Physicians Realty Trust
Form S-11/A
December 02, 2013

Use these links to rapidly review the document
TABLE OF CONTENTS
INDEX TO FINANCIAL STATEMENTS

Table of Contents

As filed with the Securities and Exchange Commission on December 2, 2013

Registration No. 333-192293

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

Amendment No. 1
to
FORM S-11
REGISTRATION STATEMENT
FOR REGISTRATION UNDER THE SECURITIES ACT OF 1933
OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES

PHYSICIANS REALTY TRUST
(Exact name of registrant as specified in its governing instruments)

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250 East Wisconsin Avenue
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Milwaukee, Wisconsin 53202
(414) 978-6494
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public:
As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. o

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. (Check one):

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ý (Do not check if a smaller reporting company)	Smaller reporting company o

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The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed or supplemented. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 2, 2013

PROSPECTUS

8,300,000 Common Shares

We are offering 8,300,000 of our common shares of beneficial interest, $0.01 par value per share. We are a self-managed healthcare real estate company that acquires, selectively develops, owns and manages healthcare properties that are leased to physicians, hospitals and healthcare delivery systems. We invest in real estate that is integral to providing high quality healthcare services. Our properties typically are on a campus with a hospital or other healthcare facilities or strategically located and affiliated with a hospital or other healthcare facilities. Our management team has significant public healthcare real estate investment trust ("REIT") experience and long established relationships with physicians, hospitals and healthcare delivery system decision makers that we believe will provide quality investment opportunities to generate attractive risk-adjusted returns to our shareholders.

Our common shares are listed on the New York Stock Exchange under the symbol "DOC." The last reported sale price of our common shares on the New York Stock Exchange, or NYSE, on November 29, 2013 was $11.95 per share.

We intend to elect and qualify to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes commencing with our short taxable year ending December 31, 2013. Our common shares are subject to restrictions on ownership and transfer that are intended, among other purposes, to assist us in qualifying and maintaining our qualification as a REIT. Our charter, subject to certain exceptions, limits ownership to no more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our shares of beneficial interest.

We are an "emerging growth company" under the federal securities laws and have reduced public company reporting requirements. Investing in our common shares involves a high degree of risk. See "*Risk Factors*" beginning on page 22 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions(1)	$	$

Proceeds, before expenses, to us	$	$

(1) See "Underwriting" for additional disclosure regarding the underwriting discounts and commissions and other expenses payable to the underwriters by us.

We have granted the underwriters an option to purchase up to 1,245,000 additional common shares at the public offering price, less the underwriting discount, to cover over-allotments. If the underwriters exercise this option in full, the total underwriting discounts and commissions will be $ and our total proceeds, before expenses, will be $.

Delivery of the common shares in book-entry form is expected to be made on or about December , 2013.

Joint Book-Running Managers

Wunderlich Securities **KeyBanc Capital Markets**

Co-Lead Managers

Oppenheimer & Co. **Janney Montgomery Scott**

Co-Managers

Compass Point **J.J.B. Hilliard, W.L. Lyons, LLC** **Ziegler**

, 2013

Table of Contents

Table of Contents

You should rely only upon the information contained in this prospectus and any free writing prospectus provided or approved by us. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely upon it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common shares.

TABLE OF CONTENTS

For investors outside of the United States: Neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

Table of Contents

INDUSTRY AND MARKET DATA

We use industry forecasts and projections and market data throughout this prospectus, including data from publicly available information and industry publications. The forecasts and projections are based on industry surveys and the preparers' experience in the industry and there can be no assurance that any of the projections will be achieved. We believe that the surveys and market research others have performed are reliable, but we have not independently verified this information and the accuracy and completeness of the information are not guaranteed.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights key aspects of this offering. This summary is not complete and does not contain all of the information that you should consider before making your investment decision. Before investing in our common shares, you should carefully read this entire prospectus, including the more detailed information set forth under the caption "Risk Factors," the historical and pro forma financial statements, including the related notes thereto, appearing elsewhere in this prospectus, and any free writing prospectus provided or approved by us.

Unless the context otherwise requires or indicates references in this prospectus to "we," "us," "our," "our company," and "Physicians Realty" refer to Physicians Realty Trust, a Maryland real estate investment trust, together with its consolidated subsidiaries, including Physicians Realty L.P., a Delaware limited partnership, which we refer to in this prospectus as our "operating partnership," and the historical business and operations of four healthcare real estate funds that we have classified for accounting purposes as our "Predecessor" and which we sometimes refer to as the "Ziegler Funds." Unless the context otherwise requires or indicates, the information set forth in this prospectus assumes that the underwriters' option to acquire additional common shares is not exercised. The information included in this prospectus assumes a public offering price of $11.95 per share, the last reported sale price of our common shares on the NYSE on November 29, 2013.

Overview

We are a self-managed healthcare real estate company that acquires, selectively develops, owns and manages healthcare properties that are leased to physicians, hospitals and healthcare delivery systems. We invest in real estate that is integral to providing high quality healthcare services. Our properties are typically located on a campus with a hospital or other healthcare facilities or strategically located and affiliated with a hospital or other healthcare facilities. We believe the impact of government programs and continuing trends in the healthcare industry create attractive opportunities for us to invest in health care related real estate. Our management team has significant public healthcare REIT experience and has long established relationships with physicians, hospitals and healthcare delivery system decision makers that we believe will provide quality investment and growth opportunities. Our principal investments include medical office buildings, outpatient treatment facilities, acute and post-acute care hospitals, as well as other real estate integral to health care providers. We seek to generate attractive risk-adjusted returns for our shareholders through a combination of stable and increasing dividends and potential long-term appreciation in the value of our properties and our common shares.

We completed our initial public offering, or IPO, in July 2013, issuing an aggregate of 11,753,597 common shares and receiving approximately $123.7 million of net proceeds, including shares issued upon exercise of the underwriters' over- allotment option. Simultaneously with the closing of our IPO, we completed a series of related formation transactions pursuant to which we acquired 19 medical office buildings located in ten states with approximately 524,048 net leasable square feet in exchange for 2,744,000 common units in our operating partnership, or OP Units, and the assumption of approximately $84.3 million of debt related to such properties. We used a portion of the proceeds from the IPO to repay approximately $36.9 million of such debt. Since the completion of our IPO, we have acquired seven additional properties for an aggregate of approximately $132.5 million, including the issuance of 954,877 OP Units and acquired the approximately 40% and 35% joint venture interests we did not own with respect to two of our existing properties, which resulted in our 100.0% ownership of these properties. As of September 30, 2013, our portfolio was approximately 90.3% leased with a weighted average remaining lease term of 8.6 years and approximately 65.3% of the net leasable square footage of our portfolio was affiliated with a healthcare delivery system and approximately 52.6% of the net leasable square footage of our properties is located within approximately 1/4 mile of a hospital campus. Approximately 98% of our annualized base rent payments as of September 30, 2013 is from

Table of Contents

triple net leases, pursuant to which our tenants are responsible for all operating expenses relating to the property, including but not limited to real estate taxes, utilities, property insurance, routine maintenance and repairs, and property management. This structure helps insulate us from increases in certain operating expenses and provides more predictable cash flow. Our leases typically include rent escalation provisions designed to provide us with annual growth in our rental revenues. As of September 30, 2013, leases representing 1.2%, 2.5% and 1.3% of leasable square feet in our portfolio will expire in 2013, 2014 and 2015, respectively.

