

HEALTHCARE REALTY TRUST INC
 Form 424B5
 November 27, 2017
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The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion dated November 27, 2017

Preliminary Prospectus Supplement

(To Prospectus dated February 16, 2017)

\$

Healthcare Realty Trust Incorporated

% Senior Notes due 2028

Healthcare Realty Trust Incorporated is offering \$ million aggregate amount of % senior notes due 2028. Interest on the notes will be payable semi-annually in arrears on and of each year, beginning on , 2018. Interest will accrue from , 2017. The notes will mature on , 2028. We may redeem the notes, in whole or in part at any time, at the applicable redemption price described under Description of Notes Optional Redemption.

The notes will be our senior unsecured obligations and will rank equally with all of our other senior unsecured indebtedness from time to time outstanding. The notes are a new issue of securities with no established trading market. We do not intend to apply for a listing of the notes on any securities exchange or any automated dealer quotation system.

Investing in the notes involves risks and uncertainties. You should carefully read and consider the Cautionary Note Regarding Forward-Looking Statements beginning on page S-2 and Supplemental Risk Factors beginning on page S-9 of this prospectus supplement, the Special Note Regarding Forward-Looking Statements and Risk Factors beginning on pages 2 and 4, respectively, of the accompanying prospectus and the Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated herein by reference.

	Price to public ⁽¹⁾	Underwriting discount	Proceeds, before expenses, to the company
Per Senior Note	%	%	%
Total	\$	\$	\$

(1) Plus accrued interest, if any, from , 2017 if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is

a criminal offense.

The Company expects that delivery of the notes will be made to investors on or about _____, 2017 only in book-entry form through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank S.A./N.V., as operator of the Euroclear System.

Joint Book-Running Managers

US Bancorp

Wells Fargo Securities

The date of this prospectus supplement is November _____, 2017.

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About This Prospectus Supplement

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement. The second part is the accompanying prospectus, which gives more general information about us and the securities we may offer, some of which may not apply to this offering. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or any document incorporated by reference herein or therein, the information in this prospectus supplement shall control.

Neither we nor the underwriters have authorized anyone to provide you with information different from that contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus, and any free writing prospectus the Company authorizes to be delivered to you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus, or any free writing prospectus is accurate as of any date other than the date of this prospectus supplement, the accompanying prospectus, or free writing prospectus, respectively, or that information contained in any document incorporated or deemed to be incorporated by reference is accurate as of any date other than the date of that document. Our business, financial condition, prospects and results of operations may have changed since those respective dates.

The distribution of this prospectus supplement and the accompanying prospectus in some jurisdictions may be restricted by law. The Company and the underwriters are offering to sell, and seeking offers to buy, notes only in jurisdictions where offers and sales are permitted. Persons who receive this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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Cautionary Note Regarding Forward-Looking Statements

Before making an investment in the notes, you should carefully consider, among other factors, the risks described below and elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. This prospectus supplement and the accompanying prospectus do not describe all of the risks of an investment in the notes. You should consult your own financial and legal advisors as to the risks entailed by an investment in these notes and the suitability of investing in such notes in light of your particular circumstances.

This prospectus supplement, the accompanying prospectus and other materials the Company has filed or may file with the Securities and Exchange Commission (SEC), as well as information included in oral statements or other written statements made, or to be made, by senior management of the Company, contain, or will contain, disclosures which are forward-looking statements. Forward-looking statements include all statements that do not relate solely to historical or current facts and can be identified by the use of words such as may, will, expect, believe, anticipate, target, intend, plan, estimate, project, continue, should, could and other comparable terms. These forward-looking statements are based on the current plans and expectations of management and are subject to a number of risks and uncertainties that could significantly affect the Company's current plans and expectations and future financial condition and results. Such risks and uncertainties include, among other things, the following:

The Company's expected results may not be achieved;

The Company's revenues depend on the ability of its tenants under its leases to generate sufficient income from their operations to make rent, loan and lease guaranty payments to the Company;

The Company may decide or may be required under purchase options to sell certain properties. The Company may not be able to reinvest the proceeds from sale at rates of return equal to the return received on the properties sold. Uncertain market conditions could result in the Company selling properties at unfavorable rates or at losses in the future;

Owning real estate and indirect interests in real estate is subject to inherent risks;

The Company may incur impairment charges on its real estate properties or other assets;

If the Company is unable to promptly re-let its properties, if the rates upon such re-letting are significantly lower than the previous rates or if the Company is required to undertake significant expenditures to attract new tenants, then the Company's business, financial condition and results of operations would be adversely affected;

Certain of the Company's properties are special purpose healthcare facilities and may not be easily adaptable to other uses;

The Company has, and may have more in the future, exposure to fixed rent escalators, which could lag behind inflation;

The Company's real estate investments are illiquid and the Company may not be able to sell properties strategically targeted for disposition;

The Company is subject to risks associated with the development and redevelopment of properties;

The Company may make material acquisitions and undertake developments that may involve the expenditure of significant funds and may not perform in accordance with management's expectations;

The Company is exposed to risks associated with geographic concentration;

Many of the Company's leases are dependent on the viability of associated health systems and revenue concentrations relating to these leases expose the Company to risks related to the financial condition of the associated health systems;

Many of the Company's properties are held under ground leases that contain provisions that may limit the Company's ability to lease, sell, or finance these properties;

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The Company may experience uninsured or underinsured losses related to casualty or liability;

The Company is subject to cyber security risks;

The Company has incurred significant debt obligations and may incur additional debt and increase leverage in the future;

Covenants in the Company's debt instruments limit its operational flexibility, and a breach of these covenants could materially affect the Company's consolidated financial condition and results of operations;

A change to the Company's current dividend payment may have an adverse effect on the market price of the Company's common stock;

If lenders under the Company's unsecured credit facility fail to meet their funding commitments, the Company's operations and consolidated financial position would be negatively impacted;

The unavailability of equity and debt capital, volatility in the credit markets, increases in interest rates, or changes in the Company's debt ratings could have an adverse effect on the Company's ability to meet its debt payments, make dividend payments to stockholders or engage in acquisition and development activity;

The Company is exposed to increases in interest rates, which could adversely impact its ability to refinance existing debt, sell assets or engage in acquisition and development activity;

The Company may enter into swap agreements from time to time that may not effectively reduce its exposure to changes in interest rates;

If a healthcare tenant loses its licensure or certification, becomes unable to provide healthcare services, cannot meet its financial obligations to the Company or otherwise vacates a facility, the Company would have to obtain another tenant for the affected facility;

Adverse trends in the healthcare service industry may negatively affect the Company's lease revenues and the values of its investments;

If the Company fails to remain qualified as a real estate investment trust, or REIT, the Company will be subject to significant adverse consequences, including adversely affecting the value of its common stock;

The Company's Articles of Incorporation contain limits and restrictions on transferability of the Company's common stock which may have adverse effects on the value of the Company's common stock;

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends;

Complying with the REIT requirements may cause the Company to forego otherwise attractive opportunities;

Qualifying as a REIT involves highly technical and complex provisions of the Internal Revenue Code of 1986, as amended; and

New legislation or administrative or judicial action, in each instance potentially with retroactive effect, could make it more difficult or impossible for the Company to qualify as a REIT.

The Company describes some additional risks and uncertainties of investing in the notes below under the heading Supplemental Risk Factors. Other risks, uncertainties and factors that could cause actual results to differ materially from those projected are detailed from time to time in reports filed by the Company with the SEC, including Forms 8-K, 10-Q and 10-K (including those identified in the Company's Annual Report on Form 10-K for the year ended December 31, 2016).

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Investors are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this prospectus supplement and the accompanying prospectus or the Company's filings and reports.

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Summary

The information below is a summary of the more detailed information included elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. You should read carefully the following summary together with the more detailed information contained in this prospectus supplement, the accompanying prospectus and the information incorporated by reference into those documents, including the Cautionary Note Regarding Forward-Looking Statements and Supplemental Risk Factors section beginning on pages S-2 and S-9, respectively, of this prospectus supplement and the Special Note Regarding Forward-Looking Statements and Risk Factors section beginning on pages 2 and 4, respectively, of the accompanying prospectus, and the Risk Factors section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016. This summary is not complete and does not contain all of the information you should consider when making your investment decision.

Unless the context otherwise requires, as used in this prospectus supplement and the accompanying prospectus, the terms HR, Healthcare Realty, the Company, we, us and our include Healthcare Realty Trust Incorporated, its subsidiaries and other entities in which Healthcare Realty Trust Incorporated or its subsidiaries own an interest.

