

HOME PROPERTIES INC
Form 10-Q
November 06, 2009

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 SEPTEMBER 30, 2009

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: 1-13136

HOME PROPERTIES, INC.
(exact name of registrant as specified in its charter)

MARYLAND
(State or other jurisdiction of incorporation or organization)

16-1455126
(I.R.S. Employer
Identification No.)
14604
(Zip Code)

850 Clinton Square, Rochester, New York
(Address of principal executive offices)

(585) 546-4900
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 such reports), and (2) 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 (§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).

(The Registrant is not yet required to submit Yes No
Interactive Data)

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, 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.

Large accelerated filer Accelerated filer

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Non-accelerated filer (Do not check if a smaller reporting company)

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

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

Common Stock	Outstanding at October 30,
	2009
\$.01 par value	33,551,052

HOME PROPERTIES, INC.

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PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

HOME PROPERTIES, INC.

CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2009 AND DECEMBER 31, 2008
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

	2009	2008
ASSETS		
Real estate:		
Land	\$511,404	\$515,610
Construction in progress	164,697	111,039
Buildings, improvements and equipment	3,238,440	3,245,741
	3,914,541	3,872,390
Less: accumulated depreciation	(714,815)	(636,970)
Real estate, net	3,199,726	3,235,420
Cash and cash equivalents	6,879	6,567
Cash in escrows	26,793	27,904
Accounts receivable	11,707	14,078
Prepaid expenses	19,756	16,277
Deferred charges	13,086	11,360
Other assets	4,156	5,488
Total assets	\$3,282,103	\$3,317,094
LIABILITIES AND EQUITY		
Mortgage notes payable	\$2,138,524	\$2,112,331
Exchangeable senior notes	135,632	134,169
Line of credit	71,500	71,000
Accounts payable	19,223	23,731
Accrued interest payable	12,668	10,845
Accrued expenses and other liabilities	27,419	32,043
Security deposits	20,291	21,443
Total liabilities	2,425,257	2,405,562
Commitments and contingencies		
Equity:		
Common stock, \$0.01 par value; 80,000,000 shares authorized; 33,488,760 and 32,431,304 shares issued and outstanding at September 30, 2009 and December 31, 2008, respectively	335	324
Excess stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued or outstanding	-	-
Additional paid-in capital	880,605	857,415
Distributions in excess of accumulated earnings	(251,058)	(206,961)
Total common stockholders' equity	629,882	650,778
Noncontrolling interest	226,964	260,754
Total equity	856,846	911,532
Total liabilities and equity	\$3,282,103	\$3,317,094

The accompanying notes are an integral part of these consolidated financial statements.

HOME PROPERTIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

	2009	2008
Revenues:		
Rental income	\$116,996	\$114,791
Property other income	9,288	8,982
Interest income	4	20
Other income	29	30
Total revenues	126,317	123,823
Expenses:		
Operating and maintenance	51,959	50,998
General and administrative	6,102	5,948
Interest	30,772	29,936
Depreciation and amortization	30,319	28,292
Total expenses	119,152	115,174
Income from continuing operations	7,165	8,649
Discontinued operations:		
Income from discontinued operations	77	1,008
Loss on disposition of property	(22)	-
Discontinued operations	55	1,008
Net income	7,220	9,657
Net income attributable to noncontrolling interest	(1,956)	(2,818)
Net income attributable to common shareholders	\$5,264	\$6,839
Basic earnings per share:		
Income from continuing operations	\$0.16	\$0.19
Discontinued operations	-	0.02
Net income attributable to common shareholders	\$0.16	\$0.21
Diluted earnings per share:		
Income from continuing operations	\$0.16	\$0.19
Discontinued operations	-	0.02
Net income attributable to common shareholders	\$0.16	\$0.21
Weighted average number of shares outstanding:		
Basic	32,972,794	31,884,119
Diluted	33,091,764	32,395,032
Dividends declared per share	\$0.67	\$0.66

The accompanying notes are an integral part of these consolidated financial statements.

HOME PROPERTIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

	2009	2008
Revenues:		
Rental income	\$351,296	\$341,762
Property other income	30,711	30,640
Interest income	18	159
Other income	397	308
Total revenues	382,422	372,869
Expenses:		
Operating and maintenance	160,734	154,805
General and administrative	18,240	18,786
Interest	91,582	88,749
Depreciation and amortization	90,609	83,607
Total expenses	361,165	345,947
Income from continuing operations	21,257	26,922
Discontinued operations:		
Income (loss) from discontinued operations	(4,167)	1,227
Gain on disposition of property	13,471	29,848
Discontinued operations	9,304	31,075
Net income	30,561	57,997
Net income attributable to noncontrolling interest	(8,375)	(17,055)
Net income attributable to common shareholders	\$22,186	\$40,942
Basic earnings per share:		
Income from continuing operations	\$0.47	\$0.59
Discontinued operations	0.21	0.69
Net income attributable to common shareholders	\$0.68	\$1.28
Diluted earnings per share:		
Income from continuing operations	\$0.47	\$0.59
Discontinued operations	0.20	0.68
Net income attributable to common shareholders	\$0.67	\$1.27
Weighted average number of shares outstanding:		
Basic	32,841,779	31,914,710
Diluted	32,905,711	32,357,364
Dividends declared per share	\$2.01	\$1.98

The accompanying notes are an integral part of these consolidated financial statements.

HOME PROPERTIES, INC.

CONSOLIDATED STATEMENTS OF EQUITY
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND THE YEAR ENDED DECEMBER 31, 2008
 (IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
 (UNAUDITED)

	Common Stock		Additional	Distributions	Noncontrolling	Totals
	Shares	Amount	Paid-In Capital	in Excess of Accumulated Earnings	Interests	
Balance, December 31, 2007	32,600,614	\$326	\$853,358	\$ (185,623)	\$ 279,061	\$947,122
Cumulative effect of change in accounting principle						