acceptable terms or at all, including due to rising interest rates, changes in our credit ratings and the value of our common stock, bank failures or other events affecting financial institutions, and other factors;
- our ability to manage our indebtedness level and covenants in and changes to the terms of such indebtedness;
- the failure of our tenants, operators, and borrowers to comply with federal, state, and local laws and regulations, including resident health and safety requirements, as well as licensure, certification, and inspection requirements;
- required regulatory approvals to transfer our senior housing properties;
- compliance with the Americans with Disabilities Act and fire, safety, and other regulations;
- laws or regulations prohibiting eviction of our tenants;
- the requirements of, or changes to, governmental reimbursement programs such as Medicare or Medicaid;
- legislation to address federal government operations and administrative decisions affecting the Centers for Medicare and Medicaid Services;
- our participation in the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") Provider Relief Fund and other Covid-related stimulus and relief programs;
- our ability to maintain our qualification as a real estate investment trust ("REIT");
- our taxable REIT subsidiaries being subject to corporate level tax;
- tax imposed on any net income from "prohibited transactions";
- changes to U.S. federal income tax laws, and potential deferred and contingent tax liabilities from corporate acquisitions;
- calculating non-REIT tax earnings and profits distributions;
- ownership limits in our charter that restrict ownership in our stock;
- provisions of Maryland law and our charter that could prevent a transaction that may otherwise be in the interest of our stockholders;
- conflicts of interest between the interests of our stockholders and the interests of holders of Healthpeak OP common units;
- provisions in the operating agreement of Healthpeak OP and other agreements that may delay or prevent unsolicited acquisitions and other transactions; and
- our status as a holding company of Healthpeak OP.

Important Information Regarding Our Disclosure to Investors

We may use our website (www.healthpeak.com) and our LinkedIn account (https://www.linkedin.com/company/healthpeak) to communicate with our investors and disclose company information. The information disclosed through those channels may be considered to be material, so investors should monitor them in addition to our press releases, U.S. Securities and Exchange Commission ("SEC") filings, and public conference calls and webcasts. The contents of our website or social media channels referenced herein are not incorporated by reference into this Quarterly Report on Form 10-Q.

Overview

The information set forth in this Item 2 is intended to provide readers with an understanding of our financial condition, changes in financial condition and results of operations. We will discuss and provide our analysis in the following order:

- Executive Summary
- Market Trends and Uncertainties
- Company Highlights
- Dividends
- Results of Operations
- Liquidity and Capital Resources
- Non-GAAP Financial Measures Reconciliations
- Critical Accounting Estimates

Executive Summary

Healthpeak Properties, Inc. is a Standard & Poor's ("S&P") 500 company that owns, operates, and develops high-quality real estate focused on healthcare discovery and delivery in the United States ("U.S."). Our company was originally founded in 1985. We hold substantially all of our assets and conduct our operations through the operating subsidiary, Healthpeak OP, LLC, a consolidated subsidiary of which we are the managing member. We are a Maryland corporation and qualify as a self-administered REIT. We are headquartered in Denver, Colorado, with additional corporate offices in California, Tennessee, Wisconsin, and Massachusetts and property management offices in several locations throughout the U.S.

We have a diversified portfolio of high-quality healthcare properties across three core asset classes of outpatient medical, lab, and continuing care retirement community ("CCRC") real estate. Under the outpatient medical and lab segments, we own, operate, and develop outpatient medical buildings, hospitals, and lab buildings. Under the CCRC segment, our properties are operated through RIDEA structures. We have other non-reportable segments that are comprised primarily of: (i) an interest in an unconsolidated joint venture that owns 19 senior housing assets (our "SWF SH JV") and (ii) loans receivable. These non-reportable segments have been presented on an aggregate basis herein.

The Merger

On March 1, 2024 (the "Closing Date"), pursuant to the Agreement and Plan of Merger dated October 29, 2023 (the "Merger Agreement"), by and among us, DOC DR Holdco, LLC (formerly known as Alpine Sub, LLC), one of our wholly owned subsidiaries ("DOC DR Holdco"), DOC DR, LLC (formerly known as Alpine OP Sub, LLC), a wholly owned subsidiary of Healthpeak OP ("DOC DR OP Sub"), Physicians Realty Trust, Physicians Realty L.P. (the "Physicians Partnership"): (i) Physicians Realty Trust merged with and into DOC DR Holdco (the "Company Merger"), with DOC DR Holdco surviving as our wholly owned subsidiary (the "Company Surviving Entity"); (ii) immediately following the effectiveness of the Company Merger, we contributed all of the outstanding equity interests in the Company Surviving Entity to Healthpeak OP (the "Contribution"); and (iii) immediately following the Contribution, Physicians Partnership merged with and into DOC DR OP Sub (the "Partnership Merger" and, together with the Company Merger, the "Merger"), with DOC DR OP Sub surviving as a subsidiary of Healthpeak OP. Subsequent to the Closing Date, the "Combined Company" means Healthpeak and its subsidiaries.

On the Closing Date, each outstanding common share of Physicians Realty Trust (other than Physicians Realty Trust common shares that were canceled in accordance with the Merger Agreement) were converted into the right to receive 0.674 (the "Exchange Ratio") shares of our common stock, and each outstanding common unit of the Physicians Partnership was converted into common units in the successor entity to the Physicians Partnership equal to the Exchange Ratio.

As a result of the Merger, we acquired 299 outpatient medical buildings. See Note 3 to the Consolidated Financial Statements for additional information.

At June 30, 2024, our portfolio of investments, including properties in our unconsolidated joint ventures, consisted of interests in 758 properties. The following table summarizes information for our reportable and other non-reportable segments for the three months ended June 30, 2024 (dollars in thousands):

Segment	Net Income (Loss)	Total Portfolio Adjusted NOI[(1)]	Number of Properties
Outpatient medical	$ 108,586	$ 208,090	585
Lab	138,830	147,070	139
CCRC	(160)	33,683	15
Other non-reportable	8,195	5,814	19

(1) Total Portfolio metrics include results of operations from disposed properties through the disposition date. See "Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures" for additional information regarding Adjusted NOI and see Note 14 to the Consolidated Financial Statements for a reconciliation of Adjusted NOI by segment to net income (loss).

For a description of our significant activities during 2024, see "Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations—Company Highlights" in this report.

Business Strategy

Our strategy is to invest in and manage real estate focused on healthcare discovery and delivery. We manage our real estate portfolio for the long-term to maximize risk-adjusted returns and support the growth of our dividends. Our strategy consists of four core elements:

(i) Our *real estate*: Our portfolio consists of high-quality properties in desirable locations. Our portfolio is focused on outpatient medical and lab buildings, favorable sectors that benefit from the universal desire for improved health. We have built scale and fostered deep industry relationships, two unique factors that provide us with a competitive advantage.

(ii) Our *financials*: We maintain a strong investment-grade balance sheet with ample liquidity as well as long-term fixed-rate debt financing with staggered maturities to reduce our exposure to interest rate volatility and refinancing risk.

(iii) Our *partnerships*: We work with leading pharmaceutical, biotechnology, and medical device companies, as well as healthcare delivery systems, specialty physician groups, and other healthcare service providers, to meet their real estate needs. We provide high-quality property management services to encourage tenants to renew, expand, and relocate into our properties, which drives increased occupancy, rental rates, and property values.

(iv) Our *platform*: We have a people-first culture that we believe attracts, develops, and retains top talent. We continually strive to create and maintain an industry-leading platform, with systems and tools that allow us to effectively and efficiently manage our assets and investment activity.

Market Trends and Uncertainties

Our operating results have been and will continue to be impacted by global and national economic and market conditions generally and by the local economic conditions where our properties are located.

Increased interest rates, persistent inflation, ongoing geopolitical tensions, and increased volatility in public and private equity and fixed income markets have led to increased costs and limited the availability of capital. In addition, increased interest rates could adversely impact our borrowing costs, the fair value of our fixed rate instruments, and real estate values generally, including our real estate.

To the extent our tenants and operators have also experienced increased costs, liquidity constraints, and financing difficulties due to the foregoing macroeconomic and market conditions, they may be unable or unwilling to make payments or perform their obligations when due.

We have also been affected by inflation in construction costs over the past few years, which, together with rising costs of capital, have adversely affected the expected yields on our development and redevelopment projects. While there have been signs that cost pressures are moderating, there can be no assurance that this will continue to be the case.

We continuously monitor the effects of domestic and global events, including but not limited to inflation, increased interest rates, and challenges in the financial markets, on our operations and financial position, as well as on the operations and financial position of our tenants, operators, and borrowers, to enable us to remain responsive and adaptable to the dynamic changes in our operating environment.

See Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 for additional discussion of the risks posed by macroeconomic conditions, as well as the uncertainties we and our tenants, operators, and borrowers may face as a result.

Company Highlights

On March 1, 2024, we completed the Merger with Physicians Realty Trust, which resulted in the acquisition of 299 outpatient medical buildings.

Real Estate Transactions

- In January 2024, we sold a 65% interest in two lab buildings in San Diego, California (the "Callan Ridge JV") to a third-party for net proceeds of $128 million.
- In March 2024, we sold two outpatient medical buildings for $29 million.
- In April 2024, we exercised our option to buy out four redeemable noncontrolling interests, made aggregate cash payments for the total redemption value of $53 million to the related noncontrolling interest holders, and acquired the redeemable noncontrolling interests associated with these entities.
- In April 2024, we sold a portfolio of seven lab buildings for $180 million.
- During the three months ended June 30, 2024, we sold 11 outpatient medical buildings for $179 million.
- In July 2024, we completed negotiations and subsequently closed the sale of a portfolio of 59 outpatient medical buildings for $674 million and provided the buyer with a mortgage loan secured by the real estate sold for $405 million.

Development and Redevelopment Activities

- During the six months ended June 30, 2024, the following projects were placed in service: (i) a portion of one lab development project with total project costs of $29 million, (ii) one outpatient medical development project held in a consolidated joint venture of which our share of total project costs was $22 million, (iii) one lab redevelopment project with total project costs of $14 million, (iv) a portion of one lab redevelopment project with total project costs of $13 million, and (v) a portion of one lab redevelopment building held in one of our unconsolidated South San Francisco JVs of which our share of total project costs was $9 million.

Financing Activities

- In March 2024, we executed a $750 million five year unsecured term loan (the "2029 Term Loan") incurred as an incremental facility under the term loan agreement. In January 2024, we entered into forward-starting interest rate swap instruments on the 2029 Term Loan which are designated as cash flow hedges and establish a blended fixed effective interest rate of 4.66%.
- During the six months ended June 30, 2024, we repurchased 9.4 million shares of our common stock under our 2022 Share Repurchase Program (as defined below) at a weighted average price of $17.83 per share for a total of $168 million.

Other Activities

- During the six months ended June 30, 2024, we refinanced one of our existing seller financing loans receivable, extended the maturity date to August 2027, and received aggregate partial principal repayments of $74 million.
- In July, we executed an early lease renewal for approximately 2 million square feet leased by CommonSpirit Health, which is subject to a master agreement, which extends the weighted average lease term of existing leases from July 2027 to December 2035, amends the contractual rents to current market rates, and increases the annual contractual lease escalations from 2.5% to 3.0%.

Dividends

The following table summarizes our common stock cash dividends declared in 2024:

Declaration Date	Record Date	Amount Per Share	Dividend Payment Date
January 31	February 14	$ 0.30	February 26
April 24	May 6	0.30	May 17
July 24	August 5	0.30	August 16

Results of Operations

We evaluate our business and allocate resources among our reportable business segments: (i) outpatient medical, (ii) lab, and (iii) CCRC. Under the outpatient medical and lab segments, we own, operate, and develop outpatient medical buildings, hospitals, and lab buildings. Our CCRCs are operated through RIDEA structures. We have other non-reportable segments that are comprised primarily of: (i) an interest in our unconsolidated SWF SH JV and (ii) loans receivable. These non-reportable segments have been presented on an aggregate basis herein. We evaluate performance based upon property adjusted net operating income (“Adjusted NOI” or “Cash NOI”) in each segment. The accounting policies of the segments are the same as those described in the summary of significant accounting policies in Note 2 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the U.S. Securities and Exchange Commission (“SEC”), as updated by Note 2 to the Consolidated Financial Statements herein.

Non-GAAP Financial Measures

Adjusted Net Operating Income

Adjusted NOI is a non-U.S. generally accepted accounting principles (“GAAP”) supplemental financial measure used to evaluate the operating performance of real estate. Adjusted NOI is defined as real estate revenues (inclusive of rental and related revenues, resident fees and services, and government grant income and exclusive of interest income), less property level operating expenses; Adjusted NOI excludes all other financial statement amounts included in net income (loss) as presented in Note 14 to the Consolidated Financial Statements. Adjusted NOI eliminates the effects of straight-line rents, amortization of market lease intangibles, termination fees, actuarial reserves for insurance claims that have been incurred but not reported, and the impact of deferred community fee income and expense. Adjusted NOI is calculated as Adjusted NOI from consolidated properties, plus our share of Adjusted NOI from unconsolidated joint ventures (calculated by applying our actual ownership percentage for the period), less noncontrolling interests’ share of Adjusted NOI from consolidated joint ventures (calculated by applying our actual ownership percentage for the period). We utilize our share of Adjusted NOI in assessing our performance as we have various joint ventures that contribute to our performance. We do not control our unconsolidated joint ventures, and our share of amounts from unconsolidated joint ventures do not represent our legal claim to such items. Our share of Adjusted NOI should not be considered a substitute for, and should only be considered together with and as a supplement to, our financial information presented in accordance with GAAP.

Adjusted NOI is oftentimes referred to as “Cash NOI.” Management believes Adjusted NOI is an important supplemental measure because it provides relevant and useful information by reflecting only income and operating expense items that are incurred at the property level and present them on an unlevered basis. We use Adjusted NOI to make decisions about resource allocations, to assess and compare property level performance, and to evaluate our Merger-Combined Same-Store (“Merger-Combined SS”) performance, as described below. We believe that net income (loss) is the most directly comparable GAAP measure to Adjusted NOI. Adjusted NOI should not be viewed as an alternative measure of operating performance to net income (loss) as defined by GAAP since it does not reflect various excluded items. Further, our definition of Adjusted NOI may not be comparable to the definitions used by other REITs or real estate companies, as they may use different methodologies for calculating Adjusted NOI. For a reconciliation of Adjusted NOI to net income (loss) by segment, refer to Note 14 to the Consolidated Financial Statements.

Operating expenses generally relate to leased outpatient medical and lab buildings, as well as CCRC facilities. We generally recover all or a portion of our leased outpatient medical and lab property expenses through tenant recoveries, which are recognized within rental and related revenues.

Merger-Combined Same-Store Adjusted NOI

Merger-Combined Same-Store Adjusted NOI includes legacy Physicians Realty Trust properties that met the same-store criteria as if they were owned by the Company for the full analysis period. This information allows our investors, analysts, and us to evaluate the performance of our property portfolio under a consistent population by eliminating changes in the composition of our portfolio of properties, excluding properties within the other non-reportable segments. We include properties from our consolidated portfolio, as well as properties owned by our unconsolidated joint ventures in Adjusted NOI (see Adjusted NOI definitions above for further discussion regarding our use of pro-rata share information and its limitations). Merger-Combined Same-Store Adjusted NOI excludes government grant income under the CARES Act, amortization of deferred revenue from tenant-funded improvements, and certain non-property specific operating expenses that are allocated to each operating segment on a consolidated basis.

