WEINGARTEN REALTY INVESTORS /TX/
Form 10-K
February 29, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)
x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2007
ON
¨ 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 1-9876

WEINGARTEN REALTY INVESTORS
(Exact name of registrant as specified in its charter)

TEXAS (State or other jurisdiction of incorporation or organization)	74-1464203 (IRS Employer Identification No.)
2600 Citadel Plaza Drive P.O. Box 924133 Houston, Texas (Address of principal executive offices)	77292-4133 (Zip Code)

(713) 866-6000
(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Shares of Beneficial Interest, $0.03 par value	New York Stock Exchange

Series D Cumulative Redeemable Preferred Shares, $0.03 par value	New York Stock Exchange
Series E Cumulative Redeemable Preferred Shares, $0.03 par value	New York Stock Exchange
Series F Cumulative Redeemable Preferred Shares, $0.03 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.YES xNO ¨.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.YES ¨NO x.

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 xNO ¨.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.x.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES ¨ NO x.

The aggregate market value of the common shares of beneficial interest held by non-affiliates on June 30, 2007 (based upon the closing sale price on the New York Stock Exchange of $41.10) was $3,023,271,982. As of June 30, 2007, there were 86,448,425 common shares of beneficial interest, $.03 par value, outstanding.

As of January 31, 2008, there were 83,784,455 common shares of beneficial interest outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement relating to its Annual Meeting of Shareholders to be held May 7, 2008 are incorporated by reference in Part III.

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Forward-Looking Statements

This annual report on Form 10-K, together with other statements and information publicly disseminated by us, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "believe," "expect," "intend," "anticipate," "estimat "project," or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect actual results, performances or achievements. Factors which may cause actual results to differ materially from current expectations include, but are not limited to, (i) general economic and local real estate conditions, (ii) the inability of major tenants to continue paying their rent obligations due to bankruptcy, insolvency or general downturn in their business, (iii) financing risks, such as the inability to obtain equity, debt, or other sources of financing on favorable terms, (iv) changes in governmental laws and regulations, (v) the level and volatility of interest rates, (vi) the availability of suitable acquisition opportunities and (vii) changes in operating costs. Accordingly, there is no assurance that our expectations will be realized.

For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date of this annual report on Form 10-K or the date of any document incorporated herein by reference. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances after the date of this Form 10-K.

PART I

ITEM 1. Business

General. Weingarten Realty Investors is a real estate investment trust ("REIT") organized under the Texas Real Estate Investment Trust Act. We, and our predecessor entity, began the ownership and development of shopping centers and other commercial real estate in 1948. Our primary business is leasing space to tenants in the shopping and industrial centers we own or lease. We also manage centers for joint ventures in which we are partners or for other outside owners for which we charge fees.

At December 31, 2007, we owned or operated under long-term leases, either directly or through our interest in real estate joint ventures or partnerships, a total of 383 developed income-producing properties and 32 properties under various stages of construction and development. The total number of centers includes 335 neighborhood and community shopping centers located in 22 states spanning the country from coast to coast. We also owned 77 industrial projects located in California, Florida, Georgia, Tennessee, Texas and Virginia and three other operating properties located in Arizona and Texas. The portfolio of properties is approximately 72.8 million square feet.

We also owned interests in 19 parcels of unimproved land held for future development that totaled approximately 9.9 million square feet.

At December 31, 2007, we employed 485 full-time persons and our principal executive offices are located at 2600 Citadel Plaza Drive, Houston, Texas 77008, and our phone number is (713) 866-6000. We also have 10 regional offices located in various parts of the United States.

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Investment and Operating Strategy. Our investment strategy is to increase cash flow and the value of our portfolio through intensive hands-on management of our existing portfolio of assets, selective remerchandising and renovation of properties and the acquisition and development of income-producing real estate assets where the returns on such investments exceed our blended long-term cost of capital. We have expanded our new development program to include both operating properties and a merchant developer component where we will build, lease and then sell the developed real estate. Our estimated gross investment in the 32 properties currently under development or predevelopment is $628.7 million.

To improve the quality of the portfolio, we pursue the disposition of selective noncore assets as circumstances warrant.

At December 31, 2007, neighborhood and community shopping centers generated 89.1% of total revenue and industrial properties accounted for 9.1%. We expect to continue to focus the future growth of the portfolio in neighborhood and community centers and bulk industrial properties in markets where we currently operate as well as other markets primarily throughout the United States. While we do not anticipate significant investment in other classes of real estate such as multi-family or office assets, we remain open to alternative uses of our available capital.

We may either purchase or lease income-producing properties in the future, and may also participate with other entities in property ownership through partnerships, joint ventures or similar types of co-ownership. Equity investments may be subject to existing mortgage financing and other indebtedness or such financing or indebtedness may be incurred in connection with acquiring such investments.

We may invest in mortgages; however, we traditionally have invested in first mortgages to real estate joint ventures or partnerships in which we own an equity interest. We may also invest in securities of other issuers for the purpose, among others, of exercising control over such entities, subject to the gross income and asset tests necessary for REIT qualification.

Our operating strategy consists of intensive hands-on management and leasing of our properties. In acquiring and developing properties, we attempt to accumulate enough properties in a geographic area to allow for the establishment of a regional office, which enables us to obtain in-depth knowledge of the market from a leasing perspective and to have easy access to the property and our tenants from a management viewpoint.

Diversification from both a geographic and tenancy perspective is a critical component of our operating strategy. While approximately 35.3% of the building square footage of our properties is located in the State of Texas, we continue to expand our holdings outside the state. With respect to tenant diversification, our two largest merchants accounted for 2.9% and 1.6%, respectively, of our total rental revenues for the year ended December 31, 2007. No other tenant accounted for more than 1.5% of our total rental revenues.

We finance our growth and working capital needs in a conservative manner. We have a credit rating of BBB+ from Standard & Poors and Baa1 from Moody's Investor Services. We intend to maintain a conservative approach to managing our balance sheet, which, in turn, gives us many options to raising debt or equity capital when needed. At December 31, 2007, our ratio of funds from operations to combined fixed charges and preferred dividends was 2.2 to 1 and our debt to total market capitalization was 49.3%.

Our policies with respect to the investment and operating strategies discussed above are reviewed by our Board of Trust Managers periodically and may be modified without a vote of our shareholders.

Location of Properties. Our properties are located in 23 states, primarily throughout the southern half of the country. As of December 31, 2007, of our 415 properties, which were owned or operated under long-term leases either directly or through our interest in real estate joint ventures or partnerships, 90 are located in Houston and its surrounding areas, and an additional 77 properties are located in other parts of Texas. We also have 19 parcels of unimproved land, 11 of which are located in Houston and its surrounding areas and three of which are located in other parts of Texas. Because of our investments in Houston and its surrounding areas, as well as in other parts of Texas, the Houston and Texas economies affect, to a large degree, our business and operations.

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Economic Factors. As expected, the national economy softened in 2007. The residential mortgage and capital markets began showing signs of stress, primarily in the form of escalating default rates on sub-prime mortgages and declining residential housing prices nationwide. This "credit" crisis spread to the broader commercial credit markets and has generally reduced the availability of financing and widened spreads. These factors, coupled with a slowing economy, may negatively impact the volume of real estate transactions and cap rates, which could negatively impact stock price performance of public real estate companies, including ours. While the housing market and energy prices may affect consumer spending, the vast majority of our properties are located in densely populated metropolitan areas and are anchored by supermarkets and discount stores, which generally provide basic necessity-type items and tend to be less affected by economic changes. Furthermore, our portfolio is strategically positioned in geographic markets that are forecasted to exceed the national average according to many economic measures. Many of our operating areas throughout the United States continue to show strong employment growth and higher than average rent growth among larger metropolitan areas. However, if these economic conditions persist in 2008 and beyond, our real estate portfolio may experience lower occupancy and effective rents, which would result in a corresponding decrease in net income, funds from operations and cash flows. In addition, the value of our investment in real estate joint ventures and partnerships and notes receivable from real estate joint ventures and partnerships may also decline.

Competition. We compete with numerous other developers and real estate companies (both public and private), financial institutions and other investors engaged in the development, acquisition and operation of shopping centers and commercial property in our trade areas. This results in competition for the acquisition of both existing income-producing properties and prime development sites. There is also competition for tenants to occupy the space that is developed, acquired and managed by our competitors or us.

We believe that the principal competitive factors in attracting tenants in our market areas are location, price, anchor tenants and maintenance of properties. We also believe that our competitive advantages include the favorable locations of our properties, knowledge of markets and customer bases, our ability to provide a retailer with multiple locations with anchor tenants and the practice of continuous maintenance and renovation of our properties.

Materials Available on Our Website. Copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports, as well as Reports on Forms 3, 4 and 5 regarding our officers, trust managers or 10% beneficial owners, filed or furnished pursuant to Section 13(a), 15(d) or 16(a) of the Securities Exchange Act of 1934 are available free of charge through our website (www.weingarten.com) as soon as reasonably practicable after we electronically file the material with, or furnish it to, the Securities and Exchange Commission ("SEC"). We have also made available on our website copies of our Audit Committee Charter, Management Development and Compensation Committee Charter, Governance Committee Charter, Code of Conduct and Ethics and Governance Policies. In the event of any changes to these charters or the code or guidelines, changed copies will also be made available on our website. You may also read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Materials on our website are not part of our Annual Report on Form 10-K.

Financial Information. Additional financial information concerning us is included in the Consolidated Financial Statements located on pages 49 through 79 herein.

ITEM 1A. Risk Factors

The economic performance and value of our shopping centers depend on many factors, each of which could have an adverse impact on our cash flows and operating results.

The economic performance and value of our properties can be affected by many factors, including the following:

§ Changes in the national, regional and local economic climate;
§ Local conditions such as an oversupply of space or a reduction in demand for real estate in the area;
§ The attractiveness of the properties to tenants;
§ Competition from other available space;
§ Our ability to provide adequate management services and to maintain our properties;
§ Increased operating costs, if these costs cannot be passed through to tenants;

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- § The expense of periodically renovating, repairing and releasing spaces;
- § Consequence of any armed conflict involving, or terrorist attack against , the United States;
- § Our ability to secure adequate insurance;
- § Fluctuations in interest rates;
- § Changes in real estate taxes and other expenses; and
- § Availability of financing on acceptable terms or at all.

Our properties consist primarily of neighborhood and community shopping centers and, therefore, our performance is linked to general economic conditions in the market for retail space. The market for retail space has been and may continue to be adversely affected by weakness in the national, regional and local economies where our properties are located, the adverse financial condition of some large retailing companies, the ongoing consolidation in the retail sector, the excess amount of retail space in a number of markets and increasing consumer purchases through catalogues and the Internet. To the extent that any of these conditions occur, they are likely to affect market rents for retail space. In addition, we may face challenges in the management and maintenance of the properties or encounter increased operating costs, such as real estate taxes, insurance and utilities, which may make our properties unattractive to tenants.

Our acquisition activities may not produce the cash flows that we expect and may be limited by competitive pressures or other factors.

We intend to acquire existing retail properties to the extent that suitable acquisitions can be made on advantageous terms. Acquisitions of commercial properties involve risks such as:

- § Our estimates on expected occupancy and rental rates may differ from actual conditions;
- § Our estimates of the costs of any redevelopment or repositioning of acquired properties may prove to be inaccurate;
- § We may be unable to operate successfully in new markets where acquired properties are located, due to a lack of market knowledge or understanding of local economies;
- § We may be unable to successfully integrate new properties into our existing operations; or
- § We may have difficulty obtaining financing on acceptable terms or paying the operating expenses and debt service associated with acquired properties prior to sufficient occupancy.

