

HEALTHCARE REALTY TRUST INC

Form 10-Q

May 04, 2016

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

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FORM 10-Q

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(Mark One)

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

For the quarterly period ended: March 31, 2016

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-11852

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HEALTHCARE REALTY TRUST INCORPORATED

(Exact name of Registrant as specified in its charter)

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Maryland 62 – 1507028  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

3310 West End Avenue

Suite 700

Nashville, Tennessee 37203

(Address of principal executive offices)

(615) 269-8175

(Registrant's telephone number, including area code)

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 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer  Accelerated filer  Non-accelerated filer

Smaller reporting company

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(Do not check if a smaller reporting  
company)

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 April 29, 2016, the Registrant had 104,813,383 shares of Common Stock outstanding.

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FORM 10-Q  
March 31, 2016

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

Healthcare Realty Trust Incorporated

Condensed Consolidated Balance Sheets

(Amounts in thousands, except per share data)

	(Unaudited)	
	March 31, 2016	December 31, 2015
<b>ASSETS</b>		
Real estate properties:		
Land	\$201,157	\$ 198,585
Buildings, improvements and lease intangibles	3,181,748	3,135,893
Personal property	9,881	9,954
Construction in progress	31,669	19,024
Land held for development	17,434	17,452
	3,441,889	3,380,908
Less accumulated depreciation and amortization	(790,819 )	(761,926 )
Total real estate properties, net	2,651,070	2,618,982
Cash and cash equivalents	2,174	4,102
Assets held for sale and discontinued operations, net	706	724
Other assets, net	187,665	186,416
Total assets	\$2,841,615	\$2,810,224
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities:		
Notes and bonds payable	\$1,418,347	\$ 1,424,992
Accounts payable and accrued liabilities	66,013	75,489
Liabilities of discontinued operations	20	33
Other liabilities	64,236	66,963
Total liabilities	1,548,616	1,567,477
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value; 50,000 shares authorized; none issued and outstanding	—	—
Common stock, \$.01 par value; 150,000 shares authorized; 104,249 and 101,517 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively	1,042	1,015
Additional paid-in capital	2,533,130	2,461,376
Accumulated other comprehensive loss	(1,527 )	(1,569 )
Cumulative net income attributable to common stockholders	918,841	909,685
Cumulative dividends	(2,158,487 )	(2,127,760 )
Total stockholders' equity	1,292,999	1,242,747
Total liabilities and stockholders' equity	\$2,841,615	\$2,810,224

The accompanying notes, together with the Notes to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, are an integral part of these financial statements.

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Healthcare Realty Trust Incorporated  
 Condensed Consolidated Statements of Income  
 For the Three Months Ended March 31, 2016 and 2015  
 (Amounts in thousands, except per share data)  
 (Unaudited)

	Three Months Ended March 31,	
	2016	2015
<b>REVENUES</b>		
Rental income	\$98,740	\$95,034
Mortgage interest	—	31
Other operating	1,281	1,391
	100,021	96,456
<b>EXPENSES</b>		
Property operating	35,406	34,263
General and administrative	10,246	6,738
Depreciation	27,693	26,387
Amortization	2,700	2,667
Bad debts, net of recoveries	(39 )	(207 )
	76,006	69,848
<b>OTHER INCOME (EXPENSE)</b>		
Interest expense	(14,938 )	(18,322 )
Impairment of real estate assets	—	(3,328 )
Interest and other income, net	86	91
	(14,852 )	(21,559 )
<b>INCOME FROM CONTINUING OPERATIONS</b>	9,163	5,049
<b>DISCONTINUED OPERATIONS</b>		
Income (loss) from discontinued operations	(7 )	333
<b>INCOME (LOSS) FROM DISCONTINUED OPERATIONS</b>	(7 )	333
<b>NET INCOME</b>	\$9,156	\$5,382
<b>BASIC EARNINGS PER COMMON SHARE:</b>		
Income from continuing operations	\$0.09	\$0.05
Discontinued operations	0.00	0.00
Net income	\$0.09	\$0.05
<b>DILUTED EARNINGS PER COMMON SHARE:</b>		&#1