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Brookfield Homes Corporation Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Our first question today comes from Alex Barron of the Agency Trading Group.

Alex Barron - Agency Trading Group

Best of luck on your next endeavors, Paul. I wanted to ask, looking at the trend I guess in your debt as it pertains to project-specific financing and the line of credit with Brookfield Asset Management, I'm just kind of wondering, what are the requirements the banks have at this point today, are they basically just requiring a certain pay-down per quarter that's relatively fixed or is it based on the number of deliveries, and also how far is this going to go, is Brookfield eventually going to end up replacing the debt you guys have currently outstanding with the banks?

Paul G. Kerrigan

I think as a general consideration, we think we got certainly many financeable assets with third party financing. We said we have 3000 fully developed lots in good locations, so certainly we do not expect Brookfield Asset Management to finance the company in total. The answer for your first question, we are not on a regular payment plan with the banks. It's been business as usual and that's the majority of our repayments are coming through as we close homes. If certain assets get appraised and we have certain sort of requirements to normalize a particular loan, we've been doing that also, but business as a relation to the finance haven't changed at all from that perspective.

Alex Barron - Agency Trading Group

My second question had to do with prior impairments on your gross margins, do you guys have some kind of number of how much benefit you received from prior impairments on your gross margins this quarter?

Paul G. Kerrigan

I don't have that number. I can certainly get it for you.

Alex Barron - Agency Trading Group

Third question, down-payment assistance, do you have the number or percentage of your closings this quarter that received down-payment assistance?

Paul G. Kerrigan

We don't have the number readily available, but where we do see that and have felt the impact certainly is in our Virginia operations, down in some markets for sure, but the biggest impact there is clearly in our Virginia operations.

Alex Barron - Agency Trading Group

And have you guys come up with any alternative incentive or anything to try to replace now that the down-payment is gone?

Ian G. Cockwell

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