

CAMDEN PROPERTY TRUST

Form 10-Q

July 30, 2010

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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 June 30, 2010

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: 1-12110

CAMDEN PROPERTY TRUST

(Exact Name of Registrant as Specified in Its Charter)

Texas

(State or other jurisdiction of incorporation or organization)

76-6088377

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

3 Greenway Plaza, Suite 1300

Houston, Texas

(Address of principle executive offices)

77046

(Zip Code)

(713) 354-2500

(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).

Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer 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

On July 26, 2010, 66,982,349 common shares of the registrant were outstanding.

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EX-101 INSTANCE DOCUMENT

EX-101 SCHEMA DOCUMENT

EX-101 CALCULATION LINKBASE DOCUMENT

EX-101 LABELS LINKBASE DOCUMENT

EX-101 PRESENTATION LINKBASE DOCUMENT

EX-101 DEFINITION LINKBASE DOCUMENT

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CAMDEN PROPERTY TRUST
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(in thousands, except per share amounts)</i>	June 30, 2010	December 31, 2009
Assets		
Real estate assets, at cost		
Land	\$ 746,195	\$ 747,921
Buildings and improvements	4,521,376	4,512,124
	5,267,571	5,260,045
Accumulated depreciation	(1,221,422)	(1,149,056)
Net operating real estate assets	4,046,149	4,110,989
Properties under development, including land	199,012	201,581
Investments in joint ventures	50,392	43,542
Properties held for sale	9,692	
Total real estate assets	4,305,245	4,356,112
Accounts receivable affiliates	31,993	36,112
Notes receivable affiliates	38,478	45,847
Other assets, net	87,371	102,114
Cash and cash equivalents	128,155	64,156
Restricted cash	3,738	3,658
Total assets	\$ 4,594,980	\$ 4,607,999
Liabilities and equity		
Liabilities		
Notes payable		
Unsecured	\$ 1,590,287	\$ 1,645,926
Secured	981,816	979,273
Accounts payable and accrued expenses	63,663	74,420
Accrued real estate taxes	28,416	23,241
Distributions payable	34,275	33,025
Other liabilities	137,020	145,176
Total liabilities	2,835,477	2,901,061
Commitments and contingencies		
Perpetual preferred units	97,925	97,925
Equity		

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Common shares of beneficial interest; \$0.01 par value per share; 100,000 shares authorized; 82,511 and 79,543 issued; 79,757 and 76,996 outstanding, respectively	798	770
Additional paid-in capital	2,641,354	2,525,656
Distributions in excess of net income attributable to common shareholders	(550,039)	(492,571)
Notes receivable secured by common shares	(102)	(101)
Treasury shares, at cost (12,773 and 12,897 shares, respectively)	(461,517)	(462,188)
Accumulated other comprehensive loss	(43,718)	(41,155)
Total common equity	1,586,776	1,530,411
Noncontrolling interests	74,802	78,602
Total equity	1,661,578	1,609,013
Total liabilities and equity	\$ 4,594,980	\$ 4,607,999

See Notes to Condensed Consolidated Financial Statements.

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CAMDEN PROPERTY TRUST
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

<i>(in thousands, except per share amounts)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Property revenues				
Rental revenues	\$ 131,237	\$ 134,854	\$ 261,657	\$ 270,490
Other property revenues	21,969	21,454	42,844	41,804
Total property revenues	153,206	156,308	304,501	312,294
Property expenses				
Property operating and maintenance	44,258	44,141	88,414	86,019
Real estate taxes	18,228	18,444	36,542	36,889
Total property expenses	62,486	62,585	124,956	122,908
Non-property income				
Fee and asset management	2,045	2,244	3,883	4,275
Interest and other income	492	1,097	3,537	1,832
Income (loss) on deferred compensation plans	(3,582)	7,660	(100)	3,508
Total non-property income (loss)	(1,045)	11,001	7,320	9,615
Other expenses				
Property management	5,022	4,542	10,205	9,471
Fee and asset management	1,262	1,303	2,456	2,438
General and administrative	7,367	7,246	14,771	15,478
Interest	31,742	34,002	63,297	66,247
Depreciation and amortization	42,660	43,702	86,278	87,500
Amortization of deferred financing costs	713	857	1,439	1,674
Expense (benefit) on deferred compensation plans	(3,582)	7,660	(100)	3,508
Total other expenses	85,184	99,312	178,346	186,316
Gain on sale of properties, including land	236		236	
Loss on early retirement of debt		(2,716)		(2,550)
Equity in income (loss) of joint ventures	(436)	222	(541)	630
Income from continuing operations before income taxes	4,291	2,918	8,214	10,765
Income tax expense - current	(304)	(347)	(574)	(646)
Income from continuing operations	3,987	2,571	7,640	10,119
Income from discontinued operations	261	1,029	389	1,986
Gain on sale of discontinued operations		16,887		16,887

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Net income	4,248	20,487	8,029	28,992
Less income allocated to noncontrolling interests from continuing operations	(364)	(422)	(110)	(943)
Less income allocated to perpetual preferred units	(1,750)	(1,750)	(3,500)	(3,500)
Net income attributable to common shareholders	\$ 2,134	\$ 18,315	\$ 4,419	\$ 24,549

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CAMDEN PROPERTY TRUST
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

<i>(in thousands, except per share amounts)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Earnings per share basic				
Income from continuing operations attributable to common shareholders	\$ 0.03	\$ 0.01	\$ 0.06	\$ 0.10
Income from discontinued operations, including gain on sale, attributable to common shareholders		0.29		0.32
Net income attributable to common shareholders	\$ 0.03	\$ 0.30	\$ 0.06	\$ 0.42
Earnings per share diluted				
Income from continuing operations attributable to common shareholders	\$ 0.03	\$ 0.01	\$ 0.06	\$ 0.09
Income from discontinued operations, including gain on sale, attributable to common shareholders		0.29		0.32
Net income attributable to common shareholders	\$ 0.03	\$ 0.30	\$ 0.06	\$ 0.41
Distributions declared per common share	\$ 0.45	\$ 0.45	\$ 0.90	\$ 1.15
Weighted average number of common shares outstanding	68,090	61,499	67,287	58,542
Weighted average number of common and common dilutive equivalent shares outstanding	68,386	61,499	67,521	59,025
Net income attributable to common shareholders				
Income from continuing operations	\$ 3,987	\$ 2,571	\$ 7,640	\$ 10,119
Less income allocated to noncontrolling interests from continuing operations	(364)	(422)	(110)	(943)
Less income allocated to perpetual preferred units	(1,750)	(1,750)	(3,500)	(3,500)
Income from continuing operations attributable to common shareholders	1,873	399	4,030	5,676
Income from discontinued operations, including gain on sale, attributable to common shareholders	261	17,916	389	18,873
Net income attributable to common shareholders	\$ 2,134	\$ 18,315	\$ 4,419	\$ 24,549

Condensed Consolidated Statements of Comprehensive Income:

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Net income	\$	4,248	\$	20,487	\$	8,029	\$	28,992
Other comprehensive income (loss)								
Unrealized gain (loss) on cash flow hedging activities		(7,409)		1,361		(14,226)		(1,574)
Reclassification of net losses on cash flow hedging activities		5,784		5,469		11,663		10,744
Comprehensive income		2,623		27,317		5,466		38,162
Less income allocated to noncontrolling interests from continuing operations		(364)		(422)		(110)		(943)
Less income allocated to perpetual preferred units		(1,750)		(1,750)		(3,500)		(3,500)
Comprehensive income attributable to common shareholders	\$	509	\$	25,145	\$	1,856	\$	33,719

See Notes to Condensed Consolidated Financial Statements.

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CAMDEN PROPERTY TRUST
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

	Common Shareholders								Perpetual preferred units
	Common shares of beneficial interest	Additional paid-in capital	Distributions in excess of net income	Notes receivable secured by common shares	Treasury shares, at cost	Accumulated other comprehensive loss	Noncontrolling interests	Total equity	
December 31, 2009	\$ 770	\$ 2,525,656	\$ (492,571)	\$ (101)	\$ (462,188)	\$ (41,155)	\$ 78,602	\$ 1,609,013	\$ 97,900
Net income			4,419				110	4,529	3,500
Other comprehensive loss						(2,563)		(2,563)	
Common shares issued	23	106,399						106,422	
Share awards	4	6,021						6,025	
Employee stock purchase plan		(190)			671			481	
Share awards placed into deferred plans	(2)	2							
Common share options exercised	1	2,131						2,132	
Conversions of operating partnership interests	2	1,335					(1,337)		
Distributions to perpetual preferred units									(3,500)
Share distributions to equity holders			(61,887)				(2,573)	(64,460)	
Other				(1)				(1)	
December 30, 2010	\$ 798	\$ 2,641,354	\$ (550,039)	\$ (102)	\$ (461,517)	\$ (43,718)	\$ 74,802	\$ 1,661,578	\$ 97,900

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CAMDEN PROPERTY TRUST
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

	Common Shareholders								Perpetual preferred units
	Common shares of beneficial interest	Additional paid-in capital	Distributions in excess of net income	Notes receivable secured by common shares	Treasury shares, at cost	Accumulated other comprehensive loss	Noncontrolling interests	Total equity	
December 31, 2008	\$ 660	\$ 2,237,703	\$ (312,309)	\$ (295)	\$ (463,209)	\$ (51,056)	\$ 89,862	\$ 1,501,356	\$ 97,900
Net income			24,549				943	25,492	3,500
Other comprehensive income						9,170		9,170	
Common shares issued	104	272,008						272,112	
Share awards	3	5,392						5,395	
Employee stock purchase plan		(54)			464			410	
Share awards placed into deferred plans	1	(1)							
Common share options exercised		329						329	
Conversions and redemptions of operating partnership units	1	1,763					(1,780)	(16)	
Acquisition of noncontrolling interests		648					(748)	(100)	
Contributions to perpetual preferred units									(3,500)
Share distributions to equity holders			(69,408)				(3,544)	(72,952)	
Other				8	(6)			2	
December 30, 2009	\$ 769	\$ 2,517,788	\$ (357,168)	\$ (287)	\$ (462,751)	\$ (41,886)	\$ 84,733	\$ 1,741,198	\$ 97,900

See Notes to Condensed Consolidated Financial Statements.

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CAMDEN PROPERTY TRUST
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<i>(in thousands)</i>	Six Months Ended June 30,	
	2010	2009
Cash flows from operating activities		
Net income	\$ 8,029	\$ 28,992
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization, including discontinued operations	85,987	86,201
Gain on sale of discontinued operations		(16,887)
Gain on sale of properties, including land	(236)	
Distributions of income from joint ventures	2,514	3,106
Equity in (income) loss of joint ventures	541	(630)
Interest from notes receivable affiliates	(191)	(212)
Share-based compensation	5,767	4,555
Loss on early retirement of debt		2,550
Amortization of deferred financing costs	1,439	1,674
Accretion of discount on unsecured notes payable	255	376
Net change in operating accounts	(4,130)	(4,022)
 Net cash from operating activities	 \$ 99,975	 \$ 105,703
 Cash flows from investing activities		
Development and capital improvements	\$ (27,892)	\$ (33,122)
Proceeds from sales of properties, including land and discontinued operations, net	937	27,967
Payments received on notes receivable other		8,710
Increase in notes receivable affiliates	(511)	(5,381)
Investments in joint ventures	(348)	(466)
Other	(556)	(1,040)
 Net cash from investing activities	 \$ (28,370)	 \$ (3,332)
 Cash flows from financing activities		
Borrowings on unsecured line of credit	\$ 37,000	\$
Repayments on unsecured line of credit	(37,000)	(145,000)
Repayment of notes payable	(56,955)	(420,212)
Proceeds from notes payable	4,220	429,618
Proceeds from issuance of common shares	106,422	272,112
Common share options exercised	1,040	
Distributions to common shareholders, perpetual preferred units and noncontrolling interests	(66,655)	(86,409)
Payment of deferred financing costs	(574)	(3,692)
Net decrease in accounts receivable affiliates	4,119	1,113
Other	777	357

Net cash from financing activities	\$ (7,606)	\$ 47,887
Net increase in cash and cash equivalents	63,999	150,258
Cash and cash equivalents, beginning of period	64,156	7,407
Cash and cash equivalents, end of period	\$ 128,155	\$ 157,665
Supplemental information		
Cash paid for interest, net of interest capitalized	\$ 64,608	\$ 70,626
Cash paid for income taxes	1,221	1,740
Supplemental schedule of noncash investing and financing activities		
Distributions declared but not paid	\$ 34,275	\$ 33,050
Value of shares issued under benefit plans, net of cancellations	14,513	8,462
Conversion of operating partnership units to common shares	1,337	1,756
Accrual associated with construction and capital expenditures	3,337	4,793
Conversion of mezzanine note to joint venture equity	8,204	9,213

See Notes to Condensed Consolidated Financial Statements.