In addition, we may not be in a position or have the opportunity in the future to make suitable property acquisitions on advantageous terms due to competition for such properties with others engaged in real estate investment. Our inability to successfully acquire new properties may have an adverse effect on our results of operations.

Turmoil in capital markets could adversely impact acquisition activities and pricing of real estate assets.

Volatility in capital markets could adversely affect acquisition activities by impacting certain factors including the tightening of underwriting standards by lenders and credit rating agencies and the significant inventory of unsold Collateralized Mortgage Backed Securities in the market. These factors directly affect a lender’s ability to provide debt financing as well as increase the cost of available debt financing. As a result, we may not be able to obtain favorable debt financing in the future or at all. This may result in future acquisitions generating lower overall economic returns, which may adversely affect our results of operations and distributions to shareholders. Furthermore, any turmoil in the capital markets could adversely impact the overall amount of capital available to invest in real estate, which may result in price or value decreases of real estate assets.

Our dependence on rental income may adversely affect our ability to meet our debt obligations and make distributions to our shareholders.

The substantial majority of our income is derived from rental income from real property. As a result, our performance depends on our ability to collect rent from tenants. Our income and funds for distribution would be negatively affected if a significant number of our tenants, or any of our major tenants (as discussed in more detail below):

§ Delay lease commencements;
§ Decline to extend or renew leases upon expiration;

§ Fail to make rental payments when due; or
§ Close stores or declare bankruptcy.

Any of these actions could result in the termination of the tenants' lease and the loss of rental income attributable to the terminated leases. Lease terminations by an anchor tenant or a failure by that anchor tenant to occupy the premises could also result in lease terminations or reductions in rent by other tenants in the same shopping centers under the terms of some leases. In addition, we cannot be sure that any tenant whose lease expires will renew that lease or that we will be able to re-lease space on economically advantageous terms. The loss of rental revenues from a number of our tenants and our inability to replace such tenants may adversely affect our profitability and our ability to meet debt and other financial obligations and make distributions to the shareholders.

Our development and construction activities could affect our operating results.

We intend to continue the selective development and construction of retail properties in accordance with our development and underwriting policies as opportunities arise. Our development and construction activities include risks that:

§ We may abandon development opportunities after expending resources to determine feasibility;
§ Construction costs of a project may exceed our original estimates;
§ Occupancy rates and rents at a newly completed property may not be sufficient to make the property profitable;
§ Rental rates per square foot could be less than projected;
§ Financing may not be available to us on favorable terms for development of a property;
§ We may not complete construction and lease-up on schedule, resulting in increased debt service expense and construction costs; and
§ We may not be able to obtain, or may experience delays in obtaining necessary zoning, land use, building, occupancy and other required governmental permits and authorizations.

Additionally, the time frame required for development, construction and lease-up of these properties means that we may have to wait years for a significant cash return. If any of the above events occur, the development of properties may hinder our growth and have an adverse effect on our results of operations. In addition, new development activities, regardless of whether or not they are ultimately successful, typically require substantial time and attention from management.

Real estate property investments are illiquid, and therefore we may not be able to dispose of properties when appropriate or on favorable terms.

Real estate property investments generally cannot be disposed of quickly. In addition, the federal tax code imposes restrictions on the ability of a REIT to dispose of properties that are not applicable to other types of real estate companies. Therefore, we may not be able to vary our portfolio in response to economic or other conditions promptly or on favorable terms, which could cause us to incur extended losses and reduce our cash flows and adversely affect distributions to shareholders.

Our cash flows and operating results could be adversely affected by required payments of debt or related interest and other risks of our debt financing.

We are generally subject to risks associated with debt financing. These risks include:

§ Our cash flow may not satisfy required payments of principal and interest;
§

We may not be able to refinance existing indebtedness on our properties as necessary or the terms of the refinancing may be less favorable to us than the terms of existing debt;

§ Required debt payments are not reduced if the economic performance of any property declines;

§ Debt service obligations could reduce funds available for distribution to our shareholders and funds available for capital investment;

§ Any default on our indebtedness could result in acceleration of those obligations and possible loss of property to foreclosure; and

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§ The risk that necessary capital expenditures for purposes such as re–leasing space cannot be financed on favorable terms.

If a property is mortgaged to secure payment of indebtedness and we cannot make the mortgage payments, we may have to surrender the property to the lender with a consequent loss of any prospective income and equity value from such property. Any of these risks can place strains on our cash flows, reduce our ability to grow and adversely affect our results of operations.

Property ownership through real estate partnerships and joint ventures could limit our control of those investments and reduce our expected return.

Real estate partnership or joint venture investments may involve risks not otherwise present for investments made solely by us, including the possibility that our partner or co-venturer might become bankrupt, that our partner or co-venturer might at any time have different interests or goals than us, and that our partner or co-venturer may take action contrary to our instructions, requests, policies or objectives. Other risks of joint venture investments could include impasse on decisions, such as a sale, because neither our partner or co-venturer nor we would have full control over the partnership or joint venture. These factors could limit the return that we receive from those investments or cause our cash flows to be lower than our estimates.

Our financial condition could be adversely affected by financial covenants.

Our credit facilities and public debt indentures under which our indebtedness is, or may be, issued contain certain financial and operating covenants, including, among other things, certain coverage ratios, as well as limitations on our ability to incur secured and unsecured indebtedness, restrictions on our ability to sell all or substantially all of our assets and engage in mergers and consolidations and certain acquisitions. These covenants could limit our ability to obtain additional funds needed to address cash shortfalls or pursue growth opportunities or transactions that would provide substantial return to our shareholders. In addition, a breach of these covenants could cause a default under or accelerate some or all of our indebtedness, which could have a material adverse effect on our financial condition.

If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income tax as a regular corporation and could have significant tax liability.

We intend to operate in a manner that allows us to qualify as a REIT for U.S. federal income tax purposes. However, REIT qualification requires us to satisfy numerous requirements (some on an annual or quarterly basis) established under highly technical and complex provisions of the Internal Revenue Code, for which there are a limited number of judicial or administrative interpretations. Our status as a REIT requires an analysis of various factual matters and circumstances that are not entirely within our control. Accordingly, it is not certain we will be able to qualify and remain qualified as a REIT for U.S. federal income tax purposes. Even a technical or inadvertent violation of the REIT requirements could jeopardize our REIT qualification. Furthermore, Congress or the IRS might change the tax laws or regulations and the courts might issue new rulings, in each case potentially having retroactive effect that could make it more difficult or impossible for us to qualify as a REIT. If we fail to qualify as a REIT in any tax year, then:

§ We would be taxed as a regular domestic corporation, which, among other things, means that we would be unable to deduct distributions to our shareholders in computing our taxable income and would be subject to U.S. federal income tax on our taxable income at regular corporate rates;
§ Any resulting tax liability could be substantial and would reduce the amount of cash available for distribution to shareholders, and could force us to liquidate assets or take other actions that could have a detrimental effect on our operating results; and
§

Unless we were entitled to relief under applicable statutory provisions, we would be disqualified from treatment as a REIT for the four taxable years following the year during which we lost our qualification, and our cash available for distribution to our shareholders therefore would be reduced for each of the years in which we do not qualify as a REIT.

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Even if we remain qualified as a REIT, we may face other tax liabilities that reduce our cash flow. We may also be subject to certain U.S. federal, state and local taxes on our income and property either directly or at the level of our subsidiaries. Any of these taxes would decrease cash available for distribution to our shareholders.

Compliance with REIT requirements may negatively affect our operating decisions.

To maintain our status as a REIT for U.S. federal income tax purposes, we must meet certain requirements, on an ongoing basis, including requirements regarding our sources of income, the nature and diversification of our assets, the amounts we distribute to our shareholders and the ownership of our shares. We may also be required to make distributions to our shareholders when we do not have funds readily available for distribution or at times when our funds are otherwise needed to fund capital expenditures.

As a REIT, we must distribute at least 90% of our annual net taxable income (excluding net capital gains) to our shareholders. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our net taxable income, we will be subject to U.S. federal corporate income tax on our undistributed taxable income. From time to time, we may generate taxable income greater than our income for financial reporting purposes, or our net taxable income may be greater than our cash flow available for distribution to our shareholders. If we do not have other funds available in these situations, we could be required to borrow funds, sell a portion of our securities at unfavorable prices or find other sources of funds in order to meet the REIT distribution requirements.

Dividends paid by REITs generally do not qualify for reduced tax rates.

In general, the maximum U.S. federal income tax rate for dividends paid to individual U.S. shareholders is 15% (through 2008). Unlike dividends received from a corporation that is not a REIT, our distributions to individual shareholders generally are not eligible for the reduced rates.

Our real estate investments may contain environmental risks that could adversely affect our operating results.

The acquisition of certain assets may subject us to liabilities, including environmental liabilities. Our operating expenses could be higher than anticipated due to the cost of complying with existing or future environmental laws and regulations. In addition, under various federal, state and local laws, ordinances and regulations, we may be considered an owner or operator of real property or have arranged for the disposal or treatment of hazardous or toxic substances. As a result, we may become liable for the costs of removal or remediation of certain hazardous substances released on or in our property.

We may also be liable for other potential costs that could relate to hazardous or toxic substances (including governmental fines and injuries to persons and property). We may incur such liability whether or not we knew of, or were responsible for, the presence of such hazardous or toxic substances. Any liability could be of substantial magnitude and divert management’s attention from other aspects of our business and, as a result, could have a material adverse effect on our operating results and financial condition, as well as our ability to make distributions to the shareholders.

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An uninsured loss or a loss that exceeds the policies on our properties could subject us to lost capital or revenue on those properties.

Under the terms and conditions of the leases currently in force on our properties, tenants generally are required to indemnify and hold us harmless from liabilities resulting from injury to persons, air, water, land or property, on or off the premises, due to activities conducted on the properties, except for claims arising from our negligence or intentional misconduct or that of our agents. Tenants are generally required, at the tenant's expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies. We have obtained comprehensive liability, casualty, property, flood and rental loss insurance policies on our properties. All of these policies may involve substantial deductibles and certain exclusions. In addition, we cannot assure the shareholders that the tenants will properly maintain their insurance policies or have the ability to pay the deductibles. Should a loss occur that is uninsured or in an amount exceeding the combined aggregate limits for the policies noted above, or in the event of a loss that is subject to a substantial deductible under an insurance policy, we could lose all or part of our capital invested in, and anticipated revenue from, one or more of the properties, which could have a material adverse effect on our operating results and financial condition, as well as our ability to make distributions to the shareholders.

Loss of our key personnel could adversely affect the value of our common shares of beneficial interest and operations.

We are dependent on the efforts of our key executive personnel. Although we believe qualified replacements could be found for these key executives, the loss of their services could adversely affect the value of our common shares of beneficial interest and operations.

Policies may be changed without obtaining the approval of our shareholders.

Our shareholders do not control any policies with respect to our operating and financial policies, including our policies regarding acquisitions, dispositions, indebtedness, operations, capitalization and dividends, which are determined by our Board of Trust Managers and management.

The market price of our common shares of beneficial interest and preferred shares could be adversely affected by disruptions in capital market or other economic conditions.

