Universal Health Realty Income Trust (UHT)

Updated May 1st, 2026, by Kody Kester

Key Metrics

Current Price:	$41	**5 Year CAGR Estimate:**	8.6%	**Market Cap:**	$565M
Fair Value Price:	$42	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date:**	06/22/26[1]
% Fair Value:	98%	**5 Year Valuation Multiple Estimate:**	0.4%	**Dividend Payment Date:**	06/29/26[1]
Dividend Yield:	7.3%	**5 Year Price Target**	$46	**Years Of Dividend Growth:**	38
Dividend Risk Score:	D	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Universal Health Realty Income Trust (UHT) is a healthcare REIT specializing in medical office buildings (MOBs), acute care hospitals, and behavioral health facilities. As of March 31st, 2026, UHT's portfolio consisted of 77 investments spread across 21 U.S. states. The company's portfolio is weighted toward MOBs and behavioral healthcare facilities, which are generally considered "recession-proof" assets. Its portfolio also includes acute care hospitals, freestanding emergency departments, and childcare centers. Unsurprisingly, UHT is inextricably linked to its founder, Universal Health Services (UHS), one of the largest for-profit hospital operators in the United States. In 2025, the REIT derived around 40% of its total revenue from UHS.

On April 27th, 2026, UHT released its earnings report for the first quarter ended March 31st, 2026. The company's total revenue was essentially flat at $24.53 million during the quarter. Lease revenue, other revenue, and interest income on financing leases from UHS facilities grew due to bonus rental income from the McAllen Medical Center (+0.5% to $9.96 million), which can fluctuate based on the facility's performance. Lease revenue and other revenue from non-related parties decreased by 0.5% over the year-ago period to $14.57 million in the quarter. UHT's FFO per diluted share grew by 2.3% year-over-year to $0.88 for the quarter, which was $0.02 ahead of the analyst consensus. That was due to lower net interest expenses, which provided a tailwind to the bottom line despite the lack of revenue growth.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO	$3.09	$3.10	$3.28	$3.20	$3.36	$3.69	$3.54	$3.23	$3.46	$3.44	***$3.46***	***$3.82***
DPS	$2.60	$2.64	$2.68	$2.72	$2.76	$2.80	$2.84	$2.88	$2.92	$2.96	***$2.98***	***$3.21***
Shares[2]	13.6	13.7	13.8	13.8	13.8	13.8	13.8	13.8	13.9	13.9	***13.9***	***14.0***

Moving forward, we think that UHT's FFO per diluted share can grow by about 2.0% annually through 2031, off an anticipated 2026 base of $3.46. The most reliable driver for this growth forecast is the growth embedded in UHT's existing lease agreements. Weighted-average rental rates for lease renewals in 2025 increased by approximately 3%. Since the REIT largely operates on a triple-net basis (tenants pay insurance, maintenance, taxes, and utilities, in addition to a base rent check), these 1% to 3% escalators drop straight to the bottom line. Then, there's construction well underway on the Alan B. Miller Medical Center, an 80,000 square feet MOB with a 10-year master flex lease with a subsidiary of UHS. This facility will open in Q4 2026. When this comes online, it will provide a fresh stream of FFO to offset the drag of older, vacant properties.

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[1] Estimated based on past dividend dates.

[2] Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
P/FFO	21.2	24.2	18.8	36.2	19.1	16.1	13.5	13.4	10.5	11.4	***11.8***	***12.0***
Avg. Yld.	4.0%	3.5%	4.3%	2.4%	4.3%	4.7%	6.0%	6.7%	8.0%	7.5%	***7.3%***	***7.0%***

Since 2016, UHT's shares have been valued at a P/FFO ratio as cheap as the low double digits in recent years to as much as the mid-30s in the days of zero interest rate policy. Because we believe that interest rates will remain elevated relative to the past five or 10 years, we think a more realistic fair value multiple is right around 12. Compared to the current-year P/FFO ratio of 11.8, this suggests shares are trading around fair value.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	84%	85%	82%	85%	82%	76%	80%	89%	84%	86%	***86%***	***84%***

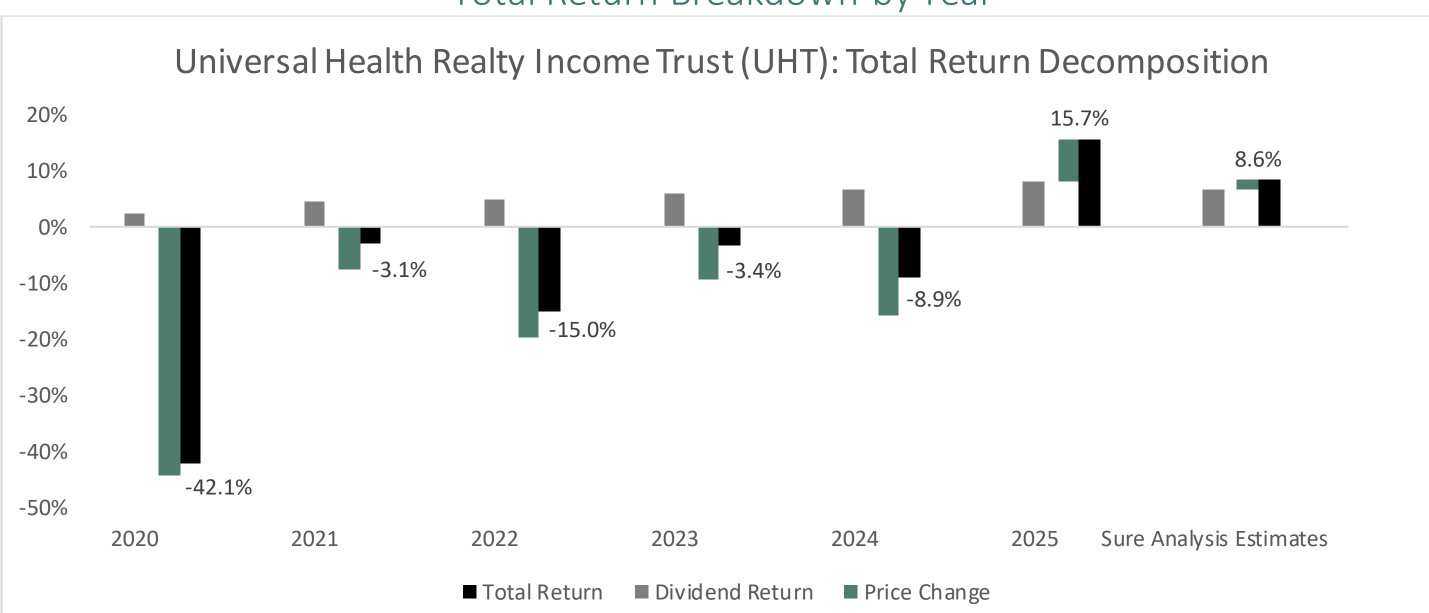
While UHT doesn't have an overwhelming competitive advantage in the traditional sense, its relationship with UHS could be perceived as a positive. Not only is there the investment-grade balance sheet of the tenant anchoring the REIT's portfolio, but UHS is the trust's advisor. This gives UHT the first look at developing properties for UHS. Since UHS was building a hospital next door, UHT was the obvious choice to develop the adjacent medical office space. Then, there's the specialization in behavioral health facilities. Obtaining the zoning and licensing for these types of properties is much more difficult than a standard office building, which creates a local moat for the properties UHT already owns.

The REIT's financial positioning leaves a bit to be desired. Its interest coverage ratio was 2.0x in Q1 2026. If UHS were to encounter financial difficulties, this could put significant pressure on UHT's balance sheet. While it has raised its dividend for 38 consecutive years, the REIT's dividend payout ratio is also reasonably elevated, with it set to be around 86% in 2026. That's why we think dividend growth will lag FFO per diluted share growth for the foreseeable future.

Final Thoughts & Recommendation

UHT's 7.3% dividend yield, 2.0% annual FFO per diluted share growth prospects, and 0.4% annual valuation multiple expansion could deliver 8.6% annual total returns through 2031. That's why we're maintaining our Hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	67	72	76	77	78	84	91	96	99	99
Operating Profit	22	24	27	26	25	28	32	38	43	39
Operating Margin	33.0%	33.2%	35.0%	33.4%	32.5%	32.8%	35.0%	40.1%	43.0%	39.6%
Net Profit	17	46	24	19	19	109	21	15	19	18
Net Margin	25.7%	63.1%	31.7%	24.6%	24.4%	129.7%	23.3%	16.1%	19.4%	17.8%
Free Cash Flow	42	47	42	43	50	46	48	43	46	50

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	525	490	484	489	494	598	608	596	581	565
Cash & Equivalents	4	3	5	6	6	23	8	8	7	7
Goodwill & Int. Ass.	24	21	17	15	12	10	9	9	7	6
Total Liabilities	333	279	285	307	335	363	378	395	401	413
Long-Term Debt	316	256	261	283	304	340	354	370	379	385
Shareholder's Equity	191	211	199	182	159	235	229	201	180	152
LTD/E Ratio	1.65	1.22	1.32	1.56	1.91	1.45	1.55	1.84	2.11	2.53

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.5%	9.0%	5.0%	3.9%	3.9%	20.0%	3.5%	2.6%	3.3%	3.1%
Return on Equity	8.9%	22.7%	11.8%	10.0%	11.2%	55.4%	9.1%	7.2%	10.1%	10.6%
ROIC	3.6%	9.4%	5.2%	4.1%	4.1%	21.0%	3.6%	2.7%	3.4%	3.2%
Shares Out.	13.6	13.7	13.8	13.8	13.8	13.8	13.8	13.8	13.9	13.9
Revenue/Share	4.98	5.31	5.55	5.61	5.67	6.11	6.57	6.92	7.15	7.15
FCF/Share	3.10	3.43	3.07	3.12	3.65	3.36	3.45	3.15	3.30	3.59

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