UNITED STATES
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, 1997 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 1500, 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 5, 1998 was $681,752,000 based on the reported closing sales price of such shares on the New York Stock Exchange for that date. As of February 5, 1998, there were 24,348,280 shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for the annual shareholders' meeting to be held April 21, 1998, are incorporated by reference into Part III.

HEALTH CARE REIT, INC.

1997 FORM 10-K ANNUAL REPORT

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PART I

PART I

ITEM 1. BUSINESS

GENERAL

Health Care REIT, Inc. (the "Company") is a self-administered real estate investment trust that invests in health care facilities, primarily nursing homes, assisted living facilities and retirement centers. The Company also invests in specialty care facilities. As of December 31, 1997, long-term care facilities, which include nursing homes, assisted living facilities and retirement centers, comprised approximately 86% of the investment portfolio. Founded in 1970, the Company was the first real estate investment trust to invest exclusively in health care facilities.

As of December 31, 1997, the Company had $733,509,000 of real estate investments, inclusive of credit enhancements, in 183 facilities located in 29 states and managed by 49 different operators. At that date, the portfolio included 116 assisted living facilities, 49 nursing homes, 10 retirement centers, six specialty care facilities, and two behavioral care facilities. At December 31, 1997, the Company had approximately $275,017,000 in unfunded commitments.

The Company's primary objectives are to protect shareholders' capital and enhance shareholder value. The Company seeks to pay consistent cash dividends to shareholders and create opportunities to increase dividend payments from annual increases in rental and interest income and portfolio growth. To meet these objectives, the Company invests primarily in long-term care facilities managed by experienced operators and diversifies its investment portfolio by form of investment, operator and geographic location.

The Company anticipates providing mortgage financing for qualified health care operators and acquiring additional health care facilities through operating lease arrangements. Capital for future investments may be provided by borrowing under the Company's revolving credit facilities, public offerings or private placements of debt or equity, and the assumption of secured indebtedness.

PORTFOLIO OF PROPERTIES

The following table reflects the diversification of the Company's portfolio as of December 31, 1997:

Type of Facility	Investments (1) (In thousands)	Percentage of Portfolio	Number of Facilities	Number of Beds/ Units	Investment Per Bed/ Unit(2)	Number of Operators	Number of States(3)
Assisted Living Facilities	$350,159	48%	116	7,812	$66,732	19	17
Nursing Homes	233,103	32%	49	6,430	38,223	23	17
Specialty Care Facilities	92,591	13%	6	713	129,861	3	5
Retirement Centers	47,332	6%	10	1,054	49,807	6	7
Behavioral Care Facilities	10,324	1%	2%	294	35,115	1	1
Totals	$733,509	100%	183	16,303			

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<FN>
(1) Investments include real estate investments and credit enhancements which amounted to $717,944,000 and $15,565,000, respectively.

(2) Investment Per Bed/Unit was computed by using the total investment amount of $922,500,000 which includes real estate investments, unfunded commitments for which initial funding has commenced, and credit enhancements which total $717,944,000, $188,991,000 and $15,565,000, respectively.

(3) The Company has investments in properties located in 29 states, managed by 49 different operators.

Nursing Homes

Skilled nursing facilities provide inpatient skilled nursing and custodial services as well as rehabilitative, restorative and transitional medical services. In some instances, nursing facilities supplement hospital care by providing specialized care for medically complex patients whose conditions require intense medical and therapeutic services, but who are medically stable enough to have these services provided in facilities that are less expensive than acute care hospitals.

Assisted Living Facilities

The assisted living facilities provide services to aid in everyday living, such as bathing, meals, security, transportation, recreation, medication supervision and limited therapeutic programs. More intensive medical needs of the resident are often met within assisted living facilities by home health providers, close coordination with the resident's physician and skilled nursing facilities. Assisted living facilities are increasingly successful as lower cost, less institutional alternatives for the health problems of the elderly or medically frail.

Retirement Centers

The retirement centers offer specially designed residential units for active and ambulatory elderly residents and provide various ancillary services. Retirement centers offer residents an opportunity for an independent lifestyle with a range of social and health services.

Specialty Care Facilities

The specialty care facilities provide specialized inpatient services for specific illnesses or diseases, including, among others, coronary and cardiovascular services. Specialty care facilities are lower cost alternatives to acute care hospitals.

Behavioral Care Facilities

The behavioral care facilities offer comprehensive inpatient and outpatient psychiatric treatment programs. Programs are tailored to the individual and include individual, group and family therapy.

INVESTMENTS

The Company invests in income producing health care facilities with a primary focus on long-term care facilities, which include skilled nursing facilities, assisted living facilities and retirement centers. The Company also invests in specialty care facilities. The Company intends to continue to diversify its investment portfolio by type of health care facilities and form of financing.

In determining whether to finance a facility, the Company focuses on: (a) the experience of the operator; (b) the financial and operational feasibility of the property; (c) the financial strength of the borrower or lessee; (d) the security available to support the financing; and (e) the amount of capital committed to the property by the borrower or lessee. Management conducts market research and analysis for all potential investments. In addition, Management reviews the value of all properties, the interest rates and debt service coverage requirements of any debt to be assumed and the anticipated sources for repayment for such debt.

The Company's investments primarily take the form of operating lease transactions, permanent mortgage loans and construction financings. Substantially all of the Company's mortgage loans are designed with escalating rate structures that may result in principal payment prior to maturity. The Company's policy is to structure long term financings 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.

Mortgage loans and operating leases are normally secured by guarantees and/or letters of credit. As of December 31, 1997, letters of credit from commercial banks, and cash deposits aggregating $39,159,000 were available to the Company as security for operating lease, permanent mortgage loan and construction loan obligations. In addition, the leases and loans are generally cross-defaulted and the loans are cross-collateralized with any other mortgage loans, leases, or other agreements between the operator or any affiliate of the operator and the Company.

The Company typically finances up to 90% of the appraised value of a property. Economic terms normally include annual rate increases and fair market value based purchase options in operating leases, and may include contingent interest for mortgage loans.

The Company monitors its investments through a variety of methods, which are determined by the type of health care facility and operator. The monitoring process includes a review and analysis of facility, borrower or lessee, and guarantor financial statements; periodic site visits; property reviews; and meetings with operators. Such reviews of operators and facilities generally encompass licensure and regulatory compliance materials and reports, contemplated building improvements and other material developments.

For certain investments, the Company receives warrants or other similar equity instruments that provide the Company with an opportunity to share in an operator's enterprise value. As of December 31, 1997, the Company had warrants from 13 operators to purchase their common stock or partnership interest. None of the warrants are publicly traded. In one instance, the underlying common stock that relates to one set of warrants is publicly traded, and the market price of the common stock exceeded the exercise price of the related warrants at December 31, 1997.

In connection with investments in two operators, the Company also received warrants that were converted into shares of common stock. As of December 31, 1997, those shares of common stock were recorded on the Company's balance sheet at a value of $4,402,000.

Operating Leases

Each facility, which includes the land, buildings, improvements and related rights (the "Leased Properties") owned by the Company is leased to a health care provider pursuant to a long-term lease (collectively, the "Leases"). The Leases generally have a fixed term of 10 to 13 years and contain multiple five to ten-year renewal options. Each Lease is a triple net lease requiring the lessee to pay rent and all additional charges incurred in the operation of the Leased Property. The lessees are required to repair, rebuild and maintain the Leased Properties.

The net value of the Company's completed leased properties aggregated approximately $250,225,000 at December 31, 1997. The base rents range from approximately 9.1% to 16.7% per annum of the Company's equity investment in the leased properties. The base rents for the renewal periods are generally fixed rents set at a spread above the Treasury yield for the corresponding period. In addition, the Company typically charges a lease commitment fee at the initiation of the transaction.

Permanent Mortgage Loans

The Company's investments in permanent mortgage loans are structured to provide the Company with interest income, principal amortization and commitment fees. Virtually all of the approximately $377,638,000 of permanent mortgage loans as of December 31, 1997 were first mortgage loans.

The interest rate on the Company's investments in permanent mortgage loans for operating facilities ranges from 9.96% to 13.24% per annum on the outstanding balances. The yield to the Company on permanent mortgage loans depends upon a number of factors, including the stated interest rate, average principal amount outstanding during the term of the loan, the amount of the commitment fee charged at the inception of the loan and any interest rate adjustments.

The permanent mortgage loans for operating facilities made through December 31, 1997 are generally subject to seven to ten year terms with 25-year amortization schedules that provide for a balloon payment of the outstanding principal balance at the end of the term. Generally, the permanent mortgage loans provide five to seven years of prepayment protection.

Construction Financing

The Company provides construction financing that by their terms converts either into a long-term operating lease or mortgage loan upon the completion of the facilities. Generally, the rates on the outstanding balances of the Company's construction financings are 225 to 350 basis points over the prime rate of a specified financial institution. The Company also typically charges a commitment fee at the commencement of the financing. The construction financing period commences upon funding and terminates upon the earlier of the completion of development of the applicable facility or the end of a specified period, generally 12 to 18 months. During the term of the construction financing, funds are advanced pursuant to draw requests made by the operator in accordance with the terms and conditions of the applicable financing agreement, which terms require, among other things, a site visit by a Company representative prior to the advancement of funds. Monthly payments are made on the total amount of the proceeds advanced during the development period.

During the construction financing period, the Company generally requires additional security and collateral in the form of either payment and performance bonds and/or completion guarantees by either one, or a combination of, the operator's parent entity, other affiliates of the operator, or one or more of the individual principals of the operator.

At December 31, 1997, the Company had outstanding construction financings of $74,748,000 ($47,050,000 leased properties and $27,698,000 mortgage loans) and was committed to providing additional financing of approximately $164,744,000 to complete construction.

BORROWING POLICIES

The Company may arrange for long-term borrowing from banks, private placements to institutional investors, or public offerings. For other short-term purposes, the Company may, from time to time, negotiate lines of credit, or arrange for other short-term borrowing from banks or others.

In addition, the Company may incur mortgage indebtedness on real estate that it has acquired through purchase, foreclosure or otherwise. When terms are deemed favorable, the Company may invest in properties subject to existing loans and mortgages. In addition, the Company may obtain financing for unleveraged properties in which it has invested or may refinance properties acquired on a leveraged basis.

Under documents pertaining to existing indebtedness, the Company is subject to various restrictions with respect to secured and unsecured indebtedness.

ALLOWANCE FOR LOSSES

The Company maintains an allowance for possible losses that is evaluated quarterly to determine its adequacy. See Notes 1 and 5 of Notes to Financial Statements. At December 31, 1997, the total allowance of $4,387,000 was not allocated to any specific properties. The Company believes that its allowance is adequate.

COMPETITION

The Company competes with other real estate investment trusts, real estate partnerships, banks, insurance companies and other investors in the acquisition, leasing and financing of health care facilities.

The operators of the facilities compete on a local and regional basis with operators of facilities that provide comparable services. Operators compete for patients and residents based on a number of factors, including quality of care, reputation, physical appearance of facilities, services offered, family preferences, physicians, staff and price.

EMPLOYEES

As of December 31, 1997, the Company employed 19 full-time employees.

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 limitations based on a "target amount" per discharge. The target amount is based on updates to the facility's costs per discharge in a base year. Medicare payment rules for such hospitals were changed effective October 1, 1997 to further limit reimbursable costs, reduce payment incentives for providers whose costs are below the target amount, and reduce capital-related payments by 15%. The target amount for any facility is now capped at the 75th percentile of the target amounts for facilities of the same type. (For new facilities, the target is 110% of the median costs per discharge of similar hospitals.) In addition, the target amount update is set at 0% for federal fiscal 1998. Depending on how the facility's costs per discharge compare to its target amount, increases thereafter range from 0% to the "market basket" percentage reflecting the inflation rate for costs of items purchased by similar facilities.

In addition, payments to rehabilitation hospitals and units will be based on fixed rates per discharge that vary according to the nature of the patient's condition. The new system will be phased in over three years beginning with the cost reporting year commencing after October 1, 2000.

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. Recent legislation changes the Medicare payment methodology for skilled nursing facilities effective for cost reporting years commencing after July 1, 1998. The cost-based system is replaced by a federal per diem rate that is phased in over three years. (New facilities are immediately paid based on the federal rate.) The new per diem rate will be the sole payment for both direct nursing care ("Part A services") and ancillary services that were previously billed separately from the cost-based reimbursement system ("Part B services"). Capital costs are also included in the per diem rate. Many states have also converted to a system based on prospectively determined fixed rates, which may be based in part on historical costs.

Until 1997, state Medicaid programs were required to pay hospitals and nursing facilities based on rates that were reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated facilities in order to provide services in conformity with federal and state standards and to assure reasonable access to patients. This law restricted the ability of the states to reduce Medicaid payments. Congress repealed this requirement in 1997. Under the new law, states need only publish the methodology used to develop the proposed rates, along with a justification for the methodology, and allow public comment. This change could result in reduced Medicaid payments to facilities operated by the Company's customers.

Medicare and Medicaid regulations could adversely affect the resale value of the Company's health care facilities. Medicare regulations provide that effective December 1, 1997, when a facility changes ownership (by sale or under certain lease transactions), reimbursement for depreciation and interest will be based on the cost to the owner of record as of August 5, 1997, less depreciation allowed. Previously, the buyer would use its cost of purchase up to the original owner's historical cost BEFORE depreciation. Medicaid regulations allow a limited increase in the valuation of nursing facilities (but not hospitals) during the time the seller owned the facility. Other 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.

Recent interpretations of the Medicare laws limit the ability of hospitals and nursing facilities to be reimbursed for interest costs that are deemed to be unnecessary because the facilities have other funds derived from patient care activities that were put to other uses (such as investments) or transferred to related parties. This could reduce reimbursement to Company customers for interest on loans from the Company.

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 beyond certain limits. 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" organizations to meet the needs of program beneficiaries. These organizations 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.

Recent federal legislation substantially expanded activities to enforce laws against fraud and abuse in federally funded health care programs. These laws prohibit misrepresentations in billings and cost reports, payments to parties who influence purchases or referrals of covered services, and provision of unnecessary services.

On February 2, 1998 President Clinton submitted a budget proposed to Congress that included a plan to allow able-bodied people aged 55 to 64 to buy in to the Medicare program. The budget also proposed further expansion of the federal government's enforcement programs against health care fraud and abuse. It is impossible to predict with any certainty what form any budget legislation may ultimately take.

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. Some states have repealed these requirements, which may result in increased competition, and other states are considering similar repeals.

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 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 shareholders. Any undistributed income or gains will be taxed to the Company at regular corporate tax rates. Beginning in 1998, any undistributed net long term capital gains taxed to the Company will be treated as having been distributed to the shareholders and will be included by them in determining the amount of their capital gains. The tax paid by the Company on those gains will be allocated among the shareholders and may be claimed as a credit on their tax returns. The shareholders will receive an increase in the basis of their shares in the Company equal to the difference the capital gain income and the tax credit allocated to them. 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%. The Company may elect to treat any real property it acquires by foreclosure as foreclosure property. This would permit the Company to hold such property acquired before January 1, 1998 for up to two years and to hold property acquired after December 31, 1997 until the end of the third taxable year after the year of acquisition without adverse consequences. 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 shareholders 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 1997, 1996 and 1995 and incurred an excise tax of approximately $360,000, $317,000 and $326,000 respectively, in those years. There is a cumulative underdistribution of $15,926,000 that will carry over to 1998 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. Further, the Company would be unable to pass through its undistributed capital gains and the related tax paid by the Company.

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

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.

SUBSIDIARIES AND AFFILIATES

On November 1, 1993 and July 9, 1996, the Company formed two wholly-owned subsidiaries, HCRI Pennsylvania Properties, Inc. and HCRI Overlook Green, Inc., respectively. These Pennsylvania corporations were created to own real estate in the State of Pennsylvania.

On December 27, 1996 and December 30, 1996, the Company formed a wholly-owned subsidiary, HCRI Texas Properties, Inc., a Delaware corporation, and HCRI Texas Properties, Ltd., a Texas limited partnership, respectively. Both entities were created in connection with real estate investments in the State of Texas.

ITEM 2. PROPERTIES

The Company's headquarters are currently located at One SeaGate, Suite 1500, Toledo, Ohio 43604. The following table sets forth certain information regarding the facilities that comprise the Company's investments as of December 31, 1997.

			(in thousands)	
Facility Location	Number of Facilities	Number of Beds/ Units	Total Investment(1)	Annualized Income(2)
NURSING FACILITIES:				
Arizona...........................	3	351	$ 16,959	$ 2,025
California........................	1	122	3,872	444
Colorado..........................	1	180	6,346	680
Connecticut.......................	2	240	14,956	1,462
Florida...........................	2	240	9,332	1,088

Idaho	3	404	19,857	2,174
Indiana	1	50	1,058	168
Kentucky	1	92	4,488	514
Massachusetts	12	1,726	67,301	7,188
Michigan	2	250	4,735	576
Missouri	2	220	9,873	1,066
New York	1	200	7,354	800
Ohio	7	762	27,650	3,243
Oregon	1	121	5,307	580
Pennsylvania	2	287	12,877	1,610
Texas	7	1,120	19,868	2,305
West Virginia	1	65	1,270	224
Total	49	6,430	233,103	26,147
ASSISTED LIVING FACILITIES:				
Connecticut	1	80	2,880	315
Florida	16	1,008	42,390	4,598
Georgia	3	292	7,024	688
Idaho	1	48	2,669	267
Indiana	1	60	1,120	120
Maryland	3	261	5,670	616
Massachusetts	1	131	5,185	555
Montana	1	44	1,501	161
New Jersey	1	264	17,187	1,770
New Mexico	2	159	8,068	894
New York	5	606	41,970	4,524
North Carolina	14	748	25,706	2,613
Ohio	4	327	17,656	1,856
Oklahoma	16	540	23,651	2,520
Pennsylvania	5	541	30,877	3,522
Texas	38	2,466	107,213	11,590
Virginia	4	237	9,392	1,049
Total	116	7,812	350,159	37,658
RETIREMENT CENTERS:				
Arizona	1	164	2,396	299
California	1	92	2,396	299
Illinois	2	320	11,991	244
Indiana	2	111	2,502	268
New Mexico	1	150	7,420	171
North Carolina	2	159	16,091	1,666
Texas	1	58	4,536	480
Total	10	1,054	47,332	3,427
SPECIALTY CARE FACILITIES:				
Arkansas	1	117	29,000	3,347
California	2	416	32,149	3,824
Minnesota	1	n/a	530	66
Texas	1	70	13,750	1,431
Washington D.C.	1	110	17,162	2,061
Total	6	713	92,591	10,729
BEHAVIORAL CARE FACILITIES:				
Florida	2	294	10,324	1,084
TOTAL ALL FACILITIES:	183	16,303	$ 733,509	$ 79,045

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(1) Investments include real estate investments and credit enhancements which amounted to $717,944,000 and $15,565,000, respectively.

