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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, 2002

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, 2002 -
11,690,173

UNIVERSAL HEALTH REALTY INCOME TRUST

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Part I. Financial Information
Universal Health Realty Income Trust
Consolidated Statements of Income
(amounts in thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Revenues (Note 2):				
Base rental - UHS facilities	\$3,253	\$3,253	\$6,506	\$6,506
Base rental - Non-related parties	2,877	2,795	5,757	5,559
Bonus rental - UHS facilities	1,034	811	2,027	1,679
	7,164	6,859	14,290	13,744
Expenses:				
Depreciation & amortization	1,107	1,087	2,216	2,190
Interest expense	615	1,173	1,236	2,618
Advisory fees to UHS	343	331	686	667
Other operating expenses	786	806	1,612	1,568
	2,851	3,397	5,750	7,043
Income before equity in LLCs and other items	4,313	3,462	8,540	6,701
Equity in income of limited liability companies	885	877	1,745	1,699
Gain on LLC's sale of real property	--	--	1,179	--
(Loss)/Gain on derivatives	(19)	(36)	(7)	43
Net Income	\$5,179	\$4,303	\$11,457	\$8,443
Net Income per share - Basic	\$0.44	\$0.44	\$0.98	\$0.90
Net Income per share - Diluted	\$0.44	\$0.44	\$0.98	\$0.90
Weighted average number of shares outstanding - Basic	11,685	9,682	11,682	9,334
Weighted average number of share equivalents	59	49	58	44
Weighted average number of shares and equivalents outstanding - Diluted	11,744	9,731	11,740	9,378

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

Universal Health Realty Income Trust
Consolidated Balance Sheets
(dollar amounts in thousands)
(unaudited)

	June 30, 2002	December 31, 2001
Assets:		
- - - - -	- - - - -	- - - - -
Real Estate Investments:		
Buildings and improvements	\$159,729	\$159,718
Accumulated depreciation	(45,622)	(43,432)
	-----	-----
	114,107	116,286
Land	22,929	22,929
	-----	-----
Net Real Estate Investments	137,036	139,215
	-----	-----
Investments in limited liability companies ("LLCs")	46,920	46,939
Other Assets:		
Cash	629	629
Bonus rent receivable from UHS	1,032	898
Rent receivable from non-related parties	29	100
Deferred charges and other assets, net	108	123
	-----	-----
	\$185,754	\$187,904
	=====	=====
Liabilities and Shareholders' Equity:		
- - - - -		
Liabilities:		
Bank borrowings	\$30,739	\$31,986
Note payable to UHS	--	1,446
Accrued interest	329	330
Accrued expenses and other liabilities	3,750	3,702
Tenant reserves, escrows, deposits and prepaid rents	451	363
Minority interest	36	43
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: 2002 - 11,690,083 2001 -11,678,816	117	117
Capital in excess of par value	184,558	184,277
Cumulative net income	186,492	175,035
Accumulated other comprehensive loss on cash flow hedges	(2,349)	(2,183)
Cumulative dividends	(218,369)	(207,212)
	-----	-----
Total Shareholders' Equity	150,449	150,034
	-----	-----
	\$185,754	\$187,904
	=====	=====

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,	
	2002	2001
Cash flows from operating activities:		
Net income	\$11,457	\$8,443
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation & amortization	2,216	2,190
Loss/(gain) on derivatives	7	(43)
Changes in assets and liabilities:		
Rent receivable	(63)	130
Accrued expenses & other liabilities	(126)	15
Tenant escrows, deposits & prepaid rents	88	5
Accrued interest	(1)	(77)
Deferred charges & other	9	(48)
Net cash provided by operating activities	13,587	10,615
Cash flows from investing activities:		
Investments in limited liability companies ("LLCs")	(3,144)	(2,149)
Cash received in excess of gain on LLC's sale of real property	1,335	-
Advances received from (made to) LLC's, net	700	(100)
Acquisitions and additions to land and buildings	(11)	(334)
Cash distributions in excess of income from LLCs	1,106	735
Net cash provided by (used in) investing activities	(14)	(1,848)
Cash flows from financing activities:		
Net repayments on revolving credit facility	(1,202)	(52,203)
Repayments of mortgage notes payable	(45)	(41)
Repayment of note payable to UHS	(1,446)	-
Dividends paid	(11,157)	(9,577)
Issuance of shares of beneficial interest	277	54,311
Net cash used in financing activities	(13,573)	(7,510)
Increase in cash	-	1,257
Cash, beginning of period	629	294
Cash, end of period	\$629	\$1,551
Supplemental disclosures of cash flow information:		
Interest paid	\$1,237	\$2,647

