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PS Business Parks, Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Your first question comes from the line of Michael Bilerman of Citigroup.

Irvin Guzman – Citigroup

Good morning, it's Irvin Guzman for Michael Bilerman. Joe you mentioned the 60% renewal rate for the first half of this year, can you talk about any more markets that are deviating from that average either driving a higher revolver whether the markets or perhaps a tenant site?

Joe Russell

No Irvin, I couldn't point any particular market, in fact I couldn't really even point any particular product type or to a degree any particular tenant type although I would say in general as we have seen for the last couple of years, we have been more wary about any occupancy tied to anything related to housing or those kinds of influence industries like virtually what has been going on in the overall housing market, but again, we did 400 plus transactions in the quarter, we have done nearly 800 transactions year to date, it's widespread, and our goal is to certainly retain as many tenants as possible. We have got our teams very focused on that effort. JP talked about some of the things that we do to get as close as we can to our customers and we are working hard to do that and that's definitely a good source of business for us. As I also mentioned, it plays out fast and that once we get a tenant to run an initial lease cycle, we have a very high degree of odds to keep them from multiple cycles beyond that. What's comes from that is a company can get more entrenched in a particular location they will end up liking the part that they are in, they are happy with the level of service we are giving them and from that again we are able to drive retentions there.

Irvin Guzman – Citigroup

Can you talk a little bit about sort of your near term tackling order for capital use, got about \$40 million cash in the balance sheet and \$100 million credit facility, you mentioned that the bid adds [ph] spread on transactions are still pretty quiet and preferred seems to be becoming more expensive, you have been active in the past purchasing your own stock, can you just talk about how you sort of plan to use that capacity in the next quarter or six months?

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