Healthpeak™
PROPERTIES



INVESTOR PRESENTATION – BROOKDALE TRANSACTION
OCTOBER 2019 - UPDATED

Cypress Village (Jacksonville, FL)

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TRANSACTION OVERVIEW

Healthpeak Properties, Inc. ("Healthpeak") and Brookdale Senior Living Inc. ("Brookdale") have agreed to a series of transactions related to its jointly owned 15 property[1] CCRC portfolio and the Brookdale NNN portfolio

CCRC Transactions

- Healthpeak to acquire Brookdale's 51% joint venture interest in 13 CCRCs with 570 acres of land and 6,383 units for $541 million, plus payment of $100 million management termination fee[2]
- Healthpeak and Brookdale to terminate existing management agreements and Healthpeak to transition management to Life Care Services ("LCS") under a highly incentivized contract
- Healthpeak and Brookdale agree to market for sale the 2 remaining CCRCs in the existing joint venture

NNN Transactions

- Brookdale to acquire 18 NNN leased properties from Healthpeak for $405 million
- Healthpeak and Brookdale agree to restructure the 24 remaining Brookdale NNN leased properties
  - 11 separate lease pools with various maturities will be combined into a single master lease with a December 31, 2027 maturity date, 2.4% annual escalator, and pro forma rent coverage of ~1.1x after management fee and ~1.3x before management fee
- Healthpeak to make $35 million capital investment in remaining NNN portfolio over a 5-year term, and receive a 7% initial return on the invested capital

Other Transactions

- Healthpeak and Brookdale to terminate agreements related to one NNN leased property to be transitioned to LCS under a SHOP agreement, and one SHOP property to be marketed for sale

Timing

- Brookdale related transactions expected to close in the first quarter of 2020
- Third party asset sales expected to close over the next 12-18 months

Healthpeak's Brookdale concentration will be reduced from 15% to 6%[3]
Transaction expected to be leverage neutral, and neutral to slightly accretive to 2020 earnings

See pages 4 and 5 for the financial impact and additional transaction details

(1) Healthpeak classifies the Freedom Plaza Sun City Center campus as one property, while Brookdale classifies it as two properties.
(2) Increase of one property with 741 units and a $31 million pro rata purchase price.
(3) Healthpeak's pro forma Brookdale concentration includes the impact of the recently announced Senior Housing Joint Venture Transaction disclosed in Healthpeak's 3Q 2019 earnings release.

TRANSACTION OVERVIEW – BROOKDALE KEY STATS BEFORE AND AFTER

		Previously Announced BKD Restructuring Transaction				
	Annualized As Reported (9/30/19)[1]	CCRC Transactions	NNN Transactions	Other Transactions[2]	Senior Housing Joint Venture[3]	Annualized Pro Forma
Healthpeak Brookdale Properties	78	(15)	(18)	(2)	-	43
Healthpeak Brookdale Units	15,450	(7,272)	(2,014)	(295)	-	5,869
Healthpeak Brookdale Cash NOI and NREFs[4]	$183M	($60M)	($30M)	($4M)	($22M)	$66M
Brookdale NNN Rent Coverage After Mgmt. Fee[5]	1.0x	–	0.1x	–	–	1.1x
Brookdale Concentration[6]	15%	(6%)	(2%)	(0%)	(2%)	6%