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CAMDEN PROPERTY TRUST
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Description of Business

Business. Formed on May 25, 1993, Camden Property Trust, a Texas real estate investment trust (REIT), is engaged in the ownership, development, construction, and management of multifamily apartment communities. Our multifamily apartment communities are referred to as communities, multifamily communities, properties, or multifamily properties in the following discussion. As of June 30, 2010, we owned interests in or operated 185 multifamily properties comprising 63,658 apartment homes across the United States, and land parcels we may develop into multifamily apartment communities; one multifamily property comprised of 602 apartment homes was designated as held for sale.

2. Summary of Significant Accounting Policies and Recent Accounting Pronouncements

Principles of Consolidation. Our condensed consolidated financial statements include our accounts and the accounts of other subsidiaries and joint ventures (including partnerships and limited liability companies) over which we have control. All intercompany transactions, balances, and profits have been eliminated in consolidation. Investments acquired or created are continuously evaluated based on the accounting guidance relating to variable interest entities (VIEs), which requires the consolidation of VIEs in which we are considered to be the primary beneficiary. If the investment is determined not to be a VIE, then the investment is evaluated for consolidation (primarily using a voting interest model) under the remaining consolidation guidance relating to real estate. If we are the general partner of a limited partnership, or manager of a limited liability company, we also consider the consolidation guidance relating to the rights of limited partners or non-managing members, as the case may be, to assess whether any rights held by the limited partners or non-managing members, as the case may be, overcome the presumption of control by us.

Interim Financial Reporting. We have prepared these financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial statements and the applicable rules and regulations of the Securities and Exchange Commission (SEC). Accordingly, these statements do not include all information and footnote disclosures normally included for complete financial statements. While we believe the disclosures presented are adequate for interim reporting, these interim financial statements should be read in conjunction with the audited financial statements and notes included in our 2009 Form 10-K. In the opinion of management, all adjustments and eliminations, consisting of normal recurring adjustments, necessary for a fair representation of our financial statements have been included. Operating results for the three and six months ended June 30, 2010 are not necessarily indicative of the results which may be expected for the full year.

Asset Impairment. Long-lived assets are reviewed for impairment annually or whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Impairment exists if estimated future undiscounted cash flows associated with long-lived assets are not sufficient to recover the carrying value of such assets. We consider projected future discounted cash flows, trends, strategic decisions regarding future development plans, and other factors in our assessment of whether impairment conditions exist. When impairment exists, the long-lived asset is adjusted to its fair value. While we believe our estimates of future cash flows are reasonable, different assumptions regarding a number of factors, including market rents, economic conditions, and occupancies, could significantly affect these estimates. In estimating fair value, management uses appraisals, management estimates, and discounted cash flow calculations which maximize inputs from a marketplace participant s perspective. In addition, we evaluate our investments in joint ventures and mezzanine construction financing and if, with respect to investments, we believe there is an other than temporary decline in market value, or if, with respect to mezzanine loans, it is probable we will not collect all amounts due in accordance with the terms, we will record an impairment charge based on these evaluations. In general, we provide mezzanine loans to affiliated joint ventures constructing or operating multifamily assets. While we believe it is currently probable we will collect all amounts due with respect to these mezzanine loans, current market conditions related to credit markets and real estate market fundamentals inject a significant amount of uncertainty into the environment and any further adverse economic or market development may cause us to re-evaluate our conclusions, and could result in material impairment charges with respect to our mezzanine loans.

The value of our properties under development depends on market conditions, including estimates of the project start date as well as estimates of demand for multifamily communities. We have reviewed market trends and other marketplace information and have incorporated this information as well as our current outlook into the assumptions we use in our impairment analyses. Due to, among other factors, the judgment and assumptions applied in the impairment analyses and the fact limited market information regarding the value of comparable land exists at this time, it is possible actual results could differ substantially from those estimated.

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We believe the carrying value of our operating real estate assets, properties under development, and land is currently recoverable. However, if market conditions deteriorate beyond our current expectations or if changes in our development strategy significantly affect any key assumptions used in our fair value calculations, we may need to take material charges in future periods for impairments related to existing assets. Any such material non-cash charges would have an adverse effect on our consolidated financial position and results of operations.

Cash and Cash Equivalents. All cash and investments in money market accounts and other highly liquid securities with a maturity of three months or less at the date of purchase are considered to be cash and cash equivalents. We maintain the majority of our cash and cash equivalents at major financial institutions in the United States and deposits with these financial institutions may exceed the amount of insurance provided on such deposits; however, we regularly monitor the financial stability of these financial institutions and believe we are not currently exposed to any significant default risk with respect to these deposits.

Cost Capitalization. Real estate assets are carried at cost plus capitalized carrying charges. Carrying charges are primarily interest and real estate taxes which are capitalized as part of properties under development. Capitalized interest is generally based on the weighted average interest rate of our unsecured debt. Transaction and restructuring costs associated with the acquisition of real estate assets are expensed. Expenditures directly related to the development and improvement of real estate assets are capitalized at cost as land and buildings and improvements. Indirect development costs, including salaries and benefits and other related costs directly attributable to the development of properties, are also capitalized. All construction and carrying costs are capitalized and reported in the balance sheet as properties under development until the apartment homes are substantially completed. Upon substantial completion of the apartment homes, the total cost for the apartment homes and the associated land is transferred to buildings and improvements and land, respectively.

As discussed above, carrying charges are principally interest and real estate taxes capitalized as part of properties under development and buildings and improvements. Capitalized interest was approximately \$1.3 million and \$2.6 million for the three and six months ended June 30, 2010, respectively, and approximately \$2.5 million and \$4.9 million for the three and six months ended June 30, 2009, respectively. Capitalized real estate taxes were approximately \$0.2 million and \$0.5 million for the three and six months ended June 30, 2010, respectively, and approximately \$0.4 million and \$1.0 million for the three and six months ended June 30, 2009, respectively.

Where possible, we stage our construction to allow leasing and occupancy during the construction period, which we believe minimizes the duration of the lease-up period following completion of construction. Our accounting policy related to properties in the development and leasing phase is to expense all operating expenses associated with completed apartment homes. We capitalize renovation and improvement costs we believe extend the economic lives of depreciable property. Capital expenditures subsequent to initial construction are capitalized and depreciated over their estimated useful lives.

Depreciation and amortization is computed over the expected useful lives of depreciable property on a straight-line basis with lives generally as follows:

	Estimated Useful Life
Buildings and improvements	5-35 years
Furniture, fixtures, equipment, and other	3-20 years
Intangible assets (in-place leases and above and below market leases)	underlying lease term

Derivative Financial Instruments. Derivative financial instruments are recorded in the condensed consolidated balance sheet at fair value and we do not apply master netting for financial reporting purposes. Accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we have elected to designate a derivative in a hedging relationship and apply hedge accounting, and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows or other types of forecasted transactions are cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes attributable to the earnings effect of the hedged transactions. We may enter into

derivative contracts which are intended to economically hedge certain of our risks, even though hedge accounting does not apply or we elect not to apply hedge accounting.

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Income Recognition. Our rental and other property revenue is recorded when due from residents and is recognized monthly as it is earned. Other property revenue consists primarily of utility rebillings and administrative, application, and other transactional fees charged to our residents. Our apartment homes are rented to residents on lease terms generally ranging from six to fifteen months, with monthly payments due in advance. All sources of income, including from interest and fee and asset management income, are recognized as earned. Nine of our properties are subject to rent control. Operations of multifamily properties acquired are recorded from the date of acquisition in accordance with the acquisition method of accounting. In management's opinion, due to the number of residents, the types and diversity of submarkets in which the properties operate, and the collection terms, there is no significant concentration of credit risk.

Reportable Segments. Our multifamily communities are geographically diversified throughout the United States, and management evaluates operating performance on an individual property level. As each of our apartment communities has similar economic characteristics, residents, and products and services, our apartment communities have been aggregated into one reportable segment. Our multifamily communities generate rental revenue and other income through the leasing of apartment homes, which comprises approximately 98% of our total property revenues and total non-property income, excluding income (loss) on deferred compensation plans, for all periods presented.

Use of Estimates. In the application of GAAP, management is required to make estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements, results of operations during the reporting periods, and related disclosures. Our more significant estimates include estimates supporting our impairment analysis related to the carrying values of our real estate assets, estimates of the useful lives of our assets, estimates related to the valuation of our investments in joint ventures and mezzanine financing, and estimates of expected losses of potential variable interest entities. These estimates are based on historical experience and other assumptions believed to be reasonable under the circumstances. Future events rarely develop exactly as forecasted, and the best estimates routinely require adjustment.

Recent Accounting Pronouncements. In December 2009, the FASB issued ASU 2009-17, *Consolidations (Topic 810) Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*, which codified the previously issued Statement of Financial Accounting Standards 167, *Amendments to FASB Interpretation No. 46R*. ASU 2009-17 changes the consolidation analysis for VIEs and requires a qualitative analysis to determine the primary beneficiary of the VIE. The determination of the primary beneficiary of a VIE is based on whether the entity has the power to direct matters which most significantly impact the activities of the VIE and has the obligation to absorb losses, or the right to receive benefits, of the VIE which could potentially be significant to the VIE. The ASU requires an ongoing reconsideration of the primary beneficiary and also amends the events triggering a reassessment of whether an entity is a VIE. ASU 2009-17 requires additional disclosures for VIEs, including disclosures about a reporting entity's involvement with VIEs, how a reporting entity's involvement with a VIE affects the reporting entity's financial statements, and significant judgments and assumptions made by the reporting entity to determine whether it must consolidate the VIE. ASU 2009-17 was effective for us beginning January 1, 2010. Our adoption of ASU 2009-17 did not have a material effect on our financial statements, but could potentially have a material impact on future reconsideration events and subsequent reassessment of VIE status.

3. Per Share Data

Basic earnings per share are computed using net income attributable to common shareholders and the weighted average number of common shares outstanding. Diluted earnings per share reflect common shares issuable from the assumed conversion of common share options and share awards granted and units convertible into common shares. Only those items having a dilutive impact on our basic earnings per share are included in diluted earnings per share. Our unvested share-based awards are considered participating securities and are reflected in the calculation of basic and diluted earnings per share using the two-class method. The number of common share equivalent securities excluded from the diluted earnings per share calculation was approximately 4.9 million and 5.5 million for the three months ended June 30, 2010 and 2009, respectively, and was approximately 5.0 million and 4.9 million for the six months ended June 30, 2010 and 2009, respectively. These securities, which include common share options and share awards granted and units convertible into common shares, were excluded from the diluted earnings per share calculation as they were determined to be anti-dilutive.

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The following table presents information necessary to calculate basic and diluted earnings per share for the three and six months ended June 30, 2010 and 2009:

<i>(in thousands, except per share amounts)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Basic earnings per share calculation				
Income from continuing operations attributable to common shareholders	\$ 1,873	\$ 399	\$ 4,030	\$ 5,676
Amount allocated to participating securities	(32)	(147)	(70)	(223)
Income from continuing operations attributable to common shareholders, net of amount allocated to participating securities	1,841	252	3,960	5,453
Income from discontinued operations, including gain on sale, attributable to common shareholders	261	17,916	389	18,873
Net income attributable to common shareholders, as adjusted basic	\$ 2,102	\$ 18,168	\$ 4,349	\$ 24,326
Income from continuing operations attributable to common shareholders, as adjusted per share	\$ 0.03	\$ 0.01	\$ 0.06	\$ 0.10
Income from discontinued operations, including gain on sale, attributable to common shareholders per share		0.29		0.32
Net income attributable to common shareholders, as adjusted per share	\$ 0.03	\$ 0.30	\$ 0.06	\$ 0.42
Weighted average number of common shares outstanding	68,090	61,499	67,287	58,542
Diluted earnings per share calculation				
Income from continuing operations attributable to common shareholders, net of amount allocated to participating securities	\$ 1,841	\$ 252	\$ 3,960	\$ 5,453
Income allocated to common units				21
Income from continuing operations attributable to common shareholders, as adjusted	1,841	252	3,960	5,474
Income from discontinued operations, including gain on sale, attributable to common shareholders	261	17,916	389	18,873
Net income attributable to common shareholders, as adjusted	\$ 2,102	\$ 18,168	\$ 4,349	\$ 24,347
	\$ 0.03	\$ 0.01	\$ 0.06	\$ 0.09

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Income from continuing operations attributable to common shareholders, as adjusted per share				
Income from discontinued operations, including gain on sale, attributable to common shareholders per share		0.29		0.32
Net income attributable to common shareholders, as adjusted per share	\$ 0.03	\$ 0.30	\$ 0.06	\$ 0.41
Weighted average number of common shares outstanding	68,090	61,499	67,287	58,542
Incremental shares issuable from assumed conversion of:				
Common share options and share awards granted	296		234	
Common units				483
Weighted average number of common shares outstanding, as adjusted	68,386	61,499	67,521	59,025

Table of Contents**4. Common Shares**

We currently have an automatic shelf registration statement on file with the SEC which allows us to offer, from time to time, an unlimited amount of common shares, preferred shares, debt securities, or warrants. Our declaration of trust provides we may issue up to 110 million shares of beneficial interest, consisting of 100 million common shares and 10 million preferred shares. As of June 30, 2010, we had approximately 67.0 million common shares outstanding, net of treasury shares and shares held in our deferred compensation arrangements, and no preferred shares outstanding. In March 2010, we announced the creation of an at-the-market (ATM) share offering program through which we may, but have no obligation to, sell common shares having an aggregate offering price of up to \$250 million, in amounts and at times as we determine, into the existing trading market at current market prices as well as through negotiated transactions. Actual sales will depend on a variety of factors we determine from time to time including, among others, market conditions, the trading price of our common shares, and determinations of the appropriate sources of funding for us. During the six months ended June 30, 2010, we sold approximately 2.3 million common shares at an average price of \$46.61 per share for total net consideration of approximately \$106.4 million through the ATM share offering program. As of June 30, 2010, we had common shares having an aggregate offering price of up to \$141.8 million remaining available for sale under the ATM program. No additional shares were sold through July 30, 2010 (the date the financial statements were issued).

5. Investments in Joint Ventures

As of June 30, 2010, our equity investments in unconsolidated joint ventures, which we account for utilizing the equity method of accounting, consisted of 25 joint ventures, with our ownership percentages ranging from 15% to 72%. We provide property management services to the majority of these joint ventures which own operating properties and may provide construction and development services to the joint ventures which own properties under development. The following table summarizes aggregate balance sheet and statement of income data for the unconsolidated joint ventures as of and for the periods presented:

<i>(in millions)</i>	June 30,		December 31,	
	2010		2009	
Total assets	\$	1,186.9	\$	1,202.0
Total third-party debt		983.4		980.9
Total equity		143.0		151.9

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Total revenues	\$ 34.5	\$ 34.3	\$ 68.2	\$ 68.0
Net loss	(5.1)	(3.8)	(10.2)	(7.0)
Equity in income (loss)(1)	(0.4)	0.2	(0.5)	0.6

(1) *Equity in income (loss) excludes our ownership interest of fee income from various property management services and interest income from mezzanine loans with our*

joint ventures.

The joint ventures in which we have an interest have been funded in part with secured, third-party debt. We have guaranteed no more than our proportionate interest, totaling approximately \$63.5 million, of five loans utilized for construction and development activities for our joint ventures.

Mezzanine loans we have made to affiliate joint ventures are recorded as Notes receivable affiliates as discussed in Note 6, Notes Receivable.

We may earn fees for property management, construction, development, and other services related primarily to joint ventures in which we own an interest. Fees earned for these services amounted to approximately \$2.0 million and \$2.2 million for the three months ended June 30, 2010 and 2009, respectively, and approximately \$3.9 million and \$4.3 million for the six months ended June 30, 2010 and June 30, 2009, respectively. We eliminate fee income from property management services provided to these joint ventures to the extent of our ownership.

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On April 15, 2010, a \$24.5 million secured third-party construction note made by one of our joint ventures which owns a multifamily property located in Houston, Texas, originally scheduled to mature in April 2010, was contractually extended to April 2011. Concurrent with the construction note extension, our \$8.2 million mezzanine loan to this joint venture was converted into an additional common equity interest in the amount of \$7.2 million (with a preference on distribution of cash flows) and the remaining \$1.0 million was converted into an additional equity interest in the joint venture.

In July 2010, we completed two acquisitions of multifamily properties for approximately \$41 million through one of our joint ventures in which we have a 20% ownership interest. One property is comprised of 306 units located in Houston, Texas and the second property is a 110 unit substantially complete development community located in Atlanta, Georgia.

6. Notes Receivable

Notes receivable affiliates. We provide mezzanine financing with rates ranging from the London Interbank Offered Rate (LIBOR) plus 3% to a fixed maximum rate of 12% per year, in connection with certain of our joint venture transactions. As of June 30, 2010 and December 31, 2009, the balance of Notes receivable affiliates totaled approximately \$38.5 million and \$45.8 million, respectively, on notes maturing through 2019. We eliminate the interest income to the extent of our percentage ownership in the joint ventures. We have reviewed the terms and conditions underlying these notes receivable and believe these notes are collectible, and no impairment existed at June 30, 2010.

At June 30, 2010, our commitment to fund additional amounts under the mezzanine loans was an aggregate of approximately \$6.0 million.

7. Notes Payable

The following is a summary of our indebtedness:

<i>(in millions)</i>	Balance at	
	June 30, 2010	December 31, 2009
Commercial Banks		
Unsecured line of credit and short-term borrowings	\$	\$
\$500 million term loan, due 2012	500.0	500.0
	\$ 500.0	\$ 500.0
Senior unsecured notes		
\$250.0 million 4.39% Notes, due 2010		55.3
\$100.0 million 6.75% Notes, due 2010	57.8	57.8
\$150.0 million 7.69% Notes, due 2011	88.0	87.9
\$200.0 million 5.93% Notes, due 2012	189.4	189.4
\$200.0 million 5.45% Notes, due 2013	199.5	199.4
\$250.0 million 5.08% Notes, due 2015	249.1	249.0
\$300.0 million 5.75% Notes, due 2017	246.1	246.1
	\$ 1,029.9	\$ 1,084.9
Medium-term notes		
\$10.0 million 4.90% Notes, due 2010	10.0	10.2
\$14.5 million 6.79% Notes, due 2010	14.5	14.5
\$35.0 million 4.99% Notes, due 2011	35.9	36.3
	\$ 60.4	\$ 61.0

Total unsecured notes payable	\$ 1,590.3	\$ 1,645.9
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1.18% - 6.00% Conventional Mortgage Notes, due 2011 - 2019	\$ 940.9	\$ 937.8
1.73% Tax-exempt Mortgage Note due 2028	40.9	41.5
	\$ 981.8	\$ 979.3
Total notes payable	\$ 2,572.1	\$ 2,625.2

Floating rate debt included in secured notes (1.18% - 1.80%)	\$ 189.5	\$ 186.9
Floating rate tax-exempt debt included in secured notes (1.73%)	40.9	41.5

We have a \$600 million unsecured credit facility which matures in January 2011. The scheduled interest rate spreads are subject to change as our credit ratings change. Advances under the line of credit may be priced at the scheduled rates, or we may enter into bid rate loans with participating banks at rates below the scheduled rates. These bid rate loans have terms of six months or less and may not exceed the lesser of \$300 million or the remaining amount available under the line of credit. The line of credit is subject to customary financial covenants and limitations, all of which we are in compliance.

Our line of credit provides us with the ability to issue up to \$100 million in letters of credit. While our issuance of letters of credit does not increase our borrowings outstanding under our line of credit, it does reduce the amount available. At June 30, 2010, we had outstanding letters of credit totaling approximately \$10.3 million, leaving approximately \$589.7 million available under our unsecured line of credit.

At June 30, 2010 and 2009, the weighted average interest rate on our floating rate debt, which includes our unsecured line of credit, was approximately 1.3% and 2.0%, respectively.

During the three months ended March 31, 2010, we repaid the remaining principal amount of our \$250 million, 4.39% senior unsecured notes which matured on January 15, 2010 for a total of approximately \$55.3 million.

Our indebtedness, including our unsecured line of credit, had a weighted average maturity of approximately 5.2 years at June 30, 2010. Scheduled repayments on outstanding debt assuming all contractual extensions, including our line of credit and scheduled principal amortizations, and the weighted average interest rate on maturing debt at June 30, 2010 are as follows:

<i>(in millions)</i>	Amount	Weighted Average Interest Rate
2010	\$ 84.2	6.5%
2011	157.5	6.2
2012	761.9	5.4
2013	227.2	5.4
2014	10.1	6.0
2015 and thereafter	1,331.2	4.7
Total	\$ 2,572.1	5.1%

On July 19, 2010, we repaid the remaining amounts outstanding of our \$10.0 million, 4.90% medium term notes maturing in 2010 for a total of approximately \$10.4 million, of which approximately \$0.4 million represented accrued and unpaid interest.

Table of Contents**8. Derivative Instruments and Hedging Activities**

Risk Management Objective of Using Derivatives. We are exposed to certain risks arising from both our business operations and economic conditions. We principally manage our exposures to a wide variety of business and operational risks through management of our core business activities. We manage economic risks, including interest rate, liquidity, and credit risk, primarily by managing the amount, sources, and duration of our debt funding and the use of derivative financial instruments. Specifically, we may enter into derivative financial instruments to manage exposures arising from business activities resulting in differences in the amount, timing, and duration of our known or expected cash payments principally related to our borrowings.

Cash Flow Hedges of Interest Rate Risk. Our objectives in using interest rate derivatives are to add stability to interest expense and to manage our exposure to interest rate movements. To accomplish these objectives, we primarily use interest rate swaps and caps as part of our interest rate risk management strategy. Interest rate swaps involve the receipt of variable rate amounts from a counterparty in exchange for us making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Interest rate caps involve the receipt of variable rate amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for an up front premium.

Designated Hedges. The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is recorded in accumulated other comprehensive income or loss and is subsequently reclassified into earnings in the period the hedged forecasted transaction affects earnings. Over the next twelve months, we estimate an additional \$21.7 million will be reclassified to interest expense. During the three and six months ended June 30, 2010 and 2009, such derivatives were used to hedge the variable cash flows associated with existing variable rate debt. The ineffective portion of the change in fair value of the derivatives, if any, is recognized directly in earnings. No portion was ineffective during the three or six months ended June 30, 2010 and 2009.

As of June 30, 2010, we had the following outstanding interest rate derivatives designated as cash flow hedges of interest rate risk:

Interest Rate Derivative	Number of Instruments	Notional Amount
Interest Rate Swaps	2	\$ 516.5 million

Non-designated Hedges. Derivatives not designated as hedges are not speculative and are used to manage our exposure to interest rate movements and other identified risks. Non-designated hedges are either specifically non-designated by management or do not meet strict hedge accounting requirements. Changes in the fair value of derivatives not designated in hedging relationships are recorded directly in earnings in other income or other expense.

As of June 30, 2010, we had the following outstanding interest rate derivative which was not designated as a hedge of interest rate risk:

Interest Rate Derivative	Number of Instruments	Notional Amount
Interest Rate Cap	1	\$ 175.0 million

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The table below presents the fair value of our derivative financial instruments as well as their classification in the condensed consolidated balance sheets at June 30, 2010 and December 31, 2009 (in millions):

Fair Values of Derivative Instruments

	Asset Derivatives				Liability Derivatives			
	June 30, 2010		December 31, 2009		June 30, 2010		December 31, 2009	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments								
Interest Rate Swaps					Other Liabilities	\$ 43.8	Other Liabilities	\$ 41.1
Derivatives not designated as hedging instruments								
Interest Rate Cap	Other Assets	\$	Other Assets	\$ 0.1				

The tables below present the effect of our derivative financial instruments on the condensed consolidated statements of income and comprehensive income for the three and six months ended June 30, 2010 and 2009 (in millions):

Effect of Derivative Instruments

Three Months Ended June 30,

	Location of Gain (Loss) Recognized in Income on	Location of Loss	Amount of Loss	Location of Derivative	Amount of Gain (Loss)
Recognized in Other Comprehensive Income (Effective Portion)	Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Reclassified from OCI into Income (Effectiveness Portion)	Reclassified from OCI into Income (Effectiveness Portion)	Ineffective Portion	Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)

Derivatives not designated as hedging instruments	Recognized in Income on Derivative	2010	2009
Interest Rate Cap	Other income/expense	\$	\$ 0.1

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Credit-risk-related Contingent Features. Derivative financial investments expose us to credit risk in the event of non-performance by the counterparties under the terms of the interest rate hedge agreements. We believe we minimize our credit risk on these transactions by transacting with major creditworthy financial institutions. As part of our on-going control procedures, we monitor the credit ratings of counterparties and our exposure to any single entity, which we believe minimizes credit risk concentration. We believe the likelihood of realized losses from counterparty non-performance is remote.

Our agreements with each of our derivative counterparties contain provisions which provide the counterparty the right to declare a default on our derivative obligations if we are in default on any of our indebtedness, subject to certain thresholds. For all instances, these provisions include a default even if there is no acceleration of the indebtedness. Our agreements with each of our derivative counterparties also provide if we consolidate with, merge with or into, or transfer all or substantially all our assets to another entity and the creditworthiness of the resulting, surviving, or transferee entity is materially weaker than ours, the counterparty has the right to terminate the derivative obligations.

At June 30, 2010, the fair value of derivatives in a net liability position, which includes accrued interest but excludes any adjustment for nonperformance risk (the termination value), related to these agreements was approximately \$45.8 million. As of June 30, 2010, we had not posted any collateral related to these agreements. If we were in breach of any of these provisions at June 30, 2010, or terminated these agreements, we would have been required to settle our obligations at their aggregate termination value of approximately \$45.8 million.

9. Share-based Compensation

Options. During the six months ended June 30, 2010, approximately 0.1 million options were exercised at prices ranging from \$25.88 to \$42.90 per option. The total intrinsic value of options exercised during the six months ended June 30, 2010 was approximately \$1.3 million. There were no options exercised during the six months ended June 30, 2009. As of June 30, 2010, there was approximately \$2.6 million of total unrecognized compensation cost related to unvested options, which is expected to be amortized over the next four years.

The following table summarizes share options outstanding and exercisable at June 30, 2010:

Range of Exercise Prices	Outstanding Options (1)		Exercisable Options (1)		Remaining Contractual Life (Years)
	Number	Weighted Average Price	Number	Weighted Average Price	
\$30.06 - \$41.91	611,918	\$ 33.03	220,311	\$ 38.31	6.1
\$42.90 - \$44.00	508,835	43.32	452,940	43.25	3.9
\$45.53 - \$73.32	728,124	49.57	498,412	50.29	5.8
Total options	1,848,877	\$ 42.38	1,171,663	\$ 45.31	5.3

(1) *The aggregate intrinsic value of outstanding options and exercisable options at June 30, 2010 was \$4.9 million and \$0.6 million, respectively. The aggregate intrinsic values*

were calculated as the excess, if any, between our closing share price of \$40.85 per share on June 30, 2010 and the strike price of the underlying award.

Valuation Assumptions. Options generally have a vesting period of three to five years. We estimate the fair values of each option award on the date of grant using the Black-Scholes option pricing model. The following assumptions were used for options granted during the three months ended March 31, 2010 (no options were granted during the quarter ended June 30, 2010):

Weighted average fair value of options granted	\$11.69
Expected volatility	35.6% - 39.2%
Risk-free interest rate	3.6% - 3.7%
Expected dividend yield	4.1% - 4.4%
Expected life (in years)	7.0 - 9.0

Our computation of expected volatility for 2010 is based on the historical volatility of our common shares over a time period equal to the expected life of the option and ending on the grant date. The interest rate for periods within the contractual life of the award is based on the U.S. Treasury yield curve in effect at the time of grant. The expected dividend yield on our common shares is estimated using the annual dividends paid in the prior year and the market price on the date of grant. Our computation of expected life for 2010 is estimated based on historical experience of similar awards, giving consideration to the contractual terms of the share-based awards.

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Share Awards and Vesting. Share awards generally have a vesting period of five years. The compensation cost for share awards is based on the market value of the shares on the date of grant and is amortized over the vesting period. To estimate forfeitures, we use actual forfeiture history. At June 30, 2010, the unamortized value of previously issued unvested share awards was approximately \$27.8 million. The total fair value of shares vested during the six months ended June 30, 2010 and 2009 was approximately \$10.1 million and \$9.4 million, respectively.

The following table summarizes activity under our 1993 and 2002 Share Incentive Plans for the six months ended June 30, 2010:

	Options / Share Awards Outstanding	Weighted Average Exercise / Grant Price
Balance at December 31, 2009	4,826,757	\$ 39.00
Vested share awards at December 31, 2009 (1)	(2,257,392)	(37.49)
Options and nonvested share awards outstanding at December 31, 2009	2,569,365	\$ 40.32
Options		
Granted	55,895	43.94
Exercised	(131,359)	31.96
Forfeited	(49,871)	46.85
Net options	(125,335)	
Share Awards		
Granted	370,036	39.89
Vested	(206,593)	(49.01)
Forfeited	(5,459)	38.52
Nonvested awards	157,984	
Total outstanding options and nonvested share awards at June 30, 2010	2,602,014	\$ 42.34
Nonvested share awards at June 30, 2010	753,137	\$ 42.17

(1) *Balance includes 76,563 shares which do not impact compensation expense.*

10. Net Change in Operating Accounts

The effect of changes in the operating accounts on cash flows from operating activities is as follows:

	Six Months Ended June 30,	
<i>(in thousands)</i>	2010	2009

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Change in assets:			
Other assets, net	\$	(734)	\$ 6,848
Change in liabilities:			
Accounts payable and accrued expenses		(9,270)	(16,129)
Accrued real estate taxes		5,175	6,849
Other liabilities		699	(1,590)
Change in operating accounts	\$	(4,130)	\$ (4,022)

Table of Contents**11. Commitments and Contingencies**

Litigation. We are subject to various legal proceedings and claims which arise in the ordinary course of business. Matters which arise out of allegations of bodily injury, property damage, and employment practices are generally covered by insurance. While the resolution of these legal proceedings and claims cannot be predicted with certainty, management believes the final outcome of such matters will not have a material adverse effect on our condensed consolidated financial statements.

Other Contingencies. In the ordinary course of our business, we issue letters of intent indicating a willingness to negotiate for acquisitions, dispositions, or joint ventures and also enter into arrangements contemplating various transactions. Such letters of intent and other arrangements are non-binding as to either party unless and until a definitive contract is entered into by the parties. Even if definitive contracts relating to the purchase or sale of real property are entered into, these contracts generally provide the purchaser with time to evaluate the property and conduct due diligence, during which periods the purchaser will have the ability to terminate the contracts without penalty or forfeiture of any deposit or earnest money. There can be no assurance definitive contracts will be entered into with respect to any matter covered by letters of intent or we will consummate any transaction contemplated by any definitive contract. Furthermore, due diligence periods for real property are frequently extended as needed. An acquisition or sale of real property becomes probable at the time the due diligence period expires and the definitive contract has not been terminated. We are then at risk under a real property acquisition contract, but generally only to the extent of any earnest money deposits associated with the contract, and are obligated to sell under a real property sales contract.

Lease Commitments. At June 30, 2010, we had long-term leases covering certain land, office facilities, and equipment. Rental expense totaled approximately \$0.7 million and \$0.8 million for the three months ended June 30, 2010 and 2009, respectively, and approximately \$1.5 million for each of the six months ended June 30, 2010 and 2009. Minimum annual rental commitments for the remainder of 2010 are approximately \$1.3 million, and for the years ending December 31, 2011 through 2014 are approximately \$2.4 million, \$2.0 million, \$1.9 million, and \$1.8 million, respectively, and approximately \$1.7 million in the aggregate thereafter.

Investments in Joint Ventures. We have entered into, and may continue in the future to enter into, joint ventures or partnerships (including limited liability companies) through which we own an indirect economic interest in less than 100% of the community or communities owned directly by the joint venture or partnership. Our decision whether to hold the entire interest in an apartment community ourselves, or to have an indirect interest in the community through a joint venture or partnership, is based on a variety of factors and considerations, including: (i) our projection, in some circumstances, that we will achieve higher returns on our invested capital or reduce our risk if a joint venture or partnership vehicle is used; (ii) our desire to diversify our portfolio of communities by market; (iii) our desire at times to preserve our capital resources to maintain liquidity or balance sheet strength; and (iv) the economic and tax terms required by a seller of land or of a community, who may prefer or who may require less payment if the land or community is contributed to a joint venture or partnership. Investments in joint ventures or partnerships are not limited to a specified percentage of our assets. Each joint venture or partnership agreement is individually negotiated, and our ability to operate and/or dispose of a community in our sole discretion is limited to varying degrees in our existing joint venture agreements and may be limited to varying degrees depending on the terms of future joint venture agreements.

12. Income Taxes

We have maintained and intend to maintain our election as a REIT under the Internal Revenue Code of 1986, as amended. In order for us to continue to qualify as a REIT we must meet a number of organizational and operational requirements, including a requirement to distribute annual dividends to our shareholders equal to a minimum of 90% of our REIT taxable income, computed without regard to the dividends paid deduction and our net capital gains. As a REIT, we generally will not be subject to federal income tax on our taxable income at the corporate level to the extent such income is distributed to our shareholders annually. If our taxable income exceeds our dividends in a tax year, REIT tax rules allow us to designate dividends from the subsequent tax year in order to avoid current taxation on undistributed income. If we fail to qualify as a REIT in any taxable year, we will be subject to federal and state income taxes at regular corporate rates, including any applicable alternative minimum tax. In addition, we may not be

able to requalify as a REIT for the four subsequent taxable years. Historically, we have incurred only state and local income, franchise, and excise taxes. Taxable income from non-REIT activities managed through taxable REIT subsidiaries is subject to applicable federal, state, and local income taxes. Our operating partnerships are flow-through entities and are not subject to federal income taxes at the entity level. We have provided for income, franchise, and state income taxes in the condensed consolidated statements of income and comprehensive income for the three and six months ended June 30, 2010 and 2009. These taxes are primarily for entity level taxes on certain ventures, state taxes, and federal taxes on certain of our taxable REIT subsidiaries. We have no significant temporary differences or tax credits associated with our taxable REIT subsidiaries.

