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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(MARK ONE)

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

For the quarterly period ended June 30, 2001

OR

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

For the transition period from .... to ....

Commission file number 1-9321

UNIVERSAL HEALTH REALTY INCOME TRUST

(Exact name of registrant as specified in its charter)

MARYLAND	23-6858580
(State or other jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

UNIVERSAL CORPORATE CENTER
367 SOUTH GULPH ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (610) 265-0688

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [_]

Number of common shares of beneficial interest outstanding at July 31, 2001 - 11,617,727

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UNIVERSAL HEALTH REALTY INCOME TRUST

I N D E X

Part I. Financial Information

Universal Health Realty Income Trust

Condensed Consolidated Statements of Income

(amounts in thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Revenues (Note 2):				
Base rental - UHS facilities	$ 3,253	$ 3,521	$ 6,506	$ 7,041
Base rental - Non-related parties	2,795	2,442	5,559	4,825
Bonus rental	811	765	1,679	1,547
	6,859	6,728	13,744	13,413
Expenses:				
Depreciation & amortization	1,087	1,103	2,190	2,191
Interest expense	1,173	1,501	2,618	2,919
Advisory fees to UHS	331	339	667	664
Other operating expenses	806	689	1,568	1,394
	3,397	3,632	7,043	7,168
Income before equity in limited liability companies	3,462	3,096	6,701	6,245
Equity in income of limited liability companies	877	704	1,699	1,471
(Loss)/gain on deriatives	(36)	0	43	0
Net Income	$ 4,303	$ 3,800	$ 8,443	$ 7,716
Net Income per share - basic	$ 0.44	$ 0.42	$ 0.90	$ 0.86
Net Income per share - diluted	$ 0.44	$ 0.42	$ 0.90	$ 0.86
Weighted average number of shares oustanding - basic	9,682	8,980	9,334	8,982
Weighted average number of share equivalents	49	16	44	15
Weighted average number of shares and eqivalents oustanding - diluted	9,731	8,996	9,378	8,997

The accompanying notes are an integral part of these financial statements.

Universal Health Realty Income Trust

Consolidated Balance Sheets

(amounts in thousands, except share data)

(unaudited)

Assets:	June 30, 2001	December 31, 2000
Real Estate Investments		
Buildings & improvements	$ 159,562	$ 159,243
Accumulated depreciation	(41,248)	(39,080)
	118,314	120,163
Land	22,929	22,929
Construction in progress	31	16
Net Real Estate Investments	141,274	143,108
Investments in limited liability companies ("LLCs")	40,678	39,164
Other Assets:		
Cash	1,551	294
Bonus rent receivable from UHS	795	796
Rent receivable from non-related parties	79	208
Deferred charges and other assets, net	105	88
	$ 184,482	$ 183,658
Liabilities and Shareholders' Equity:		
Liabilities:		
Bank borrowings	$ 28,428	$ 80,672
Note payable to UHS	1,407	1,359
Accrued interest	315	392
Accrued expenses & other liabilities	2,638	1,459
Tenant reserves, escrows, deposits and prepaid rents	464	459
Minority interest	54	60
Shareholders' Equity:		
Preferred shares of beneficial interest, $.01 par value; 5,000,000 shares authorized; none outstanding	--	--
Common shares, $.01 par value; 95,000,000 shares authorized; issued and outstanding; 2001 - 11,617,568 2000 - 8,980,064	116	90
Capital in excess of par value	183,425	129,110
Accumulated other comprehensive income:		
Cash flow hedges	(1,288)	--
Cumulative net income	165,129	156,686
Cumulative dividends	(196,206)	(186,629)
Total Shareholders' Equity	151,176	99,257
	$ 184,482	$ 183,658

The accompanying notes are an integral part of these financial statements.