Properties are included in Merger-Combined Same-Store once they are fully operating for the entirety of the comparative periods presented. A property is removed from Merger-Combined Same-Store when it is classified as held for sale, sold, placed into redevelopment, experiences a casualty event that significantly impacts operations, or a significant tenant relocates from a Merger-Combined Same-Store property to a Merger-Combined non Same-Store property and that change results in a corresponding increase in revenue. We do not report Merger-Combined Same-Store metrics for our other non-reportable segments.

Management believes that continued reporting of the same-store portfolio for only pre-merger Healthpeak Properties, Inc. offers minimal value to investors who are seeking to understand the operating performance and growth potential of the Combined Company. The Company was provided access to the underlying financial statements of legacy Physicians Realty Trust (which financial statements have been audited or, in the case of interim periods, reviewed) and other detailed information about each property, such as the acquisition date. Based on this available information, the Company was able to consistently apply its same-store definition across the combined portfolio. As a result of the Merger, approximately 98% of the combined portfolio is represented in the Merger-Combined Same-Store presentation for the outpatient medical segment.

For a reconciliation of Merger-Combined Same-Store to total portfolio Adjusted NOI and other relevant disclosures by segment, refer to our Segment Analysis below.

Nareit FFO. Funds from Operations ("FFO"), as defined by the National Association of Real Estate Investment Trusts ("Nareit"), is net income (loss) applicable to common shares (computed in accordance with GAAP), excluding gains or losses from sales of depreciable property, including any current and deferred taxes directly associated with sales of depreciable property, impairments of, or related to, depreciable real estate, plus real estate-related depreciation and amortization, and adjustments to compute our share of Nareit FFO from joint ventures. Adjustments for joint ventures are calculated to reflect our pro rata share of both our consolidated and unconsolidated joint ventures. We reflect our share of Nareit FFO for unconsolidated joint ventures by applying our actual ownership percentage for the period to the applicable reconciling items on an entity by entity basis. For consolidated joint ventures in which we do not own 100%, we reflect our share of the equity by adjusting our Nareit FFO to remove the third-party ownership share of the applicable reconciling items based on actual ownership percentage for the applicable periods. Our pro rata share information is prepared on a basis consistent with the comparable consolidated amounts, is intended to reflect our proportionate economic interest in the operating results of properties in our portfolio and is calculated by applying our actual ownership percentage for the period. We do not control the unconsolidated joint ventures, and the pro rata presentations of reconciling items included in Nareit FFO do not represent our legal claim to such items. The joint venture members or partners are entitled to profit or loss allocations and distributions of cash flows according to the joint venture agreements, which provide for such allocations generally according to their invested capital.

The presentation of pro rata information has limitations, which include, but are not limited to, the following: (i) the amounts shown on the individual line items were derived by applying our overall economic ownership interest percentage determined when applying the equity method of accounting and do not necessarily represent our legal claim to the assets and liabilities, or the revenues and expenses and (ii) other companies in our industry may calculate their pro rata interest differently, limiting the usefulness as a comparative measure. Because of these limitations, the pro rata financial information should not be considered independently or as a substitute for our financial statements as reported under GAAP. We compensate for these limitations by relying primarily on our GAAP financial statements, using the pro rata financial information as a supplement.

We believe Nareit FFO applicable to common shares and diluted FFO applicable to common shares are important supplemental non-GAAP measures of operating performance for a REIT. Because the historical cost accounting convention used for real estate assets utilizes straight-line depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen and fallen with market conditions, presentations of operating results for a REIT that use historical cost accounting for depreciation could be less informative. The term Nareit FFO was designed by the REIT industry to address this issue.

Nareit FFO does not represent cash generated from operating activities in accordance with GAAP, is not necessarily indicative of cash available to fund cash needs and should not be considered an alternative to net income (loss). We compute Nareit FFO in accordance with the current Nareit definition; however, other REITs may report Nareit FFO differently or have a different interpretation of the current Nareit definition from ours. For a reconciliation of net income (loss) to Nareit FFO and other relevant disclosures, refer to "Non-GAAP Financial Measures Reconciliations" below.

FFO as Adjusted. In addition, we present Nareit FFO on an adjusted basis before the impact of non-comparable items including, but not limited to, transaction and merger-related items, other impairments (recoveries) and other losses (gains), restructuring and severance-related charges, prepayment costs (benefits) associated with early retirement or payment of debt, litigation costs (recoveries), casualty-related charges (recoveries), deferred tax asset valuation allowances, and changes in tax legislation ("FFO as Adjusted"). These adjustments are net of tax, when applicable, and are reflective of our share from our joint ventures. Adjustments for joint ventures are calculated to reflect our pro rata share of both our consolidated and unconsolidated joint ventures. We reflect our share of FFO as Adjusted for unconsolidated joint ventures by applying our actual ownership percentage for the period to the applicable reconciling items on an entity by entity basis. We reflect our share for consolidated joint ventures in which we do not own 100% of the equity by adjusting our FFO as Adjusted to remove the third-party ownership share of the applicable reconciling items based on actual ownership percentage for the applicable periods. See “Nareit FFO” above for further disclosures regarding our use of pro rata share information and its limitations. Transaction and merger-related items include transaction expenses and gains/charges incurred as a result of mergers and acquisitions and lease amendment or termination activities. Prepayment costs (benefits) associated with early retirement of debt include the write-off of unamortized deferred financing fees, or additional costs, expenses, discounts, make-whole payments, penalties or premiums incurred as a result of early retirement or payment of debt. Other impairments (recoveries) and other losses (gains) include interest income associated with early and partial repayments of loans receivable and other losses or gains associated with non-depreciable assets including goodwill, undeveloped land parcels, and loans receivable. Management believes that FFO as Adjusted provides a meaningful supplemental measurement of our FFO run-rate and is frequently used by analysts, investors, and other interested parties in the evaluation of our performance as a REIT. At the same time that Nareit created and defined its FFO measure for the REIT industry, it also recognized that “management of each of its member companies has the responsibility and authority to publish financial information that it regards as useful to the financial community.” We believe stockholders, potential investors, and financial analysts who review our operating performance are best served by an FFO run-rate earnings measure that includes certain other adjustments to net income (loss), in addition to adjustments made to arrive at the Nareit defined measure of FFO. FFO as Adjusted is used by management in analyzing our business and the performance of our properties and we believe it is important that stockholders, potential investors, and financial analysts understand this measure used by management. We use FFO as Adjusted to: (i) evaluate our performance in comparison with expected results and results of previous periods, relative to resource allocation decisions, (ii) evaluate the performance of our management, (iii) budget and forecast future results to assist in the allocation of resources, (iv) assess our performance as compared with similar real estate companies and the industry in general, and (v) evaluate how a specific potential investment will impact our future results. Other REITs or real estate companies may use different methodologies for calculating an adjusted FFO measure, and accordingly, our FFO as Adjusted may not be comparable to those reported by other REITs. For a reconciliation of net income (loss) to FFO as Adjusted and other relevant disclosure, refer to “Non-GAAP Financial Measures Reconciliations” below.

Adjusted FFO (“AFFO”). AFFO is defined as FFO as Adjusted after excluding the impact of the following: (i) stock-based compensation amortization expense, (ii) amortization of deferred financing costs and debt discounts (premiums), (iii) straight-line rents, (iv) deferred income taxes, (v) amortization of above (below) market lease intangibles, net, and (vi) other AFFO adjustments, which include: (a) lease incentive amortization (reduction of straight-line rents), (b) actuarial reserves for insurance claims that have been incurred but not reported, and (c) amortization of deferred revenues, excluding amounts amortized into rental income that are associated with tenant funded improvements owned/recognized by us and up-front cash payments made by tenants to reduce their contractual rents. Also, AFFO is computed after deducting recurring capital expenditures, including second generation leasing costs and second generation tenant and capital improvements (“AFFO capital expenditures”). All adjustments are reflective of our pro rata share of both our consolidated and unconsolidated joint ventures (reported in “other AFFO adjustments”). We reflect our share of AFFO for unconsolidated joint ventures by applying our actual ownership percentage for the period to the applicable reconciling items on an entity by entity basis. We reflect our share for consolidated joint ventures in which we do not own 100% of the equity by adjusting our AFFO to remove the third-party ownership share of the applicable reconciling items based on actual ownership percentage for the applicable periods. See “Nareit FFO” above for further disclosures regarding our use of pro rata share information and its limitations. We believe AFFO is an alternative run-rate earnings measure that improves the understanding of our operating results among investors and makes comparisons with: (i) expected results, (ii) results of previous periods, and (iii) results among REITs more meaningful. AFFO does not represent cash generated from operating activities determined in accordance with GAAP and is not indicative of cash available to fund cash needs as it excludes the following items which generally flow through our cash flows from operating activities: (i) adjustments for changes in working capital or the actual timing of the payment of income or expense items that are accrued in the period, (ii) transaction-related costs, (iii) litigation settlement expenses, and (iv) restructuring and severance-related charges. Furthermore, AFFO is adjusted for recurring capital expenditures, which are generally not considered when determining cash flows from operations or liquidity. Other REITs or real estate companies may use different methodologies for calculating AFFO, and accordingly, our AFFO may not be comparable to those reported by other REITs. Management believes AFFO provides a meaningful supplemental measure of our performance and is frequently used by analysts, investors, and other interested parties in the evaluation of our performance as a REIT, and by presenting AFFO, we are assisting these parties in their evaluation. AFFO is a non-GAAP supplemental financial measure and should not be considered as an alternative to net income (loss) determined in accordance with GAAP and should only be considered together with and as a supplement to our financial information prepared in accordance with GAAP. For a reconciliation of net income (loss) to AFFO and other relevant disclosures, refer to “Non-GAAP Financial Measures Reconciliations” below.

Comparison of the Three and Six Months Ended June 30, 2024 to the Three and Six Months Ended June 30, 2023

Overview

The following table summarizes results for the three months ended June 30, 2024 and 2023[1] (in thousands):

	Three Months Ended June 30,		
	2024	2023	Change
Net income (loss) applicable to common shares	$ 145,833	$ 51,750	$ 94,083
Nareit FFO	314,027	245,412	68,615
FFO as Adjusted	315,639	249,202	66,437
AFFO	272,365	220,855	51,510

(1) For the reconciliation of non-GAAP financial measures, see "Non-GAAP Financial Measures Reconciliations" below.

Net income (loss) applicable to common shares increased primarily as a result of the following:

- an increase in gain on sales of depreciable real estate related to lab and outpatient medical building dispositions during 2024 as compared to 2023;
- an increase in Adjusted NOI generated from our lab and outpatient medical segments related to: (i) assets acquired as part of the Merger, (ii) development and redevelopment projects placed in service during 2023 and 2024, and (iii) new leasing activity during 2023 and 2024 (including the impact to straight-line rents); and
- a decrease in loan loss reserves primarily as a result of principal repayments on loans receivable during the second quarter of 2024.

The increase in net income (loss) applicable to common shares was partially offset by:

- an increase in depreciation, primarily as a result of: (i) assets acquired as part of the Merger and (ii) development and redevelopment projects placed in service during 2023 and 2024;
- an increase in interest expense, primarily as a result of: (i) debt assumed as part of the Merger, including $1.25 billion aggregate principal amount of senior unsecured notes, $400 million aggregate principal amount of the 2028 Term Loan, and $128 million aggregate principal amount of mortgage debt, (ii) senior unsecured notes issued in May 2023, and (iii) borrowings under the 2029 Term Loan, which closed in March 2024; and
- an increase in transaction and merger-related costs, primarily as a result of costs incurred in connection with the Merger.

Nareit FFO increased primarily as a result of the aforementioned events impacting net income (loss) applicable to common shares, except for the following, which are excluded from Nareit FFO:

- gain on sales of depreciable real estate; and
- depreciation and amortization expense.

FFO as Adjusted increased primarily as a result of the aforementioned events impacting Nareit FFO, except for the following, which are excluded from FFO as Adjusted:

- transaction and merger-related items; and
- loan loss reserves.

AFFO increased primarily as a result of the aforementioned events impacting FFO as Adjusted, except for the impact of straight-line rents, which is excluded from AFFO, and higher AFFO capital expenditures during the period.

The following table summarizes results for the six months ended June 30, 2024 and 2023[(1)] (in thousands):

	Six Months Ended June 30,		
	2024	2023	Change
Net income (loss) applicable to common shares	$ 152,309	$ 169,449	$ (17,140)
Nareit FFO	474,625	473,513	1,112
FFO as Adjusted	590,919	478,741	112,178
AFFO	517,800	428,509	89,291

(1) For the reconciliation of non-GAAP financial measures, see “Non-GAAP Financial Measures Reconciliations” below.

Net income (loss) applicable to common shares decreased primarily as a result of the following:

- an increase in depreciation, primarily as a result of: (i) assets acquired as part of the Merger and (ii) development and redevelopment projects placed in service during 2023 and 2024;
- an increase in transaction and merger-related costs, primarily as a result of costs incurred in connection with the Merger;
- an increase in interest expense, primarily as a result of: (i) debt assumed as part of the Merger, including $1.25 billion aggregate principal amount of senior unsecured notes, $400 million aggregate principal amount of the 2028 Term Loan, and $128 million aggregate principal amount of mortgage debt, (ii) senior unsecured notes issued in January and May 2023, and (iii) borrowings under the 2029 Term Loan, which closed in March 2024;
- an increase in income tax expense primarily as a result of an income tax expense incurred in connection with the sale of a 65% interest in two lab buildings in San Diego, California to a third-party in January 2024; and
- an increase in loan loss reserves primarily as a result of reserves recognized on loans receivable acquired as part of the Merger.

The decrease in net income (loss) applicable to common shares was partially offset by:

- an increase in Adjusted NOI generated from our lab and outpatient medical segments related to: (i) assets acquired as part of the Merger, (ii) development and redevelopment projects placed in service during 2023 and 2024, and (iii) new leasing activity during 2023 and 2024 (including the impact to straight-line rents);
- a gain upon change of control related to the sale of a 65% interest in two lab buildings in San Diego, California to a third-party in January 2024; and
- an increase in gain on sales of depreciable real estate related to lab and outpatient medical building dispositions during 2024 as compared to 2023.

Nareit FFO increased primarily as a result of the aforementioned events impacting net income (loss) applicable to common shares, except for the following, which are excluded from Nareit FFO:

- depreciation and amortization expense;
- gain upon change of control;
- gain on sales of depreciable real estate; and
- taxes associated with real estate dispositions.

FFO as Adjusted increased primarily as a result of the aforementioned events impacting Nareit FFO, except for the following, which are excluded from FFO as Adjusted:

- transaction and merger-related items; and
- loan loss reserves.

AFFO increased primarily as a result of the aforementioned events impacting FFO as Adjusted, except for the impact of straight-line rents, which is excluded from AFFO, and higher AFFO capital expenditures during the period.

Segment Analysis

The following tables provide selected operating information for our Merger-Combined Same-Store and total property portfolio for each of our reportable segments. For the three months ended June 30, 2024, our Merger-Combined Same-Store consists of 696 properties representing properties fully operating on or prior to April 1, 2023 and that remained in operation through June 30, 2024. For the six months ended June 30, 2024, our Merger-Combined Same-Store consists of 696 properties representing properties fully operating on or prior to January 1, 2023 and that remained in operation through June 30, 2024. Legacy Physicians Realty Trust properties that met the definition of Merger-Combined Same-Store are included in both periods presented as if they were owned by the Company for the full analysis period. See “Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for additional information. Our total property portfolio consisted of 758 and 475 properties at June 30, 2024 and 2023, respectively. Included in our total property portfolio at each of June 30, 2024 and 2023 are 19 senior housing assets in our SWF SH JV.

