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Post Properties, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Eric Wolf – Citigroup.

Eric Wolf – Citigroup

I was just wondering if you could talk about your decision to no longer market your two New York City assets and whether that was based on pricing or interest?

David P. Stockert

Well obviously, there's a lot of uncertainty around market conditions in New York and what's happening with the financial sector and all of the related industries that play a part in that business. We just made a decision to stop marketing those assets in light of those current conditions. It reduces our diversification to sell those assets so if we can't get a really good price for those assets then we'd just assume keep them and refinancing the mortgage on Luminaria.

Eric Wolf – Citigroup

So did you ever receive any offers on those assets?

David P. Stockert

We had discussions with some folks but we didn't pursue them very far because again, there was just too much uncertainty.

Eric Wolf – Citigroup

You sold two assets, you're currently marketing another two, are you seeing better pricing? What kind of pricing did you get on those other two assets and is this an attempt to kind of reduce exposure to that market?

David P. Stockert

When we launched the asset sales these were included in that, it was mostly Atlanta assets. We also launched one asset in Northern Virginia that's an older asset plus the two New York assets and we've just been selling those assets over the last several months. So, in the fourth quarter we closed Post Lenox Park and Post Woods and both of those assets were at cap rates in the high sixes and I would

say today that we think cap rates for similarly situation assets are probably in the low sevens. Now again, that's on trailing NOI.

Eric Wolf – Citigroup

Then as far as your expense control expectations, as you said it's fairly moderate growth expected in 2009. Some other people are saying that taxes and insurance are going to be up and that's not controllable. I was just wondering if you could go through what exactly is driving the sort of a little bit moderate growth there.

Thomas L. Wilkes

Our expense guidance is between .3% and 1.1% expense growth. Taxes, which make up 30% of our operating expenses are projected to go up 5.4%. That's principally in New York where we are on the 421A program where our taxes go up ratably each year. The insurance based on the forecast that we have are projected to remain flat. The remaining expense categories from personnel to advertising, to maintenance are all projected to decrease.

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