

CAMDEN PROPERTY TRUST

Form 10-Q

April 29, 2011

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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 March 31, 2011
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 principal 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 April 25, 2011, 70,181,138 common shares of the registrant were outstanding, net of treasury shares and shares held in our deferred compensation arrangements.

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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>	March 31, 2011	December 31, 2010
Assets		
Real estate assets, at cost		
Land	\$ 760,397	\$ 760,397
Buildings and improvements	4,690,741	4,680,361
	5,451,138	5,440,758
Accumulated depreciation	(1,335,831)	(1,292,924)
Net operating real estate assets	4,115,307	4,147,834
Properties under development, including land	220,641	206,919
Investments in joint ventures	21,196	27,632
Total real estate assets	4,357,144	4,382,385
Accounts receivable affiliates	29,973	31,895
Notes receivable affiliates		3,194
Other assets, net	92,051	106,175
Cash and cash equivalents	98,771	170,575
Restricted cash	5,354	5,513
Total assets	\$ 4,583,293	\$ 4,699,737
Liabilities and equity		
Liabilities		
Notes payable		
Unsecured	\$ 1,419,681	\$ 1,507,757
Secured	1,054,839	1,055,997
Accounts payable and accrued expenses	81,972	81,556
Accrued real estate taxes	16,585	22,338
Distributions payable	38,662	35,295
Other liabilities	134,608	141,496
Total liabilities	2,746,347	2,844,439
Commitments and contingencies		
Perpetual preferred units	97,925	97,925
Equity	827	824

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Common shares of beneficial interest; \$0.01 par value per share; 100,000 shares authorized; 85,641 and 85,130 issued; 82,743 and 82,386 outstanding at March 31, 2011 and December 31, 2010, respectively

Additional paid-in capital	2,783,621	2,775,625
Distributions in excess of net income attributable to common shareholders	(623,740)	(595,317)
Treasury shares, at cost (12,744 and 12,766 common shares at March 31, 2011 and December 31, 2010, respectively)	(460,467)	(461,255)
Accumulated other comprehensive loss	(31,504)	(33,458)
Total common equity	1,668,737	1,686,419
Noncontrolling interests	70,284	70,954
Total equity	1,739,021	1,757,373
Total liabilities and equity	\$ 4,583,293	\$ 4,699,737

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 March 31,	
	2011	2010
Property revenues		
Rental revenues	\$ 138,780	\$ 128,851
Other property revenues	22,367	20,601
Total property revenues	161,147	149,452
Property expenses		
Property operating and maintenance	46,225	43,771
Real estate taxes	17,707	18,076
Total property expenses	63,932	61,847
Non-property income		
Fee and asset management	1,838	1,838
Interest and other income	4,771	3,045
Income on deferred compensation plans	5,954	3,482
Total non-property income	12,563	8,365
Other expenses		
Property management	5,319	5,183
Fee and asset management	1,220	1,194
General and administrative	9,788	7,404
Interest	29,737	31,555
Depreciation and amortization	46,822	42,968
Amortization of deferred financing costs	1,527	726
Expense on deferred compensation plans	5,954	3,482
Total other expenses	100,367	92,512
Gain on sale of unconsolidated joint venture interests	1,136	
Equity in income (loss) of joint ventures	374	(105)
Income from continuing operations before income taxes	10,921	3,353
Income tax expense - current	(1,320)	(270)
Income from continuing operations	9,601	3,083
Income from discontinued operations		698
Net income	9,601	3,781
Less (income) loss allocated to noncontrolling interests from continuing operations	(565)	254
Less income allocated to perpetual preferred units	(1,750)	(1,750)

Net income attributable to common shareholders	\$	7,286	\$	2,285
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See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31,	
	2011	2010
<i>(in thousands, except per share amounts)</i>		
Earnings per share basic		
Income from continuing operations attributable to common shareholders	\$ 0.10	\$ 0.02
Income from discontinued operations, attributable to common shareholders		0.01
Net income attributable to common shareholders	\$ 0.10	\$ 0.03
Earnings per share diluted		
Income from continuing operations attributable to common shareholders	\$ 0.10	\$ 0.02
Income from discontinued operations, attributable to common shareholders		0.01
Net income attributable to common shareholders	\$ 0.10	\$ 0.03
Distributions declared per common share	\$ 0.49	\$ 0.45
Weighted average number of common shares outstanding	71,906	66,475
Weighted average number of common shares and dilutive equivalent common shares outstanding	72,783	66,648
Net income attributable to common shareholders		
Income from continuing operations	\$ 9,601	\$ 3,083
Less (income) loss allocated to noncontrolling interests from continuing operations	(565)	254
Less income allocated to perpetual preferred units	(1,750)	(1,750)
Income from continuing operations attributable to common shareholders	7,286	1,587
Income from discontinued operations attributable to common shareholders		698
Net income attributable to common shareholders	\$ 7,286	\$ 2,285
Condensed Consolidated Statements of Comprehensive Income:		
Net income	\$ 9,601	\$ 3,781
Other comprehensive income (loss)		
Unrealized loss on cash flow hedging activities	(503)	(6,817)
Reclassification of net losses on cash flow hedging activities	5,766	5,879
Reclassification of gain on available-for-sale investment to earnings, net of tax	(3,309)	
Comprehensive income	11,555	2,843
Less (income) loss allocated to noncontrolling interests from continuing operations	(565)	254

