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Education Realty Trust, Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, sir. (Operator Instructions)

Your first question comes from Anthony Paolone - J.P. Morgan.

Anthony Paolone - J.P. Morgan

Do you guys find yourselves having to make any rent concessions or other sorts of concessions in the Place portfolio to help in that lease up at this point?

Craig Cardwell

Tony, this is Craig Cardwell, and the answer is no.

Anthony Paolone - J.P. Morgan

So, for instance, in the now-consolidated portfolio it seems like the year-over-year occupancy difference is down about 200 bips, and I would assume that's because of Place. And so is that kind of where you think things should run out going forward, like that full impact of Place is kind of in those numbers?

Craig Cardwell

Well, we're pretty optimistic about the going forward opportunity with Place even to this fall. As we know, last fall they didn't have the strongest opening, and I'm sure they were as disappointed as we were. But we expect some definite physical occupancy improvement this fall compared to the last fall. And we're not ready fully to predict what the rents might be, but we're not giving any kind of concessions other than a spot concession here or there to an individual. So there's nothing that's broadly throughout any specific market for Place.

Anthony Paolone - J.P. Morgan

And then on the expense side in the portfolio, the 4.4% core expense growth, it seems to be a little bit above the normal inflation numbers. Anything driving that and any sense as to what that might look like going forward?

Randy Brown

Well, we still believe that we're going to be within the 2% to 3% guidance range on a full year basis. There are some up and down swings and variabilities within a quarter. We had a few one-time expenses here and there. But we still feel pretty comfortable that we'll be within our guidance on the operating expense side.

Anthony Paolone - J.P. Morgan

And then anything in the hopper for developments, starts, near-terms for potential deliveries for the '09-2010 school year?

Tom Trubiana

Tony, this is Tom Trubiana. In addition to looking at the second phase of Saluki Point, we currently are looking at six or seven different markets in sight. And whether anything would be delivered, there's potentially one that might be delivered for 2009, but candidly, we're getting to the point now where you're looking at more of a 2010 delivery because of lead time and construction time.

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