Information about Healthcare Realty Trust Incorporated

Healthcare Realty Trust Incorporated is a self-managed and self-administered real estate investment trust, or REIT, that integrates owning, leasing, managing, financing, developing and re-developing income-producing real estate properties associated primarily with the delivery of outpatient healthcare services throughout the United States. The Company was incorporated in Maryland in 1992 and listed on the New York Stock Exchange in 1993.

The Company operates so as to qualify as a REIT for federal income tax purposes. As a REIT, the Company is not subject to corporate federal income tax with respect to taxable income distributed to its stockholders.

Business strategy

The Company owns and operates healthcare properties that facilitate the delivery of care in primarily outpatient settings. To execute its strategy, the Company engages in a broad spectrum of integrated services including leasing, management, acquisition, financing, development and redevelopment of such properties. The Company seeks to generate stable, growing income and lower the long-term risk profile of its portfolio of properties by focusing on facilities located on or near the campuses of large, acute care hospitals associated with leading health systems. The Company seeks to reduce financial and operational risk by owning properties in diverse geographic locations with a broad tenant mix that includes over 30 physician specialties, as well as surgery, imaging, cancer

and diagnostic centers.

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As of September 30, 2017, the Company had investments of approximately \$3.6 billion in 197 real estate properties located in 26 states totaling approximately 14.4 million square feet. The Company provided property management services to approximately 11.2 million square feet nationwide as of September 30, 2017. The following table details the Company's owned properties by facility type as of September 30, 2017:

(Dollars and square feet in thousands)	Number of Properties	Gross Investment	Square Feet	Percentage of Square Feet
Medical office/outpatient	182	\$ 3,269,840	13,413	92.9%
Inpatient	5	254,179	529	3.7%
Other	10	77,133	489	3.4%
Sub-Total	197	\$ 3,601,152	14,431	100.0%
Land held for development		20,123		
Corporate property		5,589		
Construction in progress		1,138		
Total	197	\$ 3,628,002		

Recent developments

On November 1, 2017, the Company purchased four medical office buildings in the Atlanta, Georgia market from affiliates of Meadows & Ohly, LLC. These properties included 288,880 square feet of office space and the aggregate purchase price was \$112.1 million. The Company is under contract to purchase four additional medical office buildings in the Atlanta market from Meadows & Ohly affiliates for an aggregate purchase price of \$81.7 million, including mortgage debt assumption of approximately \$33.9 million. The Company expects to close the purchase of the remaining four properties in December 2017.

On November 1, 2017, the Company acquired a 26,345 square foot medical office building in Seattle, Washington for a purchase price of \$12.7 million.

On November 1, 2017, the Company redeemed \$100.0 million of its unsecured senior notes due 2021 at a redemption price equal to an aggregate of \$113.4 million, consisting of outstanding principal of \$100.0 million, accrued interest of \$1.7 million, and a make-whole amount of approximately \$11.7 million for the early extinguishment of debt. The unaccreted discount and unamortized costs on these notes of \$0.5 million was written off upon redemption. The Company recognized a loss on early extinguishment of debt of approximately \$12.2 million related to this redemption.

In October 2017, the Company received notice from a tenant of its intent to exercise a fixed-price purchase option on seven properties in Roanoke, Virginia for approximately \$45.2 million. The sale of these properties is expected to occur in April 2018.

Principal executive offices

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The principal executive offices of the Company are located at 3310 West End Avenue, Suite 700, Nashville, Tennessee 37203. The telephone number of the principal executive offices is (615) 269-8175.

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The following summary contains basic terms of the notes. For a more detailed description of the notes, see [Description of Notes](#) in this prospectus supplement and [Description of Debt Securities](#) in the accompanying prospectus.

Issuer	Healthcare Realty Trust Incorporated.
Notes Offered	\$ _____ aggregate principal amount of _____ % Senior Notes due 2028.
Interest Rate	_____ % per annum.
Maturity	_____, 2028.
Interest Payment Dates	Semi-annually on _____ and _____ of each year, beginning _____, 2018.
Use of Proceeds	The Company expects to apply the net proceeds from the sale of the notes towards the redemption of its unsecured senior notes due 2021. Pending such use, the net proceeds will be applied to outstanding borrowings under the Company's unsecured credit facility due 2020 and may be used for other general corporate purposes. See Use of Proceeds .
Conflicts of Interest	The Company expects that more than 5% of the net proceeds of this offering may be used to reduce outstanding indebtedness under its unsecured credit facility pending redemption of the unsecured senior notes due 2020. Certain of the underwriters or affiliates of the underwriters are lenders under the Company's unsecured credit facility. See Underwriting Conflicts of interest .
Ranking	The notes will be senior unsecured obligations of the Company and will rank equally with all other existing and future senior unsecured indebtedness of the Company. The notes will be effectively subordinated to all other existing and future indebtedness and other liabilities and commitments of our subsidiaries, including guarantees by our subsidiaries, if any, of other indebtedness of the Company. The notes will also be effectively subordinated to the

Company's existing secured indebtedness and any secured indebtedness the Company or its subsidiaries may incur to the extent of the assets securing such indebtedness.

Optional Redemption

The notes may be redeemed in whole at any time or in part from time to time, at the Company's option. If the notes are redeemed before (three months prior to the maturity date of the notes) (the Par Call Date), the notes will be redeemed at a redemption price equal to the sum of (i) the Outstanding Principal Amount (as hereafter defined), (ii) the accrued and unpaid interest on the Outstanding Principal Amount, and (iii) the Make-Whole Amount (as hereafter defined), if any. The Make-Whole Amount shall be payable not only

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upon an optional redemption, but also upon accelerated payment of the notes. If the notes are redeemed on or after the Par Call Date, the notes will be redeemed at a redemption price equal to the sum of (i) the Outstanding Principal Amount and (ii) the accrued and unpaid interest on the Outstanding Principal Amount.

Certain Covenants and Events of Default

The indenture governing the notes will contain various covenants including the following:

debt will not exceed 60% of Total Assets

liens will not secure obligations in excess of 40% of Total Assets

Total Unencumbered Assets will not be equal to less than 150% of Unsecured Debt

Consolidated Income Available for Debt Service will be not less than 150% of Consolidated Interest Expense for the most recent four previous consecutive fiscal quarters

These covenants are complex and are described more completely under Description of Notes Certain covenants.

The Indenture provides for certain events of default, including default on certain other indebtedness.

Denominations

The notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Form of Notes

Each note will initially be issued in book-entry form only. Each note issued in book-entry form will be represented by one or more fully registered global securities deposited with or on behalf of The Depository Trust Company (or another depository) and registered in the name of the identified depository or its nominee. Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank, S.A./N.V., as operator of the Euroclear System, will hold interests on behalf of their participants through their respective U.S. depositories, which in turn will hold such interests in accounts as participants of DTC. Interests in the global securities will be shown on, and transfers thereof will be effected

only through, records maintained by the identified depository (with respect to its participants) and its participants (with respect to beneficial owners). Except in limited circumstances, notes issued in book-entry form will not be exchangeable for notes issued in fully registered certificated form.

Trustee, Registrar and Paying Agent

Branch Banking and Trust Company, Wilson, North Carolina (the Trustee).

Risk Factors

An investment in the notes involves risks and uncertainties. See Cautionary Note Regarding Forward-Looking Statements and Supplemental Risk Factors beginning on pages S-2 and S-9, respectively.

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The Company's consolidated ratio of earnings to fixed charges for the nine months ended September 30, 2017 and each of the last five fiscal years is set forth below. The Company had no preferred stock outstanding during the periods presented. For the purposes of calculating the ratio of earnings to fixed charges, net income from continuing operations has been added to fixed charges, net of capitalized interest, and that sum has been divided by such fixed charges. Fixed charges consist of interest expense, which includes amortization of debt issue cost, plus the interest component of rent expense, and capitalized interest. This fixed charge ratio, calculated in accordance with Item 503 of Regulation S-K, includes only income from continuing operations, which is reduced by depreciation and amortization and the operating results of properties currently classified as held for sale, as well as other income from discontinued operations.

	Pro-forma nine months ended September 30, 2017⁽¹⁾	Nine months ended September 30, 2017	2016	2015	2014	2013⁽²⁾⁽³⁾	2012⁽²⁾⁽⁴⁾
Ratio of earnings to fixed charges	x	2.32x	2.40x	1.87x	1.46x	0.82x	0.93x

- (1) The ratio of earnings to fixed charges for the nine months ended September 30, 2017 has been adjusted on a pro forma basis to give effect to the offer and sale of the notes offered hereby and the use of the net proceeds to redeem the senior notes due 2021.
- (2) The ratio of earnings to fixed charges for each of the years ended December 31, 2013 and 2012 has been restated to conform to the presentation for the year ended December 31, 2014.
- (3) For the year ended December 31, 2013, earnings from continuing operations were insufficient to cover fixed charges by \$13.3 million.
- (4) For the year ended December 31, 2012, earnings from continuing operations were insufficient to cover fixed charges by \$5.9 million.