We are a Maryland real estate investment trust and intend to elect to be taxed as a REIT for U.S. federal income tax purposes beginning with our short taxable year ending December 31, 2013. We conduct our business through an UPREIT structure in which our properties are owned by our operating partnership directly or through limited partnerships, limited liability companies or other subsidiaries. We are the sole general partner of our operating partnership and, as of September 30, 2013 own approximately 76.4% of the partnership interests in our operating partnership.

Our Objectives and Growth Strategy

Our principal business objective is to provide attractive risk-adjusted returns to our shareholders through a combination of (i) sustainable and increasing rental income and cash flow that generates reliable, increasing dividends, and (ii) potential long-term appreciation in the value of our properties and common shares. Our primary strategies to achieve our business objective are to invest in, own and manage a diversified portfolio of high quality healthcare properties and pay careful attention to our tenants' real estate strategies, which we believe will drive high retention, high occupancy and reliable, increasing rental revenue and cash flow.

We intend to grow our portfolio of high-quality healthcare properties leased to physicians, hospitals, healthcare delivery systems and other healthcare providers primarily through acquisitions of existing healthcare facilities that provide stable revenue growth and predictable long-term cash flows. We may also selectively finance the development of new healthcare facilities through joint venture or fee arrangements with premier healthcare real estate developers. Generally, we only expect to make investments in new development properties when approximately 70% or more of the development property has been pre-leased before construction commences. We seek to invest in properties where we can develop strategic alliances with financially sound healthcare providers and healthcare delivery systems that offer need-based healthcare services in sustainable healthcare markets. We focus our investment activity on the following types of healthcare properties:

- medical office buildings
- outpatient treatment and diagnostic facilities
- physician group practice clinics
- ambulatory surgery centers
- specialty hospitals and treatment centers
- acute care hospitals
- post acute care hospitals and long-term care facilities

We may opportunistically invest in senior housing properties, including skilled nursing, assisted living and independent senior living facilities. Consistent with our intent to qualify as a REIT, we may also opportunistically invest in companies that provide healthcare services, in joint venture entities with operating partners, structured to comply with the REIT Investment Diversification Act of 2007 ("RIDEA").

Table of Contents

In connection with our review and consideration of healthcare real estate investment opportunities, we generally take into account a variety of market considerations, including:

- Whether the property is anchored by a financially-sound healthcare delivery system or whether tenants have strong affiliation to a healthcare delivery system;
- the performance of the local healthcare delivery system and its future prospects;
- property location, with a particular emphasis on proximity to healthcare delivery systems;
- demand for medical office buildings and healthcare related facilities, current and future supply of competing properties, and occupancy and rental rates in the market;
- population density and growth potential;
- ability to achieve economies of scale with our existing medical office buildings and healthcare related facilities or anticipated investment opportunities; and
- existing and potential competition from other healthcare real estate owners and operators.

Post-IPO Property Activities

On August 30, 2013, we completed the acquisition of a 41,007 square foot medical office building (the "East El Paso Medical Office Building") and a 77,000 square foot, 40-bed acute care surgical hospital (the "East El Paso Surgical Hospital", together with the East El Paso Medical Office Building, the "East El Paso Property") located in El Paso, Texas for an aggregate purchase price of $40 million. We also acquired a right of first refusal to finance development on land adjacent to this hospital. The East El Paso Surgical Hospital is 100% leased to one tenant, East El Paso Surgical Hospital, until 2028, with annual rent escalations of 3%. The East El Paso Medical Office Building is 100% leased to one tenant, EEPPMC Partners, LLC, until 2018, with annual rent escalations of 3%. We funded the purchase price with proceeds from our IPO.

On September 18, 2013, we completed the acquisition of a 66-bed post-acute care specialty hospital (the "Plano Property" or "LifeCare Plano LTACH") located in Plano, Texas for $18.2 million. The hospital is 100% leased to a single tenant, New LifeCare hospitals of North Texas, L.L.C. The term of the lease expires January 1, 2028, and the tenant has one five year extension option. The tenant's obligations under the lease are guaranteed by its parent, which operates 26 hospitals in nine states. Rent increases annually based on the change in the consumer price index, with a minimum increase of 2.25% and a maximum increase of 3.75% per year. The acquisition was funded with proceeds from our IPO.

On September 30, 2013, we completed the acquisition of an approximately 52,000 square foot outpatient care building (the "Oklahoma City Property" or the "Foundation Surgical Affiliates Medical Office Building") located in Oklahoma City, Oklahoma for approximately $15.6 million. The property is leased to one tenant, Foundation Surgical Affiliates, LLC, until 2023 with annual rent escalations of 2%. We funded the purchase price for the property with proceeds from our IPO.

On September 30, 2013, we completed the acquisition of a surgical center (the "New Orleans Property" or the "Crescent City Surgical Centre") in the New Orleans, Louisiana metropolitan area for approximately $37.5 million. The surgical center is leased to Crescent City Surgical Centre, LLC until 2028 with annual rent escalations of 3%. We funded the purchase price with borrowings under our senior secured revolving credit facility, proceeds from our IPO and the issuance of 954,877 OP Units, valued at approximately $11.5 million, based on the average closing price for our common shares on the New York Stock Exchange for the three trading days prior to closing the acquisition.

Table of Contents

On September 30, 2013, we sold 4,000 square feet of space in our Summerfield Square condominium property in Florida for $0.5 million, leaving approximately 2,000 square feet for sale in this condominium property.

On October 4, 2013, we completed the acquisition of a 20,319 square foot medical office building and ambulatory surgery center (the "Pensacola Property" or the "Pensacola Medical Office Building") located in Pensacola, Florida for approximately $6.9 million. The facilities are leased to Pain Consultants of West Florida and its ambulatory surgery center operator, Cornerstone Surgicare, LLC., under a 15-year absolute net lease. The purchase price was paid from borrowings under our senior secured revolving credit facility.

