

Education Realty Trust, Inc.  
Form 424B5  
July 21, 2009

**Filed Pursuant to Rule 424(b)(5)  
File No. 333-136147**

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities nor are they soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Subject to completion  
Preliminary Prospectus Supplement dated July 21,  
2009**

**PROSPECTUS SUPPLEMENT  
(To prospectus dated August 25, 2006)**

**21,000,000 Shares**

**Common Stock**

We are offering 21,000,000 shares of our common stock, par value \$0.01 per share.

Our common stock is listed on the New York Stock Exchange under the symbol EDR. On July 20, 2009, the last reported sale price of our common stock as reported on the New York Stock Exchange was \$4.84 per share.

To assist us in continuing to qualify as a real estate investment trust for federal income tax purposes, our charter imposes certain restrictions on the ownership of our capital stock. See Description of Capital Stock in the accompanying prospectus.

**Investing in our common stock involves substantial risks. See Risk Factors beginning on page S-7 of this prospectus supplement and on page 12 of our Annual Report on Form 10-K for the year ended December 31, 2008 incorporated by reference in this prospectus supplement and the accompanying prospectus.**

	<u>Per Share</u>	<u>Total</u>
Public offering price	\$	\$
Common Stock		

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Underwriting discount	\$	\$
Proceeds, before expenses, to us	\$	\$

The underwriters may also purchase up to 3,150,000 additional shares of our common stock from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover any overallotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares of common stock will be ready for delivery on or about July , 2009.

*Joint Book-Running Managers*

**BofA Merrill Lynch KeyBanc Capital Markets UBS Investment Bank**

The date of this prospectus supplement is July , 2009.

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## Prospectus

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You should rely only upon the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus required to be filed with the Securities and Exchange Commission, or SEC. We have not, and the underwriters have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or

**additional information, you should not rely upon it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where such offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any such free writing prospectus and the documents incorporated by reference herein or therein is accurate only as of the respective dates of these documents. Our business, financial condition, liquidity, results of operations, funds from operations and prospects may have changed since those dates.**

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## **ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is comprised of this prospectus supplement which describes the specific terms of this offering and certain other matters relating to us. The second part, the accompanying prospectus, contains a description of our common stock and provides more general information about securities we may offer from time to time, some of which does not apply to this offering. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or documents previously filed with the SEC, the information in this prospectus supplement will supersede such information.

This prospectus supplement is part of a registration statement that we have filed with the SEC relating to the securities offered hereby. This prospectus supplement does not contain all of the information that we have included in the registration statement and the accompanying exhibits and schedules in accordance with the rules and regulations of the SEC, and we refer you to the omitted information. It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the additional information incorporated by reference in this prospectus supplement and the accompanying prospectus. See *Where You Can Find More Information* in this prospectus supplement.

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## SUMMARY

*This summary is not complete and may not contain all of the information that may be important to you in deciding whether to invest in our common stock. To understand this offering fully prior to making an investment decision, you should carefully read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, including the sections entitled Risk Factors beginning on page S-7 of this prospectus supplement, and on page 12 of our Annual Report on Form 10-K for the year ended December 31, 2008 incorporated by reference in this prospectus supplement and the accompanying prospectus. Unless otherwise expressly stated or the context otherwise requires, all information in this prospectus supplement assumes that the overallotment option granted to the underwriters is not exercised.*

*All references to we, our, us, EDR and the Company in this prospectus supplement and the accompanying prospectus mean Education Realty Trust, Inc. and its consolidated subsidiaries, except where it is made clear that the term means only Education Realty Trust, Inc.*

## The Company

We are a self-managed and self-advised real estate investment trust, or REIT, organized in July 2004 to develop, acquire, own and manage high quality student housing communities located near university campuses. We were formed to continue and expand upon the student housing business of Allen & O Hara, Inc., a company with over 40 years of experience as an owner, manager and developer of student housing. We own 39 student housing communities located in 18 states containing 24,782 beds in 7,537 apartment units located near 34 universities. We provide third-party management services for 24 student housing communities located in 10 states containing 12,370 beds in 3,933 apartment units at 21 universities. We selectively develop student housing communities for our own account and also provide third-party development consulting services on student housing development projects for universities and other third parties. Currently, our third-party development business has been awarded contracts or is in the process of negotiating contracts for projects with an estimated total development cost of approximately \$425 million.

All of our assets are held by, and we have conducted substantially all of our activities through, Education Realty Operating Partnership, LP, or the Operating Partnership, and its wholly owned subsidiaries, Allen & O Hara Education Services, Inc., or AOES, and Allen & O Hara Development Company, LLC, or AODC. The majority of our operating expenses are borne by the Operating Partnership, AOES or AODC, as the case may be.

