

HERSHA HOSPITALITY TRUST  
Form 10-Q  
May 02, 2013

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2013

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: 001-14765

HERSHA HOSPITALITY TRUST  
(Exact Name of Registrant as Specified in Its Charter)

Maryland  
(State or Other Jurisdiction of Incorporation or  
Organization)

251811499  
(I.R.S. Employer Identification No.)

44 Hersha Drive, Harrisburg, PA  
(Address of Registrant's Principal Executive Offices)

17102  
(Zip Code)

Registrant's telephone number, including area code: (717) 236-4400

Indicate by check mark whether the registrant (i) 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 such reports), and (ii) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated

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filer. See definition of “accelerated filer,” “large accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Small reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

As of May 1, 2013, the number of Class A common shares of beneficial interest outstanding was 202,554,624 and there were no Class B common shares outstanding.

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Hersha Hospitality Trust  
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HERSHA HOSPITALITY TRUST AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
AS OF MARCH 31, 2013 [UNAUDITED] AND DECEMBER 31, 2012  
[IN THOUSANDS, EXCEPT SHARE/UNIT AND PER SHARE AMOUNTS]

	March 31, 2013	December 31, 2012
Assets:		
Investment in Hotel Properties, net of Accumulated Depreciation, (including consolidation of variable interest entity assets of \$86,673 and \$86,657)	\$1,469,719	\$1,466,713
Investment in Unconsolidated Joint Ventures	14,257	16,007
Development Loans Receivable	15,282	28,425
Cash and Cash Equivalents	83,060	69,059
Escrow Deposits	31,523	26,792
Hotel Accounts Receivable, net of allowance for doubtful accounts of \$44 and \$365	11,185	11,538
Deferred Financing Costs, net of Accumulated Amortization of \$5,367 and \$4,841	7,987	8,695
Due from Related Parties	12,064	8,488
Intangible Assets, net of Accumulated Amortization of \$2,783 and \$2,413	8,334	8,698
Deposits on Hotel Acquisitions	40,236	37,750
Other Assets	25,069	25,514
<b>Total Assets</b>	<b>\$1,718,716</b>	<b>\$1,707,679</b>
Liabilities and Equity:		
Line of Credit	\$-	\$-
Unsecured Term Loan	150,000	100,000
Mortgages and Notes Payable, including net Unamortized Premium (including consolidation of variable interest entity debt of \$56,864 and \$57,256)	656,058	692,708
Accounts Payable, Accrued Expenses and Other Liabilities	39,755	33,838
Dividends and Distributions Payable	15,223	15,621
Due to Related Parties	5,088	4,403
<b>Total Liabilities</b>	<b>866,124</b>	<b>846,570</b>
Redeemable Noncontrolling Interests - Common Units (Note 1)	\$-	\$15,321
Equity:		
Shareholders' Equity:		
Preferred Shares: \$.01 Par Value, 29,000,000 shares Authorized, 7,600,000 Series B and C Shares Issued and Outstanding at March 31, 2013 and 7,000,000 Series A and B shares Issued and Outstanding at December 31, 2012, with liquidation preferences of \$25 per share (Note 1)	76	70
Common Shares: Class A, \$.01 Par Value, 300,000,000 Shares Authorized at March 31, 2013 and December 31, 2012, 202,553,150 and 198,672,356 Shares Issued and Outstanding at March 31, 2013 and December 31, 2012, respectively	2,026	1,986
Common Shares: Class B, \$.01 Par Value, 1,000,000 Shares Authorized, None Issued and Outstanding	-	-
Accumulated Other Comprehensive Loss	(1,630 )	(1,786 )
Additional Paid-in Capital	1,194,839	1,178,292

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Distributions in Excess of Net Income	(372,831 )	(348,734 )
Total Shareholders' Equity	822,480	829,828
Noncontrolling Interests (Note 1):		
Noncontrolling Interests - Common Units	29,837	15,484
Noncontrolling Interests - Consolidated Variable Interest Entity	275	476
Total Noncontrolling Interests	30,112	15,960
Total Equity	852,592	845,788
Total Liabilities and Equity	\$1,718,716	\$1,707,679

The Accompanying Notes Are an Integral Part of These Consolidated Financial Statements.

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HERSHA HOSPITALITY TRUST AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012 (UNAUDITED)  
[IN THOUSANDS, EXCEPT SHARE/UNIT AND PER SHARE AMOUNTS]

	Three Months Ended	
	2013	2012
Revenue:		
Hotel Operating Revenues	\$76,790	\$64,854
Interest Income from Development Loans	146	621
Other Revenues	34	62
Total Revenues	76,970	65,537
Operating Expenses:		
Hotel Operating Expenses	48,364	40,350
Gain on Insurance Settlements	(403 )	-
Hotel Ground Rent	228	194
Real Estate and Personal Property Taxes and Property Insurance	6,666	5,110
General and Administrative (including Share Based Payments of \$2,388 and \$2,133)	4,996	5,168
Acquisition and Terminated Transaction Costs	3	958