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, 2000

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, 2000 - - 8,983,164

UNIVERSAL HEALTH REALTY INCOME TRUST

I N D E X

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

	THREE MONTHS ENDED MARCH 31, 2000	THREE MONTHS ENDED MARCH 31, 1999
REVENUES (Note 2):		
Base rental - UHS facilities	$3,520	$3,443
Base rental - Non-related parties	2,383	1,600
Bonus rental	782	779
Interest	--	234
	6,685	6,056
EXPENSES:		
Depreciation & amortization	1,088	947
Interest expense	1,418	1,021
Advisory fees to UHS	325	300
Other operating expenses	705	528
	3,536	2,796
Income before equity in limited liability companies	3,149	3,260
Equity in income of limited liability companies	767	668
NET INCOME	$3,916	$3,928
NET INCOME PER SHARE - BASIC	$ 0.44	$ 0.44
NET INCOME PER SHARE - DILUTED	$ 0.44	$ 0.44
Weighted average number of shares outstanding -- basic	8,983	8,953
Weighted average number of share equivalents	14	25
Weighted average number of shares and equivalents outstanding - diluted	8,997	8,978

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

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

ASSETS:	MARCH 31, 2000	DECEMBER 31 1999
REAL ESTATE INVESTMENTS:		
Buildings & improvements	$160,007	$154,792
Accumulated depreciation	(38,882)	(37,800)
	121,125	116,992
Land	24,279	23,128
Construction in progress	2,583	1,247
Net Real Estate Investments	147,987	141,367
Investments in limited liability companies	37,449	35,748
OTHER ASSETS:		
Cash	583	852
Bonus rent receivable - UHS	766	723
Rent receivable from non-related parties	70	67
Deferred charges and other assets, net	102	64
	$186,957	$178,821
LIABILITIES AND SHAREHOLDERS' EQUITY:		
LIABILITIES:		
Bank borrowings	$84,302	$75,600
Note payable to UHS	1,308	1,289
Accrued interest	461	411
Accrued expenses & other liabilities	1,097	1,367
Tenant reserves, escrows, deposits and prepaid rents	329	404
Minority interest	71	75
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: 2000 - 8,983,164 1999 - 8,990,825	90	90
Capital in excess of par value	129,145	129,255
Cumulative net income	144,346	140,430
Cumulative dividends	(174,192)	(170,100)
Total Shareholders' Equity	99,389	99,675
	$186,957	$178,821

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)

	THREE MONTHS ENDED MARCH 31, 2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 3,916	$ 3,928
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation & amortization	1,088	947
Amortization of interest rate cap	--	31
Changes in assets and liabilities:		
Rent receivable	(46)	(93)
Accrued expenses & other liabilities	(104)	(135)
Tenant escrows, deposits & deferred rents	(75)	85
Accrued interest	50	23
Deferred charges & other	(27)	64
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,802	4,850
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments in limited liability companies ("LLCs")	(1,885)	(1,243)
Advances received from LLCs	--	6,890
Acquisitions and additions to land, buildings and CIP	(7,868)	(258)
Cash distributions in excess of income from LLCs	184	160
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(9,569)	5,549
CASH FLOWS FROM FINANCING ACTIVITIES:		
Additional borrowings	8,715	--
Repayments of long-term debt	(13)	(6,400)
Dividends paid	(4,092)	(4,030)
Payment of financing costs	--	(166)
Repurchase of shares of beneficial interest	(135)	--
Issuance of shares of beneficial interest	23	--
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	4,498	(10,596)
Decrease in cash	(269)	(197)
Cash, beginning of period	852	572
CASH, END OF PERIOD	$ 583	$ 375
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid	$ 1,349	$ 995

See accompanying notes to these condensed financial statements.

UNIVERSAL HEALTH REALTY INCOME TRUST
NOTES TO CONDENSED FINANCIAL STATEMENTS
MARCH 31, 2000
(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, 1999.

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 2000 and 1999, approximately 64% and 69%, 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 months ended March 31, 2000 and 1999:

	THREE MONTHS ENDED MARCH 31, (in thousands)	
	2000	1999
Base rental - UHS facilities	$ 3,520	$ 3,443
Base rental - Non-related parties	2,383	1,600
Total base rental	5,903	5,043
Bonus rental - UHS facilities	782	722
Bonus rental - Non-related parties	-	57
Total bonus rental	782	779
Interest - Non-related parties	-	234
Total revenues	$ 6,685	$ 6,056

UHS owned approximately 8% percent of the Trust's outstanding shares of beneficial interest as of March 31, 2000. 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 has no salaried employees and the Trust's officers are all employees of UHS of Delaware, Inc., a wholly-owned subsidiary of UHS.

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 2000. 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. In both 1999 and 2000, the Trustees awarded a $50,000 bonus to the President, Chief Financial Officer, Secretary and Trustee of the Trust. Also in both 1999 and 2000, 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 $325,000 and $300,000 for the three month periods ended March 31, 2000 and 1999 respectively.

(3) DIVIDENDS

A dividend of $.455 per share or $4.1 million in the aggregate was declared by the Board of Trustees on March 10, 2000 and was paid on March 31, 2000 to shareholders of record as of March 17, 2000.

(4) ACQUISITIONS

During the first quarter of 2000, the Trust invested $6.4 million, including a $4.5 million non-recourse mortgage, in a medical office building in Danbury, Connecticut. Additionally, during the first quarter of 2000, UHT purchased a 95% equity interest for $1.8 million in a LLC that owns and operates Skypark Professional Medical Building on the campus of the Torrance Memorial Medical Center in Torrance, California.

(5) ACCOUNTING PRONOUNCEMENT NOT YET ADOPTED

In June 1999, the FASB issued SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of SFAS No. 133", which deferred the effective date of SFAS No. 133 for one year. 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 items in the income statement, and requires that a company must formally document, designate, and assess the effectiveness of transactions that receive hedge accounting.

The Trust will be required to adopt SFAS No. 133 effective as of January 1, 2001 and has not yet quantified the impact of adopting this statement on its financial statements. Further, the Trust has not determined the method of adoption of SFAS No. 133. However, SFAS No. 133 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, 2000:

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
Willeta Medical Properties	Edwards Medical Plaza
DesMed	Desert Springs Medical Plaza
PacPal Investments	Pacifica Palms Medical Center
RioMed Investments	Rio Rancho Medical Center
West Highland Holdings	St. Jude Heritage Health Complex
Sante Fe Scottsdale	Sante Fe Professional Plaza
653 Town Center Investments	Summerlin Hospital Medical Office Building
Bayway Properties	East Mesa Medical Center
23560 Madison	Skypark Professional Medical Building

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2000	1999
	(amounts in thousands)	
Revenues	$5,141	$3,806
Expenses	4,271	2,997
Net Income	870	809
UHT's share of net income	766	668

As of March 31, 2000, these LLCs had approximately $79 million of non-recourse debt payable to third-party lending institutions.

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 thirty-eight 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 $.455 per share or $4.1 million in the aggregate was paid on March 31, 2000.

For the quarters ended March 31, 2000 and 1999, net income totaled $3,916,000 and $3,928,000 or $.44 and $.44 per share (basic and diluted), on net revenues of $6,685,000 and $6,056,000, respectively. The $629,000 increase in net revenues during the 2000 first quarter as compared to the 1999 quarter was due primarily to a $783,000 increase in base rental revenue from non-related parties, partially offset by a $234,000 decrease in interest income earned on short-term loans advanced during 1998 to three separate LLCs (in which the Trust has ownership interests), all of which were repaid to the Trust by June 30, 1999.

The $783,000 increase in base rentals from non-related parties resulted primarily from the revenues generated from the Sheffield Medical Building, Orthopedic Specialists of Nevada Building and the medical office building located in Danbury, Connecticut, all of which were acquired subsequent to the third quarter of 1999 ($751,000).

Interest expense increased $397,000 or 39% for the three months ended March 31, 2000 as compared to the 1999 first quarter due primarily to increased borrowings used to finance additional investments. Depreciation and amortization expense increased $141,000 or 15% for the three months ended March 31, 2000 compared to the comparable prior year period due primarily to the depreciation expense related to the fourth quarter, 1999 and first quarter, 2000 acquisitions.

Other operating expenses increased $177,000 or 33% during the first quarter of 2000 as compared to the comparable prior year period. 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 $527,000 for the three month ended March 31, 2000 and $234,000 for the three months ended March 31, 1999. 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. Partially offsetting the increase in operating expenses related to the Trust's investments in medical office buildings was $135,000 of maintenance expenses recorded during the first quarter of 1999 related to Lake Shore Hospital, which was sold during the third quarter of 1999.

Included in the Trust's financial results for the three months ended March 31, 2000 and 1999 was $767,000 and $668,000, 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 increased 5% to $5.7 million for the three months ended March 31, 2000, as compared to $5.4 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 $4.8 million for the three months ended March 31, 2000 and $4.9 million for the three months ended March 31, 1999. The $48,000 net unfavorable change during the first quarter of 2000 as compared to the comparable prior year quarter was primarily attributable to: (i) a $98,000 favorable change in net income plus the addback of the non-cash charges (depreciation, amortization and amortization of interest rate cap expense); (ii) a $160,000 unfavorable change in tenant escrows, deposits and deferred rents, and; (iii) $14,000 of other net favorable changes.

During the first three months of 2000, the $4.8 million of cash generated from operating activities, the $8.7 million of additional borrowings and the $269,000 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 ($1.5 million), and; (iv) pay dividends ($4.1 million).

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 of the 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).

As of March 31, 2000, the Trust had approximately $17 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. Also, during the first quarter of 2000, the Board of Trustees approved a stock repurchase program under which the Trust is authorized to purchase up to 500,000 shares, or approximately 6%, of its outstanding stock. Pursuant to the terms of this program, the Trust repurchased 9,100 shares at an average repurchase price of $14.82 per share ($135,000 in the aggregate) during the first quarter of 2000.

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 2000. Reference is made to Item 7 in the Annual Report on Form 10-K for the year ended December 31, 1999.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

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 11, 2000

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.)

5
1,000
U.S. DOLLARS

3-MOS
DEC-31-2000
JAN-01-2000
MAR-31-2000
1
583
0
836
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0
186,869
38,882
186,957
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85,610
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