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LTC Properties, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Your first question comes from the line of John Roberts, your line is open.

John Roberts – Hilliard Lyons

Hi Wendy.

Wendy Simpson

Hi John.

John Roberts – Hilliard Lyons

First a little housekeeping, I think you mentioned \$700,000 in lower rents with the Sunwest (inaudible) swaps, is that on a go forward run rate?

Wendy Simpson

On a going forward run rate, it is approximately the same because of straight-line, right, it is. In the first year it is \$700,000 lower than it was under Sunwest. In the second year, it was \$500,000 lower than I understand last. In the third year \$100,000 lower than the last and at the end of year 3 Sunwest would have been –

Pam Kessler

But you are still doing cash?

Wendy Simpson

Yes, on a straight line basis. It is not low.

Pam Kessler

Do you know, do you have the straight line?

Wendy Simpson

No, I do not have the straight line, I am sorry.

John Roberts – Hilliard Lyons

Straight line is the –

Wendy Simpson

I believe straight line is a push –

John Roberts – Hilliard Lyons

Yes, right.

Wendy Simpson

I believe straight-line is more because Sunwest was coming in at the end of their lease so their cash rent was higher than their straight line rent where Ameritus ends up counting income from Sunwest as opposed to Ameritus.

Pam Kessler

From straight line I do not have that detail (inaudible).

Wendy Simpson

Okay, we will get that, we will get that and we will publish it somewhere.

John Roberts – Hilliard Lyons

Great. Thanks. You actually answered one of my questions as to what happens to that \$25 million investment, when you say both of you have decided basically not to go along with the deal and I am kind of surprised that you would have decided that given your liquidity, did you have some reticence about using the credit line to finance it or is that situation in your perspective?

Wendy Simpson

It was at an interest rate of, yield of a little over 9 and I thought that we would have opportunity in excess of 9 and so – no it was not reticence about, it was about making a long-term investment at 9 at that point of the economy.

John Roberts – Hilliard Lyons

Got that. Any thoughts on what you should be looking at right now as far as cap rates go?

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