Volatile market conditions could result in value fluctuations in our common shares of beneficial interest and preferred shares. Among the market conditions that may affect the value of our common shares of beneficial interest and preferred shares are the following:

- § the attractiveness of REIT securities as compared to other securities, including securities issued by other real estate companies, fixed income equity securities and debt securities;
- § the degree of interest held by institutional investors;
- § our operating performance and financial situation; and
- § general economic conditions.

The current volatility on the stock market has created price and volume fluctuations that have not necessarily been comparable to operating performance.

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Compliance with the Americans with Disabilities Act and fire, safety and other regulations may require us to make unintended expenditures that adversely affect our cash flows.

All of our properties are required to comply with the Americans with Disabilities Act (ADA). The ADA has separate compliance requirements for "public accommodations" and "commercial facilities," but generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers, and noncompliance could result in imposition of fines by the U.S. government or an award of damages to private litigants, or both. While the tenants to whom we lease properties are obligated by law to comply with the ADA provisions, and typically under tenant leases are obligated to cover costs associated with compliance, if required changes involve greater expenditures than anticipated, or if the changes must be made on a more accelerated basis than anticipated, the ability of these tenants to cover costs could be adversely affected. As a result, we could be required to expend funds to comply with the provisions of the ADA, which could adversely affect the results of operations and financial condition and our ability to make distributions to shareholders. In addition, we are required to operate the properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to the properties. We may be required to make substantial capital expenditures to comply with those requirements, and these expenditures could have a material adverse effect on our ability to meet the financial obligations and make distributions to our shareholders.

ITEM 1B. Unresolved Staff Comments

None.

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ITEM 2. Properties

At December 31, 2007, our real estate properties consisted of 415 locations in 23 states. A complete listing of these properties, including the name, location, building area and land area, is as follows (in square feet):

Center and Location		Building Area	Land Area
Retail			
Arizona			
Arrowhead Festival S.C., 75th Ave. at W. Bell Rd., Glendale		176,458	157,000
Broadway Marketplace, Broadway at Rural, Tempe		82,757	347,000
Camelback Village Square, Camelback at 7th Avenue, Phoenix		234,494	543,000
Entrada de Oro, Magee Road and Oracle Road, Tucson		109,091	572,000
Fountain Plaza, 77th St. at McDowell, Scottsdale		102,271	445,000
Fry's Ellsworth Plaza, Broadway Rd. at Ellsworth Rd., Mesa		73,608	58,000
Fry's Valley Plaza, S. McClintock at E. Southern, Tempe		145,104	570,000
Gladden Farms, Lon Adams Rd at Tangerine Farms Rd	(1)(2)	119,685	464,785
Laveen Village Market, Baseline Rd. at 51st St., Phoenix		111,644	372,274
Madera Village, Tanque Verde Rd. and Catalina Hwy, Tucson		106,626	419,000
Mohave Crossroads, Bullhead Parkway at State Route 95, Bullhead City	(2)	302,230	1,356,023
Monte Vista Village Center, Baseline Rd. at Ellsworth Rd., Mesa		104,151	353,000
Oracle Crossings, Oracle Highway and Magee Road, Tucson		253,625	1,307,000
Oracle Wetmore, Wetmore Road and Oracle Highway, Tucson		256,093	1,181,000
Palmilla Center, Dysart Rd. at McDowell Rd., Avondale		169,142	264,000
Pueblo Anozira, McClintock Dr. at Guadalupe Rd., Tempe		157,309	769,000
Raintree Ranch, Ray Road at Price Road, Chandler	(2)	128,106	759,000
Rancho Encanto, 35th Avenue at Greenway Rd., Phoenix		70,909	246,440
Red Mountain Gateway, Power Rd. at McKellips Rd., Mesa		205,568	353,000
Scottsdale Horizon, Frank Lloyd Wright Blvd and Thompson Peak Parkway, Scottsdale		10,337	61,000
Shoppes at Bears Path, Tanque Verde Rd. and Bear Canyon Rd., Tucson		65,779	362,000
Squaw Peak Plaza, 16th Street at Glendale Ave., Phoenix		61,060	220,000
The Shoppes at Parkwood Ranch, Southern Avenue and Signal Butte Road, Mesa	(2)	69,300	658,567
University Plaza, Plaza Way at Milton Rd., Flagstaff		166,321	919,000
Val Vista Towne Center, Warner at Val Vista Rd., Gilbert		216,372	366,000
Arizona, Total		3,498,040	13,123,089
Arkansas			
Markham Square, W. Markham at John Barrow, Little Rock		126,904	514,000
Markham West, 11400 W. Markham, Little Rock		178,210	769,000
Westgate, Cantrell at Bryant, Little Rock		52,626	206,000
Arkansas, Total		357,740	1,489,000
California			
580 Market Place, E. Castro Valley at Hwy. I-580, Castro Valley		100,165	444,000

Arcade Square, Watt Ave. at Whitney Ave., Sacramento	76,497	234,000
Buena Vista Marketplace, Huntington Dr. at Buena Vista St., Duarte	90,805	322,000
Centerwood Plaza, Lakewood Blvd. at Alondra Dr., Bellflower	75,500	333,000
Chino Hills Marketplace, Chino Hills Pkwy. at Pipeline Ave., Chino Hills	309,098	1,187,000
Creekside Center, Alamo Dr. at Nut Creek Rd., Vacaville	116,229	400,000
Discovery Plaza, W. El Camino Ave. at Truxel Rd., Sacramento	93,398	417,000
El Camino Promenade, El Camino Real at Via Molena, Encinitas	130,856	451,000
Freedom Centre, Freedom Blvd. At Airport Blvd., Watsonville	150,241	543,000
Fremont Gateway Plaza, Paseo Padre Pkwy. at Walnut Ave., Fremont	194,601	650,000
Greenhouse Marketplace, Lewelling Blvd. at Washington Ave., San Leandro	238,664	578,000
Hallmark Town Center, W. Cleveland Ave. at Stephanie Ln., Madera	85,066	365,000

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Center and Location		Building Area	Land Area
Jess Ranch Marketplace, Bear Valley Road at Jess Ranch Parkway, Apple Valley	(1)(2)(3)	275,595	0
Jess Ranch Phase III, Bear Valley Road at Jess Ranch Parkway, Apple Valley	(1)(2)(3)	71,500	1,692,000
Marshalls Plaza, McHenry at Sylvan Ave., Modesto		78,752	218,000
Menifee Town Center, Antelope Rd. at Newport Rd., Menifee		248,494	658,000
Prospectors Plaza, Missouri Flat Rd. at US Hwy. 50, Placerville		228,345	866,684
Ralphs Redondo, Hawthorne Blvd. at 182nd St., Redondo Beach		66,700	431,000
Rancho San Marcos Village, San Marcos Blvd. at Rancho Santa Fe Rd., San Marcos		120,829	541,000
San Marcos Plaza, San Marcos Blvd. at Rancho Santa Fe Rd., San Marcos		81,086	116,000
Shasta Crossroads, Churn Creek Rd. at Dana Dr., Redding		252,802	520,000
Silver Creek Plaza, E. Capital Expressway at Silver Creek Blvd., San Jose		199,179	573,000
Southampton Center, IH-780 at Southampton Rd., Benecia		162,390	596,000
Stony Point Plaza, Stony Point Rd. at Hwy. 12, Santa Rosa		198,528	619,000
Summerhill Plaza, Antelope Rd. at Lichen Dr., Sacramento		133,614	704,000
Sunset Center, Sunset Ave. at State Hwy. 12, Suisun City		85,238	359,000
Tully Corners Shopping Center, Tully Rd at Quimby Rd, San Jose	(1)(3)	115,992	430,891
Valley, Franklin Boulevard and Mack Road, Sacramento		103,605	580,000
Westminster Center, Westminster Blvd. at Golden West St., Westminster		411,278	1,739,000
California, Total		4,495,047	16,567,575
Colorado			
Academy Place, Academy Blvd. at Union Blvd., Colorado Springs		261,419	404,000
Aurora City Place, E. Alameda at I225, Aurora	(1)(3)	547,283	2,260,000
Buckingham Square, Mississippi at Havana, Aurora	(1)(2)	142,500	0
CityCenter Englewood, S. Santa Fe at Hampden Ave., Englewood	(1)	360,543	452,941
Crossing at Stonegate, Jordon Rd. at Lincoln Ave., Parker	(1)	109,058	870,588
Glenwood Meadows, Midland Ave. at W. Meadows, Glenwood Springs	(1)(2)(3)	395,760	1,287,805
Green Valley Ranch Towne Center, Tower Rd. at 48th Ave., Denver	(1)(3)	113,006	310,000
Lowry Town Center, 2nd Ave. at Lowry Ave., Denver	(1)(3)	129,439	246,000
River Point at Sheridan, Highway 77 and Highway 88, Sheridan	(1)(2)(3)	380,638	4,270,000
Thorncreek Crossing, Washington St. at 120th St., Thornton	(1)	386,130	1,156,863
Uintah Gardens, NEC 19th St. at West Uintah, Colorado Springs		212,638	677,000
Westminster Plaza, North Federal Blvd. at 72nd Ave., Westminster	(1)	97,042	636,000
Colorado, Total		3,135,456	12,571,197
Florida			

Alafaya Square, Alafaya Trail, Oviedo	(1)(3)	176,486	915,000
Argyle Village, Blanding at Argyle Forest Blvd., Jacksonville		304,447	1,329,000
Boca Lyons, Glades Rd. at Lyons Rd., Boca Raton		113,689	545,000
Clermont Landing, U.S. 27 & Steve's Road	(1)(2)	144,019	2,289,949
Colonial Landing, East Colonial Dr. at Maguire Boulevard, Orlando	(1)(2)	263,267	980,000
Colonial Plaza, E. Colonial Dr. at Primrose Dr., Orlando		496,628	2,009,000
Countryside Centre, US Highway 19 at Countryside Boulevard		242,123	906,440
Curry Ford, Young Pines and Curry Ford Rd, Orange County	(2)	0	132,422
East Lake Woodlands, East Lake Road and Tampa Road, Palm Harbor	(1)(3)	140,103	730,000
Embassy Lakes, Sheraton St. at Hiatus Rd., Cooper City		179,937	618,000
Flamingo Pines, Pines Blvd. at Flamingo Rd., Pembroke Pines		368,111	1,447,000
Hollywood Hills Plaza, Hollywood Blvd. at North Park Rd., Hollywood		364,714	1,429,000
Indian Harbour Place, East Eau Gallie Boulevard, Indian Harbour Beach	(1)(3)	163,521	636,000
International Drive Value Center, International Drive and Touchstone Drive, Orlando	(1)(3)	185,664	985,000
Kendall Corners, Kendall Drive and SW 127th Avenue, Miami	(1)(3)	96,515	365,000
Lake Washington Crossing, Wickham Rd. at Lake Washington Rd., Melbourne	(1)(3)	118,828	580,000
Lake Washington Square, Wickham Rd. at Lake Washington Rd., Melbourne		111,811	688,000
Largo Mall, Ulmerton Rd. at Seminole Ave., Largo		575,388	1,888,000

