



## Ventas Announces \$0.8 Billion in New University-Based Research & Innovation Developments

June 17, 2019

- **Four New Research, Academic and Innovation Projects With Current and New University Relationships Including University of Pittsburgh and Drexel University**
- **Establishes and Expands Knowledge Communities That Enable Ground-Breaking Research, Academic Medicine and Innovation**
- **Developments Now Approximate \$0.9 Billion of Previously Announced \$1.5 Billion Pipeline**
- **Expected 7+ Percent Unlevered Cash Yield at Stabilization and Openings in 2021-22**

CHICAGO--(BUSINESS WIRE)--Jun. 17, 2019-- Ventas, Inc. (NYSE: VTR) announced today four new developments totaling approximately \$0.8 billion in its university-based Research & Innovation ("R&I") business, all in partnership with Wexford Science & Technology, LLC ("Wexford"), the leading developer of university-focused real estate solutions. These investments are part of the near-term \$1.5 billion R&I pipeline (the "Pipeline") of expected new projects previously announced by Ventas.

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These outstanding developments with leading institutions include: 1) creation of a research, academic medicine and innovation hub anchored by a new relationship with University of Pittsburgh to house ground-breaking immunotherapy research in collaboration with the University of Pittsburgh Medical Center ("UPMC") and co-located with UPMC's Shadyside Hospital; 2) a new development that expands the flourishing Philadelphia uCity Square Knowledge Community associated with the University of Pennsylvania; 3) also in uCity Square, a state of the art College of Nursing and Health Professionals for Drexel University; and 4) expansion of the vibrant Cortex Innovation Community associated with Washington University in St. Louis. The projects are 40 percent pre-leased and are expected to generate over a 7 percent cash yield, and over an 8 percent GAAP yield, upon stabilization.

Pitt Immune Transplant & Therapy Center Phase I (Graphic: Business Wire)

previously announced development at Arizona State University, these projects:

- add 1.5 million square feet to Ventas's R&I portfolio;
- are 40 percent pre-leased; and
- are expected to deliver an unlevered cash yield at stabilization of over 7 percent and an over 8 percent GAAP yield.

"We are excited to announce these outstanding new projects with existing and new university relationships, which are strong proof points of our exciting growth opportunity in the Research & Innovation segment," said John Cobb, Ventas Executive Vice President and Chief Investment Officer. "With \$0.9 billion of our \$1.5 billion development pipeline announced, we look forward to bringing these projects to successful completion while we also work to make the balance of our near term pipeline a reality."

"Ventas and Wexford are proud to partner with leading research universities, health systems, academic medical centers, life science companies and entrepreneurs in the creation of Knowledge Communities and innovation hubs. We are committed to collaborating with and supporting these world-class research institutions, pioneers in biomedical research, academic medicine leaders and innovators as they develop life-changing therapies, conduct groundbreaking scientific research, and train clinicians to improve the lives of millions of patients as the population rapidly ages," noted Debra A. Cafaro, Ventas Chairman and Chief Executive Officer.

Including the new developments announced today, Ventas has relationships with over 15 leading research universities in its R&I portfolio, who collectively rank in the top 95 percent of all NIH funding and conduct over 10 percent of all university research and development in the nation. Pro forma for announced developments, Ventas's R&I portfolio will total nearly eight million square feet and is expected to generate approximately \$230 million in annual net operating income upon stabilization of announced new developments.

Ventas has now announced projects totaling \$0.9 billion of its Pipeline. With the

New development commitments announced today include:

**University of Pittsburgh (“Pitt”) - Immune Transplant & Therapy Center:** The Pitt Immune Transplant & Therapy Center is an approximately \$280 million trophy-quality historic redevelopment pre-leased to University of Pittsburgh (Moody’s Aa1) under a long-term lease. It is located adjacent to the UPMC Shadyside Hospital campus in Pittsburgh. University of Pittsburgh ranks fourth in the U.S. in funding from the National Institutes of Health (“NIH”), and is a leader in medical research and healthcare. This 350,000 square foot development will house the Immune Transplant and Therapy Center (“ITTC”), a collaboration between University of Pittsburgh and UPMC to focus on personalized medicine and the biology of cancer and aging. UPMC has committed to \$200 million in research funding at ITTC.

