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## Washington Real Estate Investment Trust Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

Thank you. (Operator Instructions) Our first question comes from the line of Chris Lucas with Robert W. Baird. Please proceed with your question.

**Chris Lucas – Robert W. Baird & Co.**

Good morning everyone.

**Sara Grootwassink**

Hi Chris.

**Chris Lucas – Robert W. Baird & Co.**

Just a couple of questions to follow up on the leasing thing up front. In terms of what you have remaining for the remainder of the year, the remaining significant leases that you're concerned about – and I know you do not – United Communications is set to expire in May – is there anything else beyond that that is disconcerting at this point?

**Skip McKenzie**

Of significant size?

**Chris Lucas – Robert W. Baird & Co.**

Yes, of significant size.

**Skip McKenzie**

And just so that everybody knows the page you're on there, Chris in reference United Communications group lease which is at 1 Central Plaza in North Bethesda, that's approximately 60,000 – I think it's 62,000 feet. At the present moment we're actually, we're talking about one user for approximately 9,000 square feet of that space. So the balance at this point is uncommitted.

Other than that that's really the only large office user that we're sort of looking at in terms of exposure right now. As Mike had mentioned in his comments, the World Bank with 60,000 square feet and we early renewed them.

**Chris Lucas – Robert W. Baird & Co.**

So the remainder of the year really is more small tenant aspirations.

**Skip McKenzie**

Largely. Largely.

**Chris Lucas – Robert W. Baird & Co.**

Okay. And then just in terms of – there was a comment related to the retail same store NOI, the cash and GAAP variance and there was a comment about an increase in bad debt reserves. Is there any more color you can shed on that?

**Sara Grootwassink**

Well it's generally consistent with our reserves policy.

**Chris Lucas – Robert W. Baird & Co.**

Okay, so nothing specific. It's more of a function of your general policy.

**Kelly Shiplet**

That's exactly right based on historical reserve ratios.

**Chris Lucas – Robert W. Baird & Co.**

Okay. And then just are you guys seeing any pressure on the expense side either from local property tax issues or utility issues going forward for the remainder of the year?

**Skip McKenzie**

Well there has been significant increases in property taxes and utilities. I mean we've already experienced that. I mean Arlington has announced for example that their increasing their tax rate among others. We're hopeful that with declining property valuations that there'd be some progress made on some of the tax issues but at this moment, no, we have not seen any relief of those particular matters.

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