

URSTADT BIDDLE PROPERTIES INC
Form 10-Q
March 10, 2009

United States
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 January 31, 2009

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 1-12803

Urstadt Biddle Properties Inc.
(Exact Name of Registrant in its Charter)

Maryland (State or other jurisdiction of incorporation or organization)	04-2458042 (I.R.S. Employer Identification Number)
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321 Railroad Avenue, Greenwich, CT (Address of principal executive offices)	06830 (Zip Code)
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Registrant's telephone number, including area code: (203) 863-8200

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of March 6, 2009, the number of shares of the Registrant's classes of Common Stock and Class A Common Stock was:

8,176,847 Common Shares, par value \$.01 per share and 18,250,108 Class A Common Shares, par value \$.01 per share.

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Urstadt Biddle Properties Inc.

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URSTADT BIDDLE PROPERTIES INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	Jan 31, 2009	Oct 31, 2008
ASSETS		
	(Unaudited)	
Real Estate Investments:		
Core properties – at cost	\$ 564,423	\$ 566,889
Non-core properties – at cost	1,383	1,383
	565,806	568,272
Less: Accumulated depreciation	(96,248)	(94,328)
	469,558	473,944
Mortgage note receivable	1,225	1,241
	470,783	475,185
Cash and cash equivalents	1,100	1,664
Restricted cash	368	519
Marketable securities	727	897
Tenant receivables	19,345	17,782
Prepaid expenses and other assets	8,204	5,603
Deferred charges, net of accumulated amortization	4,166	4,467
Total Assets	\$ 504,693	\$ 506,117
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Unsecured revolving credit line	\$ 5,100	\$ 5,100
Mortgage notes payable	104,478	104,954
Accounts payable and accrued expenses	3,116	606
Deferred compensation – officers	317	1,074
Other liabilities	7,917	8,513
Total Liabilities	120,928	120,247
Minority interests	9,370	9,370
Redeemable Preferred Stock, par value \$.01 per share; issued and outstanding 2,800,000 shares	96,203	96,203
Commitments and Contingencies		
Stockholders' Equity:		
7.5% Series D Senior Cumulative Preferred Stock (liquidation preference of \$25 per share); 2,450,000 shares issued and outstanding	61,250	61,250
Excess Stock, par value \$.01 per share; 10,000,000 shares authorized; none issued and outstanding	-	-
Common Stock, par value \$.01 per share; 30,000,000 shares authorized; 8,176,847 and 7,990,120 shares issued and outstanding	82	80
Class A Common Stock, par value \$.01 per share; 40,000,000 shares authorized;		

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18,249,108 and 18,208,118 shares issued and outstanding	182	183
Additional paid in capital	258,847	258,235
Cumulative distributions in excess of net income	(41,728)	(39,181)
Accumulated other comprehensive income (loss)	(441)	(270)
Total Stockholders' Equity	278,192	280,297
Total Liabilities and Stockholders' Equity	\$ 504,693	\$ 506,117

The accompanying notes to consolidated financial statements are an integral part of these statements.

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URSTADT BIDDLE PROPERTIES INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(In thousands, except per share data)

	Three Months Ended January 31,	
	2009	2008
Revenues		
Base rents	\$ 15,543	\$ 14,742
Recoveries from tenants	5,489	4,465
Lease termination income	-	58
Mortgage interest and other	338	166
Total Revenues	21,370	19,431
Operating Expenses		
Property operating	3,421	3,063
Property taxes	3,389	2,825
Depreciation and amortization	4,355	3,493
General and administrative	1,618	1,484
Directors' fees and expenses	88	75
Total Operating Expenses	12,871	10,940
Operating Income	8,499	8,491
Non-Operating Income (Expense):		
Interest expense	(1,542)	(1,749)
Interest, dividends and other investment income	37	95
Minority interests	(115)	(9)
Net Income	6,879	6,828
Preferred stock dividends	(3,273)	(2,336)
Net Income Applicable to Common and Class A Common Stockholders	\$ 3,606	\$ 4,492
Basic Earnings Per Share:		
Common	\$.13	\$.16
Class A Common	\$.15	\$.18
Diluted Earnings Per Share:		
Common	\$.13	\$.16
Class A Common	\$.15	\$.18
Dividends Per Share:		
Common	\$.2175	\$.2150
Class A Common	\$.2400	\$.2375

The accompanying notes to consolidated financial statements are an integral part of these statements.

URSTADT BIDDLE PROPERTIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Three Months Ended January 31,	
	2009	2008
Cash Flows from Operating Activities:		
Net income	\$ 6,879	\$ 6,828
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,355	3,493
Straight-line rent adjustment	(69)	(29)
Restricted stock compensation expense and other adjustments	718	521
Deferred compensation arrangement	(757)	(128)
Minority interests	115	9
Changes in operating assets and liabilities:		
Restricted cash	151	(170)
Tenant receivables	(1,495)	(271)
Accounts payable and accrued expenses	2,511	(343)
Other assets and other liabilities, net	(4,314)	(3,302)
Net Cash Flow Provided by Operating Activities	8,094	6,608
Cash Flows from Investing Activities:		
Acquisition of real estate investments	-	(5,929)
Proceeds from sale of property	925	-
Deposits on acquisition of real estate investments	1,100	(228)
Improvements to properties and deferred charges	(578)	(1,652)
Distributions to limited partner of joint venture	(115)	(9)
Payments received on mortgage notes receivable	17	15
Net Cash Flow Provided by (Used in) Investing Activities	1,349	(7,803)
Cash Flows from Financing Activities:		
Proceeds from revolving credit line borrowings	-	11,000
Dividends paid -- Common and Class A Common Stock	(6,153)	(6,178)
Dividends paid -- Preferred Stock	(3,273)	(2,336)
Principal repayments on mortgage notes payable	(476)	(485)
Sales of additional shares of Common and Class A Common Stock	250	214
Repurchase of shares of Class A Common Stock	(355)	(2,475)
Repayment of officer note receivable	-	1,300
Net Cash Flow Provided by (Used in) Financing Activities	(10,007)	1,040
Net Decrease In Cash and Cash Equivalents	(564)	(155)
Cash and Cash Equivalents at Beginning of Period	1,664	4,218
Cash and Cash Equivalents at End of Period	\$ 1,100	\$ 4,063

Supplemental Cash Flow Disclosures:

Interest Paid	\$	1,542	\$	1,677
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The accompanying notes to consolidated financial statements are an integral part of these statements.

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URSTADT BIDDLE PROPERTIES INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)

(In thousands, except shares and per share data)

	7.5% Series D		Class A Common		Additional	Cumulative	Accumulated	Total					
	Preferred Stock	Common Stock	Stock	Stock					Paid In	Distributions	Other	Stockholders'	
	Issued	Amount	Issued	Amount	Issued	Amount	Capital	In	Excess	of Comprehensive	Net	Income	Equity
Balances – October 31, 2008	2,450,000	\$ 61,250	7,990,120	\$ 80	18,208,118	\$ 183	\$ 258,235	\$(39,181)	\$(270)				\$ 280,297
Comprehensive Income:													
Net income applicable to Common and Class A common stockholders	-	-	-	-	-	-	-	3,606	-				3,606
Change in unrealized gains (losses) in marketable securities	-	-	-	-	-	-	-	-	(171)				(171)
Total comprehensive income	-	-	-	-	-	-	-	-	-				3,435
Cash dividends paid :													
Common stock (\$.2175 per share)	-	-	-	-	-	-	-	(1,775)	-				(1,775)
Class A common stock (\$.2400 per share)	-	-	-	-	-	-	-	(4,378)	-				(4,378)
Issuance of shares under dividend reinvestment plan	-	-	15,827	-	3,690	-	250	-	-				250
Shares issued under restricted stock plan	-	-	170,900	2	63,200	-	(2)	-	-				-
Restricted stock	-	-	-	-	-	-	718	-	-				718

compensation
and other
adjustments

Repurchases of Class A common stock	-	-	-	-	(25,900)	(1)	(354)	-	-	(355)
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Balances –
January 31,

2009	2,450,000	\$ 61,250	8,176,847	\$ 82	18,249,108	\$ 182	\$ 258,847	\$(41,728)	\$(441)	\$ 278,192
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The accompanying notes to consolidated financial statements are an integral part of these statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) ORGANIZATION, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

Urstadt Biddle Properties Inc. (“Company”), a real estate investment trust (“REIT”), is engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers in the northeastern part of the United States. Non-core properties include two distribution service facilities. The Company's major tenants include supermarket chains and other retailers who sell basic necessities. At January 31, 2009, the Company owned or had interests in 43 properties containing a total of 3.9 million square feet of Gross Leasable Area (“GLA”).

Principles of Consolidation and Use of Estimates

The accompanying consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and joint ventures in which the Company meets certain criteria of a sole general partner in accordance with Emerging Issues Task Force (“EITF”) Issue 04-5, “Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights.” The Company has determined that such joint ventures should be consolidated into the consolidated financial statements of the Company. All significant intercompany transactions and balances have been eliminated in consolidation.

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results of operations for the three month period ended January 31, 2009 are not necessarily indicative of the results that may be expected for the year ending October 31, 2009. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company’s annual report on Form 10-K for the fiscal year ended October 31, 2008.

The preparation of financial statements requires management to make estimates and assumptions that affect the disclosure of contingent assets and liabilities, the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the periods covered by the financial statements. The most significant assumptions and estimates relate to the valuation of real estate, depreciable lives, revenue recognition and the collectibility of tenant and mortgage notes receivables. Actual results could differ from these estimates. The balance sheet at October 31, 2008 has been derived from audited financial statements at that date.

Federal Income Taxes

The Company has elected to be treated as a real estate investment trust under Sections 856-860 of the Internal Revenue Code (“Code”). Under those sections, a REIT that, among other things, distributes at least 90% of real estate trust taxable income and meets certain other qualifications prescribed by the Code will not be taxed on that portion of its taxable income that is distributed. The Company believes it qualifies as a REIT and intends to distribute all of its taxable income for fiscal 2009 in accordance with the provisions of the Code. Accordingly, no provision has been made for Federal income taxes in the accompanying consolidated financial statements.

The Company follows the provisions of FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes – an interpretation of SFAS No. 109” (“FIN No. 48”), that defines a recognition threshold and measurement attribute for the

financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN No. 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Based on its evaluation, the Company determined that it has no uncertain tax positions and no unrecognized tax benefits as of January 31, 2009. The Company records interest and penalties relating to unrecognized tax benefits, if any, as interest expense. As of January 31, 2009, the tax years 2005 through and including 2008 remain open to examination by the Internal Revenue Service. There are currently no federal tax examinations in progress.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit r