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KOGER EQUITY INC
Form 8-K
March 03, 2003

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): February 26, 2003

KOGER EQUITY, INC.

(Exact Name of Registrant as Specified in Its Charter)

FLORIDA

(State or Other Jurisdiction of Incorporation)

1-9997

(Commission File Number)

59-2898045

(IRS Employer
Identification No.)

225 NE MIZNER BOULEVARD, SUITE 200
BOCA RATON, FLORIDA

(Address of Principal Executive Offices)

33432

(Zip Code)

(561) 395-9666

(Registrant's Telephone Number, Including Area Code)

NA

(Former Name or Former Address, if Changed Since Last Reports)

Item 9. Regulation FD Disclosure

Koger Equity, Inc. announced results for the fourth quarter and year ended December 31, 2002, as more particularly described in its News Release, dated February 26, 2003, and its Supplemental Information, dated December 31, 2002, copies of which are attached hereto as Exhibits 99(a) and 99(b) and by this reference made a part hereof.

For more information on Koger Equity, Inc., contact the company at 866-321-0712 or visit its Web site at www.koger.com.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

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| Exhibit Number | Description of Exhibit |
|-------------------|---|
| 99(a) | Koger Equity, Inc. News Release, dated February 26, 2003. |
| 99(b) | Koger Equity, Inc. Supplemental Information, dated December 31, 2002. |

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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 its behalf by the undersigned, thereunto duly authorized.

KOGER EQUITY, INC.

Dated: February 26, 2003

By: /S/ Todd J. Amara

Todd J. Amara
Title: Vice President

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EXHIBIT INDEX

The following designated exhibits are filed herewith:

| Exhibit Number | Description of Exhibit |
|-------------------|---|
| 99(a) | Koger Equity, Inc. News Release, dated February 26, 2003. |
| 99(b) | Koger Equity, Inc. Supplemental Information, dated December 31, 2002. |

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Exhibit 99(a)

Koger Equity Announces Fourth Quarter 2002 and Year End 2002 Financial Results

BOCA RATON, Fla.--(BUSINESS WIRE)--Feb. 26, 2003--Koger Equity,

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Inc. (NYSE:KE):

- 2002 Funds From Operations of \$2.05 Per Share
- Reiterates Full Year 2003 Funds From Operations Guidance

Koger Equity, Inc. (NYSE:KE) today reported results for the fourth quarter 2002 and year ended December 31, 2002.

Certain of the Company's 2002 results, as compared to 2001, have been affected by the Company's December 2001 sale of 75 office buildings and one retail center to AP-Knight LP, an affiliate of Apollo Real Estate Advisors, LP. At the time of sale, these assets represented approximately 36% of the Company's portfolio of operating properties, based on rentable square feet.

Fourth Quarter 2002 Highlights

-- Acquired The Lakes on Post Oak, a three building, 1.2 million square foot development located in the Galleria/West Loop area of Houston, Texas.

-- Secured \$85 million, five year fixed rate financing for Three Ravinia Drive.

-- Amended the Company's secured revolving credit facility.

Other Highlights for 2002

-- Increased same store net operating income ("NOI") 1.4% to \$70.3 million compared to \$69.3 million for 2001.

-- Acquired Three Ravinia Drive, an 803,000 square foot, 31 story office building in the Central Perimeter area of Atlanta, Georgia.

-- Paid dividend of \$1.40 per share.

Fourth Quarter 2002 and Year End 2002 Operating Results

Funds from operations (FFO) for the fourth quarter 2002 totaled \$10.4 million or \$0.49 per share on a fully diluted basis, compared with \$16.6 million or \$0.62 per share on a fully diluted basis for the fourth quarter 2001. For the quarter ended December 31, 2002, Koger reported total operating revenues of \$32.9 million compared to total operating revenues of \$40.7 million for the fourth quarter 2001. Certain of the Company's 2002 operating results, as compared to 2001, have been affected by the December 2001 sale of operating properties as more fully described above. Operating margins declined to 62.6% in the fourth quarter 2002 versus 63.0% in the fourth quarter 2001.

Net income for the three months ended December 31, 2002 was \$2.5 million or \$0.12 per diluted share compared to \$47.9 million or \$1.86 per diluted share for the fourth quarter 2001. The fourth quarter 2001 net income includes \$1.52 per diluted share of gain from the sale of operating properties to AP-Knight LP. For purposes of FFO and earnings per share, the weighted average number of common shares on a fully diluted basis totaled 21,332,000 for the fourth quarter 2002.

For the year ended December 31, 2002, FFO totaled \$43.8 million or \$2.05 per share on total operating revenues of \$129.8 million compared with FFO of \$69.7 million or \$2.52 per share on total operating revenues of \$169.7 million for 2001. Net income for 2002 was \$16.4 million or \$0.77 per diluted share compared to net income of \$73.2 million or \$2.75 per diluted share in 2001. As stated above, certain of the Company's operating results, as compared to 2001, have been

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affected by the December 2001 sale of operating properties to AP-Knight LP. Operating margins for 2002 improved to 63.4% from 62.8% for the year ended December 31, 2001.

Same Store Results

Fourth quarter 2002 same store NOI decreased approximately 4.5% to \$16.7 million from \$17.5 million for the fourth quarter 2001. Same store NOI for 2002 increased approximately 1.4% to \$70.3 million compared to \$69.3 million for 2001. Same store occupancy was 86.9% at December 31, 2002 compared to 89.9% at December 31, 2001.

Leasing Activity

Leasing activity during the fourth quarter 2002 totaled 632,000 rentable square feet encompassing 81 leases at an average cost of \$1.26 per square foot per year. The weighted average net rental rate on new leases signed, excluding first generation space and renewals, decreased 6.9% to \$10.07 per square foot as compared to \$10.82 per square foot on expiring leases. For leases that renewed during the fourth quarter 2002, the weighted average net rental rate decreased 2.4% to \$11.11 per square foot from \$11.38 per square foot.

For properties owned on December 31, 2001, the Company signed 1,799,000 square feet of leases in 308 transactions during 2002 at an average cost of \$1.20 per square foot. The weighted average net rental rate on leasing activity for fiscal 2002 was flat at \$11.40 per square foot on new leases compared to \$11.39 per square foot on expiring leases.

The tenant retention rate was 52% for the fourth quarter 2002 and 64% for all of 2002.

In the fourth quarter 2002, Koger filled significant vacancies in its portfolio with the signing of a 46,000 square foot lease and a 36,000 square foot lease with TRW, Inc. and the Georgia Medical Foundation, respectively. Both leases are expected to commence no later than April 2003, and will encompass all of Koger's Harvard building at its Atlanta Chamblee center, and a portion of Koger's Lincoln Parkway building in Atlanta.

Property Activity

During the fourth quarter 2002, Koger acquired, through a subsidiary partnership, The Lakes on Post Oak, a 1.2 million square foot, Class A, three office building development located in the prestigious Galleria/West Loop area in Houston, Texas, for approximately \$102 million (or approximately \$85.00 per square foot). The funds required for this acquisition were drawn from a \$77 million mortgage secured by the property and from the Company's secured revolving credit facility. The Lakes on Post Oak resides within a 28-acre park-like development located adjacent to the Galleria Mall, which is undergoing a 700,000 square foot retail expansion. In addition, the Texas Department of Transportation and local development associations are in the middle of extensive infrastructure changes that according to management will enhance The Lakes on Post Oak's long-term positioning as one of the best located projects in the Galleria/West Loop area.

Koger anticipates creating considerable value by implementing a \$12 million capital spending program on the three buildings. The program will refurbish and modernize the entire development and will be followed by an aggressive marketing and leasing program. In 2003, Koger selected Trammell Crow Company to provide management and leasing services for The Lakes on Post Oak.

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Financing

During the fourth quarter 2002 Koger secured an \$85 million non-recourse loan from Metropolitan Life Insurance Company collateralized by its Three Ravinia Drive property in Atlanta, Georgia. This loan has a five year term expiring on January 1, 2008 with a fixed interest rate of 5.26%. Koger used the proceeds from this loan to pay down a substantial portion of the existing balance on its secured revolving credit facility.

Concurrently, Koger amended its secured revolving credit facility to lower the commitment amount to \$100 million from \$125 million and modified certain debt covenant definitions and other requirements.

Thomas Crocker, Chief Executive Officer of Koger Equity commented, "Despite the economic uncertainty in our core markets, we are satisfied with our results. While we expect the economic challenges to persist in 2003, we believe Koger is properly positioned to overcome adversity and prosper when the economy turns. Koger used 2002 to create a platform for improved performance in the future. To that point, we made two important acquisitions as part of a portfolio repositioning that will serve as the core foundation for improved financial results over the long-term. These acquisitions were Three Ravinia, a 31-story, Class A trophy office building in the Central Perimeter area of Atlanta, Georgia and The Lakes on Post Oak, a 1.2 million square foot, three building complex located in the heart of the Galleria/West Loop area of Houston, Texas."

"Both properties have 'suburban in-fill' characteristics and were purchased at a significant discount to replacement cost, two parameters that we see as critical to our long-term investment strategy." Mr. Crocker concluded, "We are very excited about these traditional real estate transactions and believe they will generate considerable value in the future for our shareholders."

Dividend

The level of Koger's dividend will continue to be determined each quarter, based upon the operating results of that quarter, economic conditions, and other operating trends. For the fourth quarter 2002, Koger paid a \$0.35 dividend per share, and for all of 2002, Koger paid a dividend of \$1.40 per share.

FFO Guidance

Based on the current outlook, Koger is reiterating its FFO guidance range of \$1.75-\$1.80 per share for 2003.

The Company's significant assumptions for 2003 include:

- Continued deterioration in rental markets.
- No acquisitions or dispositions.
- Termination of the management agreement for the assets sold to AP-Knight LP in 2001.
- Termination of the asset management agreement for Crocker Realty Trust, Inc.
- Same store occupancy declining from 87% at year end 2002 to 81% by the end of 2003.
- Negative absorption in Atlanta, Georgia and Charlotte, North Carolina.

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-- LIBOR rate of 1.80%.

During the scheduled February 26, 2003 conference call, management will further discuss FFO guidance for 2003.

Safe Harbor

Estimates of future FFO per share are by definition, and certain other matters discussed in this press release may be, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Although Koger Equity, Inc. believes the expectations reflected in such forward-looking statements are based on reasonable assumptions; there can be no assurance that its expectations will be attained. Certain factors that could cause actual results to differ materially from the Company's expectations are set forth as risk factors in the company's SEC reports and filings, including its annual report on Form 10-K. Included among these factors are changes in general economic conditions, including changes in the economic conditions affecting industries in which its principal tenants compete; its ability to timely lease or re-lease space to credit worthy tenants at current or anticipated rents; its ability to achieve economies of scale over time; the demand for tenant services beyond those traditionally provided by landlords; changes in interest rates; changes in operating costs; its ability to attract and retain high-quality personnel at a reasonable cost in a highly competitive labor environment; future demand for its debt and equity securities; its ability to refinance its debt on reasonable terms at maturity; and its ability to complete current and future development projects on schedule and on budget. Many of these factors are beyond the Company's ability to control or predict. Forward-looking statements are not guarantees of performance. For forward-looking statements contained or incorporated by reference herein, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

Koger Equity, Inc. owns and operates 124 office buildings, containing 8.93 million rentable square feet, primarily located within 16 suburban office projects in nine cities in the Southeastern United States and Houston, Texas.

Additional information about Koger is available upon request to Investor Relations, 225 NE Mizner Blvd., Suite 200, Boca Raton, Florida 33432-3945, or call 1-800-850-2037.

Additionally, the Fourth Quarter 2002 Supplemental Disclosure package and further information about Koger Equity can be found on the Company's web site at www.koger.com.

KOGER EQUITY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands except per Share Data)

| | For the Three Months Ended | For the Year Ended |
|--|----------------------------------|--------------------------|
| | 12/31/02 12/31/01 | 12/31/02 12/31/01 |

Operating Revenues

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| | | | | |
|---|----------|----------|-----------|-----------|
| Rental and other rental | | | | |
| services | \$32,065 | \$40,161 | \$126,351 | \$165,623 |
| Management fees | 757 | 550 | 3,347 | 4,080 |
| Other | 51 | -- | 53 | -- |
| | | | | |
| Total operating revenues | 32,873 | 40,711 | 129,751 | 169,703 |
| | | | | |
| Operating Expenses | | | | |
| Property operations | 12,002 | 14,859 | 46,235 | 61,608 |
| Depreciation and amortization | 7,993 | 7,945 | 27,908 | 35,099 |
| General and administrative | 2,953 | 2,264 | 11,381 | 8,412 |
| Direct cost of management fees | 705 | 720 | 3,335 | 3,378 |
| Other | 18 | 18 | 143 | 189 |
| | | | | |
| Total operating expenses | 23,671 | 25,806 | 89,002 | 108,686 |
| | | | | |
| Operating Income | 9,202 | 14,905 | 40,749 | 61,017 |
| | | | | |
| Other Income and Expense | | | | |
| Interest income | 76 | 180 | 405 | 776 |
| Mortgage and loan interest | (7,281) | (6,053) | (25,145) | (26,112) |
| | | | | |
| Total other income and expense | (7,205) | (5,873) | (24,740) | (25,336) |
| | | | | |
| Income Before Gain on Sale or Disposition of Assets, Income Taxes and Minority Interest and Equity in Earnings of Unconsolidated Subsidiary | | | | |
| | 1,997 | 9,032 | 16,009 | 35,681 |
| Gain on sale or disposition of assets | 19 | 39,189 | 21 | 39,189 |
| | | | | |
| Income Before Income Taxes and Minority Interest and Equity in Earnings of Unconsolidated Subsidiary | | | | |
| | 2,016 | 48,221 | 16,030 | 74,870 |
| Income taxes | (525) | 235 | (413) | 684 |
| | | | | |
| Income Before Minority Interest and Equity in Earnings of Unconsolidated Subsidiary | | | | |
| | 2,541 | 47,986 | 16,443 | 74,186 |
| Minority interest | -- | (107) | (20) | (1,044) |
| Equity in earnings of unconsolidated subsidiary | -- | -- | -- | 81 |
| | | | | |
| Net Income | \$2,541 | \$47,879 | \$16,423 | \$73,223 |
| | | | | |
| Earnings Per Share: | | | | |
| Basic | \$0.12 | \$1.87 | \$0.77 | \$2.76 |
| | | | | |
| Diluted | \$0.12 | \$1.86 | \$0.77 | \$2.75 |
| | | | | |
| Weighted Average Shares: | | | | |
| Basic | 21,300 | 25,641 | 21,269 | 26,517 |

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| | | | | |
|---------|--------|--------|--------|--------|
| Diluted | 21,332 | 25,785 | 21,378 | 26,610 |
|---------|--------|--------|--------|--------|

KOGER EQUITY, INC.
FUNDS FROM OPERATIONS
(In Thousands except per Share Data)

| | For the Three Months Ended | | For the Year Ended | |
|---|----------------------------------|----------|--------------------------|----------|
| | 12/31/02 | 12/31/01 | 12/31/02 | 12/31/01 |
| Net income | \$2,541 | \$47,879 | \$16,423 | \$73,223 |
| Depreciation - real estate | 7,396 | 7,270 | 25,889 | 32,261 |
| Amortization - deferred tenant costs | 444 | 514 | 1,523 | 2,172 |
| Amortization - goodwill | -- | 42 | -- | 170 |
| Minority interest | -- | 107 | 20 | 1,044 |
| Loss (gain) on sale or disposition: | | | | |
| Operating properties | -- | (39,189) | -- | (39,189) |
| Non-operating assets | (19) | -- | (21) | -- |
| Funds from operations | \$10,362 | \$16,623 | \$43,834 | \$69,681 |
| Weighted average shares/units outstanding - diluted | 21,332 | 26,785 | 21,378 | 27,610 |
| Funds from operations, per diluted share/unit | \$0.49 | \$0.62 | \$2.05 | \$2.52 |

KOGER EQUITY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands)

| | December 31, 2002 | December 31, 2001 |
|---|----------------------|----------------------|
| ASSETS | | |
| Real estate investments: | | |
| Operating properties: | | |
| Land | \$110,653 | \$91,919 |
| Buildings | 783,185 | 568,285 |
| Furniture and equipment | 3,320 | 3,082 |
| Accumulated depreciation | (149,830) | (123,999) |
| Operating properties, net | 747,328 | 539,287 |
| Undeveloped land held for investment | 9,995 | 13,779 |
| Undeveloped land held for sale, net of allowance | 3,831 | 76 |
| Cash and cash equivalents | 4,627 | 113,370 |
| Restricted cash | 13,340 | -- |
| Accounts receivable, net of allowance for uncollectible accounts of \$1,280 and \$1,114 | 12,183 | 11,574 |
| Cost in excess of fair value of net assets acquired, net of accumulated amortization | | |

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| | | |
|--|-----------|-----------|
| of \$683 and \$683 | 595 | 595 |
| Other assets | 13,186 | 11,904 |
| | ----- | ----- |
| TOTAL ASSETS | \$805,085 | \$690,585 |
| | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Liabilities: | | |
| Mortgages and loans payable | \$431,698 | \$248,683 |
| Accounts payable | 3,801 | 4,962 |
| Accrued real estate taxes payable | 147 | 1,007 |
| Other accrued liabilities | 13,435 | 9,206 |
| Dividends payable | 7,453 | 44,159 |
| Advance rents and security deposits | 5,483 | 5,103 |
| | ----- | ----- |
| Total Liabilities | 462,017 | 313,120 |
| | ----- | ----- |
| Minority interest | -- | 22,923 |
| | ----- | ----- |
| Shareholders' equity: | | |
| Common stock | 298 | 297 |
| Capital in excess of par value | 472,156 | 469,779 |
| Notes receivable from stock sales to related parties | (5,266) | (5,066) |
| Accumulated other comprehensive loss | (212) | -- |
| Retained earnings | 7,813 | 21,180 |
| Treasury stock, at cost | (131,721) | (131,648) |
| | ----- | ----- |
| Total Shareholders' Equity | 343,068 | 354,542 |
| | ----- | ----- |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$805,085 | \$690,585 |
| | ===== | ===== |

CONTACT: Koger Equity, Inc.
Tom Brockwell, 561/395-9666
or
Integrated Corporate Relations, Inc.
Brad Cohen, 203/222-9013

Exhibit 99(b)