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Center and Location		Building Area	Land Area
Market at Southside, Michigan Ave. at Delaney Ave., Orlando		159,835	349,000
Marketplace at Seminole Towne Center, Central Florida Greenway and Rinehart Road, Sanford		493,761	1,743,000
Northridge, E. Commercial Blvd. at Dixie Hwy., Oakland Park		236,170	901,000
Palm Coast Center, State Road 100 & Belle Terre Parkway, Palm Coast	(1)(2)	303,146	1,384,772
Palm Lakes Plaza, Atlantic Boulevard and Rock Island Road, Maragate	(1)(3)	116,402	550,000
Paradise Key at Kelly Plantation, US Highway 98 and Mid Bay Bridge Rd, Destin	(1)(3)	271,777	1,247,123
Pembroke Commons, University at Pines Blvd., Pembroke Pines		314,417	1,394,000
Phillips Crossing, Interstate 4 and Sand Lake Road, Orlando	(2)	91,350	697,000
Phillips Landing, Turkey Lake Rd., Orlando	(2)	253,888	311,000
Pineapple Commons, Us Highway 1 and Britt Rd.	(1)(3)	249,014	762,736
Publix at Laguna Isles, Sheridan St. at SW 196th Ave., Pembroke Pines		69,475	400,000
Quesada Commons, Quesada Avenue and Toledo Blade Boulevard, Port Charlotte	(1)(3)	58,890	312,000
Shoppes at Paradise Isle, 34940 Emerald Coast Pkwy, Destin	(1)(3)	171,837	764,000
Shoppes at Parkland, Hillsboro Boulevard at State Road #7, Parkland		145,652	905,000
Shoppes of Port Charlotte, Toledo Blade Boulevard and Tamiami Trail, Port Charlotte	(1)(3)	41,011	276,000
South Dade, South Dixie Highway and Eureka Drive, Miami	(1)(3)	219,412	1,230,000
Sunrise West Shopping Center, West Commercial Drive and NW 91st Avenue, Sunrise	(1)(3)	76,321	540,000
Sunset 19, US Hwy. 19 at Sunset Pointe Rd., Clearwater		275,910	1,078,000
Tamiami Trail Shops, S.W. 8th St. at S.W. 137th Ave., Miami		110,867	515,000
The Marketplace at Dr. Phillips, Dr. Phillips Boulevard and Sand Lake Road, Orlando	(1)(3)	326,250	1,495,000
The Shoppes at South Semoran, Semoran Blvd. at Pershing Ave.		101,535	451,282
TJ Maxx Plaza, 117th Avenue at Sunset Blvd., Kendall		161,871	540,000
University Palms, Alafaya Trail at McCullough Rd., Oviedo		99,172	522,000
Venice Pines, Center Rd. at Jacaranda Blvd., Venice		97,303	525,000
Vizcaya Square, Nob Hill Rd. at Cleary Blvd., Plantation		112,410	521,000
Westland Terrace Plaza, SR 50 at Apopka Vineland Rd., Orlando		250,954	361,000
Winter Park Corners, Aloma Ave. at Lakemont Ave., Winter Park		102,397	400,000
Florida, Total		8,956,278	38,647,724
Georgia			
Brookwood Marketplace, Peachtree Parkway at Mathis Airport Rd., Suwannee		367,170	1,459,000
Brookwood Square, East-West Connector at Austell Rd., Austell		253,448	971,000
		81,886	205,000

Brownsville Commons, Brownsville Road and Hiram-Lithia Springs Road, Powder Springs			
Camp Creek Marketplace II, Camp Creek Parkway and Carmla Drive, Atlanta		196,283	724,000
Cherokee Plaza, Peachtree Road and Colonial Drive, Atlanta		98,553	336,000
Dallas Commons, US Highway 278 and Nathan Dean Boulevard, Dallas		95,262	244,000
Grayson Commons, Grayson Hwy at Rosebud Rd., Grayson		76,611	507,383
Lakeside Marketplace, Cobb Parkway (US Hwy 41), Acworth		321,688	736,000
Mansell Crossing, North Point Parkway at Mansell Rd	(1)(3)	102,931	582,833
Perimeter Village, Ashford-Dunwoody Rd		387,755	1,803,820
Publix at Princeton Lakes, Carmia Drive and Camp Creek Drive, Atlanta		68,389	336,000
Reynolds Crossing, Steve Reynolds and Old North Cross Rd., Duluth		115,983	407,000
Roswell Corners, Woodstock Rd. at Hardscrabble Rd., Roswell		318,499	784,000
Sandy Plains Exchange, Sandy Plains at Scufflegrit, Marietta		72,784	452,000
South Fulton Town Center, NWC South Fulton Parkway @ Hwy 92, Union City	(1)(2)	178,601	3,554,000
Thompson Bridge Commons, Thompson Bridge Rd. at Mt. Vernon Rd., Gainesville		78,351	540,000
Georgia, Total		2,814,194	13,642,036
Illinois			
Burbank Station, S. Cicero Ave. at W. 78th St.		303,566	1,013,380
Illinois, Total		303,566	1,013,380

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Center and Location		Building Area	Land Area
Kansas			
Kohl's, Wanamaker Rd. at S.W. 17th St., Topeka		115,716	444,000
Shawnee Village, Shawnee Mission Pkwy. at Quivera Rd., Shawnee		135,139	10,000
Kansas, Total		250,855	454,000
Kentucky			
Festival at Jefferson Court, Outer Loop at Jefferson Blvd., Louisville		218,396	1,153,000
Millpond Center, Boston at Man O'War, Lexington		151,567	773,000
Regency Shopping Centre, Nicholasville Rd.& West Lowry Lane, Lexington		124,486	590,000
Tates Creek, Tates Creek at Man O' War, Lexington		179,450	660,000
Kentucky, Total		673,899	3,176,000
Louisiana			
14/Park Plaza, Hwy. 14 at General Doolittle, Lake Charles		172,068	535,000
Ambassador Plaza, Ambassador Caffery at W. Congress, Lafayette		101,950	34,915
Conn's Building, Ryan at 17th St., Lake Charles		23,201	36,000
Danville Plaza, Louisville at 19th, Monroe		141,380	539,000
K-Mart Plaza, Ryan St., Lake Charles	(1)(3)	215,948	126,000
Manhattan Place, Manhattan Blvd. at Gretna Blvd., Harvey		263,615	894,000
Orleans Station, Paris, Robert E. Lee at Chatham, New Orleans		0	31,000
Park Terrace, U.S. Hwy. 171 at Parish, DeRidder		131,127	520,000
Prien Lake Plaza, Prien Lake Rd. at Nelson Rd., Lake Charles		213,118	64,950
River Marketplace, Ambassador Caffery at Kaliste Saloom, Lafayette	(1)(3)	342,968	1,029,415
Seigen Plaza, Siegen Lane at Honore Lane, Baton Rouge		349,737	1,000,000
Southgate, Ryan at Eddy, Lake Charles		170,588	511,000
Town & Country Plaza, U.S. Hwy. 190 West, Hammond		226,102	645,000
University Place, 70th St. at Youree Dr., Shreveport	(1)(3)	395,272	1,078,431
Westwood Village, W. Congress at Bertrand, Lafayette		141,346	942,000
Louisiana, Total		2,888,420	7,986,711
Maine			
The Promenade, Essex at Summit, Lewiston	(1)	205,034	962,667
Maine, Total		205,034	962,667
Missouri			
Ballwin Plaza, Manchester Rd. at Vlasis Dr., Ballwin		200,915	653,000
Western Plaza, Hwy 141 at Hwy 30, Fenton	(1)(3)	56,534	654,000
Missouri, Total		257,449	1,307,000
Nevada			
Best in the West, Rainbow at Lake Mead Rd., Las Vegas		436,814	1,516,000
Charleston Commons, Charleston and Nellis, Las Vegas		338,378	1,316,000
		167,654	721,000

College Park S.C., E. Lake Mead Blvd. at Civic Ctr. Dr., North Las Vegas			
Decatur 215, Decatur at 215	(1)(2)	0	1,103,810
Eastern Horizon, Eastern Ave. at Horizon Ridge Pkwy., Henderson		210,287	478,000
Francisco Centre, E. Desert Inn Rd. at S. Eastern Ave., Las Vegas		148,815	639,000
Mission Center, Flamingo Rd. at Maryland Pkwy, Las Vegas		208,220	570,000
Paradise Marketplace, Flamingo Rd. at Sandhill, Las Vegas		148,713	537,000
Rainbow Plaza, Phase I, Rainbow Blvd. at Charleston Blvd., Las Vegas		136,369	514,518
Rainbow Plaza, Rainbow Blvd. at Charleston Blvd., Las Vegas		278,416	1,033,482
Rancho Towne & Country, Rainbow Blvd. at Charleston Blvd., Las Vegas		87,367	350,000
Tropicana Beltway, Tropicana Beltway at Fort Apache Rd., Las Vegas		640,749	1,466,000
Tropicana Marketplace, Tropicana at Jones Blvd., Las Vegas		142,728	519,000
Westland Fair North, Charleston Blvd. At Decatur Blvd., Las Vegas		576,202	2,344,000
Nevada, Total		3,520,712	13,107,810

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Center and Location		Building Area	Land Area
New Mexico			
De Vargas, N. Guadalupe at Paseo de Peralta, Santa Fe		312,421	795,000
Eastdale, Candelaria Rd. at Eubank Blvd., Albuquerque		117,623	601,000
North Towne Plaza, Academy Rd. at Wyoming Blvd., Albuquerque		104,034	607,000
Pavillions at San Mateo, I-40 at San Mateo, Albuquerque		195,944	791,000
Plaza at Cottonwood, Coors Bypass Blvd. at Seven Bar Loop Rd., Albuquerque		418,322	386,000
Wyoming Mall, Academy Rd. at Northeastern, Albuquerque		270,271	1,309,000
New Mexico, Total		1,418,615	4,489,000
North Carolina			
Avent Ferry, Avent Ferry Rd. at Gorman St., Raleigh		111,650	669,000
Bull City Market, Broad St. at West Main St., Durham		42,517	112,000
Capital Square, Capital Blvd. at Huntleigh Dr., Cary		143,063	607,000
Chatham Crossing, US 15/501 at Plaza Dr., Chapel Hill	(1)(3)	96,155	424,000
Cole Park Plaza, US 15/501 and Plaza Dr., Chapel Hill	(1)(3)	82,258	380,000
Durham Festival, Hillsborough Rd. at LaSalle St., Durham		134,295	487,000
Falls Pointe, Neuce Rd. at Durant Rd., Raleigh		193,331	659,000
Galleria, Galleria Boulevard and Sardis Road, Charlotte		328,144	799,000
Harrison Pointe, Harrison Ave. at Maynard Rd., Cary		130,934	1,343,000
Heritage Station, Forestville Rd. at Rogers Rd., Wake Forest		68,778	392,000
High House Crossing, NC Hwy 55 at Green Level W. Rd., Cary		89,997	606,000
Johnston Road Plaza, Johnston Rd. at McMullen Creek Pkwy., Charlotte		79,508	466,000
Leesville Town Centre, Leesville Rd. at Leesville Church Rd., Raleigh		112,615	904,000
Little Brier Creek, Little Brier Creek Lane and Brier Leaf Lane, Raleigh		63,011	90,000
Lynnwood Collection, Creedmoor Rd at Lynn Road, Raleigh		86,362	429,000
Mineral Springs Village, Mineral Springs Rd. at Wake Forest Rd., Durham		59,859	572,000
Northwoods Market, Maynard Rd. at Harrison Ave., Cary		77,802	431,000
Parkway Pointe, Cory Parkway at S. R. 1011, Cary		80,061	461,000
Pinecrest Plaza, Hwy. 15-501 at Morganton Rd., Pinehurst		250,140	1,438,000
Ravenstone Commons, Hwy 98 at Sherron Rd., Durham		60,424	374,000
Six Forks Station, Six Forks Rd. at Strickland Rd., Raleigh		469,780	1,843,000
Southern Pines, U.S. 15-501 and Bruce Wood Rd, Southern Pines	(2)	0	1,047,000
Steele Creek Crossing, York Rd. at Steele Creek Rd., Charlotte		77,301	491,000
Stonehenge Market, Creedmoor Rd. at Bridgeport Dr., Raleigh		188,521	669,000
Surf City Crossing, Highway 17 and Highway 210, Surf City	(2)	48,756	2,538,476
Waterford Village, US Hwy 17 & US Hwy 74/76, Leland	(1)(2)	52,781	1,264,000
Whitehall Commons, NWC of Hwy. 49 at I-485, Charlotte		444,596	360,000
North Carolina, Total		3,572,639	19,855,476
Oklahoma			

