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 March 31, 1999

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 April 30, 1999 - 8,955,465

UNIVERSAL HEALTH REALTY INCOME TRUST

I N D E X

PART I. FINANCIAL INFORMATION
UNIVERSAL HEALTH REALTY INCOME TRUST
Condensed Statements of Income
(amounts in thousands, except per share amounts)
(unaudited)

	THREE MONTHS ENDED MARCH 31, 1999	1998
Revenues (Note 2):		
Base rental - UHS facilities	$3,443	$3,433
Base rental - Non-related parties	1,600	1,576
Bonus rental	779	846
Interest	234	2
	6,056	5,857
EXPENSES:		
Depreciation & amortization	947	967
Interest expense	1,021	743
Advisory fees to UHS	300	273
Other operating expenses	528	453
	2,796	2,436
Income before equity in limited liability companies	3,260	3,421
Equity in income of limited liability companies	668	148
NET INCOME	$3,928	$3,569
NET INCOME PER SHARE - BASIC	$ 0.44	$ 0.40
NET INCOME PER SHARE - DILUTED	$ 0.44	$ 0.40
Weighted average number of shares outstanding - basic	8,953	8,952
Weighted average number of share equivalents	25	24
Weighted average number of shares and equivalents outstanding - diluted	8,978	8,976

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

UNIVERSAL HEALTH REALTY INCOME TRUST
Condensed Balance Sheets
(amounts in thousands)

ASSETS:	MARCH 31, 1999 (unaudited)	DECEMBER 31, 1998
REAL ESTATE INVESTMENTS:		
Buildings & improvements	$ 142,840	$ 142,871
Accumulated depreciation	(34,947)	(34,006)
	107,893	108,865
Land	21,061	21,061
Construction in progress	28	28
Reserve for investment losses	(204)	(116)
Net Real Estate Investments	128,778	129,838
Investments in and advances to limited liability companies	32,358	38,165
OTHER ASSETS:		
Cash	375	572
Bonus rent receivable from UHS	710	681
Rent receivable from non-related parties	88	24
Deferred charges and other assets, net	458	126
	$ 162,767	$ 169,406
LIABILITIES AND SHAREHOLDERS' EQUITY:		
LIABILITIES:		
Bank borrowings	$ 58,400	$ 64,800
Note payable to UHS	1,234	1,216
Accrued interest	258	281
Accrued expenses & other liabilities	1,082	1,300
Tenant reserves, escrows, deposits and prepaid rents	459	374
Minority interest	85	87
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: 1999 - 8,955,465 1998 - 8,955,465	90	90
Capital in excess of par value	128,688	128,685
Cumulative net income	130,386	126,458
Cumulative dividends	(157,915)	(153,885)
Total Shareholders' Equity	101,249	101,348
	$ 162,767	$ 169,406

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

UNIVERSAL HEALTH REALTY INCOME TRUST
Condensed Statements of Cash Flows
(amounts in thousands, unaudited)

	THREE MONTHS ENDED MARCH 31, 1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 3,928	$ 3,569
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation & amortization	947	967
Amortization of interest rate cap	31	31
Changes in assets and liabilities:		
Rent receivable	(93)	(147)
Accrued expenses & other liabilities	(135)	3
Tenant escrows, deposits & prepaid rents	85	174
Accrued interest	23	(22)
Deferred charges & other	64	37
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,850	4,612
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments in limited liability companies	(1,243)	(12,842)
Repayment of advances received from limited liability companies	6,890	--
Capital expenditures, net of dispositions	(258)	(142)
Cash distributions in excess of income from LLCs	160	222
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	5,549	(12,762)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Additional borrowings	--	11,300
Repayments of long-term debt	(6,400)	--
Dividends paid	(4,030)	(3,894)
Payment of financing costs	(166)	--
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(10,596)	7,406
Decrease in cash	(197)	(744)
Cash, beginning of period	572	1,238
CASH, END OF PERIOD	$ 375	$ 494
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid	$ 995	$ 717

See accompanying notes to these condensed financial statements.

UNIVERSAL HEALTH REALTY INCOME TRUST
NOTES TO CONDENSED FINANCIAL STATEMENTS
MARCH 31, 1999
(unaudited)

(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, 1998. Certain prior year amounts have been reclassified to conform with current year financial statement presentation.

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.

