DIVERSIFIED HEALTHCARE TRUST

THIRD QUARTER 2022

Supplemental Operating and Financial Data

ALL AMOUNTS IN THIS REPORT ARE UNAUDITED.

5000 Marina Boulevard
Brisbane, CA

Table of Contents

DIVERSIFIED HEALTHCARE TRUST

DHC
Nasdaq Listed

Please refer to Non-GAAP Financial Measures and Certain Definitions beginning on page 41 for terms used throughout this document.

Company Profile

The Company:

Diversified Healthcare Trust, or DHC, we, our or us, is a real estate investment trust, or REIT, which owns healthcare related properties, including medical office and life science buildings, senior living communities and wellness centers located throughout the U.S. DHC is included in 147 market indices and comprises more than 1% of the following indices as of September 30, 2022: BI North America Healthcare REIT Valuation Peers (BIHLCRNP) and Bloomberg Real Estate Investment Trust Small Cap Index (BBRESMLC).

Management:

DHC is managed by The RMR Group (Nasdaq: RMR). RMR is an alternative asset management company that is focused on commercial real estate and related businesses. RMR primarily provides management services to publicly traded real estate companies, privately held real estate funds and real estate related operating businesses. As of September 30, 2022, RMR had over $37 billion of real estate assets under management and the combined RMR managed companies had approximately $12 billion of annual revenues, 2,100 properties and over 38,000 employees. We believe that being managed by RMR is a competitive advantage for DHC because of RMR's depth of management and experience in the real estate industry. We also believe RMR provides management services to us at costs that are lower than we would have to pay for similar quality services if we were self managed.

Corporate Headquarters:

Two Newton Place
255 Washington Street, Suite 300
Newton, MA 02458-1634
(t) (617) 796-8350

Stock Exchange Listing:

Nasdaq

Trading Symbols:

Common Shares: DHC
Senior Unsecured Notes due 2042: DHCNI
Senior Unsecured Notes due 2046: DHCNL

Investor Information

Board of Trustees:

John L. Harrington
Independent Trustee

Lisa Harris Jones
Lead Independent Trustee

Daniel F. LePage
Independent Trustee

David A. Pierce
Independent Trustee

Jeffrey P. Somers
Independent Trustee

Jennifer F. Francis
Managing Trustee

Adam D. Portnoy
Chair of the Board & Managing Trustee

Executive Officers:

Jennifer F. Francis
President and Chief Executive Officer

Richard W. Siedel, Jr.
Chief Financial Officer and Treasurer

Contact Information:

Investor Relations
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DHC is followed by the equity research analysts and its publicly held debt is rated by the rating agencies listed on this page. Please note that any opinions, estimates or forecasts regarding DHC's performance made by these analysts or agencies do not represent opinions, forecasts or predictions of DHC or its management. DHC does not by its reference on this page imply its endorsement of or concurrence with any information, conclusions or recommendations provided by any of these analysts or agencies.

Key Financial Data

(dollars in thousands, except per share data)	As of and For the Three Months Ended				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Selected Balance Sheet Data:					
Total gross assets	$ 7,857,421	$ 7,884,243	$ 8,465,059	$ 8,361,321	$ 8,907,220
Total assets	$ 6,072,486	$ 6,145,864	$ 6,775,379	$ 6,623,514	$ 7,066,048
Total liabilities	$ 3,366,431	$ 3,356,239	$ 3,874,646	$ 3,961,124	$ 4,656,391
Total equity	$ 2,706,055	$ 2,789,625	$ 2,900,733	$ 2,662,390	$ 2,409,657
Selected Income Statement Data:					
Total revenues	$ 322,920	$ 313,028	$ 310,733	$ 336,731	$ 337,416
Net (loss) income	$ (81,492)	$ (109,383)	$ 240,423	$ 366,758	$ (88,004)
Net (loss) income attributable to common shareholders	$ (81,492)	$ (109,383)	$ 240,423	$ 365,585	$ (89,343)
NOI	$ 33,824	$ 46,962	$ 41,991	$ 63,015	$ 71,343
Adjusted EBITDAre	$ 35,782	$ 47,975	$ 38,897	$ 53,875	$ 63,080
FFO attributable to common shareholders	$ (14,996)	$ (41,245)	$ (23,170)	$ (19,270)	$ (13,799)
Normalized FFO attributable to common shareholders	$ (14,167)	$ (10,395)	$ (21,901)	$ (16,495)	$ (9,449)
Per Common Share Data (basic and diluted):					
Net (loss) income attributable to common shareholders	$ (0.34)	$ (0.46)	$ 1.01	$ 1.54	$ (0.38)
FFO attributable to common shareholders	$ (0.06)	$ (0.17)	$ (0.10)	$ (0.08)	$ (0.06)
Normalized FFO attributable to common shareholders	$ (0.06)	$ (0.04)	$ (0.09)	$ (0.07)	$ (0.04)
Dividends:					
Annualized dividend declared per common share	$ 0.04	$ 0.04	$ 0.04	$ 0.04	$ 0.04
Annualized dividend yield (at end of period)	4.0 %	2.2 %	1.3 %	1.3 %	1.2 %
Normalized FFO attributable to common shareholders payout ratio	(16.7)%	(25.0)%	(11.1)%	(14.3)%	(25.0)%

1371 South Ocean Boulevard
Pompano Beach, FL

Condensed Consolidated Balance Sheets

(dollars in thousands, except share data)

	September 30, 2022	December 31, 2021
Assets		
Real estate properties:		
Land	$ 668,908	$ 741,501
Buildings and improvements	5,927,958	6,072,055
Total real estate properties, gross	6,596,866	6,813,556
Accumulated depreciation	(1,784,935)	(1,737,807)
Total real estate properties, net	4,811,931	5,075,749
Investments in unconsolidated joint ventures	159,476	215,127
Cash and cash equivalents	691,040	634,848
Restricted cash	109,765	382,097
Acquired real estate leases and other intangible assets, net	48,432	48,746
Other assets, net	251,842	266,947
Total assets	$ 6,072,486	$ 6,623,514
Liabilities and Shareholders' Equity		
Revolving credit facility	$ 700,000	$ 800,000
Senior unsecured notes, net	2,316,493	2,806,811
Secured debt and finance leases, net	40,936	69,713
Accrued interest	32,157	29,845
Assumed real estate lease obligations, net	1,205	2,556
Other liabilities	275,640	252,199
Total liabilities	3,366,431	3,961,124
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, $.01 par value: 300,000,000 shares authorized, 239,704,493 and 238,994,894 shares issued and outstanding, respectively	2,397	2,390
Additional paid in capital	4,616,756	4,615,475
Cumulative net income	2,137,172	2,087,624
Cumulative distributions	(4,050,270)	(4,043,099)
Total shareholders' equity	2,706,055	2,662,390
Total liabilities and shareholders' equity	$ 6,072,486	$ 6,623,514

47071 Bayside Parkway
Fremont, CA

Condensed Consolidated Statements of Income (Loss)

(amounts in thousands, except per share data)

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Revenues:				
Rental income	$ 63,960	$ 101,403	$ 191,767	$ 306,555
Residents fees and services	258,960	236,013	754,914	739,926
Total revenues	322,920	337,416	946,681	1,046,481
Expenses:				
Property operating expenses	289,096	266,073	823,904	818,096
Depreciation and amortization	60,407	68,702	175,927	202,743
General and administrative	6,179	8,870	20,671	25,538
Acquisition and certain other transaction related costs	289	3,108	1,826	15,179
Impairment of assets	—	—	—	(174)
Total expenses	355,971	346,753	1,022,328	1,061,382
(Loss) gain on sale of properties	(5,044)	200	322,064	30,838
Losses on equity securities, net	(2,674)	(14,755)	(21,384)	(26,943)
Interest and other income (1)	4,099	976	6,760	19,849
Interest expense (including net amortization of debt premiums, discounts and issuance costs of $1,908, $3,948, $6,698 and $9,777, respectively)	(46,936)	(64,493)	(160,042)	(192,241)
Loss on modification or early extinguishment of debt	—	—	(30,043)	(2,410)
(Loss) income from continuing operations before income tax expense and equity in earnings of investees	(83,606)	(87,409)	41,708	(185,808)
Income tax expense	(13)	(595)	(845)	(1,024)
Equity in earnings of investees	2,127	—	8,685	—
Net (loss) income	(81,492)	(88,004)	49,548	(186,832)
Net income attributable to noncontrolling interest	—	(1,339)	—	(4,238)
Net (loss) income attributable to common shareholders	$ (81,492)	$ (89,343)	$ 49,548	$ (191,070)
Weighted average common shares outstanding (basic and diluted)	238,344	238,008	238,231	237,905
Per common share data (basic and diluted):				
Net (loss) income attributable to common shareholders	$ (0.34)	$ (0.38)	$ 0.21	$ (0.80)

(1) See footnote on the following page.

Condensed Consolidated Statements of Income (Loss) (Additional Data)

(dollars in thousands)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Additional Data:				
General and administrative expenses / total assets (at end of period)	0.1 %	0.1 %	0.3 %	0.4 %
Non-cash straight line rent adjustments included in rental income	$ 2,738	$ 1,679	$ 7,193	$ 3,804
Lease value amortization included in rental income	$ (42)	$ 1,848	$ (204)	$ 5,563
Non-cash share based compensation	$ 472	$ 742	$ 1,452	$ 1,645
Non-cash amortization included in property operating expenses	$ 199	$ 199	$ 597	$ 597
Non-cash amortization included in general and administrative expenses	$ 744	$ 744	$ 2,231	$ 2,231
CARES Act [1]	$ 125	$ 786	$ 1,084	$ 18,967

(1) We recognized as other income funds received under the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act, in our SHOP segment of $125 and $786 during the three months ended September 30, 2022 and 2021, respectively, and $1,084 and $18,967 during the nine months ended September 30, 2022 and 2021, respectively.

Debt Summary

As of September 30, 2022

(dollars in thousands)

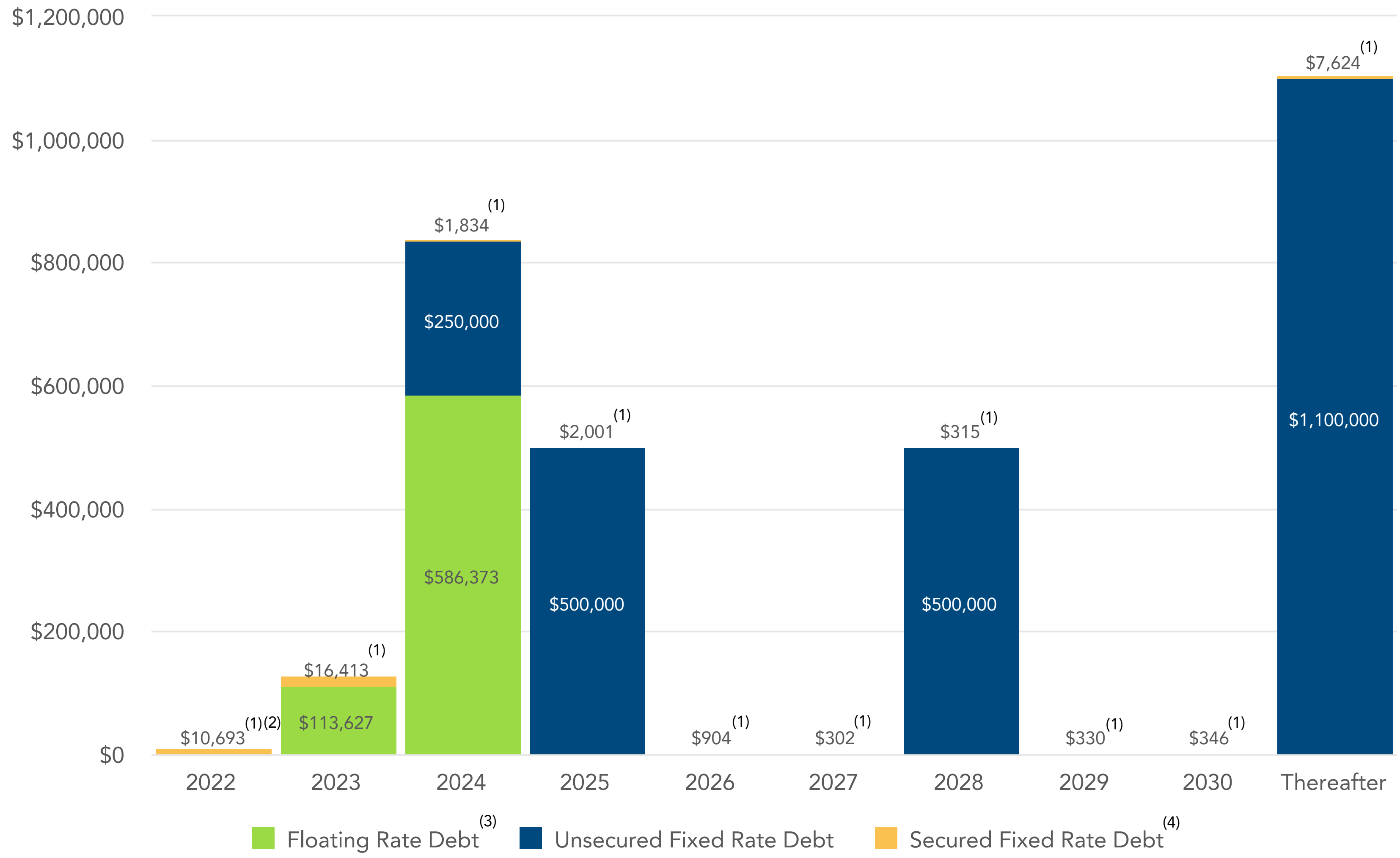
	Coupon Rate	Interest Rate	Principal Balance	Maturity Date	Due at Maturity	Years to Maturity
Floating Rate Debt:						
Revolving credit facility [1] [2]	5.615%	5.615%	$ 700,000	1/15/2024	$ 700,000	1.3
Weighted average rate / total floating rate debt	**5.615%**	**5.615%**	**$ 700,000**		**$ 700,000**	**1.3**
Unsecured Fixed Rate Debt:						
Senior unsecured notes due 2024	4.750%	4.790%	$ 250,000	5/1/2024	$ 250,000	1.6
Senior unsecured notes due 2025 [3]	9.750%	9.750%	500,000	6/15/2025	500,000	2.7
Senior unsecured notes due 2028	4.750%	4.966%	500,000	2/15/2028	500,000	5.4
Senior unsecured notes due 2031	4.375%	4.375%	500,000	3/1/2031	500,000	8.4
Senior unsecured notes due 2042	5.625%	5.625%	350,000	8/1/2042	350,000	19.8
Senior unsecured notes due 2046	6.250%	6.250%	250,000	2/1/2046	250,000	23.4
Weighted average rate / total unsecured fixed rate debt	**6.024%**	**6.074%**	**$ 2,350,000**		**$ 2,350,000**	**9.1**
Secured Fixed Rate Debt:						
Mortgage - secured by 1 property [4]	4.850%	3.790%	$ 10,287	10/1/2022	$ 10,287	0.0
Mortgage - secured by 1 property	6.640%	4.920%	14,853	6/1/2023	14,522	0.7
Finance leases - 2 properties	7.700%	7.700%	5,562	4/30/2026	155	3.6
Mortgage - secured by 1 property	4.444%	4.444%	10,060	7/1/2043	1,698	20.8
Weighted average rate / total secured fixed rate debt	**5.791%**	**4.897%**	**$ 40,762**		**$ 26,662**	**5.9**
Weighted average rate / total debt	**5.928%**	**5.955%**	**$ 3,090,762**		**$ 3,076,662**	**7.3**

(1) We pledged certain equity interests of subsidiaries owning properties to secure our obligations under the agreement governing our revolving credit facility, or our credit agreement, and provided first mortgage liens on 61 of our medical office and life science properties.
(2) Pursuant to our credit agreement, the borrowing capacity under our revolving credit facility will be reduced to $586,373 in January 2023 and as such, partial repayment of $113,627 of our revolving credit facility will be required by that time.
(3) We have the option to redeem all or a portion of our senior unsecured notes due 2025 at any time at a set redemption price.
(4) We repaid this mortgage in October 2022.

Debt Maturity Schedule

As of September 30, 2022

(dollars in thousands)



(1) Represents Secured Fixed Rate Debt payments.
(2) We repaid $10,287 of this debt in October 2022.
(3) Represents outstanding borrowings under our revolving credit facility as of September 30, 2022. Pursuant to our credit agreement, the borrowing capacity under our revolving credit facility will be reduced to $586,373 in January 2023 and as such, partial repayment of our revolving credit facility will be required by that time.
(4) Includes $5,562 of finance lease obligations due through April 2026.

Leverage Ratios, Coverage Ratios and Public Debt Covenants

	As of and For the Three Months Ended				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Leverage Ratios:					
Net debt / total gross assets	29.2%	28.4%	25.2%	32.3%	39.8%
Net debt / gross book value of real estate assets	32.8%	32.7%	31.3%	37.5%	43.0%
Secured debt / total assets	12.2%	12.3%	11.3%	13.1%	9.8%
Variable rate debt / net debt	30.5%	31.2%	32.9%	29.6%	22.6%
Coverage Ratios:					
Net debt / annualized Adjusted EBITDA*re*	15.8x	11.6x	13.5x	12.9x	13.9x
Adjusted EBITDA*re* / interest expense	0.8x	0.9x	0.7x	0.8x	1.0x

	As of and For the Trailing Twelve Months Ended				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Public Debt Covenants:					
Maintenance Covenant					
Total unencumbered assets / unsecured debt - required minimum 150.0%	273.5%	266.9%	227.5%	238.7%	232.7%
Incurrence Covenants					
Total debt / adjusted total assets - allowable maximum 60.0%	38.8%	39.4%	42.2%	43.7%	47.8%
Secured debt / adjusted total assets - allowable maximum 40.0%	9.3%	9.6%	9.0%	10.2%	16.4%
Consolidated income available for debt service / debt service - required minimum 1.50x (1)	0.79x	0.85x	0.95x	1.07x	1.23x

(1) As of September 30, 2022, our ratio of consolidated income available for debt service to debt service was below the requirement under our revolving credit facility and our public debt covenants, and as a result, we are unable to incur additional debt until this ratio is at or above the required level on a pro forma basis.

Summary of Capital Expenditures

(dollars and sq. ft. in thousands, except per sq. ft. and unit data)

	For the Three Months Ended				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Office Portfolio lease related costs	$ 4,277	$ 4,633	$ 6,759	$ 15,941	$ 5,910
Office Portfolio building improvements	3,535	3,319	585	5,462	3,332
SHOP fixed assets and capital improvements	24,724	25,059	20,328	76,039	23,270
Recurring capital expenditures	$ 32,536	$ 33,011	$ 27,672	$ 97,442	$ 32,512
Office Portfolio avg. sq. ft. during period	8,767	8,724	9,259	10,360	10,927
SHOP avg. units managed during period	25,077	25,082	25,217	25,385	25,424
Office Portfolio building improvements per avg. sq. ft. during period	$ 0.40	$ 0.38	$ 0.06	$ 0.53	$ 0.30
SHOP fixed assets and capital improvements per avg. unit managed during period	$ 986	$ 999	$ 806	$ 2,995	$ 915
Development, redevelopment and other activities - Office Portfolio	$ 9,069	$ 17,593	$ 16,617	$ 11,022	$ 6,824
Development, redevelopment and other activities - SHOP	28,224	14,282	16,114	3,620	2,217
Total development, redevelopment and other activities	$ 37,293	$ 31,875	$ 32,731	$ 14,642	$ 9,041

Office Portfolio Redevelopment Information as of September 30, 2022

(dollars in millions)

Project	Location	Type of Property	Square Feet [1]	Estimated Project Costs	Total Costs Incurred as of September 30, 2022	Estimated Completion Date
101 West Ponce De Leon Avenue	Decatur, GA	Medical Office	112,440	$ 8.6	$ 7.9	Q4 2022
1415 West 3rd Street	Tempe, AZ	Life Science	82,257	$ 11.0	$ 1.9	Q1 2023
10030 North MacArthur Boulevard	Irving, TX	Medical Office	94,137	$ 3.5	$ 2.0	Q1 2023
100 Hampshire Street	Mansfield, MA	Life Science	124,803	$ 21.2	$ 0.2	Q4 2023
2141 K Street NW	Washington, D.C.	Medical Office	82,592	$ 56.5	$ 1.2	Q1 2025

Rendering of 1415 West 3rd Street
Tempe, AZ

(1) Represents estimated square footage upon project completion.

Property Acquisitions / Dispositions Information Since January 1, 2022

DIVERSIFIED HEALTHCARE TRUST

(dollars and sq. ft. in thousands, except per sq. ft. data)

Acquisitions:

Date Acquired	Location	Type of Property	Number of Properties	Sq. Ft.	Gross Purchase Price	Gross Purchase Price per Sq. Ft.	Cap Rate (1)	Weighted Average Remaining Lease Term (2)	Occupancy (3)	Tenant
7/27/2022	Fremont, CA	Life Science	1	89	$ 82,000	$ 921	6.5%	11.5	100%	Alamar Biosciences, Inc.

Dispositions:

We have not disposed of any properties since January 1, 2022.

Joint Venture Activity:

Date Sold	Location	Type of Property	Number of Properties	DHC Ownership Retained	Gross Proceeds
1/28/2022	Various	Life Science / Medical Office	10	20%	$ 653,300
6/28/2022	Boston, MA	Life Science	1	10%	108,000
		Total	11		$ 761,300

(1) Represents the ratio of the estimated GAAP based annual rental income, excluding the impact of above and below market lease amortization, less estimated annual property operating expenses, if any, and excluding depreciation and amortization expense, to the gross purchase price on the date of acquisition, including the principal amount of any assumed debt and excluding acquisition costs.
(2) Weighted average remaining lease term based on rental income at the time of acquisition.
(3) Occupancy based on leasable square feet as of the acquisition date.

Investments in Unconsolidated Joint Ventures (1)

As of September 30, 2022
(dollars in thousands)

Investments in Unconsolidated Joint Ventures

Joint Venture	Location	Type of Property	Number of Properties	Square Feet	Occupancy at September 30, 2022	Weighted Average Lease Term at September 30, 2022	DHC Ownership	DHC Carrying Value of Investment at September 30, 2022	Nine Months Ended September 30, 2022 Joint Venture FFO	Nine Months Ended September 30, 2022 Joint Venture EBITDAre
Seaport Innovation LLC	Boston, MA	Life Science	1	1,134,479	100%	6.3 years	10% (2)	$ 108,395	$ 43,480 (2)	$ 60,358 (2)
The LSMD Fund REIT LLC	Various	Medical Office / Life Science	10	1,068,763	97%	6.1 years	20%	51,081	11,489 (3)	23,319 (3)
Total / Weighted Average			11	2,203,242	98%	6.2 years		$ 159,476	$ 54,969	$ 83,677

Unconsolidated Debt

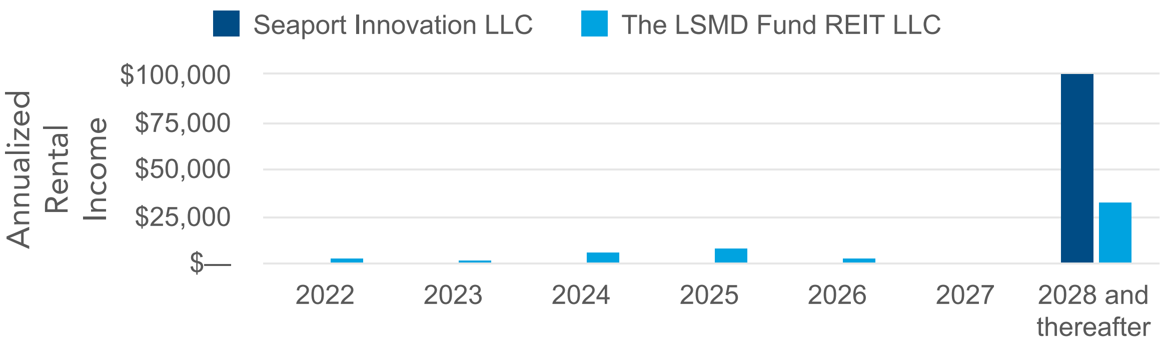
Joint Venture	Secured Debt (4)	Coupon Rate	Maturity Date	Principal Balance at September 30, 2022 (5)	DHC Ownership	DHC Share of Principal Balance at September 30, 2022 (6)
Seaport Innovation LLC	Fixed Rate - 1 Property	3.530%	8/6/2026	$ 620,000	10%	$ 62,000
The LSMD Fund REIT LLC	Fixed Rate - 9 Properties	3.457%	2/11/2032	189,800	20%	37,960
The LSMD Fund REIT LLC	Floating Rate - 1 Property (7)	4.745%	2/9/2024	266,825	20%	53,365
Total / Weighted Average		3.818%		$ 1,076,625		$ 153,325

(1) Our property list, including properties owned by these unconsolidated joint ventures, is available on our website.
(2) On June 28, 2022, we sold a 10% equity interest in this joint venture.
(3) Represents data for the period from January 28, 2022 (formation date of the joint venture) to September 30, 2022.
(4) The mortgage loans require interest-only payments until the respective maturity dates.
(5) Reflects the entire balance of the debt secured by the properties. We continue to provide certain guarantees on the debt secured by the Seaport Innovation LLC property.
(6) Reflects our proportionate share of the principal debt balances based on our ownership percentage of the joint ventures as of September 30, 2022.
(7) Original maturity date of February 9, 2024 is subject to three, one year extension options and requires interest to be paid at SOFR plus a premium of 1.90%. Interest rate is as of September 30, 2022. The joint venture has also purchased an interest rate cap through February 2024 with a SOFR strike rate equal to 4.00%.

Investments in Unconsolidated Joint Ventures (continued) (1)

As of September 30, 2022
(dollars in thousands)

Unconsolidated Joint Ventures Lease Expiration Schedule

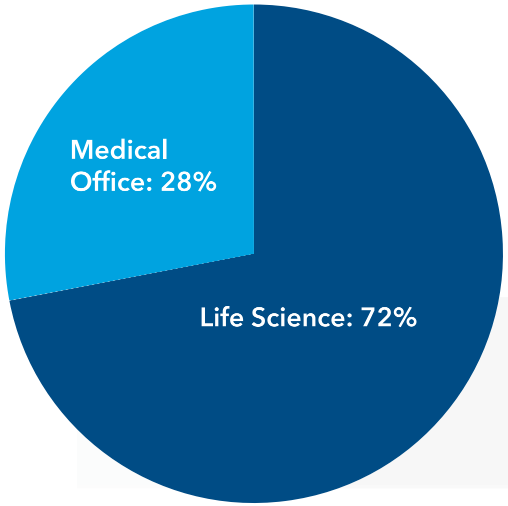


	2022	2023	2024	2025	2026	2027	2028 and thereafter
Number of Leases Expiring	13	8	11	19	14	4	38
% of Total Annualized Rental Income Expiring	1.9%	1.3%	4.2 %	5.7%	2.3 %	0.3%	84.3%

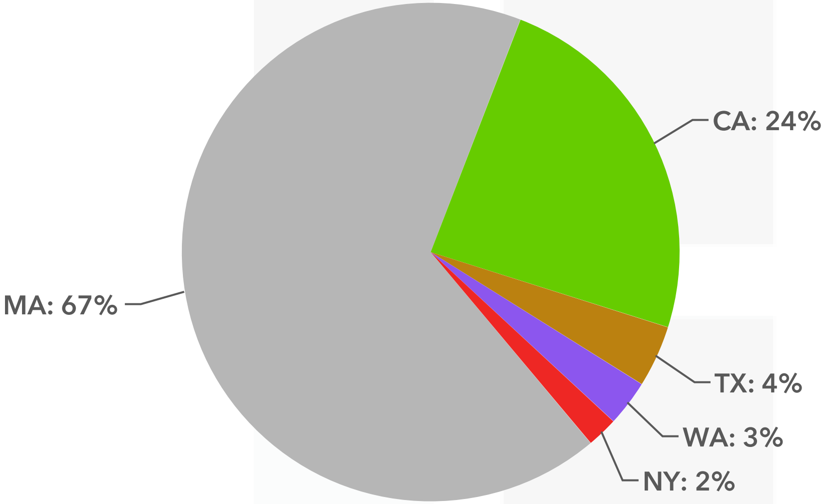
Major Tenants of Unconsolidated Joint Ventures

Joint Venture	Tenant	% of Annualized Rental Income of Joint Ventures
Seaport Innovation LLC	Vertex Pharmaceuticals Inc.	62.2%
The LSMD Fund REIT LLC	Cedars-Sinai Medical Center	10.7%
The LSMD Fund REIT LLC	Seattle Genetics, Inc.	2.7%
The LSMD Fund REIT LLC	Stryker Corporation	2.0%
The LSMD Fund REIT LLC	Complete Genomics, Inc.	1.9%

Property Type (2)



Geographic Diversification (2)



(1) Our property list, including properties owned by these unconsolidated joint ventures, is available on our website.
(2) Based on the aggregate annualized rental income of our unconsolidated joint ventures as of September 30, 2022.

Calculation and Reconciliation of NOI and Cash Basis NOI

DIVERSIFIED HEALTHCARE TRUST

(dollars in thousands)

	For the Three Months Ended					For the Nine Months Ended	
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021	9/30/2022	9/30/2021
Calculation of NOI and Cash Basis NOI:							
Revenues:							
Rental income	$ 63,960	$ 62,522	$ 65,285	$ 102,034	$ 101,403	$ 191,767	$ 306,555
Residents fees and services	258,960	250,506	245,448	234,697	236,013	754,914	739,926
Total revenues	322,920	313,028	310,733	336,731	337,416	946,681	1,046,481
Property operating expenses	(289,096)	(266,066)	(268,742)	(273,716)	(266,073)	(823,904)	(818,096)
NOI	33,824	46,962	41,991	63,015	71,343	122,777	228,385
Non-cash straight line rent adjustments included in rental income	(2,738)	(2,710)	(1,745)	(2,042)	(1,679)	(7,193)	(3,804)
Lease value amortization included in rental income	42	57	105	(1,648)	(1,848)	204	(5,563)
Non-cash amortization included in property operating expenses	(199)	(199)	(199)	(200)	(199)	(597)	(597)
Cash Basis NOI	$ 30,929	$ 44,110	$ 40,152	$ 59,125	$ 67,617	$ 115,191	$ 218,421
Reconciliation of Net Income (Loss) to NOI and Cash Basis NOI:							
Net (loss) income	$ (81,492)	$ (109,383)	$ 240,423	$ 366,758	$ (88,004)	$ 49,548	$ (186,832)
Equity in earnings of investees	(2,127)	(3,204)	(3,354)	—	—	(8,685)	—
Income tax expense (benefit)	13	(640)	1,472	406	595	845	1,024
Loss on modification or early extinguishment of debt	—	29,560	483	—	—	30,043	2,410
Interest expense	46,936	55,975	57,131	63,518	64,493	160,042	192,241
Interest and other income	(4,099)	(2,266)	(395)	(786)	(976)	(6,760)	(19,849)
Losses on equity investments, net	2,674	10,157	8,553	15,289	14,755	21,384	26,943
Loss (gain) on sale of properties	5,044	686	(327,794)	(461,434)	(200)	(322,064)	(30,838)
Impairment of assets	—	—	—	—	—	—	(174)
Acquisition and certain other transaction related costs	289	609	928	2,327	3,108	1,826	15,179
General and administrative	6,179	7,207	7,285	8,549	8,870	20,671	25,538
Depreciation and amortization	60,407	58,261	57,259	68,388	68,702	175,927	202,743
NOI	33,824	46,962	41,991	63,015	71,343	122,777	228,385
Non-cash straight line rent adjustments included in rental income	(2,738)	(2,710)	(1,745)	(2,042)	(1,679)	(7,193)	(3,804)
Lease value amortization included in rental income	42	57	105	(1,648)	(1,848)	204	(5,563)
Non-cash amortization included in property operating expenses	(199)	(199)	(199)	(200)	(199)	(597)	(597)
Cash Basis NOI	$ 30,929	$ 44,110	$ 40,152	$ 59,125	$ 67,617	$ 115,191	$ 218,421

NOI and Cash Basis NOI

DIVERSIFIED HEALTHCARE TRUST

(dollars in thousands)

	For the Three Months Ended			For the Nine Months Ended		
	9/30/2022	9/30/2021	% Change	9/30/2022	9/30/2021	% Change
NOI:						
Life Science	$ 10,115	$ 29,781	(66.0)%	$ 26,894	$ 93,837	(71.3)%
Medical Office	20,960	29,353	(28.6)%	66,315	88,810	(25.3)%
Total Office Portfolio	31,075	59,134	(47.4)%	93,209	182,647	(49.0)%
SHOP	(5,762)	2,326	(347.7)%	857	16,830	(94.9)%
Non-Segment	8,511	9,883	(13.9)%	28,711	28,908	(0.7)%
Total	$ 33,824	$ 71,343	(52.6)%	$ 122,777	$ 228,385	(46.2)%
Cash Basis NOI:						
Life Science	$ 8,015	$ 27,178	(70.5)%	$ 22,038	$ 85,066	(74.1)%
Medical Office	20,347	28,127	(27.7)%	64,213	87,019	(26.2)%
Total Office Portfolio	28,362	55,305	(48.7)%	86,251	172,085	(49.9)%
SHOP	(5,762)	2,326	(347.7)%	857	16,830	(94.9)%
Non-Segment	8,329	9,986	(16.6)%	28,083	29,506	(4.8)%
Total	$ 30,929	$ 67,617	(54.3)%	$ 115,191	$ 218,421	(47.3)%

Same Property NOI and Cash Basis NOI

(dollars in thousands)

	For the Three Months Ended			For the Nine Months Ended		
	9/30/2022	9/30/2021	% Change	9/30/2022	9/30/2021	% Change
NOI:						
Life Science	$ 6,927	$ 5,930	16.8 %	$ 19,919	$ 19,481	2.2 %
Medical Office	21,708	21,686	0.1 %	65,435	65,398	0.1 %
Total Office Portfolio	28,635	27,616	3.7 %	85,354	84,879	0.6 %
SHOP	5,368	7,326	(26.7)%	27,730	30,148	(8.0)%
Non-Segment	8,511	9,883	(13.9)%	28,711	28,908	(0.7)%
Total	$ 42,514	$ 44,825	(5.2)%	$ 141,795	$ 143,935	(1.5)%
Cash Basis NOI:						
Life Science	$ 6,966	$ 5,848	19.1 %	$ 19,245	$ 19,507	(1.3)%
Medical Office	21,005	20,866	0.7 %	63,360	64,077	(1.1)%
Total Office Portfolio	27,971	26,714	4.7 %	82,605	83,584	(1.2)%
SHOP	5,368	7,326	(26.7)%	27,730	30,148	(8.0)%
Non-Segment	8,329	9,986	(16.6)%	28,083	29,506	(4.8)%
Total	$ 41,668	$ 44,026	(5.4)%	$ 138,418	$ 143,238	(3.4)%

Calculation and Reconciliation of NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI by Segment

DIVERSIFIED HEALTHCARE TRUST

(dollars in thousands)

Office Portfolio

	For the Three Months Ended				
Calculation of NOI and Cash Basis NOI:	**9/30/2022**	**6/30/2022**	**3/31/2022**	**12/31/2021**	**9/30/2021**
Rental income	$ 55,254	$ 52,610	$ 54,997	$ 89,950	$ 91,520
Property operating expenses	(24,179)	(22,026)	(23,447)	(32,313)	(32,386)
NOI	$ 31,075	$ 30,584	$ 31,550	$ 57,637	$ 59,134
NOI	$ 31,075	$ 30,584	$ 31,550	$ 57,637	$ 59,134
Less:					
Non-cash straight line rent adjustments included in rental income	2,573	2,532	1,511	1,827	1,800
Lease value amortization included in rental income	(59)	(74)	(122)	1,631	1,830
Non-cash amortization included in property operating expenses	199	199	199	200	199
Cash Basis NOI	$ 28,362	$ 27,927	$ 29,962	$ 53,979	$ 55,305
Reconciliation of NOI to Same Property NOI:					
NOI	$ 31,075	$ 30,584	$ 31,550	$ 57,637	$ 59,134
Less:					
NOI of properties not included in same property results	2,440	2,080	3,334	29,236	31,518
Same Property NOI	$ 28,635	$ 28,504	$ 28,216	$ 28,401	$ 27,616
Reconciliation of Same Property NOI to Same Property Cash Basis NOI:					
Same Property NOI	$ 28,635	$ 28,504	$ 28,216	$ 28,401	$ 27,616
Less:					
Non-cash straight line rent adjustments included in rental income	514	793	1,187	1,230	941
Lease value amortization included in rental income	(59)	(74)	(132)	(144)	(137)
Non-cash amortization included in property operating expenses	209	135	172	98	98
Same Property Cash Basis NOI	$ 27,971	$ 27,650	$ 26,989	$ 27,217	$ 26,714

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Calculation and Reconciliation of NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI by Segment (continued)

DIVERSIFIED HEALTHCARE TRUST

(dollars in thousands)

SHOP

	For the Three Months Ended				
Calculation of NOI and Cash Basis NOI:	**9/30/2022**	**6/30/2022**	**3/31/2022**	**12/31/2021**	**9/30/2021**
Residents fees and services	$ 258,960	$ 250,506	$ 245,448	$ 234,697	$ 236,013
Property operating expenses	(264,722)	(244,040)	(245,295)	(241,403)	(233,687)
NOI / Cash Basis NOI	$ (5,762)	$ 6,466	$ 153	$ (6,706)	$ 2,326
Reconciliation of NOI / Cash Basis NOI to Same Property NOI / Same Property Cash Basis NOI:					
NOI / Cash Basis NOI	$ (5,762)	$ 6,466	$ 153	$ (6,706)	$ 2,326
Less:					
NOI / Cash Basis NOI of properties not included in same property results	(11,130)	(6,412)	(9,332)	(9,545)	(5,000)
Same Property NOI / Same Property Cash Basis NOI	$ 5,368	$ 12,878	$ 9,485	$ 2,839	$ 7,326

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Calculation and Reconciliation of NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI by Segment (continued)

DIVERSIFIED HEALTHCARE TRUST

(dollars in thousands)

Non-Segment

	For the Three Months Ended				
Calculation of NOI and Cash Basis NOI:	**9/30/2022**	**6/30/2022**	**3/31/2022**	**12/31/2021**	**9/30/2021**
Rental income	$ 8,706	$ 9,912	$ 10,288	$ 12,084	$ 9,883
Property operating expenses	(195)	—	—	—	—
NOI	$ 8,511	$ 9,912	$ 10,288	$ 12,084	$ 9,883
NOI	$ 8,511	$ 9,912	$ 10,288	$ 12,084	$ 9,883
Less:					
Non-cash straight line rent adjustments included in rental income	165	178	234	215	(121)
Lease value amortization included in rental income	17	17	17	17	18
Non-cash amortization included in property operating expenses	—	—	—	—	—
Cash Basis NOI	$ 8,329	$ 9,717	$ 10,037	$ 11,852	$ 9,986
Reconciliation of NOI to Same Property NOI:					
NOI	$ 8,511	$ 9,912	$ 10,288	$ 12,084	$ 9,883
Less:					
NOI of properties not included in same property results	—	(195)	196	—	—
Same Property NOI	$ 8,511	$ 10,107	$ 10,092	$ 12,084	$ 9,883
Reconciliation of Same Property NOI to Same Property Cash Basis NOI:					
Same Property NOI	$ 8,511	$ 10,107	$ 10,092	$ 12,084	$ 9,883
Less:					
Non-cash straight line rent adjustments included in rental income	165	199	213	215	(121)
Lease value amortization included in rental income	17	17	17	17	18
Non-cash amortization included in property operating expenses	—	—	—	—	—
Same Property Cash Basis NOI	$ 8,329	$ 9,891	$ 9,862	$ 11,852	$ 9,986

Calculation and Reconciliation of NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI by Segment (continued)

DIVERSIFIED HEALTHCARE TRUST

(dollars in thousands)

Consolidated

	For the Three Months Ended				
Calculation of NOI and Cash Basis NOI:	**9/30/2022**	**6/30/2022**	**3/31/2022**	**12/31/2021**	**9/30/2021**
Rental income / residents fees and services	$ 322,920	$ 313,028	$ 310,733	$ 336,731	$ 337,416
Property operating expenses	(289,096)	(266,066)	(268,742)	(273,716)	(266,073)
NOI	$ 33,824	$ 46,962	$ 41,991	$ 63,015	$ 71,343
NOI	$ 33,824	$ 46,962	$ 41,991	$ 63,015	$ 71,343
Less:					
Non-cash straight line rent adjustments included in rental income	2,738	2,710	1,745	2,042	1,679
Lease value amortization included in rental income	(42)	(57)	(105)	1,648	1,848
Non-cash amortization included in property operating expenses	199	199	199	200	199
Cash Basis NOI	$ 30,929	$ 44,110	$ 40,152	$ 59,125	$ 67,617
Reconciliation of NOI to Same Property NOI:					
NOI	$ 33,824	$ 46,962	$ 41,991	$ 63,015	$ 71,343
Less:					
NOI of properties not included in same property results	(8,690)	(4,527)	(5,802)	19,691	26,518
Same Property NOI	$ 42,514	$ 51,489	$ 47,793	$ 43,324	$ 44,825
Reconciliation of Same Property NOI to Same Property Cash Basis NOI:					
Same Property NOI	$ 42,514	$ 51,489	$ 47,793	$ 43,324	$ 44,825
Less:					
Non-cash straight line rent adjustments included in rental income	679	992	1,400	1,445	820
Lease value amortization included in rental income	(42)	(57)	(115)	(127)	(119)
Non-cash amortization included in property operating expenses	209	135	172	98	98
Same Property Cash Basis NOI	$ 41,668	$ 50,419	$ 46,336	$ 41,908	$ 44,026

Calculation and Reconciliation of EBITDA, EBITDA*re* and Adjusted EBITDA*re*

DIVERSIFIED HEALTHCARE TRUST

(dollars in thousands)

	For the Three Months Ended					For the Nine Months Ended	
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021	9/30/2022	9/30/2021
Net (loss) income	$ (81,492)	$ (109,383)	$ 240,423	$ 366,758	$ (88,004)	$ 49,548	$ (186,832)
Interest expense	46,936	55,975	57,131	63,518	64,493	160,042	192,241
Income tax expense (benefit)	13	(640)	1,472	406	595	845	1,024
Depreciation and amortization	60,407	58,261	57,259	68,388	68,702	175,927	202,743
EBITDA	25,864	4,213	356,285	499,070	45,786	386,362	209,176
Loss (gain) on sale of properties	5,044	686	(327,794)	(461,434)	(200)	(322,064)	(30,838)
Impairment of assets	—	—	—	—	—	—	(174)
Equity in earnings of unconsolidated joint ventures	(2,127)	(3,204)	(3,354)	—	—	(8,685)	—
Share of EBITDA*re* from unconsolidated joint ventures	3,730	5,709	5,232	384	—	14,671	—
Adjustments to reflect our share of EBITDA*re* attributable to an equity method investment	(1,358)	(1,446)	(1,816)	(2,468)	(2,345)	(4,620)	(2,708)
EBITDA*re*	31,153	5,958	28,553	35,552	43,241	65,664	175,456
General and administrative expense paid in common shares	472	665	315	315	742	1,452	1,645
Acquisition and certain other transaction related costs	289	609	928	2,327	3,108	1,826	15,179
Loss on modification or early extinguishment of debt	—	29,560	483	—	—	30,043	2,410
Losses on equity securities, net	2,674	10,157	8,553	15,289	14,755	21,384	26,943
Adjustments to reflect our share of Adjusted EBITDA*re* attributable to an equity method investment	1,194	1,026	65	392	1,234	2,285	2,439
Adjusted EBITDA*re*	$ 35,782	$ 47,975	$ 38,897	$ 53,875	$ 63,080	$ 122,654	$ 224,072

Calculation and Reconciliation of FFO and Normalized FFO Attributable to Common Shareholders

DIVERSIFIED HEALTHCARE TRUST

(amounts in thousands, except per share data)

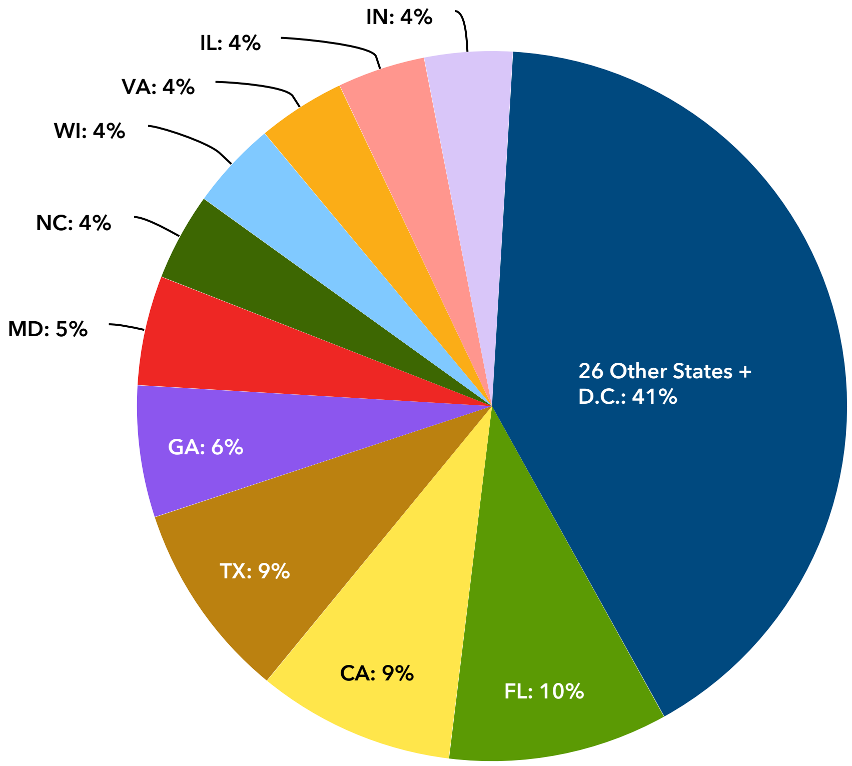
	For the Three Months Ended					For the Nine Months Ended	
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021	9/30/2022	9/30/2021
Net (loss) income attributable to common shareholders	$ (81,492)	$ (109,383)	$ 240,423	$ 365,585	$ (89,343)	$ 49,548	$ (191,070)
Depreciation and amortization	60,407	58,261	57,259	68,388	68,702	175,927	202,743
Loss (gain) on sale of properties	5,044	686	(327,794)	(461,434)	(200)	(322,064)	(30,838)
Impairment of assets	—	—	—	—	—	—	(174)
Losses on equity securities, net	2,674	10,157	8,553	15,289	14,755	21,384	26,943
FFO adjustments attributable to noncontrolling interest	—	—	—	(4,763)	(5,273)	—	(15,821)
Equity in earnings of unconsolidated joint ventures	(2,127)	(3,204)	(3,354)	—	—	(8,685)	—
Share of FFO from unconsolidated joint ventures	2,137	3,704	3,675	273	—	9,516	—
Adjustments to reflect our share of FFO attributable to an equity method investment	(1,639)	(1,466)	(1,932)	(2,608)	(2,440)	(5,037)	(3,409)
FFO attributable to common shareholders	(14,996)	(41,245)	(23,170)	(19,270)	(13,799)	(79,411)	(11,626)
Acquisition and certain other transaction related costs	289	609	928	2,327	3,108	1,826	15,179
Loss on modification or early extinguishment of debt	—	29,560	483	—	—	30,043	2,410
Adjustments to reflect our share of Normalized FFO attributable to an equity method investment	540	681	(142)	448	1,242	1,079	2,626
Normalized FFO attributable to common shareholders	$ (14,167)	$ (10,395)	$ (21,901)	$ (16,495)	$ (9,449)	$ (46,463)	$ 8,589
Weighted average common shares outstanding (basic)	238,344	238,197	238,149	238,149	238,008	238,231	237,905
Weighted average common shares outstanding (diluted)	238,344	238,197	238,198	238,149	238,008	238,231	237,905
Per Common Share Data (basic and diluted):							
Net (loss) income attributable to common shareholders	$ (0.34)	$ (0.46)	$ 1.01	$ 1.54	$ (0.38)	$ 0.21	$ (0.80)
FFO attributable to common shareholders	$ (0.06)	$ (0.17)	$ (0.10)	$ (0.08)	$ (0.06)	$ (0.33)	$ (0.05)
Normalized FFO attributable to common shareholders	$ (0.06)	$ (0.04)	$ (0.09)	$ (0.07)	$ (0.04)	$ (0.20)	$ 0.04

Portfolio Summary by Geographic Diversification and Property Type

DIVERSIFIED HEALTHCARE TRUST

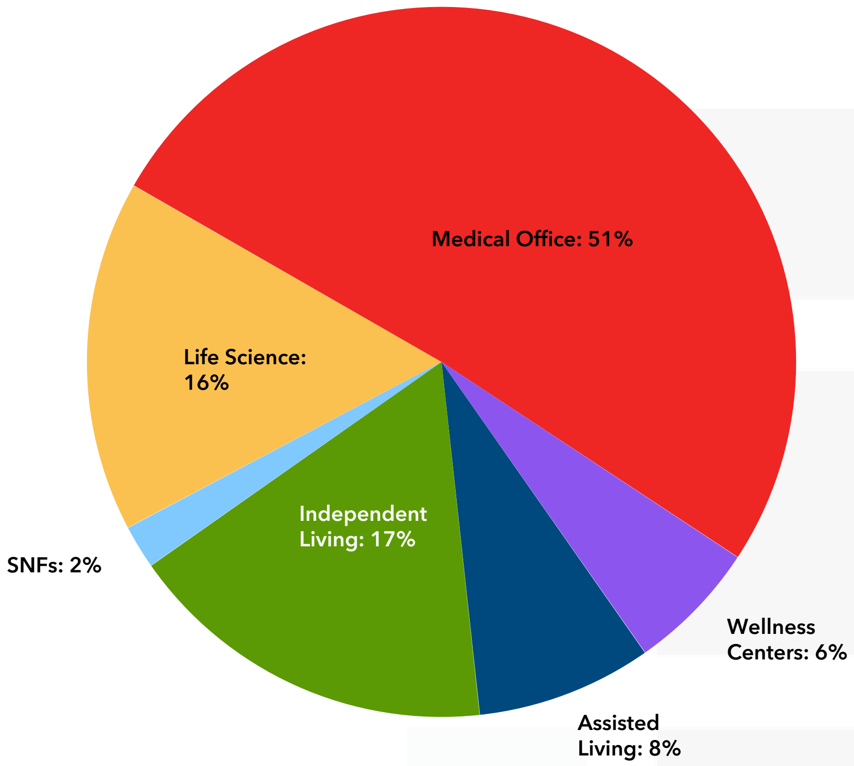
Geographic Diversification

(based on Gross Book Value of Real Estate Assets as of September 30, 2022)



Property Type(1) (2)

(based on Q3 2022 Same Property NOI)



(1) Senior living communities are categorized by the type of living units which constitute a majority of the living units at the community.
(2) Memory care communities are classified as assisted living communities.

Portfolio Summary

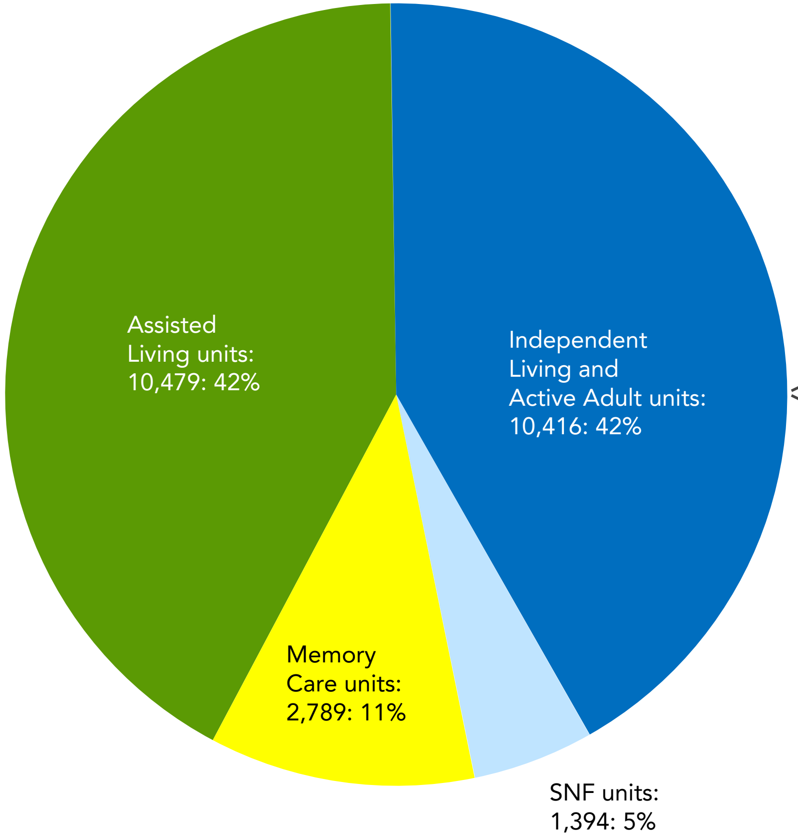
As of September 30, 2022

(dollars in thousands, except investment per square foot or unit)

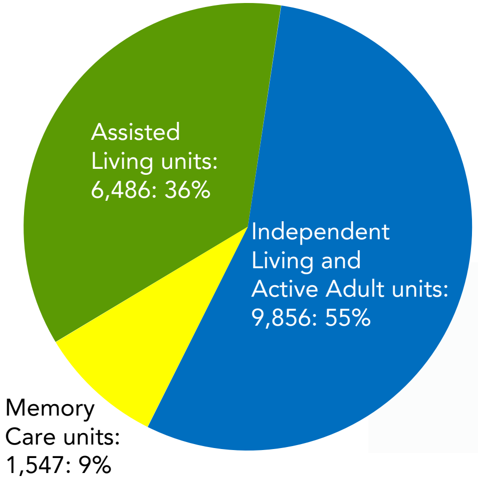
	Number of Properties	Square Feet or Number of Units		Gross Book Value of Real Estate Assets	% of Total Gross Book Value of Real Estate Assets	Investment Per Square Foot or Unit	Q3 2022 Revenues	% of Q3 2022 Total Revenues	Q3 2022 NOI	% of Q3 2022 Total NOI
Life science	24	2,621,345		$ 789,351	11.3 %	$ 301	$ 16,565	5.1 %	$ 10,115	29.9 %
Medical office	81	6,190,029		1,492,361	21.3 %	$ 241	38,689	12.0 %	20,960	62.0 %
Subtotal Office Portfolio	105	8,811,374	sq. ft.	2,281,712	32.6 %	$ 259	55,254	17.1 %	31,075	91.9 %
SHOP	234	25,078	units	4,278,193	61.2 %	$ 170,595	258,960	80.2 %	(5,762)	(17.0)%
Triple net leased senior living communities	30	2,326	units	252,083	3.7 %	$ 108,376	5,914	1.8 %	5,914	17.5 %
Wellness centers	10	812,000	sq. ft.	178,110	2.5 %	$ 219	2,792	0.9 %	2,597	7.6 %
Total	379			$ 6,990,098	100.0 %		$ 322,920	100.0 %	$ 33,824	100.0 %

SHOP Unit Count

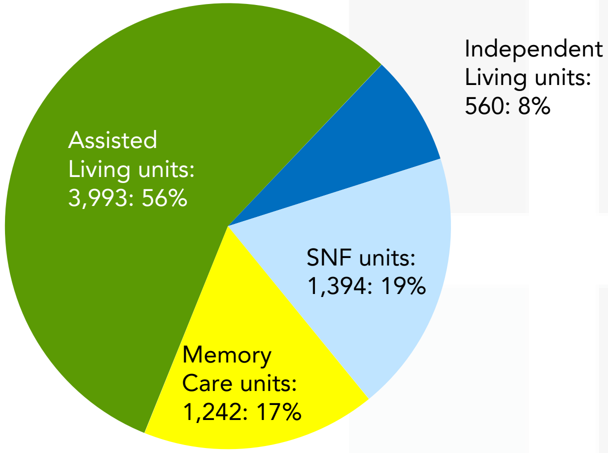
SHOP Unit Count as of September 30, 2022



Five Star Managed Communities Unit Count as of September 30, 2022



Other Operator Managed Communities Unit Count as of September 30, 2022



Rent Coverage and Occupancy

DIVERSIFIED HEALTHCARE TRUST

Rent Coverage [1]**:**	For the Twelve Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Triple net leased senior living communities	1.17 x	1.18 x	1.21 x	1.21 x	1.27 x
Wellness centers [2]	1.72 x	1.59 x	1.68 x	1.60 x	1.51 x
Total	1.30 x	1.28 x	1.33 x	1.30 x	1.33 x

Occupancy - Triple net leased senior living communities [1]**:**	For the Twelve Months Ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Occupancy	80.1 %	78.8 %	77.4 %	76.5 %	76.3 %
Same Property Occupancy [3]	80.1 %	78.8 %	77.4 %	76.5 %	76.3 %

(1) All tenant operating data presented is based upon the operating results provided by our tenants for the indicated periods. We report our operating data one quarter in arrears as this is the most recent prior period for which tenant operating results are available to us from our tenants. We have not independently verified tenant operating data.
(2) Excludes rent coverage for a tenant of six wellness centers that was in default under the applicable leases with us on September 30, 2022.
(3) Same property occupancy includes those properties classified as same property for the three months ended September 30, 2022 for all periods presented.

Office Portfolio and Same Property - Results of Operations

DIVERSIFIED HEALTHCARE TRUST

Three Months Ended September 30, 2022 and 2021

OFFICE PORTFOLIO - RESULTS OF OPERATIONS

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended September 30, 2022			As of and For the Three Months Ended September 30, 2021		
	Life Science	Medical Office	Total Office Portfolio	Life Science	Medical Office	Total Office Portfolio
Number of Buildings	24	81	105	30	88	118
Square Feet	2,621	6,190	8,811	4,130	6,797	10,927
Occupancy	90.1 %	84.1 %	85.9 %	93.7 %	89.8 %	91.3 %
Rental Income	$ 16,565	$ 38,689	$ 55,254	$ 42,074	$ 49,446	$ 91,520
NOI	$ 10,115	$ 20,960	$ 31,075	$ 29,781	$ 29,353	$ 59,134
Cash Basis NOI	$ 8,015	$ 20,347	$ 28,362	$ 27,178	$ 28,127	$ 55,305
NOI Margin %	61.1 %	54.2 %	56.2 %	70.8 %	59.4 %	64.6 %
Cash Basis NOI Margin %	55.2 %	53.2 %	53.8 %	68.7 %	58.2 %	62.9 %
NOI % Change	(66.0)%	(28.6)%	(47.4)%			
Cash Basis NOI % Change	(70.5)%	(27.7)%	(48.7)%			

OFFICE PORTFOLIO SAME PROPERTY - RESULTS OF OPERATIONS

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended September 30, 2022			As of and For the Three Months Ended September 30, 2021		
	Life Science	Medical Office	Total Office Portfolio	Life Science	Medical Office	Total Office Portfolio
Number of Buildings	17	77	94	17	77	94
Square Feet	2,085	5,809	7,894	2,085	5,810	7,895
Occupancy	93.6 %	89.0 %	90.2 %	92.7 %	90.9 %	91.4 %
Rental Income	$ 11,692	$ 38,083	$ 49,775	$ 10,609	$ 36,429	$ 47,038
NOI	$ 6,927	$ 21,708	$ 28,635	$ 5,930	$ 21,686	$ 27,616
Cash Basis NOI	$ 6,966	$ 21,005	$ 27,971	$ 5,848	$ 20,866	$ 26,714
NOI Margin %	59.2 %	57.0 %	57.5 %	55.9 %	59.5 %	58.7 %
Cash Basis NOI Margin %	59.2 %	55.9 %	56.7 %	55.5 %	58.5 %	57.8 %
NOI % Change	16.8 %	0.1 %	3.7 %			
Cash Basis NOI % Change	19.1 %	0.7 %	4.7 %			

Office Portfolio and Same Property - Results of Operations (continued)

Nine Months Ended September 30, 2022 and 2021

OFFICE PORTFOLIO - RESULTS OF OPERATIONS

(dollars and sq. ft. in thousands)

	As of and For the Nine Months Ended September 30, 2022			As of and For the Nine Months Ended September 30, 2021		
	Life Science	Medical Office	Total Office Portfolio	Life Science	Medical Office	Total Office Portfolio
Number of Buildings	24	81	105	30	88	118
Square Feet	2,621	6,190	8,811	4,130	6,797	10,927
Occupancy	90.1 %	84.1 %	85.9 %	93.7 %	89.8 %	91.3 %
Rental Income	$ 45,547	$ 117,314	$ 162,861	$ 129,700	$ 147,947	$ 277,647
NOI	$ 26,894	$ 66,315	$ 93,209	$ 93,837	$ 88,810	$ 182,647
Cash Basis NOI	$ 22,038	$ 64,213	$ 86,251	$ 85,066	$ 87,019	$ 172,085
NOI Margin %	59.0 %	56.5 %	57.2 %	72.3 %	60.0 %	65.8 %
Cash Basis NOI Margin %	54.0 %	55.5 %	55.1 %	70.2 %	59.4 %	64.3 %
NOI % Change	(71.3)%	(25.3)%	(49.0)%			
Cash Basis NOI % Change	(74.1)%	(26.2)%	(49.9)%			

OFFICE PORTFOLIO SAME PROPERTY - RESULTS OF OPERATIONS

(dollars and sq. ft. in thousands)

	As of and For the Nine Months Ended September 30, 2022			As of and For the Nine Months Ended September 30, 2021		
	Life Science	Medical Office	Total Office Portfolio	Life Science	Medical Office	Total Office Portfolio
Number of Buildings	17	77	94	17	77	94
Square Feet	2,085	5,809	7,894	2,085	5,810	7,895
Occupancy	93.6 %	89.0 %	90.2 %	92.7 %	90.9 %	91.4 %
Rental Income	$ 34,260	$ 111,686	$ 145,946	$ 33,220	$ 109,170	$ 142,390
NOI	$ 19,919	$ 65,435	$ 85,354	$ 19,481	$ 65,398	$ 84,879
Cash Basis NOI	$ 19,245	$ 63,360	$ 82,605	$ 19,507	$ 64,077	$ 83,584
NOI Margin %	58.1 %	58.6 %	58.5 %	58.6 %	59.9 %	59.6 %
Cash Basis NOI Margin %	57.1 %	57.6 %	57.5 %	58.6 %	59.3 %	59.1 %
NOI % Change	2.2 %	0.1 %	0.6 %			
Cash Basis NOI % Change	(1.3)%	(1.1)%	(1.2)%			

Office Portfolio and Same Property - Results of Operations (continued)

Trailing Five Quarters

OFFICE PORTFOLIO - RESULTS OF OPERATIONS

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Number of Buildings	105	104	104	116	118
Square Feet	8,811	8,723	8,724	9,793	10,927
Occupancy	85.9 %	88.1 %	89.3 %	91.3 %	91.3 %
Rental Income	$ 55,254	$ 52,610	$ 54,997	$ 89,950	$ 91,520
NOI	$ 31,075	$ 30,584	$ 31,550	$ 57,637	$ 59,134
Cash Basis NOI	$ 28,362	$ 27,927	$ 29,962	$ 53,979	$ 55,305
NOI Margin %	56.2 %	58.1 %	57.4 %	64.1 %	64.6 %
Cash Basis NOI Margin %	53.8 %	55.7 %	55.9 %	62.4 %	62.9 %
Sequential NOI % Change	1.6 %	(3.1)%	(45.3)%	(2.5)%	
Sequential Cash Basis NOI % Change	1.6 %	(6.8)%	(44.5)%	(2.4)%	
Year Over Year NOI % Change	(47.4)%				
Year Over Year Cash Basis NOI % Change	(48.7)%				

OFFICE PORTFOLIO SAME PROPERTY - RESULTS OF OPERATIONS (1)

(dollars and sq. ft. in thousands)

	As of and For the Three Months Ended				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Number of Buildings	94	94	94	94	94
Square Feet	7,894	7,894	7,895	7,895	7,895
Occupancy	90.2 %	91.1 %	92.4 %	92.3 %	91.4 %
Rental Income	$ 49,775	$ 48,205	$ 47,967	$ 47,962	$ 47,038
NOI	$ 28,635	$ 28,504	$ 28,216	$ 28,401	$ 27,616
Cash Basis NOI	$ 27,971	$ 27,650	$ 26,989	$ 27,217	$ 26,714
NOI Margin %	57.5 %	59.1 %	58.8 %	59.2 %	58.7 %
Cash Basis NOI Margin %	56.7 %	58.2 %	57.5 %	58.1 %	57.8 %
Sequential NOI % Change	0.5 %	1.0 %	(0.7)%	2.8 %	
Sequential Cash Basis NOI % Change	1.2 %	2.4 %	(0.8)%	1.9 %	
Year Over Year NOI % Change	3.7 %				
Year Over Year Cash Basis NOI % Change	4.7 %				

(1) Same property includes those properties classified as same property for the three months ended September 30, 2022 for all periods presented.

SHOP Segment and Same Property - Results of Operations

Trailing Five Quarters

SHOP SEGMENT - RESULTS OF OPERATIONS

(dollars in thousands, except average monthly rate)

	As of and For the Three Months Ended				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Number of Properties	234	234	234	235	235
Number of Units	25,078	25,075	25,088	25,345	25,424
Occupancy	74.7 %	73.6 %	73.0 %	72.5 %	71.3 %
Average Monthly Rate	$ 4,509	$ 4,480	$ 4,472	$ 4,189	$ 4,234
Year Over Year Average Monthly Rate % Change	6.5 %				
Residents Fees and Services	$ 258,960	$ 250,506	$ 245,448	$ 234,697	$ 236,013
Property Operating Expenses	(264,722)	(244,040)	(245,295)	(241,403)	(233,687)
NOI	$ (5,762)	$ 6,466	$ 153	$ (6,706)	$ 2,326
NOI Margin %	(2.2)%	2.6 %	0.1 %	(2.9)%	1.0 %
Sequential NOI % Change	(189.1)%	4,126.1 %	102.3 %	(388.3)%	
Year Over Year NOI % Change	(347.7)%				

SHOP SEGMENT SAME PROPERTY - RESULTS OF OPERATIONS (1)

(dollars in thousands, except average monthly rate)

	As of and For the Three Months Ended				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Number of Properties	120	120	120	120	120
Number of Units	17,889	17,889	17,889	17,889	17,889
Occupancy	75.3 %	74.1 %	74.1 %	74.1 %	73.4 %
Average Monthly Rate	$ 4,158	$ 4,109	$ 4,084	$ 3,833	$ 3,937
Year Over Year Average Monthly Rate % Change	5.6 %				
Residents Fees and Services	$ 171,700	$ 165,182	$ 162,540	$ 155,794	$ 158,512
Property Operating Expenses	(166,332)	(152,304)	(153,055)	(152,955)	(151,186)
NOI	$ 5,368	$ 12,878	$ 9,485	$ 2,839	$ 7,326
NOI Margin %	3.1 %	7.8 %	5.8 %	1.8 %	4.6 %
Sequential NOI % Change	(58.3)%	35.8 %	234.1 %	(61.2)%	
Year Over Year NOI % Change	(26.7)%				

(1) Same property includes those properties classified as same property for the three months ended September 30, 2022 for all periods presented.

SHOP Segment - Five Star Managed and Other Operator Managed Communities Results of Operations

DIVERSIFIED HEALTHCARE TRUST

Three Months Ended September 30, 2022 and 2021

SHOP SEGMENT - RESULTS OF OPERATIONS

(dollars in thousands, except average monthly rate)

	As of and For the Three Months Ended September 30, 2022			As of and For the Three Months Ended September 30, 2021		
	Five Star Managed Communities	Other Operator Managed Communities	Total SHOP Segment	Five Star Managed Communities	Other Operator Managed Communities[1]	Total SHOP Segment
Number of Properties	120	114	234	120	115	235
Number of Units	17,889	7,189	25,078	17,899	7,525	25,424
Occupancy	75.3 %	73.2 %	74.7 %	73.4 %	66.6 %	71.3 %
Average Monthly Rate	$ 4,158	$ 5,405	$ 4,509	$ 3,937	$ 5,008	$ 4,234
Average Monthly Rate % Change	5.6 %	7.9 %	6.5 %			
Residents Fees and Services	$ 171,700	$ 87,260	$ 258,960	$ 158,509	$ 77,504	$ 236,013
Property Operating Expenses	(166,332)	(98,390)	(264,722)	(151,235)	(82,452)	(233,687)
NOI	$ 5,368	$ (11,130)	$ (5,762)	$ 7,274	$ (4,948)	$ 2,326
NOI Margin %	3.1 %	(12.8)%	(2.2)%	4.6 %	(6.4)%	1.0 %
NOI % Change	(26.2)%	(124.9)%	(347.7)%			

(1) During the three months ended September 30, 2021, 69 of these communities were transitioned from Five Star to other third party managers. As of September 30, 2021, Five Star managed an additional 39 of these communities.

SHOP Segment - Five Star Managed and Other Operator Managed Communities Results of Operations

DIVERSIFIED HEALTHCARE TRUST

Nine Months Ended September 30, 2022 and 2021

SHOP SEGMENT - RESULTS OF OPERATIONS

(dollars in thousands, except average monthly rate)

	As of and For the Nine Months Ended September 30, 2022			As of and For the Nine Months Ended September 30, 2021		
	Five Star Managed Communities	Other Operator Managed Communities	Total SHOP Segment	Five Star Managed Communities	Other Operator Managed Communities[(1)]	Total SHOP Segment
Number of Properties	120	114	234	120	115	235
Number of Units	17,889	7,189	25,078	17,899	7,525	25,424
Occupancy	74.5 %	72.0 %	73.8 %	72.3 %	66.2 %	70.6 %
Average Monthly Rate	$ 4,117	$ 5,443	$ 4,487	$ 4,161	$ 4,997	$ 4,389
Average Monthly Rate % Change	(1.1)%	8.9 %	2.2 %			
Residents Fees and Services	$ 499,404	$ 255,510	$ 754,914	$ 512,659	$ 227,267	$ 739,926
Property Operating Expenses	(471,724)	(282,333)	(754,057)	(482,354)	(240,742)	(723,096)
NOI	$ 27,680	$ (26,823)	$ 857	$ 30,305	$ (13,475)	$ 16,830
NOI Margin %	5.5 %	(10.5)%	0.1 %	5.9 %	(5.9)%	2.3 %
NOI % Change	(8.7)%	(99.1)%	(94.9)%			

(1) During the nine months ended September 30, 2021, 69 of these communities were transitioned from Five Star to other third party managers. As of September 30, 2021, Five Star managed an additional 39 of these communities.

Office Portfolio Leasing Summary (1) (2)

(dollars and sq. ft. in thousands, except per sq. ft. data)

	As of and For the Three Months Ended				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Buildings	105	104	104	116	118
Total square feet	8,811	8,723	8,724	9,793	10,927
Occupancy	85.9 %	88.1 %	89.3 %	91.3 %	91.3 %
Leasing Activity (sq. ft.):					
New leases	43	52	120	171	101
Renewals	178	211	81	1,181	271
Total	221	263	201	1,352	372
Rental Rate on New and Renewed Leases per Sq. Ft.:					
New leases	$ 24.49	$ 34.91	$ 25.72	$ 42.97	$ 58.73
Renewals	$ 24.99	$ 20.25	$ 29.64	$ 21.11	$ 29.76
Average net annual rent	$ 24.89	$ 23.15	$ 27.30	$ 23.88	$ 37.61
Leasing Costs and Concession Commitments:					
New leases	$ 2,334	$ 2,986	$ 11,330	$ 19,189	$ 15,645
Renewals	2,672	2,350	1,208	16,422	8,647
Total	$ 5,006	$ 5,336	$ 12,538	$ 35,611	$ 24,292
Leasing Costs and Concession Commitments per Sq. Ft.:					
New leases	$ 54.30	$ 57.47	$ 94.34	$ 112.31	$ 155.24
Renewals	$ 15.02	$ 11.13	$ 14.91	$ 13.90	$ 31.87
All new and renewed leases	$ 22.66	$ 20.28	$ 62.35	$ 26.33	$ 65.28
Weighted Average Lease Term (years):					
New leases	5.0	5.8	9.9	10.0	9.1
Renewals	6.0	5.4	4.1	9.0	7.5
All new and renewed leases	5.8	5.5	7.4	9.3	8.2
Leasing Costs and Concession Commitments per Sq. Ft. per Year:					
New leases	$ 10.95	$ 9.91	$ 9.52	$ 11.24	$ 17.09
Renewals	$ 2.49	$ 2.07	$ 3.62	$ 1.54	$ 4.25
All new and renewed leases	$ 3.89	$ 3.69	$ 8.45	$ 2.84	$ 7.99

(1) The leasing summary on this page is based on leases entered into during the periods indicated.
(2) Effective as of the date of deconsolidation, excludes properties owned by the unconsolidated joint ventures in which we own an equity interest. See pages 16 and 17 for additional information regarding our joint ventures.

Tenants Representing 1% Or More of Total Annualized Rental Income

As of September 30, 2022

(dollars in thousands)

	Tenant	Facility Type	Annualized Rental Income	% of Annualized Rental Income	Expiration
1	Advocate Aurora Health	Medical office	$ 16,939	6.6%	2026-2031
2	Brookdale Senior Living, Inc.	Senior living	9,147	3.6%	2032
3	Life Time Athletic	Wellness center	9,105	3.6%	2040
4	Surgalign Holdings, Inc.	Life science	6,595	2.6%	2034
5	Alamar Biosciences, Inc.	Life science	6,111	2.4%	2034
6	IQVIA Holdings Inc.	Life science	5,344	2.1%	2023
7	Stratford Retirement, LLC	Senior living	5,185	2.0%	2033
8	Prometheus Biosciences, Inc.	Life science	5,114	2.0%	2033
9	Medtronic, Inc.	Medical office	4,864	1.9%	2023-2027
10	Boston Children's Hospital	Medical office	4,794	1.9%	2028
11	KSQ Therapeutics, Inc.	Life science	4,779	1.9%	2032
12	Sonova Holding AG	Life science	4,591	1.8%	2024
13	Magellan Health Inc.	Medical office	4,516	1.8%	2025
14	Stellar Senior Living, LLC	Senior living	4,342	1.7%	2027
15	Abbvie Inc.	Life science	3,969	1.6%	2027
16	United Healthcare Services, Inc.	Medical office	3,924	1.5%	2026
17	Cigna Holding Co.	Medical office	3,914	1.5%	2024
18	Duke University	Medical office	3,834	1.5%	2024
19	Tokio Marine Holdings Inc.	Medical office	3,759	1.5%	2022-2033
20	PerkinElmer Health Sciences, Inc.	Life science	3,681	1.4%	2028
21	HCA Holdings Inc.	Medical office	3,405	1.3%	2023-2027
22	New York University	Medical office	3,239	1.3%	2022-2027
23	McKesson Corporation	Medical office	3,143	1.2%	2024-2028
24	Ultragenyx Pharmaceutical Inc.	Life science	3,098	1.2%	2026
25	Hawaii Pacific Health	Medical office	3,060	1.2%	2024-2029
26	Oaks Senior Living, LLC	Senior living	3,038	1.2%	2024-2030
27	Virginia Premier Health Plan, Inc.	Medical office	2,936	1.1%	2032
	All Other Tenants		119,027	46.6%	2022-2043
	Total Tenants		$ 255,453	100.0%	

Office Portfolio Lease Expiration Schedule

As of September 30, 2022

(dollars in thousands)

Office Portfolio Annualized Rental Income Expiring

Year	Annualized Rental Income Expiring	% of Total Annualized Rental Income Expiring	Cumulative % of Total Annualized Rental Income Expiring
2022	$ 3,925	1.8%	1.8%
2023	16,352	7.4%	9.2%
2024	27,965	12.7%	21.9%
2025	17,279	7.8%	29.7%
2026	23,833	10.8%	40.5%
2027	21,035	9.5%	50.0%
2028	25,475	11.5%	61.5%
2029	10,649	4.8%	66.3%
2030	6,172	2.8%	69.1%
2031 and thereafter	67,908	30.9%	100.0%
Total	$ 220,593	100.0%	

Average remaining lease term for our office portfolio (weighted by annualized rental income): 5.8 years

Office Portfolio Square Feet with Leases Expiring

Year	Leased Square Feet Expiring	% of Total Leased Square Feet Expiring	Cumulative % of Total Leased Square Feet Expiring
2022	95,745	1.3%	1.3%
2023	570,707	7.5%	8.8%
2024	1,100,132	14.5%	23.3%
2025	722,561	9.6%	32.9%
2026	792,937	10.5%	43.4%
2027	868,245	11.5%	54.9%
2028	976,475	12.9%	67.8%
2029	394,832	5.2%	73.0%
2030	262,285	3.5%	76.5%
2031 and thereafter	1,781,486	23.5%	100.0%
Total	7,565,405	100.0%	

1145 19th Street NW
Washington, D.C.

Non-Segment Lease Expiration Schedule

DIVERSIFIED HEALTHCARE TRUST

As of September 30, 2022

(dollars in thousands)

Non-Segment Annualized Rental Income Expiring

Year		Number of Properties	Number of Units or Square Feet	Annualized Rental Income Expiring	% of Total Annualized Rental Income Expiring	Cumulative % of Total Annualized Rental Income Expiring
2022		—	—	$ —	—%	—%
2023		—	—	—	—%	—%
2024	(1)	2	180 units	2,026	5.8%	5.8%
2025		—	—	—	—%	5.8%
2026		—	—	—	—%	5.8%
2027		4	533 units	4,342	12.5%	18.3%
2028	(2)	6	354,000 sq. ft.	—	—%	18.3%
2029		1	155 units	547	1.6%	19.9%
2030	(1)	3	367 units	4,508	12.9%	32.8%
2031 and thereafter		24	1,091 units and 458,000 sq. ft.	23,437	67.2%	100.0%
Total		40		$ 34,860	100.0%	

(1) In October 2022, we and an operator agreed to terminate lease agreements for three of our senior living communities and replace them with management agreements.
(2) Excludes annualized rental income from our leases with a tenant of six wellness centers. As of September 30, 2022, the tenant was in default on its obligations to us under these leases.

Non-GAAP Financial Measures and Certain Definitions

Non-GAAP Financial Measures

We present certain "non-GAAP financial measures" within the meaning of applicable rules of the SEC, including net operating income, or NOI, Cash Basis NOI, same property NOI, same property Cash Basis NOI, earnings before interest, income tax, depreciation and amortization, or EBITDA, EBITDA for real estate, or EBITDA*re*, Adjusted EBITDA*re*, funds from operations attributable to common shareholders, or FFO attributable to common shareholders, and normalized funds from operations attributable to common shareholders, or Normalized FFO attributable to common shareholders. These measures do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income (loss) or net income (loss) attributable to common shareholders as indicators of our operating performance or as measures of our liquidity. These measures should be considered in conjunction with net income (loss) and net income (loss) attributable to common shareholders as presented in our condensed consolidated statements of income (loss). We consider these non-GAAP measures to be appropriate supplemental measures of operating performance for a REIT, along with net income (loss) and net income (loss) attributable to common shareholders. We believe these measures provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation and amortization, they may facilitate a comparison of our operating performance between periods and with other REITs and, in the case of NOI, Cash Basis NOI, same property NOI and same property Cash Basis NOI, reflecting only those income and expense items that are generated and incurred at the property level may help both investors and management to understand the operations of our properties.

NOI, Cash Basis NOI, Same Property NOI and Same Property Cash Basis NOI

The calculations of NOI, Cash Basis NOI, same property NOI and same property Cash Basis NOI exclude certain components of net income (loss) in order to provide results that are more closely related to our property level results of operations. We calculate NOI, Cash Basis NOI, same property NOI and same property Cash Basis NOI as shown on pages 18 through 24. We define NOI as income from our real estate less our property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions that we record as depreciation and amortization. We define Cash Basis NOI as NOI excluding non-cash straight line rent adjustments, lease value amortization, lease termination fee amortization, if any, and non-cash amortization included in property operating expenses. We calculate same property NOI and same property Cash Basis NOI in the same manner that we calculate the corresponding NOI and Cash Basis NOI amounts, except that we only include same properties in calculating same property NOI and same property Cash Basis NOI. We use NOI, Cash Basis NOI, same property NOI and same property Cash Basis NOI to evaluate individual and company wide property level performance. Other real estate companies and REITs may calculate NOI, Cash Basis NOI, same property NOI and same property Cash Basis NOI differently than we do.

EBITDA, EBITDA*re* and Adjusted EBITDA*re*

We calculate EBITDA, EBITDA*re* and Adjusted EBITDA*re* as shown on page 25. EBITDA*re* is calculated on the basis defined by the National Association of Real Estate Investment Trusts, or Nareit, which is EBITDA, excluding gains or losses on the sale of properties, equity in earnings or losses of unconsolidated joint ventures, impairment of assets, if any, and including adjustments to reflect our proportionate share of EBITDA*re* of our equity method investment in AlerisLife and our proportionate share of EBITDA*re* from our unconsolidated joint ventures, as well as certain other adjustments currently not applicable to us. In calculating Adjusted EBITDA*re*, we adjust for the items shown on page 25. Other real estate companies and REITs may calculate EBITDA, EBITDA*re* and Adjusted EBITDA*re* differently than we do.

FFO and Normalized FFO Attributable to Common Shareholders

We calculate FFO attributable to common shareholders and Normalized FFO attributable to common shareholders as shown on page 26. FFO attributable to common shareholders is calculated on the basis defined by Nareit, which is net income (loss) attributable to common shareholders, calculated in accordance with GAAP, excluding any gain or loss on sale of properties, equity in earnings or losses of unconsolidated joint ventures, loss on impairment of real estate assets, gains or losses on equity securities, net, if any, including adjustments to reflect our proportionate share of FFO of our equity method investment in AlerisLife and our proportionate share of FFO from our unconsolidated joint ventures, plus real estate depreciation and amortization of consolidated properties and minus FFO adjustments attributable to noncontrolling interest, as well as certain other adjustments currently not applicable to us. In calculating Normalized FFO attributable to common shareholders, we adjust for the items shown on page 26. FFO attributable to common shareholders and Normalized FFO attributable to common shareholders are among the factors considered by our Board of Trustees when determining the amount of distributions to our shareholders. Other factors include, but are not limited to, requirements to maintain our qualification for taxation as a REIT, limitations in the agreements governing our debt, the availability to us of debt and equity capital, our expectation of our future capital requirements and operating performance, and our expected needs for and availability of cash to pay our obligations. Other real estate companies and REITs may calculate FFO attributable to common shareholders and Normalized FFO attributable to common shareholders differently than we do.

Non-GAAP Financial Measures and Certain Definitions (Continued)

Adjusted total assets Adjusted total assets is the original cost of real estate assets calculated in accordance with GAAP before depreciation and after impairment write downs, if any, and excludes accounts receivable and intangible assets.

AlerisLife AlerisLife means AlerisLife Inc.

Annualized dividend yield Annualized dividend yield is the annualized dividend declared during the applicable period divided by the closing price of DHC's common shares on The Nasdaq Stock Market LLC at the end of the relevant period.

Annualized rental income Annualized rental income is based on rents pursuant to existing leases as of September 30, 2022. Annualized rental income includes estimated percentage rents, straight line rent adjustments and estimated recurring expense reimbursements for certain net and modified gross leases; excludes lease value amortization at certain of our medical office and life science properties and wellness centers. Annualized rental income amounts for our medical office and life science properties also exclude 100% of rents pursuant to existing leases as of September 30, 2022 from the medical office and life science properties owned by unconsolidated joint ventures in which we own an equity interest.

Average monthly rate Average monthly rate is calculated by taking the average daily rate, which is defined as total residents fees and services divided by occupied units during the period, and multiplying it by 30 days.

Building improvements Building improvements generally include expenditures to replace obsolete building components that extend the useful life of existing assets or other improvements to increase the marketability of the property.

Cash basis NOI margin % Cash basis NOI margin % is defined as cash basis NOI as a percentage of cash basis rental income. Cash basis rental income excludes non-cash straight line rent adjustments, lease value amortization and lease termination fee amortization, if any.

Consolidated income available for debt service Consolidated income available for debt service is earnings from operations excluding interest expense, depreciation and amortization, taxes, loss on asset impairment, gains or losses on equity securities, gains or losses on sales of properties, modification or early extinguishment of debt and equity in earnings or losses of unconsolidated joint ventures and including distributions from our unconsolidated joint ventures, determined together with debt service for the applicable period.

Coupon rate Coupon rate is the interest rate stated in, or determined pursuant to, the contract terms.

Development, redevelopment and other activities Development, redevelopment and other activities generally include capital expenditures that reposition a property or result in new sources of revenue. From time to time we invest in revenue producing capital improvements at certain of our triple net leased senior living communities. As a result, annual rents payable to us increase pursuant to the terms of the applicable leases. These capital improvements are not included in our development, redevelopment and other activities.

Estimated completion date Estimated completion date can depend on various factors, including when lease agreements are signed with tenants. Therefore, the actual completion date may vary.

Estimated project costs Estimated project costs include estimated construction costs and leasing capital up to stabilization.

Five Star Five Star, or Five Star Senior Living, is an operating division of AlerisLife.

Five Star managed communities Five Star managed communities are the 120 senior living communities in our SHOP segment that are managed by Five Star.

Non-GAAP Financial Measures and Certain Definitions (Continued)

GAAP GAAP is U.S. generally accepted accounting principles.

Gross book value of real estate assets Gross book value of real estate assets is real estate assets at cost plus certain acquisition costs, before depreciation and purchase price allocations, less impairment writedowns, if any.

Gross purchase price Gross purchase price includes assumed debt, if any, and excludes acquisition costs and purchase price allocation adjustments, if any.

Gross sales price Gross sales price excludes closing costs.

Incurrence covenants Incurrence covenants are financial covenants which we are required to comply with in order to incur additional debt under our revolving credit facility and the indentures governing our senior unsecured notes.

Interest rate Interest rate includes the effect of mark to market accounting for certain assumed mortgages and premiums and discounts on certain mortgages and unsecured notes; excludes effects of debt issuance costs and the 30 basis points facility fee on our revolving credit facility.

Investment per square foot or unit Investment per square foot or unit represents gross book value of real estate assets divided by number of rentable square feet or living units, as applicable, at September 30, 2022.

Lease related costs Lease related costs generally include capital expenditures to improve tenants' space or amounts paid directly to tenants to improve their space and leasing related costs, such as brokerage commissions and tenant inducements.

Leasing costs and concession commitments Leasing costs and concession commitments include commitments made for leasing expenditures and concessions, such as tenant improvements, leasing commissions, tenant reimbursements and free rent.

Maintenance covenant Our maintenance covenant is a financial covenant which we are required to comply with on a quarterly basis pursuant to the indentures governing our senior unsecured notes.

Net debt Net debt is total debt less cash.

NOI margin % NOI margin % is defined as NOI as a percentage of rental income or residents fees and services, as appropriate.

Non-Segment Non-Segment operations consists of triple net leased senior living communities that are leased to third party operators and wellness centers, and any other income or expenses that are not attributable to a specific reporting segment.

Occupancy Occupancy for our Office Portfolio is presented as of the end of the period shown; occupancy for our SHOP segment and other tenants is presented for the duration of the period shown, or the most recent prior period of equivalent length for which tenant and manager operating results are available to us. Occupancy excludes data for our wellness centers. Life science and medical office occupancy data includes (i) out of service assets undergoing redevelopment, (ii) space which is leased but is not occupied or is being offered for sublease by tenants and (iii) space being fitted out for occupancy. Triple net leased senior living communities occupancy excludes data for periods prior to our ownership of certain properties, as well as properties sold or classified as held for sale, or for which there was a transfer of operations during the periods presented.

Non-GAAP Financial Measures and Certain Definitions (Continued)

Office Portfolio Office Portfolio consists of medical office properties leased to medical providers and other medical related businesses, as well as life science properties leased to biotech laboratories and other similar tenants. Our medical office and life science property leases include some triple net leases where, in addition to paying fixed rents, the tenants assume the obligation to operate and maintain the properties at their expense, and some net and modified gross leases where we are responsible for the operation and maintenance of the properties and we charge tenants for some or all of the property operating costs. A small percentage of our medical office and life science property leases are full-service leases where we receive fixed rent from our tenants and no reimbursement for our property operating costs.

Other Operator managed communities Other operator managed communities are senior living communities in our SHOP segment, which are now managed by third party managers (other than Five Star) or closed or are repositioned. As of December 31, 2021, we had transitioned 107 senior living communities to 10 other third party managers.

Principal balance Principal balances are the amounts stated in the contracts less the principal amount of any repayments made. In accordance with GAAP, our carrying values and recorded interest expense may be different because of market conditions at the time we assumed certain of these debts. The principal balance of our revolving credit facility includes amounts outstanding as of the date presented.

Rent coverage Rent coverage is calculated as operating cash flows from our tenants' facility operations of our properties, before subordinated charges, if any, divided by rent payable to us; excludes data for periods prior to our ownership of certain properties, as well as properties sold or classified as held for sale, or for which there was a transfer of operations from one operator to another during the periods presented.

Same Property As of and for the three months ended September 30, 2022, same property consists of properties owned, in service and operated by the same operator continuously since July 1, 2021; excludes properties classified as held for sale, closed or out of service undergoing redevelopment, if any, and medical office and life science properties owned by unconsolidated joint ventures in which we own an equity interest. As of and for the nine months ended September 30, 2022, same property consists of properties owned, in service and operated by the same operator continuously since January 1, 2021; excludes properties classified as held for sale, closed or out of service undergoing redevelopment, if any, and medical office and life science properties owned by unconsolidated joint ventures in which we own an equity interest.

SHOP SHOP, or Senior Housing Operating Portfolio, consists of senior living communities managed by third party senior living managers that provide short term and long term residential living and in some cases care and other services for residents where we pay fees to the managers to operate the communities. Properties in this segment include independent living communities, assisted living communities, active adult rental communities and SNFs.

SNF SNF is a skilled nursing facility.

Square feet Square feet measurements are subject to modest changes when space is periodically remeasured or reconfigured for new tenants. Square feet for prior periods exclude space remeasurements made subsequent to those periods. Excludes data from medical office and life science properties owned by unconsolidated joint ventures in which we own an equity interest.

Total gross assets Total gross assets is total assets plus accumulated depreciation.

Total unencumbered assets Total unencumbered assets is the original cost of real estate assets not encumbered by mortgage debt calculated in accordance with GAAP before depreciation and after impairment write downs, if any, and exclude accounts receivable and intangible assets.

Triple net leased senior living communities Triple net leased senior living communities include independent and assisted living communities and SNFs.

Unit count Unit count is by the type of living units at our senior living communities within our SHOP segment.

Weighted average lease term Weighted average lease term is weighted based on annualized rental income pursuant to existing leases as of September 30, 2022.

Warning Concerning Forward-Looking Statements

This presentation of supplemental operating and financial data may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Whenever we use words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “will”, “may” and negatives or derivatives of these or similar expressions, we are making forward-looking statements. These forward-looking statements are based upon our present intent, beliefs or expectations, but forward-looking statements are not guaranteed to occur and may not occur. Actual results may differ materially from those contained in or implied by our forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control.

For example:

- Our redevelopment projects may not be successful and may cost more or take longer to complete than we currently expect. In addition, the terms of the leases we entered into with respect to our redevelopment projects may not commence on the currently expected dates or at all.

The information contained in our filings with the SEC, including under “Risk Factors” in our periodic reports, or incorporated therein, identifies important factors that could cause our actual results to differ materially from those stated in or implied by our forward-looking statements. Our filings with the SEC are available on the SEC's website at www.sec.gov. You should not place undue reliance upon forward-looking statements. Except as required by law, we do not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.