Koger Equity, Inc.
Supplemental
Information
December 31, 2002

Koger Equity, Inc.
Supplemental Information
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December 31, 2002

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KOGER EQUITY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

Dollars in thousands

| | 12/31/02 | (Unaudited) 9/30/02 | (Unaudited) 6/30/02 | (Unaudited) 3/31/02 | 12/31/01 |
|--------------------------------------|-----------|------------------------|------------------------|------------------------|-----------|
| ASSETS | | | | | |
| Real Estate Investments: | | | | | |
| Operating properties: | | | | | |
| Land | \$110,653 | \$98,253 | \$98,253 | \$110,084 | \$98,253 |
| Buildings | 783,185 | 688,363 | 685,975 | 670,895 | 567,895 |
| Furniture and equipment | 3,320 | 3,120 | 2,987 | 2,933 | 2,933 |
| Accumulated depreciation | (149,830) | (142,295) | (136,010) | (129,617) | (129,617) |
| Operating properties - net | 747,328 | 647,441 | 651,205 | 654,295 | 538,464 |
| Properties under construction: | | | | | |
| Land | 0 | 0 | 0 | 0 | 0 |
| Buildings | 0 | 0 | 0 | 0 | 0 |
| Undeveloped land held for investment | 9,995 | 11,015 | 13,779 | 13,779 | 13,779 |
| Undeveloped land held for sale | 3,831 | 2,840 | 76 | 76 | 76 |
| Cash and temporary investments | 4,627 | 10,930 | 14,564 | 16,461 | 11,000 |

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| | | | | | |
|--|------------------|------------------|------------------|------------------|-------------|
| Restricted cash | 13,340 | 0 | 0 | 0 | 1 |
| Accounts receivable, net | 12,183 | 10,744 | 9,802 | 10,441 | 1 |
| Cost in excess of fair value of net assets acquired, net | 595 | 595 | 595 | 595 | |
| Other assets | 13,186 | 11,939 | 11,809 | 11,722 | 1 |
| TOTAL ASSETS | \$805,085 | \$695,504 | \$701,830 | \$707,369 | \$69 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Liabilities: | | | | | |
| Mortgages and loan payable | \$431,698 | \$314,994 | \$321,217 | \$327,415 | \$24 |
| Accounts payable | 3,801 | 3,236 | 1,837 | 2,046 | |
| Accrued real estate taxes payable | 147 | 6,336 | 6,358 | 3,273 | |
| Accrued liabilities - other | 13,435 | 9,929 | 8,903 | 8,607 | |
| Dividends payable | 7,453 | 7,453 | 7,452 | 7,433 | 4 |
| Advance rents and security deposits | 5,483 | 5,137 | 4,656 | 4,876 | |
| Total Liabilities | 462,017 | 347,085 | 350,423 | 353,650 | 31 |
| Minority interest | 0 | 0 | 0 | 0 | 2 |
| Shareholders' Equity: | | | | | |
| Common stock | 298 | 298 | 298 | 298 | |
| Capital in excess of par value | 472,156 | 472,012 | 471,974 | 471,205 | 46 |
| Notes receivable from stock sales to related parties | (5,266) | (5,066) | (5,066) | (5,066) | (|
| Other comprehensive loss | (212) | 0 | 0 | 0 | |
| Retained earnings | 7,813 | 12,726 | 15,784 | 18,898 | 2 |
| Treasury stock, at cost | (131,721) | (131,551) | (131,583) | (131,616) | (13 |
| Total Shareholders' Equity | 343,068 | 348,419 | 351,407 | 353,719 | 35 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$805,085 | \$695,504 | \$701,830 | \$707,369 | \$69 |

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KOGER EQUITY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

Dollars in thousands

| | 12/31/02 | 12/31/01 | 12/31/00 | 12/31/99 | 12/31/98 |
|---------------------------------|-----------|----------|-----------|-----------|-----------|
| ASSETS | | | | | |
| Real Estate Investments: | | | | | |
| Operating properties: | | | | | |
| Land | \$110,653 | \$91,919 | \$138,214 | \$140,061 | \$137,047 |
| Buildings | 783,185 | 568,285 | 805,935 | 784,769 | 731,558 |

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| | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Furniture and equipment | 3,320 | 3,082 | 2,631 | 2,693 | 3,578 |
| Accumulated depreciation | (149,830) | (123,999) | (155,817) | (137,452) | (129,682) |
| Operating properties - net | 747,328 | 539,287 | 790,963 | 790,071 | 742,501 |
| Properties under construction: | | | | | |
| Land | 0 | 0 | 2,128 | 8,347 | 11,318 |
| Buildings | 0 | 0 | 12,023 | 41,912 | 31,562 |
| Undeveloped land held for investment | 9,995 | 13,779 | 13,899 | 16,034 | 19,272 |
| Undeveloped land held for sale | 3,831 | 76 | 76 | 1,103 | 1,263 |
| Cash and temporary investments | 4,627 | 113,370 | 1,615 | 0 | 4,827 |
| Restricted cash | 13,340 | 0 | 0 | 0 | 0 |
| Accounts receivable, net | 12,183 | 11,574 | 13,232 | 10,512 | 6,158 |
| Investment in Koger Realty Services, Inc. | 0 | 0 | 2,533 | 2,319 | 1,661 |
| Cost in excess of fair value of net assets acquired, net | 595 | 595 | 1,360 | 1,530 | 1,700 |
| Other assets | 13,186 | 11,904 | 13,193 | 13,911 | 14,733 |
| TOTAL ASSETS | \$805,085 | \$690,585 | \$851,022 | \$885,739 | \$834,995 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Liabilities: | | | | | |
| Mortgages and loans payable | \$431,698 | \$248,683 | \$343,287 | \$351,528 | \$307,903 |
| Accounts payable | 3,801 | 4,962 | 4,961 | 12,716 | 12,139 |
| Accrued real estate taxes payable | 147 | 1,007 | 4,175 | 1,383 | 4,407 |
| Accrued liabilities - other | 13,435 | 9,206 | 10,562 | 13,162 | 9,288 |
| Dividends payable | 7,453 | 44,159 | 9,392 | 9,370 | 7,971 |
| Advance rents and security deposits | 5,483 | 5,103 | 7,014 | 6,570 | 5,432 |
| Total Liabilities | 462,017 | 313,120 | 379,391 | 394,729 | 347,140 |
| Minority interest | 0 | 22,923 | 23,138 | 23,184 | 23,092 |
| Shareholders' Equity: | | | | | |
| Common stock | 298 | 297 | 296 | 288 | 286 |
| Capital in excess of par value | 472,156 | 469,779 | 468,277 | 457,945 | 454,988 |
| Notes receivable from stock sales | (5,266) | (5,066) | (6,250) | 0 | 0 |
| Other comprehensive loss | (212) | 0 | 0 | 0 | 0 |
| Retained earnings | 7,813 | 21,180 | 20,261 | 30,546 | 30,020 |
| Treasury stock, at cost | (131,721) | (131,648) | (34,091) | (20,953) | (20,531) |
| Total Shareholders' Equity | 343,068 | 354,542 | 448,493 | 467,826 | 464,763 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$805,085 | \$690,585 | \$851,022 | \$885,739 | \$834,995 |

KOGER EQUITY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

In thousands, except per share data

Three Months Ended

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| | 12/31/02 | 9/30/02 | 6/30/02 | 3/31/02 | 12/31/01 |
|--|----------|----------|----------|----------|----------|
| REVENUES | | | | | |
| Rental and other rental services | \$32,065 | \$31,836 | \$31,855 | \$30,596 | \$40,161 |
| Management fees | 757 | 839 | 963 | 787 | 550 |
| Other | 51 | 0 | 0 | 3 | 0 |
| Total operating revenues | 32,873 | 32,675 | 32,818 | 31,386 | 40,711 |
| EXPENSES | | | | | |
| Property operations | 12,002 | 11,846 | 11,928 | 10,459 | 14,859 |
| Depreciation and amortization | 7,993 | 6,663 | 6,731 | 6,522 | 7,945 |
| General and administrative | 2,953 | 2,971 | 2,947 | 2,510 | 2,264 |
| Direct cost of management fees | 705 | 797 | 822 | 1,010 | 720 |
| Other | 18 | 43 | 49 | 33 | 18 |
| Total operating expenses | 23,671 | 22,320 | 22,477 | 20,534 | 25,806 |
| OPERATING INCOME | 9,202 | 10,355 | 10,341 | 10,852 | 14,905 |
| OTHER INCOME AND EXPENSE | | | | | |
| Interest income | 76 | 98 | 87 | 145 | 180 |
| Mortgage and loan interest | (7,281) | (6,041) | (6,029) | (5,795) | (6,053) |
| Total other income and expense | (7,205) | (5,943) | (5,942) | (5,650) | (5,873) |
| INCOME BEFORE GAIN (LOSS) ON SALE OR DISPOSITION OF ASSETS | 1,997 | 4,412 | 4,399 | 5,202 | 9,032 |
| Gain (loss) on sale or disposition of assets | 19 | 1 | 0 | 1 | 39,189 |
| INCOME BEFORE INCOME TAXES | 2,016 | 4,413 | 4,399 | 5,203 | 48,221 |
| Income taxes | (525) | 19 | 62 | 32 | 235 |
| INCOME BEFORE MINORITY INTEREST | 2,541 | 4,394 | 4,337 | 5,171 | 47,986 |
| Minority interest | 0 | 0 | 0 | 20 | 107 |
| NET INCOME | \$2,541 | \$4,394 | \$4,337 | \$5,151 | \$47,879 |
| EARNINGS PER SHARE - Diluted | \$0.12 | \$0.21 | \$0.20 | \$0.24 | \$1.86 |
| WEIGHTED AVERAGE SHARES - Diluted | 21,332 | 21,410 | 21,469 | 21,283 | 25,785 |
| OPERATING MARGIN | 62.6% | 62.8% | 62.6% | 65.8% | 63.0% |