Outpatient Medical

The following table summarizes results at and for the three months ended June 30, 2024 and 2023 (dollars and square feet in thousands, except per square foot data):

	Merger-Combined SS[1]			Total Portfolio[2]		
	Three Months Ended June 30,			Three Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Rental and related revenues	$ 318,320	$ 303,077	$ 15,243	$ 332,515	$ 186,661	$ 145,854
Healthpeak's share of unconsolidated joint venture total revenues	6,477	6,109	368	6,903	754	6,149
Noncontrolling interests' share of consolidated joint venture total revenues	(9,009)	(8,817)	(192)	(9,341)	(8,665)	(676)
Operating expenses	(105,015)	(102,072)	(2,943)	(111,702)	(65,350)	(46,352)
Healthpeak's share of unconsolidated joint venture operating expenses	(2,373)	(2,186)	(187)	(2,464)	(288)	(2,176)
Noncontrolling interests' share of consolidated joint venture operating expenses	2,566	2,485	81	2,609	2,409	200
Adjustments to NOI[3]	(10,369)	(3,944)	(6,425)	(10,430)	(4,008)	(6,422)
Adjusted NOI	$ 200,597	$ 194,652	$ 5,945	208,090	111,513	96,577
Pre-Merger legacy Physicians Realty Trust Adjusted NOI[4]				—	90,116	(90,116)
Less: Merger-Combined Non-SS Adjusted NOI				(7,493)	(6,977)	(516)
Merger-Combined SS Adjusted NOI				$ 200,597	$ 194,652	$ 5,945
Adjusted NOI % change			3.1 %			
Property count[5]	569	569		585	295	
End of period occupancy[6]	92.2 %	92.0 %		92.1 %	90.1 %	
Average occupancy[6]	92.1 %	92.0 %		92.0 %	90.1 %	
Average occupied square feet	35,963	35,960		36,778	21,464	
Average annual total revenues per occupied square foot[7]	$ 35	$ 35		$ 36	$ 35	
Average annual base rent per occupied square foot[8]	$ 27	$ 27		$ 28	$ 28	

(1) Merger-Combined Same-Store includes legacy Physicians Realty Trust properties that met the definition of Merger-Combined Same-Store as if they were owned by the Company for the full analysis period. Refer to "Non-GAAP Financial Measures" above for the definition of Merger-Combined Same-Store.
(2) Total Portfolio includes results of operations from disposed properties through the disposition date. 2024 Total Portfolio includes results of operations for legacy Healthpeak prior to the Closing Date and results of operations for the Combined Company after the Closing Date.
(3) Represents adjustments we make to calculate Adjusted NOI in accordance with our definition of Adjusted NOI. Refer to "Non-GAAP Financial Measures" above for the definition of Adjusted NOI. See Note 14 to the Consolidated Financial Statements for a reconciliation of Adjusted NOI by segment to net income (loss).
(4) Represents Adjusted NOI for legacy Physicians Realty Trust properties prior to the Closing Date.
(5) From our second quarter 2023 presentation of Same-Store, we added: (i) 290 properties acquired as part of the Merger, (ii) 7 stabilized developments placed in service, (iii) 4 stabilized redevelopments placed in service, and (iv) 1 stabilized acquisition, and we removed 10 assets that were sold.
(6) Total Portfolio occupancy excludes any of the following: (i) developments, (ii) significant redevelopments, (iii) newly completed properties under lease-up, and (iv) properties held for sale.
(7) Average annual total revenues does not include non-cash revenue adjustments (i.e., straight-line rents, amortization of market lease intangibles, and deferred revenues).
(8) Base rent does not include tenant recoveries, additional rents in excess of floors, and non-cash revenue adjustments (i.e., straight-line rents, amortization of market lease intangibles, and deferred revenues).

Merger-Combined Same-Store Adjusted NOI increased primarily as a result of the following:

- mark-to-market lease renewals;
- annual rent escalations; and
- higher average occupancy; partially offset by
- higher operating expenses.

Total Portfolio Adjusted NOI increased primarily as a result of the aforementioned increases to Merger-Combined Same-Store and the following Merger-Combined Non-Same-Store impacts:

- increased Adjusted NOI from the outpatient medical buildings acquired as part of the Merger;
- increased occupancy in former redevelopment and development properties that have been placed into service; partially offset by
- decreased Adjusted NOI from our 2023 and 2024 dispositions.

The following table summarizes results at and for the six months ended June 30, 2024 and 2023 (dollars and square feet in thousands, except per square foot data):

	Merger-Combined SS[1]			Total Portfolio[2]		
	Six Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Rental and related revenues	$ 628,529	$ 604,802	$ 23,727	$ 570,787	$ 373,628	$ 197,159
Healthpeak's share of unconsolidated joint venture total revenues	12,769	11,966	803	9,642	1,498	8,144
Noncontrolling interests' share of consolidated joint venture total revenues	(17,932)	(17,602)	(330)	(18,217)	(17,628)	(589)
Operating expenses	(207,589)	(203,027)	(4,562)	(192,970)	(129,749)	(63,221)
Healthpeak's share of unconsolidated joint venture operating expenses	(4,764)	(4,401)	(363)	(3,547)	(595)	(2,952)
Noncontrolling interests' share of consolidated joint venture operating expenses	5,092	5,024	68	5,039	5,004	35
Adjustments to NOI[3]	(16,465)	(7,782)	(8,683)	(16,556)	(7,825)	(8,731)
Adjusted NOI	$ 399,640	$ 388,980	$ 10,660	354,178	224,333	129,845
Pre-Merger legacy Physicians Realty Trust Adjusted NOI[4]				61,398	179,632	(118,234)
Less: Merger-Combined Non-SS Adjusted NOI				(15,936)	(14,985)	(951)
Merger-Combined SS Adjusted NOI				$ 399,640	$ 388,980	$ 10,660
Adjusted NOI % change			2.7 %			
Property count[5]	569	569		585	295	
End of period occupancy[6]	92.2 %	92.0 %		92.1 %	90.1 %	
Average occupancy[6]	92.1 %	92.0 %		92.0 %	90.0 %	
Average occupied square feet	35,967	35,937		36,852	21,487	
Average annual total revenues per occupied square foot[7]	$ 35	$ 35		$ 36	$ 35	
Average annual base rent per occupied square foot[8]	$ 28	$ 26		$ 29	$ 28	

(1) Merger-Combined Same-Store includes legacy Physicians Realty Trust properties that met the definition of Merger-Combined Same-Store as if they were owned by the Company for the full analysis period. Refer to "Non-GAAP Financial Measures" above for the definition of Merger-Combined Same-Store.
(2) Total Portfolio includes results of operations from disposed properties through the disposition date. 2024 Total Portfolio includes results of operations for legacy Healthpeak prior to the Closing Date and results of operations for the Combined Company after the Closing Date.
(3) Represents adjustments we make to calculate Adjusted NOI in accordance with our definition of Adjusted NOI. Refer to "Non-GAAP Financial Measures" above for the definition of Adjusted NOI. See Note 14 to the Consolidated Financial Statements for a reconciliation of Adjusted NOI by segment to net income (loss).
(4) Represents Adjusted NOI for legacy Physicians Realty Trust properties prior to the Closing Date.
(5) From our second quarter 2023 presentation of Same-Store, we added: (i) 290 properties acquired as part of the Merger, (ii) 8 stabilized developments placed in service, (iii) 5 stabilized redevelopments placed in service, and (iv) 4 stabilized acquisitions, and we removed 10 assets that were sold.
(6) Total Portfolio occupancy excludes any of the following: (i) developments, (ii) significant redevelopments, (iii) newly completed properties under lease-up, and (iv) properties held for sale.
(7) Average annual total revenues does not include non-cash revenue adjustments (i.e., straight-line rents, amortization of market lease intangibles, and deferred revenues).
(8) Base rent does not include tenant recoveries, additional rents in excess of floors, and non-cash revenue adjustments (i.e., straight-line rents, amortization of market lease intangibles, and deferred revenues).

Merger-Combined Same-Store Adjusted NOI increased primarily as a result of the following:

- mark-to-market lease renewals;
- annual rent escalations; and
- higher average occupancy; partially offset by
- higher operating expenses.

Total Portfolio Adjusted NOI increased primarily as a result of the aforementioned increases to Merger-Combined Same-Store and the following Merger-Combined Non-Same-Store impacts:

- increased Adjusted NOI from the outpatient medical buildings acquired as part of the Merger;
- increased occupancy in former redevelopment and development properties that have been placed into service; partially offset by
- business interruption proceeds received in 2023 related to a demolished asset; and
- decreased Adjusted NOI from our 2023 and 2024 dispositions.

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The following table summarizes results at and for the three months ended June 30, 2024 and 2023 (dollars and square feet in thousands, except per square foot data):

	Merger-Combined SS			Total Portfolio[1]		
	Three Months Ended June 30,			Three Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Rental and related revenues	$ 178,098	$ 182,271	$ (4,173)	$ 214,266	$ 223,306	$ (9,040)
Healthpeak's share of unconsolidated joint venture total revenues	764	816	(52)	4,301	1,928	2,373
Noncontrolling interests' share of consolidated joint venture total revenues	—	—	—	(33)	(151)	118
Operating expenses	(48,848)	(47,024)	(1,824)	(56,656)	(54,832)	(1,824)
Healthpeak's share of unconsolidated joint venture operating expenses	(465)	(403)	(62)	(1,528)	(848)	(680)
Noncontrolling interests' share of consolidated joint venture operating expenses	—	—	—	9	35	(26)
Adjustments to NOI[2]	(6,670)	(16,351)	9,681	(13,289)	(14,943)	1,654
Adjusted NOI	$ 122,879	$ 119,309	$ 3,570	147,070	154,495	(7,425)
Less: Merger-Combined Non-SS Adjusted NOI				(24,191)	(35,186)	10,995
Merger-Combined SS Adjusted NOI				$ 122,879	$ 119,309	$ 3,570
Adjusted NOI % change			3.0 %			
Property count[3]	112	112		139	146	
End of period occupancy[4]	95.3 %	97.2 %		95.4 %	97.7 %	
Average occupancy[4]	95.3 %	97.7 %		95.4 %	98.1 %	
Average occupied square feet	8,314	8,527		9,403	10,585	
Average annual total revenues per occupied square foot[5]	$ 83	$ 79		$ 88	$ 80	
Average annual base rent per occupied square foot[6]	$ 62	$ 59		$ 68	$ 62	

(1) Total Portfolio includes results of operations from disposed properties through the disposition date.
(2) Represents adjustments we make to calculate Adjusted NOI in accordance with our definition of Adjusted NOI. Refer to "Non-GAAP Financial Measures" above for the definition of Adjusted NOI. See Note 14 to the Consolidated Financial Statements for a reconciliation of Adjusted NOI by segment to net income (loss).
(3) From our second quarter 2023 presentation of Same-Store, we added: (i) five stabilized developments placed in service, (ii) two stabilized redevelopments placed in service, and (iii) two buildings that previously experienced a significant tenant relocation, and we removed: (i) nine buildings that were placed into redevelopment, (ii) seven assets that were sold, and (iii) two buildings that experienced a significant tenant relocation.
(4) Refer to "Non-GAAP Financial Measures" above for the definition of Merger-Combined Same-Store. Total Portfolio occupancy excludes any of the following: (i) developments, (ii) significant redevelopments, (iii) newly completed properties under lease-up, and (iv) properties held for sale.
(5) Average annual total revenues does not include non-cash revenue adjustments (i.e., straight-line rents, amortization of market lease intangibles, and deferred revenues).
(6) Base rent does not include tenant recoveries, additional rents in excess of floors, and non-cash revenue adjustments (i.e., straight-line rents, amortization of market lease intangibles, and deferred revenues).

Merger-Combined Same-Store Adjusted NOI increased primarily as a result of the following:

- annual rent escalations; partially offset by
- higher operating expenses; and
- lower occupancy.

Total Portfolio Adjusted NOI decreased primarily as a result of the aforementioned impacts to Merger-Combined Same-Store and the following Merger-Combined Non-Same-Store impacts:

- decreased Adjusted NOI from our 2023 and 2024 dispositions; and
- decreased Adjusted NOI from buildings placed into development and redevelopment in 2023 and 2024.

The following table summarizes results at and for the six months ended June 30, 2024 and 2023 (dollars and square feet in thousands, except per square foot data):

	Merger-Combined SS			Total Portfolio[1]		
	Six Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Rental and related revenues	$ 361,225	$ 359,448	$ 1,777	$ 438,027	$ 428,770	$ 9,257
Healthpeak's share of unconsolidated joint venture total revenues	1,706	1,837	(131)	9,162	4,093	5,069
Noncontrolling interests' share of consolidated joint venture total revenues	—	—	—	(196)	(294)	98
Operating expenses	(97,589)	(96,917)	(672)	(113,496)	(112,397)	(1,099)
Healthpeak's share of unconsolidated joint venture operating expenses	(930)	(1,069)	139	(2,852)	(2,030)	(822)
Noncontrolling interests' share of consolidated joint venture operating expenses	—	—	—	52	75	(23)
Adjustments to NOI[2]	(20,920)	(26,565)	5,645	(34,724)	(15,776)	(18,948)
Adjusted NOI	$ 243,492	$ 236,734	$ 6,758	295,973	302,441	(6,468)
Less: Merger-Combined Non-SS Adjusted NOI				(52,481)	(65,707)	13,226
Merger-Combined SS Adjusted NOI				$ 243,492	$ 236,734	$ 6,758
Adjusted NOI % change			2.9 %			
Property count[3]	112	112		139	146	
End of period occupancy[4]	95.3 %	97.2 %		95.4 %	97.7 %	
Average occupancy[4]	95.8 %	98.0 %		96.0 %	98.4 %	
Average occupied square feet	8,359	8,552		9,821	10,520	
Average annual total revenues per occupied square foot[5]	$ 82	$ 79		$ 85	$ 80	
Average annual base rent per occupied square foot[6]	$ 61	$ 59		$ 65	$ 61	

(1) Total Portfolio includes results of operations from disposed properties through the disposition date.
(2) Represents adjustments we make to calculate Adjusted NOI in accordance with our definition of Adjusted NOI. Refer to "Non-GAAP Financial Measures" above for the definition of Adjusted NOI. See Note 14 to the Consolidated Financial Statements for a reconciliation of Adjusted NOI by segment to net income (loss).
(3) From our second quarter 2023 presentation of Same-Store, we added: (i) six stabilized developments placed in service, (ii) two stabilized redevelopments placed in service, and (iii) two buildings that previously experienced a significant tenant relocation, and we removed: (i) eight buildings that were placed into redevelopment, (ii) seven assets that were sold, and (iii) two buildings that experienced a significant tenant relocation.
(4) Refer to "Non-GAAP Financial Measures" above for the definition of Merger-Combined Same-Store. Total Portfolio occupancy excludes any of the following: (i) developments, (ii) significant redevelopments, (iii) newly completed properties under lease-up, and (iv) properties held for sale.
(5) Average annual total revenues does not include non-cash revenue adjustments (i.e., straight-line rents, amortization of market lease intangibles, and deferred revenues).
(6) Base rent does not include tenant recoveries, additional rents in excess of floors, and non-cash revenue adjustments (i.e., straight-line rents, amortization of market lease intangibles, and deferred revenues).