The development is expected open in two phases, with the first and second phase expected to be completed in 2021. The full project is 70 percent pre-leased.

**Philadelphia - One uCity Square and the College of Nursing and Health Professions, Drexel University:** These two projects will total \$400 million and will add 650,000 square feet to the thriving Philadelphia University City (“uCity”) submarket, a leading research, academic, medical, life science and innovation market where Ventas currently owns four fully leased buildings. Pre-leasing is currently at 40 percent.

The College of Nursing and Health Professions, Drexel University, totaling 260,000 square feet, is a state-of-the-art build-to-suit development that has been approved to be pre-leased to Drexel University’s College of Nursing and Health Professionals (“CNHP”). It is designed to include academic and research space. Drexel is moving CNHP to uCity to enable it to consolidate its academic and research programs, improve collaboration between CNHP and Drexel’s other colleges and schools, and provide its CNHP students, faculty and staff with immediate access to Drexel’s full suite of on campus resources. Ventas expects the College of Nursing and Health Professions, Drexel University, to open in 2022.

One uCity Square, totaling 390,000 square feet, is the next phase of the Knowledge Community at uCity Square. It follows Ventas’s success, in partnership with The Science Center, a Philadelphia-based nucleus for innovation, entrepreneurship and technology commercialization, in the recently completed 3675 Market Street. Ventas’s four buildings in the thriving uCity sub-market are nearly 100 percent leased, and the new project is designed to capture momentum and fill robust leasing demand in the exciting uCity submarket. It is expected to open in early 2022.

**Washington University in St. Louis (“WashU”) – 4210 Duncan:** 4210 Duncan is a \$115 million, 320,000 square foot development located in the flourishing Cortex Innovation Community, which is affiliated with WashU (“Cortex”). This new development adds to Ventas’s successful Cortex R&I portfolio, which contains four owned buildings totaling over 700,000 square feet, which are nearly 100 percent occupied. 4210 Duncan will build on this momentum in the attractive Cortex market by delivering needed additional capacity to this high-demand market. Cortex is home to WashU Medical and Research Facilities and Barnes Jewish, as well as a number of high profile, high credit tenants including Boeing, DuPont, Microsoft and Accenture, which have been drawn to the Knowledge Community’s highly educated work force. CBRE recently recognized St. Louis as a top U.S. emerging life science market. Ventas expects 4210 Duncan to be completed by the end of 2021.

There can be no assurance as to whether, when or on what terms the investments in the R&I Pipeline will be completed.

#### **About Ventas**

Ventas, Inc., an S&P 500 company, is a leading real estate investment trust. Its diverse portfolio of approximately 1,200 assets in the United States, Canada and the United Kingdom consists of seniors housing communities, medical office buildings, university-based research and innovation centers, inpatient rehabilitation and long-term acute care facilities, and health systems. Through its Lillibridge subsidiary, Ventas provides management, leasing, marketing, facility development and advisory services to highly rated hospitals and health systems throughout the United States. References to “Ventas” or the “Company” mean Ventas, Inc. and its consolidated subsidiaries unless otherwise expressly noted. More information about Ventas and Lillibridge can be found at [www.ventasreit.com](http://www.ventasreit.com) and [www.lillibridge.com](http://www.lillibridge.com).