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Less income allocated to perpetual preferred units	(1,750)	(1,750)
Comprehensive income attributable to common shareholders	\$ 9,240	\$ 1,347

See Notes to Condensed Consolidated Financial Statements.

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CAMDEN PROPERTY TRUST
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

	Common Shareholders							Noncontrolling	Total	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	interests			
December 31, 2010	\$ 824	\$ 2,775,625	\$ (595,317)	\$	\$ (461,255)	\$ (33,458)	\$ 70,954	\$ 1,757,373	\$ 97,9	
Income			7,286				565	7,851	1,7	
Other comprehensive income						1,954		1,954		
Common shares issued	1	3,794						3,795		
Share awards	4	3,547						3,551		
Employee stock purchase plan		33			788			821		
Share awards placed into deferred plans	(2)	2								
Common share options exercised		616						616		
Conversions and redemptions of operating partnership units		4					(4)			
Distributions to perpetual preferred units									(1,7	
Share distributions to equity holders			(35,709)				(1,231)	(36,940)		
March 31, 2011	\$ 827	\$ 2,783,621	\$ (623,740)	\$	\$ (460,467)	\$ (31,504)	\$ 70,284	\$ 1,739,021	\$ 97,9	
December 31, 2009	\$ 770	\$ 2,525,656	\$ (492,571)	\$ (101)	\$ (462,188)	\$ (41,155)	\$ 78,602	\$ 1,609,013	\$ 97,9	
Income (loss)			2,285				(254)	2,031	1,7	
Other comprehensive income (loss)						(938)		(938)		
Common shares issued	4	17,196						17,200		
Share awards	4	3,169						3,173		
Employee stock purchase plan		(180)			671			491		
Share awards placed into deferred plans	(2)	2								
Common share options exercised		1,731						1,731		
Conversions and redemptions of operating partnership units	2	1,148					(1,150)			
Distributions to perpetual preferred units									(1,7	
Share distributions to equity holders			(30,512)				(1,298)	(31,810)		
March 31, 2010	\$ 778	\$ 2,548,722	\$ (520,798)	\$ (101)	\$ (461,517)	\$ (42,093)	\$ 75,900	\$ 1,600,891	\$ 97,9	

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>	Three Months Ended March 31,	
	2011	2010
Cash flows from operating activities		
Net income	\$ 9,601	\$ 3,781
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization, including discontinued operations	46,593	43,507
Gain on sale of unconsolidated joint venture interests	(1,136)	
Gain on sale of available-for-sale investment	(4,301)	
Distributions of income from joint ventures	1,321	1,336
Equity in (income) loss of joint ventures	(374)	105
Share-based compensation	2,777	3,130
Amortization of deferred financing costs	1,527	726
Net change in operating accounts and other	(1,601)	(10,833)
 Net cash from operating activities	 \$ 54,407	 \$ 41,752
 Cash flows from investing activities		
Development and capital improvements	\$ (23,141)	\$ (11,063)
Proceeds from sale of available-for-sale investment	4,510	
Decrease in notes receivable affiliates	3,279	158
Proceeds from sale of joint venture interests	19,310	
Investments in joint ventures	(12,320)	(281)
Distribution of investments from joint ventures	1,208	20
Other	(622)	(529)
 Net cash from investing activities	 \$ (7,776)	 \$ (11,695)
 Cash flows from financing activities		
Repayment of notes payable	(89,128)	(56,120)
Proceeds from notes payable		1,761
Proceeds from issuance of common shares	3,795	17,200
Distributions to common shareholders, perpetual preferred units and noncontrolling interests	(35,300)	(33,155)
Payment of deferred financing costs	(1,001)	(343)
Net decrease in accounts receivable affiliates	1,922	3,455
Other	1,277	1,542
 Net cash from financing activities	 \$ (118,435)	 \$ (65,660)
 Net decrease in cash and cash equivalents	 (71,804)	 (35,603)
Cash and cash equivalents, beginning of period	170,575	64,156