

NATIONWIDE HEALTH PROPERTIES INC
Form 424B3
July 30, 2002

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Registration Number 333-70707

Prospectus Supplement
(to Prospectus dated July 30, 2002)

\$500,000,000

Medium-Term Notes, Series D
Due 9 Months or More from Date of Issue

The following terms may apply to the notes which we may sell at one or more times. The final terms for each note will be included in a pricing supplement. We will receive between \$496,250,000 and \$499,375,000 of the proceeds from the sale of the notes, after paying the agents commissions of between \$625,000 and \$3,750,000.

Mature 9 months to 30 years or more	Certificated or book-entry form
Fixed or floating interest rate or indexed notes or zero-coupon or other original issue discount notes. The floating interest rate may be based on:	Subject to redemption and repurchase at our option or the holder's option
CD rate	Not convertible, amortized or subject to a sinking fund
Commercial paper rate	Interest paid on fixed rate notes semi-annually
Federal Funds effective rate	Interest paid on floating rate notes monthly, quarterly, semi-annually or annually
LIBOR	Minimum denominations of \$1,000 increased in multiples of \$1,000
Prime rate	May be foreign currency or composite currency denominated
Treasury rate	Same day settlement and payment
Any other rate specified by us in a pricing supplement	Immediately available funds
Any combination of rates specified in a pricing supplement	

Investing in our notes involves risks. We refer you to the discussion of certain risks that purchasers of our notes should consider beginning on page 6 of the accompanying prospectus.

Neither the SEC nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement. Any representation to the contrary is a criminal offense.

Nationwide Health Properties, Inc. may sell the notes directly or through one or more agents or dealers, including the agents listed below. The agents are not required to sell any specific number or amount of the notes. The agents will use their reasonable efforts to sell the notes offered

Goldman, Sachs & Co.

Merrill Lynch & Co.

The date of this Prospectus Supplement is July 30, 2002.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus supplement or the accompanying prospectus. You must not rely on any unauthorized information or representations. This prospectus supplement and the accompanying prospectus is an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement and the accompanying prospectus is current only as of the date of the applicable document.

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PRICING SUPPLEMENT

The pricing supplement for each offering of notes will contain the specific information and terms for that offering. The pricing supplement may also add, update or change information contained in the prospectus and this prospectus supplement. It is important for you to consider the information contained in the prospectus and this prospectus supplement, the incorporated documents and the pricing supplement in making your investment decision.

DESCRIPTION OF THE NOTES

We will issue the notes under an indenture between us and the trustee, J.P. Morgan Trust Company, National Association (formerly Chase Manhattan Bank and Trust Company), dated January 13, 1999. This prospectus supplement briefly outlines some of the indenture provisions. If you would like more information on these provisions, you should review the indenture and its supplements that we filed with the SEC. See [Where You Can Find More Information](#) in the accompanying prospectus on how to locate the indenture and the supplements.

The indenture does not limit the amount of debt securities that may be issued. As of the date of this prospectus supplement, the Company has authorized the issuance of up to \$500,000,000 of notes as a separate series of debt securities. Each series of debt securities may differ as to their terms. For current information on the Company's outstanding debt see our most recent Form 10-K and 10-Q. See [Where You Can Find More Information](#) in the accompanying prospectus.

The notes are unsecured and will rank equally with all of the Company's unsecured and unsubordinated indebtedness. The notes will be denominated in U.S. dollars and the Company will pay principal and interest in U.S. dollars. The notes will not be subject to any conversion, amortization or sinking fund. It is anticipated that the notes will be book-entry, represented by a permanent global note registered in the name of The Depository Trust Company, or its nominee. However, the Company reserves the right to issue notes in certificate form registered in the names of the noteholders.

In the discussion that follows, whenever we talk about paying principal on the notes, we mean at maturity, redemption or repurchase. In discussing the time for notices and how the different interest rates are calculated, all times are New York City time, unless otherwise noted.

As used herein, [Business Day](#) means, unless otherwise specified in the applicable pricing supplement, any day other than a Saturday or Sunday or any other day on which banks in The City of New York are generally authorized or obligated by law or executive order to close and, with respect to notes as to which LIBOR is an applicable Base Rate, is also a London Business Day. As used herein, [London Business Day](#) means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

The following terms may apply to each note as specified in the applicable pricing supplement and the note.

Redemption

If provided in the applicable pricing supplement, the Company may redeem the notes, in whole or in part, at the option of the Company, upon notice given not less than 30 nor more than 60 days prior to the date of redemption unless a shorter period is set forth in the pricing supplement. The pricing supplement will set forth the terms of any redemption, including, but not limited to, the dates on which redemption may be elected and the price (including premium, if any) at which the notes may be redeemed.

Repayment

If provided in the applicable pricing supplement, the noteholder may have the right to cause the Company to repay the notes prior to maturity on the dates specified in the pricing supplement. Noteholders desiring to exercise their repayment option must notify the paying agent at least 30 but not more than 60 days prior to the optional repayment date. If no optional repayment date is included in the pricing supplement, the notes will not be repayable at the option of the noteholder prior to maturity.

Interest

General

Unless otherwise specified in the applicable pricing supplement, each note will bear interest from the date of issue at the rate per annum or, in the case of a floating rate note, pursuant to the Base Rate or interest rate formula, stated therein until the principal thereof is paid or made available for payment. Unless otherwise specified in an applicable pricing supplement, interest payments shall be the amount of interest accrued from and including the next preceding Interest Payment Date in respect of which interest has been paid (or from and including the date of issue if no interest has been paid with respect to a note), to but excluding the Interest Payment Date or Maturity (an Interest Accrual Period), as the case may be.

Interest will be payable in arrears on each date specified in the applicable pricing supplement on which an installment of interest is due and payable (each, an Interest Payment Date) and at maturity. Interest will be payable to the person in whose name a note is registered at the close of business on the Regular Record Date next preceding each Interest Payment Date; provided, however, that interest payable at maturity will be payable to the person to whom principal shall be payable. Unless otherwise specified in an applicable pricing supplement, if the original issue date of a note is between a Regular Record Date and the related Interest Payment Date, the initial interest payment will be made on the Interest Payment Date following the next succeeding Regular Record Date to the registered holder on such next succeeding Regular Record Date. Unless otherwise specified in the applicable pricing supplement, the Regular Record Date will be the date 15 calendar days (whether or not a Business Day) immediately preceding the related Interest Payment Date.

Interest rates offered on the notes may differ depending upon, among other factors, the aggregate principal amount of notes purchased in any single transaction. Notes with different variable terms other than interest rates may also be offered concurrently to different investors. Interest rates or formulas and other terms of notes are subject to change from time to time, but no such change will affect any note previously issued or as to which an offer to purchase has been accepted by us.

Fixed Rate Notes

Unless otherwise specified in the applicable pricing supplement, interest on fixed rate notes will be payable semiannually on each April 1 and October 1 and at maturity. If any Interest Payment Date or maturity of a fixed rate note falls on a day that is not a Business Day, the related payment of principal, premium, if any, and interest will be made on the next succeeding Business Day as if it were made on the date such payment was due and no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date or maturity, as the case may be. Unless otherwise specified in an applicable pricing supplement, interest on each fixed rate note will be calculated on the basis of a 360-day year of twelve 30-day months.

Floating Rate Notes

Unless otherwise specified in an applicable pricing supplement, floating rate notes will be issued as described below. Interest on floating rate notes will be determined by reference to a Base Rate, which may be

one or more of (a) the Certificate of Deposit Rate; (b) the Commercial Paper Rate; (c) the Federal Funds Rate; (d) LIBOR; (e) the Prime Rate; (f) the Treasury Rate; or (g) such other Base Rate or interest rate formula as may be set forth in the applicable pricing supplement. In addition, a floating rate note may bear interest by reference to two or more Base Rates determined in the same manner as the Base Rates are determined for the types of notes described above.

The applicable pricing supplement and the related note will specify the Base Rate or Rates and the Spread and/or Spread Multiplier (each, as defined below), if any, and the maximum or minimum interest rate limitation, if any, applicable to each floating rate note. In addition, the pricing supplement and the applicable note will define or particularize for each floating rate note the following terms (each, as defined below), if applicable: Initial Interest Rate, Index Maturity, Interest Payment Dates, Interest Reset Dates, Interest Reset Period, Regular Record Dates and Calculation Agent (if other than J.P. Morgan Trust Company, National Association (formerly Chase Manhattan Bank and Trust Company)).

The interest rate on each floating rate note will be calculated by reference to the specified Base Rate or two or more specified Base Rates, in either case plus or minus the Spread, if any, and/or multiplied by the Spread Multiplier, if any. The Spread is the number of basis points to be added to or subtracted from the related Base Rate or Rates applicable to the floating rate note. The Spread Multiplier is the percentage of the related Base Rate or Rates applicable to the floating rate note by which such Base Rate or Rates will be multiplied to determine the applicable interest rate on the floating rate note. The Index Maturity is the period to maturity of the instrument or obligation with respect to which the related Base Rate or Rates is calculated. The Spread, Spread Multiplier, Index Maturity and other variable terms of the floating rate notes are subject to change by the Company from time to time, but no such change will affect any floating rate note previously issued or as to which an offer to purchase has been accepted by the Company.

Each applicable pricing supplement will specify whether the rate of interest on each floating rate note will be reset daily, weekly, monthly, quarterly, semiannually, annually or such other period (each, an Interest Reset Period), and the dates on which such interest rate will be reset (each, an Interest Reset Date). Unless otherwise specified in an applicable pricing supplement, the Interest Reset Date will be, in the case of floating rate notes which reset:

- (a) daily, each Business Day;
- (b) weekly, the Wednesday of each week (with the exception of weekly reset Treasury Rate Notes which will reset the Tuesday of each week);
- (c) monthly, the third Wednesday of each month;
- (d) quarterly, the third Wednesday of March, June, September and December of each year;
- (e) semiannually, the third Wednesday of each of the two months specified in the applicable pricing supplement; and
- (f) annually, the third Wednesday of the month specified in the applicable pricing supplement.

If any Interest Reset Date for any floating rate note would otherwise be a day that is not a Business Day, such Interest Reset Date will be postponed to the next succeeding Business Day, except that in the case of a LIBOR note (or a note for which the interest rate is determined with reference to LIBOR), if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day.

The interest rate applicable to each Interest Accrual Period commencing on the Interest Reset Date applicable to such Interest Accrual Period will be the rate determined on the applicable Interest Determination Date. Unless otherwise specified in an applicable pricing supplement, the Interest Determination Date with respect to the Certificate of Deposit Rate, Commercial Paper Rate, Federal Funds Rate and the Prime Rate will

be the second Business Day preceding each Interest Reset Date for the related note; and the Interest Determination Date with respect to LIBOR will be the second London Business Day preceding each Interest Reset Date for the related note. With respect to the Treasury Rate, unless otherwise specified in an applicable pricing supplement, the Interest Determination Date will be the day of the week in which the Interest Reset Date falls on which Treasury Bills (as defined below) normally would be auctioned (Treasury Bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday); provided, however, that if as a result of a legal holiday an auction is held on the Friday of the week preceding the related Interest Reset Date, the related Interest Determination Date shall be such preceding Friday. The Interest Determination Date pertaining to a floating rate note, the interest rate of which is determined with reference to two or more Base Rates, will be the latest Business Day which is at least two Business Days prior to the Interest Reset Date for the note on which each Base Rate is determinable. Each Base Rate shall be determined and compared on such date, and the applicable interest rate shall take effect on the related Interest Reset Date.

A floating rate note may also have either or both of the following: (a) a maximum limit, or ceiling, on the rate of interest which may accrue during any Interest Accrual Period, and (b) a minimum limit, or floor, on the rate of interest which may accrue during any Interest Accrual Period. In addition to any maximum interest rate that may be applicable to any floating rate note pursuant to the above provisions, the interest rate on floating rate notes will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application.

Except as provided below or in the applicable pricing supplement, interest will be payable, in the case of floating rate notes which reset (a) daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified in the applicable pricing supplement; (b) quarterly, on the third Wednesday of March, June, September and December of each year; (c) semiannually, on the third Wednesday of each of the two months of each year specified in the applicable pricing supplement; and (d) annually, on the third Wednesday of the month specified in the applicable pricing supplement and, in each case, at maturity.

If any Interest Payment Date (other than at maturity) with respect to a floating rate note falls on a day that is not a Business Day, such Interest Payment Date will be the following Business Day, except that, in the case of a LIBOR note (or a note for which the interest rate is determined with reference to LIBOR), if such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Business Day. If the maturity of a floating rate note falls on a day that is not a Business Day, the payment of principal, premium, if any, and interest will be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after such maturity.

The interest rate in effect with respect to a floating rate note on each day that is not an Interest Reset Date will be the interest rate determined as of the Interest Determination Date pertaining to the immediately preceding Interest Reset Date and the interest rate in effect on any day that is an Interest Reset Date will be the interest rate determined as of the Interest Determination Date pertaining to such Interest Reset Date, subject in either case to any maximum or minimum interest rate limitation referred to above; provided, however, that the interest rate in effect with respect to a floating rate note for the period from the date of issue to the first Interest Reset Date will be the Initial Interest Rate specified in the applicable pricing supplement and the related note.

With respect to each floating rate note, accrued interest is calculated by multiplying its face amount by an accrued interest factor. Such accrued interest factor is computed by adding the interest factor calculated for each day from the date of issue, or from the last date to which interest has been paid, to the date for which accrued interest is being calculated. Unless otherwise specified in an applicable pricing supplement, the interest factor for each such day is computed by dividing the interest rate applicable to such day by 360, in the case of Certificate of Deposit Rate notes, Commercial Paper Rate notes, Federal Funds Rate notes, LIBOR notes and Prime Rate notes, or by the actual number of days in the year in the case of Treasury Rate notes. Unless otherwise specified in the

applicable pricing supplement, the interest factor for notes for which the interest rate is calculated with reference to the lowest of two or more Base Rates will be calculated in each period in the same manner as if only the lowest of the applicable Base Rates applied.

All percentages resulting from any calculation on floating rate notes will be rounded to the nearest one hundred-thousandth of a percentage point with five one-millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)), and all dollar amounts used in or resulting from such calculation on floating rate notes will be rounded to the nearest cent (with one-half cent being rounded upward).

Unless otherwise specified in the applicable pricing supplement, J.P. Morgan Trust Company, National Association (formerly Chase Manhattan Bank and Trust Company) will be the Calculation Agent. Upon the request of the holder of any floating rate note, the Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective as a result of a determination made for the next Interest Reset Date with respect to the floating rate note. Unless otherwise specified in an applicable pricing supplement, the Calculation Date, if applicable, pertaining to any Interest Determination Date will be the earlier of (i) the tenth calendar day after such Interest Determination Date or, if any such day is not a Business Day, the next succeeding Business Day or (ii) the Business Day preceding the applicable Interest Payment Date or the maturity, as the case may be.

The interest rate in effect with respect to a floating rate note from the date of issue to the first Interest Reset Date (the Initial Interest Rate) will be specified in the applicable pricing supplement. The interest rate for each subsequent Interest Reset Date will be determined by the Calculation Agent as follows:

Certificate of Deposit Rate

Certificate of Deposit Rate notes will bear interest at the interest rates (calculated with reference to the Certificate of Deposit Rate and the Spread and/or Spread Multiplier, if any) specified in such Certificate of Deposit Rate notes and in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, Certificate of Deposit Rate means, with respect to any Interest Determination Date relating to a Certificate of Deposit Rate note or any Interest Determination Date for a floating rate note for which the interest rate is determined with reference to the Certificate of Deposit Rate (a Certificate of Deposit Rate Interest Determination Date), the rate on such date for negotiable certificates of deposit having the Index Maturity specified in the applicable pricing supplement as published by the Board of Governors of the Federal Reserve System in Statistical Release H.15(519), Selected Interest Rates or any successor publication (H.15(519)) under the heading, CDs (Secondary Market). In the event such rate is not so published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Certificate of Deposit Rate Interest Determination Date, then the Certificate of Deposit Rate will be the rate on such Certificate of Deposit Rate Interest Determination Date for negotiable certificates of deposit of the Index Maturity specified in the applicable pricing supplement as published in H.15 Daily Update (as defined herein) or such other recognized electronic source used for the purposes of displaying such rate under the heading CDs (Secondary Market). If such rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on such Calculation Date, then the Certificate of Deposit Rate on such Certificate of Deposit Rate Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on such Certificate of Deposit Rate Interest Determination Date, of three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in New York, New York (which may include one or both of the agents or their affiliates) selected by the Calculation Agent for negotiable certificates of deposit of major United States money center banks in the market for negotiable certificates of deposit with a remaining maturity closest to the Index Maturity specified in the applicable pricing supplement in an amount that is representative for a single transaction in that market at that time; provided, however, that if the dealers selected as aforesaid by the

Calculation Agent are not quoting as mentioned in this sentence, the Certificate of Deposit Rate in effect for the applicable period will be the Certificate of Deposit Rate in effect on such Certificate of Deposit Rate Interest Determination Date.

H.15 Daily Update means the daily update of H.15(519), available through the web site of the Federal Reserve System at <http://www.federalreserve.gov/releases/h15/update>, or any successor site or publication.

Commercial Paper Rate

Commercial Paper Rate notes will bear interest at the interest rates (calculated with reference to the Commercial Paper Rate and the Spread and/or Spread Multiplier, if any) specified in such Commercial Paper Rate notes and in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, Commercial Paper Rate means, with respect to any Interest Determination Date relating to a Commercial Paper Rate note or any Interest Determination Date for a floating rate note for which the interest rate is determined with reference to the Commercial Paper Rate (a Commercial Paper Rate Interest Determination Date), the Money Market Yield (as defined below) on such date of the rate for commercial paper having the Index Maturity specified in the applicable pricing supplement as published in H.15(519) under the heading Commercial Paper Nonfinancial. In the event that such rate is not published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Commercial Paper Rate Interest Determination Date, then the Commercial Paper Rate will be the Money Market Yield on such Commercial Paper Rate Interest Determination Date of the rate for commercial paper of the Index Maturity specified in the applicable pricing supplement as published in H.15 Daily Update or such other recognized electronic source used for the purpose of displaying such rate under the heading Commercial Paper-Nonfinancial (with an Index Maturity of one month or three months being deemed to be equivalent to an Index Maturity of 30 days or 90 days, respectively). If such rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on such Calculation Date, then the Commercial Paper Rate will be calculated by the Calculation Agent and will be the Money Market Yield of the arithmetic mean of the offered rates, as of 11:00 A.M., New York City time, on such Commercial Paper Rate Interest Determination Date, of three leading dealers of commercial paper in New York, New York (which may include one or both of the agents or their affiliates) selected by the Calculation Agent for commercial paper of the specified Index Maturity placed for an industrial issuer whose bond rating is AA, or the equivalent, from a nationally recognized statistical rating organization; provided, however, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Commercial Paper Rate in effect for the applicable period will be the Commercial Paper Rate in effect on such Commercial Paper Rate Interest Determination Date.

Money Market Yield shall be a yield (expressed as a percentage rounded, if necessary, to the nearest one hundred-thousandth of a percentage point) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where D refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal and M refers to the actual number of days in the interest period for which interest is being calculated.

Federal Funds Rate

Federal Funds Rate notes will bear interest at the interest rates (calculated with reference to the Federal Funds Rate and the Spread and/or Spread Multiplier, if any) specified in such Federal Funds Rate notes and in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, **Federal Funds Rate** means, with respect to any Interest Determination Date relating to a Federal Funds Rate note or any Interest Determination Date for a floating rate note for which the interest rate is determined with reference to the Federal Funds Rate (a **Federal Funds Rate Interest Determination Date**), the rate of interest on that day for federal funds as published in H.15(519) under the heading **Federal Funds (Effective)** and displayed on Moneyline Telerate (or any successor service) on page 120 (or any other page as may replace the specified page on that service) (**Moneyline Telerate Page 120**). In the event such rate does not appear on Moneyline Telerate Page 120 or is not so published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Federal Funds Rate Interest Determination Date, then the Federal Funds Rate will be the rate on such Federal Funds Rate Interest Determination Date as published in H.15 Daily Update or such other recognized electronic source used for the purpose of displaying such rate, under the heading **Federal Funds (Effective)**. If such rate does not appear on Moneyline Telerate Page 120 or is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on such Calculation Date, the Federal Funds Rate on such Federal Funds Rate Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight federal funds arranged by three leading dealers of federal funds transactions in New York, New York (which may include one or both of the agents or their affiliates) selected by the Calculation Agent as of 9:00 A.M., New York City time, on such Federal Funds Rate Interest Determination Date; provided, however, that if the dealers so selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate in effect for the applicable period will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date.

LIBOR

LIBOR notes will bear interest at the interest rates (calculated with reference to LIBOR and the Spread and/or Spread Multiplier, if any) specified in the LIBOR notes and in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, **LIBOR** means the rate determined by the Calculation Agent in accordance with the following provisions:

(i) With respect to an Interest Determination Date relating to a LIBOR note or any Interest Determination Date for a floating rate note for which the interest rate is determined with reference to LIBOR (a **LIBOR Interest Determination Date**), LIBOR will be, as specified in the applicable pricing supplement, either: (a) the arithmetic mean of the offered rates for deposits in U.S. dollars having the Index Maturity designated in the applicable pricing supplement, commencing on the second London Business Day immediately following that LIBOR Interest Determination Date, that appear on the Reuters Screen LIBOR Page as of 11:00 A.M., London time, on that LIBOR Interest Determination Date, if at least two such offered rates appear on the Reuters Screen LIBOR Page (**LIBOR Reuters**), or (b) the rate for deposits in U.S. dollars having the Index Maturity designated in the applicable pricing supplement commencing on the second London Business Day immediately following that LIBOR Interest Determination Date, that appears on the Moneyline Telerate Page 3750 as of 11:00 A.M., London time, on that LIBOR Interest Determination Date (**LIBOR Moneyline Telerate**). **Reuters Screen LIBOR Page** means the display designated as page **LIBOR** on the Reuters Monitor Money Rates Service (or such other page as may replace the LIBOR page on that service for the purpose of displaying London interbank offered rates of major banks). **Moneyline Telerate Page 3750** means the display designated as page **3750** on the Moneyline Telerate Service (or such other page as may replace the 3750 page on that service or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. dollar deposits). If neither LIBOR Reuters nor LIBOR Moneyline Telerate is specified in the applicable pricing supplement, LIBOR will be determined as if LIBOR Moneyline Telerate has been specified. If fewer than two offered rates appear on the Reuters Screen LIBOR Page, or if no rate appears on the Moneyline Telerate Page 3750, as applicable, LIBOR in respect of that LIBOR Interest Determination Date will be determined as if the parties had specified the rate described in (ii) below.

(ii) With respect to a LIBOR Interest Determination Date on which fewer than two offered rates appear on the Reuters Screen LIBOR Page, as specified in (i) (a) above, or on which no rate appears on Moneyline Telerate

Page 3750, as specified in (i) (b) above, as applicable, LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars having the Index Maturity designated in the applicable pricing supplement are offered at approximately 11:00 A.M., London time, on that LIBOR Interest Determination Date by four major banks in the London interbank market selected by the Calculation Agent (Reference Banks) to prime banks in the London interbank market (which may include affiliates of the agents) commencing on the second London Business Day immediately following that LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in such market at such time. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR in respect of that LIBOR Interest Determination Date will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR in respect of that LIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., New York City time, on that LIBOR Interest Determination Date by three major banks (which may include affiliates of the agents) in the City of New York selected by the Calculation Agent for loans in U.S. dollars to leading European banks having the Index Maturity designated in the applicable pricing supplement commencing on the second London Business Day immediately following that LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in such market at such time; provided, however, that if the banks selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR with respect to such LIBOR Interest Determination Date will be LIBOR in effect on such LIBOR Interest Determination Date.

Prime Rate

Prime Rate notes will bear interest at the rates (calculated with reference to the Prime Rate and the Spread and/or Spread Multiplier, if any) specified in such Prime Rate notes and the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, Prime Rate means, with respect to any Interest Determination Date relating to a Prime Rate note or any floating rate note for which the interest rate is determined with reference to the Prime Rate (a Prime Rate Interest Determination Date), the rate on such date as such rate is published in H.15(519) under the heading Bank Prime Loan. If such rate is not published by 3:00 P.M., New York City time, on the related Calculation Date, then the Prime Rate will be the rate published in H.15 Daily Update or such other recognized electronic source used for the purpose of displaying such rate, under the caption Bank Prime Loan. If such rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source, then the Prime Rate shall be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen USPRIME1 Page (as defined below) as such banks prime rate or base lending rate as in effect as of 11:00 A.M., New York City time, for such Prime Rate Interest Determination Date. If fewer than four such rates appear on the Reuters Screen USPRIME1 Page for such Prime Rate Interest Determination Date, the Prime Rate shall be the arithmetic mean of the prime rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Prime Rate Interest Determination Date by three major banks (which may include affiliates of the agents) in The City of New York selected by the Calculation Agent; provided, however, that if the banks selected as aforesaid are not quoting as mentioned in this sentence, the Prime Rate determined as of such Prime Rate Interest Determination Date will be the Prime Rate in effect on such Prime Rate Interest Determination Date.

Reuters Screen USPRIME1 Page means the display designated as page USPRIME1 on the Reuters Monitor Money Rates Service (or any successor service) (or such other page as may replace the USPRIME1 page on that service) for the purpose of displaying prime rates or base lending rates of major United States banks.

Treasury Rate

Treasury Rate notes will bear interest at the rates (calculated with reference to the Treasury Rate and the Spread and/or Spread Multiplier, if any) specified in such Treasury Rate notes and in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, **Treasury Rate** means, with respect to any Interest Determination Date relating to a Treasury Rate note or any Interest Determination Date for a floating rate note for which the interest rate is determined with reference to the Treasury Rate (a **Treasury Rate Interest Determination Date**), the rate applicable to the most recent auction of direct obligations of the United States (**Treasury Bills**) having the Index Maturity specified in the applicable pricing supplement under the caption **INVESTMENT RATE** on the display on Moneyline Telerate (or any successor service) on page 56 (or any other page as may replace such page on such service) (**Moneyline Telerate Page 56**) or page 57 (or any other page as may replace such page on such service) (**Moneyline Telerate Page 57**) or, if not published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Treasury Rate Interest Determination Date, the Bond Equivalent Yield (as defined below) of the auction rate of such Treasury Bills as announced by the United States Department of the Treasury. In the event that the auction rate of Treasury Bills having the Index Maturity specified in the applicable pricing supplement is not so announced by the United States Department of the Treasury, or if no such auction is held, then the Treasury Rate will be the Bond Equivalent Yield of the rate on such Treasury Rate Interest Determination Date of Treasury Bills having the Index Maturity specified in the applicable pricing supplement as published in H.15(519) under the caption **U.S. Government Securities/Treasury Bills/Secondary Market** or, if not yet published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on such Treasury Rate Interest Determination Date of such Treasury Bills as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption **U.S. Government Securities/Treasury Bills/Secondary Market**. If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source, then the Treasury Rate shall be calculated by the Calculation Agent and shall be the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on such Treasury Rate Interest Determination Date, of three primary U.S. government securities dealers (which may include one or both of the agents or their affiliates) selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the specified Index Maturity; provided, however, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate in effect for the applicable period will be the Treasury Rate in effect on such Treasury Rate Interest Determination Date.

Bond Equivalent Yield means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 (D \times M)} \times 100$$

where **D** refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis, **N** refers to 365 or 366, as the case may be, and **M** refers to the actual number of days in the applicable Interest Reset Period.

Original Issue Discount Notes

Notes may be issued at a price less than their stated redemption price at maturity, resulting in the notes being treated as issued with original issue discount for federal income tax purposes. Such discounted notes may currently pay no interest or interest at a rate which at the time of issuance is below market rates and such notes may provide that upon redemption or repayment prior to their stated maturity or upon acceleration of the maturity of such notes, an amount less than the stated principal amount thereof shall become due and payable. If notes are issued with original issue discount, holders of such notes will be required to include the amount of original issue discount in income in accordance with applicable provisions of the Internal Revenue Code of 1986, as amended (the **Code**), and the Treasury Regulations promulgated thereunder. Special federal income tax and other considerations applicable to any such discounted notes may be described in the applicable pricing supplement.

Indexed Notes

Notes also may be issued with the principal amount payable at maturity, premium, if any, and/or interest to be paid thereon to be determined with reference to the price or prices of specified commodities or stocks, interest rate indices, interest rate or exchange rate swap indices, the exchange rate of one or more specified currencies relative to an indexed currency, or such other price or exchange rate or other financial index or indices as may be specified in such note (Indexed Notes), as set forth in an indexed note supplement. Holders of such notes may receive a principal amount at maturity that is greater than or less than the face amount of the notes depending upon the relative value at maturity of the specified indexed item. Information as to the method for determining the principal payable at maturity and, where applicable, certain historical information with respect to the specified indexed item or items and tax considerations associated with investment in Indexed Notes, will be set forth in the applicable indexed note supplement.

An investment in notes indexed, as to principal, premium and/or interest, to one or more values of currencies (including exchange rates and swap indices between currencies), commodities or interest rate or other indices entails significant risks that are not associated with similar investments in a conventional fixed-rate debt security. If the interest rate of an Indexed Note is so indexed, it may result in an interest rate that is less than that payable on a conventional fixed-rate debt security issued at the same time, including the possibility that no interest will be paid, and, if the principal of and/or premium amount of such an Indexed Note is so indexed, the principal amount payable in respect thereof may be less than the original purchase price of such Indexed Note if allowed pursuant to the terms thereof, including the possibility that no principal will be paid. The secondary market for Indexed Notes will be affected by a number of factors, independent of the creditworthiness of the Company and the value of the applicable currency, commodity or interest rate index, including the volatility of the applicable currency, commodity or interest rate index, the time remaining to the maturity of such notes, the amount outstanding of such notes and market interest rates. The value of the applicable currency, commodity or interest rate index depends on a number of interrelated factors, including economic, financial and political events, over which the Company has no control. Additionally, if the formula used to determine the principal, premium or interest payable with respect to Indexed Notes contains a multiple or leverage factor, the effect of any change in the applicable currency, commodity or interest rate index may be increased. The historical experience of the relevant currencies, commodities or interest rate indices should not be taken as an indication of future performance of such currencies, commodities or interest rate indices during the term of any Indexed Note. Accordingly, prospective investors should consult their own financial and legal advisors as to the risks entailed by an investment in Indexed Notes and the suitability of Indexed Notes in light of their particular circumstances.

Notwithstanding anything to the contrary contained herein or in the prospectus, for purposes of determining the rights of a holder of a note indexed as to principal in respect of voting for or against amendments to the indenture and modifications and the waiver of rights thereunder, the principal amount of such Indexed Note shall be deemed to be equal to the face amount thereof upon issuance. The amount of principal payable at maturity will be specified in the applicable pricing supplement.

Book-Entry Notes

Unless otherwise specified in an applicable pricing supplement, upon issuance, all Book-Entry Notes having the same original issue date, stated maturity and otherwise having identical terms and provisions will be represented by a single global security (each, a Global Security). Each Global Security representing Book-Entry Notes will be deposited with, or on behalf of, the depositary. Except as set forth below, a Global Security may not be transferred except as a whole by the depositary to a nominee of the depositary or by a nominee of the depositary to the depositary or another nominee of the depositary or by the depositary or any nominee to a successor of the depositary or a nominee of such successor.

The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Book-Entry Notes. The Book-Entry Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Book-Entry Note certificate will be issued for each issue of the Book-Entry Notes, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants (Direct Participants) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants). The DTC Rules applicable to its participants are on file with the Securities and Exchange Commission.

Purchases of Book-Entry Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Book-Entry Notes on DTC's records. The ownership interest of each actual purchaser of each Book-Entry Note (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Book-Entry Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Book-Entry Notes, except in the event that use of the book-entry system for the Book-Entry Notes is discontinued.

To facilitate subsequent transfers, all Book-Entry Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Book-Entry Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Book-Entry Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Book-Entry Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Book-Entry Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Book-Entry Notes unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to us as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Book-Entry Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Book-Entry Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such participant and not of DTC nor its nominee, the trustee or us, subject to any statutory or regulatory requirements as maybe in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the trustee or us, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Book-Entry Notes purchased, through its participant, to the trustee, and shall effect delivery of such Book-Entry Notes by causing the Direct Participant to transfer the participant's interest in the Book-Entry Notes, on DTC's records, to the trustee.

The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of securities in definitive form. These restrictions may impair the ability to own, transfer or pledge beneficial interests in Book-Entry Notes.

So long as DTC, or its nominee, is the registered owner of a Book-Entry Note, DTC or its nominee, as the case may be, will be considered the sole owner or holder of the Book-Entry Note or Notes for all purposes under the indenture. Except as provided below, Beneficial Owners of a Book-Entry Note will not be entitled to have the notes represented by a Book-Entry Note registered in their names, will not receive or be entitled to receive physical delivery of the notes in definitive form and will not be considered the owners or holders thereof under the indenture. Accordingly, each person owning a beneficial interest in a Book-Entry Note must rely on the procedures of DTC and, if that person is not a participant, on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under the Book-Entry Note or the indenture. We understand that under existing industry practices, in the event that we request any action of holders or that any owner of a beneficial interest in a Book-Entry Note desires to give or take any action which a holder is entitled to give or take under the indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take the desired action, and the participants would authorize Beneficial Owners owning through the participants to give or take the desired action or would otherwise act upon the instructions of Beneficial Owners.

DTC may discontinue providing its services as depository with respect to the Book-Entry Notes at any time by giving reasonable notice to the trustee or us. Under such circumstances, in the event that a successor depository is not obtained, Book-Entry Note certificates are required to be printed and delivered.

We may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Book-Entry Note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

SUPPLEMENTAL PLAN OF DISTRIBUTION

The Company and Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the Agents) have entered into a distribution agreement with respect to the notes. Subject to certain conditions, the Agents have agreed to use their reasonable efforts to solicit purchases of the notes. The Company has the right to accept offers to purchase notes and may reject any proposed purchase of the notes. The Agents may also reject any offer to purchase notes. The Company will pay the Agents a commission on any notes sold through the Agents. The commission will range from 0.125% to 0.750% of the principal amount of the notes, depending on the maturity of the notes.

The Company may also sell notes to the Agents who will purchase the notes as principals for their own accounts. Any such sale will be made at a discount equal to the agent commissions set forth on the cover page hereof if no other discount is agreed. Any notes the Agents purchase as principal may be resold at the market price or at other prices determined by the Agents at the time of resale. The Company may also sell notes directly on its own behalf. No commissions will be paid on notes sold directly by the Company.

The Agents may resell any notes they purchase to other brokers or dealers at a discount which may include all or part of the discount the Agents received from the Company. The Agents will purchase the notes at a price equal to 100% of the principal amount less a discount. Unless otherwise stated the discount will equal the applicable commission on an agency sale of notes of the same maturity. If all the notes are not sold at the initial offering price, the Agents may change the offering price and the other selling terms.

The Agents, whether acting as agents or principals, may be deemed to be underwriters within the meaning of the Securities Act of 1933. The Company has agreed to indemnify the several Agents against certain liabilities, including liabilities under the Securities Act of 1933.

The Agents may sell to dealers who may resell to investors and the Agents may pay all or part of the discount or commission they receive from the Company to the dealers. Such dealers may be deemed to be underwriters within the meaning of the Securities Act of 1933.

The notes are a new issue of securities with no established trading market and will not be listed on a securities exchange. No assurance can be given as to the liquidity of the trading market for the notes.

In connection with the offering, the Agents may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Agents of a greater number of notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The Agents also may impose a penalty bid. This occurs when a particular agent repays to the Agents a portion of the discount received by it because the representatives have repurchased notes sold by or for the account of such agent in stabilizing or short covering transactions.

These activities may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Agents at any time. These transactions may be effected in the over-the-counter market or otherwise.

The Company estimates that its share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$800,000.

Unless otherwise indicated in the applicable pricing supplement, the purchase price of the notes will be required to be paid in immediately available funds in The City of New York.

Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated may be customers of, engage in transactions with and perform services for the Company in the ordinary course of business.

Prospectus

**Nationwide Health Properties, Inc.
Debt Securities**

The Company may periodically issue up to \$500,000,000 of its senior unsecured debt securities. The terms of the debt securities and distribution arrangements will be included in prospectus supplements and pricing supplements.

The debt securities

will be in one or more series;

will be offered in amounts, at prices and on terms to be agreed upon by the Company and the purchasers;

will be issued in amounts, with maturities, interest rates and offering prices set forth in a prospectus supplement; and

will be sold by the Company through agents or to or through underwriters or dealers.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

This prospectus may not be used to consummate sales of debt securities unless accompanied by a prospectus supplement.

The date of this Prospectus is July 30, 2002.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the debt securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of the date of this prospectus.

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STATEMENT REGARDING FORWARD LOOKING DISCLOSURE

Certain information contained in this prospectus includes forward-looking statements. Forward-looking statements include statements regarding our expectations, beliefs, intentions, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements which are other than statements of historical facts. These statements may be identified, without limitation, by the use of forward looking terminology such as *may*, *will*, *anticipates*, *expects*, *believes*, *intends*, *should* or comparable terms or the negative thereof. All forward-looking statements included in this prospectus are based on information available to us on the date hereof. Such statements speak only as of the date hereof and we assume no obligation to update such forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. These statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements. These risks and uncertainties include (without limitation) the following:

- the effect of economic and market conditions and changes in interest rates;
- the general distress of the health care industry;
- government regulations, including changes in the reimbursement levels under the Medicare and Medicaid programs;
- continued deterioration of the operating results or financial condition, including bankruptcies, of our tenants;
- the ability of our operators to repay deferred rent in future periods;
- our ability to attract new operators for certain facilities;
- occupancy levels at certain facilities;
- our ability to sell certain facilities for their book value;
- changes in the market value of our real estate investments;
- the ability of our borrowers to repay their loans;
- the amount and yield of any additional investments;
- changes in tax laws and regulations affecting real estate investment trusts;
- access to the capital markets and the cost of capital; and
- changes in the ratings of our debt securities.

Other risks, uncertainties and factors, including those discussed under the caption **Risk Factors** in this prospectus, could cause our actual results to differ materially from those projected in any forward-looking statement we make.

COMPANY

Nationwide Health Properties, Inc., a Maryland corporation organized in October 1985, is a real estate investment trust, or REIT, that invests primarily in health care related facilities and provides financing to health care providers. Whenever we refer to the Company or to us or use the terms we or our, we are referring to Nationwide Health Properties, Inc.

As of March 31, 2002, we had investments in 307 facilities located in 37 states. The facilities include 163 skilled nursing facilities, 129 assisted living facilities, twelve continuing care retirement communities, one rehabilitation hospital, one long-term acute care hospital and one medical clinic. Our facilities are operated by 60 different operators, including the following publicly traded companies: Alterra Healthcare Corporation, American Retirement Corporation, ARV Assisted Living, Inc., Beverly Enterprises, Inc., Harborside Healthcare Corporation, HEALTHSOUTH Corporation, Integrated Health Services, Inc., Mariner Health Care, Inc. and Sun Healthcare Group, Inc. Of the operators of our facilities, only Alterra, Beverly and ARV, which accounted for 13%, 10% and 10%, respectively, of our revenues for the three months ended March 31, 2002, account for more than 10% of our revenues.

As of March 31, 2002, we had direct ownership of 134 skilled nursing facilities, 123 assisted living facilities, nine continuing care retirement communities, one rehabilitation hospital, one long-term acute care hospital and one medical clinic. Substantially all of our owned facilities are leased under net leases that are accounted for as operating leases.

The leases have initial terms ranging from 5 to 21 years, and generally have two or more multiple-year renewal options. Approximately 53% of our facilities are leased under master leases. In addition, most of the leases contain cross-collateralization and cross-default provisions tied to other leases with the same lessee, as well as grouped lease renewals and grouped purchase options. Obligations under our leases generally have corporate guarantees, and, as of March 31, 2002, leases covering 206 facilities are backed by irrevocable letters of credit or security deposits that cover up to 12 months of monthly minimum rents. Under the terms of the leases, the lessees are responsible for all maintenance, repairs, taxes and insurance on the leased properties.

As of March 31, 2002, we held 27 mortgage loans receivable secured by 29 skilled nursing facilities, six assisted living facilities and three continuing care retirement communities. As of March 31, 2002, the mortgage loans receivable had a net book value of approximately \$127,587,000 with individual outstanding balances ranging from approximately \$155,000 to \$16,104,000 and maturities ranging from 2002 to 2024.

We anticipate making additional investments in health care related facilities during 2002, although the level of our new investments has been depressed during the last two years. During that time we did not make significant additional investments beyond our actual commitments because access to long-term capital was not available under favorable terms. Financing for future investments may be provided by borrowings under our bank line of credit, private placements or public offerings of debt or equity, the assumption of secured indebtedness, obtaining mortgage financing on a portion of our owned portfolio or through joint ventures. We anticipate the potential repayment of certain mortgage loans receivable and the possible sale of certain facilities during 2002. In the event that there are mortgage loan receivable repayments or facility sales in excess of new investments, revenues may decrease. We anticipate using the proceeds from any mortgage loan receivable repayments or facility sales to reduce the outstanding balance on our bank line of credit, if any, to repay other borrowings as they mature or to provide capital for future investments. Any such reduction in debt levels would result in reduced interest expense that we believe would partially offset any decrease in revenues. We believe we have sufficient liquidity and financing capability to finance anticipated future investments, maintain our current dividend level and repay borrowings at or prior to their maturity.

We believe we have operated in such a manner as to qualify for taxation as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended. We intend to continue to qualify as such and

therefore to distribute at least 90% of our REIT taxable income to our stockholders. If we qualify for taxation as a REIT, we will generally not be subject to federal corporate income taxes on our net income that is currently distributed to stockholders. This treatment substantially eliminates the double taxation (e.g. at the corporate and stockholder levels) that generally results from investing in the stock of a corporation.

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

RISK FACTORS

You should carefully consider the risks described below before making an investment decision in our company. The risks and uncertainties described below are not the only ones facing our company and there may be additional risks that we do not presently know of or that we currently consider immaterial. All of these risks could adversely affect our business, financial condition, results of operations and cash flows.

Operator Obligations

Our income would be adversely affected if a significant number of our operators were unable to meet their obligations to us or if we were unable to lease our facilities or make mortgage loans on economically favorable terms. There can be no assurance that a lessee will exercise its option to renew its lease upon the expiration of the initial term or that if such failure to renew were to occur, we could lease the facility to another operator on favorable terms.

Operator Governmental Regulations

Our operators are subject to regulation by federal, state and local governments. These laws and regulations are subject to frequent and substantial changes resulting from legislation, adoption of rules and regulations, and administrative and judicial interpretations of existing law. These changes may have a dramatic effect on our operators' costs associated with doing business and the amount of reimbursement by both government and other third-party payors. These changes may be applied retroactively. The ultimate timing or effect of these changes cannot be predicted. The failure of any of our operators to comply with such laws, requirements and regulations could adversely affect such operator's ability to meet its obligations to us.

Operator Reimbursement Rates

The ability of our operators to generate revenue and profit affects the underlying value of our facilities. Revenues of our operators are generally derived from payments for patient care from the federal Medicare program, state Medicaid programs, private insurance carriers, health care service plans, health maintenance organizations, preferred provider arrangements, self-insured employers as well as the patients themselves.

A significant portion of our operators' revenue is derived from governmentally-funded reimbursement programs, such as Medicare and Medicaid. Federal and state governments have adopted and continue to consider various health care reform proposals to control health care costs. In recent years, there have been fundamental changes in the Medicare program that have resulted in reduced levels of payment for a substantial portion of health care services. In many instances, revenues from Medicaid programs are already insufficient to cover the actual costs incurred in providing care to those patients. In addition, reimbursement from private payors has in many cases effectively been reduced to levels approaching those of government payors.

Governmental and public concern regarding health care costs may result in significant reductions in payment to health care facilities, and there can be no assurance that future reimbursement rates for either governmental or private payors will be sufficient to cover cost increases in providing services to patients. Any changes in reimbursement policies that reduce reimbursement to levels that are insufficient to cover the cost of providing patient care could adversely affect revenues of our operators and thereby adversely affect their ability to meet their obligations to us.

Operator Financial Difficulties

Our facilities are operated by 60 different operators including the following publicly traded companies: Alterra Healthcare Corporation, American Retirement Corporation, ARV Assisted Living, Inc., Beverly Enterprises, Inc., Harborside Healthcare Corporation, HEALTHSOUTH Corporation, Integrated Health Services,

Inc., Mariner Health Care, Inc., and Sun Healthcare Group, Inc. At March 31, 2002, only Alterra, Beverly and ARV, which accounted for 13%, 10% and 10%, respectively, of our revenues for the three months ended March 31, 2002, account for 10% or more of our revenues.

Four operators of skilled nursing facilities and one operator of assisted living facilities we own have filed for protection under the United States bankruptcy laws since 1999. These operators included Sun, Mariner, Integrated, SV/Home Office Inc. and certain affiliates, or SV, and Assisted Living Concepts, Inc., or ALC. During 2002, Sun, Mariner and ALC emerged from bankruptcy. In March 2002, the bankruptcy court approved our final settlement with Sun that included their assumption of five leases and rejection of one other. In April 2002, the bankruptcy court approved Mariner's Second Amended Joint Plan of Reorganization that will result in our obtaining ownership of the facility securing our only mortgage loan with Mariner. Also in April 2002, the bankruptcy court approved our final settlement with Integrated that resulted in the assumption by Integrated of the amended leases on five buildings and the rejection of two others. Over the course of these proceedings, (A) Sun (which emerged from bankruptcy earlier this year) has returned 20 facilities and agreed to a master lease of the remaining five facilities involved in the bankruptcy; (B) Mariner (which emerged from bankruptcy earlier this year) has returned 15 facilities, agreed to give us a deed in lieu of foreclosure for a facility that secured a mortgage loan receivable and assumed leases on six facilities; (C) Integrated has returned two facilities and agreed to a master lease on the other five facilities; (D) SV has agreed to assume the lease on one building, return one facility and extend its mortgage on two other buildings for five years; and (E) ALC (which emerged from bankruptcy earlier this year) assumed the leases on two buildings and transferred title to us and signed leases on two buildings that had previously secured mortgages loans receivable from ALC. We have leased 32 of these facilities to new operators and sold two facilities.

Our financial position and our ability to make distributions may be adversely affected by financial difficulties experienced by any of our major operators, including bankruptcy, insolvency or general downturn in business of any such operator, or in the event any such operator does not renew or extend its relationship with us as its term expires.

Operators Seeking Bankruptcy Protection

We are exposed to the risk that our operators may not be able to meet their obligations, which may result in their bankruptcy or insolvency. Although our leases and loans provide us the right to terminate an investment, evict an operator, demand immediate repayment and other remedies, the bankruptcy laws afford certain rights to a party that has filed for bankruptcy or reorganization. An operator in bankruptcy may be able to restrict our ability to collect unpaid rent and interest during the bankruptcy proceeding.

If one of our lessees seeks bankruptcy protection, the lessee can either assume or reject the lease. Generally, the operator is required to