HEALTH CARE REIT INC /DE/
Form 424B5
November 14, 2006

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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 these securities, and we are not soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant To Rule 424(b)(5)
Registration No. 333-134082

PRELIMINARY PROSPECTUS SUPPLEMENT Subject to Completion November 13, 2006
(To Prospectus dated May 12, 2006)

$300,000,000

% Convertible Senior Notes due 2026

NOTES

- We are offering $300 million aggregate principal amount of our % convertible senior notes due 2026.
- We will pay % interest per annum on the principal amount of the notes, payable semi-annually in arrears on June 1 and December 1 of each year, beginning on June 1, 2007. Interest will accrue on the notes from and including November , 2006 or from and including the last date in respect of which interest has been paid or provided for, as the case may be, to, but excluding, the next interest payment date or maturity date, as the case may be.
- The notes will mature on December 1, 2026.

CONVERSION

- The notes will be convertible into cash and, if applicable, shares of our common stock based on an initial conversion rate, subject to adjustment, of shares per $1,000 principal amount of notes (which represents an initial conversion price of approximately $ per share), in certain circumstances.
- Holders may convert their notes into cash and, if applicable, shares of our common stock prior to stated maturity only under the following circumstances: (1) the notes will be convertible during any calendar quarter after the calendar quarter ending December 31, 2006, if the closing sale price of our common stock for each of 20 or more trading days in a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter exceeds 120% of the conversion price in effect on the last trading day of the immediately preceding calendar quarter; (2) the notes will be convertible during the five consecutive business days immediately after any five consecutive trading day period (we refer to this five consecutive trading day period as the note measurement period) in which the average trading price per $1,000 principal amount of notes was equal to or less than 97% of the average conversion value of the notes during the note measurement period; (3) the notes will be convertible upon the occurrence of specified corporate transactions; (4) the notes will be convertible if we have called the notes for redemption; and (5) the notes will be convertible at any time from, and including, November 1, 2011 to, and including, December 1, 2011 and at any time from, and including, November 1, 2026 until the close of business on the business day immediately preceding December 1, 2026 or earlier redemption or repurchase.
- Upon conversion, holders of notes will receive cash and, if applicable, shares of our common stock, based on the sum of the daily settlement amounts described in this prospectus supplement for the 20 consecutive trading days that begins on, and includes, the third trading day after the day the notes are tendered for conversion, subject to certain exceptions in connection with conversions during a period immediately preceding the maturity date as described in this prospectus supplement. We refer to the cash due upon conversion as the principal return and the shares, if any, due upon conversion as the net shares.
- A holder that surrenders notes for conversion in connection with a make-whole fundamental change that occurs before December 1, 2011 may in certain circumstances be entitled to an increased conversion rate.

REDEMPTION AND REPURCHASE

- Prior to December 1, 2011, we cannot redeem the notes except to preserve our status as a REIT. On or after December 1, 2011, we may from time to time at our option redeem the notes, in whole or in part, for cash, at a redemption price equal to 100% of the principal amount of the notes we redeem, plus any accrued and unpaid interest to, but excluding, the redemption date.

- On each of December 1, 2011, December 1, 2016 and December 1, 2021, holders may require us to purchase all or a portion of their notes at a purchase price in cash equal to 100% of the principal amount of the notes to be purchased, plus any accrued and unpaid interest to, but excluding, the purchase date.
- Holders may require us to repurchase all or a portion of their notes upon a fundamental change, as described in this prospectus supplement, at a repurchase price in cash equal to 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

RANKING

- The notes will be our senior unsecured obligations and will rank equally with all of our existing and future senior unsecured indebtedness. The notes will be effectively subordinated to all of our existing and future secured indebtedness and all existing and future liabilities of our subsidiaries, including trade payables. As of September 30, 2006, our subsidiaries had approximately $406.4 million of indebtedness and other obligations (which includes $276 million outstanding under our unsecured lines of credit arrangements under which we and certain of our subsidiaries are co-borrowers) that would effectively rank senior to the notes. In addition, to the extent that we complete the mergers, the notes may be structurally subordinated to the indebtedness and other obligations of Windrose and its subsidiaries.

LISTING

- The notes are a new issue of securities, and there is currently no established trading market for the notes. An active or liquid market may not develop for the notes or, if developed, be maintained. We have not applied, and do not intend to apply, for the listing of the notes on any securities exchange.
- Our common stock is listed on the New York Stock Exchange under the symbol HCN. On November 10, 2006, the last reported sale price of our common stock on the New York Stock Exchange was $39.56 per share.

