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Pennsylvania R.E.I.T. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, ladies and gentlemen at this time we will now begin the question and answer session. As a reminder, if you have a question please press the star followed by the one on your touchtone phone. If you would like to withdraw your question, please press the star followed by the two. If you are using speaker equipment, please lift the handset before making your selection. One moment please for our first question. Once again, ladies and gentlemen, if you would like to ask a question, please press star one at this time. If you are using speaker equipment, please lift the handset before making your selection. Our first question comes from the line of Ambika Goel, Citi Investment Research, please go ahead.

Ambika Goel – Citi Investment Research

Hi, this is Ambika with Michael [Billhamlen], could you go through how the pullback in the economy is effecting your lease up at your redevelopment and then also at the redevelopments, what kind of leeway do tenants have that stay at the assets to exit the assets, to exit their stores without paying a lease term fee, if you could just walk through the logistics of that.

Joe Coradino

Hi, this is Joe Coradino. For the most part our redevelopments have been relatively unscathed. I mean if you look at all the activity in terms of store closings and bankruptcies, across our portfolio we really have four announced store closings. And with respect to the redevelopments in particular, again with some of the exciting anchor tenants we have opening including Nordstrom and Whole Foods and Dave & Buster's and the first of the market tenants, we believe that we're going to be successful in leasing this space up. We may be somewhat of a delay in certain cases but generally I think that we'll achieve the anticipated lease [sell].

Ambika Goel – Citi Investment Research

Okay and what kind leeway do retailers, say for example Ann Taylor decides to close stores and they happen to be an asset that's being redeveloped, because they might be on a percentage of sales lease, can they exit that lease without paying a lease term fee?

Joe Coradino

That's an interesting point that I'm glad you mentioned Ann Taylor as a matter of fact. We don't have any announced Ann Taylor closings in our portfolio and actually we were working, we only have one

Ann Taylor in a lifestyle addition that we're doing and that may or may not come to fruition but it's not a transaction that will impact us with any significance one way or the other.

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