



Healthpeak Properties (DOC)

Updated May 15th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	\$20	5 Year CAGR Estimate:	9.2%	Market Cap:	\$14 B
Fair Value Price:	\$21	5 Year Growth Estimate:	3.0%	Ex-Dividend Date:	5/18/2026
% Fair Value:	94%	5 Year Valuation Multiple Estimate:	1.2%	Dividend Payment Date:	5/29/2026
Dividend Yield:	6.1%	5 Year Price Target	\$25	Years Of Dividend Growth:	1
Dividend Risk Score:	F	Sector:	REITs	Rating:	Hold

Overview & Current Events

On October 30th, 2019, HCP changed its name to Healthpeak Properties and its ticker from HCP to PEAK in order to reflect the culmination of its efforts to reform its portfolio. On March 1st, 2024, Healthpeak Properties changed its ticker from PEAK to DOC due to its merger with Physicians Realty Trust. Healthpeak Properties is the largest healthcare REIT in the U.S., with 774 properties. It was the first healthcare REIT that was included in the S&P 500. The 38-year old REIT invests in life science facilities, senior houses, and medical offices, with 97% of its portfolio based on private-pay sources. It has a market capitalization of \$14 billion.

Healthpeak Properties benefits from favorable secular trends. As the baby boomer generation ages and the average life expectancy is on the rise, the senior population of the U.S. is expected to grow significantly in the upcoming years. The 80+ age group is expected to grow by about 5% per year on average until 2030. In addition, this age group has immense spending power. Thanks to these trends, healthcare spending in the U.S. is expected to grow by about 5% per year on average until 2030.

Healthpeak Properties posted declining FFO for six consecutive years, until 2022. The REIT ran into trouble in 2015, when a major tenant was sued for Medicare claims fraud. As a result, the REIT incurred a \$1.3 billion asset impairment charge and has been going through a major restructuring. However, Healthpeak Properties has sold several assets and has used the proceeds to reduce its debt. As a result, the REIT has received credit rating upgrades from S&P and Fitch (to BBB+) as well as Moody's (to Baa1). Nevertheless, its net debt is still high, at 5.4 times its adjusted EBITDA.

On March 1st, 2024, Healthpeak Properties closed its acquisition of Physicians Realty Trust (DOC) in an all-stock merger of equals valued at ~\$21 billion. The new REIT expects to benefit from much greater scale and annual savings of up to \$60 million, without a significant effect on its debt.

In early May, Healthpeak Properties reported (5/5/26) results for the first quarter of fiscal 2026. Same-property net operating income remained flat vs. the prior year's quarter, as strong growth in the segment of senior housing was offset by weak performance in Lab. FFO per share dipped -2%, from \$0.46 to \$0.45. The REIT faced a headwind due to the pandemic and thus its FFO per share declined in 2020-2021, in contrast to many REITs, which began to recover in 2021. The trust slightly recovered in 2023-2025 but management has provided weak guidance for 2026, mostly due to high interest expense. In the latest conference call, management marginally raised its guidance for annual FFO per share, from \$1.70-\$1.74 to \$1.71-\$1.75. Accordingly, we have raised our forecast from \$1.72 to \$1.73.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO/S	\$2.74	\$1.95	\$1.82	\$1.76	\$1.64	\$1.61	\$1.74	\$1.78	\$1.81	\$1.84	\$1.73	\$2.01
DPS	\$2.10	\$1.48	\$1.48	\$1.48	\$1.48	\$1.18	\$1.20	\$1.20	\$1.20	\$1.22	\$1.22	\$1.30
Shares¹	468.1	469.4	473.3	500.5	538.4	539.5	538.4	547.4	699.6	695.0	690.0	700.0

Although Healthpeak Properties posted declining FFO for six consecutive years, until 2022, and the restructuring process will keep burdening the REIT in the near future, most of the damage has already been done. We expect the trust to

¹ In millions.

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enter a sustainable growth trajectory, as it will leave its past issues behind. Nevertheless, due to the hefty issuance of new shares for the above merger and high interest expense, we expect 3% annual growth of FFO per share until 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg P/FFO	12.0	15.1	13.8	18.5	17.5	21.5	16.4	11.7	11.1	10.0	11.6	12.3
Avg. Yld.	6.4%	5.0%	5.9%	4.5%	5.2%	3.4%	4.2%	5.7%	6.0%	6.6%	6.1%	5.3%

Healthpeak Properties is trading at a P/FFO ratio of 11.6, which is lower than its 4-year average P/FFO of 12.3. If the REIT trades at its average valuation level in five years, it will enjoy a 1.2% annualized valuation gain.

Safety, Quality, Competitive Advantage, & Recession Resiliency

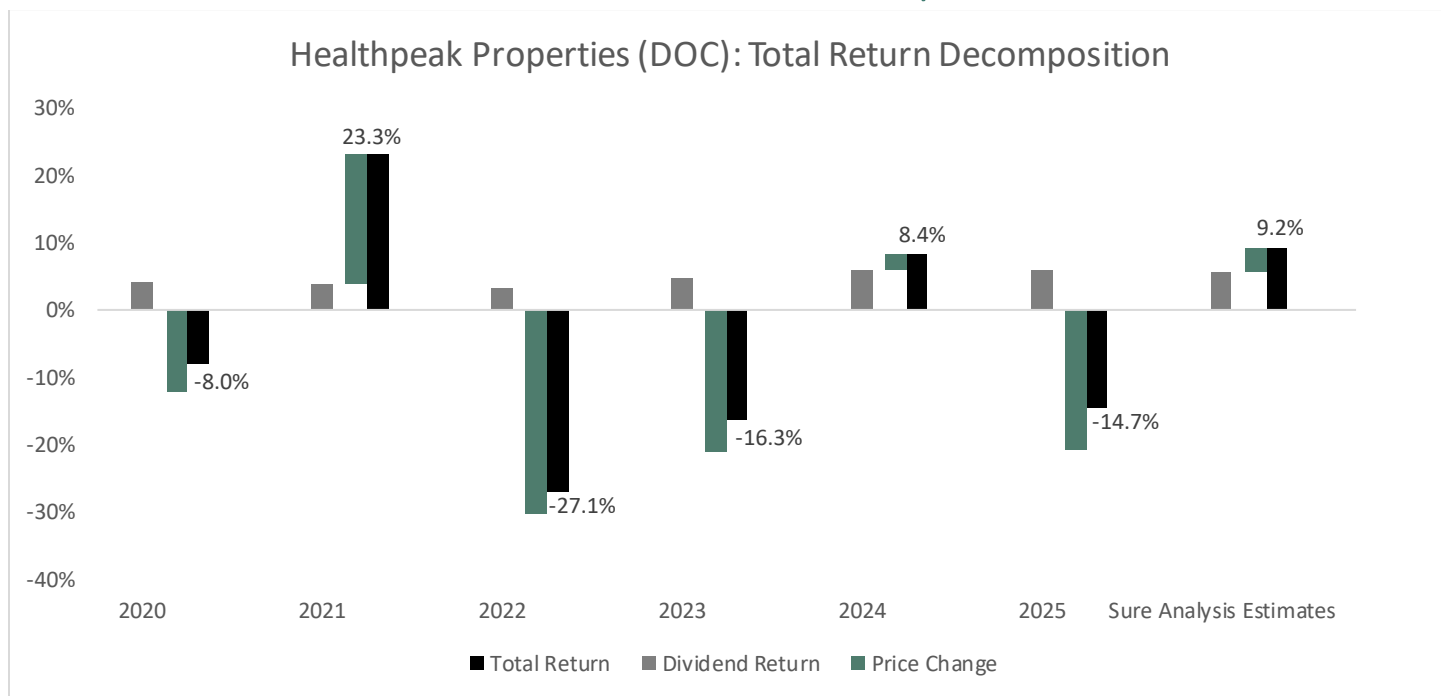
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	76.6%	75.9%	81.3%	84.1%	90.2%	73.3%	69.0%	67.4%	66.3%	66.3%	70.5%	64.9%

The performance of Healthpeak Properties has been poor over the last decade and the REIT cut its dividend by -19% in 2021. As this is the second dividend cut of the REIT in the last decade, it is evident that the REIT is vulnerable to downturns. Even after the dividend cut, the payout ratio remains elevated. In addition, interest expense has more than doubled since 2021 due to a high debt load and high interest rates. Overall, Healthpeak Properties is not suitable for most income-oriented investors. On the other hand, we note that the payout ratio is standing at a reasonable level for a REIT. Nevertheless, the dividend is not safe.

Final Thoughts & Recommendation

Healthpeak Properties has stagnated over the last six years, partly due to high interest expense. The REIT could offer a 9.2% average annual return over the next five years, thanks to 3.0% growth of FFO per share, its 6.1% dividend and a 1.2% expansion of valuation level. Nevertheless, due to the volatile performance record and the high debt load of the REIT, we rate it as a hold for patient, risk-tolerant investors who can endure extended periods of stock price pressure.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1981	1738	1782	1950	1,645	1,896	2,061	2,181	2,700	2,823
Gross Profit	1243	1072	1077	1071	862	1,123	1,198	1,279	1,626	635
Gross Margin	62.7%	61.7%	60.4%	54.9%	52.4%	59.2%	58.1%	58.6%	60.2%	22.5%
SG&A Exp.	104	89	97	93	93	98	131	95	97	---
D&A Exp.	573	535	549	660	697	684	711	750	1,057	1,059
Operating Profit	561	440	420	309	215	340	357	434	471	545
Operating Margin	28.3%	25.3%	23.6%	15.8%	13.1%	17.9%	17.3%	19.9%	17.4%	19.3%
Net Profit	628	414	1061	46	414	506	500	306	243	100
Net Margin	31.7%	23.8%	59.5%	2.3%	25.1%	26.7%	24.3%	14.0%	9.0%	3.5%
Free Cash Flow	1123	732	743	846	758	795	900	956	1,070	1147
Income Tax	4	-1	-18	-17	-9	-3	-4	-10	4	9

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	15759	14088	12719	14033	15920	15258	15771	15699	19938	20336
Cash & Equivalents	95	55	111	144	44	158	72	118	120	538
Acc. Receivable	45	41	48	59	42	49	53	56	77	---
Goodwill & Int. Ass.	480	410	305	332	520	520	418	314	817	723
Total Liabilities	9818	8494	6206	7365	8576	8111	8483	8774	10881	12034
Long-Term Debt	9189	7880	5568	6352	6298	6170	6498	6876	8716	10297
Total Equity	5548	5301	5944	6085	6788	6515	6655	6350	8401	7500
LTD/E Ratio	1.66	1.49	0.94	0.99	0.94	0.95	0.98	1.08	1.04	1.38

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.4%	2.8%	7.9%	0.3%	2.8%	3.2%	3.2%	1.9%	1.4%	0.5%
Return on Equity	8.4%	7.6%	18.9%	0.8%	6.4%	7.6%	7.6%	4.3%	3.0%	1.2%
ROIC	3.5%	2.9%	8.3%	0.4%	3.1%	3.8%	3.7%	2.2%	1.5%	0.5%
Shares Out.	468.1	469.4	473.3	500.5	538.4	539.5	539.1	547.3	676.2	696.0
Revenue/Share	4.24	3.71	3.75	3.99	3.10	3.52	3.82	3.99	3.99	4.06
FCF/Share	2.40	1.56	1.56	1.73	1.43	1.47	1.67	1.75	1.58	1.65

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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