(1) As-reported numbers excludes previously announced five held-for-sale Brookdale properties.
(2) Includes one NNN leased property (159 units) to be transitioned to LCS under a SHOP agreement, and one SHOP property (136 units) to be marketed for sale.
(3) Recently formed $790 million 53.5% (Healthpeak) / 46.5% (JV Partner) joint venture consisting of 19 senior housing operating properties managed by Brookdale to be contributed into the venture by Healthpeak, as announced in Healthpeak's 3Q 2019 earnings release.
(4) As reported amount represents annualized 3Q 2019 Cash NOI and nonrefundable entrance fees ("NREFs") at Healthpeak's share; also represents annualized 3Q 2019 Portfolio Income for purposes of calculating Brookdale Concentration.
(5) Pro forma Brookdale NNN coverage is based on T12 EBITDAR as of 6/30/2019.
(6) As reported amount based on 3Q 2019 annualized Brookdale Portfolio Income, excluding previously announced five held-for-sale Brookdale properties. Pro forma reflects the 2019 Brookdale Transaction, the Senior Housing Joint Venture, the sale of our U.K. holdings and the previously announced acquisition of 35 CambridgePark Drive. Pro forma Portfolio Income is further adjusted to reflect acquisitions, dispositions and operator transitions as if they occurred on the first day of the quarter. Pro forma Healthpeak annual Portfolio Income is approximately $1.2 billion.

INDICATIVE YEAR ONE FINANCIAL IMPACT

Dollars in millions except for per share

	Sources and Uses	Year One Estimated Impact[(1)]	Per Share Impact	Footnote
Uses				
Acquire 51% of 13 CCRCs	($541)	$55		2
Termination Fee to BKD	(100)			3
Lower LCS Management Fees		8		4
Transaction Costs	(26)			
Total Uses	**($667)**	**$63**	**$0.13**	
Sources				
Sell 18 Assets to BKD	$405	($30)		5
Sell 2 CCRCs and 1 SHOP Asset to 3rd Parties	37	(4)		6
Equity Drawdown	225	(13)		7
Total Sources	**$667**	**($47)**	**($0.10)**	8
Subtotal - Uses less Sources	**-**	**$16**	**$0.03**	
Other Adjustments		($4)		9
Temporary Potential Transition Impact		(10) - 0		
FFO as Adjusted - Year One Estimated Impact		**$2 - $12**	**$0.00 - $0.02**	

(1) Year one impact is based on estimated 2020 Cash NOI and nonrefundable entrance fees except for Equity Drawdown and Other Adjustments.
(2) Assumes $1.06 billion gross valuation for 13 CCRC assets.
(3) Healthpeak to pay $100 million fee to terminate management agreements, which represents roughly 5x the annual management fee.
(4) Reset management fee which results in approximately $8 million per year reduction in management fees.
(5) $405 million purchase price for the 18 NNN assets represents 7.4% lease yield on T12 rent as of 6/30/2019. The 18 NNN assets had 0.86x rent coverage after management fee on a T12 basis as of 6/30/2019.
(6) CCRC estimated gross valuation range of $50 million to $60 million (at 100% share) based on broker indication of value. SHOP estimated valuation range of $9 million to $11 million based on estimated per unit value of $70,000 - $80,000. Brookdale will continue to own 51% and manage the 2 CCRC sale properties until closing of sales to third parties.
(7) Year one impact based on midpoint of 2019 FFO as adjusted guidance (as updated in the 3Q 2019 earnings release) and average net forward price of $31.78 per share as of 1/1/2020 for remaining equity forward contracts maturing in 2020.
(8) Total Sources excludes assumption of $297 million of debt (with a 4.2% weighted average rate and 5.3 years weighted average maturity) in connection with the CCRC JV acquisition. Healthpeak expects to simultaneously pay down an equal amount of debt at closing.
(9) Includes items such as CCRC real estate taxes and insurance adjustments, income taxes, fair market value adjustments and other items.

