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BioMed Realty Trust, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) The first question comes from the line of Paul Puryear - Raymond James.

Paul Puryear - Raymond James

Alan, last fall as you were looking out into 2009 you made the statement that if funding didn't loosen up you were going to have some tenant issues sort of the latter part of the year and into 2010. I guess based upon the comments we have heard things are better. Is that a fair assessment? How do you assess the overall situation at this point?

Alan Gold

I think we have had tenant issues and we currently have tenants on our watch list. I think that there is going to be continued positive and negative news that is going to come out of our tenants. I still am very confident that our tenants have sufficient capital to navigate through many of the things we anticipate occurring over the next year but it still looks to us that the capital market is constrained. We don't see any real acceleration in the access to capital for those tenants. I think we are really very proud and I feel very positive about our existing tenant base and have dealt with the majority of our tenants that we consider to have a weaker balance sheet.

With that statement, I leave with a very positive feeling.

Paul Puryear - Raymond James

Would you identify sort of the two or three highest profile watch list issues you have?

Alan Gold

I think we have identified those. MDRNA still remains to be the top one. We have a very small tenant, about 10,000 square feet with EpiCept and perhaps [Cantura] going through their bankruptcy seems to be the biggest size. That is probably where most of our concern is right today.

Paul Puryear - Raymond James

Turning to leasing, again just to sort of be sure that we are getting the message you are trying to deliver, you are talking about the challenges out there but by the same token you turned in some very good leasing numbers in the quarter and as we headed into the year I know you made the comment

that things have picked up relative to sort of the end of 2008. Could you square that for us? Are you still seeing an improvement in traffic? You are ahead of plan. You are confident you are going to achieve the plan. Is that accurate?

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