Universal Health Realty Income Trust

Consolidated Statements of Cash Flows

(amounts in thousands, unaudited)

	Six months ended June 30, 2001	Six months ended June 30, 2000
Cash flows from operating activities:		
Net income	$ 8,443	$ 7,716
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation & amortization	2,190	2,191
Gain on derivatives	(43)	-
Changes in assets and liabilities:		
Rent receivable	130	(207)
Accrued expenses & other liabilities	15	(67)
Tenant escrows, deposits & deferred rents	5	(68)
Accrued interest	(77)	10
Deferred charges & other	(48)	(34)
Net cash provided by operating activities	10,615	9,541
Cash flows from investing activities:		
Investments in limited liability companies ("LLCs")	(2,149)	(1,885)
Advances made to a LLC, net of repayments	(100)	-
Acquisitions and additions to land, buildings and CIP	(334)	(8,903)
Cash distributions in excess of income from LLCs	735	574
Net cash used in investing activities	(1,848)	(10,214)
Cash flows from financing activities:		
Additional borrowings	-	8,615
Repayments of long-term debt	(52,244)	(31)
Dividends paid	(9,577)	(8,228)
Repurchase of shares of beneficial interest	-	(181)
Issuance of shares of beneficial interest	54,311	23
Net cash (used in) provided by financing activities	(7,510)	198
Increase (decrease) in cash	1,257	(475)
Cash, beginning of period	294	852
Cash, end of period	$ 1,551	$ 377
Supplemental disclosures of cash flow information: Interest paid	$ 2,647	$ 2,871

See accompanying notes to these condensed financial statements.

(1) General

The financial statements included herein have been prepared by the Trust, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission and reflect all adjustments which, in the opinion of the Trust, are necessary to fairly present results for the interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Trust believes that the accompanying disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the financial statements, accounting policies and the notes thereto included in the Trust's Annual Report on Form 10-K for the year ended December 31, 2000.

In this Quarterly Report on Form 10-Q, the term "revenues" does not include the revenues of the unconsolidated limited liability companies in which the Trust has various non-controlling equity interests ranging from 33% to 99%. The Trust accounts for its share of the income/loss from these investments by the equity method.

(2) Relationship with Universal Health Services, Inc.

Approximately 59% and 64% for the three month periods ended June 30, 2001 and 2000, respectively, and 60% and 64% for the six month periods ended June 30, 2001 and 2000, respectively, of the Trust's consolidated revenues were earned under the terms of the leases with wholly-owned subsidiaries of Universal Health Services, Inc. ("UHS"). UHS has unconditionally guaranteed the obligations of its subsidiaries under the leases. Below is the detailed listing of the revenues received from UHS and other non-related parties for the three and six months ended June 30, 2001 and 2000:

	Three Months Ended June 30,		Six Months Ended June 30,	
	(in thousands)			
	2001	2000	2001	2000
Base rental - UHS facilities	$3,253	$3,521	$ 6,506	$ 7,041
Base rental - Non-related parties	2,795	2,442	5,559	4,825
Total base rental	6,048	5,963	12,065	11,866
Bonus rental - UHS facilities	811	765	1,679	1,547
Total bonus rental	811	765	1,679	1,547
Total revenues	$6,859	$6,728	$13,744	$13,413

The decrease in base rentals from UHS facilities for the three and six month periods ended June 30, 2001 as compared to the comparable prior year periods resulted from the purchase of previously leased property from the Trust by Meridell Achievement Center, Inc., (a subsidiary of UHS) in December, 2000.

Pursuant to the terms of its leases with subsidiaries of UHS, the Trust earns fixed monthly base rents plus additional rents based on a percentage of the facility's net patient revenue in excess of a base amount. The additional rents, which are paid quarterly, are calculated using each facility's actual monthly net patient revenues.

UHS owned approximately 6.6% percent of the Trust's outstanding shares of beneficial interest as of June 30, 2001. The Trust has granted UHS an option to purchase Trust shares in the future at fair market value to enable UHS to maintain a 5% interest in the Trust.