Merger-Combined Same-Store Adjusted NOI increased primarily as a result of the following:

- annual rent escalations; partially offset by
- higher operating expenses; and
- lower occupancy.

Total Portfolio Adjusted NOI decreased primarily as a result of the aforementioned impacts to Merger-Combined Same-Store and the following Merger-Combined Non-Same-Store impacts:

- decreased Adjusted NOI from our 2023 and 2024 dispositions; and
- decreased Adjusted NOI from buildings placed into development and redevelopment in 2023 and 2024.

Continuing Care Retirement Community

The following table summarizes results at and for the three months ended June 30, 2024 and 2023 (dollars in thousands, except per unit data):

	Merger-Combined SS			Total Portfolio		
	Three Months Ended June 30,			Three Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Resident fees and services	$ 140,584	$ 129,999	$ 10,585	$ 140,891	$ 130,184	$ 10,707
Government grant income[(1)]	—	—	—	—	47	(47)
Operating expenses	(105,030)	(101,210)	(3,820)	(105,469)	(101,655)	(3,814)
Adjustments to NOI[(2)]	(1,737)	(728)	(1,009)	(1,739)	(728)	(1,011)
Adjusted NOI	$ 33,817	$ 28,061	$ 5,756	33,683	27,848	5,835
Plus (less): Merger-Combined Non-SS adjustments				134	213	(79)
Merger-Combined SS Adjusted NOI				$ 33,817	$ 28,061	$ 5,756
Adjusted NOI % change			20.5 %			
Property count[(3)]	15	15		15	15	
Average occupancy[(4)]	85.4 %	83.4 %		85.4 %	83.4 %	
Average occupied units[(5)]	6,037	5,925		6,049	5,929	
Average annual rent per occupied unit	$ 93,148	$ 87,763		$ 93,166	$ 87,860	

(1) Represents government grant income received under the CARES Act, which is recorded in other income (expense), net in the Consolidated Statements of Operations.
(2) Represents adjustments we make to calculate Adjusted NOI in accordance with our definition of Adjusted NOI. Refer to "Non-GAAP Financial Measures" above for the definition of Adjusted NOI. See Note 14 to the Consolidated Financial Statements for a reconciliation of Adjusted NOI by segment to net income (loss).
(3) From our second quarter 2023 presentation of Merger-Combined Same-Store, no properties were added or removed.
(4) Refer to "Non-GAAP Financial Measures" above for the definition of Merger-Combined Same-Store. Total Portfolio occupancy excludes any of the following: (i) developments, (ii) significant redevelopments, (iii) newly completed properties under lease-up, and (iv) properties held for sale.
(5) Represents average occupied units as reported by the operators for the three-month period.

Merger-Combined Same-Store Adjusted NOI and Total Portfolio Adjusted NOI increased primarily as a result of the following:

- increased rates for resident fees; and
- higher occupancy; partially offset by
- higher costs of labor, management fees, and real estate taxes.

The following table summarizes results at and for the six months ended June 30, 2024 and 2023 (dollars in thousands, except per unit data):

	Merger-Combined SS			Total Portfolio		
	Six Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Resident fees and services	$ 279,062	$ 257,084	$ 21,978	$ 279,667	$ 257,268	$ 22,399
Government grant income[(1)]	—	—	—	—	184	(184)
Operating expenses	(210,025)	(201,888)	(8,137)	(211,090)	(202,779)	(8,311)
Adjustments to NOI[(2)]	(1,737)	(678)	(1,059)	(1,739)	(678)	(1,061)
Adjusted NOI	$ 67,300	$ 54,518	$ 12,782	66,838	53,995	12,843
Plus (less): Merger-Combined Non-SS adjustments				462	523	(61)
Merger-Combined SS Adjusted NOI				$ 67,300	$ 54,518	$ 12,782
Adjusted NOI % change			23.4 %			
Property count[(3)]	15	15		15	15	
Average occupancy[(4)]	85.3 %	83.3 %		85.3 %	83.3 %	
Average occupied units[(5)]	6,034	5,916		6,046	5,920	
Average annual rent per occupied unit	$ 92,497	$ 86,911		$ 92,513	$ 86,976	

(1) Represents government grant income received under the CARES Act, which is recorded in other income (expense), net in the Consolidated Statements of Operations.

(2) Represents adjustments we make to calculate Adjusted NOI in accordance with our definition of Adjusted NOI. Refer to "Non-GAAP Financial Measures" above for the definition of Adjusted NOI. See Note 14 to the Consolidated Financial Statements for a reconciliation of Adjusted NOI by segment to net income (loss).

(3) From our second quarter 2023 presentation of Same-Store, no properties were added or removed.

(4) Refer to "Non-GAAP Financial Measures" above for the definition of Merger-Combined Same-Store. Total Portfolio occupancy excludes any of the following: (i) developments, (ii) significant redevelopments, (iii) newly completed properties under lease-up, and (iv) properties held for sale.

(5) Represents average occupied units as reported by the operators for the six-month period.

Merger-Combined Same-Store Adjusted NOI and Total Portfolio Adjusted NOI increased primarily as a result of the following:

- increased rates for resident fees; and
- higher occupancy; partially offset by
- higher costs of labor, management fees, and real estate taxes.

Other Income and Expense Items

The following table summarizes the results of our other income and expense items for the three and six months ended June 30, 2024 and 2023 (in thousands):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Interest income and other	$ 7,832	$ 5,279	$ 2,553	$ 13,583	$ 11,442	$ 2,141
Interest expense	74,910	49,074	25,836	135,817	97,037	38,780
Depreciation and amortization	283,498	197,573	85,925	502,717	376,798	125,919
General and administrative	26,718	25,936	782	50,017	50,483	(466)
Transaction and merger-related costs	7,759	637	7,122	114,979	3,062	111,917
Impairments and loan loss reserves (recoveries), net	(553)	2,607	(3,160)	10,905	394	10,511
Gain (loss) on sales of real estate, net	122,044	4,885	117,159	125,299	86,463	38,836
Other income (expense), net	4,004	1,955	2,049	82,520	2,727	79,793
Income tax benefit (expense)	(2,728)	(1,136)	(1,592)	(16,426)	(1,438)	(14,988)
Equity income (loss) from unconsolidated joint ventures	51	2,729	(2,678)	2,427	4,545	(2,118)
Noncontrolling interests' share in earnings	(6,669)	(4,300)	(2,369)	(11,170)	(19,855)	8,685

Interest income and other

Interest income and other increased for the three and six months ended June 30, 2024 primarily as a result of mezzanine and secured loans receivable acquired as part of the Merger, partially offset by principal repayments on loans receivable in 2023 and 2024.

Interest expense

Interest expense increased for the three and six months ended June 30, 2024 primarily as a result of: (i) debt assumed as part of the Merger, including $1.25 billion aggregate principal amount of senior unsecured notes, $400 million aggregate principal amount of the 2028 Term Loan, and $128 million aggregate principal amount of mortgage debt, (ii) senior unsecured notes issued in January and May 2023, and (iii) borrowings under the 2029 Term Loan, which closed in March 2024, partially offset by lower borrowings on the commercial paper program.

Depreciation and amortization

Depreciation and amortization expense increased for the three and six months ended June 30, 2024 primarily as a result of: (i) assets acquired as part of the Merger and (ii) development and redevelopment projects placed in service during 2023 and 2024, partially offset by: (i) assets placed into development and redevelopment in 2023 and 2024 and (ii) dispositions of real estate in 2023 and 2024.

Transaction and merger-related costs

Transaction and merger-related costs increased for the three and six months ended June 30, 2024 primarily as a result of advisory, legal, accounting, tax, post-combination severance and stock compensation expense, and other costs of combining operations with Physicians Realty Trust that were incurred in connection with the Merger. The increase in transaction and merger-related costs during the six months ended June 30, 2024 was partially offset by expenses incurred in connection with our reorganization to an UPREIT structure in 2023.

Impairments and loan loss reserves (recoveries), net

Impairments and loan loss reserves (recoveries), net decreased for the three months ended June 30, 2024 as a result of a decrease in loan loss reserves under the current expected credit losses model, which is primarily a result of macroeconomic conditions. Impairments and loan loss reserves (recoveries), net increased for the six months ended June 30, 2024 as a result of an increase in loan loss reserves under the current expected credit losses model, which is primarily a result of: (i) reserves recognized on secured loans and mezzanine loans receivable acquired as part of the Merger and (ii) reserves recognized on seller financing loans refinanced during the first quarter of 2024, partially offset by principal repayments on loans receivable.

Gain (loss) on sales of real estate, net

Gain (loss) on sales of real estate, net increased during the three and six months ended June 30, 2024 as a result of: (i) the $3 million gain on sales of two outpatient medical buildings which were sold during the three months ended March 31, 2024, (ii) the $55 million gain on sales of seven lab buildings which were sold during the three months ended June 30, 2024, and (iii) the $67 million gain on sales of 11 outpatient medical buildings which were sold during the three months ended June 30, 2024, as compared to: (i) the $60 million gain on sales of two lab buildings in Durham, North Carolina, which were sold during the three months ended March 31, 2023 and (ii) the $21 million gain on sales of two outpatient medical buildings, which were sold during the three months ended March 31, 2023. Refer to Note 5 to the Consolidated Financial Statements for additional information regarding dispositions of real estate and the associated gain (loss) on sales recognized.

Other income (expense), net

Other income increased for the six months ended June 30, 2024 due to a gain upon change of control related to the sale of a 65% interest in two lab buildings in San Diego, California to a third-party in January 2024. The increase in other income for the three and six months ended June 30, 2024 also includes casualty-related recoveries from proceeds received for water damage at an outpatient medical building.

Income tax benefit (expense)

Income tax expense increased for the three and six months ended June 30, 2024 primarily as a result of an increase in operating income associated with our CCRCs. Income tax expense further increased for the six months ended June 30, 2024 as a result of income tax expense incurred in connection with the sale of a 65% interest in two lab buildings in San Diego, California to a third-party in January 2024.

Equity income (loss) from unconsolidated joint ventures

Equity income from unconsolidated joint ventures decreased for the three and six months ended June 30, 2024 primarily as a result of losses on unconsolidated joint ventures acquired as part of the Merger. The decrease in equity income from unconsolidated joint ventures during the six months ended June 30, 2024 was partially offset by increased income from the South San Francisco JVs.

Noncontrolling interests' share in earnings

Noncontrolling interests' share in earnings increased for the three months ended June 30, 2024 primarily as a result of increased income from consolidated joint ventures acquired as part of the Merger. Noncontrolling interests' share in earnings decreased for the six months ended June 30, 2024 primarily as a result of a gain on sale of an outpatient medical building in a consolidated joint venture in the first quarter of 2023.

Liquidity and Capital Resources

We anticipate that our cash flows from operations, available cash balances, and cash from our various financing activities will be adequate for the next 12 months and for the foreseeable future for purposes of: (i) funding recurring operating expenses; (ii) meeting debt service requirements; and (iii) satisfying funding of distributions to our stockholders and non-controlling interest members. Distributions are made using a combination of cash flows from operations, funds available under our bank line of credit (the "Revolving Facility") and commercial paper program, proceeds from the sale of properties, and other sources of cash available to us.

In addition to funding the activities above, our principal liquidity needs for the next 12 months are to:

- fund capital expenditures, including tenant improvements and leasing costs; and
- fund future acquisition, transactional, and development and redevelopment activities.

Our longer term liquidity needs include the items listed above as well as meeting debt service requirements.

We anticipate satisfying these future needs using one or more of the following:

- cash flows from operations;
- sale of, or exchange of ownership interests in, properties or other investments;
- borrowings under our Revolving Facility and commercial paper program;
- issuance of additional debt, including unsecured notes, term loans, and mortgage debt; and/or
- issuance of common or preferred stock or its equivalent, including sales of common stock under the ATM Program (as defined below).

Our ability to access the capital markets impacts our cost of capital and ability to refinance maturing indebtedness, as well as our ability to fund future acquisitions and development through the issuance of additional securities or secured debt. Credit ratings impact our ability to access capital and directly impact our cost of capital as well. Our 2029 Term Loan, our two senior unsecured delayed draw term loans with an aggregate principal amount of $500 million (the "2027 Term Loans"), our 2028 Term Loan, and our Revolving Facility accrue interest at the Secured Overnight Financing Rate ("SOFR") plus a margin that depends on the credit ratings of our senior unsecured long-term debt. We also pay a facility fee on the entire commitment under our Revolving Facility that depends upon our credit ratings. As of July 24, 2024, we had long-term credit ratings of Baa1 from Moody's and BBB+ from S&P Global, and short-term credit ratings of P-2 from Moody's and A-2 from S&P Global.

A downgrade in credit ratings by Moody's or S&P Global may have a negative impact on (i) the interest rates of our Revolving Facility, 2027 Term Loans, 2028 Term Loan, and 2029 Term Loan, (ii) facility fees for our Revolving Facility, and (iii) the pricing of notes issued under our commercial paper program and senior unsecured notes. While a downgrade in our credit ratings would adversely impact our cost of borrowing, we believe we would continue to have access to the unsecured debt markets, and we could also seek to enter into one or more secured debt financings, issue additional securities, including under our ATM Program, or dispose of certain assets to fund future operating costs, capital expenditures, or acquisitions, although no assurances can be made in this regard. Refer to "Market Trends and Uncertainties" above for a more comprehensive discussion of the potential impact of economic and market conditions on our business.

Changes in Material Cash Requirements and Off-Balance Sheet Arrangements

Debt. Our material cash requirements related to debt increased by $1.7 billion to $8.6 billion at June 30, 2024, when compared to December 31, 2023, primarily as a result of: (i) $1.25 billion aggregate principal of senior unsecured notes assumed as part of the Merger; (ii) borrowings under the 2029 Term Loan with an aggregate principal balance of $750 million which was executed on March 1, 2024; (iii) the 2028 Term Loan with an aggregate principal balance of $400 million which was assumed as part of the Merger; and (iv) $128 million aggregate principal of mortgage debt assumed as part of the Merger, partially offset by a $695 million decrease in notes outstanding under our commercial paper program. See Note 10 to the Consolidated Financial Statements for additional information about our debt commitments.

Development and redevelopment commitments. Our material cash requirements related to development and redevelopment projects and Company-owned tenant improvements decreased by $10 million to $169 million at June 30, 2024, when compared to December 31, 2023, primarily as a result of additional construction spend on projects in development and redevelopment during the first half of 2024, thereby decreasing the remaining commitment, partially offset by: (i) additional commitments on projects placed into development and redevelopment during the period and (ii) commitments related to development projects acquired as part of the Merger.

Construction loan commitments. Our material cash requirements to provide additional loans for redevelopment and capital expenditure projects increased by $40 million to $69 million at June 30, 2024, when compared to December 31, 2023. This increase was the result of outstanding commitments on secured loans acquired as part of the Merger, partially offset by a reduction in remaining commitments on seller financing that was refinanced in 2024. See Note 7 to the Consolidated Financial Statements for additional information.

Redeemable noncontrolling interests. Our material cash requirements related to redeemable noncontrolling interests decreased by $47 million to $1 million at June 30, 2024, when compared to December 31, 2023. This decrease was primarily due to the exercise of our option to buy out four redeemable noncontrolling interests in April 2024, partially offset by the redeemable noncontrolling interest we assumed as part of the Merger. See Note 12 to the Consolidated Financial Statements for additional information.