(2) Reflects contract rate of annual base rent or interest received or to be received upon completion of construction.

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 Tape and dividends paid per share. There were 5,722 shareholders of record as of December 31, 1997.

	SALES PRICE		DIVIDENDS
	HIGH	LOW	PAID
1997			
First Quarter	$25.500	$23.625	$ 0.520
Second Quarter	25.000	22.250	0.525
Third Quarter	27.625	24.250	0.530
Fourth Quarter	28.750	25.500	0.535
1996			
First Quarter	$ 22.625	$ 17.875	$ 0.520
Second Quarter	23.000	20.500	0.520
Third Quarter	23.250	20.875	0.520
Fourth Quarter	25.250	23.000	0.520

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data for the five years ended December 31, 1997 are derived from the audited consolidated financial statements of the Company.

	Year Ended December 31, (In thousands, except per share data)				
	1997	1996	1995	1994	1993
OPERATING DATA					
Revenues	$73,308	$54,402	$44,596	$42,732	$36,018
Expenses:					
Interest expense	15,365	14,635	12,752	9,684	10,817
Provision for depreciation	5,287	2,427	1,580	1,385	790
General and administrative and other expenses (1)	6,178	6,664	10,835	6,710	4,356
Settlement of management contract (2)	--	--	5,794	--	--
Total expenses	26,830	23,726	30,961	17,779	15,963
Net income	$46,478	$30,676	$13,635	$24,953	$20,055
OTHER DATA					
Average number of shares outstanding (3):					
Basic	21,594	14,093	11,710	11,519	9,339
Diluted	21,929	14,150	11,728	11,548	9,373
Cash available for distribution (4)	$56,856	$36,705	$27,938	$31,697	$22,780
PER SHARE					
Net income:					
Basic	$ 2.15	$ 2.18	$ 1.16	$ 2.17	$ 2.15
Diluted	2.12	2.17	1.16	2.16	2.14
Cash distributions	2.11	2.08	2.075	2.01	1.93

December 31,

	(In thousands)				
	1997	1996	1995	1994	1993
BALANCE SHEET DATA					
Real estate investments, net..............................	$713,557	$512,894	$351,924	$318,433	$276,858
Total assets..	734,327	519,831	358,092	324,102	285,024
Total debt..	249,070	184,395	162,760	128,273	96,311
Total liabilities...	264,403	194,295	170,494	134,922	100,892
Total shareholders' equity................................	469,924	325,536	187,598	189,180	184,132

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(1) General and administrative and other expenses include loan expense, management fees through November 30, 1995, provision for losses, expenses related to disposition of investments and other operating expenses.

(2) On November 30, 1995, the Company's advisor merged into the Company. Consideration for this transaction totaled approximately $5,048,000 which was solely comprised of 282,407 Shares. In addition, the Company acquired approximately $46,000 in net assets and incurred approximately $792,000 of related transaction expenses. The consideration, plus related transaction expenses, were accounted for as a settlement of a management contract.

(3) The earnings per share amounts prior to 1997 have been restated as required to comply with Statement of Financial Accounting Standards No. 128, Earnings Per Share. For further discussion of earnings per share and the impact of Statement No. 128, see the notes to the consolidated financial statements beginning on page 22.

(4) Cash available for distribution 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 cash available for distribution in evaluating investments and the Company's operating performance. Cash available for distribution 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

At December 31, 1997, the Company's net real estate investments totaled approximately $713,557,000, which included 116 assisted living facilities, 49 nursing facilities, 10 retirement centers, six specialty care facilities and two behavioral care facilities. The Company funds its investments through a combination of long-term and short-term financing, utilizing both debt and equity.

During 1997, the Company provided permanent mortgage financings of $46,231,000, invested $66,779,000 in operating leases, made construction advances of $144,672,000, and funded $4,964,000 of equity related investments. During 1997, the Company received principal payments on real estate mortgages of $8,487,000, net draws on working capital loans of $1,529,000 and proceeds of $41,263,000 from the prepayment of mortgage loans.

During 1997, eight of the above-mentioned construction projects completed the construction phase of the Company's investment process and were converted to investments in operating leases, with an aggregate investment of $37,664,000, and 14 construction loans converted to permanent mortgage loans with an aggregate investment balance of $104,173,000.

As of December 31, 1997, the Company had shareholders' equity of $469,924,000 and a total outstanding debt balance of $249,070,000, which represents a debt to equity ratio of 0.53 to 1.0.

In January 1997, in connection with the underwriters' exercise of an over allotment option associated with the Company's December 18, 1996 offering of 2,200,000 shares of common stock, the Company issued 330,000 shares of Common Stock, $1.00 par value per share, at the price of $23.875 per share, which generated net proceeds of $7,485,000 to the Company.

In March 1997, the Company issued 3,150,000 shares of Common Stock, $1.00 par value per share, at the price of $24.375 per share, which generated net proceeds to the Company of $72,261,000.

In March 1997, the Company closed a $175 million unsecured credit facility which replaced the Company's then existing secured credit facility. Simultaneous with the closing of the new credit facility, all senior noteholders released collateral which had served as security for the Company's then outstanding $82 million of senior indebtedness.

In April 1997, the Company completed the sale of $80 million of Senior Unsecured Notes. The Company priced $20 million of notes due 2000, $20 million of notes due 2002 and $40 million of notes due 2004. The notes have a weighted average interest rate of 7.91%.

In October 1997, the Company issued 2,085,500 shares of Common Stock, $1.00 par value per share, at the price of $26.625 per share, which generated net proceeds to the Company of $52,963,000.

As of December 31, 1997, the Company had an unsecured revolving line of credit expiring March 31, 2000 in the amount of $175,000,000 bearing interest at the lender's prime rate or LIBOR plus 1.125%. In addition, the Company had an unsecured revolving line of credit in the amount of $10,000,000 bearing interest at the lenders' prime rate expiring January 31, 1999. At December 31, 1997, under the Company's line of credit arrangements, available funding totaled $106,600,000.

As of February 5, 1998, the Company has effective shelf registrations on file with the Securities and Exchange Commission under which the Company may issue up to $641,269,000 of securities including debt, convertible debt, common and preferred stock. The Company anticipates issuing securities under such shelf registrations to invest in additional health care facilities and to repay borrowings under the Company's line of credit arrangements.

As of December 31, 1997, the Company had approximately $275,017,000 in unfunded commitments. The Company believes its liquidity and various sources of available capital are sufficient to fund operations, finance future investments, and meet debt service and dividend requirements.

RESULTS OF OPERATIONS DECEMBER 31, 1997 VS. DECEMBER 31, 1996

Revenues for the year ended December 31, 1997 were $73,308,000 compared to $54,402,000 for the year ended December 31, 1996, an increase of $18,906,000 or 35%. Revenue growth resulted primarily from increased operating lease income of $12,330,000, interest income of $9,264,000, and loan and commitment fees of $429,000 from additional real estate investments made during the past twelve to fifteen months.

The growth in interest and rental income for the year ended December 31, 1997 was offset by prepayment fees and gains on the exercise of purchase options earned during 1996, which totaled $3,059,000 and $576,000 respectively, as compared with prepayment fees of $529,000 earned during 1997.

Expenses for the year ended December 31, 1997, totaled $26,830,000, an increase of $3,104,000 from expenses of $23,726,000 for the year ended December 31, 1996. The increase in total expenses for the year ended December 31, 1997 was primarily related to an increase in interest expense, additional expense associated with the provision for depreciation, and an increase in general and administrative expenses. Expenses for the year ended December 31, 1996 were negatively influenced by an $808,000 disposition of investment expense associated with the Company's elimination of certain investments in behavioral care facilities.

Interest expense for the year ended December 31, 1997 was $15,365,000 compared with $14,635,000 for the year ended December 31, 1996. The increase in interest expense during 1997 was primarily due to the issuance of $80,000,000 Senior Notes in April 1997. The increase in the 1997 period was offset by the amount of capitalized interest recorded in 1997.

The Company capitalizes certain interest costs associated with funds used to finance the construction of properties owned directly by the Company. The amount capitalized is based upon the borrowings outstanding during the construction period using the rate of interest which approximates the Company's cost of financing. The Company's interest expense is reduced by the amount capitalized. Capitalized interest for the year ended December 31, 1997 totaled $2,306,000, as compared with $287,000 for the same period in 1996.

The provision for depreciation for the year ended December 31, 1997 totaled $5,287,000, an increase of $2,860,000 over the year ended 1996 as a result of additional operating lease investments.

General and administrative expense for the year ended December 31, 1997 totaled $4,858,000 as compared with $4,448,000 for the year ended December 31, 1996. The expenses for the year ended December 31, 1997 were 6.63% of revenues as compared with 8.18% for the year ended December 31, 1996.

As a result of the various factors mentioned above, net income for the year ended December 31, 1997 was $46,478,000, or $2.12 per share, as compared with $30,676,000, or $2.17 per share for the year ended December 31, 1996. Net income for the year ended December 31, 1996 included $3,635,000, or $0.26 per share, of prepayment fees and gains on the exercise of purchase options, as compared with $529,000, or $0.02 per share, for the year ended December 31, 1997. All per share amounts represent diluted earnings per share.

RESULTS OF OPERATIONS DECEMBER 31, 1996 VS. DECEMBER 31, 1995

Revenues for the year ended December 31, 1996, were $54,402,000 compared to $44,596,000 for the year ended December 31, 1995, an increase of $9,806,000 or 22%. Revenue growth resulted primarily from increased interest income of $5,457,000, operating lease income of $3,496,000 and loan and commitment fees of $941,000 resulting primarily from additional real estate investments made during the past twelve to fifteen months.

