SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1994 Commission File No. 1-8923

HEALTH CARE REIT, INC.
(Exact name of registrant as specified in its charter)

Delaware	34-1096634
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
One SeaGate, Suite 1950, Toledo, Ohio	43604
(Address of principal executive office)	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Shares of Common Stock $1.00 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months; and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment of this Form 10-K.
/ /

The aggregate market value of voting stock held by non-affiliates of the Registrant on February 1, 1995 was $244,214,415 based on the reported closing sales price of such shares on the New York Stock Exchange for that date. As of February 1, 1995, there were 11,595,115 shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement, which will be filed with the Commission prior to April 30, 1995, are incorporated by reference in Part III of this Form 10-K.

This document contains 69 pages.

HEALTH CARE REIT, INC.
1994 FORM 10-K ANNUAL REPORT

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PART I

PART I

ITEM 1. BUSINESS

GENERAL

Health Care REIT, Inc. (the "Company"), founded in 1970, is a real estate investment trust which invests in health care facilities, primarily nursing homes. The Company also invests in assisted living and retirement facilities, behavioral care facilities, speciality care hospitals and primary care facilities. The Company's investment portfolio is diversified by type of facility, number of facilities, operators, location and state. At December 31, 1994, the largest aggregate financing to any operator totalled $25,087,000 or 7.7% of real estate related investments. This operator, Olympus Healthcare Group, Inc., is an unrelated party.

INVESTMENT PORTFOLIO

The following table reflects the diversification of the Company's investments at December 31, 1994:

Type of Facility	Investments (1)(3)(4) (in 000s)	Percentage of Portfolio	Number of Facilities	Number of Beds/ Units	Average Investment Per Bed / Unit	Number of Operators	Number of States (3)
Nursing Homes	$228,588	55%	62	8,032	$ 28,460	32	20
Assisted Living and Retirement Facilities	101,778	25	27	2,381	42,746	13	15
Behavioral Care Facilities	39,453	10	7	696	56,685	3	6
Speciality Care Hospitals	23,750	6	2	230	103,261	2	1
Primary Care Facilities	16,296	4	5	N/A	N/A	1	3
TOTALS	$409,865	100%	103	11,339			

<FN>
(1) Investments include real estate related investments, unfunded commitments and credit enhancements which amount to $323,583,000, $66,107,000 and $20,175,000, respectively.

(2) The Company has investments in 25 states.

[FN]
(3) Investments do not include $49,234,000 in commitments for financings for which the specific site has not yet been approved by the Company.

(4) Due to a number of factors, it is possible that some portion of the commitments for financings will not result in permanent financing.

NURSING HOMES. These facilities offer a combination of skilled and intermediate care services. Nursing homes provide long-term care and, more recently, supplement hospital care by providing subacute services. The Company believes that a substantial portion of the payments received by operators of nursing homes financed by the Company is in the form of Medicaid reimbursement. Remaining payments come from private pay, Medicare, veterans' programs, private insurance and other sources.

ASSISTED LIVING AND RETIREMENT FACILITIES. Assisted living facilities offer residential units for the frail elderly who need assistance with certain activities of daily living, while retirement facilities offer residential units for active and ambulatory older individuals who need little or no care. Residents may participate in structured group activities. Meals are provided (although apartments in most retirement facilities have their own kitchen areas) and limited health care services are available. Rent and services are typically paid by the resident.

BEHAVIORAL CARE FACILITIES. These facilities offer comprehensive in-patient and out-patient psychiatric treatment programs. Programs are tailored to the individual and include individual, group and family therapy. Most programs are paid for by insurance programs.

SPECIALTY CARE HOSPITALS. These facilities provide acute in-patient care to patients suffering from a specific illness or disease. Growth in demand for these services is due to the need to attain greater cost efficiency. Services are paid for by government programs (i.e., Medicare, Medicaid or veterans' programs) as well as private insurance (including "managed care" insurance providers).

PRIMARY CARE FACILITIES. These facilities are designed to offer primary care to individuals in a doctor-office setting. These primary care facilities also offer a number of specialties in one building such as obstetrics, gynecology, opthamology, and pediatrics. These services are provided under a group-practice setting and are usually offered in a "managed care" context. Payment for services is principally through prepaid contracts.

INVESTMENTS

In determining whether to finance a facility, the Company places primary emphasis on the experience of the operator, the financial strength of the borrower or lessee, the amount of security available to support the financing and the amount of capital that is being committed to the project by the borrower or

lessee. In addition, the Company considers a variety of other factors, including the site's suitability, appraisal reports of the facility and the existence of certificate of need procedures or other barriers that limit the entry of competing facilities into the community.

The Company monitors its investments through a variety of methods depending on the operator and type of facility. These procedures include the receipt and review of facility and guarantor financial statements, periodic site visits, property reviews and conferences with the operators. Such reviews of operators and facilities generally encompass licensure and regulatory compliance materials and reports, contemplated building improvements and other material developments.

Most of the Company's loans and leases are designed with escalating rate structures that may result in principal payment or purchase prior to maturity. However, the Company's policy is to structure longer term financing to maximize returns. The Company believes that appropriate new investments will be available in the future with substantially the same spreads over its costs of borrowing regardless of interest rate fluctuations.

Investments are typically structured using mortgage loans or operating leases which are normally secured by guarantees and/or letters of credit. The Company typically finances up to 90% of the appraised value of the property. Since 1986, the Company's mortgage loan portfolio has substantially grown while its direct financing lease portfolio has declined significantly. Since 1988, the Company's operating lease portfolio has also grown. These trends reflect the increasing influence of the larger operators in the marketplace and their preference for the economic attributes of mortgages or operating leases. In addition, the Company provides construction financing and in the past provided credit enhancements to facilitate bond financings.

The Company has obtained warrants from three operators to purchase their common stock. If the market value of such common stock sufficiently increases, the warrants may have the effect of increasing the Company's return on its investments.

MORTGAGE LOANS. At December 31, 1994, the Company had 52 mortgage loans totalling $230,782,000, more than 95% of which are secured by first mortgages. Generally, the Company's mortgage loans have terms of five to ten years with a renewal term, and have a 1% commitment fee, interest payment rates of 350 to 550 basis points over the relevant Treasury Note rate set at the beginning of the mortgage loan, and a 2% to 3% annual increase over the initial interest payment rate. Most mortgage loans closed since 1991 require principal reduction, a feature not required for most mortgage loans made in previous years. The interest rate on mortgage loans closed through 1991 generally provided for an initial interest payment rate set at 400 to 450 basis points over the five or seven-year Treasury Note rate set at the beginning of the mortgage loan plus an additional 100 to 300 basis points of interest which is added to principal resulting in a repayment of

principal at maturity greater than the original amount. While the Company's mortgage loans are structured to provide substantially the same basic economic benefit as direct financing leases and operating leases over the life of the loan, the timing on recognition of income is different among the three types of investments.

At December 31, 1994, interest rates on the Company's mortgage loans ranged from 8.75% to 16.97% and earned an average of approximately 11.39% (excluding prepayment fees) during 1994. The Company's mortgage loans generally impose a substantial fee upon prepayment equal to 9% of the principal balance of the mortgage loan in the earliest years of the loan with the amount of the prepayment fee declining through the last year of the mortgage loan when the prepayment fee expires. Furthermore, since 1994, the Company has included an initial period during which no prepayments are permitted.

At December 31, 1994, the Company had 12 mortgage loans totalling $44,843,000 which generally provide for both an initial floating rate term with an interest payment rate of at least 300 basis points over the base rate of a specified financial institution and a fixed rate term loan with an initial interest payment rate of at least 500 basis points over the comparative Treasury Note rate for the initial period and a significantly higher interest spread on the reset for the remainder of the term. These mortgage loans generally have a 1% commitment fee and, during the term loan period, a 2% to 3% annual increase over the term loan interest payment rate.

OPERATING LEASES. The Company actively markets operating leases. Such leases are priced on a variety of methods which are designed to generate higher annual rents, either through the use of specified increases or increasers based on some performance measure of the facility, and with options to purchase at a price based upon the then fair market value of the facility. At December 31, 1994, there were nine such leases totalling an investment of $44,557,000. All leases require the lessee to pay taxes, insurance and maintenance.

The Company has also utilized operating leases in connection with managing and operating properties that have been relinquished to the Company by their previous owners, due to various loan and bond defaults. At December 31, 1994, there were two such leases with a total investment of $12,675,000.

DIRECT FINANCING LEASES. At December 31, 1994, the Company had 6 direct financing leases outstanding with a total investment of $11,428,000. Generally, the Company's direct financing leases provide for a lease term of 20 years, a 1% commitment fee, rents of 400 to 425 basis points over the five-year Treasury Note rate set at the beginning of the lease, and a 2% to 3% annual increase over the initial payment. All leases require the lessee to pay taxes, insurance and maintenance. Substantially all lease agreements have been written with option prices that increase 2% to 3% per year from a base equal to 100% of the original investment. All option prices equal or exceed the Company's original investment in the property.

For an explanation of the Company's accounting policy with respect to direct financing leases, see Note 1 of Notes to Financial Statements.

CONSTRUCTION, SHORT-TERM AND WORKING CAPITAL LOANS. At December 31, 1994, the Company had six construction loans outstanding totalling $17,074,000. Construction loans are made only to borrowers to whom the Company has made a commitment for permanent financing. Generally, construction loans have a 1% commitment fee and provide for interest at a variable rate equal to at least 250 basis points over the prime interest rate. Construction loans made by the Company will normally have a term of not more than two years and are secured by a mortgage on the facility under construction and by guarantees or letters of credit.

The Company has also entered into other financing arrangements that involve making short-term and working capital loans. These loans generally had a 1% commitment fee and provided for interest at a variable rate equal to at least 200 basis points over the prime interest rate. The Company has not made any new working capital loans of this type for several years and will make any future working capital loans only on a very selective basis. Security for such loans has consisted of second mortgage liens and, in some cases, security interests in limited partnership interests.

At December 31, 1994, the Company had outstanding construction, short-term and working capital loans totalling $24,142,000 and unfunded commitments to provide an additional $33,324,000.

CREDIT ENHANCEMENTS. In 1984 and 1985, the Company provided credit enhancements to four related parties which facilitated lower cost industrial development revenue bond financing. These credit enhancements took the form of agreements to purchase health care facilities or the loans in respect thereof in the event the owners default upon their obligations. In consideration for such credit enhancements, the Company receives annual fees of 1.5% of the original bond amounts. The Company does not anticipate offering credit enhancements in the future. As of December 31, 1994, the Company had credit enhancements relating to industrial development revenue bonds totalling $20,175,000.

ALLOWANCE FOR LOSSES

The Company maintains an allowance for possible losses which is reevaluated quarterly to determine its adequacy. See Note 1 of Notes to Financial Statements. At December 31, 1994, $2,450,000 of the total allowance of $5,150,000 was allocated to three specific properties. One of the three properties, a New Mexico retirement facility, is owned by a partnership in which an affiliate holds a partnership interest. The Company believes this allowance to be adequate.

CERTAIN GOVERNMENT REGULATIONS

The Company invests in single purpose health care facilities. The Company's customers must comply with the licensing requirements of federal, state and local health agencies, and with the requirements of municipal building codes, health codes and local fire departments. In granting and renewing a facility's license, the state health agency considers, among other things, the physical buildings and equipment, the qualifications of the administrative personnel and clinical staffs, the quality of health care programs and compliance with applicable laws.

Many of the facilities operated by the Company's customers receive a substantial portion of their revenues from the federal Medicare program and state Medicaid programs; therefore, the Company's revenues may be indirectly affected by changes in these programs. The amounts of program payments can be changed by legislative or regulatory actions and by determinations by agents for the programs. Since Medicaid programs are funded by both the states and the federal government, the amount of payments can be affected by changes at either the state or federal level. There is no assurance that payments under these programs will remain at levels comparable to present levels or be sufficient to cover costs allocable to these patients.

Under Medicare and Medicaid programs, acute care hospitals are generally paid a fixed amount per discharge (based on the patient's diagnosis) for inpatient services. Behavioral and rehabilitation hospitals are generally paid on a cost basis, subject to certain limitations on allowable costs; however, proposals have been made to change the system to a diagnosis-based fixed payment per discharge.

Medicare and Medicaid programs have traditionally reimbursed nursing facilities for the reasonable direct and indirect allowable costs incurred in providing routine services (as defined by the programs), subject to certain cost ceilings. However, many states have converted to a system based on prospectively determined fixed rates, which may be based in part on historical costs. The Medicare program has been working to develop a fixed-payment-per-discharge system for nursing facilities similar to that used for acute care hospitals.

Medicare and Medicaid regulations could adversely affect the resale value of the Company's health care facilities. Medicare regulations provide that when a facility changes ownership (by sale or under certain lease transactions), reimbursement for depreciation and interest will be based on the lesser of the cost to the new owner or the historical cost of the original owner. Medicaid regulations allow a limited increase in the valuation of the facility during the time the seller owned the facility. Other Medicare and Medicaid regulations provide that upon resale, facilities are responsible to pay back prior depreciation reimbursement payments that are "recaptured" as a result of the sale.

Health care facilities that participate in Medicare or Medicaid must meet extensive program requirements, including physical plant and operational requirements, which are revised from time to time. (Such requirements may include a duty to admit Medicare and Medicaid patients, limiting the ability of the facility to increase its private pay census.) Medicare and Medicaid facilities are regularly inspected to determine compliance, and may be excluded from the programs--in some cases without a prior hearing--for failure to meet program requirements.

Under the Medicare program, "peer review organizations" have been established to review the quality and appropriateness of care rendered by health care providers. These organizations may not only deny claims that fail to meet their criteria, but can also fine and/or recommend termination of participation in the program.

Recent changes in the Medicare and Medicaid programs will likely result in increased use of "managed care" networks to meet the needs of program beneficiaries. These networks selectively contract with health care facilities, resulting in some facilities being excluded from the ability to serve program beneficiaries.

Health care facilities also receive a substantial portion of their revenues from private insurance carriers, health maintenance organizations, preferred provider organizations, self-insured employees and other health benefit payment arrangements. Such payment sources increasingly pay facilities under contractual arrangements that include a limited panel of providers and/or discounted or other special payment arrangements, including arrangements that shift the risk of high utilization to the providers. A number of states have established rate-setting agencies which control inpatient health care facility rates, including private pay rates.

A number of states have established rate-setting agencies which control inpatient health care facility rates, including private pay rates.

Congress is considering several proposals that would substantially alter health care delivery and payment systems, both public and private. These reform proposals involve increased reliance on managed care plans that selectively contract with providers, increased incentives for individuals to be cost-conscious, limitations on tax deductions for employee health benefits, provider or insurer price controls, emphasis on outpatient and home-based alternatives to inpatient care, and/or substantial reductions in payments to Medicare and Medicaid facilities. In addition, proposals to reduce taxes for the middle class and/or the proposed constitutional amendment to require a balanced federal budget could result in Medicare and Medicaid spending reductions. It is impossible to predict with certainty what form federal health care legislation may ultimately take. However, it is likely that some steps will be taken to reduce the rate of growth in both the utilization and the cost of health care facility services.

In order to meet a federal requirement, most states required providers to obtain certificates of need prior to construction of inpatient facilities and certain outpatient facilities. However, in 1987, the federal requirement was repealed, and some states have repealed these requirements, resulting in increased competition.

Nursing facilities compete with other subacute care providers, including rehabilitation centers and hospitals. Many of these providers have underutilized facilities and are converting some or all of their facilities into nursing facilities. Some of these entities operate on a tax-exempt basis, which gives them a capital cost advantage. Furthermore, some states have granted rest homes the ability to provide limited nursing care services.

Certain states have adopted pre-admission screening and other programs to promote utilization of outpatient and home-based services as an alternative to inpatient facility services. Recent changes in Medicaid regulations allow states to use Medicaid funding for home and community-based alternatives to inpatient care.

TAXATION

General

A corporation, trust or association meeting certain requirements may elect to be treated as a "real estate investment trust." Beginning with its first fiscal year, which commenced on May 1, 1971, and in all subsequent years, the Company has elected to be treated as a real estate investment trust under Sections 856 to 860, inclusive, of the Internal Revenue Code of 1986, as amended (the "Code"). The Company intends to operate in such manner as to continue to qualify as a real estate investment trust for federal income tax purposes. No assurance can be given that the actual results of the Company's operations for any one taxable year will satisfy such requirements.

To qualify as a real estate investment trust, the Company must satisfy a variety of complex requirements each year, including organizational and stock ownership tests and percentage tests relating to the sources of its gross income, the nature of its assets and the distribution of its income.

Generally, for each taxable year during which the Company qualifies as a real estate investment trust, it will not be taxed on the portion of its taxable income (including capital gains) that is distributed to stockholders. Any undistributed income or gains will be taxed to the Company at regular corporate tax rates. The Company will be subject to tax at the highest corporate rate on its net income from foreclosure property, regardless of the amount of its distributions. The highest corporate tax rate is currently 35%. Subject to certain limitations, the Company will also be subject to an additional tax equal to 100% of the net income, if any, derived from prohibited transactions. A prohibited transaction is defined as a sale or disposition of inventory-type

property or property held by the Company primarily for sale to customers in the ordinary course of its trade or business, which is not property acquired on foreclosure.

The Company is subject to a nondeductible federal excise tax equal to 4% of the amount, if any, by which 85% of its ordinary income plus 95% of its capital gain net income (plus distribution deficiencies from prior years) exceeds distributions actually paid or treated as paid to stockholders during the taxable year, plus current year income upon which the Company pays tax and any overdistribution from prior years. Due to the growth of the Company's income, primarily as a result of large capital gains from the exercise of purchase options under leases, the Company did not satisfy this requirement in 1993 and 1994 and incurred an excise tax of approximately $132,000 and $575,000, respectively, in those years. There is a cumulative underdistribution of $18,029,000 that will carry over to 1995 and later years until reduced by distributions in a subsequent year that exceed the percentage of that year's income that is required to be distributed currently.

Failure To Qualify

While the Company intends to operate so as to qualify as a real estate investment trust under the Code, if in any taxable year the Company fails to qualify, and certain relief provisions do not apply, its taxable income would be subject to tax (including alternative minimum tax) at corporate rates. If that occurred, the Company might have to dispose of a significant amount of its assets or incur a significant amount of debt in order to pay the resulting federal income tax. Further distributions to its stockholders would not be deductible by the Company nor would they be required to be made.

Distributions out of the Company's current or accumulated earnings and profits would be taxable to stockholders as dividends and would be eligible for the dividends received deduction for corporations. No portion of any distributions would be eligible for designation as a capital gain dividend.

Unless entitled to relief under specific statutory provisions, the Company also will be disqualified from taxation as a real estate investment trust for the four taxable years following the year during which qualification was lost.

Summary

The foregoing is only a summary of some of the significant federal income tax considerations affecting the Company and is qualified in its entirety by reference to the applicable provisions of the Code, the rules and regulations promulgated thereunder, and the administrative and judicial interpretations thereof. Stockholders of the Company are urged to consult their own tax advisors as to the effects of these rules and regulations on them. In particular, foreign stockholders should consult with their tax advisors concerning the tax consequences of ownership of shares in

the Company, including the possibility that distributions with respect to the shares will be subject to federal income tax withholding.

HCRI Pennsylvania Properties, Inc.

On November 1, 1993, the Company formed a wholly-owned subsidiary, HCRI Pennsylvania Properties, Inc. This subsidiary was created to own real estate in the State of Pennsylvania.

THE MANAGER

First Toledo Corporation (the "Predecessor Manager") was organized in April 1970 under the laws of the State of Ohio for the purpose of administering and managing the daily affairs of the Company and advising the Company with respect to investments. Effective June 1, 1994, First Toledo Corporation spun off, on a tax-free basis, the management agreement (defined below) and certain other assets to First Toledo Advisory Company. Therefore, beginning June 1, 1994, First Toledo Advisory Company became the Manager. The Company has seven employees, all of whom are also employees of the Manager. Messrs. Wolfe and Thompson are Directors of the Manager and each owns 50% of the outstanding common stock of the Manager. In addition, Robert J. Pruger, Chief Financial Officer of the Company, is also a Director and Treasurer of the Manager. Erin C. Ibele, Vice President and Corporate Secretary of the Company, is also a Director, Vice President and Corporate Secretary of the Manager. George L. Chapman, Executive Vice President and General Counsel of the Company, is also Executive Vice President and General Counsel of the Manager. The ownership percentages, titles and duties of each individual noted above are the same for the Manager and the Predecessor Manager.

Pursuant to the Management Agreement (the "Agreement"), the Manager assists the Company in establishing investment policies and in selecting and negotiating the terms of the Company's investments. The Manager also administers the day-to-day affairs of the Company. The Agreement is renewed annually upon the approval of a majority of the Directors, and is ratified annually by the holders of a majority of the outstanding shares of common stock. The Agreement, or any extension thereof, may be terminated at any time without penalty upon sixty days written notice by the Company by action of a majority of the Directors of the Company or by the Manager. Both the By-Laws of the Company and the Agreement require the Company to change its name to one which does not include the words "Health Care REIT" or "Health Care Fund" in the event First Toledo Advisory Company ceases to act as Manager. However, pursuant to the agreement in principal (discussed below), the Company will obtain the rights to its names.

The Agreement provides that the Manager is to be compensated for its services at the monthly rate of one-tenth of one percent of the average invested assets of the Company less long- and short-term debt obligations (excluding accrued expense and other liabilities). Average invested assets are defined as the average of the aggregate book value of the assets of the Company invested in equity interests in and loans secured by real estate before allowances for doubtful amounts or allowances to reduce certain leases to option prices or other similar non-cash allowances, computed by taking the average of such value at the end of each month. The Manager is also entitled to receive an incentive fee equal to 10% of the amount of net profits which exceed 10% of the average net worth of the Company as defined in the Agreement.

For the years ended December 31, 1994, 1993 and 1992, management fees amounted to $3,087,000, $2,427,000, and $1,969,000, respectively. Of such amounts, $807,000, $771,000, and $550,000, respectively, related to the profit based incentive fee. The fees for each year do not include $22,500, $22,500 and $19,500 for 1994, 1993 and 1992, respectively, that were paid directly by the Company to certain employees for certain services.

The Manager pays all charges, including salaries, wages, payroll taxes, costs of employee benefit plans and charges for incidental help, attributable to its own operations in connection with providing services under the Agreement. The Manager also pays its own accounting fees and related expenses, legal fees, insurance, rent, telephone, utilities and travel expenses of its officers and employees.

Under the Agreement, the Company is required to indemnify the Manager and its officers, directors and employees from any liabilities arising out of the performance of the Manager's duties under the Agreement unless such liabilities resulted from the bad faith, willful malfeasance, gross negligence or reckless disregard of its duties.

On February 6, 1995, the Company's Board of Directors approved in principle the acquisition of the Manager. Under the agreement in principle, the Company would issue 215,514 shares of common stock as consideration for the acquisition of the Manager, subject to adjustment under certain circumstances. In connection with the closing of the acquisition, Messrs. Thompson and Wolfe would enter into five-year service agreements and would each purchase 84,191 shares of common stock at a price of $21.38 per share with funds loaned by the Company. Under the stock purchase and loan arrangements, 20% of each loan could be forgiven each year if continued service and stock price performance tests are met. This agreement is subject to, among other things, stockholder approval and is anticipated to close in the second quarter of 1995.

ITEM 2. PROPERTIES

The Company's headquarters are currently located at One SeaGate, Suite 1950, Toledo, Ohio 43604. Office space, equipment and services are furnished by the Manager.

At December 31, 1994, the Company owned and leased to qualified professional operators 11 nursing homes, seven assisted living facilities, and three primary care facilities. These facilities are located in Arizona, Connecticut, Florida, Illinois, Indiana, Kentucky, Missouri, North Carolina, Ohio, Pennsylvania, Texas, Virginia and West Virginia.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The following table sets forth, for the periods indicated, the high and low prices of the Company's Common Stock on the New York Stock Exchange, as reported on the Composite Tapes, and dividends paid per share. There were 4,865 stockholders of record as of December 31, 1994.

