

Edgar Filing: Education Realty Trust, Inc. - Form 10-Q

Education Realty Trust, Inc.  
Form 10-Q  
November 09, 2011

---

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 September 30, 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: 001-32417  
Education Realty Trust, Inc.  
(Exact name of registrant as specified in its charter)

Maryland  
(State or other jurisdiction of incorporation or organization)

20-1352180  
(I.R.S. Employer Identification No.)

530 Oak Court Drive, Suite 300, Memphis,  
Tennessee

38117

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (901) 259-2500

Not Applicable

(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 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company

Edgar Filing: Education Realty Trust, Inc. - Form 10-Q

(Do not check if a 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 x

As of November 9, 2011, the latest practicable date, the Registrant had outstanding 91,986,441 shares of common stock, \$0.01 par value per share.

---

EDUCATION REALTY TRUST, INC.  
 FORM 10-Q  
 QUARTER ENDED SEPTEMBER 30, 2011  
 TABLE OF CONTENTS

	Page
<b>PART I — FINANCIAL INFORMATION</b>	
<b>Item 1. Financial Statements (unaudited)</b>	
Condensed Consolidated Balance Sheets of Education Realty Trust, Inc. and Subsidiaries as of September 30, 2011 and December 31, 2010	3
Condensed Consolidated Statements of Operations of Education Realty Trust, Inc. and Subsidiaries for the nine months ended September 30, 2011 and 2010	4
Condensed Consolidated Statements of Operations of Education Realty Trust, Inc. and Subsidiaries for the three months ended September 30, 2011 and 2010	5
Condensed Consolidated Statements of Changes in Equity of Education Realty Trust, Inc. and Subsidiaries for the nine months ended September 30, 2011 and 2010	6
Condensed Consolidated Statements of Cash Flows of Education Realty Trust, Inc. and Subsidiaries for the nine months ended September 30, 2011 and 2010	7
Notes to Condensed Consolidated Financial Statements	9
<b>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</b>	<b>28</b>
<b>Item 3. Quantitative and Qualitative Disclosures About Market Risk</b>	<b>49</b>
<b>Item 4. Controls and Procedures</b>	<b>50</b>
<b>PART II — OTHER INFORMATION</b>	
<b>Item 1. Legal Proceedings</b>	<b>50</b>
<b>Item 1A. Risk Factors</b>	<b>50</b>
<b>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</b>	<b>51</b>
<b>Item 3. Defaults Upon Senior Securities</b>	<b>52</b>
<b>Item 4. [Removed and Reserved]</b>	<b>52</b>
<b>Item 5. Other Information</b>	<b>52</b>
<b>Item 6. Exhibits</b>	<b>52</b>



## Part I — Financial Information

## Item 1. Financial Statements.

CONDENSED CONSOLIDATED BALANCE SHEETS  
(Amounts in thousands, except share and per share data)  
(Unaudited)

	September 30, 2011	December 31, 2010
<b>ASSETS</b>		
Assets:		
Collegiate housing properties, net	\$ 701,310	\$ 652,603
Collegiate housing properties – held for sale	—	45,044
Assets under development	35,348	1,146
Corporate office furniture, net	576	855
Cash and cash equivalents	47,342	6,958
Restricted cash	4,600	4,791
Student contracts receivable, net	375	309
Receivable from managed third parties	477	527
Notes receivable	18,000	9,872
Goodwill and other intangibles, net	3,313	3,284
Other assets	14,392	11,291
Total assets	\$ 825,733	\$ 736,680
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Mortgage and construction loans, net of unamortized premium/discount	\$ 335,864	\$ 367,631
Revolving line of credit	—	3,700
Accounts payable	1,920	984
Accrued expenses	25,486	17,340
Deferred revenue	14,783	12,243
Total liabilities	378,053	401,898
Commitments and contingencies (see Note 6)	—	—
Redeemable noncontrolling interests	10,880	10,039
Equity:		
Common stock, \$0.01 par value per share, 200,000,000 shares authorized, 76,120,789 and 58,657,056 shares issued and outstanding at September 30, 2011 and December 31, 2010, respectively	762	587
Preferred stock, \$0.01 par value per share, 50,000,000 shares authorized, no shares issued and outstanding	—	—
Additional paid-in capital	531,967	414,850
Accumulated deficit	(95,929)	(90,694)
Total equity	436,800	324,743
Total liabilities and equity	\$ 825,733	\$ 736,680

See accompanying notes to the condensed consolidated financial statements.



## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in thousands, except per share data)

(Unaudited)

	Nine months ended September 30, 2011	Nine months ended September 30, 2010	
<b>Revenues:</b>			
Collegiate housing leasing revenue	\$77,428	\$69,726	
Third-party development consulting services	3,481	1,675	
Third-party management services	2,425	2,335	
Operating expense reimbursements	6,376	11,017	
Total revenues	89,710	84,753	
<b>Operating expenses:</b>			
Collegiate housing leasing operations	38,669	35,204	
Development and management services	4,132	3,834	
General and administrative	7,786	7,827	
Depreciation and amortization	20,704	17,977	
Ground lease expense	4,097	512	
Reimbursable operating expenses	6,376	10,101	
Total operating expenses	81,764	75,455	
Operating income	7,946	9,298	
<b>Nonoperating expenses:</b>			
Interest expense	13,827	14,764	&#160