Universal Health Services snaps up 2 King of Prussia buildings

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Universal Health Services Inc. has purchased two office properties near its existing headquarters in King of Prussia with long-range plans to eventually create a main campus for its operations.

The company on Friday closed on buying 443 S. Gulph Road, a 21,000-square-foot office building on 3.2 acres. The property is currently fully occupied by Bala Engineers, which has a long-term lease on the space. Terms of the transaction weren't available. The last time the building traded, in May 2015, it sold for $2.97 million. Some know the property from its former tenant, Telespectrum.

In September, Universal Health (NYSE:UHS) paid $37.7 million for 455 S. Gulph Road, a 132,089-square-foot office building known as Executive Terrace. The building was sold by Roch Capital, a Glen Mills company that bought it in December 2010 for $26.5 million. Both buildings are visible from the Schuylkill Expressway and have direct access off South Gulph Road.

Universal Health maintains its headquarters at 367 S. Gulph Road, a building it bought in 1983 for $5.8 million. It also owns a 58,000-square-foot building at 1250 Drummers Lane in Wayne, which it refers to as the UHS West Campus merely for its location west of its King of Prussia headquarters.

The two buildings it recently purchased are contiguous with its property at 367 S. Gulph. Though still very early in the process, eventually the company envisions establishing a corporate campus utilizing the three properties, said Marc D. Miller, president at UHS. At this time, 443 S. Gulph and 455 S. Gulph are occupied by office tenants and expected to remain that way for some time as the company comes up with a master plan, he said. The company doesn't anticipate buying additional properties at this time.

UHS was founded in 1979 by Alan Miller, the company's chairman and CEO. He created UHS after losing his first hospital management company to Humana in a hostile takeover. He learned his lesson and structured UHS so that he controls the voting stock.

The company — which originally focused on acute-care hospitals — has steadily grown through acquisitions into the country's largest publicly traded operator of psychiatric care hospitals. Overall, UHS runs more than 240 acute care hospitals, behavioral health facilities and ambulatory centers in the United States, Puerto Rico, the U.S. Virgin Islands and the United Kingdom. Last year, those facilities treated more than 2.5 million people.

In one of its most recent deals, UHS bought out the minority ownership interests held by a third-party in its six acute care hospitals in the Las Vegas region for $445 million.

In this region UHS operates: Fairmount Behavioral Health System and Friends Hospital, both in Philadelphia; Horsham Clinic in Horsham, Foundational Behavioral Health in Doylestown, Keystone Center in Brookhaven and Brook Glen Behavioral Hospital in Fort Washington.

UHS, which has 72,600 employees, generated revenues of more than $9 billion and a net income of $680.5 million in 2015.