

ESSEX PROPERTY TRUST INC
Form 10-Q
August 06, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the quarterly period ended June 30, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from _____ to _____

Commission file number 001-13106

ESSEX PROPERTY TRUST, INC.
(Exact name of Registrant as Specified in its Charter)

Maryland
(State or Other Jurisdiction of Incorporation or
Organization)

77-0369576
(I.R.S. Employer Identification Number)

925 East Meadow Drive
Palo Alto, California 94303
(Address of Principal Executive Offices including Zip Code)

(650) 494-3700
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant is a large accelerated filer an accelerated file, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer T Accelerated filer £ Non-accelerated filer £ Smaller reporting company £
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes £ No T

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

25,565,636 shares of Common Stock as of August 4, 2008

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Part I -- Financial Information

Item 1: Financial Statements (Unaudited)

"Essex" or the "Company" means Essex Property Trust, Inc., a real estate investment trust incorporated in the State of Maryland, or where the context otherwise requires, Essex Portfolio, L.P., a limited partnership (the "Operating Partnership") in which Essex Property Trust, Inc. is the sole general partner.

The information furnished in the accompanying unaudited condensed consolidated balance sheets, statements of operations, stockholders' equity and comprehensive income and cash flows of the Company reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of the aforementioned condensed consolidated financial statements for the interim periods and are normal and recurring in nature, except as otherwise noted.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the notes to such unaudited condensed consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations herein. Additionally, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2007.

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ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited)

(Dollars in thousands, except per share amounts)

	June 30, 2008	December 31, 2007
Assets		
Real estate:		
Rental properties:		
Land and land improvements	\$ 670,494	\$ 670,494
Buildings and improvements	2,487,962	2,447,265
	3,158,456	3,117,759
Less accumulated depreciation	(594,489)	(541,987)
	2,563,967	2,575,772
Real estate under development	320,671	233,445
Co-investments	66,546	64,191
	2,951,184	2,873,408
Cash and cash equivalents-unrestricted	20,995	9,956
Cash and cash equivalents-restricted	12,082	12,527
Marketable securities	2,503	2,017
Receivables from related parties	1,547	904
Notes and other receivables	43,064	49,632
Prepaid expenses and other assets	21,104	20,286
Deferred charges, net	11,430	11,593
Total assets	\$ 3,063,909	\$ 2,980,323
Liabilities and Stockholders' Equity		
Mortgage notes payable	\$ 1,385,222	\$ 1,262,873
Exchangeable bonds	225,000	225,000
Lines of credit	155,000	169,818
Accounts payable and accrued liabilities	50,382	52,783
Construction payable	21,051	5,365
Dividends payable	30,865	28,521
Other liabilities	16,664	17,773
Total liabilities	1,884,184	1,762,133
Commitments and contingencies		
Minority interests	280,993	281,960
Cumulative convertible preferred stock; \$.0001 par value: 4.875% Series G - 5,980,000 issued and outstanding	145,912	145,912
Stockholders' equity:		
Common stock, \$.0001 par value, 649,702,178 shares authorized 24,787,569 and 24,876,737 shares issued and outstanding	2	2

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Cumulative redeemable preferred stock; \$.0001 par value: 7.8125% Series F - 1,000,000 shares authorized, issued and outstanding, liquidation value	25,000	25,000
Excess stock, \$.0001 par value, 330,000,000 shares authorized and no shares issued and outstanding	-	-
Additional paid-in capital	846,688	857,109
Distributions in excess of accumulated earnings	(107,983)	(82,805)
Accumulated other comprehensive (loss) income	(10,887)	(8,988)
Total stockholders' equity	752,820	790,318
Total liabilities and stockholders' equity	\$ 3,063,909	\$ 2,980,323

See accompanying notes to the unaudited condensed consolidated financial statements.