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Supplemental Risk Factors

You should carefully consider the supplemental risks described below in addition to the risks described under "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 which is incorporated by reference herein, as well as the other information contained in or incorporated by reference into this prospectus supplement or the accompanying prospectus, before investing in the notes. You should also see "Cautionary Note Regarding Forward-Looking Statements" on page S-2 of this prospectus supplement and "Special Note Regarding Forward-Looking Statements" on page 2 of the accompanying prospectus. The risks described in this prospectus supplement and the accompanying prospectus are not the only ones faced by the Company. Additional risks not presently known or that the Company currently deems immaterial could also materially and adversely affect the Company's financial condition, results of operations, business and prospects. You should consult your own financial and legal advisors as to the risks entailed by an investment in the notes and the suitability of investing in the notes in light of your particular circumstances. The Company's business, financial condition and results of operations could be materially adversely affected by the materialization of any of these risks. You could lose part or all of your investment.

Changes in our credit ratings or the debt markets could adversely affect the price of the notes.

The price of the notes depends on many factors, including:

The Company's credit ratings with major credit rating agencies;

The prevailing interest rates being paid by, or the market price for the notes issued by, other companies similar to the Company;

The Company's financial condition, financial performance and future prospects; and

The overall condition of the financial markets.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the price of the notes.

In addition, credit rating agencies continually review their ratings for the companies that they follow, including the Company. The credit rating agencies also evaluate our industry as a whole and may change their credit rating for the Company based on their overall view of the industry. A negative change in the Company's rating could have an adverse effect on the price of the notes.

The notes are unsecured obligations and will not be guaranteed by any of our subsidiaries. Therefore, holders of the notes may not be fully repaid if the Company becomes insolvent.

The notes will be obligations exclusively of the Company and will not be guaranteed by any of our subsidiaries. The notes will not be secured by any of our assets or our subsidiaries' assets. Therefore, the notes will be effectively subordinated to our existing secured indebtedness and any secured indebtedness the Company may incur to the extent of the assets securing such indebtedness and subordinated to all indebtedness and other liabilities of the Company's

subsidiaries. As of September 30, 2017, the Company and its subsidiaries had an aggregate of \$1.2 billion of debt, \$123.2 million of which was secured debt. In addition, the Indenture governing the notes will permit the Company to incur additional indebtedness, including indebtedness that is secured. If the Company were to become insolvent, the holders of any secured debt would receive payments from the assets pledged as security before you would receive payments on the notes.

There are limited financial covenants in the Indenture.

The Company and its subsidiaries have latitude under the Indenture to incur additional debt and other liabilities, including additional senior debt. If the Company incurs additional debt or liabilities, the Company's ability to

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pay its obligations on the notes could be adversely affected. The Company expects that it will from time to time incur additional debt and other liabilities. In addition, the Company is not restricted from paying dividends or issuing or repurchasing its securities under the Indenture.

If a bankruptcy petition were filed by or against the Company, the holders of notes may receive a lesser amount for their claim than they would have been entitled to receive under the Indenture governing the notes.

If a bankruptcy petition were filed by or against the Company under the U.S. Bankruptcy Code after the issuance of the notes, the claim by any holder of the notes for the principal amount of the notes may be limited to an amount equal to the sum of:

the original issue price for the notes; and

that portion of the original issue discount that does not constitute unmatured interest for purposes of the U.S. Bankruptcy Code.

There is no public market for the notes, so holders of the notes may be unable to sell the notes.

The notes are a new issue of securities with no established trading market. Consequently, the notes may be relatively illiquid, and holders may be unable to sell their notes, or if you are able to sell your notes, there can be no assurance as to the price at which you will be able to sell them. Future trading prices of the notes will depend on many factors, including, among other things, prevailing interest rates, economic conditions, our financial condition and the market for similar securities. The Company does not intend to apply for listing of the notes on any securities exchange or for the inclusion of the notes in any automated quotation system.

Tax Reform could have a negative effect on holders of the notes or us.

On November 16, 2017, the U.S. House of Representatives passed the Tax Cuts and Jobs Act (H.R. 1) and the Senate Finance Committee approved a revised version of the Tax Cuts and Jobs Act, which has been referred to the full Senate for consideration (together, the Tax Reform Bills). Either of the Tax Reform Bills would make significant changes to the United States income tax rules applicable to both individuals and entities, including corporations. There is significant uncertainty as to the likelihood, timing, or details of any Tax Reform Bill being enacted and the impact of any such Tax Reform Bill on us or an investment in the notes. You are urged to consult with your tax advisor with respect to the status of the Tax Reform Bills and any other regulatory or administrative developments and proposals and their potential effect on your investment in the notes.

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Use of Proceeds

The net proceeds from this offering are estimated to be approximately \$ million, after deducting the underwriting discounts and the estimated expenses of this offering payable by us. The Company expects to apply the net proceeds from this offering towards the redemption of the Company's senior notes due 2021. Pending such use, the net proceeds will be applied to outstanding borrowings under the Company's unsecured credit facility due 2020 and may be used for other general corporate purposes.

As of November 22, 2017, the Company had approximately \$300 million of its senior notes due 2021 outstanding. The senior notes due 2021 bear interest at 5.75% per annum and mature on January 15, 2021. The Company estimates that the total amount to redeem the senior notes due 2021 will be approximately \$338.9 million consisting of: (a) \$300.0 million in outstanding principal; (b) \$7.8 million in interest accrued but not yet paid as of the redemption date; and (c) a make-whole amount of \$31.1 million. The redemption of all of the outstanding senior notes due 2021 will require funds in excess of the proceeds of this offering and the Company anticipates funding the additional amounts needed from borrowings on its unsecured credit facility and cash on hand.

As of November 22, 2017, the Company had outstanding indebtedness of \$27.0 million under its unsecured credit facility. Loans outstanding under the unsecured credit facility (other than swing line loans and competitive bid advances bear interest at a rate equal to LIBOR plus a margin ranging from 0.83% to 1.55% (1.00% as of November 22, 2017) based on the Company's unsecured debt ratings. In addition, the Company pays a facility fee per annum on the aggregate amount of commitments that ranges from 0.13% to 0.30% (0.20% as of November 22, 2017) based on the Company's unsecured debt ratings. Affiliates of certain underwriters are lenders under the Company's unsecured credit facility and therefore will receive a portion of the net proceeds from this offering through the repayment of outstanding amounts on the unsecured credit facility. See Underwriting Conflicts of interest.

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The following table sets forth the capitalization of the Company as of September 30, 2017 on an actual basis and on an as adjusted basis to reflect the sale of the notes in this offering and application of the net proceeds as described under "Use of Proceeds" in this prospectus supplement. You should read the following table in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016 and the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, which are incorporated by reference into this prospectus supplement and the accompanying prospectus. The following information is unaudited.

(dollars in thousands, except per share data)	As of September 30, 2017	
	Actual	As adjusted⁽³⁾
Cash and cash equivalents	\$ 196,981	\$
Debt obligations:		
Unsecured Credit Facility due 2020 ⁽¹⁾	\$	\$
Unsecured Term Loan due 2019	149,667	149,667
Senior Notes due 2021, net of discount ⁽²⁾	397,653	
Senior Notes due 2023, net of discount	247,601	247,601
Senior Notes due 2025, net of discount	247,987	247,987
Senior Notes due 2028, offered hereby		
Mortgage notes payable, net of discounts and including premium	123,152	123,152
Total debt obligations	\$ 1,166,060	\$
Stockholders' equity:		
Preferred stock, \$0.01 par value; 50,000,000 shares authorized; none issued and outstanding		
Common stock, \$0.01 par value; 300,000,000 shares authorized; 124,890,077 shares issued and outstanding	1,249	1,249
Additional paid-in capital	3,173,167	3,173,167
Accumulated other comprehensive loss	(1,274)	(1,274)
Cumulative net income attributable to common stockholders	1,055,499	1,055,499
Cumulative dividends	(2,364,379)	(2,364,379)
Total stockholders' equity	1,864,262	1,864,262
Total capitalization	\$ 3,030,322	\$

(1) As of November 22, 2017, the Company had borrowings of \$27.0 million outstanding under its unsecured credit facility.

(2) On November 1, 2017, the Company redeemed \$100.0 million of the senior notes due 2021 at a total redemption price of \$113.4 million, consisting of: (a) \$100.0 million in outstanding principal; (b) \$1.7 million in interest accrued but not yet paid as of the redemption date; and (c) a make-whole amount of \$11.7 million.