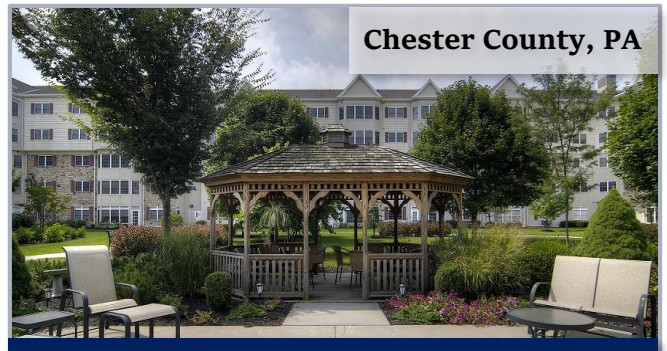
HEALTHPEAK CCRC PORTFOLIO PROPERTIES



Freedom Village at Holland



Freedom Pointe at the Villages



Freedom Village at Brandywine



Lake Port Square



Regency Oaks Clearwater



Cypress Village

LCS OVERVIEW

- Privately held company headquartered in Iowa with nearly five decades of experience managing CCRCs
- Largest CCRC operator in the U.S.
- Currently manages 120 communities (84 CCRCs and 36 rental properties)
- LCS currently manages four rental senior housing communities for Healthpeak

PROPERTIES LIST

Property Name	Location	Property Type	Status
Village at Gleannloch Farms	Spring, TX	CCRC	To be 100% Owned
Freedom Village at Holland	Holland, MI	CCRC	To be 100% Owned
Galleria Woods	Birmingham, AL	CCRC	To be 100% Owned
South Port Square	Port Charlotte, FL	CCRC	To be 100% Owned
Lake Port Square	Leesburg, FL	CCRC	To be 100% Owned
Freedom Plaza Sun City Center	Sun City Center, FL	CCRC	To be 100% Owned
Regency Oaks Clearwater	Clearwater, FL	CCRC	To be 100% Owned
Lake Seminole Square	Seminole, FL	CCRC	To be 100% Owned
Cypress Village	Jacksonville, FL	CCRC	To be 100% Owned
Freedom Pointe at the Villages	The Villages, FL	CCRC	To be 100% Owned
Freedom Square	Seminole, FL	CCRC	To be 100% Owned
Freedom Village at Brandywine	Chester County, PA	CCRC	To be 100% Owned
Freedom Village at Bradenton	Bradenton, FL	CCRC	To be 100% Owned
Foxwood Springs	Raymore, MO	CCRC	Sale to 3rd Party
Robin Run Village	Indianapolis, IN	CCRC	Sale to 3rd Party
Brookdale River Road	Keizer, OR	NNN	Sale to Brookdale
Brookdale Wilsonville	Wilsonville, OR	NNN	Sale to Brookdale
Brookdale Lodi	Lodi, CA	NNN	Sale to Brookdale
Brookdale Oswego Springs	Portland, OR	NNN	Sale to Brookdale
Brookdale South Bay	S Kingstown, RI	NNN	Sale to Brookdale
Brookdale Oak Park	Oak Park, IL	NNN	Sale to Brookdale
Brookdale Belle Meade	Nashville, TN	NNN	Sale to Brookdale
Brookdale College Place	College Place, WA	NNN	Sale to Brookdale
Brookdale Newnan	Newnan, GA	NNN	Sale to Brookdale
Brookdale Wekiwa Springs	Apopka, FL	NNN	Sale to Brookdale
Brookdale St Augustine	St Augustine, FL	NNN	Sale to Brookdale
Hillside Campus	McMinnville, OR	NNN	Sale to Brookdale
Brookdale Greenwood Vlg	Greenwood Vlg, CO	NNN	Sale to Brookdale
Brookdale Lawrenceville	Lawrenceville, GA	NNN	Sale to Brookdale
Brookdale Hartwell	Hartwell, GA	NNN	Sale to Brookdale
Brookdale Murray	Murray, KY	NNN	Sale to Brookdale
Brookdale Parkplace	Denver, CO	NNN	Sale to Brookdale
Brookdale Sakonnet Bay	Tiverton, RI	NNN	Sale to Brookdale
Brookdale Northridge	Northridge, CA	NNN to SHOP	Transition to LCS/SHOP
Brookdale West Bay	Warwick, RI	SHOP	Sale to 3rd Party


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