UHS of Delaware, Inc. (the "Advisor"), serves as Advisor to the Trust under an Advisory Agreement dated December 24, 1986 between the Advisor and the Trust (the "Advisory Agreement"). The Advisory Agreement expires on December 31 of each year, however, it is renewable by the Trust, subject to a determination by the Trustees who are unaffiliated with UHS, that the Advisor's performance has been satisfactory. The Advisory Agreement may be terminated for any reason upon sixty days written notice by the Trust or the Advisor. The Advisory Agreement has been renewed for 2001. The Advisory Agreement provides that the Advisor is entitled to receive an annual advisory fee equal to .60% of the average invested real estate assets of the Trust, as derived from its consolidated balance sheet from time to time. The Advisory fee is payable quarterly, subject to adjustment at year end based upon audited financial statements of the Trust. The Trust has no salaried employees and the Trust's officers are all employees of UHS of Delaware, Inc., a wholly-owned subsidiary of UHS. In 2001, the Trustees awarded a $50,000 bonus to the President, Chief Financial Officer, Secretary and Trustee of the Trust and UHS of Delaware, Inc. agreed to a $50,000 reduction in the annual advisory fee paid by the Trust. Advisory fees paid to UHS amounted to $331,000 and $339,000 for the three months ended June 30, 2001 and 2000, respectively, and $667,000 and $664,000 for the six month periods ended June 30, 2001 and 2000, respectively.

(3) Dividends

A dividend of $.465 per share or $5.4 million in the aggregate was declared by the Board of Trustees on June 1, 2001 and was paid on June 29, 2001 to shareholders of record as of June 15, 2001.

(4) Accounting for Derivative Instruments and Hedging Activities

Effective January 1, 2001, the Trust adopted Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities", and its corresponding amendments under SFAS No. 138. SFAS No. 133 requires the Trust to measure every derivative instrument (including certain derivative instruments embedded in other contracts) at fair value and record them in the balance sheet as either an asset or liability. Changes in the fair value of derivatives are recorded currently in earnings unless special hedge accounting criteria are met. For derivatives designated as fair value hedges, the changes in fair value of both the derivative instrument and the hedged item are recorded in earnings. For derivatives designated as cash flow hedges, the effective portions of changes in the fair value of the derivative are reported in other comprehensive income ("OCI"). The ineffective portions of hedges are recognized in earnings in the current period.

The adoption of this new standard as of January 1, 2001 resulted in a cumulative effect of an accounting change of approximately $532,000 in other comprehensive income to recognize at fair value all derivatives that are designated as cash flow hedging instruments. The Trust expects to reclassify into earnings during the next twelve months $156,000 from the transition adjustments that were recorded in accumulated other comprehensive income. As of the date of adoption and through the period ended June 30, 2001, the Trust was not party to any derivative contracts designated as fair value hedges. The Trust recorded an additional (gain)/loss of ($164,000) and $756,000, respectively, in other comprehensive income to recognize the change in value during the three and six month periods ended June 30, 2001. The gains and losses are reclassified into earnings as the underlying hedged item affects earnings, such as when the forecast interest payment occurs. It is expected that $220,000 of net losses in accumulated other comprehensive income will be reclassified into earnings within the next twelve months. The Trust also recorded a favorable $5,000 in current earnings for the three months ended June 30, 2001 and a favorable $84,000 in current earnings for the six months ended June 30, 2001 to recognize the ineffective portion of the cash flow hedging instruments. As of June 30, 2001, the maximum length of time over which the Trust is hedging its exposure to the variability in future cash flows for forecasted transactions is through November, 2006. In June, 2001, the Trust reclassified a loss of $41,000 from accumulated other comprehensive income into earnings as a result of the discontinuance of a cash flow hedge due to the probability of the original forecasted transaction not occurring.

The Trust formally assesses, both at inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If it is determined that a derivative is not highly effective as a hedge or if a derivative ceases to be a highly effective hedge, the Trust will discontinue hedge accounting prospectively.

The Trust manages its ratio of fixed to floating rate debt with the objective of achieving a mix that management believes is appropriate. To manage this mix in a cost-effective manner, the Trust, from time to time, enters into interest rate swap agreements, in which it agrees to exchange various combinations of fixed and/or variable interest rates based on agreed upon notional amounts.

(5) Issuance of Shares of Beneficial Interest

In June of 2001, the Trust issued 2.6 million shares of beneficial interest at a price of $21.57 per share. The shares were offered under the Trust's previously filed $100 million shelf registration statement. The equity issuance generated net proceeds of $54.3 million which were used to repay outstanding borrowings under the Trust's $100 million revolving credit facility.