(3)

Prior to redemption of the senior notes due 2021, the net proceeds from this offering will be used to repay outstanding borrowings on the Company's unsecured credit facility and may be used for general corporate purposes. The As adjusted column reflects the redemption of the senior notes due 2021 at the carrying value of \$397.7 million (including the senior notes redeemed on November 1, 2017). The Company estimates that the total redemption price (including the senior notes redeemed on November 1, 2017) will be approximately \$452.3 million, consisting of: (a) \$400.0 million in outstanding principal; (b) \$9.5 million in interest accrued but not yet paid as of the redemption date; and (c) a make-whole amount of \$42.8 million. The Company expects that cash needed to redeem the remaining outstanding notes will be funded with the net proceeds of this offering, cash on hand, and additional borrowings under the Company's unsecured credit facility.

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Description of Notes

General

The % Senior Notes due 2028 will be issued as a series of debt securities under the Seventh Supplemental Indenture, dated , 2017 (the Supplemental Indenture), and related Indenture, dated May 15, 2001 (together with the Supplemental Indenture, the Indenture), between us and Branch Banking and Trust Company as trustee. The Indenture may be amended, supplemented or modified from time to time. The Indenture is subject to, and governed by, the Trust Indenture Act of 1939.

The following summary of certain provisions of the notes and the Indenture is not complete and is qualified in its entirety by reference to the actual provisions of the notes and the Indenture. Capitalized terms used but not defined in this section shall have the meanings given to them in the accompanying prospectus, the notes or the Indenture, as the case may be. When we use the term Debt Securities in this prospectus supplement, we mean all debt securities, including the notes, issued and issuable from time to time under the Indenture.

The notes will be issued in an initial aggregate principal amount of \$ million. The notes will mature on , 2028. The notes will bear interest from , 2018 at the rate per annum shown on the front cover of this prospectus supplement, payable semi-annually on and of each year, beginning , 2018 to the person in whose name the note (or any predecessor) is registered at the close of business on or , as the case may be, next preceding such interest payment date. The notes will be unsecured senior obligations of the Company. As of September 30, 2017, the Company and its subsidiaries had an aggregate of \$1.2 billion of debt, \$123.2 million of which was secured debt.

Further issuances

We may, from time to time, without notice to or the consent of the holders of the notes, increase the principal amount of this series of notes under the Indenture and issue such increased principal amount (or any portion thereof), in which case any additional notes so issued will have the same form and terms (other than the public offering price, date of issuance and, under certain circumstances, the date from which interest thereon will begin to accrue), and will carry the same right to receive accrued and unpaid interest, as the notes previously issued, and such additional notes will form a single series with the notes.

Satisfaction and discharge

The Indenture will generally cease to be of any further effect with respect to any series of notes, if:

we have delivered to the trustee for cancellation all outstanding notes of such series (with certain limited exceptions);

all notes of such series not previously delivered to the trustee for cancellation have become due and payable or are by their terms to become due and payable within one year, and we have deposited with the trustee as trust funds the entire amount sufficient to pay all of the outstanding notes; or

and if, in either case, we also pay or cause to be paid all other sums payable under the Indenture by us. The Indenture will be deemed satisfied and discharged when no notes remain outstanding and when we have paid all other sums payable by us under the Indenture.

Optional redemption

The notes may be redeemed in whole at any time or in part from time to time, at the Company's option. If the notes are redeemed before (three months prior to the maturity date of the notes) (the Par Call Date), the notes will be redeemed at a redemption price equal to the sum of (i) the Outstanding Principal Amount (as hereafter defined), (ii) the accrued and unpaid interest on the Outstanding Principal Amount, and (iii) the Make-Whole Amount (as hereafter defined), if any. The Make-Whole Amount shall be payable not only upon an

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optional redemption, but also upon accelerated payment of the notes. If the notes are redeemed on or after the Par Call Date, the notes will be redeemed at a redemption price equal to the sum of (i) the Outstanding Principal Amount and (ii) the accrued and unpaid interest on the Outstanding Principal Amount.

Make-Whole Amount means, in connection with any optional redemption or accelerated payment of any notes, the excess, if any, of (i) the sum of the present values as of the date of such redemption or accelerated payment of the remaining scheduled payments of principal and interest on the notes to be redeemed or repaid that would be due if such notes matured on the Par Call Date (not including any portion of such payments of interest accrued to the date of redemption or repayment) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate (determined on the third Business Day (as defined below) preceding the date such notice of redemption is given or declaration of acceleration is made) plus basis points, over (ii) the Outstanding Principal Amount.

Treasury Rate means, with respect to any redemption date:

the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the notes to be redeemed, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Comparable Treasury Issue means the U.S. Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes to be redeemed (assuming, for this purpose, that the notes matured on the Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

Comparable Treasury Price means (1) the average of four Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Independent Investment Banker means either Wells Fargo Securities, LLC or U.S. Bancorp Investments, Inc., as specified by us, or, if these firms are unwilling or unable to select the Comparable Treasury Issue, an independent investment banking institution of national standing appointed by us.

Outstanding Principal Amount means 100% of the principal amount of notes then outstanding to be redeemed or repaid.

Reference Treasury Dealer means each of (1) Wells Fargo Securities, LLC and its successors, (2) a Primary Treasury Dealer (as defined below) selected by U.S. Bancorp Investments, Inc. and its successors, provided, however, that if either of the foregoing shall cease to be a primary U.S. government securities dealer in the United States (a Primary Treasury Dealer), we will substitute therefor another Primary Treasury Dealer and

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(3) any two other Primary Treasury Dealers selected by us after consultation with the Independent Investment Banker.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

We will deliver a notice of redemption to each holder of notes to be redeemed at least 15 and not more than 60 days prior to the date fixed for redemption. Unless we default on payment of the redemption price, interest will cease to accrue on the notes or portions thereof called for redemption. If fewer than all of the notes are to be redeemed, the trustee will select, not more than 60 days prior to the redemption date, the particular notes or portions thereof for redemption from the outstanding notes not previously called by such method as the trustee deems fair and appropriate.

Certain covenants

As long as the notes are outstanding, we are subject to the covenants contained in the Indenture, including the following:

Limitations on incurrence of total debt. The Company will not, and will not permit any Subsidiary (as defined below) to, incur any Debt (as defined below) if, immediately after giving effect to the incurrence of such additional Debt and the application of the proceeds thereof, the aggregate principal amount of all outstanding Debt of the Company and its Subsidiaries (determined on a consolidated basis in accordance with generally accepted accounting principles) is greater than 60% of the sum of (without duplication) (i) the Total Assets (as defined below) of the Company and its Subsidiaries as of the end of the calendar quarter covered in our Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the SEC (or, if such filing is not permitted under the Securities Exchange Act of 1934, as amended, with the Trustee) prior to the incurrence of such additional Debt and (ii) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent that such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by the Company or any Subsidiary since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Debt.

Limitations on incurrence of debt secured by any lien. The Company will not, and will not permit any Subsidiary to, incur any Debt secured by any Lien (as defined below) upon any of the property of the Company or any Subsidiary if, immediately after giving effect to the incurrence of such additional Debt and the application of the proceeds thereof, the aggregate principal amount of all outstanding Debt of the Company and its Subsidiaries (determined on a consolidated basis in accordance with generally accepted accounting principles), which is secured by any Lien on property of the Company or any Subsidiary, is greater than 40% of the sum of (without duplication) (i) the Total Assets of the Company and its Subsidiaries as of the end of the calendar quarter covered in the Company's Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the SEC (or, if such filing is not permitted under the Securities Exchange Act of 1934, as amended, with the Trustee) prior to the incurrence of such additional Debt and (ii) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent that such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by the Company or any Subsidiary since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Debt.

Maintenance of total unencumbered assets. The Company and its Subsidiaries will not at any time own Total Unencumbered Assets (as defined below) equal to less than 150% of the aggregate outstanding principal amount of the Unsecured Debt (as defined below) of the Company and its Subsidiaries on a consolidated basis.

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Debt service coverage. In addition to the foregoing limitations on the incurrence of Debt, the Company will not, and will not permit any Subsidiary to, incur any Debt if the ratio of Consolidated Income Available for Debt Service (as defined below) to the Consolidated Interest Expense (as defined below) for the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred shall have been less than 1.5:1 on a pro forma basis after giving effect thereto and to the application of the proceeds therefrom, and calculated on the assumption that (i) such Debt and any other Debt incurred by the Company and its Subsidiaries since the first day of such four-quarter period and the application of the proceeds therefrom, including to refinance other Debt, had occurred at the beginning of such period; (ii) the repayment or retirement of any other Debt by the Company and its Subsidiaries since the first day of such four-quarter period had been repaid or retired at the beginning of such period (except that, in making such computation, the amount of Debt under any revolving credit facility shall be computed based upon the average daily balance of such Debt during such period); (iii) in the case of Acquired Debt (as defined below) or Debt incurred in connection with any acquisition since the first day of such four-quarter period, the related acquisition had occurred as of the first day of such period with the appropriate adjustments with respect to such acquisition being included in such pro forma calculation; and (iv) in the case of any acquisition or disposition by the Company or its Subsidiaries of any asset or group of assets since the first day of such four-quarter period, whether by merger, stock purchase or sale, or asset purchase or sale, such acquisition or disposition or any related repayment of Debt had occurred as of the first day of such period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation.

