

ESSEX PROPERTY TRUST INC
Form 10-Q
August 07, 2006

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

FORM 10-Q

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

For the quarterly period ended June 30, 2006

OR

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

For the transition period from _____ to _____

Commission file number 001-13106

ESSEX PROPERTY TRUST, INC.

(Exact name of Registrant as Specified in its Charter)

Maryland

(State or Other Jurisdiction of Incorporation or
Organization)

77-0369576

(I.R.S. Employer Identification Number)

**925 East Meadow Drive
Palo Alto, California 94303**

(Address of Principal Executive Offices including Zip Code)

(650) 494-3700

(Registrant's Telephone Number, Including Area Code)

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 reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

23,140,006 shares of Common Stock as of August 3, 2006

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Part I -- Financial Information

Item 1: Financial Statements (Unaudited)

"Essex" or the "Company" means Essex Property Trust, Inc., a real estate investment trust incorporated in the State of Maryland, or where the context otherwise requires, Essex Portfolio, L.P., a limited partnership (the "Operating Partnership") in which Essex Property Trust, Inc. is the sole general partner.

The information furnished in the accompanying consolidated unaudited balance sheets, statements of operations, stockholders' equity and comprehensive income and cash flows of the Company reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of the aforementioned consolidated financial statements for the interim periods.

The accompanying unaudited consolidated financial statements should be read in conjunction with the notes to such consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations herein. Additionally, these unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2005.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

(Unaudited)

(Dollars in thousands, except per share amounts)

<u>Assets</u>	June 30, 2006	December 31, 2005
Real estate:		
Rental properties:		
Land and land improvements	\$ 561,560	\$ 551,132
Buildings and improvements	1,994,741	1,932,113
	2,556,301	2,483,245
Less accumulated depreciation	(437,154)	(398,476)
	2,119,147	2,084,769
Real estate under development	75,429	54,416
Investments	36,498	27,228
	2,231,074	2,166,413
Cash and cash equivalents-unrestricted	9,022	14,337
Cash and cash equivalents-restricted	14,035	13,937
Notes and other receivables from related parties	2,258	1,173
Notes and other receivables	29,845	5,237
Prepaid expenses and other assets	27,632	23,078
Deferred charges, net	14,378	15,115
Total assets	\$ 2,328,244	\$ 2,239,290
<u>Liabilities and Stockholders' Equity</u>		
Mortgage notes payable	\$ 1,100,965	\$ 1,104,918
Exchangeable bonds	225,000	225,000
Lines of credit	95,030	25,000
Accounts payable and accrued liabilities	37,567	32,982
Dividends payable	23,317	22,496
Other liabilities	13,696	12,520
Deferred gain	2,193	2,193
Total liabilities	1,497,768	1,425,109
Minority interests	229,694	233,214
Stockholders' equity:		
Common stock, \$.0001 par value, 655,682,178 authorized, 23,047,162 and 22,851,953 issued and outstanding	2	2
Cumulative redeemable preferred stock; \$.0001 par value:		
No shares issued and outstanding:		
7.875% Series B 2,000,000 shares authorized	-	-
7.875% Series D 2,000,000 shares authorized	-	-
7.8125% Series F 1,000,000 shares authorized, 1,000,000 and 1,000,000 shares issued and outstanding, liquidation value	25,000	25,000
Excess stock, \$.0001 par value, 330,000,000 shares authorized and no shares issued and outstanding	-	-
Additional paid-in capital	648,142	632,646
Distributions in excess of accumulated earnings	(84,066)	(77,341)
Accumulated other comprehensive income	11,704	660
Total stockholders' equity	600,782	580,967

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Commitments and contingencies

Total liabilities and stockholders' equity \$ 2,328,244 \$ 2,239,290

See accompanying notes to the unaudited consolidated financial statements.

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ESSEX PROPERTY TRUST, INC. AND SUBSIDIARES

Consolidated Statements of Operations

(Unaudited)

(Dollars in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2006	2005	2006	2005
Revenues:				
Rental and other property	\$ 86,656	\$ 79,662	\$ 171,919	\$ 157,938
Management and other fees from affiliates				