On November 22, 2013, we completed the acquisition of the 40% joint venture equity interest in the entity that owns the Valley West Hospital Medical Office Building in Chicago, Illinois, not owned by us, for approximately $3.0 million, resulting in our 100.0% ownership of this property. The Valley West Hospital Medical Office Building is a 37,672 square foot multi-tenant medical office building which was 98% leased as of September 30, 2013. The purchase price was paid from borrowings under our senior secured revolving credit facility. Simultaneously with the closing of the acquisition of the joint venture interest, we repaid approximately $1.8 million of mortgage debt on this property with borrowings under our senior secured revolving credit facility. We also refinanced the remaining mortgage debt on this property.

On November 22, 2013, we completed the acquistion of the 35% joint venture equity interest in the entity that owns the Remington Medical Commons property in Chicago, Illinois, not owned by us, for approximately $1.1 million, resulting in our 100.0% ownership of this property. The Remington Medical Commons is a 37,240 square foot multi-tenant medical office building, which was 78.1% leased as of September 30, 2013. The purchase price was paid from borrowings under our senior secured revolving credit facility. Simultaneously with the closing of the acquisition of the joint venture interest, we repaid approximately $1.9 million of mortgage debt on this property with borrowings under our senior secured revolving credit facility.

On November 27, 2013, we completed the acquisition of a medical office building in Columbus, Ohio for a purchase price of $10.2 million. The 38,891 square foot medical office building is 100% leased with a 15 year absolute, net master lease. The building includes an ambulatory surgery center operated by a national ambulatory surgery center operator based in Nashville, TN. The medical office building portion of the property, 28,539 square feet, is subject to annual rent escalations of 2% per year. The purchase price was paid from borrowings under our senior secured revolving credit facility.

Pending Acquisitions

In addition to the completed acquisitions described above, on November 7, 2013, we entered into an agreement to purchase a group of four medical office buildings in the Atlanta, Georgia metropolitan area (the "Atlanta Property") for an aggregate purchase price of $20.8 million. The four medical office buildings contain an aggregate of approximately 68,711 rentable square feet and will be 100% leased with a 15-year absolute, net master lease to be signed at closing by a family practice physician group. We expect this acquisition to close on or about December 16, 2013. The acquisition is subject to customary closing conditions and there can be no assurance we will complete this transaction or acquire any of these buildings.

On November 26, 2013, we entered into an agreement to purchase an ambulatory surgery center in Great Falls, Montana (the "Great Falls Ambulatory Service Center" or the "Great Falls Property") for an aggregate purchase price of $4.0 million. The Great Falls Property is 12,636 rentable square feet and will be 100% leased with a 15-year absolute, net master lease to be signed at closing by Great Falls Clinic Surgery Center LLC. We expect this acquisition to close on or about December 16, 2013. The

Table of Contents

acquisition is subject to customary closing conditions and there can be no assurance we will complete this transaction or acquire this property.

Other Recent Developments

On August 29, 2013, we entered into a $75 million senior secured credit facility which is available to fund future acquisitions, return on investment initiatives and working capital requirements. On November 8, 2013, we agreed with the lenders to increase the total amount available under our senior secured credit facility from $75 million to $90 million. Subject to the satisfaction of certain conditions, including additional lender commitments, we have the option to increase the borrowing capacity under the revolving credit facility to up to $250 million. As of November 29, 2013, we had $48.4 million of outstanding borrowings under this credit facility. See " Credit Facility."

On September 30, 2013, we declared an initial, prorated quarterly dividend of $0.18 per share for the partial quarterly period from July 19, 2013 (the date of our IPO) through September 30, 2013, which is equivalent to a full quarterly dividend of $0.225 per share. The dividend was paid on November 1, 2013 to shareholders of record on October 18, 2013.

We have entered into an agreement to provide an approximate $6.9 million mezzanine loan ("Mezzanine Loan") to entities controlled by MedProperties, L.L.C., a Dallas, Texas based private investor in medical facilities ("MedProperties"). The Mezzanine Loan will be secured by MedProperties' ownership interest in two special purpose entities that own a surgical hospital located in San Antonio, Texas (the "Surgical Hospital") and an inpatient rehabilitation facility located in Scottsdale, Arizona (the "Rehab Hospital," and together with the Surgical Hospital, the "Hospitals"). The Surgical Hospital is leased to a joint ventured owned by National Surgical Hospitals, Inc. and a group of physicians under an absolute net lease with the current term expiring in 2028. The Rehab Hospital, constructed in 2013, is leased to a joint venture owned by Scottsdale Healthcare and Select Medical, Inc. (NYSE: "SEM") under an absolute net lease with the current term expiring in 2028. The Mezzanine Loan will have a five year term, is interest only during the term and bears interest at a 9% fixed annual interest rate. A small portion of the interest on the Mezzanine Loan may be made in the form of payment-in-kind, or PIK. As part of the consideration for providing the Mezzanine Loan, the Company will have an option to acquire the property leased to the Hospitals at a formula purchase price during year 4 of the Mezzanine Loan based on a fixed capitalization rate. The agreement to fund the Mezzanine Loan is contingent upon a number of conditions, and there can be no assurance the investment will be completed.

Our Management Team

Our senior executive officers have extensive experience investing in and developing healthcare related real estate through several real estate, credit and healthcare cycles. John Thomas, our President and Chief Executive Officer, most recently served as Executive Vice President-Medical Facilities Group of Health Care REIT (NYSE: "HCN") where he was responsible for managing over $5 billion of medical facilities and oversaw the acquisition and development of medical properties valued in excess of $2.5 billion from 2009 to 2012. Prior to Health Care REIT, Mr. Thomas held senior healthcare executive management positions with the Sisters of Mercy Health System of St. Louis, Inc. and Baylor Health Care System. Mr. Thomas's experience includes managing medical office, outpatient care facilities, hospitals and research life science facilities. John Sweet, our Executive Vice President and Chief Investment Officer, established and managed the Ziegler Funds, whose properties comprise our initial portfolio. Prior to re-joining Ziegler in 2005 to establish the Ziegler Funds, Mr. Sweet was a co-founder of Windrose Medical Properties Trust ("Windrose"), a publicly-held healthcare REIT, which completed its initial public offering in August 2002. Mr. Sweet assisted in the creation and initial public offering of Windrose as an independent consultant and subsequent to its initial public offering joined the company as the Vice President Business Development where he was responsible for identifying and negotiating the acquisition of medical office buildings. Mr. Lucey, our Senior Vice President Principal Accounting and Reporting Officer, has more than twenty years of public company financial experience, of which more than ten of those years have been in the senior living healthcare industry. Since 2005, Mr. Lucey has served as the Director of Financial Reporting for Assisted Living Concepts, Inc. (NYSE: "ALC"), a senior housing operator with over 200 locations in 20 states and annual revenues of approximately $230 million. Prior to Assisted Living Concepts, Mr. Lucey served as the Manager of Financial Reporting for Case New Holland from 2003 to 2005 and as a Division Controller at Monster Worldwide from 2001 to 2003. From 1996 to 2001, Mr. Lucey was the Director of Financial Reporting for Alterra Healthcare Corporation (now Brookdale Living Communities, NYSE: "BKD"). Mr. Lucey's experience includes various equity and debt offerings and mergers and acquisitions. From 2005 until completion of our IPO, Mark Theine, our Senior Vice President of Asset and Investment Management, was the senior asset manager for the properties we acquired from the Ziegler Funds. We believe our management team's long established, trusted relationships with physicians, hospitals and healthcare delivery system decision makers, provides to us and our shareholders a competitive advantage in sourcing attractive investment opportunities and growth opportunities. Our management team and trustees also have relationships and access to state and federal policy makers to stay informed with health care policy directions that may affect our investment decisions and management.