Investing in the notes involves significant risks. See Risk factors beginning on page S-10.

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

	Per note	Total
Public offering price	%	$
Underwriting discounts and commissions	%	$
Proceeds, before expenses, to us	%	$

We have granted to the underwriters the option, exercisable on or before the 30th day after the date of this prospectus supplement, to purchase up to an additional $45 million aggregate principal amount of notes, solely to cover over-allotments, if any.

We expect that the notes will be ready for delivery in book-entry-only form through The Depository Trust Company on or about , 2006.

Joint Book-Running Managers

UBS Investment Bank	**Deutsche Bank Securities**

Co-Lead Manager

Banc of America Securities LLC

Co-Managers

JPMorgan	**Wachovia Securities**

The date of this prospectus supplement is , 2006.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus we authorize to be delivered to you. We have not, and the underwriters have not, authorized anyone to provide you with additional information or information different from that contained in this prospectus supplement, the accompanying prospectus and any such free writing prospectus. We are not making an offer to sell the notes in any jurisdiction where the offer or sale of the notes is not permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus, any such free writing prospectus or the documents incorporated therein by reference is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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Prospectus supplement summary

This summary highlights selected information about us and this offering. This information is not complete and does not contain all of the information you should consider before investing in our notes. You should read this entire prospectus supplement and the accompanying prospectus carefully, including Risk factors contained in this prospectus supplement and the financial statements and the other information incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision. Unless we have specifically indicated otherwise, references in this prospectus supplement to we, us, our, the Company, or similar terms are to Health Care REIT, Inc. and its subsidiaries. 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.

ABOUT OUR COMPANY

We are a self-administered, equity real estate investment trust that invests in health care and senior housing properties. Founded in 1970, we were the first real estate investment trust to invest exclusively in health care facilities.

As of September 30, 2006, we had approximately $3.1 billion of net real estate investments, inclusive of credit enhancements, in 477 facilities located in 37 states and managed by 58 different operators. At that date, the portfolio included 39 independent living/continuing care retirement communities, 204 assisted living facilities, 220 skilled nursing facilities and 14 specialty care facilities.

Our principal executive offices are located at One SeaGate, Suite 1500, Toledo, Ohio, 43604, and our telephone number is (419) 247-2800. Our Web site address is www.hcreit.com. The information on our Web site is not part of this prospectus supplement or the accompanying prospectus.

OUR STRATEGY

We seek to increase funds from operations and funds available for distribution and to enhance stockholder value through relationship investing with public and private regionally focused operators. The primary components of this strategy are set forth below.

Relationship investing

We establish relationships with, and provide financing to, operators throughout their growth cycles. We target companies with experienced management teams, regionally focused operations, substantial inside ownership interests or venture capital backing and significant growth potential.

By maintaining close ties to operators, we are able to structure investments designed to support an operator s business plan and monitor our investments on an ongoing basis. Our investments are typically structured as master operating leases for the acquisition and development of facilities in a geographic region. Economic terms typically include annual rate increases and fair market value-based purchase options.

Portfolio management

Portfolio strength is derived from diversity by operator, property sector and geographic location. We emphasize long-term investment structures that result in a predictable asset base with attendant recurring income, funds from operations and funds available for distribution. Generally, master leases have a 12 to 15 year term and mortgage loans provide three to eight years of prepayment protection.

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The Portfolio

The following table summarizes our portfolio as of September 30, 2006:

Type of Facility	Investments[1] (in thousands)	Percentage of investments	Revenues[2] (in thousands)	Percentage of revenues	Number of facilities	Number of beds/units	Investment per bed/unit[3]	Number of operators[4]	Number of states[4]
Independent living/CCRCs	$ 488,863	16%	$ 29,756	12%	39	5,224	$ 112,737	16	18
Assisted living facilities	996,318	32%	85,271	36%	204	12,615	88,480	23	33
Skilled nursing facilities	1,413,508	46%	111,262	46%	220	30,063	47,662	22	28
Specialty care facilities	205,745	6%	13,894	6%	14	1,265	183,067	7	8
Totals	$ 3,104,434	100%	$ 240,183	100%	477	49,167			

(1) *Investments include real estate investments and credit enhancements which amounted to $3,101,984,000 and $2,450,000, respectively.*

(2) *Revenues include gross revenues and revenues from discontinued operations for the nine months ended September 30, 2006.*

(3) *Investment per Bed/Unit was computed by using the total investment amount of $3,369,546,000 which includes real estate investments, credit enhancements and unfunded commitments for which initial funding has commenced which amounted to $3,101,984,000, $2,450,000 and $265,112,000, respectively.*