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We believe we have no uncertain tax positions or unrecognized tax benefits requiring disclosure as of and for the six months ended June 30, 2010.

13. Dispositions and Assets Held for Sale

Discontinued Operations and Assets Held for Sale. For the three and six months ended June 30, 2010 and 2009, income from discontinued operations included the results of operations of one operating property comprised of 602 apartment homes classified as held for sale. As of June 30, 2010, this property had an approximate net book value of \$9.7 million. For the three and six months ended June 30, 2009, income from discontinued operations also included the results of operations of one operating property sold in 2009 through its sale date in the second quarter of 2009. We recognized a gain of approximately \$16.9 million from the sale of the property, comprised of 671 apartment homes with a net book value of approximately \$11.3 million, to an unaffiliated third party. This sale generated total net proceeds of approximately \$28.0 million. There were no sales of operating properties during the six months ended June 30, 2010.

The following is a summary of income from discontinued operations for the three and six months ended June 30, 2010 and 2009:

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Property revenues	\$ 911	\$ 2,360	\$ 1,822	\$ 4,603
Property expenses	520	1,145	1,108	2,249
	391	1,215	714	2,354
Depreciation and amortization	130	186	325	368
Income from discontinued operations	\$ 261	\$ 1,029	\$ 389	\$ 1,986

14. Fair Value Disclosures

For financial assets and liabilities fair valued on a recurring basis, fair value is the price we would receive to sell an asset, or pay to transfer a liability, in an orderly transaction with a market participant at the measurement date. In the absence of such data, fair value is estimated using internal information consistent with what market participants would use in a hypothetical transaction which occurs at the transaction date.

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions; preference is given to observable inputs. These two types of inputs create the following fair value hierarchy:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3: Significant inputs to the valuation model are unobservable.

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The following table presents information about our financial assets and liabilities measured at fair value as of June 30, 2010 and December 31, 2009 under the fair value hierarchy discussed above.

(in millions)	June 30, 2010				December 31, 2009			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Deferred compensation plan investments	\$ 36.9	\$	\$	\$ 36.9	\$ 49.7	\$	\$	\$ 49.7
Derivative financial instruments						0.1		0.1
Liabilities								
Derivative financial instruments	\$	\$ 43.8	\$	\$ 43.8	\$	\$ 41.1	\$	\$ 41.1

Deferred compensation plan investments. The estimated fair values of investment securities classified as deferred compensation plan investments are included in Level 1 and are based on quoted market prices utilizing public information for the same transactions or information provided through third-party advisors. Our deferred compensation plan investments are recorded in other assets in our condensed consolidated balance sheets. The balance at June 30, 2010 also reflects approximately \$13.7 million of participant withdrawals from our deferred compensation plan investments during 2010.

Derivative financial instruments. The estimated fair values of derivative financial instruments are included in Level 2 and are valued using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and volatility. The fair values of interest rate swaps and caps are estimated using the market standard methodology of netting the discounted fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of interest rates (forward curves) derived from observable market interest rate curves. In addition, credit valuation adjustments, which consider the impact of any credit enhancements to the contracts, are incorporated in the fair values to account for potential nonperformance risk, both our own nonperformance risk and the respective counterparty's nonperformance risk. The fair value of interest rate caps are determined using the market standard methodology of discounting the future expected cash receipts which would occur if variable interest rates rise above the strike rate of the caps. The variable interest rates used in the calculation of projected receipts on the cap are based on an expectation of future interest rates derived from observed market interest rate curves and volatilities.

Although we have determined the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by us and our counterparties. However, as of June 30, 2010, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and have determined the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined our derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Other Fair Value Disclosures. As of June 30, 2010 and December 31, 2009, the carrying value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, accrued expenses and other liabilities, and distributions payable approximated their fair value based on the short-term nature of these instruments.

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In calculating the fair value of our notes receivable and notes payable, interest rates and spreads reflect current creditworthiness and market conditions available for the issuance of notes receivable and notes payable with similar terms and remaining maturities. In instances where market conditions are not available, we follow the guidance of the Fair Value Measurements and Disclosures Topic of the Accounting Standards Codification to estimate fair value in a non-active market. The following table presents the carrying and estimated fair value of our notes receivable and notes payable at June 30, 2010 and December 31, 2009:

<i>(in millions)</i>	June 30, 2010		December 31, 2009	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Notes receivable affiliates	\$ 38.5	\$ 38.5	\$ 45.8	\$ 46.1
Fixed rate notes payable (1)	2,341.7	2,394.5	2,396.8	2,380.9
Floating rate notes payable	230.4	191.7	228.4	189.4

(1) Includes a \$500 million term loan entered into in 2007 and \$16.5 million of a construction loan entered into in 2008 which are fixed by the use of interest rate swaps but evaluated for estimated fair value at the floating rate.

Nonrecurring Fair Value Disclosures. Nonfinancial assets and nonfinancial liabilities measured on a nonrecurring basis primarily relate to impairment of long-lived assets or investments. There were no events during the six months ended June 30, 2010 which required fair value adjustments of our nonfinancial assets and nonfinancial liabilities.

15. Noncontrolling Interests

The following table summarizes the effect of changes in our ownership interest in subsidiaries on the equity attributable to us for the six months ended June 30:

<i>(in thousands)</i>	2010	2009
Net income attributable to common shareholders	\$ 4,419	\$ 24,549
Transfers from the noncontrolling interests:		
Increase in equity for conversion of operating partnership units	1,337	1,764
Increase in equity from purchase of noncontrolling interests		648
Change in common shareholders equity and net transfers from noncontrolling interests	\$ 5,756	\$ 26,961

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the condensed consolidated financial statements and notes appearing elsewhere in this report, as well as Part I, Item 1A, Risk Factors within our Annual Report on Form 10-K for the year ended December 31, 2009. Historical results and trends which might appear in the condensed consolidated financial statements should not be interpreted as being indicative of future operations.

We consider portions of this report to be forward-looking within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, both as amended, with respect to our expectations for future periods. Forward-looking statements do not discuss historical fact, but instead include statements related to expectations, projections, intentions, or other items relating to the future; forward-looking statements are not guarantees of future performance, results, or events. Although we believe the expectations reflected in our forward-looking statements are based upon reasonable assumptions, we can give no assurance our expectations will be achieved. Any statements contained herein which are not statements of historical fact should be considered forward-looking statements. Reliance should not be placed on these forward-looking statements as they are subject to known and unknown risks, uncertainties, and other factors beyond our control and could differ materially from our actual results and performance.

Factors which may cause our actual results or performance to differ materially from those contemplated by forward-looking statements include, but are not limited to, the following:

- volatility in capital and credit markets could adversely impact us;
- we could be negatively impacted by the condition of Fannie Mae or Freddie Mac;
- unfavorable changes in economic conditions could adversely impact occupancy or rental rates;
- short-term leases expose us to the effects of declining market rents;
- we face risks associated with land holdings and related activities;
- difficulties of selling real estate could limit our flexibility;
- compliance or failure to comply with laws requiring access to our properties by disabled persons could result in substantial cost;
- competition could limit our ability to lease apartments or increase or maintain rental income;
- development and construction risks could impact our profitability;
- our acquisition strategy may not produce the cash flows expected;
- competition could adversely affect our ability to acquire properties;
- losses from catastrophes may exceed our insurance coverage;
- investments through joint ventures involve risks not present in investments in which we are the sole investor;
- we face risks associated with investments in and management of discretionary funds;
- we depend on our key personnel;
- changes in laws and litigation risks could affect our business;
- tax matters, including failure to qualify as a REIT, could have adverse consequences;
- insufficient cash flows could limit our ability to make required payments for debt obligations or pay distributions to shareholders;
- we have significant debt, which could have important adverse consequences;
- we may be unable to renew, repay, or refinance our outstanding debt;
- variable rate debt is subject to interest rate risk;
- we may incur losses on interest rate hedging arrangements;
- issuances of additional debt may adversely impact our financial condition;
- failure to maintain current credit ratings could adversely affect our cost of funds, related margins, liquidity, and access to capital markets;
- share ownership limits and our ability to issue additional equity securities may prevent takeovers beneficial to shareholders;
- our share price will fluctuate; and
- we may reduce dividends on our equity securities.

These forward-looking statements represent our estimates and assumptions as of the date of this report, and we assume no obligation to update or supplement forward-looking statements because of subsequent events.

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Executive Summary

We are primarily engaged in the ownership, development, construction, and management of multifamily apartment communities. As of June 30, 2010, we owned interests in or operated 185 multifamily properties comprising 63,658 apartment homes across the United States as detailed in the following Property Portfolio table. Additionally, we also own land parcels we may develop into multifamily apartment communities.

During 2008 and 2009, the U.S. economy experienced a significant recession. Record levels of job losses and high unemployment rates impacted our business, resulting in declines in both rental rates and occupancy levels. During the most recent quarter our occupancy and rental rates increased modestly and signs of improvement were visible. However, we continue to expect 2010 to remain challenging and believe our property revenues will continue to decline in 2010 as compared to 2009. When economic conditions improve, we believe the short-term nature of our leases and the limited supply of new rental housing constructed should enhance our ability to realize revenue growth and improvement in our operating results.

During the near term, we plan to continue to focus on strengthening our capital and liquidity positions by generating positive cash flows from operations, reducing outstanding debt and leverage ratios, and controlling and reducing overhead costs. We intend to meet our long-term liquidity requirements through available cash balances, cash flows generated from operations, draws on our unsecured credit facility, proceeds from property dispositions and secured mortgage notes, and the use of debt and equity offerings under our automatic shelf registration statement, including under our ATM share offering program.

We believe we are well-positioned with a strong balance sheet and sufficient liquidity to cover debt maturities and potential new development funding requirements in the short-term, which we believe should allow us to take advantage of investment opportunities in the future if and when they arise. Subject to market conditions, we intend to continue to look for opportunities to acquire existing communities through our investment in and management of our discretionary investment funds (the Funds). Until the earlier of (i) December 31, 2011 or (ii) such time as 90% of their committed capital is invested, subject to two one-year extensions and certain exceptions, the Funds will be our exclusive investment vehicles for acquiring fully developed multifamily properties.

Table of Contents**Property Portfolio**

Our multifamily property portfolio, excluding land and joint venture properties for which development has been put on hold, is summarized as follows:

	June 30, 2010		December 31, 2009	
	Apartment Homes	Properties	Apartment Homes	Properties
Operating Properties				
Las Vegas, Nevada	8,016	29	8,016	29
Houston, Texas	6,661	18	6,289	16
Dallas, Texas (1)	6,119	15	6,119	15
Washington, D.C. Metro	6,068	17	6,068	17
Tampa, Florida	5,503	12	5,503	12
Charlotte, North Carolina	3,574	15	3,574	15
Orlando, Florida	3,557	9	3,557	9
Atlanta, Georgia	3,202	10	3,202	10
Raleigh, North Carolina	2,704	7	2,704	7
Southeast Florida	2,520	7	2,520	7
Los Angeles/Orange County, California	2,481	6	2,481	6
Austin, Texas	2,454	8	2,454	8
Phoenix, Arizona	2,433	8	2,433	8
Denver, Colorado	2,171	7	2,171	7
San Diego/Inland Empire, California	1,196	4	1,196	4
Other	4,999	13	4,999	13
Total Operating Properties	63,658	185	63,286	183
Properties Under Development				
Houston, Texas			372	2
Total Properties	63,658	185	63,658	185
Less: Joint Venture Properties (2)				
Las Vegas, Nevada	4,047	17	4,047	17
Houston, Texas (3)	2,199	7	2,199	7
Phoenix, Arizona	992	4	992	4
Los Angeles/Orange County, California	711	2	711	2
Austin, Texas	601	2	601	2
Washington, D.C. Metro	508	1	508	1
Dallas, Texas	456	1	456	1
Denver, Colorado	320	1	320	1
Other	3,237	9	3,237	9
Total Joint Venture Properties	13,071	44	13,071	44
Total Properties Owned 100%	50,587	141	50,587	141

(1)

Includes one multifamily property comprised of 602 apartment homes designated as held for sale as of June 30, 2010.