We are the sole general partner of our Operating Partnership. As a result, our board of directors effectively directs all of the Operating Partnership's affairs. As of June 30, 2009, we own 96.0% of the outstanding partnership units of the Operating Partnership. Our ownership interest in the Operating Partnership will increase upon consummation of this offering. See Use of Proceeds. The remaining partnership units are held by former owners of certain of our properties, including members of our management team. Some of our officers and employees also own indirect interests in our Operating Partnership, which we refer to as profits interest units, through ownership of units in Education Realty Limited Partner, LLC, a Delaware limited liability company, which is controlled by us and holds 0.9% of the aggregate interests in our Operating Partnership.

University Towers Operating Partnership, LP, or the University Towers Partnership, which is our affiliate, owns and operates our University Towers property located in Raleigh, North Carolina. We own 72.7% of the units in the University Towers Partnership, and former owners of our University Towers property, including members of our management team, own 27.3% of the units in University Towers Partnership.

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Our executive offices are located at 530 Oak Court Drive, Suite 300, Memphis, Tennessee 38117, and our telephone number is (901) 259-2500. Our website address is [www.educationrealty.com](http://www.educationrealty.com). However, the information located on, or accessible from, our website is not, and shall not be deemed to be, a part of this prospectus supplement or the accompanying prospectus or incorporated into any other filings that we make with the SEC.

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## **Recent Developments**

### **Refinancing of Existing Debt**

We have received a term sheet from KeyBank National Association, an affiliate of one of the underwriters of this offering, for the replacement of our Operating Partnership's existing \$100 million revolving credit facility, which matures on March 30, 2010. The term sheet for the new credit facility contemplates a senior secured revolving credit facility that would permit borrowings of up to \$100 million (subject to the borrowing base availability described below), with the ability to expand the facility up to an additional \$50 million, upon satisfaction of certain conditions.

Currently, we have received preliminary commitment letters totaling \$50 million for this facility, and we are negotiating with a lender to secure a commitment for an additional \$20 million. The term sheet contemplates a three-year facility, which we can elect to extend for one additional year, assuming no defaults thereunder and payment of an extension fee. As with our current credit facility, the new facility is expected to be secured by a cross-collateralized, first mortgage lien on five otherwise unmortgaged properties and a guaranty by us and the subsidiaries that own these five properties. Borrowings under the new facility will be limited to a borrowing base availability expected to be equal to the lesser of (i) 60% of the aggregate value of the properties securing the facility and (ii) the loan amount which would produce a debt service coverage ratio of no less than 1.4x, with debt service based on a 30-year amortization and an interest rate of 7.5% (8.39% constant). Based on the five properties providing security for the current facility (which are expected to be the same properties that will secure the new facility), the borrowing base availability at June 30, 2009 currently permits borrowings of up to approximately \$46 million. We expect that the borrowing base availability under the new facility, based on anticipated underwriting standards, will be lower than our current credit facility. We expect the new facility to contain customary covenants, including financial covenants that will, among other things, require us to maintain certain minimum ratios of EBITDA (earnings before payment or charges of interest, taxes, depreciation, amortization or extraordinary items) and may include consolidated net worth and leverage ratio tests.

The closing of the new facility is subject to the negotiation and execution of definitive loan documentation and the fulfillment of customary conditions; accordingly, no assurance can be given that this facility will be procured on the terms, including the amount available to be borrowed, described above or at all.

As of June 30, 2009, we had borrowed approximately \$198 million under our existing secured Master Credit Facility Agreement with Fannie Mae. We are seeking to expand the committed principal amount available under our credit facility with Fannie Mae to facilitate the refinancing of a portion of the remaining \$98.6 million of mortgage debt related to nine communities in our Place portfolio that matures in December 2009. We received a letter from Red Mortgage Capital, Inc., a Fannie Mae Delegated Underwriting and Servicing lender that would increase the maximum amount available under our Master Credit Facility Agreement with Fannie Mae to approximately \$251 to \$259 million. The expanded facility would give us the ability to draw an additional \$53 to \$61 million. We expect to add up to nine of the thirteen communities in our Place portfolio as collateral for the expansion of this facility. This facility expansion is subject to negotiating an amendment to our existing agreement with Fannie Mae and final underwriting, and no assurance can be given that we will be successful in completing such expansion on the terms above or at all.