(4) *We have investments in properties located in 37 states and managed by 58 different operators.*

We invest in health care and senior housing properties. We diversify our investment portfolio by operator and geographic location. In determining whether to invest in a facility, we focus on the following: (1) the experience of the tenant s or borrower s management team; (2) the historical and projected financial and operational performance of the facility; (3) the credit of the tenant or borrower; (4) the security for the lease or loan; and (5) the capital committed to the facility by the tenant or borrower. We conduct market research and analysis for all potential investments. In addition, we review the value of all facilities, the interest rates and covenant requirements of any debt to be assumed and the anticipated sources of repayment of any existing debt that is not to be assumed.

Our investments are primarily health care and senior housing properties leased to operators under long-term operating leases or financed with operators under long-term mortgage loans. Construction financing is provided, but only as part of a long-term operating lease or mortgage loan. Substantially all of our investments are designed with escalating rate structures. Depending upon market conditions, we believe that new investments will be available in the future with spreads over our cost of capital that will generate appropriate returns to our stockholders. Operating leases and mortgage loans are normally credit enhanced by guaranties and/or letters of credit. Typically, operating leases are structured as master leases and mortgage loans are cross-defaulted and cross-collateralized with other mortgage loans, operating leases or agreements between us and the operator and its affiliates.

We monitor our investments through a variety of methods determined by the type of facility and operator. Our asset management process includes review of monthly financial statements and other operating data for each facility, periodic review of operator creditworthiness, periodic facility inspections and review of covenant compliance relating to licensure, real estate taxes, letters of credit and other collateral. In monitoring our portfolio, our personnel use a proprietary database to collect and analyze facility-specific data. Additionally, we conduct extensive research to ascertain industry trends and risks.

Recent developments

On September 12, 2006, we and Windrose Medical Properties Trust entered into an Agreement and Plan of Merger whereby Windrose will merge with and into one of our wholly-owned subsidiaries, with the subsidiary continuing as the surviving entity, and another one of our wholly-owned subsidiaries will merge with and into Windrose Medical Properties, L.P., Windrose s operating partnership, with the Windrose partnership continuing as the surviving entity. The Agreement and Plan of Merger is referred to as the merger agreement and these two transactions are collectively referred to as the mergers.

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The combined entity will offer:

- expertise and critical mass across all sectors of senior housing and health care real estate;
- property management and development capabilities;
- increased portfolio growth through expanded investment and development opportunities;
- enhanced asset type diversification, reduced tenant concentration, and a favorable investment maturity profile; and
- improved key portfolio metrics, including a higher non-governmental component of tenant revenues.

Under the terms of the merger agreement, each outstanding share of Windrose will be exchanged for between 0.4509 and 0.4650 shares of our common stock. The actual exchange ratio at closing will be based upon the volume-weighted average price per share of our common stock on the New York Stock Exchange for the 10 trading days that are selected by lot from the 15 trading day period ending on and including the fifth trading day prior to the closing of the mergers. The merger agreement also provides that, at the effective time of the mergers, each share of Windrose 7.5% Series A Cumulative Convertible Preferred Stock issued and outstanding immediately prior to the effective time of the mergers will be converted into one share of our 7.5% Series G Cumulative Convertible Preferred Stock, $1.00 par value per share, having substantially similar rights and preferences as the Windrose 7.5% Series A Cumulative Convertible Preferred Stock.

Windrose is a self-managed real estate investment trust based in Indianapolis, Indiana with offices in Nashville, Tennessee. Windrose was formed to acquire, selectively develop and manage specialty medical properties, such as medical office buildings, ambulatory surgery centers, outpatient treatment diagnostic facilities, physician group practice clinics, specialty hospitals and treatment centers. More information is available on Windrose s Web site at www.windrosempt.com. The information on Windrose s Web site is not part of this prospectus supplement or the accompanying prospectus.

Other information

The SEC maintains an Internet Web site at http://www.sec.gov that contains our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and proxy statements, and all amendments thereto. All reports that we file with the SEC may be read and copied at the SEC s Public Reference Room at 100 F Street, N.E., Washington, DC 20549. Information about the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330.