	Sales Price		
	High	Low	Dividends Paid
1993			
First Quarter	25	20 1/2	$.475
Second Quarter	24 7/8	22 1/2	.48
Third Quarter	26 1/4	23 1/8	.485
Fourth Quarter	27	21 7/8	.49
1994			
First Quarter	25 3/8	22 1/2	.495
Second Quarter	25 1/4	23 1/4	.50
Third Quarter	25	22	.505
Fourth Quarter	22 5/8	19 3/4	.51

ITEM 6. SELECTED FINANCIAL DATA

	1994	1993	1992	1991	1990
Gross Income	$ 47,732	$ 36,018	$ 28,908	$ 29,248	$ 26,874
Net Income	24,953	20,055	16,515	13,126	11,544
Loans Receivable	254,924	185,282	151,414	123,812	93,689
Investment in Operating-Lease Properties and Other	57,232	42,776	10,301	14,800	14,850
Investment in Direct Financing Leases	11,428	52,950	65,411	68,391	78,140
Total Assets	324,102	285,024	226,207	207,204	189,720
Borrowings Under Line of Credit Arrangements	70,900	35,000	78,900	62,200	74,100
Senior Notes and Other Long-Term Obligations	57,373	61,311	24,819	28,144	35,563
Shareholders' Equity	189,180	184,132	118,948	113,956	76,621
Cash Distributions to Shareholders	23,127	18,252	15,922	12,042	10,566

Funds From Operations (1)	31,697	22,780	18,654	14,927	13,308
Average Number of Shares Outstanding	11,519	9,339	8,629	6,828	6,151
Per Share:					
Net Income	2.17	2.15	1.91	1.92	1.88
Distributions	2.01	1.93	1.85	1.77	1.72

In thousands, except per share amounts

<FN>

(1) Funds from Operations is defined as net cash provided from operating activities, but does not consider the effects of changes in operating assets and liabilities such as other receivables and accrued expenses. The Company uses Funds from Operations in evaluating investments and the Company's operating performance. Funds from Operations does not represent cash generated from operating activities in accordance with generally accepted accounting principles, is not necessarily indicative of cash available to fund cash needs, and should not be considered as an alternative to net income as an indicator of the Company's operating performance or as an alternative to cash flow as a measure of liquidity.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

Loan interest payments, lease payments and loan and commitment fees are the Company's primary sources of cash from operating activities. Net cash provided from operating activities has been increasing in each of the three most recent years totalling $31,977,000 in 1994; $23,180,000 in 1993; and $18,309,000 in 1992. These increases arose primarily from an increase in the Company's net income. However, there are differences between the recognition of income for financial reporting purposes and cash receipts for both leases and mortgage loans which cause period-to-period changes in net cash provided from operating activities.

The level of the Company's investing activities varies over time due to a number of factors, including economic conditions in the health care financing market, the availability of capital resources, and the timing of principal payments. Investing activities in loans receivable and leases, and net of principal collected on loans for the years 1994, 1993 and 1992 were $84,797,000, $67,720,000 and $36,441,000, respectively. Investing activity in 1994 and 1993 was higher than 1992 due to significantly increased marketing activity.

The Company's investing activities are financed principally by borrowings, proceeds from the exercise of lease purchase options, loan repayments, and equity issuances, including issuances pursuant to the Company's dividend reinvestment plan and the Company's employee incentive stock option plan. On April 8, 1993, the Company issued $52,000,000 of Senior Notes (the "Senior Notes") to a group of institutional investors, the Company's first such debt offering. These Senior Notes were issued in three tranches with an initial effective interest rate of 7.63% and an average maturity of approximately seven years.

In September 1994, the Company entered into an amended and restated credit agreement for $150,000,000 with ten banks which agreement matures March 31, 1997. The agreement specifies that borrowings under the revolving credit are subject to interest rates, at the Company's option, based on either the agent bank's prime rate of interest or 1 1/2% over LIBOR interest rate. The Company is primarily utilizing the LIBOR pricing option with a weighted average LIBOR interest rate of 7.94% at December 31, 1994. In addition, the Company pays a commitment fee at an annual rate of 1/2% of the unused line and an annual agent's fee of $75,000. At December 31, 1994, the Company had $53,000,000 outstanding under the revolving credit agreement.

The revolving credit agreement limited the amount of borrowings available to 75% of the Company's borrowing base. The Company's borrowing base consisted of mortgage loans and leases not in default which, with the consent of the banks, are assigned to the lenders' collateral pool. Each borrowing base property was valued generally at the lower of the Company's cost or the market value of the underlying property with substantially all such properties valued at cost. As of

December 31, 1994, the borrowing base under the revolving credit agreement limited the amount of the borrowing to $88,000,000. The Company's borrowing availability was limited by the exclusion of certain assets from the borrowing base such as construction loans. The Company anticipates that the completion of facilities under construction and the inclusion of leases and mortgage loans relating to completed facilities in its borrowing base will enable it to increase its borrowings to the $150,000,000 maximum availability. At December 31, 1994, the Company had $135,141,000 of unfunded commitments.

The revolving credit agreement contains covenants which require the Company to maintain a ratio of net operating income to interest expense of not less than 2 to 1 in any quarter; a ratio of total funded debt to sum of net worth and convertible subordinated indebtedness of not more than 1.3 to 1; and a tangible net worth of $180,000,000. The Company was in compliance with those and all other covenants at December 31, 1994.

At December 31, 1994, the Company had two unsecured lines of credit with two banks for a total of $18,500,000. One line was increased by $10,000,000 in early January 1995. Borrowings under these lines are made pursuant to notes payable, are due on each bank's demand and are subject to interest at each bank's prime rate of interest. The Company had $17,900,000 outstanding at December 31, 1994 under these lines of credit.

Historically, the Company also used tax-exempt indebtedness or individual mortgage loans to provide the funds to support specific financings. At December 31, 1994, these individual obligations totalled $5,373,000, of which $3,620,000 related to industrial development bonds maturing at various dates to 2004, and $1,753,000 related to mortgage loans maturing at various dates to 2005. The industrial development bonds and mortgage loans are required to be repaid when the related financing is repaid. This type of specific long-term financing transaction is not currently available, and the Company expects the overall level of these obligations to decline.

The Company uses interest rate swap contracts solely to accomplish the Company's policy of reducing its interest rate risk, and thereby maintain a more consistent, predictable interest rate margin. The Company monitors the amount of its variable interest rate assets and debt and uses interest rate swap contracts to partially balance the amount of variable interest rate debt with its variable interest rate assets. Interest rate swap contracts permit the Company to match either by fixing interest rates on a portion of its line of credit borrowings, or converting a portion of its fixed rate debt to variable rate. At December 31, 1994, the Company had two five-year interest rate swap contracts which expire in 1996 and 1997, which hedge the Company's interest rate risk relating to $30,000,000 of variable interest rate borrowings. Also, at December 31, 1994, the Company had one two-year variable interest rate swap contract which expires in May, 1995, which hedges the Company's interest rate risk relating to $40,000,000 of fixed rate senior notes. At December 31, 1994, the Company was at risk for declining interest rates because its variable interest rate assets exceeded its variable interest rate debt.

Proceeds from the exercise of purchase options were approximately $38,330,000, $12,085,000, and $15,534,000 for the years 1994, 1993 and 1992, respectively. At December 31, 1994, the Company had a limited number of direct financing leases and, therefore, anticipates that proceeds from the exercise of purchase options will be significantly reduced.

In the last three years, the Company has had one public offering of Common Stock. In 1993, the Company issued 2,500,000 shares of Common Stock which provided net proceeds of $59,085,000 at $23.63 per share. The proceeds were initially used to pay down the Company's bank lines of credit.

The dividend reinvestment plan and, to a lesser extent, the employee incentive stock option plan together represent a significant source of capital for the Company. During 1994, 1993 and 1992, issuance of Common Stock pursuant to these plans generated $3,222,000, $4,296,000, and $4,400,000, respectively, in cash for the Company.

The Company believes that funds provided from operating activities, together with funds from scheduled loan repayments and equity issuances under Company stock plans, will be sufficient to meet current operating requirements and existing commitments.

RESULTS OF OPERATIONS

Gross income increased $6,714,000 and $7,110,000 in 1994 and 1993, respectively, though it declined $340,000 in 1992. In 1994, interest income on loans receivable, operating lease rents, and loan and commitment fees each increased while direct financing lease income decreased when compared to 1993. The increases in interest income on loans receivable, operating lease rents, and loan and commitment fees are attributable to the growth in the loan and operating lease properties portfolio, a long-term trend which the Company anticipates will continue. The decrease in direct financing lease income is a reflection of another long-term trend which should also continue due to greater market acceptance of mortgage loans and operating leases.

In 1993, interest income on loans receivable, operating lease rents, and loan and commitment fees each increased while direct financing lease income decreased when compared to 1992. These changes in components of gross income reflect the trend of change in the components of the investment portfolio discussed above.

Net income, which totalled $24,953,000 in 1994; $20,055,000 in 1993; and $16,515,000 in 1992 is the result of a number of factors. The principal factors are the difference between the Company's average earnings on assets versus its average cost of borrowings and the Company's debt-to-equity ratio. The secondary factors are management fees, other operating expenses and the provision for losses.

The 1994 increase in net income was due in large part to the growth in net interest margin. The Company's average earnings on assets increased approximately 67 basis points from the same period in 1993, while the Company's average cost of borrowing increased approxi-

mately 37 basis points, thereby resulting in a 30 basis point increase in net interest margin. The increase in the average earnings on assets was solely due to gains on exercise of options and prepayment fees. Without those items, average earnings on assets would have declined approximately 45 basis points in 1994 versus 1993. The increase in average cost of borrowing was due to a general rise in interest rates in 1994 over 1993 as well as an increase in the LIBOR interest rate spread in the Company's amended and expanded revolving line of credit agreement. The Company anticipates that its average earnings on assets and its average cost of debt will both increase in 1995.

The Company's 1994 net income was also affected by a decrease in the average quarter-end, debt-to-equity ratio from 1 to 1 in 1993 to .65 to 1 in 1994. During 1994, the Company was proportionally using less debt as a source of funds. Therefore, the Company proportionally incurred less interest expense, and therefore, the Company increased its net interest margin and net income.

The 1993 increase in net income was due in large part to the growth in net interest margin. The Company's average earnings on assets declined 53 basis points from the same period in 1992, while the Company's average cost of borrowing decreased 130 basis points; thereby, resulting in a 77 basis point increase in net interest margin. Both these reductions resulted primarily from an overall decline in interest rates. However, the decline in average cost of borrowing was enhanced by the Company's greater use of its lines of credit, its lowest cost of debt financing. The 1993 net interest margin was also affected by the collection of prepayment fees and the cost recognized to unwind an interest rate swap - two types of events which occur infrequently and which, on a net basis, slightly increased the net interest margin in 1993 over 1992.

The Company's 1993 net income was also marginally affected by an increase in the Company's interest-related expenses that resulted from an increase in the average quarter-end, debt-to-equity ratio from .8 to 1 in 1992 to 1 to 1 in 1993. During 1993, the Company was proportionally using more debt as a source of funds. However, the fourth quarter equity offering (discussed above) reduced the December 31, 1993 debt-to-equity ratio to .55 to 1.

Management fees and other operating expenses were $5,072,000 in 1994, $3,878,000 in 1993, and $3,005,000 in 1992. The increases in management fees were primarily attributable to the 1993 equity offering which substantially increased shareholder equity. The increases in other operating expenses in 1994 and 1993 resulted from the increased level of marketing activity, general growth of the Company, and increased professional fees. The Company anticipates that if the proposed agreement to acquire the Manager is consummated, the management fees for 1995 would be reduced significantly. In addition, the Company anticipates the expenses that it would incur if self-advised would be less than the management fee under the present terms of the management agreement.

The provision for losses was $1,000,000, $150,000, and $602,000 in 1994, 1993, 1992, respectively. The increased provision in 1994 over 1993 reflected the difficulty the Company began to experience in

1994 with two investments, one in Florida and a second in Michigan. In addition, the Company has one investment, several working capital loans to a New Mexico retirement center, which has been on a non-accrual status for several years.

IMPACT OF INFLATION

During the past three years, inflation has not significantly affected the earnings of the Company because of the moderate inflation rate. Additionally, earnings of the Company are primarily long-term investments with fixed interest rates. These investments are mainly financed with a combination of equity, senior notes and borrowings under the revolving lines of credit, of which a portion is hedged with interest rate swaps. During inflationary periods, which generally are accompanied by rising interest rates, the Company's ability to grow may be adversely affected because the yield on new investments may increase at a slower rate than new borrowing costs. Presuming the current inflation rate remains moderate and long-term interest rates do not increase significantly, the Company believes that equity and debt financing will be available.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

REPORT OF INDEPENDENT AUDITORS

Shareholders and Directors
Health Care REIT, Inc.