Expenses for the year ended December 31, 1996, totaled $23,726,000, a decrease of $7,235,000 from expenses of $30,961,000 for the year ended December 31, 1995. Expenses for the year ended December 31, 1995, were negatively influenced by nonrecurring charges, primarily related to a $4,800,000 provision for losses and a $5,794,000 charge for the settlement of the management contract, an expense associated with the merger of the Company's advisor into the Company.

The provision for depreciation for the year ended December 31, 1996, totaled $2,427,000, an increase of $848,000 over the year ended 1995 as a result of additional operating lease investments.

Interest expense for the year ended December 31, 1996, was $14,635,000 compared to $12,752,000 for the year ended December 31, 1995. The increase in interest expense during 1996 was primarily due to the issuance of $30,000,000 Senior Notes in April 1996 and higher average borrowings under the Company's line of credit arrangements, which were offset by lower interest rates.

General and administrative expense for the year ended December 31, 1996 totaled $4,448,000 as compared to $5,284,000 for the year ended December 31, 1995. The expenses for the year ended December 31, 1996 were 8.18% of revenues as compared to 11.85% for the year ended December 31, 1995.

During 1996 the Company stated its intention to systematically eliminate its investments in behavioral care facilities. As a result, at September 30, 1996, the Company declared a disposition of investment associated with its behavioral care portfolio. As a result, any gains realized through the repayment or sale of investments associated with the Company's behavioral care facilities were added to the Company's general allowance for losses and applied against any losses incurred through the repayment or sale of behavioral care related investments. During the year ended December 31, 1996, the Company recorded an $808,000 disposition of investment expense as an offset to an $808,000 prepayment fee received from the repayment of two behavioral care related mortgage loans. Additionally, the Company's general allowance for losses was reduced by $481,000, resulting from the repayment of these loans.

As a result of the various factors mentioned above, net income for the year ended December 31, 1996, was $30,676,000 as compared to $13,635,000 for the year ended December 31, 1995. Net income per share for the year ended December 31, 1996, was $2.17 versus $1.16 for the year ended December 31, 1995. The per share increase resulted from an increase in net income offset by an increase in average shares outstanding during 1996. All per share amounts represent diluted earnings per share.

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. 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 continue to be available.

OTHER INFORMATION

This document and supporting schedules may contain "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties, which may cause the Company's actual results in the future to differ materially from expected results. These risks and uncertainties include, among others, competition in the financing of health care facilities, the availability of capital, and regulatory and other changes in the health care sector, as described in the Company's filings with the Securities and Exchange Commission.

The Company has assessed its current computer software for proper functioning with respect to dates in the year 2000 and thereafter. The year 2000 issue and related costs are not expected to have a material impact on the operations of the Company.

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, 1997 and 1996, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1997. Our audits also included the financial statement schedules listed in the Index at Item 14 (a). These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules 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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Health Care REIT, Inc. at December 31, 1997 and 1996, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

ERNST & YOUNG LLP

January 30, 1998
Toledo, Ohio

HEALTH CARE REIT, INC.
CONSOLIDATED BALANCE SHEETS

	DECEMBER 31 1997	1996
ASSETS	(IN THOUSANDS)	
Real estate investments:		
Real property owned		
Land	$ 22,445	$ 12,949
Buildings & improvements	239,549	136,256
Construction in progress	47,050	10,900
	309,044	160,105
Less accumulated depreciation	(11,769)	(6,482)
Total real property owned	297,275	153,623
Loans receivable	412,734	358,182
Direct financing leases	7,935	10,876
	717,944	522,681
Less allowance for losses	(4,387)	(9,787)
Net real estate investments	713,557	512,894
Other Assets:		
Deferred loan expenses	2,275	1,432
Cash and cash equivalents	1,381	581
Investment securities	9,635	768
Receivables and other assets	7,479	4,156
	20,770	6,937
Total assets	$ 734,327	$ 519,831
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Borrowings under line of credit arrangements	$ 78,400	$ 92,125
Senior unsecured notes	162,000	82,000
Bonds and mortgages payable	8,670	10,270
Accrued expenses and other liabilities	15,333	9,900
Total liabilities	264,403	194,295
Shareholders' equity:		
Preferred Stock, $1.00 par value:		
Authorized - 10,000,000 shares		
Issued and outstanding - None		
Common Stock, $1.00 par value:		
Authorized - 40,000,000 shares		
Issued and outstanding - 24,341,030 shares in 1997 and 18,320,291 shares in 1996	24,341	18,320
Capital in excess of par value	435,603	298,281
Undistributed net income	8,841	8,167
Unrealized gains on investment securities available for sale	4,671	768
Unamortized restricted stock	(3,532)	
Total shareholders' equity	469,924	325,536

Total liabilities and shareholders' equity	$ 734,327	$ 519,831

See accompanying notes

HEALTH CARE REIT, INC.
CONSOLIDATED STATEMENTS OF INCOME

	YEAR ENDED DECEMBER 31		
	1997	1996	1995
	(IN THOUSANDS, EXCEPT PER SHARE DATA)		
Revenues:			
Interest on loans receivable	$ 45,999	$ 36,735	$ 30,837
Prepayment fees	529	3,059	4,082
Direct financing leases:			
Lease income	1,238	1,464	1,529
Gain on exercise of options		421	
Operating leases:			
Rents	22,178	9,848	6,352
Gain on exercise of options		155	
Loan and commitment fees	3,036	2,607	1,666
Interest and other income	328	113	130
	73,308	54,402	44,596
Expenses:			
Interest expense	15,365	14,635	12,751
Provision for depreciation	5,287	2,427	1,580
General and administrative	4,858	4,448	2,899
Loan expense	720	808	752
Provision for losses	600	600	4,800
Disposition of investment		808	
Settlement of management contract			5,793
Management fees			2,386
	26,830	23,726	30,961
Net income	$ 46,478	$ 30,676	$ 13,635
Average number of shares outstanding:			
Basic	21,594	14,093	11,710
Diluted	21,929	14,150	11,728
Net income per share:			
Basic	$ 2.15	$ 2.18	$ 1.16
Diluted	2.12	2.17	1.16

See accompanying notes

HEALTH CARE REIT, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	CAPITAL IN			UNAMORTIZED
COMMON	EXCESS OF	UNDISTRIBUTED	UNREALIZED	RESTRICTED

	STOCK	PAR VALUE	NET INCOME	GAINS	STOCK	TOTAL
			(In thousands)			
Balances at January 1, 1995	$ 11,595	$ 161,087	$ 16,498			$ 189,180
Net income			13,635			13,635
Proceeds from issuance of shares under the dividend reinvestment and stock incentive plans	157	2,947				3,104
Issuance of shares related to settlement of management contract	282	4,766				5,048
Unrealized gains on investment securities available for sale				$ 845		845
Cash dividends paid--$2.075 per share			(24,215)			(24,215)
Balances at December 31, 1995	12,034	168,800	5,918	845		187,597
Net income			30,676			30,676
Proceeds from issuance of shares under the dividend reinvestment and stock incentive plans	176	3,479				3,655
Proceeds from sale of shares, net of expenses of $6,433,000	6,110	126,002				132,112
Change in unrealized gains on investment securities available for sale				(77)		(77)
Cash dividends paid -- $2.08 per share			(28,427)			(28,427)
Balances at December 31, 1996	18,320	298,281	8,167	768		325,536
Net income			46,478			46,478
Proceeds from issuance of shares under the dividend reinvestment and stock incentive plans	455	10,179			$ (3,789)	6,845
Proceeds from sale of shares, net of expenses of $7,477,000	5,566	127,143				132,709
Change in unrealized gains on investment securities available for sale				3,903		3,903
Amortization of restricted stock grants					257	257
Cash dividends paid -- $2.11 per share			(45,804)			(45,804)
Balances at December 31, 1997	$ 24,341	$ 435,603	$ 8,841	$ 4,671	$ (3,532)	$ 469,924

See accompanying notes

HEALTH CARE REIT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31		
	1997	1996	1995
		(IN THOUSANDS)	
OPERATING ACTIVITIES			
Net income	$ 46,478	$ 30,676	$ 13,635
Adjustments to reconcile net income to net cash provided from operating activities:			
Provision for depreciation	5,361	2,461	1,580
Amortization	980	810	749
Provision for losses	600	600	4,800
Disposition of investment		808	
Settlement of management contract			5,002
Loan and commitment fees earned less than cash received	4,642	1,764	1,467
Direct financing lease income less than cash received	372	90	181
Rental income in excess of cash received	(1,548)	(370)	
Interest income (more than) less			

than cash received	(29)	(134)	525
Increase (decrease) in accrued expenses and other liabilities	790	401	(382)
Increase in receivables and other assets	(1,638)	(886)	(404)
Net cash provided from operating activities	56,008	36,220	27,153
INVESTING ACTIVITIES			
Investment in loans receivable	(123,376)	(168,845)	(107,297)
Investment in operating-lease properties	(135,835)	(66,083)	(2,976)
Other investments	(4,964)		
Principal collected on loans	49,750	60,659	69,697
Proceeds from exercise of purchase options	2,569	9,508	
Other	(213)	(221)	(3)
Net cash used in investing activities	(212,069)	(164,982)	(40,579)
FINANCING ACTIVITIES			
Net (decrease) increase under line of credit arrangements	(13,725)	(14,575)	35,800
Borrowings under senior notes	80,000	30,000	
Assumption of mortgage loan payable		6,539	
Principal payments on other long-term obligations	(1,600)	(329)	(1,313)
Net proceeds from the issuance of shares	139,554	135,767	3,104
Increase in deferred loan expense	(1,564)	(492)	(25)
Cash distributions to shareholders	(45,804)	(28,427)	(24,215)
Net cash provided from financing activities	156,861	128,483	13,351
Decrease in cash and cash equivalents	800	(279)	(75)
Cash and cash equivalents at beginning of year	581	860	935
Cash and cash equivalents at end of year	$ 1,381	$ 581	$ 860

See accompanying notes

Health Care REIT, Inc.
Notes to Consolidated Financial Statements

1. ACCOUNTING POLICIES AND RELATED MATTERS

INDUSTRY

The Company is a self-administered real estate investment trust that invests primarily in long-term care facilities, which include nursing homes, assisted living facilities, and retirement centers. The Company also invests in specialty care facilities.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries after the elimination of all significant intercompany accounts and transactions.

USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

LOANS RECEIVABLE

Loans receivable consist of long-term mortgage loans, construction-period loans maturing in two years or less, and working capital 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, behavioral care facilities, and specialty care hospitals.

OPERATING LEASE PROPERTIES

Certain properties owned by the Company are leased under operating leases. These properties are recorded at the lower of cost or net realizable value. 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. The leases provide for payment of all taxes, insurance and maintenance by the lessees. In general, operating lease income includes base rent payments plus fixed annual rent increases, which are recognized on a straight-line basis over the minimum lease period. This income is greater than the amount of cash received during the first half of the lease term.

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 generally 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.

CAPITALIZATION OF CONSTRUCTION PERIOD INTEREST

The Company capitalizes interest costs associated with funds used to finance the construction of facilities. The amount capitalized is based upon the borrowings outstanding during the construction period using the rate of interest which approximates the Company's cost of financing.

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 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.

CASH AND CASH EQUIVALENTS

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

INVESTMENT SECURITIES

Management determines the appropriate classification of a security at the time of acquisition and reevaluates such designation as of each balance sheet date. If there is a readily determinable fair value, available-for-sale equity securities are stated at fair value, with unrealized gains and losses reported in a separate component of shareholders' equity. Other equity securities are stated at historical cost. Debt securities which are classified as held to maturity are stated at historical cost. Investment securities include the common stock of two corporations, which were obtained by the Company at no cost, the fair value of the common stock related to warrants in one corporation in excess of the exercise price, the preferred stock of two private corporations and subordinated debt securities in three corporations.

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 initial fixed term of the lease, the mortgage or the construction period related to such investments.

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

In 1997, the Financial Accounting Standards Board issued Statement No. 128, Earnings per Share. Statement 128 replaced the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share. Unlike primary earnings per share, basic earnings per share excludes any dilutive effects of options, warrants and convertible securities. Diluted earnings per share is very similar to the previously reported fully diluted earnings per share. All earnings per share amounts for all periods have been presented, and where appropriate, restated to conform to the Statement 128 requirements.

NEW ACCOUNTING STANDARD

In 1997, the Financial Accounting Standards Board issued Statement No. 130, Comprehensive Income, which is effective for periods beginning after December 31, 1997. Statement 130 establishes standards for reporting and display of comprehensive income and its components. The Company will adopt Statement 130 in the first quarter of 1998 and the impact will not be significant.

Health Care REIT, Inc.
Notes to Consolidated Financial Statements

2. LOANS RECEIVABLE

The following is a summary of loans receivable (in thousands):

	December 31 1997	December 31 1996
Mortgage loans	$ 375,693	$ 290,515
Mortgage loans to related parties	1,945	1,927
Construction loans	27,698	61,013
Working capital	3,551	
Working capital loans to related parties	3,847	4,727

	TOTALS	$ 412,734		$ 358,182
		==================		==================

Loans to related parties (various entities whose ownership includes two Company directors and former officers) included above are at competitive rates and are equal to or greater than the Company's net interest cost on borrowings to support such loans. The amount of interest income and loan and commitment fees from related parties amounted to $980,000, $3,089,000 and $3,378,000 for 1997, 1996 and 1995, respectively.

The following is a summary of mortgage loans at December 31, 1997 (in thousands):

Final Payment Due	Number of Loans	Payment Terms	Principal Amount at Inception	Carrying Amount
1999	2	Monthly payments from $15,734 to $28,101, including interest from 10.64% to 10.91%	$ 6,350	$ 5,037
2001	3	Monthly payments from $17,602 to $72,731, including interest from 10.50% to 12.0%	11,227	10,853
2002	2	Monthly payments from $24,663 to $60,481, including interest from 10.71% to 12.0%	8,455	8,321
2006	1	Monthly payment of $54,456, including interest of 11.05%	5,537	5,484
2007	3	Monthly payments from $27,611 to $73,483, including interest from 10.66% to 12.50%	17,198	13,063
2008	6	Monthly payments from $18,399 to $82,769, including interest from 10.88% to 12.31%	25,950	25,308
2009	5	Monthly payments from $27,285 to $68,341, including interest from 10.75% to 11.47%	24,646	24,502
2010	6	Monthly payments from $39,849 to $140,857, including interest from 10.32% to 10.94%	52,835	52,269

2. LOANS RECEIVABLE (CONTINUED)

Final Payment Due	Number of Loans	Payment Terms	Principal Amount at Inception	Carrying Amount
2011	11	Monthly payments from $24,370 to $86,557, including interest from 9.98% to 11.50%	$ 47,163	$ 47,163
2012	2	Monthly payments from $41,000 to $278,883, including interest from 11.54% to 12.19%	32,843	32,810
2014	1	Monthly payment of $44,679, including interest of 13.24%	3,970	3,940

2015	5	Monthly payments from $23,653 to $116,680, including interest from 10.29% to 12.58%	36,260	35,827
2016	12	Monthly payments from $13,002 to $222,956, including interest from 10.11% to 11.78%	87,856	87,339
2017	4	Monthly payments from $24,614 to $107,900 including interest from 9.96% to 10.66%	25,722	25,722
		TOTALS	$ 386,012	$ 377,638

3. INVESTMENT IN LEASES

The following are the components of investments in direct financing leases (in thousands):

	December 31 1997	1996
Total minimum lease payments receivable	$ 13,602	$ 17,291
Estimated unguaranteed residual values of leased properties	3,437	5,779
Unearned income	(9,104)	(12,194)
Investment in direct financing leases	$ 7,935	$ 10,876

The leases contain an option to purchase the leased property. Total minimum lease payments are computed assuming that the purchase options are not exercised.

Health Care REIT, Inc.
Notes to Consolidated Financial Statements

3. INVESTMENT IN LEASES (CONTINUED)

At December 31, 1997, future minimum lease payments receivable (assuming that purchase options are not exercised) are as follows (in thousands):

	Direct Financing Leases	Operating Leases
1998	$ 1,199	$ 27,225
1999	1,219	40,156
2000	1,240	41,131
2001	1,260	42,093
2002	988	43,052
Thereafter	7,696	283,762
TOTALS	$ 13,602	$ 477,419

During 1997 the Company converted three mortgage loans totaling $13,103,000 into operating leases. During 1996 the Company converted nineteen mortgage loans totaling $40,567,000 into operating leases. This noncash activity is appropriately not reflected in the accompanying statements of cash flows.

4. CONCENTRATION OF RISK

As of December 31, 1997, long-term care facilities comprised 86% of the Company's real estate investments and were located in 29 states. Investments in assisted living facilities comprised 48% of the Company's real estate investments. The Company's investments with the three largest operators totaled approximately 27%. No single operator has a real estate investment balance which exceeds 10% of total real estate investments, including credit enhancements.

5. ALLOWANCE FOR LOSSES

The following is a summary of the allowance for losses (in thousands):

	1997	1996	1995
Balance at beginning of year	$ 9,787	$ 9,950	$ 5,150
Provision for losses	600	600	4,800
Disposition of investment		808	
Charge-offs	(6,000)	(1,571)	
Balance at end of year	$ 4,387	$ 9,787	$ 9,950

During 1997, two loans with an aggregate balance of $12,073,000 and a specifically identified allowance of $6,000,000 were extinguished. The Company recognized payments of $6,073,000 and recorded a charge of $6,000,000 against the allowance for losses.

Interest income on impaired loans is recognized as payments are received. The Company recognized $323,000 of interest income on impaired loans in 1995.

6. BORROWINGS UNDER LINE OF CREDIT ARRANGEMENTS AND RELATED ITEMS

The Company has an unsecured credit arrangement with a consortium of twelve banks providing for a revolving line of credit (revolving credit) in the amount of $175,000,000 which expires on March 31, 2000. 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 1.125% over LIBOR interest rate (based at the Company's option). The effective interest rate at December 31, 1997 was 7.08%. In addition, the Company pays a commitment fee ranging from an annual rate of 0.20% to 0.375% and an annual agent's fee of $50,000. Principal is due upon expiration of the agreement. The Company has another line of credit with a bank for a total of $10,000,000 which expires January 31, 1999. Borrowings under this line of credit are subject to interest at the bank's prime rate of interest (8.5% at December 31, 1997) and are due on demand.