Our shared services agreement with B.C. Ziegler and Company, or Ziegler, provides us with access to Ziegler's proprietary research and market analysis of the healthcare industry, as well as office space, IT support, accounting support and similar services, helping us to manage our overhead costs prudently. Founded in 1902, Ziegler is a national underwriter of tax exempt bonds for not-for-profit senior living providers, hospitals, and healthcare care delivery systems. In addition to its research team that provides research on over 500 healthcare organizations, Ziegler has over 60 investment banking professionals focused on the healthcare industry. We believe Ziegler's industry knowledge and relationships will help us identify and evaluate investment opportunities.

Healthcare Industry and Healthcare Real Estate Overview and Market Opportunity

The nature of healthcare delivery continues to evolve due to the impact of government programs, regulatory changes and consumer preferences. We believe these changes have increased the need for capital among healthcare providers and increased pressure on these providers to integrate more efficient real estate solutions in order to enhance the delivery of quality healthcare. In particular, we believe the following factors and trends are creating an attractive environment in which to invest in healthcare properties.

$2.8 Trillion Healthcare Industry Projected to Grow to $4.8 Trillion (and 19.6% of U.S. GDP) by 2021

According to the U.S. Department of Health and Human Services, or HHS, healthcare spending accounted for 17.9% of U.S. gross domestic product, or GDP, in 2012. The general aging of the population, driven by the Baby Boomer generation and advances in medical technology and services which increase life expectancy, are key drivers of the growth in healthcare expenditures. The anticipated continuing increase in demand for healthcare services, together with an evolving complex and costly regulatory environment, changes in medical technology and reductions in government reimbursements are expected to pressure capital-constrained healthcare providers to find cost effective solutions for their real estate needs.

We believe the demand by healthcare providers for healthcare real estate will increase as health spending in the United States continues to increase. As shown in the chart below, national healthcare expenditures continue to rise and are projected to grow from an estimated $2.8 trillion in 2012 to $4.8

Table of Contents

trillion by 2021 representing an average annual rate of growth of 5.7%, reaching a projected 19.6% of GDP in 2021.

Source: Centers for Medicare & Medicaid Services, Office of the Actuary

Aging Population

The aging of the U.S. population has a direct effect on the demand for healthcare as older persons generally utilize healthcare services at a rate well in excess of younger people. Between 2010 and 2050, the U.S. population over 65 years of age is projected to more than double from 40.2 million to nearly 88.5 million and the 85 and older population is expected to more than triple, from 5.7 million in 2010 to 19.0 million, as reflected in the chart below. The number of older Americans is also growing as a percentage of the total U.S. population with the number of persons older than 65 estimated to comprise 13.0% of the total U.S. population in 2010 and projected to grow to 20.2% by 2050.

Projected U.S. Population Aged 65+ (1900-2050)

Source: U.S. Census Bureau

Table of Contents

Affordable Care Act (30 Million More Insured and Increased Market Certainty)

The Patient Protection and Affordable Care Act of 2010, or the Affordable Care Act, constitutes a significant overhaul of many aspects of healthcare regulations and health insurance. We believe this evolution of U.S. health care policy creates the framework for healthcare services over the near term. The Affordable Care Act requires every American to have health insurance by 2014 or be subjected to a tax. Those who cannot afford health insurance will be offered insurance subsidies or Medicaid coverage. The U.S. Census Bureau estimates that approximately 50 million Americans did not have healthcare insurance in 2009. HHS predicts the Affordable Care Act will result in an additional 30 million Americans having healthcare insurance by 2020 which we believe will substantially increase the demand for healthcare services.

The Affordable Care Act also contains provisions which are designed to lower reimbursement amounts under Medicare and tie reimbursement levels to the quality of services provided. We believe these and other provisions of the Affordable Care Act will increase the pressure on healthcare providers to become more efficient in their business models, invest capital in their businesses, lower costs and improve the quality of care, which in turn will drive health care systems to monetize their real estate assets and create demand for new, modern and specialized facilities.

Table of Contents

Clinical Care Continues to Shift to Outpatient Care

As shown in the chart below, procedures traditionally performed in hospitals, such as certain types of surgery, are increasingly moving to outpatient facilities driven by advances in clinical science, shifting consumer preferences, limited or inefficient space in existing hospitals and lower costs in the outpatient environment. This continuing shift toward delivering healthcare services in an outpatient environment rather than a traditional hospital environment increases the need for additional outpatient facilities and smaller, more specialized and efficient hospitals. Studies by the Medicare Payment Advisory Commission and others have shown that healthcare is delivered more cost effectively and with higher patient satisfaction when it is provided on an outpatient basis. Increasingly, hospital admissions are reserved for the critically ill, and less critical patients are treated on an outpatient basis with recuperation in their own homes. We believe the recently enacted Affordable Care Act and health care market trends toward outpatient care will continue to push health care services out of larger, older, inefficient hospitals and into newer, more efficient and conveniently located outpatient facilities and smaller specialized hospitals. We believe that increased specialization within the medical field is also driving demand for medical facilities designed specifically for particular specialties and that physicians want to locate their practices in medical office space that is in or adjacent to these facilities.

Cumulative Change in Total Admissions and Total Outpatient Visits(1)

(1) Cumulative change is the total percent increase from 1999 through 2010. Data are admissions (all players) to and outpatient visits at about 5,000 community hospitals.

Source: American Hospital Association, AHA Hospital Statistics.

Table of Contents

Physician Employment by Healthcare Delivery System Trend Improves Credit

As shown in the chart below, the total number of physicians is growing and the number and percentage of physicians employed by healthcare delivery systems and by large physician groups has increased in recent years, and this increase is expected to accelerate due to, among other factors, declining physician reimbursement and the increasing costs of practice due to changes under the Affordable Care Act, other healthcare regulations, expensive information technology and malpractice insurance. We also believe the continuing trends in hospital systems' consolidation will accelerate the integration of physician practice groups and other clinicians with hospitals. We believe physician employment by healthcare delivery systems and large group practices increases the demand for efficient real estate solutions and can lead to an improvement in the credit quality of our physician tenants and target physician tenants.

Employed or Affiliated Physicians As a Percent of Total Physicians(1)
Projected Change, 2000 - 2013 (000s)

(1) Estimated

Sources: Accenture Analysis, MGMA American Medical Association

Table of Contents

Healthcare Industry Employment Growth

According to the U.S. Department of Labor's Bureau of Labor Statistics, the healthcare industry was the largest industry in the United States in 2010 providing nearly 14 million jobs. While total U.S. employment dropped by over 2% between 2000 and 2010, health care employment grew by more than 25% during the same period. The Bureau of Labor Statistics estimates that healthcare sector employment is projected to grow from over 14 million jobs in 2010 to nearly 18.3 million jobs in 2020, an increase of 30%, compared to only 13% growth for jobs in all other employment sectors. Of the approximately 4.3 million new healthcare jobs expected between 2010 and 2020, 63% are projected to arise in ambulatory settings (offices of health practitioners, home health, and other non-institutional settings) with office employment projected to increase by nearly 1.4 million jobs and hospital employment projected to increase by over 940,000 jobs between 2010 and 2020. We believe the continued growth in employment in the healthcare industry, and in particular the ambulatory sector, will lead to growth in demand for medical office buildings and other facilities that serve the healthcare industry.

Percentage Job Growth in the Health Sector Compared to All Other Employment Sectors in the U.S., 2000 - 2010 and Projected 2010 - 2020

Sources: U.S. Department of Labor, Bureas of Labor Statistics, National Employment Matric, employment by industry; occupation, and percent distribution, 2010 and projected 2020, Employment and Output by Industry. Table 2.7: Current Employment Survey. 2000 - 2010

Monetization and Modernization

According to Stifel Nicolaus, hospitals and health systems own and control approximately 80% of the medical office buildings and outpatient facilities in the United States. We expect the need for capital and the growth in demand for healthcare at lower cost to cause many hospitals to seek to monetize their real estate through sale/leaseback or other arrangements as they seek capital for their physician integration and growth strategies. Hospitals also are seeking to become more efficient in the face of declining reimbursement and changing patient demographics by developing new, smaller, specialty healthcare facilities, as well as modernizing existing general acute care facilities.

Highly Fragmented Market

According to the Journal of Real Estate Portfolios' research report on "Slicing, Dicing, and Scoping the Size of the U.S. Commercial Real Estate Market," there is more than $1 trillion in U.S. healthcare real estate and less than 10% of all medical office/outpatient care facilities currently are owned by public REITs and even a smaller percentage of hospitals. While a large percentage of these assets are not desirable for institutional investment, we believe the market of desirable, institutional quality assets in our target asset classes is large and there is growing demand by healthcare providers for new, high quality specialized space. We believe the current highly fragmented ownership of these target assets by, including hospital systems, physician groups, local developers and smaller private investors, provides a significant source of investment opportunities for the foreseeable future.

Stifel Nicolaus estimates the value of the total supply of medical office buildings and out-patient facilities at approximately $414 billion, with approximately $262 billion available for private investment, and is expected to grow at approximately $4.5 billion per year. In estimating facilities available for private investment, Stifel Nicolaus excludes medical office buildings and outpatient facilities located on hospital campuses or other property owned by government and buildings housing small physician practices that are likely not attractive to institutional investors. According to Healthcare Real Estate Insights, in 2012, there were sales of 455 medical office buildings (transactions in excess of $5 million) with total dollar volume of such transactions of $5.52 billion and total square footage of 26.5 million.

Limited New Supply

We believe construction of medical office buildings and other healthcare facilities has been relatively constrained by the recent recession and uncertainty in U.S. healthcare policy, while available space was absorbed and physicians, hospitals and healthcare delivery systems planned for the implementation of the Affordable Care Act. According to Marcus and Millichap's mid-year Medical Office Research report, approximately 9 million square feet of new medical office space was delivered in 2012, which is significantly lower than the square feet of medical office space delivered from 2007 to 2009, when medical office inventory grew collectively by nearly 60 million square feet. We believe the low levels of new medical office space delivered and increasing demand in recent years will create a positive environment for both occupancy and rental rates in the near term and longer term. We believe these trends will result in an increase in the number of quality properties meeting our investment criteria.

Table of Contents

U.S. Supply and Demand Trends

*Forecast

Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

Competitive Strengths

We believe our management team's extensive public REIT and healthcare experience distinguishes us from many other real estate companies, both public and private. Specifically, our company's competitive strengths include, among others:

Strong Relationships with Physicians and Healthcare Delivery Systems. We believe our management team has developed a reputation among physicians, hospitals and healthcare delivery system decision makers of accessibility, reliability and trustworthiness. We believe this will result in attractive investment opportunities for us and high tenant satisfaction, leading to high occupancy rates, tenant retention and increasing cash flow from our properties.

Experienced Senior Management Team. Our senior management team has over 50 years of healthcare delivery system executive and related experience in healthcare real estate, finance, law, policy and clinical business development. Our management team's experience providing full service real estate solutions for the healthcare industry gives us a deep understanding of the dynamics and intricacies associated with insurance reimbursement practices, government regulation, cross-referrals, clinical interdependencies and patient behaviors. These same factors drive the profitability of the healthcare delivery systems with whom we will be strategically aligned.

Investment Focus. We believe that healthcare-related real estate rents and valuations are less susceptible to changes in the general economy than many other types of commercial real estate due to demographic trends and the need-based rise in healthcare expenditures, even during economic downturns. For this reason, we believe healthcare-related real estate investments could potentially offer a more stable return to investors when compared to other types of real estate investments.

Nimble Management Execution. We expect to focus on individual investment opportunities of $25 million or less in off market or lightly marketed transactions, with few transactions exceeding $50 million. We established our company to identify and execute on these types and size of transactions efficiently, which we believe provides us an advantage over other healthcare

Table of Contents

real estate investors, such as the larger health care REITs, that focus on larger properties or portfolios in more competitively marketed investment opportunities.

Access to State and Federal Healthcare Policy Makers. Our management team and trustees have relationships and access to state and federal policy makers to stay informed with health care policy directions that may affect the investment decisions and management of the company.

Strong Healthcare Delivery System Affiliation and Diverse Medical Tenant Base in Initial Properties. As of September 30, 2013, approximately 65.3% of the net leasable square footage of our initial properties is affiliated with a healthcare delivery system and approximately 52.6% of the net leasable square footage of our initial properties is located within approximately $^{1}/_{4}$ mile of a hospital campus. We believe that a healthcare delivery system anchored property with a diversified, clinically interdependent tenant mix is essential to the success of any healthcare facility, and our management team's understanding of the dynamics associated with tenant mix and clinical interdependency will be a key to our success. At September 30, 2013, the leases for our initial properties have a weighted average remaining lease term of approximately 8.6 years and only 5.0% of our annualized rent expires over the following three years.

Properties

The table below sets forth certain information, as of September 30, 2013 regarding the 26 properties in our portfolio and the one property that we have under contract to purchase:

PROPERTY	PROPERTY MSA LOCATION	YEAR BUILT	% OWNED	NET LEASABLE SQUARE FOOTAGE	% LEASED	ANNUALIZED BASE RENT(1)	ANNUALIZED BASE RENT PER LEASED SQUARE FOOT	HEALTHCARE DELIVERY SYSTEM AFFILIATION	PRINCIPAL TENANTS
				Initial Properties(2)					
Arrowhead Commons	Phoenix, AZ	2004	100.0%	12,800	100.0%	$ 317,936	$ 24.84	N/A	Paseo Family Physicians
Aurora Medical Office Building	Green Bay, WI	2010	100.0%	9,112	100.0%	$ 191,352	$ 21.00	Aurora Health Care	Aurora Health Care
Austell Medical Office Building	Atlanta, GA	1971	100.0%	14,598	78.5%	$ 177,101	$ 15.45	N/A(2)	N/A(2)
Canton Medical Office Building	Atlanta, GA	1994	50.0%	38,098	100.0%	$ 817,225	$ 21.45	Medical Associates of North Georgia	Medical Associates of North Georgia
Decatur Medical Office Building	Atlanta, GA	1974	100.0%	13,300	100.0%	$ 336,365	$ 25.29	N/A	Georgia Urology, P.A.
El Paso Medical Office Building	El Paso, TX	1987	100.0%	21,777	100.0%	$ 364,545	$ 16.74	HCA	HCA Del Sol Medical Center
Farmington Professional Pavilion	Detroit, MI	1972	100.0%	21,338	62.7%	$ 200,061	$ 14.95	Botsford Hospital	Botsford Hospital, Farmington Dermatology
Firehouse Square	Milwaukee, WI	2002	100.0%	17,265	100.0%	$ 392,760	$ 22.75	Aurora Health Care	Aurora Health Care
Hackley Medical Center	Grand Rapids, MI	1968	100.0%	44,089	85.9%	$ 673,734	$ 17.78	Trinity Health	Hackley Hospital, Port City Pediatrics
Ingham Regional Medical Center	Lansing, MI	1994	100.0%	26,783	0%			N/A	N/A
MeadowView Professional Center	Kingsport, TN	2005	100.0%	64,200	100.0%	$ 1,299,930	$ 20.25	Holston Medical Group	Holston Medical Group
Mid Coast Hospital Medical Office Building	Portland, ME	2008	66.3%	44,677	100.0%	$ 1,175,640	$ 26.31	Mid Coast Hospital	Mid Caost Hospital
New Albany Professional Building	Columbus, OH	2000	100.0%	17,213	71.2%	$ 219,621	$ 17.93	N/A	Rainbow Pediatrics
Northpark Trail	Atlanta, GA	2001	100.0%	14,223	46.9%	$ 87,222	$ 13.07	N/A	

									Georgia Urology, P.A.
Remington Medical Commons	Chicago, IL	2008	65.0%(4)	37,240	78.1%	$ 648,933	$ 22.32	Adventist	Fresenius Dialysis, Gateway Spine and Pain
Stonecreek Family Health Center	Columbus, OH	1996	100.0%	20,329	34.9%	$ 116,001	$ 16.37	N/A	Pediatric Associates
Summerfield Square	Tampa, FL	2005	100.0%	2,000	0%	Condominium For Sale		N/A	N/A
Summit Healthplex	Atlanta, GA	2002	100.0%	67,334	100.0%	$ 1,947,909	$ 28.93	Piedmont	Georgia Bone and Joint, Piedmont Hospital
Valley West Hospital Medical Office Building	Chicago, IL	2007	59.6%(4)	37,672	98.8%	$ 778,602	$ 20.92	Kish Health System	Valley West Hospital, Midwest Orthopaedics
INITIAL PROPERTIES TOTAL/WEIGHTED AVERAGE				524,048	84.6%	$ 9,744,937	$ 21.97		

Table of Contents

PROPERTY	PROPERTY MSA LOCATION	YEAR BUILT	% OWNED	NET LEASABLE SQUARE FOOTAGE	% LEASED	ANNUALIZED BASE RENT(1)	ANNUALIZED BASE RENT PER LEASED SQUARE FOOT	HEALTHCARE DELIVERY SYSTEM AFFILIATION	PRINCIPAL TENANTS
Completed Acquisitions Since the IPO(4)									
Central Ohio Neurosurgical Surgeons Medical Office	Columbus, OH	2007	100.0%	38,891	100%(6)	$ 833,356(6)	$ 21.43(7)	N/A	CONS
Crescent City Surgical Centre	New Orleans, LA	2010	100.0%	60,000	100%	$ 3,000,000	$ 50.00	Crescent City Surgical Centre	Crescent City Surgical Centre
East El Paso Medical Office Building	El Paso, TX	2004	99.0%	41,007	100%	$ 574,098	$ 14.00	Foundation Surgical Affiliates	EEPPMC Partners, LLC
East El Paso Surgical Hospital	El Paso, TX	2004	99.0%	77,000	100%	$ 3,282,377	$ 42.63	Foundation Surgical Affiliates	East El Paso Physicians Medical Center, LLC
Foundation Surgical Affiliates Medical Office Building	Oklahoma City, OK	2004	99.0%	52,000	100%	$ 1,248,000	$ 24.00	Foundation Surgical Affiliates	Foundation Surgical Affiliates
LifeCare Plano LTACH	Plano, TX	1987	100.0%	75,442	100%	$ 1,425,000	$ 18.89	LifeCare Hospitals	LifeCare Hospitals of North Texas
Pensacola Medical Office Building(5)	Pensacola, FL	2012	100.0%	20,319	100%	$ 633,226	$ 31.39		
COMPLETED ACQUISITION TOTAL/WEIGHTED AVERAGE				364,659	100.0%	$ 10,996,057	$ 30.15		
PORTFOLIO TOTAL/WEIGHTED AVERAGE				888,707	90.9%	$ 20,740,994	$ 23.34		
Pending Acquisitions(6)									
Family Practice Medical Office Building Portfolio	Atlanta, GA	2006 - 2010	100%	68,711	100%(6)	$ 1,560,000(6)	$ 22.70(7)	N/A	EL Family Practice
Great Falls Ambulatory Service Center	Great Falls, MT	1999	100%	12,636	100%(6)	$340,000(6)	$ 26.91(7)	N/A	Great Falls Clinic Surgery Center LLC
PENDING ACQUISITIONS TOTAL/WEIGHTED AVERAGE				81,347	100%	$ 1,900,000			
PORTFOLIO INCLUDING PENDING ACQUISITIONS TOTAL/WEIGHTED AVERAGE				970,054	91.7%	$ 22,640,994	$ 25.43		

(1) Calculated by multiplying (a) base rent payments for the month ended September 30, 2013, by (b) 12.

(2) Properties acquired upon completion of the IPO and related formation transactions.

(3) Properties acquired following completion of the IPO.

(4) We have entered into an agreement to acquire the remaining interest in this property that we do not own. See" Pending Acquisitions."

(5) We acquired the Pensacola Medical Office Building on October 4, 2013.

(6) We have entered into purchase agreements for these properties and deem them to be probable acquisitions.

(7) Based on terms of proposed leases that will become effective upon our acquisition of these properties.

Our Acquisition Targets

In addition to the pending acquisitions described above, we currently are in discussions regarding a number of properties that meet our investment criteria but have not entered into any purchase and sale agreements or letters of intent.

As of the date of this prospectus, we are reviewing a number of potential acquisition and investment opportunities and we are in active discussions with the owners of seven medical office buildings or specialty surgical hospitals located in five states containing more than 344,000 rentable square feet in the aggregate. Six of the buildings are currently 100% occupied and one building is approximately currently 95% occupied. We have not entered into a letter of intent or any other documentation with respect to any of these properties and there can be no assurance we will enter into any such agreements or acquire any of these properties.

Credit Facility

On August 29, 2013, our operating partnership, as borrower, and we, as parent guarantor, and certain subsidiaries of the operating partnership, as guarantors, entered into a senior secured credit facility with Regions Bank, as Administrative Agent, Regions Capital Markets, as Sole Lead Arranger and Sole Book Runner, and various other lenders for a $75 million senior secured credit facility (the "senior secured credit facility"). On November 8, 2013, we agreed with the lenders to increase the total amount available under our senior secured revolving credit facility from $75 million to $90 million. Subject to satisfaction of certain conditions, including additional lender commitments, we have the option to increase the borrowing capacity under the revolving credit facility to up to $250 million. The amount available to us under the senior secured credit facility is subject to certain limitations including, but not limited to, the appraised value of the pledged properties that comprise the borrowing base of the credit facility.

The senior secured credit facility has a three-year term with an initial maturity date of August 29, 2016. Subject to the terms of the senior secured credit facility, we have the option to extend the term of the senior secured credit facility to August 29, 2017.

Base Rate Loans, Adjusted LIBOR Rate Loans and Letters of Credit (each, as defined in the senior secured credit facility) are subject to interest rates, based upon our consolidated leverage ratio as follows:

Consolidated Leverage Ratio	Adjusted LIBOR Rate Loans and Letter of Credit Fee	Base Rate Loans
≤35%	LIBOR + 2.65%	Base Rate + 1.65%
>35% and ≤45%	LIBOR + 2.85%	Base Rate + 1.85%
>45% and ≤50%	LIBOR + 2.95%	Base Rate + 1.95%
>50%	LIBOR + 3.40%	Base Rate + 2.40%

We may, at any time, voluntarily prepay any loan under the senior secured credit facility in whole or in part without premium or penalty.

The senior secured credit facility contains financial covenants that, among other things, require compliance with loan-to-value, leverage and coverage ratios and maintenance of minimum tangible net worth, as well as covenants that may limit our ability to incur additional debt or make distributions. The senior secured credit facility also contains customary events of default. Any event of default, if not cured or waived, could result in the acceleration of any outstanding indebtedness under the senior secured credit facility.

As of November 29, 2013, there was approximately $48.4 million outstanding under our senior secured credit facility and $9.9 million is available for us to borrow without adding additional properties to the borrowing base securing the senior secured revolving credit facility.

Table of Contents

Implications of Being an Emerging Growth Company

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the "JOBS Act." An emerging growth company may take advantage of specified reduced reporting requirements and are relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company, among other things:

- we are exempt from the requirement to obtain an attestation and report from our auditors on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act;
- we are permitted to provide less extensive disclosure about our executive compensation arrangements;
- we are not required to give our shareholders non-binding advisory votes on executive compensation or golden parachute arrangements; and
- we have elected not to use an extended transition period for complying with new or revised accounting standards and such election is irrevocable.

We may take advantage of these provisions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than $1 billion in annual revenues, have more than $700 million in market value of our common shares held by non-affiliates, or issue more than $1 billion of non-convertible debt securities over a three-year period.

Summary Risk Factors

An investment in our common shares involves a high degree of risk. You should carefully read and consider the risks discussed below and under the caption "Risk Factors" beginning on page 22 of this prospectus before investing in our common shares.

- We are recently formed and have a limited operating history, and there is no assurance that we will be able to achieve our investment objectives.
- Our portfolio is concentrated in medical office buildings and hospital facilities leased to healthcare providers, making us more vulnerable economically than if our investments were diversified across different industries.
- We may not be successful in identifying and consummating suitable investment opportunities which may impede our growth and negatively affect our cash available for distribution to shareholders.
- The healthcare industry is heavily regulated, and new laws or regulations, changes to existing laws or regulations, loss of licensure or failure to obtain licensure could adversely impact our company and the ability of our tenants to make rent payments to us.
- Required payments of principal and interest on borrowings may leave us with insufficient cash to operate our properties or to pay the distributions currently contemplated or necessary to qualify as a REIT and may expose us to the risk of default under our debt obligations.
- Our failure to qualify and maintain our qualification as a REIT would result in higher taxes and reduced cash available for distribution to our shareholders.

The share ownership restrictions of the Internal Revenue Code of 1986, as amended, or the Code, applicable to REITs and the 9.8% share ownership limit in our declaration of trust may inhibit market activity in our shares and restrict our business combination opportunities.

The trading volume and price of our common shares may be volatile which could result in a substantial or complete loss of your investment.

Table of Contents

The historical performance of our Predecessor will not, and neither our historical performance nor the pro forma financial statements included in this prospectus may not, be indicative of our future results.

Our Tax Status

We intend to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2013. Our qualification as a REIT will depend upon our ability to meet, on a continuing basis, through actual investment and operating results, various complex requirements. Under the Code, REITs are subject to numerous organizational and operational requirements, including a requirement that they distribute each year at least 90% of their REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains. We believe that we will be organized in conformity with the requirements for qualification as a REIT under the Code and that our intended manner of operation will enable us to meet the requirements for qualification and taxation as a REIT for federal income tax purposes commencing with our taxable year ending December 31, 2013. See "Material U.S. Federal Income Tax Considerations."

Restrictions on Ownership of Our Shares

In order to help us qualify as a REIT, among other purposes, our declaration of trust, subject to certain exceptions, restricts the number of our shares of beneficial interest that a person may beneficially or constructively own. Our declaration of trust provides that, subject to certain exceptions, no person may beneficially or constructively own more than 9.8%, in value or in number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our shares of beneficial interest. A more complete description of our shares of beneficial interest, including restrictions upon the ownership and transfer thereof, is presented under the caption "Description of Shares of Beneficial Interest" in this prospectus.

Distribution Policy

We intend to pay regular quarterly distributions to holders of our common shares and holders of OP Units in our operating partnership. Generally, we expect to distribute 100% of our REIT taxable income so as to avoid the tax imposed upon undistributed REIT taxable income. Distributions made by us will be authorized by our board of trustees in its sole discretion out of funds legally available therefor and will be dependent upon a number of factors, including restrictions under applicable law and our capital requirements.

On September 30, 2013, we declared an initial, prorated quarterly dividend of $0.18 per share for the partial quarterly period from July 19, 2013 (the date of our IPO) through September 30, 2013, which is equivalent to a full quarterly dividend of $0.225 per share. The dividend was paid on November 1, 2013 to shareholders of record on October 18, 2013.

Corporate Information

We were formed as a Maryland real estate investment trust on April 9, 2013. Our corporate offices are located at 250 East Wisconsin Avenue, Suite 1900, Milwaukee, WI 53202. Our telephone number is 414-978-6494. Our internet website is www.docreit.com. The information contained on, or accessible through, this website, or any other website, is not incorporated by reference into this prospectus and should not be considered a part of this prospectus.

Table of Contents

The Offering

Common shares offered by us	8,300,000 shares(1)
Common shares to be outstanding after this offering	20,303,597 shares(2)
Common shares and OP units to be outstanding after completion of this offering and the formation transactions	24,002,474 shares and OP units(3)
Use of proceeds	We estimate that we will receive net proceeds from this offering of approximately $93.0 million, or approximately $107.1 million if the underwriters' over-allotment option is exercised in full, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds of this offering as follows: approximately $48.4 million to repay borrowings under our senior secured credit facility, plus any amounts borrowed under the facility to fund the closing of the pending acquisitions prior to completion of this offering; the balance for general corporate and working capital purposes, funding possible future acquisitions, including our pending acquisitions, and development activities. Pending application of net proceeds of this offering, we intend to invest the net proceeds in interest-bearing accounts, money market accounts and interest-bearing securities in a manner that is consistent with our intention to qualify for taxation as a REIT.
Risk Factors	An investment in our common shares involves a high degree of risk. You should carefully read and consider the risks discussed under the caption "Risk Factors" beginning on page 22 and all other information in this prospectus before investing in our common shares.
NYSE symbol	"DOC"

(1) Excludes up to 1,245,000 common shares that may be issued by us upon exercise of the underwriters' over-allotment option.

(2) Includes 250,000 restricted common shares granted to our officers and trustees under our 2013 Equity Incentive Plan that are subject to vesting over a three year period. Does not include up to 1,245,000 common shares that may be issued by us upon exercise of the underwriters' over-allotment option for this offering, 350,000 common shares available for future issuance under our 2013 Equity Incentive Plan and up to 3,698,877 common shares that we may issue upon the redemption of outstanding OP units.

(3) Does not include up to 1,245,000 common shares that may be issued by us upon exercise of the underwriters' over-allotment option for this offering or 350,000 common shares available for future issuance under our 2013 Equity Incentive Plan.

Table of Contents

SUMMARY FINANCIAL DATA

The following table shows selected consolidated pro forma and historical financial data for our company and combined historical financial data for our Predecessor for the periods indicated. Our Predecessor, which is not a legal entity, is comprised of the four Ziegler Funds that owned directly or indirectly interests in entities that owned the initial properties we acquired on July 24, 2013 in connection with completion of our IPO and related formation transactions.

You should read the following selected consolidated pro forma and combined historical financial data together with the discussion under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the consolidated pro forma financial data and combined historical financial statements and related notes thereto included elsewhere in this prospectus.

We had no business operations prior to completion of the IPO and the formation transactions on July 24, 2013. As a result, the balance sheet data as of December 31, 2012 reflects the financial condition of the Predecessor and the balance sheet data as of September 30, 2013 reflects our financial condition. The results of operation for years ended December 31, 2012 and 2011 reflect the results of operations of the Predecessor. The results of operations for the nine months ended September 30, 2012 reflect the results of operations of the Predecessor. The results of operations for the nine months ended September 30, 2013 reflect the results of operations of the Predecessor (through July 23, 2013) and reflect our results of operations from July 24, 2013 through September 30, 2013. References in the notes to the condensed consolidated and combined financial statements refer to Physicians Realty Trust for the period July 24, 2013, the date of completion of the IPO and the related formation transactions through September 30, 2013, and to the Predecessor for all prior periods.

The following summary combined historical balance sheet data as of December 31, 2012 and 2011 and the combined historical statements of operations data and cash flows data for the two-year period ended December 31, 2012 have been derived from the audited combined historical financial statements of our Predecessor. The historical financial statements have been audited by Plante & Moran, PLLC, an independent registered public accounting firm whose report with respect thereto is included elsewhere in this prospectus with the combined balance sheets as of December 31, 2012 and 2011 and the related combined statements of operations and cash flows for the two-year period ended December 31, 2012, and the related notes thereto.

The pro forma financial data for our company for the year ended December 31, 2012 and the nine months ended September 30, 2013 give effect to (i) the IPO and the formation transactions (including acquisition of our initial properties from the Ziegler Funds), (ii) our acquisition of the seven properties acquired and our purchase of our joint venture partners' interest in two of our existing properties since completion of our IPO, (iii) our acquisition of the pending property acquisitions, (iv) the funding of the Mezzanine Loan, and (v) this offering and the use of proceeds from this offering as of the beginning of the periods presented for the statement of operations data and as of September 30, 2013 for the balance sheet data.

The historical financial data for us and our Predecessor is not indicative of our future financial position or results of operations. Furthermore, our pro forma financial information is not necessarily indicative of what our actual financial position and results of operations would have been as of the dates and for the periods indicated, nor do our interim results and pro forma financial information purport to represent our future financial position or results of operations.

Table of Contents

Physicians Realty Trust (Pro Forma) and Predecessor (Historical)

	Pro Forma Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012	Pro Forma Year Ended December 31, 2012	Year Ended December 31, 2012	Year Ended December 31, 2011
	(in thousands)					
Statement of Operations Data:						
Revenues:						
Rental revenues	$ 18,987	$ 7,952	$ 7,396	$ 25,113	$ 9,821	$ 10,472
Expense recoveries	2,399	2,399	2,151	3,111	3,111	3,314
Interest income	466			621		
Other revenues			7	15	15	61
Total revenues	21,852	10,351	9,554	28,860	12,947	13,847
Expenses:						
Management fees		475	713		951	951
General and administrative	3,543	1,507	292	4,724	362	301
Operating expenses	3,578	3,578	3,460	4,758	4,758	4,953
Depreciation and amortization	6,562	3,123	2,901	9,051		