(6) Comprehensive Income (Loss)

Comprehensive income (loss) represents net income (loss) plus the results of certain non-shareowners' equity changes not reflected in the Consolidated Statements of Income. The components of comprehensive income (loss) are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Net income	$4,303	$3,800	$8,443	$7,716
Other comprehensive income (loss):				
Cumulative effect of change in accounting principle (SFAS 133) on other comprehensive income	---	---	(532)	---
Unrealized derivative gains/(losses) on cash flow hedges	164	---	(756)	---
Comprehensive income	$4,467	$3,800	$7,155	$7,716

(7) Summarized Financial Information of Equity Affiliates

The following table represents summarized financial information of the limited liability companies ("LLCs") accounted for by the equity method. Amounts presented include investments in the following LLCs as of June 30, 2001:

Name of LLC	Property Owned by LLC
DSMB Properties	Desert Samaritan Hospital MOBs
DVMC Properties	Desert Valley Medical Center MOBs
Parkvale Properties	Maryvale Samaritan Hospital MOBs
Suburban Properties	Suburban Medical Center MOBs
Litchvan Investments	Samaritan West Valley Medical Center
Paseo Medical Properties II	Thunderbird Paseo Medical Plaza and Thunderbird Paseo Medical Plaza II (a.)
Willetta Medical Properties	Edwards Medical Plaza
DesMed	Desert Springs Medical Plaza
PacPal Investments	Pacifica Palms Medical Plaza
RioMed Investments	Rio Rancho Medical Center
West Highland Holdings	St. Jude Heritage Health Complex
Santa Fe Scottsdale	Santa Fe Professional Plaza
Bayway Properties	East Mesa Medical Center
653 Town Center Drive	Summerlin Hospital Medical Office Building
575 Hardy Investors	Centinela Medical Building Complex
653 Town Center Phase II	Summerlin Hospital Medical Office Building II
23560 Madison	Skypark Professional Medical Building
Brunswick Associates (b.)	Mid Coast Hospital Medical Office Building

(a.) As of June 30, 2001, the Trust has invested $268,000 in the Thunderbird Paseo Medical Plaza II project. The Trust has committed to invest a total of $1.9 million in exchange for a 75% non-controlling interest in a LLC that will construct and own a medical office building in Glendale, Arizona.

(b.) As of June 30, 2001, the Trust has not yet invested any funds in this project, however, the Trust has committed to invest $1.9 million in exchange for a 74% non-controlling interest in a LLC that will construct and own a medical office building in Brunswick, Maine.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
	(amounts in thousands)			
Revenues	$5,797	$5,272	$10,980	$10,413
Expenses	4,769	4,435	8,993	8,706
Net Income	1,028	837	1,987	1,707
UHT's share of net income	877	704	1,699	1,471

As of June 30, 2001, these LLCs had approximately $97.7 million of debt, which is non-recourse to the Trust, payable to third-party lending institutions.

(8) Other Matters

In late July 2001, in connection with a review of the Trust's periodic SEC reports, the Trust received comments from the staff of the SEC requesting certain additional disclosures and requesting a revision to Form 10-Q for the period ended March 31, 2001 to reflect the Trust's full implementation of SAB 101 as it relates to the Trust's method of recording additional rents. The Trust is in the process of responding to the SEC's comments.

The Trust's management, and its independent auditors, believed that the Trust's historical accounting has been in accordance with generally accepted accounting principles, however, there can be no assurance that the Trust will be able to maintain its historical method of recording revenue from additional rents. The Trust could be required to change its quarterly method of recording revenue from additional rents. There would be no effect on annual revenues or net income or quarterly cash provided by operating activities or dividends paid. The substance of any such change would be a shift in recognition of revenues and net income from the first quarter to the second quarter of each year and there would be no change in recorded revenues or net income for the third or fourth quarters of each year. Accordingly, the Trust does not believe revenues, net income and FFO for the six months ended June 30, 2001 would be materially impacted by an outcome of these discussions.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