Existence. The Indenture requires the Company to keep in full force and effect its corporate existence and rights (by articles of incorporation, bylaws or statute) and the franchises of the Company and its Subsidiaries. The Company is not, however, required to preserve any right or franchise if it determines that the preservation thereof is no longer desirable in the conduct of its business and that the loss thereof is not disadvantageous in any material respect to the holders of the notes.

Maintenance of properties. The Indenture requires the Company to cause all of its properties to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and must cause to be made all necessary repairs, renewals, replacements, betterments and improvements of such properties, all as in the judgment of the Company may be necessary so that the business carried on in connection with the properties may be properly and advantageously conducted at all times. The Company and its Subsidiaries are not, however, prevented from selling or otherwise disposing for value of properties in the ordinary course of business.

Payment of taxes and other claims. The Indenture requires the Company to pay or discharge the following, before they become delinquent: (a) all taxes, assessments and governmental charges levied or imposed upon it or any Subsidiary or upon the income, profits or property of the Company or any Subsidiary, and (b) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a Lien upon the property of the Company or any Subsidiary. The Company will not be required to pay or discharge any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

Reports. For as long as the notes are outstanding and whether or not the Company is subject to Section 13 or 15(d) of the Exchange Act, the Company will, to the extent permitted under the Exchange Act, file with the SEC the annual reports, quarterly reports and other documents which the Company would have been required to file with the SEC pursuant to such Section 13 or 15(d) if the Company were so subject, such documents to be filed with the SEC on or prior to the respective dates (the Required Filing Dates) by which the Company would have been required so to file such documents if the Company were so subject.

The Company will also in any event (x) within 15 days of each Required Filing Date (i) transmit to all holders of the notes, as their names and addresses appear in the security register, without cost to such holders, copies of the annual

reports and quarterly reports which the Company would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if the Company were subject to such Sections, and (ii) file with the Trustee copies of annual reports, quarterly reports and other documents which the Company would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if the Company were subject to

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such Sections and (y) if filing such documents by the Company with the SEC is not permitted under the Exchange Act, promptly upon written request and payment of the reasonable cost of duplication and delivery, supply copies of such documents to any prospective holder.

For purposes of the foregoing covenants, the defined terms have the following meanings:

Acquired Debt means Debt of a Person (i) existing at the time such Person becomes a Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case, other than Debt incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or such acquisition. Acquired Debt shall be deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Subsidiary.

Business Day, when used with respect to any Place of Payment or any other particular location referred to in the Indenture or in the Securities, means, unless otherwise specified with respect to any Securities pursuant to Section 301 of the Indenture, any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in that Place of Payment or particular location are authorized or required by law, regulation or executive order to close.

Capital Lease means at any time a lease with respect to which the lessee is required concurrently to recognize the acquisition of any asset and the incurrence of a liability in accordance with generally accepted accounting principles.

Capital Stock means, with respect to any Person, any capital stock (including preferred stock), shares, interests, participations or other ownership interests (however designated) of such Person and any rights (other than debt securities convertible into or exchangeable for corporate stock), warrants or options to purchase any thereof.

Consolidated Income Available for Debt Service for any period means Earnings from Operations plus amounts which have been deducted, and minus amounts which have been added, for:

Consolidated Interest Expense;

provision for taxes of HR and its Subsidiaries based on income;

amortization (other than amortization of debt discount) and depreciation;

provisions for gains and losses from sales or joint ventures;

increases in deferred taxes and other non-cash items;

charges resulting from a change in accounting principles; or

charges for early extinguishment of debt.

Consolidated Interest Expense means, for any period, and without duplication, all interest (including the interest component of rentals on capitalized leases, letter of credit fees, commitment fees and other like financial charges) and all amortization of debt discount on all Debt (including, without limitation, payment-in-kind, zero coupon and other like securities) of the Company and its Subsidiaries, but excluding legal fees, title insurance charges and other out-of-pocket fees and expenses incurred in connection with the issuance of Debt, all determined in accordance with generally accepted accounting principles, and the amount of dividends which are payable during such period in respect of any Disqualified Stock.

Debt of HR or any Subsidiary means any indebtedness of the Company or any Subsidiary, whether or not contingent, in respect of (without duplication):

borrowed money or evidenced by bonds, notes, debentures or similar instruments;

indebtedness secured by any mortgage, pledge, lien, charge, encumbrance or any security interest existing on property owned by the Company or any Subsidiary;

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the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property or services, except any such balance that constitutes an accrued expense or trade payable, or all conditional sale obligations under any title retention agreement;

the principal amount of all obligations of the Company or any Subsidiary with respect to redemption, repayment or other repurchase of any Disqualified Stock;

every Hedging Obligation; or

any lease of property by the Company or any Subsidiary as lessee which is reflected on the Company's consolidated balance sheet in accordance with generally accepted accounting principles.

Debt also includes, to the extent not otherwise included, any obligation by the Company or any Subsidiary to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), Debt of another Person (other than the Company or any Subsidiary).

Disqualified Stock means, with respect to any Person, any Capital Stock of such Person which by the terms of such Capital Stock (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable), upon the happening of any event or otherwise:

matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than Capital Stock which is redeemable solely in exchange for common stock);

is convertible into or exchangeable or exercisable for Debt or Disqualified Stock; or

is redeemable at the option of the holder thereof, in whole or in part (other than Capital Stock which is redeemable solely in exchange for Capital Stock which is not Disqualified Stock or the redemption price of which may, at the option of such Person, be paid in Capital Stock which is not Disqualified Stock), in each case on or prior to the Stated Maturity of the notes.

Earnings from Operations for any period means the net earnings determined in accordance with generally accepted accounting principles, excluding gains and losses on sales of investments, extraordinary items and property valuation losses.

Hedging Obligation means, with respect to any Person, all obligations of such Person under:

interest rate swap agreements, interest rate cap agreements and interest rate collar agreements;

foreign exchange contracts, currency swap agreements or similar agreements; and

other agreements or arrangements designed to protect such Person against fluctuations, or otherwise to establish financial hedges in respect of, exchange rates, currency rates or interest rates.

Lien means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including, in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

Mortgage Debt means Debt of the Company or any Subsidiary secured by a Lien on one or more parcels of their real property.

Person means an individual, partnership, corporation, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, government agency or political subdivision of a government agency.

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Place of Payment means, when used with respect to the Securities of or within any series, the place or places where the principal of (and premium or Make-Whole Amount, if any) and interest on such Securities are payable as specified as contemplated by Sections 301 and 1002 of the Indenture.

Secured Debt means Debt secured by any mortgage, trust deed, deed of trust, deed to secure debt, security agreement, pledge, conditional sale or other title retention agreement, capitalized lease, or other like agreement granting or conveying security title to or a security interest in real property or other tangible assets, other than those relating to intercompany debt. For purposes hereof, such Debt shall become Secured Debt at the time it first becomes secured by execution of any of the documents, instruments or agreements described in the immediately preceding sentence.

Security means any security or securities authenticated and delivered under the Indenture.

Stated Maturity means, when used with respect to any Security or any installment of principal of such Security or interest on such Security, the date specified in such Security or a coupon representing such installment of interest as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable.

Subsidiary means, with respect to any Person, any corporation or other entity of which a majority of (i) the voting power of the voting equity securities or (ii) the outstanding equity interests of which are owned, directly or indirectly, by such Person. For purposes of this definition, **voting equity securities** means equity securities having voting power for the election of directors, whether at all times or only so long as no senior class of security has such voting power by reason of any contingency.

Total Assets as of any date means the sum of (i) Undepreciated Real Estate Assets and (ii) all other assets of the Company determined in accordance with generally accepted accounting principles (excluding accounts receivable and non-real estate intangibles).

Total Unencumbered Assets as of any date means the sum of (i) those Undepreciated Real Estate Assets not securing any portion of Secured Debt and (ii) all other assets of HR and its Subsidiaries not securing any portion of Secured Debt determined in accordance with GAAP (but excluding accounts receivable and non-real estate intangibles) after eliminating intercompany accounts and transactions; provided, however, that, all investments in any Person that is not consolidated for financial reporting purposes in accordance with GAAP shall be excluded from Total Unencumbered Assets.

Undepreciated Real Estate Assets as of any date means the cost (original cost plus capital improvements) of any real estate assets of the Company and its Subsidiaries on such date, before depreciation and amortization, determined on a consolidated basis in accordance with generally accepted accounting principles.

Unsecured Debt means at any time the aggregate unpaid principal amount of all Debt of the Company and its Subsidiaries other than (i) Debt of a Subsidiary owing to the Company or to a Wholly-Owned Subsidiary, (ii) Mortgage Debt and (iii) Secured Debt.

Wholly-Owned Subsidiary means, at any time, any Subsidiary 100% of the equity interests (except directors qualifying shares) and voting interests and all Debt of which are owned by any one or more of the Company and its other Wholly-Owned Subsidiaries at such time.

Merger, consolidation or sale

The Indenture provides that we may consolidate with, or sell, lease or convey all or substantially all of our assets to, or merge with or into, any other Person, provided that:

either the Company shall be the continuing entity, or the successor entity (if other than us) shall be a Person organized and existing under the laws of the United States or a state thereof and such successor entity shall expressly assume all of our obligations under the Indenture;

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immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Company or any Subsidiary as a result of such transaction as having been incurred by us or such Subsidiary at the time of such transaction, no Event of Default under the Indenture, and no event which, after notice or the lapse of time, or both, would become such an Event of Default, shall have occurred and be continuing; and

an officer's certificate and legal opinion covering such conditions shall be delivered to the Trustee.

Events of default, notice and waiver

The following events constitute Event(s) of Default under the Indenture with respect to the notes:

default in the payment of any installment of interest on any of the notes, and the continuance of such default for a period of 30 days;

default in the payment of principal of (or premium or Make-Whole Amount, if any, on) any of the notes;

default in the performance or breach of any other covenant or warranty of the Company contained in the Indenture (other than a covenant added to the Indenture solely for the benefit of a series of Debt Securities issued under the Indenture other than the notes), continued for 60 days after written notice as provided in the Indenture;

default in the payment of any recourse indebtedness of the Company or any bond, debenture, note, mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any such recourse indebtedness for money borrowed by the Company (or by any Subsidiary, the repayment of which the Company has guaranteed or for which the Company is directly responsible or liable as obligor or guarantor) having an aggregate principal amount exceeding \$10,000,000, such default having occurred after the expiration of any applicable grace period and having resulted in the acceleration of the maturity of such indebtedness, but only if such indebtedness is not discharged or such acceleration is not rescinded or annulled within ten days after the Company is given a notice of such default as provided in the Indenture;

the entry by a court of competent jurisdiction of one or more judgments, orders or decrees against the Company or its subsidiaries in an aggregate amount in excess of \$10,000,000, if such judgment, order or decree remains undischarged, unstayed and unsatisfied in an aggregate amount (excluding amounts covered by insurance) in excess of \$10,000,000 for a period of thirty consecutive days; or

certain events of bankruptcy, insolvency or reorganization, or court appointment of a receiver, liquidator or trustee of the Company, certain of its subsidiaries, or its property.

If an Event of Default under the Indenture (other than an Event of Default arising from bankruptcy, insolvency or reorganization of the Company) occurs and is continuing, then the Trustee or the holders of not less than 25% of the principal amount of the outstanding notes will have the right to declare the principal amount, and the Make-Whole

Amount, if any, of all the notes to be due and payable immediately by written notice to the Company (and to the Trustee if given by the holders). If an Event of Default with respect to the notes results from bankruptcy, insolvency or reorganization of the Company, all outstanding notes shall become due and payable without any further action or notice. However, at any time after such a declaration of acceleration with respect to the notes has been made, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in principal amount of the outstanding notes by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if (a) the Company shall have paid or deposited with the Trustee a sum sufficient to pay all overdue installments of interest on the outstanding notes, the principal of (and premium or Make-Whole Amount, if any, on) any outstanding notes which have become due otherwise than by such declaration of acceleration and interest on such notes, all other overdue amounts and certain compensation, expense, disbursements and advances of the Trustee and (b) all Events of Default, other than the non-payment of

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accelerated principal (or specified portion thereof or premium or Make-Whole Amount, if any, with respect to the notes have been cured or waived as provided in the Indenture. The Indenture also provides that the holders of not less than a majority in principal amount of the outstanding notes may waive any past default with respect to the notes and its consequences, except a default (x) in the payment of the principal of (or premium or Make-Whole Amount, if any) or interest on or additional amounts payable in respect of any notes or (y) in respect of a covenant or provision contained in the Indenture that cannot be modified or amended without the consent of the holder of each outstanding note affected thereby.

The Trustee will be required to give notice to the holders of the notes within 90 days of a default under the Indenture of which the Trustee has knowledge unless such default shall have been cured or waived. The Trustee may, however, withhold notice to the holders of the notes of any default with respect to such notes, except a default in the payment of the principal of (or premium or Make-Whole Amount, if any) or interest on any note if specific responsible officers of the Trustee in good faith consider such withholding to be in the interest of the holders of the notes.

The Indenture provides that no holder of the notes may institute any proceedings, judicial or otherwise, with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless: (i) such holder has previously given notice to the Trustee of a continuing Event of Default, (ii) the holders of not less than 25% in principal amount of the notes have made a written request to the Trustee to institute proceedings in respect of such Event of Default; (iii) such holder or holders have offered the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (iv) the Trustee, for 60 days after receipt of the notice, request and offer of indemnity has failed to institute any proceeding in respect of the Event of Default; and (v) the Trustee has not received during such 60-day period an inconsistent written direction from the holders of a majority in principal amount of the outstanding notes; however, no one or more holders shall have any right in any manner whatsoever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the rights of any other holder, or to obtain or to seek to obtain priority or preference over any other holder or to enforce any right under the Indenture, except in the manner provided in the Indenture and for the equal and ratable benefit of all of the holders.

The foregoing restrictions on instituting proceedings will not prevent any holder of notes from instituting suit for the enforcement of payment of the principal of (and premium and Make-Whole Amount, if any) and interest on such notes at the respective due dates of the notes.

Subject to these duties in case of an Event of Default, the Trustee will not be under any obligation to exercise any of its rights or powers under the Indenture at the request or direction of any holders of any notes then outstanding under the Indenture, unless such holders shall have offered to the Trustee reasonable security or indemnity. The holders of not less than a majority in principal amount of the outstanding notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or of exercising any trust or power conferred upon the Trustee with respect to the notes. However, the Trustee may refuse to follow any direction which is in conflict with any law or the Indenture, which may involve the Trustee in personal liability or which may be unduly prejudicial to the holders of notes not joining therein.

Within 120 days after the close of each fiscal year, the Company is required to deliver to the Trustee a certificate, signed by one of several specified officers, stating whether or not such officer has knowledge of any default under the Indenture and, if so, specifying each such default and the nature and status of such default.

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Modification of the indenture

Modifications and amendments of the Indenture may be made by the Company and the Trustee, with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding notes issued under the Indenture which are affected by the modification or amendment, but no such modification may, without a consent of each holder of such notes affected by such modification:

change the stated maturity date of the principal of (or premium or Make-Whole Amount, if any) or any installment of interest, if any, on any note;

reduce the principal amount of (or premium or Make-Whole Amount, if any) or the rate or amount of interest, if any, or other payment term on any note;

change the place or currency of payment of principal of (or premium or Make-Whole Amount, if any) or interest, if any, on any note;

impair the right to institute suit for the enforcement of any such payment on or with respect to any notes;

reduce the above-stated percentage of holders of notes necessary to modify or amend the Indenture; and

modify the foregoing requirements or reduce the percentage of outstanding notes necessary to waive compliance with certain provisions of the Indenture or for waiver of certain defaults.

The holders of not less than a majority in principal amount of outstanding notes affected thereby will have the right to waive compliance by the Company with certain covenants in the Indenture.

Modifications and amendments of the Indenture may be made by the Company and the Trustee without the consent of the holders for certain matters, including creation of additional classes of Debt Securities, adding to the covenants of the Company for the benefit of the holders of the notes and adding, changing or eliminating any provisions of the Indenture in respect to other series of Debt Securities, provided that such addition, change or elimination shall not adversely affect the rights of the holders of the outstanding notes.

The Indenture contains provisions for convening the meeting of the holders of notes to take permitted action. A record date may be set for any act of the holders of the notes with respect to consent to an amendment.

Defeasance and covenant defeasance

The notes are subject to defeasance and covenant defeasance, as described in the Indenture. Specifically, the Company, at its option (a) will be discharged from any and all obligations in respect of the notes (except for certain obligations to register the transfer or exchange of the notes, to replace, destroyed, stolen, lost or mutilated notes, and to maintain an office or agency in respect of the notes and hold moneys for payment in trust) or (b) will be released from its obligations to comply with the covenants that are specified under **Certain Covenants** above with respect to the

notes, and the occurrence of an Event of Default described above shall no longer be an Event of Default if, in either case, the Company irrevocably deposits with the Trustee, in trust, money or U.S. Government obligations that through payment of interest thereon and principal thereof in accordance with their terms will provide money in an amount sufficient to pay all of the principal of (and premium or Make-Whole Amount, if any) and any interest on the notes on the dates such payments are due (which may include one or more redemption dates designated by the Company) in accordance with the terms of such notes and certain other conditions provided for in the Indenture are complied with. Such a trust may only be established if, among other things, (a) no Event of Default or event which with the giving of notice or lapse of time, or both, would become an Event of Default under the Indenture shall have occurred and be continuing on the date of such deposit, and (b) the Company shall have delivered an opinion of counsel to the effect that the holders of the notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of

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such deposit or defeasance and will be subject to U.S. federal income tax in the same manner as if such deposit and defeasance had not occurred. In the event the Company omits to comply with its remaining obligations under the Indenture after a defeasance of the Indenture with respect to the notes as described above and the notes are declared due and payable because of the occurrence of any undefeased Event of Default, the amount of money and U.S. Government Obligations on deposit with the applicable Trustee may be insufficient to pay amounts due on the notes at the time of the acceleration resulting from such Event of Default. However, the Company will remain liable for such payments.

Sinking fund

The notes are not entitled to any sinking fund payments.

The registrar and paying agent

The Company has initially designated Branch Banking and Trust Company, as the registrar and paying agent for the notes. Payments of interest and principal will be made, and the notes will be transferable, at the office of the paying agent, which is located at 223 Nash Street W, Second Floor, Wilson, North Carolina 27893, or at such other place or places as may be designated pursuant to the Indenture. In the case of notes which the Company issued in book-entry form represented by a global security, payments will be made to a nominee of the depository.

Book-entry system

Global Notes

The Company will issue the notes in the form of global notes in definitive, fully registered, book entry form. The global notes will be deposited with or on behalf of The Depository Trust Company (DTC) and registered in the name of Cede & Co., as nominee of DTC.

DTC, Clearstream and Euroclear

Beneficial interests in the global notes will be represented through book entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may hold interests in the global notes through either DTC (in the United States), Clearstream Banking, société anonyme, Luxembourg, which we refer to as Clearstream, or Euroclear Bank S.A./N.V., as operator of the Euroclear System, which we refer to as Euroclear, in Europe, either directly if they are participants in such systems or indirectly through organizations that are participants in such systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers securities accounts in Clearstream s and Euroclear s names on the books of their U.S. depositories, which in turn will hold such interests in customers securities accounts in the U.S. depositories names on the books of DTC.

The Company has obtained the information in this section concerning DTC, Clearstream and Euroclear and the book entry system and procedures from sources that we believe to be reliable, but we take no responsibility for the accuracy of this information.

The Company understands that:

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act.

DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that

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DTC's participants, which we refer to as or Direct Participants, deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants accounts. This eliminates the need for physical movement of securities certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations.

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation, or DTCC. DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries.

Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly, or Indirect Participants.

The DTC Rules applicable to its participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

The Company understands that Clearstream is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its customers and facilitates the clearance and settlement of securities transactions between its customers through electronic book entry changes in accounts of its customers, thereby eliminating the need for physical movement of certificates. Clearstream provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Section. Clearstream customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and other organizations and may include the underwriters. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream customer either directly or indirectly.

The Company understands that Euroclear was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V., which we refer to as the Euroclear Operator, under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation, which we refer to as the Cooperative. All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers, and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Company understands that the Euroclear Operator is licensed by the Belgian Banking and Finance Commission to carry out banking activities on a global basis. As a Belgian bank, it is regulated and examined by the Belgian Banking and Finance Commission.

The Company has provided the descriptions of the operations and procedures of DTC, Clearstream and Euroclear in this prospectus supplement solely as a matter of convenience, and we make no representation or warranty of any kind with respect to these operations and procedures. These operations and procedures are solely within the

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control of those organizations and are subject to change by them from time to time. None of us, the underwriters or the trustee takes any responsibility for these operations or procedures, and you are urged to contact DTC, Clearstream and Euroclear or their participants directly to discuss these matters.

The Company expects that under procedures established by DTC:

upon deposit of the global notes with DTC or its custodian, DTC will credit on its internal system the accounts of direct participants designated by the underwriters with portions of the principal amounts of the global notes; and

ownership of the notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC or its nominee, with respect to interests of direct participants, and the records of direct and indirect participants, with respect to interests of persons other than participants.

Neither DTC nor its nominee, Cede & Co. (nor any other DTC nominee) will consent or vote with respect to securities unless authorized by a direct participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to the issuer as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts securities are credited on the record date (identified in a listing attached to the omnibus proxy).

Conveyance of notices and other communication among DTC, participants and holders of securities will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such issue to be redeemed.

The laws of some jurisdictions may require that purchasers of securities take physical delivery of those securities in definitive form. Accordingly, the ability to transfer interests in the notes represented by a global note to those persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in notes represented by a global note to pledge or transfer those interests to persons or entities that do not participate in DTC's system, or otherwise to take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a global note, DTC or that nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the indenture and under the notes. Except as provided below, owners of beneficial interests in a global note will not be entitled to have notes represented by that global note registered in their names, will not receive or be entitled to receive physical delivery of certificated notes and will not be considered the owners or holders thereof under the indenture or under the notes for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee. Accordingly, each holder owning a beneficial interest in a global note must rely on the procedures of DTC and, if that holder is not a direct or indirect participant, on the procedures of the participant through which that holder owns its interest, to exercise any rights of a holder of notes under the indenture or a global note.

Neither the Company nor the trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by DTC, Clearstream or Euroclear, or for maintaining, supervising or reviewing any records of those organizations relating to the notes.

Payments on the notes represented by the global notes will be made to DTC or its nominee, as the case may be, as the registered owner thereof. The Company expects that DTC or its nominee, upon receipt of any payment on the notes represented by a global note, will credit participants' accounts with payments in amounts proportionate

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to their respective beneficial interests in the global note as shown in the records of DTC or its nominee. The Company also expects that payments by participants to owners of beneficial interests in the global note held through such participants will be governed by standing instructions and customary practice as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. The participants will be solely responsible for those payments.

Distributions on the notes held beneficially through Clearstream will be credited to cash accounts of its customers in accordance with its rules and procedures, to the extent received by the U.S. depository for Clearstream.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively referred to herein as the Terms and Conditions). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

Distributions on the notes held beneficially through Euroclear will be credited to the cash accounts of its participants in accordance with the Terms and Conditions, to the extent received by the U.S. depository for Euroclear.

Clearance and Settlement Procedures

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds. Secondary market trading between Clearstream customers and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear, as applicable, and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

Cross market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream customers or Euroclear participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the U.S. depository. Such cross market transactions, however, will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the U.S. depository to take action to effect final settlement on its behalf by delivering or receiving the notes in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream customers and Euroclear participants may not deliver instructions directly to their U.S. depositories.

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Because of time zone differences, credits of the notes received in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in the notes settled during such processing will be reported to the relevant Clearstream customers or Euroclear participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of the notes by or through a Clearstream customer or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures to facilitate transfers of the notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be changed or discontinued at any time.

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U.S. Federal Income Tax Considerations

The following summary is a general discussion of U.S. federal income tax considerations to U.S. Holders and Non-U.S. Holders (each as defined herein) with respect to the ownership and disposition of the notes. This discussion applies only to holders who purchase the notes for cash pursuant to this prospectus supplement at the offering price on the first page of this prospectus supplement and who hold the notes as capital assets (i.e., generally as investments) within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the Code). Because this discussion is directed solely to prospective purchasers in the initial offering, it does not address some issues that are relevant to subsequent purchasers of the notes, including, but not limited to, the treatment of market discount and bond premium for U.S. federal income tax purposes. This summary is for general information only and does not deal with special tax considerations including, but not limited to, those that may be relevant to particular holders, such as tax-exempt organizations, holders subject to the U.S. federal alternative minimum tax, brokers, dealers in securities, banks or other financial institutions, hybrid entities, real estate investment trusts, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, insurance companies, regulated investment companies, expatriates and former long-term residents of the United States, partnerships or other pass-through entities for U.S. federal income tax purposes or investors therein, individual retirement and other tax-deferred accounts, U.S. Holders holding notes through non-U.S. brokers or other non-U.S. intermediaries, U.S. Holders whose functional currency is not the U.S. dollar and persons who hold the notes in connection with a straddle, conversion or other integrated transaction. This discussion does not address U.S. federal non-income tax laws, including U.S. federal estate or gift tax laws, or the tax laws of any state, local or foreign government that may be applicable to the notes.

If any entity treated as a partnership for U.S. federal income tax purposes holds a note, the U.S. federal income tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A partnership considering an investment in the notes and partners in such a partnership should consult their own tax advisors about the U.S. federal income tax consequences of the ownership and disposition of the notes.

The U.S. federal income tax considerations set forth below are based upon the Code, Treasury regulations promulgated thereunder, court decisions, and rulings and pronouncements of the Internal Revenue Service (IRS), all as in effect on the date hereof and all of which are subject to change (possibly with retroactive effect). Any change may result in U.S. federal income tax consequences different from those discussed below. No ruling has been or is expected to be sought from the IRS with respect to the statements made and the conclusions reached in this discussion, and we cannot assure you that the IRS will not take a contrary position concerning the U.S. federal income tax consequences of the ownership or disposition of the notes or that a court would not sustain any such position. This summary is not intended to be, and should not be construed to be, legal or tax advice to any particular purchaser of notes. Prospective investors in the notes are urged to consult their tax advisors with regard to the application of the U.S. federal income tax laws to their particular situation, as well as any tax consequences arising under other federal tax laws (such as estate and gift tax laws) or the laws of any state, local or non-U.S. taxing jurisdiction.

U.S. holders

As used in this prospectus supplement, the term U.S. Holder means a beneficial owner of a note that is for U.S. federal income tax purposes:

an individual who is a citizen or resident of the United States;

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a corporation (including any entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state in the United States or the District of Columbia;

an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or

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a trust if it (i) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

Payments of interest

Payments of stated interest on a note generally will be taxable to a U.S. Holder as ordinary interest income at the time the interest accrues or is received, in accordance with such U.S. Holder's regular method of tax accounting for U.S. federal income tax purposes.

Sale, exchange, retirement, redemption or other taxable disposition of a note

A U.S. Holder of a note will generally recognize capital gain or loss on a sale, exchange, redemption, retirement or other taxable disposition of a note measured by the difference, if any, between:

the amount of cash and the fair market value of any property received in the transaction (not including any amounts attributable to accrued but unpaid stated interest, which will be treated as ordinary income to the extent not previously taxed); and

the U.S. Holder's adjusted tax basis in the note (generally the cost of the note to such U.S. Holder).

In general, gain or loss recognized on the sale, exchange, retirement, redemption or other taxable disposition of a note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder has held the note for more than one year at the time of the disposition. The deductibility of capital losses is subject to limitations.

3.8% Medicare tax

U.S. Holders who are individuals, estates, and certain trusts are subject to an additional 3.8% Medicare tax on all or a portion of their net investment income, which generally will include the interest payments and any gain realized with respect to the notes, to the extent that their net investment income, when added to their other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), or \$125,000 for a married individual filing a separate return. U.S. Holders should consult their own tax advisors with respect to the 3.8% Medicare tax.

Backup withholding and information reporting

In general, information returns will be filed annually with the IRS and provided to each U.S. Holder that is not an exempt recipient in connection with any interest payments on the notes and the proceeds from a sale or other disposition of the notes. In addition, a U.S. Holder may be subject to backup withholding (currently at the rate of 28%) on payments of these amounts unless the U.S. Holder provides a correct taxpayer identification number (TIN) and certifies, under penalties of perjury, that it is a U.S. person, the TIN is correct (or that the U.S. Holder is awaiting a TIN) and the U.S. Holder either (a) is exempt from backup withholding, (b) has not been informed by the IRS that backup withholding is required due to a prior underreporting of interest or dividends or (c) has been informed by the IRS that backup withholding is no longer required. U.S. Holders should consult their own tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such exemption. Backup withholding is not an additional tax. Amounts withheld under backup withholding will be creditable against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the requisite

information is timely provided to the IRS.

Non-U.S. holders

As used in this prospectus supplement, a Non-U.S. Holder means a beneficial owner of a note that is for U.S. federal income tax purposes:

a non-resident alien individual;

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a foreign corporation; or

a foreign estate or trust.

For purposes of this discussion, a Non-U.S. Holder does not include a holder who is an individual present in the United States for 183 days or more in the taxable year of disposition of their notes but who is not a resident of the United States for U.S. federal income tax purposes. Such a holder is urged to consult his or her own tax advisor regarding the U.S. income tax consequences of the ownership and disposition of the notes.

Payments of interest

Subject to the discussion of backup withholding below and FATCA (defined below), payments of interest on the notes made to a Non-U.S. Holder will be exempt from U.S. federal income and withholding tax, provided that (a) the Non-U.S. Holder (i) does not own, actually or constructively, 10% or more of the total combined voting power of all classes of the Company's stock entitled to vote and (ii) is not, for U.S. federal income tax purposes, a controlled foreign corporation (within the meaning of Section 957(a) of the Code) related to the Company through stock ownership; (b) the statement set forth in Section 871(h) or Section 881(c) of the Code has been fulfilled with respect to the Non-U.S. Holder, as discussed below; and (c) such payments are not effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States. The statement referred to in clause (b) of the preceding sentence will be fulfilled if the Non-U.S. Holder certifies on IRS Form W-8BEN or W-8BEN-E (or other applicable form), under penalties of perjury, that it is not a U.S. person and provides its name and address or otherwise satisfies applicable documentation requirements.

If a Non-U.S. Holder cannot satisfy the requirements described above, payments of interest will be subject to U.S. federal withholding tax at a rate of 30%, unless the Non-U.S. Holder provides the Company with a properly executed (a) IRS Form W-8BEN or W-8BEN-E (or other applicable form) claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty or (b) IRS Form W-8ECI (or other applicable form) stating that interest paid on the notes is not subject to withholding tax because it is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States (as discussed below). Non-U.S. Holders should consult their own tax advisors regarding these certification requirements.

Sale, exchange, retirement, redemption or other taxable disposition of a note

Subject to the discussion of backup withholding below, U.S. federal withholding tax generally will not apply to any gain that a Non-U.S. Holder realizes on the sale, exchange, retirement, redemption or other disposition of a note. Any gain realized on the sale, exchange, retirement, redemption or other disposition of a note by a Non-U.S. Holder generally will also not be subject to U.S. federal income tax unless the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment of the Non-U.S. Holder).

United States trade or business

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on the note or gain from the sale, exchange, retirement, redemption or other disposition of the note is effectively connected with the conduct of that trade or business (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the Non-U.S. Holder), the Non-U.S. Holder generally will be subject to U.S. federal income tax on that interest or gain on a net income basis (and the Non-U.S. Holder will be exempt from U.S. federal withholding tax on interest, provided the certification requirements discussed above are satisfied) in the same manner as if the

Non-U.S. Holder were a U.S. Holder, unless an applicable income tax treaty provides otherwise. A Non-U.S. Holder that is engaged in a trade or business in the United States should consult its own tax advisor with respect to other U.S. tax consequences of the ownership and disposition of the notes including, if such Non-U.S. Holder is a foreign corporation, the possible imposition of a branch profits tax equal to 30% (or lower applicable treaty rate) of such foreign corporation's effectively connected earnings and profits (subject to certain adjustments).

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Backup withholding and information reporting

Information returns generally will be filed annually with the IRS and provided to each Non-U.S. Holder with respect to any payments of interest on the notes. Copies of these information returns also may be made available to the tax authorities of the country in which the Non-U.S. Holder resides under the provisions of a specific treaty or agreement.

Under certain circumstances, the Code imposes a backup withholding obligation (currently at the rate of 28%). Interest paid to a Non-U.S. Holder of a note generally will be exempt from backup withholding if the Non-U.S. Holder provides a properly executed IRS Form W-8BEN or W-8BEN-E certifying its non-U.S. status or otherwise establishes an exemption. Non-U.S. Holders should consult their own tax advisors regarding their qualification for exemption from backup withholding.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale, exchange, retirement, redemption or other disposition of the notes within the United States or conducted through certain United States-related financial intermediaries, unless the Non-U.S. Holder certifies to the applicable withholding agent under penalties of perjury that it is not a U.S. person or otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amount paid as backup withholding will be creditable against the Non-U.S. Holder's U.S. federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the requisite information is timely provided to the IRS.

Foreign account tax compliance

The Foreign Account Tax Compliance Act (FATCA) imposes a withholding tax of 30% on payments of interest on the notes and, on or after January 1, 2019, on payments of the gross proceeds from a disposition of the notes made to a foreign financial institution (including, in some instances, where such entity is acting as an intermediary), unless such institution enters into an agreement with the U.S. government to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which would include certain account holders that are foreign entities with U.S. owners). Additionally, FATCA imposes a withholding tax of 30% on payments of interest on the notes and, on or after January 1, 2019, payments of the gross proceeds from a disposition of the notes