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In thousands, except per share data

| | 2002 | 2001 | 2000 | 1999 | 1998 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| REVENUES | | | | | |
| Rental and other rental services | \$126,351 | \$165,623 | \$164,733 | \$156,153 | \$133,660 |
| Management fees | 3,347 | 4,080 | 1,793 | 2,384 | 2,270 |
| Other Income | 53 | 0 | 0 | 0 | 0 |
| Total operating revenues | 129,751 | 169,703 | 166,526 | 158,537 | 135,930 |
| EXPENSES | | | | | |
| Property operations | 46,235 | 61,608 | 61,868 | 60,582 | 53,710 |
| Depreciation and amortization | 27,908 | 35,099 | 35,133 | 32,314 | 28,380 |
| General and administrative | 11,381 | 8,412 | 20,217 | 8,633 | 6,950 |
| Direct cost of management fees | 3,335 | 3,378 | 898 | 1,432 | 1,360 |
| Other | 143 | 189 | 217 | 1,143 | 380 |
| Total operating expenses | 89,002 | 108,686 | 118,333 | 104,104 | 90,800 |
| OPERATING INCOME | 40,749 | 61,017 | 48,193 | 54,433 | 45,130 |
| OTHER INCOME AND EXPENSE | | | | | |
| Interest income | 405 | 776 | 703 | 457 | 440 |
| Mortgage and loan interest | (25,145) | (26,112) | (27,268) | (21,893) | (16,610) |
| Total other income and expense | (24,740) | (25,336) | (26,565) | (21,436) | (16,170) |
| INCOME BEFORE GAIN ON SALE OR DISPOSITION OF ASSETS | 16,009 | 35,681 | 21,628 | 32,997 | 28,960 |
| Gain on sale or disposition of assets | 21 | 39,189 | 6,015 | 3,851 | 300 |
| INCOME BEFORE INCOME TAXES | 16,030 | 74,870 | 27,643 | 36,848 | 30,690 |
| Income taxes | (413) | 684 | (21) | 187 | 950 |
| INCOME BEFORE MINORITY INTEREST | 16,443 | 74,186 | 27,664 | 36,661 | 29,740 |
| Minority interest | (20) | (1,044) | (1,156) | (1,174) | (130) |
| Equity in earnings of unconsolidated subsidiary | 0 | 81 | 645 | 1,099 | 1,690 |
| INCOME BEFORE EXTRAORDINARY ITEM | 16,423 | 73,223 | 27,153 | 36,586 | 31,290 |
| Extraordinary loss on early retirement of debt | 0 | 0 | 0 | 0 | 0 |
| NET INCOME | \$16,423 | \$73,223 | \$27,153 | \$36,586 | \$29,600 |
| EARNINGS PER SHARE - Diluted | \$0.77 | \$2.75 | \$1.01 | \$1.35 | \$1.11 |
| WEIGHTED AVERAGE SHARES - Diluted | 21,378 | 26,610 | 26,962 | 27,019 | 26,900 |
| OPERATING MARGIN | 63.4% | 62.8% | 62.4% | 61.2% | 59.1% |

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KOGER EQUITY, INC. AND SUBSIDIARIES
FUNDS FROM OPERATIONS
(Unaudited)

In thousands, except per share data

| | Three Months Ended | | | | |
|---|--------------------|----------------|----------------|----------------|-----------------|
| | 12/31/02 | 9/30/02 | 6/30/02 | 3/31/02 | 12/31/01 |
| Funds from Operations: | | | | | |
| Net income | \$2,541 | \$4,394 | \$4,337 | \$5,152 | \$47,800 |
| Depreciation - real estate | 7,396 | 6,174 | 6,277 | 6,041 | 7,200 |
| Amortization - deferred tenant costs | 444 | 378 | 338 | 363 | 500 |
| Amortization - goodwill | 0 | 0 | 0 | 0 | 0 |
| Minority interest | 0 | 0 | 0 | 20 | 100 |
| Loss (gain) on sale of operating properties | 0 | 0 | 0 | (1) | (39,100) |
| Loss (gain) on sale of non-operating assets | (19) | (1) | 0 | (1) | 0 |
| Funds from Operations | 10,362 | 10,945 | 10,952 | 11,574 | 16,600 |
| Cash Available for Distribution: | | | | | |
| Add (Deduct): | | | | | |
| Rental income from straight-line rents | (404) | (730) | (534) | (460) | (3,000) |
| Amortization of deferred financing costs | 1,002 | 303 | 299 | 289 | 2,000 |
| Building improvements | (2,091) | (332) | (1,285) | (965) | (1,000) |
| 2nd generation tenant improvements | (1,464) | (1,767) | (1,070) | (906) | (1,600) |
| 2nd generation leasing commissions | (569) | (205) | (479) | (88) | (600) |
| Cash Available for Distribution | \$6,836 | \$8,214 | \$7,883 | \$9,444 | \$13,200 |
| Weighted average common shares/units outstanding - diluted | | | | | |
| | 21,332 | 21,410 | 21,469 | 21,350 | 26,700 |
| Per share/unit - diluted: | | | | | |
| Funds from operations | \$0.49 | \$0.51 | \$0.51 | \$0.54 | \$0.50 |
| Cash available for distribution | \$0.32 | \$0.38 | \$0.37 | \$0.44 | \$0.40 |
| Dividends paid | \$0.35 | \$0.35 | \$0.35 | \$2.09 (a) | \$0.35 |
| Dividend payout ratio: | | | | | |
| Funds from operations | 72.1% | 68.5% | 68.6% | 64.8% | 56.0% |
| Cash available for distribution | 109.2% | 91.2% | 95.3% | 79.5% | 71.0% |

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(a) Amount includes a special dividend of \$1.74 per share paid in January 2002.

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KOGER EQUITY, INC. AND SUBSIDIARIES FUNDS FROM OPERATIONS (Unaudited)

In thousands, except per share data

| | 2002 | 2001 | 2000 | 1999 | 1998 |
|---|----------|----------|----------|----------|---------|
| Funds from Operations: | | | | | |
| Net income | \$16,423 | \$73,223 | \$27,153 | \$36,586 | 29,602 |
| Depreciation - real estate | 25,888 | 32,261 | 31,720 | 28,800 | 25,146 |
| Amortization - deferred tenant costs | 1,523 | 2,172 | 1,923 | 2,132 | 1,464 |
| Amortization - goodwill | 0 | 170 | 170 | 170 | 170 |
| Minority interest | 20 | 1,044 | 1,156 | 1,174 | 139 |
| Gain on sale of operating properties | 0 | (39,189) | (5,963) | (3,846) | 0 |
| Gain on sale of non-operating assets | (21) | 0 | (52) | (5) | (35) |
| Funds from Operations | 43,833 | 69,681 | 56,107 | 65,011 | 56,486 |
| Cash Available for Distribution: | | | | | |
| Add (Deduct): | | | | | |
| Rental income from straight-line rents | (2,128) | (1,470) | (1,897) | (1,764) | (1,335) |
| Amortization of deferred financing costs | 1,893 | 908 | 888 | 836 | 1,069 |
| Building improvements | (4,673) | (3,049) | (2,804) | (3,741) | (2,883) |
| 2nd generation tenant improvements | (5,207) | (6,604) | (8,362) | (13,204) | 11,057 |
| 2nd generation leasing commissions | (1,341) | (1,389) | (1,712) | (1,736) | (1,649) |
| Cash Available for Distribution | \$32,377 | \$58,077 | \$42,220 | \$45,402 | 40,631 |
| Weighted average common shares/units outstanding - diluted | 21,378 | 27,610 | 27,962 | 28,019 | 27,093 |
| Per share/unit - diluted: | | | | | |
| Funds from operations | \$2.05 | \$2.52 | \$2.01 | \$2.32 | \$2.08 |
| Cash available for distribution | \$1.51 | \$2.10 | \$1.51 | \$1.62 | \$1.50 |
| Dividends paid | \$1.40 | \$1.40 | \$1.40 | \$1.30 | \$1.10 |
| Dividend payout ratio: | | | | | |
| Funds from operations | 68.3% | 55.6% | 69.7% | 56.0% | 52.9% |
| Cash available for distribution | 92.4% | 66.7% | 92.7% | 80.2% | 73.3% |