The matters discussed in this report, as well as the news releases issued from time to time by the Trust, include certain statements containing the words "believes", "anticipates", "intends", "expects", and words of similar import, which constitute "forward-looking statements" within the meaning of Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Trust's or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the following: a substantial portion of the Trust's revenues are dependent on one operator, Universal Health Services, Inc., ("UHS"); a substantial portion of the Trust's leases are involved in the healthcare industry which is undergoing substantial changes and is subject to possible changes in the levels and terms of reimbursement from third-party payors and government reimbursement programs, including Medicare and Medicaid; the Trust's ability to finance its growth on favorable terms; liability and other claims asserted against the Trust or operators of the Trust's facilities, and other factors referenced herein. Additionally, the operators of the Trust's facilities, including UHS, are confronted with other issues such as: industry capacity; demographic changes; existing laws and government regulations and changes in or failure to comply with laws and governmental regulations; the ability to enter into managed care provider agreements on acceptable terms; competition; the loss of significant customers; technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for healthcare; and the ability to attract and retain qualified personnel, including physicians. Management of the Trust is unable to predict the effect, if any, these factors will have on the operating results of its lessees, including the facilities leased to subsidiaries of UHS. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. The Trust disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

Results of Operations

The Trust has investments in forty-one facilities located in fifteen states. The Trust invests in healthcare and human service related facilities including acute care hospitals, behavioral healthcare facilities, rehabilitation hospitals, sub-acute care facilities, surgery centers, child-care centers and medical office buildings.

The second quarter dividend of $.465 per share or $5.4 million in the aggregate was paid on June 29, 2001.

For the quarters ended June 30, 2001 and 2000, net income totaled $4,303,000 and $3,800,000 or $.44 and $.42 per share (basic and diluted), on net revenues of $6,859,000 and $6,728,000, respectively. For the six months ended June 30, 2001 and 2000, net income totaled $8,443,000 and $7,716,000 or $.90 and $.86 per share (basic and diluted) on net revenues of $13,744,000 and $13,413,000, respectively.

The $131,000 and $331,000 increases in net revenues during the three and six month periods ended June 30, 2001 as compared to the comparable 2000 periods were due primarily to $353,000 and $734,000 increases in base rental revenue from non-related parties, respectively, partially offset by $268,000 and $535,000 decreases in base rental revenue from UHS facilities respectively, as well as $46,000 and $132,000 increases in bonus rental revenue from UHS facilities, respectively.

The increases in base rentals from non-related parties resulted primarily from the revenues generated from the Southern Crescent II medical office building which was opened during the third quarter of 2000. The decreases in base rentals from UHS facilities resulted from the purchase of previously leased property from the Trust by Meridell Achievement Center, Inc., (a subsidiary of UHS) in December, 2000.

Other operating expenses increased $117,000 or 17% during the second quarter of 2001 and increased $174,000 or 13% during the 2001 six month period as compared to the comparable prior year periods. Included in the Trust's other operating expenses were the expenses related to the medical office buildings in which the Trust has a controlling ownership interest which totaled $613,000 and $511,000 for the three month periods ended June 30, 2001 and 2000, respectively, and $1,182,000 and $1,038,000 for the six month periods ended June 30, 2001 and 2000, respectively. A portion of the expenses associated with the medical office buildings are passed on directly to the tenants and are included as revenues in the Trust's statements of income.

Included in the Trust's financial results was $877,000 and $704,000 for the three months ended June 30, 2001 and 2000, respectively, and $1,699,000 and $1,471,000 for the six months ended June 30, 2001 and 2000, respectively, of income generated from the Trust's ownership in limited liability companies which own medical office buildings in Arizona, California, Kentucky, New Mexico and Nevada.

The Trust adopted SFAS No. 133 effective January 1, 2001. The adoption of this new standard for the three and six months ended June 30, 2001 resulted in a $36,000 loss and a $43,000 gain, respectively, on derivatives.

