NATIONWIDE HEALTH PROPERTIES INC
Form 424B5
October 16, 2007
Table of Contents

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities nor do they seek an offer to buy these securities in any place where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
Registration File No. 333-142643

Subject to Completion

Preliminary Prospectus Supplement Dated October 16, 2007

Prospectus supplement

To prospectus dated May 4, 2007

$

% Notes due 2013

Interest payable February 1 and August 1

Issue price: %

The notes will mature on February 1, 2013. Interest will accrue from October , 2007. We may redeem the notes in whole or in part at any time at the redemption prices described on page S-11.

See Risk factors on page S-9 for a discussion of certain risks that you should consider in connection with an investment in the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined that this prospectus supplement or the prospectus to which it relates is accurate or complete. Any representation to the contrary is a criminal offense.

	Price to Public	Underwriting Discounts	Proceeds to Us
Per Note	%	%	%
Total	$	$	$

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

We expect that delivery of the notes will be made to investors through the book-entry delivery system of The Depository Trust Company on or about October , 2007.

Joint Book-Running Managers

UBS Investment Bank **JPMorgan** **Banc of America Securities LLC**

Senior Co-Managers

CALYON **KeyBanc Capital Markets**

Co-Managers

SunTrust Robinson Humphrey **Wells Fargo Securities** **Wachovia Securities**

October , 2007

Table of Contents

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with any other information. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date of this prospectus supplement or the accompanying prospectus, respectively, or that information contained in any document incorporated or deemed to be incorporated by reference is accurate as of any date other than the date of that document.

If the description of the notes varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in some jurisdictions may be restricted by law. Persons who receive this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Table of contents

Table of Contents

Summary

The information below is a summary of the more detailed information included elsewhere in or incorporated by reference in this prospectus supplement. You should read carefully the following summary together with the more detailed information contained in this prospectus supplement, including the Risk Factors section beginning on page S-9, the accompanying prospectus and the information incorporated by reference. This summary is not complete and does not contain all of the information you should consider when making your investment decision.

The company

Nationwide Health Properties, Inc., a Maryland corporation incorporated on October 14, 1985, is a real estate investment trust (REIT) that invests primarily in healthcare related senior housing, long-term care properties and medical office buildings and provides financing to healthcare providers. Whenever we refer herein to NHP, the Company or to us or use the terms we or our, are referring to Nationwide Health Properties, Inc. and its subsidiaries, unless the context otherwise requires.

We primarily make our investments by acquiring an ownership interest in senior housing and long-term care facilities and leasing them to unaffiliated operators under triple-net master leases that transfer the obligation for all facility operating costs (including maintenance, repairs, taxes, insurance and capital expenditures) to the tenant. We also invest in medical office buildings which are not generally subject to triple-net leases and generally have several tenants under separate leases in each building. In addition, but to a much lesser extent because we view the risks of this activity to be greater, we extend mortgage loans and other financing to tenants from time to time. For the six months ended June 30, 2007, approximately 94% of our revenues were derived from our leases, with the remaining 6% from our mortgage loans and other financing activities.

At June 30, 2007, we had investments in 519 healthcare facilities located in 43 states. The facilities included:

Consolidated facilities:

282 assisted and independent living facilities;

180 skilled nursing facilities;

11 continuing care retirement communities;

7 specialty hospitals;

- 24 medical office buildings, 23 of which are operated by consolidated joint ventures; and
- 2 assets held for sale.

Unconsolidated facilities:

- 7 skilled nursing facilities; and
- 6 assisted and independent living facilities.

Table of Contents

At June 30, 2007, our directly owned facilities, other than the non triple-net medical office buildings, were leased and operated by 88 different healthcare providers, including the following publicly traded companies: Assisted Living Concepts, Inc., Brookdale Senior Living, Inc., Emeritus Corporation, Extendicare, Inc., Genesis Healthcare, HEALTHSOUTH Corporation, Kindred Healthcare, Inc. and Sun Healthcare Group, Inc. Of the healthcare providers of our facilities, Brookdale Senior Living, Inc. and Hearthstone Senior Services, L.P. each accounted for 10% or more of our revenues for the six months ended June 30, 2007. We expect each of Brookdale Senior Living, Inc. (Brookdale) and Hearthstone Senior Services, L.P. and its subsidiaries (collectively, Hearthstone) to account for more than 10% of our revenues for the remainder of 2007.

Our leases generally have initial terms of up to 21 years with two or more multiple-year renewal options. Approximately 84% of our facilities are leased under master leases. In addition, the majority of our leases contain cross-collateralization and cross-default provisions tied to other leases with the same tenant, as well as grouped lease renewals and, if purchase options exist, grouped purchase options. Leases covering 394 facilities are backed by security deposits consisting of irrevocable letters of credit or cash, most of which cover from three to six months of initial monthly minimum rents. At June 30, 2007, leases covering 296 facilities required the tenant to impound property taxes and leases covering 188 facilities required capital expenditure impounds. Under the terms of the leases, the tenant is responsible for all maintenance, repairs, taxes, insurance and capital expenditures for the leased properties.

We believe we have operated in such a manner as to qualify for taxation as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the Code). We intend to continue to qualify as such and therefore to distribute at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and by excluding net capital gain) to our stockholders. If we qualify for taxation as a REIT, and we distribute 100% of such REIT taxable income to our stockholders, we will generally not be subject to U.S. federal income taxes on our income that is distributed to stockholders. This treatment substantially eliminates the double taxation (i.e., at the corporate and stockholder levels) that generally results from investing in the stock of a corporation.

Our principal executive offices are located at 610 Newport Center Drive, Suite 1150, Newport Beach, California 92660 and our telephone number is (949) 718-4400.

Table of Contents

The offering

The summary below describes the principal terms of the notes. Some of the terms and conditions described below are subject to important limitations and exceptions. See Description of notes for a more detailed description of the terms and conditions of the notes.

Issuer	Nationwide Health Properties, Inc.
Securities offered	$ aggregate principal amount of % notes due February 1, 2013.
Issue price	% plus accrued interest, if any, from October , 2007.
Interest payment dates	Interest on the notes is payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2008.
Optional redemption	At any time, we may redeem all or part of the notes under a make-whole redemption provision. See Description of notes Optional redemption.
Covenants	The indenture governing the notes contains certain covenants. Under specified circumstances, the indenture governing the notes restricts our ability to incur additional indebtedness. See Description of notes.
Ranking	The notes will be unsecured obligations of NHP and will rank pari passu with all of our unsecured and unsubordinated indebtedness from time to time outstanding.
Form and denomination	We will issue the notes in fully registered form without interest coupons, in denominations of $1,000 or integral multiples of $1,000. The notes will be represented by a global note registered in the name of a nominee of The Depository Trust Company, or DTC. You will hold beneficial interests in the notes through DTC, and DTC and its direct and indirect participants will record your beneficial interest on their books. Except under limited circumstances, we will not issue certificated notes.
Use of proceeds	We expect that the net proceeds from this offering will be approximately $ million after deducting estimated underwriting discounts and other offering expenses. We currently expect to use the net proceeds from the sale of the notes to repay amounts outstanding under our credit facility, with any remainder to be held in cash and cash equivalents until used for general corporate purposes. See Use of proceeds.
Trustee, registrar and paying agent	The Bank of New York Trust Company, N.A.

S-3

Table of Contents

You should carefully consider the information set forth under   Risk Factors   in our Annual Report on Form 10-K for the year ended December 31, 2006 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2007, and in this prospectus supplement beginning at page S-9 before deciding to invest in the notes.

For additional information regarding the notes, see   Description of notes.

Table of Contents

Use of proceeds

We estimate that the net proceeds we will receive from this offering will be approximately $ million after deducting estimated underwriting discounts and other offering expenses payable by us. We currently expect to use the net proceeds from the sale of the notes to repay amounts outstanding under our credit facility, with any remainder to be held in cash and cash equivalents until used for general corporate purposes. As of October 16, 2007, the aggregate amount outstanding under our credit facility was approximately $261 million, having interest rates between 5.79% and 7.75%. Amounts outstanding under our credit facility were incurred for general corporate purposes.

Table of Contents

Capitalization

The following table presents our consolidated cash and cash equivalents and capitalization as of June 30, 2007:

on an actual basis; and

on a pro forma as adjusted basis giving effect to the redemption of all our outstanding shares of Series A preferred stock on October 1, 2007, the issuance and sale of our notes being offered by this prospectus supplement and the accompanying prospectus and the application of the estimated net proceeds from this offering in accordance with Use of proceeds, as if such transactions had occurred on June 30, 2007.

This table should be read in conjunction with our consolidated financial statements and the related notes contained therein in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006 and our unaudited condensed consolidated financial statements and related notes contained therein in our Quarterly Report on Form 10-Q for the six months ended June 30, 2007, which are incorporated by reference in this prospectus supplement.

	As of June 30, 2007	
(in thousands except share data)	**Actual**	**Pro Forma As Adjusted**
Cash and cash equivalents	$ 12,892	$
Debt:		
Credit facility(1)	$ 210,000	$
Senior notes due 2008-2038	866,500	
Notes and bonds payable	333,305	333,305
Total debt	1,409,805	
Minority interest	1,230	1,230
Stockholders equity:		
Preferred stock, $1.00 par value per share; 5,000,000 shares authorized:		
Series A; 900,485 shares issued and outstanding, actual; no shares issued and outstanding, pro forma as adjusted; stated at liquidation preference of $100 per share	90,049	
Series B; 1,064,450 shares issued and outstanding; stated at liquidation preference of $100 per share	106,445	106,445
Common stock, $0.10 par value per share; 200,000,000 shares authorized; 90,961,423 shares issued and outstanding, actual and pro forma as adjusted(2)	9,096	9,096
Capital in excess of par value	1,447,225	1,447,225
Cumulative net income	1,177,773	1,117,773
Accumulated other comprehensive income	1,124	1,124
Cumulative dividends	(1,406,786)	(1,406,786)
Total stockholders equity	1,424,926	1,334,877

Total capitalization	$ 2,835,961	$

(1) Borrowings under our credit facility were approximately $261 million at October 16, 2007. We intend to use the net proceeds of this offering to repay amounts outstanding under the credit facility.

(2) Excludes:

up to 1,749,000 shares of our common stock issuable pursuant to a sales agreement with Cantor Fitzgerald & Co. to sell up to 5,000,000 shares of our common stock from time to time through a controlled equity offering program;

569,749 shares of our common stock issuable upon exercise of options outstanding as of June 30, 2007, at a weighted average exercise price of $18.80 per share, of which 569,749 were exercisable as of June 30, 2007; and

2,063,970 shares of our common stock available for future grant under our stock option and restricted stock plans as of June 30, 2007.

Table of Contents

Ratio of earnings to fixed charges

The following table sets forth our ratios of earnings to fixed charges for the periods indicated. In computing the ratio of earnings to fixed charges, earnings have been based on consolidated income from continuing operations before fixed charges (exclusive of capitalized interest). Fixed charges consist of interest on debt, including amounts capitalized, an estimate of interest in rental expense, and interest expense related to the guaranteed debt of the partnerships and limited liability companies in which we hold an interest.

	For the Year Ended December 31,					For the Six Months Ended June 30,
	2002	2003	2004	2005	2006	2007
Ratio of Earnings to Fixed Charges	1.42	1.64	1.92	1.83	1.83	1.94

S-7

Table of Contents

Summary consolidated financial data

The following table presents summary consolidated financial data. Certain of this financial data has been derived from our unaudited condensed consolidated financial statements included in our Quarterly Report on Form 10-Q for the six months ended June 30, 2007 and our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2006 and should be read in conjunction with these consolidated financial statements and accompanying notes and with Management s Discussion and Analysis of Financial Condition and Results of Operations included in our Quarterly Report on Form 10-Q for the six months ended June 30, 2007 and our Annual Report on Form 10-K, both incorporated by reference herein. Operating results for the six months ended June 30, 2007 are not necessarily indicative of the operating results to be expected for the year ending December 31, 2007.

	Years ended December 31,			Six Months Ended June 30,	
(in thousands)	**2004**	**2005**	**2006**	**2006**	**2007**
					(unaudited)
Operating data:					
Revenues	$ 159,942	$ 195,957	$ 261,676	$ 112,320	$ 156,705
Income from continuing operations	52,007	55,693	75,514	30,520	47,888
Discontinued operations(1)	22,815	14,248	110,063	20,582	65,592
Net income	74,822	69,941	185,577	51,102	113,480
Preferred stock dividends	(11,802)	(15,622)	(15,163)	(7,581)	(7,581)
Preferred stock redemption charge		(795)			
Income available to common stockholders	$ 63,020	$ 53,524	$ 170,414	$ 43,521	$ 105,899
Dividends paid on common stock	$ 99,666	$ 100,179	$ 120,406	$ 54,899	$ 73,664

	At December 31,			At June 30,	
(in thousands)	**2004**	**2005**	**2006**	**2006**	**2007**
					(unaudited)
Balance sheet data:					
Cash and cash equivalents	$ 8,473	$ 10,005	$ 14,695	$ 19,163	$ 12,892
Investments in real estate, net	1,637,390	1,786,075	2,583,515	2,455,704	2,797,197
Total assets	1,710,111	1,867,220	2,704,814	2,561,488	2,917,418
Borrowings under credit facility(2)	186,000	224,000	139,000	349,000	210,000
Borrowings under bridge facility				200,000	
Senior notes due 2008-2038	470,000	570,225	887,500	570,225	866,500
Notes and bonds payable	187,409	236,278	355,411	354,637	333,305

Stockholders equity	$ 815,826	$ 781,032	$ 1,243,809	$ 1,023,588	$ 1,424,926

(1) Discontinued operations is equal to the sum of the line items gain/(loss) on sale of facilities plus income/(loss) from discontinued operations from our consolidated financial statements.

(2) At October 16, 2007, the aggregate amount outstanding under our credit facility was approximately $261 million.

Table of Contents

Risk factors

Generally speaking, the risks facing our company fall into two categories: risks associated with the operations of our operators; and other risks related to our operations. You should carefully consider the risks and uncertainties described under the heading Risk Factors in our Annual report on Form 10-K for the fiscal year ended December 31, 2006 and our Quarterly Report on Form 10-Q for the six months ended June 30, 2007, and the following factors before making an investment decision in our company. These risks and uncertainties are not the only ones facing us and there may be additional matters that we are unaware of or that we currently consider immaterial. All of these could adversely affect our business, financial condition, results of operations and cash flows and, thus, the value of an investment in our company.

An active trading market may not develop for the notes.

Prior to this offering, there was no established trading market for the notes. Although the underwriters have informed us that they currently intend to make a market in the notes after we complete the offering, they have no obligation to do so and may discontinue doing so at any time without notice. We do not intend to apply for listing of the notes on any securities exchange.

The liquidity of any market for the notes will depend on a number of factors, including:

- the number of note holders;
- our performance;
- the market for similar securities;
- the interest of securities dealers in making a market in the notes; and
- prevailing interest rates.

An active market for the notes may not develop or, if developed, may not continue.

Downgrades or other changes in our credit ratings could affect our financial results and reduce the market value of the notes.

The credit ratings assigned to our unsecured indebtedness, including the notes upon issuance, may affect our ability to obtain new financing and financing costs. Rating agencies may downgrade our credit ratings or change their outlook about us, which could increase our cost of capital and make capital raising more difficult and, in turn, adversely affect our financial results. A rating downgrade may also reduce the price that a subsequent purchaser may be willing to pay for the notes.

Table of Contents

Description of notes

The notes will be issued as a separate series of our senior unsecured debt securities designated as and issued under an indenture (the indenture), to be entered into between us and The Bank of New York Trust Company, N.A., as trustee (the trustee). The notes are initially limited to $ million aggregate principal amount. The following description of some of the particular terms of the notes offered by this prospectus supplement supplements, and, to the extent inconsistent with the accompanying prospectus, replaces, the general terms and provisions of the debt securities set forth in the accompanying prospectus. The following summary of certain provisions of the notes and of the indenture is not complete and is qualified in its entirety by reference to the indenture, the form of which has been filed as an exhibit to the registration statement of which this prospectus supplement and the accompanying prospectus are a part and is incorporated herein by reference. Capitalized terms used but not defined in this prospectus supplement or the accompanying prospectus have the meanings given to them in the indenture.

General

The notes will be our unsecured obligations and will rank pari passu with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. The notes will be fixed rate notes, will mature on February 1, 2013 and will bear interest from October , 2007, at the rate of % per annum. Interest on the notes will be payable semiannually in arrears on February 1 and August 1 of each year, commencing on February 1, 2008, to persons in whose names the notes are registered in the security register applicable to the notes on the close of business on the fifteenth day (whether or not a business day) immediately preceding the related interest payment date. Interest on the notes will be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest payable with respect to the notes will be payable at the office or agency maintained by us for such purpose in Los Angeles, California, which shall initially be 700 South Flower Street, Suite 500, Los Angeles, California 90017. If notes are issued in definitive certificated form, they will be payable at the office or agency maintained by us for such purpose in the Borough of Manhattan, The City of New York. Notices or demands to or upon us in respect of the notes and the indenture may be served at the office or agency maintained by us for such purpose, which shall initially be, The Bank of New York Trust Company, N.A., 700 South Flower Street, Suite 500, Attn: Corporate Unit, Los Angeles, California 90017. Payments of principal of, and premium, if any, and interest on the notes will be made by us through the trustee to The Depositary Trust Company.

The notes are not subject to any sinking fund payments. The notes are subject to redemption at our option and are not subject to repayment or repurchase by us at the option of holders of the notes. See Optional redemption below. The notes will be denominated in U.S. dollars and we will pay principal and interest in U.S. dollars. The notes will be issued only in fully registered form without interest coupons, in denominations of $1,000 or integral multiples of $1,000. The notes will be evidenced by a global note (the Global Note) in book-entry form, except under the limited circumstances described below under Book-entry system.

Payment and paying agents

Payment of principal of and premium, if any, and interest on the notes will be made at the office of a paying agent or paying agents as we may designate from time to time, except that at our option, payment of any interest may be made by check mailed to the address of the person

S-10

Table of Contents

entitled thereto as such address shall appear in the security register. Unless otherwise indicated, payment of any installment of interest on a note will be made to the person in whose name such note is registered at the close of business on the regular record date for such interest.

The trustee, acting through its corporate trust office, will be designated as our sole paying agent for payments with respect to the notes. We may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts, except that we will be required to maintain a paying agent in each place of payment for the notes. All monies paid by us to a paying agent for the payment of principal of or premium, if any, or interest on the notes which remain unclaimed at the end of two years after such principal, premium or interest shall have become due and payable will be either delivered