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Health Care REIT Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) your first question comes from Karin Ford - Keybanc Capital.

Karin Ford - Keybanc Capital

Question first just on the healthier tenants. Have you been hearing any issues with coverages or anything on the health of your particular tenants or are you hearing anything within your operators on the development pipeline that causes you any concern?

George Chapman

Well, for usual, there are always operators who are watching more carefully than others. One operator that we've been talking to you about recently, we took away assets from that operator and moved it to a two different operators very successfully, I think, constructively and another operator who has been paying us is relatively small operator, went through bankruptcy and we recently received a bid from a substitute operator and we've done that pretty much unscathed.

Karin, as you know, we've been reporting that sales in the buy in CCRCs have been moving slower than we would like, but frankly they've picked up a bit at the first quarter, as Scott and I each indicated. Again, we have some cautious optimism, but frankly despite the market and despite the economy; we're finding that our operators are holding in there quite well, a modest increase in ALFA or assisted living occupancy, modest decline in independent living.

We're thinking that our operators are holding up quite well and as we look ahead for two to three, four years, with the lack of development we feel that we're going to be in very good shape. Scott, did you want to add anything?

Scott Estes

No, I think it's a good summary.

Karin Ford - Keybanc Capital

Next question just on asset sales, can you just talk about pricing trends you are seeing there and just update us on the status of the MOB portfolio for sale?

Scott Estes

Actually, in general our asset sales program overall this year is progressing very well. I think we obviously made some nice headway to start off the year at a price that was able to generate some gains as well. I think, as you think for towards the rest of the year in terms of the senior housing portfolio component and I'll pass it on to John Thomas to talk about the medical office disposition progress.

We are still very comfortable that we can continue to get north of \$200 million of dispositions done this year. Again, timing is probably skewed a little bit more toward the latter half of the year. We have no individual disposition in senior housing that's more than really, \$20 million or \$30 million. So, again, these are smaller deals that we feel comfortable that can get generally local regional bank financing or potentially bridge to HUD and get completed.

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