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 O 1934**

For the quarterly period ended March 31, 2012

or

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

For the transition period from __________to ___________

Commission File number 1-8923

HEALTH CARE REIT, INC.

(Exact name of registrant as specified in its charter)

Delaware	**34-1096634**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4500 Dorr Street, Toledo, Ohio	**43615**
(Address of principal executive office)	(Zip Code)

(419) 247-2800
(Registrant's telephone number, including area code)

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

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 the filing requirements for at least the 90 days. Yes ☑ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be subr and posted 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 requi submit and post such files). Yes ☑ No o

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

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

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

As of April 30, 2012, the registrant had 213,818,411 shares of common stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. *Financial Statements*

CONSOLIDATED BALANCE SHEETS
HEALTH CARE REIT, INC. AND SUBSIDIARIES

	March 31, 2012 (Unaudited)	December 31 2011 (Note)
	(In thousands)	
Assets		
Real estate investments:		
Real property owned:		
Land and land improvements	$ 1,146,099	$ 1,
Buildings and improvements	13,575,137	13,
Acquired lease intangibles	497,389	
Real property held for sale, net of accumulated depreciation	165,736	
Construction in progress	150,750	
Gross real property owned	15,535,111	14,
Less accumulated depreciation and amortization	(1,272,922)	(1,
Net real property owned	14,262,189	13,
Real estate loans receivable:		
Real estate loans receivable	298,868	
Less allowance for losses on loans receivable	-	
Net real estate loans receivable	298,868	
Net real estate investments	14,561,057	13,
Other assets:		
Equity investments	239,254	
Goodwill	68,321	
Deferred loan expenses	57,252	
Cash and cash equivalents	469,217	
Restricted cash	83,499	
Receivables and other assets	381,134	
Total other assets	1,298,677	
Total assets	$ 15,859,734	$ 14,
Liabilities and equity		
Liabilities:		
Borrowings under unsecured line of credit arrangement	$ 5,000	$
Senior unsecured notes	4,436,103	4,
Secured debt	2,353,856	2,
Capital lease obligations	83,020	
Accrued expenses and other liabilities	393,202	
Total liabilities	7,271,181	7,
Redeemable noncontrolling interests	34,535	
Equity:		
Preferred stock	1,297,917	1,
Common stock	213,529	
Capital in excess of par value	8,088,573	7,
Treasury stock	(17,265)	
Cumulative net income	1,952,320	1,
Cumulative dividends	(3,134,255)	(2,9
Accumulated other comprehensive income (loss)	(11,642)	
Other equity	7,208	
Total Health Care REIT, Inc. stockholders' equity	8,396,385	7,
Noncontrolling interests	157,633	
Total equity	8,554,018	7,
Total liabilities and equity	$ 15,859,734	$ 14,

NOTE: The consolidated balance sheet at December 31, 2011 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. gen
accepted accounting principles for complete financial statements.

See notes to unaudited consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
HEALTH CARE REIT, INC. AND SUBSIDIARIES

	Three Months Ended March 31,			
		2012		2011
	(In thousands, except per share data)			
Revenues:				
Rental income	$	267,358	$	1
Resident fees and services		158,174		
Interest income		8,141		
Other income		1,686		
Total revenues		435,359		2
Expenses:				
Interest expense		92,712		
Property operating expenses		129,268		
Depreciation and amortization		125,955		
Transaction costs		5,579		
General and administrative		27,751		
Unrealized loss on derivatives		555		
Provision for loan losses		-		
Total expenses		381,820		2
Income (loss) from continuing operations before income taxes and income from unconsolidated entities		53,539		
Income tax (expense) benefit		(1,470)		
Income from unconsolidated entities		1,532		
Income (loss) from continuing operations		53,601		
Discontinued operations:				
Gain (loss) on sales of properties		769		
Impairment of assets		-		
Income (loss) from discontinued operations, net		3,088		
Discontinued operations, net		3,857		
Net income		57,458		
Less: Preferred stock dividends		19,207		
Less: Net income (loss) attributable to noncontrolling interests[1]		(1,056)		
Net income (loss) attributable to common stockholders	$	39,307	$	
Average number of common shares outstanding:				
Basic		199,661		1
Diluted		201,658		1
Earnings per share:				
Basic:				
Income (loss) from continuing operations attributable to common stockholders	$	0.18	$	
Discontinued operations, net		0.02		
Net income (loss) attributable to common stockholders*	$	0.20	$	
Diluted:				
Income (loss) from continuing operations attributable to common stockholders	$	0.18	$	
Discontinued operations, net		0.02		
Net income (loss) attributable to common stockholders*	$	0.19	$	
Dividends declared and paid per common share	$	0.74	$	
Total comprehensive income (loss) attributable to common stockholders	$	57,744	$	

* Amounts may not sum due to rounding
(1) Includes amounts attributable to redeemable noncontrolling interests.

See notes to unaudited consolidated financial statements

CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)
HEALTH CARE REIT, INC. AND SUBSIDIARIES

(in thousands)

	Three Months Ended March 31, 2012									
	Preferred Stock	Common Stock	Capital in Excess of Par Value	Treasury Stock	Cumulative Net Income	Cumulative Dividends	Accumulated Other Comprehensive Income (Loss)	Other Equity	Noncontrolling Interests	To
Balances at beginning of period	$ 1,010,417	$ 192,299	$ 7,019,714	$ (13,535)	$ 1,893,806	$ (2,972,129)	$ (11,928)	$ 6,120	$ 153,883	$
Comprehensive income:										
Net income (loss)					58,514				(678)	
Other comprehensive income:										
Unrealized gain (loss) on equity investments							8			
Cash flow hedge activity							278			
Total comprehensive income										
Contributions by noncontrolling interests			874						7,227	
Distributions to noncontrolling interests									(2,799)	
Amounts related to issuance of common stock from dividend reinvestment and stock incentive plans, net of forfeitures		530	35,546	(3,730)				(294)		
Proceeds from issuance of common stock		20,700	1,042,038							
Proceeds from issuance of preferred stock	287,500		(9,599)							
Option compensation expense								1,382		
Cash dividends paid:										
Common stock cash dividends						(142,919)				
Preferred stock cash dividends						(19,207)				
Balances at end of period	$ 1,297,917	$ 213,529	$ 8,088,573	$ (17,265)	$ 1,952,320	$ (3,134,255)	$ (11,642)	$ 7,208	$ 157,633	$

	Three Months Ended March 31, 2011									
	Preferred Stock	Common Stock	Capital in Excess of Par Value	Treasury Stock	Cumulative Net Income	Cumulative Dividends	Accumulated Other Comprehensive Income (Loss)	Other Equity	Noncontrolling Interests	To
Balances at beginning of period	$ 291,667	$ 147,155	$ 4,932,468	$ (11,352)	$ 1,676,196	$ (2,427,881)	$ (11,099)	$ 5,697	$ 130,249	$
Comprehensive income:										
Net income (loss)					32,052				(250)	
Other comprehensive income:										
Unrealized gain (loss) on equity investments							322			
Cash flow hedge activity							482			
Total comprehensive income										
Contributions by noncontrolling interests			6,017						27,486	
Distributions to noncontrolling interests									(7,023)	
Amounts related to issuance of common stock from dividend reinvestment and stock incentive plans, net of forfeitures		658	34,486	(2,128)				(353)		
Proceeds from issuance of common stock		28,750	1,329,944							
Proceeds from issuance of preferred stock	718,750		(22,009)							
Option compensation expense								1,039		
Cash dividends paid:										
Common stock cash dividends						(102,040)				
Preferred stock cash dividends						(8,680)				
Balances at end of period	$ 1,010,417	$ 176,563	$ 6,280,906	$ (13,480)	$ 1,708,248	$ (2,538,601)	$ (10,295)	$ 6,383	$ 150,462	$

See notes to unaudited consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
HEALTH CARE REIT, INC. AND SUBSIDIARIES

	Three Months Ended March 31,			
		2012		2011
	(In thousands)			
Operating activities				
Net income	$	57,458	$	
Adjustments to reconcile net income to				
net cash provided from (used in) operating activities:				
Depreciation and amortization		127,422		
Other amortization expenses		4,984		
Provision for loan losses		-		
Impairment of assets		-		
Stock-based compensation expense		11,323		
Unrealized loss on derivative		555		
Income from unconsolidated entities		(1,532)		
Rental income in excess of cash received		(10,125)		
Amortization related to above (below) market leases, net		(252)		
Loss (gain) on sales of properties		(769)		(2
Distributions by unconsolidated entities		4,009		
Increase (decrease) in accrued expenses and other liabilities		(6,156)		
Decrease (increase) in receivables and other assets		(12,873)		(2
Net cash provided from (used in) operating activities		174,044		1
Investing activities				
Investment in real property, net of cash acquired		(570,200)		(68
Capitalized interest		(2,420)		
Investment in real estate loans receivable		(10,661)		(1
Other investments, net of payments		22,438		
Principal collected on real estate loans receivable		4,301		
Contributions to unconsolidated entities		-		
Distributions by unconsolidated entities		-		
Decrease (increase) in restricted cash		(13,879)		
Proceeds from sales of real property		32,584		
Net cash provided from (used in) investing activities		(537,837)		(6
Financing activities				
Net increase (decrease) under unsecured lines of credit arrangements		(605,000)		(30
Proceeds from issuance of senior unsecured notes		-		1,3
Payments to extinguish senior unsecured notes		(22)		
Net proceeds from the issuance of secured debt		111,000		
Payments on secured debt		(42,568)		
Net proceeds from the issuance of common stock		1,087,777		1,3
Net proceeds from the issuance of preferred stock		277,901		6
Decrease (increase) in deferred loan expenses		(2,324)		
Contributions by noncontrolling interests[1]		8,367		
Distributions to noncontrolling interests[1]		(3,477)		
Cash distributions to stockholders		(162,126)		(1
Net cash provided from (used in) financing activities		669,528		3,0
Increase (decrease) in cash and cash equivalents		305,735		2,5
Cash and cash equivalents at beginning of period		163,482		1
Cash and cash equivalents at end of period	$	469,217	$	2,6
Supplemental cash flow information:				
Interest paid	$	96,426	$	
Income taxes paid		2,596		

(1) Includes amounts attributable to redeemable noncontrolling interests.

See notes to unaudited consolidated financial statements

1. Business

Health Care REIT, Inc., an S&P 500 company with headquarters in Toledo, Ohio, is an equity real estate investment trust (“REIT”) that invests in seniors housing health care real estate. Our full service platform also offers property management and development services to our customers. As of March 31, 2012, our broadly dive portfolio consisted of 956 properties in 46 states. Founded in 1970, we were the first real estate investment trust to invest exclusively in health care facilities.

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. GAA 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 th information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2012 are not necessarily an indicati the results that may be expected for the year ending December 31, 2012. For further information, refer to the financial statements and notes thereto included in our Ar Report on Form 10-K for the year ended December 31, 2011.

New Accounting Standards

In May 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2011-04, “Fair Value Measurements (Topic Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS” (“ASU 2011-04”), which requires incremental fa value disclosures in the notes to the financial statements. We have adopted ASU 2011-04 effective January 1, 2012. The adoption of this guidance did not have a ma impact on our consolidated financial position or results of operations.

In June 2011, the FASB issued ASU No. 2011-05, “Presentation of Comprehensive Income” (“ASU 2011-05”), which requires entities to present net income and o comprehensive income in either a single continuous statement or in two separate, but consecutive, statements of net income and other comprehensive income. We ha adopted ASU 2011-05 effective January 1, 2012 and presented total comprehensive income on the consolidated statements of comprehensive income. Further disclos including reconciliation from net income to total comprehensive income will be required on an annual basis. The provisions of ASU No. 2011-12, “Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in ASU 2011-05” delayed the requirement to present certain reclassifications on the face of the financial statements.

3. Real Property Acquisition and Development

Seniors Housing Triple-net Activity

During the three months ended March 31, 2012, we completed the acquisition of three seniors housing properties operated by Senior Lifestyle Management LLC. total purchase price for the communities acquired has been allocated to the tangible and identifiable intangible assets and liabilities based upon their respective fair va accordance with our accounting policies. Also during the three months ended March 31, 2012, we finalized our purchase price allocation of the previously acquired G real estate assets. There were no material changes in the Genesis HealthCare Corporation purchase accounting allocation from those previously disclosed in Note 3 to Annual Report on Form 10-K for the year ended December 31, 2011. The following is our purchase price allocations and other seniors housing triple-net real propert investment activity for the periods presented (in thousands):

	Three Months Ended	
	March 31, 2012	March 31, 2011
	Amount	Amount
Land and land improvements	$ 5,950	$
Buildings and improvements	89,333	1
Receivables and other assets	-	
Total assets acquired	95,283	1
Assumed debt	-	
Accrued expenses and other liabilities	(232)	
Total liabilities assumed	(232)	
Cash disbursed for acquisitions	95,051	1
Construction in progress additions	38,467	
Less: Capitalized interest	(1,242)	
Cash disbursed for construction in progress	37,225	
Capital improvements to existing properties	9,948	
Total cash invested in real property, net of cash acquired	$ 142,224	$ 1

Seniors Housing Operating Activity

During the three months ended March 31, 2012, we acquired six seniors housing properties which were added to our partnership with Belmont Village, LP to own operate a portfolio of seniors housing communities. We own a 95% partnership interest and Belmont owns the remaining 5% interest and continues to manage the communities. The total purchase price for the communities acquired has been allocated to the tangible and identifiable intangible assets and liabilities as well as the noncontrolling interests based upon their respective fair values in accordance with our accounting policies. The following is a summary of our seniors housing operat real property investment activity for the periods presented (in thousands):

	Three Months Ended	
	March 31, 2012	March 31, 2011
	Amount	Amount
Land and land improvements	$ 18,980	$
Building and improvements	174,467	9
Acquired lease intangibles	16,656	
Restricted cash	-	
Investment in unconsolidated entities	-	
Receivables and other assets	1,182	
Total assets acquired(1)	211,285	1,1
Secured debt	-	(58
Accrued expenses and other liabilities	(1,649)	(3
Total liabilities assumed	(1,649)	(62
Capital in excess of par	-	
Noncontrolling interests	(2,054)	(2
Non-cash acquisition related activity	-	(2
Cash disbursed for acquisitions	207,582	4
Capital improvements to existing properties	3,040	
Total cash invested in real property, net of cash acquired	$ 210,622	$ 4

(1) Excludes $1,619,000 and $34,973,000 of cash acquired during the three months ended March 31, 2012 and 2011, respectively.

Medical Facilities Activity

During the three months ended March 31, 2012, we acquired 12 medical office buildings and one hospital. The total purchase price for the communities acquired been allocated to the tangible and identifiable intangible assets and liabilities based upon their respective fair values in accordance with our accounting policies. The following is a summary of our medical facilities real property investment activity for the periods presented (in thousands):

	Three Months Ended			
	March 31, 2012[2]		March 31, 2011	
	Amount		Amount	
Land and land improvements	$	9,509	$	
Buildings and improvements		320,481		
Acquired lease intangibles		39,619		
Receivables and other assets		4,158		
Total assets acquired		373,767		
Secured debt		(172,856)		
Accrued expenses and other liabilities		(9,255)		
Total liabilities assumed		(182,111)		
Cash disbursed for acquisitions		191,656		
Construction in progress additions:		40,557		
Less: Capitalized interest		(1,178)		
Accruals[1]		(20,752)		(
Cash disbursed for construction in progress		18,627		
Capital improvements to existing properties		7,071		
Total cash invested in real property	$	217,354	$	

(1) Represents non-cash accruals for amounts to be paid in future periods relating to properties that converted in the periods noted above.

(2) Includes acquisitions with an aggregate purchase price of $363,136,000 for which the allocation of the purchase price consideration is preliminary and subject to change.

Development Conversions

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

	Three Months Ended			
	March 31, 2012		March 31, 2011	
Development projects:				
Seniors housing triple-net	$	23,859	$	
Medical facilities		93,676		1
Total development projects		117,535		1
Expansion projects		240		
Total construction in progress conversions	$	117,775	$	1

Transaction Costs

Transaction costs primarily represent costs incurred with property acquisitions, including due diligence costs, fees for legal and valuation services and termination existing relationships computed based on the fair value of the assets acquired, lease termination fees and other acquisition-related costs.

4. Real Estate Intangibles

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

	March 31, 2012	December 31, 2011
Assets:		
In place lease intangibles	$ 385,367	$ [illegible]
Above market tenant leases	42,597	
Below market ground leases	58,604	
Lease commissions	10,821	
Gross historical cost	497,389	[illegible]
Accumulated amortization	(176,365)	[illegible]
Net book value	$ 321,024	$ [illegible]
Weighted-average amortization period in years	16.6	
Liabilities:		
Below market tenant leases	$ 70,304	$
Above market ground leases	5,894	
Gross historical cost	76,198	
Accumulated amortization	(22,971)	[illegible]
Net book value	$ 53,227	$
Weighted-average amortization period in years	12.6	

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

	Three Months Ended March 31,	
	2012	2011
Rental income related to above/below market tenant leases, net	$ 552	$
Property operating expenses related to above/below market ground leases, net	(300)	
Depreciation and amortization related to in place lease intangibles and lease commissions	(27,605)	[illegible]

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

	Assets	Liabilities
2012	$ 83,732	$
2013	39,211	
2014	23,784	
2015	21,440	
2016	23,471	
Thereafter	129,386	
Totals	$ 321,024	$

5. Dispositions, Assets Held for Sale and Discontinued Operations

During the three months ended March 31, 2012, we sold four properties for net gains of $769,000. At March 31, 2012, we had one medical facility and 32 seniors hou facilities that satisfied the requirements for held for sale treatment and such properties were properly recorded at the lesser of their estimated fair value less costs to sell or carrying value. The following is a summary of our real property disposition activity for the periods presented (in thousands):

	Three Months Ended			
	March 31, 2012		March 31, 2011	
Real property dispositions:				
Seniors housing triple-net	$	-	$	
Medical facilities		31,815		
Total dispositions		31,815		
Add: Gain on sales of real property		769		
Proceeds from real property sales	$	32,584	$	

We have reclassified the income and expenses attributable to all properties sold prior to and held for sale at March 31, 2012 to discontinued operations. Expenses incl allocation of interest expense based on property carrying values and our weighted average cost of debt. The following illustrates the reclassification impact as a result of classifying properties as discontinued operations for the periods presented (in thousands):

	Three Months Ended March 31,			
	2012		2011	
Revenues:				
Rental income	$	5,991	$	
Expenses:				
Interest expense		1,010		
Property operating expenses		426		
Provision for depreciation		1,467		
Income (loss) from discontinued operations, net	$	3,088	$	

6. Real Estate Loans Receivable

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

	Three Months Ended					
	March 31, 2012			March 31, 2011		
	Seniors Housing Triple-net	Medical Facilities	Totals	Seniors Housing Triple-net	Medical Facilities	Tota
Advances on real estate loans receivable:						
Investments in new loans	$ -	$ -	$ -	$ 11,807	$ -	$
Draws on existing loans	10,467	194	10,661	8,824	2,481	
Net cash advances on real estate loans	10,467	194	10,661	20,631	2,481	
Receipts on real estate loans receivable:						
Loan payoffs	-	-	-	7,607	-	
Principal payments on loans	3,689	612	4,301	2,653	2,081	
Total receipts on real estate loans	3,689	612	4,301	10,260	2,081	
Net advances (receipts) on real estate loans	$ 6,778	$ (418)	$ 6,360	$ 10,371	$ 400	$

We recorded no provision for loan losses during the three months ended March 31, 2012. At March 31, 2012, we had real estate loans with outstanding bala $12,956,000 on non-accrual status but no allowance for loan losses.

7. Investments in Unconsolidated Entities

During the year ended December 31, 2010, we entered into a joint venture investment with Forest City Enterprises (NYSE:FCE.A and FCE.B). We acquired a 49% interest in a seven-building life science campus located at University Park in Cambridge, Massachusetts, which is immediately adjacent to the campus of the Massach Institute of Technology. In connection with these transactions, we invested $174,692,000 of cash which was recorded as an investment in unconsolidated entities on t balance sheet. The results of operations for these properties have been included in our consolidated results of operations from the date of acquisition by the joint vent and are reflected in our statement of comprehensive income as income from unconsolidated entities. The aggregate remaining unamortized basis difference of our investment in this joint venture of $4,818,000 at March 31, 2012 is primarily attributable to real estate and related intangible assets and will be amortized over the life related properties and included in the reported amount of income from unconsolidated entities. In addition, at March 31, 2012, we had other investments in unconsoli entities with our ownership ranging from 10% to 50%.

8. Customer Concentration

The following table summarizes certain information about our customer concentration as of March 31, 2012 (dollars in thousands):

Concentration by investment:(1)	Number of Properties(2)	Total Investment(2)	Percent of Investment(3)
Genesis HealthCare Corporation	150	$ 2,455,168	17%
Merrill Gardens, LLC	48	1,118,999	8%
Benchmark Senior Living	35	869,806	6%
Brandywine Senior Living, LLC	25	724,308	5%
Senior Living Communities, LLC	12	602,453	4%
Remaining portfolio	673	8,790,324	60%
Totals	943	$ 14,561,057	100%

(1) Merrill Gardens and Benchmark are in our seniors housing operating segment whereas the other top five customers are in our seniors housing triple-net segment.
(2) Excludes our share of investments in unconsolidated entities. Please see Note 7 for additional information.
(3) Investments with our top five customers comprised 41% of total investments at December 31, 2011.

9. Borrowings Under Line of Credit Arrangements and Related Items

At March 31, 2012, we had a $2,000,000,000 unsecured line of credit arrangement with a consortium of 31 banks with an option to upsize the facility by up to an additional $500,000,000 through an accordion feature, allowing for the aggregate commitment of up to $2,500,000,000. The revolving credit facility is scheduled to July 27, 2015. Borrowings under the agreement are subject to interest payable in periods no longer than three months at either the agent bank's prime rate of interest applicable margin over LIBOR interest rate, at our option (1.60% at March 31, 2012). The applicable margin is based on certain of our debt ratings and was 1.35% at 31, 2012. In addition, we pay a facility fee annually to each bank based on the bank's commitment amount. The facility fee depends on certain of our debt ratings and 0.25% at March 31, 2012. Principal is due upon expiration of the agreement. In addition, at March 31, 2012, we had a $5,000,000 unsecured revolving demand note outstanding and bearing interest at 1-month LIBOR plus 110 basis points.

The following information relates to aggregate borrowings under the unsecured line of credit arrangements for the periods presented (dollars in thousands):

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Balance outstanding at quarter end	$ 5,000	$
Maximum amount outstanding at any month end	$ 897,000	$ 4
Average amount outstanding (total of daily principal balances divided by days in period)	$ 480,703	$ 3
Weighted average interest rate (actual interest expense divided by average borrowings outstanding)	1.65%	

10. Senior Unsecured Notes and Secured Debt

We have $4,436,103,000 of senior unsecured notes with annual stated interest rates ranging from 3.00% to 8.00%. The carrying amounts of the senior unsecured represent the par value of $4,464,905,000 adjusted for any unamortized premiums or discounts and other basis adjustments related to hedging the debt with derivative instruments. See Note 11 for further discussion regarding derivative instruments. During the three months ended March 31, 2011, we issued $400,000,000 of 3.625% unsecured notes due 2016, $600,000,000 of 5.25% senior unsecured notes due 2022 and $400,000,000 of 6.50% senior unsecured notes due 2041, generating net proc of $1,381,086,000.

We have secured debt totaling $2,353,856,000, collateralized by owned properties, with annual interest rates ranging from 1.2% to 8.0%. The carrying amounts o secured debt represent the par value of $2,336,082,000 adjusted for any unamortized fair value adjustments on loan assumptions. The carrying values of the properti securing the debt totaled $4,388,367,000 at March 31, 2012. During the three months ended March 31, 2012, we assumed $158,290,000 of first mortgage loans princ with an average rate of 5.9% secured by seven properties. During the three months ended March 31, 2012, we issued $111,000,000 of first mortgage loans principal w average rate of 4.2% secured by two properties. During the three months ended March 31, 2012, we extinguished $33,092,000 of first mortgage loans principal with average rate of 4.3% secured by four properties.

Please see Note 19 regarding senior unsecured note and secured debt activity that occurred subsequent to March 31, 2012.

Our debt agreements contain various covenants, restrictions and events of default. Certain agreements require us to maintain certain financial ratios and minimum worth and impose certain limits on our ability to incur indebtedness, create liens and make investments or acquisitions. As of March 31, 2012, we were in compliance all of the covenants under our debt agreements.

At March 31, 2012, the annual principal payments due on these debt obligations were as follows (in thousands):

	Senior Unsecured Notes[1]	Secured Debt [1]	Totals
2012	$ 202,416 [2]	$ 224,279 [3]	$ 4
2013	300,000	170,693	4
2014	-	198,996	1
2015	250,000	182,288	4
2016	700,000	274,219	9
Thereafter	3,012,489	1,285,607	4,2
Totals	$ 4,464,905	$ 2,336,082	$ 6,8

(1) Amounts represent principal amounts due and do not include unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet.

(2) $125,563,000 of convertible senior notes were redeemed in April 2012. Please see Note 19 for additional information.

(3) Approximately $185,000,000 of secured debt was extinguished in April 2012. Please see Note 19 for additional information.

11. Derivative Instruments

We are exposed to various market risks, including the potential loss arising from adverse changes in interest rates. We may elect to use financial derivative instrum to hedge such interest rate exposures. These decisions are principally based on our policy to manage the general trend in interest rates at the applicable dates and our perception of the future volatility of interest rates. In addition, the Chartwell transaction discussed in Note 19 exposes us to the potential loss associated with adverse changes in the Canadian Dollar to U.S. Dollar exchange rate. We elected to manage this risk through the use of a forward exchange contract.

Derivatives are recorded at fair value on the balance sheet as assets or liabilities. The valuation of derivative instruments requires us to make estimates and judgm that affect the fair value of the instruments. Fair values of our interest rate swap agreements are estimated by pricing models that consider the forward yield curves an discount rates. The fair value of our forward exchange contracts are estimated by pricing models that consider foreign currency spot rates, forward trade rates and dis rates. Such amounts and the recognition of such amounts are subject to significant estimates that may change in the future.

Interest Rate Swap 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 reported 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 derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in earnings. As of March 31, we had eight interest

rate swaps for a total aggregate notional amount of $135,445,000. The swaps hedge interest payments associated with long-term LIBOR based borrowings and matur between December 31, 2012 and December 31, 2013. Approximately $2,152,000 of losses, which are included in accumulated other comprehensive income ("AOC expected to be reclassified into earnings in the next 12 months.

Forward Exchange Contracts not Designated as Hedging Instruments

On February 15, 2012, we entered into a forward exchange contract to purchase $250,000,000 Canadian Dollars at a fixed rate in the future. The forward contract used to limit exposure to fluctuations in the Canadian Dollar to U.S. Dollar exchange rate associated with our initial cash investment funded for the Chartwell transac discussed in Note 19.

The following presents the impact of derivative instruments on the statement of comprehensive income and OCI for the periods presented (dollars in thousands):

	Location	Three Months Ended March 31, 2012	
Gain (loss) on interest rate swap recognized in OCI (effective portion)	n/a	$ 739	$
Gain (loss) on interest rate swaps reclassified from AOCI into income (effective portion)	Interest expense	461	
Gain (loss) on interest rate swap recognized in income (ineffective portion and amount excluded from effectiveness testing)	Realized loss	n/a	
Gain (loss) on forward exchange contracts recognized in income (ineffective portion and amount excluded from effectiveness testing)	Unrealized loss	(555)	

12. Commitments and Contingencies

At March 31, 2012, we had five outstanding letter of credit obligations totaling $5,515,000 and expiring between 2012 and 2014.

At March 31, 2012, we had outstanding construction in process of $150,750,000 for leased properties and were committed to providing additional funds of approximately $240,765,000 to complete construction. At March 31, 2012, we had contingent purchase obligations totaling $50,818,000. These contingent purchase obligations relate to unfunded capital improvement obligations and contingent obligations on acquisitions. Rents due from the tenant are increased to reflect the addit investment in the property.

We evaluate our leases for operating versus capital lease treatment in accordance with Accounting Standards Codification ("ASC") Topic 840 "Leases." A lease is classified as a capital lease if it provides for transfer of ownership of the leased asset at the end of the lease term, contains a bargain purchase option, has a lease term than 75% of the economic life of the leased asset, or if the net present value of the future minimum lease payments are in excess of 90% of the fair value of the leased Certain leases contain bargain purchase options and have been classified as capital leases. At March 31, 2012, we had operating lease obligations of $396,101,000 re to certain ground leases and company office space and capital lease obligations of $88,470,000 relating to certain investment properties. We incurred rental expense r to company office space of $290,000 for the three months ended March 31, 2012 as compared to $515,000 for the same period in 2011. Regarding ground leases, we sublease agreements with certain of our operators that require the operators to reimburse us for our monthly operating lease obligations. At March 31, 2012, aggregate future minimum rentals to be received under these noncancelable subleases totaled $43,108,000.

13. Stockholders' Equity

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

	March 31, 2012	December 31, 2011
Preferred Stock:		
Authorized shares	50,000,000	50,0
Issued shares	37,224,854	25,7
Outstanding shares	37,224,854	25,7
Common Stock, $1.00 par value:		
Authorized shares	400,000,000	400,0
Issued shares	214,078,223	192,6
Outstanding shares	213,682,073	192,2

Preferred Stock. During the three months ended March 31, 2012, we issued 11,500,000 shares of 6.50% Series J Cumulative Redeemable Preferred Stock. These have a liquidation value of $25.00 per share. Dividends are payable quarterly in arrears. Please see Note 19 regarding preferred stock activity that occurred subseque March 31, 2012. During the three months ended March 31, 2011, we issued 14,375,000 shares of 6.50% Series I Cumulative Convertible Perpetual Preferred Stock. shares have a liquidation value of $50.00 per share. Dividends are payable quarterly in arrears. The Series I preferred stock is not redeemable by us. These preferred shares are convertible, at the holder's option, into 0.8460 shares of common stock (equal to an initial conversion price of approximately $59.10).

Common Stock. The following is a summary of our common stock issuances during the three months ended March 31, 2012 and 2011 (dollars in thousands, excep share amounts):

	Shares Issued	Average Price	Gross Proceeds	Net Procee
March 2011 public issuance	28,750,000	$ 49.25	$ 1,415,938	$ 1,3
2011 Dividend reinvestment plan issuances	574,652	48.42	27,822	
2011 Option exercises	37,922	42.24	1,602	
2011 Totals	29,362,574		$ 1,445,362	$ 1,3
Febraury 2012 public issuance	20,700,000	$ 53.50	$ 1,107,450	$ 1,0
2012 Dividend reinvestment plan issuances	429,058	54.61	23,429	
2012 Option exercises	43,047	37.42	1,611	
2012 Totals	21,172,105		$ 1,132,490	$ 1,0

Comprehensive Income

The following is a summary of accumulated other comprehensive income (loss) as of the dates indicated (in thousands):

	March 31, 2012	December 31, 2011
Unrecognized losses on cash flow hedges	$ (8,283)	$
Unrecognized losses on equity investments	(612)	
Unrecognized actuarial losses	(2,747)	
Totals	$ (11,642)	$ (

The following is a summary of comprehensive income (loss) for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2012	2011
Unrecognized gains on cash flow hedges	$ 278	$
Unrecognized gains on equity investments	8	
Total other comprehensive income (loss)	286	
Net income attributable to controlling interests	58,514	
Comprehensive income (loss) attributable to controlling interests	58,800	
Net and comprehensive income (loss) attributable to noncontrolling interests[1]	(1,056)	
Total comprehensive income (loss) attributable to common stockholders	$ 57,744	$

(1) Includes amounts attributable to redeemable noncontrolling interests.

14. Stock Incentive Plans

Our Amended and Restated 2005 Long-Term Incentive Plan authorizes up to 6,200,000 shares of common stock to be issued at the discretion of the Compensatio
Committee of the Board of Directors. The 2005 Plan replaced the 1995 Stock Incentive Plan and the Stock Plan for Non-Employee Directors. The options granted to
officers and key employees under the 1995 Plan continued to vest through 2010 and expire ten years from the date of grant. Our non-employee directors, officers and
employees are eligible to participate in the 2005 Plan. The 2005 Plan allows for the issuance of, among other things, stock options, restricted stock, deferred stock un
dividend equivalent rights. Vesting periods for options, deferred stock units and restricted shares generally range from three years for non-employee directors to five y
for officers and key employees. Options expire ten years from the date of grant. Stock-based compensation expense totaled $11,323,000 and $5,593,000 for the three
months ended March 31, 2012 and 2011, respectively. The increase is primarily attributable to the impact of special non-cash retention and performance based stock a
for executive officers.

15. 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 March 31,	
	2012	2011
Numerator for basic and diluted earnings per share - net income (loss) attributable to common stockholders	$ 39,307	$
Denominator for basic earnings per share - weighted average shares	199,661	1
Effect of dilutive securities:		
Employee stock options	223	
Non-vested restricted shares	280	
Convertible senior unsecured notes	1,494	
Dilutive potential common shares	1,997	
Denominator for diluted earnings per share - adjusted weighted average shares	201,658	1
Basic earnings per share	$ 0.20	$
Diluted earnings per share	$ 0.19	$

The diluted earnings per share calculations exclude the dilutive effect of 388,000 and 0 stock options for the three months ended March 31, 2012 and 2011, respe because the exercise prices were more than the average market price. The Series H Cumulative Convertible and Redeemable Preferred Stock and Series I Cum Convertible Perpetual Preferred Stock were not included in the calculations as the effect of conversions into common stock was anti-dilutive.

16. Disclosure about Fair Value of Financial Instruments

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 and Other Real Estate Loans Receivable — The fair value of mortgage loans and other real estate loans receivable is generally estimated by using le and level three 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 and for the same remaining maturities.

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

Available-for-sale Equity Investments — Available-for-sale equity investments are recorded at their fair value based on publicly available trading prices.

Borrowings Under Unsecured Line of Credit Arrangements — The carrying amount of the unsecured line of credit arrangements approximates fair value beca borrowings are interest rate adjustable.

Senior Unsecured Notes — The fair value of the senior unsecured notes payable was estimated based on publicly available trading prices.

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

Interest Rate Swap Agreements — Interest rate swap agreements are recorded as assets or liabilities on the balance sheet at fair market value. Fair market value is estim utilizing pricing models that consider forward yield curves and discount rates.

Foreign Currency Forward Contracts — Foreign currency forward contracts are recorded as assets or liabilities on the balance sheet at fair market value. Fair market v determined by estimating the future value of the currency pair based on existing exchange rates, comprised of current spot and traded forward points, and present valuing amount using a discount factor based on observable traded interest rates.

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

	March 31, 2012		December 31, 2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Mortgage loans receivable	$ 63,625	$ 64,288	$ 63,934	$
Other real estate loans receivable	235,243	236,195	228,573	2
Available-for-sale equity investments	988	988	980	
Cash and cash equivalents	469,217	469,217	163,482	1
Financial liabilities:				
Borrowings under unsecured line of credit arrangements	$ 5,000	$ 5,000	$ 610,000	$ 6
Senior unsecured notes	4,436,103	4,841,110	4,434,107	4,7
Secured debt	2,353,856	2,468,979	2,112,649	2,2
Interest rate swap agreements	2,205	2,205	2,854	
Foreign currency forward contract	555	555	-	

U.S. GAAP provides authoritative guidance for measuring and disclosing fair value measurements of assets and liabilities. The guidance defines fair value as the ex 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 transaction between market participants on the measurement date. The guidance also establishes a fair value hierarchy which requires an entity to maximize the observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of inputs that may be used to measure fai

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 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.

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 other relevant information generated by market transactions involving identical or comparable assets or liabilities.

	Fair Value Measurements as of March 31, 2012			
	Total	Level 1	Level 2	Level 3
Available-for-sale equity investments[1]	$ 988	$ 988	$ -	$
Interest rate swap agreements[2]	(2,205)	-	(2,205)	
Foreign currency forward contract[2]	(555)	-	(555)	
Totals	$ (1,772)	$ 988	$ (2,760)	$

(1) Unrealized gains or losses on equity investments are recorded in accumulated other comprehensive income (loss) at each measurement date.
(2) Please see Note 11 for additional information.

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 on our balance sheet that are measured at fair valu nonrecurring basis. As these assets and liabilities are not measured at fair value on a recurring basis, they are not included in the table above. Assets and liabilities t measured at fair value on a nonrecurring basis include assets acquired and liabilities assumed in business combinations (see Note 3) and asset impairments (see No impairments of real property and Note 6 for impairments of loans receivable). We have determined that the fair value measurements included in each of these ass 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 availa such, we have determined that each of these fair value measurements generally reside within Level 3 of the fair value hierarchy. We estimate the fair value of real est related intangibles using the income approach and unobservable data such as net operating income and estimated capitalization and discount rates. We also conside and national industry market data including comparable sales, and commonly engage an external real estate appraiser to assist us in our estimation of fair valu estimate the fair value of secured debt assumed in business combinations using current interest rates at which similar borrowings could be obtained on the transaction

17. Segment Reporting

We invest in seniors housing and health care real estate. We evaluate our business and make resource allocations on our three business segments: seniors housing t net, seniors housing operating and medical facilities. Our seniors housing triple-net properties include skilled nursing/post-acute facilities, assisted living facilities, independent living/continuing care retirement communities and combinations thereof. Under the seniors housing triple-net segment, we invest in seniors housing and care real estate through acquisition and financing of primarily single tenant properties. Properties acquired are primarily leased under triple-net leases and we are no involved in the management of the property. Our seniors housing operating properties include assisted living facilities and independent living/continuing care retirem communities that are owned and operated through RIDEA (see Note 18) partnership structures. Our primary medical facility properties include medical office buildi hospitals and life science buildings. Our medical office buildings are typically leased to multiple tenants and generally require a certain level of property managemen hospital investments are structured similar to our seniors housing triple-net investments. Our life science investments represent investments in an unconsolidated enti Note 7 for additional information). The accounting policies of the segments are the same as those described in the summary of significant accounting policies (see N to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2011). The results of operations for all acquisitions describ Note 3 are included in our consolidated results of operations from the acquisition dates and are components of the appropriate segments. There are no intersegment s transfers. We evaluate performance based upon net operating income from continuing operations ("NOI") of each segment. We define NOI as total revenues, includin tenant reimbursements, less property level operating expenses, which exclude depreciation and amortization, general and administrative expenses, transaction costs, impairments and interest expense. We believe NOI provides investors relevant and useful information because it measures the operating performance of our propertie 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 non-real estate investments and 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 net operating income.

Summary information for the reportable segments for the three months ended March 31, 2012 and 2011 is as follows (in thousands):

Three Months Ended March 31, 2012:	Seniors Housing Triple-net	Seniors Housing Operating	Medical Facilities	Non-segment / Corporate	Tota
Rental income	$ 172,894	$ -	$ 94,464	$ -	$ 2
Resident fees and services	-	158,174	-	-	1
Interest income	5,877	-	2,264	-	
Other income	848	-	603	235	
Total revenues	179,619	158,174	97,331	235	4
Property operating expenses	-	(107,243)	(22,025)	-	(12
Net operating income from continuing operations	179,619	50,931	75,306	235	3
Reconciling items:					
Interest expense	(2,522)	(15,835)	(10,239)	(64,116)	(9
Unrealized loss on derivatives	-	(555)	-	-	
Depreciation and amortization	(52,226)	(39,773)	(33,956)	-	(12
General and administrative	-	-	-	(27,751)	(2
Transaction costs	(1,523)	(1,578)	(2,478)	-	(
Income (loss) from continuing operations before income taxes and income from unconsolidated entities	$ 123,348	$ (6,810)	$ 28,633	$ (91,632)	$
Total assets	$ 7,916,935	$ 3,211,595	$ 4,162,288	$ 568,916	$ 15,8

Three Months Ended March 31, 2011:	Seniors Housing Triple-net	Seniors Housing Operating	Medical Facilities	Non-segment / Corporate	Tota
Rental income	$ 95,784	$ -	$ 64,153	$ -	$ 1
Resident fees and services	-	71,286	-	-	
Interest income	9,379	-	2,330	-	
Other income	507	-	1,786	531	
Total revenues	105,670	71,286	68,269	531	2
Property operating expenses	-	(49,272)	(14,291)	-	(6
Net operating income from continuing operations	105,670	22,014	53,978	531	1
Reconciling items:					
Interest expense	(148)	(6,527)	(6,782)	(43,445)	(5
Depreciation and amortization	(27,674)	(20,131)	(22,938)	-	(7
General and administrative	-	-	-	(17,714)	(1
Transaction costs	(3,996)	(32,069)	-	-	(3
Provision for loan losses	(248)	-	-	-	
Income (loss) from continuing operations before income taxes and income from unconsolidated entities	$ 73,604	$ (36,713)	$ 24,258	$ (60,628)	$

18. Income Taxes and Distributions

To qualify as a real estate investment trust for federal income tax purposes, at least 90% of taxable income (excluding 100% of net capital gains) must be distribute stockholders. Real estate investment trusts that do not distribute a certain amount of current year taxable income in the current year are also subject to a 4% federal ex tax. The main differences between undistributed net income for federal income tax purposes and financial statement purposes are the recognition of straight-line rent reporting purposes, basis differences in acquisitions, differing useful lives and depreciation and amortization methods for real property and the provision for loan loss reporting purposes versus bad debt expense for tax purposes. At March 31, 2012, we continued to qualify as a real estate investment trust, and no federal provision h been reflected due to distributions made to stockholders of at least 100% of taxable income for the three months ended March 31, 2012.

At March 31, 2012, we had no U.S. federal tax losses from our taxable REIT subsidiaries ("TRS"), and no apportioned state tax losses available for carry-forward Income tax expense reflected in the financial statements primarily represents federal, state and local income taxes as well as amounts related to uncertain tax position discussed below. As a result of certain acquisitions, we are subject to corporate level taxes for related asset dispositions for the period March 31, 2012 through March 2021 ("built-in gains tax"). The amount of income potentially subject to this special corporate level tax is generally equal to (a) the excess of the fair value of the asse March 31, 2021 over its adjusted tax basis as of March 31, 2021, or (b) the actual amount of gain, whichever of (a) and (b) is lower. Some but not all gains recognize during this period of time could be offset by available net operating losses and capital loss carry-forwards. We have not recorded a deferred tax liability as a result of potential built-in gains tax based on our intentions with respect to such properties and available tax planning strategies.

Under the provisions of the REIT Investment Diversification and Empowerment Act of 2007 ("RIDEA"), for taxable years beginning after July 30, 2008, the REI lease "qualified health care properties" on an arm's-length basis to a TRS if the property is operated on behalf of such subsidiary by a person who qualifies as an "eli 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 "qua 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 fac congregate care facility, qualified continuing care facility, or other licensed facility which extends medical or nursing or ancillary services to patients.

Through March 31, 2012, we have entered into five joint ventures that were structured under RIDEA. No new joint ventures were entered into during the three mo ended March 31, 2012 that were structured under RIDEA. Resident level rents and related operating expenses for these facilities are reported in the consolidated fina statements and are subject to federal taxes as the operations of such facilities are included in a TRS.

We apply the rules under ASC 740-10 "Accounting for Uncertainty in Income Taxes" for uncertain tax positions using a "more likely than not" recognition thresh tax positions. Pursuant to these rules, we will initially recognize the financial statement effects of a tax position when it is more likely than not, based on the technica of the tax position, that such a position will be sustained upon examination by the relevant tax authorities. If the tax benefit meets the "more likely than not" threshol measurement of the tax benefit will be based on our estimate of the ultimate tax benefit to be sustained if audited by the taxing authority.

The entire balance of unrecognized tax benefits as of March 31, 2012 of $6,098,000 (exclusive of accrued interest and penalties) relates to the April 1, 2011 Gene transaction and is included in accrued expenses and other liabilities on the consolidated balance sheet. As a part of the Genesis acquisition, we received full indemni from FC-GEN Operations Investment, LLC covering income taxes or other taxes as well as interest and penalties relating to tax positions taken by FC-GEN Operati Investment, LLC prior to the acquisition. As of March 31, 2012, we had $8,090,000 reserved for uncertain tax positions pursuant to ASC 740-10 inclusive of interes penalties, and had recorded an offsetting indemnification asset for the same amount in receivables and other assets on the consolidated balance sheets. Such indemnification asset is reviewed for collectability periodically. We have estimated that an additional $5,087,000 to $28,193,000 could be subject to collection under indemnification agreement provided an unfavorable assessment is made relating to income tax positions that we currently believe are more likely than not to be susta

There were $206,000 of uncertain tax positions as of March 31, 2012 for which it is reasonably possible that the amount of unrecognized tax benefits would decre during 2012. Interest and penalties totaled $215,000 in expense for the three months ended March 31, 2012 and were recorded as income tax expense in the consoli statements of comprehensive income with an offsetting amount recorded in other income relating to the increase in the indemnification asset. As of March 31, 2012, $1,862,000 of interest and penalties were accrued related to income taxes.

19. Subsequent Events

Preferred Stock Redemptions. On April 2, 2012, we completed redemptions of all $100 million (4 million shares) of our 7.875% Series D and $175 million (7 mil shares) of our 7.625% Series F cumulative redeemable preferred stock.

Debt Activity. On April 3, 2012, we completed the issuance of $600 million of 4.125% senior unsecured notes due 2019, generating approximately $594 million i proceeds. As of April 25, 2012, we received notices of conversion from holders of $125 million of our 4.75% convertible senior unsecured notes. Conversion into co shares will occur prior to June 30, 2012. The remaining $162 thousand of these notes were redeemed on April 26, 2012. Additionally, during the month ended April 2012, we completed extinguishments of approximately $185 million of secured debt bearing a weighted-average interest rate of 4.25%.

Chartwell Transaction. On May 1, 2012, we completed a transaction partnering with Chartwell Seniors Housing Real Estate Investment Trust to own and operate portfolio of 42 seniors housing and care communities located in Canada. This transaction has been structured under RIDEA with 39 facilities owned 50% by us and 5 by Chartwell, and three facilities wholly owned by us. Our investment of approximately $509.5 million was funded through a combination of cash and the pro rata assumption of secured debt. Chartwell will provide management services to the communities under an incentive-based management contract.

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

The following discussion and analysis is based primarily on the consolidated financial statements of Health Care REIT, Inc. for the periods presented and should b
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 ye
ended December 31, 2011, including factors identified under the headings "Business," "Risk Factors," and "Management's Discussion and Analysis of Financial Con
and Results of Operations."

Executive Summary

Company Overview

Health Care REIT, Inc. is a real estate investment trust ("REIT") that has been at the forefront of seniors housing and health care real estate since the company wa
founded in 1970. We are an S&P 500 company headquartered in Toledo, Ohio and our portfolio spans the full spectrum of seniors housing and health care real estate
including seniors housing communities, skilled nursing/post-acute facilities, medical office buildings, inpatient and outpatient medical centers and life science faciliti
capital programs, when combined with comprehensive planning, development and property management services, make us a single-source solution for acquiring, pla
developing, managing, repositioning and monetizing real estate assets. The following table summarizes our portfolio as of March 31, 2012:

Type of Property	Investments (in thousands)	Percentage of Investments	Number of Properties	# Beds/Units or Sq. Ft.		Investment per metric[1]	
Seniors housing triple-net	$ 4,142,467	27.7%	286	25,896	units	$ 163,233	per unit
Skilled nursing/post-acute	3,515,157	23.5%	307	39,803	beds	89,444	per bed
Seniors housing operating	2,962,709	19.8%	118	13,193	units	224,567	per unit
Hospitals	921,629	6.2%	37	2,209	beds	417,215	per bed
Medical office buildings[2]	3,064,541	20.5%	201	12,100,555	sq. ft.	262	per sq. ft.
Life science buildings[2]	336,239	2.3%	7			n/a	
Totals	$ 14,942,742	100.0%	956				

(1) Investment per metric was computed by using the total committed investment amount of $15,183,507,000, which includes net real estate investments, our share of investments in unconsolidated entities a
unfunded construction commitments for which initial funding has commenced which amounted to $14,561,057,000, $381,685,000 and $240,765,000, respectively.
(2) Includes our share of investments in unconsolidated entities. Please see Note 7 to our unaudited financial statements for additional information.

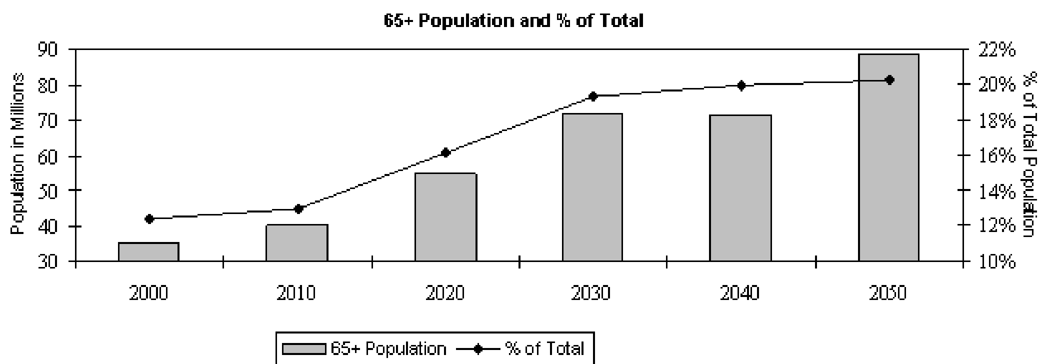
Health Care Industry

The demand for health care services, and consequently health care properties, is projected to reach unprecedented levels in the near future. The Centers for Medica
Medicaid Services ("CMS") projects that national health expenditures will rise to $3.5 trillion in 2015 or 18.2% of gross domestic product ("GDP"). The average ann
growth in national health expenditures for 2009 through 2019 is expected to be 6.3%, which is 0.2% faster than pre−health care reform estimates.

While demographics are the primary driver of demand, economic conditions and availability of services contribute to health care service utilization rates. We belie
health care property market may be less susceptible to fluctuations and economic downturns relative to other property sectors. Investor interest in the market remains
especially in specific sectors such as medical office buildings, regardless of the current stringent lending environment. As a REIT, we believe we are situated to benef
any turbulence in the capital markets due to our access to capital.

The total U.S. population is projected to increase by 20.4% through 2030. The elderly population aged 65 and over is projected to increase by 79.2% through 2030
elderly are an important component of health care utilization, especially independent living services, assisted living services, skilled nursing services, inpatient and
outpatient hospital services and physician ambulatory care. Most health care services are provided within a health care facility such as a hospital, a physician's office
seniors housing facility. Therefore, we believe there will be continued demand for companies, such as ours, with expertise in health care real estate.

The following chart illustrates the projected increase in the elderly population aged 65 and over:



Source: U.S. Census Bureau

Health care real estate investment opportunities tend to increase as demand for health care services increases. We recognize the need for health care real estate as i correlates to health care service demand. Health care providers require real estate to house their businesses and expand their services. We believe that investment opportunities in health care real estate will continue to be present due to:

- The specialized nature of the industry, which enhances the credibility and experience of our company;
- The projected population growth combined with stable or increasing health care utilization rates, which ensures demand; and
- The on-going merger and acquisition activity.

Health Reform Laws

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act of 2010 (the "PPACA") and the Health Care and Education Reconciliation Act of 2010, which amends the PPACA (collectively, the "Health Reform Laws"). The Health Reform Laws contain various provisions that may direc impact us or the operators and tenants of our properties. Some provisions of the Health Reform Laws may have a positive impact on our operators' or tenants' revenu for example, increasing coverage of uninsured individuals, while others may have a negative impact on the reimbursement of our operators or tenants by, for example altering the market basket adjustments for certain types of health care facilities. The Health Reform Laws also enhance certain fraud and abuse penalty provisions tha apply to our operators and tenants, in the event of one or more violations of the federal health care regulatory laws. In addition, there are provisions that impact the he coverage that we and our operators and tenants provide to our respective employees. We cannot predict whether the existing Health Reform Laws, or future health c reform legislation or regulatory changes, will have a material impact on our operators' or tenants' property or business. If the operations, cash flows or financial cond of our operators and tenants are materially adversely impacted by the Health Reform Laws or future legislation, our revenue and operations may be adversely affected well. On February 2, 2011, the U.S. Senate refused to pass an overhaul repeal of the Health Reform Laws, and the focus has now shifted to attempts to repeal or ame individual sections of the Health Reform Laws. Further, federal courts are also considering, and in some cases have ruled on, the legality of the Health Reform Laws. United States Supreme Court has agreed to review the constitutionality of the Health Reform Laws and heard arguments on March 26, 2012 through March 28, 2012. cannot predict whether any of these attempts to repeal or amend the Health Reform Laws will be successful, nor can we predict the impact that such a repeal or amen would have on our operators and tenants.

Impact to Reimbursement of the Operators and Tenants of Our Properties. The Health Reform Laws provide for various changes to the reimbursement that our operators and tenants may receive. One such change is a reduction to the market basket adjustments for inpatient acute hospitals, long−term care hospitals, inpatient rehabilitation facilities, home health agencies, psychiatric hospitals, hospice care and outpatient hospitals. Since 2010, the otherwise applicable percentage increase t market basket for inpatient acute hospitals has decreased. Beginning in 2012, inpatient acute hospitals will also face a downward adjustment of the annual percentage increase to the market basket rate by a "productivity adjustment." The productivity adjustment may cause the annual percentage increase to be less than zero, which w mean that inpatient acute hospitals could face payment rates for a fiscal year that are less than the payment rates for the preceding year.

A similar productivity adjustment also applies to skilled nursing facilities beginning in 2012, which means that the payment rates for skilled nursing facilities ma decrease from one year to the next. Long−term care hospitals have faced a specified percentage

decrease in their annual update for discharges since 2010. Additionally, beginning in 2012, long−term care hospitals will be subject to the productivity adjustments, w
may decrease the federal payment rates for long−term care hospitals. Similar productivity adjustments and other adjustments to payment rates have applied to inpatie
rehabilitation facilities, psychiatric hospitals and outpatient hospitals since 2010.

The Health Reform Laws revise other reimbursement provisions that may affect our business. For example, the Health Reform Laws reduce states' Medicaid disproportionate share hospital ("DSH") allotments, starting in 2014 through 2020. These allotments would have provided additional funding for DSH hospitals that a
operators or tenants of our properties, and thus, any reduction might negatively impact these operators or tenants.

Additionally, under the Health Reform Laws, beginning in fiscal year 2015, Medicare payments will decrease to hospitals for treatment associated with hospital acquired conditions. This decreased payment rate may negatively impact our operators or tenants. To account for excess readmissions, the Health Reform Laws also c
a reduction of 1% in payments for those hospitals with higher−than−average risk−adjusted readmission rates beginning October 1, 2012, 2% beginning in fiscal year
and 3% from fiscal year 2015 onward. These reductions in payments to our operators or tenants may affect their ability to make payments to us.

The Health Reform Laws additionally call for the creation of the Independent Payment Advisory Board (the "Board"), which will be responsible for establishing
payment polices, including recommendations in the event that Medicare costs exceed a certain threshold. Proposals for recommendations submitted by the Board pric
December 31, 2018 may not include recommendations that would reduce payments for hospitals, skilled nursing facilities, and physicians, among other providers, pri
December 31, 2019. On March 22, 2012, the House of Representatives approved legislation that would repeal the Independent Payment Advisory Board. While that legislation is virtually certain to be rejected or ignored in the Senate, the IPAB continues to be a target for repeal. The ultimate success of the repeal effort is likely to depend on the outcome of the November elections.

The Health Reform Laws also create other mechanisms that could permit significant changes to payment. For example, the Health Reform Laws establish the Ce
for Medicare and Medicaid Innovation to test innovative payment and service delivery models to reduce program expenditures through the use of demonstration prog
that can waive existing reimbursement methodologies. As another example, on November 2, 2011, CMS published the final rule implementing section 3022 of the He
Reform Laws, which contains provisions relating to Medicare payment to providers and suppliers participating in Accountable Care Organizations ("ACOs") under th
Medicare Shared Servings Program. Under the program, Medicare will share a percentage of savings with ACOs that meet certain quality and saving requirements, th
allowing providers to receive incentive payments in addition to their traditional fee−for−service payments. Under the program, more experienced providers may assur
risk of losses in exchange for greater potential rewards: ACOs may share up to 50% of the savings under the one−sided model and up to 60% of the savings under the
two−sided model, depending on their quality and performance. The amount of shared losses for which an ACO is liable in the two−sided model may not exceed the
following percentages of its updated benchmark: 5% in the first performance year, 7.5% in the second year, and 10% in the third year. These shared losses could affec
ability of ACO operators or tenants to meet their financial obligations to us. The Health Reform Laws also provide additional Medicaid funding to allow states to carr
mandated expansion of Medicaid coverage to certain financially−eligible individuals beginning in 2014, and also permit states to expand their Medicaid coverage to t
individuals as early as April 1, 2010, if certain conditions are met. The Health Reform Laws also extend certain payment rules related to long−term acute care hospit
found in the Medicare, Medicaid, and SCHIP Extension Act of 2007.

Additionally, although the Health Reform Laws delayed implementation of the Resource Utilization Group, Version Four ("RUG−IV"), which revises the payme
classification system for skilled nursing facilities, the Medicare and Medicaid Extenders Act of 2010 repealed this delay retroactively to October 1, 2010. The Health Reform Laws also extend certain payment rules related to long−term acute care hospitals found in the Medicare, Medicaid, and SCHIP Extension Act of 2007.

Finally, many other changes resulting from the Health Reform Laws, or implementing regulations, or guidance may negatively impact our operators and tenants.
will continue to monitor and evaluate the Health Reform Laws and implementing regulations and guidance to determine other potential effects of the reform.

Impact of Fraud and Abuse Provisions. The Health Reform Laws revise health care fraud and abuse provisions that will affect our operators and tenants. Specific
the Health Reform Laws allow for up to treble damages under the Federal False Claims Act for violations related to state−based health insurance exchanges authorize
the Health Reform Laws, which will be implemented beginning in 2014. The Health Reform Laws also impose new civil monetary penalties for false statements or ac
that lead to delayed inspections, with penalties of up to $15,000 per day for failure to grant timely access and up to $50,000 for a knowing violation. Additionally, the
Health Reform Laws require certain entities – including providers, suppliers, Medicaid managed care organizations, Medicare Advantage organizations, and prescript
drug program sponsors – to report and return overpayments to the appropriate payer by the later of (a) sixty (60) days after the date the overpayment was "identified,"
the date that the

"corresponding cost report" is due. The entity also must notify the payer in writing of the reason for the overpayment. A violation of these requirements may result in criminal liability, civil liability under the FCA, and/or exclusion from the federal health care programs. On February 14, 2012, CMS published a proposed rule implementing the Health Reform Laws requirement that health care providers and suppliers report and return self−identified overpayments by the later of 60 days aft date the overpayment was identified, or the date any corresponding cost report is due, if applicable. The Health Reform Laws also amend the Federal Anti−Kickback to state that any items or services "resulting from" a violation of the Anti−Kickback Statute constitutes a "false or fraudulent claim" under the Federal False Claims A The Health Reform Laws also provide for additional funding to investigate and prosecute health care fraud and abuse. Accordingly, the increased penalties under the Reform Laws for fraud and abuse violations may have a negative impact on our operators and tenants in the event that the government brings an enforcement action o subjects them to penalties.

Further, as recently as February 2, 2011, CMS published final rulemaking to implement the enhanced provider and supplier screening provisions called for in the Health Reform Laws. Under the final rule, beginning March 25, 2011, all enrolling and participating providers and suppliers are assessed an annual administrative fee are placed in one of three risk levels (limited, moderate, and high) based on an assessment of the individual's or entity's overall risk of fraud, waste and abuse. This ru allows for the temporary suspension of Medicare payments to providers or suppliers in the event CMS receives credible information that an overpayment, fraud, or w misrepresentation has occurred. The Health Reform Laws granted the Secretary of the Department of Health and Human Services significant discretionary authority t suspend, exclude, or impose fines on providers and suppliers based on the agency's determination that such a provider or supplier is "high−risk," and, as a result, this rulemaking has the potential to materially adversely affect our operators and tenants who may be evaluated under the enhanced screening process.

However, in light of the implementation of those Health Reform Laws provisions relating to Medicare payment to providers and suppliers participating in ACOs the Medicare Shared Savings Program, on November 2, 2011, CMS and OIG jointly published the final rule establishing waivers of certain fraud and abuse laws to A These waivers include automatic AKS, Stark, and CMP waivers that may be applied in certain situations and that will apply uniformly to each ACO, ACO participan ACO provider/supplier. Notably, the final rule states that CMS and OIG intend to closely monitor ACOs through June 2013 to ensure that these waivers are not causi "undesirable effects" and need to be narrowed to prevent fraud and abuse.

Additionally, provisions of Title VI of the Health Care Reform Laws are designed to increase transparency and program integrity by skilled nursing facilities, oth nursing facilities and similar providers. Specifically, skilled nursing facilities and other providers and suppliers will be required to institute compliance and ethics pro Additionally, the Health Reform Laws make it easier for consumers to file complaints against nursing homes by mandating that states establish complaint websites. T provisions calling for enhanced transparency will increase the administrative burden and costs on these providers.

Impact to the Health Care Plans Offered to Our Employees. The Health Reform Laws affect employers that provide health plans to their employees. The new lav change the tax treatment of the Medicare Part D retiree drug subsidy and extend dependent coverage for dependents up to age 26, among other changes. We are evalu our health care plans in light of these changes. These changes may affect our operators and tenants as well.

Medicare Program Reimbursement Changes

In recent months, CMS released a number of proposed and final rulemakings that may potentially increase or decrease government reimbursement to our operato tenants. To the extent that any of these rulemakings decrease government reimbursement to our operators and tenants, our revenue and operations may be indirectly, adversely affected.

On August 1, 2011, CMS issued a final rule updating the long−term acute care hospital prospective payment system for fiscal year 2012. Among other things, th rule increased payment rates for acute care hospitals by 1% and long−term care hospitals by 1.8%. In the rule, CMS included a negative 2%, rather than the proposed negative 3.15%, documentation and coding adjustment for long−term care hospitals. CMS also released a final rulemaking for the prospective payment system and consolidated billing for skilled nursing facilities for fiscal year 2012 on August 8, 2011, which included the 11.1%, or $3.87 billion, decrease in RUG payments made skilled nursing facilities previously discussed. CMS announced that the reasons for this rate reduction were to correct for the unintended spike in payment levels, particularly those associated with higher paying RUGs, and to align reimbursement with cost. As part of these changes, effective October, 1, 2011, all rate categories updated for the full market basket; increase of 2.7%, less a 1% productivity adjustment required by Section 3401(b) of the Health Reform Laws. On April 25, 2012, published a proposed rule which sets forth acute care and long-term care hospital payment rate changes for the 2013 fiscal year. Specifically, CMS proposes to increa Medicare rates for inpatient stays at acute care hospitals by 2.3% for those hospitals that successfully participate in the Hospital Inpatient Quality Reporting Program, those that do not successfully participate in that program would receive a 2.0% reduction. CMS also proposes to increase Medicare payment rates to long-term care hospitals by

1.9%.

CMS annually adjusts the Medicare Physician Fee Schedule payment rates based on an update formula that includes application of the Sustainable Growth Rate ("SGR"). On November 1, 2011, CMS published the calendar year 2012 Physician Fee Schedule final rule with comment period. Most notably, the final rule calls fo negative 27.4% update for 2012 under the statutory SGR formula. In February 2012, Congress passed the Middle Class Tax Relief and Job Creation Act of 2012, wh blocks the cut through the end of 2012. Also discussed in the final rule are at least two initiatives that could negatively impact the reimbursement levels received by o operators and tenants. CMS is expanding its multiple procedure payment reduction policy to the professional interpretation of advance imaging services to recognize overlapping activities that go into valuing these services. In addition, the rule finalizes quality and cost measures that will be used in establishing a new value−based modifier that would adjust physician payments based on whether they are providing higher quality and more efficient care. The Health Reform Laws require CMS to making payment adjustments to certain physicians and physician groups on January 1, 2015, and to apply the modifier to all physicians by January 1, 2017. The rule finalizes calendar year 2013 as the initial performance year for purposes of adjusting payments in calendar year 2015.

Additionally, on November 1, 2011, CMS published a final rule with comment period for outpatient care hospitals and ambulatory surgical centers. CMS estimat the cumulative effect of all changes to payment rates for calendar year 2012 will have a positive effect, resulting in a 1.9% estimated increase in Medicare payments t providers paid under the HOPPS. As required by the Health Reform Laws, the rule also provides for a payment adjustment for designated cancer hospitals, resulting i expected increase in payments to cancer hospitals by 11.3%, and increases payment rates to ambulatory surgical centers by 1.6%.

Finally, on November 21, 2011, the Joint Select Committee on Deficit Reduction, which was created by the Budget Control Act of 2011, concluded its work and a statement that it was not able to make a bipartisan agreement, thus triggering the sequestration process. The sequestration process will result in spending reductions starting in 2013, including Medicare cuts. Such cuts could affect government reimbursement to our operators and tenants.

Capital Market Outlook

Significant debt and equity investment capital was available to our sector in 2011 resulting in a record year of acquisition activity. We participated in this growth a continue to actively invest and pursue investment opportunities that meet our strategic underwriting criteria. Our strategy has resulted in robust portfolio growth and s returns for our shareholders. With further industry consolidation occurring in 2012, we expect to continue our success. We believe the opportunities in which we inve continue to generate consistent, reliable and growing cash flows for our stockholders, regardless of economic volatility.

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 fees/services, rent and interest income and portfolio growth. To meet the objectives, we invest across the full spectrum of seniors housing and health care real estate and diversify our investment portfolio by property type, customer and geographic location.

Substantially all of our revenues and sources of cash flows from operations are derived from operating lease rentals, resident fees and services, and interest earned outstanding loans receivable. These items represent our primary source of liquidity to fund distributions and are dependent upon our obligors' continued ability to ma contractual payments to us. To the extent that our obligors experience operating difficulties and are unable to generate sufficient cash to make payments to us, there c 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 v of methods determined by the type of property and operator/tenant. Our asset management process includes review of monthly financial statements for each property, periodic review of obligor credit, periodic property inspections and review of covenant compliance relating to licensure, real estate taxes, letters of credit and other collateral. In monitoring our portfolio, our personnel use a proprietary database to collect and analyze property-specific data. Additionally, we conduct extensive rese ascertain industry trends and risks. Through these asset management and research efforts, we are typically able to intervene at an early stage to address payment risk, 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 structure our investments to help mitigate payment risk. Operating leases and loans are normally enhanced by guaranties 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 loans, operating leases or agreements between us and the obligor and its affiliates.

For the three months ended March 31, 2012, rental income, resident fees and services and interest income represented 61%, 36% and 2%, respectively, of total gro revenues (including revenues from discontinued operations). Substantially all of our operating leases are designed with either fixed or contingent escalating rent struc 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 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 st interest rate, the average principal amount outstanding during the term of the loan and any interest rate adjustments.

Depending upon the availability and cost of external capital, we believe our liquidity is sufficient to fund operations, meet debt service obligations (both principal interest), make dividend distributions and complete construction projects in process. We also anticipate evaluating opportunities to finance future investments. New investments are generally funded from temporary borrowings under our unsecured line of credit arrangements, internally generated cash and the proceeds from sales property. Our investments generate internal cash from fees/services, rent and interest receipts and principal payments on loans receivable. Permanent capital for futur investments, which replaces funds drawn under the unsecured line of credit arrangements, has historically been provided through a combination of public and private offerings of debt and equity securities and the incurrence or assumption of secured debt.

Our primary sources of cash include rent and interest receipts, resident fees and services, borrowings under the unsecured line of credit arrangements, public and p offerings of debt and equity securities, proceeds from the sales of real property 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 capital expenditures and construction advances), loan adv property operating expenses and general and administrative expenses.

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 appropr returns to our stockholders. We anticipate the sale of real property and the repayment of loans receivable totaling approximately $300,000,000 during 2012. It is possi that additional loan repayments or sales of real property may occur in the future. To the extent that loan repayments and real property sales exceed new investments, o revenues and cash flows from operations could be adversely affected. We expect to reinvest the proceeds from any loan repayments and real property sales in new investments. To the extent that new investment requirements exceed our available cash on-hand, we expect to borrow under our unsecured line of credit arrangements March 31, 2012, we had $469,217,000 of cash and cash equivalents, $83,499,000 of restricted cash and $2,000,000,000 of available borrowing capacity under our unsecured line of credit arrangements.

Key Transactions in 2012

We have completed the following key transactions to date in 2012:

- our Board of Directors increased the quarterly cash dividend to $0.74 per common share for 2012, as compared to the previous $0.715 per common sha beginning with the February 2012 dividend payment;
- we completed the following capital transactions:
  - issued 20,700,000 shares of common stock, generating approximately $1,062,737,000 of proceeds in February;
  - issued 11,500,000 shares of 6.5% Series J Cumulative Redeemable Preferred Stock, generating approximately $277,901,000 of proceeds in March;
  - redeemed $100,000,000 of 7.875% Series D and $175,000,000 of 7.625% Series F Cumulative Redeemable Preferred Stock in April;
  - issued $600,000,000 of 4.125% senior unsecured notes, generating approximately $594,064,000 of proceeds in April;
  - completed the redemption of $125,563,000 of 4.75% convertible senior unsecured notes in April;
  - extinguished approximately $185,000,000 of secured debt bearing a weighted-average interest rate of 4.25% in April;
- we completed $753,363,000 of gross investments and had $31,815,000 of investment payoffs during the three months ended March 31, 2012;
- we completed our Canadian investment with Chartwell Seniors Housing REIT on May 1, 2012; and
- we declassified our Board of Directors in May.

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 perform concentration risk and credit strength. Management uses these key performance indicators to facilitate internal and external comparisons to our historical operating re in making operating decisions and for budget planning purposes.

Operating Performance. We believe that net income attributable to common stockholders ("NICS") is the most appropriate earnings measure. Other useful supple measures of our operating performance include funds from operations ("FFO") and net operating income from continuing operations ("NOI"); however, these supple 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 discussion and reconciliations of FFO and NOI. These earnings measures and their relative per share amounts 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 op performance measures for the periods presented (in thousands, except per share data):

	Three Months Ended				
	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31 2012
Net income (loss) attributable to common stockholders	$ 23,372	$ 69,847	$ 36,607	$ 27,282	$
Funds from operations	71,053	149,691	150,376	154,398	1
Net operating income from continuing operations	182,193	274,010	273,991	288,926	3
Per share data (fully diluted):					
Net income (loss) attributable to common stockholders	$ 0.15	$ 0.39	$ 0.21	$ 0.15	$
Funds from operations	0.46	0.84	0.85	0.83	

Concentration Risk. We evaluate our concentration risk in terms of asset mix, investment mix, relationship mix and geographic mix. Concentration risk is a valuab measure in understanding what portion of our investments could be at risk if certain sectors were to experience downturns. Asset mix measures the portion of our investments that are real property. In order to qualify as an equity REIT, at least 75% of our real estate investments must be real property whereby each property, whic includes the land, buildings, improvements, intangibles and related rights, is owned by us. Investment mix measures the portion of our investments that relate to our v property types. Relationship mix measures the portion of our investments that relate to our top five relationships. Geographic mix measures the portion of our investm that relate to our top five states. The following table reflects our recent historical trends of concentration risk (including unconsolidated entities) for the periods preser

	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 3 2012
Asset mix:					
Real property	92%	94%	95%	95%	95%
Real estate loans receivable	4%	3%	2%	2%	2%
Investments in unconsolidated entities	4%	3%	3%	3%	3%
Investment mix:					
Seniors housing triple-net	45%	56%	57%	53%	51%
Seniors housing operating	22%	17%	16%	20%	20%
Medical facilities	33%	27%	27%	27%	29%
Relationship mix:					
Genesis HealthCare, LLC		19%	19%	17%	16%
Merrill Gardens, LLC	7%	6%	5%	8%	8%
Benchmark Senior Living	9%	7%	7%	6%	6%
Brandywine Senior Living, LLC	6%	5%	5%	5%	5%
Senior Living Communities, LLC	6%	5%	5%	4%	4%
Senior Star Living	5%				
Remaining relationships	67%	58%	59%	60%	61%
Geographic mix:					
California	10%	8%	8%	10%	10%
New Jersey		8%	9%	10%	9%
Texas	8%	7%	7%	7%	9%
Massachusetts	10%	9%	9%	8%	8%
Florida	9%	7%	8%	7%	7%
Washington	6%				
Remaining states	57%	61%	59%	58%	57%

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

Credit Strength. We measure our credit strength both in terms of leverage ratios and coverage ratios. Our leverage ratios include debt to book capitalization and de market capitalization. The leverage ratios indicate how much of our balance sheet capitalization is related to long-term debt. The coverage ratios indicate our ability t service interest and fixed charges (interest, secured debt principal amortization and preferred dividends). We expect to maintain capitalization ratios and coverage rati sufficient to maintain compliance with our debt covenants. The coverage ratios are based on adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), which is discussed in further detail, and reconciled to net income, below in "Non-GAAP Financial Measures." Leverage ratios and coverage r are widely used by investors, analysts and rating agencies in the valuation, comparison, investment recommendations and rating of companies. The following table re the recent historical trends for our credit strength measures for the periods presented:

	Three Months Ended				
	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 3 2012
Debt to book capitalization ratio	48%	49%	50%	50%	45%
Debt to undepreciated book capitalization ratio	45%	45%	47%	46%	41%
Debt to market capitalization ratio	37%	38%	42%	38%	34%
Interest coverage ratio	2.75x	3.34x	2.94x	2.86x	3.03x
Fixed charge coverage ratio	2.22x	2.60x	2.29x	2.23x	2.33x

Lease Expirations. The following table sets forth information regarding lease expirations for certain portions of our portfolio as of March 31, 2012 (dollars in thousands):

	Expiration Year										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	The
Seniors housing triple-net:											
Properties	44	25	17	2	-	37	51	8	46	55	
Base rent(1)	$ 36,979	$ 53,037	$ 27,434	$ 2,026	$ -	$ 16,923	$ 36,823	$ 9,463	$ 41,025	$ 61,064	$ 4
% of base rent	5.2%	7.4%	3.8%	0.3%	0.0%	2.4%	5.1%	1.3%	5.7%	8.5%	
Hospitals:											
Properties	-	-	-	-	-	3	-	-	5	-	
Base rent(1)	$ -	$ -	$ -	$ -	$ -	$ 2,350	$ -	$ -	$ 6,036	$ -	$
% of base rent	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%	7.3%	0.0%	
Medical office buildings:											
Square feet	520,344	571,804	621,895	589,255	935,723	858,265	498,381	559,328	543,439	718,690	3,9
Base rent(1)	$ 10,107	$ 13,385	$ 13,373	$ 12,565	$ 21,529	$ 20,867	$ 11,653	$ 13,657	$ 12,942	$ 18,056	$ 1
% of base rent	4.0%	5.3%	5.3%	5.0%	8.6%	8.3%	4.7%	5.5%	5.2%	7.2%	

(1) The most recent monthly base rent including straight line for leases with fixed escalators or annual cash rents for leases with contingent escalators. Base rent does not include tenant recoveries or amortization of above and below mar intangibles.

We evaluate our key performance indicators in conjunction with current expectations to determine if historical trends are indicative of future results. Our expected 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 more detail in "Forward-Looking Statements and Risk Factors" and other sections of this Quarterly Report on Form 10-Q. Management regularly monitors economic other factors to develop strategic and tactical plans designed to improve performance and maximize our competitive position. Our ability to achieve our financial obje 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 A Report on Form 10-K for the year ended December 31, 2011, under the headings "Business," "Risk Factors" and "Management's Discussion and Analysis of Financia Condition and Results of Operations" for further discussion of these risk factors.

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Portfolio Update

Net operating income. The primary performance measure for our properties is net operating income from continuing operations ("NOI") as discussed below in "N
GAAP Financial Measures." The following table summarizes our NOI for the periods indicated (in thousands):

	Three Months Ended				
	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 3 2012
Net operating income from continuing operations:					
Seniors housing triple-net	$ 105,670	$ 175,162	$ 170,509	$ 179,399	$ 1
Seniors housing operating	22,014	38,815	38,907	42,207	
Medical facilities	53,978	59,655	64,268	67,267	
Non-segment/corporate	531	378	307	53	
Total	$ 182,193	$ 274,010	$ 273,991	$ 288,926	$ 3

Payment coverage. Payment coverage of our triple-net customers continues to remain strong. The table below reflects our recent historical trends of payment cove
CBMF represents the ratio of our customers' earnings before interest, taxes, depreciation, amortization, rent and management fees to contractual rent or interest due u
CAMF represents the ratio of our customers' earnings before interest, taxes, depreciation, amortization and rent (but after imputed management fees) to contractual re
interest due us.

	Twelve months ended					
	December 31, 2009		December 31, 2010		December 31, 2011	
	CBMF	CAMF	CBMF	CAMF	CBMF	CAMI
Seniors housing	1.49x	1.28x	1.55x	1.33x	1.35x	1.16x
Skilled nursing/post-acute	2.29x	1.68x	2.38x	1.76x	2.04x	1.57x
Hospitals	2.39x	2.07x	2.57x	2.24x	2.45x	2.10x
Weighted averages	1.99x	1.57x	2.07x	1.65x	1.81x	1.46x

Corporate Governance

Maintaining investor confidence and trust is important in today's business environment. Our Board of Directors and management are strongly committed to polici
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
York Stock Exchange and are available on our website at www.hcreit.com.

Liquidity and Capital Resources

Sources and Uses of Cash

Our primary sources of cash include rent and interest receipts, resident fees and services, borrowings under the unsecured line of credit arrangements, public and p
offerings of debt and equity securities, proceeds from the sales of real property 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 capital expenditures and construction advances), loan adv
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 deta
below.

The following is a summary of our sources and uses of cash flows (dollars in thousands):

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

	Three Months Ended		Change
	March 31, 2012	March 31, 2011	$
Cash and cash equivalents at beginning of period	$ 163,482	$ 131,570	$ 31,912
Cash provided from operating activities	174,044	113,787	60,257
Cash used in investing activities	(537,837)	(611,380)	73,543
Cash provided from financing activities	669,528	3,034,018	(2,364,490)
Cash and cash equivalents at end of period	$ 469,217	$ 2,667,995	$ (2,198,778)

Operating Activities. The change in net cash provided from operating activities is primarily attributable to an increase in NOI. The following is a summary of our straight-line rent and above/below market lease amortization (dollars in thousands):

	Three Months Ended		Change
	March 31, 2012	March 31, 2011	$
Gross straight-line rental income	$ 11,139	$ 5,030	$ 6,109
Cash receipts due to real property sales	-	(250)	250
Prepaid rent receipts	(1,014)	(3,362)	2,348
Amortization related to below (above) market leases, net	252	658	(406)
	$ 10,377	$ 2,076	$ 8,301

Gross straight-line rental income represents the non-cash difference between contractual cash rent due and the average rent recognized pursuant to U.S. GAAP for with fixed rental escalators, net of collectability reserves. This amount is positive in the first half of a lease term (but declining every year due to annual increases in rent due) and is negative in the second half of a lease term. The fluctuation is primarily attributable to the Genesis master lease which began April 1, 2011.

Investing Activities. The changes in net cash used in investing activities are primarily attributable to net changes in real property and real estate loans receivable. following is a summary of our investment and disposition activities (dollars in thousands):

	Three Months Ended			
	March 31, 2012		March 31, 2011	
	Properties	Amount	Properties	Amount
Assets acquired:				
Seniors housing triple-net	3	$ 95,283	7	$ 1
Seniors housing operating	6	211,285	46	1,1
Medical office buildings	13	373,767	1	
Total assets acquired	22	680,335	54	1,2
Less: Assumed debt		(172,856)		(5
Assumed other items, net		(13,190)		(
Cash disbursed for acquisitions		494,289		5
Construction in progress cash additions		55,852		
Capital improvements to existing properties		20,059		
Total cash invested in real property		570,200		6
Real property dispositions:				
Seniors housing triple-net		-	14	
Medical facilities	4	31,815	-	
Total dispositions	4	31,815	14	
Add: Gains (losses) on sales of real property		769		
Proceeds from real property sales		32,584		
Net cash investments in real property	18	$ 537,616	40	$ 6

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	Three Months Ended					
	March 31, 2012			March 31, 2011		
	Seniors Housing Triple-net	Medical Facilities	Totals	Seniors Housing Triple-net	Medical Facilities	Tota
Advances on real estate loans receivable:						
Investments in new loans	$ -	$ -	$ -	$ 11,807	$ -	$
Draws on existing loans	10,467	194	10,661	8,824	2,481	
Net cash advances on real estate loans	10,467	194	10,661	20,631	2,481	
Receipts on real estate loans receivable:						
Loan payoffs	-	-	-	7,607	-	
Principal payments on loans	3,689	612	4,301	2,653	2,081	
Total receipts on real estate loans	3,689	612	4,301	10,260	2,081	
Net advances (receipts) on real estate loans	$ 6,778	$ (418)	$ 6,360	$ 10,371	$ 400	$

Capitalization rates for acquisitions represent annualized contractual income or projected income to be received in cash divided by investment amounts. Capitaliz rates for dispositions represent annualized contractual income that was being received in cash at date of disposition divided by cash proceeds. For the three months e March 31, 2012, weighted-average capitalization rates for acquisitions and dispositions were as follows:

	Acquisitions	Dispositions
Seniors housing triple-net	7.3%	
Seniors housing operating	6.8%	
Medical facilities	6.4%	

Financing Activities. The changes in net cash provided from or used in financing activities are primarily attributable to changes related to our long-term debt arrangements, proceeds from the issuance of common and preferred stock and dividend payments.

For the three months ended March 31, 2012, we had a net decrease of $605,000,000 on our unsecured line of credit arrangement as compared to a net decrease of $300,000,000 for the same period in 2011. The change in our senior unsecured notes is primarily due to the issuance of $400,000,000 of 3.625% senior unsecured no 2016, $600,000,000 of 5.25% senior unsecured notes due 2022 and $400,000,000 of 6.50% senior unsecured notes due 2041 in March 2011 whereas we did not have similar issuances in the three months ended March 31, 2012.

For the three months ended March 31, 2012, we issued two secured loans totaling $111,000,000 with an average rate of 4.18%. During the three months ended M 31, 2012, we extinguished four secured loans totaling $33,092,000 with an average rate of 4.30%. We did not have any similar activity in the prior year comparable p

We may repurchase, redeem or refinance convertible and non-convertible senior unsecured notes from time to time, taking advantage of favorable market conditio 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 redemption of such securities pursuant to their terms. The non-convertible senior unsecured notes are redeemable at our option, at any time in whole or from time to in part, at a redemption price equal to the sum of (1) the principal amount of the notes (or portion of such notes) being redeemed plus accrued and unpaid interest the to the redemption date and (2) any "make-whole" amount due under the terms of the notes in connection with early redemptions. Redemptions and repurchases of d any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

During the three months ended March 31, 2012, we issued 11,500,000 shares of 6.50% Series J Cumulative Redeemable Preferred Stock for net proceeds of $277,901,000. These shares have a liquidation value of $25.00 per share. Dividends are payable quarterly in arrears. During the three months ended March 31, 201 issued 14,375,000 shares of 6.50% Series I Cumulative Convertible Perpetual Preferred Stock for net proceeds of $696,741,000. These shares have a liquidation valu $50.00 per share. Dividends are payable quarterly in arrears. The Series I preferred stock is not redeemable by us. These preferred shares are convertible, at the hold option, into 0.8460 shares of common stock (equal to an initial conversion price of approximately $59.10).

The following is a summary of our common stock issuances for the three months ended March 31, 2012 and 2011 (dollars in thousands, except average price amo

	Shares Issued		Average Price		Gross Proceeds		Net Procee
March 2011 public issuance	28,750,000	$	49.25	$	1,415,938	$	1,3
2011 Dividend reinvestment plan issuances	574,652		48.42		27,822		
2011 Option exercises	37,922		42.24		1,602		
2011 Totals	29,362,574			$	1,445,362	$	1,3
February 2012 public issuance	20,700,000	$	53.50	$	1,107,450	$	1,0
2012 Dividend reinvestment plan issuances	429,058		54.61		23,429		
2012 Option exercises	43,047		37.42		1,611		
2012 Totals	21,172,105			$	1,132,490	$	1,0

In order to qualify as a REIT for federal income tax purposes, we must distribute at least 90% of our taxable income (including 100% of capital gains) to our stockholders. The increase in dividends is primarily attributable to an increase in our common shares outstanding. The following is a summary of our dividend payme thousands, except per share amounts):

	Three Months Ended							
	March 31, 2012				March 31, 2011			
	Per Share		Amount		Per Share		Amount	
Common Stock	$	0.7400	$	142,919	$	0.6900	$	1
Series D Preferred Stock		0.4922		1,969		0.4922		
Series F Preferred Stock		0.4766		3,336		0.4766		
Series H Preferred Stock		0.3750		250		0.3750		
Series I Preferred Stock		0.8125		11,680		0.2257		
Series J Preferred Stock		0.1715		1,972		-		
Totals			$	162,126			$	1

Off-Balance Sheet Arrangements

During the year ended December 31, 2010, we entered into a joint venture investment with Forest City Enterprises (NYSE:FCE.A and FCE.B). We acquired a 49% interest in a seven-building life science campus located at University Park in Cambridge, Massachusetts, which is immediately adjacent to the campus of the Massach Institute of Technology. In connection with these transactions, we invested $174,692,000 of cash which was recorded as an investment in unconsolidated entities on t balance sheet. In addition, at March 31, 2012, we had other investments in unconsolidated entities with our ownership ranging from 10% to 50%. Please see Note 7 t unaudited consolidated financial statements for additional information.

We are exposed to various market risks, including the potential loss arising from adverse changes in interest rates and movements in foreign currency exchange rat may or may not elect to use financial derivative instruments to hedge these risks. These decisions are principally based on the general trends in these rates at the appli dates, our perception of the future volatility of these rates and our relative levels of variable rate debt and foreign currency denominated investments. Please see Note our unaudited consolidated financial statements for additional information.

At March 31, 2012, we had five outstanding letter of credit obligations totaling $5,515,000 and expiring between 2012 and 2014. Please see Note 12 to our unaudi consolidated financial statements for additional information.

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Contractual Obligations

The following table summarizes our payment requirements under contractual obligations as of March 31, 2012 (in thousands):

	Payments Due by Period				
Contractual Obligations	Total	2012	2013-2014	2015-2016	Thereafte
Unsecured line of credit arrangements	$ 5,000	$ 5,000	$ -	$ -	$
Senior unsecured notes[1]	4,464,905	202,416	300,000	950,000	3,(
Secured debt[1]	2,525,006	262,791	423,714	511,084	1,3
Contractual interest obligations	3,035,685	243,521	618,582	506,171	1,6
Capital lease obligations	88,470	6,045	73,977	8,448	
Operating lease obligations	396,101	5,054	14,071	13,175	3
Purchase obligations	291,583	118,863	164,387	8,333	
Other long-term liabilities	5,935	-	475	1,900	
Total contractual obligations	$ 10,812,684	$ 843,690	$ 1,595,206	$ 1,999,111	$ 6,3

(1) Amounts represent principal amounts due and do not reflect unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet.

At March 31, 2012, we had an unsecured line of credit arrangement with a consortium of 31 banks in the amount of $2.0 billion, which is scheduled to expire on J 2015. Borrowings under the agreement are subject to interest payable in periods no longer than three months at either the agent bank's prime rate of interest or the applicable margin over LIBOR interest rate, at our option (1.60% at March 31, 2012). The applicable margin is based on certain of our debt ratings and was 1.35% at 31, 2012. In addition, we pay a facility fee annually to each bank based on the bank's commitment amount. The facility fee depends on certain of our debt ratings and 0.25% at March 31, 2012. Principal is due upon expiration of the agreement. In addition, at March 31, 2012, we had a $5,000,000 unsecured revolving demand note outstanding and bearing interest at 1-month LIBOR plus 110 basis points.

We have $4,464,905,000 of senior unsecured notes principal outstanding with fixed annual interest rates ranging from 3.00% to 8.00%, payable semi-annually. To contractual interest obligations on senior unsecured notes totaled $2,242,993,000 at March 31, 2012. A total of $788,052,000 of our senior unsecured notes are conve notes that also contain put features. During the month of April 2012, $125,563,000 of convertible senior notes was redeemed.

We have consolidated secured debt with total outstanding principal of $2,336,082,000, collateralized by owned properties, with fixed annual interest rates ranging 1.2% to 8.0%, payable monthly. The carrying values of the properties securing the debt totaled $4,388,367,000 at March 31, 2012. Total contractual interest obligatio consolidated secured debt totaled $755,329,000 at March 31, 2012. Additionally, our share of non-recourse debt associated with unconsolidated joint ventures (as ref in the contractual obligations table above) is $188,924,000 at March 31, 2012. Our share of contractual interest obligations on our unconsolidated joint venture (as re in the contractual obligations table above) secured debt is $37,357,000 at March 31, 2012. During the month of April 2012, approximately $185,000,000 of consolid secured debt was extinguished.

At March 31, 2012, we had operating lease obligations of $396,101,000 relating primarily to ground leases at certain of our properties and office space leases and lease obligations of $88,470,000 relating to certain leased investment properties that contain bargain purchase options.

Purchase obligations include unfunded construction commitments and contingent purchase obligations. At March 31, 2012, we had outstanding construction finan of $150,750,000 for leased properties and were committed to providing additional financing of approximately $240,765,000 to complete construction. At March 31, we had contingent purchase obligations totaling $50,818,000. These contingent purchase obligations relate to unfunded capital improvement obligations and continge obligations on acquisitions. Upon funding, rents due from the tenant are increased to reflect the additional investment in the property.

Other long-term liabilities relate to our Supplemental Executive Retirement Plan ("SERP"). We have a SERP, a non-qualified defined benefit pension plan, which provides certain executive officers with supplemental deferred retirement benefits. The SERP provides an opportunity for participants to receive retirement benefits t cannot be paid under our tax-qualified plans because of the restrictions imposed by ERISA and the Internal Revenue Code of 1986, as amended. Benefits are based o compensation and length of service and the SERP is unfunded. Benefit payments are expected to total $2,375,000 during the next five fiscal years and $3,560,000 thereafter. We use a December 31 measurement date for the SERP. The accrued liability on our balance sheet for the SERP was $5,827,000 and $5,623,000 at March 2012 and December 31, 2011, respectively.

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Capital Structure

As of March 31, 2012, we had total equity of $8,554,018,000 and a total debt balance of $6,794,959,000, which represents a debt to total book capitalization ratio 45%. Our ratio of debt to market capitalization was 34% at March 31, 2012. For the three months ended March 31, 2012, our interest coverage ratio was 3.03x and ou charge coverage ratio was 2.33x. Also, at March 31, 2012, we had $469,217,000 of cash and cash equivalents, $83,499,000 of restricted cash and $2,000,000,000 of available borrowing capacity under our unsecured line of credit arrangement.

Our debt agreements contain various covenants, restrictions and events of default. Certain agreements require us to maintain certain financial ratios and minimum worth and impose certain limits on our ability to incur indebtedness, create liens and make investments or acquisitions. As of March 31, 2012, we were in complianc all of the covenants under our debt agreements. Please refer to the section entitled "Non-GAAP Financial Measures" for further discussion. None of our debt agreeme contain provisions for acceleration which could be triggered by our debt ratings. However, under our unsecured line of credit arrangement, 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 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 in turn have a material adverse impact on our consolidated results of operations, liquidity and/or financial condition.

On May 4, 2012, we filed an open-ended automatic or "universal" shelf registration statement with the Securities and Exchange Commission covering an indeterm amount of future offerings of debt securities, common stock, preferred stock, depositary shares, warrants and units. As of April 30, 2012, we had an effective registra statement on file in connection with our enhanced dividend reinvestment plan under which we may issue up to 10,000,000 shares of common stock. As of April 30, 2 5,435,669 shares of common stock remained available for issuance under this registration statement. We have entered into separate Equity Distribution Agreements w UBS Securities LLC, RBS Securities Inc., KeyBanc Capital Markets Inc. and Credit Agricole Securities (USA) Inc. relating to the offer and sale from time to time of $630,015,000 aggregate amount of our common stock ("Equity Shelf Program"). As of April 30, 2012, we had $457,112,000 of remaining capacity under the Equity Program. Depending upon market conditions, we anticipate issuing securities under our registration statements to invest in additional properties and to repay borrowi under our unsecured line of credit arrangement.

Results of Operations

Our primary sources of revenue include rent, interest and resident fees and services. Our primary expenses include interest expense, depreciation and amortization property operating expenses, transaction costs and general and administrative expenses. These revenues and expenses are reflected in our Consolidated Statements of Comprehensive Income and are discussed in further detail below. The following is a summary of our results of operations (dollars in thousands, except per share amo

	Three Months Ended		Change	
	March 31, 2012	March 31, 2011	Amount	%
Net income (loss) attributable to common stockholders	$ 39,307	$ 23,372	$ 15,935	
Funds from operations	163,857	71,053	92,804	
EBITDA	280,072	166,037	114,035	
Net operating income from continuing operations	306,091	182,193	123,898	
Same store cash NOI	163,005	158,148	4,857	
Per share data (fully diluted):				
Net income (loss) attributable to common stockholders	$ 0.19	$ 0.15	$ 0.04	
Funds from operations	0.81	0.46	0.35	
Interest coverage ratio	3.03x	2.75x	0.28x	
Fixed charge coverage ratio	2.33x	2.22x	0.11x	

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

We evaluate our business and make resource allocations on our three business segments: seniors housing triple-net, seniors housing operating and medical facilitie
Please see Note 17 to our unaudited consolidated financial statements for additional information.

Seniors Housing Triple-net

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

	Three Months Ended		Change	
	March 31, 2012	March 31, 2011	$	%
Revenues:				
Rental income	$ 172,894	$ 95,784	$ 77,110	
Interest income	5,877	9,379	(3,502)	
Other income	848	507	341	
Net operating income from continuing operations	179,619	105,670	73,949	
Other expenses:				
Interest expense	2,522	148	2,374	
Depreciation and amortization	52,226	27,674	24,552	
Transaction costs	1,523	3,996	(2,473)	
Provision for loan losses	-	248	(248)	
	56,271	32,066	24,205	
Income from continuing operations before income taxes and income (loss) from unconsolidated entities	123,348	73,604	49,744	
Income tax expense	(678)	-	(678)	
Income (loss) from unconsolidated entities	1	-	1	
Income from continuing operations	122,671	73,604	49,067	
Discontinued operations:				
Gain on sales of properties	-	26,156	(26,156)	
Impairment of assets	-	(202)	202	
Income from discontinued operations, net	3,266	4,760	(1,494)	
Discontinued operations, net	3,266	30,714	(27,448)	
Net income	125,937	104,318	21,619	
Less: Net income attributable to noncontrolling interests	(116)	-	(116)	
Net income attributable to common stockholders	$ 125,821	$ 104,318	$ 21,503	

The increase in rental income is primarily attributable to acquisitions and the conversion of newly constructed seniors housing triple-net properties subsequent to I
31, 2011 from which we receive rent. Certain of our leases contain annual rental escalators that are contingent upon changes in the Consumer Price Index and/or chan
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 o
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 rev
may not continue to increase. Sales of real property would offset revenue increases and, to the extent that they exceed new acquisitions, could result in decreased rev
Our leases could renew above or below current rent rates, resulting in an increase or decrease in rental income. For the three months ended March 31, 2012, we had r
lease renewals but we had 12 leases with rental rate increasers ranging from 0.17% to 0.41% in our seniors housing triple-net portfolio.

Interest expense for the three months ended March 31, 2012 and 2011 represents $3,532,000 and $2,066,000, respectively, of secured debt interest expense offset l
interest allocated to discontinued operations. The change in secured debt interest expense is

due to the net effect and timing of assumptions, extinguishments and principal amortizations. The following is a summary of our seniors housing triple-net property s debt principal activity (dollars in thousands):

	Three Months Ended March 31, 2012		Three Months Ended March 31, 2011	
	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate
Beginning balance	$ 259,000	5.105%	$ 172,862	
Debt assumed	-	0.000%	6,612	
Principal payments	(1,176)	5.467%	(694)	
Ending balance	$ 257,824	5.146%	$ 178,780	
Monthly averages	$ 258,413	5.140%	$ 176,935	

Depreciation and amortization increased as a result of acquisitions and the conversion of newly constructed investment properties subsequent to March 31, 2011. T extent that we acquire or dispose of additional properties in the future, our provision for depreciation and amortization will change accordingly. Transaction costs we incurred in connection with acquisitions that occurred during the relevant periods.

At March 31, 2012, we had 32 seniors housing triple-net properties that satisfied the requirements for held for sale treatment. The following illustrates the reclassification impact as a result of classifying the properties sold subsequent to January 1, 2011 or held for sale at March 31, 2012 as discontinued operations for the periods presented. Please refer to Note 5 to our unaudited consolidated financial statements for further discussion.

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Rental income	$ 5,743	$
Expenses:		
Interest expense	1,010	
Provision for depreciation	1,467	
Income from discontinued operations, net	$ 3,266	$

Seniors Housing Operating

As discussed in Note 3 to our unaudited consolidated financial statements, we completed additional acquisitions within our seniors housing operating partnerships during the three months ended March 31, 2012. The results of operations for these partnerships have been included in our consolidated results of operations from the of acquisition. The seniors housing operating partnerships were formed using the structure authorized by the REIT Investment Diversification and Empowerment Act 2007 ("RIDEA"). When considering new partnerships utilizing the RIDEA structure, we look for opportunities with best-in-class operators with a strong seasoned leadership team, high-quality real estate in attractive markets, growth potential above the rent escalators in our triple-net lease seniors housing portfolio, and alignmen economic interests with our operating partner. Our seniors housing operating partnerships offer us the opportunity for external growth because we have the right to fu future seniors housing investment opportunities sourced by our operating partners. The following is a summary of our seniors housing operating results of operations (dollars in thousands):

	Three Months Ended		Change	
	March 31, 2012	March 31, 2011	$	%
Resident fees and services	$ 158,174	$ 71,286	$ 86,888	1
Property operating expenses	107,243	49,272	57,971	1
Net operating income from continuing operations	50,931	22,014	28,917	1
Other expenses:				
Interest expense	15,835	6,527	9,308	1
Unrealized loss on derivatives	555	-	555	
Depreciation and amortization	39,773	20,131	19,642	
Transaction costs	1,578	32,069	(30,491)	-
	57,741	58,727	(986)	
Income (loss) from continuing operations before income taxes and income (loss) from unconsolidated entities	(6,810)	(36,713)	29,903	-
Income tax expense	(659)	-	(659)	
Income (loss) from unconsolidated entities	(330)	(565)	235	
Net income (loss)	(7,799)	(37,278)	29,479	-
Less: Net income (loss) attributable to noncontrolling interests	(1,305)	(1,407)	102	
Net income (loss) attributable to common stockholders	$ (6,494)	$ (35,871)	$ 29,377	-

Revenues, property operating expenses and depreciation and amortization increased as a result of acquisitions subsequent to March 31, 2011. To the extent that we acquire or dispose of additional properties in the future, these amounts will change accordingly.

Interest expense represents secured debt interest expense. The following is a summary of our seniors housing operating property secured debt principal activity (d in thousands):

	Three Months Ended March 31, 2012		Three Months Ended March 31, 2011	
	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg Interest Rate
Beginning balance	$ 1,318,599	5.139%	$ 487,705	5.323%
Debt issued	111,000	4.180%	-	0.000%
Debt assumed	-	0.000%	557,217	5.420%
Debt extinguished	(15,709)	2.752%	-	6.057%
Principal payments	(3,715)	5.018%	(2,022)	5.373%
Ending balance	$ 1,410,175	5.090%	$ 1,042,900	5.373%
Monthly averages	$ 1,427,302	5.064%	$ 1,041,245	5.372%

On February 15, 2012, we entered into a forward exchange contract to purchase $250,000,000 Canadian Dollars at a fixed rate in the future. The forward contract used to limit exposure to fluctuations in the Canadian Dollar to U.S. Dollar exchange rate associated with our initial cash investment funded for the Chartwell transac discussed in Note 19 to our unaudited consolidated financial statements. During the quarter ended March 31, 2012, we recognized $555,000 of unrecognized losses associated with the forward contract.

Transaction costs primarily represent costs incurred with the Belmont Village transaction in 2012 and the Silverado and Benchmark transactions in 2011. Transact costs generally include due diligence costs and fees for legal and valuation services, charges associated with the termination of pre-existing relationships computed ba the fair value of the assets acquired and lease termination fees.

Medical Facilities

The following is a summary of our results of operations for the medical facilities segment (dollars in thousands):

	Three Months Ended		Change
	March 31, 2012	March 31, 2011	$
Revenues:			
Rental income	$ 94,464	$ 64,153	$ 30,311
Interest income	2,264	2,330	(66)
Other income	603	1,786	(1,183)
	97,331	68,269	29,062
Property operating expenses	22,025	14,291	7,734
Net operating income from continuing operations	75,306	53,978	21,328
Other expenses:			
Interest expense	10,239	6,782	3,457
Depreciation and amortization	33,956	22,938	11,018
Transaction costs	2,478	-	2,478
	46,673	29,720	16,953
Income from continuing operations before income taxes and income from unconsolidated entities	28,633	24,258	4,375
Income tax (expense) benefit	(133)	(111)	(22)
Income from unconsolidated entities	1,861	2,108	(247)
Income from continuing operations	30,361	26,255	4,106
Discontinued operations:			
Gain (loss) on sales of properties	769	-	769
Income (loss) from discontinued operations, net	(178)	(839)	661
Discontinued operations, net	591	(839)	1,430
Net income (loss)	30,952	25,416	5,536
Less: Net income (loss) attributable to noncontrolling interests	133	1,165	(1,032)
Net income (loss) attributable to common stockholders	$ 30,819	$ 24,251	$ 6,568

The increase in rental income is primarily attributable to the acquisitions and construction conversions of medical facilities subsequent to March 31, 2011 from wh
receive rent. Certain of our leases contain annual rental escalators that are contingent upon changes in the Consumer Price Index (CPI). These escalators are not fixed
no straight-line rent is recorded; however, rental income is recorded based on the contractual cash rental payments due for the period. If the CPI does not increase, a
of our revenues may not continue to increase. Sales of real property would offset revenue increases and, to the extent that they exceed new acquisitions, could result
decreased revenues. Our leases could renew above or below current rent rates, resulting in an increase or decrease in rental income. For the three months ended Mar
2012, our consolidated medical office building portfolio signed 65,671 square feet of new leases and 220,074 square feet of renewals. The weighted average term of
leases was five years, with a rate of $20.75 per square foot and tenant improvement and lease commission costs of $12.31 per square foot. Substantially all of these l
contain an annual fixed or contingent escalation rent structure ranging from the change in CPI to 3%. For the three months ended March 31, 2012, we had no lease
renewals and two leases' rental rate increased by 0.25% in our hospital portfolio. Other income is attributable to third party management fee income.

Interest expense for the three months ended March 31, 2012 and 2011 represents $10,239,000 and $7,292,000, respectively, of secured debt interest expense offset
interest allocated to discontinued operations. The change in secured debt interest expense is primarily due to the net effect and timing of assumptions, extinguishmen
principal amortizations. The following is a summary of our medical facilities secured debt principal activity (dollars in thousands):

	Three Months Ended March 31, 2012			Three Months Ended March 31, 2011		
	Amount		Weighted Avg. Interest Rate	Amount		Weighted Avg. Interest Rate
Beginning balance	$	520,066	5.981%	$	463,477	6.005%
Debt assumed		158,290	5.859%		-	0.000%
Debt extinguished		(17,383)	5.695%		-	0.000%
Principal payments		(3,319)	6.022%		(2,924)	6.057%
Ending balance	$	657,654	5.959%	$	460,553	5.996%
Monthly averages	$	626,821	5.953%	$	462,058	5.996%

The increase in property operating expenses, depreciation and amortization and transaction costs is primarily attributable to acquisitions and construction conversi new medical facilities. Income tax expense is primarily related to third party management fee income. Income from unconsolidated entities represents our share of n income related to our joint venture investments with Forest City Enterprises (effective February 2010) and a strategic medical office partnership (effective January 20

During the three months ended March 31, 2012, we sold four medical facilities for net gains of $769,000. Additionally, at March 31, 2012, we had one medical facilit satisfied the requirements for held for sale treatment. The following illustrates the reclassification impact as a result of classifying the properties sold subsequent to Jan 2011 or held for sale at March 31, 2012 as discontinued operations for the periods presented. Please refer to Note 5 to our unaudited consolidated financial statement further discussion.

	Three Months Ended March 31,			
	2012		2011	
Rental income	$	248	$	
Expenses:				
Interest expense		-		
Property operating expenses		426		
Provision for depreciation		-		
Loss from discontinued operations, net	$	(178)	$	

Net income attributable to noncontrolling interests primarily relates to certain properties that are consolidated in our operating results but where we have less than 100% ownership interest. The decrease in net income attributable to noncontrolling interests is primarily due to the buyout of a joint venture partnership during the th months ended March 31, 2011.

Non-Segment/Corporate

The following is a summary of our results of operations for the non-segment/corporate activities (dollars in thousands):

	Three Months Ended		Change
	March 31, 2012	March 31, 2011	$
Revenues:			
Other income	$ 235	$ 531	$ (296)
Expenses:			
Interest expense	64,116	43,445	20,671
General and administrative	27,751	17,714	10,037
	91,867	61,159	30,708
Loss from continuing operations before income taxes	(91,632)	(60,628)	(31,004)
Income tax (expense) benefit	-	(17)	17
Net loss	(91,632)	(60,645)	(30,987)
Preferred stock dividends	19,207	8,680	10,527
Net loss attributable to common stockholders	$ (110,839)	$ (69,325)	$ (41,514)

Other income primarily represents income from non-real estate activities such as interest earned on temporary investments of cash reserves.

The following is a summary of our non-segment/corporate interest expense (dollars in thousands):

	Three Months Ended		Change
	March 31, 2012	March 31, 2011	$
Senior unsecured notes	$ 59,301	$ 44,457	$ 14,844
Secured debt	122	127	(5)
Unsecured lines of credit	4,113	1,271	2,842
Capitalized interest	(2,420)	(4,665)	2,245
SWAP savings	(41)	(40)	(1)
Loan expense	3,041	2,295	746
Totals	$ 64,116	$ 43,445	$ 20,671

The change in interest expense on senior unsecured notes is due to the net effect of issuances and extinguishments. The following is a summary of our senior unse note principal activity (dollars in thousands):

	Three Months Ended March 31, 2012		Three Months Ended March 31, 2011	
	Amount	Weighted Avg. Interest Rate	Amount	Weighted Avg. Interest Rate
Beginning balance	$ 4,464,927	5.133%	$ 3,064,930	5.129%
Debt issued	-	0.000%	1,400,000	5.143%
Debt redeemed	(22)	4.750%	-	0.000%
Ending balance	$ 4,464,905	5.133%	$ 4,464,930	5.133%
Monthly averages	$ 4,464,911	5.133%	$ 3,414,930	5.166%

The change in interest expense on the unsecured line of credit arrangements is due primarily to the net effect and timing of draws, paydowns and variable interes changes. The following is a summary of our unsecured line of credit arrangements (dollars in

thousands):

	Three Months Ended March 31,	
	2012	2011
Balance outstanding at quarter end	$ 5,000	$
Maximum amount outstanding at any month end	$ 897,000	$ 4
Average amount outstanding (total of daily principal balances divided by days in period)	$ 480,703	$ 3
Weighted average interest rate (actual interest expense divided by average borrowings outstanding)	1.65%	

We capitalize certain interest costs associated with funds used to finance the construction of properties owned directly by us. The amount capitalized is based upon balances outstanding during the construction period using the rate of interest that approximates our cost of financing. Our interest expense is reduced by the amount capitalized.

Please see Note 11 to our unaudited consolidated financial statements for a discussion of our interest rate swap agreements and their impact on interest expense. L expense represents the amortization of deferred loan costs incurred in connection with the issuance and amendments of debt.

General and administrative expenses as a percentage of consolidated revenues (including revenues from discontinued operations) for the three months ended Marc 2012 and 2011 were 6.37% and 6.87%, respectively. The change from prior year is primarily related to the increasing revenue base as a result of our seniors housing operating partnerships.

The following is a summary of our preferred stock activity (dollars in thousands):

	Three Months Ended March 31, 2012		Three Months Ended March 31, 2011	
	Shares	Weighted Avg. Dividend Rate	Shares	Weighted Avg. Dividend Rate
Beginning balance	25,724,854	7.013%	11,349,854	7.663%
Shares issued	11,500,000	6.500%	14,375,000	6.500%
Ending balance	37,224,854	6.855%	25,724,854	7.013%
Monthly averages	28,599,854	6.962%	14,943,604	7.383%

Non-GAAP Financial Measures

We believe that net income, as defined by U.S. GAAP, is the most appropriate earnings measurement. However, we consider FFO to be a useful supplemental mea 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 dimi 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 res the National Association of Real Estate Investment Trusts ("NAREIT") created FFO as a supplemental measure of operating performance for REITs that excludes his cost depreciation from net income. FFO, as defined by NAREIT, means net income, computed in accordance with U.S. GAAP, excluding gains (or losses) from sales estate and impairment of depreciable assets, plus depreciation and amortization, and after adjustments for unconsolidated entities.

Net operating income from continuing operations ("NOI") is used to evaluate the operating performance of our properties. We define NOI as total revenues, incluc tenant reimbursements, less property level operating expenses, which exclude depreciation and amortization, general and administrative expenses, impairments and ir expense. Property operating expenses represent costs associated with managing, maintaining and servicing tenants for our seniors housing operating and medical faci properties. These expenses include, but are not limited to, property-related payroll and benefits, property management fees, marketing, housekeeping, food service, maintenance, utilities, property taxes and insurance. General and administrative expenses represent costs unrelated to property operations or transaction costs. These expenses include, but are not limited to, payroll and benefits, professional services, office expenses and depreciation of corporate fixed assets. Same store cash NOI ("SSCNOI") is used to evaluate the cash-based operating performance of our properties under a consistent population which eliminates changes in the composition of portfolio. As used herein, same store is defined as those revenue-generating properties in the portfolio for the reporting period January 1, 2011 to March 31, 2012. Properties acquired, developed or classified in discontinued operations during that period are excluded from the same store amounts. We believe NOI and SSCNOI p investors relevant and useful information because they measure the operating performance of our properties at the property level on an unleveraged basis. We use NO SSCNOI to make decisions about resource allocations and to assess the property level performance of our properties.

EBITDA stands for earnings before interest, taxes, depreciation and amortization. We believe that EBITDA, along with net income and cash flow provided from operating activities, is an important supplemental measure because it provides additional information to assess and evaluate the performance of our operations. We pr utilize EBITDA to measure our interest coverage ratio, which represents EBITDA divided by total interest, and our fixed charge coverage ratio, which represents EBI divided by fixed charges. Fixed charges include total interest, secured debt principal amortization and preferred dividends.

A covenant in our $2 billion unsecured line of credit arrangement contains a financial ratio based on a definition of EBITDA that is specific to that agreement. Fai satisfy this covenant could result in an event of default that could have a material adverse impact on our cost and availability of capital, which could in turn have a ma adverse impact on our consolidated results of operations, liquidity and/or financial condition. Due to the materiality of this debt agreement and the financial covenant have disclosed Adjusted EBITDA, which represents EBITDA as defined above and adjusted for stock-based compensation expense, provision for loan losses and gai on extinguishment of debt. We use Adjusted EBITDA to measure our adjusted fixed charge coverage ratio, which represents Adjusted EBITDA divided by fixed char a trailing twelve months basis. Fixed charges include total interest (excluding capitalized interest and non-cash interest expenses), secured debt principal amortization preferred dividends. Effective July 27, 2011, our covenant requires an adjusted fixed charge ratio of at least 1.50 times.

Other than Adjusted EBITDA, our supplemental reporting measures and similarly entitled financial measures are widely used by investors, equity and debt analyst rating agencies in the valuation, comparison, rating and investment recommendations of companies. Management uses these financial measures to facilitate internal a external comparisons to our historical operating results and in making operating decisions. Additionally, these measures are utilized by the Board of Directors to eval management. Adjusted EBITDA is used solely to determine our compliance with a financial covenant of our line of credit arrangement and is not being presented for investors for any other purpose. None of our supplemental measures represent net income or cash flow provided from operating activities as determined in accordanc 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 compa to similarly entitled items reported by other real estate investment trusts or other companies.

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

The tables below reflect the reconciliation of FFO to net income attributable to common stockholders, the most directly comparable U.S. GAAP measure, for the p presented. The provisions for depreciation and amortization include provisions for depreciation and amortization from discontinued operations. Noncontrolling intere amounts represent the noncontrolling interests' share of transaction costs and depreciation and amortization. Unconsolidated entity amounts represent our share of unconsolidated entities' depreciation and amortization. Amounts are in thousands except for per share data.

	Three Months Ended				
FFO Reconciliation:	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 3 2012
Net income (loss) attributable to common stockholders	$ 23,372	$ 69,847	$ 36,607	$ 27,282	$
Depreciation and amortization	74,768	111,053	115,640	122,144	1
Impairment of assets	202	-	-	11,992	
Loss (gain) on sales of properties	(26,156)	(30,224)	(185)	(4,594)	
Noncontrolling interests	(4,160)	(4,487)	(4,706)	(5,318)	
Unconsolidated entities	3,027	3,502	3,020	2,892	
Funds from operations	$ 71,053	$ 149,691	$ 150,376	$ 154,398	$ 1
Average common shares outstanding:					
Basic	154,945	176,445	177,272	185,913	1
Diluted	155,485	177,487	177,849	186,529	2
Per share data:					
Net income attributable to common stockholders					
Basic	$ 0.15	$ 0.40	$ 0.21	$ 0.15	$
Diluted	0.15	0.39	0.21	0.15	
Funds from operations					
Basic	$ 0.46	$ 0.85	$ 0.85	$ 0.83	$
Diluted	0.46	0.84	0.85	0.83	

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

The table below reflects the reconciliation of EBITDA to net income, the most directly comparable U.S. GAAP measure, for the periods presented. Interest expens
the provisions for depreciation and amortization include discontinued operations. Dollars are in thousands.

	Three Months Ended				
EBITDA Reconciliation:	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31 2012
Net income	$ 31,810	$ 86,208	$ 52,353	$ 42,343	$
Interest expense	59,330	84,773	87,811	90,084	
Income tax expense	129	211	223	825	
Depreciation and amortization	74,768	111,053	115,640	122,144	
EBITDA	$ 166,037	$ 282,245	$ 256,027	$ 255,396	$
Interest Coverage Ratio:					
Interest expense	$ 59,330	$ 84,773	$ 87,811	$ 90,084	$
Non-cash interest expense	(3,716)	(2,698)	(3,714)	(3,777)	
Capitalized interest	4,665	2,313	3,111	3,074	
Total interest	60,279	84,388	87,208	89,381	
EBITDA	$ 166,037	$ 282,245	$ 256,027	$ 255,396	$
Interest coverage ratio	2.75x	3.34x	2.94x	2.86x	
Fixed Charge Coverage Ratio:					
Total interest	$ 60,279	$ 84,388	$ 87,208	$ 89,381	$
Secured debt principal payments	5,906	7,011	7,204	7,683	
Preferred dividends	8,680	17,353	17,234	17,234	
Total fixed charges	74,865	108,752	111,646	114,298	
EBITDA	$ 166,037	$ 282,245	$ 256,027	$ 255,396	$
Fixed charge coverage ratio	2.22x	2.60x	2.29x	2.23x	

The table below reflects the reconciliation of Adjusted EBITDA to net income, the most directly comparable U.S. GAAP measure, for the periods presented. Inter
expense and the provisions for depreciation and amortization include discontinued operations. Dollars are in thousands.

	Twelve Months Ended				
Adjusted EBITDA Reconciliation:	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 3 2012
Net income	$ 129,001	$ 164,146	$ 216,407	$ 212,716	$ [illegible]
Interest expense	190,305	237,528	280,354	321,998	[illegible]
Income tax expense	407	430	601	1,388	
Depreciation and amortization	233,731	297,333	360,580	423,605	[illegible]
Stock-based compensation expense	9,866	10,350	11,106	10,786	
Provision for loan losses	29,932	30,100	1,314	2,010	
Loss (gain) on extinguishment of debt	16,134	9,099	-	(979)	
Adjusted EBITDA	$ 609,376	$ 748,986	$ 870,362	$ 971,524	$ [illegible]
Adjusted Fixed Charge Coverage Ratio:					
Interest expense	$ 190,305	$ 237,528	$ 280,354	$ 321,998	$ [illegible]
Capitalized interest	18,381	15,418	14,873	13,164	
Non-cash interest expense	(14,820)	(13,859)	(13,315)	(13,905)	[illegible]
Secured debt principal payments	19,180	21,866	25,051	27,804	
Preferred dividends	24,816	36,685	48,572	60,501	
Total fixed charges	237,862	297,638	355,535	409,562	[illegible]
Adjusted EBITDA	$ 609,376	$ 748,986	$ 870,362	$ 971,524	$ [illegible]
Adjusted fixed charge coverage ratio	2.56x	2.52x	2.45x	2.37x	

The following tables reflect the reconciliation of NOI and SSCNOI to net income attributable to common stockholders, the most directly comparable U.S. GAAP measure, for the periods presented. Amounts are in thousands.

		Three Months Ended				
		March 31,	June 30,	September 30,	December 31,	March
NOI Reconciliation:		2011	2011	2011	2011	2012
Total revenues:						
Seniors housing triple-net		$ 105,670	$ 175,162	$ 170,509	$ 179,399	$
Seniors housing operating		71,286	123,149	125,125	136,525	
Medical facilities		68,269	75,129	81,416	85,689	
Non-segment/corporate		531	378	307	53	
Total revenues		245,756	373,818	377,357	401,666	
Property operating expenses:						
Seniors housing operating		49,272	84,334	86,218	94,318	
Medical facilities		14,291	15,474	17,148	18,422	
Total property operating expenses		63,563	99,808	103,366	112,740	
Net operating income:						
Seniors housing triple-net		105,670	175,162	170,509	179,399	
Seniors housing operating		22,014	38,815	38,907	42,207	
Medical facilities		53,978	59,655	64,268	67,267	
Non-segment/corporate		531	378	307	53	
Net operating income from continuing operations		182,193	274,010	273,991	288,926	
Reconciling items:						
Interest expense		(56,902)	(82,331)	(86,119)	(88,601)	
Unrealized loss on derivatives		-	-	-	-	
Depreciation and amortization		(70,743)	(108,308)	(113,565)	(119,915)	
General and administrative		(17,714)	(19,562)	(19,735)	(20,190)	
Transaction costs		(36,065)	(13,738)	(6,739)	(13,682)	
Gain (loss) on extinguishment of debt		-	-	-	979	
Provision for loan losses		(248)	(168)	(132)	(1,463)	
Income tax benefit (expense)		(129)	(211)	(223)	(825)	
Income from unconsolidated entities		1,543	971	1,642	1,616	
Income (loss) from discontinued operations, net		29,875	35,545	3,233	(4,502)	
Preferred dividends		(8,680)	(17,353)	(17,234)	(17,234)	
Loss (income) attributable to noncontrolling interests		242	992	1,488	2,173	
		(158,821)	(204,163)	(237,384)	(261,644)	
Net income (loss) attributable to common stockholders		$ 23,372	$ 69,847	$ 36,607	$ 27,282	$
Same Store Cash NOI Reconciliation:						
Net operating income from continuing operations:						
Seniors housing triple-net		$ 105,670				$
Seniors housing operating		22,014				
Medical facilities		53,978				
Total		181,662				
Adjustments:						
Seniors housing triple-net:						
Non-cash NOI on same store properties		(3,287)				
NOI attributable to non same store properties		(13,564)				
Subtotal		(16,851)				
Seniors housing operating:						
NOI attributable to non same store properties		(737)				
Medical facilities:						
Non-cash NOI on same store properties		(2,392)				
NOI attributable to non same store properties		(3,534)				
Subtotal		(5,926)				
Same store cash net operating income:	Properties					
Seniors housing triple-net	348	88,819				
Seniors housing operating	47	21,277				
Medical facilities	161	48,052				
Total	556	$ 158,148				$

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

Critical Accounting Policies

Our consolidated financial statements are prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions. Management consider 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 be the current assumptions and other considerations used to estimate amounts reflected in our consolidated financial statements are appropriate and are not reasonably lil 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 char actual experience differs from the assumptions and other considerations used in estimating amounts reflected in our consolidated financial statements, the resulting ch 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, 2011 for further information regarding significant accounting policies that impact us. have been no material changes to these policies in 2012.

Forward-Looking Statements and Risk Factors

This Quarterly Report on Form 10-Q may contain "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements concern and are based upon, among other things, the possible expansion of the company's portfolio; the sale of facilities; the performance of its operators/tenants and facilities; its ability to enter into agreements with viable new tenants for vacant space or for facilities that the company takes back from financia troubled tenants, if any; its occupancy rates; its ability to acquire, develop and/or manage facilities; its ability to make distributions to stockholders; its policies and pl regarding investments, financings and other matters; its ability to manage the risks associated with international expansion and operations; its tax status as a real estat investment trust; its critical accounting policies; its ability to appropriately balance the use of debt and equity; its ability to access capital markets or other sources of f and its ability to meet its earnings guidance. When the company uses words such as "may," "will," "intend," "should," "believe," "expect," "anticipate," "project," "estimate" or similar expressions, it is making forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks an uncertainties. The company's expected results may not be achieved, and actual results may differ materially from expectations. This may be a result of various facto including, but not limited to: the status of the economy; the status of capital markets, including availability and cost of capital; 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'/tenant difficulty in cost-effectively obtaining and maintaining adequate liability and other insurance; changes in financing terms; competition within the health care, seniors housing and life science industries; negative developments in the operating results or financial condition of operators/tenants, including, but not limited to, their abilit pay rent and repay loans; the company's ability to transition or sell facilities with profitable results; the failure to make new investments as and when anticipated; acts God affecting the company's facilities; the company's ability to re-lease space at similar rates as vacancies occur; the company's ability to timely reinvest sale procee similar rates to assets sold; operator/tenant or joint venture partner bankruptcies or insolvencies; the cooperation of joint venture partners; government regulations aff Medicare and Medicaid reimbursement rates and operational requirements; regulatory approval and market acceptance of the products and technologies of life scienc tenants; liability or contract claims by or against operators/tenants; unanticipated difficulties and/or expenditures relating to future acquisitions; environmental laws affecting the company's facilities; changes in rules or practices governing the company's financial reporting; the movement of U.S. and Canadian exchange rates; and and operational matters, including real estate investment trust qualification and key management personnel recruitment and retention. Other important factors are ide in the company's Annual Report on Form 10-K for the year ended December 31, 2011, 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 assumes no obligation to update or revise any forw looking statements 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. We seek to mitigate the effects of fluctuations ir 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 der instruments to hedge interest rate exposure. These decisions are principally based on our policy to match our variable rate investments with comparable borrowings, b 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.

We historically borrow on our primary unsecured line of credit arrangement to acquire, construct or make loans relating to health care and seniors housing propert Then, as market conditions dictate, we will issue equity or long-term fixed rate debt to repay the borrowings under the unsecured line of credit arrangements.

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 fix 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 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, w 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 in rates to determine the instruments' change in fair value. The following table summarizes the analysis performed as of the dates indicated (in thousands):

	March 31, 2012		December 31, 2011	
	Principal balance	Change in fair value	Principal balance	Change in fair value
Senior unsecured notes	$ 4,464,905	$ (347,812)	$ 4,464,927	$ (3
Secured debt	1,937,703	(178,781)	1,693,283	(
Totals	$ 6,402,608	$ (526,593)	$ 6,158,210	$ (4

As of March 31, 2012, we had eight interest rate swaps for a total aggregate notional amount of $134,505,000. The swaps hedge interest payments associated with term LIBOR based borrowings and mature between December 31, 2012 and December 31, 2013.

Our variable rate debt, including our unsecured line of credit arrangements, is reflected at cost which approximates fair value. At March 31, 2012, we had $5,000,(outstanding related to our variable rate lines of credit and $262,243,000 outstanding related to our variable rate secured debt. Assuming no changes in outstanding bal a 1% increase in interest rates would result in increased annual interest expense of $2,672,000. At December 31, 2011, we had $610,000,000 outstanding related to ou variable rate lines of credit and $415,101,000 outstanding related to our variable rate secured debt. Assuming no changes in outstanding balances, a 1% increase in in rates would have resulted in increased annual interest expense of $10,251,000.

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 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.

For additional information regarding fair values of financial instruments, see "Item 2 — Management's Discussion and Analysis of Financial Condition and Resul Operations — Critical Accounting Policies" and Notes 11 and 16 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 o 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 perio 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 and Exchange Commission ("SEC") under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules an 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 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 1A. ***Risk Factors***

Except as provided in "Item 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Forward Looking Statements and R 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 ende December 31, 2011.

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

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased(1)	Average Price Paid Per Share		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(2)	Maximum Number of Shar May Yet Be Purchased Un Plans or Programs
January 1, 2012 through January 31, 2012	66,377	$	56.12		
February 1, 2012 through February 29, 2012	-		-		
March 1, 2012 through March 31, 2012	103		54.20		
Totals	66,480	$	56.11		

(1) During the three months ended March 31, 2012, the company acquired shares of common stock held by employees who tendered owned shares to satisfy tax withholding obligations.

(2) No shares were purchased as part of publicly announced plans or programs.

Item 6. ***Exhibits***

3.1 Certificate of Designation of 6.50% Series J Cumulative Redeemable Preferred Stock of the company (filed with the Securities and Exchange Commissio Exhibit 3.1 to the company's Form 8-K filed March 8, 2012, and incorporated herein by reference thereto).

4.1 Indenture, dated as of March 15, 2010, between the company and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") (filed v the Securities and Exchange Commission as Exhibit 4.1 to the company's Form 8-K filed March 15, 2010, and incorporated herein by reference thereto).

4.2 Supplemental Indenture No. 6, dated as of April 3, 2012, between the company and the Trustee (filed with the Securities and Exchange Commission as E 4.2 to the company's Form 8-K filed April 4, 2012, and incorporated herein by reference thereto).

12 Statement Regarding Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Stock Divider (Unaudited)

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*

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*

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* Attached as Exhibit 101 to this Quarterly Report on Form 10-Q are the following materials, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets at Ma 2012 and December 31, 2011, (ii) the Consolidated Statements of Comprehensive Income for the three months ended March 31, 2012 and 2011, (iii) the Consolidated Statements of Equity for the thr months ended March 31, 2012 and 2011, (iv) the Consolidated Statements of Cash Flows for the three months ended March 31, 2012 and 2011 and (v) the Notes to Unaudited Consolidated Financial Statements.

Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sec

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 undersigned hereu duly authorized.

HEALTH CARE REIT, INC.

Date: May 10, 2012	By: /s/ GEORGE L. CHAPMAN George L. Chapman, Chairman, Chief Executive Officer and President (Principal Executive Officer)
Date: May 10, 2012	By: /s/ SCOTT A. ESTES Scott A. Estes, Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date: May 10, 2012	By: /s/ PAUL D. NUNGESTER, JR. Paul D. Nungester, Jr., Senior Vice President and Controller (Principal Accounting Officer)

EXH

STATEMENT REGARDING COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES PREFERRED STOCK DIVIDENDS (UNAUDITED)

	Year Ended December 31,					Three Months Ended March 3	
	2007	2008	2009	2010	2011	2011	2012
				(dollars in thousands)			
Earnings:							
Pretax income from continuing operations before adjustment for income or loss from equity investees[1]	$ 85,368	$ 117,258	$ 133,774	$ 63,084	$ 144,180	$ 521	$
Fixed charges	118,177	127,881	121,862	153,658	313,213	57,851	
Capitalized interest	(12,526)	(25,029)	(41,170)	(20,792)	(13,164)	(4,665)	
Amortized premiums, discounts and capitalized expenses related to indebtedness	8,413	11,231	11,898	13,945	13,905	3,716	
Noncontrolling interest in pre-tax income of subsidiaries that have not incurred fixed charges	(238)	(126)	342	(357)	4,894	242	
Earnings	$ 199,194	$ 231,215	$ 226,706	$ 209,538	$ 463,028	$ 57,665	$
Fixed charges:							
Interest expense[1]	$ 114,064	$ 114,083	$ 92,590	$ 146,811	$ 313,954	$ 56,902	$
Capitalized interest	12,526	25,029	41,170	20,792	13,164	4,665	
Amortized premiums, discounts and capitalized expenses related to indebtedness	(8,413)	(11,231)	(11,898)	(13,945)	(13,905)	(3,716)	
Fixed charges	$ 118,177	$ 127,881	$ 121,862	$ 153,658	$ 313,213	$ 57,851	$
Consolidated ratio of earnings to fixed charges	1.69	1.81	1.86	1.36	1.48	1.00	
Earnings:							
Pretax income from continuing operations before adjustment for income or loss from equity investees[1]	$ 85,368	$ 117,258	$ 133,774	$ 63,084	$ 144,180	$ 521	$
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Fixed charges	118,177	127,881	121,862	153,658	313,213	57,851	
Preferred stock dividends	25,130	23,201	22,079	21,645	60,502	8,680	
Combined fixed charges and preferred stock dividends	$ 143,307	$ 151,082	$ 143,941	$ 175,303	$ 373,715	$ 66,531	$
Consolidated ratio of earnings to combined fixed charges and preferred stock dividends	1.39	1.53	1.57	1.20	1.24	0.87	

(1) We have reclassified the income and expenses attributable to the properties sold prior to or held for sale at March 31, 2012 to discontinued operations.

EXH

STATEMENT REGARDING COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES PREFERRED STOCK DIVIDENDS (UNAUDITED)

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(1) We have reclassified the income and expenses attributable to the properties sold prior to or held for sale at March 31, 2012 to discontinued operations.

EXHIB

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, **George L. Chapman**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Health Care REIT, 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 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 Ac 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 an have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within thos 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 e 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 rece fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to mat 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 registra 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 reasona 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 co over financial reporting.

Date: May 10, 2012

/s/ GEORGE L. CHAPMAN

George L. Chapman,
Chief Executive Officer

EXHIB

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, **Scott A. Estes**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Health Care REIT, 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 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 Ac 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 an have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within thos 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 e 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 rece fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to mat 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 registra 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 reasona 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 co over financial reporting.

Date: May 10, 2012

/s/ SCOTT A. ESTES

Scott A. Estes,

Chief Financial Officer

EXHIBI

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

I, George L. Chapman, the Chief Executive Officer of Health Care REIT, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2 (18 U.S.C. Section 1350), that (i) the Quarterly Report on Form 10-Q for the Company for the quarter ended March 31, 2012 (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, financial condition and results of operations of the Company.

/s/ GEORGE L. CHAPMAN
George L. Chapman,
Chief Executive Officer
Date: May 10, 2012

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 Secu and Exchange Commission or its staff upon request.

EXHIBI

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

I, Scott A. Estes, the Chief Financial Officer of Health Care REIT, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (1 U.S.C. Section 1350), that (i) the Quarterly Report on Form 10-Q for the Company for the quarter ended March 31, 2012 (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, financial condition and results of operations of the Company.

/s/ SCOTT A. ESTES
Scott A. Estes,
Chief Financial Officer
Date: May 10, 2012

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 Secu and Exchange Commission or its staff upon request.