Distribution and Dividend Requirements. Our dividend policy on our common stock is to distribute a percentage of our cash flow to ensure that we meet the dividend requirements of the Code, relative to maintaining our REIT status, while still allowing us to retain cash to fund capital improvements and other investment activities. Under the Code, REITs may be subject to certain federal income and excise taxes on undistributed taxable income. During the six months ended June 30, 2024, in connection with the Merger, Physicians Partnership merged with and into DOC DR OP Sub with DOC DR OP Sub surviving as the Partnership Surviving Entity. As of June 30, 2024, approximately 6 million DownREIT units of the Partnership Surviving Entity were outstanding (6 million shares of Healthpeak common stock are issuable upon conversion). Each DownREIT unitholder will receive quarterly cash distributions per unit equal to dividends paid per share on our common stock. Additionally, in connection with the Merger, we issued 162 million shares of our common stock on March 1, 2024. We will pay our stockholders quarterly cash dividends per common share. See Note 3 to the Consolidated Financial Statements for additional information. There have been no other changes to our distribution and dividend requirements during the six months ended June 30, 2024.

Off-Balance Sheet Arrangements. We own interests in certain unconsolidated joint ventures as described in Note 8 to the Consolidated Financial Statements. Four of these joint ventures have mortgage debt of $867 million, of which our share is $189 million. Except in limited circumstances, our risk of loss is limited to our investment in the joint ventures.

There have been no other material changes, outside of the ordinary course of business, during the six months ended June 30, 2024 to the material cash requirements or material off-balance sheet arrangements disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023 under "Material Cash Requirements" and "Off-Balance Sheet Arrangements" in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

Cash Flow Summary

The following summary discussion of our cash flows is based on the Consolidated Statements of Cash Flows and is not meant to be an all-inclusive discussion of the changes in our cash flows for the periods presented below.

The following table sets forth changes in cash flows (in thousands):

	Six Months Ended June 30,		
	2024	2023	Change
Net cash provided by (used in) operating activities	$ 468,764	$ 471,737	$ (2,973)
Net cash provided by (used in) investing activities	89,746	(138,669)	228,415
Net cash provided by (used in) financing activities	(568,238)	(299,377)	(268,861)

Operating Cash Flows

Our cash flows from operations are dependent upon the occupancy levels of our buildings, rental rates on leases, our tenants' performance on their lease obligations, the level of operating expenses, and other factors. Our net cash provided by operating activities decreased $3 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily as a result of: (i) an increase in merger-related costs and (ii) an increase in interest expense. The decrease in net cash provided by operating activities was partially offset by: (i) an increase in Adjusted NOI from properties acquired as part of the Merger, (ii) developments and redevelopments placed in service during 2023 and 2024, (iii) annual rent increases, and (iv) new leasing and renewal activity.

Investing Cash Flows

Our cash flows from investing activities are generally used to fund acquisitions, developments, and redevelopments of real estate, net of proceeds received from sales of real estate and repayments on loans receivable. Our net cash provided by investing activities increased $228 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily as a result of the following: (i) an increase in proceeds from sales of real estate, (ii) proceeds received from the Callan Ridge JV transaction, (iii) a reduction in cash used for development and redevelopment of real estate, and (iv) a reduction in cash used for acquisitions of real estate. The increase in cash provided by investing activities was partially offset by: (i) cash paid in connection with the Merger and (ii) a decrease in proceeds from principal repayments on loans receivable and marketable debt securities.

Financing Cash Flows

Our cash flows from financing activities are generally impacted by issuances and/or repurchases of equity, borrowings and repayments under our bank line of credit and commercial paper program, senior unsecured notes, term loans, and mortgage debt, net of dividends paid to common shareholders. Our net cash used in financing activities increased $269 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily as a result of the following: (i) repurchases of common stock under our 2022 Share Repurchase Program, (ii) an increase in dividends paid on common stock, and (iii) cash used to buy out four redeemable noncontrolling interests in April 2024. The increase in cash used in financing activities was partially offset by lower distributions to other noncontrolling interests in 2024.

Debt

On March 1, 2024, concurrently with the consummation of the Merger, we assumed the following debt instruments: (i) $1.25 billion aggregate principal of senior unsecured notes, (ii) the $400 million 2028 Term Loan, and (iii) $128 million aggregate principal of mortgage debt. Additionally, on March 1, 2024, concurrently with the consummation of the Merger, we executed the $750 million 2029 Term Loan, which is an incremental facility under our existing term loan agreement.

In January 2024, we entered into forward-starting interest rate swap instruments that are designated as cash flow hedges that effectively establish a fixed interest rate for the 2029 Term Loan at a blended effective interest rate of 4.66%. Additionally, on March 1, 2024, concurrently with the consummation of the Merger, we acquired: (i) three interest rate swap instruments that are designated as cash flow hedges that effectively establish a fixed interest rate for the 2028 Term Loan at a blended effective interest rate of 4.44% and (ii) one interest rate swap instrument on $36 million of variable rate mortgage debt that is designated as a cash flow hedge.

See Note 10 to the Consolidated Financial Statements for additional information about our outstanding debt.

Approximately 99% and 95% of our consolidated debt was fixed rate debt as of June 30, 2024 and 2023, respectively. At June 30, 2024, our fixed rate debt and variable rate debt had weighted average effective interest rates of 4.05% and 7.02%, respectively. At June 30, 2023, our fixed rate debt and variable rate debt had weighted average effective interest rates of 3.70% and 5.49%, respectively. As of June 30, 2024, we had the following swapped to fixed rates through interest rate swap instruments: (i) the $750 million 2029 Term Loan, (ii) the $500 million 2027 Term Loans, (iii) the $400 million 2028 Term Loan, and (iv) $178 million of variable rate mortgage debt. These interest rate swap instruments are designated as cash flow hedges. For purposes of classification of the amounts above, variable rate debt with a derivative financial instrument designated as a cash flow hedge is reported as fixed rate debt due to us having effectively established a fixed interest rate for the underlying debt instrument. For a more detailed discussion of our interest rate risk, see "Quantitative and Qualitative Disclosures About Market Risk" in Item 3 below.

Supplemental Guarantor Information

Healthpeak OP has issued the senior unsecured notes issued by Healthpeak prior to the consummation of the Merger as described in Note 10 to the Consolidated Financial Statements. The obligations of Healthpeak OP to pay principal, premiums, if any, and interest on such senior unsecured notes are guaranteed on a full and unconditional basis by the Company, DOC DR Holdco, and DOC DR OP Sub. Additionally, DOC DR OP Sub is the issuer, as successor to the Physicians Partnership upon the Merger, of the senior unsecured notes issued by the Physicians Partnership prior to, and assumed by Healthpeak as part of, the Merger as described in Note 10 to the Consolidated Financial Statements. The obligations of DOC DR OP Sub to pay principal, premiums, if any, and interest on such senior unsecured notes are guaranteed on a full and unconditional basis by the Company, Healthpeak OP, and DOC DR Holdco.

Subsidiary issuers of obligations guaranteed by the parent are not required to provide separate financial statements, provided that the parent guarantee is "full and unconditional", the subsidiary obligor is a consolidated subsidiary of the parent company, the guaranteed security is debt or debt-like, and consolidated financial statements of the parent company have been filed. Accordingly, separate consolidated financial statements of Healthpeak OP, DOC DR Holdco, and DOC DR OP Sub have not been presented.

As permitted under Rule 13-01 of Regulation S-X, we have excluded the summarized financial information for the Company, Healthpeak OP, DOC DR Holdco, and DOC DR OP because the Company, Healthpeak OP, DOC DR Holdco, and DOC DR OP have no material assets, liabilities, or operations other than the debt financing activities described in the first paragraph of Note 10 to the Consolidated Financial Statements and their investments in non-guarantor subsidiaries, and management believes such summarized financial information would be repetitive and would not provide incremental value to investors.

Equity

At June 30, 2024, we had 700 million shares of common stock outstanding, equity totaled $9.4 billion, and our equity securities had a market value of $14.0 billion.

The Merger

Pursuant to the terms set forth in the Merger Agreement, on the Closing Date, each outstanding share of Physicians Realty Trust (other than Physicians Realty Trust common shares that were canceled in accordance with the Merger Agreement) automatically converted into the right to receive 0.674 shares of our common stock. Based on the number of outstanding Physicians Realty Trust common shares as of the Closing Date, we issued 162 million shares of our common stock. Refer to Note 3 to the Consolidated Financial Statements for additional information regarding the Merger.

At-The-Market Program

In February 2023, in connection with the Reorganization, we terminated our previous at-the-market equity offering program and established a new at-the-market equity offering program (the "ATM Program") that allows for the sale of shares of common stock having an aggregate gross sales price of up to $1.5 billion. The ATM Program was amended in March 2024 to contemplate the sale of the remaining shares of common stock pursuant to the Company's Registration Statement on Form S-3 filed with the SEC on February 8, 2024. In addition to the issuance and sale of shares of our common stock, we may also enter into one or more forward sales agreements (each, an "ATM forward contract") with sales agents for the sale of our shares of common stock under our ATM Program.

During the three and six months ended June 30, 2024, we did not issue any shares of our common stock under any ATM program.

At June 30, 2024, $1.5 billion of our common stock remained available for sale under the ATM Program. Actual future sales of our common stock will depend upon a variety of factors, including but not limited to market conditions, the trading price of our common stock, and our capital needs. We have no obligation to sell any shares under our ATM Program.

See Note 12 to the Consolidated Financial Statements for additional information about our ATM Program.

Noncontrolling Interests

Healthpeak OP. Immediately following the Reorganization, Healthpeak Properties, Inc. was the initial sole member and 100% owner of Healthpeak OP. Subsequent to the Reorganization, certain of our employees ("OP Unitholders") have been issued noncontrolling, non-managing member units in Healthpeak OP ("OP Units"). During the three months ended March 31, 2024, OP Unitholders were issued approximately 2 million OP Units. When certain conditions are met, the OP Unitholders have the right to require redemption of part or all of their OP Units for cash or shares of our common stock, at our option as managing member of Healthpeak OP. The per unit redemption amount is equal to either one share of our common stock or cash equal to the fair value of a share of common stock at the time of redemption. We classify the OP Units in permanent equity because we may elect, in our sole discretion, to issue shares of our common stock to OP Unitholders who choose to redeem their OP Units rather than using cash. As of June 30, 2024, there were approximately 3 million OP Units outstanding and 65 thousand had met the criteria for redemption.

DownREITs. During the six months ended June 30, 2024, in connection with the Merger, Physicians Partnership merged with and into DOC DR OP Sub with DOC DR OP Sub surviving as the Partnership Surviving Entity. As of June 30, 2024, approximately 6 million DownREIT units in the Partnership Surviving Entity were outstanding (6 million shares of Healthpeak common stock are issuable upon conversion). Refer to Note 3 to the Consolidated Financial Statements for additional information regarding the Merger.

At June 30, 2024, non-managing members held an aggregate of approximately 11 million units in eight limited liability companies for which we hold controlling interests and/or are the managing member. The DownREIT units are exchangeable for an amount of cash approximating the then-current market value of shares of our common stock or, at our option, shares of our common stock (subject to certain adjustments, such as stock splits and reclassifications). At June 30, 2024, the outstanding DownREIT units were convertible into approximately 14 million shares of our common stock.

Share Repurchase Programs

On August 1, 2022, our Board of Directors approved a share repurchase program, under which we could acquire shares of our common stock in the open market up to an aggregate purchase price of $500 million (the "2022 Share Repurchase Program"). Purchases of common stock under the 2022 Share Repurchase Program could be exercised at our discretion with the timing and number of shares repurchased depending on a variety of factors, including price, corporate and regulatory requirements, and other corporate liquidity requirements and priorities. During the three months ended June 30, 2024, we repurchased 3.6 million shares of our common stock at a weighted average price of $19.00 per share for a total of $68 million. During the six months ended June 30, 2024, we repurchased 9.4 million shares of our common stock at a weighted average price of $17.83 per share for a total of $168 million. At June 30, 2024, $276 million of our common stock remained available for repurchase under the 2022 Share Repurchase Program.

In July 2024 we repurchased an additional 1 million shares of our common stock under the 2022 Share Repurchase Program at a weighted average price of $19.42 per share for a total of $20 million.

On July 24, 2024, our Board of Directors approved a new share repurchase program (the "2024 Share Repurchase Program") to supersede and replace the 2022 Share Repurchase Program. Upon adoption of the 2024 Share Repurchase Program, no further share repurchases may be made pursuant to the 2022 Share Repurchase Program. Under the 2024 Share Repurchase Program, we may acquire shares of our common stock in the open market or other similar purchase techniques (including in compliance with the safe harbor provisions of Rule 10b-18 under the Exchange Act or pursuant to one or more plans adopted under Rule 10b5-1 promulgated under the Exchange Act), up to an aggregate purchase price of $500 million. Purchases of common stock under the 2024 Share Repurchase Program may be exercised at our discretion with the timing and number of shares repurchased depending on a variety of factors, including price, corporate and regulatory requirements, and other corporate liquidity requirements and priorities. The 2024 Share Repurchase Program expires in July 2026 and may be suspended or terminated at any time without prior notice. No shares have been repurchased under the 2024 Share Repurchase Program.

Shelf Registration

On February 8, 2024, the Company and Healthpeak OP jointly filed a prospectus with the SEC as part of a registration statement on Form S-3, using an automatic shelf registration process. This shelf registration statement expires on February 8, 2027 and at or prior to such time, we expect to file a new shelf registration statement. Under the "shelf" process, we may sell any combination of the securities described in the prospectus through one or more offerings. The securities described in the prospectus include future offerings of: (i) the Company's common stock, preferred stock, depositary shares, warrants, debt securities, and guarantees by the Company of debt securities issued by Healthpeak OP and/or by the Company's existing and future subsidiaries, and (ii) Healthpeak OP's debt securities and guarantees by Healthpeak OP of debt securities issued by the Company and/or by Healthpeak OP's existing and future subsidiaries.

