

HCP, INC.
Form 424B3
March 26, 2008

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Reg. Statement No. 333-137225

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell nor do they seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated March 26, 2008.

Preliminary Prospectus Supplement to Prospectus dated September 8, 2006

12,500,000 Shares

HCP, Inc.

Common Stock

We are offering 12,500,000 shares of our common stock to the public. Our common stock is traded on the New York Stock Exchange under the symbol "HCP." The last reported sale price of our common stock on the New York Stock Exchange on March 25, 2008 was \$33.32 per share.

On March 26, 2008, we agreed to sell 4,500,000 shares of our common stock to Goldman, Sachs & Co. as sole underwriter for proceeds of \$149,940,000 pursuant to a separate registered public offering. That offering is expected to close simultaneously with the offering described in this prospectus supplement. Such shares are being sold to a REIT-dedicated institutional investor.

Investing in our common stock involves risks. See "Risk Factors" 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.

	<u>Per Share</u>	<u>Total</u>
Initial price to public	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to HCP	\$	\$

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

Joint Book-Running Managers

Goldman, Sachs & Co.

Citi

Credit Suisse

JPMorgan

Prospectus Supplement dated March , 2008.

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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.

TABLE OF CONTENTS

Prospectus Supplement

About This Prospectus Supplement	S-1
Incorporation by Reference	S-2
Summary	S-3
Summary Consolidated Financial Data	S-5
Use of Proceeds	S-7
Capitalization	S-8
Price Range of Common Stock and Dividends	S-9
Description of the Common Stock	S-10
Underwriting	S-11
Validity of the Common Stock	S-15
Experts	S-15

Prospectus

Where You Can Find More Information	2
Risk Factors	4
Cautionary Language Regarding Forward-Looking Statements	13
The Company	14
Ratio of Earnings to Fixed Charges	14
Use of Proceeds	15
Description of Capital Stock We May Offer	15
Description of Depositary Shares We May Offer	28
Description of the Debt Securities We May Offer	31
Description of Warrants or Other Rights We May Offer	37
Description of Stock Purchase Contracts We May Offer	41
Description of Units We May Offer	42
Legal Ownership and Book-Entry Issuance	45
Certain Provisions of Maryland Law and HCP's Charter and Bylaws	50
United States Federal Income Tax Considerations	56
Plan of Distribution of Securities	80
Validity of Securities	82
Experts	82

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.

S-1

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 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):

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@hpci.com

SUMMARY

The information below is a summary of the more detailed information included elsewhere or incorporated by reference in this prospectus supplement. 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 and in our Annual Report on Form 10-K, as amended. This summary is not complete and does not contain all of the information you should consider when making your investment decision.

Our Company

We invest primarily in real estate serving the healthcare industry in the United States. We are a Maryland corporation and were organized to qualify as a self-administered 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, dispose and manage healthcare real estate and provide mortgage and other 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 December 31, 2007, our portfolio of properties, excluding assets held for sale but including mortgage loans and properties owned by unconsolidated joint ventures, totaled 753 properties among the following segments: 275 senior housing, 105 life science, 269 medical office, 41 hospital and 63 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 United States, or 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 years 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.

Recent Developments

Standard & Poor's, a division of The McGraw-Hill Companies, stated on March 24, 2008 that, effective as of the close of trading on March 28, 2008, our common stock will be added to the S&P 500 Index. The S&P 500 Index is an index comprised of 500 leading companies in leading industries of the U.S. economy. Companies included in the index are selected by the S&P Index Committee, a team of Standard & Poor's economists and index analysts, whose goal is to ensure that the index remains a leading indicator of U.S. equities by following a set of published guidelines and policies.

The Offering

Common Stock offered by HCP	12.5 million shares
Common Stock outstanding after this offering ⁽¹⁾	229.9 million shares
Use of Proceeds	We intend to use the net proceeds from the offering to repay a portion of our outstanding indebtedness under our revolving line of credit facility. See "Use of Proceeds."

New York Stock Exchange symbol

HCP

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 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."

