

SUMMIT PROPERTIES INC
Form 10-Q
May 10, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 March 31, 2004

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 1-12792

SUMMIT PROPERTIES INC.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

56-1857807
(I.R.S. Employer
Identification No.)

309 E. Morehead Street
Suite 200
Charlotte, North Carolina
(Address of principal executive offices)

28202
(Zip code)

(704) 334-3000
(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 is an accelerated filer (as defined in Rule 12b-2 of the 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: 31,460,527 shares of common stock, par value \$.01 per share, outstanding as of May 6, 2004.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

SUMMIT PROPERTIES INC.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)
(Unaudited)

	March 31, 2004	December 31, 2003
ASSETS		
Real estate assets:		
Land and land improvements	\$ 211,562	\$ 197,760
Buildings and improvements	934,728	913,715
Furniture, fixtures and equipment	77,607	73,393
Total operating real estate assets	1,223,897	1,184,868
Less: accumulated depreciation	(152,447)	(143,027)
Net operating real estate assets	1,071,450	1,041,841
Net real estate assets - assets held for sale	66,392	67,017
Construction in progress	191,088	210,313
Net real estate assets	1,328,930	1,319,171
Cash and cash equivalents	3,373	2,687
Restricted cash	1,254	1,292
Investments in real estate joint ventures	3,002	3,096
Deferred financing costs, net of accumulated amortization of \$7,044 in 2004 and \$7,108 in 2003	7,691	7,694
Other assets	13,429	14,179
Other assets - assets held for sale	150	115
Total assets	\$ 1,357,829	\$ 1,348,234
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Notes payable	\$ 733,925	\$ 715,807
Accrued interest payable	4,737	4,558
Accounts payable and accrued expenses	27,495	28,819
Dividends and distributions payable	11,737	11,724
Security deposits and prepaid rents	3,152	2,927
Notes payable and other liabilities - assets held for sale	10,415	10,608
Total liabilities	791,461	774,443
Commitments and contingencies		
Minority interest of common unitholders in Operating Partnership	56,680	57,724
Minority interest of preferred unitholders in Operating Partnership	53,544	53,544

Stockholders' equity:		
Preferred stock, \$0.01 par value - 25,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$0.01 par value 100,000,000 shares authorized, 31,423,276 shares issued and outstanding in 2004 and 31,335,140 shares issued and outstanding in 2003	314	313
Additional paid-in capital	516,449	514,578
Accumulated deficit	(43,191)	(34,886)
Unamortized restricted stock compensation	(589)	(129)
Employee notes receivable	(16,839)	(17,353)
Total stockholders' equity	456,144	462,523
Total liabilities and stockholders' equity	\$ 1,357,829	\$ 1,348,234

See notes to consolidated financial statements.

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SUMMIT PROPERTIES INC.
CONSOLIDATED STATEMENTS OF EARNINGS
(Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2004	2003
Revenues:		
Rental	\$ 33,150	\$ 27,010
Other property income	2,598	1,804
Interest	236	642
Management fees - third party communities	147	170
Other income	134	360
Gain and interest income on compensation plans	280	188
Total revenues	36,545	30,174
Expenses:		
Property operating and maintenance (exclusive of items listed below)	8,431	6,676
Real estate taxes and insurance	4,430	3,061
Depreciation and amortization	10,562	7,605
Interest	6,918	6,371
Deferred financing cost amortization	324	380
General and administrative	1,891	1,558
Property management - owned communities	1,494	1,320

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Property management - third party communities	181	160
Liability adjustment and expense on compensation plans	280	188
	<u> </u>	<u> </u>
Total expenses	34,511	27,319
	<u> </u>	<u> </u>
Income from continuing operations before loss on unconsolidated real estate joint ventures, minority interest of common unitholders in Operating Partnership and dividends to preferred unitholders in		