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KOGER EQUITY, INC. AND SUBSIDIARIES
NET OPERATING INCOME
2002

| | Three Months Ended | | | | Year | Year | Cha |
|-----------------------------|--------------------|---------|---------|----------|---------|---------|------|
| | 3/31/02 | 6/30/02 | 9/30/02 | 12/31/02 | To Date | To Date | |
| | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(000) | \$(|
| Same Store Sales: | | | | | | | |
| Revenues | 27,580 | 27,619 | 27,343 | 26,507 | 109,049 | 109,059 | |
| Expenses | 9,178 | 9,657 | 10,104 | 9,807 | 38,746 | 39,732 | (|
| Net Operating Income | 18,402 | 17,962 | 17,239 | 16,700 | 70,303 | 69,327 | |
| 2001 and 2002 Acquisitions: | | | | | | | |
| Revenues | 2,206 | 3,305 | 3,583 | 4,741 | 13,835 | 0 | 13, |
| Expenses | 1,011 | 1,665 | 1,575 | 1,962 | 6,213 | 0 | 6, |
| Net Operating Income | 1,195 | 1,640 | 2,008 | 2,779 | 7,622 | 0 | 7, |
| Building Completions (1): | | | | | | | |
| Revenues | 782 | 823 | 795 | 846 | 3,246 | 2,138 | 1, |
| Expenses | 236 | 266 | 265 | 231 | 998 | 585 | |
| Net Operating Income | 546 | 557 | 530 | 615 | 2,248 | 1,553 | |
| 2001 Property Sales: | | | | | | | |
| Revenues | 27 | 108 | 115 | (29) | 221 | 54,426 | (54, |
| Expenses | 33 | 340 | (97) | 2 | 278 | 21,291 | (21, |
| Net Operating Income | (6) | (232) | 212 | (31) | (57) | 33,135 | (33, |
| Total Company: | | | | | | | |
| Revenues | 30,595 | 31,855 | 31,836 | 32,065 | 126,351 | 165,623 | (39, |
| Expenses | 10,458 | 11,928 | 11,847 | 12,002 | 46,235 | 61,608 | (15, |
| Net Operating Income | 20,137 | 19,927 | 19,989 | 20,063 | 80,116 | 104,015 | (23, |

(1) Includes buildings completed after 12/31/00.

KOGER EQUITY, INC. AND SUBSIDIARIES
NET OPERATING INCOME
2001

Three Months Ended Year To Date

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| | 3/31/01 | 6/30/01 | 9/30/01 | 12/31/01 | 12/31/01 |
|---------------------------|----------|----------|----------|----------|----------|
| | \$ (000) | \$ (000) | \$ (000) | \$ (000) | \$ (000) |
| Same Store Sales: | | | | | |
| Revenues | 27,140 | 27,010 | 27,543 | 27,367 | 109,060 |
| Expenses | 9,833 | 10,035 | 9,993 | 9,872 | 39,733 |
| Net Operating Income | 17,307 | 16,975 | 17,550 | 17,495 | 69,327 |
| 2001 Acquisitions: | | | | | |
| Revenues | 0 | 0 | 0 | 0 | 0 |
| Expenses | 0 | 0 | 0 | 0 | 0 |
| Net Operating Income | 0 | 0 | 0 | 0 | 0 |
| Building Completions (1): | | | | | |
| Revenues | 171 | 495 | 742 | 731 | 2,139 |
| Expenses | 88 | 182 | 248 | 67 | 585 |
| Net Operating Income | 83 | 313 | 494 | 664 | 1,554 |
| 2001 Property Sales: | | | | | |
| Revenues | 14,280 | 14,123 | 13,958 | 12,063 | 54,424 |
| Expenses | 5,471 | 5,549 | 5,350 | 4,920 | 21,290 |
| Net Operating Income | 8,809 | 8,574 | 8,608 | 7,143 | 33,134 |
| Total Company: | | | | | |
| Revenues | 41,591 | 41,628 | 42,243 | 40,161 | 165,623 |
| Expenses | 15,392 | 15,766 | 15,591 | 14,859 | 61,608 |
| Net Operating Income | 26,199 | 25,862 | 26,652 | 25,302 | 104,015 |

(1) Includes buildings completed after 12/31/00.

KOGER EQUITY, INC. AND SUBSIDIARIES
SUMMARY OF OUTSTANDING DEBT
AS OF DECEMBER 31, 2002

| Description | Interest Rate | Maturity | Monthly Debt Service | Outstanding Balance | |
|---------------------------------|---------------|----------|----------------------|---------------------|----------|
| | | | | 12/31/02 | 12/31/01 |
| | | | \$ (000) | \$ (000) | \$ (000) |
| Fixed Rate: | | | | | |
| Northwestern Mutual - Tranche A | 8.19% | 01/02/07 | 789 | 91,394 | 93,292 |

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| | | | | | |
|--|-------|------------|-------|---------|---------|
| Northwestern Mutual - Tranche B | 8.33% | 01/02/09 | 710 | 81,331 | 83,006 |
| Northwestern Mutual - Tranche C | 7.10% | 01/02/07 | 105 | 13,942 | 14,200 |
| Northwestern Mutual - Tranche D | 7.10% | 01/02/09 | 216 | 28,738 | 29,270 |
| New York Life | 8.00% | 12/10/02 | 68 | 7,718 | 7,903 |
| Allstate Life | 8.20% | 12/01/06 | 165 | 19,066 | 19,468 |
| | | | | ----- | ----- |
| Total Fixed Rate Debt | 8.04% | | 2,053 | 242,189 | 247,139 |
| | | | | ----- | ----- |
| Variable Rate: | | | | | |
| GE Capital | 7.38% | 06/30/21 | 12 | 1,509 | 1,544 |
| Column Financial | 4.29% | 12/09/04 | 239 | 77,000 | 0 |
| Metropolitan Life | 5.26% | 12/17/07 | 373 | 85,000 | 0 |
| Secured Revolving Credit Facility - \$100 Million | 3.87% | 12/27/2004 | 266 | 26,000 | 0 |
| | | | | ----- | ----- |
| Total Variable Rate Debt | 4.69% | | 890 | 189,509 | 1,544 |
| | | | | ----- | ----- |
| Total Debt | 6.57% | | 2,943 | 431,698 | 248,683 |
| | | | | ===== | ===== |
| Market Capitalization: | | | | | |
| Total Debt | | | | 431,698 | 248,683 |
| Common Stock | | | | 332,200 | 360,696 |
| | | | | ----- | ----- |
| Total Market Capitalization | | | | 763,898 | 609,379 |
| | | | | ===== | ===== |

| | Amount |
|---|----------|
| | ----- |
| | \$ (000) |
| Schedule of Mortgage Maturities by Year (1): | |
| 2003 | 12,920 |
| 2004 | 82,631 |
| 2005 | 6,112 |
| 2006 | 23,706 |
| 2007 | 98,098 |
| Thereafter | 182,231 |
| | ----- |
| Total | 405,698 |
| | ===== |

(1) Does not include Secured Revolving Credit Facility.

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KOGER EQUITY, INC. AND SUBSIDIARIES OPERATING PROPERTY ACQUISITIONS 1999, 2000, 2001 AND 2002

| Property | Location | Square Feet | Date Purchased | Purchase Price (1) | Percent Leased 12/31/02 |
|-----------------------|---------------|-------------|----------------|--------------------|-------------------------|
| ----- | | | | | |
| 1999 | | | | | |
| ----- | | | | | |
| Charlotte University | Charlotte, NC | 190,600 | 11/01/99 | \$23,100,000 | 96% |
| Orlando Lake Mary | Orlando, FL | 318,000 | 11/01/99 | 41,000,000 | 75% |
| | | ----- | | ----- | |
| | | 508,600 | | \$64,100,000 | 84% |
| | | ===== | | ===== | ===== |
| | | | | | |
| 2000 | | | | | |
| ----- | | | | | |
| None | | | | | |
| | | | | | |
| 2001 | | | | | |
| ----- | | | | | |
| None | | | | | |
| | | | | | |
| 2002 | | | | | |
| ----- | | | | | |
| Three Ravinia | Atlanta, GA | 845,000 | 01/31/02 | \$125,000,000 | 63% |
| The Lakes on Post Oak | Houston, TX | 1,205,000 | 12/06/02 | 101,900,000 | 79% |
| | | ----- | | ----- | |
| | | 2,050,000 | | \$226,900,000 | 73% |
| | | ===== | | ===== | ===== |

(1) Purchase price consists of the contract price only and does not include closing costs.

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KOGER EQUITY, INC. AND SUBSIDIARIES BUILDING COMPLETIONS 1999, 2000, 2001 and 2002

| Property | Location | Square Feet | Month Completed | Total Cost (1) |
|---------------------------|------------------|-------------|-----------------|----------------|
| ----- | | | | |
| 1999 | | | | |
| ----- | | | | |
| Glenridge Building | Orlando, FL | 75,800 | 01/1999 | \$6,251,000 |
| Wingate Building (3) | Greensboro, NC | 98,300 | 01/1999 | 7,143,000 |
| Chisholm Building (3) | San Antonio, TX | 141,500 | 02/1999 | 9,888,000 |
| Coventry III Building (2) | El Paso, TX | 21,900 | 07/1999 | 2,001,000 |
| Carlton Building | Jacksonville, FL | 112,000 | 09/1999 | 10,849,000 |

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| | | | | |
|-------------------|------------------|---------|---------|--------------|
| Landstar Building | Jacksonville, FL | 180,900 | 12/1999 | 16,057,000 |
| | | ----- | | ----- |
| | | 630,400 | | \$52,189,000 |
| | | ===== | | ===== |

2000

| | | | | |
|-------------------|--------------------|---------|---------|--------------|
| 3500 Building (3) | Birmingham, AL | 144,900 | 01/2000 | \$13,272,000 |
| Columbia Building | Atlanta, GA | 90,200 | 01/2000 | 9,384,000 |
| Stuart Building | Memphis, TN | 83,700 | 01/2000 | 7,551,000 |
| Dover Building | Orlando, FL | 67,400 | 05/2000 | 5,867,000 |
| Duluth Building | Atlanta, GA | 103,200 | 05/2000 | 10,098,000 |
| Pasco Building | St. Petersburg, FL | 89,800 | 05/2000 | 7,662,000 |
| | | ----- | | ----- |
| | | 579,200 | | \$53,834,000 |
| | | ===== | | ===== |

2001

| | | | | |
|-------------------|------------------|---------|---------|--------------|
| Collier Building | Jacksonville, FL | 113,500 | 02/2001 | \$10,575,000 |
| Rosemont Building | Orlando, FL | 67,400 | 06/2001 | 5,859,000 |
| | | ----- | | ----- |
| | | 180,900 | | \$16,434,000 |
| | | ===== | | ===== |

2002

None.

- (1) Includes land and building construction costs. Does not include tenant improvement costs.
- (2) The El Paso Center was sold on August 11, 2000.
- (3) These buildings were sold on December 12, 2001.

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KOGER EQUITY, INC. AND SUBSIDIARIES
BUILDINGS UNDER CONSTRUCTION
DECEMBER 31, 2002

| Property | Location | Square Feet | Expected Completion | Projected Cost (1) | Pre-Leasing to Date |
|----------|----------|-------------|---------------------|--------------------|---------------------|
| ----- | | | | | |
| None. | | | | | |
| | | ----- | | ----- | |
| | | - | | \$- | |
| | | ===== | | ===== | ===== |

- (1) Includes land and building construction costs. Does not include tenant

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improvement costs.

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KOGER EQUITY, INC. AND SUBSIDIARIES
 TWENTY-FIVE LARGEST TENANTS
 BASED ON ANNUALIZED GROSS RENTS
 AS OF DECEMBER 31, 2002

| Tenant (a) | Number of Leases | Leased Square Feet | Remaining Term (Months) | Percent of Leased | Annualized Gross Rent (b) | Percent of Rent |
|-----------------------------------|---------------------|-----------------------|-------------------------------|----------------------|---------------------------------|--------------------|
| U S Government | 43 | 927,311 | 88 | 12.4% | \$16,865,325 | 12. |
| State of Florida | 43 | 688,447 | 34 | 9.2% | 12,626,232 | 9. |
| Blue Cross Blue Shield | 11 | 565,925 | 28 | 7.6% | 9,224,889 | 6. |
| Six Continents Hotels | 1 | 344,389 | 75 | 4.6% | 9,129,306 | 6. |
| Bechtel Corporation | 1 | 370,997 | 78 | 5.0% | 6,681,235 | 4. |
| CitiFinancial | 1 | 159,827 | 56 | 2.1% | 2,722,577 | 2. |
| Landstar Systems Holding, Inc. | 1 | 176,000 | 143 | 2.4% | 2,633,842 | 1. |
| Siemens | 5 | 114,028 | 23 | 1.5% | 1,939,282 | 1. |
| Zurich Insurance Company | 2 | 97,913 | 49 | 1.3% | 1,858,389 | 1. |
| Hanover Insurance | 1 | 89,500 | 0 | 1.2% | 1,815,992 | 1. |
| Texaco Inc. | 1 | 86,458 | 3 | 1.2% | 1,717,135 | 1. |
| Hoechst Celanese Corp. | 1 | 92,376 | 6 | 1.2% | 1,667,620 | 1. |
| Ford Motor Company | 5 | 64,412 | 40 | 0.9% | 1,367,540 | 1. |
| Homeside Lending, Inc. | 1 | 69,020 | 10 | 0.9% | 1,198,038 | 0. |
| ACS State Healthcare, LLC | 1 | 52,689 | 74 | 0.7% | 1,159,836 | 0. |
| Dynamic Healthcare Tech Inc. | 1 | 53,761 | 26 | 0.7% | 1,094,419 | 0. |
| BellSouth | 4 | 66,526 | 38 | 0.9% | 988,700 | 0. |
| Sara Lee Corp. | 1 | 51,188 | 30 | 0.7% | 922,664 | 0. |
| Enovia Corporation | 1 | 44,095 | 20 | 0.6% | 838,571 | 0. |
| Best Software, Inc. | 1 | 47,110 | 72 | 0.6% | 793,803 | 0. |
| Navision Software US, Inc. | 1 | 37,783 | 56 | 0.5% | 750,545 | 0. |
| Check Solutions Company | 1 | 40,307 | 73 | 0.5% | 735,396 | 0. |
| Peerless Insurance Co. | 1 | 36,306 | 35 | 0.5% | 715,098 | 0. |
| Sungard Trust Systems Inc. | 2 | 43,569 | 42 | 0.6% | 714,490 | 0. |
| Mergent- FIS Inc. | 1 | 45,040 | 56 | 0.6% | 698,120 | 0. |
| Total | 132 | 4,364,977 | | 58.4% | \$80,859,044 | 59. |
| Weighted Average | | | 56 | | | |

(a) Actual tenant may be a subsidiary of, or an entity affiliated with, the named tenant.

(b) Annualized Gross Rent is the monthly contractual base rent and current reimbursements under existing leases as of December 31, 2002 multiplied by 12.

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KOGER EQUITY, INC. AND SUBSIDIARIES
REGIONAL SUMMARY OF MSAs
AS OF DECEMBER 31, 2002

| MSA | State | # of Bldgs | Age (yrs) | Square Feet | % Square Feet | |
|----------------|-------|------------|-----------|-------------|---------------|----|
| Atlanta | GA | 26 | 15 | 2,361,389 | 26.5% | 3 |
| Orlando | FL | 28 | 18 | 1,303,828 | 14.6% | 1 |
| Jacksonville | FL | 11 | 8 | 1,166,560 | 13.1% | 1 |
| Charlotte | NC | 15 | 15 | 709,029 | 7.9% | |
| St. Petersburg | FL | 19 | 19 | 669,040 | 7.5% | |
| Tallahassee | FL | 15 | 20 | 833,786 | 9.3% | |
| Memphis | TN | 6 | 9 | 531,506 | 6.0% | |
| Houston | TX | 3 | 22 | 1,205,728 | 13.5% | |
| Richmond | VA | 1 | 14 | 145,127 | 1.6% | |
| Total | | 124 | 16 | 8,925,993 | 100.0% | 10 |

(a) Based on net operating income for the fourth quarter of 2002.

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KOGER EQUITY, INC. AND SUBSIDIARIES
OCCUPANCY SUMMARY
AS OF DECEMBER 31, 2002

| | Square Footage | | | | Percentage | | | |
|----------------|----------------|----------------------|---------|-----------|------------|----------------------|--------|---|
| | Occupied | Leased, Not Occupied | Vacant | Total | Occupied | Leased, Not Occupied | Vacant | T |
| Atlanta | 1,921,055 | 54,748 | 385,586 | 2,361,389 | 81.4% | 2.3% | 16.3% | |
| Orlando | 1,158,989 | 2,450 | 142,389 | 1,303,828 | 88.9% | 0.2% | 10.9% | |
| Jacksonville | 1,156,395 | 5,181 | 4,984 | 1,166,560 | 99.1% | 0.4% | 0.4% | |
| Charlotte | 571,548 | 0 | 137,481 | 709,029 | 80.6% | 0.0% | 19.4% | |
| St. Petersburg | 571,967 | 6,759 | 90,314 | 669,040 | 85.5% | 1.0% | 13.5% | |
| Tallahassee | 595,144 | 0 | 238,642 | 833,786 | 71.4% | 0.0% | 28.6% | |
| Memphis | 416,116 | 833 | 114,557 | 531,506 | 78.3% | 0.2% | 21.6% | |

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| | | | | | | | |
|----------|-----------|--------|-----------|-----------|-------|------|-------|
| Houston | 941,411 | 8,562 | 255,755 | 1,205,728 | 78.1% | 0.7% | 21.2% |
| Richmond | 141,752 | 0 | 3,375 | 145,127 | 97.7% | 0.0% | 2.3% |
| Total | 7,474,377 | 78,533 | 1,373,083 | 8,925,993 | 83.7% | 0.9% | 15.4% |

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KOGER EQUITY, INC. AND SUBSIDIARIES
LEASE DISTRIBUTION
AS OF DECEMBER 31, 2002

| Category | Number of Leases (1) | Percent of Leases | Tenant Occupied Square Feet (2) | Percent of Square Feet | Annualized Gross Rent (3) | Average Annualized Rent PSF | Percent of Total Rents | Remainder |
|--------------------------|----------------------|-------------------|---------------------------------|------------------------|---------------------------|-----------------------------|------------------------|-----------|
| 2,500 or Less | 460 | 49.8% | 558,946 | 7.5% | \$10,018,224 | \$17.92 | 7.3% | |
| 2,501 - 5,000 | 208 | 22.5% | 745,713 | 10.0% | 13,921,482 | 18.67 | 10.2% | |
| 5,001 - 7,500 | 72 | 7.8% | 448,457 | 6.0% | 8,288,860 | 18.48 | 6.1% | |
| 7,501 - 10,000 | 43 | 4.7% | 372,135 | 5.0% | 6,678,232 | 17.95 | 4.9% | |
| 10,001 - 20,000 | 59 | 6.4% | 838,604 | 11.3% | 15,654,114 | 18.67 | 11.4% | |
| 20,001 - 40,000 | 45 | 4.9% | 1,311,131 | 17.7% | 22,747,678 | 17.35 | 16.6% | |
| 40,001 - 60,000 | 18 | 2.0% | 889,078 | 12.0% | 16,661,327 | 18.74 | 12.2% | |
| 60,001 - 100,000 | 13 | 1.4% | 1,048,970 | 14.1% | 19,574,168 | 18.66 | 14.3% | |
| 100,001 or Greater | 5 | 0.5% | 1,211,221 | 16.3% | 23,271,064 | 19.21 | 17.0% | |
| Total / Weighted Average | 923 | 100.0% | 7,424,255 | 100.0% | \$136,815,149 | \$18.43 | 100.0% | |

| | Square Feet | % of Total |
|--|-------------|------------|
| Square footage occupied by tenants | 7,424,255 | 83.2% |
| Square footage attributable to vending/antenna | 1,859 | 0.0% |
| Square footage occupied by owner/building use | 48,263 | 0.5% |
| Total Occupied Square Footage | 7,474,377 | 83.7% |
| Leased square footage | 78,533 | 0.9% |
| Vacant square footage | 1,373,083 | 15.4% |
| Total Net Rentable Square Footage | 8,925,993 | 100.0% |

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- (1) Analysis does not include owner occupied space, vending leases and antenna leases.
 (2) Total net rentable square feet represented by existing leases.
 (3) Annualized Gross Rent is the monthly contractual base rent and current reimbursements under existing leases as of December 31, 2002 multiplied by 12.

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KOGER EQUITY, INC. AND SUBSIDIARIES
 LEASE EXPIRATIONS
 AS OF DECEMBER 31, 2002

| City | Item | 2002 | 2003 | 2004 | 2005 | 2006 |
|--------------|----------------------|-----------|-----------|-----------|-----------|-----------|
| Atlanta | Square Feet | | | | | |
| | (1) | 136,895 | 101,845 | 93,183 | 185,896 | 72,131 |
| | % Square Feet (2) | 5.80% | 4.31% | 3.95% | 7.87% | 3.05% |
| | Annualized Rent (3) | 2,510,181 | 2,043,792 | 1,916,459 | 3,581,541 | 1,210,429 |
| | Number of Leases (4) | 7 | 49 | 37 | 32 | 22 |
| | Rent PSF | \$18.34 | \$20.07 | \$20.57 | \$19.27 | \$16.78 |
| Orlando | Square Feet | | | | | |
| | (1) | 62,637 | 242,882 | 232,474 | 191,762 | 160,886 |
| | % Square Feet (2) | 4.80% | 18.63% | 17.83% | 14.71% | 12.34% |
| | Annualized Rent (3) | 995,840 | 4,493,529 | 4,460,419 | 3,495,802 | 2,817,140 |
| | Number of Leases (4) | 9 | 67 | 58 | 45 | 18 |
| | Rent PSF | \$15.90 | \$18.50 | \$19.19 | \$18.23 | \$17.51 |
| Jacksonville | Square Feet | | | | | |
| | (1) | 1,602 | 213,971 | 92,737 | 177,190 | 179,867 |
| | % Square Feet (2) | 0.14% | 18.34% | 7.95% | 15.19% | 15.42% |
| | Annualized Rent (3) | 30,582 | 3,689,700 | 1,750,033 | 2,431,068 | 2,870,906 |
| | Number of Leases (4) | 1 | 10 | 7 | 5 | 5 |
| | Rent PSF | \$19.09 | \$17.24 | \$18.87 | \$13.72 | \$15.96 |
| Charlotte | Square Feet | | | | | |
| | (1) | 28,889 | 200,139 | 119,771 | 42,473 | 57,568 |
| | % Square Feet (2) | 4.07% | 28.23% | 16.89% | 5.99% | 8.12% |
| | Annualized | | | | | |

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| | | | | | | |
|----------------|----------------------|-----------|------------|------------|------------|------------|
| | Rent (3) | 565,094 | 3,599,955 | 2,181,217 | 734,168 | 934,931 |
| | Number of Leases (4) | 4 | 24 | 21 | 15 | 6 |
| | Rent PSF | \$19.56 | \$17.99 | \$18.21 | \$17.29 | \$16.24 |
| St. Petersburg | Square Feet (1) | 10,154 | 102,514 | 138,580 | 100,375 | 56,967 |
| | % Square Feet (2) | 1.52% | 15.32% | 20.71% | 15.00% | 8.51% |
| | Annualized Rent (3) | 168,684 | 1,648,487 | 2,087,944 | 1,657,576 | 941,786 |
| | Number of Leases (4) | 7 | 45 | 21 | 21 | 9 |
| | Rent PSF | \$16.61 | \$16.08 | \$15.07 | \$16.51 | \$16.53 |
| Tallahassee | Square Feet (1) | 3,048 | 196,166 | 66,654 | 13,872 | 138,713 |
| | % Square Feet (2) | 0.37% | 23.53% | 7.99% | 1.66% | 16.64% |
| | Annualized Rent (3) | 54,286 | 3,775,693 | 1,179,060 | 223,102 | 2,769,567 |
| | Number of Leases (4) | 3 | 45 | 10 | 6 | 5 |
| | Rent PSF | \$17.81 | \$19.25 | \$17.69 | \$16.08 | \$19.97 |
| Memphis | Square Feet (1) | 0 | 63,801 | 40,322 | 149,374 | 74,713 |
| | % Square Feet (2) | 0.00% | 12.00% | 7.59% | 28.10% | 14.06% |
| | Annualized Rent (3) | 0 | 1,279,673 | 817,414 | 2,799,480 | 1,354,951 |
| | Number of Leases (4) | 0 | 17 | 12 | 27 | 11 |
| | Rent PSF | \$0.00 | \$20.06 | \$20.27 | \$18.74 | \$18.14 |
| Houston | Square Feet (1) | 6,826 | 198,913 | 72,659 | 83,927 | 39,186 |
| | % Square Feet (2) | 0.57% | 16.50% | 6.03% | 6.96% | 3.25% |
| | Annualized Rent (3) | 98,342 | 3,647,780 | 1,423,773 | 1,550,262 | 737,396 |
| | Number of Leases (4) | 8 | 25 | 21 | 19 | 9 |
| | Rent PSF | \$14.41 | \$18.34 | \$19.60 | \$18.47 | \$18.82 |
| Richmond | Square Feet (1) | 0 | 26,679 | 13,750 | 45,704 | 12,952 |
| | % Square Feet (2) | 0.00% | 18.38% | 9.47% | 31.49% | 8.92% |
| | Annualized Rent (3) | 0 | 544,040 | 272,916 | 895,447 | 247,631 |
| | Number of Leases (4) | 0 | 7 | 4 | 5 | 3 |
| | Rent PSF | \$0.00 | \$20.39 | \$19.85 | \$19.59 | \$19.12 |
| Total | Square Feet (1) | 250,051 | 1,346,910 | 870,130 | 990,573 | 792,983 |
| | % Square Feet (2) | 2.80% | 15.09% | 9.75% | 11.10% | 8.88% |
| | Annualized Rent (3) | 4,423,009 | 24,722,649 | 16,089,235 | 17,368,446 | 13,884,737 |

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| | | | | | |
|----------------------|---------|---------|---------|---------|---------|
| Number of Leases (4) | 39 | 289 | 191 | 175 | 88 |
| Rent PSF | \$17.69 | \$18.36 | \$18.49 | \$17.53 | \$17.51 |

- (1) Total net rentable square feet represented by expiring leases.
- (2) Percentage of total net rentable feet represented by expiring leases.
- (3) Annualized Gross Rent is the monthly contractual base rent and current reimbursements under September 30, 2002 multiplied by 12.
- (4) Analysis does not include owner occupied space, vending leases and antenna leases.

