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Kite Realty Group Trust Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Steven Rodriguez - Lehman Brothers.

Steven Rodriguez - Lehman Brothers

Could we talk about this joint venture, possible size and is there going to be a regional focus of it?

Thomas McGowan

In terms of the geography that John's talking, in terms of the geography, what we're doing here is we're looking at the opportunity to expand into markets that we've been looking at for quite some time. Also, to come into markets and get more strength than markets that we're currently in.

There is no restriction to the geography of what we've been discussing, but again we're early in the process and we're moving through it, so that would also be the same answer for size. We're looking at the contribution of three or four assets and we would also be looking at the idea of the investor investing probably another \$100, \$150 million of new equity, so that should give you a general idea.

Steven Rodriguez - Lehman Brothers

But, overall it seems pretty early on?

Thomas McGowan

Yes, now we're in discussions and we're usually very conservative about that. We're in discussions, we have good conversations going, probably we're moving towards the idea of one particular investor, but we're talking to multiple people.

Steven Rodriguez - Lehman Brothers

Regarding your guidance on, you have a pretty substantial outlook there, \$200 million of variable rate debt. What LIBOR assumption did you underwrite in your guidance early on in the year?

Daniel Sink

When we underwrote guidance at the beginning of the year, we reused the forward curve, which we typically do at the time, that we produced the guidance. We're I think, consistent with other of our peers, that's what we utilized at that point in time.

Operator

Your next question comes from Tom Baldwin - Goldman Sachs.

Tom Baldwin - Goldman Sachs & Co.

On Bridge Water Marketplace, what's happening there, why the preleasing level is still low at 17.3%, and what progress do you think you'll be able to make over the course of the year to get the occupancy there up?

Thomas McGowan

In terms of Bridge Water, it's located at a great spot great intersection with a tremendous amount of traffic in a high-growth area. Our struggle has been, we have been unable to secure an anchor and a center like that really needs an anchor. There's obviously not a lot of square feet, but it's a position that we need to address and we're comfortable with the fact that this year we'll make significant progress, but the specific answer is, we need the end cap anchor.

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