### **Dividends**

On July 10, 2009, our board of directors declared a quarterly dividend of \$0.1025 per share of common stock, payable entirely in cash. This dividend rate is the same rate that was in effect for the first quarter of 2009 and the fourth quarter of 2008. The dividend is payable on August 14, 2009 to holders of record of our common stock on July 31, 2009; accordingly, purchasers of common stock in this offering who hold such stock on July 31, 2009 will be entitled to



receive this dividend. Our board of directors has determined that, beginning with our quarterly dividend for the third quarter of 2009 and contingent upon completion of this offering, it is in our best interest to reduce the quarterly cash dividend per share of common stock from \$0.1025 (an annual rate of \$0.41 per share) to \$0.05 (an annual rate of \$0.20 per share).

While the statements above concerning the remaining dividends for 2009 are our current expectations, any dividends declared and paid will be determined by our board of directors, in its sole discretion, based

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upon circumstances at the time of authorization and the actual number of shares issued in this offering. Accordingly, the actual dividends paid, if any, may vary from currently expected amounts. Depending upon our liquidity needs, we reserve the right to reduce or suspend dividend payments or to pay any or all of our common stock dividends in a combination of shares of common stock and cash in accordance with applicable Internal Revenue Service, or IRS, procedures. See Risk Factors We may change the dividend policy for our common stock in the future of this prospectus supplement.

### **Property Dispositions**

On April 7, 2009, we sold a student housing property, College Station (Augusta, Georgia), for a sale price of \$2,550,000. We received cash proceeds of \$250,000 and a note receivable of \$2,300,000. The note accrues interest at a rate of 3% per annum through August 31, 2009, with no interest or principal being payable during that period. Beginning on September 1, 2009, the note accrues interest at a rate of 6% per annum, and accrued interest is payable in monthly installments through December 31, 2009. All unpaid principal and interest is due on the maturity date of December 31, 2009. However, if no default exists at the maturity date, the maturity date of the note may be extended to June 30, 2011. The note would remain interest only at a rate of 6% per annum payable in monthly installments through December 31, 2010; thereafter, payments of principal, based upon a 20-year amortization schedule, and interest (at a rate of 6% per annum) would be made on a monthly basis. Any unpaid principal and interest would be due in full on June 30, 2011.

We continually assess our student housing communities, the markets they are in and the universities they serve to determine if any dispositions are necessary or appropriate. We are currently testing the market for three of our student housing communities: The Lofts, located in Orlando, Florida; NorthePointe, located in Tucson, Arizona; and The Reserve at Clemson, located in Central, South Carolina. These student housing communities contain a total of 2,232 beds in 731 apartment units and may be sold individually or as a portfolio if appropriate market conditions exist. These properties would be subject to the assumption of existing mortgage financing secured by these properties. Interest rates on the mortgages range from 5.55% to 5.59% per annum, and all mortgages have either full or partial interest-only periods remaining on their respective terms. We can give no assurance, however, that any of these properties will actually be sold or as to the terms on which they may be sold.

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The following table sets forth pre-leasing statistics for the 2009/2010 academic year for our owned and managed student housing communities:

Community	Primary University	Design Beds	Applications <sup>(1)</sup>				Fully Executed Leases <sup>(1)</sup>				2008 Fall Occupancy <sup>(2)</sup>	
			2009	%	2008	%	2009	%	2008	%	Beds	%
The Gables	Western Kentucky University	288	275	95.5%	252	87.5%	266	92.4%	248	86.1%	288	100.0%
The Reserve at Athens	University of Georgia	612	600	98.0%	562	91.8%	593	96.9%	553	90.4%	575	94.0%
Players Club	State University	336	329	97.9%	326	97.0%	317	94.3%	305	90.8%	333	99.1%
NorthPointe	University of Arizona	912	798	87.5%	816	89.5%	666	73.0%	731	80.2%	879	96.4%
The Reserve at Clemson	Clemson University	590	579	98.1%	548	92.9%	547	92.7%	534	90.5%	569	96.4%
Pointe at South Florida	University of South Florida	1,002	720	71.9%	721	72.0%	662	66.1%	721	72.0%	875	87.3%
The Reserve on Perkins	Oklahoma State University	732	535	73.1%	658	89.9%	519	70.9%	632	86.3%	723	98.8%
The Commons	State University	732	584	79.8%	521	71.2%	491	67.1%	418	57.1%	598	81.7%
The Pointe at Western	Western Michigan University	876	715	81.6%	478	54.6%	650	74.2%	478	54.6%	671	76.6%
College Station at West Lafayette	Purdue University	960	929	96.8%	800	83.3%						