

ONE LIBERTY PROPERTIES INC
Form 10-Q
November 09, 2012
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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, 2012

OR

o Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 001-09279

ONE LIBERTY PROPERTIES, INC.

(Exact name of registrant as specified in its charter)

MARYLAND
(State or other jurisdiction of
incorporation or organization)

13-3147497
(I.R.S. employer
identification number)

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60 Cutter Mill Road, Great Neck, New York
(Address of principal executive offices)

11021
(Zip code)

(516) 466-3100

(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 has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) 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.

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of November 1, 2012, the registrant had 15,005,642 shares of common stock outstanding.

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One Liberty Properties, Inc. and Subsidiaries

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Part I FINANCIAL INFORMATION

Item 1. Financial Statements

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Amounts in Thousands, Except Par Value)

	September 30, 2012 (Unaudited)	December 31, 2011
Assets		
Real estate investments, at cost		
Land	\$ 133,017	\$ 129,223
Buildings and improvements	327,046	317,294
Total real estate investments, at cost	460,063	446,517
Less accumulated depreciation	62,720	56,148
Real estate investments, net	397,343	390,369
Property contributed to joint venture		11,842
Properties held for sale, net (including related assets of \$87 and \$502, respectively)	3,173	10,986
Investment in unconsolidated joint ventures	17,312	5,093
Cash and cash equivalents	15,434	12,668
Unbilled rent receivable	13,346	12,303
Unamortized intangible lease assets	14,193	11,779
Escrow, deposits and other assets and receivables	4,831	3,252
Investment in BRT Realty Trust at market (related party)	241	235
Unamortized deferred financing costs	3,185	2,209
Total assets	\$ 469,058	\$ 460,736
Liabilities and Equity		
Liabilities:		
Mortgages and loan payable	\$ 210,545	\$ 198,879
Mortgages payable - property held for sale		6,970
Line of credit	6,350	20,000
Dividends payable	4,931	4,805
Accrued expenses and other liabilities	5,886	5,969
Unamortized intangible lease liabilities	4,843	5,166
Total liabilities	232,555	241,789
Commitments and contingencies		
Equity:		
One Liberty Properties, Inc. stockholders' equity:		
Preferred stock, \$1 par value; 12,500 shares authorized; none issued		

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Common stock, \$1 par value; 25,000 shares authorized; 14,535 and 14,213 shares issued and outstanding	14,535	14,213
Paid-in capital	194,746	189,486
Accumulated other comprehensive loss	(1,575)	(1,019)
Accumulated undistributed net income	28,319	15,605
Total One Liberty Properties, Inc. stockholders' equity	236,025	218,285
Non-controlling interests in joint ventures	478	662
Total equity	236,503	218,947
Total liabilities and equity	\$ 469,058	\$ 460,736

See accompanying notes to consolidated financial statements.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Per Share Data)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Revenues:				
Rental income, net	\$ 11,792	\$ 10,755	\$ 34,570	\$ 32,309
Operating expenses:				
Depreciation and amortization	2,503	2,334	7,410	6,803
General and administrative (including \$572, \$572, \$1,716 and \$1,716, respectively, to related party)	1,911	1,804	5,598	5,307
Real estate acquisition costs	93	131	259	176
Real estate expenses (including \$150, \$150, \$450 and \$450, respectively, to related party)	644	553	1,949	1,711
Leasehold rent	77	77	231	231
Total operating expenses	5,228	4,899	15,447	14,228
Operating income	6,564	5,856	19,123	18,081
Other income and expenses:				
Equity in earnings of unconsolidated joint ventures	121	105	575	241
Gain on settlement of debt				1,240
Other income	6	9	230	61
Interest:				
Expense	(3,383)	(3,150)	(10,121)	(9,906)
Amortization of deferred financing costs	(202)	(177)	(583)	(656)
Gain on sale of real estate			319	
Income from continuing operations	3,106	2,643	9,543	9,061
Discontinued operations:				
Income from operations	264	122	602	646
Net gain on sales	15,050		17,254	932
Income from discontinued operations	15,314	122	17,856	1,578
Net income	18,420	2,765	27,399	10,639
Less net income attributable to non-controlling interests	(6)		(13)	
Net income attributable to One Liberty Properties, Inc.	\$ 18,414	\$ 2,765	\$ 27,386	\$ 10,639
Weighted average number of common shares outstanding:				
Basic	14,443	14,143	14,370	13,663
Diluted	14,543	14,143	14,470	13,663

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Per common share attributable to common
stockholders basic:

Income from continuing operations	\$.21	\$.18	\$.64	\$.64
Income from discontinued operations		1.03		.01		1.21		.11
	\$	1.24	\$.19	\$	1.85	\$.75

Per common share attributable to common
stockholders diluted:

Income from continuing operations	\$.21	\$.18	\$.64	\$.64
Income from discontinued operations		1.02		.01		1.20		.11
	\$	1.23	\$.19	\$	1.84	\$.75

Cash distributions declared per share of
common stock

	\$.33	\$.33	\$.99	\$.99
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See accompanying notes to consolidated financial statements.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net income	\$ 18,420	\$ 2,765	\$ 27,399	\$ 10,639
Other comprehensive (loss)				
Net unrealized (loss) gain on available-for-sale securities	(1)	(21)	10	(108)
Net unrealized (loss) on derivative instruments	(118)	(595)	(530)	(724)
One Liberty Property's share of joint venture net unrealized (loss) on derivative instruments	(11)	(106)	(36)	(177)
Other comprehensive (loss)	(130)	(722)	(556)	(1,009)
Comprehensive income	18,290	2,043	26,843	9,630
Less: comprehensive income attributable to non-controlling interests	(6)		(13)	
Comprehensive income attributable to One Liberty Properties, Inc.	\$ 18,284	\$ 2,043	\$ 26,830	\$ 9,630

See accompanying notes to consolidated financial statements.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine month period ended September 30, 2012 (Unaudited)

and the year ended December 31, 2011

(Amounts in Thousands, Except Per Share Data)

	Common Stock	Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Undistributed Net Income	Non- Controlling Interests in Joint Ventures	Total
Balances, January 1, 2011	\$ 11,212	\$ 147,158	\$ (156)	\$ 20,969	\$	\$ 179,183
Distributions - common stock Cash - \$1.32 per share				(19,088)		(19,088)
Shares issued in public offering -						
net of offering costs of \$282	2,700	37,869				40,569
Shares issued through dividend reinvestment plan	255	3,496				3,751
Contribution from non-controlling interest					666	666
Restricted stock vesting	46	(46)				
Compensation expense - restricted stock		1,009				1,009
Net income				13,724	(4)	13,720
Other comprehensive (loss)			(863)			(863)
Balances, December 31, 2011	14,213	189,486	(1,019)	15,605	662	218,947
Distributions - common stock Cash - \$.99 per share				(14,672)		(14,672)
Shares issued through dividend reinvestment plan	152	2,368				2,520
Shares issued through equity offering program - net	121	2,032				2,153
Contribution from non-controlling interest					93	93
Distribution to non-controlling interest					(290)	(290)
Restricted stock vesting	49	(49)				
Compensation expense - restricted stock		909				909
Net income				27,386	13	27,399
Other comprehensive (loss)			(556)			(556)
Balances, September 30, 2012	\$ 14,535	\$ 194,746	\$ (1,575)	\$ 28,319	\$ 478	\$ 236,503

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See accompanying notes to consolidated financial statements.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

(Unaudited)

	Nine Months Ended September 30,	
	2012	2011
Cash flows from operating activities:		
Net income	\$ 27,399	\$ 10,639
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on settlement of debt		(1,240)
Gain on sales of real estate		