We have audited the accompanying consolidated balance sheets of Health Care REIT, Inc. as of December 31, 1994 and 1993, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1994. Our audits also include the financial statement schedule listed in the Index at Item 14(d). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Health Care REIT, Inc. at December 31, 1994 and 1993, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth herein.

ERNST & YOUNG LLP

Toledo, Ohio
February 8, 1995

Health Care REIT, Inc.

Consolidated Balance Sheets

	DECEMBER 31 1994	1993
ASSETS		
Real estate related investments:		
Loans receivable, including amounts from related parties of $29,283,939 and $29,212,780 at December 31, 1994 and 1993, respectively	$254,923,711	$185,281,601
Investment in operating-lease properties, less accumulated depreciation of $2,803,787 and $1,772,288 at December 31, 1994 and 1993, respectively	57,231,651	42,776,361
Investment in direct financing leases	11,427,721	52,950,188
	323,583,083	281,008,150
Less allowance for losses	5,150,000	4,150,000
Net real estate related investments	318,433,083	276,858,150
Other assets:		
Deferred loan expenses	2,469,260	1,579,134
Cash and cash equivalents	935,449	4,896,314
Receivables and other assets	2,264,197	1,690,783
	5,668,906	8,166,231
Total assets	$324,101,989	$285,024,381
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Borrowings under line of credit arrangements	$ 70,900,000	$ 35,000,000
Senior notes	52,000,000	52,000,000
Other long-term obligations	5,372,790	9,311,115
Accrued expenses and other liabilities	6,649,424	4,581,438
Total liabilities	134,922,214	100,892,553
Shareholders' equity:		
Preferred Stock, $1.00 par value: Authorized - 10,000,000 shares in 1994 Issued and outstanding - None		
Common stock, $1.00 par value: Authorized - 40,000,000 shares and 15,000,000 shares in 1994 and 1993, respectively Issued and outstanding - 11,595,115 shares in 1994 and 11,446,249 shares in 1993	11,595,115	11,446,249
Capital in excess of par value	161,086,758	158,013,957
Undistributed net income	16,497,902	14,671,622
Total shareholders' equity	189,179,775	184,131,828
Commitments and contingencies		
Total liabilities and shareholders' equity	$324,101,989	$285,024,381

See accompanying notes.

Health Care REIT, Inc.

Consolidated Statements of Income

	YEAR ENDED DECEMBER 31 1994	1993	1992
Gross income, including amounts from related parties of $3,810,340, $3,611,580, and $4,783,393 for 1994, 1993 and 1992, respectively			
Interest on loans receivable	$26,038,471	$21,603,573	$15,285,337
Direct financing leases:			
Lease income	4,353,192	8,094,184	9,696,873
Gain on exercise of options	5,389,399	2,175,334	721,538
Operating leases:			
Rents	5,480,232	2,812,468	1,458,630
Gain on exercise of options	100,029		1,030,898
Loan and commitment fees	1,184,024	1,202,516	668,552
Interest and other income	186,684	130,132	46,021
	42,732,031	36,018,207	28,907,849
Expenses:			
Interest:			
Line of credit arrangements	3,537,555	3,819,054	3,443,698
Senior notes and other long-term obligations	6,146,589	6,997,992	4,716,320
Loan expense	637,625	328,187	243,728
Management fees	3,086,988	2,426,639	1,968,666
Provision for depreciation	1,385,077	790,471	382,466
Provision for losses	1,000,000	150,000	601,511
Other operating expenses	1,985,279	1,450,926	1,036,449
	17,779,113	15,963,269	12,392,838
Net income	$24,952,918	$20,054,938	$16,515,011
Net income per share	$ 2.17	$ 2.15	$ 1.91
Average number of shares outstanding	11,519,123	9,339,081	8,629,144

See accompanying notes.

Health Care REIT, Inc.

Consolidated Statements of Shareholders' Equity

	Common Stock	Capital in Excess of Par Value	Undistributed Net Income	Total
Balances at January 1, 1992	$ 8,521,515	$ 93,158,295	$ 12,275,771	$113,955,581
Net income			16,515,011	16,515,011
Proceeds from issuance of 230,457 shares under the dividend reinvestment and stock option plans	230,457	4,169,298		4,399,755

Cash dividends paid--$1.85 per share			(15,922,353)	(15,922,353)
	------------	------------	------------	------------
Balances at December 31, 1992	8,751,972	97,327,593	12,868,429	118,947,994
Net income			20,054,938	20,054,938
Proceeds from the sale of 2,500,000 shares less related expenses of $3,727,470	2,500,000	56,585,030		59,085,030
Proceeds from issuance of 194,277 shares under the dividend rein-vestment and stock option plans	194,277	4,101,334		4,295,611
Cash dividends paid--$1.93 per share			(18,251,745)	(18,251,745)
	-----------	------------	------------	------------
Balances at December 31, 1993	11,446,249	158,013,957	14,671,622	184,131,828
Net income			24,952,918	24,952,918
Proceeds from issuance of 148,866 shares under the dividend rein-vestment and stock option plans	148,866	3,072,801		3,221,667
Cash dividends paid $2.01 per share			(23,126,638)	(23,126,638)
	-----------	------------	------------	------------
Balances at December 31, 1994	$11,595,115	$161,086,758	$ 16,497,902	$189,179,775
	==========	===========	===========	===========

See accompanying notes.

Health Care REIT, Inc.

Consolidated Statements of Cash Flows

	YEAR ENDED DECEMBER 31 1994	1993	1992
OPERATING ACTIVITIES			
Net income	$ 24,952,918	$ 20,054,938	$ 16,515,011
Adjustments to reconcile net income to net cash provided from operating activities:			
Amortization of loan and organization expenses	639,781	328,546	243,728
Provision for losses	1,000,000	150,000	557,664
Provision for depreciation	1,385,077	790,471	408,502
Loan and commitment fees earned less than cash received	693,213	494,292	528,050
Direct financing lease income less than cash received	905,860	376,046	431,167
Operating lease income less than cash received			1,079,711
Interest income less than (in excess of) cash received	2,120,035	586,092	(1,109,841)
	------------	------------	------------
Funds from operations	31,696,884	22,780,385	18,653,992
Increase in accrued expenses and other liabilities	856,127	547,715	106,703
Increase in receivables and other assets	(575,571)	(148,487)	(451,589)
	------------	------------	------------
Net cash provided from operating activities	31,977,440	23,179,613	18,309,106
INVESTING ACTIVITIES			
Investment in loans receivable	(118,204,990)	(90,650,648)	(40,597,098)
Investment in operating-lease properties	(14,053,050)	(20,766,000)	(5,700,000)
Investment in direct financing leases	(1,300,000)		
Principal collected on loans	48,760,717	43,696,715	9,856,237
Proceeds from exercise of purchase options	38,330,065	12,085,262	15,533,527
Other		135,000	454,387
	------------	------------	------------
Net cash used in investing activities	(46,467,258)	(55,499,671)	(20,452,947)
FINANCING ACTIVITIES			
Increase in borrowings under line of credit arrangements	266,900,000	209,400,000	121,500,000
Principal payments on borrowings under line of credit arrangements	(231,000,000)	(253,300,000)	(104,800,000)
Borrowings under senior notes		52,000,000	
Principal payments on other long-term obligations	(3,938,325)	(15,508,351)	(3,324,343)
Proceeds from the issuance of shares	3,221,667	67,108,111	4,399,755
Payment of stock issuance expenses		(3,727,470)	
Increase in deferred loan and			

organization expense	(1,527,751)	(770,041)	(8,222)
Cash distributions to shareholders	(23,126,638)	(18,251,745)	(15,922,353)
Net cash provided from financing activities	10,528,953	36,950,504	1,844,837
(Decrease) increase in cash and cash equivalents	(3,960,865)	4,630,446	(299,004)
Cash and cash equivalents at beginning of year	4,896,314	265,868	564,872
Cash and cash equivalents at end of year	$ 935,449	$ 4,896,314	$ 265,868

See accompanying notes.

Health Care REIT, Inc.

Notes to Consolidated Financial Statements

December 31, 1994

1. ACCOUNTING POLICIES AND RELATED MATTERS

INDUSTRY

The Company is predominantly engaged in financing and leasing of health care and related properties in domestic markets.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary (organized in 1993) after the elimination of all significant intercompany accounts and transactions.

LOANS RECEIVABLE

Loans receivable consist of construction-period and short-term loans maturing in two years or less, working capital loans to related parties, and long-term mortgage loans. Interest income on loans is recognized as earned based upon the principal amount outstanding. The loans are generally collateralized by a first or second mortgage on or assignment of partnership interest in the related facilities, which consist of nursing homes, assisted living facilities, retirement centers, rehabilitation facilities, behavioral care facilities, primary care facilities and specialty care hospitals.

INVESTMENT IN OPERATING-LEASE PROPERTIES

Certain properties owned by the Company are leased under operating leases. These properties are recorded at the lower of cost or anticipated selling price. Depreciation is provided for at rates which are expected to amortize the cost of the assets over their estimated useful lives using the straight line method. Operating lease income includes the rent payments and certain guaranty payments by the lessee, which are generally recognized on a straight-line basis over the minimum lease period.

INVESTMENT IN DIRECT FINANCING LEASES

Certain properties owned by the Company are subject to long-term leases which are accounted for by the direct financing method. The leases provide for payment of all taxes, insurance and maintenance by the lessees. The leases are for a term of 20 years and include an option to purchase the properties generally after a period of five years. Option prices equal or exceed the Company's original cost of the property. Income from direct financing leases is recorded based upon the implicit rate of interest over the lease term. This income is greater than the amount of cash received during the first six to seven years of the lease term.

1. ACCOUNTING POLICIES AND RELATED MATTERS (CONTINUED)

ALLOWANCE FOR LOSSES

The allowance for losses is maintained at a level believed adequate to absorb potential losses in the Company's real estate related investments. The determination of the allowance is based on a quarterly evaluation of these earning assets (in the case of direct financing leases, estimated residual values), including general economic conditions, estimated collectibility of loan and lease payments, reappraisals (where appropriate), and the recoverability of the carrying amount of these investments in relationship to their net realizable value.

DEFERRED LOAN EXPENSES

Deferred loan expenses are costs incurred in acquiring financing for properties. The Company amortizes these costs by the straight line method over the term of the debt.

LOAN AND COMMITMENT FEES

Loan and commitment fees are earned by the Company for its agreement to provide direct and standby financing to, and credit enhancement for, owners of health care facilities. The Company amortizes loan and commitment fees over the period of the commitment and the contractual life of the investment.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of all highly liquid investments with an original maturity of three months or less.

FEDERAL INCOME TAX

No provision has been made for federal income taxes since the Company has elected to be treated as a real estate investment trust under the applicable provisions of the Internal Revenue Code, and the Company believes that it has met the requirements for qualification as such for each taxable year. See Note 8.

NET INCOME PER SHARE

Net income per share has been computed by dividing net income by the weighted daily average number of shares outstanding.

2. LOANS RECEIVABLE

The following is a summary of loans receivable:

	DECEMBER 31 1994	1993
Mortgage loans	$208,566,120	$143,338,778
Mortgage loans to related parties	22,215,685	21,808,666
Construction and other short-term loans	17,073,652	12,730,043
Construction loans to related parties		169,787
Working capital loans to related parties	7,068,254	7,234,327
TOTALS	$254,923,711	$185,281,601

Loans to related parties included above are at competitive rates but not at less than the Company's net interest cost on borrowings to support such loans. The amount of interest earned on loans to related parties amounted to $3,220,092, $2,869,911, and $2,463,539 for 1994, 1993 and 1992, respectively.

The following is a summary of mortgage loans at December 31, 1994:

Final Payment Due	Number of Loans	Payment Terms	Principal Amount at Inception	Carrying Amount
1995	1	Monthly payment of $22,319, including interest of 13.18%	$ 1,795,000	$ 1,993,868
1996	4	3 monthly payments from $24,160 to $38,958 and 1 quarterly payment of $6,186, including interest from 12.93% to 16.97%	9,090,000	8,481,129
1997	4	Monthly payments from $2,201 to $123,368, including interest from 11.5% to 13.05%	22,598,977	23,106,927
1998	2	1 monthly payment of $57,091 and 1 quarterly payment of $130,767, including interest from 11.59% to 12.93%	10,332,150	10,624,132
1999	2	Monthly payments from $15,285 to $32,988, including interest from 9.42% to 10.65%	6,052,233	6,204,241
2000	1	Quarterly payment of $134,186, including interest of 11.77%	5,310,000	5,522,400

2. LOANS RECEIVABLE (CONTINUED)

Final Payment Due	Number of Loans	Payment Terms	Principal Amount at Inception	Carrying Amount
2002	2	Monthly payments from $56,759 to $58,095, including interest from 12.3% to 12.91%	$ 10,937,450	$ 10,937,450
2003	1	Monthly payment of $41,065, including interest of 10.35%	4,761,192	4,761,192
2004	1	Monthly payment of $24,566, including interest of 14.82%	1,925,000	1,925,000
2007	12	Monthly payments from $3,297 to $49,264, including interest from 8.75% to 15.5%	30,918,117	27,687,875
2008	18	Monthly payments from $18,008 to $266,030, including interest from 9.98% to 13.05%	111,850,000	111,707,035
2014	3	Monthly payments from $29,140 to $40,105, including interest from 11.08% to 13.18%	10,703,150	10,703,150
2025	1	Monthly payment of $69,889, including interest at 11.05%	7,127,406	7,127,406
		TOTALS	$233,400,675	$230,781,805

One loan maturing in 1996 has a prior lien of approximately $1,195,000; and six loans maturing in 2007 have prior liens aggregating $1,753,000. A significant portion of monthly mortgage payments increase by 2% per year with the negative amortization of principal due at maturity. At December 31, 1994, there was one delinquent mortgage loan of $3,137,000 with $1,231,000 principal past due for three months or more.

The Company generally requires that the borrower have a substantial initial investment in the property. No mortgage loan, or multiple loans to a single borrower, exceeds 8% of total assets.

3. INVESTMENT IN LEASES

The following are the components of investment in direct financing leases:

	DECEMBER 31 1994	1993
Total minimum lease payments receivable--(i)	$ 20,543,530	$106,321,047
Estimated unguaranteed residual values		

of leased properties	6,063,649	21,118,637
Unearned income	(15,179,458)	(74,489,496)
Investment in direct financing leases	$ 11,427,721	$ 52,950,188

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(i) The leases contain an option to purchase the leased property. Total minimum lease payments are computed assuming that the option will not be exercised.

At December 31, 1994, future minimum lease payments receivable are as follows:

	DIRECT FINANCING LEASES	OPERATING LEASES
1995	$ 1,716,630	$ 5,950,889
1996	1,653,875	5,672,216
1997	1,665,320	5,626,780
1998	1,697,485	5,831,632
1999	1,729,651	5,721,285
Thereafter	12,080,569	26,195,968
TOTALS	$20,543,530	$54,998,770

During 1994, the Company restructured two direct financing leases; one into a $3,324,000 mortgage loan and the other into a $3,582,000 operating lease. During 1993, the Company restructured a $10,500,000 mortgage loan into an operating lease. This noncash investing activity is appropriately not reflected in the accompanying statement of cash flows.

4. ALLOWANCE FOR LOSSES

The following is a summary of the allowance for losses for 1994, 1993 and 1992. The portion of the allowance relating to loans receivable consists of amounts for specifically identified loans and an unallocated amount for other potential losses in the portfolio.

4. ALLOWANCE FOR LOSSES (CONTINUED)

	Portion of Allowance Related to		
	Loans Receivable	Other Real Estate Owned	Total
Balances at January 1, 1992	$3,360,000	$ 940,000	$4,300,000
Provision for losses	640,000	(38,489)	601,511
Charge-offs		(901,511)	(901,511)
Balances at December 31, 1992	4,000,000	-0-	4,000,000
Provision for losses	150,000		150,000
Balances at December 31, 1993	4,150,000	-0-	4,150,000

Provision for losses	1,000,000		1,000,000
Balances at December 31, 1994	$5,150,000	$ -0-	$5,150,000

5. BORROWINGS UNDER LINE OF CREDIT ARRANGEMENTS AND RELATED ITEMS

The Company has a credit arrangement with a consortium of ten banks providing for a revolving line of credit (revolving credit) in the amount of $150,000,000 which expires on March 31, 1997. The agreement specifies that borrowings under the revolving credit are subject to interest payable in periods no longer than three months on either the agent bank's base rate of interest or 1 1/2% over LIBOR interest rate (based at the Company's option). In addition, the Company pays a commitment fee at an annual rate of 1/2% of the unused line and an annual agent's fee of $75,000. At December 31, 1994, the revolving line of credit was collateralized by 27 real estate related investments in health care facilities. Principal is due upon expiration of the agreement, but the total amount outstanding may not exceed a specified percentage of the agreed-upon values of the collateral.

The Company has two other lines of credit with two banks for a total of $18,500,000 which expire at various dates through May 31, 1995. Borrowings under these lines of credit are subject to interest at each bank's prime rate of interest and are due on demand.

The following information relates to aggregate borrowings under the line of credit arrangements:

5. BORROWINGS UNDER LINE OF CREDIT ARRANGEMENTS AND RELATED ITEMS (CONTINUED)

	YEAR ENDED DECEMBER 31		
	1994	1993	1992
Balance outstanding at December 31	$ 70,900,000	$ 35,000,000	$78,900,000
Maximum amount outstanding at any month end	70,900,000	107,900,000	78,900,000
Average amount outstanding (total of daily principal balances divided by days in year)	51,422,466	76,241,644	59,103,279
Weighted average interest rate (actual interest expense divided by average borrowings outstanding)	6.88%	5.01%	5.83%

The Company has two five-year interest rate swap agreements, which expire at various dates through 1997, aggregating $30,000,000 for the purpose of reducing the Company's interest rate risk on its borrowings under the revolving credit. Maximum rates of interest under the swap agreements are 8.77% and 10%. At December 31, 1994, the Company had elected to borrow $52,000,000 at three to six-month LIBOR. The Company also has one two-year variable interest rate swap agreement which expires in May 1995 which effectively converts $40,000,000 of fixed interest rate Senior Notes (see Note 6) to a variable interest rate. The interest rate cost for the variable interest rate swap at December 31, 1994 is 235 basis points. The differential to be paid or received is accrued as interest rates change and are recognized as an interest expense. The related amount payable to or receivable from counter-parties is included in other liabilities or assets. The fair value of the swap agreements are not recognized in the financial statements.

The Company may or may not elect to continue to match certain of its borrowings with interest rate swap agreements. Such decisions are principally based on the Company's policy to match its variable rate investments with comparable borrowings, but is also based on the general trend in interest rates at the applicable dates and the Company's perception of future volatility of interest rates. At December 31, 1994, the Company is at risk for declining interest rates because its variable interest rate assets exceeds its variable interest rate debt.

The Company is exposed to credit loss in the event of nonperformance by the other parties to the interest rate swap agreements. However, the Company does not anticipate nonperformance by the counterparties.

Interest paid amounted to $9,256,551, $10,409,852 and $8,099,808 for 1994, 1993 and 1992, respectively, which includes $1,309,368, $2,155,260 and $1,824,131, respectively, for the net cost of the swaps.

6. SENIOR NOTES AND OTHER LONG-TERM OBLIGATIONS

During 1993, the Company issued $52,000,000 of Senior Notes with interest ranging from 7.16% to 8.24% and maturing in 1998, 2000 and 2003. These notes are collateralized by 12 real estate related investments in health care facilities.

The following information relates to other long-term obligations:

	DECEMBER 31 1994	1993
Notes payable related to industrial development bonds, collateralized by health care facilities--3 in 1994 and 6 in 1993, interest rates from 10.75% to 15%, maturing at various dates to 2004	$ 3,620,000	$ 7,300,000
Mortgage loans, collateralized by health care facilities--2 in 1994 and 1993, interest rates from 8.75% to 15.5%, maturing at various dates to 2005	1,752,790	2,011,115
TOTALS	$ 5,372,790	$ 9,311,115

At December 31, 1994, the annual payments on these long-term obligations for the succeeding five years are as follows:

	Principal	Interest	Total
1995	$ 451,561	$4,599,196	$ 5,050,757
1996	357,969	4,554,129	4,912,098
1997	695,466	4,498,831	5,194,297
1998	23,367,256	3,590,973	26,958,229
1999	242,947	2,709,569	2,952,516

7. STOCK OPTIONS

The Company's 1985 Incentive Stock Option Plan authorized up to 450,000 shares of Common Stock to be issued at the discretion of the Board of Directors.

The following summarizes the activity in the Plan:

7. STOCK OPTIONS (CONTINUED)

	YEAR ENDED DECEMBER 31 1994	1993
Number of shares under option at beginning of year	152,500	132,673
Options granted	51,000	47,000
Options exercised	(20,360)	(27,173)
Number of shares under option at end of year	183,140	152,500
At end of year:		
Shares exercisable	123,166	112,495
Shares available to be granted	160,000	61,000

At December 31, 1994, the option prices ranged from $11.94 to $23.94 per share. The option prices were equivalent to the market prices of the shares on the dates granted. Such options expire ten years after the date granted. Options exercised during 1994 and 1993 were at prices ranging from $11.94 to $17.69 per share. During 1994 and 1993, Messrs. Thompson and Wolfe exercised 20,360 and 27,173 shares, respectively, and together have options to purchase 76,140 shares at December 31, 1994.

8. DISTRIBUTIONS

In order to continue to qualify as a real estate investment trust for federal income tax purposes, 95% of taxable income (not including capital gains) must be distributed to shareholders. Real estate investment trusts which do not distribute a certain amount of current year taxable income in the current year are also subject to a 4% federal excise tax. The Company's excise tax expense was $575,000 and $132,000 for the years ended December 31, 1994 and 1993, respectively. Undistributed net income for federal income tax purposes amounted to $18,029,000 at December 31, 1994. The principal reason for the difference between undistributed net income for federal income tax purposes and financial statement purposes is the use of the operating method of accounting for leases for federal income tax purposes. Cash distributions paid to shareholders, for federal income tax purposes, are as follows:

	YEAR ENDED DECEMBER 31		
	1994	1993	1992
Per Share:			
Ordinary income	$ .72	$1.49	$1.55
Capital gains	1.29	.44	.30
TOTALS	$2.01	$1.93	$1.85

9. COMMITMENTS AND CONTINGENCIES

At December 31, 1994, the Company has outstanding commitments to provide financing for facilities in the approximate amount of $114,972,000. The Company also has commitments to provide working capital loans to related parties of approximately $369,000. The Company has granted to a partnership a credit facility line to finance retirement facilities. The Company's board of directors retains the right to approve the financing of each facility. At December 31, 1994, the unused portion is $19,800,000. The above commitments are generally on similar terms as existing financings of a like nature with rates of return to the Company based upon current market rates at the time of the commitment.

The Company has entered into a number of agreements to purchase health care facilities, or the loans with respect thereto, in the event that the present owners default upon their obligations. In consideration for these agreements, the Company generally receives and recognizes fees annually related to these guarantees. Although the terms of these agreements vary, the purchase prices are equal to the amount of the outstanding obligations financing the facility. These agreements expire between the years 1997 and 2005. At December 31, 1994, obligations under these agreements for which the Company was contingently liable aggregated approximately $20,175,000, all of which were with related parties.

The Company believes that it has the ability to obtain funds to meet these commitments. The Company also believes that such commitments represent no greater than normal risk.

10. MANAGEMENT AGREEMENT AND CERTAIN TRANSACTIONS WITH RELATED PARTIES

The Company has a management agreement with First Toledo Advisory Company (the Manager). F. D. Wolfe and B. G. Thompson, two of the Company's nine directors, are officers and co-owners of the Manager. The Company accrues a fee to the Manager at a monthly rate of 1/10 of 1% of the Company's net assets, as defined in the Management Agreement. Further, the Manager is entitled to an annual incentive fee equal to 10% of the amount by which net profits exceed 10% of the monthly average net worth of the Company, as defined in the Management Agreement.

Messrs. Wolfe and Thompson are also related to various entities: a) to which the Company has made mortgage loans and working capital loans yielding interest income (see Note 2); b) with which the Company has entered into agreements to purchase health care facilities, or the loans with respect thereto, upon default of obligations by their present owners providing fee income of $338,722, $422,438, and $349,650 for 1994, 1993 and 1992, respectively; and c) with which the Company has entered into operating lease agreements (see Note 3).

10. MANAGEMENT AGREEMENT AND CERTAIN TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The Company recorded income from related parties as follows:

	1994	1993	1992
Interest income	$3,220,092	$2,869,911	$2,463,539
Loan and guaranty fees	377,658	469,362	421,996
Operating lease rents	112,561	272,307	866,960
Gain on exercise of options	100,029		1,030,898
TOTALS	$3,810,340	$3,611,580	$4,783,393

In accordance with the By-Laws of the Company, such transactions were approved by a majority of the directors not affiliated with the transactions.

On February 6, 1995, the Company's Board of Directors approved in principle the acquisition of the Manager. Under the agreement in principle, the Company would issue 215,514 shares of common stock as consideration for the acquisition of the Manager, subject to adjustment under certain circumstances. In connection with the closing of the acquisition, Messrs. Thompson and Wolfe would enter into five-year service agreements and would each purchase 84,191 shares of common stock at a price of $21.38 per share with funds loaned by the Company. Under the stock purchase and loan arrangements, 20% of each loan could be forgiven each year if continued service and stock price performance tests are met. This agreement is subject to, among other things, shareholder approval and is anticipated to close in the second quarter of 1995.

11. SHAREHOLDER RIGHTS PLAN

Under the terms of a Shareholder Rights Plan approved by the Board of Directors in July 1994, a Preferred Share Right (Right) is attached to and automatically trades with each outstanding share of Health Care REIT, Inc. common stock.

The Rights, which are redeemable, will become exercisable only in the event that any person or group becomes a holder of 15% or more of the Company's stock, or commences a tender or exchange offer which, if consummated, would result in that person or group owning at least 15% of the common stock. Once the Rights become exercisable, they entitle all other shareholders to purchase one one-thousandth of a share of a new series of junior participating preferred stock for an exercise price of $48.00. The Rights will expire on August 5, 2004 unless exchanged earlier or redeemed earlier by the Company for $.01 per Right at any time before public disclosure that a 15% position has been acquired.

12. DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Mortgage Loans--The fair value of all mortgage loans, except those matched with debt, is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. Mortgage loans matched with debt are presumed to be at fair value.

Working Capital and Construction Loans--The carrying amount is a reasonable estimate of fair value for working capital and construction loans because the interest earned on these instruments is variable.

Cash and Cash Equivalents--The carrying amount approximates fair value because of the short maturity of these financial instruments.

Borrowings Under Line of Credit Arrangements and Related Items--The carrying amount of the line of credit approximates fair value because the borrowings are interest rate adjustable. The fair value of interest rate swaps is the estimated amount, taking into account the current interest rate, that the Company would receive or pay to terminate the swap agreements at the reporting date.

Senior Notes and Industrial Development Bonds--The fair value of the senior notes payable and the industrial development bonds was estimated by discounting the future cash flow using the current borrowing rate available to the Company for similar debt.

Mortgage Loans Payable--Mortgage loans payable is a reasonable estimate of fair value because they are matched with loan receivable.

Commitments to Finance and Guarantees of Obligations--The fair value of the commitments to finance and guarantees of obligations are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements, and the counterparties' credit standing.

The carrying amounts and estimated fair values of the Company's financial instruments at December 31, 1994 and 1993 are as follows:

12. DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	DECEMBER 31, 1994		DECEMBER 31, 1993	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial Assets:				
Mortgage loans	$230,781,805	$225,306,000	$165,147,144	$164,371,000
Working capital and construction loans	24,141,906	24,141,906	20,134,157	20,134,157
Cash and cash equivalents	935,449	935,449	4,896,314	4,896,314
Financial Liabilities:				
Borrowings under line of credit arrangements	70,900,000	70,900,000	35,000,000	35,000,000
Senior notes payable	52,000,000	46,307,000	52,000,000	51,463,000
Industrial development bonds	3,620,000	4,343,000	7,300,000	9,556,000
Mortgage loans payable	1,752,790	1,752,790	2,011,115	2,011,115
Unrecognized Financial Instruments:				
Interest rate swap agreements		339,000		2,629,000
Commitments to finance	135,141,000	135,141,000	41,902,000	41,902,000
Guarantees of obligations	20,175,000	20,175,000	21,255,000	21,255,000

13. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The following is a summary of the unaudited quarterly results of operations of the Company for the years ended December 31, 1994 and 1993:

	YEAR ENDED DECEMBER 31, 1994			
	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
Gross Income	$8,441,239	$12,730,715	$10,518,166	$11,041,911
Net Income	4,984,250	7,799,857	6,326,167	5,842,644
Net Income Per Share	.43	.68	.55	.51

	YEAR ENDED DECEMBER 31, 1993			
	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
Gross Income	$8,602,869	$8,949,136	$9,746,182	$8,720,020
Net Income	5,140,609	4,789,912	5,072,054	5,052,363
Net Income Per Share	.59	.54	.57	.45

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this Item is incorporated herein by reference to the information under the heading "Election of Directors" and "Executive Officers of the Company" in the definitive proxy statement of the Company which will be filed with the Commission prior to April 30, 1995.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated herein by reference to the information under the heading "Remuneration" in the definitive proxy statement of the Company which will be filed with the Commission prior to April 30, 1995.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is incorporated herein by reference to the information under the heading "Security Ownership of Certain Beneficial Owners" in the definitive proxy statement of the Company which will be filed with the Commission prior to April 30, 1995.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is incorporated herein by reference to the information under the heading "Certain Relationships and Related Transactions" in the definitive proxy statement of the Company which will be filed with the Commission prior to April 30, 1995.

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. The following Financial Statements of the Registrant are included in Part II, Item 8:

2. The following Financial Statement Schedule is included in Item 14 (d):

IV - Mortgage Loans on Real Estate

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

3. Exhibit Index:

3(i)	Restated Certificate of Incorporation, as amended, of the Registrant.
3(ii)	By-Laws, as amended.
4	The Registrant, by signing this Report, agrees to furnish the Securities and Exchange Commission upon its request a copy of any instrument which defines the rights of holders of long-term debt of Registrant and which authorizes a total amount of securities not in excess of 10% of the total assets of the Registrant.
10(ii)(A)	Management Agreement between the Registrant and First Toledo Corporation and its successor First Toledo Advisory Company, dated January 17, 1994.
10(iii)(A)	The 1985 Incentive Stock Option Plan of Health Care REIT, Inc. as amended.
21	Subsidiaries of the Registrant.
23	Consent of Independent Auditors.
24	Powers of Attorney.

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K (CONTINUED)

(b) Reports on Form 8-K.

A report on Form 8-K was filed on February 13, 1995, reporting on the agreement in principle of the acquisition of the Manager by the Company.

(c) Exhibits:
The exhibits listed in Item 14(a)(3) above are filed with this Form 10-K.

(d) Financial Statement Schedule:
Financial statement schedule is included in pages 67 through 69.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HEALTH CARE REIT, INC.
(Registrant)

March 6, 1995

By: BRUCE G. THOMPSON

Bruce G. Thompson, Principal Executive Officer, Chairman and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on March 6, 1995 by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

PIER C. BORRA*	BRUCE G. THOMPSON
Pier C. Borra, Director	Bruce G. Thompson, Principal Executive Officer, Chairman and Director
GEORGE L. CHAPMAN*	FREDERIC D. WOLFE
George L. Chapman, Director	Frederic D. Wolfe, President and Director
GEORGE CHOPIVSKY, JR.*	RICHARD A. UNVERFERTH
George Chopivsky, Jr., Director	Richard A. Unverferth, Director
BRUCE DOUGLAS*	KATHLEEN S. PREPHAN
Bruce Douglas, Director	Kathleen S. Prephan, Principal Accounting Officer
RICHARD C. GLOWACKI*	ROBERT J. PRUGER
Richard C. Glowacki, Director	Robert J. Pruger, Principal Financial Officer
SHARON M. OSTER*	*By: BRUCE G. THOMPSON
Sharon M. Oster, Director	Bruce G. Thompson, Attorney-in-Fact

SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
HEALTH CARE REIT, INC.
DECEMBER 31, 1994

DESCRIPTION	INTEREST RATE	FINAL MATURITY DATE	PERIODIC PAYMENT TERMS	PRIOR LIENS	FACE AMOUNT OF MORTGAGES	CARRYING AMOUNT OF MORTGAGES (A)	PRINCIPAL AMOUNT OF LOANS SUBJECT TO DELINQUENT PRINCIPAL OR INTEREST
FIRST MORTGAGES:							
Toledo, OH (Retirement Center)	11.50%	10/01/97	Monthly Payments $ 96,605		$ 9,503,977	$ 9,334,638	None
Clearwater, FL (Behavioral Care Facility)	12.92%	06/01/97	Monthly Payments $123,368		10,000,000	10,905,067	None
St. Louis, MO (Nursing Home)	12.52%	04/01/08	Monthly Payments $ 76,561		7,200,000	7,200,000	None
Philadelphia, PA (Nursing Home)	11.91%	07/01/08	Monthly Payments $ 73,445		7,400,000	7,400,000	None
Norwood, NJ (Nursing Home)	11.50%	04/01/08	Monthly Payments $143,322		14,100,000	14,023,334	None
Farmington, CT Manchester, CT Manchester, CT Manchester, CT New Haven, CT Waterbury, CT (6 Nursing Homes)	12.09%	12/01/08	Monthly Payments $266,030		25,100,000	25,086,852	None

SCHEDULE IV - Continued

DESCRIPTION	INTEREST RATE	FINAL MATURITY DATE	PERIODIC PAYMENT TERMS	PRIOR LIENS	FACE AMOUNT OF MORTGAGES	CARRYING AMOUNT OF MORTGAGES (A)	PRINCIPAL AMOUNT OF LOANS SUBJECT TO DELINQUENT PRINCIPAL OR INTEREST
FIRST MORTGAGES: - cont.							
Austin, TX (Speciality Care Hospital)	11.05%	11/19/25	Monthly Payments $ 69,889		$ 7,127,406	$ 7,127,406	None
43 mortgage loans relating to 25 nursing homes, 9 retirement centers, 5 behavioral care facilities and 2 primary care facilities	From 8.75% to 15.5%	From 01/01/95-05/01/14			149,019,292	146,345,724	None (B)
SECOND MORTGAGES:							
2 nursing homes	11.66% & 16.97%	09/01/96 & 08/01/97			3,950,000	3,358,784	3,136,562 (B)
			TOTALS		$233,400,675	$230,781,805	$3,136,562

<FN>

(A) For income tax purposes, the cost of investments is the carrying amount less $1,500,000, as disclosed in the schedule.

(B) The Company is in dispute with two operators, one of which is over three months past due on certain principal payments. The Company has evaluated these investments and has allocated in the aggregate $1,500,000 of its allowance to reduce their carrying value to their estimated net realizable value.

SCHEDULE IV - Continued

	YEAR ENDED DECEMBER 31		
	1994	1993	1992
Reconciliation of mortgage loans:			
Balance at beginning of period	$165,147,444	$137,307,095	99,086,229
Additions during period:			
New mortgage loans	108,591,129	69,846,168	42,638,394
Negative principal amortization	642,630	1,219,807	1,227,429
Other (1)	3,656,084		
	278,037,287	208,373,070	142,952,052
Deductions during period:			
Collections of principal (2)	47,255,482	32,251,241	5,644,957
Foreclosures			
Cost of mortgages sold			
Amortization of premium			
Other (3)		10,974,385	
Balance at end of period	$230,781,805	$165,147,444	$137,307,095

<FN>

(1) During 1994, the Company restructured a direct financing lease into a mortage loan.

(2) Includes collection of negative principal amortization.

(3) During 1993, the Company restructured a mortgage loan into an operating lease.

