UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________to __________

Commission file number: 1-8923

WELLTOWER INC.

(Exact name of registrant as specified in its charter)

Delaware	**34-1096634**
(State or other jurisdiction of Incorporation)	(IRS Employer Identification No.)
4500 Dorr Street Toledo, Ohio	**43615**
(Address of principal executive offices)	(Zip Code)

(419) - 247-2800

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $1.00 par value per share	WELL	New York Stock Exchange
4.800% Notes due 2028	WELL28	New York Stock Exchange
4.500% Notes due 2034	WELL34	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐
				(Do not check if a smaller reporting company)					

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of October 29, 2021, the registrant had 435,274,528 shares of common stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

CONSOLIDATED BALANCE SHEETS
WELLTOWER INC. AND SUBSIDIARIES

(In thousands)

	September 30, 2021 (Unaudited)	December 31, 2020 (Note)
Assets:		
Real estate investments:		
Real property owned:		
Land and land improvements	$ 3,698,858	$ 3,440,650
Buildings and improvements	29,775,951	28,024,971
Acquired lease intangibles	1,653,415	1,500,030
Real property held for sale, net of accumulated depreciation	251,152	216,613
Construction in progress	562,487	487,742
Less accumulated depreciation and amortization	(6,634,061)	(6,104,297)
Net real property owned	29,307,802	27,565,709
Right of use assets, net	526,614	465,866
Real estate loans receivable, net of credit allowance	1,115,645	443,372
Net real estate investments	30,950,061	28,474,947
Other assets:		
Investments in unconsolidated entities	977,955	946,234
Goodwill	68,321	68,321
Cash and cash equivalents	303,982	1,545,046
Restricted cash	58,663	475,997
Straight-line rent receivable	346,159	344,066
Receivables and other assets	774,884	629,031
Total other assets	2,529,964	4,008,695
Total assets	$ 33,480,025	$ 32,483,642
Liabilities and equity		
Liabilities:		
Unsecured credit facility and commercial paper	$ 290,996	$ —
Senior unsecured notes	11,116,067	11,420,790
Secured debt	2,262,345	2,377,930
Lease liabilities	544,547	418,266
Accrued expenses and other liabilities	1,093,959	1,041,594
Total liabilities	15,307,914	15,258,580
Redeemable noncontrolling interests	389,195	343,490
Equity:		
Common stock	436,640	418,691
Capital in excess of par value	22,148,859	20,823,145
Treasury stock	(108,478)	(104,490)
Cumulative net income	8,605,064	8,327,598
Cumulative dividends	(14,115,705)	(13,343,721)
Accumulated other comprehensive income (loss)	(103,177)	(148,504)
Total Welltower Inc. stockholders’ equity	16,863,203	15,972,719
Noncontrolling interests	919,713	908,853
Total equity	17,782,916	16,881,572
Total liabilities and equity	$ 33,480,025	$ 32,483,642

Note: The consolidated balance sheet at December 31, 2020 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
WELLTOWER INC. AND SUBSIDIARIES
(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenues:				
Resident fees and services	$ 835,617	$ 740,956	$ 2,299,972	$ 2,360,488
Rental income	357,984	275,046	1,015,550	1,061,311
Interest income	39,864	16,750	97,891	48,060
Other income	6,332	4,122	19,438	14,092
Total revenues	1,239,797	1,036,874	3,432,851	3,483,951
Expenses:				
Property operating expenses	729,400	634,717	1,989,383	1,977,262
Depreciation and amortization	267,754	255,532	753,065	795,704
Interest expense	122,522	124,851	368,005	393,215
General and administrative expenses	32,256	31,003	93,618	100,546
Loss (gain) on derivatives and financial instruments, net	(8,078)	1,395	(6,503)	10,480
Loss (gain) on extinguishment of debt, net	(5)	33,004	50,964	33,253
Provision for loan losses, net	(271)	2,857	7,309	11,351
Impairment of assets	1,490	23,313	48,750	126,291
Other expenses	3,575	11,544	26,256	37,247
Total expenses	1,148,643	1,118,216	3,330,847	3,485,349
Income (loss) from continuing operations before income taxes and other items	91,154	(81,342)	102,004	(1,398)
Income tax (expense) benefit	(4,940)	(2,003)	(6,662)	(9,678)
Income (loss) from unconsolidated entities	(15,832)	(5,981)	(10,759)	(8,341)
Gain (loss) on real estate dispositions, net	119,954	484,304	223,702	902,991
Income (loss) from continuing operations	190,336	394,978	308,285	883,574
Net income	190,336	394,978	308,285	883,574
Less: Net income (loss) attributable to noncontrolling interests[(1)]	10,673	69,393	30,819	68,459
Net income (loss) attributable to common stockholders	$ 179,663	$ 325,585	$ 277,466	$ 815,115
Average number of common shares outstanding:				
Basic	428,031	417,027	420,955	414,822
Diluted	429,983	418,987	422,835	416,860
Earnings per share:				
Basic:				
Income (loss) from continuing operations	$ 0.44	$ 0.95	$ 0.73	$ 2.13
Net income (loss) attributable to common stockholders	$ 0.42	$ 0.78	$ 0.66	$ 1.96
Diluted:				
Income (loss) from continuing operations	$ 0.44	$ 0.94	$ 0.73	$ 2.12
Net income (loss) attributable to common stockholders[(2)]	$ 0.42	$ 0.77	$ 0.65	$ 1.94
Dividends declared and paid per common share	$ 0.61	$ 0.61	$ 1.83	$ 2.09

[(1)] Includes amounts attributable to redeemable noncontrolling interests.
[(2)] Includes adjustment to the numerator for income (loss) attributable to OP unitholders.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
WELLTOWER INC. AND SUBSIDIARIES
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income	$ 190,336	$ 394,978	$ 308,285	$ 883,574
Other comprehensive income (loss):				
Foreign currency translation gain (loss)	(112,263)	143,353	(55,059)	(109,209)
Derivative and financial instruments designated as hedges gain (loss)	130,711	(145,512)	100,866	86,429
Total other comprehensive income (loss)	18,448	(2,159)	45,807	(22,780)
Total comprehensive income (loss)	208,784	392,819	354,092	860,794
Less: Total comprehensive income (loss) attributable to noncontrolling interests[1]	4,350	76,847	31,299	59,991
Total comprehensive income (loss) attributable to common stockholders	$ 204,434	$ 315,972	$ 322,793	$ 800,803

[1] Includes amounts attributable to redeemable noncontrolling interests.

CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)
WELLTOWER INC. AND SUBSIDIARIES
(In thousands)

	Nine Months Ended September 30, 2021							
	Common Stock	Capital in Excess of Par Value	Treasury Stock	Cumulative Net Income	Cumulative Dividends	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
Balances at January 1, 2021	$ 418,691	$ 20,823,145	$ (104,490)	$ 8,327,598	$ (13,343,721)	$ (148,504)	$ 908,853	$ 16,881,572
Comprehensive income:								
Net income (loss)				71,546			(177)	71,369
Other comprehensive income (loss)						20,368	3,729	24,097
Total comprehensive income								95,466
Net change in noncontrolling interests		(14,250)					(20,266)	(34,516)
Amounts related to stock incentive plans, net of forfeitures	175	5,393	(2,029)					3,539
Net proceeds from issuance of common stock		(92)						(92)
Dividends paid:								
Common stock dividends					(254,952)			(254,952)
Balances at March 31, 2021	$ 418,866	$ 20,814,196	$ (106,519)	$ 8,399,144	$ (13,598,673)	$ (128,136)	$ 892,139	$ 16,691,017
Comprehensive income:								
Net income (loss)				26,257			19,695	45,952
Other comprehensive income (loss)						188	2,919	3,107
Total comprehensive income								49,059
Net change in noncontrolling interests		(17,377)					15,630	(1,747)
Amounts related to stock incentive plans, net of forfeitures	51	4,504	(2,114)					2,441
Net proceeds from issuance of common stock	5,016	360,515						365,531
Dividends paid:								
Common stock dividends					(255,472)			(255,472)
Balances at June 30, 2021	$ 423,933	$ 21,161,838	$ (108,633)	$ 8,425,401	$ (13,854,145)	$ (127,948)	$ 930,383	$ 16,850,829
Comprehensive income:								
Net income (loss)				179,663			10,470	190,133
Other comprehensive income (loss)						24,771	(6,196)	18,575
Total comprehensive income								208,708
Net change in noncontrolling interests		(4,013)					(14,944)	(18,957)
Amounts related to stock incentive plans, net of forfeitures	3	4,932	155					5,090
Net proceeds from issuance of common stock	12,704	986,102						998,806
Dividends paid:								
Common stock dividends					(261,560)			(261,560)
Balances at September 30, 2021	$ 436,640	$ 22,148,859	$ (108,478)	$ 8,605,064	$ (14,115,705)	$ (103,177)	$ 919,713	$ 17,782,916

CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)
WELLTOWER INC. AND SUBSIDIARIES
(In thousands)

	Nine Months Ended September 30, 2020							
	Common Stock	Capital in Excess of Par Value	Treasury Stock	Cumulative Net Income	Cumulative Dividends	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
Balances at January 1, 2020	$ 411,005	$ 20,190,119	$ (78,955)	$ 7,353,966	$ (12,223,534)	$ (112,157)	$ 966,183	$ 16,506,627
Cumulative change in accounting principle (Note 2)				(5,212)				(5,212)
Balances at January 1, 2020 (as adjusted for change in accounting principle)	411,005	20,190,119	(78,955)	7,348,754	(12,223,534)	(112,157)	966,183	16,501,415
Comprehensive income:								
Net income (loss)				310,284			18,988	329,272
Other comprehensive income (loss)						15,944	(21,955)	(6,011)
Total comprehensive income								323,261
Net change in noncontrolling interests		37,625					(29,662)	7,963
Amounts related to stock incentive plans, net of forfeitures	246	6,608	(8,020)					(1,166)
Net proceeds from issuance of common stock	6,975	583,890						590,865
Dividends paid:								
Common stock dividends					(356,001)			(356,001)
Balances at March 31, 2020	$ 418,226	$ 20,818,242	$ (86,975)	$ 7,659,038	$ (12,579,535)	$ (96,213)	$ 933,554	$ 17,066,337
Comprehensive income:								
Net income (loss)				179,246			18,659	197,905
Other comprehensive income (loss)						(20,643)	6,298	(14,345)
Total comprehensive income								183,560
Net change in noncontrolling interests		7,299					(70,124)	(62,825)
Amounts related to stock incentive plans, net of forfeitures	28	7,404	832					8,264
Net proceeds from issuance of common stock	89	3,604						3,693
Repurchase of common stock			(7,656)					(7,656)
Dividends paid:								
Common stock dividends					(254,846)			(254,846)
Balances at June 30, 2020	$ 418,343	$ 20,836,549	$ (93,799)	$ 7,838,284	$ (12,834,381)	$ (116,856)	$ 888,387	$ 16,936,527
Comprehensive income:								
Net income (loss)				325,585			67,650	393,235
Other comprehensive income (loss)						(9,613)	7,338	(2,275)
Total comprehensive income								390,960
Net change in noncontrolling interests		(7,894)					(110,147)	(118,041)
Amounts related to stock incentive plans, net of forfeitures	18	6,569	(223)					6,364
Net proceeds from issuance of common stock		(198)						(198)
Dividends paid:								
Common stock dividends					(254,510)			(254,510)
Balances at September 30, 2020	$ 418,361	$ 20,835,026	$ (94,022)	$ 8,163,869	$ (13,088,891)	$ (126,469)	$ 853,228	$ 16,961,102

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
WELLTOWER INC. AND SUBSIDIARIES
(In thousands)

	Nine Months Ended September 30,	
	2021	2020
Operating activities:		
Net income	$ 308,285	$ 883,574
Adjustments to reconcile net income to net cash provided from (used in) operating activities:		
Depreciation and amortization	753,065	795,704
Other amortization expenses	13,951	9,613
Provision for loan losses	7,309	11,351
Impairment of assets	48,750	126,291
Stock-based compensation expense	14,868	20,938
Loss (gain) on derivatives and financial instruments, net	(6,503)	10,480
Loss (gain) on extinguishment of debt, net	50,964	33,253
Loss (income) from unconsolidated entities	10,759	8,341
Rental income less than (in excess of) cash received	(9,607)	66,874
Amortization related to above (below) market leases, net	(2,045)	(1,373)
Loss (gain) on real estate dispositions, net	(223,702)	(902,991)
Distributions by unconsolidated entities	11,783	7,835
Increase (decrease) in accrued expenses and other liabilities	97,924	40,443
Decrease (increase) in receivables and other assets	(83,806)	(749)
Net cash provided from (used in) operating activities	991,995	1,109,584
Investing activities:		
Cash disbursed for acquisitions, net of cash acquired	(2,735,206)	(393,374)
Cash disbursed for capital improvements to existing properties	(165,691)	(183,324)
Cash disbursed for construction in progress	(263,325)	(126,699)
Capitalized interest	(14,027)	(13,234)
Investment in loans receivable	(953,006)	(216,307)
Principal collected on loans receivable	250,415	14,345
Other investments, net of payments	(10,885)	(2,145)
Contributions to unconsolidated entities	(278,833)	(301,031)
Distributions by unconsolidated entities	238,066	41,884
Proceeds from (payments on) derivatives	2,312	(13,319)
Proceeds from sales of real property	941,708	3,522,949
Net cash provided from (used in) investing activities	(2,988,472)	2,329,745
Financing activities:		
Net increase (decrease) under unsecured credit facility and commercial paper	290,996	(1,587,597)
Net proceeds from issuance of senior unsecured notes	1,208,241	1,588,549
Payments to extinguish senior unsecured notes	(1,533,752)	(566,248)
Net proceeds from the issuance of secured debt	2,693	44,921
Payments on secured debt	(118,854)	(538,091)
Net proceeds from the issuance of common stock	1,366,464	595,313
Repurchase of common stock	—	(7,656)
Payments for deferred financing costs and prepayment penalties	(72,251)	(35,925)
Contributions by noncontrolling interests(1)	84,073	14,267
Distributions to noncontrolling interests(1)	(108,912)	(298,369)
Cash distributions to stockholders	(770,457)	(864,115)
Other financing activities	(9,322)	(11,244)
Net cash provided from (used in) financing activities	338,919	(1,666,195)
Effect of foreign currency translation on cash and cash equivalents and restricted cash	(840)	(3,566)
Increase (decrease) in cash, cash equivalents and restricted cash	(1,658,398)	1,769,568
Cash, cash equivalents and restricted cash at beginning of period	2,021,043	385,765
Cash, cash equivalents and restricted cash at end of period	$ 362,645	$ 2,155,333
Supplemental cash flow information:		
Interest paid	$ 341,134	$ 362,130
Income taxes paid (received), net	1,288	(485)

(1) Includes amounts attributable to redeemable noncontrolling interests.

1. Business

Welltower Inc. (the "Company"), an S&P 500 company headquartered in Toledo, Ohio, is driving the transformation of health care infrastructure. The Company invests with leading seniors housing operators, post-acute providers and health systems to fund the real estate and infrastructure needed to scale innovative care delivery models and improve people’s wellness and overall health care experience. Welltower™, a real estate investment trust (“REIT”), owns interests in properties concentrated in major, high-growth markets in the United States (“U.S.”), Canada and the United Kingdom (“U.K.”), consisting of seniors housing and post-acute communities and outpatient medical properties.

2. Accounting Policies and Related Matters

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and with instructions to Quarterly Report on Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (such as normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended September 30, 2021 are not necessarily an indication of the results that may be expected for the year ending December 31, 2021. For further information, refer to the financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2020.

Impact of COVID-19 Pandemic

The extent to which the COVID-19 pandemic impacts our operations and those of our operators and tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, the direct and indirect economic effects of the pandemic and containment measures, the impact of new variants, the effectiveness of vaccines, the overall pace of recovery, among others. The COVID-19 pandemic could have material and adverse effects on our financial condition, results of operations and cash flows in the future.

Our Seniors Housing Operating revenues are dependent on occupancy. Spot occupancy has steadily increased in recent months, with 96% of communities open for new admissions and nearly all communities allowing visitors, in-person tours and communal dining and activities. Rapid distribution and a high acceptance rate of COVID-19 vaccinations by residents within assisted living and memory care facilities in the U.S. and U.K. have resulted in a significant decrease in total resident case counts since mid-January across the portfolio. As of September 30, 2021, occupancy has increased approximately 440 bps to 76.7% since the pandemic-low of 72.3% on March 12, 2021. Monthly spot occupancy rates through September 30, 2021 are as follows:

	December 2020	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021
Spot occupancy [1]	74.8 %	73.4 %	72.5 %	72.7 %	73.2 %	73.7 %	74.6 %	75.2 %	75.9 %	76.7 %
Sequential occupancy change[2]		(1.4)%	(0.8)%	0.1 %	0.5 %	0.5 %	0.9 %	0.6 %	0.8 %	0.8 %

[1] Spot occupancy represents approximate month end occupancy at our share for 591 properties in operation as of December 31, 2020, including unconsolidated properties but excluding acquisitions, executed dispositions, development conversions since this date as well as one property closed for redevelopment.

[2] Sequential occupancy changes are based on actual spot occupancy and may not recalculate due to rounding.

During the quarter ended September 30, 2021, the U.S. and U.K. portfolios reported spot occupancy gains of approximately 260 bps and 300 bps, respectively. Canada reported a spot occupancy gain of approximately 70 bps.

Property-level operating expenses associated with the COVID-19 pandemic relating to our Seniors Housing Operating portfolio, net of reimbursements including Provider Relief Funds and similar programs in the U.K. and Canada, resulted in a net benefit of approximately $2,092,000 and $24,883,000 for the three and nine months ended September 30, 2021, respectively, as compared to a net expense of $18,193,000 and $65,614,000 during the three and nine months ended September 30, 2020, respectively. These expenses were incurred as a result of the introduction of public health measures and other regulations affecting our properties, as well as additional health and safety measures adopted by us and our operators related to the COVID-19 pandemic, including increases in labor and property cleaning expenses and expenditures related to our efforts to procure personal protective equipment ("PPE") and supplies, net of reimbursements. Certain new expenses incurred since the start of the pandemic may continue on an ongoing basis as part of new health and safety protocols.

In 2020 applications were made for amounts under Phase 2 and Phase 3 of the Provider Relief Fund related to our Seniors Housing Operating portfolio. During the nine months ended September 30, 2021, we received total Provider Relief Funds of approximately $40,975,000, which was recognized as a reduction to COVID-19 costs within property operating expenses.

Our Triple-net operators have experienced similar occupancy declines and operating costs as described above with respect to our Seniors Housing Operating properties. Additionally, long-term/post-acute care facilities are generally experiencing a higher degree of occupancy declines. These factors may continue to impact the ability of our Triple-net operators to make contractual rent payments to us in the future. Many of our Triple-net operators received funds under the Coronavirus Aid Relief and Economic Security Act (“CARES Act”) Paycheck Protection Program. In addition, operators of long-term/post-acute care facilities have generally received funds from Phase 1 of the Provider Relief Fund and operators of assisted living facilities have generally received funds from Phases 2 and 3 of the Provider Relief Fund.

During the nine months ended September 30, 2021, we collected approximately 94% of rent due from operators under Triple-net lease agreements (primarily seniors housing and post-acute care facilities). No significant rent deferrals or rent concessions have been made. We evaluate leases individually and recognize rent on a cash basis if collectability of substantially all contractual rent payments is not probable. To the extent the prolonged impact of the COVID-19 pandemic causes operators or tenants to seek further modifications of their lease agreements, we may recognize reductions in revenue and increases in uncollectible receivables.

During the nine months ended September 30, 2021, we have collected virtually all rent due from tenants in our Outpatient Medical portfolio, with uncollected amounts primarily attributable to local jurisdictions with COVID-19 related ordinances providing temporary rent relief to tenants. We evaluate leases individually and recognize rent on a cash basis if collectability of substantially all contractual rent payments is not probable.

New Accounting Standards

- In August 2020, the FASB issued ASU 2020-06, “Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity’s Own Equity (Subtopic 815-40) Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity”. This ASU simplifies accounting for convertible instruments and removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception. This ASU also simplifies the diluted earnings per share calculation in certain areas and provides updated disclosure requirements. The ASU is effective for public business entities beginning after December 15, 2021 including interim periods within those fiscal years. Early adoption is permitted. We are currently evaluating the guidance and the impact it may have on our consolidated financial statements.
- In March 2020, the FASB issued an amendment to the reference rate reform standard which provides the option for a limited period of time to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform on contract modifications and hedge accounting. An example of such reform is the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. Entities that make this optional expedient election would not have to remeasure the contracts at the modification date or reassess the accounting treatment if certain criteria are met and would continue applying hedge accounting for relationships affected by reference rate reform. The new standard was effective for us upon issuance and elections can be made through December 31, 2022. We are currently evaluating our options with regards to existing contracts and hedging relationships and the impact of adopting this update on our consolidated financial statements.

3. Real Property Acquisitions and Development

The total purchase price for all properties acquired has been allocated to the tangible and identifiable intangible assets and liabilities at cost on a relative fair value basis. Liabilities assumed and any associated noncontrolling interests are reflected at fair value. The results of operations for these acquisitions have been included in our consolidated results of operations since the date of acquisition and are a component of the appropriate segments. Transaction costs primarily represent costs incurred with acquisitions, including due diligence costs, fees for legal and valuation services, termination of pre-existing relationships computed based on the fair value of the assets acquired, lease termination fees and other acquisition-related costs. Transaction costs related to asset acquisitions are capitalized as a component of purchase price and all other non-capitalizable costs are reflected in other expenses on our Consolidated Statements of Comprehensive Income.

The following is a summary of our real property investment activity by segment for the periods presented (in thousands):

	Nine Months Ended							
	September 30, 2021				September 30, 2020			
	Seniors Housing Operating	Triple-net	Outpatient Medical	Totals	Seniors Housing Operating	Triple-net	Outpatient Medical	Totals
Land and land improvements	$ 264,706	$ 48,099	$ 45,350	$ 358,155	$ 15,758	$ —	$ 43,252	$ 59,010
Buildings and improvements	1,655,067	436,828	227,390	2,319,285	132,481	765	171,630	304,876
Acquired lease intangibles	142,439	—	17,333	159,772	10,810	—	23,823	34,633
Right of use assets, net	77,455	—	—	77,455	—	—	—	—
Total net real estate assets	2,139,667	484,927	290,073	2,914,667	159,049	765	238,705	398,519
Receivables and other assets	6,041	—	3,534	9,575	257	—	139	396
Total assets acquired [(1)]	2,145,708	484,927	293,607	2,924,242	159,306	765	238,844	398,915
Lease liabilities	(138,126)	—	—	(138,126)	—	—	—	—
Accrued expenses and other liabilities	(20,748)	(8,703)	(266)	(29,717)	(671)	—	(2,043)	(2,714)
Total liabilities acquired	(158,874)	(8,703)	(266)	(167,843)	(671)	—	(2,043)	(2,714)
Noncontrolling interests [(2)]	(2,597)	(2,056)	(16,540)	(21,193)	(2,827)	—	—	(2,827)
Cash disbursed for acquisitions	1,984,237	474,168	276,801	2,735,206	155,808	765	236,801	393,374
Construction in progress additions	190,672	60,251	29,448	280,371	75,617	33,021	33,593	142,231
Less: Capitalized interest	(9,658)	(2,092)	(2,277)	(14,027)	(7,760)	(2,569)	(2,905)	(13,234)
Accruals [(3)]	38	—	(3,057)	(3,019)	(1,376)	—	(922)	(2,298)
Cash disbursed for construction in progress	181,052	58,159	24,114	263,325	66,481	30,452	29,766	126,699
Capital improvements to existing properties	115,115	26,496	24,080	165,691	130,465	5,971	46,888	183,324
Total cash invested in real property, net of cash acquired	$ 2,280,404	$ 558,823	$ 324,995	$ 3,164,222	$ 352,754	$ 37,188	$ 313,455	$ 703,397

(1) Excludes $301,000 and $580,000 of unrestricted and restricted cash acquired during the nine months ended September 30, 2021 and September 30, 2020, respectively.

(2) Includes amounts attributable to both redeemable noncontrolling interests and noncontrolling interests.

(3) Represents non-cash accruals for amounts to be paid in future periods for properties that converted, off-set by amounts paid in the current period.

On July 30, 2021, we acquired a portfolio of 85 seniors housing properties owned by Holiday Retirement for $1,576,600,000, which are included in our Seniors Housing Operating segment. Atria Senior Living assumed operations of the portfolio following its acquisition of the Holiday Retirement management company pursuant to an incentive-based management agreement. As part of this transaction, a wholly owned subsidiary assumed the leasehold interest in a 26 property portfolio and subsequently purchased eight of the leased properties from the landlord. The lease, identified as an operating lease, expires in 2035 and was recognized as a right of use asset, net of above market lease intangibles, and lease liability. No rent will be paid in excess of net cash flow related to the remaining leasehold properties.

Construction Activity

The following is a summary of the construction projects that were placed into service and began generating revenues during the periods presented (in thousands):

	Nine Months Ended	
	September 30, 2021	September 30, 2020
Development projects:		
Seniors Housing Operating	$ 58,844	$ 93,188
Triple-net	22,990	59,201
Outpatient Medical	116,612	43,493
Total development projects	198,446	195,882
Expansion projects	—	48,600
Total construction in progress conversions	$ 198,446	$ 244,482

4. Real Estate Intangibles

The following is a summary of our real estate intangibles, excluding those related to ground leases or classified as held for sale, as of the dates indicated (dollars in thousands):

	September 30, 2021	December 31, 2020
Assets:		
In place lease intangibles	$ 1,549,294	$ 1,406,705
Above market tenant leases	54,542	52,621
Lease commissions	49,579	40,704
Gross historical cost	1,653,415	1,500,030
Accumulated amortization	(1,249,032)	(1,177,513)
Net book value	$ 404,383	$ 322,517
Weighted-average amortization period in years	8.3	10.5
Liabilities:		
Below market tenant leases	$ 75,083	$ 77,851
Accumulated amortization	(43,484)	(40,871)
Net book value	$ 31,599	$ 36,980
Weighted-average amortization period in years	8.4	8.3

The following is a summary of real estate intangible amortization income (expense) for the periods presented (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Rental income related to (above)/below market tenant leases, net	$ 384	$ 327	$ 1,241	$ 1,252
Amortization related to in place lease intangibles and lease commissions	(32,872)	(28,948)	(76,083)	(98,241)

The future estimated aggregate amortization of intangible assets and liabilities is as follows for the periods presented (in thousands):

	Assets	Liabilities
2021	$ 36,111	$ 1,962
2022	112,533	7,311
2023	70,483	5,179
2024	33,451	3,053
2025	23,099	2,524
Thereafter	128,706	11,570
Total	$ 404,383	$ 31,599

5. Dispositions, Real Property Held for Sale and Impairment

We periodically sell properties for various reasons, including favorable market conditions, the exercise of tenant purchase options or reduction of concentrations (i.e., property type, relationship or geography). At September 30, 2021, two Seniors Housing Operating, 20 Triple-net, and two Outpatient Medical properties with an aggregate real estate balance of $251,152,000 were classified as held for sale. In addition to the real property balances held for sale, net other assets and (liabilities) of $18,081,000 are included in the Consolidated Balance Sheets related to the held for sale properties. Expected gross sales proceeds related to the held for sale properties is approximately $293,526,000.

During the nine months ended September 30, 2021, we recorded $19,567,000 of impairment charges related to four Triple-net properties and one Outpatient Medical property classified as held for sale for which the carrying value exceeded the estimated fair value less cost to sell. Additionally, during the nine months ended September 30, 2021, we recorded $29,183,000 of impairment charges related to two Seniors Housing Operating properties and two Triple-net properties that were held for use in which the carrying value exceeded the estimated fair value. During the nine months ended September 30, 2020, we recorded $79,905,000 of impairment charges related to 13 Seniors Housing Operating properties and one Triple-net property classified as held for sale for which the carrying value exceeded the estimated fair value less cost to sell. Additionally, during the nine months ended September 30, 2020, we recorded $46,386,000 of impairment charges related to four Seniors Housing Operating properties and four Triple-net properties that were held for use in which the carrying value exceeded the estimated fair value.

The following is a summary of our real property disposition activity for the periods presented (in thousands):

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Real estate dispositions:		
Seniors Housing Operating	$ 112,837	$ 1,093,477
Triple-net	439,974	33,445
Outpatient Medical	159,000	1,394,971
Total dispositions	711,811	2,521,893
Gain (loss) on real estate dispositions, net	223,702	902,991
Net other assets/(liabilities) disposed	6,195	98,065
Proceeds from real estate dispositions	$ 941,708	$ 3,522,949

Operating results attributable to properties sold or classified as held for sale which do not meet the definition of discontinued operations are not reclassified on our Consolidated Statements of Comprehensive Income. The following represents the activity related to these properties for the periods presented (in thousands):

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020		Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Revenues:					
Total revenues	$ 7,103	$ 7,471	(1)	$ 58,302	$ 262,951
Expenses:					
Interest expense	32	1,737		1,471	10,039
Property operating expenses	925	33,330		7,942	150,501
Provision for depreciation	440	18,085		8,665	72,877
Total expenses	1,397	53,152		18,078	233,417
Income (loss) from real estate dispositions, net	$ 5,706	$ (45,681)		$ 40,224	$ 29,534

(1) During the three months ended September 30, 2020, we reserved for straight-line rent receivable balances on properties operated by Genesis Healthcare. See also Note 9 for additional information.

6. Leases

We lease land, buildings, office space and certain equipment. Many of our leases include a renewal option to extend the term from one to 25 years or more. Renewal options that we are reasonably certain to exercise are recognized in our right-of-use assets and lease liabilities.

The components of lease expense were as follows for the period presented (in thousands):

	Classification	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Operating lease cost: (1)			
Real estate lease expense	Property operating expenses	$ 16,430	$ 17,397
Non-real estate investment lease expense	General and administrative expenses	3,461	3,673
Finance lease cost:			
Amortization of leased assets	Property operating expenses	6,120	6,229
Interest on lease liabilities	Interest expense	4,950	4,693
Sublease income	Rental income	(5,972)	(3,130)
Total		$ 24,989	$ 28,862

(1) Includes short-term leases which are immaterial.

Supplemental balance sheet information related to leases is as follows (in thousands):

	Classification	September 30, 2021	December 31, 2020
Right of use assets:			
Operating leases - real estate	Right of use assets, net	$ 371,034	$ 310,017
Finance leases - real estate	Right of use assets, net	155,580	155,849
Real estate right of use assets, net		526,614	465,866
Operating leases - non-real estate investments	Receivables and other assets	6,686	9,624
Total right of use assets, net		$ 533,300	$ 475,490
Lease liabilities:			
Operating leases		$ 434,303	$ 311,164
Financing leases		110,244	107,102
Total		$ 544,547	$ 418,266

Substantially all of our operating leases in which we are the lessor contain escalating rent structures. Leases with fixed annual rental escalators are generally recognized on a straight-line basis over the initial lease period, subject to a collectability assessment. Rental income related to leases with contingent rental escalators is generally recorded based on the contractual cash rental payments due for the period. During the nine months ended September 30, 2021 and 2020, we reserved for previously recognized straight-line rent receivable balances of $49,241,000 and $146,508,000 through rental income, relating to leases for which collection of substantially all contractual lease payments was no longer deemed probable. Included in the 2020 amount was $91,025,000 related to Genesis Healthcare, whom noted substantial doubt as to their ability to continue as a going concern.

Leases in our Triple-net and Outpatient Medical portfolios typically include some form of operating expense reimbursement by the tenant. For the nine months ended September 30, 2021, we recognized $1,015,550,000 of rental income related to operating leases, of which $134,632,000 was for variable lease payments which primarily represents the reimbursement of operating costs such as common area maintenance expenses, utilities, insurance and real estate taxes. For the nine months ended September 30, 2020, we recognized $1,061,311,000 of rental income related to operating leases, of which $153,217,000 was for variable lease payments.

7. Loans Receivable

Loans receivable are recorded on our Consolidated Balance Sheets in real estate loans receivable, net of allowance for credit losses, or for non-real estate loans receivable, in receivables and other assets, net of allowance for credit losses. Real estate loans receivable consists of mortgage loans and other real estate loans which are primarily collateralized by a first, second or third mortgage lien, a leasehold mortgage on, or an assignment of the partnership interest in, the related properties, corporate guarantees and/or personal guarantees. Non-real estate loans are generally corporate loans with no real estate backing. Interest income on loans is recognized as earned based upon the principal amount outstanding subject to an evaluation of the risk of credit loss. Accrued interest receivable was $26,361,000 and $15,615,000 as of September 30, 2021 and December 31, 2020, respectively, and is included in receivables and other assets on the Consolidated Balance Sheets. The following is a summary of our loans receivable (in thousands):

	September 30, 2021	December 31, 2020
Mortgage loans	$ 957,114	$ 299,430
Other real estate loans	174,078	152,739
Allowance for credit losses on real estate loans receivable	(15,547)	(8,797)
Real estate loans receivable, net of credit allowance	1,115,645	443,372
Non-real estate loans	362,077	455,508
Allowance for credit losses on non-real estate loans receivable	(151,255)	(215,239)
Non-real estate loans receivable, net of credit allowance	210,822	240,269
Total loans receivable, net of credit allowance	$ 1,326,467	$ 683,641

The following is a summary of our loan activity for the periods presented (in thousands):

	Nine Months Ended	
	September 30, 2021	September 30, 2020
Advances on loans receivable:		
Investments in new loans	$ 935,594	$ 194,942
Draws on existing loans	17,412	21,365
Net cash advances on loans receivable	953,006	216,307
Receipts on loans receivable:		
Loan payoffs	179,827	—
Principal payments on loans	70,588	14,345
Net cash receipts on loans receivable	250,415	14,345
Net cash advances (receipts) on loans receivable	$ 702,591	$ 201,962

During the quarter ended June 30, 2021, we provided £540 million (approximately $750,330,000 based on the Sterling/ U.S. Dollar exchange rate as of the date of funding) of senior loan financing and a £30 million delayed facility for working capital and capital expenditures to affiliates of Safanad, a global real estate and private equity firm, as part of the recapitalization of its investment in HC-One Group. The loan has a five-year term and is fully collateralized by the shares and assets of the HC-One Group, including its underlying property portfolio of owned assets across the U.K. As part of the transaction, we received equity warrants which provide us the right to participate in the capital appreciation of HC-One Group above a designated price upon liquidation. See Note 12 for additional details.

The allowance for credit losses on loans receivable is maintained at a level believed adequate to absorb potential losses in our loans receivable. The determination of the credit allowance is based on a quarterly evaluation of each of these loans, including general economic conditions and estimated collectability of loan payments. We evaluate the collectability of our loans receivable based on a combination of credit quality indicators, including, but not limited to, payment status, historical loan charge-offs, financial strength of the borrower and guarantors, and nature, extent, and value of the underlying collateral.

A loan is considered to have deteriorated credit quality when, based on current information and events, it is probable that we will be unable to collect all amounts due as scheduled according to the contractual terms of the loan agreement. For those loans we identified as having deteriorated credit quality, we determine the amount of credit loss on an individual basis. Placement on non-accrual status may be required. Consistent with this definition, all loans on non-accrual are deemed to have deteriorated credit quality. To the extent circumstances improve and the risk of collectability is diminished, we will return these loans to income accrual status. While a loan is on non-accrual status, any cash receipts are applied against the outstanding principal balance.

For the remaining loans we assess credit loss on a collective pool basis and use our historical loss experience for similar loans to determine the reserve for credit losses. The following is a summary of our loans by credit loss category (in thousands):

	September 30, 2021				
Loan category	Years of Origination	Loan Carrying Value	Allowance for Credit Loss	Net Loan Balance	No. of Loans
Deteriorated loans	2007 - 2018	$ 178,301	$ (148,438)	$ 29,863	3
Collective loan pool	2007-2016	201,939	(3,061)	198,878	17
Collective loan pool	2017	125,661	(1,127)	124,534	7
Collective loan pool	2018	23,263	(346)	22,917	2
Collective loan pool	2019	22,047	(334)	21,713	4
Collective loan pool	2020	46,335	(703)	45,632	6
Collective loan pool	2021	895,723	(12,793)	882,930	17
Total loans		$ 1,493,269	$ (166,802)	$ 1,326,467	56

In March 2020, we recognized a provision for loan losses of $6,898,000 to fully reserve for one Triple-net non-real estate loan receivable that was no longer deemed collectible. Aside from this specific reserve, the remainder of the provision for loan losses relates to the application of the historical loss experience on the collective loan pools. The following is a summary of the allowance for credit losses on loans receivable for the periods presented (in thousands):

	Nine Months Ended	
	September 30, 2021	September 30, 2020
Balance at beginning of period	$ 224,036	$ 68,372
Adoption of ASU 2016-13	—	5,212
Provision for loan losses	7,309	11,351
Loan write-offs [1]	(64,075)	—
Foreign currency translation	(468)	(40)
Balance at end of period	$ 166,802	$ 84,895

[1] Includes $64,075,000 related to the Genesis Healthcare lease terminations for the nine months ended September 30, 2021. See Note 9 for further details.

The following is a summary of our deteriorated loans (in thousands):

	Nine Months Ended	
	September 30, 2021	September 30, 2020
Balance of deteriorated loans at end of period [1]	$ 178,301	$ 249,314
Allowance for credit losses	(148,438)	(76,695)
Balance of deteriorated loans not reserved	$ 29,863	$ 172,619
Interest recognized on deteriorated loans [2]	$ 3,171	$ 13,847

[1] Current year amounts include $2,157,000 and $3,623,000 of loans on non-accrual as of September 30, 2021 and December 31, 2020, respectively. Prior year amounts include $10,686,000 and $2,534,000 as of September 30, 2020 and December 31, 2019, respectively.

[2] Represents cash interest recognized in the period.

8. Investments in Unconsolidated Entities

We participate in a number of joint ventures, which generally invest in seniors housing and health care real estate. Our share of the results of operations for these properties has been included in our consolidated results of operations from the date of acquisition by the joint ventures and are reflected in our Consolidated Statements of Comprehensive Income as income or loss from unconsolidated entities. The following is a summary of our investments in unconsolidated entities (dollars in thousands):

	Percentage Ownership [1]	September 30, 2021	December 31, 2020
Seniors Housing Operating	10% to 65%	$ 771,337	$ 653,057
Triple-net	10% to 25%	46,466	5,629
Outpatient Medical	15% to 50%	160,152	287,548
Total		$ 977,955	$ 946,234

[1] Includes ownership of investments classified as liabilities and excludes ownership of in substance real estate.

At September 30, 2021, the aggregate unamortized basis difference of our joint venture investments of $118,012,000 is primarily attributable to the difference between the amount for which we purchase our interest in the entity, including transaction costs, and the historical carrying value of the net assets of the joint venture. This difference is being amortized over the remaining useful life of the related properties and included in the reported amount of income from unconsolidated entities.

As of September 30, 2021, we have made loans totaling $273,654,000 related to eight properties for the development and construction of certain properties which are classified as in substance real estate investments. We believe that such borrowers typically represent variable interest entities ("VIE" or "VIEs") in accordance with ASC 810 Consolidation. VIEs are required to be consolidated by their primary beneficiary ("PB") which is the enterprise that has both: (i) the power to direct the activities of the VIE that most significantly impacts the entity's economic performance; and (ii) the obligation to absorb losses or the right to receive benefits of the VIE that could be significant to the entity. We have concluded that we are not the PB of such borrowers, therefore, the loan arrangements were assessed based on among other factors, the amount and timing of expected residual profits, the estimated fair value of the collateral and the significance of the borrower's equity in the project. Based on these assessments, the arrangements have been classified as in substance real estate investments. We expect to fund an additional $16,667,000 related to these investments.

9. Credit Concentration

We use consolidated net operating income ("NOI") as our credit concentration metric. See Note 18 for additional information and reconciliation. The following table summarizes certain information about our credit concentration for the nine months ended September 30, 2021, excluding our share of NOI in unconsolidated entities (dollars in thousands):

Concentration by relationship: (1)	Number of Properties	Total NOI	Percent of NOI (2)
ProMedica	205	$ 168,832	12%
Sunrise Senior Living (3)	155	157,256	11%
Revera (3)	85	71,139	5%
Avery Healthcare	61	62,325	5%
Belmont Village	21	45,475	4%
Remaining portfolio	1,079	938,441	63%
Totals	1,606	$ 1,443,468	100%

(1) ProMedica is in our Triple-net segment. Sunrise Senior Living, Revera and Belmont Village are in our Seniors Housing Operating segment. Avery Healthcare is in both the Triple-net and Seniors Housing Operating segments.

(2) NOI with our top five relationships comprised 36% of total NOI for the year ended December 31, 2020.

(3) Revera owns a controlling interest in Sunrise Senior Living.

During the quarter ended March 31, 2021, we entered into definitive agreements to substantially exit our operating relationship with Genesis Healthcare ("Genesis"). The status of these transactions is as follows:

- In April 2021, we contributed nine Triple-net properties operated by Genesis into an 80/20 joint venture with ProMedica and such properties were added to the existing master lease with ProMedica.
- As of September 30, 2021, operations have transitioned for 39 of the remaining properties, with three additional properties expected to transition before year end.
- We have entered into definitive agreements to sell 35 Genesis properties for $496 million to a joint venture with Aurora Health Network and Peace Capital. As of September 30, 2021, we have closed on the sale of 21 of these properties for proceeds of $331 million and the remaining 14 are classified as held for sale.
- We currently lease seven properties which we previously subleased to Genesis. We have entered into a forward sales agreement with Aurora Health Network that is intended to close simultaneously with the purchase option exercise in April 2023. We have transitioned the operations of these properties into a new lease agreement with a regional operator during the quarter ended June 30, 2021.
- To effectuate the transition of all 51 properties, we agreed to provide Genesis a lease termination fee of $86 million upon successful transition of all properties, which will be used to immediately repay indebtedness to us. The debt reduction associated with the lease termination fee was previously reserved as an allowance for credit losses on loans receivable.
- Additionally, upon achievement of certain restructuring milestones, we will reduce Genesis' indebtedness by an additional $170 million in exchange for an equity interest in Genesis. Upon conclusion of the aforementioned loan transactions, Genesis will have $167 million of indebtedness to us, exclusive of additional paid in kind interest, which will carry a maturity date of January 1, 2024. As of September 30, 2021, our total carrying value of Genesis loans receivable, net of allowances for credit losses, was $149,574,000.

10. Borrowings Under Credit Facilities and Commercial Paper Program

At September 30, 2021, we had a primary unsecured credit facility with a consortium of 34 banks that included a $4,000,000,000 unsecured revolving credit facility, a $500,000,000 unsecured term credit facility and a $250,000,000 Canadian-denominated unsecured term credit facility. The unsecured revolving credit facility is comprised of a $1,000,000,000 tranche that matures on June 4, 2023 (none outstanding at September 30, 2021) and a $3,000,000,000 tranche that matures on June 4, 2025 ($51,000,000 outstanding at September 30, 2021). Both tranches may be extended for two successive terms of six months at our option. The term credit facilities mature on July 19, 2023. We have an option, through an accordion feature, to upsize the unsecured revolving credit facility and the $500,000,000 unsecured term credit facility by up to an additional $1,250,000,000, in the aggregate, and the $250,000,000 Canadian-denominated unsecured term credit facility by up to an additional $250,000,000. The primary unsecured credit facility also allows us to borrow up to $1,000,000,000 in alternate currencies (none outstanding at September 30, 2021). Borrowings under the unsecured revolving credit facility are subject to interest payable at the applicable margin over LIBOR interest rate. The applicable margin is based on our debt ratings and was 0.775% at September 30, 2021. In addition, we pay a facility fee quarterly to each bank based on the bank's commitment amount. The facility fee depends on our debt ratings and was 0.15% at September 30, 2021.

In January 2019, we established an unsecured commercial paper program. Under the terms of the program, we may issue unsecured commercial paper notes with maturities that vary, but do not exceed 397 days from the date of issue, up to a maximum aggregate face or principal amount outstanding at any time of $1,000,000,000. As of September 30, 2021, there was a balance of $239,996,000 outstanding on the commercial paper program ($240,000,000 in principal outstanding net of an unamortized discount of $4,000), which reduces the borrowing capacity of the unsecured revolving credit facility. The notes bear interest at various floating rates with a weighted average of 0.19% as of September 30, 2021 and a weighted average maturity of four days as of September 30, 2021.

The following information relates to aggregate borrowings under the unsecured revolving credit facility and commercial paper program for the periods presented (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Balance outstanding at quarter end	$ 291,000	$ —	$ 291,000	$ —
Maximum amount outstanding at any month end	$ 990,000	$ —	$ 990,000	$ 2,100,000
Average amount outstanding (total of daily principal balances divided by days in period)	$ 470,935	$ —	$ 255,114	$ 663,895
Weighted average interest rate (actual interest expense divided by average borrowings outstanding)	0.21 %	— %	0.42 %	2.09 %

11. Senior Unsecured Notes and Secured Debt

We may repurchase, redeem or refinance senior unsecured notes from time to time, taking advantage of favorable market conditions when available. We may purchase senior notes for cash through open market purchases, privately negotiated transactions, a tender offer or, in some cases, through the early redemption of such securities pursuant to their terms. The senior unsecured notes are redeemable at our option, at any time in whole or from time to time in part, at a redemption price equal to the sum of: (i) the principal amount of the notes (or portion of such notes) being redeemed plus accrued and unpaid interest thereon up to the redemption date and (ii) any “make-whole” amount due under the terms of the notes in connection with early redemptions. Redemptions and repurchases of debt, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. At September 30, 2021, the annual principal payments due on these debt obligations were as follows (in thousands):

	Senior Unsecured Notes [1,2]	Secured Debt [1,3]	Totals
2021	$ —	$ 211,978	$ 211,978
2022	—	481,702	481,702
2023 [4, 5]	697,270	504,855	1,202,125
2024	1,350,000	183,192	1,533,192
2025	1,260,000	178,544	1,438,544
Thereafter [6, 7, 8]	7,901,074	709,510	8,610,584
Totals	$ 11,208,344	$ 2,269,781	$ 13,478,125

(1) Amounts represent principal amounts due and do not include unamortized premiums/discounts, debt issuance costs, or other fair value adjustments as reflected on the Consolidated Balance Sheet.

(2) Annual interest rates range from 0.78% to 6.50%.

(3) Annual interest rates range from 0.02% to 7.93%. Carrying value of the properties securing the debt totaled $5,261,000,000 at September 30, 2021.

(4) Includes a $250,000,000 Canadian-denominated unsecured term credit facility (approximately $197,270,000 based on the Canadian/U.S. Dollar exchange rate on September 30, 2021). The loan matures on July 19, 2023 and bears interest at the Canadian Dealer Offered Rate plus 0.90% (1.33% at September 30, 2021).

(5) Includes a $500,000,000 unsecured term credit facility. The loan matures on July 19, 2023 and bears interest at LIBOR plus 0.90% (0.98% at September 30, 2021).

(6) Includes a $300,000,000 Canadian-denominated 2.95% senior unsecured notes due 2027 (approximately $236,724,000 based on the Canadian/U.S. Dollar exchange rate on September 30, 2021).

(7) Includes a £550,000,000 4.80% senior unsecured notes due 2028 (approximately $740,850,000 based on the Sterling/U.S. Dollar exchange rate in effect on September 30, 2021).

(8) Includes a £500,000,000 4.50% senior unsecured notes due 2034 (approximately $673,500,000 based on the Sterling/U.S. Dollar exchange rate in effect on September 30, 2021).

The following is a summary of our senior unsecured notes principal activity during the periods presented (dollars in thousands):

	Nine Months Ended			
	September 30, 2021		September 30, 2020	
	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate
Beginning balance	$ 11,509,533	3.67%	$ 10,427,562	4.03%
Debt issued	1,250,000	2.50%	1,600,000	1.89%
Debt extinguished	(1,533,752)	2.42%	(566,248)	3.26%
Foreign currency	(17,437)	4.37%	(48,037)	4.14%
Ending balance	$ 11,208,344	3.71%	$ 11,413,277	3.67%

The following is a summary of our secured debt principal activity for the periods presented (dollars in thousands):

	Nine Months Ended			
	September 30, 2021		September 30, 2020	
	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate
Beginning balance	$ 2,378,073	3.27%	$ 2,993,342	3.63%
Debt issued	2,693	3.75%	44,921	2.58%
Debt extinguished	(70,144)	6.02%	(491,506)	2.61%
Principal payments	(48,710)	3.39%	(46,585)	3.60%
Foreign currency	7,869	2.97%	(30,984)	3.19%
Ending balance	$ 2,269,781	3.10%	$ 2,469,188	3.16%

Our debt agreements contain various covenants, restrictions and events of default. Certain agreements require us to maintain certain financial ratios and minimum net worth and impose certain limits on our ability to incur indebtedness, create liens and make investments or acquisitions. As of September 30, 2021, we were in compliance in all material respects with the covenants under our debt agreements.

12. Derivative Instruments

We are exposed to, among other risks, the impact of changes in foreign currency exchange rates as a result of our non-U.S. investments and interest rate risk related to our capital structure. Our risk management program is designed to manage the exposure and volatility arising from these risks, and utilizes foreign currency forward contracts, cross currency swap contracts, interest rate swaps, interest rate locks and debt issued in foreign currencies to offset a portion of these risks.

Foreign Currency Forward Contracts Designated as Cash Flow Hedges

For instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is deferred as a component of other comprehensive income ("OCI") and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in earnings.

Cash Flow Hedges of Interest Rate Risk

We enter into interest rate swaps in order to maintain a capital structure containing targeted amounts of fixed and floating-rate debt and manage interest rate risk. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for our fixed-rate payments. These interest rate swap agreements were used to hedge the variable cash flows associated with variable-rate debt.

Periodically, we enter into and designate interest rate locks to partially hedge the risk of changes in interest payments attributable to increases in the benchmark interest rate during the period leading up to the probable issuance of fixed-rate debt. We designate our interest rate locks as cash flow hedges. Gains and losses when we settle our interest rate locks are amortized into income over the life of the related debt, except where a material amount is deemed to be ineffective, which would be immediately reclassified to the Consolidated Statements of Comprehensive Income. Approximately $2,562,000 of losses, which are included in OCI, are expected to be reclassified into earnings in the next 12 months.

Foreign Currency Forward Contracts and Cross Currency Swap Contracts Designated as Net Investment Hedges

We use foreign currency forward and cross currency forward swap contracts to hedge a portion of the net investment in foreign subsidiaries against fluctuations in foreign exchange rates. For instruments that are designated and qualify as net investment hedges, the variability in the foreign currency to U.S. Dollar of the instrument is recorded as a cumulative translation adjustment component of OCI.

During the nine months ended September 30, 2021 and 2020, we settled certain net investment hedges generating cash proceeds of $8,879,000 and $3,485,000, respectively. The balance of the cumulative translation adjustment will be reclassified to earnings if the hedged investment is sold or substantially liquidated.

Derivative Contracts Undesignated

We use foreign currency exchange contracts to manage existing exposures to foreign currency exchange risk. Gains and losses resulting from the changes in fair value of these instruments are recorded in interest expense on the Consolidated Statements of Comprehensive Income and are substantially offset by net revaluation impacts on foreign currency denominated balance sheet exposures. In addition, we have several interest rate cap contracts related to variable rate secured debt agreements. Gains and losses resulting from the changes in fair values of these instruments are also recorded in interest expense.

Equity Warrants

We received equity warrants through our lending activities further described in Note 7, which were accounted for as loan origination fees. The warrants provide us the right to participate in the capital appreciation of the underlying company above a designated price upon liquidation and contain net settlement terms qualifying as derivatives under ASC Topic 815. The warrants are classified within receivables and other assets on our Consolidated Balance Sheets. These warrants are measured at fair value with changes in fair value being recognized within gain (loss) on derivatives and financial instruments in our Consolidated Statements of Comprehensive Income.

The following presents the notional amount of derivatives and other financial instruments as of the dates indicated (in thousands):

	September 30, 2021		December 31, 2020	
Derivatives designated as net investment hedges:				
Denominated in Canadian Dollars	$	625,000	$	625,000
Denominated in Pound Sterling	£	1,904,708	£	1,340,708
Financial instruments designated as net investment hedges:				
Denominated in Canadian Dollars	$	250,000	$	250,000
Denominated in Pound Sterling	£	1,050,000	£	1,050,000
Interest rate swaps designated as cash flow hedges:				
Denominated in U.S Dollars [(1)]	$	25,000	$	450,000
Derivative instruments not designated:				
Interest rate caps denominated in U.S. Dollars	$	26,137	$	26,137
Forward sales contracts denominated in Canadian Dollars	$	80,000	$	80,000
Forward purchase contracts denominated in Pound Sterling	£	(37,408)	£	—

[(1)] At September 30, 2021 the maximum maturity date was November 1, 2023.

The following presents the impact of derivative instruments on the Consolidated Statements of Comprehensive Income for the periods presented (in thousands):

		Three Months Ended September 30,				Nine Months Ended September 30,			
Description	Location	2021		2020		2021		2020	
Gain (loss) on derivative instruments designated as hedges recognized in income	Interest expense	$	5,849	$	5,724	$	17,416	$	16,475
Gain (loss) on derivative instruments not designated as hedges recognized in income	Interest expense	$	241	$	(1,159)	$	(1,415)	$	(3,207)
Gain (loss) on equity warrants recognized in income	Gain (loss) on derivatives and financial instruments	$	9,216	$	—	$	9,216	$	—
Gain (loss) on derivative and financial instruments designated as hedges recognized in OCI	OCI	$	130,711	$	(145,512)	$	100,866	$	86,429

13. Commitments and Contingencies

At September 30, 2021, we had 13 outstanding letter of credit obligations totaling $28,366,000 and expiring between 2021 and 2022. At September 30, 2021, we had outstanding construction in progress of $562,487,000 and were committed to providing additional funds of approximately $1,072,343,000 to complete construction. Additionally, at September 30, 2021, we had outstanding investments classified as in substance real estate of $273,654,000 and were committed to provide additional funds of $16,667,000 (see Note 8 for additional information). Purchase obligations include $101,284,000 of contingent purchase obligations to fund capital improvements. Rents due from the tenant are increased to reflect the additional investment in the property.

14. Stockholders' Equity

The following is a summary of our stockholders' equity capital accounts as of the dates indicated:

	September 30, 2021	December 31, 2020
Preferred Stock:		
Authorized shares	50,000,000	50,000,000
Issued shares	—	—
Outstanding shares	—	—
Common Stock, $1.00 par value:		
Authorized shares	700,000,000	700,000,000
Issued shares	437,049,822	419,124,469
Outstanding shares	435,273,885	417,400,602

Common Stock In July 2021, we entered into an amended and restated equity distribution agreement whereby we can offer and sell up to $2,500,000,000 aggregate amount of our common stock ("ATM Program"). The ATM Program also allows us to enter into forward sale agreements. As of September 30, 2021, we had $2,491,418,000 of remaining capacity under the ATM Program, which excludes forward sales agreements outstanding for the sale of 11,798,154 shares with maturity dates in 2022 which we expect to physically settle for cash proceeds of $993,881,000.

On May 1, 2020, our Board of Directors authorized a share repurchase program whereby we may repurchase up to $1 billion of common stock through December 31, 2021 (the "Repurchase Program"). Under this authorization, we are not required to purchase shares but may choose to do so in the open market or through private transactions at times and amounts based on our evaluation of market conditions and other factors. We expect to finance any share repurchases under the Repurchase Program using available cash and may use proceeds from borrowings or debt offerings. We did not repurchase any shares of our common stock during the nine months ended September 30, 2021.

The following is a summary of our common stock issuances during the nine months ended September 30, 2021 and 2020 (dollars in thousands, except shares and average price amounts):

	Shares Issued	Average Price	Gross Proceeds	Net Proceeds
2020 Dividend reinvestment plan issuances	264,153	$ 72.33	$ 19,105	$ 19,105
2020 Option exercises	251	47.81	12	12
2020 ATM Program issuances	6,799,978	86.48	588,072	576,196
2020 Stock incentive plans, net of forfeitures	185,994		—	—
2020 Totals	7,250,376		$ 607,189	$ 595,313
2021 ATM Program issuances	17,720,008	77.91	1,380,519	1,366,464
2021 Stock incentive plans, net of forfeitures	153,275		—	—
2021 Totals	17,873,283		$ 1,380,519	$ 1,366,464

Dividends The decrease in dividends is attributable to the declaration of a reduced cash dividend beginning with the quarter ending March 31, 2020. The following is a summary of our dividend payments (in thousands, except per share amounts):

	Nine Months Ended			
	September 30, 2021		September 30, 2020	
	Per Share	Amount	Per Share	Amount
Common stock	$ 1.83	$ 771,984	$ 2.09	$ 865,357

Accumulated Other Comprehensive Income The following is a summary of accumulated other comprehensive income (loss) for the periods presented (in thousands):

	September 30, 2021	December 31, 2020
Foreign currency translation	$ (677,331)	$ (621,792)
Derivative and financial instruments designated as hedges	574,154	473,288
Total accumulated other comprehensive income (loss)	$ (103,177)	$ (148,504)

15. Stock Incentive Plans

Our 2016 Long-Term Incentive Plan ("2016 Plan") authorizes up to 10,000,000 shares of common stock to be issued at the discretion of the Compensation Committee of the Board of Directors. Our non-employee directors, officers and key employees are eligible to participate in the 2016 Plan. The 2016 Plan allows for the issuance of, among other things, stock options, stock appreciation rights, restricted stock, deferred stock units, performance units and dividend equivalent rights. Vesting periods for options, deferred stock units and restricted shares generally range from three to four years. Options expire ten years from the date of grant. Stock-based compensation expense totaled $4,535,000 and $14,868,000 for the three and nine months ended September 30, 2021, respectfully, and $6,565,000 and $20,938,000 for the same periods in 2020.

16. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Numerator for basic earnings per share - net income (loss) attributable to common stockholders	$ 179,663	$ 325,585	$ 277,466	$ 815,115
Adjustment for net income (loss) attributable to OP units	(473)	(1,716)	(2,699)	(4,470)
Numerator for diluted earnings per share	$ 179,190	$ 323,869	$ 274,767	$ 810,645
Denominator for basic earnings per share - weighted average shares	428,031	417,027	420,955	414,822
Effect of dilutive securities:				
Non-vested restricted shares	537	542	465	620
Redeemable OP units	1,396	1,396	1,396	1,396
Employee stock purchase program	19	22	19	22
Dilutive potential common shares	1,952	1,960	1,880	2,038
Denominator for diluted earnings per share - adjusted weighted average shares	429,983	418,987	422,835	416,860
Basic earnings per share	$ 0.42	$ 0.78	$ 0.66	$ 1.96
Diluted earnings per share	$ 0.42	$ 0.77	$ 0.65	$ 1.94

As of September 30, 2021, forward sales agreements outstanding for the sale of 11,798,154 shares of common stock were not included in the computation of diluted earnings per share because such forward sales were anti-dilutive to the three and nine month periods ended September 30, 2021.

17. Disclosure about Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A three-level valuation hierarchy exists for disclosures of fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Please see Note 2 to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2020 for additional information. The three levels are defined below:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Mortgage Loans, Other Real Estate Loans and Non-real Estate Loans Receivable — The fair value of mortgage loans, other real estate loans and non-real estate loans receivable is generally estimated by using Level 2 and Level 3 inputs such as discounting the estimated future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Cash and Cash Equivalents and Restricted Cash — The carrying amount approximates fair value.

Equity Securities — Equity securities are recorded at their fair value based on Level 1 publicly available trading prices.

Equity Warrants — The fair value of equity warrants is estimated using Level 3 inputs and includes data points such as enterprise value of the underlying HC-One Group real estate portfolio, marketability discount for private company warrants, dividend yield, volatility and risk-free rate. The enterprise value is driven by projected cash flows, weighted average cost of capital and a terminal capitalization rate.

Borrowings Under Primary Unsecured Credit Facility and Commercial Paper Program — The carrying amount of the primary unsecured credit facility and commercial paper program approximates fair value because the borrowings are interest rate adjustable.

Senior Unsecured Notes — The fair value of the senior unsecured notes payable was estimated based on Level 1 publicly available trading prices. The carrying amount of the variable rate senior unsecured notes approximates fair value because they are interest rate adjustable.

Secured Debt — The fair value of fixed rate secured debt is estimated using Level 2 inputs by discounting the estimated future cash flows using the current rates at which similar loans would be made with similar credit ratings and for the same remaining maturities. The carrying amount of variable rate secured debt approximates fair value because the borrowings are interest rate adjustable.

Foreign Currency Forward Contracts, Interest Rate Swaps and Cross Currency Swaps — Foreign currency forward contracts, interest rate swaps and cross currency swaps are recorded in other assets or other liabilities on the balance sheet at fair value that is derived from observable market data, including yield curves and foreign exchange rates.

Redeemable OP Unitholder Interests — Our redeemable OP unitholder interests are recorded on the balance sheet at fair value using Level 2 inputs unless the fair value is below the initial amount in which case the redeemable OP unitholder interests are recorded at the initial amount adjusted for distributions to the unitholders and income or loss attributable to the unitholders. The fair value is measured using the closing price of our common stock, as units may be redeemed at the election of the holder for cash or, at our option, one share of our common stock per unit, subject to adjustment in certain circumstances.

The carrying amounts and estimated fair values of our financial instruments are as follows (in thousands):

	September 30, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Mortgage loans receivable	$ 941,357	$ 967,813	$ 293,752	$ 297,207
Other real estate loans receivable	174,288	174,088	149,620	152,211
Equity securities	1,922	1,922	4,636	4,636
Cash and cash equivalents	303,982	303,982	1,545,046	1,545,046
Restricted cash	58,663	58,663	475,997	475,997
Non-real estate loans receivable	210,822	212,054	240,269	255,724
Foreign currency forward contracts, interest rate swaps and cross currency swaps	19,637	19,637	4,668	4,668
Equity warrants	40,658	40,658	—	—
Financial liabilities:				
Borrowings under unsecured credit facility and commercial paper program	$ 290,996	$ 290,996	$ —	$ —
Senior unsecured notes	11,116,067	12,485,436	11,420,790	13,093,926
Secured debt	2,262,345	2,325,322	2,377,930	2,451,782
Foreign currency forward contracts, interest rate swaps and cross currency swaps	27,731	27,731	118,054	118,054
Redeemable OP unitholder interests	$ 147,083	$ 147,083	$ 116,240	$ 115,346

Items Measured at Fair Value on a Recurring Basis

The market approach is utilized to measure fair value for our financial assets and liabilities reported at fair value on a recurring basis. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The following summarizes items measured at fair value on a recurring basis (in thousands):

	Fair Value Measurements as of September 30, 2021			
	Total	Level 1	Level 2	Level 3
Equity securities	$ 1,922	$ 1,922	$ —	$ —
Equity warrants	40,658	—	—	40,658
Foreign currency forward contracts, interest rate swaps and cross currency swaps, net asset (liability) [(1)]	(8,094)	—	(8,094)	—
Totals	$ 34,486	$ 1,922	$ (8,094)	$ 40,658

[(1)] Please see Note 12 for additional information.

The following table summarizes the change in fair value for equity warrants using unobservable Level 3 inputs for the nine months ended September 30, 2021 (in thousands):

	Nine Months Ended September 30, 2021
Beginning balance	$ —
Warrants acquired	32,419
Mark-to-market adjustment	9,216
Foreign currency	(977)
Ending balance	$ 40,658

The most significant assumptions utilized in the valuation of the equity warrants are the cash flows of the underlying HC-One Group enterprise, as well as the terminal capitalization rate of 11%.

Items Measured at Fair Value on a Nonrecurring Basis

In addition to items that are measured at fair value on a recurring basis, we also have assets and liabilities in our balance sheet that are measured at fair value on a nonrecurring basis that are not included in the tables above. Assets, liabilities and noncontrolling interests that are measured at fair value on a nonrecurring basis include those acquired or assumed. Asset impairments (if applicable, see Note 5 for impairments of real property and Note 7 for impairments of loans receivable) are also measured at fair value on a nonrecurring basis. We have determined that the fair value measurements included in each of these assets and liabilities rely primarily on company-specific inputs and our assumptions about the use of the assets and settlement of liabilities, as observable inputs are not available. As such, we have determined that each of these fair value measurements generally resides within Level 3 of the fair value hierarchy. We estimate the fair value of real estate and related intangibles using the income approach and unobservable data such as net operating income and estimated capitalization and discount rates. We also consider local and national industry market data including comparable sales, and commonly engage an external real estate appraiser to assist us in our estimation of fair value. We estimate the fair value of assets held for sale based on current sales price expectations or, in the absence of such price expectations, Level 3 inputs described above. We estimate the fair value of loans receivable using projected payoff valuations based on the expected future cash flows and/or the estimated fair value of collateral, net of sales costs, if the repayment of the loan is expected to be provided solely by the collateral. We estimate the fair value of secured debt assumed in asset acquisitions using current interest rates at which similar borrowings could be obtained on the transaction date.

18. Segment Reporting

We invest in seniors housing and health care real estate. We evaluate our business and make resource allocations on our three operating segments: Seniors Housing Operating, Triple-net and Outpatient Medical. Our Seniors Housing Operating properties include seniors apartments, assisted living, independent living/continuing care retirement communities, independent supportive living communities (Canada), care homes with and without nursing (U.K.) and combinations thereof that are owned and/or operated through RIDEA structures (see Note 19). Our Triple-net properties include the property types described above as well as long-term/post-acute care facilities. Under the Triple-net segment, we invest in seniors housing and health care real estate through acquisition and financing of primarily single tenant properties. Properties acquired are primarily leased under triple-net leases and we are not involved in the management of the property. Our Outpatient Medical properties are typically leased to multiple tenants and generally require a certain level of property management by us.

We evaluate performance based upon consolidated NOI of each segment. We define NOI as total revenues, including tenant reimbursements, less property operating expenses. We believe NOI provides investors relevant and useful information as it measures the operating performance of our properties at the property level on an unleveraged basis. We use NOI to make decisions about resource allocations and to assess the property level performance of our properties.

Non-segment revenue consists mainly of interest income on cash investments recorded in other income. Non-segment assets consist of corporate assets including cash, deferred loan expenses and corporate offices and equipment among others. Non-property specific revenues and expenses are not allocated to individual segments in determining NOI.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies (see Note 2 to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2020). The results of operations for all acquisitions described in Note 3 are included in our consolidated results of operations from the acquisition dates and are components of the appropriate segments. All inter-segment transactions are eliminated.

Summary information for the reportable segments (which excludes unconsolidated entities) is as follows (in thousands):

Three Months Ended September 30, 2021:	Seniors Housing Operating	Triple-net	Outpatient Medical	Non-segment / Corporate	Total
Resident fees and services	$ 835,617	$ —	$ —	$ —	$ 835,617
Rental income	—	200,641	157,343	—	357,984
Interest income	1,135	38,257	472	—	39,864
Other income	2,767	1,087	1,688	790	6,332
Total revenues	839,519	239,985	159,503	790	1,239,797
Property operating expenses	666,610	11,664	48,072	3,054	729,400
Consolidated net operating income	172,909	228,321	111,431	(2,264)	510,397
Depreciation and amortization	157,176	54,226	56,352	—	267,754
Interest expense	9,360	1,548	4,811	106,803	122,522
General and administrative expenses	—	—	—	32,256	32,256
Loss (gain) on derivatives and financial instruments, net	—	(8,078)	—	—	(8,078)
Loss (gain) on extinguishment of debt, net	—	—	(5)	—	(5)
Provision for loan losses, net	152	(323)	(100)	—	(271)
Impairment of assets	—	1,490	—	—	1,490
Other expenses	5,449	(4,248)	640	1,734	3,575
Income (loss) from continuing operations before income taxes and other items	772	183,706	49,733	(143,057)	91,154
Income tax (expense) benefit	—	—	—	(4,940)	(4,940)
Income (loss) from unconsolidated entities	(15,810)	5,038	(5,060)	—	(15,832)
Gain (loss) on real estate dispositions, net	(615)	81,712	38,857	—	119,954
Income (loss) from continuing operations	(15,653)	270,456	83,530	(147,997)	190,336
Net income (loss)	$ (15,653)	$ 270,456	$ 83,530	$ (147,997)	$ 190,336
Total assets	$ 17,741,955	$ 9,317,352	$ 6,247,215	$ 173,503	$ 33,480,025

Three Months Ended September 30, 2020:	Seniors Housing Operating	Triple-net	Outpatient Medical	Non-segment / Corporate	Total
Resident fees and services	$ 740,956	$ —	$ —	$ —	$ 740,956
Rental income	—	103,938	171,108	—	275,046
Interest income	113	15,877	760	—	16,750
Other income	996	1,113	836	1,177	4,122
Total revenues	742,065	120,928	172,704	1,177	1,036,874
Property operating expenses	567,704	12,567	52,728	1,718	634,717
Consolidated net operating income	174,361	108,361	119,976	(541)	402,157
Depreciation and amortization	133,224	58,157	64,151	—	255,532
Interest expense	12,728	2,070	4,287	105,766	124,851
General and administrative expenses	—	—	—	31,003	31,003
Loss (gain) on derivatives and financial instruments, net	—	1,395	—	—	1,395
Loss (gain) on extinguishment of debt, net	—	—	—	33,004	33,004
Provision for loan losses, net	86	372	2,399	—	2,857
Impairment of assets	12,778	10,535	—	—	23,313
Other expenses	6,488	2,805	781	1,470	11,544
Income (loss) from continuing operations before income taxes and other items	9,057	33,027	48,358	(171,784)	(81,342)
Income tax (expense) benefit	—	—	—	(2,003)	(2,003)
Income (loss) from unconsolidated entities	(7,678)	(423)	2,120	—	(5,981)
Gain (loss) on real estate dispositions, net	313,319	(619)	171,604	—	484,304
Income (loss) from continuing operations	314,698	31,985	222,082	(173,787)	394,978
Net income (loss)	$ 314,698	$ 31,985	$ 222,082	$ (173,787)	$ 394,978

Nine Months Ended September 30, 2021	Seniors Housing Operating	Triple-net	Outpatient Medical	Non-segment / Corporate	Total
Resident fees and services	$ 2,299,972	$ —	$ —	$ —	$ 2,299,972
Rental income	—	557,829	457,721	—	1,015,550
Interest income	3,110	86,040	8,741	—	97,891
Other income	5,388	3,539	8,336	2,175	19,438
Total revenues	2,308,470	647,408	474,798	2,175	3,432,851
Property operating expenses	1,804,939	37,132	140,430	6,882	1,989,383
Consolidated net operating income	503,531	610,276	334,368	(4,707)	1,443,468
Depreciation and amortization	420,797	165,299	166,969	—	753,065
Interest expense	31,331	5,134	12,733	318,807	368,005
General and administrative expenses	—	—	—	93,618	93,618
Loss (gain) on derivatives and financial instruments, net	—	(6,503)	—	—	(6,503)
Loss (gain) on extinguishment of debt, net	(1,537)	—	(5)	52,506	50,964
Provision for loan losses, net	222	10,549	(3,462)	—	7,309
Impairment of assets	22,317	24,222	2,211	—	48,750
Other expenses	12,617	4,845	2,450	6,344	26,256
Income (loss) from continuing operations before income taxes and other items	17,784	406,730	153,472	(475,982)	102,004
Income tax (expense) benefit	—	—	—	(6,662)	(6,662)
Income (loss) from unconsolidated entities	(23,514)	14,822	(2,067)	—	(10,759)
Gain (loss) on real estate dispositions, net	4,552	126,463	92,687	—	223,702
Income (loss) from continuing operations	(1,178)	548,015	244,092	(482,644)	308,285
Net income (loss)	$ (1,178)	$ 548,015	$ 244,092	$ (482,644)	$ 308,285

Nine Months Ended September 30, 2020	Seniors Housing Operating	Triple-net	Outpatient Medical	Non-segment / Corporate	Total
Resident fees and services	$ 2,360,488	$ —	$ —	$ —	$ 2,360,488
Rental income	—	512,815	548,496	—	1,061,311
Interest income	305	46,068	1,687	—	48,060
Other income	6,050	3,393	2,681	1,968	14,092
Total revenues	2,366,843	562,276	552,864	1,968	3,483,951
Property operating expenses	1,771,088	39,432	165,024	1,718	1,977,262
Consolidated net operating income	595,755	522,844	387,840	250	1,506,689
Depreciation and amortization	419,161	173,989	202,554	—	795,704
Interest expense	43,191	7,668	13,421	328,935	393,215
General and administrative expenses	—	—	—	100,546	100,546
Loss (gain) on derivatives and financial instruments, net	—	10,480	—	—	10,480
Loss (gain) on extinguishment of debt, net	(492)	—	741	33,004	33,253
Provision for loan losses, net	86 18.69	8,895 —	2,370 18.69	—	11,351
Impairment of assets	91,424	34,867	—	—	126,291
Other expenses	13,463	6,818	8,244	8,722	37,247
Income (loss) from continuing operations before income taxes and other items	28,922	280,127	160,510	(470,957)	(1,398)
Income tax (expense) benefit	—	—	—	(9,678)	(9,678)
Income (loss) from unconsolidated entities	(25,489)	11,776	5,372	—	(8,341)
Gain (loss) on real estate dispositions, net	327,635	51,166	524,190	—	902,991
Income (loss) from continuing operations	331,068	343,069	690,072	(480,635)	883,574
Net income (loss)	$ 331,068	$ 343,069	$ 690,072	$ (480,635)	$ 883,574

Our portfolio of properties and other investments are located in the United States, the United Kingdom and Canada. Revenues and assets are attributed to the country in which the property is physically located. The following is a summary of geographic information for the periods presented (dollars in thousands):

	Three Months Ended				Nine Months Ended			
	September 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020	
Revenues:	Amount[1]	%	Amount	%	Amount[1]	%	Amount	%
United States	$ 990,034	79.9 %	$ 819,057	79.0 %	$ 2,709,354	78.9 %	$ 2,820,609	81.0 %
United Kingdom	146,308	11.8 %	110,281	10.6 %	405,938	11.8 %	337,601	9.7 %
Canada	103,455	8.3 %	107,536	10.4 %	317,559	9.3 %	325,741	9.3 %
Total	$ 1,239,797	100.0 %	$ 1,036,874	100.0 %	$ 3,432,851	100.0 %	$ 3,483,951	100.0 %

	As of			
	September 30, 2021		December 31, 2020	
Assets:	Amount	%	Amount	%
United States	$ 27,132,959	81.0 %	$ 26,658,659	82.1 %
United Kingdom	3,978,661	11.9 %	3,352,549	10.3 %
Canada	2,368,405	7.1 %	2,472,434	7.6 %
Total	$ 33,480,025	100.0 %	$ 32,483,642	100.0 %

[1] The United States, United Kingdom and Canada represent 74%, 13% and 13% of our resident fees and services revenue for the three and nine month periods ended September 30, 2021, respectively.

19. Income Taxes and Distributions

We elected to be taxed as a REIT commencing with our first taxable year. To qualify as a REIT for federal income tax purposes, at least 90% of taxable income (excluding 100% of net capital gains) must be distributed to stockholders. REITs that do not distribute a certain amount of taxable income in the current year are also subject to a 4% federal excise tax. The main differences between undistributed net income for federal income tax purposes and financial statement purposes are the recognition of straight-line rent for reporting purposes, basis differences in acquisitions, recording of impairments, differing useful lives and depreciation and amortization methods for real property and the provision for loan losses for reporting purposes versus bad debt expense for tax purposes.

Under the provisions of the REIT Investment Diversification and Empowerment Act of 2007 (“RIDEA”), for taxable years beginning after July 30, 2008, a REIT may lease “qualified health care properties” on an arm’s-length basis to a taxable REIT subsidiary (“TRS”) if the property is operated on behalf of such TRS by a person who qualifies as an “eligible independent contractor”. Generally, the rent received from the TRS will meet the related party rent exception and will be treated as “rents from real property”. A “qualified health care property” includes real property and any personal property that is, or is necessary or incidental to the use of, a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility, or other licensed facility which extends medical or nursing or ancillary services to patients. We have entered into various joint ventures that were structured under RIDEA. Resident level rents and related operating expenses for these facilities are reported in the unaudited consolidated financial statements and are subject to federal and state income taxes as the operations of such facilities are included in TRS entities. Certain net operating loss carryforwards could be utilized to offset taxable income in future years.

Income taxes reflected in the financial statements primarily represents U.S. federal, state and local income taxes as well as non-U.S. income based or withholding taxes on certain investments located in jurisdictions outside the U.S. The provision for income taxes for the nine months ended September 30, 2021 and 2020, was primarily due to operating income or losses, offset by certain discrete items at our TRS entities. In 2014, we established certain wholly-owned direct and indirect subsidiaries in Luxembourg and Jersey and transferred interests in certain foreign investments into this holding company structure. The structure includes a property holding company that is tax resident in the United Kingdom. No material adverse current tax consequences in Luxembourg, Jersey or the United Kingdom resulted from the creation of this holding company structure and most of the subsidiary entities in the structure are treated as disregarded entities of the company for U.S. federal income tax purposes. Subsequent to 2014 we transferred certain subsidiaries to the United Kingdom, while some wholly-owned direct and indirect subsidiaries remain in Luxembourg and Jersey. The company reflects current and deferred tax liabilities for any such withholding taxes incurred from this holding company structure in its consolidated financial statements. Generally, given current statutes of limitations, we are subject to audit by the foreign, federal, state and local taxing authorities under applicable local laws.

The CARES Act, among its economic stimulus provisions, includes a number of tax provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carrybacks, alternative minimum tax credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. Certain of these provisions may impact the provision for taxes in our consolidated financial statements, including in particular the provision allowing for the carryback of net operating losses which would be applicable to our TRSs. We have made a reasonable estimate of the tax impact to us of the CARES Act in our consolidated financial statements, and while we do not believe that there will be further material impacts to the consolidated financial statements related to the CARES Act tax provisions, we will continue to evaluate the impact of the CARES Act and any guidance provided by the U.S. Treasury and the IRS on our consolidated financial statements. It is possible our estimates could differ materially from the actual tax impact to us of the CARES Act.

20. Variable Interest Entities

We have entered into joint ventures to own certain seniors housing and outpatient medical assets which are deemed to be VIEs. We have concluded that we are the primary beneficiary of these VIEs based on a combination of operational control of the joint venture and the rights to receive residual returns or the obligation to absorb losses arising from the joint ventures. Except for capital contributions associated with the initial joint venture formations, the joint ventures have been and are expected to be funded from the ongoing operations of the underlying properties. Accordingly, such joint ventures have been consolidated, and the table below summarizes the balance sheets of consolidated VIEs in the aggregate (in thousands):

	September 30, 2021	December 31, 2020
Assets:		
Net real estate investments	$ 451,723	$ 454,333
Cash and cash equivalents	15,067	15,547
Receivables and other assets	7,999	11,171
Total assets [(1)]	$ 474,789	$ 481,051
Liabilities and equity:		
Secured debt	$ 164,010	$ 165,671
Lease liabilities	3,648	1,325
Accrued expenses and other liabilities	12,939	14,997
Total equity	294,192	299,058
Total liabilities and equity	$ 474,789	$ 481,051

(1) Note that assets of the consolidated VIEs can only be used to settle obligations relating to such VIEs. Liabilities of the consolidated VIEs represent claims against the specific assets of the VIEs.

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The following discussion and analysis is based primarily on the unaudited consolidated financial statements of Welltower Inc. for the periods presented and should be read together with the notes thereto contained in this Quarterly Report on Form 10-Q. Other important factors are identified in our Annual Report on Form 10-K for the year ended December 31, 2020, including factors identified under the headings “Business,” “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations". References herein to “we,” “us,” “our,” or the “Company” refer to Welltower Inc. and its subsidiaries unless specifically noted otherwise.

Executive Summary

Company Overview

Welltower Inc. (NYSE:WELL), an S&P 500 company headquartered in Toledo, Ohio, is driving the transformation of health care infrastructure. The Company invests with leading seniors housing operators, post-acute providers and health systems to fund the real estate and infrastructure needed to scale innovative care delivery models and improve people’s wellness and overall health care experience. Welltower™, a real estate investment trust (“REIT”), owns interests in properties concentrated in major, high-growth markets in the United States (U.S.), Canada and the United Kingdom (U.K.), consisting of seniors housing and post-acute communities and outpatient medical properties.

The following table summarizes our consolidated portfolio for the three months ended September 30, 2021 (dollars in thousands):

Type of Property	NOI [1]	Percentage of NOI	Number of Properties
Seniors Housing Operating	$ 172,909	33.8 %	690
Triple-net	228,321	44.5 %	619
Outpatient Medical	111,431	21.7 %	297
Totals	$ 512,661	100.0 %	1,606

[1] Represents consolidated NOI and excludes our share of investments in unconsolidated entities. Entities in which we have a joint venture with a minority partner are shown at 100% of the joint venture amount. See Non-GAAP Financial Measures for additional information and reconciliation.

The COVID-19 pandemic has had and may continue to have material and adverse effects on our financial condition, results of operations and cash flows in the future. The extent to which the COVID-19 pandemic impacts our operations and those of our operators and tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the effectiveness of vaccines, the actions taken to contain the pandemic or mitigate its impact and the direct and indirect economic effects of the pandemic and containment measures, the overall pace of recovery, among others.

Our Seniors Housing Operating revenues are dependent on occupancy. Spot occupancy has steadily increased in recent months, with 96% of communities open for new admissions and nearly all communities allowing visitors, in-person tours and communal dining and activities. Rapid distribution and a high acceptance rate of COVID-19 vaccinations by residents within assisted living and memory care facilities in the U.S. and U.K. have resulted in a significant decrease in total resident case counts since mid-January across the portfolio.

We have incurred increased operational costs as a result of the introduction of public health measures and other regulations affecting our properties, as well as additional health and safety measures adopted by us and our operators related to the COVID-19 pandemic, including increases in labor, personal protective equipment and sanitation. We expect total Seniors Housing Operating expenses to remain elevated during the pandemic and potentially beyond as these additional health and safety measures become standard practice.

Our Triple-net operators are experiencing similar trends related to occupancy and operating costs as described above with respect to our Seniors Housing Operating properties. However, long-term/post-acute care facilities are generally experiencing a higher degree of occupancy declines. These factors may continue to impact the ability of our Triple-net operators to make contractual rent payments to us in the future. Many of our Triple-net operators received funds under the Coronavirus Aid Relief, and Economic Security Act (“CARES Act”) Paycheck Protection Program. In addition, operators of long-term/post-acute care facilities have generally received funds from Phase 1 of the Provider Relief Fund and operators of assisted living facilities have generally received funds from Phase 2 and Phase 3 of the Provider Relief Fund.

During the nine months ended September 30, 2021, we collected approximately 94% of rent due from operators under Triple-net lease agreements (primarily seniors housing and post-acute care facilities). No significant rent deferrals or rent concessions have been made during the nine months ended September 30, 2021. We evaluate leases individually and recognize rent on a cash basis if collectability of substantially all contractual rent payments is not probable. To the extent the prolonged impact of the COVID-19 pandemic causes operators or tenants to seek further modifications of their lease agreements, we may recognize reductions in revenue and increases in uncollectible receivables.

During the nine months ended September 30, 2021, we have collected virtually all rent due from tenants in our Outpatient Medical portfolio, with uncollected amounts primarily attributable to local jurisdictions with COVID-19 related ordinances providing temporary rent relief to tenants. We evaluate leases individually and recognize rent on a cash basis if collectability of substantially all contractual rent payments is not probable.

Business Strategy

Our primary objectives are to protect stockholder capital and enhance stockholder value. We seek to pay consistent cash dividends to stockholders and create opportunities to increase dividend payments to stockholders as a result of annual increases in NOI and portfolio growth. To meet these objectives, we invest across the full spectrum of seniors housing and health care real estate and diversify our investment portfolio by property type, relationship and geographic location.

Substantially all of our revenues are derived from operating lease rentals, resident fees and services and interest earned on outstanding loans receivable. These items represent our primary sources of liquidity to fund distributions and depend upon the continued ability of our obligors to make contractual rent and interest payments to us and the profitability of our operating properties. To the extent that our obligors/partners experience operating difficulties and become unable to generate sufficient cash to make payments or operating distributions to us, there could be a material adverse impact on our consolidated results of operations, liquidity and/or financial condition. To mitigate this risk, we monitor our investments through a variety of methods determined by the type of property. Our asset management process for seniors housing properties generally includes review of monthly financial statements and other operating data for each property, review of obligor/partner creditworthiness, property inspections and review of covenant compliance relating to licensure, real estate taxes, letters of credit and other collateral. Our internal property management division manages and monitors the outpatient medical portfolio with a comprehensive process including review of tenant relations, lease expirations, the mix of health service providers, hospital/health system relationships, property performance, capital improvement needs and market conditions among other things. We evaluate the operating environment in each property’s market to determine the likely trend in operating performance of the facility. When we identify unacceptable trends, we seek to mitigate, eliminate or transfer the risk. Through these efforts, we generally aim to intervene at an early stage to address any negative trends, and in so doing, support both the collectability of revenue and the value of our investment.

In addition to our asset management and research efforts, we also aim to structure our relevant investments to mitigate payment risk. Operating leases and loans are normally credit enhanced by guarantees and/or letters of credit. In addition, operating leases are typically structured as master leases and loans are generally cross-defaulted and cross-collateralized with other real estate loans, operating leases or agreements between us and the obligor and its affiliates.

For the nine months ended September 30, 2021, resident fees and services and rental income represented 67% and 30%, respectively, of total revenues. Substantially all of our operating leases are designed with escalating rent structures. Leases with fixed annual rental escalators are generally recognized on a straight-line basis over the initial lease period, subject to a collectability assessment. Rental income related to leases with contingent rental escalators is generally recorded based on the contractual cash rental payments due for the period. Our yield on loans receivable depends upon a number of factors, including the stated interest rate, the average principal amount outstanding during the term of the loan and any interest rate adjustments.

Our primary sources of cash include resident fees and services, rent and interest receipts, borrowings under our unsecured revolving credit facility and commercial paper program, public issuances of debt and equity securities, proceeds from investment dispositions and principal payments on loans receivable. Our primary uses of cash include dividend distributions, debt service payments (including principal and interest), real property investments (including acquisitions, capital expenditures, construction advances and transaction costs), loan advances, property operating expenses and general and administrative expenses. Depending upon the availability and cost of external capital, we believe our liquidity is sufficient to fund these uses of cash.

We also continuously evaluate opportunities to finance future investments. New investments are generally funded from temporary borrowings under our unsecured revolving credit facility and commercial paper program, internally generated cash and the proceeds from investment dispositions. Our investments generate cash from NOI and principal payments on loans receivable. Permanent financing for future investments, which replaces funds drawn under our unsecured revolving credit facility and commercial paper program, has historically been provided through a combination of the issuance of public debt and equity securities and the incurrence or assumption of secured debt.

Depending upon market conditions, we believe that new investments will be available in the future with spreads over our cost of capital that will generate appropriate returns to our stockholders. It is also likely that investment dispositions may occur in the future. To the extent that investment dispositions exceed new investments, our revenues and cash flows from operations could be adversely affected. We expect to reinvest the proceeds from any investment dispositions in new investments. To the extent that new investment requirements exceed our available cash on-hand, we expect to borrow under our unsecured revolving credit facility and commercial paper program. At September 30, 2021, we had $303,982,000 of cash and cash equivalents, $58,663,000 of restricted cash and $3,709,000,000 of available borrowing capacity under our unsecured revolving credit facility.

Key Transactions

Capital The following summarizes key capital transactions that occurred during the nine months ended September 30, 2021:

- In March 2021, we completed the issuance of $750,000,000 senior unsecured notes bearing interest at 2.80% with a maturity date of June 2031.
- In April 2021, we repaid our $339,128,000 of our 3.75% senior unsecured notes due March 2023, $334,624,000 of our 3.95% senior unsecured notes due September 2023, and $15,000,000 of our term loan due April 2022.
- In June 2021, we closed on a new $4,700,000,000 unsecured credit facility with improved pricing across our line of credit and terminated the existing unsecured credit facility. The credit facility includes $4,000,000,000 of revolving credit capacity at a borrowing rate of 77.5 basis points over LIBOR, $500,000,000 of USD term loan capacity at a borrowing rate of 90.0 basis points over LIBOR and $250,000,000 CAD term loan capacity at 90.0 basis points over CDOR.
- In June 2021, we repaid the remaining $845,000,000 of our term loan due April 2022.
- In June 2021, we completed the issuance of $500,000,000 senior unsecured notes bearing interest at 2.05% with a maturity date of January 2029.
- In July 2021, we entered into an amended and restated ATM Program (as defined below) pursuant to which we may offer and sell up to $2,500,000,000 of common stock from time to time. Since the beginning of the year, we sold 29,518,162 shares of common stock under our current and previous ATM Programs via forward sale agreements which are expected to generate gross proceeds of approximately $2,374,401,000, of which 17,720,008 shares have been settled resulting in $1,380,519,000 of gross proceeds during the nine months ended September 30, 2021.
- During the nine months ended September 30, 2021, we extinguished $70,144,000 of secured debt at a blended average interest rate of 6.02%.

Investments The following summarizes our property acquisitions and joint venture investments completed during the nine months ended September 30, 2021 (dollars in thousands):

	Properties	Book Amount (1)	Capitalization Rates (2)
Seniors Housing Operating	132	$ 2,139,667	5.4 %
Triple-net	22	484,927	6.3 %
Outpatient Medical	10	290,073	5.5 %
Totals	164	$ 2,914,667	5.6 %

(1) Represents amounts recorded in net real estate investments including fair value adjustments pursuant to U.S. GAAP. See Note 3 to our unaudited consolidated financial statements for additional information.

(2) Represents annualized contractual or projected net operating income to be received in cash divided by investment amounts.

Dispositions The following summarizes property dispositions completed during the nine months ended September 30, 2021 (dollars in thousands):

	Properties	Proceeds (1)	Book Amount (2)	Capitalization Rates (3)
Seniors Housing Operating	12	$ 118,590	$ 112,837	4.8 %
Triple-net	46	569,664	439,974	7.5 %
Outpatient Medical	10	253,454	159,000	5.0 %
Totals	68	$ 941,708	$ 711,811	6.5 %

(1) Represents net proceeds received upon disposition, including any seller financing.

(2) Represents carrying value of net real estate assets at time of disposition. See Note 5 to our unaudited consolidated financial statements for additional information.

(3) Represents annualized contractual income that was being received in cash at date of disposition divided by stated purchase price.

Dividends Our Board of Directors declared a cash dividend for the quarter ended September 30, 2021 of $0.61 per share. On November 23, 2021, we will pay our 202nd consecutive quarterly cash dividend to stockholders of record on November 16, 2021.

Key Performance Indicators, Trends and Uncertainties

We utilize several key performance indicators to evaluate the various aspects of our business. These indicators are discussed below and relate to operating performance, credit strength and concentration risk. Management uses these key performance indicators to facilitate internal and external comparisons to our historical operating results, in making operating decisions and for budget planning purposes.

Operating Performance We believe that net income and net income attributable to common stockholders ("NICS") per the Consolidated Statements of Comprehensive Income are the most appropriate earnings measures. Other useful supplemental measures of our operating performance include funds from operations attributable to common stockholders ("FFO") and consolidated net operating income ("NOI"); however, these supplemental measures are not defined by U.S. generally accepted accounting principles ("U.S. GAAP"). Please refer to the section entitled "Non-GAAP Financial Measures" for further discussion and reconciliations. These earnings measures are widely used by investors and analysts in the valuation, comparison and investment recommendations of companies. The following table reflects the recent historical trends of our operating performance measures for the periods presented (in thousands):

	Three Months Ended						
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Net income (loss)	$ 190,336	$ 45,757	$ 72,192	$ 155,278	$ 394,978	$ 159,216	$ 329,380
NICS	179,663	26,257	71,546	163,729	325,585	179,246	310,284
FFO	345,739	248,840	287,167	225,827	185,014	335,597	356,124
NOI	510,397	498,335	434,736	501,455	402,157	527,711	576,821

Credit Strength We measure our credit strength both in terms of leverage ratios and coverage ratios. The leverage ratios indicate how much of our balance sheet capitalization is related to long-term debt, net of cash and Internal Revenue Code Section 1031 deposits. The coverage ratios indicate our ability to service interest and fixed charges (interest and secured debt principal amortization). We expect to maintain capitalization ratios and coverage ratios sufficient to maintain a capital structure consistent with our current profile. The coverage ratios are based on earnings before interest, taxes, depreciation and amortization ("EBITDA"). Please refer to the section entitled "Non-GAAP Financial Measures" for further discussion and reconciliation of these measures. Leverage ratios and coverage ratios are widely used by investors, analysts and rating agencies in the valuation, comparison, investment recommendations and rating of companies. The following table reflects the recent historical trends for our credit strength measures for the periods presented:

	Three Months Ended						
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Net debt to book capitalization ratio	43%	43%	42%	41%	41%	43%	44%
Net debt to undepreciated book capitalization ratio	35%	35%	34%	34%	34%	35%	37%
Net debt to market capitalization ratio	27%	26%	28%	30%	33%	36%	40%
Interest coverage ratio	4.81x	3.30x	3.56x	4.20x	6.23x	4.29x	5.42x
Fixed charge coverage ratio	4.22x	2.93x	3.16x	3.72x	5.52x	3.84x	4.88x

Concentration Risk We evaluate our concentration risk in terms of NOI by property mix, relationship mix and geographic mix. Concentration risk is a valuable measure in understanding what portion of our NOI could be at risk if certain sectors were to experience downturns. Property mix measures the portion of our NOI that relates to our various property types. Relationship mix measures the portion of our NOI that relates to our current top five relationships. Geographic mix measures the portion of our NOI that relates to our current top five states (or international equivalents). The following table reflects our recent historical trends of concentration risk by NOI for the periods indicated below:

	Three Months Ended						
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Property mix:[1]							
Seniors Housing Operating	34%	32%	39%	32%	43%	34%	42%
Triple-net	45%	45%	36%	45%	27%	42%	34%
Outpatient Medical	21%	23%	25%	23%	30%	24%	24%
Relationship mix: [1, 2]							
ProMedica	11%	12%	12%	11%	13%	10%	9%
Sunrise Senior Living [3]	9%	10%	14%	12%	15%	10%	14%
Revera [3]	5%	5%	5%	4%	6%	5%	6%
Avery Healthcare	4%	4%	5%	4%	5%	3%	3%
Belmont Village	3%	4%	2%	2%	3%	3%	3%
Remaining relationships	68%	65%	62%	67%	58%	69%	65%
Geographic mix:[1]							
United Kingdom	14%	13%	10%	11%	12%	8%	9%
California	12%	12%	15%	12%	17%	14%	15%
Texas	9%	9%	7%	10%	12%	10%	7%
Canada	6%	7%	7%	5%	8%	6%	7%
New Jersey	5%	5%	7%	7%	(5)%	7%	8%
Remaining geographic areas	54%	54%	54%	55%	56%	55%	54%

[1] Excludes our share of investments in unconsolidated entities and non-segment/corporate NOI. Entities in which we have a joint venture with a minority partner are shown at 100% of the joint venture amount.

[2] During the quarter ended June 30, 2021, we provided £540 million (approximately $750,330,000 based on the Sterling/ U.S. Dollar exchange rate as of the date of funding) of senior loan financing and a £30 million delayed facility for working capital and capital expenditures to affiliates of Safanad, a global real estate and private equity firm, as part of the recapitalization of its investment in HC-One Group. NOI related to this investment for the quarter ended September 30, 2021 was 5%.

[3] Revera owns a controlling interest in Sunrise Senior Living.

Lease Expirations The following table sets forth information regarding lease expirations for certain portions of our portfolio as of September 30, 2021 (dollars in thousands):

	Expiration Year [1]										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Thereafter
Triple-net:											
Properties	55	36	2	14	28	48	17	14	15	12	356
Base rent [2]	$ 7,903	$ 2,913	$ 2,482	$ 11,431	$ 6,147	$ 71,469	$ 32,526	$ 16,953	$ 32,248	$ 42,651	$ 380,526
% of base rent	1.3 %	0.5 %	0.4 %	1.9 %	1.0 %	11.8 %	5.4 %	2.8 %	5.3 %	7.0 %	62.6 %
Units/beds	4,422	4,260	173	1,372	2,911	4,919	2,047	1,053	1,129	1,438	36,664
% of Units/beds	7.3 %	7.1 %	0.3 %	2.3 %	4.8 %	8.1 %	3.4 %	1.7 %	1.9 %	2.4 %	60.7 %
Outpatient Medical:											
Square feet	777,444	1,923,922	2,031,094	2,489,076	1,335,888	1,711,598	1,209,061	1,100,135	1,010,734	1,666,832	5,602,883
Base rent [2]	$ 22,724	$ 55,467	$ 56,329	$ 74,928	$ 36,998	$ 46,928	$ 31,962	$ 29,909	$ 27,547	$ 43,544	$ 122,274
% of base rent	4.1 %	10.1 %	10.3 %	13.7 %	6.7 %	8.6 %	5.8 %	5.5 %	5.0 %	7.9 %	22.3 %
Leases	136	428	442	424	276	285	184	148	136	116	243
% of Leases	4.8 %	15.2 %	15.7 %	15.0 %	9.8 %	10.1 %	6.5 %	5.3 %	4.8 %	4.1 %	8.7 %

[1] Excludes investments in unconsolidated entities, developments, land parcels, loans receivable and sub-leases. Investments classified as held for sale are included in the current year.

[2] The most recent monthly cash base rent annualized. Base rent does not include tenant recoveries or amortization of above and below market lease intangibles or other non-cash income.

We evaluate our key performance indicators in conjunction with current expectations to determine if historical trends are indicative of future results. Our expected results may not be achieved and actual results may differ materially from our expectations. Factors that may cause actual results to differ from expected results are described in more detail in “Cautionary Statement Regarding Forward-Looking Statements” and other sections of this Quarterly Report on Form 10-Q. Management regularly monitors economic and other factors to develop strategic and tactical plans designed to improve performance and maximize our competitive position. Our ability to achieve our financial objectives is dependent upon our ability to effectively execute these plans and to appropriately respond to emerging economic and company-specific trends. Please refer to our Annual Report on Form 10-K for the year ended December 31, 2020, under the headings “Business,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”.

Corporate Governance

Maintaining investor confidence and trust is important in today's business environment. Our Board of Directors and management are strongly committed to policies and procedures that reflect the highest level of ethical business practices. Our corporate governance guidelines provide the framework for our business operations and emphasize our commitment to increase stockholder value while meeting all applicable legal requirements. These guidelines meet the listing standards adopted by the New York Stock Exchange and are available on the Internet at www.welltower.com/investors/governance. The information on our website is not incorporated by reference in this Quarterly Report on Form 10-Q, and our web address is included as an inactive textual reference only.

Liquidity and Capital Resources

Sources and Uses of Cash

Our primary sources of cash include resident fees and services, rent and interest receipts, borrowings under our unsecured revolving credit facility and commercial paper program, public issuances of debt and equity securities, proceeds from investment dispositions and principal payments on loans receivable. Our primary uses of cash include dividend distributions, debt service payments (including principal and interest), real property investments (including acquisitions, capital expenditures, construction advances and transaction costs), loan advances, property operating expenses and general and administrative expenses. These sources and uses of cash are reflected in our Consolidated Statements of Cash Flows and are discussed in further detail below. The following is a summary of our sources and uses of cash flows for the periods presented (dollars in thousands):

	Nine Months Ended		Change	
	September 30, 2021	September 30, 2020	$	%
Cash, cash equivalents and restricted cash at beginning of period	$ 2,021,043	$ 385,765	$ 1,635,278	424 %
Cash provided from (used in) operating activities	991,995	1,109,584	(117,589)	(11)%
Cash provided from (used in) investing activities	(2,988,472)	2,329,745	(5,318,217)	(228)%
Cash provided from (used in) financing activities	338,919	(1,666,195)	2,005,114	120 %
Effect of foreign currency translation	(840)	(3,566)	2,726	76 %
Cash, cash equivalents and restricted cash at end of period	$ 362,645	$ 2,155,333	$ (1,792,688)	(83)%

Operating Activities The changes in net cash provided from operating activities are primarily attributable to declines in revenue as a result of decreased occupancy at our Seniors Housing Operating properties, straight-line receivable reserves related to Triple-net leases during the nine months ended September 30, 2021 and dispositions. Please see "Results of Operations" for discussion of net income fluctuations. For the nine months ended September 30, 2021 and 2020, cash flows provided from operations exceeded cash distributions to stockholders.

Investing Activities The changes in net cash provided from/used in investing activities are primarily attributable to net changes in real property investments and dispositions, loans receivable and investments in unconsolidated entities, which are summarized above in "Key Transactions" and Notes 3 and 5 of our unaudited consolidated financial statements. The following is a summary of cash used in non-acquisition capital improvement activities for the periods presented (dollars in thousands):

	Nine Months Ended		Change
	September 30, 2021	September 30, 2020	$
New development	$ 263,325	$ 126,699	$ 136,626
Recurring capital expenditures, tenant improvements and lease commissions	53,471	61,047	(7,576)
Renovations, redevelopments and other capital improvements	112,220	122,277	(10,057)
Total	$ 429,016	$ 310,023	$ 118,993

The change in new development is primarily due to the number and size of construction projects on-going during the relevant periods. Renovations, redevelopments and other capital improvements include expenditures to maximize property value, increase net operating income, maintain a market-competitive position and/or achieve property stabilization.

Financing Activities The changes in net cash provided from/used in financing activities are primarily attributable to changes related to our long-term debt arrangements, the issuances of common stock and dividend payments which are summarized above in "Key Transactions". Please refer to Notes 10, 11 and 14 of our unaudited consolidated financial statements for additional information.

In March 2021, we completed the issuance of $750,000,000 senior unsecured notes with a maturity date of June 2031. In June 2021, we completed the issuance of $500,000,000 senior unsecured notes with a maturity date of January 2029. Net proceeds from these debt issuances were used to redeem the remaining $339,128,000 of our 3.75% senior unsecured notes due 2023, $334,624,000 of our 3.95% senior unsecured notes due 2023, and $860,000,000 remaining on our term loan due April 2022. In June 2021, we closed on a new $4,700,000,000 unsecured credit facility. The credit facility includes $4,000,000,000 of revolving credit capacity. As of September 30, 2021, we have total near-term available liquidity of approximately $4.0 billion. However, we are unable to accurately predict the full impact that the pandemic will have on our results from operations, financial condition, liquidity and cash flows due to numerous factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2020, including factors identified under the heading “Risk Factors".

Off-Balance Sheet Arrangements

At September 30, 2021, we had investments in unconsolidated entities with our ownership generally ranging from 10% to 65%. We use financial derivative instruments to hedge interest rate and foreign currency exchange rate exposure. At September 30, 2021, we had 13 outstanding letter of credit obligations. Please see Notes 8, 12 and 13 to our unaudited consolidated financial statements for additional information.

Contractual Obligations

The following table summarizes our payment requirements under contractual obligations as of September 30, 2021 (in thousands):

	Payments Due by Period				
Contractual Obligations	Total	2021	2022-2023	2024-2025	Thereafter
Unsecured credit facility and commercial paper [1,2]	$ 291,000	$ 240,000	$ —	$ —	$ 51,000
Senior unsecured notes and term credit facilities: [1]					
U.S. Dollar senior unsecured notes	8,850,000	—	—	2,600,000	6,250,000
Canadian Dollar senior unsecured notes [2]	236,724	—	—	—	236,724
Pounds Sterling senior unsecured notes [2]	1,414,350	—	—	—	1,414,350
U.S. Dollar term credit facility	510,000	—	500,000	10,000	—
Canadian Dollar term credit facility [2]	197,270	—	197,270	—	—
Secured debt: [1,2]					
Consolidated	2,269,781	211,978	986,557	361,736	709,510
Unconsolidated	1,204,775	37,622	254,876	633,778	278,499
Contractual interest obligations: [3]					
Unsecured credit facility and commercial paper	7,756	422	3,315	3,315	704
Senior unsecured notes and term loans [2]	3,804,876	133,915	831,409	712,190	2,127,362
Consolidated secured debt [2]	257,041	17,305	99,855	57,554	82,327
Unconsolidated secured debt [2]	189,468	9,990	72,687	45,504	61,287
Financing lease liabilities [4]	208,905	3,828	77,946	3,255	123,876
Operating lease liabilities [4]	1,405,385	16,018	91,491	89,495	1,208,381
Purchase obligations [5]	1,190,293	200,892	840,308	134,346	14,747
Total contractual obligations	$ 22,037,624	$ 871,970	$ 3,955,714	$ 4,651,173	$ 12,558,767

(1) Amounts represent principal amounts due and do not reflect unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet.
(2) Based on foreign currency exchange rates in effect as of balance sheet date.
(3) Based on variable interest rates in effect as of balance sheet date.
(4) See Note 6 to our unaudited consolidated financial statements for additional information.
(5) See Note 13 to our unaudited consolidated financial statements for additional information.

Capital Structure

Please refer to “Credit Strength” above for a discussion of our leverage and coverage ratio trends. Our debt agreements contain various covenants, restrictions and events of default. Certain agreements require us to maintain financial ratios and minimum net worth and impose certain limits on our ability to incur indebtedness, create liens and make investments or acquisitions. As of September 30, 2021, we were in compliance in all material respects with the covenants under our debt agreements. None of our debt agreements contain provisions for acceleration which could be triggered by our debt ratings. However, under our primary unsecured credit facility, the ratings on our senior unsecured notes are used to determine the fees and interest charged. We plan to manage the company to maintain compliance with our debt covenants and with a capital structure consistent with our current profile. Any downgrades in terms of ratings or outlook by any or all of the rating agencies could have a material adverse impact on our cost and availability of capital, which could have a material adverse impact on our consolidated results of operations, liquidity and/or financial condition.

On May 4, 2021, we filed with the Securities and Exchange Commission (the “SEC”) (1) an open-ended automatic or “universal” shelf registration statement on Form S-3 covering an indeterminate amount of future offerings of debt securities, common stock, preferred stock, depositary shares, warrants and units to replace our existing “universal” shelf registration statement filed with the SEC on May 17, 2018, and (2) a registration statement in connection with our enhanced dividend reinvestment plan (“DRIP”) under which we may issue up to 15,000,000 shares of common stock to replace our existing DRIP registration statement on Form S-3 filed with the SEC on May 17, 2018. As of October 29, 2021, 15,000,000 shares of common stock remained available for issuance under the DRIP registration statement. On July 30, 2021, we entered into (i) an amended and restated equity distribution agreement (the “EDA”) with each of Robert W. Baird & Co. Incorporated, Barclays Capital Inc., BMO Capital Markets Corp., BNP Paribas Securities Corp., BNY Mellon Capital Markets, LLC, BofA Securities, Inc., BOK Financial Securities, Inc., Capital One Securities Inc., Citigroup Global Markets Inc., Comerica Securities, Inc., Credit Agricole Securities (USA) Inc., Deutsche Bank Securities Inc., Fifth Third Securities, Inc., Goldman Sachs & Co. LLC, Hancock Whitney Investment Services, Inc., Jefferies LLC, J.P. Morgan Securities LLC, KeyBanc Capital Markets Inc., Loop Capital Markets LLC, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, MUFG Securities Americas Inc., RBC Capital Markets, LLC, Regions Securities LLC, Scotia Capital (USA) Inc., SMBC Nikko Securities America, Inc., Stifel, Nicolaus & Company, Incorporated, Synovus Securities, Inc., TD Securities (USA) LLC, Truist Securities, Inc. and Wells Fargo Securities, LLC relating to the offer and sale from time to time of up to $2,500,000,000 aggregate amount of our common stock and (ii) separate master forward sale confirmations with each of Bank of America, N.A., Bank of Montreal, The Bank of New York Mellon, Barclays Bank PLC, BNP Paribas, Citibank, N.A., Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, Goldman Sachs & Co. LLC, Jefferies LLC, JPMorgan Chase Bank, National Association, KeyBanc Capital Markets Inc., Mizuho Markets Americas LLC, Morgan Stanley & Co. LLC, MUFG Securities EMEA plc, Royal Bank of Canada, The Bank of Nova Scotia, The Toronto-Dominion Bank, Truist Bank, London Branch and Wells Fargo Bank, National Association (together with the EDA, the “ATM Program”), amending and restating the ATM Program entered into on May 4, 2021 to, among other amendments, increase the total amount of shares of common stock that may be offered and sold under the ATM Program from $2,000,000,000 to $2,500,000,000, which amount excludes shares the Company has previously sold pursuant to the prior program. The ATM Program also allows us to enter into forward sale agreements. As of October 29, 2021, we had $2,491,418,000 of remaining capacity under the ATM Program, which excludes forward sales agreements outstanding for the sale of 11,798,154 shares or approximately $993,881,000 with maturity dates in 2022. We expect to physically settle the forward sales for cash proceeds. Depending upon market conditions, we anticipate issuing securities under our registration statements to invest in additional properties and to repay borrowings under our unsecured revolving credit facility and commercial paper program.

In connection with the filing of the new “universal” shelf registration statement, the Company also filed with the SEC two prospectus supplements that will continue offerings that were previously covered by prospectus supplements and the accompanying prospectus to the prior registration statement relating to: (i) the registration and possible issuance of up to 620,731 shares of the Company’s common stock (the “DownREIT Shares”), that may be issued from time to time if, and to the extent that, certain holders of Class A units (the “DownREIT Units”) of HCN G&L DownREIT, LLC, a Delaware limited liability company (the “DownREIT”), tender such DownREIT Units for redemption by the DownREIT, and HCN DownREIT Member, LLC, a majority-owned indirect subsidiary of the Company (including its permitted successors and assigns, the “Managing Member”), or a designated affiliate of the Managing Member, elects to assume the redemption obligations of the DownREIT and to satisfy all or a portion of the redemption consideration by issuing DownREIT Shares to the holders instead of or in addition to paying a cash amount; and (ii) the registration and possible issuance of up to 475,327 shares common stock (the “DownREIT II Shares”), that may be issued from time to time if, and to the extent that, certain holders of Class A units (the “DownREIT II Units,” and collectively with the DownREIT Units, the “Units”) of HCN G&L DownREIT II LLC, a Delaware limited liability company (the “DownREIT II”), tender such DownREIT II Units for redemption by the DownREIT II, and the Managing Member, or a designated affiliate of the Managing Member, elects to assume the redemption obligations of the DownREIT II and to satisfy all or a portion of the redemption consideration by issuing DownREIT II Shares to the holders instead of or in addition to paying a cash amount.

Results of Operations

Summary

Our primary sources of revenue include resident fees and services, rent and interest income. Our primary expenses include property operating expenses, depreciation and amortization, interest expense, general and administrative expenses and other expenses. We evaluate our business and make resource allocations on our three business segments: Seniors Housing Operating, Triple-net and Outpatient Medical. The primary performance measures for our properties are NOI and same store NOI ("SSNOI"), and other supplemental measures include FFO and EBITDA, which are further discussed below. Please see Non-GAAP Financial Measures for additional information and reconciliations. The following is a summary of our results of operations (dollars in thousands, except per share amounts):

	Three Months Ended		Change		Nine Months Ended		Change	
	September 30, 2021	September 30, 2020	Amount	%	September 30, 2021	September 30, 2020	Amount	%
Net income	$ 190,336	$ 394,978	$ (204,642)	(52)%	$ 308,285	$ 883,574	$ (575,289)	(65)%
NICS	179,663	325,585	(145,922)	(45)%	277,466	815,115	(537,649)	(66)%
FFO	345,739	185,014	160,725	87 %	881,746	876,735	5,011	1 %
EBITDA	585,552	777,364	(191,812)	(25)%	1,436,017	2,082,171	(646,154)	(31)%
NOI	510,397	402,157	108,240	27 %	1,443,468	1,506,689	(63,221)	(4)%
SSNOI	387,722	405,100	(17,378)	(4)%	1,159,875	1,255,386	(95,511)	(8)%
Per share data (fully diluted):								
NICS	$ 0.42	$ 0.77	$ (0.35)	(45)%	$ 0.65	$ 1.94	$ (1.29)	(66)%
FFO	$ 0.80	$ 0.44	$ 0.36	82 %	$ 2.09	$ 2.10	$ (0.01)	— %
Interest coverage ratio	4.81 x	6.23 x	(1.42)x	(23)%	3.89 x	5.31 x	(1.42)x	(27)%
Fixed charge coverage ratio	4.22 x	5.52 x	(1.30)x	(24)%	3.43 x	4.74 x	(1.31)x	(28)%

Seniors Housing Operating

The following is a summary of our SSNOI at Welltower's share for the Seniors Housing Operating segment (dollars in thousands):

	QTD Pool				YTD Pool			
	Three Months Ended		Change		Nine Months Ended		Change	
	September 30, 2021	September 30, 2020	$	%	September 30, 2021	September 30, 2020	$	%
SSNOI [1]	$ 144,044	$ 166,145	$ (22,101)	(13.3)%	$ 445,953	$ 546,853	$ (100,900)	(18.5)%

[1] For the QTD and YTD Pools, amounts relate to 527 and 515 same store properties, respectively. Please see Non-GAAP Financial Measures for additional information and reconciliations.

The following is a summary of our results of operations for the Seniors Housing Operating segment (dollars in thousands):

	Three Months Ended		Change		Nine Months Ended		Change	
	September 30, 2021	September 30, 2020	$	%	September 30, 2021	September 30, 2020	$	%
Revenues:								
Resident fees and services	$ 835,617	$ 740,956	$ 94,661	13 %	$ 2,299,972	$ 2,360,488	$ (60,516)	(3)%
Interest income	1,135	113	1,022	904 %	3,110	305	2,805	920 %
Other income	2,767	996	1,771	178 %	5,388	6,050	(662)	(11)%
Total revenues	839,519	742,065	97,454	13 %	2,308,470	2,366,843	(58,373)	(2)%
Property operating expenses	666,610	567,704	98,906	17 %	1,804,939	1,771,088	33,851	2 %
NOI [1]	172,909	174,361	(1,452)	(1)%	503,531	595,755	(92,224)	(15)%
Other expenses:								
Depreciation and amortization	157,176	133,224	23,952	18 %	420,797	419,161	1,636	— %
Interest expense	9,360	12,728	(3,368)	(26)%	31,331	43,191	(11,860)	(27)%
Loss (gain) on extinguishment of debt, net	—	—	—	n/a	(1,537)	(492)	(1,045)	(212)%
Provision for loan losses, net	152	86	66	77 %	222	86	136	158 %
Impairment of assets	—	12,778	(12,778)	(100)%	22,317	91,424	(69,107)	(76)%
Other expenses	5,449	6,488	(1,039)	(16)%	12,617	13,463	(846)	(6)%
	172,137	165,304	6,833	4 %	485,747	566,833	(81,086)	(14)%
Income (loss) from continuing operations before income taxes and other items	772	9,057	(8,285)	(91)%	17,784	28,922	(11,138)	(39)%
Income (loss) from unconsolidated entities	(15,810)	(7,678)	(8,132)	(106)%	(23,514)	(25,489)	1,975	8 %
Gain (loss) on real estate dispositions, net	(615)	313,319	(313,934)	(100)%	4,552	327,635	(323,083)	(99)%
Income from continuing operations	(15,653)	314,698	(330,351)	(105)%	(1,178)	331,068	(332,246)	(100)%
Net income (loss)	(15,653)	314,698	(330,351)	(105)%	(1,178)	331,068	(332,246)	(100)%
Less: Net income (loss) attributable to noncontrolling interests	(2,178)	60,642	(62,820)	(104)%	367	32,554	(32,187)	(99)%
Net income (loss) attributable to common stockholders	$ (13,475)	$ 254,056	$ (267,531)	(105)%	$ (1,545)	$ 298,514	$ (300,059)	(101)%

[1] See Non-GAAP Financial Measures below.

Resident fees and services and property operating expenses increased for the three month period ended September 30, 2021 compared to the same period in the prior year primarily due to acquisitions, including the acquisition of the Holiday Retirement portfolio on July 30, 2021 for a total purchase price of $1.6 billion. These increases were partially offset by decreases in occupancy across the portfolio due to the COVID-19 pandemic and property dispositions. Spot occupancy remains below pre-pandemic levels, reaching a low of 72.3% on March 12, 2021 before making meaningful recovery in recent months resulting in occupancy of 76.7% as of September 30, 2021. Spot occupancy rates through September 30, 2021 are as follows:

	December 2020	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021
Spot occupancy [1]	74.8 %	73.4 %	72.5 %	72.7 %	73.2 %	73.7 %	74.6 %	75.2 %	75.9 %	76.7 %
Sequential occupancy change[2]		(1.4)%	(0.8)%	0.2 %	0.5 %	0.5 %	0.9 %	0.6 %	0.8 %	0.8 %

[1] Spot occupancy represents approximate month end occupancy at our share for 591 properties in operation as of December 31, 2020, including unconsolidated properties but excluding acquisitions, executed dispositions, development conversions since this date as well as one property closed for redevelopment.

[2] Sequential occupancy changes are based on actual spot occupancy and may not recalculate due to rounding.

During the quarter ended September 30, 2021, the U.S. and U.K. portfolios reported spot occupancy gains of approximately 260 bps and 300 bps, respectively. Canada reported a spot occupancy gain of approximately 70 bps.

Property-level operating expenses associated with the COVID-19 pandemic relating to our Seniors Housing Operating portfolio, net of reimbursements including Provider Relief Funds and similar programs in the U.K. and Canada, resulted in a net benefit of approximately $2,092,000 and $24,883,000 for the three and nine months ended September 30, 2021, respectively, as compared to a net expense of $18,193,000 and $65,614,000 during the three and nine months ended September 30, 2020, respectively. These expenses were incurred as a result of the introduction of public health measures and other regulations affecting our properties, as well as additional health and safety measures adopted by us and our operators related to the COVID-19 pandemic, including increases in labor and property cleaning expenses and expenditures related to our efforts to procure personal protective equipment ("PPE") and supplies, net of reimbursements.

In 2020 applications were made for amounts under Phase 2 and Phase 3 of the Provider Relief Fund related to our Seniors Housing Operating portfolio. During the nine months ended September 30, 2021, we received total Provider Relief Funds of approximately $40,975,000, which was recognized as a reduction to COVID-19 costs within property operating expenses.

The fluctuations in depreciation and amortization are due to acquisitions, dispositions and transitions. To the extent that we acquire or dispose of additional properties in the future, these amounts will change accordingly.

During the nine months ended September 30, 2021, we recorded impairment charges of $22,317,000 related to two held for use properties in which the carrying values exceeded the estimated fair value. During the nine months ended September 30, 2020, we recorded impairment charges of $91,424,000 related to 13 held for sale properties and four held for use properties. Transaction costs related to asset acquisitions are capitalized as a component of the purchase price. Changes in the gain on sales of properties are related to the volume and timing of property sales and the sales prices. The fluctuation in other expenses is primarily due to the timing of noncapitalizable transaction costs associated with acquisitions and operator transitions.

During the nine months ended September 30, 2021, we completed one Seniors Housing Operating construction project representing $58,844,000 or 490,367 per unit. The following is a summary of our Seniors Housing Operating construction projects, excluding expansions, pending as of September 30, 2021 (dollars in thousands):

Location	Units	Commitment	Balance	Est. Completion
Beckenham, UK	100	$ 63,444	$ 56,657	4Q21
Hendon, UK	102	74,759	64,138	1Q22
Barnet, UK	100	69,775	56,182	1Q22
Georgetown, TX	188	36,215	8,158	2Q22
New Rochelle, NY	72	42,669	11,113	3Q22
Pflugerville, TX	196	39,500	6,344	3Q22
Sachse, TX	193	38,054	7,221	3Q22
Lake Jackson, TX	130	32,020	3,154	3Q22
Princeton, NJ	80	29,780	23,602	3Q22
Berea, OH	120	14,934	8,083	4Q22
Painesville, OH	119	14,462	5,841	4Q22
Beaver, PA	116	14,184	4,754	4Q22
Weymouth, MA	165	77,545	9,125	3Q23
Charlotte, NC	328	96,416	23,696	1Q24
Gaithersburg, MD	302	173,500	20,525	2Q24
	2,311	$ 817,257	308,593	
Toronto, ON	Project in planning stage		49,828	
Brookline, MA	Project in planning stage		28,451	
Washington, DC	Project in planning stage		27,363	
Columbus, OH	Project in planning stage		12,629	
Brookhaven, GA	Project in planning stage		9,385	
Raleigh, NC	Project in planning stage		3,476	
			$ 439,725	

Interest expense represents secured debt interest expense which fluctuates based on the net effect and timing of assumptions, segment transitions, fluctuations in foreign currency rates, extinguishments and principal amortizations. The fluctuations in loss (gain) on extinguishment of debt is primarily attributable to the volume of extinguishments and terms of the related secured debt. The following is a summary of our Seniors Housing Operating segment property secured debt principal activity (dollars in thousands):

	Three Months Ended				Nine Months Ended			
	September 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020	
	Amount	Wtd. Avg. Interest Rate	Amount	Wtd. Avg. Interest Rate	Amount	Wtd. Avg. Interest Rate	Amount	Wtd. Avg. Interest Rate
Beginning balance	$ 1,645,290	2.83 %	$ 1,779,625	2.91 %	$ 1,706,189	3.05 %	$ 2,115,037	3.54 %
Debt issued	2,693	3.75 %	—	— %	2,693	3.75 %	44,921	2.58 %
Debt extinguished	—	— %	—	— %	(66,593)	6.01 %	(306,238)	2.90 %
Principal payments	(13,172)	2.93 %	(12,249)	3.15 %	(37,418)	3.00 %	(36,025)	3.25 %
Foreign currency	(22,415)	2.75 %	22,609	2.94 %	7,525	2.85 %	(27,710)	3.15 %
Ending balance	$ 1,612,396	2.83 %	$ 1,789,985	2.91 %	$ 1,612,396	2.83 %	$ 1,789,985	2.91 %
Monthly averages	$ 1,622,685	2.82 %	$ 1,794,932	2.91 %	$ 1,660,377	2.90 %	$ 1,971,507	3.21 %

The majority of our Seniors Housing Operating properties are formed through partnership interests. Income from unconsolidated entities recognized during the nine months ended September 30, 2021 includes a gain on sale recognized from the sale of a home health business owned by one of our unconsolidated entities, offset by losses from unconsolidated entities largely attributable to depreciation and amortization of short-lived intangible assets related to certain investments in unconsolidated joint ventures. Net income attributable to noncontrolling interests represents our partners’ share of net income (loss) related to joint ventures. The decrease during the three and nine month periods ended September 30, 2020 relates primarily to our partners' share of gains on real estate dispositions partially offset by impairment charges recognized.

Triple-net

The following is a summary of our SSNOI at Welltower's share for the Triple-net segment (dollars in thousands):

	QTD Pool				YTD Pool			
	Three Months Ended		Change		Nine Months Ended		Change	
	September 30, 2021	September 30, 2020	$	%	September 30, 2021	September 30, 2020	$	%
SSNOI [(1)]	$ 142,690	$ 142,697	$ (7)	— %	$ 425,014	$ 429,651	$ (4,637)	(1.1)%

[(1)] For the QTD and YTD Pools, amounts relate to 548 and 547 same store properties, respectively. Please see Non-GAAP Financial Measures for additional information and reconciliations.

The following is a summary of our results of operations for the Triple-net segment (dollars in thousands):

	Three Months Ended		Change		Nine Months Ended		Change	
	September 30, 2021	September 30, 2020	$	%	September 30, 2021	September 30, 2020	$	%
Revenues:								
Rental income	$ 200,641	$ 103,938	$ 96,703	93 %	$ 557,829	$ 512,815	$ 45,014	9 %
Interest income	38,257	15,877	22,380	141 %	86,040	46,068	39,972	87 %
Other income	1,087	1,113	(26)	(2)%	3,539	3,393	146	4 %
Total revenues	239,985	120,928	119,057	98 %	647,408	562,276	85,132	15 %
Property operating expenses	11,664	12,567	(903)	(7)%	37,132	39,432	(2,300)	(6)%
NOI [(1)]	228,321	108,361	119,960	111 %	610,276	522,844	87,432	17 %
Other expenses:								
Depreciation and amortization	54,226	58,157	(3,931)	(7)%	165,299	173,989	(8,690)	(5)%
Interest expense	1,548	2,070	(522)	(25)%	5,134	7,668	(2,534)	(33)%
Loss (gain) on derivatives and financial instruments, net	(8,078)	1,395	(9,473)	(679)%	(6,503)	10,480	(16,983)	(162)%
Provision for loan losses, net	(323)	372	(695)	(187)%	10,549	8,895	1,654	19 %
Impairment of assets	1,490	10,535	(9,045)	(86)%	24,222	34,867	(10,645)	(31)%
Other expenses	(4,248)	2,805	(7,053)	(251)%	4,845	6,818	(1,973)	(29)%
	44,615	75,334	(30,719)	(41)%	203,546	242,717	(39,171)	(16)%
Income (loss) from continuing operations before income taxes and other items	183,706	33,027	150,679	456 %	406,730	280,127	126,603	45 %
Income (loss) from unconsolidated entities	5,038	(423)	5,461	n/a	14,822	11,776	3,046	26 %
Gain (loss) on real estate dispositions, net	81,712	(619)	82,331	n/a	126,463	51,166	75,297	147 %
Income from continuing operations	270,456	31,985	238,471	746 %	548,015	343,069	204,946	60 %
Net income	270,456	31,985	238,471	746 %	548,015	343,069	204,946	60 %
Less: Net income (loss) attributable to noncontrolling interests	11,917	8,597	3,320	39 %	26,722	36,275	(9,553)	(26)%
Net income attributable to common stockholders	$ 258,539	$ 23,388	$ 235,151	n/a	$ 521,293	$ 306,794	$ 214,499	70 %

[(1)] See Non-GAAP Financial Measures below.

Rental income has increased primarily due to the timing of the establishment of reserves for straight-line rent receivable balances relating to leases for which collection of substantially all contractual lease payments is no longer deemed probable. During the three and nine months ended September 30, 2021, we recorded reserves for previously recognized straight-line receivables of $0 and $49,241,000, respectively. During the three and nine month periods ended September 30, 2020, we recorded $112,398,000 and $146,508,000, respectively, which included $91,025,000 related to Genesis Healthcare whom noted substantial doubt as to their ability to continue as a going concern.

Certain of our leases contain annual rental escalators that are contingent upon changes in the Consumer Price Index and/or changes in the gross operating revenues of the tenant's properties. These escalators are not fixed, so no straight-line rent is recorded; however, rental income is recorded based on the contractual cash rental payments due for the period. If gross operating revenues at our facilities and/or the Consumer Price Index do not increase, a portion of our revenues may not continue to increase. For the three months ended September 30, 2021, we had 16 leases with rental rate increases ranging from 1.75% to 7.34% in our Triple-net portfolio. Our Triple-net operators are experiencing similar impacts on occupancy and operating costs due to the COVID-19 pandemic as described above with respect to our Seniors Housing Operating properties. However, long-term/post-acute facilities are generally experienced a higher degree of occupancy declines which in some cases impacted the ability of our Triple-net operators to make contractual rent payments to us. However, many of our Triple-net operators received funds under the CARES Act Paycheck Protection Program. In addition, operators of long-term/post-acute facilities have generally received funds from Phase 1 of the Provider Relief Fund and operators of assisted living facilities have received funds from Phase 2 and Phase 3 of the Provider Relief Fund. During the nine months ended September 30, 2021, we collected approximately 94% of rent due from operators under Triple-net lease agreements (primarily seniors housing and post-acute care facilities). No significant rent deferrals or rent concessions have been made. We evaluate leases individually and recognize rent on a cash basis if collectability of substantially all contractual rent payments is not probable.

Depreciation and amortization fluctuate as a result of the acquisitions, dispositions and transitions of triple-net properties. To the extent we acquire or dispose of additional properties in the future, our provision for depreciation and amortization will change accordingly.

During the nine months ended September 30, 2021, we recognized a provision for loan losses under the current expected credit losses accounting standard, primarily related to the initial recognition of the £540 million of senior loan financing to affiliates of Safanad as part of the recapitalization of its investment in HC-One Group during the second quarter. The increase in interest income for the three and nine month periods ended September 30, 2021 is primarily driven by interest recognized on this loan funding. Additionally, during March 2020, we recognized a provision for loan losses of $6,898,000 to fully reserve for a non-real estate loans receivable that was no longer deemed collectible.

During the nine months ended September 30, 2021, we recorded impairment charges of $24,222,000 related to four held for sale properties and two held for use properties. During the nine months ended September 30, 2020, we recorded impairment charges of $34,867,000 related to one held for sale and four held for use properties. Changes in the gain on sales of properties are related to the volume and timing of property sales and the sales prices. Transaction costs related to asset acquisitions are capitalized as a component of purchase price. The fluctuation in other expenses is primarily due to noncapitalizable transaction costs from acquisitions and segment transitions.

During the nine months ended September 30, 2021, we completed one Triple-net construction project representing $22,990,000 or $280,366 per unit. The following is a summary of Triple-net construction projects, excluding expansions, pending as of September 30, 2021 (dollars in thousands):

Location	Units/Beds	Commitment	Balance	Est. Completion
Redhill, UK	76	$ 21,417	$ 17,794	1Q22
London, UK	82	43,462	22,691	2Q22
Wombourne, UK	66	16,164	9,394	2Q22
Leicester, UK	60	15,086	8,296	2Q22
Rugby, UK	76	20,627	6,868	4Q22
Raleigh, NC	191	154,256	35,129	2Q23
	551	$ 271,012	$ 100,172	

During the three months ended September 30, 2021, loss (gain) on derivatives and financial instruments, net is primarily attributable to the mark-to-market of the equity warrants received as part of the Safanad/HC-One transaction that closed in the second quarter. In addition, the mark-to-market adjustment on our Genesis Healthcare available-for-sale investment is reflected in all periods.

Interest expense represents secured debt interest expense and related fees. The change in secured debt interest expense is due to the net effect and timing of assumptions, segment transitions, fluctuations in foreign currency rates, extinguishments and principal amortizations. The following is a summary of our Triple-net secured debt principal activity for the periods presented (dollars in thousands):

	Three Months Ended				Nine Months Ended			
	September 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020	
	Amount	Wtd. Avg. Interest Rate	Amount	Wtd. Avg. Interest Rate	Amount	Wtd. Avg. Interest Rate	Amount	Wtd. Avg. Interest Rate
Beginning balance	$ 122,566	4.91 %	$ 289,321	3.27 %	$ 123,652	4.91 %	$ 306,038	3.60 %
Debt extinguished	—	— %	(176,875)	2.03 %	—	— %	(176,875)	2.03 %
Principal payments	(1,241)	5.16 %	(1,101)	5.16 %	(3,708)	5.16 %	(3,203)	5.16 %
Foreign currency	(1,034)	5.43 %	11,341	2.35 %	347	5.43 %	(3,274)	3.53 %
Ending balance	$ 120,291	4.91 %	$ 122,686	4.91 %	$ 120,291	4.91 %	$ 122,686	4.91 %
Monthly averages	$ 121,051	4.91 %	$ 164,836	4.19 %	$ 122,582	4.91 %	$ 242,312	3.69 %

A portion of our Triple-net properties were formed through partnerships. Income or loss from unconsolidated entities represents our share of net income or losses from partnerships where we are the noncontrolling partner. The increase in income from unconsolidated entities during the three months ended September 30, 2021 is primarily related to the reserves established on straight-line receivable balances at unconsolidated Genesis Healthcare entities in the prior year. Net income attributable to noncontrolling interests represents our partners’ share of net income relating to those partnerships where we are the controlling partner. The decrease during the nine months ended September 30, 2021, relates primarily to our partner's share of a gain on sale of certain properties in the prior year.

Outpatient Medical

The following is a summary of our SSNOI at Welltower's share for the Outpatient Medical segment (dollars in thousands):

	QTD Pool				YTD Pool			
	Three Months Ended		Change		Nine Months Ended		Change	
	September 30, 2021	September 30, 2020	$	%	September 30, 2021	September 30, 2020	$	%
SSNOI [(1)]	$ 100,988	$ 96,258	$ 4,730	4.9 %	$ 288,908	$ 278,882	$ 10,026	3.6 %

[(1)] For the QTD and YTD Pools, amounts relate to 350 and 331 same store properties, respectively. Please see Non-GAAP Financial Measures for additional information and reconciliations.

The following is a summary of our results of operations for the Outpatient Medical segment for the periods presented (dollars in thousands):

	Three Months Ended		Change		Nine Months Ended		Change	
	September 30, 2021	September 30, 2020	$	%	September 30, 2021	September 30, 2020	$	%
Revenues:								
Rental income	$ 157,343	$ 171,108	$ (13,765)	(8)%	$ 457,721	$ 548,496	$ (90,775)	(17)%
Interest income	472	760	(288)	(38)%	8,741	1,687	7,054	418 %
Other income	1,688	836	852	102 %	8,336	2,681	5,655	211 %
Total revenues	159,503	172,704	(13,201)	(8)%	474,798	552,864	(78,066)	(14)%
Property operating expenses	48,072	52,728	(4,656)	(9)%	140,430	165,024	(24,594)	(15)%
NOI [1]	111,431	119,976	(8,545)	(7)%	334,368	387,840	(53,472)	(14)%
Other expenses:								
Depreciation and amortization	56,352	64,151	(7,799)	(12)%	166,969	202,554	(35,585)	(18)%
Interest expense	4,811	4,287	524	12 %	12,733	13,421	(688)	(5)%
Loss (gain) on extinguishment of debt, net	(5)	—	(5)	n/a	(5)	741	(746)	(101)%
Provision for loan losses, net	(100)	2,399	(2,499)	(104)%	(3,462)	2,370	(5,832)	(246)%
Impairment of assets	—	—	—	n/a	2,211	—	2,211	n/a
Other expenses	640	781	(141)	(18)%	2,450	8,244	(5,794)	(70)%
	61,698	71,618	(9,920)	(14)%	180,896	227,330	(46,434)	(20)%
Income (loss) from continuing operations before income taxes and other items	49,733	48,358	1,375	3 %	153,472	160,510	(7,038)	(4)%
Income (loss) from unconsolidated entities	(5,060)	2,120	(7,180)	(339)%	(2,067)	5,372	(7,439)	(138)%
Gain (loss) on real estate dispositions, net	38,857	171,604	(132,747)	(77)%	92,687	524,190	(431,503)	(82)%
Income from continuing operations	83,530	222,082	(138,552)	(62)%	244,092	690,072	(445,980)	(65)%
Net income (loss)	83,530	222,082	(138,552)	(62)%	244,092	690,072	(445,980)	(65)%
Less: Net income (loss) attributable to noncontrolling interests	934	154	780	506 %	3,733	(370)	4,103	n/a
Net income (loss) attributable to common stockholders	$ 82,596	$ 221,928	$ (139,332)	(63)%	$ 240,359	$ 690,442	$ (450,083)	(65)%

[1] See Non-GAAP Financial Measures.

Rental income has decreased due primarily to significant dispositions that closed during 2020. Certain of our leases contain annual rental escalators that are contingent upon changes in the Consumer Price Index. These escalators are not fixed, so no straight-line rent is recorded; however, rental income is recorded based on the contractual cash rental payments due for the period. If the Consumer Price Index does not increase, a portion of our revenues may not continue to increase. Our leases could renew above or below current rental rates, resulting in an increase or decrease in rental income. For the three months ended September 30, 2021, our consolidated outpatient medical portfolio signed 55,028 square feet of new leases and 326,222 square feet of renewals. The weighted-average term of these leases was seven years, with a rate of $42.91 per square foot and tenant improvement and lease commission costs of $22.4 per square foot. Substantially all of these leases contain an annual fixed or contingent escalation rent structure ranging from 1.0% to 3.5%.

We have collected virtually all rent due through the nine months ended September 30, 2021, with uncollected amounts primarily attributable to local jurisdictions with COVID-19 related ordinances providing temporary rent relief to tenants. We evaluate leases individually and recognize rent on a cash basis if collectability of substantially all contractual rent payments is not probable.

The increase in interest income for the nine months ended September 30, 2021 is due primarily to a $178,207,000 first mortgage loan initiated in August 2020 which was subsequently repaid in full in June of 2021, resulting in the reversal of the previously established allowance for credit losses.

The fluctuation in property operating expenses and depreciation and amortization are primarily attributable to the significant dispositions that occurred in 2020. To the extent that we acquire or dispose of additional properties in the future, these amounts will change accordingly. During the nine months ended September 30, 2021, we recognized an impairment charge of $2,211,000 related to one held for sale property. Changes in gains/losses on sales of properties are related to volume of property sales and the sales prices. Transaction costs related to asset acquisitions are capitalized as a component of purchase price. The fluctuation in other expenses is primarily due to noncapitalizable transaction costs.

During the nine months ended September 30, 2021, we completed two Outpatient Medical construction project representing $116,612,000 or $642 per square foot. The following is a summary of the Outpatient Medical construction projects, excluding expansions, pending as of September 30, 2021 (dollars in thousands):

Location	Square Feet	Commitment	Balance	Est. Completion
College Station, TX	25,200	$ 9,025	$ 5,581	4Q21
Norman, OK	47,082	21,792	2,308	3Q22
Tyler, TX	85,214	35,369	7,837	4Q22
	157,496	$ 66,186	$ 15,726	

Total interest expense represents secured debt interest expense. The change in secured debt interest expense is primarily due to the net effect and timing of assumptions, extinguishments and principal amortizations. The following is a summary of our outpatient medical secured debt principal activity (dollars in thousands):

	Three Months Ended				Nine Months Ended			
	September 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020	
	Amount	Wtd. Avg. Interest Rate	Amount	Wtd. Avg. Interest Rate	Amount	Wtd. Avg. Interest Rate	Amount	Wtd. Avg. Interest Rate
Beginning balance	$ 543,272	3.52 %	$ 559,043	3.59 %	$ 548,229	3.55 %	$ 572,267	3.97 %
Debt extinguished	(3,551)	6.25 %	—	— %	(3,551)	6.25 %	(8,393)	4.40 %
Principal payments	(2,627)	4.42 %	(2,526)	4.62 %	(7,584)	4.45 %	(7,357)	4.63 %
Ending balance	$ 537,094	3.50 %	$ 556,517	3.58 %	$ 537,094	3.50 %	$ 556,517	3.58 %
Monthly averages	$ 539,158	3.51 %	$ 557,773	3.58 %	$ 543,293	3.53 %	$ 565,331	3.77 %

A portion of our Outpatient Medical properties were formed through partnerships. Income or loss from unconsolidated entities represents our share of net income or losses from partnerships where we are the noncontrolling partner. During the three months ended September 30, 2021, the loss from unconsolidated entities is largely attributable to depreciation and amortization of short-lived intangible assets related to certain investments in unconsolidated joint ventures. Net income attributable to noncontrolling interests represents our partners' share of net income or loss relating to those partnerships where we are the controlling partner.

Non-Segment/Corporate

The following is a summary of our results of operations for the Non-Segment/Corporate activities for the periods presented (dollars in thousands):

	Three Months Ended		Change		Nine Months Ended		Change	
	September 30, 2021	September 30, 2020	$	%	September 30, 2021	September 30, 2020	$	%
Revenues:								
Other income	$ 790	$ 1,177	$ (387)	(33)%	$ 2,175	$ 1,968	$ 207	11 %
Total revenue	790	1,177	(387)	(33)%	2,175	1,968	207	11 %
Property operating expenses	3,054	1,718	1,336	78 %	6,882	1,718	5,164	301 %
NOI [(1)]	(2,264)	(541)	(1,723)	(318)%	(4,707)	250	(4,957)	n/a
Expenses:								
Interest expense	106,803	105,766	1,037	1 %	318,807	328,935	(10,128)	(3)%
General and administrative expenses	32,256	31,003	1,253	4 %	93,618	100,546	(6,928)	(7)%
Loss (gain) on extinguishment of debt, net	—	33,004	(33,004)	(100)%	52,506	33,004	19,502	59 %
Other expenses	1,734	1,470	264	18 %	6,344	8,722	(2,378)	(27)%
	140,793	171,243	(30,450)	(18)%	471,275	471,207	68	— %
Loss from continuing operations before income taxes and other items	(143,057)	(171,784)	28,727	17 %	(475,982)	(470,957)	(5,025)	(1)%
Income tax (expense) benefit	(4,940)	(2,003)	(2,937)	(147)%	(6,662)	(9,678)	3,016	31 %
Loss from continuing operations	(147,997)	(173,787)	25,790	15 %	(482,644)	(480,635)	(2,009)	— %
Net loss attributable to common stockholders	$ (147,997)	$ (173,787)	$ 25,790	15 %	$ (482,644)	$ (480,635)	$ (2,009)	— %

[(1)] See Non-GAAP Financial Measures.

Property operating expenses represent insurance costs related to our captive insurance company formed as of July 1, 2020 which acts as a direct insurer of property level insurance coverage for our portfolio.

The following is a summary of our Non-Segment/Corporate interest expense for the periods presented (dollars in thousands):

	Three Months Ended		Change		Nine Months Ended		Change	
	September 30, 2021	September 30, 2020	$	%	September 30, 2021	September 30, 2020	$	%
Senior unsecured notes	$ 100,156	$ 100,354	$ (198)	— %	$ 300,292	$ 302,029	$ (1,737)	(1)%
Unsecured credit facility and commercial paper program	1,799	1,156	643	56 %	4,736	14,140	(9,404)	(67)%
Loan expense	4,848	4,256	592	14 %	13,779	12,766	1,013	8 %
Totals	$ 106,803	$ 105,766	$ 1,037	1 %	$ 318,807	$ 328,935	$ (10,128)	(3)%

The change in interest expense on senior unsecured notes is due to the net effect of issuances and extinguishments, as well as the movement in foreign exchange rates and related hedge activity. Please refer to Note 11 for additional information. The change in interest expense on our unsecured revolving credit facility and commercial paper program is due primarily to the net effect and timing of draws, paydowns and variable interest rate changes. Please refer to Note 10 for additional information regarding our unsecured revolving credit facility and commercial paper program. The loss on extinguishment recognized during the nine months ended September 30, 2021 is due primarily to the early extinguishment of $339,128,000 of our 3.75% senior unsecured notes due March 2023 and $334,624,000 of our 3.95% senior unsecured notes due September 2023. The loss on extinguishment recognized during the nine months ended September 30, 2020 is due primarily to the early extinguishment of $160,872,000 of our 3.75% senior unsecured notes due March 2023 and $265,376,000 of of our 3.95% senior unsecured notes due September 2023.

General and administrative expenses as a percentage of consolidated revenues for the three months ended September 30, 2021 and 2020 were 2.60% and 2.99%, respectively. The provision for income taxes primarily relates to state taxes, foreign taxes and taxes based on income generated by entities that are structured as TRSs. The fluctuation in the provision for income taxes is primarily related to a revaluation of deferred taxes due to a change in the U.K. tax rate and an adjustment to a deferred tax liability due to the recognition of an impairment charge.

Other

Non-GAAP Financial Measures

We believe that net income and net income attributable to common stockholders (“NICS”), as defined by U.S. GAAP, are the most appropriate earnings measurements. However, we consider FFO, NOI, SSNOI, EBITDA and Adjusted EBITDA to be useful supplemental measures of our operating performance. Historical cost accounting for real estate assets in accordance with U.S. GAAP implicitly assumes that the value of real estate assets diminishes predictably over time as evidenced by the provision for depreciation. However, since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient. In response, the National Association of Real Estate Investment Trusts (“NAREIT”) created funds from operations attributable to common stockholders (“FFO”) as a supplemental measure of operating performance for REITs that excludes historical cost depreciation from net income. FFO, as defined by NAREIT, means NICS, computed in accordance with U.S. GAAP, excluding gains (or losses) from sales of real estate and impairment of depreciable assets, plus depreciation and amortization, and after adjustments for unconsolidated entities and noncontrolling interests.

Consolidated net operating income (“NOI”) is used to evaluate the operating performance of our properties. We define NOI as total revenues, including tenant reimbursements, less property operating expenses. Property operating expenses represent costs associated with managing, maintaining and servicing tenants for our properties. These expenses include, but are not limited to, property-related payroll and benefits, property management fees paid to operators, marketing, housekeeping, food service, maintenance, utilities, property taxes and insurance. General and administrative expenses represent costs unrelated to property operations. These expenses include, but are not limited to, payroll and benefits, professional services, office expenses and depreciation of corporate fixed assets. Same store NOI (“SSNOI”) is used to evaluate the operating performance of our properties using a consistent population which controls for changes in the composition of our portfolio. We believe the drivers of property level NOI for both consolidated properties and unconsolidated properties are generally the same and therefore, we evaluate SSNOI based on our ownership interest in each property ("Welltower Share"). To arrive at Welltower's Share, NOI is adjusted by adding our minority ownership share related to unconsolidated properties and by subtracting the minority partners' noncontrolling ownership interests for consolidated properties. We do not control investments in unconsolidated properties and while we consider disclosures at Welltower Share to be useful, they may not accurately depict the legal and economic implications of our joint venture arrangements and should be used with caution. As used herein, same store is generally defined as those revenue-generating properties in the portfolio for the relevant year-over-year reporting periods. Acquisitions and development conversions are included in SSNOI five full quarters or seven full quarter after acquisition or being placed into service for the QTD Pool and YTD Pool, respectively. Land parcels, loans and sub-leases, as well as any properties sold or classified as held for sale during the respective periods are excluded from SSNOI. Redeveloped properties (including major refurbishments of a Seniors Housing Operating property where 20% or more of units are simultaneously taken out of commission for 30 days or more or Outpatient Medical properties undergoing a change in intended use) are excluded from SSNOI until five full quarters or seven full quarters post completion of the redevelopment for the QTD Pool and YTD Pool, respectively. Properties undergoing operator transitions and/or segment transitions are also excluded from SSNOI until five full quarters or seven full quarters post completion of the transition for the QTD Pool and YTD Pool, respectively. In addition, properties significantly impacted by force majeure, acts of God, or other extraordinary adverse events are excluded from SSNOI until five full quarters or seven full quarters after the properties are placed back into service for the QTD Pool and YTD Pool, respectively. SSNOI excludes non-cash NOI and includes adjustments to present consistent ownership percentages and to translate Canadian properties and U.K. properties using a consistent exchange rate. We believe NOI and SSNOI provide investors relevant and useful information because they measure the operating performance of our properties at the property level on an unleveraged basis. We use NOI and SSNOI to make decisions about resource allocations and to assess the property level performance of our properties.

EBITDA is defined as earnings (net income) before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding unconsolidated entities and including adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, gains/loss/impairments on properties, gains/losses on derivatives and financial instruments, other expense, other impairment charges and other adjustments deemed appropriate. We believe that EBITDA and Adjusted EBITDA, along with net income, are important supplemental measures because they provide additional information to assess and evaluate the performance of our operations. We primarily use these measures to determine our interest coverage ratio, which represents EBITDA and Adjusted EBITDA divided by total interest, and our fixed charge coverage ratio, which represents EBITDA and Adjusted EBITDA divided by fixed charges. Fixed charges include total interest and secured debt principal amortization. Covenants in our unsecured senior notes and primary credit facility contain financial ratios based on a definition of EBITDA and Adjusted EBITDA that is specific to those agreements. Our leverage ratios are defined as the proportion of net debt to total capitalization and include book capitalization, undepreciated book capitalization and market capitalization. Book capitalization represents the sum of net debt (defined as total long-term debt, excluding operating lease liabilities, less cash and cash equivalents and any IRC Section 1031 deposits), total equity and redeemable noncontrolling interests. Undepreciated book capitalization represents book capitalization adjusted for accumulated depreciation and amortization. Market capitalization represents book capitalization adjusted for the fair market value of our common stock.

Our supplemental reporting measures and similarly entitled financial measures are widely used by investors, equity and debt analysts and rating agencies in the valuation, comparison, rating and investment recommendations of companies. Management uses these financial measures to facilitate internal and external comparisons to our historical operating results and in making operating decisions. Additionally, these measures are utilized by the Board of Directors to evaluate management. None of our supplemental measures represent net income or cash flow provided from operating activities as determined in accordance with U.S. GAAP and should not be considered as alternative measures of profitability or liquidity. Finally, the supplemental measures, as defined by us, may not be comparable to similarly entitled items reported by other real estate investment trusts or other companies.

The table below reflects the reconciliation of FFO to NICS, the most directly comparable U.S. GAAP measure, for the periods presented. Noncontrolling interest and unconsolidated entity amounts represent adjustments to reflect our share of depreciation and amortization, gains/loss on real estate dispositions and impairment of assets. Amounts are in thousands except for per share data.

	Three Months Ended						
FFO Reconciliation:	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Net income attributable to common stockholders	$ 179,663	$ 26,257	$ 71,546	$ 163,729	$ 325,585	$ 179,246	$ 310,284
Depreciation and amortization	267,754	240,885	244,426	242,733	255,532	265,371	274,801
Impairment of assets	1,490	23,692	23,568	9,317	23,313	75,151	27,827
Loss (gain) on real estate dispositions, net	(119,954)	(44,668)	(59,080)	(185,464)	(484,304)	(155,863)	(262,824)
Noncontrolling interests	(11,095)	(16,591)	(12,516)	(20,579)	48,559	(42,539)	(9,409)
Unconsolidated entities	27,881	19,265	19,223	16,091	16,329	14,231	15,445
FFO	$ 345,739	$ 248,840	$ 287,167	$ 225,827	$ 185,014	$ 335,597	$ 356,124
Average diluted shares outstanding	429,983	419,305	419,079	418,753	418,987	419,121	412,420
Per diluted share data:							
Net income attributable to common stockholders[1]	$ 0.42	$ 0.06	$ 0.17	$ 0.39	$ 0.77	$ 0.42	$ 0.75
FFO	$ 0.80	$ 0.59	$ 0.69	$ 0.54	$ 0.44	$ 0.80	$ 0.86

[1] Includes adjustment to the numerator for income (loss) attributable to OP unitholders.

	Nine Months Ended	
FFO Reconciliations:	September 30, 2021	September 30, 2020
Net income attributable to common stockholders	$ 277,466	$ 815,115
Depreciation and amortization	753,065	795,704
Impairment of assets	48,750	126,291
Loss (gain) on real estate dispositions, net	(223,702)	(902,991)
Noncontrolling interests	(40,202)	(3,389)
Unconsolidated entities	66,369	46,005
FFO	$ 881,746	$ 876,735
Average diluted common shares outstanding:	422,835	416,860
Per diluted share data:		
Net income attributable to common stockholders[1]	$ 0.65	$ 1.94
FFO	$ 2.09	$ 2.10

[1] Includes adjustment to the numerator for income (loss) attributable to OP unitholders.

	Three Months Ended						
NOI Reconciliations:	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Net income (loss)	$ 190,336	$ 45,757	$ 72,192	$ 155,278	$ 394,978	$ 159,216	$ 329,380
Loss (gain) on real estate dispositions, net	(119,954)	(44,668)	(59,080)	(185,464)	(484,304)	(155,863)	(262,824)
Loss (income) from unconsolidated entities	15,832	7,976	(13,049)	(258)	5,981	(1,332)	3,692
Income tax expense (benefit)	4,940	(2,221)	3,943	290	2,003	2,233	5,442
Other expenses	3,575	11,687	10,994	33,088	11,544	19,411	6,292
Impairment of assets	1,490	23,692	23,568	9,317	23,313	75,151	27,827
Provision for loan losses, net	(271)	6,197	1,383	83,085	2,857	1,422	7,072
Loss (gain) on extinguishment of debt, net	(5)	55,612	(4,643)	13,796	33,004	249	—
Loss (gain) on derivatives and financial instruments, net	(8,078)	(359)	1,934	569	1,395	1,434	7,651
General and administrative expenses	32,256	31,436	29,926	27,848	31,003	34,062	35,481
Depreciation and amortization	267,754	240,885	244,426	242,733	255,532	265,371	274,801
Interest expense	122,522	122,341	123,142	121,173	124,851	126,357	142,007
Consolidated net operating income (NOI)	$ 510,397	$ 498,335	$ 434,736	$ 501,455	$ 402,157	$ 527,711	$ 576,821
NOI by segment:							
Seniors Housing Operating	$ 172,909	$ 160,188	$ 170,434	$ 159,797	$ 174,361	$ 178,137	$ 243,257
Triple-net	228,321	226,314	155,641	225,277	108,361	220,056	194,427
Outpatient Medical	111,431	113,577	109,360	117,231	119,976	129,143	138,721
Non-segment/corporate	(2,264)	(1,744)	(699)	(850)	(541)	375	416
Total NOI	$ 510,397	$ 498,335	$ 434,736	$ 501,455	$ 402,157	$ 527,711	$ 576,821

	Nine Months Ended	
	September 30, 2021	September 30, 2020
NOI Reconciliations:		
Net income (loss)	$ 308,285	$ 883,574
Loss (gain) on real estate dispositions, net	(223,702)	(902,991)
Loss (income) from unconsolidated entities	10,759	8,341
Income tax expense (benefit)	6,662	9,678
Other expenses	26,256	37,247
Impairment of assets	48,750	126,291
Provision for loan losses, net	7,309	11,351
Loss (gain) on extinguishment of debt, net	50,964	33,253
Loss (gain) on derivatives and financial instruments, net	(6,503)	10,480
General and administrative expenses	93,618	100,546
Depreciation and amortization	753,065	795,704
Interest expense	368,005	393,215
Consolidated net operating income (NOI)	$ 1,443,468	$ 1,506,689
NOI by segment:		
Seniors Housing Operating	$ 503,531	$ 595,755
Triple-net	610,276	522,844
Outpatient Medical	334,368	387,840
Non-segment/corporate	(4,707)	250
Total NOI	$ 1,443,468	$ 1,506,689

SSNOI Property Reconciliations:	QTD Pool				YTD Pool			
	Seniors Housing Operating	Triple-net	Outpatient Medical	Total	Seniors Housing Operating	Triple-net	Outpatient Medical	Total
Consolidated properties	690	619	297	1,606	690	619	297	1,606
Unconsolidated properties	91	39	79	209	91	39	79	209
Total properties	781	658	376	1,815	781	658	376	1,815
Recent acquisitions/development conversions[1]	(160)	(36)	(13)	(209)	(170)	(37)	(32)	(239)
Under development	(33)	(5)	(3)	(41)	(33)	(5)	(3)	(41)
Under redevelopment[2]	(8)	(1)	(2)	(11)	(10)	(1)	(2)	(13)
Current held for sale	(2)	(20)	(2)	(24)	(2)	(20)	(2)	(24)
Land parcels, loans and subleases	(11)	(21)	(6)	(38)	(11)	(21)	(6)	(38)
Transitions[3]	(38)	(25)	—	(63)	(38)	(25)	—	(63)
Other[4]	(2)	(2)	—	(4)	(2)	(2)	—	(4)
Same store properties	527	548	350	1,425	515	547	331	1,393

[1] Acquisitions and development conversions will enter the QTD Pool and YTD Pool after five full quarters and seven full quarters after acquisition or certificate of occupancy, respectively.
[2] Redevelopment properties will enter the QTD Pool and YTD Pool after five full quarters and seven full quarters of operations post redevelopment completion, respectively.
[3] Transitioned properties will enter the QTD Pool and YTD Pool after five full quarters and seven full quarters of operations with the new operator in place or under the new structure, respectively.
[4] Represents properties that are either closed or being closed.

SSNOI Reconciliations:	QTD Pool		YTD Pool	
	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Seniors Housing Operating:				
Consolidated NOI	$ 172,909	$ 174,361	$ 503,531	$ 595,755
NOI attributable to unconsolidated investments	10,548	12,323	33,757	40,554
NOI attributable to noncontrolling interests	(15,602)	(11,306)	(48,168)	(40,803)
NOI attributable to non-same store properties	(23,506)	(9,723)	(52,643)	(51,989)
Non-cash NOI attributable to same store properties	(85)	(1,064)	11,332	(2,994)
Currency and ownership adjustments [1]	(220)	1,554	(1,856)	6,330
SSNOI at Welltower Share	144,044	166,145	445,953	546,853
Triple-net:				
Consolidated NOI	228,321	108,361	610,276	522,844
NOI attributable to unconsolidated investments	4,891	(1,288)	14,666	8,978
NOI attributable to noncontrolling interests	(13,204)	(14,328)	(35,253)	(43,702)
NOI attributable to non-same store properties	(70,250)	32,109	(187,531)	(56,754)
Non-cash NOI attributable to same store properties	(7,073)	16,160	22,807	(7,075)
Currency and ownership adjustments [1]	5	1,683	49	5,360
SSNOI at Welltower Share	142,690	142,697	425,014	429,651
Outpatient Medical:				
Consolidated NOI	111,431	119,976	334,368	387,840
NOI attributable to unconsolidated investments	4,604	3,006	14,316	6,530
NOI attributable to noncontrolling interests	(4,828)	(4,561)	(12,584)	(11,923)
NOI attributable to non-same store properties	(8,623)	(8,521)	(40,300)	(55,880)
Non-cash NOI attributable to same store properties	(1,892)	(3,590)	(5,993)	(9,762)
Currency and ownership adjustments [1]	296	(10,052)	(899)	(37,923)
SSNOI at Welltower Share	100,988	96,258	288,908	278,882
SSNOI at Welltower Share:				
Seniors Housing Operating	144,044	166,145	445,953	546,853
Triple-net	142,690	142,697	425,014	429,651
Outpatient Medical	100,988	96,258	288,908	278,882
Total	$ 387,722	$ 405,100	$ 1,159,875	$ 1,255,386

[1] Includes adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.2684 and to translate U.K. properties at a GBP/USD rate of 1.38.

The tables below reflects the reconciliation of EBITDA to net income, the most directly comparable U.S. GAAP measure, for the periods presented. Dollars are in thousands.

	Three Months Ended						
EBITDA Reconciliations:	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Net income (loss)	$ 190,336	$ 45,757	$ 72,192	$ 155,278	$ 394,978	$ 159,216	$ 329,380
Interest expense	122,522	122,341	123,142	121,173	124,851	126,357	142,007
Income tax expense (benefit)	4,940	(2,221)	3,943	290	2,003	2,233	5,442
Depreciation and amortization	267,754	240,885	244,426	242,733	255,532	265,371	274,801
EBITDA	$ 585,552	$ 406,762	$ 443,703	$ 519,474	$ 777,364	$ 553,177	$ 751,630
Interest Coverage Ratio:							
Interest expense	$ 122,522	$ 122,341	$ 123,142	$ 121,173	$ 124,851	$ 126,357	$ 142,007
Non-cash interest expense	(5,461)	(3,972)	(2,991)	(1,739)	(3,973)	(1,914)	(8,125)
Capitalized interest	4,669	4,862	4,496	4,238	3,947	4,541	4,746
Total interest	121,730	123,231	124,647	123,672	124,825	128,984	138,628
EBITDA	$ 585,552	$ 406,762	$ 443,703	$ 519,474	$ 777,364	$ 553,177	$ 751,630
Interest coverage ratio	4.81 x	3.30 x	3.56 x	4.20 x	6.23 x	4.29 x	5.42 x
Fixed Charge Coverage Ratio:							
Total interest	$ 121,730	$ 123,231	$ 124,647	$ 123,672	$ 124,825	$ 128,984	$ 138,628
Secured debt principal payments	17,040	15,715	15,955	16,122	15,876	15,183	15,526
Total fixed charges	138,770	138,946	140,602	139,794	140,701	144,167	154,154
EBITDA	$ 585,552	$ 406,762	$ 443,703	$ 519,474	$ 777,364	$ 553,177	$ 751,630
Fixed charge coverage ratio	4.22 x	2.93 x	3.16 x	3.72 x	5.52 x	3.84 x	4.88 x

	Nine Months Ended	
EBITDA Reconciliations:	September 30, 2021	September 30, 2020
Net income (loss)	$ 308,285	$ 883,574
Interest expense	368,005	393,215
Income tax expense (benefit)	6,662	9,678
Depreciation and amortization	753,065	795,704
EBITDA	$ 1,436,017	$ 2,082,171
Interest Coverage Ratio:		
Interest expense	$ 368,005	$ 393,215
Non-cash interest expense	(12,424)	(14,012)
Capitalized interest	14,027	13,234
Total interest	369,608	392,437
EBITDA	$ 1,436,017	$ 2,082,171
Interest coverage ratio	3.89 x	5.31 x
Fixed Charge Coverage Ratio:		
Total interest	$ 369,608	$ 392,437
Secured debt principal payments	48,710	46,585
Total fixed charges	418,318	439,022
EBITDA	$ 1,436,017	$ 2,082,171
Fixed charge coverage ratio	3.43 x	4.74 x

The table below reflects the reconciliation of Adjusted EBITDA to net income, the most directly comparable U.S. GAAP measure, for the periods presented. Dollars are in thousands.

	Twelve Months Ended						
Adjusted EBITDA Reconciliations:	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Net income	$ 463,563	$ 668,205	$ 781,664	$ 1,038,852	$ 1,123,710	$ 1,376,664	$ 1,367,488
Interest expense	489,178	491,507	495,523	514,388	524,863	537,355	552,334
Income tax expense (benefit)	6,952	4,015	8,469	9,968	4,846	6,811	6,177
Depreciation and amortization	995,798	983,576	1,008,062	1,038,437	1,058,348	1,075,261	1,057,942
EBITDA	1,955,491	2,147,303	2,293,718	2,601,645	2,711,767	2,996,091	2,983,941
Loss (income) from unconsolidated entities	10,501	650	(8,658)	8,083	(49,079)	(58,322)	(47,941)
Stock-based compensation expense [(1)]	22,248	24,278	26,811	28,318	25,485	24,229	24,601
Loss (gain) on extinguishment of debt, net	64,760	97,769	42,406	47,049	35,865	68,685	68,436
Loss (gain) on real estate dispositions, net	(409,166)	(773,516)	(884,711)	(1,088,455)	(915,055)	(1,001,001)	(843,456)
Impairment of assets	58,067	79,890	131,349	135,608	126,389	121,172	55,960
Provision for loan losses, net	90,394	93,522	88,747	94,436	11,351	8,494	7,072
Loss (gain) on derivatives and financial instruments, net	(5,934)	3,539	5,332	11,049	5,411	5,260	5,739
Other expenses [(1)]	52,960	60,985	68,939	64,171	52,630	46,971	48,327
Leasehold interest adjustment [(2)]	(640)	—	—	—	—	—	—
Casualty losses, net of recoveries [(3)]	998	—	—	—	—	—	—
Other impairment [(4)]	49,241	161,639	163,481	146,508	146,508	34,110	32,268
Adjusted EBITDA	$ 1,888,920	$ 1,896,059	$ 1,927,414	$ 2,048,412	$ 2,151,272	$ 2,245,689	$ 2,334,947
Adjusted Interest Coverage Ratio:							
Interest expense	$ 489,178	$ 491,507	$ 495,523	$ 514,388	$ 524,863	$ 537,355	$ 552,334
Capitalized interest	18,265	17,543	17,222	17,472	18,102	18,303	17,691
Non-cash interest expense	(14,163)	(12,675)	(10,617)	(15,751)	(14,746)	(12,761)	(11,599)
Total interest	493,280	496,375	502,128	516,109	528,219	542,897	558,426
Adjusted EBITDA	$ 1,888,920	$ 1,896,059	$ 1,927,414	$ 2,048,412	$ 2,151,272	$ 2,245,689	$ 2,334,947
Adjusted interest coverage ratio	3.83 x	3.82 x	3.84 x	3.97 x	4.07 x	4.14 x	4.18 x
Adjusted Fixed Charge Coverage Ratio:							
Total interest	$ 493,280	$ 496,375	$ 502,128	$ 516,109	$ 528,219	$ 542,897	$ 558,426
Secured debt principal payments	64,832	63,668	63,136	62,707	60,562	57,807	56,308
Total fixed charges	558,112	560,043	565,264	578,816	588,781	600,704	614,734
Adjusted EBITDA	$ 1,888,920	$ 1,896,059	$ 1,927,414	$ 2,048,412	$ 2,151,272	$ 2,245,689	$ 2,334,947
Adjusted fixed charge coverage ratio	3.38 x	3.39 x	3.41 x	3.54 x	3.65 x	3.74 x	3.80 x

(1) Certain severance-related costs are included in stock-based compensation and excluded from other expenses.

(2) Represents $13,214,000 of revenues and $12,574,000 of property operating expenses associated with a leasehold portfolio interest relating to 26 properties assumed by a wholly-owned affiliate in conjunction with the Holiday Retirement transaction. Subsequent to the initial transaction, we purchased eight of the leased properties and one of the properties was sold by the landlord and removed from the lease. No rent will be paid in excess of net cash flow relating to the leasehold properties and therefore, the net impact has been excluded from Adjusted EBITDA.

(3) Represents casualty losses net of any insurance recoveries.

(4) Represents reserve for straight-line rent receivable balances relating to leases placed on cash recognition.

Our leverage ratios include book capitalization, undepreciated book capitalization and market capitalization. Book capitalization represents the sum of net debt (defined as total long-term debt less cash and cash equivalents and any IRC Section 1031 deposits), total equity and redeemable noncontrolling interests. Undepreciated book capitalization represents book capitalization adjusted for accumulated depreciation and amortization. Market capitalization represents book capitalization adjusted for the fair market value of our common stock. Our leverage ratios are defined as the proportion of net debt to total capitalization. The table below reflects the reconciliation of our leverage ratios to our balance sheets for the periods presented. Amounts are in thousands, except share price.

	As of						
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Book capitalization:							
Unsecured credit facility and commercial paper	$ 290,996	$ —	$ —	$ —	$ —	$ —	$ 844,985
Long-term debt obligations [1]	13,488,656	13,572,816	14,618,713	13,905,822	13,889,030	14,543,485	13,228,433
Cash and cash equivalents [2]	(307,385)	(763,921)	(2,513,156)	(1,968,765)	(2,096,571)	(1,766,819)	(303,423)
Total net debt	13,472,267	12,808,895	12,105,557	11,937,057	11,792,459	12,776,666	13,769,995
Total equity and noncontrolling interests[3]	18,172,111	17,243,208	17,046,932	17,225,062	17,291,155	17,263,672	17,495,696
Book capitalization	$ 31,644,378	$ 30,052,103	$ 29,152,489	$ 29,162,119	$ 29,083,614	$ 30,040,338	$ 31,265,691
Net debt to book capitalization ratio	43%	43%	42%	41%	41%	43%	44%
Undepreciated book capitalization:							
Total net debt	$ 13,472,267	$ 12,808,895	$ 12,105,557	$ 11,937,057	$ 11,792,459	$ 12,776,666	$ 13,769,995
Accumulated depreciation and amortization	6,634,061	6,415,676	6,212,432	6,104,297	6,002,775	6,001,177	5,910,979
Total equity and noncontrolling interests[3]	18,172,111	17,243,208	17,046,932	17,225,062	17,291,155	17,263,672	17,495,696
Undepreciated book capitalization	$ 38,278,439	$ 36,467,779	$ 35,364,921	$ 35,266,416	$ 35,086,389	$ 36,041,515	$ 37,176,670
Net debt to undepreciated book capitalization ratio	35%	35%	34%	34%	34%	35%	37%
Market capitalization:							
Common shares outstanding	435,274	422,562	417,520	417,401	417,305	417,302	417,391
Period end share price	$ 82.40	$ 83.10	$ 71.63	$ 64.62	$ 55.09	$ 51.75	$ 45.78
Common equity market capitalization	$ 35,866,578	$ 35,114,902	$ 29,906,958	$ 26,972,453	$ 22,989,332	$ 21,595,379	$ 19,108,160
Total net debt	13,472,267	12,808,895	12,105,557	11,937,057	11,792,459	12,776,666	13,769,995
Noncontrolling interests[3]	1,308,908	1,322,762	1,248,054	1,252,343	1,183,281	1,215,532	1,362,913
Market capitalization	$ 50,647,753	$ 49,246,559	$ 43,260,569	$ 40,161,853	$ 35,965,072	$ 35,587,577	$ 34,241,068
Net debt to market capitalization ratio	27%	26%	28%	30%	33%	36%	40%

[1] Amounts include senior unsecured notes, secured debt and lease liabilities related to financing leases, as reflected on our Consolidated Balance Sheets. Operating lease liabilities related to the ASC 842 adoption are excluded.

[2] Inclusive of IRC Section 1031 deposits, if any.

[3] Includes amounts attributable to both redeemable noncontrolling interests and noncontrolling interests as reflected on our Consolidated Balance Sheets.

Critical Accounting Policies

Our unaudited consolidated financial statements are prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions. Management considers an accounting estimate or assumption critical if:

- the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change; and
- the impact of the estimates and assumptions on financial condition or operating performance is material.

Management has discussed the development and selection of its critical accounting policies with the Audit Committee of the Board of Directors. Management believes the current assumptions and other considerations used to estimate amounts reflected in our unaudited consolidated financial statements are appropriate and are not reasonably likely to change in the future. However, since these estimates require assumptions to be made that were uncertain at the time the estimate was made, they bear the risk of change. If actual experience differs from the assumptions and other considerations used in estimating amounts reflected in our unaudited consolidated financial statements, the resulting changes could have a material adverse effect on our consolidated results of operations, liquidity and/or financial condition. Please refer to Note 2 to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2020 for further information regarding significant accounting policies that impact us. There have been no material changes to these policies in 2021.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q may contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When Welltower uses words such as “may,” “will,” “intend,” “should,” “believe,” “expect,” “anticipate,” “project,” “pro forma,” “estimate” or similar expressions that do not relate solely to historical matters, Welltower is making forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause Welltower’s actual results to differ materially from Welltower’s expectations discussed in the forward-looking statements. This may be a result of various factors, including, but not limited to: the duration and scope of the COVID-19 pandemic; uncertainty regarding the implementation and impact of the CARES Act and future stimulus or other COVID-19 relief legislation; the impact of the COVID-19 pandemic on occupancy rates and on the operations of Welltower and its operators/tenants; actions governments take in response to the COVID-19 pandemic, including the introduction of public health measures and other regulations affecting Welltower’s properties and the operations of Welltower and its operators/tenants; the effects of health and safety measures adopted by Welltower and its operators/tenants related to the COVID-19 pandemic; increased operational costs as a result of health and safety measures related to COVID-19; the impact of the COVID-19 pandemic on the business and financial condition of operators/tenants and their ability to make payments to Welltower; disruptions to Welltower's property acquisition and disposition activity due to economic uncertainty caused by COVID-19; general economic uncertainty in key markets as a result of the COVID-19 pandemic and a worsening of global economic conditions or low levels of economic growth; the status of capital markets, including availability and cost of capital; uncertainty from the expected discontinuance of LIBOR and the transition to any other interest rate benchmark; issues facing the health care industry, including compliance with, and changes to, regulations and payment policies, responding to government investigations and punitive settlements and operators’/tenants’ difficulty in cost effectively obtaining and maintaining adequate liability and other insurance; changes in financing terms; competition within the health care and seniors housing industries; negative developments in the operating results or financial condition of operators/tenants, including, but not limited to, their ability to pay rent and repay loans; Welltower’s ability to transition or sell properties with profitable results; the failure to make new investments or acquisitions as and when anticipated; natural disasters and other acts of God affecting Welltower’s properties; Welltower’s ability to re-lease space at similar rates as vacancies occur; Welltower’s ability to timely reinvest sale proceeds at similar rates to assets sold; operator/tenant or joint venture partner bankruptcies or insolvencies; the cooperation of joint venture partners; government regulations affecting Medicare and Medicaid reimbursement rates and operational requirements; liability or contract claims by or against operators/tenants; unanticipated difficulties and/or expenditures relating to future investments or acquisitions; environmental laws affecting Welltower’s properties; changes in rules or practices governing Welltower’s financial reporting; the movement of U.S. and foreign currency exchange rates; Welltower’s ability to maintain Welltower’s qualification as a REIT; key management personnel recruitment and retention; and other risks described in Welltower’s reports filed from time to time with the SEC. Other important factors are identified in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, including factors identified under the headings “Business,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Finally, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events or otherwise, or to update the reasons why actual results could differ from those projected in any forward-looking statements.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

We are exposed to various market risks, including the potential loss arising from adverse changes in interest rates and foreign currency exchange rates. We seek to mitigate the underlying foreign currency exposures with gains and losses on derivative contracts hedging these exposures. We seek to mitigate the effects of fluctuations in interest rates by matching the terms of new investments with new long-term fixed rate borrowings to the extent possible. We may or may not elect to use financial derivative instruments to hedge interest rate exposure. These decisions are principally based on our policy to match our variable rate investments with comparable borrowings, but are also based on the general trend in interest rates at the applicable dates and our perception of the future volatility of interest rates. This section is presented to provide a discussion of the risks associated with potential fluctuations in interest rates and foreign currency exchange rates.

We historically borrow on our unsecured revolving credit facility and commercial paper program to acquire, construct or make loans relating to health care and seniors housing properties. Then, as market conditions dictate, we will issue equity or long-term fixed rate debt to repay the borrowings under our unsecured revolving credit facility and commercial paper program. We are subject to risks associated with debt financing, including the risk that existing indebtedness may not be refinanced or that the terms of refinancing may not be as favorable as the terms of current indebtedness. The majority of our borrowings were completed under indentures or contractual agreements that limit the amount of indebtedness we may incur. Accordingly, in the event that we are unable to raise additional equity or borrow money because of these limitations, our ability to acquire additional properties may be limited.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

A change in interest rates will not affect the interest expense associated with our fixed rate debt. Interest rate changes, however, will affect the fair value of our fixed rate debt. Changes in the interest rate environment upon maturity of this fixed rate debt could have an effect on our future cash flows and earnings, depending on whether the debt is replaced with other fixed rate debt, variable rate debt or equity or repaid by the sale of assets. To illustrate the impact of changes in the interest rate markets, we performed a sensitivity analysis on our fixed rate debt instruments whereby we modeled the change in net present values arising from a hypothetical 1% increase in interest rates to determine the instruments' change in fair value. The following table summarizes the analysis performed as of the dates indicated (in thousands):

	September 30, 2021		December 31, 2020	
	Principal balance	Change in fair value	Principal balance	Change in fair value
Senior unsecured notes	$ 10,501,074	$ (766,189)	$ 9,943,501	$ (761,581)
Secured debt	1,520,584	(46,312)	1,702,196	(57,756)
Totals	$ 12,021,658	$ (812,501)	$ 11,645,697	$ (819,337)

Our variable rate debt, including our unsecured revolving credit facility and commercial paper program, is reflected at fair value. At September 30, 2021, we had $1,747,413,000 outstanding related to our variable rate debt. Assuming no changes in outstanding balances, a 1% increase in interest rates would result in increased annual interest expense of $17,475,000. At December 31, 2020, we had $2,241,909,000 outstanding under our variable rate debt. Assuming no changes in outstanding balances, a 1% increase in interest rates would have resulted in increased annual interest expense of $22,420,000.

We are subject to currency fluctuations that may, from time to time, affect our financial condition and results of operations. Increases or decreases in the value of the Canadian Dollar or British Pounds Sterling relative to the U.S. Dollar impact the amount of net income we earn from our investments in Canada and the United Kingdom. Based solely on our results for the three months ended September 30, 2021, including the impact of existing hedging arrangements, if these exchange rates were to increase or decrease by 10%, our net income from these investments would increase or decrease, as applicable, by less than $15,000,000. We will continue to mitigate these underlying foreign currency exposures with non-U.S. denominated borrowings and gains and losses on derivative contracts. If we increase our international presence through investments in, or acquisitions or development of, seniors housing and health care properties outside the U.S., we may also decide to transact additional business or borrow funds in currencies other than U.S. Dollars, Canadian Dollars or British Pounds Sterling. To illustrate the impact of changes in foreign currency markets, we performed a sensitivity analysis on our derivative portfolio whereby we modeled the change in net present values arising from a hypothetical 1% increase in foreign currency exchange rates to determine the instruments' change in fair value. The following table summarizes the results of the analysis performed (dollars in thousands):

	September 30, 2021		December 31, 2020	
	Carrying Value	Change in fair value	Carrying Value	Change in fair value
Foreign currency exchange contracts	$ 8,078	$ 19,544	$ 61,851	$ 12,731
Debt designated as hedges	1,611,620	16,116	1,630,542	16,305
Totals	$ 1,619,698	$ 35,660	$ 1,692,393	$ 29,036

For additional information regarding fair values of financial instruments, see "Item 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies" and Notes 12 and 17 to our unaudited consolidated financial statements.

Item 4. *Controls and Procedures*

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed by us in the reports we file with or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. No changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) occurred during the fiscal quarter covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

From time to time, there are various legal proceedings pending against us that arise in the ordinary course of our business. Management does not believe that the resolution of any of these legal proceedings either individually or in the aggregate will have a material adverse effect on our business, results of operations or financial condition. Further, from time to time, we are party to certain legal proceedings for which third parties, such as tenants, operators and/or managers are contractually obligated to indemnify, defend and hold us harmless. In some of these matters, the indemnitors have insurance for the potential damages. In other matters, we are being defended by tenants and other obligated third parties and these indemnitors may not have sufficient insurance, assets, income or resources to satisfy their defense and indemnification obligations to us. The unfavorable resolution of such legal proceedings could, individually or in the aggregate, materially adversely affect the indemnitors' ability to satisfy their respective obligations to us, which, in turn, could have a material adverse effect on our business, results of operations or financial condition. It is management's opinion that there are currently no such legal proceedings pending that will, individually or in the aggregate, have such a material adverse effect. Despite management's view of the ultimate resolution of these legal proceedings, we may have significant legal expenses and costs associated with the defense of such matters. Further, management cannot predict the outcome of these legal proceedings and if management's expectation regarding such matters is not correct, such proceedings could have a material adverse effect on our business, results of operations or financial condition.

Item 1A. *Risk Factors*

There have been no material changes from the risk factors identified under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

During the three months ended September 30, 2021, we acquired shares of our common stock held by employees who tendered shares to satisfy tax withholding obligations upon the vesting of previously issued restricted stock awards. Specifically, the number of shares of common stock acquired from employees and the average prices paid per share for each month in the third quarter ended September 30, 2021 are as shown in the table below.

On May 1, 2020, our Board of Directors authorized a share repurchase program whereby we may repurchase up to $1 billion of common stock through December 31, 2021 (the "Repurchase Program"). Under this authorization, we are not required to purchase shares but may choose to do so in the open market or through private transactions at times and amounts based on our evaluation of market conditions and other factors. We expect to finance any share repurchases under the Repurchase Program using available cash and may use proceeds from borrowings or debt offerings. We did not repurchase any shares of our common stock during the three months ended September 30, 2021.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Repurchase Program	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Repurchase Program
July 1, 2021 through July 31, 2021	305	$ 79.68	—	$ —
August 1, 2021 through August 31, 2021	173	86.69	—	—
September 1, 2021 through September 30, 2021	—	—	—	—
Totals	478	$ 82.22	—	$ 992,348,000

Item 5. *Other Information*

None.

Item 6. ***Exhibits***

10.1	Welltower Inc. Nonqualified Deferred Compensation Plan Amended and Restated Effective January 1, 2022. *
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
32.1	Certification pursuant to 18 U.S.C. Section 1350 by Chief Executive Officer.
32.2	Certification pursuant to 18 U.S.C. Section 1350 by Chief Financial Officer.
101.INS	XBRL Instance Document. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, formatted in Inline XBRL

* Management contract or Compensatory Plan or Arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the under signed thereunto duly authorized.

WELLTOWER INC.

Date:	November 5, 2021	By: /s/ SHANKH MITRA Shankh Mitra, Chief Executive Officer and Chief Investment Officer (Principal Executive Officer)
Date:	November 5, 2021	By: /s/ TIMOTHY G. MCHUGH Timothy G. McHugh, Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date:	November 5, 2021	By: /s/ JOSHUA T. FIEWEGER Joshua T. Fieweger, Chief Accounting Officer (Principal Accounting Officer)

EXHIBIT 10.1

WELLTOWER INC.
NONQUALIFIED DEFERRED COMPENSATION PLAN
Amended and Restated Effective January 1, 2022

ARTICLE I
PURPOSE

This Plan is designed to permit selected employees of Welltower Inc. and its Subsidiaries to defer bonuses and regular pay. It is also designed to permit members of the Welltower Inc. Board of Directors who are not employees to defer certain cash compensation paid by the Company.

This Plan is intended to be a plan that is unfunded and that is maintained by Welltower Inc. primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of the Employee Retirement Income Security Act of 1974, as amended. This Plan also is intended to comply with the requirements of Section 409A of the Code.

ARTICLE II
DEFINITIONS

In this Plan, the following terms have the meanings indicated below.

"**Account**" means a bookkeeping entry used to record deferrals and contributions made on a Participant's behalf under Article III of the Plan and gains and losses credited to these deferrals and contributions under Article IV of the Plan. The Account may have sub-accounts, including the Elective Deferral Sub-Account and the Company Contribution Sub-Account.

"**Beneficiary**" means the person or persons, natural or otherwise, designated in writing, to receive a Participant's vested Account if the Participant dies before distribution of his or her entire vested Account. A Participant may designate one or more primary Beneficiaries and one or more secondary Beneficiaries. A Participant's Beneficiary designation will be made pursuant to such procedures as the Committee may establish, and delivered to the Committee before the Participant's death. The Participant may revoke or change this designation at any time before his or her death by following such procedures as the Committee may establish. If the Committee has not received a Participant's Beneficiary designation before the Participant's death or if the Participant does not otherwise have an effective Beneficiary designation on file when he or she dies, the Participant's vested Account will be distributed to the Participant's spouse if surviving at the Participant's death, or if there is no such spouse, the Participant's children in equal shares, or if none, the Participant's estate.

"**Board**" means the Board of Directors of the Company.

"**Bonus**" means one or more cash bonuses designated from time to time by the Committee as eligible for deferral under this Plan, including a Participant's annual short-term incentive bonus. For the avoidance of doubt, Bonus is not part of a Participant's Regular Pay.

"**Change in Corporate Control**" shall have the same meaning as set forth in Section 10.1(a) of the Welltower Inc. 2016 Long-Term Incentive Plan, as amended from time to time (the "**Equity Plan**") and Section 10.1(c) of the Equity Plan. In addition, in order to qualify as a "**Change in Corporate Control**", an event must also meet the requirements for a "change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation" with the meaning of Treas. Reg. §1.409A-3(i)(5).

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Committee**" means the Company's Talent Committee or another group appointed by the Compensation Committee of the Company's Board of Directors ("**Compensation Committee**"). Measuring Fund performance will be reviewed by the Investment Oversight Committee. Except as otherwise expressly provided herein, the Committee has full, discretionary authority to administer and interpret the Plan, to determine eligibility for Plan benefits, to select employees for Plan participation, and to correct errors. The Committee may delegate its duties and responsibilities and, unless the Committee expressly provides to the contrary, any such delegation will carry with it the Committee's full discretionary authority to accomplish the delegation. Decisions of the Committee and its delegate will be final and binding on all persons.

"**Company**" means Welltower Inc., a Delaware corporation.

"**Company Contribution Sub-Account**" means (i) the sum of amounts credited to Participant's Company Contribution Sub-Account pursuant to Section 3.02, plus (ii) amounts credited (net of amounts debited) in accordance with all the applicable crediting provisions of this Plan that relate to the Participant's Company Contribution Sub-Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to the Participant's Company Contribution Sub-Account.

"**Compensation Limit**" means the indexed dollar limit of Section 401(a)(17) of the Code, which limits the compensation that can be taken into account when determining benefits under a tax-qualified retirement plan.

"**Disability**" means the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under the Company's insurance plans.

"**Effective Date**" means January 1, 2022.

"**Eligible Employee**" means an employee of the Company or of a Subsidiary who is a member of a select group of management or highly compensated employees within the meaning of the Employee Retirement Income Security Act of 1974, as amended, and has been selected by the Committee, and notified by the Company of eligibility, for Plan participation. Unless the Committee determines otherwise, Eligible Employee shall be limited to those employees of the Company with the title of Vice President or a more senior title. An individual will cease to be an Eligible Employee on the earliest of (i) the date the individual ceases to be employed by the Company and all Subsidiaries, (ii) the date the Plan is terminated, or (iii) the date the Committee, in its discretion, determines that the individual is no longer an Eligible Employee. In addition to the foregoing, the Committee may, in its discretion, deny eligibility to any employee or group of employees who may previously have been Eligible Employees.

"**Elective Deferral Sub-Account**" means (i) the amounts a Participant elects to defer under Section 3.01 that are credited to his or her Elective Deferral Sub-Account, plus (ii) amounts credited in accordance with all the applicable crediting provisions of this Plan that relate to the Participant's Elective Deferral Sub-Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to his or her Elective Deferral Sub-Account.

"**Employer**" means the entity for whom services are performed and with respect to whom the legally binding right to compensation arises, and all entities with whom such entity would be considered a single employer under Section 414(b) of the Code; provided that in applying Section 1563(a)(1), (2), and (3) of the Code for purposes of determining a controlled group of corporations under Section 414(b) of the Code, the language "at least 50 percent" is used instead of "at least 80 percent" each place it appears in Section 1563(a)(1), (2), and (3) of the Code, and in applying Treasury Regulation § 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Section 414(c) of the Code, "at least 50 percent" is used instead of "at least 80 percent" each place it appears in Treasury Regulation § 1.414(c)-2; provided, however, "at least 20 percent" shall replace "at least 50 percent" in the preceding clause if there is a legitimate business criteria for using such lower percentage.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

“**Identification Date**” means each December 31.

“**Investment Oversight Committee**” means that committee of employees of the Company that is responsible for selecting and monitoring the performance of the Measuring Funds. The full and formal name of the Investment Oversight Committee is the “Welltower Inc. Retirement Plan Investment Oversight Committee”.

“**Measuring Fund**” means one or more of the investment funds selected by the Committee pursuant to Article IV.

“**Mid-Year Entrant**” means an Eligible Employee (i) who is first notified that he or she has been selected for Plan participation during the calendar year in which his or her Plan participation will begin, and (ii) who has not been a Participant for twenty-four (24) months preceding the date such Eligible Employee is so notified. The term “Mid-Year Entrant” shall also include any newly appointed or elected Non-Employee Director.

“**Non-Employee Director**” means a member of the Board who is not an employee of the Company or any Subsidiary.

“**Participant**” means a current or former Eligible Employee or Non-Employee Director who retains an Account.

“**Plan**” means Welltower Inc. Amended and Restated Nonqualified Deferred Compensation Plan, as further amended from time to time.

“**Plan Year**” means a calendar year.

“**Regular Pay**” means the pre-tax amount of an Eligible Employee’s base salary. Regular Pay is determined on a “paycheck by paycheck” basis and does not include any Bonus that may be awarded or paid to an Eligible Employee.

“**Section 409A**” means Section 409A of the Code, as the same may be amended from time to time, and any successor statute to such section of the Code. References to Section 409A or any requirement under Section 409A, as the same may be interpreted, construed or applied to this Plan at any particular time, shall be deemed to mean and include, to the extent then applicable and then in force and effect (but not to the extent overruled, limited or superseded), published rulings and similar announcements issued by the Internal Revenue Service under or interpreting Section 409A, regulations issued by the Secretary of the Treasury under or interpreting Section 409A, decisions by any court of competent jurisdiction involving a Participant or a Beneficiary and any closing agreement made under Section 7121 of the Code that is approved by the Internal Revenue Service and involves a Participant, all as determined by the Board in good faith, which determination may (but shall not be required to) be made in reliance on the advice of such tax counsel or other tax professional(s) with whom the Board from time to time may elect to consult with respect to any such matter.

“**Separation from Service**” means the following:

(a) For a Participant who is an employee, “separation from service” means termination of employment with the Employer, other than by reason of death. A Participant shall not be deemed to have Separated from Service if the Participant continues to provide services to the Company or any of its Subsidiaries in a capacity other than as an employee and if the former employee is providing services at an annual rate that is fifty percent or more of the services rendered, on average, during the immediately preceding thirty-six months of employment with the Employer (or if employed by the Employer less than thirty-six months, such lesser period); provided, however, that a Separation from Service will be deemed to have occurred if a Participant’s service with the Employer is reduced to an annual rate that is twenty percent or less of the services rendered, on average, during the immediately preceding thirty-six months of employment with the Employer (or if employed by the Employer less than thirty-six months, such lesser period).

(b) For a Participant who is a Non-Employee Director, "separation from service" means a good-faith and complete termination of the service relationship. An expiration does not constitute a good faith and complete termination of the contractual relationship if the Company anticipates a renewal of a relationship or the Non-Employee Director becoming an employee.

For this purpose, the Company is considered to anticipate the renewal of the relationship with the Non-Employee Director if it intends to renew a service relationship of any type.

"**Specified Employee**" means a Participant who, on an Identification Date, is a "Specified Employee" as such term is defined in Section 409A. As of the Effective Date, a Specified Employee is:

(a) An officer of the Company having annual compensation greater than the compensation limit in Section 416(i)(1)(A)(i) of the Code, provided that no more than fifty officers of the Company shall be determined to be Specified Employees as of any Identification Date;

(b) A five percent owner of the Company regardless of compensation; or

(c) A one percent owner of the Company having annual compensation from the Company of more than $150,000.

If a Participant is identified as a Specified Employee on an Identification Date, then such Participant shall be considered a Specified Employee for purposes of the Plan during the period beginning on the first April 1 following the Identification Date and ending on the next March 31.

"**Subsidiary**" means any entity (other than the Company) in an unbroken chain of entities beginning with the Company, provided each entity (other than the last entity) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of equity in one of the other entities in such chain.

"**Unforeseeable Emergency**" means any of the following: (1) a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's Beneficiary (if such Beneficiary is a natural person), or certain dependents of the Participant as provided in regulations promulgated under Section 409A of the Code; (2) loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, not as a result of a natural disaster); or (3) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. For example, the imminent foreclosure of or eviction from the Participant's primary residence may constitute an Unforeseeable Emergency. In addition, the need to pay for medical expenses, including nonrefundable deductibles, as well as for the costs of prescription drug medication, may constitute an Unforeseeable Emergency. Finally, the need to pay for the funeral expenses of the Participant's spouse, Beneficiary, or certain dependents described above may also constitute an Unforeseeable Emergency. Except as otherwise described above, the purchase of a home and the payment of college tuition are not Unforeseeable Emergencies. Whether a Participant is faced with an Unforeseeable Emergency permitting a distribution under Section 5.06 shall be determined based on the relevant facts and circumstances of each case, but, in any case, a distribution on account of Unforeseeable Emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of deferrals under the Plan.

ARTICLE III
DEFERRALS AND CONTRIBUTIONS

III.01 Employee Deferrals.

(a) An Eligible Employee may elect to defer up to 100% of his or her Regular Pay and up to 100% of each Bonus for which he or she is eligible, in either case of a deferral of Regular Pay or a Bonus, net of any applicable withholding taxes or other authorized deductions to the extent required so that such applicable withholding taxes or other authorized deductions shall be satisfied from the Regular Pay or Bonus, as the case may be, by submitting a written election to the Committee that satisfies such requirements, including such minimum deferral amounts, as the Committee may determine. Participants will be 100% vested in these deferrals.

(b) Annual Elections. An Eligible Employee may make three separate deferral elections: (i) an election to defer Regular Pay earned with respect to a calendar year; (ii) an election to defer any Bonus earned with respect to the fiscal year ending with such calendar year that does not qualify as performance-based compensation under Section 409A of the Code and (iii) an election to defer any Bonus earned with respect to the fiscal year ending with such calendar year that does qualify as performance-based compensation under Section 409A of the Code. Elections must be made as follows: (x) before the beginning of the calendar year in which the Regular Pay is earned, (y) with respect to a Bonus that does not qualify as performance-based compensation under Section 409A of the Code, before the beginning of the calendar year in which such Bonus is earned, and (z) with respect to a Bonus that qualifies as performance-based compensation under Section 409A of the Code, no less than 6 months before the end of the applicable bonus performance period. An election is irrevocable after it is made and shall remain in effect for the next calendar year.

(c) Late Election. If an Eligible Employee does not make a timely election for an upcoming calendar year, no deferral will be made on behalf of that Eligible Employee with regard to that election for that upcoming period.

(d) Initial Mid-Year Election. Notwithstanding the timing provisions in paragraph (a) above, a Mid-Year Entrant who is first notified that he is eligible to participate in the Plan on or before July 1 of any calendar year may elect within 30 days after the date the Mid-Year Entrant is notified of his or her eligibility to defer (i) Regular Pay for services to be performed subsequent to the date the election is made and (ii) Bonus earned for services after the effective date of the initial election. An initial election made pursuant to this paragraph (c) shall remain in effect until the end of the calendar year in which it is made.

III.02 Discretionary Company Contributions.

(a) Contributions. For each Plan Year of the Company or at such other times as the Committee may determine, the Company may credit a Participant with a discretionary contribution under the Plan. Such contribution, if any, and the amount thereof, will be determined in the sole and absolute discretion of the Committee, and to such Participants or groups or categories of Participants as shall be determined in the sole and absolute discretion of the Committee.

(b) Crediting. Any discretionary contributions will be credited to Participants' Account as of the date specified by the Committee.

(c) Vesting. The terms and conditions of vesting of a discretionary contribution shall be determined by the Committee in its sole discretion and shall not be required to possess the same terms and conditions as any prior discretionary contribution made under the Plan.

III.03 Non-Employee Directors.

(a) A Non-Employee Director may elect to defer up to 100% of his or her annual retainer (including any fees payable for serving as the Chairman of the Board or for service on a Board committee) by submitting a written election to the Committee that satisfies such requirements, including such minimum deferral amounts, as the Committee may determine. Participants will be 100% vested in these deferrals.

(b) Annual Elections. Prior to the commencement of each calendar year, a Non-Employee Director may make a deferral election to defer his or her annual retainer earned with respect to such calendar year. Elections must be made before the beginning of the calendar year in which the annual retainer is earned. An election is irrevocable after it is made and shall remain in effect for the next calendar year.

(c) Initial Mid-Year Election. Notwithstanding the timing provisions in paragraph (a) above, a Non-Employee Director who is a Mid-Year Entrant who is first appointed or elected to the Board on or before July

1 of any calendar year may elect within 30 days after the date the Mid-Year Entrant joins the Board to defer his or her annual retainer for services to be performed subsequent to the date the election is made. An initial election made pursuant to this paragraph (c) shall remain in effect until the end of the calendar year in which it is made.

ARTICLE IV
ACCOUNTS AND EARNINGS

IV.01 General. A Participant's Account shall be maintained in accordance with this Article IV.

(a) Class Year Accounting. Each Participant's Account (and each Sub-Account) shall be separated by the contributions (and any earnings thereon) made with respect to a single calendar year (or portion thereof). For this purpose, each calendar year shall be referred to as a "**Class Year**" and each separate division shall be referred to herein as a "**Class Year Sub-Account**").

(b) Earnings. Each Participant's Account shall be credited with earnings in accordance with this Article IV.

IV.02 Investment Options. The Investment Oversight Committee shall select the Measuring Funds whose performance will measure the amounts to be credited under Section 4.03 to the Participants' Accounts. The selection of Measuring Funds shall be for bookkeeping purposes only, and the Company shall not be obligated actually to invest any money in the Measuring Funds, or to acquire or maintain any actual investment. The Investment Oversight Committee may, in its discretion, change its selection of the Measuring Funds at any time. If a Participant has elected pursuant to this Section 4.02 to invest all or a portion of his Account in a Measuring Fund which the Committee decides to discontinue, such portion of his Account shall be invested after such discontinuance in the continuing Measuring Fund which the Committee determines, in its discretion, most nearly resembles the discontinued Measuring Fund. The Committee shall provide each Participant with a list of the Measuring Funds available for hypothetical investment, and the Participant shall designate, on a form provided by the Committee, one or more of such Measuring Funds in which his Account will be deemed to be invested. The Committee, in its discretion, shall designate the times, procedures and limitations for the designation of hypothetical investments by Participants of their Accounts among the Measuring Funds (including, but not limited to, the times when a Participant may change his hypothetical investments, the increments (expressed as a dollar amount or as a percentage of the Participant's Account) in which a Participant may choose to make a hypothetical investment in a Measuring Fund, and any minimum increment (expressed as a dollar amount or as a percentage of the Participant's Account) that may be deemed to be invested in a Measuring Fund); provided, however, that a Participant may make a selection of a hypothetical investment in a Measuring Fund on a prospective basis only.

IV.03 Earnings Credits. The Committee shall determine, in its discretion, the exact times and methods for crediting or charging each Participant's Account (and such Participant's Elective Deferral Sub-Account and Company Contribution Sub-Account) with the earnings, gains, losses, and changes in value of the Measuring Funds selected by the Participant. The Committee may, at any time, change the timing or methods for crediting or debiting earnings, gains, losses, and changes in value of Measuring Funds.

ARTICLE V
DISTRIBUTIONS

V.01 Distribution Elections.

(a) Initial Election for Annual Contributions. Each year preceding the Plan Year, a Participant will elect, in writing, which of the distribution options described in Section 5.02 will govern payment of the deferrals and applicable earnings credited thereon to Participant's Account for the following Plan Year. The election made under this paragraph (a) shall be irrevocable as of the first day of the applicable Plan Year and shall apply to the Class Year Sub-Accounts relating to that Plan Year. A Participant shall make a separate election regarding the form of the distribution for the contributions (and earnings thereon) credited to the Participant for each Plan Year. If a Participant elects to receive an in-service distribution (as described in Section 5.02(b)), the year in which such distribution is elected to be made must be at least three years after the Plan Year to which the election pertains.

(b) Subsequent Changes in Distribution Elections. To the extent approved by the Committee, a Participant may change the time and form of a distribution election (whether payable in-service or upon or following Separation From Service) with respect to all or a portion of his or her Account by submitting the change to the Committee, in writing, at least one calendar year before the originally scheduled distribution date, provided that the new distribution date is at least five years after the originally scheduled distribution date. Any such election must apply to an entire Elective Deferral Sub-Account or Company Contribution Sub-Account for one or more selected Class Years; such an election may not apply only to a portion of an Elective Deferral Sub-Account or Company Contribution Sub-Account for a single Class Year. A change election made under this paragraph (b) shall be irrevocable as of the date that is one year prior to the originally scheduled distribution date. If such a subsequent election is not valid because, for example, it is not made in a timely manner, the Participant's most recent effective distribution election will govern the payment of the Participant's Account.

V.02 Distribution Options.

(a) Separation from Service. A Participant's vested Account will be distributed to the Participant upon the Participant's Separation from Service. A Participant may elect a distribution of his or her vested Class Year Sub-Accounts for a given Plan Year upon his or her Separation from Service in one of the following forms, subject to the timing requirements outlined in paragraph (c) below:

(i) Lump Sum. Payment in one lump sum.

(ii) Installments. Payment in either five or ten annual installments.

In either case, distributions will occur or commence on the first business day of each calendar month following the Participant's Separation from Service; provided that such Separation from Service occurs at least one week prior to the next listed distribution date. For purposes of this Plan, installment payments shall be treated as a single distribution under Section 409A of the Code.

(b) In-Service Distributions. A Participant's vested Class Year Sub-Accounts for a given Plan Year may be distributed to the Participant on a specified date elected by the Participant, which in any event must be at least five (5) years after the end of the Plan Year with respect to which the election is made, in one of the following forms, subject to the timing requirements outlined in paragraph (c) below:

(i) Lump Sum. Payment in one lump sum.

(ii) Installments. Payment in either five or ten annual installments.

In either case, distributions will occur or commence on the first business day of each calendar month, as selected by the Participant in the Participant's election, which election must comply with the provisions of the Plan and any requirements established by the Committee.

Notwithstanding an election pursuant to this paragraph (b), if a Participant Separates from Service prior to the specified in-service distribution date, that portion of the Participant's vested Account subject to such an election shall be distributed pursuant to his or her election under paragraph (a) above.

(c) Timing. Subject to the provisions of paragraph (e) below, payments made pursuant to paragraphs (a) and (b) above will be made in accordance with the provisions of those paragraphs.

(d) Default Distribution. If the Committee does not have a proper distribution election on file for a portion or all of a Participant's Account, the vested portion of that Participant's Account will be distributed to the Participant, following the Participant's Separation from Service, in one lump sum as determined under the Plan.

(e) Delayed Distribution to Specified Employees. Notwithstanding any other provision of this Section 5.02 to the contrary, a distribution scheduled to be made to a Participant upon his or her Separation from

Service who is identified as a Specified Employee as of the date such Participant Separates from Service shall be delayed for a minimum of six months following the Participant's Separation from Service. Any payment that otherwise would have been made pursuant to this Section 5.02 during the six-month period following the Participant's Separation from Service shall be made on the first distribution date listed in Section 5.02(a) of the Plan following the expiration of such period. The identification of a Participant as a Specified Employee shall be made by the Committee in its sole discretion in accordance with Section 2.29 of the Plan and Sections 416(i) and 409A of the Code and the regulations promulgated thereunder.

(f) Limited Cashout. Notwithstanding the foregoing or anything in this Plan to the contrary, to the extent that the sum of Participant's Account and account balance for any other plan or arrangement with respect to which deferrals of compensation are treated as having been deferred under a single nonqualified deferred compensation plan under Treasury Regulation § 1.409A-1(c)(2) is less than the limit under Section 402(g)(1)(A) of the Code at the time of Separation from Service, to the extent permitted by Section 409A and the regulations promulgated thereunder, the Company may cause the Account to be paid in a lump sum.

(g) Early Separation Cashout. Notwithstanding the foregoing or anything in this Plan to the contrary, if a Participant Separates from Service prior to reaching age 55, to the extent permitted by Section 409A and the regulations promulgated thereunder, the Company shall cause the Account to be paid in a lump sum.

V.03 Subsequent Credits. Amounts, if any, that, following a Participant's Separation from Service, become payable or credited to the Participant's Account after distributions have begun from that Account, and before the Participant is rehired, will be paid out pursuant to the distribution election in effect for that Participant upon his or her Separation from Service; provided, however, to the extent the Participant's Account was paid to the Participant following the Participant's Separation from Service in a lump sum distribution, such subsequent amounts shall be paid to the Participant, subject to Section 5.02(e), in a single lump sum payment within an administratively reasonable period of time following the payment/crediting date thereof in accordance with Section 5.02(a).

V.04 Death. If a Participant dies with a vested amount in his or her Account, whether or not the Participant was receiving distributions from that Account at the time of his or her death, the Participant's Beneficiary will receive the entire vested amount in the Participant's Account in one lump sum.

V.05 Disability. If a Participant becomes Disabled with a vested amount in his or her Account, whether or not the Participant was receiving distributions from that Account at the time of his or her Disability, the Participant will receive the entire vested amount in the Participant's Account in one lump sum.

V.06 Unforeseeable Emergency. If a Participant incurs an Unforeseeable Emergency, the Participant may request a lump sum distribution of all or a portion of Participant's vested Account balance. The Committee shall have no obligation to approve such a request, even if the Committee is satisfied, based on the provision of information that satisfies the Committee that the Participant has incurred an Unforeseeable Emergency, to approve any such request.

The Participant shall document, to the Committee's satisfaction, that distribution of some or all of the Participant's vested Account is necessary to satisfy the Unforeseeable Emergency and that the Participant does not have access to other funds sufficient to satisfy all or any part of the need. Distributions because of an Unforeseeable Emergency must be limited to the amount reasonably necessary to satisfy the emergency need (which may include amounts necessary to pay any Federal, state, local, or foreign income taxes or penalties reasonably anticipated to result from the distribution). Determinations of amounts reasonably necessary to satisfy the emergency need must take into account any additional compensation that is available upon the cancellation of all of the Participant's outstanding deferral elections upon a payment due to an Unforeseeable Emergency. However, the determination of amounts reasonably necessary to satisfy the emergency need is not required to take into account any additional compensation that is available from a tax-qualified retirement plan, such as the Welltower Inc. Retirement Plan and Trust, including any amount available by obtaining a loan under such a plan, or that due to the Unforeseeable Emergency is available under another nonqualified deferred compensation plan that is then sponsored by the Company.

Upon receipt of a request under this Section 5.06, the Committee may, in its sole discretion, decide whether or not to distribute all or a portion of the Participant's vested Account balance in a lump sum, to the extent necessary to satisfy such Unforeseeable Emergency. The Participant shall sign all documentation requested by the Committee relating to such a distribution.

If a Participant makes a request and receives all or a portion of such Participant's vested Account balance under this Section 5.06, the Participant shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company, including this Plan, for the remainder of the then current Plan Year and the following Plan Year.

V.07 Prohibition on Acceleration. Notwithstanding any other provision of the Plan to the contrary, no distribution will be made from the Plan that would constitute an impermissible acceleration of payment as defined in Section 409A(a)(3) of the Code and the regulations promulgated thereunder.

V.08 Withholding. The Company will deduct from Plan distributions, or from other compensation payable to a Participant or Beneficiary, amounts required by law to be withheld for taxes with respect to benefits under this Plan. The Company reserves the right to reduce any deferral or contribution that would otherwise be made to this Plan on behalf of a Participant by a reasonable amount, and to use all or a portion of this reduction to satisfy the Participant's tax liabilities under this Section 5.08.

V.09 Return of Overpayments. Any overpayments to a Participant or Beneficiary must be returned to the Plan by the recipient, and in the event that any such overpayment is not returned to the Plan within an administratively reasonable period of time after the recipient is made aware of such overpayment, the Plan may initiate appropriate legal proceedings to recoup any such overpayment, together with any earnings or interest, and shall also have the authority to offset any overpayments that are not returned against other Plan benefits to which the recipient is or becomes entitled.

ARTICLE VI
MISCELLANEOUS

VI.01 Limitation of Rights. Participation in this Plan does not give any individual the right to be retained in the service of the Company or of any related entity.

VI.02 Satisfaction of Claims. Payments to a Participant, the Participant's legal representative, or Beneficiary in accordance with the terms of this Plan will, to the extent thereof, be in full satisfaction of all claims that person may have hereunder against the Committee, the Company, and all Subsidiaries, any of which may require, as a condition to payment, that the recipient execute a receipt and release in a form determined by the Committee, the Company, or a Subsidiary.

VI.03 Claims and Review Procedure.

(a) Informal Resolution of Questions. Any Participant or Beneficiary who has questions or concerns about his or her benefits under the Plan is encouraged to communicate with the Assistant VP, Compensation. If this discussion does not give the Participant or Beneficiary satisfactory results, a formal claim for benefits may be made within one year of the event giving rise to the claim in accordance with the procedures of this Section 6.03.

(b) Formal Benefits Claim — Review by the Assistant VP, Compensation. A Participant or Beneficiary may make a written request for review of any matter concerning his or her benefits under this Plan. The claim must be addressed to the Welltower Inc. 2022 Nonqualified Deferred Compensation Plan, Attn: Assistant VP, Compensation, 4500 Dorr Street, Toledo, Ohio 43615. The Assistant VP, Compensation shall decide the action to be taken with respect to any such request and may require additional information if necessary to process the request. The Assistant VP, Compensation shall review the request and shall issue his or her decision, in writing, no later than 90 days after the date the request is received, unless the circumstances require an extension of time. If such an extension is required, written notice of the extension shall be furnished to the person making the request within the initial 90-day period, and the notice shall state the circumstances requiring the extension and the date by which the

Assistant VP, Compensation expects to reach a decision on the request. In no event shall the extension exceed a period of 90 days from the end of the initial period.

(c) Notice of Denied Request. If the Assistant VP, Compensation denies a request in whole or in part, he or she shall provide the person making the request with written notice of the denial within the period specified in paragraph (b) above. The notice shall set forth the specific reason for the denial, reference to the specific Plan provisions upon which the denial is based, a description of any additional material or information necessary to perfect the request, an explanation of why such information is required, and an explanation of the Plan's appeal procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

(d) Appeal to Committee.

(i) A person whose request has been denied in whole or in part (or such person's authorized representative) may file an appeal of the decision in writing with the Committee within 60 days of receipt of the notification of denial. The appeal must be addressed to the Welltower Inc. Nonqualified Deferred Compensation Plan, Attn: Nonqualified Deferred Compensation Plan Administrative Committee, 4500 Dorr Street, Toledo, Ohio 43615. The Committee, for good cause shown, may extend the period during which the appeal may be filed for another 60 days. The appellant and/or his or her authorized representative shall be permitted to submit written comments, documents, records and other information relating to the claim for benefits. Upon request and free of charge, the applicant should be provided reasonable access to and copies of, all documents, records or other information relevant to the appellant's claim.

(ii) The Committee's review shall take into account all comments, documents, records and other information submitted by the appellant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The Committee shall not be restricted in its review to those provisions of the Plan cited in the original denial of the claim.

(iii) The Committee shall issue a written decision within a reasonable period of time but not later than 60 days after receipt of the appeal, unless special circumstances require an extension of time for processing, in which case the written decision shall be issued as soon as possible, but not later than 120 days after receipt of an appeal. If such an extension is required, written notice shall be furnished to the appellant within the initial 60-day period. This notice shall state the circumstances requiring the extension and the date by which the Committee expects to reach a decision on the appeal.

(iv) If the decision on the appeal denies the claim in whole or in part written notice shall be furnished to the appellant. Such notice shall state the reason(s) for the denial, including references to specific Plan provisions upon which the denial was based. The notice shall state that the appellant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits. The notice shall describe any voluntary appeal procedures offered by the Plan and the appellant's right to obtain the information about such procedures. The notice shall also include a statement of the appellant's right to bring an action under Section 502(a) of ERISA.

(v) The decision of the Committee on the appeal shall be final, conclusive and binding upon all persons and shall be given the maximum possible deference allowed by law.

(e) Exhaustion of Remedies. No legal or equitable action for benefits under the Plan shall be brought unless and until the claimant has submitted a written claim for benefits in accordance with paragraph (b) above, has been notified that the claim is denied in accordance with paragraph (c) above, has filed a written request for a review of the claim in accordance with paragraph (d) above, and has been notified in writing that the Committee has affirmed the denial of the claim in accordance with paragraph (d) above; provided, however, that an action for benefits may be brought after the Assistant VP, Compensation or Committee has failed to act on the claim within the time prescribed in paragraph (b) and paragraph (d), respectively. A claimant or his or her authorized representative must initiate any such legal action for benefits within the later of twelve months after: (i) the date that the Assistant VP, Compensation or the Committee has failed to take any action on the claim within the time prescribed by paragraph (b) or (d) above; or (ii) the date of the final denial of a claim under the Plan pursuant to paragraph (d) above. Any legal action brought after such twelve-month time period will be time barred and cannot be brought in any forum. Any legal action in connection with the Plan may only be brought in the United States District Court for the Northern District of Ohio. In any such legal action, claimant may not present any evidence not timely presented to the Assistant VP, Compensation or the Committee as part of the Plan's administrative review process set forth in this Section 6.03.

VI.04 Indemnification. The Company and its Subsidiaries will indemnify the Committee, the Board, and employees of the Company and its Subsidiaries to whom responsibilities have been delegated under the Plan for all liabilities and expenses arising from an act or omission in the management of the Plan if the person to be indemnified did not act dishonestly or otherwise in willful violation of the law under which the liability or expense arises.

VI.05 Assignment.

(a) General. To the fullest extent permitted by law, rights to benefits under the Plan are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of a Participant or a Beneficiary.

(b) Domestic Relations Orders. The procedures established by the Company for the determination of the qualified status of domestic relations orders and for making distributions under qualified domestic relations orders, as provided in Section 206(d) of ERISA, shall apply to the Plan, to the extent pertinent. Amounts awarded to an alternate payee under a qualified domestic relations order shall be distributed in the form of a lump sum distribution as soon as administratively feasible following the determination of the qualified status of the domestic relations order; provided, however, that no portion of the Participant's unvested Account may be awarded to an alternate payee.

VI.06 Lost Recipients. If the Committee cannot locate a person entitled to payment of a Plan benefit after a reasonable search, the Committee may at any time thereafter treat that person's Account as forfeited and amounts credited to that Account will revert to the Company. If the lost person subsequently presents the Committee with a valid claim for the forfeited benefit amount, the Company will pay that person the amount forfeited.

VI.07 Amendment. The Board may, at any time, amend the Plan in writing. In addition, the Committee may amend the Plan (other than this Section 6.07) in writing, provided that the amendment will not cause any substantial increase in cost to the Company or to any Subsidiary. No amendment may, without the consent of an affected Participant (or, if the Participant is deceased, the Participant's Beneficiary), adversely affect the Participant's or the Beneficiary's rights and obligations under the Plan with respect to amounts already credited to a Participant's Account, unless such amendment is required to comply with any provision of the Code, ERISA or other applicable law.

VI.08 Termination.

(a) General. The Board or the Compensation Committee may terminate the Plan at any time and in the Board's or Compensation Committee's discretion the Accounts of Participants may be distributed within the period beginning twelve months after the date the Plan was terminated and ending twenty-four months after the date the Plan was terminated, or pursuant to Sections 5.02(a) or 5.02(b) of the Plan, if earlier. If the Plan is terminated and Accounts are distributed, the Company shall terminate all plans and arrangements (which would be treated as aggregated and having been deferred under a single plan under Treasury Regulation § 1.409A-1(c)(2)(i)(A)) with respect to all participants and shall not adopt a new account balance non-qualified deferred compensation plan for at least three years after the date the Plan was terminated.

(b) Change in Corporate Control. The Board, in its discretion, may terminate the Plan thirty days prior to or twelve months following a Change in Corporate Control and distribute the Accounts of the Participants within the twelve-month period following the termination of the Plan. If the Plan is terminated and

Accounts are distributed, the Company shall terminate all plans and arrangements (which would be treated as aggregated and having been deferred under a single plan under Treasury Regulation § 1.409A-1(c)(2)(i)(A)) sponsored by the Company and all of the benefits of the terminated plans shall be distributed within twelve months following the termination of the plans.

(c) Dissolution or Bankruptcy. The Board, in its discretion, may terminate the Plan upon a corporate dissolution of the Company that is taxed under Section 331 of the Code or with the approval of a bankruptcy court pursuant to 11 U.S.C. Section 503(b)(1)(A), provided that the Participants' Accounts are distributed and included in the gross income of the Participants by the latest of (i) the calendar year in which the Plan terminates or (ii) the first calendar year in which payment of the Accounts is administratively practicable.

VI.09 Applicable Law. To the extent not governed by Federal law, the Plan is governed by the laws of the State of Ohio without choice of law rules.

VI.10 Severability. If any one or more of the provisions contained in this Plan, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and all other applications thereof shall not in any way be affected or impaired thereby. This Plan shall be construed and enforced as if such invalid, illegal or unenforceable provision has never comprised a part hereof, and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the invalid, illegal or unenforceable provision or by its severance herefrom. In lieu of such invalid, illegal or unenforceable provisions there shall be added automatically as a part hereof a provision as similar in terms and economic effect to such invalid, illegal or unenforceable provision as may be possible and be valid, legal and enforceable.

VI.11 No Funding. The Plan constitutes a promise by the Company and its Subsidiaries to make payments in the future in accordance with the terms of the Plan. Participants and Beneficiaries have the status of general unsecured creditors of the Company and its Subsidiaries. Plan benefits will be paid from the general assets of the Company and its Subsidiaries and nothing in the Plan will be construed to give any Participant or any other person rights to any specific assets of the Company or its Subsidiaries. In all events, it is the intention of the Company, all Subsidiaries and all Participants that the Plan be treated as unfunded for tax purposes and for purposes of Title I of ERISA.

VI.12 Authority to Establish a Grantor Trust. The Committee is authorized in its sole discretion to establish a grantor trust for the purpose of providing security for the payment of Accounts under the Plan; provided, however, that no Participant or Beneficiary shall be considered to have a beneficial ownership interest (or any other sort of interest) in any specific asset of the Corporation or of its Subsidiaries as a result of the creation of such trust or the transfer of funds or other property to such trust. The Committee may establish such a trust at any time, including without limitation the time of a Change in Corporate Control.

VI.13 Code Section 409A Compliance. To the extent applicable, it is intended that this Plan and any distributions hereunder comply with the requirements of Section 409A. Any provision that would cause the Plan or any distributions granted hereunder to fail to satisfy Section 409A shall have no force or effect until amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A.

IN WITNESS WHEREOF, Welltower Inc. has caused this Plan to be executed by its duly authorized representative on the date indicated below.

WELLTOWER INC.

/s/ PAM BYRNE	November 4, 2021
NAME:	DATE:

Senior Vice President – Head of Human Capital

TITLE:

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, **Shankh Mitra**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Welltower Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2021

/s/ SHANKH MITRA

Shankh Mitra,

Chief Executive Officer and Chief Investment Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, **Timothy G. McHugh**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Welltower Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2021

/s/ TIMOTHY G. MCHUGH

Timothy G. McHugh,
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

I, Shankh Mitra, the Chief Executive Officer of Welltower Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that (i) the Quarterly Report on Form 10-Q for the Company for the quarter ended September 30, 2021 (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SHANKH MITRA
Shankh Mitra,
Chief Executive Officer and Chief Investment Officer
Date: November 5, 2021

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

I, Timothy G. McHugh, the Chief Financial Officer of Welltower Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that (i) the Quarterly Report on Form 10-Q for the Company for the quarter ended September 30, 2021 (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ TIMOTHY G. MCHUGH
Timothy G. McHugh,
Executive Vice President and Chief Financial Officer
Date: November 5, 2021

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.