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Corporate Office Properties Trust Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) And your first question comes from the line of John Guinee. You may proceed. John, your line is open.

John Guinee – Stifel Nicolaus

Hello. Hi, how are you?

Rand Griffin

Hi, John.

John Guinee – Stifel Nicolaus

Hi, very nice quarter. A handful of quick questions. First, great articulation of the strategy out for 2010, sit down to 15% non-core. I guess, I would say, why still 15%?

Steve Riffie

I think John, that sort of a maximum. What we've tried to do is give assurance to our investors that we are staying very focused on our core and as we would approach 15% out into the future we would be there selling or joint venturing properties. So, I would expect it probably would be below 15%, but that's sort of our maximum.

John Guinee – Stifel Nicolaus

Okay. Second question. I was out at Fort Ritchie over the weekend. How much money you have invested there and what's the plan?

Steve Riffie

We bought it for \$5 million. As you know, we have a future commitment. We don't produce 1,400 jobs in 9 years and we have another 4 million or if we can do that pro rata. And if you saw – I don't know if you saw the – or subsequent to the purchase what we've been spending our time on is demoing the older barracks, cleaning up the site and we have under construction just about finished a community center that we did promise the community we would do it. So, about 50% funded by PenMar who needs to reinvest the money that we paid for the site back on to the site or back into the community.

So, if you add the \$5 million, we probably have 12 million to date and that includes the retrofits of some of the existing buildings where some of the lease have occurred to date.

John Guinee – Stifel Nicolaus

Got you. And then the third question, I guess probably for Roger is can you walk through the Unisys redevelopment? It looks to me like you got 208,000 square feet vacant plus the most likely the single storey building for 416 looks to me like it maybe \$13 or \$14 a square foot for the office product now net, and \$5 or \$6 net for the single storey, but that's just a guess. What kind of numbers can you get for those buildings on a net basis once you redevelop?

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