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## BioMed Realty Trust, Inc. Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

(Operator instructions) Your first question comes from the line of Bill Crow with Raymond James. Please proceed with your question.

**Bill Crow – Raymond James**

Okay. Good morning, guys.

**Alan Gold**

Good morning, Bill.

**Bill Crow – Raymond James**

Nice quarter. A couple of questions, Alan, of the seven markets, any that are showing relative weakness or relative strength?

**Alan Gold**

You now I think across the board, we are very – we've been very pleased with the condition of all of our markets. We've haven't seen one that is any stronger or weaker than another. We continue to see consistent demand in activity in all of our markets.

**Bill Crow – Raymond James**

Okay. On the construction financing side of things, have you seen an increased reluctance on the part of banks and financial institutions to lend, not necessarily to yourselves who have the financial backing, but to other private developers, and what's that doing to supply growth if anything as you look out over the next year or two years?

**Kent Griffin, Jr.**

Based on all of our discussion that we've had, we aren't actively pursuing any financings today. We just don't have anything that we need to do that with. But we are spending a lot of time with our banking partners and keeping our ear to the ground in terms of what's occurring out there, and we do feel like that financings are more difficult. And you've probably heard this refrain across commercial real estate, but banks are limiting their capital commitments to their well capitalized reputable operators who they feel comfortable working with. And I think that is having some effect on

smaller local market players who don't have the definite wherewithal to keep their relationship intact and get the financing that they need to get.

In addition obviously, we talked about the fact that the cost of financing has increased. Equity requirements have increased and that in turn is somewhat self fulfilling in terms of allowing primarily the larger well capitalized borrowers to have access to capital. So, a long winded way of saying we do see and have anecdotally seen lot of evidence that the local market players are struggling to raise capital.

**Bill Crow – Raymond James**

Okay, thanks. And staying with you for one more question again, Kent, capitalized interest change that you discussed on the call earlier, is that a good run rate going forward at least until you have to start – you start capitalizing interest at Pacific Research Center?

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