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## Corporate Office Properties Trust Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Dave Rodgers - RBC Capital Markets.

#### Dave Rodgers - RBC Capital Markets

Roger first question for you, could you give us a little bit better color may be on break down of leasing between your government business and market I think for the second quarter we obviously have seen just weakness overall in the leasing spread understandable on the market side, are you seeing any of that with the government or the contractor space or is it entirely housed within the market demand side?

#### Roger Waesche Jr.

There is a little bit in the government and not the government but in the IT, defense IT part of it and but most of it is coming from the general commercial segment of their portfolio.

#### Dave Rodgers - RBC Capital Markets

Can you comment I guess a little bit more on the market pressures that you saw Northern Virginia and Baltimore were the two areas were either occupancy dipped or lease spreads were particularly weak?

#### Roger Waesche Jr.

For the quarter in Northern Virginia, we did have a tenant and this maturing out in 2010 and we elected to go ahead and extend that maturity for 5 years and so we took the market at that time not knowing where Northern Virginia is going to be for the next 24 months and in the case of Baltimore County, the rental spreads were fine and just that we did lose one financial services tenant HSBC, which had a credit card operation, which closed that and that was 50,000 square feet. Besides that, that port folio was very stable and we do have pretty good demand there and as I mentioned on the call, there is very little construction in our submarkets and suburban Baltimore.

#### Dave Rodgers - RBC Capital Markets

Finally Rand, two questions for you on development, I think the first would you are talking about cost coming down in construction I think we noticed that your development pipeline of the backlog, I should say was up a bit in cost may be modestly 5%. But, could you address that relative to your recent comments as well as, it appeared that NBP stabilizations may be now expected to a little

longer into the future and San Antonio accelerating. Can you give us a little bit of color around that and then you are still confident in moving forward with those starts here in 2009?

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