

HRPT PROPERTIES TRUST
Form 10-Q
November 10, 2008
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2008

OR

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

Commission File Number 1-9317

HRPT PROPERTIES TRUST

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(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of Incorporation or
Organization)

04-6558834

(IRS Employer Identification No.)

400 Centre Street, Newton, Massachusetts 02458

(Address of Principal Executive Offices) (Zip Code)

617-332-3990

(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 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 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 ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(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 ☒

Number of registrant's common shares of beneficial interest, \$0.01 par value per share, outstanding as of November 7, 2008: 227,695,938

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References in this Form 10-Q to we , us and our refers to HRPT Properties Trust and its consolidated subsidiaries, unless otherwise noted.

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HRPT PROPERTIES TRUST

CONDENSED CONSOLIDATED BALANCE SHEET

(amounts in thousands, except share data)

(unaudited)

	September 30, 2008	December 31, 2007
<u>ASSETS</u>		
Real estate properties:		
Land	\$ 1,210,627	\$ 1,189,684
Buildings and improvements	4,905,129	4,966,610
	6,115,756	6,156,294
Accumulated depreciation	(837,430)	(808,216)
	5,278,326	5,348,078
Properties held for sale	219,666	
Acquired real estate leases	160,401	150,672
Cash and cash equivalents	24,851	19,879
Restricted cash	79,944	18,027
Rents receivable, net of allowance for doubtful accounts of \$8,494 and \$6,290, respectively	181,998	197,967
Other assets, net	125,357	124,709
Total assets	\$ 6,070,543	\$ 5,859,332
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Revolving credit facility	\$ 303,000	\$ 140,000
Senior unsecured debt, net	2,240,865	2,239,784
Mortgage notes payable, net	387,090	394,376
Other liabilities related to properties held for sale	3,809	
Accounts payable and accrued expenses	101,723	89,441
Acquired real estate lease obligations	50,338	41,607
Rent collected in advance	25,513	24,779
Security deposits	17,644	16,063
Due to affiliates	22,453	10,399
Total liabilities	3,152,435	2,956,449
Shareholders' equity:		
Preferred shares of beneficial interest, \$0.01 par value:		
50,000,000 shares authorized;		
Series B preferred shares; 8 3/4% cumulative redeemable at par on or after September 12, 2007; 7,000,000 shares issued and outstanding, aggregate liquidation preference \$175,000	169,079	169,079

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Series C preferred shares; 7 1/8% cumulative redeemable at par on or after February 15, 2011; 6,000,000 shares issued and outstanding, aggregate liquidation preference \$150,000	145,015	145,015
Series D preferred shares; 6 1/2% cumulative convertible; 15,180,000 shares issued and outstanding, aggregate liquidation preference \$379,500	368,270	368,270
Common shares of beneficial interest, \$0.01 par value: 350,000,000 shares authorized; 227,695,938 and 225,444,497 shares issued and outstanding, respectively	2,277	2,254
Additional paid in capital	2,937,962	2,923,455
Cumulative net income	2,008,791	1,827,609
Cumulative common distributions	(2,394,025)	(2,251,539)
Cumulative preferred distributions	(319,261)	(281,260)
Total shareholders' equity	2,918,108	2,902,883
Total liabilities and shareholders' equity	\$ 6,070,543	\$ 5,859,332

See accompanying notes

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HRPT PROPERTIES TRUST

CONDENSED CONSOLIDATED STATEMENT OF INCOME

(amounts in thousands, except per share data)

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Rental income	\$ 211,689	\$ 196,999	\$ 617,134	\$ 584,196
Expenses:				
Operating expenses	89,074	78,999	254,038	233,533
Depreciation and amortization	46,584	42,892		