Premium Content: Healthcare Nontraded REITs Nontraded REIT Industry Review: Second Quarter 2015

Carter Validus Mission Critical REIT, Inc.

The Company, was organized in 2009 to acquire and operate a diversified portfolio of income producing commercial real estate, with a focus on the data center and healthcare property sectors, net leased to investment grade and other creditworthy tenants, as well as to make other real estate-related investments that relate to such property types.

The Company ceased offering shares of common stock in its \$1,746,875,000 initial public offering, or the Offering, on June 6, 2014. At the completion of the Offering, the Company raised gross proceeds of approximately \$1,716,046,000 (including shares of common stock issued pursuant to a distribution reinvestment plan, or the (DRIP).

As of June 30, 2015, the Company consolidated 48 real estate investments, consisting of 79 properties. As of June 30, 2015, the Company had investments in real estate-related notes receivable in the aggregate principal amount of \$10,014,000 and the Company had investments in 7.875% Series B Redeemable Cumulative Preferred Stock in a private real estate corporation in an aggregate amount of \$127,147,000.

The REIT is in the Maturing LifeStage of closed REITs that is marked by refinement of the portfolio through dispositions, targeted acquisitions and debt policy. Metrics should begin to move in line with publicly traded REITs. Also, valuation of shares begins within 18 months from the close of the equity raising.

Key Highlights

- During the six months ended June 30, 2015, the Company completed the acquisition of two healthcare real estate investments, which were determined to be business combinations, for an aggregate purchase price of \$137,427,000.
- Revenues from healthcare properties were \$22.3 million for the quarter ended June 30, 2015. Revenues from data centers were \$23.3 million for the same period.
- On July 8, 2015, the Company acquired the remaining interest in the Bay Area Regional Medical Center for \$102.5 million.

Capital Stack Review

- Debt Ratio The Company's debt to total assets ratio increased to 31.9% as of 2Q 2015 compared to 18.7% in 2Q 2014.
- Debt Maturity Only 4.4% of the Company's debt is due to mature in 2015 or 2016.
- Debt Breakdown 43.5% of the Company's debt is at unhedged variable rates with an average weighted interest rate for all debt of 3.80%.
- Cash on Hand 1.3% cash to total assets ratio is down from the 24.3% ratio reported in 2Q 2014.

Metrics

- Distribution On May 7, 2015, the board approved and authorized a daily distribution to stockholders equal to \$0.001917808 per share of common stock, which is equal to an annualized distribution rate of 7.0%, assuming a purchase price of \$10.00 per share.
- Distribution Source For the six months ended June 30, 2015, the Company paid aggregate distributions of \$61,582,000 (\$28,071,000 in cash and \$33,511,000 reinvested in shares of common stock pursuant to the DRIP). The sources of distributions were cash flows provided by operations (46%) and the DRIP (54%).
- MFFO Payout Ratio At 117% for 2Q 2015 and trending downward from 139% for 2014.
- Fee Waivers and Deferrals None reported.
- Interest Coverage Ratio The Company's interest coverage ratio of 6.1x during the first six months of 2015 is well above the median for Maturing LifeStage nontraded REITs.
- Impairments None.

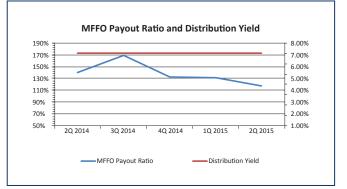
Real Estate Portfolio

- Acquisitions Two real estate investments in the six months ended June 30, 2015, for \$137.4 million.
- Dispositions None in 2015.
- Occupancy 97% as of June 30, 2015.
- Lease Expirations Weighted average 11.8 years.
- As of June 30, 2015, the Company had investments in two real estate-related notes receivables with outstanding balances totaling \$10.0 million with interest rates from 8.0% to 12.0%.
- Geographic Diversification As of June 30, 2015, the Company owned real estate investments in 44 MSAs, four of which accounted for 10.0% or more of rental revenue.

Cash Flow Analysis

- Operating Cash Flow Increased to \$53.1 million for the six months ended June 30, 2015, 80% above the same period in 2014.
- Net Cash Flow Was negative \$81.6 million for 6 months ended June 30, 2015, due to \$284.2 net investment vs. \$149.5 net financing cash flow.
- Outlook –Distribution coverage ratios are improving along with operating cash flows. Portfolio construction may be nearing completion.
- Additional nontraded REITs currently managed by Carter Validus
- Carter Validus Mission Critical REIT II, Inc

Nontraded REITs managed by Carter Validus that have completed full-cycle events: None



Debt Ratio and YTD Interest Coverage Ratio

