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Corporate Office Properties Trust Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, Mr. Griffin. (Operator Instructions). Your first question comes from the line of Chris Haley representing Wachovia. Please proceed.

Unidentified Analyst

Good morning guys this is (Inaudible) here with Chris. I have a couple questions for either Rand or Roger. In your '08 guidance, could you tell us what the implied leasing volume is needed for the year compared to total leasing in '07 excluding development lease up just looking at operating portfolio?

Roger Waesche

We leased 719,000 sq feet in the first quarter and for the balance of the year we have 200,000 square feet in the second quarter, if that matures, we have 794,000 sq feet in the third quarter and 190,000 sq feet in the fourth quarter. That totals 1.2 million sq feet and our expectation is that we will renew about 80% of the balance of that square footage and that will leave a whole of about another 150,000 sq feet that isn't leasing and that we will do that much otherwise lease up in our portfolio to maintain our existing occupancy and coupled with what we have leased but not occupied yet coming in to the occupancy category. We will get up close to 94% occupied by year end.

Unidentified Analyst

So would you say that's in line with those 7 leasing or 80 or 90% of leasing volume in '07?

Roger Waesche

Well that's higher in terms of renewal percentage. In terms overall leasing it will be about the same because we will retain more tenants' s and do less new leasing.

Unidentified Analyst

Go you. In regards to development leasing, can you tell us what your expectations are for leasing on the development pipeline where we should expect the pre-lease rates to be for the next six months?

Rand Griffin

Well I think the – we have several situations. Typically we don't do high pre-leasing on development. A lot of times we are anticipating demand or we are getting RFPs from multiple sources and that's a

good indicator of demand for us. It's a little unique environment that we are in with BARC and early indications of demand that we see coming down the line which really accelerates as you get into '09 and 2010 causes us to look pretty carefully at accelerating some of those development starts. So as I said on the call, we typically are 95% leased when we have delivered our development portfolio we had the one exception this past quarter. So I would expect us to be in that range again this year which would say if you did that you are leasing close to a million sq feet of development activity and that combined with the leasing activity that Roger talked about would put us pretty close to last year on overall performance.

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