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DCT Industrial Trust Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) And our first question comes from Paul Adornato of BMO. Please go ahead.

Paul Adornato – BMO Capital Markets

Hi, good afternoon. Phil. You mentioned that dispositions might be a little bit slower than previously anticipated. I was wondering if you could give us a little bit of color on why that's the case. Is there a disagreement on price? Or is financing falling through on part of the buyers or what's happening there?

Phil Hawkins

Actually, Paul, that's not what I said, or not what I meant to say. Dispositions are going along fine. I think we'll be right on our annual target. Let me ask Jim to give some more color. As he had said, we have about 100 million under contract now. Whether they'll close or not to be determined, of course, but we are actually rather pleased with our disposition activity. Jim, can you add some color on that?

Jim Cochran

Yeah. Maybe, Paul, it was my comment that there is capital on the sidelines and it is tougher to sell assets, but even with that there still is liquidity in the market and we've had multiple offers for the properties we have on the market. So, again, it's clearly a different environment, but it's an environment where there's still liquidity.

Phil Hawkins

Let me add a little bit more, one more comment on our disposition thinking. What we are doing is obviously recycling capital to reinvest into higher growth opportunities. What we are also doing is when thinking about dispositions, however, is making sure that we are selling assets that we believe will help further our objectives to increasing NAV and FFO per share over time, but doing so in a way that we think is economically prudent. So we are focusing on assets that are attractive to the marketplace and in markets with investor activity but where we again think we are better served to redeploy capital. So we are not trying to swim upstream too hard here. We are doing the right thing economically, but it remains an important aspect of our overall strategy to recycle capital and then to continue to look for ways to increase over the long term our FFO and NAV growth per share.

Paul Adornato – BMO Capital Markets

And, Phil, have you changed the composition of the properties that you are looking to dispose of based on market conditions or is that group of properties still the same?

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