HEALTH CARE PROPERTY INVESTORS INC
Form 424B3
September 11, 2006

SUBJECT TO COMPLETION, DATED SEPTEMBER 11, 2006

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

Filed Pursuant to Rule 424(b)(3)
Registration Statement No. 333-137225

Preliminary Prospectus Supplement
(To Prospectus dated September 8, 2006)

$750,000,000

Health Care Property Investors, Inc.

$ Floating Rate Notes Due 2008

$ % Notes Due 2011

$ % Notes Due 2016

The floating rate notes will mature on September , 2008. Health Care Property Investors, Inc., or HCP, will pay interest on the floating rate notes on March , June , September and December of each year, beginning December , 2006. Interest on the floating rate notes will be reset on each interest payment date, beginning on December , 2006, based on the Three-Month LIBOR Rate plus %.

The five year notes will mature on September , 2011. The ten year notes will mature on September , 2016. HCP will pay interest on the five year notes and the ten year notes, which we refer to together as the fixed rate notes, on March and September of each year, beginning March , 2007.

The floating rate notes are redeemable, in whole or in part, at 100% of the aggregate principal amount, plus accrued and unpaid interest, if any, beginning on March , 2007, and quarterly thereafter. The fixed rate notes are redeemable, in whole or in part, at any time under a make-whole redemption provision described in this prospectus supplement. In addition, if we experience a change in control and the ratings on the notes are downgraded below investment grade as a result, we may be required to repurchase the notes on the terms described in this prospectus supplement.

The notes will be senior unsecured obligations and will rank equally with HCP s existing and future unsecured senior indebtedness. The notes will be issued only in denominations of $1,000 and integral multiples of $1,000.

Investing in the notes involves risk. See Risk Factors beginning on page S-8 of this prospectus supplement and page 4 of the accompanying prospectus.

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

	Per Floating Rate Note	Total	Per Five Year Note	Total	Per Ten Year Note	Total
Public offering price(1)	%	$	%	$	%	$
Underwriting discount	%	$	%	$	%	$
Proceeds (before expenses) to HCP(1)	%	$	%	$	%	$

(1) Plus accrued interest, if any, from September , 2006, if settlement occurs after that date.

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

We expect that delivery of the notes will be made to investors through the book-entry delivery system of The Depository Trust Company on or about September , 2006.

Joint Book-Running Lead Managers

Barclays Capital **JPMorgan**

Senior Co-Manager

Wachovia Securities

Co-Managers

Credit Suisse
RBS Greenwich Capital
KeyBanc Capital Markets
Scotia Capital
SunTrust Robinson Humphrey
Wells Fargo Securities

September , 2006

You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not authorized anyone to provide you with information that is different. We are not making an offer to sell these securities in any jurisdiction where the offer or sale of these securities is not permitted. This document may only be used where it is legal to sell these securities. You should assume that the information in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference.

All references in this prospectus supplement to HCP, we, us or our mean Health Care Property Investors, Inc., its majority-owned subsidiaries and other entities controlled by Health Care Property Investors, Inc. except where it is clear from the context that the term means only the issuer, Health Care Property Investors, Inc. Unless otherwise stated, currency amounts in this prospectus are stated in United States dollars.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. This prospectus supplement also adds to, updates and changes information contained in the accompanying prospectus. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. The accompanying prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using a shelf registration statement. Under the shelf registration process, from time to time, we may offer and sell debt securities, warrants or other rights, stock purchase contracts, units, common stock, preferred stock or depositary shares, or any combination thereof, in one or more offerings.

It is important that you read and consider all of the information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents to which we have referred you in Incorporation by Reference on page S-2 of this prospectus supplement and Where You Can Find More Information on page 2 of the accompanying prospectus.

INCORPORATION BY REFERENCE

The Securities and Exchange Commission, or SEC, allows us to incorporate by reference information into this prospectus supplement and the accompanying prospectus. This means that we can disclose important information to you by referring you to another document that HCP has filed separately with the SEC that contains that information. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus. Information that HCP files with the SEC after the date of this prospectus supplement will automatically modify and supersede the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus to the extent that the subsequently filed information modifies or supersedes the existing information. We incorporate by reference (other than any portions of any such documents that are not deemed filed under the Securities Exchange Act of 1934 in accordance with the Securities Exchange Act of 1934 and applicable SEC rules):

- our Current Reports on Form 8-K filed on February 9, 2006, February 17, 2006, February 21, 2006, May 2, 2006 (pursuant to Items 8.01 and 9.01), May 4, 2006, May 17, 2006, June 30, 2006, August 2, 2006, August 4, 2006 and August 17, 2006 and the two Current Reports on Form 8-K filed on September 8, 2006;

- our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006 and June 30, 2006;

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2005; and

- any future filings we make with the SEC under Sections 13(a), l3(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we sell all of the securities offered by this prospectus supplement.

You may request a copy of any of these filings at no cost by writing to or telephoning us at the following address and telephone number:

Legal Department
Health Care Property Investors, Inc.
3760 Kilroy Airport Way, Suite 300
Long Beach, California 90806
(562) 733-5100
legaldept@hcpi.com

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SUMMARY

The information below is a summary of the more detailed information included elsewhere in or incorporated by reference in this prospectus supplement. You should read carefully the following summary in conjunction with the more detailed information contained in this prospectus supplement, including the Risk Factors section beginning on page S-8, the accompanying prospectus, including the Risk Factors section beginning on page 4 therein, and the information incorporated by reference. This summary is not complete and does not contain all of the information you should consider before purchasing the notes.

Our Company

We invest primarily in real estate serving the healthcare industry in the United States. We are a Maryland corporation and were organized to qualify as a REIT in 1985. We are headquartered in Long Beach, California, with operations in Nashville, Tennessee, and our portfolio includes, as of June 30, 2006, interests in 534 properties in 42 states consisting of 143 senior housing facilities, 182 medical office buildings, 29 hospitals, 155 skilled nursing facilities and 25 other healthcare facilities. We acquire healthcare facilities and lease them to healthcare providers and provide mortgage financing secured by healthcare facilities. Our portfolio includes: (i) senior housing, including independent living facilities, assisted living facilities, and continuing care retirement communities; (ii) medical office buildings; (iii) hospitals; (iv) skilled nursing facilities; and (v) other healthcare facilities, including laboratory and office buildings.

Our executive offices are located at 3760 Kilroy Airport Way, Suite 300, Long Beach, California 90806, and our telephone number is (562) 733-5100.

Recent Developments

On May 1, 2006, HCP entered into a definitive merger agreement with CNL Retirement Properties, Inc., or CRP, under which a wholly owned subsidiary of HCP will merge with CRP. Upon the consummation of the merger with CRP, holders of CRP common stock will be entitled to receive consideration consisting of $11.1293 in cash and 0.0865 of a share of HCP common stock for each share of CRP common stock. CRP had 264.2 million shares of common stock outstanding at June 30, 2006. In connection with the merger with CRP, HCP has also entered into a definitive merger agreement with respect to CNL Retirement Corp., or the Advisor, the external advisor to CRP, pursuant to which all outstanding shares of the Advisor s capital stock will be converted into the right to receive in the aggregate 4,378,923 shares of HCP common stock. Consummation of the merger with CRP is subject to several conditions, including the approval of the merger by the CRP stockholders. The special meeting of stockholders of CRP to consider and approve the merger of CRP with a subsidiary of HCP is scheduled for September 26, 2006. The proposed merger with CRP and the proposed merger with the Advisor, collectively referred to in this prospectus supplement as the merger transaction, are also conditioned upon the consummation of the other. The merger transaction is expected to be completed in October 2006.

HCP intends to finance the cash consideration needed to consummate the merger transaction, including the approximately $2.94 billion cash portion of the consideration payable to CRP stockholders, and the expenses related to the merger transaction by this offering of notes and a draw down under new term and bridge loan facilities that it anticipates entering into prior to the closing of the merger, as well as potential borrowings under a new three-year revolving credit facility that it anticipates entering into prior to the closing of the merger transaction. In addition to requiring repayment or refinancing within a period of time ranging from 364 days to three years, these new debt facilities will be required to be repaid from the cash proceeds of non-ordinary course asset sales, the incurrence of certain debt, the issuance of additional equity and certain other events. Certain of HCP s subsidiaries, as well as certain of CNL s subsidiaries following the closing of the merger, will guarantee HCP s obligations under these new facilities. The interest rates on borrowings under these facilities will vary depending on HCP s credit ratings. We are continuing to negotiate and finalize the terms and conditions of the definitive agreements for these new facilities but we cannot assure you that we will be able to enter into the proposed new credit facilities on the terms described or at all.

HCP s portfolio of healthcare real estate following the merger transaction will include approximately 800 properties. As of June 30, 2006, HCP s portfolio of healthcare real estate was comprised of approximately 28% medical office buildings, 33% senior housing facilities, 19% hospitals, and 15% skilled nursing facilities, with the remaining 5% comprised of other types of buildings, based on HCP s historical cost of real estate investments and the carrying amount of investments in unconsolidated joint ventures. As of June 30, 2006 on a pro forma basis, HCP s portfolio of healthcare real estate would be comprised of approximately 26% medical office buildings, 57% senior housing facilities, 8% hospitals, and 7% skilled nursing facilities, with the remaining 2% comprised of other types of buildings, based on HCP s historical cost of real estate investments and the carrying amount of investments in unconsolidated joint ventures and as adjusted for the preliminary allocation of the purchase price for CRP. HCP believes that this shift in asset mix will improve the quality of HCP s real estate portfolio by increasing, among other things, its exposure to private-pay senior housing. HCP believes that the merger transaction will further diversify its portfolio by property type, geographic location and operator, and that it will diversify its sources of revenues across the healthcare industry.

See Unaudited Pro Forma Condensed Consolidated Financial Statements relating to the proposed merger transaction, beginning on page S-19 of this prospectus supplement.

The Offering

The summary below describes the principal terms of the notes. Some of the terms and conditions described below are subject to important limitations and exceptions. Unless specified otherwise, the description of the terms of the notes applies to the floating rate notes, the five year notes and the ten year notes. See Description of the Notes for a more detailed description of the terms and conditions of the notes.

Issuer	Health Care Property Investors, Inc.

Securities Offered	$ aggregate principal amount of floating rate notes due September , 2008.
	
	$ aggregate principal amount of % notes due September , 2011.
	
	$ aggregate principal amount of % notes due September , 2016.

Issue Price	% plus accrued interest, if any, from September , 2006 for the floating rate notes. % plus accrued interest, if any, from September , 2006 for the five year notes. % plus accrued interest, if any, from September , 2006 for the ten year notes.
Interest on the Fixed Rate Notes	% per year for the five year notes. % per year for the ten year notes. Interest on the notes is payable semi-annually on March and September of each year, commencing March , 2007.
Interest on the Floating Rate Notes	For the floating rate notes, the interest rate for the period from the issue date to but excluding the first interest reset date will be the initial base rate, as adjusted by adding the spread. Thereafter, the interest rate will be the base rate, as adjusted by adding the spread. The interest rate applicable in any particular interest period is the interest rate in effect as of the most recent interest reset date (or the issue date, in the case of the first interest period). The base rate for the floating rate notes is the Three-Month LIBOR Rate. The spread for the floating rate notes is %. The initial base rate for the floating rate notes is the Three-Month LIBOR Rate, as determined on September , 2006. Interest on the floating rate notes is payable on March , June , September and December of each year, beginning December , 2006.

Optional Redemption of Floating Rate Notes	On March , 2007, and quarterly thereafter, we may redeem all or part of the floating rate notes at 100% of the aggregate principal amount, plus accrued and unpaid interest, if any. See Description of the Notes Optional Redemption of Floating Rate Notes.
Optional Redemption of Fixed Rate Notes	At any time, we may redeem all or part of the fixed rate notes under a make-whole redemption provision. See Description of the Notes Optional Redemption of Fixed Rate Notes.
Offer to Repurchase	If we experience a Change of Control and the notes are rated below Investment Grade by Standard & Poor s Ratings Services and Moody s Investors Service, Inc. as a result, we will offer to repurchase all of the notes at a price equal to 101% of the principal amount plus accrued and unpaid interest to the repurchase date. See Description of the Notes Offer to Repurchase Upon a Change of Control Repurchase Event for further information about the offer to repurchase and for definitions of Change of Control and Investment Grade.
Covenants	The indenture governing the notes contains certain covenants. Under specified circumstances, the indenture governing the notes restricts our ability to incur additional indebtedness. See Description of the Debt Securities We May Offer Covenants in the accompanying prospectus.
Ranking	The notes will be senior unsecured obligations of HCP, ranking equally in right of payment with other senior unsecured indebtedness of HCP from time to time outstanding.
Form and Denomination	We will issue the notes in fully registered form in denominations of $1,000 and integral multiples of $1,000 in excess thereof. The floating rate notes, the five year notes and the ten year notes will each be represented by one or more global securities registered in the name of a nominee of The Depository Trust Company, or DTC. You will hold beneficial interests in the notes through DTC, and DTC and its direct and indirect participants will record your beneficial interest on their books. Except under limited circumstances, we will not issue certificated notes.

Use of Proceeds	The net proceeds, after estimated expenses, to HCP from the sale of the notes offered hereby will be approximately $ million, which we will use to finance the proposed merger transaction. The merger transaction is expected to be completed in October 2006. See Use of Proceeds.
Trustee, Registrar and Paying Agent	The Bank of New York

You should carefully consider the information set forth under Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2005, in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2006, in this prospectus supplement beginning at page S-8 and in the accompanying prospectus beginning on page 4 before deciding to invest in the notes.

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

RISK FACTORS

Before purchasing these notes, you should consider carefully the information under the heading Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2005, in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2006, in the accompanying prospectus, and the following factors, each of which could materially adversely affect our operating results and financial condition. You should also carefully consider the other information included in this prospectus supplement, the accompanying prospectus and incorporated by reference herein. Each of the risks described in our Form 10-K, Form 10-Q, the accompanying prospectus and below could result in a decrease in the value of the notes and your investment therein. Although we have tried to discuss key factors, please be aware that other risks may prove to be important in the future. New risks may emerge at any time, and we cannot predict those risks or estimate the extent to which they may affect our financial performance or the value of the notes. The information contained, and incorporated by reference, in this prospectus supplement and in the accompanying prospectus includes forward-looking statements that involve risks and uncertainties, and we refer you to the Cautionary Language Regarding Forward-Looking Statements section in the accompanying prospectus.

Our indebtedness could adversely affect our financial results and prevent us from fulfilling our obligations under the notes.

In addition to our currently outstanding indebtedness and the indebtedness we expect incur or assume in connection with the merger transaction, we may be able to borrow substantial additional unsecured indebtedness in the future. If new indebtedness is added to our current debt levels, the related risks that we now face could increase.

Our indebtedness, including the indebtedness we may incur in the future, could have important consequences for the holders of the notes, including:

- limiting our ability to satisfy our obligations with respect to the notes;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements;
- requiring a substantial portion of our cash flow from operations for the payment of principal of, and interest on, our indebtedness and reducing our ability to use our cash flow to fund working capital, capital expenditures and general corporate requirements;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry; and
- putting us at a disadvantage compared to competitors with less indebtedness.

Our business operations may not generate the cash needed to service our indebtedness.

Our ability to make payments on our indebtedness, including these notes, and to fund planned capital expenditures will depend on our ability to generate cash in the future. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to pay our indebtedness, including these notes, or to fund our other liquidity needs.

Although these notes are referred to as senior notes, they will be effectively subordinated to our secured indebtedness and all liabilities of our subsidiaries.

The notes are unsecured and therefore will be effectively subordinated to any secured indebtedness we may incur to the extent of the value of the assets securing such indebtedness. In the event of a bankruptcy or similar proceeding involving us, our assets which serve as collateral will be available to satisfy the obligations under any secured indebtedness before any payments are made on the notes.

In addition, most of our assets are held through direct or indirect subsidiaries and accordingly, the notes will be effectively subordinated to all liabilities of our subsidiaries including the guarantees of our new credit facilities to be issued by certain of our subsidiaries and, following the merger, certain subsidiaries of CRP. Our subsidiaries and general and limited partnerships will not guarantee the notes. In the event of a bankruptcy, liquidation or reorganization of any of our subsidiaries or partnerships, creditors of our subsidiaries and partnerships will generally be entitled to payment of their claims from the assets of those subsidiaries and partnerships before any assets are made available for distribution to us, except to the extent we may also have a claim as a creditor.

An active trading market may not develop for the notes.

Prior to the offering, there was no existing trading market for the notes. Although the underwriters have informed us that they currently intend to make a market in the notes after we complete the offering, they have no obligation to do so and may discontinue making a market at any time without notice.

We do not intend to apply for listing of the notes on any securities exchange or for quotation on the Nasdaq National Market.

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

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

We cannot assure you that an active market for the notes will develop or, if developed, that it will continue.

Downgrades or other changes in our credit ratings that may occur as a result of the merger transaction or other events could affect our financial results and reduce the market value of the notes.

Standard & Poor s has indicated that it expects to downgrade our corporate credit and unsecured debt ratings from BBB+ to BBB upon completion of the merger transaction. Moody s has indicated that it would likely downgrade our senior debt rating from Baa2 to Baa3 upon completion of the merger transaction.

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

USE OF PROCEEDS

The net proceeds, after estimated expenses, to HCP from the sale of the notes offered hereby are expected to be approximately $ million. We intend to use the net proceeds from this offering, together with cash on hand and anticipated debt financings estimated to be $3.4 billion in the aggregate, to finance the proposed merger transaction and pay related fees and expenses. The anticipated debt financings include (i) a 364 day bridge facility, and (ii) a two-year term loan facility. We also anticipate entering into a new $1 billion three-year credit facility, which we may use to finance the proposed merger transaction, if necessary. The merger transaction is expected to be completed in October 2006. Pending our use of the net proceeds for these purposes, we expect to use the net proceeds to pay down our existing revolving credit facility or invest in short-term investments. Borrowings under our existing revolving credit facility accrue interest and are subject to a facility fee, both tied to a security ratings grid, currently at 65 basis points over LIBOR with a 15 basis point facility fee.

CAPITALIZATION

The following table sets forth the capitalization of HCP as of June 30, 2006 on an actual basis, on an as adjusted basis to reflect the issuance and sale of the notes and on a pro forma basis after giving effect to the merger transaction and the incurrence of debt in connection therewith, including this offering of notes, all as if it had occurred on that date. This table should be read in conjunction with (i) our consolidated financial statements and related notes contained in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 and (ii) the Unaudited Pro Forma Condensed Consolidated Financial Statements related to the merger transaction, the historical financial statements of CRP and the Advisor and the related notes contained in our Current Report on Form 8-K, as filed with the SEC on September 8, 2006, each of which is incorporated by reference in this prospectus supplement and the accompanying prospectus. See Incorporation by Reference on page S-2 of this prospectus supplement and Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page S-19 of this prospectus supplement.

	As of June 30, 2006		
	Actual	As Adjusted	Pro Forma(3)
	(In thousands, except per share data)		
Debt obligations:			
Floating rate notes due 2008	$	$	$
% notes due 2011			
% notes due 2016			
Other senior unsecured notes(1)	1,476,587	1,476,587	1,476,587
Bank line of credit(2)	265,100		420,525
Bridge and term financing			2,190,400
Mortgage debt	454,802	454,802	1,783,354
Other debt			220,752
Total debt obligations	$ 2,196,489	$	$
Minority interests	157,714	157,714	166,508
Stockholders equity:			
Preferred stock, $1.00 par value per share: 50,000,000 shares authorized; 11,820,000 shares issued and outstanding	285,173	285,173	285,173
Common stock, $1.00 par value per share: 750,000,000 shares authorized; 133,658,318 shares issued and outstanding actual and as adjusted; shares pro forma	137,049	137,049	164,282
Additional paid-in capital	1,464,181	1,464,181	2,158,427
Cumulative net income	1,620,601	1,620,601	1,620,601
Cumulative dividends	(2,115,671)	(2,115,671)	(2,115,671)
Accumulated other comprehensive income	314	314	314
Total stockholders equity	$ 1,391,647	$ 1,391,647	$ 2,113,126
Total capitalization	$ 3,745,850	$	$

(1) Interest rates on the senior unsecured notes ranged from 4.88% to 7.62% with a weighted average effective rate of 6.04% at June 30, 2006. Discounts and premiums are amortized to interest expense over the term of the related debt.

(2) At June 30, 2006, borrowings under our $500 million three-year line of credit had a weighted average interest rate of 5.83%.

(3) See Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page S-19 for a discussion of the pro forma adjustments.

DESCRIPTION OF THE NOTES

Please read the following information concerning the notes in conjunction with the statements under Description of the Debt Securities We May Offer in the accompanying prospectus, which the following information supplements and, if there are any inconsistencies, supersedes. The following description is not complete. The notes will be issued under the Indenture, dated as of September 1, 1993, related to our senior unsecured debt, that we have entered into with The Bank of New York, as trustee. The Indenture is described in the accompanying prospectus and is filed as an exhibit to the registration statement under which the notes are being offered and sold. As used in this section, references to HCP, we, us, or our do not include any current or future subsidiary of, or other entity controlled by, HCP.

General

HCP will offer $ of floating rate notes due 2008, $ of five year notes due 2011, and $ of ten year notes due 2016, each as a separate series of notes under the Indenture.

The notes will constitute part of the senior unsecured debt of HCP and are equal in right of payment to any other existing or future senior unsecured obligations of HCP. The indenture does not limit the aggregate principal amount of debt securities that HCP may issue under the indenture. The notes will not be subject to any mandatory redemption or sinking fund payments.

Interest Payments and Maturity

The entire principal amount of the notes will mature and become due and payable, together with any accrued and unpaid interest, on September , 2008 for the floating rate notes, September , 2011 for the five year notes, and September , 2016 for the ten year notes.

Floating Rate Notes.

The floating rate notes will bear interest at the Three-Month LIBOR Rate (defined below) plus %. The interest rate on the floating rate notes will in no event be higher than the maximum rate permitted by applicable law. We will pay interest on the floating rate notes on March , June , September and December of each year, beginning on December , 2006, to the person in whose name the note is registered at the close of business on the date that is 15 calendar days prior to such date, whether or not such date is a Business Day. Interest will accrue from September , 2006 or from the most recent interest payment date to which we have paid or provided for the payment of interest to, but excluding, the next interest payment date or the scheduled maturity date, as the case may be. Interest on the floating rate notes will initially be equal to the Three-Month LIBOR Rate as of September , 2006 plus % and will reset on each interest payment date (each an interest reset date). Interest on the floating rate notes will be computed and paid on the basis of a 360 day year and the actual number of days in each quarterly interest payment period.

The Three-Month LIBOR Rate will be the offered rate appearing on the Telerate LIBOR page, as of 11:00 A.M., London time, on the relevant interest determination date, for deposits of U.S. dollars for a period of three months beginning on the relevant interest reset date. The Telerate LIBOR page is Moneyline Telerate, Inc. page 3750 or any replacement page or pages on such service or any successor service on which London interbank rates of major banks for the U.S. dollar are displayed.

If the rate described above does not appear on the Telerate LIBOR page, then LIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the relevant interest determination date, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the calculation agent: deposits of U.S. dollars for a period of three months beginning on the relevant interest reset date and in a representative amount. The calculation agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the relevant interest determination date will be the arithmetic mean of the quotations.

If fewer than two quotations are provided as described above, LIBOR for the relevant interest determination date will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., in New York on that interest determination date, by three major banks in New York selected by the calculation agent: loans of U.S. dollars for a period of three months, beginning on the relevant interest reset date and in a representative amount. If at least two rates are so provided, LIBOR for the relevant interest determination date will be the arithmetic mean of those rates.

If fewer than two banks selected by the calculation agent are quoting as described above, LIBOR for the new interest period will be LIBOR in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

The reference banks and dealers employed by the calculation agent in determining the base rate may include the calculation agent itself and its affiliates.

The interest determination date relating to a particular interest reset date will be the second London business day preceding the interest reset date, subject to the Business Day Convention.

Business Day Convention means if any interest reset date, interest determination date or interest payment date (other than the maturity date) would otherwise be a day that is not a Business Day, the relevant date will be postponed to the next day that is a Business Day; provided, however, that, if that date would fall in the next succeeding calendar month, such date will be the immediately preceding Business Day.

Business Day means any day that is a New York business day and a London business day.

London business day means any day on which dealings in U.S. dollars are transacted in the London interbank market.

New York business day means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions or trust companies in New York City are authorized or obligated by law to close.

The calculation agent will, upon the request of the holder of any floating rate note, provide the interest rate then in effect. The calculation agent is initially the trustee until such time as we appoint a successor calculation agent. All calculations made by the calculation agent in the absence of manifest error will be conclusive for all purposes and binding on us and the holders of the floating rate notes.

All percentages resulting from any calculation of the interest rate with respect to the floating rate notes will be rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (for example, 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655) and 9.876544% (or .09876544) being rounded to 9.87654% (or .0987654)), and all dollar amounts in or resulting from any such calculation will be rounded to the nearest cent (with one-half cent being rounded upwards).

Fixed Rate Notes.

The five year notes and the ten year notes will bear interest at the annual rate set forth on the cover page of this prospectus supplement beginning September , 2006. The interest will be paid semi-annually on March and September of each year, beginning on March , 2007, to the person in whose name the note is registered at the close of business on the date that is 15 calendar days prior to such date, whether or not such date is a New York business day (as defined above). We will compute the amount of interest payable on the basis of a 360-day year of twelve 30-day months.

If any interest payment date or any maturity date falls on a day that is not a New York business day, the required payment of principal and/or interest will be made on the next succeeding New York business day as if made on the date such payment was due, and no interest will accrue on such payment for the period from and after such interest payment date or maturity date, as the case may be, to the date of such payment on the next succeeding New York business day.

Optional Redemption of Floating Rate Notes

On March , 2007, and quarterly thereafter, we may redeem all or part of the floating rate notes at 100% of the aggregate principal amount, plus accrued and unpaid interest, if any. We may redeem the floating rate notes in increments of $1,000. If we are redeeming less than all of the floating rate notes the trustee will select the notes to be redeemed using a method it considers fair and appropriate. We will cause notices of redemption to be mailed by first-class mail at least 30 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address.

If any of the floating rate notes are to be redeemed in part only, the notice of redemption that relates to that note will state the portion of the principal amount thereof to be redeemed. We will issue a note in principal amount equal to the unredeemed portion of the original note in the name of the holder thereof upon cancellation of the original note. Any floating rate notes called for redemption will become due on the date fixed for redemption. On or after the redemption date, interest will cease to accrue on the notes or portions of them called for redemption.

Optional Redemption of Fixed Rate Notes

We may redeem all or part of the five year notes or the ten year notes at any time at our option at a redemption price equal to the greater of: (1) 100% of the principal amount of the notes to be redeemed, or (2) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable treasury rate plus basis points for the five year notes and basis points for the ten year notes, plus, in each case, accrued and unpaid interest on the amount being redeemed to the date of redemption.

Treasury rate means, with respect to any redemption date:

- the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the comparable treasury issue (if no maturity is within three months before or after the remaining life (as defined below), yields for the two published maturities most closely corresponding to the comparable treasury issue will be determined and the treasury rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

- if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the comparable treasury issue, calculated using a price for the comparable treasury issue (expressed as a percentage of its principal amount) equal to the comparable treasury price for such redemption date.

The treasury rate will be calculated by the Independent Investment Banker on the third New York business day preceding the date fixed for redemption.

Comparable treasury issue means the U.S. Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term (remaining life) of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

Comparable treasury price means (1) the average of five Reference Treasury Dealer quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Independent Investment Banker means one of the Reference Treasury Dealers appointed by us to act as the Independent Investment Banker.

Reference Treasury Dealers means each of Barclays Capital Inc., and J.P. Morgan Securities Inc. and their respective successors and three other nationally recognized investment banking firms that are Primary Treasury Dealers specified from time to time by us; provided, however, that if any of the foregoing shall cease to be a primary US Government securities dealer in the United States (a Primary Treasury Dealer), we shall substitute therefor another nationally recognized investment banking firm that is a Primary Treasury Dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the comparable treasury issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

We may redeem the fixed rate notes in increments of $1,000. If we are redeeming less than all of the five year notes or the ten year notes, the trustee will select the notes of the applicable series to be redeemed using a method it considers fair and appropriate. We will cause notices of redemption to be mailed by first-class mail at least 30 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address.

If any of the five year notes or ten year notes are to be redeemed in part only, the notice of redemption that relates to the relevant note will state the portion of the principal amount thereof to be redeemed. We will issue a note in principal amount equal to the unredeemed portion of the original note in the name of the holder thereof upon cancellation of the original note. Any fixed rate notes called for redemption will become due on the date fixed for redemption. On or after the redemption date, interest will cease to accrue on the notes or portions of them called for redemption.

Offer to Repurchase Upon a Change of Control Repurchase Event

If a Change of Control Repurchase Event (defined below) occurs, unless we have previously exercised our right to otherwise redeem the notes as described above, we will make an offer to each holder of notes to repurchase all or any part (in multiples of $1,000 principal amount) of that holder s notes at a repurchase price in cash equal to 101% of the aggregate principal amount of notes repurchased plus any accrued and unpaid interest on the notes repurchased to the date of repurchase. Within 30 days following any Change of Control Repurchase Event or, at our option, prior to any Change of Control (defined below), but after the public announcement of the Change of Control, we will mail a notice to each holder describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to repurchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

We will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, or the Exchange Act, and any other securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the notes by virtue of such conflict.

On the Change of Control Repurchase Event payment date, we will, to the extent lawful:

(1) accept for payment all notes or portions of notes properly tendered pursuant to our offer;

(2) deposit with the paying agent an amount equal to the aggregate purchase price in respect of all notes or portions of notes properly tendered; and

(3) deliver or cause to be delivered to the trustee the notes properly accepted, together with an officers certificate stating the aggregate principal amount of notes being purchased by us.

The paying agent will promptly pay, from funds deposited by us for such purpose, to each holder of notes properly tendered the purchase price for the notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new note equal in principal amount to any unpurchased portion of any notes surrendered.

We will not be required to make an offer to repurchase the notes upon a Change of Control Repurchase Event if a third party makes an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all notes properly tendered and not withdrawn under its offer.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of our properties or assets and those of our subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all , there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require us to repurchase the notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of our assets and the assets of our subsidiaries taken as a whole to another person or group may be uncertain.

For purposes of the notes:

Change of Control Repurchase Event means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

Change of Control means the occurrence of any of the following:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of our properties or assets and those of our subsidiaries, taken as a whole, to any person (as that term is used in Section 13(d)(3) of the Exchange Act), other than us or one of our wholly owned subsidiaries; or

(2) the adoption of a plan relating to our liquidation or dissolution; or

(3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person (as that term is used in Section 13(d)(3) of the Exchange Act), other than us or one of our wholly owned subsidiaries (provided that this exception does not

include any transaction in which public stockholders cease to own Voting Stock entitling public stockholders to elect the same percentage of the members of our board of directors as public stockholders are entitled to elect on the date hereof), becomes the beneficial owner, directly or indirectly, of more than 50% of our Voting Stock, measured by voting power rather than number of shares; or

(4) the first day on which a majority of the members of our board of directors are not Continuing Directors.

Notwithstanding the foregoing, a transaction effected to create a holding company for us will not be deemed to involve a Change of Control if (1) pursuant to such transaction we become a wholly owned subsidiary of such holding company and (2) the holders of the Voting Stock of such holding company immediately following such transaction are the same as the holders of our Voting Stock immediately prior to such transaction.

Continuing Directors means, as of any date of determination, any member of our board of directors who:

(1) was a member of such board of directors on the first date that any of the notes were issued; or

(2) was nominated for election or elected to our board of directors with the approval of a majority of the Continuing Directors who were members of our board of directors at the time of such nomination or election.

Voting Stock , as applied to stock of any person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such person having ordinary voting power for the election of the directors (or the equivalent) of such person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

Below Investment Grade Rating Event means the notes are rated below Investment Grade by both Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended so long as the rating of the notes is under publicly announced consideration for possible downgrade by either of the Rating Agencies); provided that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Repurchase Event) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

Investment Grade means a rating of Baa3 or better by Moody s (or its equivalent under any successor rating categories of Moody s) and BBB-or better by S&P (or its equivalent under any successor rating categories of S&P) (or, in each case, if such Rating Agency ceases to rate the notes for reasons outside of our control, the equivalent investment grade credit rating from any Rating Agency selected by us as a replacement Rating Agency).

Rating Agency means:

(1) each of Moody s and S&P; and

(2) if either of Moody s or S&P ceases to rate the notes or fails to make a rating of the notes publicly available for reasons outside of our control, a nationally recognized statistical rating

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organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by us as a replacement agency for Moody s or S&P, or both, as the case may be.

Moody s means Moody s Investors Service, Inc.

S&P means Standard & Poor s Ratings Services, a division of The McGraw-Hill Companies, Inc.

Forms and Denominations

The notes will be issued as one or more global securities in the name of a nominee of the Depository Trust Company and will be available only in book-entry form. See Legal Ownership and Book-Entry Issuance Book-Entry Owners in the accompanying prospectus. The notes are available for purchase in multiples of $1,000.

Further Issuances

We may, without the consent of the holders of the notes, create and issue additional floating rate notes, five year notes and/or ten year notes ranking equally with the notes offered by this prospectus supplement in all respects, including having the same CUSIP numbers, so that such additional notes would be consolidated and form a single series with the floating rate notes, five year notes or ten year notes offered hereby, as applicable, and would have the same terms as to status, redemption or otherwise as the notes offered hereby, as applicable. No additional notes may be issued if an Event of Default has occurred and is continuing with respect to the notes.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following is an excerpt of information contained in our Current Report on Form 8-K, as filed with the SEC on September 8, 2006 and incorporated herein by reference. You should read and consider the information in the documents to which we have referred you in Incorporation by Reference including the foregoing Current Report of Form 8-K, before purchasing the notes.

The unaudited pro forma condensed consolidated financial statements presented below have been prepared based on certain pro forma adjustments to the historical consolidated financial statements of HCP, CRP and the Advisor as of and for the six months ended June 30, 2006 and for the year ended December 31, 2005. The historical consolidated financial statements of HCP are contained in its Annual Report on Form 10-K for the year ended December 31, 2005, Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 and Current Report on Form 8-K as filed with the SEC on September 8, 2006 with the SEC. The historical consolidated financial statements of CRP and the Advisor are included as Exhibits 99.3, 99.4, 99.5 and 99.6 to the Current Report on Form 8-K referred to in the preceding sentence. The historical financial information with respect to HCP and CRP for the year ended December 31, 2005 has been restated to reflect as discontinued operations the results of operations of certain properties that were initially classified as discontinued operations during the six months ended June 30, 2006. The unaudited pro forma condensed consolidated financial statements relate to the proposed merger of CRP with and into Ocean Acquisition 1, Inc., a wholly owned subsidiary of HCP, which is referred to in this section as the Merger, and the proposed merger of the Advisor with and into Ocean Acquisition 2, LLC, a wholly owned subsidiary of HCP, which is referred to in this section as the Advisor Merger. The accompanying unaudited pro forma condensed consolidated balance sheet as of June 30, 2006 has been prepared as if the Merger and the Advisor Merger and the incurrence of debt by HCP to finance the acquisitions of CRP and the Advisor had occurred as of that date.

The accompanying unaudited pro forma condensed consolidated statements of income for the six months ended June 30, 2006 and for the year ended December 31, 2005 have been prepared as if the Merger and the Advisor Merger had occurred as of January 1, 2005 and reflects the incurrence of debt by HCP in order to finance the acquisition of CRP, including the cash consideration needed for the Merger. The allocation of the purchase price of CRP and the Advisor as reflected in these unaudited pro forma condensed consolidated financial statements has, with the assistance of independent valuation specialists, been based upon preliminary estimates of the fair value of assets acquired and liabilities assumed. In the opinion of HCP s management, all significant adjustments necessary to reflect the effects of the Merger and the Advisor Merger that can be factually supported within the SEC regulations covering the preparation of pro forma financial statements have been made.

A final determination of the fair values of CRP s and the Advisor s assets and liabilities, which cannot be made prior to the completion of the transactions, will be based on the actual net tangible and intangible assets of CRP and the Advisor that exist as of the date of completion of the transactions. Consequently, amounts preliminarily allocated to goodwill and identifiable intangibles could change significantly from those used in the pro forma condensed consolidated financial statements presented below and could result in a material change in amortization of tangible and intangible assets and liabilities.

The unaudited pro forma condensed consolidated financial statements are provided for informational purposes only. The unaudited pro forma condensed consolidated financial statements are not necessarily and should not be assumed to be an indication of the results that would have been achieved had the transactions been completed as of the dates indicated or that may be achieved in the future. The unaudited pro forma condensed consolidated balance sheet does not include restructuring charges and other related liabilities expected to result from HCP s integration of CRP and the Advisor as these are not presently estimable. In addition to the completion of the valuation, the impact of ongoing integration activities, the timing of completion of the transactions and other changes in CRP s and the Advisor s net tangible and intangible assets that occur prior to completion of the transactions could cause material differences in the information presented. Furthermore, following consummation of the transaction, HCP expects to apply its own methodologies and judgments in accounting for the assets and liabilities acquired in the transaction, which may differ from those reflected in CRP s historical financial statements and the pro forma financial statements.

HEALTH CARE PROPERTY INVESTORS, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
June 30, 2006
(In thousands)

	HCP Historical	CRP Historical	CRP Reclassifications(B)	CRP Reclassified	CRP Pro Forma Adjustments(C)		Advisor Historical	Advisor Pro Forma Adjustments(M)		CRP Advisor Eliminations		Consolidated Pro Forma
ASSETS												
Real estate:												
Real estate	$ 4,108,315	$ 3,331,240	$	$ 3,331,240	$ 1,198,426	(D)	$	$		$		$ 8,637,981
Less accumulated depreciation and amortization	657,182	205,131		205,131	(205,131	)(D)						657,182
Net real estate	3,451,133	3,126,109		3,126,109	1,403,557							7,980,799
Direct financing leases		473,699		473,699	3,318	(E)						477,017
Loans receivable, net:												
Joint venture partners and affiliates	7,006		35,500	35,500								42,506
Others	138,681											138,681
Investments in and advances to unconsolidated joint ventures	51,142											51,142
Accounts receivable, net of allowance	12,422	20,863		20,863								33,285
Cash and cash equivalents	21,476	45,660		45,660			6,549	270	(N)			73,955
Restricted cash	2,375	21,757		21,757								24,132
Intangibles, net	60,849	103,634		103,634	137,349	(F)		54,400	(O)	(54,400	)(S)	335,734
					113,336	(F)		2,900	(O)			
					(103,634	)(F)		21,300	(O)			
Goodwill		5,791		5,791	(5,791	)(G)		47,468	(P)			47,468
Real estate held for sale, net	45,746	24,284		24,284								70,030
Other assets, net	67,775	208,967	(35,500)	173,467	16,375	(H)	4,376	(200	)(N)	(569	)(S)	116,813
					(120,743	)(H)		(817	)(Q)			
					(14,844	)(H)						
					(8,007	)(H)						
Total assets	$ 3,858,605	$ 4,030,764	$	$ 4,030,764	$ 1,420,916		$ 10,925	$ 125,321		$ (54,969)		$ 9,391,562
LIABILITIES AND STOCKHOLDERS EQUITY												
Bank lines of credit	$ 265,100	$ 100,000	$	$ 100,000	$ 149,525	(I)	$	$ 5,900	(I)	$		$ 420,525
					(100,000	)(I)						
Bridge and term financing					2,190,400	(I)						2,190,400
Senior unsecured notes	1,476,587				750,000	(I)						2,226,587
Mortgage debt	454,802	1,350,542		1,350,542	(21,990	)(J)						1,783,354
Construction loans		116,125		116,125								116,125
Entrance fee bonds payable		104,627		104,627								104,627
Accounts payable, other liabilities and deferred revenue	112,755	67,867		67,867	54,400	(K)	8,223	6,000	(O)	(54,400	)(S)	270,310
					86,779	(K)				(569	)(S)	
					(4,491	)(K)						
					(6,254	)(K)						
Total liabilities	2,309,244	1,739,161		1,739,161	3,098,369		8,223	11,900		(54,969	)	7,111,928
Minority interests	157,714	8,794		8,794								166,508
Stockholders equity:												
Preferred stock	285,173											285,173
Common stock	137,049	2,642		2,642	22,854	(L)	2	4,379	(R)			164,282
					(2,642	)(L)		(2	)(R)			
Additional paid-in capital	1,464,181	2,373,735		2,373,735	583,452	(L)	2,521	111,794	(R)			2,158,427
					(950	)(L)		(50	)(R)			

				(2,373,735)(L)		(2,521)(R)	
Cumulative net income	1,620,601						1,620,601
Cumulative dividends	(2,115,671)						(2,115,671
Cumulative distributions in excess of net income		(103,331)	(103,331)	103,331 (L)	179	(179)(R)	
Accumulated other comprehensive income	314	9,763	9,763	(9,763)(L)			314
Total stockholders equity	1,391,647	2,282,809	2,282,809	(1,677,453)	2,702	113,421	