(2) Refer to Note 5, Investments in Joint Ventures in the notes to condensed consolidated financial statements for further discussion of our joint venture investments.

(3) Includes Camden Travis Street, a fully-consolidated joint venture, of which we retain a 25% ownership.

Table of Contents**Stabilized Communities**

We generally consider a property stabilized once it reaches 90% occupancy at the beginning of a period. Two of our recently completed properties reached stabilization during the six months ended June 30, 2010.

<i>(\$ in millions)</i> Property and Location	Number of Apartment Homes	Date of Completion	Date of Stabilization
Camden Dulles Station <i>Oak Hill, VA</i>	366	1Q09	2Q10
Camden Amber Oaks joint venture <i>Austin, TX</i>	348	2Q09	2Q10

Discontinued Operations and Assets Held for Sale

We intend to maintain a long-term strategy of managing our invested capital through the selective sale of properties and expect to utilize the proceeds to reduce our outstanding debt and leverage ratios and fund investments with higher anticipated growth prospects in our markets. Income from discontinued operations includes the operations of properties, including land, sold during the period or classified as held for sale as of June 30, 2010. The components of earnings classified as discontinued operations include separately identifiable property-specific revenues, expenses, depreciation, and interest expense. Any gain or loss on the disposal of the properties held for sale, if any, is also classified as discontinued operations.

As of June 30, 2010, we had one operating property held for sale, comprised of 602 apartment homes with an approximate net book value of \$9.7 million. During the six months ended June 30, 2009, we recognized a gain of approximately \$16.9 million from the sale of one property, comprised of 671 apartment homes with an approximate net book value of \$11.3 million, to an unaffiliated third party. This sale generated net proceeds of approximately \$28.0 million. There were no sales of operating properties during the six months ended June 30, 2010.

Development and Lease-Up Properties

At June 30, 2010, we had one completed consolidated property in lease-up as follows:

<i>(\$ in millions)</i> Property and Location	Number of Apartment Homes	Cost Incurred	% Leased at 7/25/10	Date of Construction Completion	Estimated Date of Stabilization
Camden Travis Street <i>Houston, TX (1)</i>	253	\$ 30.9	86%	1Q10	1Q11

(1) *Camden Travis Street is owned in a fully-consolidated joint venture, of which we retain a 25% ownership.*

Our condensed consolidated balance sheet at June 30, 2010 included approximately \$199.0 million related to properties under development and land, comprised of approximately \$93.8 million invested in land for projects we plan to develop, and approximately \$105.2 million invested in land tracts for which future development activities have been put on hold for the foreseeable future.

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At June 30, 2010, we had investments in non-consolidated joint ventures which were developing the following multifamily communities:

<i>(\$ in millions)</i>	Ownership %	Number of Apartment Homes	Total Cost Incurred	% Leased at 7/25/10
Property and Location				
Completed Communities (1)				
Braeswood Place <i>Houston, TX</i>	72%	340	\$ 50.3	81%
Belle Meade <i>Houston, TX</i>	72%	119	37.6	66%
Total Completed Communities		459	\$ 87.9	
		Total Acres		
Pre-Development (2)				
Lakes at 610 <i>Houston, TX</i>	30%	6.1	\$ 7.2	
Town Lake (3) <i>Austin, TX</i>	72%	25.9	41.3	
Pre-Development Total		32.0	\$ 48.5	

(1) *Properties in lease-up as of June 30, 2010.*

(2) *Properties in pre-development by joint venture partner.*

(3) *We have discontinued development activities on this project as of December 31, 2009.*

Refer to Note 5, Investments in Joint Ventures in the notes to condensed consolidated financial statements for further discussion of our joint venture investments.

Results of Operations

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Changes in revenues and expenses related to our operating properties from period to period are due primarily to the performance of stabilized properties in the portfolio, the lease-up of newly constructed properties, acquisitions, and dispositions. Where appropriate, comparisons of income and expense on communities included in continuing operations are made on a dollars-per-weighted average apartment home basis in order to adjust for such changes in the number of apartment homes owned during each period. Selected weighted averages for the three and six months ended June 30, 2010 and 2009 are as follows:

<i>(\$ in thousands)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Average monthly property revenue per apartment home	\$ 1,020	\$ 1,051	\$ 1,014	\$ 1,052
Annualized total property expenses per apartment home	\$ 4,991	\$ 5,050	\$ 4,996	\$ 4,967
Weighted average number of operating apartment homes owned 100%	50,078	49,573	50,027	49,494
Weighted average occupancy of operating apartment homes owned 100%	94.1%	94.4%	93.7%	94.0%

Table of Contents**Property-level operating results**

The following tables present the property-level revenues and property-level expenses, excluding discontinued operations, for the three and six months ended June 30, 2010 as compared to the same periods in 2009:

	Apartment Homes At 6/30/10	Three Months				Six Months			
		Ended June 30, 2010	2009	Change \$	%	Ended June 30, 2010	2009	Change \$	%
<i>(\$ in thousands)</i>									
Property revenues									
Same store communities	46,757	\$ 141,176	\$ 146,012	\$ (4,836)	(3.3)%	\$ 280,280	\$ 292,064	\$ (11,784)	(4.0)%
Non-same store communities	3,228	10,425	9,052	1,373	15.2	21,205	17,789	3,416	19.2
Development and lease-up communities	253	461	461	461	100.0	661	661	661	100.0
Other		1,144	1,244	(100)	(8.0)	2,355	2,441	(86)	(3.5)
Total property revenues	50,238	\$ 153,206	\$ 156,308	\$ (3,102)	(2.0)%	\$ 304,501	\$ 312,294	\$ (7,793)	(2.5)
Property expenses									
Same store communities	46,757	\$ 56,620	\$ 57,797	\$ (1,177)	(2.0)%	\$ 113,464	\$ 113,495	\$ (31)	%
Non-same store communities	3,228	4,111	4,095	16	0.4	8,182	7,781	401	5.2
Development and lease-up communities	253	493	1	492	*	817	1	816	*
Other		1,262	692	570	82.4	2,493	1,631	862	52.9
Total property expenses	50,238	\$ 62,486	\$ 62,585	\$ (99)	(0.2)%	\$ 124,956	\$ 122,908	\$ 2,048	1.7%

Same store communities are communities we owned and were stabilized as of January 1, 2009. Non-same store communities are stabilized communities we have acquired, developed or re-developed after January 1, 2009. Development and lease-up communities are non-stabilized communities we have acquired or developed after January 1, 2009.

* Not a meaningful percentage

Same store analysis

Same store property revenues for the three months ended June 30, 2010 decreased approximately \$4.8 million, or 3.3%, from the same period in 2009. Same store rental revenues decreased approximately \$5.0 million due to a modest decline in average occupancy and a 3.5% decline in average rental rates for our same store portfolio due to, among other factors, the challenges within the multifamily industry as discussed in the Executive Summary. The decrease was partially offset by an approximate \$0.2 million increase in other property revenue primarily due to utility rebilling programs, partially offset by decreases in miscellaneous income.

Same store property revenues for the six months ended June 30, 2010 decreased approximately \$11.8 million, or 4.0%, from the same period in 2009. Same store rental revenues decreased approximately \$12.2 million due to a modest decline in average occupancy and a 4.5% decline in average rental rates for our same store portfolio due to, among other factors, the challenges within the multifamily industry as discussed in the Executive Summary. The decrease was partially offset by an approximate \$0.4 million increase in other property revenue primarily due to increases in revenues from our utility rebilling programs, partially offset by decreases in miscellaneous income.

Property expenses from our same store communities decreased approximately \$1.2 million, or 2.0%, for the three months ended June 30, 2010 as compared to the same period in 2009. The decrease in same store property expenses was primarily due to lower real estate taxes as a result of declining rates and valuations at a number of our communities and a decline in compensation costs primarily due to lower incentive payments. These decreases were partially offset by increases in expenses related to our utility rebilling programs and higher property insurance costs. Excluding the expenses associated with our utility rebilling programs, same store property expenses for this period decreased approximately \$1.5 million, or 2.8%.

Property expenses from our same store communities decreased slightly for the six months ended June 30, 2010 as compared to the same period in 2009. The decrease in same store property expenses was primarily due to lower real estate taxes as a result of declining rates and valuations at a number of our communities and a decline in compensation costs primarily due to lower incentive payments. These decreases were partially offset by increases in expenses related to our utility rebilling programs, repairs and maintenance, and higher property insurance costs. Excluding the expenses associated with our utility rebilling programs, same store property expenses for this period decreased approximately \$0.9 million, or 0.9%.

Table of Contents*Non-same store analysis*

Property revenues from non-same store and development and lease-up communities increased approximately \$1.8 million and \$4.1 million for the three and six months ended June 30, 2010, respectively, as compared to the same periods in 2009. Property expenses from non-same store and development and lease-up communities increased approximately \$0.5 million and \$1.2 million for the three and six months ended June 30, 2010, respectively, as compared to the same periods in 2009. The increases during the period were primarily due to five consolidated properties in our re-development and development pipelines reaching stabilization during 2009, and the completion and lease up of the remaining consolidated properties during the six months ended June 30, 2010. See *Development and Lease-Up Properties* above for additional detail of occupancy at properties in our development pipeline.

Other property analysis

Other property revenues relates primarily to retail lease income. Other property expenses increased approximately \$0.6 million and \$0.9 million for the three and six months ended June 30, 2010, respectively, as compared to the same periods in 2009. The increase was primarily related to increases in property taxes expensed on land holdings for eight projects for which we decided in 2009 to postpone development for the foreseeable future. As a result, we ceased capitalization of expenses, including property taxes.

Non-property income

(\$ in thousands)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2010	2009	\$	%	2010	2009	\$	%
Fee and asset management	\$ 2,045	\$ 2,244	\$ (199)	(8.9)%	\$ 3,883	\$ 4,275	\$ (392)	(9.2)%
Interest and other income	492	1,097	(605)	(55.2)	3,537	1,832	1,705	93.1
Income (loss) on deferred compensation plans	(3,582)	7,660	(11,242)	*	(100)	3,508	(3,608)	(102.9)
Total non-property income (loss)	\$ (1,045)	\$ 11,001	\$ (12,046)	(109.5)%	\$ 7,320	\$ 9,615	\$ (2,295)	(23.9)%

* *Not a meaningful percentage*

Fee and asset management income decreased approximately \$0.2 million and \$0.4 million for the three and six months ended June 30, 2010, respectively, as compared to the same periods in 2009. These decreases were primarily related to declines in development and construction fees earned on our development joint ventures in 2010 as compared to 2009 due to the completion of construction activities at several joint venture communities in 2009 and 2010. The decrease was also the result of lower fees earned on our stabilized joint ventures due to declines in rental income during the three and six months ended June 30, 2010 as compared to the same periods in 2009. These decreases were partially offset by an increase in third-party construction activities during 2010.

Interest and other income decreased approximately \$0.6 million and increased approximately \$1.7 million for the three and six months ended June 30, 2010, respectively, as compared to the same periods in 2009. The \$1.7 million increase was primarily due to recognition of approximately \$2.7 million of other income relating to indemnification provisions in an operating joint venture agreement which expired in January 2010. The increase in other income was partially offset by a \$0.5 million decrease in interest income primarily due to declines in interest income on our mezzanine loan portfolio related to contractual reductions in interest rates on mezzanine loans for development

communities which have reached stabilization and lower balances of outstanding mezzanine loans due in part to conversion of the mezzanine loans into additional equity interests in certain of our joint ventures in 2009 and 2010.

Losses on deferred compensation plans were approximately \$3.6 million and \$0.1 million for the three and six months ended June 30, 2010, respectively, as compared to income recognized of approximately \$7.7 million and \$3.5 million for the three and six months ended June 30, 2009, respectively. The changes were related to the performance of the investments held in deferred compensation plans for participants and were directly offset by the expense (benefit) related to these plans, as discussed below.

Table of ContentsOther expenses

(\$ in thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2010	2009	Change \$	%	2010	2009	Change \$	%
Property management	\$ 5,022	\$ 4,542	\$ 480	10.6%	\$ 10,205	\$ 9,471	\$ 734	7.8%
Fee and asset management	1,262	1,303	(41)	(3.2)	2,456	2,438	18	0.7
General and administrative	7,367	7,246	121	1.7	14,771	15,478	(707)	(4.6)
Interest	31,742	34,002	(2,260)	(6.7)	63,297	66,247	(2,950)	(4.5)
Depreciation and amortization	42,660	43,702	(1,042)	(2.4)	86,278	87,500	(1,222)	(1.4)
Amortization of deferred financing costs	713	857	(144)	(16.8)	1,439	1,674	(235)	(14.0)
Expense (benefit) on deferred compensation plans	(3,582)	7,660	(11,242)	*	(100)	3,508	(3,608)	(102.9)
Total other expenses	\$ 85,184	\$ 99,312	\$ (14,128)	(14.2)%	\$ 178,346	\$ 186,316	\$ (7,970)	(4.3)%

* *Not a meaningful percentage*

Property management expense, which represents regional supervision and accounting costs related to property operations, increased approximately \$0.5 million and \$0.7 million for the three and six months ended June 30, 2010, respectively, as compared to the same periods in 2009. The increase in 2010 was due to an increase in salary and benefit expenses, higher rental expense, and an increase in marketing costs.

General and administrative expense increased approximately \$0.1 million and decreased approximately \$0.7 million for the three and six months ended June 30, 2010, respectively, as compared to the same periods in 2009. The decrease during the six months ended June 30, 2010 as compared to 2009 was primarily due to \$1.0 million in severance payments made in connection with the reduction in force of our construction and development staff in January 2009, and a decrease in legal costs and discretionary expenses during the six months ended June 30, 2010. These decreases were partially offset by an increase in salary and benefit expenses, including long-term incentive compensation, during the three and six months ended June 30, 2010 as compared to 2009. General and administrative expenses were approximately 4.7% of total property revenues and non-property income, excluding income (loss) on deferred compensation plans, for both the three and six months ended June 30, 2010, and were approximately 4.5% and 4.9% of total property revenues and non-property income, excluding income (loss) on deferred compensation plans, for the three and six months ended June 30, 2009, respectively.

Interest expense for the three and six months ended June 30, 2010 decreased approximately \$2.3 million and \$3.0 million, respectively, as compared to the same periods in 2009. These decreases were primarily due to decreases in indebtedness as a result of early retirement of outstanding debt of approximately \$325.0 million during the first six months of 2009 and payments of maturing secured and unsecured notes payable during 2009 and 2010. Additionally,

interest expense was lower during the first six months of 2010 due to the reduction of balances outstanding on our unsecured line of credit during the second quarter of 2009. The early retirement of outstanding debt and reductions to the balances outstanding on our line of credit resulted in part from net proceeds received from the completion of our equity offering during the second quarter of 2009 of approximately \$272.1 million. The decreases discussed above were partially offset by the increased interest expense incurred on our \$420 million credit facility entered into during the second quarter of 2009. The decreases were further offset due to lower capitalized interest of approximately \$1.2 million and \$2.3 million during the three and six months ended June 30, 2010, respectively, as compared to the same periods in 2009 primarily due to our decision in fiscal year 2009 to postpone the development of land holdings for eight future projects for the foreseeable future.

Depreciation and amortization decreased approximately \$1.0 million and \$1.2 million for the three and six months ended June 30, 2010, respectively, as compared to the same periods in 2009 primarily due to more assets being fully depreciated in 2010 as compared to 2009, offset by new development and capital improvements placed in service during 2009 and 2010.

Amortization of deferred financing costs decreased approximately \$0.1 million and \$0.2 million for the three and six months ended June 30, 2010, respectively, as compared to the same periods in 2009. These decreases were primarily due to the repurchase and retirement of certain series of notes during 2009, partially offset by additional financing costs incurred on our \$420 million credit facility entered into in the second quarter of 2009.

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The benefit on deferred compensation plans totaled approximately \$3.6 million and \$0.1 million for the three and six months ended June 30, 2010, respectively, as compared to an expense recognized of approximately \$7.7 million and \$3.5 million for the three and six months ended June 30, 2009, respectively. The changes were related to the performance of the investments held in deferred compensation plans for participants, and were directly offset by the income (loss) related to these plans, as discussed above.

Other

(\$ in thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2010	2009	Change		2010	2009	Change	
			\$	%			\$	%
Gain on sale of properties, including land	\$ 236	\$	\$ 236	100.0%	\$ 236	\$	\$ 236	100.0%
Loss on early retirement of debt		(2,716)	2,716	100.0		(2,550)	2,550	100.0
Equity in income (loss) of joint ventures	(436)	222	(658)	*	(541)	630	(1,171)	*
Income tax expense current	(304)	(347)	(43)	(12.4)	(574)	(646)	(72)	(11.2)

* *Not a meaningful percentage*

Loss on early retirement of debt was approximately \$2.7 million and \$2.6 million for the three and six months ended June 30, 2009, respectively, primarily due to the repurchase and retirement of approximately \$317.6 million of various unsecured and secured notes from unrelated third parties for approximately \$320.3 million during the three months ended June 30, 2009. The \$2.7 million loss was partially offset by the repurchase and retirement of approximately \$7.4 million of unsecured notes from unrelated third parties for approximately \$7.2 million during the three months ended March 31, 2009. The loss on early retirement of debt includes reductions for applicable loan costs. There was no gain or loss on early retirement of debt for the three or six months ended June 30, 2010.

Equity in income (loss) of joint ventures decreased approximately \$0.7 million and \$1.2 million for the three and six months ended June 30, 2010, respectively, as compared to the same periods in 2009. These decreases were primarily the result of declining earnings by our stabilized operating joint ventures due to declines in rental income. The decreases were also due to certain development joint ventures which have recognized net operating losses during the lease-up phase of operations, offset by increases in earnings in other development joint ventures reaching or nearing stabilization during 2009 and 2010.

We incurred entity-level taxes for our operating partnerships and other state and local taxes totaling approximately \$0.3 million for each of the three months ended June 30, 2010 and 2009, and totaling approximately \$0.6 million for each of the six months ended June 30, 2010 and 2009. The slight decreases during the three and six months ended June 30, 2010 as compared to the same periods in 2009 were due to lower state income taxes incurred by our taxable REIT subsidiaries.

Noncontrolling interests

Three Months Ended

Six Months Ended

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(\$ in thousands)	June 30,		Change		June 30,		Change	
	2010	2009	\$	%	2010	2009	\$	%
Income allocated to noncontrolling interests from continuing operations	\$ (364)	\$ (422)	\$ (58)	(13.7)%	\$ (110)	\$ (943)	\$ (833)	(88.3)%
Income allocated to perpetual preferred units	(1,750)	(1,750)			(3,500)	(3,500)		

Income allocated to noncontrolling interests from continuing operations decreased approximately \$0.8 million for the six months ended June 30, 2010 as compared to the same period in 2009. The decrease was primarily due to losses allocated to noncontrolling interests resulting from the completion and continued lease-up of a property within a fully-consolidated joint venture of which we retain a 25% ownership. This joint venture completed construction during the three months ended March 31, 2010.

Table of Contents**Funds from Operations (FFO)**

Management considers FFO to be an appropriate measure of the financial performance of an equity REIT. The National Association of Real Estate Investment Trusts (NAREIT) currently defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) associated with the sale of previously depreciated operating properties, real estate depreciation and amortization, and adjustments for unconsolidated joint ventures. Our calculation of diluted FFO also assumes conversion of all potentially dilutive securities, including certain noncontrolling interests, which are convertible into common shares. We consider FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses on dispositions of operating properties and depreciation, FFO can help one compare the operating performance of a company's real estate between periods or as compared to different companies.

To facilitate a clear understanding of our consolidated historical operating results, we believe FFO should be examined in conjunction with net income attributable to common shareholders as presented in the condensed consolidated statements of income and comprehensive income and data included elsewhere in this report. FFO is not defined by GAAP and should not be considered as an alternative to net income attributable to common shareholders as an indication of our operating performance. Additionally, FFO as disclosed by other REITs may not be comparable to our calculation.

Reconciliations of net income attributable to common shareholders to diluted FFO for the three and six months ended June 30, 2010 and 2009 are as follows:

(\$ in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Funds from operations				
Net income attributable to common shareholders	\$ 2,134	\$ 18,315	\$ 4,419	\$ 24,549
Real estate depreciation and amortization, including discontinued operations	41,579	42,863	84,218	85,873
Adjustments for unconsolidated joint ventures	2,298	1,961	4,461	3,877
Gain on sale of properties, including land and discontinued operations, net of taxes		(16,887)		(16,887)
Income allocated to noncontrolling interests	688	321	583	742
Funds from operations diluted	\$ 46,699	\$ 46,573	\$ 93,681	\$ 98,154
Weighted average shares basic	68,090	61,499	67,287	58,542
Incremental shares issuable from assumed conversion of:				
Common share options and awards granted	296		234	
Common units	2,601	2,858	2,625	2,888
Weighted average shares diluted	70,987	64,357	70,146	61,430

Liquidity and Capital ResourcesFinancial Condition and Sources of Liquidity

We intend to maintain a strong balance sheet and preserve our financial flexibility, which we believe should enhance our ability to identify and capitalize on investment opportunities as they become available. We intend to maintain what management believes is a conservative capital structure by:

extending and sequencing the maturity dates of our debt where practicable;

managing interest rate exposure using what management believes to be prudent levels of fixed and floating rate debt;
maintaining what management believes to be conservative coverage ratios; and
using what management believes to be a prudent combination of debt and common and preferred equity.

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Our interest expense coverage ratio, net of capitalized interest, was approximately 2.5 times for each of the three and six months ended June 30, 2010, and approximately 2.5 and 2.6 times for the three and six months ended June 30, 2009, respectively. Our interest expense coverage ratio is calculated by dividing interest expense for the period into the sum of property revenues and expenses, non-property income, other expenses, income from discontinued operations, depreciation, amortization, and interest expense. This ratio is a method for calculating the amount of operating cash flows available to cover interest expense. At June 30, 2010 and 2009, approximately 72.8% and 73.2%, respectively, of our properties (based on invested capital) were unencumbered. Our weighted average maturity of debt, including our line of credit, was approximately 5.2 years at June 30, 2010.

Due to the instability experienced during the challenging economic environment, we believe the strength of an economic recovery is unclear and these conditions may not improve quickly. We plan to continue to focus on strengthening our capital and liquidity position by generating positive cash flows from operations, reducing outstanding debt and leverage ratios, and controlling and reducing overhead costs.

Our primary source of liquidity is cash flow generated from operations. Other sources include the availability under our unsecured credit facility and other short-term borrowings, secured mortgage debt, proceeds from dispositions of properties and other investments, and access to the capital markets including our ATM share offering program. We believe our liquidity and financial condition are sufficient to meet all of our reasonably anticipated cash flow needs during 2010 including:

- normal recurring operating expenses;
- current debt service requirements;
- recurring capital expenditures;
- initial funding of property developments, acquisitions, joint venture investments, and notes receivable;
- and
- the minimum dividend payments required to maintain our REIT qualification under the Internal Revenue Code of 1986.

