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## BRE Properties Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

(Operator Instructions) Our first question comes from Michael Billerman.

**Unidentified Analyst**

Good morning, this is David Toddi (ph). Just a couple of questions along the lines of your financing. You mentioned that you have about 800 million of capacity potentially for secured debt financing. Do you see an emphasis on that route over the next 12 to 18 months?

**Edward Lange, Jr.**

Do we see an emphasis on pursuing secured debt financing?

**Unidentified Analyst**

Yes.

**Edward Lange, Jr.**

Yes.

**Unidentified Analyst**

And what is your expectation relative to cost loan to value ratios and so forth?

**Edward Lange, Jr.**

Well I think the GSEs are pretty transparent. I think... and it's pretty readily reported. I mean I think both Fannie and Freddie are basically providing a 60% loan to value thereabouts. The more important metric is their debt service coverage, which is, depending upon the borrower, can range 120, 125 to 130 for debt service coverage, and that's a P&I coverage number based off a 30 year AM. And their pricing, it moves daily, but we have seen some transactions in the last couple of weeks, 10 year deals have priced in the low sixes.

**Unidentified Analyst**

Are you far along already in the process of putting a pool together?

**Edward Lange, Jr.**

We are in discussions and we are advancing those.

**Unidentified Analyst**

And of that 800, I mean are we talking about \$200 million facility --

**Edward Lange, Jr.**

I think this is far (ph), I mean I think we are pretty clear on the call that we are focused on our near-term debt.

**Unidentified Analyst**

Yes. Thank you.

**Operator**

Your next question comes from Louis Taylor.

**Louis Taylor - Deutsche Bank Securities Inc.**

Thanks. Good morning Connie and Ed. Can you just address, I mean with the drop in occupancy and the employment losses et cetera, what's your sense in terms of where are people moving? Are they going to lower quality units? Are they doubling up, going with parents? I mean where are people going?

**Edward Lange, Jr.**

Right. Louis, I think it's pretty similar to past cycles. We are not seeing... I mean while there is some exodus of households out of California, their numbers aren't that great. So I would indicate that people are doubling up, tripling up, moving back to couches, moving back with mom and dad.

**Louis Taylor - Deutsche Bank Securities Inc.**

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