See accompanying notes to these condensed financial statements.

UNIVERSAL HEALTH REALTY INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2002
(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 normal and recurring 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, 2001.

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.

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 2002. 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 2002, the Trustees awarded a \$50,000 bonus to the President, Chief Financial Officer, Secretary and Trustee of the Trust conditional upon UHS of Delaware, Inc. agreeing to a \$50,000 reduction in the annual advisory fee paid by the Trust. Advisory fees paid to UHS amounted to \$343,000 and \$331,000 for the three months ended June 30, 2002 and 2001, respectively, and \$686,000 and \$667,000 for the six month periods ended June 30, 2002 and 2001, respectively.

Approximately 60% and 59% for the three month periods ended June 30, 2002 and 2001, respectively, and 60% for both six month periods ended June 30, 2002 and 2001, 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. Pursuant to the terms of its leases with subsidiaries of UHS, the Trust earns fixed monthly base rents plus bonus rents based upon each facility's net patient revenue in excess of base amounts. The bonus rents are computed and paid on a quarterly basis

based upon a computation that compares current quarter revenue to the corresponding quarter in the base year.

UHS owned approximately 6.6% percent of the Trust's outstanding shares of beneficial interest as of June 30, 2002. 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.

(3) Dividends

A dividend of \$.48 per share or \$5.6 million in the aggregate was declared by the Board of Trustees on June 3, 2002 and was paid on June 28, 2002 to shareholders of record as of June 14, 2002.

(4) Financial Instruments

Cash Flow Hedges

During the three month periods ended June 30, 2002 and 2001, the Trust recorded in other comprehensive income ("OCI"), income/(loss) of (\$620,000) and \$164,000, respectively, and (\$166,000) and (\$756,000) for the six month periods ended June 30, 2002 and 2001, respectively, to recognize the change in fair value of all derivatives that are designated as cash flow hedging instruments. The income/(losses) are reclassified into earnings as the underlying hedged item affects earnings, such as when the forecasted interest payment occurs. Assuming market rates remain unchanged from June 30, 2002, it is expected that \$1.4 million of net losses in OCI will be reclassified into earnings within the next twelve months. The Trust also recorded income/(loss) of (\$19,000) and (\$36,000) for the three month periods ended June 30, 2002 and 2001, respectively, and (\$7,000) and \$43,000 for the six month periods ended June 30, 2002 and 2001, respectively, in current earnings to recognize the ineffective portion of the cash flow hedging instruments. The maximum amount of time over which the Trust is hedging its exposure to the variability in future cash flows for forecasted transactions is through November, 2006. As of June 30, 2002, the Trust was not party to any derivative contracts designated as fair value hedges.

(5) New Accounting Standards

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations". The Statement addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and associated asset retirement costs. The Statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred. The asset retirement obligations will be capitalized as part of the carrying amount of the long-lived asset. The Statement applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and normal operation of long-lived assets. The Statement is effective January 1, 2003 for the Trust. Management does not believe that this Statement will have a material effect on the Trust's financial statements.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". The Statement supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of". This Statement also supersedes Accounting Principles Board Opinion (APB) No. 30 provisions related to accounting and reporting for the disposal of a segment of a business. This Statement establishes a single accounting model, based on the framework established in SFAS No. 121, for long-lived assets to be disposed of by sale. The Statement retains most of the requirements in SFAS No. 121 related

to the recognition of impairment of long-lived assets to be held and used. The Statement is effective January 1, 2002 for the Trust. The adoption of this Statement did not have a material effect on the Trust's financial statements.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit of Disposal Activities." The Statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)". The Statement generally requires that a cost associated with an exit or disposal activity be recognized and measured initially at its fair value in the period in which the liability is incurred. The Statement is effective for all exit or disposal activities initiated after December 31, 2002, with earlier application encouraged. Management does not believe that this Statement will have a material effect on the Trust's financial statements.

(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		Six Months Ended	
	----- June 30, -----		----- June 30, -----	
	2002	2001	2002	2001
	----	----	----	----
Net income	\$5,179	\$4,303	\$11,457	\$8,443
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	(620)	164	(166)	(756)
	-----	-----	-----	-----
Comprehensive income	\$4,559	\$4,467	\$11,291	\$7,155
	=====	=====	=====	=====

(7) Summarized Financial Information of Equity Affiliates

The consolidated financial statements of the Trust include the consolidated accounts of its controlled investments. In accordance with the American Institute of Certified Public Accountants' Statement of Position 78-9 "Accounting for Investments in Real Estate Ventures" and Emerging Issues Task Force Issue 96-16, "Investor's Accounting for an Investee When the Investor Has a Majority of the Voting Interest but the Minority Shareholder or Shareholders Have Certain Approval or Veto Rights", the Trust accounts for its investment in LLCs which it does not control using the equity method of accounting. These investments, which represent 33% to 99% non-controlling ownership interests, are recorded initially at the Trust's cost and subsequently adjusted for the Trust's net equity in the net income, cash contributions and distributions of the investments.

Since inception through June 30, 2002, the Trust invested \$56 million of cash in LLCs in which the Trust owns various non-controlling equity interests. 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, 2002:

Name of LLC -----	Ownership -----	Property Owned by LLC -----
DSMB Properties	76%	Desert Samaritan Hospital MOBs
DVMC Properties	95%	Desert Valley Medical Center MOBs
Parkvale Properties	60%	Maryvale Samaritan Hospital MOBs
Suburban Properties	33%	Suburban Medical Center MOBs
Litchvan Investments (a.)	89%	Papago Medical Office Building
Paseo Medical Properties II	75%	Thunderbird Paseo Medical Plaza I & II
Willetta Medical Properties	95%	Edwards Medical Plaza
DesMed	99%	Desert Springs Medical Plaza
PacPal Investments	95%	Pacifica Palms Medical Plaza
RioMed Investments	80%	Rio Rancho Medical Center
West Highland Holdings	48%	St. Jude Heritage Health Complex
Santa Fe Scottsdale	95%	Santa Fe Professional Plaza
Bayway Properties	75%	East Mesa Medical Center
653 Town Center Drive (b.)	98%	Summerlin Hospital MOB
575 Hardy Investors	67%	Centinela Medical Building Complex
653 Town Center Phase II (b.)	98%	Summerlin Hospital MOB II
23560 Madison	95%	Skypark Professional Medical Building
Brunswick Associates	74%	Mid Coast Hospital MOB
Deerval Properties (c.)	90%	Deer Valley Medical Office II

(a.) During 2001, the Trust invested \$2.8 million of cash in a LLC for the purpose of effecting a like-kind exchange which was completed in January, 2002 resulting in \$2.5 million of cash distributed to the Trust. As a result of this like-kind exchange transaction, Litchvan Investments acquired the real estate assets of Papago Medical Park located in Phoenix, Arizona in exchange for cash and the real estate assets of Samaritan West Valley Medical Center located in Goodyear, Arizona.

(b.) Tenants of this medical office building include a subsidiary of UHS.

(c.) As of June 30, 2002, the Trust invested \$1.6 million in the Deer Valley Medical Office II project. The Trust has committed to invest a total of \$2.8 million, \$1.2 million of which is expected to be funded during the remainder of 2002. The Trust has a 90% non-controlling interest in the LLC that developed and owns this medical office building which is located in Phoenix, Arizona, and was opened during the second quarter of 2002.

