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## Pennsylvania Real Estate Investment Trust Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Our first question comes from Analyst for Michael J. Bilerman - Citi Investment Research.

#### Analyst for Michael J. Bilerman - Citi Investment Research

I just want to get this clarified. With your work outstanding on your current development pipeline versus the credit or the debt that you've got available, what's the difference and how are you looking at refinancing that at the moment?

#### Robert F. McCadden

If you look at the amounts that we have in our supplemental which is the difference between what we've spent to date and [inaudible] project costs, that's approximately \$200 million for our development properties. As we mentioned, we have at the end of September \$109 million on a credit facility and we're out in the market place for additional secured financings on currently unencumbered properties that will provide the necessary liquidity to fund the completion of the redevelopments.

#### Analyst for Michael J. Bilerman - Citi Investment Research

What's planned if that gets delayed?

#### Robert F. McCadden

The capital needs really come in 2009 so we're certainly confident in terms of where we are in the process with the transactions that we're negotiating to be able to close it before the end of this year.

#### Michael J. Bilerman - Citi Investment Research

Do your covenants have some restrictions on the amount of secured debt that you can have?

#### Robert F. McCadden

It's a secured debt covenant but we get credit to the extent there's excess value in an encumbered asset so we're really not anywhere close to that covenant. Almost under no circumstance do we see that covenant coming into play.

#### Michael J. Bilerman - Citi Investment Research

What's the amount of NOI off the four unencumbered assets that you're looking to procure debt on?

**Robert F. McCadden**

We don't talk about the specific assets but in total the NOI for the unencumbered assets is north of 30%.

**Michael J. Bilerman - Citi Investment Research**

30% of your NOIs -

**Robert F. McCadden**

30% of our NOI is derived from assets that are currently unencumbered.

**Michael J. Bilerman - Citi Investment Research**

And the four specific ones that you're going after; I'm just trying to get a sense of how much financing that's going to get you. We can put our own cap rates in NOI so I'm not asking you for asset values. I'm just trying to get a sense of how much NOI is targeted.

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