Non-GAAP Financial Measures Reconciliations

The following is a reconciliation from net income (loss) applicable to common shares, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Nareit FFO, FFO as Adjusted, and AFFO (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss) applicable to common shares	$ 145,833	$ 51,750	$ 152,309	$ 169,449
Real estate related depreciation and amortization	283,498	197,573	502,717	376,798
Healthpeak's share of real estate related depreciation and amortization from unconsolidated joint ventures	11,621	5,893	20,393	11,887
Noncontrolling interests' share of real estate related depreciation and amortization	(4,732)	(4,685)	(9,174)	(9,470)
Loss (gain) on sales of depreciable real estate, net	(122,044)	(4,885)	(125,299)	(86,463)
Noncontrolling interests' share of gain (loss) on sales of depreciable real estate, net	—	—	—	11,546
Loss (gain) upon change of control, net[1]	(198)	(234)	(77,978)	(234)
Taxes associated with real estate dispositions[2]	49	—	11,657	—
Nareit FFO applicable to common shares	314,027	245,412	474,625	473,513
Distributions on dilutive convertible units and other	4,583	2,342	5,281	4,687
Diluted Nareit FFO applicable to common shares	$ 318,610	$ 247,754	$ 479,906	$ 478,200
Impact of adjustments to Nareit FFO:				
Transaction and merger-related items[3]	$ 3,369	$ 581	$ 106,198	$ 2,944
Other impairments (recoveries) and other losses (gains), net[4]	(553)	2,432	11,300	1,159
Restructuring and severance-related charges	—	1,368	—	1,368
Casualty-related charges (recoveries), net[5]	(1,204)	(591)	(1,204)	(243)
Total adjustments	$ 1,612	$ 3,790	$ 116,294	$ 5,228
FFO as Adjusted applicable to common shares	$ 315,639	$ 249,202	$ 590,919	$ 478,741
Distributions on dilutive convertible units and other	4,581	2,338	6,960	4,680
Diluted FFO as Adjusted applicable to common shares	$ 320,220	$ 251,540	$ 597,879	$ 483,421
FFO as Adjusted applicable to common shares	$ 315,639	$ 249,202	$ 590,919	$ 478,741
Stock-based compensation amortization expense	4,814	4,245	8,180	7,532
Amortization of deferred financing costs and debt discounts (premiums)	7,317	2,954	11,840	5,774
Straight-line rents[6]	(10,453)	(4,683)	(22,545)	(5,431)
AFFO capital expenditures	(35,718)	(19,444)	(53,235)	(42,233)
Deferred income taxes	1,021	(242)	1,745	(503)
Amortization of above (below) market lease intangibles, net	(8,086)	(8,838)	(15,437)	(14,641)
Other AFFO adjustments	(2,169)	(2,339)	(3,667)	(730)
AFFO applicable to common shares	272,365	220,855	517,800	428,509
Distributions on dilutive convertible units and other	4,582	2,342	6,799	4,686
Diluted AFFO applicable to common shares	$ 276,947	$ 223,197	$ 524,599	$ 433,195

Refer to footnotes on the next page.

(1) The six months ended June 30, 2024 includes a gain upon change of control related to the sale of a 65% interest in two lab buildings in San Diego, California. The gain upon change of control is included in other income (expense), net in the Consolidated Statements of Operations.
(2) The six months ended June 30, 2024 includes non-cash income tax expense related to the sale of a 65% interest in two lab buildings in San Diego, California.
(3) The three and six months ended June 30, 2024 includes costs related to the Merger, which are primarily comprised of advisory, legal, accounting, tax, post-combination severance and stock compensation expense, and other costs of combining operations with Physicians Realty Trust that were incurred during the period. These costs were partially offset by termination fee income of $4 million and $9 million for the three and six months ended June 30, 2024, respectively, associated with Graphite Bio, Inc., which later merged with LENZ Therapeutics, Inc. in March 2024, for which the lease terms were modified to accelerate expiration of the lease to December 2024. Termination fee income is included in rental and related revenues on the Consolidated Statements of Operations.
(4) The three and six months ended June 30, 2024 and 2023 includes reserves and (recoveries) for expected loan losses recognized in impairments and loan loss reserves (recoveries), net in the Consolidated Statements of Operations.
(5) Casualty-related charges (recoveries), net are recognized in other income (expense), net and equity income (loss) from unconsolidated joint ventures in the Consolidated Statements of Operations.
(6) The six months ended June 30, 2023 includes a $9 million write-off of straight-line rent receivable associated with Sorrento Therapeutics, Inc., which commenced voluntary reorganization proceedings under Chapter 11 of the U.S. Bankruptcy Code. This activity is reflected as a reduction of rental and related revenues in the Consolidated Statements of Operations.

Critical Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires our management to use judgment in the application of critical accounting estimates and assumptions. We base estimates on the best information available to us at the time, our experience and on various other assumptions believed to be reasonable under the circumstances. These estimates could affect our financial position or results of operations. If our judgment or interpretation of the facts and circumstances relating to various transactions or other matters had been different, it is possible that different accounting would have been applied, resulting in a different presentation of our consolidated financial statements. From time to time, we re-evaluate our estimates and assumptions. In the event estimates or assumptions prove to be different from actual results, adjustments are made in subsequent periods to reflect more current estimates and assumptions about matters that are inherently uncertain. A discussion of accounting estimates that we consider critical in that they may require complex judgment in their application or require estimates about matters that are inherently uncertain is included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.” During the six months ended June 30, 2024, we included a new critical accounting estimate as described below:

Valuation of Real Estate – Business Combinations

For a real estate acquisition accounted for as business combinations, we allocate the acquisition consideration (excluding acquisition costs) to the assets acquired, liabilities assumed, and noncontrolling interests at fair value as of the acquisition date. Any excess of the consideration transferred relative to the fair value of the net assets acquired is accounted for as goodwill. Acquisition costs related to business combinations are expensed as incurred.

We make estimates as part of our process for allocating acquisition consideration to the various identifiable assets and liabilities based upon the relative fair value of each asset or liability. The most significant components of our allocations are typically buildings as-if-vacant, land, and lease intangibles. In the case of allocating fair value to buildings and intangibles, our fair value estimates will affect the amount of depreciation and amortization we record over the estimated useful life of each asset acquired. In the case of allocating fair value to in-place leases, we make our best estimates based on our evaluation of the specific characteristics of each tenant’s lease. Factors considered include estimates of carrying costs during hypothetical expected lease-up periods, market conditions, and costs to execute similar leases. Our assumptions affect the amount of future revenue and/or depreciation and amortization expense that we will recognize over the remaining useful life for the acquired in-place leases.

Our fair value estimates for loans receivable and debt consider market-based information, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active (markets with few transactions), inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.) and inputs that are derived principally from or corroborated by observable market data correlation or other means (market corroborated inputs). Our fair value estimates for joint ventures consider ownership interests, subordination characteristics, redemption values, discounts for lack of control (as applicable), and hypothetical liquidation waterfalls.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to various market risks, primarily from the potential loss arising from adverse changes in interest rates. We use derivative and other financial instruments in the normal course of business to mitigate interest rate risk. We do not use derivative financial instruments for speculative or trading purposes. Derivatives are recorded on the Consolidated Balance Sheets at fair value (see Note 18 to the Consolidated Financial Statements).

To illustrate the effect of movements in the interest rate markets, we performed a market sensitivity analysis on our hedging instruments. We applied various basis point spreads to the underlying interest rate curves of our derivative portfolio in order to determine the change in fair value. At June 30, 2024, a one percentage point increase or decrease in the underlying interest rate curve would result in a corresponding increase or decrease in the fair value of the derivative instruments by up to $60 million.

Interest Rate Risk. At June 30, 2024, our exposure to interest rate risk was primarily on our variable rate debt. At June 30, 2024, we had the following swapped to fixed rates through interest rate swap instruments: (i) the $750 million 2029 Term Loan, (ii) the $500 million 2027 Term Loans, (iii) the $400 million 2028 Term Loan, and (iv) $178 million of variable rate mortgage debt. The interest rate swap instruments are designated as cash flow hedges, with the objective of managing the exposure to interest rate risk by converting the interest rates on our variable rate debt to fixed interest rates. At June 30, 2024, both the fair value and carrying value of the interest rate swap instruments were $50 million.

Our remaining variable rate debt at June 30, 2024 was comprised of borrowings under our commercial paper program and certain of our mortgage debt. Interest rate fluctuations will generally not affect our future earnings or cash flows on our fixed rate debt and assets until their maturity or earlier prepayment and refinancing. If interest rates have risen at the time we seek to refinance our fixed rate debt, whether at maturity or otherwise, our future earnings and cash flows could be adversely affected by additional borrowing costs. Conversely, lower interest rates at the time of refinancing may reduce our overall borrowing costs. Interest rate changes will affect the fair value of our fixed rate instruments. At June 30, 2024, a one percentage point increase in interest rates would decrease the fair value of our fixed rate debt by approximately $260 million and a one percentage point decrease in interest rates would increase the fair value of our fixed rate debt by approximately $278 million. Additionally, at June 30, 2024, a one percentage point increase or decrease in interest rates would change the fair value of our fixed rate loans receivable by approximately $2 million. These changes would not materially impact earnings or cash flows. Conversely, changes in interest rates on variable rate debt would change our future earnings and cash flows, but not materially impact the fair value of those instruments. Assuming a one percentage point increase in the interest rates related to our variable rate debt, and assuming no other changes in the outstanding balance at June 30, 2024, our annual interest expense would increase by approximately $1 million. Lastly, assuming a one percentage point decrease in the interest rates related to our variable rate loans receivable, and assuming no other changes in the outstanding balance at June 30, 2024, our annual interest income would decrease by approximately $1 million.

Item 4. Controls and Procedures

Disclosure Controls and Procedures. We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2024. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2024.

Changes in Internal Control Over Financial Reporting. As a result of the Merger completed on March 1, 2024, we continue to revise certain existing controls and implement additional controls related to the acquisition and integration of Physicians Realty Trust. Except for those changes, there have been no other changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. Risk Factors

We have described in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, the primary risk factors that could materially affect our business, financial condition, or future results. There have been no material changes to those risk factors.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a)

None.

(b)

None.

(c)

The following table sets forth information with respect to purchases of our common stock made by us or on our behalf during the three months ended June 30, 2024.

Period Covered	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Plans or Programs(1)
April 1-30, 2024	—	$ —	—	$ 344,018,711
May 1-31, 2024	2,979,452	18.96	2,979,452	287,540,137
June 1-30, 2024	606,944	19.21	606,944	275,882,263
	3,586,396	$ 19.00	3,586,396	$ 275,882,263

(1) On August 1, 2022, our Board of Directors approved the 2022 Share Repurchase Program under which we could acquire shares of our common stock in the open market up to an aggregate purchase price of $500 million. Purchases of common stock under the 2022 Share Repurchase Program could be exercised at our discretion with the timing and number of shares repurchased depending on a variety of factors, including price, corporate and regulatory requirements, and other corporate liquidity requirements and priorities. During the three months ended June 30, 2024, we repurchased 3.6 million shares of our common stock at a weighted average price of $19.00 per share for a total of $68 million. During the six months ended June 30, 2024, we repurchased 9.4 million shares of our common stock at a weighted average price of $17.83 per share for a total of $168 million. During the year ended December 31, 2023, there were no repurchases under the 2022 Share Repurchase Program. Therefore, at June 30, 2024, $276 million of our common stock remained available for repurchase under the 2022 Share Repurchase Program, after considering $56 million of shares repurchased during the year ended December 31, 2022. On July 24, 2024, our Board of Directors approved the 2024 Share Repurchase Program to supersede and replace the 2022 Share Repurchase Program. Upon adoption of the 2024 Share Repurchase Program, no further share repurchases may be made pursuant to the 2022 Share Repurchase Program. Under the 2024 Share Repurchase Program, we may acquire shares of our common stock in the open market or other similar purchase techniques (including in compliance with the safe harbor provisions of Rule 10b-18 under the Exchange Act or pursuant to one or more plans adopted under Rule 10b5-1 promulgated under the Exchange Act), up to an aggregate purchase price of $500 million. Purchases of common stock under the 2024 Share Repurchase Program may be exercised at our discretion with the timing and number of shares repurchased depending on a variety of factors, including price, corporate and regulatory requirements, and other corporate liquidity requirements and priorities. The 2024 Share Repurchase Program expires in July 2026 and may be suspended or terminated at any time without prior notice.

Item 5. Other Information

Insider Trading Arrangements

During the three months ended June 30, 2024, none of our directors or Section 16 officers adopted, modified, or terminated any Rule 10b5-1 trading arrangement or any non-Rule 10b5-1 trading arrangement.

Item 6. Exhibits

2.1+	Agreement and Plan of Merger, dated February 7, 2023, by and among Healthpeak Properties, Inc., New Healthpeak, Inc. and Healthpeak Merger Sub, Inc. (incorporated herein by reference to Exhibit 2.1 to Healthpeak's Current Report on Form 8-K12B filed February 10, 2023).
2.2+	Agreement and Plan of Merger, dated as of October 29, 2023, by and among Healthpeak Properties, Inc., DOC DR Holdco, LLC (formerly Alpine Sub, LLC), DOC DR, LLC (formerly Alpine OP Sub, LLC), Physicians Realty Trust and Physicians Realty L.P. (incorporated herein by reference to Exhibit 2.1 to Healthpeak's Current Report on Form 8-K filed October 30, 2023).
3.1	Articles of Amendment and Restatement of Healthpeak Properties, Inc. (formerly New Healthpeak, Inc.) effective February 10, 2023 (incorporated herein by reference to Exhibit 3.1 to Healthpeak's Current Report on Form 8-K12B filed February 10, 2023).
3.2	Articles of Amendment of Healthpeak Properties, Inc. (formerly New Healthpeak, Inc.) effective February 10, 2023 (incorporated herein by reference to Exhibit 3.2 to Healthpeak's Current Report on Form 8-K12B filed February 10, 2023).
3.3	Articles of Amendment of Healthpeak Properties, Inc., effective February 29, 2024 (incorporated herein by reference to Exhibit 3.1 to Healthpeak's Current Report on Form 8-K filed March 1, 2024).
3.4	Amended and Restated Bylaws of Healthpeak Properties, Inc. (formerly New Healthpeak, Inc.), dated February 10, 2023 (incorporated herein by reference to Exhibit 3.4 to Healthpeak's Current Report on Form 8-K12B filed February 10, 2023).
3.5	Amendment to the Bylaws of Healthpeak Properties, Inc., effective March 1, 2024 (incorporated herein by reference to Exhibit 3.2 to Healthpeak's Current Report on Form 8-K filed March 1, 2024).
10.1*	Amendment No. 2 to At-the-Market Equity Offering Sales Agreement, dated May 3, 2024, among Healthpeak Properties, Inc., Healthpeak OP, LLC, the Sales Agents, the Forward Sellers and the Forward Purchasers.
22.1	List of Issuers of Guaranteed Securities (incorporated herein by reference to Exhibit 22.1 to Healthpeak's Quarterly Report on Form 10-Q filed April 26, 2024).
31.1*	Certification by Scott M. Brinker, Healthpeak's Principal Executive Officer, pursuant to Securities Exchange Act Rule 13a-14(a).
31.2*	Certification by Peter A. Scott, Healthpeak's Principal Financial Officer, pursuant to Securities Exchange Act Rule 13a-14(a).
32.1**	Certification by Scott M. Brinker, Healthpeak's Principal Executive Officer, pursuant to Securities Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350.
32.2**	Certification by Peter A. Scott, Healthpeak's Principal Financial Officer, pursuant to Securities Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350.
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its 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 Labels Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

+ Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5) and Item 601(b)(2), as applicable.
* Filed herewith.
** Furnished herewith.

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.

Date: July 26, 2024

Healthpeak Properties, Inc.

/s/ SCOTT M. BRINKER

Scott M. Brinker
President and Chief Executive Officer
(Principal Executive Officer)

/s/ PETER A. SCOTT

Peter A. Scott
Chief Financial Officer
(Principal Financial Officer)

/s/ SHAWN G. JOHNSTON

Shawn G. Johnston
Executive Vice President and
Chief Accounting Officer
(Principal Accounting Officer)

Healthpeak Properties, Inc.

Common Stock
($1.00 par value)

AMENDMENT NO. 2 TO AT-THE-MARKET EQUITY OFFERING SALES AGREEMENT

May 3, 2024

J.P. Morgan Securities LLC
Barclays Capital Inc.
BNP Paribas Securities Corp.
BofA Securities, Inc.
BTIG, LLC
Capital One Securities, Inc.
Credit Agricole Securities (USA) Inc.
Goldman Sachs & Co. LLC
Jefferies LLC
KeyBanc Capital Markets Inc.
Mizuho Securities USA LLC
Morgan Stanley & Co. LLC
Nomura Securities International, Inc. (as forward seller through BTIG, LLC)
RBC Capital Markets, LLC
Regions Securities LLC
Robert W. Baird & Co. Incorporated
Scotia Capital (USA) Inc.
TD Securities (USA) LLC
Truist Securities, Inc.
Wells Fargo Securities, LLC

As Agents

JPMorgan Chase Bank, National Association
Bank of America, N.A.
The Bank of Nova Scotia
Barclays Bank PLC
BNP Paribas
Crédit Agricole Corporate and Investment Bank
Goldman Sachs & Co. LLC
Jefferies LLC
KeyBanc Capital Markets Inc.

