Developers Diversified Realty Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Your first question comes from the line of Tony Howard -Hilliard Lyons. You may proceed

Tony Howard -Hilliard Lyons

Good morning, everyone. Thanks for the extra comments on the development pipeline. Even if you subtract the ones that are shadow pipeline, have there been any delays in your development pipeline from 2008 to 2009 or 2010?

David Oakes

There have not been delays in 2008 to 2009. We have been broached by some tenants who have asked to delay some of the openings, as Scott mentioned, he heard quite a bit of that at the ICSC meeting, but we actually were able to avoid that through conversations with our retail partners. So while there is pressure in the market to delay certain openings for certain tenants, we have not experienced that yet.

Tony Howard -Hilliard Lyons

G&A is up substantially year over year and also sequentially. I was wondering if there were any extraordinary items in there and also what would be a good run rate on a quarterly basis for 2008?

William H. Schafer

No, as Dan spoke about, we did implement a supplemental equity award plan in the fourth quarter that added some expense there. Obviously this year, with our acquisition of the Inland portfolio, increased our overall G&A year-over-year comparable, but the amount that we reflected I think in the fourth quarter, again with a little bit of additional increase going forward with the supplemental equity award plan is probably pretty much on target for a run rate.

Daniel B. Hurwitz

Just to clarify that a little bit. The total G&A excluding the supplemental equity award plan expense was 4.6% of total revenue, including our joint ventures for the year ended December 31, 2007. It was 4.8% for the year ended December 31, 2006.

Operator

Your next question comes from the line of Ambika Goel - Citi.

Ambika Goel - Citi

Can we get some color on the dispositions, just the timing and how cap rate expectations have changed in the past six months?

Daniel B. Hurwitz

As we look at it today, we would expect the dispositions to be spread through the majority of the year. Obviously per Scott's comments less in the first quarter somewhat just as a function of timing, the way that the year works out and the marketing process for assets works out. But we would expect asset sales to begin to hit in the second, third and fourth quarters.