	June 30,	December 31,
	2002	2001
	(amounts in thousands)	
Net property	\$158,006	\$158,109
Other assets	9,359	16,428
Liabilities and third-party debt	119,893	123,820
Equity	47,472	50,717
UHT's share of equity	46,920	46,939

As of June 30, 2002, these LLCs had approximately \$115.4 million of debt, which is non-recourse to the Trust, payable to third-party lending institutions.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
	(amounts in thousands)			
LLCs':				
Revenues	\$7,411	\$5,613	\$14,770	\$10,610
Expenses	6,286	4,634	12,671	8,722
Income from continuing operations	1,125	979	2,099	1,888
Income from discontinued operations	--	49	25	99
Gain on disposal	--	--	1,346	--
Total net income	\$1,125	\$1,028	\$3,470	\$1,987
UHT's share of:				
Income from continuing operations	\$885	\$833	\$1,724	\$1,611
Income from discontinued operations	--	44	21	88
Gain on disposal	--	--	1,179	--
Total net income	\$885	\$877	\$2,924	\$1,699

(8) Segment Reporting

The Trust has only one service, leasing of healthcare and human service facilities, and all revenues from external customers relate to the same service. Operating results and assessment of performance are reviewed by the chief operating decision-maker on a company-wide basis and no discrete financial information is available or produced on any one component of the business. Accordingly, the disclosure requirements of SFAS 131 are not applicable to the Trust.

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 in the Trust's 2001 Form 10-K or herein. A large portion of the Trust's non-hospital properties consist of medical office buildings which are located either close to or on the campuses of hospital facilities. These properties are either directly or indirectly affected by the factors discussed above as well as general real estate factors such as the supply and demand of office space and market rental rates. 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 \$.48 per share or \$5.6 million in the aggregate was paid on June 28, 2002.

For the quarters ended June 30, 2002 and 2001, net income totaled \$5.2 million and \$4.3 million or \$.44 per share (basic and diluted) for both periods, on net revenues of \$7.2 million and \$6.9 million, respectively. For the six months ended June 30, 2002 and 2001, net income totaled \$11.5 million and \$8.4 million or \$.98 and \$.90 per share (basic and diluted) on net revenues of \$14.3 million and \$13.7 million, respectively. The net income per diluted share for the 2002

periods mentioned above reflect the full effect of 2.6 million new shares of beneficial interest issued in June, 2001. Additionally, included in the net income per diluted share for the six month period ended June 30, 2002 is a gain of \$1.2 million, or \$.10 per diluted share, recorded on the sale of Samaritan West Valley Medical Center in Goodyear, Arizona.

The \$305,000 and \$546,000 increases in net revenues during the three and six month periods ended June 30, 2002, respectively, as compared to the comparable 2001 periods were due primarily to increases in bonus rental revenue from UHS facilities of \$223,000 and \$348,000, respectively. Also contributing to the increase in net revenues during the 2002 periods as compared to the comparable 2001 periods were increases in rental revenue from non-related parties of \$82,000 and \$198,000, respectively, primarily attributable to reimbursement for expenses associated with medical office buildings.

For the three and six month periods ended June 30, 2002, interest expense decreased 48% or \$558,000 and 53% or \$1.4 million, respectively, as compared to the comparable prior year periods. The reduction in interest expense was due primarily to a reduction in the average outstanding borrowings resulting primarily from the repayment of debt using the \$53.9 million of net proceeds generated from the issuance of an additional 2.6 million shares of beneficial interest in June, 2001.

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 \$590,000 and \$613,000 for the three month periods ended June 30, 2002 and 2001, respectively, and \$1.2 million in each of the six month periods ended June 30, 2002 and 2001. A portion of the expenses associated with the medical office buildings are passed on directly to the tenants, which reimburse the Trust, and therefore are included as revenues in the Trust's statements of income.

Included in the Trust's financial results was income generated from the Trust's ownership in limited liability companies which own medical office buildings in Arizona, California, Kentucky, New Mexico, Nevada and Maine (see Note 7 to the Consolidated Financial Statements) amounting to \$885,000 and \$877,000 for the three months ended June 30, 2002 and 2001, respectively, and \$1.7 million for each of the six months ended June 30, 2002 and 2001. Also included in the Trust's financial results during the six month period ended June 30, 2002 was the Trust's share (\$1.2 million) of a gain on the sale of the Samaritan West Valley Medical Center in January, 2002.

The Trust adopted SFAS No. 133 effective January 1, 2001. The adoption of this new standard resulted in gains/(losses) on derivatives of (\$19,000) and (\$36,000) for the three month periods ended June 30, 2002 and 2001, respectively, and (\$7,000) and \$43,000 for the six month periods ended June 30, 2002 and 2001, respectively.

Funds from operations ("FFO"), which is the sum of net income plus depreciation expense for consolidated and unconsolidated investments less the Trust's share of a gain on a LLC's sale of real property (\$1.2 million recorded during the 2002 first quarter) plus or minus gains/losses on derivatives, increased 16% to \$7.2 million for the three months ended June 30, 2002, and increased 17% to \$14.3 million for the six months ended June 30, 2002 as compared to the comparable prior year periods. In June, 2001, the Trust issued 2.6 million additional shares of beneficial interest at \$21.57 per share generating net proceeds of \$53.9 million to the Trust. These proceeds were used to repay outstanding borrowings under the Trust's \$100 million revolving credit facility thereby decreasing interest expense and increasing FFO during the three and six month periods ended June 30, 2002 as compared to the comparable prior year periods.

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 \$13.6 million for the six months ended June 30, 2002 and \$10.6 million for the six months ended June 30, 2001. The \$3.0 million net favorable change during the first six months of 2002 as compared to the comparable prior year period was primarily attributable to a \$3.0 million increase in net income resulting from a \$1.4 million reduction in interest expense (as mentioned above), a \$1.2 million gain recorded on the sale of Samaritan West Valley Medical Center in Goodyear, Arizona and a \$348,000 increase in bonus rental revenues from UHS facilities.

During the first six months of 2002, the Trust had net cash inflows of \$17.0 million consisting of: (i) \$13.6 million of cash generated from operating activities; (ii) \$1.1 million of cash distributions received in excess of income from the Trust's investments in various LLCs in which the Trust owns a non-controlling interest; (iii) \$1.3 million of cash received in excess of a gain as a result of a LLC's sale of real property; (iv) \$700,000 of cash received from various LLCs for loan repayments; and, (v) \$300,000 of dividend reinvestment proceeds. This \$17.0 million of cash was used primarily to: (i) fund additional net investments to various LLCs in which the Trust owns a non-controlling interest (\$3.1 million); (ii) repay debt (\$2.7 million), and; (iii) pay dividends (\$11.2 million).

During the first six months of 2001, the \$10.6 million of cash generated from operating activities, the \$735,000 of cash distributions received in excess of income from the Trust's investments in 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).

As of June 30, 2002, the Trust had approximately \$69 million of unused borrowing capacity under the terms of its \$100 million revolving credit agreement, net of \$5 million of letters of credit outstanding against the 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 2002. Reference is made to Item 7 in the Annual Report on Form 10-K for the year ended December 31, 2001.

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 3, 2002.

(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 three Class I Trustees

	Alan B. Miller -----	Myles H. Tanenbaum -----	Elliot J.Sussman, M.D. -----
Votes cast in favor	10,527,995	10,652,005	10,655,835
Votes withheld	174,823	50,814	46,984

(d.) Not applicable.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:
None

(b) Report on Form 8-K dated June 18, 2002, reported under Item 4, Changes in Registrant's Certifying Accountant, that Universal Health Realty Income Trust (the "Trust") informed its independent accountants, Arthur Andersen LLP, that they would be dismissed effective as of June 18, 2002 and that the Trust retained KPMG LLP as its independent accountants, effective as of June 18, 2002.

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 13, 2002

UNIVERSAL HEALTH REALTY INCOME TRUST
(Registrant)

/s/ Alan B. Miller

Alan B. Miller, Chairman of the Board
and Chief Executive Officer

/s/ Kirk E. Gorman

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

(Principal Financial Officer and Duly
Authorized Officer.)