

The Seeking Alpha logo, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

Tanger Factory Outlet Centers Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Your first question comes from Jay Habermann – Goldman Sachs

Jay Habermann – Goldman Sachs

Can you comment a bit just on the occupancy drop-off timing of which was it, in terms of impact and in terms of cash-flow, was most of the drop-off in occupancy reflected in Q1 or should we expect there to be additional impact in the second quarter? And, can you give us a little details on the space that was vacated and what sort of segments there?

Stanley K. Tanger

These are obviously unprecedented times so it's difficult to project. In the close to 30 years we've been in business, the first quarter usually drops 150 to 200 basis points from year-end. That's from seasonal temporary tenants leaving at the end of the year. And tenants that are struggling usually try to hold on until the end of the year and then in the first quarter close.

We have experienced a slowdown, like other people, in the releasing of vacant space and I think that's part of it. The good news is that we only received back about I think 28,000 square feet in the first quarter from tenants. So, that seems to be slowing down and we're working hard to fill the vacancies.

Jay Habermann – Goldman Sachs

And then, I guess you mentioned still maintaining the guidance and I think on the last call you had mentioned sort of average occupancy of 95% and still 1% to 2% same store NOI growth. I mean, I know you've dipped below 95% I think for the first time in your history, but can you give us some comments of where you think occupancy shapes up toward year-end?

Stanley K. Tanger

The guidance, Jay, was for 95% at year-end and we have maintained year-end occupancy at or greater than 95% for the 28 years we've been in business. We have dipped below on any particular quarter, particularly the first quarter, occasionally below 95% but we have during the course of the year filled those vacancies. So our guidance is at year-end at 95% occupancy.

Jay Habermann – Goldman Sachs

And then, can you give us some sense of maybe larger stores versus smaller stores in maybe just different markets. I know if you look at some of your centers, occupancy has fallen off quite a bit. I mean, even Riverhead is now down a few hundred basis points, but some other centers are now sort of in the mid-80% range?

Copyright © 2009 CBS Interactive, Inc. All Rights Reserved.