During the first three months of 1999 and 1998, approximately 69% and 71%, respectively, of the Trust's 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 months ended March 31, 1999 and 1998:

	THREE MONTHS ENDED MARCH 31,	
	1999	1998
Base rental - UHS facilities	$3,443,000	$3,433,000
Base rental - Non-related parties	1,600,000	1,576,000
Total base rental	5,043,000	5,009,000
Bonus rental - UHS facilities	722,000	734,000
Bonus rental - Non-related parties	57,000	112,000
Total bonus rental	779,000	846,000
Interest - Non-related parties	234,000	2,000
Total revenues	$6,056,000	$5,857,000

UHS owned approximately 8% percent of the Trust's outstanding shares of beneficial interest as of March 31, 1999. 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. The Trust's officers are all employees of UHS.

UHS of Delaware, Inc. (the "Advisor"), a wholly-owned subsidiary of UHS, 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 1999. 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. Advisory fees paid to UHS amounted to $300,000 and $273,000 for the three month periods ended March 31, 1999 and 1998, respectively.

(3) DIVIDENDS

A dividend of $.45 per share or $4.0 million in the aggregate was declared by the Board of Trustees on March 8, 1999 and was paid on March 31, 1999 to shareholders of record as of March 15, 1999.

(4) ACQUISITIONS

During the first quarter of 1999, the Trust paid $1.2 million to acquire a 95% interest in a limited liability company that owns the Santa Fe Professional Plaza. The Santa Fe Professional Plaza is a multi-tenant medical office building located near the campus of the Scottsdale Healthcare Shea Hospital in Scottsdale, Arizona.

(5) NEW ACCOUNTING PRONOUNCEMENT

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities". The Statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The Statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate, and assess the effectiveness of transactions that receive hedge accounting.

Statement 133 is effective as of the beginning of fiscal years beginning after June 15, 1999. A company may also implement the Statement as of the beginning of any fiscal quarter after the issuance. Statement 133 cannot be applied retroactively. Statement 133 must be applied to: (a) derivative instruments, and; (b) certain derivative instruments embedded in hybrid contracts that were issued, acquired, or substantially modified after December 31, 1997 (and at the company's election, before January 1, 1998).

The Trust expects to adopt Statement 133 in January 2000 and has not yet quantified the impact on its financial statements. However, the Statement could increase the volatility in earnings and other comprehensive income.

(6) SUMMARIZED FINANCIAL INFORMATION OF EQUITY AFFILIATES

The following table represents summarized unaudited financial information of the limited liability companies ("LLCs") accounted for by the equity method. Amounts presented include investments in the following LLCs as of March 31, 1999:

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
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

	FOR THE THREE MONTHS ENDED MARCH 31,	
	1999	1998
	(amounts in thousands)	
Revenues	$3,806	$1,715
Expenses	2,997	1,539
Net income	809	176
UHT's share of net income	668	148

As of March 31, 1999, these LLCs had approximately $63 million of non-recourse debt payable to third-party lending institutions and $3 million of loans payable to the Trust (net of $7 million of repayments received in 1999). The loans payable to the Trust earned interest at a combined average annual rate of 9.5% during first quarter of 1999 and are expected to be fully repaid to the Trust during 1999 once the LLCs secure long-term, third-party financing.

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 the 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 growth on favorable terms; the impact of Year 2000 issues; liability and other claims asserted against the Trust or operators of the Trust's facilities, and; other factors referenced in the Trust's 1998 10-K or 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 industry factors will have on the operating results of its lessees, including the facilities leased to subsidiaries of UHS, or on their ability to meet their obligations under the terms of their leases with the Trust. 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 thirty-two facilities located in fourteen 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 first quarter dividend of $.45 per share or $4.0 million in the aggregate was paid on March 31, 1999.

For the quarters ended March 31, 1999 and 1998, net income totaled $3,928,000 and $3,569,000 or $.44 and $.40 per share (basic and diluted), on net revenues of $6,056,000 and $5,857,000, respectively. The $199,000 increase in net revenues during the 1999 first quarter as compared to the 1998 quarter was due primarily to an increase in interest income resulting from $10.0 million of short-term loans advanced to three separate LLCs in which the Trust has ownership interests.

The Trust's share of the corresponding interest expense charged to the LLCs is recorded on the equity in income of limited liability companies line on the Condensed Statements of Income for the three months ended March 31, 1999. In March 1999, two LLCs made loan repayments to the Trust amounting to $6.9 million.

Interest expense increased $278,000 or 37% for the three months ended March 31, 1999 as compared to the comparable 1998 period due primarily to increased borrowings used to finance additional investments in 1998 and the first quarter of 1999. Depreciation and amortization expense decreased slightly for the three months ended March 31, 1999 compared to the comparable prior year period.

Other operating expenses increased $75,000 or 17% during the first quarter of 1999 as compared to the comparable prior year period due primarily to an increase in various operating expenses, including the expenses related to the maintenance of Lake Shore Hospital. 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 $241,000 for the three month ended March 31, 1999 and $231,000 for the three months ended March 31, 1998. The majority 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 for the three months ended March 31, 1999 and 1998 was $668,000 and $148,000, 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.

Funds from operations ("FFO"), which is the sum of net income plus depreciation expense for consolidated investments and unconsolidated investments and amortization of interest rate cap expense, increased 12% to $5.4 million for the three months ended March 31, 1999, as compared to $4.8 million in the comparable prior year quarter. 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 $4.9 million for the three months ended March 31, 1999 and $4.6 million for the three months ended March 31, 1998. The $238,000 net favorable change during the first quarter of 1999 as compared to the comparable prior year quarter was primarily attributable to: (i) a $339,000 favorable change in net income plus the addback of the non-cash charges (depreciation, amortization and amortization of interest rate cap expense); (ii) a $138,000 unfavorable change in accrued expenses and other liabilities, and; (iii) $37,000 of other net favorable changes.

During the first three months of 1999, the $4.9 million of cash generated from operating activities, the $6.9 million of cash received for the repayments of two short-term loans advanced to separate LLCs during 1998 and the $200,000 reduction in cash were used primarily to: (i) purchase a 95% equity interest in a limited liability company that owns the Santa Fe Professional Plaza located in Scottsdale, Arizona ($1.2 million); (ii) repay debt ($6.4 million); (iii) pay dividends ($4.0 million), and; (iv) finance capital expenditures and pay financing costs ($400,000).

During the first three months of 1998, the $4.6 million of cash generated from operating activities and the $11.3 million of additional borrowings were used primarily to: (i) purchase a 99% interest in a limited liability company that owns the Desert Springs Medical Plaza located in Las Vegas, Nevada ($9.0 million); (ii) purchase a 95% equity interest in a limited liability company that owns the Edwards Medical Plaza in Phoenix, Arizona ($3.8 million), and; (iii) pay dividends ($3.9 million).

Subsequent to the first quarter of 1999, the Trust amended its revolving credit agreement, (the "Agreement") which matures in June, 2003, to increase its borrowing capacity to $100 million from $80 million. The Agreement provides for interest at the Trust's option, at the certificate of deposit rate plus 5/8% to 1 1/8%, Eurodollar rate plus 1/2% to 1 1/8% or the prime rate. A fee of .175% to .375% is required on the unused portion of this commitment. The margins over the certificate of deposit rate, Eurodollar rate and the commitment fee are based upon the Trust's debt to total capital ratio as defined by the Agreement. As of March 31, 1999, the Trust had utilized approximately $62 million of borrowing capacity under the terms of its revolving credit agreement, as amended.

YEAR 2000 ISSUE

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Computer programs, certain building infrastructure components (including elevators, alarm systems and certain HVAC systems) and certain computer aided medical equipment that have time-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in system failures or miscalculations causing disruption of operations or medical equipment malfunctions that could affect patient diagnosis and treatment.

Management of the Trust recognizes the need to evaluate the impact on its operations of the change to calendar year 2000 and does not expect the total cost of required building related modifications to have a material impact on its results of operations. Approximately 72% of the Trust's total revenues for the three year period ended December 31, 1998 (69% for the three month period ended March 31, 1999), were earned under the terms of the leases with wholly-owned subsidiaries of UHS.

UHS has undertaken steps to inventory and assess applications and equipment at risk to be affected by Year 2000 issues and to convert, remediate or replace such applications and equipment. UHS has completed its assessment of its major financial and clinical software and believes that such software is substantially Year 2000 compliant. As to certain peripheral software, UHS has scheduled upgrades to be completed by June, 1999. For its biomedical equipment, UHS expects to complete the assessment phase of its Year 2000 analysis by early in the second quarter of 1999. UHS believes that Year 2000 related remediation costs incurred through March 31, 1999 have not had a material impact on its results of operations. However, UHS is not able to reasonably estimate the total capital costs to be incurred for equipment replacement since the equipment analysis phase has not yet been completed. Some replacement or upgrade of systems and equipment would take place in the normal course of business. Several systems, key to UHS's operations, have been scheduled to be replaced through vendor supplied systems before Year 2000. The costs of repairing existing systems is expensed as incurred.

UHS has allocated a portion of its 1999 capital budget as Year 2000 contingency funds and expects that all of the capital costs can be accommodated within that budget. UHS presently believes that with modifications to existing software and conversions to new software, the Year 2000 issue will not pose material operational problems for its computer systems. However, if such modifications and conversions are not made, or are not completed timely, the Year 2000 issue could have a material impact on the operations of UHS and UHS's ability to meet its obligations under the terms of its leases with the Trust.

The majority of the software used by UHS is purchased from third parties. UHS is relying on software (including UHS's major outsourcing vendor which provides the financial and clinical applications for the majority of UHS's acute care facilities), hardware and other equipment vendors to verify Year 2000 compliance of their products. UHS also depends on: fiscal intermediaries which process claims and make payments for the Medicare program; health maintenance organizations, insurance companies and other private payors; vendors of medical supplies and pharmaceuticals used in patient care; and, providers of utilities such as electricity, water, natural gas and telephone services. As part of its Year 2000 strategy, UHS intends to seek assurances from these parties that their services and products will not be interrupted or malfunction due to the Year 2000 problem. Failure of third parties to resolve their Year 2000 issues could have a material adverse effect on UHS's results of operations and its ability to provide health care services.

Each of UHS's hospitals has a disaster plan which will be reviewed as part of UHS's Year 2000 contingency planning process. However, no assurance can be given that UHS will be able to develop contingency plans which will enable each of its facilities to continue to operate in all circumstances.

This Year 2000 assessment is based on information currently available to UHS and the Trust, and UHS and the Trust will revise its assessment as it implements its Year 2000 strategy. UHS can provide no assurance that applications and equipment UHS believes to be Year 2000 compliant will not experience difficulties or that UHS will not experience difficulties obtaining resources needed to make modifications to or replace its affected systems and equipment. Failure by UHS or third parties on which it relies to resolve Year 2000 issues could have a material adverse effect on its results of operations, its ability to provide health care services and on UHS's ability to meet its obligations under the terms of its leases with the Trust. Consequently, the Trust can give no assurances that issues related to Year 2000 will not have a material adverse effect on it's financial condition or results of operations.

With respect to the Trust's non-UHS properties, an assessment was conducted by the Trust which covered the compliance efforts of the tenants and based upon the responses received, these tenants do not expect Year 2000 related issues to have a material impact on their operations. Management of the Trust will continue to monitor the Year 2000 compliance efforts of its non-related tenants as well as the effects of potential non-compliance.

The Trust will develop contingency plans if, and to the extent, deemed necessary. However, based upon current information and barring developments, the Trust does not anticipate developing any substantive contingency plans with respect to Year 2000 issues. In addition, the Trust has no plans to seek independent verification or review of its assessments. The Trust believes that its expenditures for assessing and correcting Year 2000 issues have not been material. In addition, the Trust is not aware of any issues that will require material expenditures by the Trust or tenants of the Trust's facilities in the future.

Based upon current information, the Trust believes that the risk posed by the foreseeable Year 2000 related problems with its internal systems, (including both information and non-information systems) is minimal. Year 2000 related problems at certain third-party payors, service providers and non-related tenants is greater, however, based upon current information, the Trust does not believe such problems will have a material effect on its operations. While the Trust believes that it will be Year 2000 compliant by December 31, 1999, there can be no assurance that the Trust or tenants of the Trust's properties will be successful in identifying and assessing all compliance issues, or that the efforts of the Trust or tenants of the Trust' properties to remedy all Year 2000 compliance issues will be effective such that they will not have a material adverse effect on the Trust's business or results of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in quantitative and qualitative disclosures in 1999. Reference is made to Item 7 in the Annual Report on Form 10-K for the year ended December 31, 1998.

PART II. OTHER INFORMATION
UNIVERSAL HEALTH REALTY INCOME TRUST

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

10.1 REVOLVING CREDIT AGREEMENT as of April 30, 1999 among (i) UNIVERSAL HEALTH REALTY INCOME TRUST, a real estate investment trust organized under the laws of the State of Maryland and having its principal place of business at 367 South Gulph Road, King of Prussia, Pennsylvania 19406, (ii) VARIOUS FINANCIAL INSTITUTIONS and (iii) FIRST UNION NATIONAL BANK, as administrative agent for the Banks.

27. Financial Data Schedule

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: May 13, 1999

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.)

Exhibit 10.1

AMENDMENT
TO REVOLVING
CREDIT AGREEMENT

THIS AMENDMENT, dated as of April 30, 1999 (the "Amendment"), is entered into by and among Universal Health Realty Income Trust (the "Company"), First Union National Bank, Bank of America (as successor by merger to NationsBank), Fleet National Bank and PNC Bank, National Association (each individually, a "Bank" and collectively, the "Banks") and First Union National Bank, as administrative agent for the Banks (the "Agent").