#### **About Wexford**

Wexford Science & Technology, LLC is a real estate company exclusively focused on partnering with universities, academic medical centers and research institutions to develop vibrant, amenity-rich, mixed-use Knowledge Communities built on a foundation of research, discovery, entrepreneurial activity, corporate engagement, and community inclusion. Wexford targets strategic opportunities with top-tier research universities that are directly on or contiguous to dense, urban campuses. Currently, thirteen Knowledge Communities are developed or under development across the United States including: Bio Research and Development Growth (BRDG) Park (Danforth Plant Science Center) in St. Louis, MO; The Chesterfield (Duke University) in Durham, NC; Converge Miami (University of Miami) in Miami, FL; Cortex Innovation Community (Washington University in St. Louis) in St. Louis, MO; Downtown Crossing (Yale University) in New Haven, CT; Hershey Center for Applied Research (Penn State School of Medicine) in Hershey, PA; Innovation Research Park @ ODU (Old Dominion University) in Norfolk, VA; Phoenix Biomedical Campus (PBC) Innovation Center (Arizona State University) in Phoenix, AZ; South Street Landing and the Innovation and Design District (Brown University, University of Rhode Island) in Providence, RI; uCity Square (Drexel University, University of Pennsylvania) in Philadelphia, PA; University of Maryland BioPark (University of Maryland, Baltimore) in Baltimore, MD; University Technology Park at IIT (Illinois Institute of Technology) in Chicago, IL; and Wake Forest Innovation Quarter (Wake Forest University, Wake Forest Baptist Medical Center) in Winston-Salem, NC. More information about Wexford can be found at [www.wexfordscitech.com](http://www.wexfordscitech.com).

The Company routinely announces material information to investors and the marketplace using press releases, Securities and Exchange Commission (“SEC”) filings, public conference calls, webcasts and the Company’s website at [www.ventasreit.com/investor-relations](http://www.ventasreit.com/investor-relations). The information that the Company posts to its website may be deemed to be material. Accordingly, the Company encourages investors and others interested in the Company to routinely monitor and review the information that the Company posts on its website, in addition to following the Company’s press releases, SEC filings and public conference calls and webcasts. Supplemental information regarding the Company can be found on the Company’s website under the “Investor Relations” section or at [www.ventasreit.com/investor-relations/annual-reports---supplemental-information](http://www.ventasreit.com/investor-relations/annual-reports---supplemental-information). A comprehensive listing of the Company’s properties is available at [www.ventasreit.com/our-portfolio/properties-by-stateprovince](http://www.ventasreit.com/our-portfolio/properties-by-stateprovince).

*This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements regarding the Company’s or its tenants’, operators’, borrowers’ or managers’ expected future financial condition, results of operations, cash flows, funds from operations, dividends and dividend plans, financing opportunities and plans, capital markets transactions, business strategy, budgets, projected costs, operating metrics, capital expenditures, competitive positions, acquisitions, investment opportunities, dispositions, merger or acquisition integration, growth opportunities, expected lease income, continued qualification as a real estate investment trust (“REIT”), plans and objectives of management for future operations and statements that include words*

such as “anticipate,” “if,” “believe,” “plan,” “estimate,” “expect,” “intend,” “may,” “could,” “should,” “will” and other similar expressions are forward-looking statements. These forward-looking statements are inherently uncertain, and actual results may differ from the Company’s expectations. The Company does not undertake a duty to update these forward-looking statements, which speak only as of the date on which they are made.

The Company’s actual future results and trends may differ materially from expectations depending on a variety of factors discussed in the Company’s filings with the SEC. These factors include without limitation: (a) the ability and willingness of the Company’s tenants, operators, borrowers, managers and other third parties to satisfy their obligations under their respective contractual arrangements with the Company, including, in some cases, their obligations to indemnify, defend and hold harmless the Company from and against various claims, litigation and liabilities; (b) the ability of the Company’s tenants, operators, borrowers and managers to maintain the financial strength and liquidity necessary to satisfy their respective obligations and liabilities to third parties, including without limitation obligations under their existing credit facilities and other indebtedness; (c) the Company’s success in implementing its business strategy and the Company’s ability to identify, underwrite, finance, consummate and integrate diversifying acquisitions and investments; (d) macroeconomic conditions such as a disruption of or lack of access to the capital markets, changes in the debt rating on U.S. government securities, default or delay in payment by the United States of its obligations, and changes in the federal or state budgets resulting in the reduction or nonpayment of Medicare or Medicaid reimbursement rates; (e) the nature and extent of future competition, including new construction in the markets in which the Company’s seniors housing communities and office buildings are located; (f) the extent and effect of future or pending healthcare reform and regulation, including cost containment measures and changes in reimbursement policies, procedures and rates; (g) increases in the Company’s borrowing costs as a result of changes in interest rates and other factors, including the potential phasing out of the London Inter-bank Offered Rate after 2021; (h) the ability of the Company’s tenants, operators and managers, as applicable, to comply with laws, rules and regulations in the operation of the Company’s properties, to deliver high-quality services, to attract and retain qualified personnel and to attract residents and patients; (i) changes in general economic conditions or economic conditions in the markets in which the Company may, from time to time, compete, and the effect of those changes on the Company’s revenues, earnings and funding sources; (j) the Company’s ability to pay down, refinance, restructure or extend its indebtedness as it becomes due; (k) the Company’s ability and willingness to maintain its qualification as a REIT in light of economic, market, legal, tax and other considerations; (l) final determination of the Company’s taxable net income for the year ended December 31, 2018 and for the year ending December 31, 2019; (m) the ability and willingness of the Company’s tenants to renew their leases with the Company upon expiration of the leases, the Company’s ability to reposition its properties on the same or better terms in the event of nonrenewal or in the event the Company exercises its right to replace an existing tenant, and obligations, including indemnification obligations, the Company may incur in connection with the replacement of an existing tenant; (n) risks associated with the Company’s senior living operating portfolio, such as factors that can cause volatility in the Company’s operating income and earnings generated by those properties, including without limitation national and regional economic conditions, costs of food, materials, energy, labor and services, employee benefit costs, insurance costs and professional and general liability claims, and the timely delivery of accurate property-level financial results for those properties; (o) changes in exchange rates for any foreign currency in which the Company may, from time to time, conduct business; (p) year-over-year changes in the Consumer Price Index or the UK Retail Price Index and the effect of those changes on the rent escalators contained in the Company’s leases and the Company’s earnings; (q) the Company’s ability and the ability of its tenants, operators, borrowers and managers to obtain and maintain adequate property, liability and other insurance from reputable, financially stable providers; (r) the impact of damage to the Company’s properties from catastrophic weather and other natural events and the physical effects of climate change; (s) the impact of increased operating costs and uninsured professional liability claims on the Company’s liquidity, financial condition and results of operations or that of the Company’s tenants, operators, borrowers and managers, and the ability of the Company and the Company’s tenants, operators, borrowers and managers to accurately estimate the magnitude of those claims; (t) risks associated with the Company’s office building portfolio and operations, including the Company’s ability to successfully design, develop and manage office buildings and to retain key personnel; (u) the ability of the hospitals on or near whose campuses the Company’s medical office buildings are located and their affiliated health systems to remain competitive and financially viable and to attract physicians and physician groups; (v) risks associated with the Company’s investments in joint ventures and unconsolidated entities, including its lack of sole decision-making authority and its reliance on its joint venture partners’ financial condition; (w) the Company’s ability to obtain the financial results expected from its development and redevelopment projects; (x) the impact of market or issuer events on the liquidity or value of the Company’s investments in marketable securities; (y) consolidation activity in the seniors housing and healthcare industries resulting in a change of control of, or a competitor’s investment in, one or more of the Company’s tenants, operators, borrowers or managers or significant changes in the senior management of the Company’s tenants, operators, borrowers or managers; (z) the impact of litigation or any financial, accounting, legal or regulatory issues that may affect the Company or its tenants, operators, borrowers or managers; and (aa) changes in accounting principles, or their application or interpretation, and the Company’s ability to make estimates and the assumptions underlying the estimates, which could have an effect on the Company’s earnings.

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