Market Boulevard , E. Reno Ave. at N. Douglas Ave., Midwest City		35,765	142,000
Town and Country, Reno Ave at North Air Depot, Midwest City		135,892	540,000
Oklahoma, Total		171,657	682,000
Oregon			
Clackamas Square, SE 82nd Avenue and SE Causey Avenue, Portland	(1)(3)	136,739	215,000
Oak Grove Market Center, SE Mcloughlin Blvd & Oak Grove Ave		97,207	292,288
Raleigh Hills Plaza, SW Beaverton-Hillsdale Hwy and SW Scholls Ferry Road, Portland	(1)(3)	39,520	165,000
Oregon, Total		273,466	672,288
South Carolina			
Fresh Market Shoppes, 890 William Hilton Head Pkwy, Hilton Head	(1)(3)	86,120	436,000
South Carolina, Total		86,120	436,000

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Center and Location		Building Area	Land Area
Tennessee			
Bartlett Towne Center, Bartlett Blvd. at Stage Rd., Bartlett		179,364	774,000
Commons at Dexter Lake Phase II, Dexter at N. Germantown, Memphis		61,538	272,792
Commons at Dexter Lake, Dexter at N. Germantown, Memphis		166,958	740,208
Highland Square, Summer at Highland, Memphis		14,490	84,000
Mendenhall Commons, South Mendenahall Rd. and Sanderlin Avenue, Memphis		80,206	250,000
Ridgeway Trace, Memphis	(2)	137,740	275,915
Summer Center, Summer Ave. at Waring Rd., Memphis		148,708	560,000
Tennessee, Total		789,004	2,956,915
Texas			
10/Federal, I-10 at Federal		132,472	474,000
Alabama-Shepherd, S. Shepherd at W. Alabama		56,110	176,000
Angelina Village, Hwy. 59 at Loop 287, Lufkin		256,940	1,835,000
Bayshore Plaza, Spencer Hwy. at Burke Rd.		121,966	196,000
Bell Plaza, 45th Ave. at Bell St., Amarillo		130,529	682,000
Bellaire Boulevard, Bellaire at S. Rice		35,081	137,000
Boswell Towne Center, Highway 287 at Bailey Boswell Rd., Saginaw		87,835	137,000
Braeswood Square, N. Braeswood at Chimney Rock		103,336	422,000
Broadway , Broadway at 59th St., Galveston		74,477	220,000
Broadway, S. Broadway at W. 9th St., Tyler		60,400	259,000
Brodie Oaks, South Lamar Blvd. at Loop 360, Austin		335,942	1,050,000
Calder, Calder at 24th St., Beaumont		34,641	95,000
Cedar Bayou, Bayou Rd., La Marque		45,561	51,000
Central Plaza, Loop 289 at Slide Rd., Lubbock		151,196	529,000
Centre at Post Oak, Westheimer at Post Oak Blvd.		182,070	505,000
Champions Village, F.M. 1960 at Champions Forest Dr.		383,779	1,391,000
Coronado, 34th St. at Wimberly Dr., Amarillo		46,829	201,000
Crestview, Bissonnet at Wilcrest		8,970	35,000
Crossroads, I-10 at N. Main, Vidor		115,692	484,000
Cullen Place, Cullen at Reed		7,316	30,000
Cullen Plaza, Cullen at Wilmington		84,517	318,000
Custer Park, SWC Custer Road at Parker Road, Plano		180,568	376,000
Cypress Pointe, F.M. 1960 at Cypress Station		287,364	737,000
Eastpark, Mesa Rd. at Tidwell		114,373	664,000
Edgebrook, Edgebrook at Gulf Fwy.		78,324	360,000
Fiesta Trails, I-10 at DeZavala Rd., San Antonio		488,370	1,589,000
Fiesta Village, Quitman at Fulton		30,249	80,000
Fondren/West Airport, Fondren at W. Airport		56,593	223,000
Food King Place, 25th St. at Avenue P, Galveston		28,062	78,000
Galveston Place, Central City Blvd. at 61st St., Galveston		210,187	828,000
Gateway Station, I-35W and McAlister Rd., Burleson	(1)(2)	30,000	344,286

Gillham Circle, Gillham Circle at Thomas, Port Arthur		33,134	94,000
Glenbrook Square, Telephone Road		76,483	320,000
Griggs Road, Griggs at Cullen		80,114	382,000
Harrisburg Plaza, Harrisburg at Wayside		93,438	334,000
Heights Plaza, 20th St. at Yale		71,777	228,000
Horne Street Market, I-30 & Horne Street, Fort Worth	(2)	0	223,463
Humblewood Shopping Plaza, Eastex Fwy. at F.M. 1960		277,837	784,000
I-45/Telephone Rd. Center, I-45 at Maxwell Street		172,609	819,000
Independence Plaza, Town East Blvd., Mesquite		179,182	787,000
Island Market Place, 6th St. at 9th Ave., Texas City		27,277	90,000
Jacinto City, Market at Baca	(1)	49,138	134,000
Killeen Marketplace, 3200 E. Central Texas Expressway, Killeen		251,137	512,000
Lake Pointe Market Center, Dalrock Rd. at Lakeview Pkwy., Rowlett		124,036	218,158
Las Tiendas Plaza, Expressway 83 at McColl Rd., McAllen	(1)(3)	530,067	910,000
Lawndale, Lawndale at 75th St.		51,393	177,000
League City Plaza, I-45 at F.M. 518, League City		126,990	680,000
Little York Plaza, Little York at E. Hardy		117,353	483,000
Lone Star Pavilions, Texas at Lincoln Ave., College Station		106,907	439,000
Lyons Avenue, Lyons at Shotwell		67,629	178,000
Market at Nolana, Nolana Ave and 29th St., McAllen	(1)(2)(3)	222,248	508,000
Market at Sharyland Place, U.S. Expressway 83 and Shary Road, Mission	(1)(2)(3)	91,411	543,000

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Center and Location		Building Area	Land Area
Market at Town Center, Town Center Blvd., Sugar Land		375,820	1,733,000
Market at Westchase, Westheimer at Wilcrest		84,084	318,000
Montgomery Plaza, Loop 336 West at I-45, Conroe		296,837	1,179,000
Moore Plaza, S. Padre Island Dr. at Staples, Corpus Christi		533,577	1,491,000
New Boston Road, New Boston at Summerhill, Texarkana		97,000	335,000
North Creek Plaza, Del Mar Blvd. at Hwy. I-35, Laredo		448,756	1,251,000
North Main Square, Pecore at N. Main		18,515	64,000
North Oaks, F.M. 1960 at Veterans Memorial		417,279	1,646,000
North Park Plaza, Eastex Fwy. at Dowlen, Beaumont	(1)(3)	281,401	636,000
North Sharyland Towne Crossing, Shary Rd. at North Hwy. 83, Mission	(1)(2)(3)	0	966,000
North Towne Plaza, U.S. 77 and 83 at SHFM 802, Brownsville	(1)(2)	117,000	1,258,551
North Triangle , I-45 at F.M. 1960		16,060	113,000
Northbrook Center, Northwest Fwy. at W. 34th		172,479	655,000
Northcross, N. 10th St. at Nolana Loop, McAllen	(1)(3)	76,391	218,000
Northway, Northwest Fwy. at 34th		217,136	793,000
Northwest Crossing, N.W. Fwy. at Hollister	(1)(3)	304,064	884,000
Oak Forest, W. 43rd at Oak Forest		147,674	541,000
Oak Park Village, Nacogdoches at New Braunfels, San Antonio		64,287	221,000
Old Navy Building, 1815 10th Street, McAllen	(1)(3)	15,000	62,000
Orchard Green, Gulfton at Renwick		74,983	273,000
Overton Park Plaza, SW Loop 820/Interstate 20 at South Hulen St., Ft. Worth		463,302	1,636,000
Palmer Plaza, F.M. 1764 at 34th St., Texas City		196,506	367,000
Parliament Square II, W. Ave. at Blanco, San Antonio		54,541	220,919
Parliament Square, W. Ave. at Blanco, San Antonio		64,950	263,081
Phelan West, Phelan at 23rd St., Beaumont	(1)(3)	82,221	88,509
Phelan, Phelan at 23rd St, Beaumont		12,000	63,000
Pitman Corners, Custer Road at West 15th, Plano		192,283	699,000
Plantation Centre, Del Mar Blvd. at McPherson Rd., Laredo		134,919	596,000
Portairs, Ayers St. at Horne Rd., Corpus Christi		118,233	416,000
Preston Shepard Place, Preston Rd. at Park Blvd.	(1)(3)	363,337	1,359,072
Randall's /Cypress Station, F.M. 1960 at I-45		138,974	618,000
Randall's /Kings Crossing, Kingwood Dr. at Lake Houston Pkwy.		127,525	624,000
Randall's /Norchester, Grant at Jones		107,200	475,000
Richmond Square, Richmond Ave. at W. Loop 610		93,870	135,000
River Oaks East, W. Gray at Woodhead		71,265	206,000
River Oaks West, W. Gray at S. Shepherd		234,198	609,000
River Pointe, I-45 at Loop 336, Conroe		189,703	310,000
Rockwall, I-30 at Market Center Street, Rockwall		209,051	933,000
Rose-Rich, U.S. Hwy. 90A at Lane Dr., Rosenberg		103,385	386,000
Sharyland Towne Crossing, Shary Rd. at Hwy. 83, Mission	(1)(2)(3)	343,583	2,008,000
Sheldon Forest North , North, I-10 at Sheldon		22,040	131,000
Sheldon Forest South , North, I-10 at Sheldon	(1)	75,340	328,000

Shops at Three Corners, S. Main at Old Spanish Trail	(1)	252,140	1,007,143
South 10th St. HEB, S. 10th St. at Houston St., McAllen	(1)(3)	103,702	368,000
Southcliff, I-20 at Grandbury Rd., Ft. Worth		115,827	568,000
Southgate, Calder Ave. at 6th St., Beaumont		33,555	118,000
Southgate, W. Fuqua at Hiram Clark		125,440	533,000
Spring Plaza, Hammerly at Campbell		56,166	202,000
Starr Plaza, U.S. Hwy. 83 at Bridge St., Rio Grande City	(1)(2)(3)	176,812	742,000
Steeplechase, Jones Rd. at F.M. 1960		294,501	849,000
Stella Link , Stella Link at S. Braeswood		96,396	423,588
Stevens Ranch, NEC SH 211 and Potranco Road, San Antonio	(1)(2)	0	8,656,243
Studemont, Studewood at E. 14th St		28,466	91,000

