

HOME PROPERTIES INC
Form 10-Q
August 07, 2009

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended JUNE 30, 2009

or

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

For the transition period from to
Commission File Number: 1-13136

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

MARYLAND 16-1455126
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

850 Clinton Square, Rochester, New York 14604
(Address of principal executive offices) (Zip Code)

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

N/A

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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

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

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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

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Yes No

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

Common Stock	Outstanding at July 31, 2009
\$.01 par value	33,044,369

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PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

HOME PROPERTIES, INC.

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

	2009	2008
ASSETS		
Real estate:		
Land	\$511,404	\$515,610
Construction in progress	146,301	111,039
Buildings, improvements and equipment	3,219,647	3,245,741
	3,877,352	3,872,390
Less: accumulated depreciation	(684,663)	(636,970)
Real estate, net	3,192,689	3,235,420
Cash and cash equivalents	6,473	6,567
Cash in escrows	28,418	27,904
Accounts receivable	11,568	14,078
Prepaid expenses	11,174	16,277
Deferred charges	9,660	11,360
Other assets	3,667	5,488
Total assets	\$3,263,649	\$3,317,094
LIABILITIES AND EQUITY		
Mortgage notes payable	\$2,067,698	\$2,112,331
Exchangeable senior notes	135,138	134,169
Line of credit	104,000	71,000
Accounts payable	20,921	23,731
Accrued interest payable	10,770	10,845
Accrued expenses and other liabilities	26,909	32,043
Security deposits	20,773	21,443
Total liabilities	2,386,209	2,405,562
Commitments and contingencies		
Equity:		
Common stock, \$.01 par value; 80,000,000 shares authorized; 33,040,252 and 32,431,304 shares issued and outstanding at June 30, 2009 and December 31, 2008, respectively	330	324
Excess stock, \$.01 par value; 10,000,000 shares authorized; no shares issued or outstanding	-	-
Additional paid-in capital	870,350	857,415
Distributions in excess of accumulated earnings	(234,180)	(206,961)
Total common stockholders' equity	636,500	650,778
Noncontrolling interest	240,940	260,754
Total equity	877,440	911,532
Total liabilities and equity	\$3,263,649	\$3,317,094

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

HOME PROPERTIES, INC.

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

	2009	2008
Revenues:		
Rental income	\$117,538	\$114,034
Property other income	8,980	9,946
Interest income	6	19
Other income	90	86
Total revenues	126,614	124,085
Expenses:		
Operating and maintenance	51,612	49,691
General and administrative	6,249	6,620
Interest	30,257	28,795
Depreciation and amortization	30,243	27,842
Total expenses	118,361	112,948
Income from continuing operations	8,253	11,137
Discontinued operations:		
Income from discontinued operations	45	867
Loss on disposition of property	(16)	(1)
Discontinued operations	29	866
Net income	8,282	12,003
Net income attributable to noncontrolling interest	(2,262)	(3,552)
Net income attributable to common shareholders	\$6,020	\$