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Post Properties Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Robert Stevenson – Fox-Pitt Kelton

Robert Stevenson – Fox-Pitt Kelton

Dave, in terms of the remediation stuff on the assets, is this just age? Is this construction defects, is this material defects, is there some insurance remedy on this?

David Stockert

This issued is that there's a construction type; there's ethers and some synthetic spectral systems that were pretty prevalent in the 90's construction, particularly with urban projects, and there are issues related to that construction type and in some cases the application. It could be door penetrations, window penetrations, flashing and things like that, so that's really what it's about. It's about a construction type.

Robert Stevenson – Fox-Pitt Kelton

So, this is basically not subject to any sort of insurance or anything else from a reimbursement standpoint?

David Stockert

In very limited cases it may be, but very limited cases

Robert Stevenson – Fox-Pitt Kelton

What are you guys seeing in terms of foreclosure activity in the Atlanta condo market?

Tom Senkbeil

This is Tom Senkbeil. I think most of the foreclosure activity that's in Atlanta is related to single-family homes. I haven't seen any specific reports of significant foreclosures in condominiums at this point.

Robert Stevenson – Fox-Pitt Kelton

I was just a little curious given the boom in construction in the condo market down there over the last few years as to whether or not some of that stuff's being leaked on and is going to cause any sort of overhang on the Ritz Carlton project.

Tom Senkbeil

The Ritz Carlton is such a different project and different price point and different customer base than that kind of entry level is I think where you would find more distress and more foreclosure activity and what you are seeing in that price point is more dropped contracts and there clearly is an overhang.

Robert Stevenson – Fox-Pitt Kelton

In terms of the expectations for initial sales pace at the Ritz Carlton condo project is this sort of typical percentages going forward or do you send them out at the beginning and then taking a while to sell out the back half of the units?

Tom Senkbeil

Our current schedule is we should have the building complete at stage to begin the initial closings a little less than a year from now in October of next year. We expect the closing process to take up to two years beyond that point. We would hope to have somewhere between 15 and 20% sold by then and I think we should do better than that pace. We are already taking reservations and we just started doing that two weeks ago and are seeing a lot of interest. Again, this product location and price point is probably the thing. Although everything's affected by the economy today it's least affected at more than an entry level.

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