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Center and Location		Building Area	Land Area
Ten Blalock Square, I-10 at Blalock		97,217	321,000
Thousand Oaks, Thousand Oaks Dr. at Jones Maltsberger Rd., San Antonio		162,882	730,000
Tomball Marketplace, FM 2920 and Future 249, Tomball	(2)	85,000	2,431,000
Town and Country, 4th St. at University, Lubbock		30,743	339,000
Valley View, West Ave. at Blanco Rd., San Antonio		89,859	341,000
Village Arcade, University at Kirby		57,219	276,503
Village Arcade-Phase II , University at Kirby		28,371	60,099
Village Arcade-Phase III, University at Kirby		106,879	231,156
Westchase Center, Westheimer at Wilcrest		332,544	754,000
Westhill Village, Westheimer at Hillcroft		130,562	479,000
Westmont, Dowlen at Phelan, Beaumont		98,071	507,000
Westover Square, 151 and Ingram, San Antonio	(1)(2)	0	369,741
Westwood Center, Culebra Road and Westwood Loop, San Antonio	(2)	5,000	1,262,177
Wolflin Village, Wolflin Ave. at Georgia St., Amarillo		193,284	421,000
Texas, Total		16,567,314	72,539,689
Utah			
Alpine Valley Center, Main St. at State St., American Fork	(1)(3)	224,654	447,045
Taylorsville Town Center, West 4700 South at Redwood Rd., Taylorsville		134,214	399,000
West Jordan Town Center, West 7000 South at S. Redwood Rd., West Jordan		304,899	814,000
Utah, Total		663,767	1,660,045
Washington			
Meridian Town Center, Meridian Avenue East and 132nd Street East, Puyallup	(1)(3)	143,012	535,000
Mukilteo Speedway Center, Mukilteo Speedway, Lincoln Way, and Highway 99, Lynnwood	(1)(3)	90,273	355,000
Rainer Square Plaza, Rainer Avenue South and South Charleston Street, Seattle	(1)(3)	107,423	345,000
South Hill Center, 43rd Avenue Southwest and Meridian Street South, Puyallup	(1)(3)	134,020	515,000
Village at Liberty Lake, E. Country Vista Dr. at N. Liberty Rd., Liberty Lake	(1)(2)(3)	132,874	112,088
Washington, Total		607,602	1,862,088
Industrial			
California			
Siempre Viva Business Park, Siempre Viva Rd. at Kerns St., San Diego	(1)(3)	726,766	1,760,000
California, Total		726,766	1,760,000
Florida			
1801 Massaro, 1801 Massaro Blvd., Tampa		159,000	337,000
		224,483	486,000

Hopewell Industrial Center, Old Hopewell Boulevard and U.S. Highway 301, Tampa			
Lakeland Industrial Center, I-4 at County Rd., Lakeland		600,000	1,535,000
Lakeland Interestate Industrial Park I, Interstate Drive and Kathleen Rd., Lakeland		168,400	425,000
Tampa East Industrial Portfolio, 1841 Massaro Blvd., Tampa		512,923	1,342,000
Florida, Total		1,664,806	4,125,000
Georgia			
6485 Crescent Drive, I-85 at Jimmy Carter Blvd., Norcross	(1)(3)	360,460	965,000
Atlanta Industrial Park , Atlanta Industrial Pkwy. at Atlanta Industrial Dr., Atlanta		120,200	381,918
Atlanta Industrial Park II & VI, Atlanta Industrial Pkwy. at Atlanta Industrial Dr., Atlanta		382,100	1,214,068
Atlanta Industrial Parkway, Atlanta Industrial Pkwy. at Atlanta Industrial Dr., Atlanta		50,000	159,014
Kennesaw 75, 3850-3900 Kennesaw Prkwy, Kennesaw		178,467	491,000
Riverview Distribution Center, Fulton Industrial Blvd. at Camp Creek Parkway		265,200	1,301,791
Sears Logistics, 3700 Southside Industrial Way, Atlanta	(1)(3)	402,554	890,000
South Park 3075, Anvil Block Rd and SouthPark Blvd, Atlanta		234,525	1,022,292
Southside Industrial Parkway, Southside Industrial Pkwy at Jonesboro Rd., Atlanta		72,000	242,000
Westlake 125, Camp Creek Parkway and Westlake Parkway, Atlanta		154,464	422,048
Georgia, Total		2,219,970	7,089,131
Tennessee			
Crowfarn Drive Warehouse, Crowfarn Dr. at Getwell Rd., Memphis	(1)(3)	158,849	315,000
Outland Business Center, Outland Center Dr., Memphis	(1)(3)	410,138	1,215,000

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Center and Location		Building Area	Land Area
Southpoint I & II, Pleasant Hill Rd. at Shelby Dr., Memphis		570,940	1,127,000
Tennessee, Total		1,139,927	2,657,000
Texas			
1625 Diplomat Drive, SWC Diplomat Dr. at McDaniel Dr., Carrollton		106,140	199,000
610 and 11th St. Warehouse, Loop 610 at 11th St.	(1)(3)	243,642	540,000
610 and 11th St. Warehouse, Loop 610 at 11th St.		104,975	202,000
610/288 Business Park , Cannon Street	(1)(3)	295,426	480,000
Beltway 8 Business Park, Beltway 8 at Petersham Dr.		157,498	499,000
Blankenship Building, Kempwood Drive		59,729	175,000
Braker 2 Business Center, Kramer Ln. at Metric Blvd., Austin		27,359	93,000
Brookhollow Business Center, Dacoma at Directors Row		133,553	405,000
Central Park Northwest VI, Central Pkwy. at Dacoma		175,348	518,000
Central Park Northwest VII, Central Pkwy. at Dacoma		103,602	283,000
Central Plano Business Park, Klein Rd. at Plano Pkwy., Plano		137,785	415,000
Claywood Industrial Park, Clay at Hollister		390,141	1,761,000
Corporate Center Park I and II, Putnam Dr. at Research Blvd., Austin		119,452	326,000
Crosspoint Warehouse, Crosspoint		72,505	179,000
Freeport Business Center, 13215 N. Promenade Blvd., Stafford		251,385	635,000
Freeport Commerce Center, Sterling Street and Statesman Drive, Irving		50,590	196,000
Houston Cold Storage Warehouse, 7080 Express Lane		128,752	345,189
Interwest Business Park, Alamo Downs Parkway, San Antonio		219,245	742,000
Isom Business Park, 919-981 Isom Road, San Antonio		175,200	462,000
Jester Plaza Office Service Center, West T.C. Jester		100,605	244,000
Jupiter Service Center, Jupiter near Plano Pkwy., Plano		78,480	234,000
Kempwood Industrial, Kempwood Dr. at Blankenship Dr.		113,218	327,000
Kempwood Industrial, Kempwood Dr. at Blankenship Dr.	(1)(3)	219,489	530,000
Lathrop Warehouse, Lathrop St. at Larimer St.	(1)(3)	251,890	435,000
Manana Office Center, I-35 at Manana, Dallas		223,128	470,000
McGraw Hill Distribution Center, 420 E. Danieldale Rd, DeSoto		417,938	888,000
Midpoint I-20 Distribution Center, New York Avenue and Arbrook Boulevard, Arlington		253,165	593,000
Midway Business Center, Midway at Boyington, Carrollton		141,246	309,000
Navigation Business Park, Navigation at N. York	(1)(3)	238,321	555,000
Newkirk Service Center, Newkirk near N.W. Hwy., Dallas		105,892	223,000
Northeast Crossing Office/Service Center, East N.W. Hwy. at Shiloh, Dallas		78,700	199,000
Northway Park II, Loop 610 East at Homestead	(1)(3)	303,483	745,000
Northwest Crossing Office/Service Center, N.W. Hwy. at Walton Walker, Dallas		126,984	290,000
Oak Hills Industrial Park, Industrial Oaks Blvd., Austin		89,858	340,000
O'Connor Road Business Park, O’Connor Road, San Antonio		150,091	459,000
Railwood F, Market at U.S. 90	(1)(3)	300,000	560,000

Railwood Industrial Park, Mesa at U.S. 90	(1)(3)	497,656	1,060,000
Railwood Industrial Park, Mesa at U.S. 90		402,680	1,141,764
Randol Mill Place, Randol Mill Road, Arlington		54,639	178,000
Redbird Distribution Center, Joseph Hardin Drive, Dallas		110,839	233,000
Regal Distribution Center, Leston Avenue, Dallas		202,559	318,000
Rutland 10 Business Center, Metric Blvd. At Centimeter Circle, Austin		54,000	139,000
Sherman Plaza Business Park, Sherman at Phillips, Richardson		101,137	312,000
South Loop Business Park, S. Loop at Long Dr.	(1)(3)	92,450	206,000
Southpark A,B,C, East St. Elmo Rd. at Woodward St., Austin		78,276	238,000
Southpoint Service Center, Burleson at Promontory Point Dr., Austin		57,667	234,000
Southport Business Park 5, South Loop 610		160,653	358,000
Southwest Park II Service Center, Rockley Road		67,700	216,000
Space Center Industrial Park, Pulaski St. at Irving Blvd., Dallas		264,582	426,000
Stonecrest Business Center, Wilcrest at Fallstone		110,641	308,000
Town & Country Commerce Center, I-10 at Beltway 8		206,000	0

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Center and Location		Building Area	Land Area
Wells Branch Corporate Center, Wells Branch Pkwy., Austin		59,144	183,000
West 10 Business Center II, Wirt Rd. at I-10		82,658	147,000
West Loop Commerce Center, W. Loop N. at I-10		34,256	91,000
West-10 Business Center, Wirt Rd. at I-10		102,087	331,000
Westgate Service Center, Park Row Drive at Whiteback Dr.		119,786	499,000
Texas, Total		9,004,225	22,474,953
Virginia			
Enterchange at Meadowville, 2101 Bermuda Hundred Dr, Chester	(1)(3)	226,809	845,717
Enterchange at Northlake A, 11900-11998 North Lakeridge Parkway, Ashland		215,077	697,831
Enterchange at Northlake C, North Lakeridge Parkway & Northlake Park Dr, Ashland	(1)(3)	293,115	677,794
Enterchange at Walthall A & B, 1900-1998 Ruffin Mill Rd, Colonial Heights	(1)(3)	606,780	1,467,536
Enterchange at Walthall C, 1936-1962 Ruffin Mill Rd, Colonial Heights	(1)(3)	261,922	864,840
Enterchange at Walthall D, 1700-1798 Ruffin Mill Rd, Colonial Heights		171,222	752,020
Interport Business Center A, 4800-4890 Eubank Road, Richmond	(1)(3)	447,412	1,037,556
Interport Business Center B, 4700-4790 Eubank Road, Richmond	(1)(3)	118,000	277,477
Interport Business Center C, 5300-5390 Laburnum Ave, Richmond	(1)(3)	54,885	154,202
Virginia, Total		2,395,222	6,774,973
Other			
Arizona			
Arcadia Biltmore Plaza, Campbell Ave. at North 36th St., Phoenix		13,879	74,000
Arizona, Total		13,879	74,000
Texas			
1919 North Loop West, Hacket Drive at West Loop 610 North		132,978	157,000
Citadel Plaza, Citadel Plaza Dr.		13,460	170,931
Texas, Total		146,438	327,931

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Center and Location	Land Area
Unimproved Land	
Arizona	
Mohave Crossroads	7,185
Arizona, Total	7,185
Louisiana	
70th St. at Mansfield Rd., Shreveport	41,704
U.S. Highway 171 at Parish, DeRidder	462,000
Louisiana, Total	503,704
North Carolina	
Crabtree Towne Center, Creedmoor (Highway 50) and Crabtree Valley Avenue, Raleigh	576,000
The Shoppes at Caveness Farms	3,380,000
North Carolina, Total	3,956,000
Texas	
9th Ave. at 25th St., Port Arthur	243,000
Bissonnet at Wilcrest	84,629
Citadel Plaza at 610 North Loop	137,000
East Orem	122,000
Festival Plaza, Helotes, TX	75,000
Highway 3 at Highway 1765, Texas City	201,000
Kirkwood at Dashwood Drive	322,000
Mesa Road at Tidwell	901,000
Northwest Freeway at Gessner	340,456
River Pointe Drive at Interstate 45, Conroe	118,483
Rock Prairie Marketplace, Rock Prairie Rd. at Hwy. 6, College Station	2,590,000
Shaver at Southmore, Pasadena	17,000
West Little York at Interstate 45	161,000
West Loop North at Interstate 10	145,000
Texas, Total	5,457,568

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Weingarten Realty Investors
Property Listing at December 31, 2007

ALL PROPERTIES BY STATE	Number of Properties	Building Total Square Feet	Land Total Square Feet
Arizona	26	3,511,919	13,204,274
Arkansas	3	357,740	1,489,000
California	30	5,221,813	18,327,575
Colorado	12	3,135,456	12,571,197
Florida	50	10,621,084	42,772,724
Georgia	24	5,034,164	20,731,167
Illinois	1	303,566	1,013,380
Kansas	2	250,855	454,000
Kentucky	4	673,899	3,176,000
Louisiana	15	2,888,420	8,490,415
Maine	1	205,034	962,667
Missouri	2	257,449	1,307,000
Nevada	13	3,520,712	13,107,810
New Mexico	6	1,418,615	4,489,000
North Carolina	27	3,572,639	23,811,476
Oklahoma	2	171,657	682,000
Oregon	3	273,466	672,288
South Carolina	1	86,120	436,000
Tennessee	9	1,928,931	5,613,915
Texas	167	25,717,977	100,800,141
Utah	3	663,767	1,660,045
Virginia	9	2,395,222	6,774,973
Washington	5	607,602	1,862,088
Grand Total	415	72,818,107	284,409,135
Total Retail	335	55,506,874	229,201,690
Total Industrial	77	17,150,916	44,881,057
Total Unimproved Land			9,924,457
Total Other	3	160,317	401,931

Total square footage includes 464,561 square feet of building area and 11,875,005 square feet of land leased from others.

Footnotes for detail property listing

(1) Denotes partial ownership. The square feet figures represent WRI's proportionate ownership of the property held by the joint venture or partnership.

(2) Denotes property currently under development.

(3) Denotes properties that are not consolidated under generally accepted accouting principles.

NOTE: Square feet is reflective of area available to be leased. Certain listed properties may have additional square feet under WRI ownership.

General. In 2007, no single property accounted for more than 1.8% of our total assets or 1.4% of gross revenues. The five largest properties, in the aggregate, represented approximately 6.4% of our gross revenues for the year ended December 31, 2007; otherwise, none of the remaining properties accounted for more than 1.1% of our gross revenues during the same period. The weighted average occupancy rate for all of our improved properties as of December 31, 2007 was 94.4% compared to 94.1% as of December 31, 2006.

Substantially all of our properties are owned directly by us (subject in some cases to mortgages), although our interests in some properties are held indirectly through interests in real estate joint ventures or under long-term leases. In our opinion, our properties are well maintained and in good repair, suitable for their intended uses, and adequately covered by insurance.

We participate in 65 real estate joint ventures or partnerships that hold 116 of our properties. Our ownership interest ranges from 7.8% to 99%; we are normally the managing or operating partner and receive a fee for acting in this capacity.

We may use a DownREIT operating partnership structure in the acquisition of some real estate properties. In these transactions, a fair value purchase price is agreed upon between us, as general partner of the DownREIT, and the seller where the seller receives operating partnership units in exchange for some or all of its ownership interest in the property. Each operating partnership unit is the equivalent of one of our common shares of beneficial interest. These units generally allow our partners the right to put their limited partnership units interest to us on or after the first anniversary of the entity's formation. We may acquire these limited partnership units for either cash or a fixed number of our common shares of beneficial interest at our discretion.

Shopping Centers. At December 31, 2007, we owned or operated under long-term leases, either directly or through our interest in real estate joint ventures or partnerships, a total of 303 developed income-producing properties and 32 properties under various stages of construction and development, which are located in 22 states spanning the USA from coast to coast.

Our shopping centers are primarily neighborhood and community shopping centers that typically range in size from 100,000 to 600,000 square feet of building area, as distinguished from large regional enclosed malls and small strip centers, which generally contain 5,000 to 25,000 square feet. Almost none of the centers have climatized common areas, but are designed to allow retail customers to park their automobiles in close proximity to any retailer in the center. Our centers are customarily constructed of masonry, steel and glass, and all have lighted, paved parking areas, which are typically landscaped with berms, trees and shrubs. They are generally located at major intersections in close proximity to neighborhoods that have existing populations sufficient to support retail activities of the types conducted in our centers.

We have approximately 7,500 separate leases with 5,700 different tenants. Included among our top revenue-producing tenants are: The Kroger Co., T.J.X. Companies, Safeway, Ross Stores, Publix, Home Depot, Office Depot, Blockbuster Video, Barnes & Noble and Gap. The diversity of our tenant base is also evidenced by the fact that our largest tenant accounted for only 2.9% of rental revenues during 2007.

In the ordinary course of business, we have tenants who cease making payments under their leases or who file for bankruptcy protection. We are unable to predict or forecast the timing of store closings or unexpected vacancies. While we believe the effect of this will not have a material impact on our financial position, results of operations, or liquidity due to the significant diversification of our tenant base, the uncertainty in the commercial credit markets could result in a negative impact.

Our shopping center leases have lease terms generally ranging from three to five years for tenant space under 5,000 square feet and from 10 to 25 years for tenant space over 10,000 square feet. Leases with primary lease terms in excess of 10 years, generally for anchor and out-parcels, frequently contain renewal options which allow the tenant to extend the term of the lease for one or more additional periods, with each of these periods generally being of a shorter duration than the primary lease term. The rental rates paid during a renewal period are generally based upon the rental rate for the primary term; sometimes adjusted for inflation, market conditions or an amount of the tenant's sales during the primary term.

Most of our leases provide for the monthly payment in advance of fixed minimum rentals, the tenants' prorata share of ad valorem taxes, insurance (including fire and extended coverage, rent insurance and liability insurance) and common area maintenance for the center (based on estimates of the costs for these items). They also provide for the payment of additional rentals based on a percentage of the tenants' sales. Utilities are generally paid directly by tenants except where common metering exists with respect to a center. In this case we make payments for the utilities, and the tenants on a monthly basis reimburse us. Generally, our leases prohibit the tenant from assigning or subletting its space. They also require the tenant to use its space for the purpose designated in its lease agreement and to operate its business on a continuous basis. Some of the lease agreements with major tenants contain modifications of these basic provisions in view of the financial condition, stability or desirability of those tenants. Where a tenant is granted the right to assign its space, the lease agreement generally provides that the original lessee will remain liable for the payment of the lease obligations under that lease agreement.

During 2007, we invested approximately $458.4 million in the acquisition of operating retail properties. Approximately $417.3 million was invested in 13 shopping centers and $41.1 million was invested in four unconsolidated joint ventures to acquire seven retail properties.

A portfolio of six retail properties was purchased in January and March 2007, including five properties in Tucson, Arizona and one in Scottsdale, Arizona. The centers are leased to a diverse mix of national retailers including Wal-Mart, Safeway, Walgreens, Kohl’s, Home Depot, PetSmart and Circuit City. This acquisition added 801,551 square feet to our portfolio and represented a total investment of $140 million. This purchase transaction includes an earnout provision of approximately $29 million that is contingent upon the subsequent development of space by the property seller. This contingency agreement expires in 2010.

Cherokee Plaza, acquired in January 2007, is a 98,553 square foot grocery-anchored neighborhood center located in the prestigious Buckhead area in Atlanta, Georgia. The 100% occupied property is anchored by a 57,000 square foot Kroger.

Sunrise West Shopping Center, acquired in January 2007, is a 76,321 square foot grocery-anchored neighborhood center located in Sunrise (Miami), Florida. This property is anchored by a 44,000 square foot Publix. Cole Park Plaza, acquired in February 2007, is an 82,258 square foot retail development located in Chapel Hill (Durham), North Carolina next to our existing Chatham Crossing shopping center. Both Sunrise and Cole Park were acquired through an existing unconsolidated joint venture with AEW Capital Management.

Oak Grove Market Center, acquired in June 2007, is a 97,207 square foot grocery-anchored shopping center located in Portland, Oregon. The center is anchored by a 53,000 square foot Safeway.

In July 2007, we acquired a portfolio of five retail power centers, adding 1.4 million square feet to our portfolio under management. Three of the retail power centers in Florida, Georgia and Texas were acquired through a new unconsolidated real estate joint venture with PNC Realty Investors on behalf of its institutional client, AFL-CIO Building Investment Trust (the “BIT”). We own 20% of this joint venture with the BIT owning 80%. The remaining two centers, one in Atlanta, Georgia and the other in Chicago, Illinois, were wholly acquired by us.

Countryside Centre, a 242,123 square foot community center located in the St. Petersburg/Clearwater Area of Florida, was also acquired in July 2007. This center is anchored by Albertson’s, TJ Maxx, Home Goods and Shoe Carnival.

Stella Link Shopping Center is a 28,510 square foot shopping center located in Houston, Texas, which was acquired in August 2007. This retail center is adjacent to one of our operating properties, which is anchored by Sellers Brothers and Burke’s Outlet.

The Shoppes at South Semoran is a 101,535 square foot shopping center located in suburban Orlando, Florida, which was acquired in September 2007. This 100% occupied center is anchored by a 57,000 square foot Winn Dixie.

In September 2007, we acquired a 10% interest in Tully Corners Shopping Center through a tenancy-in-common arrangement. This 115,992 square foot grocery-anchored shopping center, located in San Jose, California, is anchored by Save Mart, Petco and Party City.

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In October 2007, we acquired a 10% interest in Paradise Key Shopping Center through a tenancy-in-common arrangement. This 271,777 square foot grocery-anchored shopping center is located in Destin, Florida.

In December 2007, we acquired our partner's 50% interest in Tropicana Beltway located in Las Vegas, Nevada. The center is anchored by Lowe's and Wal-Mart.

In 2007, we sold 17 shopping centers totaling 1.8 million square feet of building area, of which nine were located in Texas, three in Louisiana, two each in Colorado and Illinois and one in Georgia. Sales proceeds from these dispositions totaled $243.2 million and generated gains of $80.9 million. Three of these shopping centers were each held in a 50% consolidated real estate joint venture. These real estate joint ventures are consolidated in our financial statements because we exercise financial and operating control.

In December 2007, a retail center in Highland Ranch, Colorado was sold. This property was held in a 40%-owned unconsolidated real estate joint venture, and our share of the sales proceeds and gain generated was $11.2 million and $2.2 million, respectively.