Factors which could increase or decrease our future liquidity include, but are not limited to, current volatility in capital and credit markets, sources of financing, our ability to complete asset sales, the effect our debt level and decreases in credit ratings could have on our costs of funds and our ability to access capital markets, and changes in operating costs resulting from a weakened economy, all of which could adversely impact occupancy and rental rates and our liquidity.

Cash Flows

Certain sources and uses of cash, such as the level of discretionary capital expenditures, repurchases of debt and common shares, and distributions paid on our equity securities are within our control and are adjusted as necessary based upon, among other factors, market conditions. The following is a discussion of our cash flows for the six months ended June 30, 2010 and 2009.

Net cash from operating activities was approximately \$100.0 million during the six months ended June 30, 2010 as compared to approximately \$105.7 million for the same period in 2009. The decrease was primarily due to declines in property revenues within our same store communities offset by an increase in revenues from certain non-same store communities reaching stabilization in 2009. The decrease in net cash from operating activities was offset by lower interest payments and the timing of payments relating to accounts payable and accrued expenses.

Net cash used in investing activities during the six months ended June 30, 2010 totaled approximately \$28.4 million as compared to approximately \$3.3 million during the six months ended June 30, 2009. Cash outflows for property development and capital improvements were approximately \$27.9 million during the six months ended June 30, 2010 as compared to approximately \$33.1 million for the same period in 2009 due to the timing of completions of communities in our development pipeline and a reduction in construction and development activity in 2010 as compared to 2009. The cash outflows during the six months ended June 30, 2009 were offset primarily by proceeds received from the sale of one operating property of approximately \$28.0 million and from payments received on notes receivable other for approximately \$8.7 million.

Net cash used in financing activities totaled approximately \$7.6 million for the six months ended June 30, 2010, primarily as a result of the repayment of maturing outstanding unsecured notes payable of approximately \$57.0 million, and distributions paid to common shareholders, perpetual preferred unit holders, and noncontrolling interest holders of approximately \$66.7 million. The cash outflows were partially offset by cash receipts of

approximately \$106.4 million relating to proceeds received from the sale of approximately 2.3 million common shares under our ATM share offering program entered into in March 2010. Cash outflows were further offset by decreases in accounts receivable from affiliates of approximately \$4.1 million relating to proceeds received from participant withdrawals from our deferred compensation plans and approximately \$4.2 million for proceeds received from secured notes payable relating to a construction loan for a consolidated joint venture. Net cash provided by financing activities totaled approximately \$47.9 million during the six months ended June 30, 2009, primarily due to proceeds from the issuance of a \$420 million secured credit facility entered into during the second quarter of 2009. Additionally, we received net proceeds of approximately \$272.1 million from the completion of our equity offering in May 2009. These increases in cash flows from financing activities were offset by cash outflows of approximately \$565.2 million used for the repayment of notes payable and pay-off of all amounts outstanding on our unsecured line of credit, and approximately \$86.4 million used for distributions paid to shareholders, perpetual preferred unit holders, and noncontrolling interest holders.

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Financial Flexibility

We have a \$600 million unsecured credit facility which matures in January 2011. The scheduled interest rate spreads are subject to change as our credit ratings change. Advances under the line of credit may be priced at the scheduled rates, or we may enter into bid rate loans with participating banks at rates below the scheduled rates. These bid rate loans have terms of six months or less and may not exceed the lesser of \$300 million or the remaining amount available under the line of credit. The line of credit is subject to customary financial covenants and limitations, all of which we are in compliance. We are currently in discussions with various lenders regarding a new unsecured credit facility to replace our existing \$600 million unsecured credit facility. We believe the new unsecured credit facility will be finalized during the third quarter of 2010.

Our line of credit provides us with the ability to issue up to \$100 million in letters of credit. While our issuance of letters of credit does not increase our borrowings outstanding under our line of credit, it does reduce the amount available. At June 30, 2010, we had outstanding letters of credit totaling approximately \$10.3 million, leaving approximately \$589.7 million available under our unsecured line of credit.

We currently have an automatic shelf registration statement on file with the SEC which allows us to offer, from time to time, an unlimited amount of common shares, preferred shares, debt securities, or warrants. Our declaration of trust provides we may issue up to 110 million shares of beneficial interest, consisting of 100 million common shares and 10 million preferred shares. As of June 30, 2010, we had approximately 67.0 million common shares outstanding, net of treasury shares and shares held in our deferred compensation arrangements, and no preferred shares outstanding.

In March 2010, we announced the creation of an at-the-market (ATM) share offering program through which we may, but have no obligation to, sell common shares having an aggregate offering price of up to \$250 million, in amounts and at times as we determine, into the existing trading market at current market prices as well as through negotiated transactions. Actual sales will depend on a variety of factors we determine from time to time, including, among others, market conditions, the trading price of our common shares and determinations of the appropriate sources of funding for us. During the six months ended June 30, 2010, we sold approximately 2.3 million common shares at an average price of \$46.61 per share for total net consideration of approximately \$106.4 million through the ATM share offering program. As of June 30, 2010, we had common shares having an aggregate offering price of up to \$141.8 million remaining available for sale under the ATM program. No additional shares were sold through July 30, 2010 (the date the financial statements were issued).

We believe our ability to access capital markets is enhanced by our senior unsecured debt ratings by Moody's and Standard and Poor's, which are currently Baa1 and BBB, respectively, with stable outlooks, as well as by our ability to borrow on a secured basis from Fannie Mae, Freddie Mac, and other sources. However, we may not be able to maintain our current credit ratings and may not be able to borrow on a secured or unsecured basis in the future. The capital and credit markets have been experiencing continued volatility. We have noted a recent increase in issuances of debt and equity by REITs at more attractive rates. While this may be a positive sign, we are uncertain if this level of activity will increase or continue.

Future Cash Requirements and Contractual Obligations

One of our principal long-term liquidity requirements includes the repayment of maturing debt, including borrowings under our unsecured line of credit used to fund development and acquisition activities. During the remainder of 2010, approximately \$84.2 million of debt, including scheduled principal amortizations, is scheduled to mature. On July 19, 2010, we repaid the remaining amounts outstanding of our \$10.0 million, 4.90% medium term notes maturing in 2010 for a total of approximately \$10.4 million, of which approximately \$0.4 million represented accrued and unpaid interest. We intend to meet our long-term liquidity requirements through available cash balances, cash flows generated from operations, draws on our unsecured credit facility, proceeds from property dispositions and secured mortgage notes, and the use of debt and equity offerings under our automatic shelf registration statement, including under our ATM share offering program.

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In order for us to continue to qualify as a REIT we are required to distribute annual dividends equal to a minimum of 90% of our REIT taxable income, computed without regard to the dividends paid deduction and our net capital gains. In June 2010, we announced our Board of Trust Managers had declared a dividend distribution of \$0.45 per share to common shareholders of record as of June 30, 2010. The dividend was subsequently paid on July 16, 2010. We paid equivalent amounts per unit to holders of the common operating partnership units. This distribution to common shareholders and holders of common operating partnership units equates to an annualized dividend rate of \$1.80 per share or equivalent unit.

Off-Balance Sheet Arrangements

The joint ventures in which we have an interest have been funded in part with secured, third-party debt. We are also committed to additional funding under mezzanine loans provided to joint ventures. We have guaranteed no more than our proportionate interest, totaling approximately \$63.5 million, of five loans utilized for construction and development activities for our joint ventures. Our commitment to fund additional amounts under the mezzanine loans was an aggregate of approximately \$6.0 million at June 30, 2010.

Inflation

Substantially all of our apartment leases are for a term generally ranging from six to fifteen months. In an inflationary environment, we may realize increased rents at the commencement of new leases or upon the renewal of existing leases. The short-term nature of our leases generally minimizes our risk from the adverse affects of inflation.

Critical Accounting Policies

Our critical accounting policies have not changed materially from information reported in our Annual Report on Form 10-K for the year ended December 31, 2009.

Recent Accounting Pronouncements. In December 2009, the FASB issued ASU 2009-17, *Consolidations (Topic 810) Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*, which codified the previously issued Statement of Financial Accounting Standards 167, *Amendments to FASB Interpretation No. 46R*. ASU 2009-17 changes the consolidation analysis for VIEs and requires a qualitative analysis to determine the primary beneficiary of the VIE. The determination of the primary beneficiary of a VIE is based on whether the entity has the power to direct matters which most significantly impact the activities of the VIE and has the obligation to absorb losses, or the right to receive benefits, of the VIE which could potentially be significant to the VIE. The ASU requires an ongoing reconsideration of the primary beneficiary and also amends the events triggering a reassessment of whether an entity is a VIE. ASU 2009-17 requires additional disclosures for VIEs, including disclosures about a reporting entity's involvement with VIEs, how a reporting entity's involvement with a VIE affects the reporting entity's financial statements, and significant judgments and assumptions made by the reporting entity to determine whether it must consolidate the VIE. ASU 2009-17 was effective for us beginning January 1, 2010. Our adoption of ASU 2009-17 did not have a material effect on our financial statements, but could potentially have a material impact on future reconsideration events and subsequent reassessment of VIE status.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

No material changes to our exposures to market risk have occurred since our Annual Report on Form 10-K for the year ended December 31, 2009.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures. We carried out an evaluation, under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Securities Exchange Act (Exchange Act) Rules 13a-15(e) and 15d-15(e). Based on the evaluation, the Chief Executive Officer and Chief Financial Officer concluded the disclosure controls and procedures as of the end of the period covered by this report are effective to ensure information required to be disclosed by us in our Exchange Act filings is recorded, processed, summarized, and reported within the periods specified in the Securities and Exchange Commission s rules and forms.

Changes in internal controls. There were no changes in our internal control over financial reporting (identified in connection with the evaluation required by paragraph (d) in Rules 13a-15 and 15d-15 under the Exchange Act) during our most recent fiscal quarter which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For discussion regarding legal proceedings, see Note 11, Commitments and Contingencies, to the condensed consolidated financial statements.

Item 1A. Risk Factors

There have been no material changes to the Risk Factors previously disclosed in Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2009.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Reserved

Item 5. Other Information

None

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Item 6. Exhibits

(a) Exhibits

- 10.1 Form of Amendment No. 1 to Amended and Restated Master Exchange Agreement (Trust Managers) effective November 27, 2007
- 10.2 Form of Amendment No. 1 to Amended and Restated Master Exchange Agreement (Key Employees) effective November 27, 2007
- 10.3 Form of First Amendment to Credit Agreement, dated as of January 18, 2006, among Camden Property Trust and Bank of America, N.A. on behalf of itself and the Lenders
- 10.4 Master Credit Agreement, dated as of September 24, 2008, among CSP Community Owner, LLC, CPT Community Owner, LLC, and Red Mortgage Capital, Inc. (1)
- 10.5 Form of Master Credit Facility Agreement, dated as of April 17, 2009, among Summit Russett, LLC, 2009 CPT Community Owner, LLC, 2009 CUSA Community Owner, LLC, 2009 CSP Community Owner LLC, and 2009 COLP Community Owner, LLC, as borrowers, Camden Property Trust, as guarantor, and Red Mortgage Capital, Inc., as lender (1)
- 31.1 Certification pursuant to Rule 13a-14(a) of Chief Executive Officer dated July 30, 2010.
- 31.2 Certification pursuant to Rule 13a-14(a) of Chief Financial Officer dated July 30, 2010.
- 32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

(1) Portions of the exhibit have been omitted pursuant to a request for confidential treatment.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on our behalf by the undersigned thereunto duly authorized.

CAMDEN PROPERTY TRUST

/s/ Michael P. Gallagher

July 30, 2010

Michael P. Gallagher
Vice President Chief Accounting Officer

Date

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Exhibit Index

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