Mizuho Markets Americas LLC
Morgan Stanley & Co. LLC
Nomura Global Financial Products, Inc.
Regions Securities LLC
Robert W. Baird & Co. Incorporated
Royal Bank of Canada
The Toronto-Dominion Bank
Truist Bank
Wells Fargo Bank, National Association

As Forward Purchasers

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

Ladies and Gentlemen:

Reference is made to that certain At-the-Market Equity Offering Sales Agreement, dated February 17, 2023, as amended by Amendment No. 1 to the At-the-Market Equity Offering Sales Agreement, dated March 11, 2024 (the "**Sales Agreement**"), among J.P. Morgan Securities LLC, Barclays Capital Inc., BNP Paribas Securities Corp., BofA Securities, Inc., BTIG, LLC, Capital One Securities, Inc., Credit Agricole Securities (USA) Inc., Goldman Sachs & Co. LLC, Jefferies LLC, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, Nomura Securities International, Inc. (as forward seller through BTIG, LLC as its agent), RBC Capital Markets, LLC, Regions Securities LLC, Robert W. Baird & Co. Incorporated, Scotia Capital (USA) Inc., TD Securities (USA) LLC, Truist Securities, Inc. and Wells Fargo Securities, LLC, each as sales agent, principal (except in the case of Nomura Securities International, Inc.) and as forward seller (except in the case of BTIG, LLC) (in any such capacity, each, an "**Agent**", and collectively, the "**Agents**"), and JPMorgan Chase Bank, National Association, Bank of America, N.A., The Bank of Nova Scotia, Barclays Bank PLC, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Goldman Sachs & Co. LLC, Jefferies LLC, Mizuho Markets Americas LLC, Morgan Stanley & Co. LLC, Nomura Global Financial Products, Inc., Regions Securities LLC, Robert W. Baird & Co. Incorporated, Royal Bank of Canada, The Toronto-Dominion Bank, Truist Bank and Wells Fargo Bank, National Association, each as forward purchaser (in such capacity, each a "**Forward Purchaser**", and collectively, the "**Forward Purchasers**") and Healthpeak Properties, Inc., a Maryland corporation (the "**Company**"), and Healthpeak OP, LLC, a Maryland limited liability company (the "**Operating Company**") with respect to the offering and sale from time to time by the Company to or through the Agents, of shares of its common stock, $1.00 par value, having an aggregate gross sales price of up to $1,500,000,000, in the manner and subject to the terms and conditions set forth in the Sales Agreement. All capitalized terms used in this Amendment No. 2 to the Sales Agreement (this "**Amendment**") and not otherwise defined herein shall have the respective meanings assigned to such terms in the Sales Agreement. For the avoidance of doubt, all references to the Sales Agreement in any document related to the transactions contemplated by the Sales Agreement shall be to the Sales Agreement as amended by this Amendment. The Agents, the Forward Purchasers, the Company and the Operating Company (collectively, the "**parties hereto**") agree as follows:

1. Amendments to Sales Agreement. The parties hereto agree that the Sales Agreement is amended as follows:

(a) As of the date hereof, the parties acknowledge and agree that, by virtue of this Amendment, KeyBanc Capital Markets Inc. has joined as a party to the Sales Agreement in the capacities of Agent and Forward Purchaser. The parties hereto, to the extent required by the Sales Agreement, consent to this Amendment and the transactions contemplated hereby (including the addition of KeyBanc Capital Markets Inc. as a party to the Sales Agreement in its respective capacities).

(b) As of the date hereof, the first full paragraph of the Sales Agreement shall be deleted in its entirety and replaced with the following:

" Healthpeak Properties, Inc., a Maryland corporation (the "**Company**") and Healthpeak OP, LLC, a Maryland limited liability company (the "**Operating Company**"), confirm their agreement with J.P. Morgan Securities LLC, Barclays Capital Inc., BNP Paribas Securities Corp., BofA Securities, Inc., BTIG, LLC, Capital One Securities, Inc., Credit Agricole Securities (USA) Inc., Goldman Sachs & Co. LLC, Jefferies LLC, KeyBanc Capital Markets Inc., Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, Nomura Securities International, Inc. (as forward seller through BTIG, LLC as its agent), RBC Capital Markets, LLC, Regions Securities LLC, Robert W. Baird & Co. Incorporated, Scotia Capital (USA) Inc., TD Securities (USA) LLC, Truist Securities, Inc. and Wells Fargo Securities, LLC, each as sales agent, as principal (except in the case of Nomura Securities International, Inc.) and as forward seller (except in the case of BTIG, LLC) (in any such capacity, each, an "**Agent**", and collectively, the "**Agents**"), and JPMorgan Chase Bank, National Association, Bank of America, N.A., The Bank of Nova Scotia, Barclays Bank PLC, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Goldman Sachs & Co. LLC, Jefferies LLC, KeyBanc Capital Markets Inc., Mizuho Markets Americas LLC, Morgan Stanley & Co. LLC, Nomura Global Financial Products, Inc., Regions Securities LLC, Robert W. Baird & Co. Incorporated, Royal Bank of Canada, The Toronto-Dominion Bank, Truist Bank and Wells Fargo Bank, National Association, each as forward purchaser (in such capacity, each a "**Forward Purchaser**", and collectively, the "**Forward Purchasers**"). For purposes of clarity, it is understood and agreed by the parties hereto that, if Shares (as defined below) are offered or sold through any Agent, as forward seller, then such Agent shall be acting solely in its capacity as sales agent for the applicable Forward Purchaser and not as sales agent for the Company with respect to the offering and sale of such Shares, and, except in cases where this Agreement (as defined below) expressly refers to an Agent acting as sales agent for the Company or unless otherwise expressly stated or the context otherwise requires, references in this Agreement to any Agent acting as sales agent shall also be deemed to apply to such Agent as forward seller, *mutatis mutandis*, except that Nomura Securities International, Inc. shall only be a forward seller and shall therefore not act as sales agent for the Company. It is also understood and agreed by the parties hereto that, if Shares are offered or sold through any Agent, as sales agent for the Company, then such Agent shall be acting solely in its capacity as sales agent for the Company, and not as sales agent for any Forward Purchaser, with respect to the offering and sale of such Shares. For the avoidance of doubt, BTIG, LLC will not be a forward seller."

(c) As of the date hereof, Section 10 of the Sales Agreement shall be deleted in its entirety and replaced with the following:

"Section 10. Notices. Unless otherwise provided herein, all notices required under the terms and provisions hereof shall be in writing, either delivered by hand, by mail, email or by fax, and any such notice shall be effective when received at the address specified below:

If to the Company or the Operating Company, to:

Healthpeak Properties, Inc.
4600 South Syracuse Street, Suite 500
Denver, Colorado 80237
Attention: Jeffrey H. Miller
Email: jhmiller@healthpeak.com
With cc: DerivativeCompliance@healthpeak.com

With a copy (which shall not constitute notice) to:

Lewis W. Kneib, Esq.
Latham & Watkins LLP
10250 Constellation Blvd., Suite 1100
Century City, California 90067
Email: lewis.kneib@lw.com

If to an Agent or Forward Purchaser, as applicable, delivered via fax or email with a confirmation copy mailed to the addresses set forth below:

J.P. Morgan Securities LLC
383 Madison Avenue, 6th Floor
New York, New York 10179
Attention: Sanjeet Dewal
Telephone: (212) 622-8783
Email: sanjeet.s.dewal@jpmorgan.com

Mizuho Securities USA LLC
1271 Avenue of the Americas
New York, NY 10020
Attention: Stephen Roney; Ivana Rupcic-Hulin; Daniel Blake
Telephone: (212) 205-7527
Email: Stephen.Roney@mizuhogroup.com; Ivana.Rupcic-Hulin@mizuhogroup.com; Daniel.Blake@mizuhogroup.com, with a copy to: legalnotices@mizuhogroup.com

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019
Attention: Syndicate Registration
Facsimile: (646) 834-8133

Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036
Attention: Equity Syndicate Desk, with a copy to the Legal Department
Facsimile: 212-507-1554

BNP Paribas Securities Corp.
787 Seventh Ave
New York, New York 10019
Attention: Robert McDonald
Phone: (212) 471-6840
Email: dl.nyk.ste@us.bnpparibas.com

Nomura Securities International, Inc.
309 West 49th Street
New York, New York 10019
Attention: Structured Equity Solutions
Email: atmexecution@nomura.com
With a copy (which shall not constitute notice) to:
Attention: Equities Legal
Email: Dan.Rosenbaum@nomura.com
And to:
BTIG, LLC as agent of the forward seller, at the notice addresses provided for BTIG, LLC herein

BofA Securities, Inc.
One Bryant Park
New York, New York 10036
Attention: ATM Execution Team, email: dg.atm_execution@bofa.com
Facsimile: (646) 855-3073

RBC Capital Markets, LLC
200 Vesey Street, 8th Floor
New York, New York 10281
Attention: Equity Capital Markets
Facsimile: (212) 428-6260

BTIG, LLC
65 East 55th Street
New York, New York 10022
Attention: ATM Trading Desk
Email: BTIGUSATMTrading@btig.com with a copy to IBLegal@btig.com; BTIGcompliance@btig.com; and ctaylor@btig.com

Capital One Securities, Inc.
201 Charles Ave. Suite 1830
New Orleans, Louisiana 70170
Attention: Phil Winiecki
Email: phil.winiecki@capitalone.com

Credit Agricole Securities (USA) Inc.
1301 Avenue of the Americas
New York, New York 10019
Attention: Douglas Cheng
Email: douglas.cheng@ca-cib.com; equitycapitalmarkets@ca-cib.com
Facsimile: (212) 261-2516

Goldman Sachs & Co. LLC
200 West Street
New York, New York 10282-2198
Attention: Registration Department

Jefferies LLC
520 Madison Avenue
New York, New York 10022
Attention: General Counsel, with a copy to: CorpEqDeriv@jefferies.com

Regions Securities LLC
615 South College Street, Suite 600
Charlotte, North Carolina 28202
Email: ECMDesk@regions.com

Robert W. Baird & Co. Incorporated
777 E. Wisconsin Avenue
Milwaukee, Wisconsin 53202
Attention: Syndicate Department
Facsimile: (414) 298-7474
With a copy to: Legal Department

Scotia Capital (USA) Inc.
250 Vesey Street
New York, New York 10281
Attention: Equity Capital Markets
Facsimile: (212) 225-6653
Email: us.ecm@scotiabank.com us.legal@scotiabank.com

TD Securities (USA) LLC
1 Vanderbilt Avenue
New York, New York 10017
Attention: Equity Capital Markets
Email: TDS_ATM@tdsecurities.com

Truist Securities, Inc.
3333 Peachtree Road NE, 11th Floor
Atlanta, Georgia 30326
Attention: Equity Capital Markets
Email: dl.atm.offering@truist.com

KeyBanc Capital Markets Inc.
127 Public Square, 7th Floor
Cleveland, Ohio 44114
Attention: Jaryd Banach, Michael Jones and John Salisbury
Emails: jaryd.banach@key.com; Michael.c.jones@key.com; john.salisbury@key.com
Facsimile: (216) 689-0845
Telephone: (216) 689-3910

Wells Fargo Securities, LLC
500 West 33rd Street
New York, New York 10001
Attention: Equity Syndicate Department
Facsimile: (212) 214-5918

and

JPMorgan Chase Bank, National Association
383 Madison Avenue
New York, New York 10179
Attention: EDG Marketing Support
Email: edg_notices@jpmorgan.com and edg_ny_corporate_sales_support@jpmorgan.com
With a copy to:
Attention: Sanjeet Dewal
Telephone: (212) 622-8783
Email: sanjeet.s.dewal@jpmorgan.com

Mizuho Markets Americas LLC
c/o Mizuho Securities USA LLC, as agent
1271 Avenue of the Americas
New York, NY 10020
Attention: US Equity Derivatives Notices
Telephone: (646) 949-9531
Email: Derivs-EQNoticesUS@mizuhogroup.com

Bank of America, N.A.
One Bryant Park
New York, New York 10036
Attention: Rohan Handa
Email: rohan.handa@baml.com

Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036
Attention: Equity Syndicate Desk, with a copy to the Legal Department
Facsimile: 212-507-1554

The Bank of Nova Scotia
44 King Street West
Toronto, Ontario, Canada M5H 1H1
c/o Scotia Capital (USA) Inc.
250 Vesey Street, 24th Floor
New York, NY 10281
Attention: US Equity Derivatives
Email: bahar.lorenzo@scotiabank.com /
john.kelly@scotiabank.com
Telephone No.: (212) 225-5230 / (212) 225-6664
And a copy to: BNSEquityConfirmations@scotiabank.com

Barclays Bank PLC
c/o Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019
Attn: Ilya Blanter
Email: Ilya.Blanter@Barclays.com

BNP Paribas
787 Seventh Ave
New York, New York 10019
Attention: Robert McDonald
Phone: (212) 471-6840
Email: dl.nyk.ste@us.bnpparibas.com

Crédit Agricole Corporate and Investment Bank c/o Credit Agricole Securities (USA) Inc., as agent
1301 Avenue of the Americas
New York, New York 10019
Attention: Jonathan Fecowicz
Email: jonathan.fecowicz@ca-cib.com

Nomura Global Financial Products, Inc.
309 West 49th Street
New York, New York 10019
Attention: Structured Equity Solutions
Email: cedamericas@nomura.com
With a copy (which shall not constitute notice) to:
Attention: Equities Legal
Email: nyequitieslegal@nomura.com
And to:
BTIG, LLC, at the notice addresses provided for BTIG, LLC herein

Regions Securities LLC
615 South College Street, Suite 600
Charlotte, North Carolina 28202
Email: ECMDesk@regions.com

Robert W. Baird & Co. Incorporated
777 E. Wisconsin Avenue
Milwaukee, Wisconsin 53202
Attention: Syndicate Department
Facsimile: (414) 298-7474
With a copy to: Legal Department

Royal Bank of Canada
200 Vesey Street, 8th Floor
New York, New York 10281
Attention: Equity Capital Markets
Facsimile: (212) 428-6260

Goldman Sachs & Co. LLC
200 West Street
New York, New York 10282-2198
Attention: Registration Department, with a copy to
Eq-derivs-notifications@am.ibd.gs.com

The Toronto-Dominion Bank
c/o TD Securities (USA) LLC, as Agent
1 Vanderbilt Avenue
New York, New York 10017
Attention: Global Equity Derivatives
Phone: (212) 827-7306
Email: TDUSA-GEDUSInvestorSolutionsSales@tdsecurities.com;
vanessa.simonetti@tdsecurities.com;
christopher.obalde@tdsecurities.com;
Michael.murphy3@tdsecurities.com;
adriano.pierroz@tdsecurities.com

Jefferies LLC
520 Madison Avenue
New York, New York 10022
Attention: Strategic Equity Transactions Group, with a copy to:
SETG-US@jefferies.com and CorpEqDeriv@jefferies.com

Truist Bank
3333 Peachtree Road NE, 11th Floor
Atlanta, Georgia 30326
Attention: Equity Syndicate Department
Email: dl.atm.offering@truist.com, with a copy to
michael.collins@truist.com

KeyBanc Capital Markets Inc.
127 Public Square, 7th Floor
Cleveland, Ohio 44114
Attention: Jaryd Banach, Michael Jones and John Salisbury
Emails: jaryd.banach@key.com; Michael.c.jones@key.com;
john.salisbury@key.com
Facsimile: (216) 689-0845
Telephone: (216) 689-3910

Wells Fargo Bank, National Association
500 West 33rd Street
New York, New York 10001
Attention: Equity Syndicate Department
Facsimile: (212) 214-5918

With a copy (which shall not constitute notice) to:

Sharon R. Flanagan, Esq.
Sidley Austin LLP
555 California Street, Suite 2000
San Francisco, California 94104-1715
Email: sflanagan@sidley.com

and

J. Gerard Cummins, Esq.
Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Email: jcummins@sidley.com

or at such other address as such party may designate from time to time by notice duly given in accordance with the terms of this Section 10."

(d) As of the date hereof, Annex 1 to the Sales Agreement is hereby deleted in its entirety and replaced with Annex 1 attached hereto.

2. Prospectus Supplement. The Company agrees to file promptly with the Commission a supplement to the Prospectus to reflect the fact that KeyBanc Capital Markets Inc. (as Agent, Forward Seller and Forward Purchaser) has joined as a party to the Sales Agreement, agrees to provide such prospectus supplement to the other parties hereto and Sidley Austin LLP with a reasonable amount of time prior to the proposed filing thereof, and agrees not to file or use such prospectus supplement if any of the other parties hereto or Sidley Austin LLP shall reasonably object thereto. The parties hereto agree that such prospectus supplement shall be deemed to have been filed with the Commission in accordance with Section 3(c) of the Sales Agreement and that the term "Prospectus Supplement," as used in the Agreement, shall be deemed to include such prospectus supplement.

3. No Other Amendments. The parties hereto agree that, except as set forth in, and amended by, Section 1 above, all the terms and provisions of the Sales Agreement shall remain in full force and effect.

4. Counterparts and Electronic Signature. This Amendment may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument. This Amendment may be delivered by any party by facsimile or other electronic transmission.

The words "execution," "signed," "signature," and words of like import in this Amendment or in any other documents entered into or delivered pursuant to or in connection with this Amendment shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, “pdf”, “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

5. Succesors and Assigns. This Amendment shall be binding upon the parties hereto and their respective successors and assigns.

6. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed in such State.

[*Signature Pages Follow*]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company and the Operating Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Agents, the Forward Purchasers, the Company and the Operating Company in accordance with its terms.

Very truly yours,

Healthpeak Properties, Inc.

By: /s/ Peter A. Scott
Name: Peter A. Scott
Title: Chief Financial Officer

Healthpeak OP, LLC

By: Healthpeak Properties, Inc.,
its Managing Member

By: /s/ Peter A. Scott
Name: Peter A. Scott
Title: Chief Financial Officer

Accepted as of the date hereof:

J.P. Morgan Securities LLC

As Agent

By: /s/ Brett Chalmers
Name: Brett Chalmers
Title: Executive Director

JPMorgan Chase Bank, National Association

As Forward Purchaser

By: /s/ Brett Chalmers
Name: Brett Chalmers
Title: Executive Director

Barclays Capital Inc.

As Agent

By: /s/ Warren Fixmer
Name: Warren Fixmer
Title: Managing Director

Barclays Bank PLC

As Forward Purchaser

By: /s/ Warren Fixmer
Name: Warren Fixmer
Title: Managing Director

BNP Paribas Securities Corp.

As Agent

By: /s/ Robert McDonald
Name: Robert McDonald
Title: Managing Director

By: /s/ Spencer Cherniak
Name: Spencer Cherniak
Title: Managing Director

BNP Paribas

As Forward Purchaser

By: /s/ Robert McDonald
Name: Robert McDonald
Title: Managing Director

By: /s/ Spencer Cherniak
Name: Spencer Cherniak
Title: Managing Director

BofA Securities, Inc.

As Agent

By: /s/ Hicham Hamdouch
Name: Hicham Hamdouch
Title: Managing Director

Bank of America, N.A.

As Forward Purchaser

By: /s/ Rohan Handa
Name: Rohan Handa
Title: Managing Director

[Signature Page to Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement]

BTIG, LLC

As Agent

By: /s/ Michael Passaro
Name: Michael Passaro
Title: Managing Director

[Signature Page to Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement]

Capital One Securities, Inc.

As Agent

By: /s/ Phillip Winiecki
Name: Phillip Winiecki
Title: Managing Director

[Signature Page to Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement]

Credit Agricole Securities (USA) Inc.

As Agent

By: /s/ Jean-Marc Nguyen
Name: Jean-Marc Nguyen
Title: Managing Director; Head of Investment Banking

By: /s/ Douglas Cheng
Name: Douglas Cheng
Title: Managing Director

Crédit Agricole Corporate and Investment Bank

As Forward Purchaser

By: Credit Agricole Securities (USA) Inc., as agent

By: /s/ Jean-Marc Nguyen
Name: Jean-Marc Nguyen
Title: Managing Director; Head of Investment Banking

By: /s/ Douglas Cheng
Name: Douglas Cheng
Title: Managing Director

Goldman Sachs & Co. LLC

As Agent and Forward Purchaser

By: /s/ Ryan Cunn
Name: Ryan Cunn
Title: Managing Director

[Signature Page to Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement]

Jefferies LLC

As Agent and Forward Purchaser

By: /s/ Michael Magarro
Name: Michael Magarro
Title: Managing Director

[Signature Page to Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement]

KeyBanc Capital Markets Inc.

As Agent and Forward Purchaser

By: /s/ Jaryd Banach
Name: Jaryd Banach
Title: Managing Director, Equity Capital Markets

[Signature Page to Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement]

Mizuho Securities USA LLC

As Agent

By: /s/ Ivana Rupcic-Hulin
Name: Ivana Rupcic-Hulin
Title: Managing Director

Mizuho Markets Americas LLC

As Forward Purchaser

By: /s/ Matthew E. Chiavaroli
Name: Matthew E. Chiavaroli
Title: Authorized Signatory

[Signature Page to Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement]

Morgan Stanley & Co. LLC

As Agent and Forward Purchaser

By: /s/ Ethan Woo
Name: Ethan Woo
Title: Vice President

[Signature Page to Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement]

Nomura Securities International, Inc.

As Agent (as forward seller)

By: /s/ Jason Eisenhauer
Name: Jason Eisenhauer
Title: Managing Director

Nomura Global Financial Products, Inc.

As Forward Purchaser

By: /s/ Jeffrey Petillo
Name: Jeffrey Petillo
Title: Authorized Representative

[Signature Page to Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement]

RBC Capital Markets, LLC

As Agent

By: /s/ Christopher Allred
Name: Christopher Allred
Title: Managing Director

Royal Bank of Canada

As Forward Purchaser

By: /s/ Brian Ward
Name: Brian Ward
Title: Managing Director

Regions Securities LLC

As Agent and Forward Purchaser

By: /s/ Edward L. Armstrong
Name: Edward L. Armstrong
Title: Managing Director - ECM

[Signature Page to Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement]

Robert W. Baird & Co. Incorporated

As Agent and Forward Purchaser

By: /s/ Christopher Walter
Name: Christopher Walter
Title: Managing Director

[Signature Page to Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement]

Scotia Capital (USA) Inc.

As Agent

By: /s/ Tim Mann
Name: Tim Mann
Title: Managing Director

The Bank of Nova Scotia

As Forward Purchaser

By: /s/ Kshamta Kaushik
Name: Kshamta Kaushik
Title: Managing Director

[Signature Page to Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement]

TD Securities (USA) LLC

As Agent

By: /s/ Bradford Limpert
Name: Bradford Limpert
Title: Managing Director

The Toronto-Dominion Bank

As Forward Purchaser

By: /s/ Vanessa Simonetti
Name: Vanessa Simonetti
Title: Managing Director

[Signature Page to Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement]

Truist Securities, Inc.

As Agent

By: /s/ Geoffrey Fennel
Name: Geoffrey Fennel
Title: Director

Truist Bank

As Forward Purchaser

By: /s/ Michael Collins
Name: Michael Collins
Title: Managing Director

Wells Fargo Securities, LLC

As Agent

By: /s/ Elizabeth Alvarez
Name: Elizabeth Alvarez
Title: Managing Director

Wells Fargo Bank, National Association

As Forward Purchaser

By: /s/ Elizabeth Alvarez
Name: Elizabeth Alvarez
Title: Managing Director

[Signature Page to Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement]

Annex 1

Healthpeak Properties, Inc.

Common Stock
($1.00 par value)

TERMS AGREEMENT

[●]

Ladies and Gentlemen:

Healthpeak Properties, Inc., a Maryland corporation (the "**Company**"), proposes, subject to the terms and conditions stated herein and in the At-the-Market Equity Offering Sales Agreement, dated February 17, 2023, as amended by Amendment No. 1 to the At-the-Market Equity Offering Sales Agreement, dated March 11, 2024, and Amendment No. 2 to the At-the-Market Equity Offering Sales Agreement, dated May 3, 2024 (the "**Sales Agreement**"), among the Company, Healthpeak OP, LLC, a Maryland limited liability company (the "**Operating Company**") and J.P. Morgan Securities LLC, Barclays Capital Inc., BNP Paribas Securities Corp., BofA Securities, Inc., BTIG, LLC, Capital One Securities, Inc., Credit Agricole Securities (USA) Inc., Goldman Sachs & Co. LLC, Jefferies LLC, KeyBanc Capital Markets Inc., Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, Nomura Securities International, Inc., RBC Capital Markets, LLC, Regions Securities LLC, Robert W. Baird & Co. Incorporated, Scotia Capital (USA) Inc., TD Securities (USA) LLC, Truist Securities, Inc. and Wells Fargo Securities, LLC, each as sales agent, as principal (except in the case of Nomura Securities International, Inc.) and as forward seller (except in the case of BTIG, LLC) (in any such capacity, each, an "**Agent**", and collectively, the "**Agents**"), and JPMorgan Chase Bank, National Association, Bank of America, N.A., The Bank of Nova Scotia, Barclays Bank PLC, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Goldman Sachs & Co. LLC, Jefferies LLC, KeyBanc Capital Markets Inc., Mizuho Markets Americas LLC, Morgan Stanley & Co. LLC, Nomura Global Financial Products, Inc., Regions Securities LLC, Robert W. Baird & Co. Incorporated, Royal Bank of Canada, The Toronto-Dominion Bank, Truist Bank and Wells Fargo Bank, National Association each as forward purchaser (in such capacity, each a "**Forward Purchaser**", and collectively, the "**Forward Purchasers**"), to issue and sell to [●], as Agent, the securities specified in the Schedule hereto (the "**Purchased Securities**") [, and solely for the purpose of covering over-allotments, to grant to the Agent the option to purchase the additional securities specified in the Schedule hereto (the "**Additional Securities**")][1]. Capitalized terms used herein and not defined have the respective meanings ascribed thereto in the Sales Agreement.

[The Agent shall have the right to purchase from the Company all or a portion of the Additional Securities as may be necessary to cover over-allotments made in connection with the offering of the Purchased Securities, at the same purchase price per share to be paid by the Agent to the Company for the Purchased Securities; provided that the purchase price payable by the Agent for any Additional Securities shall be reduced by an amount per share equal to any dividends or distributions paid or payable by the Company on the Purchased Securities but not payable on such Additional Securities. This option may be exercised by the Agent at any time (but not more than once) on or before the thirtieth day following the date hereof, by written notice to the Company. Such notice shall set forth the aggregate number of shares of Additional Securities as to which the option is being exercised, and the date and time when the Additional Securities are to be delivered (such date and time being herein referred to as the "**Option Closing Date**"); provided, however, that the Option Closing Date shall not be earlier than the Time of Delivery (as set forth in the Schedule hereto) nor earlier than the second business day after the date on which the option shall have been exercised nor later than the fifth business day after the date on which the option shall have been exercised. Payment of the purchase price for the Additional Securities shall be made at the Option Closing Date in the same manner and at the same office as the payment for the Purchased Securities. For purposes of clarity, the parties hereto agree that any Option Closing Date shall be a date on which Shares are delivered to the
Agent pursuant to a Terms Agreement within the meaning of, and requiring the affirmation and deliverables described under, Sections 3((j), (k) and (l) of the Sales Agreement.]*

Each of the provisions of the Sales Agreement not specifically related to (a) the solicitation by the Agent, as agent of the Company, of offers to purchase securities or (b) the Confirmations, Confirmation Shares and related transactions is incorporated herein by reference in its entirety, and shall be deemed to be part of this Terms Agreement to the same extent as if such provisions had been set forth in full herein. Each of the representations and warranties set forth therein shall be deemed to have been made at and as of the date of this Terms Agreement [and] [,] the Applicable Time [and any Option Closing Date]*, except that each representation and warranty in Section 1 of the Sales Agreement which makes reference to the Prospectus (as therein defined) shall be deemed to be a representation and warranty as of the date of the Sales Agreement in relation to the Prospectus, and also a representation and warranty as of the date of

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[1] Include only if [●] has an over-allotment option.

this Terms Agreement [and] [,] the Settlement Date [and any Option Closing Date]* in relation to the Prospectus as amended and supplemented to relate to the Purchased Securities.

An amendment to the Registration Statement (as defined in the Sales Agreement), or a supplement to the Prospectus, as the case may be, relating to the Purchased Securities [and the Additional Securities]*, in the form heretofore delivered to the Agent is now proposed to be filed with the Securities and Exchange Commission.

Subject to the terms and conditions set forth herein and in the Sales Agreement which are incorporated herein by reference, the Company agrees to issue and sell to the Agent and the latter agrees to purchase from the Company the number of shares of the Purchased Securities at the time and place and at the purchase price set forth in the Schedule hereto.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company and the Operating Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement between the Agent, the Company and the Operating Company in accordance with its terms.

[*Signature Pages Follow*]

THIS TERMS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Very truly yours,

Healthpeak Properties, Inc.

By ___________________________________

Name: Peter A. Scott
Title: Chief Financial Officer

Healthpeak OP, LLC

By: Healthpeak Properties, Inc.,
its Managing Member

By:___________________________________

Name: Peter A. Scott
Title: Chief Financial Officer

Accepted as of the date hereof:

[●]

By:___________________________________

Name:
Title:

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Scott M. Brinker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Healthpeak Properties, Inc. for the period ended June 30, 2024;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2024

/s/ SCOTT M. BRINKER

Scott M. Brinker
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Peter A. Scott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Healthpeak Properties, Inc. for the period ended June 30, 2024;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2024

/s/ PETER A. SCOTT

Peter A. Scott
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Healthpeak Properties, Inc., a Maryland corporation (the "Company"), hereby certifies, to his knowledge, that:

(i) the accompanying quarterly report on Form 10-Q of the Company for the period ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 26, 2024

/s/ SCOTT M. BRINKER

Scott M. Brinker
President and Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference.

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Healthpeak Properties, Inc., a Maryland corporation (the "Company"), hereby certifies, to his knowledge, that:

(i) the accompanying quarterly report on Form 10-Q of the Company for the period ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 26, 2024

/s/ PETER A. SCOTT

Peter A. Scott
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference.