Physicians Realty Trust
Form 424B5
September 09, 2014
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Filed pursuant to Rule 424(b)(5)

Registration No. 333-197842

PROSPECTUS SUPPLEMENT

(To Prospectus dated August 19, 2014)

9,500,000 Common Shares

We are offering 9,500,000 common shares of beneficial interest, $0.01 par value per share. We are a self-managed healthcare real estate company that acquires, selectively develops, owns and manages healthcare properties that are leased to physicians, hospitals and healthcare delivery systems. We invest in real estate that is integral to providing high quality healthcare services. Our properties typically are on a campus with a hospital or other healthcare facilities or strategically located and affiliated with a hospital or other healthcare facilities. Our management team has significant public healthcare real estate investment trust (REIT) experience and long established relationships with physicians, hospitals and healthcare delivery system decision makers that we believe will provide quality investment opportunities to generate attractive risk-adjusted returns to our shareholders.

Our common shares trade on the New York Stock Exchange under the symbol DOC. On September 8, 2014, the last sale price of our common shares as reported on the New York Stock Exchange was $14.57 per share.

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

We are an emerging growth company under the federal securities laws and have reduced public company reporting requirements. Investing in our securities involves a high degree of risk. You should review carefully the risks and uncertainties described under the heading Risk Factors contained in this prospectus supplement beginning on page S-7 and page 4 of the accompanying prospectus, and under similar headings in the other documents that are incorporated by reference into this prospectus supplement.

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		Per Share		Total
Public offering price	$	14.00	$	133,000,000
Underwriting discount(1)	$	0.595	$	5,652,500
Proceeds, before expenses, to us	$	13.405	$	127,347,500

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

The underwriters may also exercise their option to purchase up to an additional 1,425,000 common shares from us, at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus supplement.

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 underwriters are offering the common shares as set forth under Underwriting. The common shares will be ready for delivery on or about September 12, 2014.

Joint Book-Running Managers

BofA Merrill Lynch **KeyBanc Capital Markets** **BMO Capital Markets**

Wunderlich Securities **RBC Capital Markets**

Co-Lead Managers

Oppenheimer & Co. **Janney Montgomery Scott**

Co-Managers

Regions Securities LLC **Comerica Securities**
Compass Point **J.J.B. Hilliard, W.L. Lyons, LLC**

The date of this prospectus supplement is September 9, 2014

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You should rely only on the information contained in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by us or information to which we have referred you, including any information incorporated by reference herein. We have not authorized anyone to provide information that is different. This document may only be used in jurisdictions where it is legal to sell these securities. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by us or information to which we have referred you, including any information incorporated by reference herein, is accurate only as of their respective dates or on the date or dates specified in those documents. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

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PROSPECTUS SUPPLEMENT

PROSPECTUS

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

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about and to observe any restrictions relating to this offering and the distribution of this prospectus supplement and the accompanying prospectus.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined. This prospectus supplement may add to, update or change information in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement or the accompanying prospectus.

If information in this prospectus supplement is inconsistent with the accompanying prospectus or documents incorporated by reference, the information in this prospectus supplement shall supersede such information. In addition, any statement in a filing we make with the Securities and Exchange Commission (the SEC) that adds to, updates or changes information contained in an earlier filing we made with the SEC shall be deemed to modify and supersede such information in the earlier filing. This prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference include important information about us, the common shares being offered and other information you should know before investing in these securities.

You should rely only on this prospectus supplement, the accompanying prospectus and the information incorporated or deemed to be incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. We have not, and the underwriters have not, authorized anyone to provide you with information that is in addition to, or different from, that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters have not, offering to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than as of the date of this prospectus supplement or the accompanying prospectus, as the case may be, or in the case of the documents incorporated by reference, the date of such documents regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of our common shares. Our business, financial condition, liquidity, results of operations, and prospects may have changed since those dates.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and some of the documents that are incorporated by reference herein, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, which we refer to as our 2013 10-K , our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014, which we refer to as our First Quarter 2014 10-Q and our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014, which we refer to as our Second Quarter 2014 10-Q , contain various forward-looking statements within the meaning of the federal securities lawsIn particular, statements pertaining to our capital resources, property performance and results of operations contain forward-looking statements. Likewise, our pro forma financial statements and all of our statements regarding anticipated growth in our funds from operations and anticipated market conditions, demographics and results of operations are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as believes, expects, may, will, shou seeks, approximately, intends, plans, pro forma, estimates or anticipates or the negative of these words and phrases or similar words or which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- general economic conditions;
- adverse economic or real estate developments, either nationally or in the markets in which our properties are located;
- our failure to generate sufficient cash flows to service our outstanding indebtedness;
- fluctuations in interest rates and increased operating costs;
- the availability, terms and deployment of debt and equity capital, including our senior secured revolving credit facility;
- our ability to make distributions on our shares of beneficial interest;
- general volatility of the market price of our common shares;
- our limited operating history;
- our increased vulnerability economically due to the concentration of our investments in healthcare properties;
- a substantial portion of our revenue is derived from our five largest tenants and thus, the bankruptcy, insolvency or weakened financial position of any one of them could seriously harm our operating results and financial condition;
- our geographic concentrations in Texas and the greater Atlanta, Georgia metropolitan area causes us to be particularly exposed to downturns in these local economies or other changes in local real estate market conditions;

- changes in our business or strategy;
- our dependence upon key personnel whose continued service is not guaranteed;
- our ability to identify, hire and retain highly qualified personnel in the future;
- the degree and nature of our competition;
- changes in governmental regulations, tax rates and similar matters;
- defaults on or non-renewal of leases by tenants;
- decreased rental rates or increased vacancy rates;
- difficulties in identifying healthcare properties to acquire and complete acquisitions;
- competition for investment opportunities;
- our failure to successfully develop, integrate and operate acquired properties and operations;
- the impact of our investment in joint ventures;
- the financial condition and liquidity of, or disputes with, joint venture and development partners;
- our ability to operate as a public company;
- changes in accounting principles generally accepted in the United States (or GAAP);
- lack of or insufficient amounts of insurance;
- other factors affecting the real estate industry generally;
- our failure to qualify and maintain our qualification as a REIT for U.S. federal income tax purposes;
- limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for U.S. federal income tax purposes; and

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- changes in governmental regulations or interpretations thereof, such as real estate and zoning laws and increases in real property tax rates and taxation of REITs.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes after the date of this prospectus supplement, except as required by applicable law. You should not place undue reliance on any forward-looking statements that are based on information currently available to us or the third parties making the forward-looking statements. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section below entitled Risk Factors, including the risks incorporated by reference therein from our 2013 10-K, as updated by our subsequent filings with the SEC.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information appearing elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus and may not contain all of the information that you should consider before making an investment in our common shares. You should read carefully this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, including the 2013 10-K, the First Quarter 10-Q and the Second Quarter 10-Q, and any free writing prospectus we have filed. Please read Risk Factors for more information about important risks that you should consider before investing in our common shares.

Unless the context otherwise requires or indicates, all references to we, us, our, our company, the Trust, the Company, and Physicians Realty refer to Physicians Realty Trust, a Maryland real estate investment trust, together with its consolidated subsidiaries, including Physicians Realty L.P., a Delaware limited partnership, which we refer to as our operating partnership, and the historical business and operations of four healthcare real estate funds that we have classified for accounting purposes as our Predecessor and which we sometimes refer to as the Ziegler Funds, and not to the persons who manage us or sit on our Board of Trustees.

Our Company

We are a self-managed healthcare real estate company organized in April 2013 to acquire, selectively develop, own and manage healthcare properties that are leased to physicians, hospitals and healthcare delivery systems. We completed our initial public offering (IPO) in July 2013. As of the date of this prospectus supplement, our portfolio consisted of 57 properties located in 17 states with approximately 1,934,564 net leasable square feet, which were approximately 94.8% leased with a weighted average remaining lease term of approximately 9.5 years and approximately 54.8% of the net leasable square footage of our portfolio was affiliated with a healthcare delivery system and approximately 58.6% of the net leasable square footage of our properties is located within approximately 1/4 mile of a hospital campus.

We receive a cash rental stream from these healthcare providers under our leases. Approximately 87.4% of the annualized base rent payments from our properties as of June 30, 2014 are from triple net leases, pursuant to which the tenants are responsible for all operating expenses relating to the property, including but not limited to real estate taxes, utilities, property insurance, routine maintenance and repairs, and property management. This structure helps insulate us from increases in certain operating expenses and provides more predictable cash flow. We seek to structure our triple net leases to generate attractive returns on a long-term basis. Our leases typically have initial terms of five to 15 years and include annual rent escalators of approximately 2%. Our operating results depend significantly upon the ability of our tenants to make required rental payments. We believe that our portfolio of medical office buildings and other healthcare facilities will enable us to generate stable cash flows over time because of the diversity of our tenants, staggered lease expiration schedule, long-term leases, and low historical occurrence of tenants defaulting under their leases. As of June 30, 2014, leases representing a percentage of our portfolio on the basis of leasable square feet will expire as follows:

Year	Portfolio Lease Expirations
2014	1.0%
2015	1.6%
2016	4.8%
2017	2.3%
2018	9.2%
2019	7.3%
2020	1.2%

2021	2.9%
2022	5.5%
2023	4.4%
Thereafter	53.9%

We invest in real estate that is integral to providing high quality healthcare services. Our properties are typically located on a campus with a hospital or other healthcare facilities or strategically located and affiliated with a hospital or other healthcare facilities. We believe the impact of government programs and continuing trends in the healthcare industry create attractive opportunities for us to invest in health care related real estate. Our management team has significant public healthcare REIT experience and has long established relationships with physicians, hospitals and healthcare delivery system decision makers that we believe will provide

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quality investment and growth opportunities. Our principal investments include medical office buildings, outpatient treatment facilities, acute and post-acute care hospitals, as well as other real estate integral to health care providers. We seek to invest in stabilized medical facility assets with initial cash yields of 7% to 10%. We seek to generate attractive risk-adjusted returns for our shareholders through a combination of stable and increasing dividends and potential long-term appreciation in the value of our properties and our common shares.

We had no business operations prior to completion of the IPO and the related formation transactions on July 24, 2013. Our Predecessor, which is not a legal entity, is comprised of the four healthcare real estate funds managed by B.C. Ziegler & Company (Ziegler), which we refer to as the Ziegler Funds, that owned directly or indirectly interests in entities that owned the initial properties we acquired on July 24, 2013 in connection with completion of our IPO and related formation transactions.

We are a Maryland real estate investment trust and will elect to be taxed as a REIT for U.S. federal income tax purposes beginning with our short taxable year ending December 31, 2013 upon the filing of our federal income tax return for such year. We conduct our business through an UPREIT structure in which our properties are owned by our operating partnership directly or through limited partnerships, limited liability companies or other subsidiaries. We are the sole general partner of our operating partnership and, as of the date of this prospectus supplement, own approximately 87.7% of the partnership interests in our operating partnership.

Our Objectives and Growth Strategy

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

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

- medical office buildings
- outpatient treatment and diagnostic facilities
- physician group practice clinics
- ambulatory surgery centers

- specialty hospitals and treatment centers
- acute care hospitals
- post-acute care hospitals and long-term care facilities

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

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

- whether the property is anchored by a financially-sound healthcare delivery system or whether tenants have strong affiliation to a healthcare delivery system;

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

Property Acquisitions in 2014 and Pending Acquisitions

As of the date of this prospectus supplement, in 2014 we have completed acquisitions of 30 healthcare properties located in nine states containing an aggregate of 1,033,221 net leasable square feet for an aggregate of approximately $287.8 million using proceeds from our follow-on public offerings in December 2013 and May 2014, borrowings under our senior secured revolving credit facility and mortgage financing.

Through subsidiaries of our operating partnership, we have entered into definitive agreements for approximately $180 million in pending acquisitions as follows:

- Mark H. Zangmeister Cancer Center, Columbus, Ohio: The facility is a 109,667 square foot, multi-tenant medical office building that is 100% occupied by Mid-Ohio Oncology/Hematology (Mid-Ohio) and Mt. Carmel Health System (Mt. Carmel), a member of Trinity Health, one of the nation s largest Catholic health systems, serving patients and communities in 21 states. Mid-Ohio is a physician group of cancer and blood disorder treatment specialists with over 30 years of experience as a private practice and occupies almost 90% of the building. Mt. Carmel occupies the remainder of the building and specializes in radiation oncology. The building is being acquired for approximately $36.6 million.

- Berger Medical Center, Orient, Ohio: The facility is a 31,528 square foot medical office building that is 78% occupied by Berger Hospital d/b/a Berger Health System and is being acquired for approximately $6.8 million.

- Three medical facilities, Texas: The buildings consist of approximately 180,497 square feet and currently are 92.5% occupied and consist of a specialty surgical hospital and two medical office buildings that primarily are leased to an orthopedic group in a metro area in Texas. The portfolio is being acquired for approximately $46.6 million payable in a combination of cash and OP Units, the amount of which to be determined at closing. As partial payment of the purchase price for the properties, tenant improvement allowances will be provided.

- Two medical office buildings, Columbus and Westerville, Ohio: The facilities total approximately 95,749 square feet and are 100% occupied. The total purchase price for the buildings is approximately $24.5 million.

- Outpatient care center and medical office building, Michigan: The facility consists of an approximately 176,000 square foot outpatient care center and medical office building and is 100% occupied. The facility is being acquired for approximately $46.5 million. At the closing, the selling physicians group, with more than 1,500 affiliated physicians representing primary care and all major surgical specialties, will enter into a new 15 year triple net master lease with annual rental escalations and renewal options.

- Ambulatory surgery center and medical office building, Florida: The ambulatory surgery center and medical office building is 46,016 square feet. The national hospital system that leases and operates the surgery center has a right of first refusal to purchase the facility and the closing of the acquisition of this property is subject to the waiver or expiration of such right. The purchase price for the buildings is approximately $19 million.

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Each pending acquisition described above is subject to customary closing conditions and there can be no assurance we will complete any of these transactions or acquire any of these buildings.

We expect our portfolio to grow to between $750 million to $1 billion in total real estate assets by the end of this fiscal year.

Other Recent Developments

On September 8, 2014, we announced that we have engaged KeyBank National Association as Administrative Agent, together with KeyBanc Capital Markets Inc., Regions Capital Markets, and Bank of Montreal Capital Markets, as Joint Lead Arrangers and Joint Bookrunners, to lead a proposed new $300 million senior unsecured revolving credit facility. We have received a commitment from KeyBanc Capital Markets on behalf of the lending syndicate with respect to the proposed new unsecured facility. If completed, the proposed new unsecured credit facility would replace our existing $200 million senior secured revolving credit facility. The commitment is subject to conditions to closing, including the entry into and consummation by the parties of mutually satisfactory documentation. There can be no assurance that we will enter into definitive documentation with respect to the unsecured credit facility or will complete any such facility on this timetable or at all.

Pursuant to that certain First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated July 24, 2013, among the Company and the limited partners set forth therein (as it may be further amended from time to time, the partnership agreement), limited partners, other than us, have redemption rights, to cause the operating partnership to redeem their common units in the operating partnership (OP Units) in exchange for cash or, at our option, for common shares on a one-for-one basis, generally commencing one year from the date of issuance of such OP units. Pursuant to the terms of the partnership agreement, certain limited partners, including the Ziegler Funds, exercised their respective redemption rights and in connection therewith, we intend, on or about October 1, 2014, to purchase an aggregate of 545,750 OP Units in exchange for an aggregate of approximately $8.0 million in cash (assuming the cash payments were made on September 8, 2014) and to issue 2,005,101 of our common shares to redeem 2,005,101 OP Units. The actual per OP Unit purchase price for the 545,750 OP Units we have agreed to purchase for cash will be equal to the average of the last reported sales price on the NYSE of our common shares for the ten consecutive trading days immediately preceding October 1, 2014.

Such common shares issued will be issued (a) in private placements in reliance on Section 4(2) of the Securities Act of 1933, as amended (the Securities Act), and the rules and regulations promulgated thereunder and (b) to accredited investors within the meaning of Rule 501 of Regulation D under the Securities Act. The resale of the common shares by the then selling shareholders and former limited partners has been registered by us under the Securities Act pursuant to our Registration Statement on Form S-3 (File No. 333-197842), filed with the Commission on August 4, 2014, which was declared effective by the Commission on August 19, 2014. Upon completion of the redemption of the OP Units on or about October 1, 2014, there will be 2,240,015 OP Units outstanding that we do not own and we will own approximately 95.3% of the outstanding OP Units. See Use of Proceeds .

Corporate Information

We were formed as a Maryland real estate investment trust on April 9, 2013. Our corporate offices are located at 735 N. Water Street, Suite 1000, Milwaukee, Wisconsin 53202. Our telephone number is (414) 978-6494. Our internet website is *www.docreit.com*. The information contained on, or accessible through, this website, or any other website, is not incorporated by reference into this prospectus supplement and the accompanying prospectus and should not be considered a part of this prospectus supplement and the accompanying prospectus.

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THE OFFERING

Common shares offered by us	9,500,000 shares (1)
Common shares to be outstanding after this offering	45,952,603 shares (2)
Common shares and OP Units to be outstanding after completion of this offering	48,192,618 shares and OP Units (3)
Use of proceeds	We estimate that we will receive net proceeds from this offering of approximately $126.3 million, or approximately $145.4 million if the underwriters option to purchase additional shares is exercised in full, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds of this offering as follows: • approximately $103.0 million to repay borrowings under our senior secured credit facility; • approximately $8.0 million to purchase for cash 545,750 OP Units on or about October 1, 2014 assuming the cash payments were made on September 8, 2014(4); and • the balance for general corporate and working capital purposes, funding possible future acquisitions, including our pending acquisitions, and development activities. Pending application of the net proceeds of this offering, we intend to invest the net proceeds in interest-bearing accounts, money market accounts and interest-bearing securities in a manner that is consistent with our intention to qualify for taxation as a REIT.
Risk Factors	An investment in our common shares involves a high degree of risk. You should carefully read and consider the risks discussed under the caption Risk Factors and other information in this prospectus supplement, including Part I, Item 1A. Risk Factors contained in our 2013 10-K and Part II, Item 1A. Risk Factors of our First Quarter 2014 10-Q, each of which is incorporated by reference herein, for a discussion of factors you should consider carefully before investing in our common shares.
NYSE symbol	DOC

(1) Excludes up to 1,425,000 common shares that may be issued by us upon exercise of the underwriters option to purchase additional shares.

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(2) Includes (i) 250,000 restricted common shares granted to our officers and trustees under our 2013 Equity Incentive Plan that are subject to vesting over a three year period in connection with our IPO, (ii) 84,266 restricted common shares granted to our officers and trustees under our 2013 Equity Incentive Plan in March 2014 that are subject to vesting over a one year period, (iii) 61,880 restricted common shares granted to certain new hires under our 2013 Equity Incentive Plan in June and July 2014, which shares vest ratably over three years, and (iv) 2,005,101 common shares to be issued on or about October 1, 2014 to certain limited partners that exercised their respective redemption rights for common shares pursuant to the terms of the partnership agreement. Does not include (i) up to 1,425,000 common shares that may be issued by us upon exercise of the underwriters option to purchase additional shares for this offering, (ii) 55,680 performance-based restricted stock units at target level granted to our officers in 2014 under the 2013 Equity Incentive Plan, which will vest, if at all, based on achievement of performance criteria over a performance period, subject to the terms of the grant, (iii) 1,998,174 common shares available for future issuance under our 2013 Equity Incentive Plan or (iv) up to 2,240,015 common shares that we may issue upon the redemption of outstanding OP Units after the scheduled redemption on or about October 1, 2014.

(3) Does not include (i) up to 1,425,000 common shares that may be issued by us upon exercise of the underwriters option to purchase additional shares for this offering, (ii) 55,680 performance-based restricted stock units at target level granted to our officers under the 2013 Equity Incentive Plan, which will vest, if at all, based on achievement of performance criteria over a performance period, subject to the terms of the grant, or (iii) 1,998,174 common shares available for future issuance under our 2013 Equity Incentive Plan.

(4) The actual per OP Unit purchase price for the 545,750 OP Units we have agreed to purchase for cash will be equal to the average of the last reported sales price on the NYSE of our common shares for the ten consecutive trading days immediately preceding October 1, 2014.

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RISK FACTORS

An investment in our common shares involves a high degree of risk. Before making an investment decision, you should carefully consider the risk factors set forth below as well as in each of our 2013 10-K and our First Quarter 2014 10-Q, together with the other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus and the risks we have highlighted in other sections of this prospectus supplement. If any of these risks occurs, our business, financial condition, liquidity, tax status and results of operations could be materially and adversely affected. Some statements in this prospectus supplement and the accompanying prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section captioned Cautionary Note Regarding Forward-Looking Statements.

Risks Related to This Offering

The market price and trading volume of our common shares may be volatile following this offering and may be affected by a number of factors.

The per share trading price of our common shares may be volatile. In addition the trading volume in our common shares may fluctuate and cause significant price variations to occur, and investors in our common shares may from time to time experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. If the per share trading price of our common shares declines significantly, you may be unable to resell your shares at or above the public offering price. We cannot assure you that the per share trading price of our common shares will not fluctuate or decline significantly in the future.

Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common shares include:

- actual or anticipated variations in our quarterly operating results or dividends;

- changes in our funds from operations or earnings estimates;

- publication of research reports about us or the real estate industry;

- increases in market interest rates that lead purchasers of our shares to demand a higher yield;

- changes in market valuations of similar companies;
- adverse market reaction to any additional debt we incur in the future;
- additions or departures of key management personnel;
- actions by institutional shareholders;
- speculation in the press or investment community;
- the realization of any of the other risk factors presented in this prospectus;
- the extent of investor interest in our securities;
- the general reputation of REITs and the attractiveness of our equity securities in comparison to other equity securities, including securities issued by other real estate based companies;
- our underlying asset value;
- investor confidence in the stock and bond markets generally;
- changes in tax laws;

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- future equity issuances;
- failure to meet earnings estimates;
- failure to meet and maintain REIT qualification;
- changes in our credit ratings; and
- general market and economic conditions.

In the past, securities class-action litigation has often been instituted against companies following periods of volatility in the price of their common stock. This type of litigation could result in substantial costs and divert our management s attention and resources, which could have a material adverse effect on us, including our financial condition, results of operations, cash flow, and per share trading price of our common shares.

We may be unable to make distributions which could result in a decrease in the market price of our common shares.

While we expect to make regular quarterly distributions to the holders of our common shares, if sufficient cash is not available for distribution from our operations, we may have to fund distributions from working capital, borrow to provide funds for such distributions, or reduce the amount of such distributions. To the extent we borrow to fund distributions, our future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been. If cash available for distribution generated by our assets is less than expected, or if such cash available for distribution decreases in future periods from expected levels, our inability to make distributions could result in a decrease in the market price of our common shares.

All distributions will be made at the discretion of our board of trustees and will be based upon, among other factors, our historical and projected results of operations, financial condition, cash flows and liquidity, maintenance of our REIT qualification and other tax considerations, capital expenditure and other expense obligations, debt covenants, contractual prohibitions or other limitations and applicable law and such other matters as our board of trustees may deem relevant from time to time. We may not be able to make distributions in the future, and our inability to make distributions, or to make distributions at expected levels, could result in a decrease in the market price of our common shares.

We may use a portion of the net proceeds from this offering to make distributions to our shareholders, which would, among other things, reduce our cash available to develop or acquire properties and may reduce the returns on your investment in our common shares.

Prior to the time we have fully invested the net proceeds of this offering, we may fund distributions to our shareholders out of the net proceeds of this offering, which would reduce the amount of cash we have available to acquire properties and may reduce the returns on your investment in our common shares. The use of these net proceeds for distributions to shareholders could adversely affect our financial results. In addition, funding distributions from the net proceeds of this offering may constitute a return of capital to our shareholders, which would have the effect of reducing each shareholder s tax basis in our common shares.

You will experience immediate and material dilution in connection with the purchase of our common shares in this offering.

As of June 30, 2014, our aggregate historical combined net tangible book value was approximately $335.7 million, or $8.78 per common share, assuming the redemption of all OP Units in exchange for our common shares on a one-for-one basis. The pro forma net tangible book value per common share after the completion of this offering will be less than the public offering price. The purchasers of our common shares offered hereby will experience immediate and substantial dilution of $4.48 per share in the pro forma net tangible book value per share of our common shares. See Dilution.

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The combined financial statements of our Predecessor and our unaudited pro forma consolidated financial statements may not be representative of our financial statements as an independent public company.

The combined financial statements of our Predecessor and our unaudited pro forma consolidated financial statements that are incorporated by reference into this prospectus supplement do not necessarily reflect what our financial position, results of operations or cash flows would have been had we been an independent entity during the periods presented. Furthermore, this financial information is not necessarily indicative of what our results of operations, financial position or cash flows will be in the future. It is not possible for us to accurately estimate all adjustments needed to reflect all the significant changes that may occur in our future cost structure, funding and operations. See Prospectus Supplement Summary-Other Recent Developments and the financial statements herein, as well as Management s Discussion and Analysis of Financial Condition and Results of Operations, included in our 2013 10-K, our First Quarter 2014 10-Q and our Second Quarter 2014 10-Q, each of which is incorporated herein by reference.

Increases in market interest rates may have an adverse effect on the trading prices of our common shares as prospective purchasers of our common shares may expect a higher dividend yield and as an increased cost of borrowing may decrease our funds available for distribution.

One of the factors that influences the trading prices of our common shares is the dividend yield on the common shares (as a percentage of the price of our common shares) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of our common shares to expect a higher dividend yield (with a resulting decline in the trading prices of our common shares) and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Thus, higher market interest rates could cause the market price of our common shares to decrease.

The number of our common shares available for future issuance or sale could materially adversely affect the per share trading price of our common shares.

We are offering 9,500,000 common shares as described in this prospectus supplement and the accompanying prospectus. Upon completion of this offering, we will have issued and outstanding approximately 43,947,502 common shares and 4,790,866 common shares reserved for issuance upon redemption of our outstanding OP Units. Of these common shares, all will be freely tradable, except for any common shares owned or any common shares owned by our affiliates, as that term is defined by Rule 144 under the Securities Act. We have registered the common shares issuable upon redemption of the OP Units so that such shares will be freely tradable under the securities laws.

Pursuant to the partnership agreement, limited partners, other than us, have redemption rights, to cause our operating partnership to redeem their OP Units in exchange for cash or, at our option, for common shares on a one-for-one basis, generally commencing one year from the date of issuance of such units. Pursuant to the terms of the partnership agreement, certain limited partners, including each of the Ziegler Funds, exercised their respective redemption rights and in connection therewith, we intend, on or about October 1, 2014, to purchase an aggregate of 545,750 OP Units in exchange for an aggregate of $8.0 million in cash (assuming the cash payments were made on September 8, 2014) and to issue 2,005,101 of our common shares.

These and other future issuances or sales of our common shares or the availability of shares for resale in the open market may decrease the per share trading price of our common shares.

Our issuance of equity securities, including OP Units, or the perception that such issuances might occur could materially adversely affect us, including the per share trading price of our common shares.

The exercise of the underwriters option to purchase additional shares, the redemption of OP Units for common shares, the vesting of any restricted shares granted to trustees, executive officers and other employees under our 2013 Equity Incentive Plan, the issuance of our common shares or OP Units in connection with future property, portfolio or business acquisitions and other issuances of our common shares could have an adverse effect on the per share trading price of our common shares may adversely affect the terms upon which we may be able to obtain additional capital through the sale of equity securities. In addition, future issuances of our common shares may be dilutive to existing shareholders.

We have an effective shelf registration statement on Form S-3 (File No. 333-197842) of which this prospectus supplement and the accompanying prospectus form a part, covering the offering, from time to time, of various securities with an aggregate value of up to $900 million.

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We and our operating partnership entered into separate At Market Issuance Sales Agreements (the Sales Agreements) with each of MLV & Co. LLC, KeyBanc Capital Markets Inc., JMP Securities LLC, and RBC Capital Markets, LLC (the Agents), pursuant to which we may issue and sell our common shares having an aggregate offering price of up to $150 million, from time to time, through the Agents pursuant to the shelf registration statement. In accordance with the Sales Agreements, we may offer and sell our common shares through any of the Agents, from time to time, by any method deemed to be an at the market offering as defined in Rule 415 under the Securities Act, which includes sales made directly on the NYSE, or other existing trading market, or sales made to or through a market maker. With our express written consent, sales also may be made in negotiated transactions or any other method permitted by law. Any offering pursuant to the shelf registration statement, whether an at the market offering or otherwise, may cause dilution to our shareholders and could cause the per share trading price of our common shares to decline.

Future offerings of debt, which would be senior to our common shares upon liquidation, or preferred equity securities which may be senior to our common shares for purposes of dividend distributions or upon liquidation, may materially adversely affect us, including the per share trading price of our common shares.

In the future, we may attempt to increase our capital resources by making additional offerings of debt or equity securities (or causing our operating partnership to issue debt securities), including medium-term notes, senior or subordinated notes and classes or series of preferred shares. Upon liquidation, holders of our debt securities and preferred shares and lenders with respect to other borrowings will be entitled to receive our available assets prior to distribution to the holders of our common shares. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common shares and may result in dilution to owners of our common shares. Holders of our common shares are not entitled to preemptive rights or other protections against dilution. Our preferred shares, if issued, could have a preference on liquidating distributions or a preference on dividend payments that could limit our ability pay dividends or other distributions to the holders of our common shares. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our shareholders bear the risk that our future offerings could reduce the per share trading price of our common shares and dilute their interest in us.

If securities analysts do not publish research or reports about our industry or if they downgrade our common shares or the healthcare-related real estate sector, the market price of our common shares could decline.

The trading market for our common shares depends in part upon the research and reports that industry or financial analysts publish about us or our industry. We have no control over these analysts. Furthermore, if one or more of the analysts who do cover us downgrades our shares or our industry, or the stock of any of our competitors, the price of our common shares could decline. If one or more of these analysts ceases coverage of our company, we could lose attention in the market which in turn could cause the market price of our common shares to decline.

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USE OF PROCEEDS

After deducting the underwriting discount and commissions and estimated expenses of this offering payable by us, we expect to receive net proceeds from this offering of approximately $126.3 million, or approximately $145.4 million if the underwriters option to purchase additional shares is exercised in full.

We intend to contribute the net proceeds of this offering to our operating partnership in exchange for OP Units in our operating partnership, and our operating partnership intends use the net proceeds received from us as described below:

- approximately $103.0 million to repay borrowings under our senior secured revolving credit facility;

- approximately $8.0 million to purchase for cash 545,750 OP Units on or about October 1, 2014 assuming the cash payments were made on September 8, 2014; and

- the balance for general corporate and working capital purposes, funding possible future acquisitions and development activities.

Borrowings under our senior secured revolving credit facility bear interest at interest rates based upon LIBOR. At June 30, 2014, the interest rate under our credit facility was 2.81%. See Management s Discussion and Analysis of Financial Condition and Results of Operation Credit Facility included in our 2013 10-K, our First Quarter 2014 10-Q and our Second Quarter 2014 10-Q, each of which is incorporated herein by reference.

The actual per OP Unit purchase price for the 545,750 OP Units we have agreed to purchase for cash will be equal to the average of the last reported sales price on the NYSE of our common shares for the ten consecutive trading days immediately preceding October 1, 2014.

Pending application of net proceeds of this offering, we intend to invest the net proceeds in interest-bearing accounts, money market accounts and interest-bearing securities in a manner that is consistent with our intention to qualify for taxation as a REIT. Such investments may include, for example, government and government agency certificates, government bonds, certificates of deposit, interest-bearing bank deposits, money market accounts and mortgage loan participations.

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CAPITALIZATION

The following table sets forth (i) our historical capitalization, and (ii) our historical capitalization on an as adjusted basis to (a) give effect to this offering, (b) the use of net proceeds as set forth in Use of Proceeds and (c) reflect the redemption of 2,005,101 OP Units that we have agreed to redeem on or about October 1, 2014. See Prospectus Supplement Summary - Other Recent Developments . You should read this table in conjunction with Use of Proceeds appearing elsewhere in this prospectus supplement, as well as Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included in our 2013 10-K, our First Quarter 2014 10-Q and our Second Quarter 2014 10-Q, each of which is incorporated herein by reference.

	As of June 30, 2014			
		Historical		As Adjusted
		(In thousands, except share amounts)		
Debt	$	78,963(2)	$	(24,037)(2)
Equity:				
Common shares, $0.01 par value per share, 500,000,000 shares authorized, 34,447,502 shares issued and outstanding; 43,947,502 shares issued and outstanding on an as adjusted basis(1)		343		412
Additional paid in capital		360,908		494,970
Accumulated deficit		(24,919)		(24,919)
Non-controlling interests		39,733		24,052
Total equity		376,065		494,516
Total capitalization	$	455,028	$	470,479

(1) As adjusted common shares outstanding include 9,500,000 common shares to be issued in this offering but exclude (i) up to 1,425,000 common shares issuable upon exercise of the underwriters option to purchase additional shares, (ii) 1,998,174 additional common shares available for future issuance under our 2013 Equity Incentive Plan, (ii) 2,005,101 common shares to be issued to certain limited partners on or about October 1, 2014 as payment for 2,005,101 OP Units that were elected to be redeemed by such limited partners for common shares pursuant to the terms of the partnership agreement, and (iii) 2,240,015 common shares that may be issued, at our option, upon redemption of outstanding OP Units after the scheduled redemption on or about October 1, 2014. The OP Units may, subject to holding period requirements and other limits in the operating partnership agreement, be redeemed at the option of the holder for cash or, at our option, for common shares on a one-for-one basis.

(2) We have incurred approximately $103.0 million of additional debt after June 30, 2014 in connection with our property acquisition activity.

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DILUTION

Purchasers of our common shares in this offering will experience an immediate and substantial dilution of the net tangible book value of our common shares from the public offering price. At June 30, 2014, we had a combined net tangible book value of approximately $335.7 million, or $8.78 per common share, assuming the redemption of all outstanding OP Units (other than OP Units held by us) for our common shares on a one-for-one basis. After giving effect to the expected use of the net proceeds as described under Use of Proceeds, and the deduction of underwriting discounts and commissions and estimated offering expenses, the pro forma net tangible book value at June 30, 2014 attributable to common shareholders would have been approximately $454.1 million, or $9.52 per common share. This amount represents an immediate increase in net tangible book value of $0.74 per share to the prior investors and an immediate dilution in pro forma net tangible book value of $4.48 per share from the public offering price of $14.00 per share of our common shares to new public investors. See Risk Factors Risks Related to this Offering You will experience immediate and material dilution in connection with the purchase of our common shares in this offering. The following table illustrates this per share dilution:

Assumed public offering price per share			$	14.00
Net tangible book value per share before this offering(1)	$	8.78		
Increase in pro forma net tangible book value per share after this offering(2)	$	0.74		
Pro forma net tangible book value per share after this offering(3)			$	9.52
Dilution in pro forma net tangible book value per share to new investors(4)			$	4.48

(1) Net tangible book value per share of our common shares before this offering is determined by dividing the net tangible book value based on June 30, 2014 net book value of tangible assets (consisting of total assets less intangible assets, which are comprised of deferred financing and leasing costs, acquired above-market leases and acquired in-place lease value, net of liabilities assumed, excluding acquired below-market leases) by the number of common shares outstanding immediately before this offering, assuming the exchange for common shares on a one-for-one basis of all outstanding OP Units.

(2) The increase in pro forma net tangible book value per share attributable to this offering is determined by subtracting (a) the sum of (i) the net tangible book value per share before this offering (see note (2) above) from (b) the pro forma net tangible book value per share after this offering (see note (4) below).

(3) Based on pro forma net tangible book value of approximately $454.1 million divided by 48,192,618 common shares and OP Units to be outstanding after this offering (excluding OP Units held by us), not including (a) up to 1,425,000 common shares issuable upon the exercise of the underwriters option to purchase additional shares, (b) 55,680 performance-based restricted stock units granted at target level to our officers under the 2013 Equity Incentive Plan, which will vest, if at all, based on achievement of performance criteria over a performance period, subject to the terms of the grant, and (c) 1,998,174 common shares available for future issuance under our 2013 Equity Incentive Plan.

(4) Dilution is determined by subtracting pro forma net tangible book value per common share after this offering from the assumed public offering price paid by a new investor for a common share in this offering.

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The table below summarizes, as of the date of this prospectus and on a pro forma basis after giving effect to this offering, the differences between:

- the number of OP Units received by the Ziegler Funds in the formation transactions, the number of common shares issued to trustees and officers upon completion of our IPO, in March 2014 and in July 2014, the number of shares purchased in the IPO, the number of OP Units received by the sellers of the Crescent City property in New Orleans, Louisiana, the number of OP Units received by the sellers of the Carmel Medical Pavilion property in Carmel, Indiana, the number of OP Units received by the sellers of the Mississippi Sports Medicine and Orthopaedics Center property in Jackson, Mississippi, the number of OP Units received by the seller of the Premier Healthcare Portfolio properties in Bloomington, Indiana, the number of OP Units received by the sellers in the Eve Center of Southern Indiana property in Bloomington, Indiana, the number of common shares purchased by new investors in each of the follow-on public offerings in December 2013 and May 2014 and the number of common shares purchased by new investors in this offering; and

- the total consideration paid and the average price per OP Unit paid by the Ziegler Funds (based on the net tangible book value of the assets and properties acquired by our operating partnership in the formation transactions) and the total consideration paid and the average price per share paid by our trustees and officers, investors in the IPO and investors purchasing shares in this offering.

	Common Units/Shares Issued		Net Tangible Book Value of Contribution/Cash		Average Price per Share/OP Unit
	Number	Percentage	Amount	Percentage	
Ziegler Funds	2,744,000(1)	5.6%	31,556,000(1)	5.3%	$ 11.50
Trustees and officers	373,975(2)	0.8%			
IPO investors	11,753,597(3)	24.1%	135,166,366(3)	22.7%	$ 11.50
Other investors	2,046,866(4)	4.2%	26,916,288(4)	4.5%	$ 13.15
December 2013 follow-on public offering investors	9,545,000(5)	19.6%	109,767,500(5)	18.4%	$ 11.50
May 2014 follow-on public offering investors	12,650,000(6)	26.0%	158,125,000(6)	26.5%	$ 12.50(6)
Shared services buyout	124,913(7)	0.3%	1,799,996	0.3%	14.41
New Investors	9,500,000	19.5%	133,000,000	22.3%	$ 14.00
Total	48,738,351	100.0%	596,331,150	100.0%	

(1) Represents OP Units issued in the formation transactions valued at the IPO price.

(2) Represents awards of restricted common shares granted to our trustees and officers under our 2013 Equity Incentive Plan upon completion of our IPO, in March 2014 and July 2014, and new hires in June and July 2014.

(3) Represents common shares issued in the IPO, including common shares issued upon exercise of the underwriters option to purchase additional common shares, valued at the IPO price.

(4) Reflects OP Units issued in connection with our acquisitions in each of the Crescent City property in New Orleans, Louisiana, the Carmel Medical Pavilion property in Carmel, Indiana, the Mississippi Sports Medicine and Orthopaedics Center property in Jackson, Mississippi, the Premier Healthcare Portfolio properties in Bloomington, Indiana and the Eye Center of Southern Indiana property in Bloomington, Indiana.

(5) Represents shares issued in the December 2013 follow-on public offering, including common shares issued upon exercise of the underwriters option to purchase additional common shares, valued at the public offering price.

(6) Represents shares issued in the May 2014 follow-on public offering, including common shares issued upon exercise of the underwriters option to purchase additional common shares, valued at the public offering price.

(7) Represents shares issued in the August 2014 buyout of the Ziegler shared services agreement.

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OUR INDUSTRY AND MARKET OPPORTUNITY

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

• ***$2.8 Trillion Healthcare Industry Projected to Grow to $5 Trillion (and 19.9% of U.S. G.D.P.) by 2022***

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

We believe the demand by healthcare providers for healthcare real estate will increase as health spending in the United States continues to increase. According to the Centers for Medicare & Medicaid Services National Health Expenditure Projections 2012-2022, national healthcare expenditures continue to rise and are projected to grow from an estimated $2.8 trillion in 2012 to $5 trillion by 2022 representing an average annual rate of growth of 5.8%, reaching a projected 19.9% of GDP in 2022.

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

• ***Aging Population***

The aging of the U.S. population has a direct effect on the demand for healthcare as older persons generally utilize healthcare services at a rate well in excess of younger people. According to the U.S. Census Bureau, the U.S. population over 65 years of age is projected to more than double from 40.2 million to nearly 88.5 million and the 85 and older population is expected to more than triple, from 5.7 million in 2010 to 19.0 million between 2010 and 2050. Also according to the U.S. Census Bureau, the number of older

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Americans is growing as a percentage of the total U.S. population with the number of persons older than 65 estimated to comprise 13.0% of the total U.S. population in 2010 and projected to grow to 20.2% by 2050.

We believe that healthcare expenditures for the population over 65 years of age will continue to rise as a disproportionate share of healthcare dollars is spent on older Americans. We believe the older population group increasingly will require treatment and management of chronic and acute health ailments and that this increased demand for healthcare services will create a substantial need for additional medical office buildings and other facilities that serve the healthcare industry in many regions of the United States. Additionally, we believe there will likely be a focus on lowering the cost of outpatient care to support the aging U.S. population, which will continue to support medical office and outpatient facility property demand in the long term. We believe these trends will result in a substantial increase in the number of quality properties meeting our investment criteria.

We believe advances in medical technology will continue to enable healthcare providers to identify and treat once fatal illnesses and improve the survival rate of critically ill and injured patients who will require continuing medical care. Along with these technical innovations, the U.S. population is growing older and living longer.

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

Source: U.S. Census Bureau

• ***Affordable Care Act (Estimated 30 Million More Insured by 2020 and Increased Market Certainty)***

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

We believe the increase in the number of Americans with access to health insurance will result in an increase in physician office visits and an overall rise in healthcare utilization which in turn will drive a need for expansion of medical, outpatient, and smaller specialty hospital facilities. Additionally, the increased dissemination of health research through media outlets, marketing of healthcare products, and availability of advanced screening techniques and medical procedures have contributed to a more engaged population of healthcare users. This has created increased demand for customized facilities providing specialized, preventive and integrative healthcare services.

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

• ***Clinical Care Continues to Shift to Outpatient Care***

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

• ***Physician Employment by Healthcare Delivery System Trend Improves Credit***

According to a survey by Accenture, the total number of physicians is growing and the number and percentage of physicians employed by healthcare delivery systems and by large physician groups has increased in recent years, and this increase is expected to accelerate due to, among other factors, declining physician reimbursement and the increasing costs of practice due to changes under the Affordable Care Act, other healthcare regulations, expensive information technology and malpractice insurance.

According to the Accenture survey, U.S. physicians are continuing to seek to sell their private practices and seek employment with healthcare delivery systems. At the same time, hospitals are determining how to retain and recruit an appropriate mix of physicians, especially in high-growth practices such as cardiovascular care, orthopedics and oncology. We believe patients will increasingly move to large healthcare delivery systems, as opposed to the current trend of visiting doctors in private, small practice setting.

Also according to the Accenture survey, the rate of independent physicians employed by healthcare delivery systems will grow by an annual five percent over three years.

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

(1)

Estimated

Sources: Accenture Analysis, MGMA American Medical Association

Additionally, we believe healthcare delivery systems will continue to consolidate in an effort to secure or expand market share, gain access to capital and achieve various economies of scale. Historically, this consolidation has been in the form of the expansion of investor-owned health systems through acquisitions or the merger of two or more tax-exempt health systems. Recently, new participants, such as private equity firms, have acquired hospital assets and invested capital in existing tax-exempt organizations. We believe the continuing trends in hospital systems consolidation will accelerate the integration of physician practice groups and other clinicians with larger healthcare delivery systems and that accessing capital will continue to be a major area of focus for healthcare organizations, both in the short and long term. We believe physician employment by healthcare delivery systems and large group practices increases the demand for efficient real estate solutions and can lead to an improvement in the credit quality of our physician tenants and target physician tenants.

• ***Healthcare Industry Employment Growth***

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

The rate of employment growth in physicians offices and outpatient care facilities has outpaced employment growth in hospitals during the past decade, further evidencing the trend of increased utilization of healthcare services outside traditional hospitals. These factors, in combination with changing consumer preferences and limitations on hospital expansion, have resulted in increased demand and need for medical office space, a trend which we expect will continue over the long term. We expect the continued growth in employment in the healthcare industry, and in particular the outpatient setting, will lead to growth in demand for medical office buildings and other facilities that serve the healthcare industry.

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

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

• ***Highly Fragmented Market***

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

According to Stifel s Fall 2011 industry analysis report entitled Healthcare REITs, Senior Housing & Skilled Nursing Operations, Stifel estimates the value of the total supply of medical office buildings and out-patient facilities at approximately $414 billion, with approximately $262 billion available for private investment, and is expected to grow at approximately $4.5 billion per year. In estimating facilities available for private investment, Stifel excludes medical office buildings and outpatient facilities located on hospital campuses or other property owned by government and buildings housing small physician practices that are likely not attractive to institutional investors. According to Jones Lang LaSalle, sales of medical office buildings with greater than 25,000 square feet amounted to $5.33 billion in 2013.

• ***Limited New Supply***

We believe construction of medical office buildings and other healthcare facilities has been relatively constrained by the recent recession and uncertainty in U.S. healthcare policy, while available space was absorbed and physicians, hospitals and healthcare delivery systems planned for the implementation of the Affordable Care Act. According to Marcus and Millichap s first half 2014 Medical Office Research report, approximately 6 million square feet of new medical office space was delivered in 2013, which is significantly lower than the square feet of medical office space delivered from 2007 to 2009, when medical office inventory grew collectively by nearly 60 million square feet. We believe the low levels of new medical office space delivered and increasing demand in recent years will create a positive environment for both occupancy and rental rates in the near term and longer term. We believe these trends will result in an increase in the number of quality properties meeting our investment criteria.

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OUR BUSINESS AND PROPERTIES

Overview

We are a self-managed healthcare real estate company organized in April 2013 to acquire, selectively develop, own and manage healthcare properties that are leased to physicians, hospitals and healthcare delivery systems. We invest in real estate that is integral to providing high quality healthcare services. Our properties are typically located on a campus with a hospital or other healthcare facilities or strategically located and affiliated with a hospital or other healthcare facilities. We believe the impact of government programs and continuing trends in the healthcare industry create attractive opportunities for us to invest in healthcare related real estate. Our management team has significant public healthcare REIT experience and has long established relationships with physicians, hospitals and healthcare delivery system decision makers that we believe will provide quality investment and growth opportunities. Our principal investments include medical office buildings, outpatient treatment facilities, acute and post-acute care hospitals, as well as other real estate integral to health care providers. We seek to invest in stabilized medical facility assets with initial cash yields of 7% to 10%. We seek to generate attractive risk-adjusted returns for our shareholders through a combination of stable and increasing dividends and potential long-term appreciation in the value of our properties and our common shares.

As of the date of this prospectus supplement, our portfolio consisted of 57 properties located in 17 states with approximately 1,934,564 net leasable square feet, which were approximately 94.8% leased with a weighted average remaining lease term of approximately 9.5 years and approximately 54.8% of the net leasable square footage of our portfolio was affiliated with a healthcare delivery system and approximately 58.6% of the net leasable square footage of our properties is located within approximately 1/4 mile of a hospital campus.

We receive a cash rental stream from these healthcare providers under our leases. Approximately 87.4% of the annualized base rent payments from our properties as of June 30, 2014 are from triple net leases, pursuant to which the tenants are responsible for all operating expenses relating to the property, including but not limited to real estate taxes, utilities, property insurance, routine maintenance and repairs, and property management. This structure helps insulate us from increases in certain operating expenses and provides more predictable cash flow. We seek to structure our triple net leases to generate attractive returns on a long-term basis. Our leases typically have initial terms of five to 15 years and include annual rent escalators of approximately 2%. Our operating results depend significantly upon the ability of our tenants to make required rental payments. We believe that our portfolio of medical office buildings and other healthcare facilities will enable us to generate stable cash flows over time because of the diversity of our tenants, staggered lease expiration schedule, long-term leases, and low historical occurrence of tenants defaulting under their leases. As of June 30, 2014, leases representing a percentage of our portfolio on the basis of leasable square feet will expire as follows:

Year	Portfolio Lease Expirations
2014	1.0%
2015	1.6%
2016	4.8%
2017	2.3%
2018	9.2%
2019	7.3%
2020	1.2%
2021	2.9%
2022	5.5%
2023	4.4%
Thereafter	53.9%

We completed our IPO in July 2013, pursuant to which we issued an aggregate of 11,753,597 common shares, including shares issued upon exercise of the underwriters overallotment option, and received approximately $123.8 million of net proceeds. We contributed the net proceeds of the IPO to our Operating Partnership in exchange for 11,753,597 OP Units. Simultaneously with the closing of our IPO, we completed a series of related formation transactions pursuant to which we acquired 19 medical office buildings located in ten states with approximately 524,048 net leasable square feet in exchange for 2,744,000 OP Units, and the assumption of approximately $84.3 million of debt related to such properties. We used the net proceeds of the IPO to repay approximately $36.9 million of such debt, to purchase the 50% interest in the Arrowhead Common property not owned by the Ziegler Funds for approximately $850,000, after which we became the 100% owner of that property, and to pay certain expenses related to the assumption of debt and our senior secured revolving credit facility. In addition, at the completion of the IPO, we entered into a shared services agreement with B.C. Ziegler & Company (Ziegler) pursuant to which Ziegler provides office space, IT support, accounting support and other services to us in exchange for an annual fee.

We have entered into a senior secured revolving credit facility and intend to use borrowings under the facility to finance future acquisitions and developments, fund tenant improvements, leasing commissions to third parties, capital expenditures, provide for working capital and for other general corporate purposes. Subject to the satisfaction of certain conditions, including additional lender commitments, we have the option to increase the borrowing capacity under the senior secured revolving credit facility up to $250 million. On June 20, 2014, we agreed with the lenders to increase the total amount available under our senior secured revolving credit facility from $140 million to $200 million.

Following completion of our IPO and related formation transactions through December 31, 2013, we completed the acquisitions of eight healthcare properties located in six states containing an aggregate of 377,295 net leasable square feet for an aggregate of approximately $136.4 million using proceeds from the IPO, borrowings under our senior secured revolving credit facility and issuance of OP units. One of the eight healthcare property acquisitions was the Crescent City Surgical Centre in New Orleans, Louisiana, which was acquired in September 2013 for approximately $37.5 million. As partial payment of the purchase price for the property, we issued an aggregate of 954,877 OP Units to the sellers of that property valued at approximately $11.5 million (based on the average three-day closing price of our common shares on the NYSE prior to closing). Also, during 2013, we acquired approximately 40% and 35% of the joint venture interests we did not own with respect to two of our existing properties, which resulted in our 100% ownership of those properties.

On December 11, 2013, we completed a public offering of 9,545,000 common shares of beneficial interest, including 1,245,000 shares issued upon exercise of the underwriters overallotment option, resulting in net proceeds to us of approximately $103.1 million. We contributed the net proceeds of this offering to our operating partnership in exchange for OP Units, and our operating partnership used the net proceeds of the public offering to repay borrowings under our senior secured revolving credit facility and for general corporate and working capital purposes, funding possible future acquisitions, including any pending acquisitions, and development activities.

During the quarterly period ended March 31, 2014, we completed seven acquisitions of 13 healthcare properties located in five states containing an aggregate of 550,670 net leasable square feet for an aggregate of approximately $147.4 million using proceeds from our December 2013 public offering, borrowings under our senior secured revolving credit facility and mortgage financing on existing properties. Also, we completed the acquisition of a 40% ownership interest in the entity that owns the land under Crescent City Surgical Centre for $1.3 million on February 21, 2014. Such land is leased to us pursuant to a long-term ground lease.

On May 27, 2014, we completed a public offering of 12,650,000 common shares of beneficial interest, including 1,650,000 shares issued upon exercise of the underwriters overallotment option, resulting in net proceeds to us of approximately $149.9 million. We contributed the net proceeds of this offering to our operating partnership in exchange for OP Units, and our operating partnership used the net proceeds of the public offering to repay borrowings under our senior secured revolving credit facility and for general corporate and working capital purposes, funding possible future acquisitions, including any pending acquisitions, and development activities.

During the quarterly period ended June 30, 2014, we completed eight acquisitions of nine healthcare properties located in five states containing an aggregate of 279,056 net leasable square feet for an aggregate of approximately $73.6 million using proceeds from our December 2013 and May 2014 public offerings, borrowings under our senior secured revolving credit facility and mortgage financing on existing properties. One of the eight healthcare property acquisitions was the Carmel Medical Pavilion in Carmel, Indiana, which was acquired in May 2014 for approximately $4.7 million. As partial payment of the purchase price for the property, we issued an aggregate of 96,099 OP Units to the sellers, which comprised approximately $1.3 million portion of the purchase price for the property. Another of the eight healthcare property acquisitions was the Mississippi Sports Medicine and Orthopaedics Center in Jackson, Mississippi, which was acquired in May 2014 for approximately $16.7 million. As partial payment of the purchase price for the property, we issued an aggregate of 147,659 OP Units to the sellers, which comprised approximately $1.9 million portion of the purchase price for the property.

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As of the date of this prospectus supplement, we closed on the below acquisitions during the quarterly period ended September 30, 2014 containing an aggregate of 203,495 net leaseable square feet using proceeds from our May 2014 public offering, borrowings under our senior secured revolving credit facility and mortgage financing on existing properties:

Property(1)	Location	Acquisition Date	Square Footage	Purchase Price (in thousands)
Premier Healthcare Portfolio 3 MOBs	Bloomington, IN	July 1, 2014	90,000	$ 23,837
Carlisle II MOB	Carlisle, PA	July 25, 2014	13,245	$ 4,500
Surgical Institute of Monroe ASC	Monroe, MI	July 28, 2014	24,500	$ 6,000
The Oaks MOB	Lady Lake, FL	July 31, 2014	27,992	$ 10,600
Baylor Surgicare ASC - Mansfield	Mansfield TX	September 2, 2014	15,662	$ 8,500
Eye Center of Southern Indiana	Bloomington, IN	September 5, 2014	32,096	$ 12,174

(1) MOB means medical office building and ASC means ambulatory surgery center.

As part of the Premier Healthcare Portfolio acquisition, 502,586 OP Units were issued, which comprised an approximately $7.2 million portion of the purchase price for the properties. On July 28, 2014, we entered into an amendment to the purchase agreement for the Premier Healthcare Portfolio pursuant to which, on July 28, 2014, 73,454 additional OP Units were issued in exchange for the surrender by the seller of the Premier Healthcare Portfolio of its right to receive approximately $1.1 million of the cash purchase price.

As part of the Eye Center of Southern Indiana acquisition, 272,191 OP Units were issued, which comprised an approximately $4.0 million portion of the purchase price for the property.

Our Objectives and Growth Strategy

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

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

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

We may opportunistically invest in life science facilities, assisted living and independent senior living facilities and in the longer term, senior housing properties, including skilled nursing. Consistent with our intent to qualify as a REIT, we may also

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opportunistically invest in companies that provide healthcare services, in joint venture entities with operating partners, structured to comply with RIDEA.

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

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

Our Management Team

Our senior executive officers have extensive experience investing in and developing healthcare related real estate through several real estate, credit and healthcare cycles. John Thomas, our President and Chief Executive Officer, most recently served as Executive Vice President-Medical Facilities Group of Health Care REIT (NYSE: HCN) where he was responsible for managing over $5 billion of medical facilities and oversaw the acquisition and development of medical properties valued in excess of $2.5 billion from 2009 to 2012. Prior to Health Care REIT, Mr. Thomas held senior healthcare executive management positions with the Sisters of Mercy Health System of St. Louis, Inc. and Baylor Health Care System. Mr. Thomas s experience includes managing medical office, outpatient care facilities, hospitals and research life science facilities. John Sweet, our Executive Vice President and Chief Investment Officer, established and managed the Ziegler Funds, whose properties we acquired in our formation transactions. Prior to re-joining Ziegler in 2005 to create the Ziegler Funds, Mr. Sweet was a co-founder of Windrose Medical Properties Trust (Windrose), a publicly-held healthcare REIT which completed its initial public offering in August 2002. Mr. Sweet assisted in the creation and initial public offering of Windrose as an independent consultant and subsequent its initial public offering joined the company as the Vice-President Business Development where he was responsible for identifying and negotiating the acquisition of new medical office buildings. Jeffrey Theiler, who joined us as our Executive Vice President and Chief Financial Officer, effective July 7, 2014, has served as an Equity Research Analyst at Green Street Advisors, Inc. since January 2010 and prior to that served as Vice President of Banc of America Securities LLC in the Real Estate Investment Banking Division and worked in the Real Estate Investment Banking Division of Lehman Brothers. John Lucey, our Senior Vice President Principal Accounting and Reporting Officer, has more than 20 years of public company financial experience, of which more than 10 of those years have been in the senior living healthcare industry. From 2005 to 2013, Mr. Lucey served as the Director of Financial Reporting for Assisted Living Concepts, Inc. (NYSE: ALC), a senior housing operator with over 200 locations in 20 states and annual revenues of approximately $230 million. Prior to Assisted Living Concepts, Mr. Lucey served as the Manager of Financial Reporting for Case New Holland from 2003 to 2005 and as a Division Controller at Monster Worldwide from 2001 to 2003. From 1996 to 2001, Mr. Lucey was the Director of Financial Reporting for Alterra Healthcare Corporation (now Brookdale Living Communities, NYSE: BKD). Mr. Lucey s experience includes initial public offerings, as well as various equity and debt offerings and mergers and acquisitions. From 2005 until completion of our IPO, Mark Theine, our Senior Vice President of Asset and Investment Management, was the senior asset manager for the properties we acquired from the Ziegler Funds.

We believe our management team s long established, trusted relationships with physicians, hospitals and healthcare delivery system decision makers, provides to us and our shareholders a competitive advantage in sourcing attractive investment opportunities and growth opportunities. Our management team and trustees also have relationships and access to state and federal policy makers to stay informed with health care policy directions that may affect our investment decisions and management.

Our shared services agreement with Ziegler provides us with access to Ziegler s proprietary research and market analysis of the healthcare industry, as well as office space, IT support, accounting support and similar services, helping us to manage our overhead costs prudently. Founded in 1902, Ziegler is a national underwriter of tax exempt bonds for not-for-profit senior living

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providers, hospitals, and healthcare care delivery systems. In addition to its research team that provides research on over 500 healthcare organizations, Ziegler has over 60 investment banking professionals focused on the healthcare industry. We believe Ziegler s industry knowledge and relationships will help us identify and evaluate investment opportunities.

On July 31, 2014, we and our operating partnership entered into an amendment to our shared services agreement with Ziegler, which amendment reduces the shared services provided by Ziegler, the initial term of the agreement, and the monthly fee paid by us for the remainder of the term of the agreement. The amendment also clarifies that the monthly fee includes the rent payable by us to Ziegler under our sublease for office space with Ziegler. In consideration of the reductions in shared services, the initial term and the monthly fee, we made a one-time payment to Ziegler in the amount of $1,800,000, which we paid by issuing 124,913 common shares, which common shares are registered under the Securities Act pursuant to the Company s shelf registration statement on Form S-3 (File No. 333-197842).

Competitive Strengths

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

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

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

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

Nimble Management Execution. We expect to focus on individual investment opportunities of $25 million or less in off market or lightly marketed transactions, with few transactions exceeding $50 million. We established our company to identify and execute on these types and size of transactions efficiently, which we believe provides us an advantage over other healthcare real estate investors, such as the larger health care REITs, that focus on larger properties or portfolios in more competitively marketed investment opportunities.

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

• *Strong Healthcare Delivery System Affiliation and Diverse Medical Tenant Base.* As of the date of this prospectus, approximately 54.8% of the net leasable square footage of our properties is affiliated with a healthcare delivery system and approximately 58.6% of the net leasable square footage of our properties is located within approximately 1/4 mile of a hospital campus. We believe that a healthcare delivery system anchored property with a diversified, clinically interdependent tenant mix is important to the success of any healthcare facility, and our management team s understanding of the dynamics associated with tenant mix and clinical interdependency will be a key to our success. As of the date of this prospectus, the leases for our properties have a weighted average remaining lease term of approximately 9.51 years and only 6.7% of our annualized rent expires over the following three years.

Properties

The table below sets forth certain information regarding the 49 properties in our portfolio as of June 30, 2014:

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PROPERTY	PROPERTY TYPE	PROPERTY LOCATION	YEAR BUILT	% OWNED	NET LEASABLE SQUARE FOOTAGE	% LEASED	ANNUALIZED BASE RENT(1)	ANNUALIZED BASE RENT PER LEASED SQUARE FOOT	HEALTHCARE DELIVERY SYSTEM AFFILIATION	PRINCIPAL TENANTS
					INITIAL PROPERTIES (2)					
Arrowhead Commons	Medical Office Building	Phoenix, AZ	2004	100.0%	12,800	100.0%	$ 317,952	$ 24.84	N/A	Paseo Family Physicians
Aurora Medical Office Building	Medical Office Building	Green Bay, WI	2010	100.0%	9,112	100.0%	$ 191,352	$ 21.00	Aurora Health Care	Aurora Health Care
Austell Medical Office Building	Medical Office Building	Atlanta, GA	1971	100.0%	14,598	78.5%	$ 181,019	$ 12.40	Northside Hospital	Northside Hospital
Canton Medical Office Building	Medical Office Building	Atlanta, GA	1994	50.0%	38,098	100.0%	$ 817,202	$ 21.45	Northside Hospital	Northside Hospital
Decatur Medical Office Building	Medical Office Building	Atlanta, GA	1974	100.0%	13,300	100.0%	$ 346,455	$ 26.05	N/A	Georgia Urology, P.A.
El Paso Medical Office Building	Medical Office Building	El Paso, TX	1987	100.0%	21,777	100.0%	$ 373,700	$ 17.16	HCA	HCA Del Sol Medical Center
Farmington Professional Pavilion	Medical Office Building	Detroit, MI	1972	100.0%	21,338	57.5%	$ 188,979	$ 8.86	Botsford Hospital	Botsford Hospital, Farmington Dermatology
Firehouse Square	Medical Office Building	Milwaukee, WI	2002	100.0%	17,265	100.0%	$ 392,760	$ 22.75	Aurora Health Care	Aurora Health Care
Hackley Medical Center	Medical Office Building	Grand Rapids, MI	1968	100.0%	44,089	85.9%	$ 677,161	$ 15.36	Trinity Health	Hackley Hospital, Port City Pediatrics
Ingham Regional Medical Center	Medical Office Building	Lansing, MI	1994	100.0%	26,783	0.0%		$	N/A	N/A
MeadowView Professional Center	Medical Office Building	Kingsport, TN	2005	100.0%	64,200	100.0%	$ 1,291,138	$ 20.11	Holston Medical Group	Holston Medical Group
Mid Coast Hospital Medical Office Building	Medical Office Building	Portland, ME	2008	66.3%	44,677	100.0%	$ 1,205,031	$ 26.97	Mid Coast Hospital	Mid Coast Hospital
New Albany Professional Building	Medical Office Building	Columbus, OH	2000	100.0%	17,213	71.2%	$ 224,046	$ 13.02	N/A	Rainbow Pediatrics
Northpark Trail	Medical Office Building	Atlanta, GA	2001	100.0%	14,223	37.4%	$ 66,482	$ 4.67	N/A	Georgia Urology, P.A.
Remington Medical Commons	Medical Office Building	Chicago, IL	2008	100.0%	37,240	78.1%	$ 725,242	$ 19.47	Adventist	Fresenius Dialysis, Gateway Spine and Pain
Stonecreek Family Health Center	Medical Office Building	Columbus, OH	1996	100.0%	20,329	0.0%		$	N/A	N/A
Summerfield Square	Medical Office Building	Tampa, FL	2005	100.0%	2,000	0.0%		$	N/A	N/A
Summit Healthplex	Medical Office Building	Atlanta, GA	2002	100.0%	67,334	100.0%	$ 1,953,255	$ 29.01	Piedmont	Georgia Bone and Joint, Piedmont