The following information relates to aggregate borrowings under the line of credit arrangements (in thousands except percentages):

	Year Ended December 31		
	1997	1996	1995

Balance outstanding at December 31	$ 78,400	$ 92,125	$ 106,700
Maximum amount outstanding at any month end	158,950	142,600	119,100
Average amount outstanding (total of daily principal balances divided by days in year)	78,826	110,667	88,851
Weighted average interest rate (actual interest expense divided by average borrowings outstanding)	7.63%	7.72%	8.41%

At December 31, 1997, the Company's variable interest rate debt exceeded its variable interest rate assets, presenting an exposure to rising interest rates. The Company may or may not elect to use financial derivative instruments to hedge variable interest rate exposure. 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.

Interest paid amounted to $16,444,000, $14,211,000 and $13,084,000 for 1997, 1996 and 1995, respectively. The Company capitalized interest costs of $2,306,000 and $287,000 during 1997 and 1996, respectively, related to construction of real property owned by the Company.

7. SENIOR NOTES AND OTHER LONG-TERM OBLIGATIONS

The Company has $162,000,000 of unsecured Senior Notes with interest ranging from 7.06% to 8.34% and maturing at various dates to 2003.

The following information relates to other long-term obligations (in thousands):

	December 31 1997	1996
Notes payable related to industrial development bonds, collateralized by one health care facility in 1997 and two health care facilities in 1996; interest rates at 11.25% for 1997 and from 11.25% to 15% in 1996 maturing in 2002	$ 1,160	$ 2,320
Mortgage notes payable, collateralized by two health care facilities, interest rates from 7.625% to 12%, maturing at various dates to 2034	7,510	7,950
TOTALS	$ 8,670	$ 10,270

7. SENIOR NOTES AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)

At December 31, 1997, the annual principal payments on these long-term obligations for the succeeding five years are 1998 - $23,242,000; 1999 - $90,000; 2000 - $35,099,000; 2001 - $10,109,000; and 2002 - $20,121,000; 2003 and beyond - $82,009,000.

8. STOCK INCENTIVE PLANS AND RETIREMENT ARRANGEMENTS

The Company's 1995 Stock Incentive Plan authorized up to 2,200,000 shares of Common Stock to be issued at the discretion of the Board of Directors. The 1995 Plan replaced the 1985 Incentive Stock Option Plan. The options granted under the 1985 Plan continue to vest through 2005 and expire ten years from the date of grant. Officers and key salaried employees of the Company are eligible to participate in the 1995 Plan. The 1995 Plan allows for the issuance of stock options, restricted stock grants and DERs. In addition, during 1997 the Company adopted a Stock Incentive Plan for Non-Employee Directors which authorizes up to

142,000 shares to be issued.

The following summarizes the activity in the Plans for the years ended December 31 (shares in thousands):

	1997 Shares	1997 Average Exerise Price	1996 Shares	1996 Average Exercise Price	1995 Shares	1995 Average Exercise Price
Stock Options						
Options at beginning of year	749	$19.51	485	$19.95	183	$20.71
Options granted	475	24.44	425	19.14	316	19.28
Options exercised	(84)	19.16	(44)	17.66	(14)	14.81
Options terminated	(14)	23.61	(117)	20.67		
	1,126	$21.56	749	$19.51	485	$19.95
At end of year:						
Shares exercisable	406	$20.79	226	$21.45	243	20.10
Weighted average fair value of options granted during the year		$ 1.97		$ 1.78		$ 1.54

The stock options generally vest over a five year period and expire ten years from the date of grant.

The Company issued 157,000 restricted shares during 1997, including 2,000 shares for directors. Vesting periods range from six months for directors to periods of five to ten years for officers. Expense, which is recognized as the shares vest based on the market value at the date of the award, totalled $257,000 in 1997.

The Company has elected to follow APB Opinion No. 25, Accounting for Stock Issued to Employees in accounting for its employee stock options as permitted under FASB statement No. 123 ("FASB 123"), Accounting for Stock-Based Compensation, and, accordingly, recognizes no compensation expense for the stock option grants when the market price on the underlying stock on the date of grant equals the exercise price of the Company's employee stock option.

Pro forma information has been determined as if the Company had accounted for its employee stock options and restricted shares under the fair value method. The pro forma disclosures are not likely to be representative of the effects on reported net income for future years because they do not take into consideration stock based incentives granted prior to 1995. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following range of assumptions: risk-free interest rates from 5.10% to 7.60%, dividend yields of 8%, expected lives of seven years, and expected volatility of .18% to .21%. Had compensation cost for the stock based compensation plans been determined in accordance with FASB 123, net income would have been reduced by $212,000, $105,000, and $32,000 in 1997, 1996 and 1995, respectively.

The Company has a 401-(k) Profit Sharing Plan covering all eligible employees. Under the Plan, eligible employees may make contributions, and the Company may make a profit sharing contribution. Company contributions to this Plan totaled $110,000, $90,000, and $6,000 in 1997, 1996, and 1995, respectively.

9. DISTRIBUTIONS

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 $360,000, $317,000 and $326,000 for the years ended December 31, 1997, 1996 and 1995, respectively. Undistributed net income for federal income tax purposes amounted to $15,926,000 at December 31, 1997. The principal reasons for the difference between undistributed net income for federal income tax purposes and financial statement purposes are the use of the operating method of accounting for leases for federal income tax purposes and the provision for losses for reporting purposes versus bad debt expense for tax purposes.

Cash distributions paid to shareholders, for federal income tax purposes, are as follows:

	Year Ended December 31		
	1997	1996	1995
Per Share:			
Ordinary income	$ 2.085	$ 2.030	$ 2.075
Capital gains	.025	.050	
TOTALS	$ 2.110	$ 2.080	$ 2.075

10. COMMITMENTS AND CONTINGENCIES

At December 31, 1997, the Company had outstanding commitments to provide financing for facilities in the approximate amount of $275,017,000. 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 several 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 receives and recognizes fees annually related to these agreements. 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 through the year 2005. At December 31, 1997, obligations under these agreements for which the Company was contingently liable aggregated approximately $15,565,000, all of which were with related parties.

11. MANAGEMENT AGREEMENT

Through November 30, 1995, the Company had a management agreement with First Toledo Advisory Company (the Manager). Two of the Company's directors were officers and co-owners of the Manager. The Company accrued a fee to the Manager as defined in the Management Agreement. On November 30, 1995, the Manager merged with and into the Company pursuant to a Revised Merger Agreement (the "Merger"). Consideration for this transaction totaled approximately $5,048,000 which was solely comprised of 282,407 shares of the Company's common stock. In addition, the Company acquired approximately $46,000 in net assets and incurred approximately $792,000 of related transaction expenses. The Merger was a tax-free reorganization. The consideration, plus related transaction expenses, were accounted for as a settlement of a management contract.

12. 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 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 Common 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.

13. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	1997	1996	1995
Numerator for basic and diluted earnings per share - income available to common shareholders	$ 46,478	$ 30,676	$ 13,635
Denominator for basic earnings per share - weighted average shares	21,594	14,093	11,710
Effect of dilutive securities:			
Employee stock options	182	57	18
Nonvested restricted shares	153		
Dilutive potential common shares	335	57	18
Denominator for diluted earnings per share - adjusted weighted average shares	21,929	14,150	11,728
Basic earnings per share	$2.15	$2.18	$1.16
Diluted earnings per share	$2.12	$2.17	$1.16

14. 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.

Investment Securities --The assets are recorded at their fair market value.

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

Borrowings Under Line of Credit Arrangements--The carrying amount of the line of credit approximates fair value because the borrowings are interest rate adjustable.

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

The carrying amounts and estimated fair values of the Company's financial instruments at December 31, 1997 and 1996 are as follows (in thousands):

	December 31, 1997		December 31, 1996	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
Mortgage loans	$377,638	$402,348	$ 292,442	$ 300,136
Working capital and construction loans	35,096	35,096	65,740	65,740
Cash and cash equivalents	1,381	1,381	581	581
Investment securities	9,635	9,635	768	768
Financial Liabilities:				
Borrowings under line of credit arrangements	78,400	78,400	92,125	92,125
Senior notes	162,000	167,113	82,000	82,301
Industrial development bonds	1,160	1,225	2,320	2,650
Mortgage loans payable	7,510	7,445	7,950	7,950

15. 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, 1997 and 1996 (in thousands except per share data):

	Year Ended December 31, 1997			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenues	$ 16,569	$ 18,448	$ 18,559	$ 19,448
Net Income	9,826	11,928	11,773	12,667
Net Income Per Share				
Basic	.51	.55	.54	.55
Diluted	.51	.54	.53	.54

	Year Ended December 31, 1996			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenues	$ 10,890	$ 14,626	$ 14,068	$ 14,818
Net Income	5,677	8,569	7,383	9,047
Net Income Per Share				
Basic	.47	.66	.50	.55
Diluted	.47	.65	.50	.55

The 1996 and first three quarters of 1997 earnings per share amounts have been restated to comply with Statement 128.

Notes to Consolidated Financial Statements

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 21, 1998.

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 21, 1998.

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 21, 1998.

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 21, 1998.

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

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

2. The following Financial Statement Schedules are included in Item 14 (d):

III - Real Estate and Accumulated Depreciation
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:

3.1	Second Restated Certificate of Incorporation.
3.2	By-Laws, as amended.
4.1	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.
4.2	Indenture dated as of April 17, 1997 by and between Health Care REIT, Inc. and Fifth Third Bank.
4.3	First Supplemental Indenture dated as of April 17, 1997 by and between Health Care REIT, Inc. and Fifth Third Bank.
10.1	Rights Agreement.
10.2	Note Purchase Agreement between Health Care REIT, Inc. and each of the Purchasers a Party thereto, dated as of April 8, 1993.
10.3	Amended and Restated Credit Agreement dated as of September 8, 1994 among Health Care REIT, Inc., certain banks, and National City Bank, as Agent.
10.4	Note Purchase Agreement between Health Care REIT, Inc. and each of the Purchasers a Party thereto, dated as of April 15, 1995.
10.5	The 1985 Incentive Stock Option Plan of Health Care REIT, Inc. as amended.
10.6	The Health Care REIT, Inc. 1995 Stock Incentive Plan
21	Subsidiaries of the Registrant.
23	Consent of Independent Auditors.
24	Powers of Attorney.
27	Financial Data Schedule (Edgar version only).

(b) Reports on Form 8-K filed in the fourth quarter of 1996:

Form 8-K filed with the Securities and Exchange Commission on December 12, 1996.

(c) Exhibits:

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

(d) Financial Statement Schedules:

Financial statement schedules are included in pages 36 through 40.

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 February

6, 1998, on its behalf by the undersigned thereunto duly authorized.

HEALTH CARE REIT, INC.
(Registrant)

By: GEORGE L. CHAPMAN

Chairman, Chief Executive Officer,
President and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on February 6, 1998 by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/S/ WILLIAM C. BALLARD, JR.*	/S/ RICHARD A. UNVERFERTH*
William C. Ballard, Jr., Director	Richard A. Unverferth, Director
/S/ PIER C. BORRA*	/S/ FREDERIC D. WOLFE
Pier C. Borra, Director	Frederic D. Wolfe, Director
/S/ JEFFREY H. DONAHUE*	GEORGE L. CHAPMAN
Jeffrey H. Donahue, Director	George L. Chapman, Chairman, Chief Executive Officer, President and Director (Principal Executive Officer)
	/S/ EDWARD F. LANGE, JR.*
Bruce Douglas, Director	Edward F. Lange, Jr., Chief Financial Officer (Principal Financial Officer)
/S/ RICHARD C. GLOWACKI*	/S/ MICHAEL A. CRABTREE*
Richard C. Glowacki, Director	Michael A. Crabtree, Controller (Principal Accounting Officer)
/S/ SHARON M. OSTER*	*By: GEORGE L. CHAPMAN
Sharon M. Oster, Director	George L. Chapman, Attorney-in-Fact
/S/ BRUCE G. THOMPSON*	
Bruce G. Thompson, Director	

HEALTH CARE REIT, INC.
SCHEDULE III

REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 1997
(in thousands)

Initial Cost to Company	Gross Amount at Which Carried at Close of Period

Description	Encumbrances	Land	Buildings & Improvements	Cost Capitalized Subsequent to Acquisition	Land	Buildings & Improvements	Accumulated Depreciation	Year Acquired	Year Built
Assisted Living Facilities:									
Bradenton, FL		$ 252	$ 3,298		$ 252	$ 3,298	$ 188	1996	1995
Bradenton, FL		25	450		25	450	5	1997	1992
Bradenton, FL		25	400		25	400	4	1997	1988
Bradenton, FL		50	850		50	850	10	1997	1996
Bradenton, FL		50	850		50	850	10	1997	1996
Clermont, FL		350	5,232		350	5,232	6	1997	1997
Jacksonville, FL		400	3,674		400	3,674	4	1997	1997
Sarasota, FL		475	3,175		475	3,175	181	1996	1995
Boise, ID		200	2,500		200	2,500	31	1997	1997
Charlotte, NC		640	4,090		640	4,090	36	1997	1997
Newton, NC		21	819	180	21	999	89	1993	1985
Statesville, NC		34	1,331	293	34	1,624	145	1993	1990
Yadkinville, NC		32	1,263	277	32	1,540	138	1993	1983
Cranford, NJ		3,297	11,703	2,530	3,297	14,233	343	1996	1993
Roswell, NM		233	5,355		233	5,355	7	1997	1996
Albany, NY		400	10,528		400	10,528	13	1997	1997
Cincinnati, OH		1,728	10,272		1,728	10,272	271	1997	1985
Findlay, OH		200	1,800		200	1,800	36	1997	1997
Troy, OH		200	2,000		200	2,000	34	1997	1997
Bartlesville, OK		100	1,380		100	1,380	74	1994	1995
Chickasha, OK		85	1,395		85	1,395	69	1995	1996
Duncan, OK		103	1,347		103	1,347	57	1995	1996
Edmond, OK		175	1,564		175	1,564	65	1995	1996
Enid, OK		90	1,390		90	1,390	75	1995	1996
Lawton, OK		144	1,456		144	1,456	61	1995	1996
Midwest City, OK		95	1,385		95	1,385	75	1996	1996
Muskogee, OK		150	1,432		150	1,432	46	1996	1996
Norman, OK		55	1,484		55	1,484	74	1995	1996
N. Oklakhoma City, OK		87	1,508		87	1,508	45	1995	1996
Oklahoma City, OK		130	1,350		130	1,350	66	1995	1996
Owasso, OK		215	1,380		215	1,380	41	1996	1996

SCHEDULE III - Continued

		Initial Cost to Company			Gross Amount at Which Carried at Close of Period				
Description	Encumbrances	Land	Buildings & Improvements	Cost Capitalized Subsequent to Acquisition	Land	Buildings & Improvements	Accumulated Depreciation	Year Acquired	Year Built
Ponca City, OK		114	1,536		114	1,536	97	1995	1995
Shawnee, OK		80	1,400		80	1,400	75	1995	1996
Stillwater, OK		80	1,400		80	1,400	75	1995	1996
Baldwin, PA		535	2,222		535	2,222	34	1997	1995
Pittsburgh, PA		430	6,736		430	6,736	328	1996	1989
Pittsburgh, PA	6,498	423	10,158		423	10,158	396	1996	1989
Benbrook, TX		1,050	7,550	27	1,050	7,577	204	1997	1984
Cedar Hill, TX		171	1,490		171	1,490	35	1997	1997
Claremore, TX		155	1,427		155	1,427	46	1996	1996
Corpus Christi, TX		420	4,796		420	4,796	46	1997	1989
Corpus Christi, TX		155	2,935		155	2,935	4	1997	1997
Desoto, TX		205	1,383		205	1,383	35	1997	1997
Ft. Worth, TX		210	3,790		210	3,790	178	1992	1984
Ft. Worth, TX		281	3,473		281	3,473	4	1997	1986
Georgetown, TX		200	2,100		200	2,100	36	1997	1997
Granbury, TX		80	2,020		80	2,020	41	1997	1997
Harlingen, TX		92	2,057		92	2,057	3	1997	1989
Houston, TX		261	3,139		261	3,139	131	1994	1995
Mt. Pleasant, TX		247	3,868		247	3,868	5	1997	1992
Palestine, TX		173	1,410		173	1,410	46	1996	1996
Texarkana, TX		192	1,403		192	1,403	42	1996	1996
Tyler, TX		147	2,699		147	2,699	3	1997	1991
Waxahachie, TX		154	1,429		154	1,429	46	1996	1996
Wolfforth, TX		110	1,898		110	1,898	2	1997	1990
Chesapeake, VA		81	1,011		81	1,011	127	1993	1988
Poquoson, VA		120	1,492		120	1,492	187	1993	1987
Williamsburg, VA		186	2,310		186	2,310	290	1993	1987
Total Assisted Living Facilities:		$16,393	$163,793	$ 3,307	$16,393	$167,100	$ 4,815		

SCHEDULE III - Continued

Description	Encumbrances	Initial Cost to Company: Land	Initial Cost to Company: Buildings & Improvements	Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period: Land	Gross Amount at Which Carried at Close of Period: Buildings & Improvements	Accumulated Depreciation	Year Acquired	Year Built
Skilled Nursing Facilities:									
Camp Verde, AZ		$ 275	$ 3,149		$ 275	$ 3,149	$ 1,148	1990	1985
Southington, CT		937	9,563		937	9,563	1,168	1993	1975
Owensboro, KY		130	4,870		130	4,870	512	1993	1967
Braintree, MA		170	6,080		170	6,080	194	1997	1968
Braintree, MA		80	4,245		80	4,245	134	1997	1973
Worcester, MA		1,053	902		1,053	902	49	1997	1970
Fall River, MA		620	5,080		620	5,080	182	1996	1973
Falmouth, MA		670	3,022		670	3,022	105	1996	1966
S Boston, MA		385	1,463	3,016	385	4,479	71	1995	1961
Webster, MA		570	8,790		570	8,790	288	1995	1982
Kent, OH		215	3,367		215	3,367	397	1989	1983
Easton, PA		285	6,315		285	6,315	1,053	1997	1959
San Antonio TX		662	12,587		662	12,587	1,653	1993	1978
Total Skilled Nursing Facilities		$ 6,052	$ 69,433	$ 3,016	$ 6,052	$ 72,449	$ 6,954		
Construction in Progress						47,050			
Total Investment in Properties		$22,445	$233,226	$ 6,323	$22,445	$286,599	$ 11,769		

Reconciliation of Real Estate:

Carrying cost:			Accumulated depreciation:		
Balance at beginning period:		$160,105	Balance at beginning of period:		$6,482
Additions during period:			Additions during period:		
Acquisitions	$79,727		Depreciation expense	$5,287	5,287
Improvements, etc.	56,109				
Other (1)	13,103	148,939			
Balance at end of period		$309,044	Balance at end of period		$11,769

(1) Represents three mortgage loans converted to operating leases.

SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
HEALTH CARE REIT, INC.
DECEMBER 31, 1997

Description	Interest Rate	Final Maturity Date	Periodic Payment Terms	Prior Liens	Face Amount Of Mortgages (In Thousands)	Carrying Amount Of Mortgages (In Thousands)	Principal Amount Of Loans Subject To Delinquent Principal Or Interest
First Mortgages:							
McAllen, TX (Specialty Care Facility)	10.63%	01/01/10	Monthly Payments $121,802		$13,750	$13,750	None
Washington, D.C. (Specialty Care Facility)	11.58%	07/01/15	Monthly Payments $173,234		17,350	17,162	None
Stoughton, MA (Nursing Home)	10.32%	03/01/10	Monthly Payments		19,450	19,329	None

			$129,000				
Little Rock, AK (Specialty Care Facility)	11.54%	01/01/12	Monthly Payments $278,883		29,000	29,000	None
Sun Valley, GA (Specialty Care Facility)	11.78%	12/01/16	Monthly Payments $222,956		21,500	21,363	None
Briarcliff, NY (Assisted Living Facility)	10.11%	08/01/16	Monthly Payments $107,924		12,810	12,805	None
Hendersonville, NC (Retirement Center)	9.96%	11/01/17	Monthly Payments $107,900		13,000	13,000	None
59 mortgage loans relating to 31 nursing homes, 20 assisted living facilities, 5 retirement centers, 2 behavioral care facilities and 2 specialty care facility	From 9.98% to 13.24%	From 12/01/98- 01/01/17			$262,385	$251,229	None

SCHEDULE IV - Continued

Description	Interest Rate	Final Maturity Date	Periodic Payment Terms	Prior Liens	Face Amount Of Mortgages (In Thousands)	Carrying Amount Of Mortgages (In Thousands)	Principal Amount Of Loans Subject To Delinquent Principal Or Interest
14 construction loans (all with first mortgage liens) relating to 14 assisted living facilities	From 10.75% to 12.00%	N/A			65,519	27,698	None
				TOTALS	$454,764	$405,336	$-0-

	(In Thousands) Year Ended December 31		
	1997	1996	1995
Reconciliation of mortgage loans:			
Balance at beginning of period	$353,455	$285,219	$247,855
Additions during period:			
New mortgage loans	120,705	163,963	103,276
Negative principal amortization	29	135	311
	474,189	449,317	351,442
Deductions during period:			
Collections of principal (1)	55,750	55,295	66,223
Other (2)	13,103	40,567	
Balance at end of period	$405,336	$353,455	$285,219

<FN>
(1) Includes collection of negative principal amortization.

(2) During 1997 the Company restructured three loans totaling $13,103,000 into operating leases and during 1996, the Company restructured nineteen loans totaling $40,567,000 into operating leases.

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
3.1 (1)	3(i)	Second Restated Certificate of Incorporation.	
3.2 (2)	3(ii)	By-Laws, as amended.	
4.1	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.	
4.2 (3)	4	Indenture dated as of April 17, 1997 by and between Health Care REIT, Inc. and Fifth Third Bank.	
4.3 (4)	4	First Supplemental Indenture dated as of April 17, 1997 by and between Health Care REIT, Inc. and Fifth Third Bank.	
10.1 (5)	10(ii)(A)	Rights Agreement.	
10.2 (6)	10(ii)(B)	Note Purchase Agreement between Health Care REIT, Inc. and each of the Purchasers a Party thereto, dated as of April 8, 1993	
10.3 (7)	10(ii)(C)	Amended and Restated Credit Agreement dated as of September 8, 1994 among Health Care REIT, Inc., certain banks, and National City Bank, as Agent.	
10.4 (8)	10(ii)(D)	Note Purchase Agreement between Health Care REIT, Inc. and each of the Purchasers a Party thereto, dated April 15, 1995.	
10.5 (9)	10(iii)(A)	The 1985 Incentive Stock Option Plan of Health Care REIT, Inc., as amended.	
10.6 (10)	10(iii)(B)	The Health Care REIT, Inc. 1995 Stock Incentive Plan	
21	21	Subsidiaries of the Registrant.	
23	23	Consent of Independent Auditors.	
24	24	Powers of Attorney.	
27	27	Financial Data Schedule (EDGAR version only).	

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1 Incorporated by reference to Exhibit 3(i) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1994.

2 Incorporated by reference to Exhibit 3(ii) to the Registrant's Form 8-K

filed on October 24, 1997.

3 Incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on April 21, 1997.

4 Incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed on April 21, 1997.

5 Incorporated by reference to the Exhibit to the Registrant's Form 8-A filed on August 3, 1994 (File No. 1-8923).

6 Incorporated by reference to Exhibits 1-4 of the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1993.

7 Incorporated by reference to Exhibit 1 of the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1994.

8 Incorporated by reference to Exhibit 4 of the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1996.

9 Incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-8 (File No. 333-1237) filed on February 27, 1996.

10 Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8 (File No. 333-1239) filed on February 27, 1996.

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

On November 1, 1993 and July 9, 1996, the Company formed two wholly-owned subsidiaries, HCRI Pennsylvania Properties, Inc. and HCRI Overlook Green, Inc., respectively. These Pennsylvania corporations were created to own real estate in the State of Pennsylvania.

On December 27, 1996 and December 30, 1996, the Company formed a wholly-owned subsidiary, HCRI Texas Properties, Inc., a Delaware corporation, and HCRI Texas Properties, Ltd., a Texas limited partnership, respectively. Both entities were created in connection with real estate investments in the State of Texas.

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in 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., the Registration Statement (Form S-8 No. 333-1237) dated February 27, 1996 pertaining to The 1985 Incentive Stock Option Plan of Health Care REIT, Inc., the Registration Statement (Form S-8 No. 333-1239) dated February 27, 1996 pertaining to the Health Care REIT, Inc. 1995 Stock Incentive Plan, the Registration Statement (Form S-3 No. 333-19537) dated January 10, 1997 of Health Care REIT, Inc., the Amendment No. 1 to the Registration Statement (Form S-3 No. 33-19801) dated January 31, 1997 of Health Care REIT, Inc., the Registration Statement (Form S-8 No. 333-40769) dated November 21, 1997 pertaining to the Health Care REIT, Inc. Stock Plan for non-employee Directors of Health Care REIT, Inc., the Registration Statement (Form S-8 No. 333-40771) dated November 21, 1997 pertaining to the Health Care REIT, Inc. 1995 Stock Incentive Plan of Health Care REIT, Inc., Amendment No. 1 to the Registration Statement (Form S-3 No. 333-43177) dated January 7, 1998 of Health Care REIT, Inc. of our report dated January 30, 1998 with respect to the consolidated financial statements and schedules of Health Care REIT, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 1997.

ERNST & YOUNG LLP

Toledo, Ohio
February 6, 1998

1

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, 1997, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, 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 attorney-in-fact and agent, 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 attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 3rd day of February, 1998.

/S/ WILLIAM C. BALLARD, JR.

William C. Ballard, Jr., Director

2

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, 1997, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, 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 attorney-in-fact and agent, 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 attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 3rd day of February, 1998.

/S/ PIER C. BORRA

Pier C. Borra, Director

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, 1997, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, 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 attorney-in-fact and agent, 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 attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 3rd day of February, 1998.

/S/ JEFFREY H. DONAHUE

Jeffrey H. Donahue, Director

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, 1997, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, 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 attorney-in-fact and agent, 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 attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 20th day of January, 1998.

/S/ RICHARD C. GLOWACKI

Richard C. Glowacki, Director

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, 1997, hereby constitutes and appoints GEORGE L. CHAPMAN her true and lawful attorney-in-fact and agent, with full power to act, her true and lawful attorney-in-fact and agent, for her and in her 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 attorney-in-fact and agent, 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 she might do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets her hand this 19th day of January, 1998.

/S/ SHARON M. OSTER

Sharon M. Oster, Director

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, 1997, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacity of 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 attorney-in-fact and agent, 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 attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 3rd day of February, 1998.

/S/ BRUCE G. THOMPSON

Bruce G. Thompson, Director

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, 1997, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, 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 attorney-in-fact and agent, 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 attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 26th day of January, 1998.

/S/ RICHARD A. UNVERFERTH

Richard A. Unverferth, Director

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, the Controller 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, 1997, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for his and in his name, place and stead, in the capacity as Controller, 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 attorney-in-fact and agent, 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 attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 20th day of January, 1998.

/S/ FREDERIC D. WOLFE

Frederic D. Wolfe, Director

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, a director and the Chairman of the Board and Principal Executive Officer 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, 1997, hereby constitutes and appoints EDWARD F. LANGE, JR., his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacities as director and Chairman of the Board and Principal Executive Officer, 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 attorney-in-fact and agent, 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 attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 3rd day of February, 1998.

/S/ GEORGE L. CHAPMAN

George L. Chapman, Director,
Chairman of the Board and
Principal Executive Officer

EXHIBIT 14

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, the Principal Financial Officer and the Principal Accounting Officer 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, 1997, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in the capacities as the Principal Financial Officer and Principal Accounting Officer, 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 attorney-in-fact and agent, 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 attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 3rd day of February, 1998.

/S/ EDWARD F. LANGE, JR.

Edward F. Lange, Jr., Chief Financial Officer (Principal Financial Officer)

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned, the Controller 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, 1997, hereby constitutes and appoints GEORGE L. CHAPMAN his true and lawful attorney-in-fact and agent, with full power to act, his true and lawful attorney-in-fact and agent, for his and in his name, place and stead, in the capacity as Controller, 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 attorney-in-fact and agent, 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 attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned hereunto sets his hand this 3rd day of February, 1998.

/S/ MICHAEL A. CRABTREE

Michael A. Crabtree, Controller
(Principal Accounting Officer)

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