KOGER EQUITY, INC. AND SUBSIDIARIES
LEASE EXPIRATIONS
AS OF DECEMBER 31, 2002

| City | Item | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 + |
|----------------------|----------------------|-------------|-----------|------------|-----------|---------|-----------|
| Atlanta | Square Feet | | | | | | |
| | (1) | 181,682 | 178,732 | 590,900 | 101,369 | 26,201 | 239,422 |
| | % Square Feet (2) | 7.69% | 7.57% | 25.02% | 4.29% | 1.11% | 10.14% |
| | Annualized Rent (3) | 3,749,238 | 3,459,953 | 14,217,185 | 1,802,710 | 649,160 | 4,284,826 |
| | Number of Leases (4) | 19 | 11 | 11 | 2 | 1 | 7 |
| | Rent PSF | \$20.64 | \$19.36 | \$24.06 | \$17.78 | \$24.78 | \$17.90 |
| | Orlando | Square Feet | | | | | |
| (1) | | 140,596 | 90,204 | 25,000 | 635 | 0 | 7,299 |
| % Square Feet (2) | | 10.78% | 6.92% | 1.92% | 0.05% | 0.00% | 0.56% |
| Annualized Rent (3) | | 2,088,072 | 1,603,115 | 459,306 | 11,573 | 0 | 175,088 |
| Number of Leases (4) | | 11 | 6 | 1 | 1 | 0 | 1 |
| Rent PSF | | \$14.85 | \$17.77 | \$18.37 | \$18.23 | \$0.00 | \$23.99 |
| Jacksonville | | Square Feet | | | | | |
| | (1) | 275,860 | 0 | 3,462 | 0 | 26,947 | 176,000 |
| | % Square Feet (2) | 23.65% | 0.00% | 0.30% | 0.00% | 2.31% | 15.09% |
| | Annualized Rent (3) | 4,859,623 | 0 | 67,821 | 0 | 527,622 | 2,633,842 |
| | Number of Leases (4) | 6 | 0 | 1 | 0 | 1 | 1 |
| | Rent PSF | \$17.62 | \$0.00 | \$19.59 | \$0.00 | \$19.58 | \$14.97 |
| | Charlotte | Square Feet | | | | | |
| (1) | | 64,803 | 14,048 | 40,307 | 0 | 0 | 0 |
| % Square Feet (2) | | 9.14% | 1.98% | 5.68% | 0.00% | 0.00% | 0.00% |
| Annualized Rent (3) | | 1,088,457 | 259,546 | 735,396 | 0 | 0 | 0 |
| Number of Leases (4) | | | | | | | |
| Rent PSF | | | | | | | |

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| | | | | | | | |
|-------------|----------------------|------------|-----------|------------|-----------|-----------|-----------|
| | Leases (4) | 3 | 3 | 1 | 0 | 0 | 0 |
| | Rent PSF | \$16.80 | \$18.48 | \$18.24 | \$0.00 | \$0.00 | \$0.00 |
| St. | Square Feet | | | | | | |
| Petersburg | (1) | 52,898 | 77,336 | 12,709 | 17,686 | 0 | 0 |
| | % Square Feet (2) | 7.91% | 11.56% | 1.90% | 2.64% | 0.00% | 0.00% |
| | Annualized Rent (3) | 960,071 | 1,457,427 | 182,883 | 245,270 | 0 | 0 |
| | Number of Leases (4) | 9 | 2 | 1 | 1 | 0 | 0 |
| | Rent PSF | \$18.15 | \$18.85 | \$14.39 | \$13.87 | \$0.00 | \$0.00 |
| Tallahassee | Square Feet (1) | 94,758 | 48,876 | 0 | 0 | 26,696 | 0 |
| | % Square Feet (2) | 11.36% | 5.86% | 0.00% | 0.00% | 3.20% | 0.00% |
| | Annualized Rent (3) | 1,633,185 | 916,425 | 0 | 0 | 347,181 | 0 |
| | Number of Leases (4) | 2 | 1 | 0 | 0 | 1 | 0 |
| | Rent PSF | \$17.24 | \$18.75 | \$0.00 | \$0.00 | \$13.00 | \$0.00 |
| Memphis | Square Feet (1) | 38,219 | 47,188 | 0 | 0 | 0 | 0 |
| | % Square Feet (2) | 7.19% | 8.88% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Annualized Rent (3) | 672,705 | 907,029 | 0 | 0 | 0 | 0 |
| | Number of Leases (4) | 8 | 3 | 0 | 0 | 0 | 0 |
| | Rent PSF | \$17.60 | \$19.22 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Houston | Square Feet (1) | 89,051 | 28,553 | 378,845 | 36,000 | 0 | 0 |
| | % Square Feet (2) | 7.39% | 2.37% | 31.42% | 2.99% | 0.00% | 0.00% |
| | Annualized Rent (3) | 1,630,926 | 486,393 | 6,830,347 | 598,143 | 0 | 0 |
| | Number of Leases (4) | 9 | 6 | 2 | 2 | 0 | 0 |
| | Rent PSF | \$18.31 | \$17.03 | \$18.03 | \$16.62 | \$0.00 | \$0.00 |
| Richmond | Square Feet (1) | 26,372 | 4,391 | 10,563 | 0 | 0 | 0 |
| | % Square Feet (2) | 18.17% | 3.03% | 7.28% | 0.00% | 0.00% | 0.00% |
| | Annualized Rent (3) | 494,932 | 92,509 | 199,107 | 0 | 0 | 0 |
| | Number of Leases (4) | 4 | 1 | 2 | 0 | 0 | 0 |
| | Rent PSF | \$18.77 | \$21.07 | \$18.85 | \$0.00 | \$0.00 | \$0.00 |
| Total | Square Feet (1) | 964,239 | 489,328 | 1,061,786 | 155,690 | 79,844 | 422,721 |
| | % Square Feet (2) | 10.80% | 5.48% | 11.90% | 1.74% | 0.89% | 4.74% |
| | Annualized Rent (3) | 17,177,209 | 9,182,397 | 22,692,045 | 2,657,696 | 1,523,963 | 7,093,756 |
| | Number of Leases (4) | 71 | 33 | 19 | 6 | 3 | 9 |

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Rent PSF \$17.81 \$18.77 \$21.37 \$17.07 \$19.09 \$16.78

- (1) Total net rentable square feet represented by expiring leases.
- (2) Percentage of total net rentable feet represented by expiring leases.
- (3) Annualized Gross Rent is the monthly contractual base rent and current reimbursements under existing leases as of September 30, 2002 multiplied by 12.
- (4) Analysis does not include owner occupied space, vending leases and antenna leases.

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KOGER EQUITY, INC. AND SUBSIDIARIES
NET EFFECTIVE RENTS

| | New & Backfill Leasing | | | | |
|---|------------------------|------------|------------|------------|---------|
| | 12/31/2002 | 09/30/2002 | 06/30/2002 | 03/31/2002 | Average |
| Number of leases | 31 | 29 | 29 | 27 | 29 |
| Rentable square footage leased | 217,767 | 108,050 | 154,666 | 40,165 | 130,162 |
| Average per rentable square foot over the lease term: | | | | | |
| Gross Rent | \$15.84 | \$17.88 | \$19.83 | \$17.66 | \$17.77 |
| Tenant improvements | (2.59) | (1.52) | (1.96) | (1.59) | (1.93) |
| Leasing commissions | (0.60) | (0.49) | (0.98) | (0.40) | (0.62) |
| Other/concessions | - | - | - | - | - |
| Effective Rent | 12.65 | 15.87 | 16.89 | 15.67 | 15.22 |
| Expense stop | (5.34) | (5.50) | (6.16) | (5.26) | (5.57) |
| Equivalent effective net rent | \$7.31 | \$10.37 | \$10.73 | \$10.41 | \$9.65 |
| Average term (yrs) | 4.9 | 4.8 | 6.0 | 3.8 | 4.9 |
| | Renewal Leasing | | | | |
| | 12/31/2002 | 09/30/2002 | 06/30/2002 | 03/31/2002 | Average |
| Number of leases | 50 | 41 | 56 | 45 | 48 |
| Rentable square footage leased | 414,429 | 260,287 | 169,543 | 434,600 | 319,715 |
| Average per rentable square foot over the lease term: | | | | | |
| Gross Rent | \$17.21 | \$17.11 | \$18.53 | \$16.08 | \$17.31 |
| Tenant improvements | (0.18) | (0.40) | (0.91) | (0.56) | (0.53) |
| Leasing commissions | (0.06) | (0.05) | (0.24) | (0.10) | (0.12) |
| Other/concessions | - | - | - | - | - |
| Effective Rent | 16.97 | 16.66 | 17.38 | 15.42 | 16.66 |
| Expense stop | (5.36) | (5.06) | (5.55) | (4.96) | (5.26) |

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| | | | | | |
|-------------------------------|---------|---------|---------|---------|---------|
| Equivalent effective net rent | \$11.61 | \$11.60 | \$11.83 | \$10.46 | \$11.40 |
| Average term (yrs) | 2.1 | 2.7 | 3.8 | 4.2 | 3.2 |

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KOGER EQUITY, INC. AND SUBSIDIARIES
 SAME SUITE ANALYSIS
 YEAR TO DATE DECEMBER 31, 2002

| Total Leasing (a) | | | | | |
|-------------------|---------------|-------------------------|------------------------------|----------|-------------------|
| | RSF Leased | New Net Rent per RSF | Expiring Net Rent per RSF | Change | Percent Change |
| Atlanta | 286,986 | \$12.09 | \$12.19 | (\$0.10) | -0.8% |
| Orlando | 311,705 | \$12.08 | \$11.79 | \$0.29 | 2.5% |
| Jacksonville | 376,964 | \$10.65 | \$10.68 | (\$0.03) | -0.3% |
| Charlotte | 77,639 | \$10.56 | \$11.65 | (\$1.09) | -9.4% |
| St. Petersburg | 182,641 | \$9.98 | \$9.60 | \$0.38 | 4.0% |
| Tallahassee | 236,364 | \$11.90 | \$11.76 | \$0.14 | 1.2% |
| Memphis | 88,987 | \$11.33 | \$11.87 | (\$0.54) | -4.5% |
| Richmond | 55,469 | \$12.58 | \$13.27 | (\$0.69) | -5.2% |
| Total | 1,616,755 | \$11.39 | \$11.40 | (\$0.01) | -0.1% |

(a) Analysis includes leases fully executed from 1/1/02 to 12/31/02 for buildings owned at 12/31/02. Does not include First Generation space.

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