Funds from operations ("FFO"), which is the sum of net income plus depreciation expense for consolidated investments and unconsolidated investments plus or minus gains/losses on derivatives, increased 12% to $6.2 million for the three months ended June 30, 2001, and increased 9% to $12.2 million for the six months ended June 30, 2001. Contributing to the increases in FFO during the three and six month periods ended June 30, 2001, as compared to the comparable prior year periods, was a reduction in interest expense resulting from the $54.3 million repayment of outstanding borrowings under the revolving credit agreement using the net proceeds generated for the issuance of an additional 2.6 million shares of beneficial interest in June, 2001. FFO may not be calculated in the same manner for all companies, and accordingly, FFO as presented above may not be comparable to similarly titled measures by other companies. FFO does not represent cash flows from operations as defined by generally accepted accounting principles and should not be considered as an alternative to net income as an indicator of the Trust's operating performance or to cash flows as a measure of liquidity.

Liquidity and Capital Resources

Net cash provided by operating activities was $10.6 million for the six months ended June 30, 2001 and $9.5 million for the six months ended June 30, 2000. The $1.1 million net favorable change during the first six months of 2001 as compared to the comparable prior year period was primarily attributable to: (i) a $683,000 favorable change in net income plus the addback of the non-cash charges (depreciation and amortization and gain on derivatives); (ii) a $337,000 favorable change in rent receivable, and; (iii) $54,000 of other net favorable changes.

During the first six months of 2001, the $11.4 million of cash generated from operating activities, including the cash distributions received from the various LLCs in which the Trust owns a non-controlling interest, and the $54.3 million of net proceeds generated from the issuance of 2.6 million shares of beneficial interest were used primarily to: (i) repay debt ($52.2 million); (ii) invest in LLCs in which the Trust owns various non-controlling interests ($2.2 million), and; (iii) pay dividends ($9.6 million).

During the first six months of 2000, the $10.1 million of cash generated from operating activities, including the cash distributions received from the various LLCs in which the Trust owns a non-controlling interest, the $8.6 million of additional borrowings and the $475,000 decrease in cash were used primarily to: (i) purchase a medical office building located in Danbury, Connecticut ($6.4 million); (ii) purchase a 95% equity interest in a limited liability company that owns and operates Skypark Professional Medical Building located in Torrance, California ($1.8 million); (iii) finance capital expenditures ($2.5 million), and; (iv) pay dividends ($8.2 million).

In June of 2001, the Trust issued 2.6 million shares of beneficial interest at a price of $21.57 per share. The shares were offered under the Trust's previously filed $100 million shelf registration statement. The equity issuance generated net proceeds of $54.3 million which were used to repay outstanding borrowings under the Trust's $100 million revolving credit facility. Pursuant to the terms of the Trust's original revolving credit agreement, the $100 million commitment was to be reduced by 50% of the net proceeds generated from the issuance of equity. During the second quarter of 2001, the revolving credit agreement was amended to waive the commitment reduction provision, thereby keeping the commitment at $100 million.

As of June 30, 2001, the Trust had approximately $67 million of unused borrowing capacity under the terms of its $100 million revolving credit agreement. The agreement expires on June 24, 2003, at which time all amounts then outstanding are required to be repaid. Additional funds may be obtained either through refinancing the existing revolving credit agreement and/or the issuance of long-term securities.

PART II. OTHER INFORMATION
UNIVERSAL HEALTH REALTY INCOME TRUST

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the quantitative and qualitative disclosures in 2001. Reference is made to Item 7 in the Annual Report on Form 10-K for the year ended December 31, 2000.

Item 4. Submission of Matters to a Vote of Security Holders

(a.) The following information related to matters submitted to the shareholders of Universal Health Realty Income Trust (the "Trust") at the Annual Meeting of Shareholders on June 1, 2001.

(b.) Not applicable.

(c.) At the meeting, the following proposals, as described in the proxy statement delivered to all the Trust's shareholders, were approved by the votes indicated:

Election by holders of Trust shares of two Class III Trustees

	Kirk E. Gorman	Miles L. Berger
Votes cast in favor	8,281,736	8,307,295
Votes withheld	74,263	48,704

(d.) Not applicable.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

10.1 Amendment No. 2 to Revolving Credit Agreement made as of June 6, 2001 to that certain Revolving Credit Agreement dated as of June 24, 1998, as amended by an Amendment to Revolving Credit Agreement dated as of April 30, 1999 (as so amended, the "Credit Agreement") among Universal Health Realty Income Trust, a real estate investment trust organized under the laws of Maryland (the "Company"), First Union National Bank, Bank of America, N.A., Fleet National Bank and PNC Bank, National Association (individually a "Bank" and collectively the "Banks") and First Union National Bank, as administrative agent for the Banks (the "Agent").