(1)

Based on 217.4 million shares of our common stock outstanding as of February 1, 2008. Does not include:

6.0 million shares of common stock issuable upon the exercise of outstanding options;

4.4 million additional shares reserved for future awards under equity incentive plans;

4.5 million additional shares issuable pursuant to a separate registered public offering; and

10.1 million shares of common stock issuable in exchange for non-managing member units of affiliated entities.

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 from which such information has been derived. 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.

	Year Ended December 31,		
	2007	2006	2005
(in thousands, except per share data)			
Revenues:			
Rental and related revenues	\$ 835,722	\$ 483,921	\$ 340,484
Tenant recoveries	69,354	32,067	21,067
Income from direct financing leases	63,852	15,008	
Investment management fee income	13,581	3,895	3,184
	<u>982,509</u>	<u>534,891</u>	<u>364,735</u>
Costs and expenses:			
Interest	357,024	211,869	106,224
Depreciation and amortization	274,348	132,916	85,781
Operating	186,550	88,521	58,710
General and administrative	70,930	47,195	31,834
Impairments		3,577	
	<u>888,852</u>	<u>484,078</u>	<u>282,549</u>
Income before equity income (loss) from unconsolidated joint ventures, gain on sale of real estate interest, interest and other income, net minority interests' share of earnings and discontinued operations:			
	93,657	50,813	82,186
Equity income (loss) from unconsolidated joint ventures	5,645	8,331	(1,123)
Gain on sale of real estate interest	10,141		
Interest and other income, net	75,676	34,816	22,905
Minority interests' share of earnings	(24,356)	(14,805)	(12,950)
	<u>160,763</u>	<u>79,155</u>	<u>91,018</u>
Income from continuing operations			
Discontinued operations:			
Income before impairments and gain on sales of real estate	24,668	69,113	71,883
Impairments		(6,004)	
Gain on sales of real estate	403,584	275,283	10,156
	<u>428,252</u>	<u>338,392</u>	<u>82,039</u>
Net income	<u>589,015</u>	<u>417,547</u>	<u>173,057</u>
Preferred stock dividends	(21,130)	(21,130)	(21,130)
Net income applicable to common shares	<u>\$ 567,885</u>	<u>\$ 396,417</u>	<u>\$ 151,927</u>

Basic earnings per common share:

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	Year Ended December 31,		
Continuing operations	\$ 0.67	\$ 0.39	\$ 0.52
Discontinued operations	2.06	2.28	0.61
Net income applicable to common shares	\$ 2.73	\$ 2.67	\$ 1.13

S-5

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Diluted earnings per common share:			
Continuing operations	\$	0.67	\$ 0.39 \$ 0.52
Discontinued operations		2.04	2.27 0.60
		<u> </u>	<u> </u>
Net income applicable to common shares	\$	2.71	\$ 2.66 \$ 1.12
		<u> </u>	<u> </u>

Weighted average shares used to calculate earnings per common share:			
Basic		207,924	148,236 134,673
		<u> </u>	<u> </u>
Diluted		209,254	148,841 135,560
		<u> </u>	<u> </u>
Dividends declared per common share:	\$	1.78	\$ 1.70 \$ 1.68
		<u> </u>	<u> </u>

As of December 31,

	<u>2007</u>	<u>2006</u>
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(in thousands)

Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$	96,269	\$ 58,405
Total assets		12,521,772	10,012,749
Total liabilities		8,078,792	6,556,948
Total stockholders' equity		4,103,709	3,294,036

S-6

USE OF PROCEEDS

We intend to use the net proceeds from the offering to repay a portion of our outstanding indebtedness under our revolving line of credit facility, which we refer to as our revolving line of credit. Our revolving line of credit was entered into on August 1, 2007, has an initial \$1.5 billion capacity and matures on August 1, 2011. This revolving line of credit accrues interest at a rate per annum equal to LIBOR plus a margin ranging from 0.325% to 1.00%, depending upon our debt ratings. As of March 24, 2008, we had drawn \$1.0 billion from our revolving line of credit and the interest rate on our outstanding balance was 3.675%. The revolving line of credit was used to fund our investment in mezzanine loans as part of the financing for The Carlyle Group's \$6.3 billion purchase of Manor Care, Inc. and has been used for other general corporate purposes.

S-7

CAPITALIZATION

The following table sets forth the capitalization of HCP as of December 31, 2007 on an actual basis, on an as adjusted basis to reflect the sale of 12,500,000 shares of our common stock offered by us in this offering at \$ per share, after deducting the estimated underwriting discount and other estimated expenses, and the repayment of indebtedness under our revolving line of credit facility and on an as adjusted pro forma basis to reflect the sale of an additional 4,500,000 shares of our common stock offered by us in a separate registered public offering at \$33.32 per share, after deducting estimated expenses, and the repayment of additional indebtedness under our revolving line of credit. You should read the following table with the consolidated financial statements and notes which are incorporated by reference into this prospectus supplement.

	As of December 31, 2007		
	Actual	As Adjusted	As Adjusted Pro Forma
(In thousands, except share data)			
Debt obligations:			
Senior unsecured notes	\$ 3,819,950	\$ 3,819,950	\$ 3,819,950
Bank line of credit(1)	951,700		
Bridge and term loans	1,350,000	1,350,000	1,350,000
Mortgage debt	1,280,761	1,280,761	1,280,761
Other debt	108,496	108,496	108,496
Total debt obligations	\$ 7,510,907	\$	\$
Minority interests	339,271	339,271	339,271
Stockholders' equity:			
Preferred stock, \$1.00 par value per share: 50,000,000 shares authorized; 11,820,000 shares issued and outstanding	285,173	285,173	285,173
Common stock, \$1.00 par value per share: 750,000,000 shares authorized; 216,818,780 actual shares, 229,318,780 shares as adjusted and 233,818,780 shares as adjusted pro forma issued and outstanding	216,819		
Additional paid-in capital	3,724,739		
Cumulative dividends in excess of earnings	(120,920)	(120,920)	(120,920)
Accumulated other comprehensive income (loss)	(2,102)	(2,102)	(2,102)
Total stockholders' equity	\$ 4,103,709	\$	\$
Total capitalization	\$ 11,614,616	\$	\$

- (1) At December 31, 2007, borrowings under our \$1.5 billion revolving line of credit facility had a weighted average effective interest rate of 5.66%.

PRICE RANGE OF COMMON STOCK AND DIVIDENDS

Our common stock is listed on the New York Stock Exchange, or NYSE, under the symbol "HCP." The table below sets forth, for the fiscal quarters indicated, high and low reported closing sale prices per share of our common stock on the NYSE and the cash dividends per share paid in such periods. The last reported sale price of our common stock on the NYSE on March 25, 2008 was \$33.32 per share.

	Stock Price		Dividends Paid
	High	Low	
2006			
First Quarter	\$ 28.81	\$ 25.89	\$ 0.4250
Second Quarter	27.82	25.37	0.4250
Third Quarter	31.05	26.40	0.4250
Fourth Quarter	36.88	30.10	0.4250
2007			
First Quarter	\$ 41.88	\$ 35.04	\$ 0.4450
Second Quarter	37.03	28.39	0.4450
Third Quarter	33.88	25.76	0.4450
Fourth Quarter	35.14	29.80	0.4450
2008			
First Quarter (through March 25, 2008)	\$ 34.40	\$ 27.63	\$ 0.4550
As of February 1, 2008, there were approximately 15,740 stockholders of record.			

It has been our policy to declare dividends to the holders of shares of our common stock so as to comply with applicable provisions of the Internal Revenue Code governing REITs. The cash dividends per share paid on our common stock since January 1, 2006 are set forth in the table above.

DESCRIPTION OF THE COMMON STOCK

For a description of the common stock being offered hereby, please see "Description of Capital Stock We May Offer - Common Stock," "Description of Capital Stock We May Offer - Transfer and Ownership Restrictions Relating to our Common Stock" and "Certain Provisions of Maryland Law and HCP's Charter and Bylaws" in the accompanying