PRELIMINARY STATEMENT

WHEREAS, the Company, the Banks and the Agent are parties to a Revolving Credit Agreement dated as of June 24, 1998 (the "Credit Agreement"), pursuant to which the Banks have provided the Company with the Loans upon the terms and conditions set forth in the Credit Agreement; and

WHEREAS, the Company has requested, and the Banks and the Agent have agreed, to modify the Credit Agreement in certain respects; and

WHEREAS, the Banks and the Agent have agreed to amend the Credit Agreement hereby, but only to the extent and on the terms and conditions specifically set forth herein. All capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed to them in the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, intending to be legally bound hereby, and subject to the satisfaction of the conditions hereinafter set forth, the parties hereto agree as follows:

1. AMENDMENT TO THE CREDIT AGREEMENT. The Credit Agreement is hereby amended as follows:

Schedule 1 to the Credit Agreement is deleted in its entirety and replaced with Schedule 1 attached hereto.

2. CONDITIONS PRECEDENT.

The provisions of Section 1 shall be effective upon the satisfaction or waiver of the conditions precedent set forth in Section 2.2 of the Agreement.

3. REPRESENTATIONS AND WARRANTIES.

(a) The Company confirms the accuracy of the representations and warranties contained in the Credit Agreement as of the date originally given and restates to the Banks such representations and warranties, as amended, on and as of the date hereof as if originally given on such date.

(b) The making and performance of this Amendment and the performance of the Credit Agreement, as amended hereby, are within the power and authority of the Company and have been duly authorized by all necessary corporate action.

(c) When executed and delivered, this Amendment, and the Credit Agreement as amended hereby, will be the legal, valid and binding obligations of the Company, enforceable against it in accordance with its terms.

4. COVENANTS.

The Company warrants to the Banks that the Company is in compliance and has complied with all covenants, agreements and conditions in the Credit Agreement on and as of the date hereof, that no Default or Event of Default has occurred and is continuing on the date hereof and that upon the effectiveness of this Amendment, no Default or Event of Default shall have occurred and be continuing.

5. EFFECT OF AMENDMENT.

This Amendment amends the Credit Agreement only to the extent and in the manner herein set forth, and in all other respects the Credit Agreement is ratified and confirmed.

6. COUNTERPARTS: EFFECTIVENESS.

This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures hereto were upon the same instrument. This Amendment shall become effective when the Banks shall have received the signed counterparts by all the parties hereto.

7. GOVERNING LAW.

This Amendment shall be deemed to be a contract under the law of the Commonwealth of Pennsylvania and shall for all purposes be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania, without reference to principles of conflicts or choice of law.

IN WITNESS WHEREOF, the Company and the Banks have caused this Amendment to be executed by their proper corporate officers thereunto duly authorized as of the day and year first above written.

UNIVERSAL HEALTH REALTY INCOME TRUST

By: /s/ CHERYL K. RAMAGANO

Title:

FIRST UNION NATIONAL BANK, individually and as Agent

By:

Title:

BANK OF AMERICA (as successor by merger to NATIONSBANK)

By:

Title:

FLEET NATIONAL BANK

By:

Title:

PNC BANK, NATIONAL ASSOCIATION

By:

Title:

SCHEDULE 1

COMMITMENTS

Bank	Commitment	Commitment Percentage
First Union Nation Bank Healthcare Finance Group 301 South College Street Charlotte, NC 28288 0735 Attention: Valerie Cline Fax: 710 383 9144	$55,000,000	55.00%
Bank of America (as successor by Merger to NationsBank) One NationsBank Plaza Nashville, TN 37239 1697 Attention: Kevin Wagley Fax: 615 749 4640	$20,000,000	20.00%
Fleet National Bank Healthcare & Institutions Division One Federal Street MA of DO7B Boston, MA 02110 2010 Attention: Ginger Stolzerthaler Fax: 617 346 4699	$15,000,000	15.00%
PNC Bank, National Association 1600 Market Street MS #F2 F070 22 6 Philadelphia, PA 19103 Attention: Jack Swire Fax: 215 585 6987	$10,000,000	10.00%
	$100,000,000	100%

5
1,000
U.S. DOLLARS

3-MOS
DEC-31-1999
JAN-01-1999
MAR-31-1999
1
375
0
5,798
5,204
0
0
163,929
34,947
162,767
0
59,634
0
0
90
101,159
162,767
0
6,724
0
828
947
0
1,021
3,928
0
3,928
0
0
0
3,928
$0.44
$0.44