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## Washington Real Estate Investment Trust Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Dave Rodgers with RBC Capital Markets.

#### David Rodgers – RBC Capital Markets

On the Residential that you discussed earlier, how much of the stabilization, how does that get pushed out? I think its completion is going to slow in the second half of the year. Are we talking a quarter or is just a couple of weeks? Can you give us a little color on that?

#### Skip McKenzie

You know, as we mentioned maybe in the last call, at the Clayborne, leasing started two months late. We really didn't start the leasing project process until February so that process is probably, the velocity is probably on track but I would say you could maybe expect us to be two months behind on reaching our final goal at 95%. Approximately.

It's tough for me to give you a bullet answer on both projects together because it's uncertain how the fourth quarter leasing velocity is going to occur. I think my comment was more focused on the fact that we know historically in the fourth quarter, there's a seasonality to leasing in the residential world and that, in combination with the fact that as these projects get to that 85% and 80% leased situation, there are going to be less options for tenants. So just the natural course of the leasing curve will decline, probably substantially at the end. So I think this will stretch out a couple of extra months, I guess would be the short answer to that.

#### David Rodgers – RBC Capital Markets

I guess with respect to the 2000 M move-out that you mentioned, the 20,000 square feet, should we expect a substantially higher TI on the replacement of that tenant, given the nature of the building?

#### Skip McKenzie

Substantially higher than what?

#### David Rodgers – RBC Capital Markets

The current quarter I think you were close to \$26 for the MOBs. You've been running lower than that. Should we expect something up in that range, or higher?

**Skip McKenzie**

2000 M is not an MOB, that's a regular office building. It's a downtown office building so it is going to require TI in general than our standard office projects. So you've got to figure that one is in excess of \$20 TI. Now, of course, I don't know exactly. We don't have a specific tenant in hand for it. We do have good activity for that space. I would expect that TIs for that space will be in excess of \$25.

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