EXHIBIT INDEX

The following documents are included in this Form 10-K as an Exhibit:

EXHIBIT NUMBER	DESIGNATION NUMBER UNDER ITEM 601 OF REGULATION S-K	EXHIBIT DESCRIPTION	PAGE NUMBER
1*	3(i)	Restated Certificate of Incorporation, as amended, of the Registrant.	
2*	3(ii)	Amendment to Restated Certificate of Incorporation filed July 9, 1992.	
3	4	The Registrant, by signing this Report, agrees to furnish the Securities and Exchange Commission upon its request a copy of any instrument which defines the rights of long-term debt of the Registrant and which authorizes a total amount of securities not in excess of 10% of the total assets of the Registrant.	
4	10(ii)(A)	Management Agreement between the Registrant and First Toledo Corporation and its successor First Toledo Advisory Company dated January 17, 1994.	45

5**	10(iii)(A)	The 1985 Incentive Stock Option Plan of Health Care REIT, Inc., as amended.	
6***	21	Subsidiaries of the Registrant.	54
7	23	Consent of Independent Auditors.	55
8	24	Powers of Attorney.	56
27		Financial Data Schedule	

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<FN>

* Incorporated by reference to Exhibits 3(a) and 3(b) to the Registrant's 1992 Annual Report on Form 10-K for the year ended December 31, 1992.

** Incorporated by referenced to Exhibit 4(b) to the Registrant's Registration Statement on Form S-8 (File No. 33-46561) filed on March 20, 1992.

*** To be filed with the Commission on or before April 30, 1995.

MANAGEMENT AGREEMENT

This Agreement (hereinafter referred to as the "Agreement"), by and between HEALTH CARE REIT, INC., (hereinafter referred to as the "Company"), a Delaware corporation and as defined in Sections 856 et seq. Internal Revenue Code of 1986 (hereinafter referred to as the "IRC") and FIRST TOLEDO CORPORATION, an Ohio corporation having its principal office in Toledo, Ohio (hereinafter referred to as the "Manager"), is made this 17th day of January, 1994:

W I T N E S S E T H:

1. The Manager shall execute the business and investment transactions of the Company in its name and for its account and risk by receiving, managing, and transferring securities, real property, leaseholds, real estate mortgages, and other assets or liabilities, subject always to the authority and supervision of the Directors. The Manager shall also furnish the following services itself, or by arrangement with others, to the Company:

    A. Investment advisory, financial consulting and electronic data processing services in connection with the considerations and decisions made by the Directors;

    B. Reportorial and research functions, including provisions of economic and statistical data relating to securities, contracts, real property and mortgage investments;

    C. The services of a consultant, accountant, mortgage banker, technical advisor, legal advisor, attorney in fact, broker, underwriter, corporate fiduciary, escrow agent, depository, custodian or agent for collection, insurer or insurance agent, or any other service deemed by the Directors necessary or desirable;

    D. Negotiating and contracting with persons acting in the above capacities and the employment and retention of same and any other persons in connection with the mortgages or assets or liabilities acquired, held or disposed of, or committed, negotiated or contemplated to be acquired, held or disposed of;

E. Managing or operating any assets or properties held by the Company directly or through affiliates, or independent contractors as defined in Section 856 et seq. of the IRC;

F. Acting as attorney in fact or agent in the purchase or sale or other disposition of investments, and in handling, prosecuting or settling of any claims of the Company, including the foreclosure or other enforcement of any mortgage or other lien or other security securing or guaranteeing investments, and exercising its own sound discretion in so doing;

MANAGEMENT AGREEMENT

This Agreement (hereinafter referred to as the "Agreement"), by and between HEALTH CARE REIT, INC., (hereinafter referred to as the "Company"), a Delaware corporation and as defined in Sections 856 et seq. Internal Revenue Code of 1986 (hereinafter referred to as the "IRC") and FIRST TOLEDO CORPORATION, an Ohio corporation having its principal office in Toledo, Ohio (hereinafter referred to as the "Manager"), is made this 17th day of January, 1994:

W I T N E S S E T H:

1. The Manager shall execute the business and investment transactions of the Company in its name and for its account and risk by receiving, managing, and transferring securities, real property, leaseholds, real estate mortgages, and other assets or liabilities, subject always to the authority and supervision of the Directors. The Manager shall also furnish the following services itself, or by arrangement with others, to the Company:

   A. Investment advisory, financial consulting and electronic data processing services in connection with the considerations and decisions made by the Directors;

   B. Reportorial and research functions, including provisions of economic and statistical data relating to securities, contracts, real property and mortgage investments;

   C. The services of a consultant, accountant, mortgage banker, technical advisor, legal advisor, attorney in fact, broker, underwriter, corporate fiduciary, escrow agent, depository, custodian or agent for collection, insurer or insurance agent, or any other service deemed by the Directors necessary or desirable;

   D. Negotiating and contracting with persons acting in the above capacities and the employment and retention of same and any other persons in connection with the mortgages or assets or liabilities acquired, held or disposed of, or committed, negotiated or contemplated to be acquired, held or disposed of;

   E. Managing or operating any assets or properties held by the Company directly or through affiliates, or independent contractors as defined in Section 856 et seq. of the IRC;

   F. Acting as attorney in fact or agent in the purchase or sale or other disposition of investments, and in handling, prosecuting or settling of any claims of the Company, including the foreclosure or other enforcement of any mortgage or other lien or other security securing or guaranteeing investments, and exercising its own sound discretion in so doing;

   G. Investing or reinvesting any moneys of the Company;

   H. Providing office space and office equipment and necessary professional, clerical and secretarial personnel for the performance of any needed services, and allocating the expense of same;

I. Reviewing each individual property, mortgage or commitment offered to the Company for purchase as to:

i) The completeness of supporting documents;

ii) The soundness and suitability of property location;

iii) The consistency of the price at which the property or mortgage is available with the prices of properties or mortgages of comparable quality and similar terms available in the area;

iv) The adequacy of the property's facilities; and

v) The ability of the income of the lessee or borrower to meet the obligations of the lease, mortgage, or other contract.

J. From time to time, as requested by the Company, reporting on the performance of the foregoing services to the Company; and

K. Such other services of a managerial or advisory nature as the Directors may deem within the purview of this Agreement.

2. The Company and its Directors, officers, and employees shall conduct its general corporate affairs including, but not limited to, investor communications, regulatory reporting, record keeping, planning, staff training and community relations, provided that the Manager may be delegated certain ministerial and non-discretionary portions of such functions as authorized from time to time by the officers and Directors.

3. The Manager shall be kept informed of the Company's policies, decisions, investments, funds available or to become available, and generally as to the condition of its affairs. In the event the Manager has not prepared the same, the Company shall furnish the Manager with a certified copy of al financial statements, a signed copy of each report prepared by public accountants or sent to public agencies or shareholders, and such other information with regard to its affairs or policies as the Manager may from time to time reasonably request.

4. The Manager shall furnish advice and recommendations regarding investments considered by the Company and shall, at the request of the Directors, furnish advice and recommendations with respect to other aspects of the business and affairs of

the Company by sending an executive officer of the Manager (who may also be an officer of the Company) to attend all regular and special meetings of the Directors, and the Directors shall notify the Manager of such meetings.

5. The Manager may establish and maintain one or more bank accounts in its own name, or the name of the Company, and may collect and deposit into such account or accounts, and disburse from any such account or accounts any moneys on behalf of the Company, under such terms and conditions as the Directors may approve; and the Manager shall from time to time render appropriate accountings of such collections and

payments to the Directors and accountants and auditors of the Company.

6. The Manager shall use its best efforts in the exercise of sound and common business practices to see that any mortgage securing any investments of the Company shall be a valid lien upon the mortgaged property according to its terms, that the title of any real property interests forming a part of the Company's investments is covered by title guarantees or policies issued by responsible insurance companies, that any insurance issued by the Federal Housing Administration or guaranty issued by the Veterans Administration is valid and in full force and effect and enforceable according to its terms, that any commitment, and the financial status of any lender making such commitment, to provide permanent financing of buildings is satisfactory, that any property forming part of the Company's investments is duly insured against loss or damage by fire, with extended coverage, and against other insurable hazards and risks as is customary and appropriate in the circumstances and shall carry out the policies from time to time directed by the Directors in connection with the protection of such investments.

7. The Manager shall not take any action which in its opinion would adversely affect the status of the Company as a real estate investment trust under Section 856 et seq. of the IRC, or regulations promulgated thereunder, or which would otherwise be prohibited by the Company's Certificate of Incorporation or Amended By-Laws.

8. Directors, officers, shareholders and employees of the Manager may serve as Directors, officers, employees and agents of the Company and may be compensated by the Company for their services rendered as employees or agents of the Company. The Company shall not knowingly, directly or indirectly, purchase or otherwise acquire any property whatsoever from, or sell or otherwise transfer any property whatsoever to, or lend any of the assets or property of the Company to, any corporation, partnership or trust with which a Director in his individual capacity is affiliated by reason of being a director, officer, partner, trustee, or holder of more than one percent (1%) of the outstanding equity investments of such corporation, partnership, or trust, unless such transaction has been approved by the affirmative vote of a majority of the Directors not so affiliated; and in the event the Company

acquires any asset from such persons, the price of such assets shall be based upon an independent appraisal. Nothing contained in this Agreement shall prohibit or in any way limit the Manager from contracting with others for the performing of services similar or identical to those undertaken by the Manager pursuant to this Agreement; nor shall the Manager in any way be limited with respect to the use of the name "First Toledo" by itself or with any affiliated or successor corporation or other business entity in any jurisdiction in which the Company may be doing business. The Company hereby agrees it is using the service mark "Health Care REIT, Inc." and may use "Health Care Fund" under the license and control of the Manager. The Company hereby and irrevocably assigns to the Manager any and all right which it may have to consent to the use of the name "First Toledo" and the names and service marks "Health Care REIT, Inc." and/or "Health Care Fund" by others and agrees to execute such instruments as are reasonably necessary to give effect to this covenant or to effect such consent with any governmental department or agency. Further, in the event that the Manager, successor by reorganization or merger of a wholly owned subsidiary shall cease to act in its capacity as advisor to the Company by reason of the termination of this Agreement or any renewal hereof, for any reason whatsoever, the Directors shall, upon request of the Manager, or its successor by reorganization or merger of a wholly owned subsidiary of the Manager, immediately eliminate from the Company name, the words "Health Care REIT, Inc." or "Health Care Fund" or any approximation thereof, which names are the property of the Manager and immediately cease use of the service marks "Health Care REIT, Inc." and/or "Health Care Fund" or any approximation thereof, which services marks are the property of the Manager. The covenant contained in the immediately preceding sentence shall survive and shall not otherwise be affected by the termination of this Agreement, or any renewal hereof.

9. If required by the Directors, the Manager shall maintain a fidelity bond in a responsible surety company in an amount of not less than $100,000 or such higher amount as may later be required by the Directors covering all officers and employees of the Manager handling funds and negotiable assets of the Company, which bond shall protect the Company against all loses of any such property, from acts of such officers and employees through theft, embezzlement, or fraud, unless aid offers and employees are furnished under management contract by another firm which carries adequate fidelity bond coverage naming the Company as an insured or beneficiary thereunder.

10. When requested by the Directors, the Manager shall service mortgage loans held by the Company and may charge to the Company such fees as are approved by the Company.

11. The Company will indemnify and hold harmless the Manager, its officers, directors and employees, from and against any liabilities, claims, damages, costs or expenses arising out of the performance by the Manager of its duties and services hereunder (other than any costs or expenses which are to be

borne by the Manager pursuant to other provisions of this Agreement), to the extent that such liabilities, claims, damages, costs or expenses are not covered by insurance; provided, however, that no such right of indemnity shall exist with respect to, but rather the Manager will indemnify and hold harmless the Company and each Director individually from and against any liabilities, claims, damages, costs or expenses incurred by reason of acts constituting bad faith, willful misfeasance, gross negligence or reckless disregard of its duties hereunder, or on the part of its officers and employees. The Manager assumes no responsibility under this Agreement other than to render the services called for hereunder in good faith and shall not be responsible for any action of the Directors in following or declining to follow any advice or recommendations of the Manager.

12. Anything in this Agreement to the contrary notwithstanding, the Manager shall not have or make any claim under, by reason of, or in connection with this Agreement against the Directors personally, or against the shareholders of the Company, but shall look solely to the property of the Company for the payment of any such claims.

13. A. The Manager shall receive a monthly fee payable at the end of each month in the amount of 1/10th of one percent of the Average Invested Assets of the Company (as defined in Article XIII, Section 1(a) of the Amended By-Laws of the Company) less long and short-term debt obligations (excluding accrued expenses and other liabilities).

B. In addition, the Company shall pay the Manager an annual incentive fee (which may be disbursed monthly in advance) equal to 10% of the amount of "net profits" (as defined below) of the Company for such fiscal year in excess of 10% of the average net worth (as defined below) of the Company; provided, however, that such incentive fee shall be subject to the limitations hereinafter set forth in Subsection 13(c). For the purpose of this Subsection, "net profits" shall mean the net profits of the Company for the fiscal year determined in accordance with generally accepted accounting principles, after all proper charges (including compensation to the Manager) but adjusted for the following:

i) Exclude as a deduction from "net profits" the Manager's incentive fee to be paid for such fiscal year.

ii) Exclude as a deduction from "net profits" all depreciation expense from operating leases (as that term is defined by the Financial Accounting Board) to the extent that such depreciation expense is not guaranteed by the lessor or lessor's affiliates (i.e., guaranty part or all of the Company's original investment).

iii) Exclude as income from "net profits" any gain on the sale or exchange of operating lease property to the extent of the aggregate depreciation expense excluded as a deduction from "net profits" in ii) above related to the property sold or exchanged.

For the purpose of this Subsection, "net worth" shall mean an average of the monthly shareholders' equity determined in accordance with generally accepted accounting principles, but adjusted by increasing shareholders' equity for the accumulated depreciation on all property in which the depreciation is excluded as a deduction from "net profits" in ii) above.

In the event this Agreement is terminated other than at the end of a fiscal year, the incentive fee shall be computed on the basis of the "net profits" of the Company to the date of termination.

C. Pursuant to Article VIII, Subsection 3(d) of the Amended By-Laws, the Manager shall reimburse the Company at least annually for the amount, if any, by which the aggregate annual expenses paid or incurred by the Company exceed the amount permitted by such Section 3(d) to be paid or incurred. The salaries and wages along with related payroll taxes and similar expenses of Company employees performing duties described in Section 2 above shall be deducted from fees paid to the Manager if such employees are also employees of the Manager.

14. The Manager shall be responsible for payment of the following administrative expenses:

A. Employment expenses, including salaries, wages, payroll taxes, cost of employee benefit plans and incidental help attributable to operations of the Manager;

B. Accounting fees and related expenses of the Manager;

C. Legal fees of the Manager;

D. Insurance on assets of the Manager;

E. Rent, telephone, utilities and other office expenses related to the operations of the Manager for its own account; and

F. Travel expenses of officers and employees of the Manager on the Manager's business.

15. The Company shall be responsible to pay or reimburse for the following administrative or other expenses:

A. Manager's compensation.

B. Employee expenses applicable to employees of the Company.

C. Directors' compensation and expenses.

D. Accounting fees and audit expenses of the Company.

E. Legal fees of the Company.

F. Insurance applicable to Directors, officers and employees of the Company and properties of the Company.

G. Rent, telephone, utilities and office expense attributable to the Company which may be allocated in the discretion of the Directors between the Company and the Manager.

H. Taxes on income or property of the Company.

I. Expenses including interest and data processing connected with the acquisition, operation, maintenance, protection and disposition of real estate or mortgage loans or other Company assets.

J. Fees for the management of real estate owned by the Company.

K. Servicing fees applicable to mortgage loans or other securities.

L. Fees payable to the Manager and other consultants, managers or agents employed by the Directors for services beyond the purview of this Agreement.

M. Expenses of organizing, revising, amending, converting, modifying or terminating the Company.

N. Expenses incurred in connection with the listing of securities of the Company on any stock exchange.

O. Expenses of any transfer agent or registrar of securities or dividend agent of the Company.

P. Expenses of registration of securities of the Company under Federal securities law, underwriting costs, legal fees, accounting fees, costs relating to the qualification of securities under the securities laws of the several states and other expenses relating to the offer and sale of securities, whether by public offering or private placement.

Q. All other expenses properly incurred on behalf of the Company although the same may not have been specified.

16. This Agreement shall remain in force until the second quarter meeting of the full Board of Directors unless earlier renewed or terminated as set forth below.

17. This Agreement shall terminate automatically in the event of its assignment by the Manager without the written consent of the Company and shall not be assignable by the Company without the written consent of the Manager, except in the case of assignment by the Company to a corporation or other organization which is a successor to the Company, and any such successor organization shall assume the duties and obligations of the Company hereunder.

18. This Management Agreement and any extension hereof may be terminated without penalty at any time upon sixty days prior written notice given by the Manager, or given by the Company following a majority vote of the Directors. This Agreement shall be terminated immediately upon the written notice of termination by the Company to the Manager in the event that (a) the Manager shall violate any material provision of this Agreement and, upon written notice of such violation, shall not cure such default within thirty days, or (b) the Manager shall be adjudged bankrupt or insolvent by a court of competent jurisdiction or an order shall be made by a court of competent jurisdiction for the appointment of a receiver of the Manager and such adjudication or order shall remain in force or unstayed for a period of thirty days.

19. From and after the effective date of termination of this Agreement, pursuant to Sections 16, 17, or 18 hereof, the Manager shall not be entitled to compensation for further services hereunder. The Manager shall forthwith upon such termination:

A. Pay over to the Company all money collected and held for account of the Company pursuant to this Agreement, after deducting any accrued compensation and reimbursement for its expenses to which it is then entitled.

B. Deliver to the Directors a full accounting, including a statement showing all payments collected by it and a statement of all money held by it, covering the period following the date of the last accounting furnished to the Directors.

C. Deliver to the Directors all property and documents of the Company then in the custody of the Manager.

20. Any notice, report or other communication required or permitted to be given hereunder shall be in writing and shall, unless some other method of giving such notice, report or other communication is accepted by the party to whom it is given, be given by being delivered to or by being mailed by certified mail to the following addresses of the parties hereto:

The Manager: First Toledo Corporation
One SeaGate, Suite 1950
Toledo, Ohio 43604

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The Company: Health Care REIT, Inc.
One SeaGate, Suite 1950
Toledo, Ohio 43604

Either party may at any time give notice in writing to the other party that it wishes to change its address for the purpose of this Section.

21. This Agreement shall not be changed, modified, terminated or disposed in whole or in part except by an instrument in writing signed by both parties hereto, or their respective successors or assigns.

22. This Agreement shall bind any successors or assigns of the parties hereto.

23. The provisions of this Agreement shall be constructed and interpreted in accordance with the laws of the State of Ohio as at the time in effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers thereunto duly authorized as of the day and year first above written.

Attest:

HEALTH CARE REIT, INC.

___________________________ By___________________________
F. D. Wolfe, President

____

Attest: FIRST TOLEDO CORPORATION

___________________________ By___________________________
Bruce G. Thompson, President

____

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

HCRI PENNSYLVANIA PROPERTIES, INC.

On November 1, 1993, the Company formed a wholly-owned subsidiary, HCRI Pennsylvania Properties, Inc. This subsidiary was created to own real estate in the State of Pennsylvania.

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 33-43685) dated October 31, 1991 of Health Care REIT, Inc. and the Registration Statement (Form S-8 No. 33-46561) dated March 20, 1992 pertaining to the 1985 Incentive Stock Option Plan of Health Care REIT, Inc. of our report dated February 8, 1995 with respect to the consolidated financial statements and schedule of Health Care REIT, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 1994.

ERNST & YOUNG LLP

Toledo, Ohio
March 3, 1995

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 1994, hereby constitutes and appoints FREDERIC D. WOLFE, BRUCE G. THOMPSON AND RICHARD C. GLOWACKI his true and lawful attorneys-in-fact and agents, and each of them, with full power to act without the others, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 6th day of March, 1995.

/s/ PIER C. BORRA

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Pier C. Borra, Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 1994, hereby constitutes and appoints FREDERIC D. WOLFE, BRUCE G. THOMPSON AND RICHARD C. GLOWACKI his true and lawful attorneys-in-fact and agents, and each of them, with full power to act without the others, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 6th day of March, 1995.

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/s/ GEORGE L. CHAPMAN

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George L. Chapman, Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 1994, hereby constitutes and appoints FREDERIC D. WOLFE, BRUCE G. THOMPSON AND RICHARD C. GLOWACKI his true and lawful attorneys-in-fact and agents, and each of them, with full power to act without the others, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 6th day of March, 1995
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/s/ GEORGE CHOPIVSKY, JR.

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George Chopivsky, Jr., Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 1994, hereby constitutes and appoints FREDERIC D. WOLFE, BRUCE G. THOMPSON AND RICHARD C. GLOWACKI his true and lawful attorneys-in-fact and agents, and each of them, with full power to act without the others, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 7th day of February, 1995

/s/ BRUCE DOUGLAS

____

Bruce Douglas, Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 1994, hereby constitutes and appoints FREDERIC D. WOLFE, BRUCE G. THOMPSON AND RICHARD C. GLOWACKI his true and lawful attorneys-in-fact and agents, and each of them, with full power to act without the others, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 6th day of March, 1995

/s/ RICHARD C. GLOWACKI

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Richard C. Glowacki, Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 1994, hereby constitutes and appoints FREDERIC D. WOLFE, BRUCE G. THOMPSON AND RICHARD C. GLOWACKI his true and lawful attorneys-in-fact and agents, and each of them, with full power to act without the others, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this <u>13th</u> day of <u>February</u>, 1995

/s/ SHARON M. OSTER

Sharon M. Oster, Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 1994, hereby constitutes and appoints FREDERIC D. WOLFE, BRUCE G. THOMPSON AND RICHARD C. GLOWACKI his true and lawful attorneys-in-fact and agents, and each of them, with full power to act without the others, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this <u>6th</u> day of <u>March</u>, 1995

/s/ BRUCE G. THOMPSON

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Bruce G. Thompson, Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 1994, hereby constitutes and appoints FREDERIC D. WOLFE, BRUCE G. THOMPSON AND RICHARD C. GLOWACKI his true and lawful attorneys-in-fact and agents, and each of them, with full power to act without the others, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 6th day of March, 1995

/s/ RICHARD A. UNVERFERTH

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Richard A. Unverferth, Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 1994, hereby constitutes and appoints FREDERIC D. WOLFE, BRUCE G. THOMPSON AND RICHARD C. GLOWACKI his true and lawful attorneys-in-fact and agents, and each of them, with full power to act without the others, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 6th day of March, 1995

/s/ FREDERIC D. WOLFE

Frederic D. Wolfe, Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 1994, hereby constitutes and appoints FREDERIC D. WOLFE, BRUCE G. THOMPSON AND RICHARD C. GLOWACKI his true and lawful attorneys-in-fact and agents, and each of them, with full power to act without the others, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 7th day of February, 1995

/s/ ROBERT J. PRUGER

Robert J. Pruger, Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director of Health Care REIT, Inc. (the "Company"), a Delaware corporation that is about to file with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Exchange Act of 1934, as amended, a Form 10-K Annual Report for the year ended December 31, 1994, hereby constitutes and appoints FREDERIC D. WOLFE, BRUCE G. THOMPSON AND RICHARD C. GLOWACKI his true and lawful attorneys-in-fact and agents, and each of them, with full power to act without the others, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity as director, to sign such Form 10-K which is about to be filed, and any and all amendments to such Form 10-K, and to file such Form 10-K and each such amendment so signed, with all exhibits thereto, and any and all other documents in connection therewith, with the Securities and Exchange Commission, hereby granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform any and all acts and things requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 8th day of February, 1995

/s/ KATHLEEN S. PREPHAN

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Kathleen S. Prephan, Controller

<ARTICLE> CT
<MULTIPLIER> 1

<PERIOD-TYPE>	YEAR	
<FISCAL-YEAR-END>		DEC-31-1994
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<TOTAL-ASSETS>		324,101,989
<COMMON>		11,595,115
<PREFERRED-MANDATORY>		0
<PREFERRED>		0
<OTHER-SE>		177,584,660
<TOTAL-LIABILITY-AND-EQUITY>		324,101,989
<TOTAL-REVENUES>		42,732,031
<INCOME-TAX>		0
<INCOME-CONTINUING>		24,952,918
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		24,952,918
<EPS-PRIMARY>		2.17
<EPS-DILUTED>		2.17