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The offering

Issuer	Health Care REIT, Inc.
Notes	$300 million aggregate principal amount of % convertible senior notes due 2026. We have granted to the underwriters an option to purchase up to $45 million aggregate principal amount of additional notes, solely to cover over-allotments, if any.
Maturity	The notes will mature on December 1, 2026, unless earlier redeemed, repurchased or converted.
Interest payment dates	We will pay % interest per annum on the principal amount of the notes, payable semi-annually in arrears on June 1 and December 1 of each year, starting on June 1, 2007, to holders of record at the close of business on the preceding May 15 and November 15, respectively. Interest will accrue on the notes from and including November , 2006 or from and including the last date in respect of which interest has been paid or provided for, as the case may be, to, but excluding, the next interest payment date or maturity date, as the case may be.
Ranking	The notes will be our senior unsecured obligations and will rank equally with all of our existing and future senior unsecured indebtedness. The notes will be effectively subordinated to all of our existing and future secured indebtedness and all existing and future liabilities of our subsidiaries, including trade payables. As of September 30, 2006, our subsidiaries had approximately $406.4 million of indebtedness and other obligations (which includes $276 million outstanding under our unsecured lines of credit arrangements under which we and certain of our subsidiaries are co-borrowers) that would effectively rank senior to the notes. In addition, to the extent that we complete the mergers, the notes may be structurally subordinated to the indebtedness and other obligations of Windrose and its subsidiaries.
Conversion rights	The notes will be convertible into cash and, if applicable, shares of our common stock, $1.00 par value per share, based on an initial conversion rate, subject to adjustment, of shares per $1,000 principal amount of notes (which represents an initial conversion price of approximately $ per share), only in the following circumstances and to the following extent: - the notes will be convertible during any calendar quarter after the calendar quarter ending December 31, 2006, if the closing sale price of our common stock for each of 20 or more trading days in a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter exceeds 120% of the conversion price in effect on the last trading day of the immediately preceding calendar quarter;

- the notes will be convertible during the five consecutive business days immediately after any five consecutive trading day period (we refer to this five consecutive trading day period as the note measurement period) in which the

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average trading price per $1,000 principal amount of notes was equal to or less than 97% of the average conversion value of the notes during the note measurement period;

- the notes will be convertible if we make certain distributions on our common stock or engage in certain transactions;

- the notes will be convertible if we call the notes for redemption; and

- the notes will be convertible at any time from, and including, November 1, 2011 to, and including, December 1, 2011 and at any time from, and including, November 1, 2026 until the close of business on the business day immediately preceding December 1, 2026 or earlier redemption or repurchase.

Upon conversion, holders will receive, per $1,000 principal amount being converted, a settlement amount that is equal to the sum of the daily settlement amounts for each of the 20 trading days during the cash settlement averaging period.

The cash settlement averaging period with respect to any note means:

- for notes that are converted at any time on or after the 23rd scheduled trading day prior to the maturity date of the applicable notes, the 20 consecutive trading days beginning on, and including, the 20th scheduled trading day prior to the maturity date; and

- in all other circumstances, the 20 consecutive trading days beginning on, and including, the third trading day following the conversion date.

The daily settlement amount for a given trading day consists of:

- cash equal to the lesser of $50 and the daily conversion value ; and

- to the extent the daily conversion value exceeds $50, a number of whole shares equal to:

- the excess of the daily conversion value over $50, divided by

- the volume weighted average price of our common stock on that trading day.

We refer to the cash due upon conversion as the principal return, and we refer to the shares, if any, that are due upon conversion as the net shares. The daily conversion value on a given trading day generally means one-twentieth of the product of the applicable conversion rate and the volume weighted average price of our common stock on that trading day.

	A holder that surrenders notes for conversion in connection with a make-whole fundamental change that occurs before December 1, 2011 may in certain circumstances be entitled to an increased conversion rate.
	See Description of notes Conversion Rights.
Sinking fund	None.

Redemption of notes at our option	Prior to December 1, 2011, we cannot redeem the notes except to preserve our status as a REIT for U.S. federal income tax purposes. On or after December 1, 2011, we may from time to time at our option redeem the notes, in whole or in part. In either case, the notes shall be redeemed at a redemption price in cash equal to 100% of the principal amount of the notes we redeem, plus any accrued and unpaid interest to, but excluding, the redemption date. See Description of notes Redemption of Notes at our Option.
Purchase of notes by us at the option of the holder	On each of December 1, 2011, December 1, 2016 and December 1, 2021, holders may require us to purchase all or a portion of their notes at a purchase price in cash equal to 100% of the principal amount of the notes to be purchased, plus any accrued and unpaid interest to, but excluding, the purchase date. See Description of notes Purchase of Notes by Us at the Option of the Holder.
Right of holder to require us to repurchase notes if a fundamental change occurs	If a fundamental change, as described in this prospectus supplement, occurs, holders may require us to repurchase all or a portion of their notes for cash at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the repurchase date. See Description of notes Holders May Require Us to Repurchase Their Notes upon a Fundamental Change.
Events of default	If an event of default on the notes has occurred and is continuing, the principal amount of the notes plus any premium and accrued and unpaid interest may become immediately due and payable. These amounts automatically become due and payable upon certain events of default. See Description of notes Events of Default.
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately $293.6 million (or approximately $337.7 million if the underwriters exercise in full their over-allotment option). We intend to use the net proceeds to invest in additional health care and senior housing properties. Pending such use, the net proceeds primarily will be used to repay borrowings under our unsecured lines of credit arrangements. See Use of proceeds.
Restrictions on ownership	In order to assist us in maintaining our qualification as a REIT for U.S. federal income tax purposes, no person may own, or be deemed to own by virtue of the attribution rules of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code or the Code), more than 9.8% of the value of our outstanding capital stock, subject to certain exceptions. Notwithstanding any other provision of the notes, no holder of notes will be entitled to convert such notes for our common stock to the extent that receipt of our common stock would cause the holder (together with the holder s affiliates) to exceed the ownership limit contained in our by-laws (with respect to

	our common stock and preferred stock) and our certificates of designation (with respect to our preferred stock). See Restrictions on Transfer of Securities in the accompanying prospectus.
DTC eligibility	The notes will be issued in book-entry-only form and will be represented by one or more global certificates, without interest coupons, deposited with, or on behalf of, the Depository Trust Company, or DTC, and registered in the name of a nominee of DTC. Beneficial interests in the notes will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants. Except in limited circumstances, holders may not exchange interests in their notes for certificated securities. See Description of notes Form, Denomination and Registration of Notes.
Listing and trading	The notes are a new issue of securities, and there is currently no established trading market for the notes. An active or liquid market may not develop for the notes or, if developed, be maintained. We have not applied, and do not intend to apply, for the listing of the notes on any securities exchange. Our common stock is listed on the New York Stock Exchange under the symbol HCN.
Certain U.S. federal tax considerations	For a discussion of certain U.S. federal tax considerations relating to the purchase, ownership and disposition of the notes and shares of common stock into which the notes are convertible, see Certain federal income tax considerations.
Risk factors	In analyzing an investment in the notes we are offering pursuant to this prospectus supplement, you should carefully consider, along with other matters included or incorporated by reference in this prospectus supplement, the information set forth under Risk factors beginning on page S-10.

For a more complete description of the terms of the notes, see Description of notes. For a more complete description of our common stock, see Description of Our Common Stock and Description of Certain Provisions of Our Certificate of Incorporation and By-Laws in the accompanying prospectus.

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Summary financial data

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The summary selected historical consolidated financial data set forth below should be read in conjunction with Capitalization and Prospectus supplement summary Recent developments, as well as the other information that we have filed with the SEC and incorporated by reference herein. The summary selected historical consolidated financial data for each of the years in the three-year period ended December 31, 2005 have been derived from our audited consolidated financial statements. These financial statements have been audited by Ernst & Young LLP, our independent registered public accounting firm. The following summary selected historical consolidated financial data as of and for the nine months ended September 30, 2006 and 2005 have been derived from our unaudited interim consolidated financial statements. In the opinion of our management, the unaudited interim consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the financial position and results of operations as of such dates and for such periods. Results for the interim periods are not necessarily indicative of the results to be expected for the full year. This information is only a summary, and should be read together with, and is qualified in its entirety by reference to, our historical consolidated financial statements and notes thereto and the Management s Discussion and Analysis of Financial Condition and Results of Operations included in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006 and our Annual Report on Form 10-K for the year ended December 31, 2005, as updated by our Current Report on Form 8-K filed October 20, 2006, which are incorporated by reference herein. Amounts are in thousands, except per share data.

	Year ended December 31,			Nine months ended September 30,	
	2003	**2004**	**2005**	**2005**	**2006**
Operating Data					
Revenues	$ 178,560	$ 232,453	$ 275,317	$ 198,951	$ 236,229
Income from continuing operations available to common stockholders	57,617	67,098	55,427	33,554	59,922
Net income available to common stockholders	70,732	72,634	62,692	36,105	63,793
Per Share Data					
Basic:					
Income from continuing operations available to common stockholders	$ 1.32	$ 1.30	$ 1.02	$ 0.63	$ 0.99
Net income available to common stockholders	$ 1.62	$ 1.41	$ 1.16	$ 0.67	$ 1.05
Diluted:					