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Equity One Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from the line of Paul Morgan with FBR. Please proceed.

Paul Morgan - FBR

Good morning. About the joint venture, could you just maybe give a little more detail about the focused asset is it? We see the Miami asset is it within your core geographic markets or is it national, and then if you also maybe compare us with whether it would be value-added properties or kind of core the type that you don't buy within your core portfolio?

Jeff Olson

Good morning, Paul. I mean, we certainly are focused on first on the markets in which we have critical mass and experience where we might be able to get off market deals. We're not limited by that, and we could potentially use it to expand into newer markets, and as you know, there are certain markets that we like primarily the costal ones.

But, everything really will be looked at on a case-by-case basis. And if the first acquisition out of the gate happens to be in an area that we have a lot expertise and we think that in this particular asset that there could be an anchor repositioning down the line during the whole period, and that's really going to be the (inaudible).

Paul Morgan - FBR

So, how would I distinguish what you might acquire within your core or should we expect pretty much all acquisitions activities to be in the JV?

Jeff Olson

I mean we are certainly going to be, I mean given our cost of capital, we're certainly going to be focused more on the JV and using other people's capital in buying assets for ourselves within the core, unless there is a 1031 need that we have to prevail.

Paul Morgan - FBR

Okay. And you still would have a 1031 need associated with the dispositions you did. Is that right?

Jeff Olson

Not on the 2007 dispositions.

Paul Morgan - FBR

No, okay. Okay, my second question on the same store kind of NOI trends. Your breakout revenue and expenses and revenue for '07 was up 1.7%, expenses were down 2%. Is there any reason that we should think that, that type of pattern where you can actually push the expenses down, would persist or change during 2008?

Greg Andrews

Well, first of all Paul, the revenues are up 1.7, but that increases of course pull down, because part of what's in revenue are the recoveries of the expenses. No, I don't think we're projecting that. I mean, we watch our expenses very closely, but I don't think we're projecting that we can keep pushing expenses down into the future. So, I think you'll probably see a more normal kind of relationship there where expenses grow a little bit and revenue grows a little bit and hopefully more than the expenses.

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