(b) Reports on form 8-k

None

All other items of this report are inapplicable.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 10, 2001

UNIVERSAL HEALTH REALTY INCOME TRUST
(Registrant)

/s/ Kirk E. Gorman

Kirk E. Gorman, President,
Chief Financial Officer,
Secretary and Trustee

(Principal Financial Officer and
Duly Authorized Officer.)

AMENDMENT NO. 2
to
REVOLVING CREDIT AGREEMENT

This Amendment No. 2 (the "Amendment") is made as of June 6, 2001 to that certain Revolving Credit Agreement dated as of June 24, 1998, as amended by an Amendment to Revolving Credit Agreement dated as of April 30, 1999 (as so amended, the "Credit Agreement") among Universal Health Realty Income Trust, a real estate investment trust organized under the laws of Maryland (the "Company"), First Union National Bank, Bank of America, N.A., Fleet National Bank and PNC Bank, National Association (individually a "Bank" and collectively the "Banks") and First Union National Bank, as administrative agent for the Banks (the "Agent"). Capitalized terms not defined herein shall have the respective meanings assigned to such terms in the Credit Agreement.

Background

A. The Company is in the process of making an equity offering the proceeds of which the Company intends to apply to amounts outstanding under the Credit Agreement.

B. In connection with such equity offering, the Company, the Banks and the Agent desire to amend the Credit Agreement as set forth below.

NOW, THEREFORE, in consideration of the premises and intending to be legally bound hereby, the parties hereto agree as follows:

1. Amendment. Section 2.3(b) of the Credit Agreement shall be amended by adding at the end of such subsection the following:

   "Notwithstanding the foregoing, the Commitment Amount shall not be reduced as a result of the 2001 Offering (as hereafter defined) if (i) within 90 days after the closing of the 2001 Offering or, if earlier, on the last day of the latest ending Interest Period applicable to any LIBO Rate Amount or Adjusted C/D Rate Amount outstanding on May 31, 2001, the Company makes a prepayment on the Loans in an amount not less than the amount of proceeds of the 2001 Offering (net of all reasonable costs and expenses incurred in connection therewith), and (ii) on the date of such prepayment the Company pays the Agent, for the pro rata benefit of the Banks in accordance with their Commitments, a fee equal to 10 basis points on one-half of the amount of such net proceeds of the 2001 Offering. Such prepayment shall be accompanied by a certificate signed by the chief financial officer of the Company certifying the gross and net amount of the proceeds of the 2001 Offering. For the purposes hereof, "2001 Offering" shall mean the first public equity offering closed by the Company after June 6, 2001, but on or before July 31, 2001."

2. Representations of the Company. The Company hereby represents and warrants to the Banks that (i) the execution, delivery and performance of this Amendment has been duly authorized by all necessary action on the part of the Company, (ii) this Amendment is a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, and (iii) no Default or Event of Default has occurred and currently exists.

3. Counterparts; Effectiveness. This Amendment may be signed in any number of counterparts, each of which when executed shall be deemed an original and all of which taken together shall constitute one and the same instrument. This Amendment shall become effective when the Agent shall have received signed counterparts from the Company and the Majority Banks. Delivery of a signed counterpart of a signature page by facsimile transmission shall constitute delivery of a manually signed counterpart, but any party transmitting a facsimile shall confirm such transmission by mailing or otherwise delivering the manually signed counterpart to the Agent.

4. Effect of Amendment. Except as expressly modified and amended hereby, all provisions, terms and conditions of the Credit Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above written.

UNIVERSAL HEALTH REALTY INCOME TRUST

By: /s/ Cheryl K. Ramagano

Title: Vice President & Treasurer

FIRST UNION NATIONAL BANK, individually and as Agent

By:

Title:

BANK OF AMERICA

By:

Title: