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Developers Diversified Realty Corporation Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions) Your first question comes from the line of Jay Habermann with Goldman Sachs. Please proceed.

Shahan – Goldman Sachs

Hi. Good morning. It's Shahan [ph] here. I'm with Jay as well. Just to start with, on the Otto deal, you've obviously mentioned expectations of closing phase one over the next couple of weeks. Is there anything at all in your view that could possibly push the deal a lot further, beyond the expected timeline, or potentially then result in it not going through at this point?

Dan Hurwitz

No. We've satisfied all the conditions of closing except the closing of the two loans that we discussed. And we've satisfied all the conditions in the (inaudible). Now there really – barring some 9/11 event or something that we can't even think about, there's nothing that would stand in the way of the orderly closing of the transaction.

Scott Wolstein

Every one of those conditions has been filed either in the proxy or in the 8-K. And you can see that we have met those conditions with the closing of the two loans in the next couple of weeks.

Shahan – Goldman Sachs

Okay, thanks. And then seeing to this secured side, any options there? How is the shift in tone from your discussion with life companies and banks over the past couple of weeks, obviously given that we're seeing this window of capital open up slowly? What's the real focus today as you try and negotiate terms and new deals here?

Scott Wolstein

We continue those having dialogues with banks and life insurance companies on an extremely regular basis, I'd say after the fourth quarter's environment of shock about what was going on in the world, we've seen stabilization. Certainly not a normalization or end of a dislocation, but we continue to see a level of interest in extending new loans. Certainly not in the size of those loans that would have been extended two or three years ago but continue to see an appetite for our stable product.

Clearly, at lower loan devalues than existed in prior years, but an ability to get term debts in size that is approximately at 50% loan devalue level. And so we're showing that progress with the loan that will close in the very near term and we expect to have more capital raised on that front over the next several quarters.

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