

HCP, INC.
Form 424B3
August 06, 2008

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Filed Pursuant to Rule 424(b)(3)
Registration Statement No. 333-137225

The information in this prospectus supplement and the accompanying prospectus is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated August 6, 2008

Prospectus supplement to prospectus dated September 8, 2006

13,000,000 shares

HCP, Inc.

Common stock

We are offering 13,000,000 shares of our common stock to the public. Our common stock is traded on the New York Stock Exchange under the symbol "HCP." On August 5, 2008, the last reported sale price for our common stock on the New York Stock Exchange was \$36.82 per share.

Investing in our common stock involves risks. See "Risk Factors" in our Annual Report on Form 10-K, as amended, for the year ended December 31, 2007, in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008 and June 30, 2008 and beginning on page 4 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

	Per share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds (before expenses) to HCP	\$	\$

To the extent the underwriters sell more than 13,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 1,950,000 shares from us.

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The underwriters expect to deliver the shares against payment in New York, New York on August , 2008.

Joint Book-Running Managers

**JPMorgan
Credit Suisse**

The date of this prospectus supplement is August , 2008.

**Banc of America Securities LLC
Goldman, Sachs & Co.**

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You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not authorized anyone to provide you with information that is different. We are not making an offer to sell these securities in any jurisdiction where the offer or sale of these securities is not permitted. This document may only be used where it is legal to sell these securities. You should assume that the information in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference.

All references in this prospectus supplement to "HCP," "we," "us" or "our" mean HCP, Inc. and its consolidated subsidiaries, except where it is clear from the context that the term means only the issuer, HCP. Unless otherwise stated, currency amounts in this prospectus supplement are stated in United States dollars.

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About this prospectus supplement

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. This prospectus supplement also adds to, updates and changes information contained in the accompanying prospectus. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. The accompanying prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using a shelf registration statement. Under the shelf registration process, from time to time, we may offer and sell debt securities, warrants or other rights, stock purchase contracts, units, common stock, preferred stock or depositary shares, or any combination thereof, in one or more offerings.

It is important that you read and consider all of the information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents to which we have referred you in "Incorporation by reference" on page S-2 of this prospectus supplement and "Where You Can Find More Information" on page 2 of the accompanying prospectus.

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Incorporation by reference

The Securities and Exchange Commission, or SEC, allows us to "incorporate by reference" information into this prospectus supplement and the accompanying prospectus. This means that we can disclose important information to you by referring you to another document that HCP has filed separately with the SEC that contains that information. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus. Information that HCP files with the SEC after the date of this prospectus supplement and that is incorporated by reference in this prospectus supplement will automatically modify and supersede the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus to the extent that the subsequently filed information modifies or supersedes the existing information. We incorporate by reference (other than any portions of any such documents that are not deemed "filed" under the Securities Exchange Act of 1934 in accordance with the Securities Exchange Act of 1934 and applicable SEC rules):

each of our Current Reports on Form 8-K filed on January 31, 2008, April 2, 2008 and August 6, 2008;

our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008 and June 30, 2008;

our Annual Report on Form 10-K, as amended, for the fiscal year ended December 31, 2007;

the description of our common stock contained in our Registration Statement on Form 10 dated May 7, 1985 (File No. 1-08895), including the amendments dated May 20, 1985 and May 23, 1985, and any other amendment or report filed for the purpose of updating such description, including the description of amendments to our charter contained in our Quarterly Reports on Form 10-Q for the quarters ended June 30, 2001 and June 30, 2004; and

any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we sell all of the securities offered by this prospectus supplement.

You may request a copy of any of these filings at no cost to you by contacting us by mail, telephone or e-mail using the information set forth below:

Legal Department
HCP, Inc.
3760 Kilroy Airport Way, Suite 300
Long Beach, California 90806
(562) 733-5100
legaldept@hcpi.com

Summary

The information below is a summary of the more detailed information included elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. You should read carefully the following summary together with the more detailed information contained in this prospectus supplement, the accompanying prospectus and the information incorporated by reference into those documents, including the "Risk Factors" section beginning on page 4 of the accompanying prospectus, in our Annual Report on Form 10-K, as amended, and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008 and June 30, 2008. This summary is not complete and does not contain all of the information you should consider when making your investment decision.

Unless otherwise expressly stated or the context otherwise requires, information in this prospectus supplement assumes that the option granted to the underwriters to purchase up to 1.95 million additional shares from us has not been exercised.

Our company

We invest primarily in real estate serving the healthcare industry in the United States, or U.S. We are a Maryland corporation and were organized to qualify as a real estate investment trust, or REIT, in 1985. We are headquartered in Long Beach, California, with offices in Chicago, Illinois, Nashville, Tennessee and San Francisco, California. We acquire, develop, lease, manage and dispose of healthcare real estate and provide mortgage and specialty financing to healthcare providers. Our portfolio includes investments in the following healthcare segments: (i) senior housing; (ii) life science; (iii) medical office; (iv) hospital; and (v) skilled nursing. As of June 30, 2008, our portfolio of properties, excluding assets held for sale but including mortgage loans and properties owned by unconsolidated joint ventures, totaled 706 properties among the following segments: 267 senior housing, 107 life science, 256 medical office, 25 hospital and 51 skilled nursing.

Our executive offices are located at 3760 Kilroy Airport Way, Suite 300, Long Beach, California 90806, and our telephone number is (562) 733-5100.

Healthcare industry

Healthcare is the single largest industry in the U.S. based on Gross Domestic Product, or GDP. According to the National Health Expenditures report released in January 2007 by the Centers for Medicare and Medicaid Services, or CMS, the healthcare industry was projected to represent 16.5% of U.S. GDP in 2008.

Senior citizens are the largest consumers of healthcare services. According to CMS, on a per capita basis, the 75-year and older segment of the population spends 76% more on healthcare than the 65 to 74-year-old segment and over 200% more than the population average.

The delivery of healthcare services requires real estate and, as a consequence, healthcare providers depend on real estate to maintain and grow their businesses. HCP believes that the healthcare real estate market provides investment opportunities due to the:

Compelling demographics driving the demand for healthcare services;

Specialized nature of healthcare real estate investing; and

Ongoing consolidation of the fragmented healthcare real estate sector.

The offering

Common Stock offered by HCP	13 million shares
Common Stock outstanding after this offering(1)	249.7 million shares
Use of Proceeds	We intend to use the net proceeds from this offering to repay a portion of our outstanding indebtedness under our bridge loan. See "Use of proceeds."
New York Stock Exchange symbol	HCP

- (1) Based on 236.7 million shares of our common stock outstanding as of July 31, 2008. Does not include:
- 5.5 million shares of common stock issuable upon the exercise of outstanding options;
 - 4.5 million additional shares reserved for future awards under equity incentive plans;
 - 10.1 million shares of common stock issuable in exchange for non-managing member units of affiliated entities; and
- up to 1.95 million of additional shares of common stock that the underwriters have the option to purchase from us.

You should carefully consider the information set forth under "Risk Factors" in our Annual Report on Form 10-K, as amended, for the year ended December 31, 2007, in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008 and June 30, 2008 and beginning on page 4 of the accompanying prospectus before deciding to invest in our common stock.

For additional information regarding our common stock, see "Description of the common stock."

August 21, 2008 common stock dividend

Our board of directors has declared a quarterly cash dividend on our common stock of \$0.455 per share, payable on August 21, 2008 to stockholders of record as of the close of business on August 11, 2008. Purchasers of shares of common stock in this offering will be entitled to receive the August 21, 2008 dividend, if delivery of the shares sold hereunder occurs before the close of business on August 11, 2008. In the event that the delivery of shares sold hereunder occurs after the close of business on August 11, 2008, the purchasers will not be entitled to receive the August 21, 2008 dividend.

Summary consolidated financial data

The following table sets forth our summary consolidated financial data. You should read this information together with our financial statements, including the related notes, included in our Annual Report on Form 10-K, as amended, for the year ended December 31, 2007 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2008, from which such information has been derived. Our historical consolidated financial statements, as restated for properties classified in discontinued operations through June 30, 2008, for each of the years in the three-year period ended December 31, 2007, are contained in the Current Report on Form 8-K as filed with the SEC on August 6, 2008. Our unaudited financial data for the six months ended June 30, 2007 and 2008 has been prepared on the same basis as our annual consolidated financial statements and includes all adjustments, consisting of only normal recurring adjustments, necessary for the fair presentation of this data in all material respects. The results for any interim period are not necessarily indicative of the results of operations to be expected for a full fiscal year. The following data is presented on a historical basis. We completed our acquisitions of Slough Estates USA Inc. on August 1, 2007, CNL Retirement Properties, Inc. and CNL Retirement Corp. on October 5, 2006 and the interest held by an affiliate of General Electric in HCP Medical Office Properties on November 30, 2006. The results of operations resulting from these acquisitions are reflected in our consolidated financial statements from those dates.

(in thousands, except per share data)	Six months ended June 30,		Year ended December 31,		
	2008	2007	2007	2006	2005
(unaudited)					
Revenues:					
Rental and related revenues	\$ 424,210	\$ 348,889	\$ 772,388	\$ 423,107	\$ 281,110
Tenant recoveries	41,621	25,360	64,857	29,141	18,002
Income from direct financing leases	29,103	30,205	63,852	15,008	
Investment management fee income	2,924	10,459	13,581	3,895	3,184
Total revenues	497,858	414,913	914,678	471,151	302,296
Costs and expenses:					
Depreciation and amortization	156,369	113,811	259,937	119,285	72,169
Operating	97,000	77,668	178,442	82,217	52,315
General and administrative	39,371	37,395	70,809	47,025	31,267
Impairments	9,715			3,577	
Total costs and expenses	302,455	228,874	509,188	252,104	155,751
Other income (expense):					
Gain on sale of real estate interest		10,141	10,141		
Interest and other income, net	66,066	33,186	75,601	34,724	22,759
Interest expense	(181,835)	(150,756)	(355,538)	(211,499)	(106,219)
Total other income (expense)	(115,769)	(107,429)	(269,796)	(176,775)	(83,460)

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(in thousands, except per share data)	Six months ended June 30,		Year ended December 31,		
	2008	2007	2007	2006	2005
	(unaudited)				
Income before income taxes, equity income from unconsolidated joint ventures and minority interests' share in earnings	79,634	78,610	135,694	42,272	63,085
Income taxes	(3,519)	152			
Equity income (loss) from unconsolidated joint ventures	2,509	2,516	5,645	8,331	(1,123)
Minority interests' share in earnings	(11,252)	(11,974)	(24,356)	(14,805)	(12,950)
Income from continuing operations	67,372	69,304	116,983	35,798	49,012
Discontinued operations:					
Income before gain on sales of real estate, net of income taxes	14,941	41,152	68,448	112,470	113,889
Impairments				(6,004)	
Gain on sales of real estate	200,394	106,116	403,584	275,283	10,156
Total discontinued operations	215,335	147,268	472,032	381,749	124,045
Net income	282,707	216,572	589,015	417,547	173,057
Preferred stock dividends	(10,566)	(10,566)	(21,130)	(21,130)	(21,130)
Net income applicable to common shares	\$ 272,141	\$ 206,006	\$ 567,885	\$ 396,417	\$ 151,927
Basic earnings per common share:					
Continuing operations	\$ 0.25	\$ 0.29	\$ 0.46	\$ 0.10	\$ 0.21
Discontinued operations	0.95	0.72	2.27	2.57	0.92
Net income applicable to common shares	\$ 1.20	1.01	\$ 2.73	\$ 2.67	\$ 1.13
Diluted earnings per common share:					
Continuing operations	\$ 0.25	\$ 0.28	\$ 0.46	\$ 0.10	\$ 0.21
Discontinued operations	0.95	0.72	2.25	2.56	0.91
Net income applicable to common shares	\$ 1.20	1.00	\$ 2.71	\$ 2.66	\$ 1.12
Weighted average shares used to calculate earnings per common share:					
Basic	225,945	204,882	207,924	148,236	134,673
Diluted	227,065	206,470	209,254	148,841	135,560
Dividends declared per common share	\$ 0.91	\$ 0.89	\$ 1.78	\$ 1.70	\$ 1.68

(in thousands)	As of		As of
	June 30,	2007	December 31,
	2008		2006
(unaudited)			
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 216,789	\$ 96,269	\$ 58,405
Total assets	12,223,730	12,521,772	10,012,749
Total liabilities	7,143,040	8,078,792	6,556,948
Total stockholders' equity	4,807,654	4,103,709	3,294,036

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Use of proceeds

We anticipate that the net proceeds from this offering, assuming an initial public offering price of \$36.82 per share and after deducting the underwriters discount and estimated expenses payable by us, will be approximately \$459.0 million (or approximately \$527.9 million if the underwriters exercise in full their option to purchase additional shares). We intend to use the net proceeds from the offering to repay a portion of our outstanding indebtedness under our bridge loan facility, which we refer to as our bridge loan. As of August 5, 2008, we had \$1 billion outstanding under our \$2.75 billion bridge loan with an initial maturity date of July 31, 2008. We originally had two optional 6-month extensions, subject to debt compliance and extension fees, which could be used to extend the maturity date to July 31, 2009. In July 2008, we exercised our first extension option. Our bridge loan accrues interest at a rate per annum equal to LIBOR plus a margin ranging from 0.425% to 1.25%, depending upon our debt ratings. Based on our debt ratings on August 5, 2008, the margin on the bridge loan facility is 0.70%.

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Capitalization

The following table sets forth the capitalization of HCP as of June 30, 2008 on an actual basis and on an as adjusted basis to reflect the sale of 13,000,000 shares of our common stock offered by us in this offering at an assumed initial public offering price of \$36.82 per share, which is the last reported sale price for our common stock on the New York Stock Exchange on August 5, 2008, and application of the net proceeds to repay a portion of the indebtedness under our bridge loan, and after the deduction of the underwriting discount and other estimated expenses. You should read the following table with the consolidated financial statements and notes which are incorporated by reference into this prospectus supplement.

	As of June 30, 2008	
(In thousands, except share and per share data)	Actual	As adjusted(1)
Debt obligations:		
Senior unsecured notes	\$ 3,821,786	\$ 3,821,786
Bank line of credit		
Bridge loan	1,150,000	691,068
Mortgage debt	1,516,380	1,516,380
Other debt	105,264	105,264
Total debt obligations	\$ 6,593,430	\$ 6,134,498
Minority interests	\$ 273,036	\$ 273,036
Stockholders' equity:		
Preferred stock, \$1.00 par value per share: 50,000,000 shares aut		