										Hospital
Valley West Hospital Medical Office Building	Medical Office Building	Chicago, IL	2007	100.0%	37,672	98.8%	$ 768,508	$ 20.40	Kish Health System	Valley West Hospital, Midwest Orthopedics
INITIAL PROPERTIES TOTAL/WEIGHTED AVERAGE					524,048	83.3%	$ 9,720,284	$ 22.39		

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Completed Acquisitions Since the IPO (3)										
21st Century Radiation Oncology Centers Sarasota	Medical Office Building	Sarasota, FL	2012	100.0%	21,400	100.0%	$ 660,476	$ 30.86	21st Century Oncology	21st Century Oncology
21st Century Radiation Oncology Centers - Venice	Medical Office Building	Venice, FL	2011	100.0%	10,100	100.0%	$ 345,052	$ 34.16	21st Century Oncology	21st Century Oncology
21st Century Radiation Oncology Centers - Engelwood	Medical Office Building	Engelwood, FL	2009	100.0%	7,000	100.0%	$ 212,574	$ 30.37	21st Century Oncology	21st Century Oncology
21st Century Radiation Oncology Centers Port Charlotte	Medical Office Building	Port Charlotte, FL	2004	100.0%	8,395	100.0%	$ 254,936	$ 30.37	21st Century Oncology	21st Century Oncology
Central Ohio Neurosurgical Surgeons Medical Office	Medical Office Building	Columbus, OH	2007	100.0%	38,891	100.0%	$ 807,476	$ 20.76	N/A	CONS
Crescent City Surgical Centre	Hospital	New Orleans, LA	2010	100.0%	60,000	100.0%	$ 3,000,000	$ 50.00	Crescent City Surgical Centre	Crescent City Surgical Centre
Eagles Landing Family Practice Medical Office Building	Medical Office Building	McDonough, GA	2007	100.0%	17,733	100.0%	$ 402,606	$ 22.70	N/A	Eagles Landing Family Practice
Eagles Landing Family Practice Medical Office Building	Medical Office Building	Jackson, GA	2006	100.0%	14,269	100.0%	$ 323,960	$ 22.70	N/A	Eagles Landing Family Practice
Eagles Landing Family Practice Medical Office Building	Medical Office Building	Conyers, GA	2008	100.0%	18,014	100.0%	$ 408,986	$ 22.70	N/A	Eagles Landing Family Practice
Eagles Landing Family Practice Medical Office Building	Medical Office Building	McDonough, GA	2010	100.0%	18,695	100.0%	$ 424,447	$ 22.70	N/A	Eagles Landing Family Practice
East El Paso Medical Office Building	Medical Office Building	El Paso, TX	2004	99.0%	41,007	100.0%	$ 574,098	$ 14.00	Foundation Healthcare Inc.	EEPPMC Partners, LLC
East El Paso Surgical Hospital	Hospital	El Paso, TX	2004	99.0%	77,000	100.0%	$ 3,282,377	$ 42.63	Foundation Healthcare Inc.	East El Paso Physicians Medical Center, LLC
Foundation San Antonio Surgical Hospital	Hospital	San Antonio, TX	2007	100.0%	45,954	100.0%	$ 2,300,000	$ 50.05	Foundation Healthcare Inc.	Foundation Bariatric Hospital of San Antonio, L.L.C
Foundation San Antonio Healthplex	Medical Office Building	San Antonio, TX	2007	100.0%	22,832	100.0%	$ 584,873	$ 25.62	Foundation Healthcare Inc.	Foundation Healthcare Inc.
Foundation Surgical Affiliates Medical Office	Medical Office Building	Oklahoma City, OK	2004	99.0%	52,000	100.0%	$ 1,248,000	$ 24.00	Foundation Healthcare Inc.	Foundation Surgical Affiliates

Building										
Great Falls Ambulatory Surgery Center	Medical Office Building	Great Falls, MT	1999	100.0%	12,636	100.0%	$ 340,200	$ 26.92	N/A	Great Falls Clinic Surgery Center LLC
LifeCare LTACH Fort Worth	Post-Acute Hospital	Fort Worth, TX	1985	100.0%	80,000	100.0%	$ 2,200,000	$ 27.50	LifeCare Hospitals	LifeCare Holdings, LLC
LifeCare LTACH Pittsburgh	Post-Acute Hospital	Pittsburgh, PA	1987	100.0%	154,910	100.0%	$ 1,040,000	$ 6.71	LifeCare Hospitals	LifeCare Holdings, LLC
LifeCare Plano LTACH	Post-Acute Hospital	Plano, TX	1987	100.0%	75,442	100.0%	$ 1,457,063	$ 19.31	LifeCare Hospitals	LifeCare Holdings, LLC
Peachtree Dunwoody Medical Center	Medical Office Building	Atlanta, GA	1987	100.0%	131,368	94.7%	$ 3,697,497	$ 29.71	Northside	Northside Hospital
Pensacola Medical Office Building	Medical Office Building	Pensacola, FL	2012	100.0%	20,319	100.0%	$ 609,269	$ 29.99	N/A	N/A
South Bend Orthopaedics Medical Office Building	Medical Office Building	Mishawaka, IN	2007	100.0%	45,198	100.0%	$ 1,160,329	$ 25.67	N/A	South Bend Orthopaedics
PinnacleHealth Medical Office Building	Medical Office Building	Harrisburg, PA	1990	100.0%	27,601	100.0%	$ 614,006	$ 22.25	Pinnacle Health Hospitals	Pinnacle Health Hospitals
Pinnacle Health Medical Office Building	Medical Office Building	Carlisle, PA	2002	100.0%	10,517	100.0%	$ 264,349	$ 25.21	Pinnacle Health Hospitals	Pinnacle Health Hospitals
Grenada Medical Complex	Medical Office Building	Grenada, MS	1975	100.0%	52,818	94.7%	$ 1,071,401	$ 21.37	N/A	N/A
Mississippi Ortho Medical Office Building	Medical Office Building	Jackson, MS	1987	100.0%	44,269	100%	$ 1,319,076	$ 29.80	N/A	N/A
Carmel Medical Pavilion	Medical Office Building	Carmel, IN	1993	100.0%	28,572	100.0%	$ 315,699	$ 11.05	St. Vincent s	St. Vincent s
Renaissance Ambulatory Surgery Center	Medical Office Building	Oshkosh, WI	2007	100.0%	24,622	100.0%	$ 690,281	$ 28.04	ThedaCare	ThedaCare
Presbyterian Medical Plaza	Medical Office Building	Munroe, NC	2008	100.0%	29,422	100.0%	$ 611,362	$ 20.78	Novant	Novant
Summit Urology	Medical Office Building	Bloomington, IN	1996	100.0%	10,517	100.0%	$ 386,416	$ 24.23	N/A	Surgicare, LLC
COMPLETED PROPERTIES TOTAL WEIGHTED AVERAGE					1,207,021	99.19%	$ 30,606,810	$ 25.56		

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We have engaged third party property managers at 16 of our properties and we provide the property management services at the remainder of our properties.

In the opinion of management, each of our properties is adequately covered by insurance. We currently have no plans for material renovations or other capital improvements at, or developments of, any of our properties.

Tenants

The following table sets forth certain information about the 10 largest tenants in our portfolio as of June 30, 2014.

TENANT	# OF PROPERTIES	PROPERTY	PROPERTY LOCATION	LEASE EXPIRATION	LEASED SQUARE FEET	ANNUALIZED BASE RENT(1)	% OF TOTAL PORTFOLIO ANNUALIZED BASE RENT(2)
LifeCare	3	LifeCare Plano LifeCare Pittsburgh LifeCare Fort Worth	Plano, TX Pittsburgh, PA Fort Worth, TX	1/1/2028	75,442 154,910 80,000	$1,457,062 1,040,000 2,200,000	11.65%
East El Paso Physicians Medical Center, LLC	1	East El Paso Surgical Center	El Paso, TX	8/31/2028	77,000	3,282,377	8.14%
Crescent City Surgical Centre	1	Crescent City Surgical Centre	New Orleans, LA	9/30/2028	60,000	3,000,000	7.44%
[redacted]							
Northside Hospital	3	Austell Medical Office Building Canton Medical Office Building Peachtree Dunwoody Medical Center	Austell, GA Canton, GA Atlanta, GA	2/29/2024 12/31/2028 12/31/2020 3/31/2016 12/31/2017 12/31/2015 1/31/2016	7,522 38,098 42,383	122,759 817,202 1,301,819	5.56%
Eagles Landing Family Practice	4	Eagles Landing Family Practice	Atlanta, GA	2/28/2029	68,711	1,560,000	3.87%
21st Century	4	21st Century Port Charlotte 21st Century Venice 21st Century Englewood 21st Century Sarasota	Port Charlotte, FL Venice, FL Englewood, FL Sarasota, FL	1/31/2027 1/31/2027 1/31/2027 1/31/2027	8,395 10,100 7,000 18,800	254,936 345,052 212,573 642,275	3.61%
Mississippi Sports Medicine and Orthopedics Center	1	Mississippi Orthopedics Medical Office Building	Jackson, MS	5/31/2029	44,269	1,319,076	3.27%
Foundation Surgical Affiliates, LLC	1	Foundation Medical Office Building	Oklahoma City, OK	9/30/2023	52,000	1,248,000	3.09%
Holston Medical Group	1	Meadowview Professional Center	Kingsport, TN	12/31/2019 3/31/2020	36,977	895,498	2.22%

Total	$22,583,502	56.00%

(1) Calculated for each tenant as the monthly contracted base rent per the terms of such tenant s lease, as of June 30, 2014, multiplied by 12.

(2) Calculated as annualized base rent for such tenant as of June 30, 2014 divided by annualized base rent for the total portfolio as of June 30, 2014.

Pending Acquisitions

Through subsidiaries of our operating partnership, we have entered into definitive agreements for approximately $180 million in pending acquisitions as follows:

- Mark H. Zangmeister Cancer Center, Columbus, Ohio: The facility is a 109,667 square foot, multi-tenant medical office building that is 100% occupied by Mid-Ohio Oncology/Hematology (Mid-Ohio) and Mt. Carmel Health System (Mt. Carmel), a member of Trinity Health, one of the nation s largest Catholic health systems, serving patients and communities in 21 states. Mid-Ohio is a physician group of cancer and blood disorder treatment specialists with over 30 years of experience as a private practice and occupies almost 90% of the building. Mt. Carmel occupies the remainder of the building and specializes in radiation oncology. The building is being acquired for approximately $36.6 million.

- Berger Medical Center, Orient, Ohio: The facility is a 31,528 square foot medical office building that is 78% occupied by Berger Hospital d/b/a Berger Health System and is being acquired for approximately $6.8 million.

- Three medical facilities, Texas: The buildings consist of approximately 180,497 square feet and currently are 92.5% occupied and consist of a specialty surgical hospital and two medical office buildings that primarily are leased to an orthopedic group in a metro area in Texas. The portfolio is being acquired for approximately $46.6 million payable in a combination of cash and OP Units, the amount of which to be determined at closing. As partial payment of the purchase price for the properties, tenant improvement allowances will be provided.

- Two medical office buildings, Columbus and Westerville, Ohio: The facilities total approximately 95,749 square feet and are 100% occupied. The total purchase price for the buildings is approximately $24.5 million.

- Outpatient care center and medical office building, Michigan: The facility consists of an approximately 176,000 square foot outpatient care center and medical office building and is 100% occupied. The facility is being acquired for approximately $46.5 million. At the closing, the selling physicians group, with more than 1,500 affiliated physicians representing primary care and all major surgical specialties, will enter into a new 15 year triple net master lease with annual rental escalations and renewal options.

- Ambulatory surgery center and medical office building, Florida: The ambulatory surgery center and medical office building is 46,016 square feet. The national hospital system that leases and operates the surgery center has a right of first refusal to purchase the facility and the closing of the acquisition of this property is subject to the waiver or expiration of such right. The purchase price for the buildings is approximately $19 million.

Each pending acquisition described above is subject to customary closing conditions and there can be no assurance we will complete any of these transactions or acquire any of these buildings.

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We expect our portfolio to grow to between $750 million to $1 billion in total real estate assets by the end of this fiscal year.

Other Recent Developments

On September 8, 2014, we announced that we have engaged KeyBank National Association as Administrative Agent, together with KeyBanc Capital Markets Inc., Regions Capital Markets, and Bank of Montreal Capital Markets, as Joint Lead Arrangers and Joint Bookrunners, to lead a proposed new $300 million senior unsecured revolving credit facility. We have received a commitment from KeyBanc Capital Markets on behalf of the lending syndicate with respect to the proposed new unsecured facility. If completed, the proposed new unsecured credit facility would replace our existing $200 million senior secured revolving credit facility. The commitment is subject to conditions to closing, including the entry into and consummation by the parties of mutually satisfactory documentation. There can be no assurance that we will enter into definitive documentation with respect to the unsecured credit facility or will complete any such facility on this timetable or at all.

Pursuant to that certain First Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated July 24, 2013, among the Company and the limited partners set forth therein (as it may be further amended from time to time, the partnership agreement), limited partners, other than us, have redemption rights, to cause the operating partnership to redeem their common units in the operating partnership (OP Units) in exchange for cash or, at our option, for common shares on a one-for-one basis, generally commencing one year from the date of issuance of such OP units. Pursuant to the terms of the partnership agreement, certain limited partners, including the Ziegler Funds, exercised their respective redemption rights and in connection therewith, we intend, on or about October 1, 2014, to purchase an aggregate of 545,750 OP Units in exchange for an aggregate of approximately $8 million in cash (assuming the cash payments were made on September 8, 2014) and to issue 2,005,101 of our common shares to redeem 2,005,101 OP Units. The actual per OP Unit purchase price for the 545,750 OP Units we have agreed to purchase for cash will be equal to the average of the last reported sales price on the NYSE of our common shares for the ten consecutive trading days immediately preceding October 1, 2014.

Such common shares issued will be issued (a) in private placements in reliance on Section 4(2) of the Securities Act and the rules and regulations promulgated thereunder and (b) to accredited investors within the meaning of Rule 501 of Regulation D under the Securities Act. The resale of the common shares by the then selling shareholders and former limited partners has been registered by us under the Securities Act pursuant to our Registration Statement on Form S-3 (File No. 333-197842), filed with the Commission on August 4, 2014, which was declared effective by the Commission on August 19, 2014. Upon completion of the redemption of the OP Units on or about October 1, 2014, there will be 2,240,015 OP Units outstanding that we do not own and we will own approximately 95.3% of the outstanding OP Units.

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UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated and KeyBanc Capital Markets Inc. are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of common shares set forth opposite its name below:

Underwriter	Number of Common Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated	2,771,133
KeyBanc Capital Markets Inc.	2,771,133
BMO Capital Markets Corp.	1,649,057
RBC Capital Markets, LLC	824,528
Wunderlich Securities, Inc.	824,528
Oppenheimer & Co. Inc.	329,812
Janney Montgomery Scott LLC	164,905
Regions Securities LLC	41,226
Comerica Securities, Inc.	41,226
Compass Point Research & Trading, LLC	41,226
J.J.B. Hilliard, W.L. Lyons, LLC	41,226
Total	9,500,000

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the common shares sold under the underwriting agreement if any of these common shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the common shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the common shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer s certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the common shares to the public at the public offering price set forth on the cover page of this prospectus supplement and to dealers at that price less a concession not in excess of $0.33 per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares.

	Per Share	Without Option	With Option
Public offering price	$ 14.00	$ 133,000,000	$ 152,950,000
Underwriting discount	$ 0.595	$ 5,652,500	$ 6,500,375
Proceeds, before expenses, to us	$ 13.405	$ 127,347,500	$ 146,449,625

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The expenses of the offering, not including the underwriting discount, are estimated at $1.0 million and are payable by us.

Option to Purchase Additional Shares

We have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus supplement, to purchase up to 1,425,000 additional shares at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter s initial amount reflected in the above table.

No Sales of Similar Securities

We, our executive officers and directors have agreed, subject to certain limited exceptions, not to sell or transfer any common shares or securities convertible into, exchangeable for, exercisable for, or repayable with common shares, for 60 days after the date of this prospectus supplement without first obtaining the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and KeyBanc Capital Markets Inc. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly

• offer, pledge, sell or contract to sell any common shares,

• sell any option or contract to purchase any common shares,

• purchase any option or contract to sell any common shares,

• grant any option, right or warrant for the sale of any common shares,

• lend or otherwise dispose of or transfer any common shares,

• request or demand that we file a registration statement related to the common shares, or

• enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common shares whether any such swap or transaction is to be settled by delivery of common shares or other securities, in cash or otherwise.

This lock-up provision applies to common shares and to securities convertible into or exchangeable or exercisable for or repayable with common shares. It also applies to common shares owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

New York Stock Exchange Listing

The common shares are listed on the New York Stock Exchange under the symbol DOC.

Price Stabilization, Short Positions

Until the distribution of the common shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common shares. However, the representatives may engage in transactions that stabilize the price of the common shares, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common shares in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the

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offering. Covered short sales are sales made in an amount not greater than the underwriters option to purchase additional shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option granted to them. Naked short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common shares in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common shares made by the underwriters in the open market prior to the completion of the offering.

Similar to other purchase transactions, the underwriters purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common shares or preventing or retarding a decline in the market price of our common shares. As a result, the price of our common shares may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the New York Stock Exchange, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common shares. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Distribution

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

Other Relationships

Affiliates of Regions Securities LLC serve as sole lead arranger and administrative agent for our senior secured revolving credit facility. Additionally, an affiliate of each of KeyBanc Capital Markets Inc., BMO Capital Markets Corp. and Comerica Securities, Inc. is a lender under our senior secured revolving credit facility, and a portion of the proceeds of the offering will be used to repay amounts outstanding under the facility. These affiliates of the underwriters will receive their pro rata shares of such payment. Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

The underwriters and their affiliates may provide in the future investment banking, financial advisory or other financial services for us and our affiliates, for which they may receive advisory or transaction fees, as applicable, plus out-of-pocket expenses, of the nature and in amounts customary in the industry for these financial services. RBS Citizens, N.A., a lender under our existing credit agreement, is a party to a relationship agreement with Oppenheimer & Co. Inc. and will receive a referral fee from Oppenheimer & Co. Inc. in connection therewith; however, such referral fee is not in addition to any gross commission paid by us to Oppenheimer.

Affiliates of BMO Capital Markets Corp., one of the underwriters, beneficially own 1,198,316 of our common shares.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission (ASIC), in relation to the offering. This prospectus supplement and the accompanying prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the Corporations Act), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

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Any offer in Australia of the common shares may only be made to persons (the Exempt Investors) who are sophisticated investors (within the meaning of section 708(8) of the Corporations Act), professional investors (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the common shares without disclosure to investors under Chapter 6D of the Corporations Act.

The common shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring common shares must observe such Australian on-sale restrictions.

This prospectus supplement and the accompanying prospectus contain general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. They do not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus supplement and the accompanying prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus supplement and the accompanying prospectus relate to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (DFSA). This prospectus supplement and the accompanying prospectus are intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. They must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement and the accompanying prospectus nor taken steps to verify the information set forth herein and has no responsibility for this prospectus supplement and the accompanying prospectus . The common shares to which this prospectus supplement and the accompany prospectus relate may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the common shares offered should conduct their own due diligence on the common shares. If you do not understand the contents of this prospectus supplement and the accompany prospectus, you should consult an authorized financial advisor.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area (each, a Relevant Member State), no offer of common shares may be made to the public in that Relevant Member State other than:

A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or

C. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of common shares shall require the Company or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any common shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any common shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the common shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any common shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

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The Company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of common shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of common shares. Accordingly any person making or intending to make an offer in that Relevant Member State of common shares which are the subject of the offering contemplated in this prospectus supplement and the accompanying prospectus may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the underwriters have authorized, nor do they authorize, the making of any offer of common shares in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression an offer to the public in relation to any common shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the common shares to be offered so as to enable an investor to decide to purchase or subscribe the common shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Notice to Prospective Investors in Hong Kong

The common shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a prospectus as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the common shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to common shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Switzerland

We have not and will not register with the Swiss Financial Market Supervisory Authority (FINMA) as a foreign collective investment scheme pursuant to Article 119 of the Federal Act on Collective Investment Scheme of 23 June 2006, as amended (CISA), and accordingly the securities being offered pursuant to this prospectus supplement and the accompanying prospectus have not and will not be approved, and may not be licenseable, with FINMA. Therefore, the securities have not been authorized for distribution by FINMA as a foreign collective investment scheme pursuant to Article 119 CISA and the securities offered hereby may not be offered to the public (as this term is defined in Article 3 CISA) in or from Switzerland. The securities may solely be offered to qualified investors, as this term is defined in Article 10 CISA, and in the circumstances set out in Article 3 of the Ordinance on Collective Investment Scheme of 22 November 2006, as amended (CISO), such that there is no public offer. Investors, however, do not benefit from protection under CISA or CISO or supervision by FINMA. This prospectus supplement and the accompanying prospectus and any other materials relating to the securities are strictly personal and confidential to each offeree and do not constitute an offer to any other person. This prospectus supplement and the accompanying prospectus may only be used by those qualified investors to whom it has been handed out in connection with the offer described herein and may neither directly or indirectly be distributed or made available to any person or entity other than its recipients. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in Switzerland or from Switzerland. This prospectus supplement and the accompanying prospectus do not constitute an issue prospectus as that term is understood pursuant to Article 652a and/or 1156 of the Swiss Federal Code of Obligations. We have not applied for a listing of the securities on the SIX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in this prospectus supplement and the accompanying prospectus does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange.

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Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

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LEGAL MATTERS

Certain legal matters will be passed upon for us by Baker & McKenzie LLP. The statements under the caption Material U.S. Federal Income Tax Considerations in the prospectus accompanying this prospectus supplement as they relate to federal income tax matters have been reviewed by Baker & McKenzie LLP, and Baker & McKenzie LLP has opined as to certain income tax matters relating to an investment in our common shares. Certain legal matters will be passed upon for the underwriters by Hunton & Williams LLP. Venable LLP will pass upon the validity of the common shares sold in this offering and certain other matters of Maryland law.

EXPERTS

The (1) consolidated and combined balance sheets of the Company as of December 31, 2013 and 2012, and the related consolidated and combined statements of operations, shareholders equity and cash flows for each of the three years in the period ended December 31, 2013, and (2) (a) the Crescent City Property, for the year ended December 31, 2012, (b) the East El Paso Property for the year ended December 31, 2012, (c) the Eagles Landing Property for the year ended December 31, 2012, (d) the Peachtree Property (also referred to as Peachtree Dunwoody Medical Center) for the year ended December 31, 2013, (e) the Sarasota Properties (also referred to as 21st Century) for the year ended December 31, 2013 and (f) the San Antonio Property (also referred to as Foundation Surgical Hospital) for the year ended December 31, 2013 all appearing in this prospectus supplement, the accompanying prospectus and registration statement have been audited by Plante & Moran, PLLC, independent registered public accounting firm, as set forth in its reports thereon as incorporated by reference, and are included in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The statements of revenues and certain direct operating expenses of the Pinnacle Properties and the Oshkosh Property (also referred to as Renaissance Surgical Center) for the year ended December 31, 2013 appearing in the Company s Current Report on Form 8-K, dated August 4, 2014, have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports included therein and incorporated by reference into this prospectus supplement and the accompanying prospectus and registration statement.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We are subject to the reporting, proxy, and information requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and are required to file periodic reports, proxy statements, and other information with the SEC. These periodic reports, proxy statements, and other information are available for inspection and copying, at prescribed rates, at the Public Reference Room of the SEC, 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0300 for further information on the operation of the Public Reference Room. Our SEC filings are also available to you on the SEC s web site at http://www.sec.gov. The Company s outstanding common shares are listed on the NYSE under the symbol DOC and all such periodic reports, proxy statements and other information we file with the SEC may also be inspected at the NYSE s offices at 20 Broad Street, New York, New York 10005.

We have filed with the SEC a registration statement on Form S-3, including exhibits, schedules and amendments thereto, of which this prospectus supplement and the accompanying prospectus is a part, under the Securities Act with respect to the common shares to be sold in this offering. This prospectus supplement and the accompanying prospectus does not contain all of the information set forth in the registration statement and exhibits and schedules to the registration statement. For further information with respect to our company and our common shares to be sold in this offering, reference is made to the registration statement, including the exhibits and schedules thereto. Statements contained in this prospectus supplement and the accompanying prospectus as to the contents of any contract or other document referred to in this prospectus supplement or the accompanying prospectus are not necessarily complete and, where that contract or other document has been filed as an exhibit to the registration statement, each statement in this prospectus supplement and the accompanying prospectus is qualified in all respects by the exhibit to which the reference relates. Copies of the registration statement, including the exhibits and schedules thereto, are available for inspection and copying, at prescribed rates, at the Public Reference Room of the SEC, 100 F Street, N.E., Washington, D.C. 20549 and are also available to you on the SEC s website, www.sec.gov.

We maintain a website at www.docreit.com. Information contained on, or accessible through our website is not incorporated by reference into and does not constitute part of this prospectus supplement or any other report or documents we file with or furnish to the SEC.

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INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference the information and reports we file with it, which means that we can disclose important information to you by referring you to these documents. The information incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus, and information that we file later with the SEC will automatically update and supersede the information already incorporated by reference. We are incorporating by reference the documents listed below, which we have already filed with the SEC, and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, except as to any portion of any future report or document that is not deemed filed under such provisions, until we sell all of the securities:

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, filed with the SEC on March 21, 2014;

- Our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014, filed with the SEC on May 7, 2014;

- Our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014, filed with the SEC on August 13, 2014;

- Our Current Reports on Form 8-K, filed with the SEC on February 3, 2014, February 12, 2014, February 25, 2014, March 3, 2014, March 4, 2014, March 28, 2014, April 1, 2014, April 7, 2014, May 7, 201, May 14, 2014, June 23, 2014, June 26, 2014, July 2, 2014, August 4, 2014, August 6, 2014, August 7, 2014, August 19, 2014 and September 8, 2014;

- Our Current Reports on Form 8-K/A, filed with the SEC on November 1, 2013, November 12, 2013 (regarding the Crescent City Property and the East El Paso Properties), May 1, 2014, May 5, 2014, May 6, 2014 and August 1, 2014; and

- The description of our common shares contained in our registration statement on Form 8-A filed with the SEC on July 17, 2013, including any amendments and reports filed for the purpose of updating such description.

In addition, any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement shall be deemed to be incorporated by reference, except as to any portion of any future report or document that is not deemed filed under such provisions.

Upon request, we will provide, without charge, to each person, including any beneficial owner, to whom a copy of this prospectus supplement and the accompanying prospectus is delivered a copy of the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. You may request a copy of these filings, and any exhibits we have specifically incorporated by reference as an exhibit in this prospectus supplement and the accompanying prospectus, at no cost by writing or telephoning us at the following address:

Investor Relations, Physicians Realty Trust, 735 N. Water Street, Suite 1000, Milwaukee, Wisconsin 53202, Telephone: (414) 978-6494.

This prospectus supplement and the accompanying prospectus is part of a registration statement we filed with the SEC. We have incorporated exhibits into this registration statement. You should read the exhibits carefully for provisions that may be important to you.

You should rely only on the information incorporated by reference or provided in this prospectus supplement and the accompanying prospectus or any prospectus supplement. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus supplement and the accompanying prospectus or in the documents incorporated by reference is accurate as of any date other than the date on the front of this prospectus supplement or those documents.

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PROSPECTUS

$900,000,000

Common Shares

Preferred Shares

Debt Securities

Depositary Shares

Warrants

Units

4,518,675 shares

Common Shares

We may from time to time issue, in one or more series or classes, up to $900,000,000 in aggregate principal amount of our common shares of beneficial interest, par value $0.01 per share, or common shares, preferred shares of beneficial interest, par value $0.01 per share, or preferred shares, debt securities, depositary shares, warrants and/or units. We may offer these securities separately or together in units. We will specify in the accompanying prospectus supplement the terms of the securities being offered.

The selling shareholders named herein may offer from time to time 4,518,675 common shares issuable in exchange for units of limited partnership in Physicians Realty L.P., our operating partnership, tendered for redemption by one or more of such selling shareholders pursuant to their contractual rights. This prospectus also relates to our common shares that may be sold from time to time by additional selling shareholders that may receive common shares issuable in exchange for units of limited partnership in our operating partnership. In this prospectus, we refer to the selling shareholders named herein and any such additional selling shareholders, collectively, as the selling shareholders.

We may sell the foregoing securities and the selling shareholders may sell common shares to or through underwriters and also to other purchasers or through agents. We will set forth the names of any underwriters or agents, and any fees, conversions, or discount arrangements, in the accompanying prospectus supplement. We may not sell any securities under this prospectus without delivery of the applicable prospectus supplement.

You should read this document and any prospectus supplement or amendment carefully before you invest in our securities.

Our common shares are listed on the New York Stock Exchange under the symbol DOC. On August 1, 2014, the closing price for our common shares, as reported on the New York Stock Exchange, was $14.12 per share. Our principal executive offices are located at 735 N. Water Street, Suite 1000, Milwaukee, Wisconsin 53202.

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

We are an emerging growth company under the federal securities laws and have reduced public company reporting requirements. Investing in our securities involves a high degree of risk. You should review carefully the risks and uncertainties described under the heading Risk Factors contained in this prospectus beginning on page 4 and any applicable prospectus supplement, and under similar headings in the other documents that are incorporated by reference into this prospectus.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE, TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is August 19, 2014.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, utilizing a shelf registration process. Under the shelf registration process, we or additional selling shareholders may offer common shares of beneficial interest, or common shares, and preferred shares of beneficial interest, or preferred shares, various series of debt securities, depositary shares, warrants to purchase any of such securities, and units comprised of any such securities with a total value of up to $900,000,000 from time to time under this prospectus at prices and on terms to be determined by market conditions at the time of offering, and the selling shareholders named herein may offer and sell 4,518,675 of our common shares in one or more offerings. This prospectus provides you with a general description of the securities we may offer and sell from time to time and a description of the common shares that the selling shareholders may offer and sell from time to time. Each time we or additional selling shareholders offer a type or series of securities, we will provide a prospectus supplement that will describe the specific amounts, prices and other important terms of the securities, including, to the extent applicable:

- designation or classification;
- aggregate principal amount or aggregate offering price;
- maturity;
- original issue discount, if any;
- rates and times of payment of interest, dividends or other payments, if any;
- redemption, conversion, exchange, settlement or sinking fund terms, if any;
- conversion, exchange or settlement prices or rates, if any, and, if applicable, any provisions for changes to or adjustments in the conversion, exchange or settlement prices or rates and in the securities or other property receivable upon conversion, exchange or settlement;
- ranking;
- restrictive covenants, if any;
- voting or other rights, if any;
- if applicable, the name of any additional selling shareholders and the number of common shares to be sold by such selling shareholders; and
- important federal income tax considerations.

A prospectus supplement may include a discussion of risks or other special considerations applicable to us or the offered securities. A prospectus supplement may also add, update or change information in this prospectus. If there is any inconsistency between the information in this prospectus and any applicable prospectus supplement, you must rely on the information in the prospectus supplement. Please carefully read both this prospectus and any applicable prospectus supplement together with the additional information described under the heading Where You Can Find More Information.

The registration statement containing this prospectus, including exhibits to the registration statement, provides additional information about us and the securities offered under this prospectus. The registration statement can be read at the SEC s website (*www.sec.gov*) or at the SEC s Public Reference Room mentioned under the heading Where You Can Find More Information.

We and the selling shareholders have not authorized any broker-dealer, salesperson or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus and an accompanying supplement to this prospectus. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus or an accompanying prospectus supplement. This prospectus and an accompanying supplement to this prospectus do not constitute an offer to sell or the solicitation of an offer to buy securities, nor do this prospectus and an accompanying supplement to this prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation. The information contained in this prospectus and an accompanying prospectus supplement speaks only as of the date set forth on the applicable cover page and may not reflect subsequent changes in our business, financial condition,

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results of operations and prospects even though this prospectus and any accompanying prospectus supplement is delivered or securities are sold on a later date.

We and the selling shareholders may sell the securities directly to or through underwriters, dealers or agents. We, the selling shareholders and such underwriters or agents reserve the right to accept or reject all or part of any proposed purchase of securities. If we or the selling shareholders do offer securities through underwriters, dealers or agents, we will, as applicable, include in any applicable prospectus supplement:

- the names of those underwriters, dealers or agents;
- applicable fees, discounts and commissions to be paid to them;
- details regarding over-allotment options, if any; and
- the net proceeds to us, if any.

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SUMMARY

The following summary highlights information appearing or incorporated in this prospectus. It may not contain all of the information that is important to you. You should read the entire prospectus carefully, especially the discussion regarding the risks of investing in our securities under the heading Risk Factors, before investing in our securities. All references to we, us, our, our company, the Trust, the Company, and Physicians Realty refer to Physicians Realty Trust, a Maryland real estate investment trust, together with its consolidated subsidiaries, including Physicians Realty L.P., a Delaware limited partnership, which we refer to as our operating partnership, and the historical business and operations of four healthcare real estate funds that we have classified for accounting purposes as our Predecessor and which we sometimes refer to as the Ziegler Funds, and not to the persons who manage us or sit on our Board of Trustees.

Our Company

We are a self-managed healthcare real estate company organized in April 2013 to acquire, selectively develop, own and manage healthcare properties that are leased to physicians, hospitals and healthcare delivery systems. We completed our initial public offering (IPO) in July 2013. As of June 30, 2014, our portfolio consisted of 49 properties located in 17 states with approximately 1,731,069 net leasable square feet.

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

We had no business operations prior to completion of the IPO and the formation transactions on July 24, 2013. Our Predecessor, which is not a legal entity, is comprised of the four healthcare real estate funds managed by B.C. Ziegler & Company (Ziegler), which we refer to as the Ziegler Funds, that owned directly or indirectly interests in entities that owned the initial properties we acquired on July 24, 2013 in connection with completion of our IPO and related formation transactions.

We are a Maryland real estate investment trust, or REIT, and will elect to be taxed as a REIT for U.S. federal income tax purposes beginning with our short taxable year ending December 31, 2013 upon the filing of our federal income tax return for such year. We conduct our business through an UPREIT structure in which our properties are owned by our operating partnership directly or through limited partnerships, limited liability companies or other subsidiaries. We are the sole general partner of our operating partnership and, as of August 1, 2014, own approximately 88.3% of the partnership interests in our operating partnership.

Corporate Information

We were formed as a Maryland real estate investment trust on April 9, 2013. Our corporate offices are located at 735 N. Water Street, Suite 1000, Milwaukee, Wisconsin 53202. Our telephone number is (414) 978-6494. Our internet website is *www.docreit.com*. The information contained on, or accessible through, this website, or any other website, is not incorporated by reference into this prospectus and should not be considered a part of this prospectus.

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RISK FACTORS

Investing in our securities involves a high degree of risk. You should carefully consider the risks described below and in the documents incorporated by reference in this prospectus and any prospectus supplement, as well as other information we include or incorporate by reference into this prospectus and any applicable prospectus supplement, before making an investment decision. The occurrence of any of such risks might cause you to lose all or part of your investment. Such risks represent those risks and uncertainties that we believe are material to our business, financial condition and results of operations, our ability to make distributions to our shareholders and the trading price of our securities. Some statements in this prospectus and in the documents incorporated by reference in this prospectus constitute forward-looking statements. Please refer to the section captioned Cautionary Statement Regarding Forward-Looking Statements. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and in the documents incorporated herein by reference, including (i) our most recent annual report on Form 10-K which is on file with the SEC and is incorporated herein by reference and (ii) other documents we file with the SEC that are deemed incorporated by reference into this prospectus.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We make statements in this prospectus and in the documents incorporated by reference herein that are forward-looking statements within the meaning of the federal securities laws. In particular, statements pertaining to our capital resources, property performance and results of operations contain forward-looking statements. Likewise, our pro forma financial statements and all of our statements regarding anticipated growth in our funds from operations and anticipated market conditions, demographics and results of operations are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as believes, expects, may, will, should, seeks approximately, intends, plans, pro forma, estimates or anticipates or the negative of these words and phrases or similar words or phrases are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- general economic conditions;
- adverse economic or real estate developments, either nationally or in the markets in which our properties are located;
- our failure to generate sufficient cash flows to service our outstanding indebtedness;