Industrial Properties. At December 31, 2007, we owned, either directly or through our interest in real estate joint ventures or partnerships, 77 industrial projects and three other operating properties totaling approximately 17.3 million square feet of building area. Our industrial properties consist of bulk warehouse, business distribution and office-service center assets ranging in size from 13,000 to 727,000 square feet. Similar to our shopping centers, these properties are customarily constructed of masonry, steel and glass, and have lighted, concrete parking areas and are well landscaped. The national and regional tenants in our industrial centers include Hitachi Transport Systems, Sears Logistics, Publix, Shell, Rooms to Go, UPS Supply Chain Solutions, Sanderson Industries, Stone Container, General Electric Company, G.E. Polymershapes, Inc., Interline Brands, Inc., Constar International, Inc., Rooftop Systems Inc., Wells Fargo Bank and Iron Mountain. Our properties are located in California, Florida, Georgia, Tennessee, Texas and Virginia. During 2007, we invested approximately $85.8 million in the acquisition of seven industrial properties and one office building, and $21.2 million was invested in an unconsolidated real estate joint venture to acquire seven industrial properties.

Lakeland Business Park, acquired in January 2007, is a 100% leased 168,400 square foot industrial business center located in Lakeland (Tampa), Florida.

In April and May 2007, we acquired a portfolio of 10 high quality industrial buildings located in Richmond, Virginia for a purchase price of $136 million, including $6 million that is contingent upon the lease up of vacant space by the property seller. This contingency agreement expires in 2009. Eight of the buildings were acquired through an existing 20%-owned unconsolidated joint venture with PNC Realty Investors on behalf of its institutional client the BIT. The remaining two buildings were acquired directly by us. This portfolio added 2.4 million square feet under management.

Town & Country Commerce Center, acquired in June 2007, is a 206,000 square foot industrial distribution center located in Houston, Texas. The property is 100% leased to Arizona Tile and Seitel Solution Tech Center.

Riverview Distribution Center, acquired in August 2007, is a 265,200 square foot industrial center located in Atlanta, Georgia. It is anchored by 109,000 square foot CHEP USA.

In October 2007, we acquired Westlake Industrial Centre, a 154,464 square foot industrial building, and Southpark Industrial Centre, a 234,525 square foot industrial center, both of which are located in Atlanta, Georgia.

In 2007, we sold an industrial distribution center totaling 152,000 square feet and an industrial building totaling 90,000 square feet. Both of these properties are located in Texas. Sales proceeds from these dispositions totaled $10.7 million and generated gains of $3.7 million.

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Unimproved Land. At December 31, 2007, we owned 19 parcels of unimproved land consisting of approximately 9.9 million square feet of land area located in Arizona, Louisiana, North Carolina and Texas. These properties include approximately 1.6 million square feet of land adjacent to certain of our existing developed properties, which may be used for expansion of these developments, as well as approximately 8.3 million square feet of land, which may be used for new development. Most of these unimproved properties are served by roads and utilities and are suitable for development as shopping centers or industrial projects, and we intend to emphasize the development of these parcels for such purpose.

New Development Properties. At December 31, 2007, we had 32 projects under construction or in preconstruction stages with an estimated final square footage of approximately 9.1 million. These properties are slated to be completed over the next one to five years.

In 2007, under our merchant development program, we sold two vacant industrial buildings in San Diego, California; one shopping center in Phoenix, Arizona, the River Pointe apartments in Conroe, Texas and 17 parcels of land, of which 11 were located in Texas, three in Arizona and one each in Florida, Louisiana and Tennessee. Sales proceeds from these dispositions totaled $103.0 million and generated gains of $16.4 million. At a 50%-owned unconsolidated joint venture, a land parcel was sold in Liberty Lakes, Washington. Our share of the sales proceeds and the gain generated totaled $1.5 million and $.6 million, respectively.

ITEM 3. Legal Proceedings

We are involved in various matters of litigation arising in the normal course of business. While we are unable to predict with certainty the amounts involved, our management and counsel believe that when such litigation is resolved, our resulting liability, if any, will not have a material adverse effect on our consolidated financial statements.

ITEM 4. Submission of Matters to a Vote of Shareholders

None.

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PART II

ITEM 5. Market for Registrant's Common Shares of Beneficial Interest, Related Shareholder Matters and Issuer Purchases of Equity Securities

Our common shares of beneficial interest are listed and traded on the New York Stock Exchange under the symbol "WRI." The number of holders of record of our common shares of beneficial interest as of January 31, 2008 was 3,305. The closing high and low sale prices per common share as reported on the New York Stock Exchange, and dividends per share paid for the fiscal quarters indicated were as follows:

	High	Low	Dividends
2007:			
Fourth	$ 44.82	$ 31.44	$ .495
Third	42.15	36.34	.495
Second	49.00	40.84	.495
First	52.16	46.06	.495
2006:			
Fourth	$ 47.83	$ 42.72	$ .465
Third	43.26	38.19	.465
Second	40.56	37.10	.465
First	41.76	38.66	.465

The following table summarizes the equity compensation plans under which our common shares of beneficial interest may be issued as of December 31, 2007:

Plan category	Number of shares to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of shares remaining available for future issuance
Equity compensation plans approved by shareholders	2,840,290	$ 32.66	2,626,360
Equity compensation plans not approved by shareholders			
Total	2,840,290	$ 32.66	2,626,360

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Performance Graph

The graph below provides an indicator of cumulative total shareholder returns for us as compared with the S&P 500 Stock Index and the NAREIT All Equity Index, weighted by market value at each measurement point. The graph assumes that $100 was invested on December 31, 2002 in our common shares of beneficial interest and that all dividends were reinvested by the shareholder.

Comparison of Five Year Cumulative Return

	2003	2004	2005	2006	2007
Weingarten	127.19	181.08	178.82	227.97	163.05
S&P 500 Index	128.68	142.69	149.70	173.34	182.87
The NAREIT All Equity Index	137.13	180.44	202.38	273.34	230.45

There can be no assurance that our share performance will continue into the future with the same or similar trends depicted in the graph above. We will not make or endorse any predications as to future share performance.

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In July 2007, our Board of Trust Managers authorized a common share repurchase program as part of our ongoing investment strategy. Under the terms of the program, we may purchase up to a maximum value of $300 million of our common shares of beneficial interest during the next two years. Share repurchases may be made in the open market or in privately negotiated transactions at the discretion of management and as market conditions warrant. We anticipate funding the repurchase of shares primarily through the proceeds received from our property disposition program, as well as from general corporate funds.

Repurchases of our common shares of beneficial interest for the quarter ended December 31, 2007 are as follows:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Program	(d) Maximum Dollar Value of Shares that May Yet be Purchased Under the Program
November 1, 2007 to November 30, 2007	1,370,073	$ 36.47	1,370,073	$ 196,715,648

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ITEM 6. Selected Financial Data

The following table sets forth our selected consolidated financial data and should be read in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," the Consolidated Financial Statements and accompanying Notes in "Item 8. Financial Statements and Supplementary Data" and the financial schedules included elsewhere in this Form 10-K.

	(Amounts in thousands, except per share amounts) Year Ended December 31,				
	2007	2006	2005	2004	2003
Revenues (primarily real estate rentals)	$ 599,054	$ 538,194	$ 487,856	$ 441,144	$ 361,757
Expenses:					
Depreciation and amortization	131,708	121,471	110,956	98,727	78,139
Other	201,798	174,471	146,778	137,674	110,360
Total	333,506	295,942	257,734	236,401	188,499
Operating Income	265,548	242,252	230,122	204,743	173,258
Interest Expense	(148,829)	(145,374)	(129,160)	(116,142)	(90,214)
Interest and Other Income	8,486	9,044	2,860	1,389	1,562
Loss on Redemption of Preferred Shares				(3,566)	(2,739)
Equity in Earnings of Real Estate Joint Ventures and Partnerships, net	19,853	14,655	6,610	5,384	4,681
Income Allocated to Minority Interests	(10,237)	(6,414)	(6,060)	(4,928)	(2,723)
Gain on Land and Merchant Development Sales	16,385	7,166	804		
Gain on Sale of Properties	4,086	22,493	22,306	1,562	667
Provision for Income Taxes	(4,073)	(1,366)			
Income from Continuing Operations	151,219	142,456	127,482	88,442	84,492
Income from Discontinued Operations (1)	86,798	162,554	92,171	52,939	31,788
Net Income	$ 238,017	$ 305,010	$ 219,653	$ 141,381	$ 116,280
Net Income Available to Common Shareholders	$ 212,642	$ 294,909	$ 209,552	$ 133,911	$ 97,880
Per Share Data - Basic:					
Income from Continuing Operations	$ 1.47	$ 1.51	$ 1.32	$ 0.94	$ 0.84
Net Income	$ 2.49	$ 3.36	$ 2.35	$ 1.55	$ 1.24
Weighted Average Number of Shares	85,504	87,719	89,224	86,171	78,800
Per Share Data - Diluted:					
Income from Continuing Operations	$ 1.46	$ 1.50	$ 1.32	$ 0.94	$ 0.84
Net Income	$ 2.44	$ 3.27	$ 2.31	$ 1.54	$ 1.24
Weighted Average Number of Shares	88,893	91,779	93,166	89,511	81,574
Property (at cost)	$ 4,972,344	$ 4,445,888	$ 4,033,579	$ 3,751,607	$ 3,200,091
Total Assets	$ 4,993,343	$ 4,373,887	$ 3,737,741	$ 3,470,318	$ 2,923,094
Debt	$ 3,165,059	$ 2,941,039	$ 2,348,504	$ 2,138,842	$ 1,835,126
Other Data:					
Cash Flows from Operating Activities	$ 223,309	$ 242,592	$ 200,525	$ 203,886	$ 162,316
Cash Flows from Investing Activities	$ (480,630)	$ (314,686)	$ (105,459)	$ (349,654)	$ (331,503)

Cash Flows from Financing Activities	$	252,095	$	100,407	$	(97,791)	$	170,928	$	168,623
Cash Dividends per Common Share	$	1.98	$	1.86	$	1.76	$	1.66	$	1.56
Funds from Operations: (2)										
Net Income Available to Common Shareholders	$	212,642	$	294,909	$	209,552	$	133,911	$	97,880
Depreciation and Amortization		141,150		131,792		125,742		114,342		90,367
Gain on Sale of Properties		(86,076)		(172,056)		(87,561)		(26,316)		(7,273)
Total	$	267,716	$	254,645	$	247,733	$	221,937	$	180,974

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(1) SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" requires the operating results and gain (loss) on the sale of operating properties to be reported as discontinued operations for all periods presented.

(2) The National Association of Real Estate Investment Trusts defines funds from operations ("FFO") as net income (loss) available to common shareholders computed in accordance with generally accepted accounting principles, excluding gains or losses from sales of operating real estate assets and extraordinary items, plus depreciation and amortization of operating properties, including our share of unconsolidated real estate joint ventures and partnerships. We calculate FFO in a manner consistent with the NAREIT definition.

Management uses FFO as a supplemental measure to conduct and evaluate our business because there are certain limitations associated with using GAAP net income by itself as the primary measure of our operating performance. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, management believes that the presentation of operating results for real estate companies that uses historical cost accounting is insufficient by itself. There can be no assurance that FFO presented by us is comparable to similarly titled measures of other REITs.

FFO should not be considered as an alternative to net income or other measurements under GAAP as an indicator of our operating performance or to cash flows from operating, investing or financing activities as a measure of liquidity. FFO does not reflect working capital changes, cash expenditures for capital improvements or principal payments on indebtedness.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto and the comparative summary of selected financial data appearing elsewhere in this report. Historical results and trends which might appear should not be taken as indicative of future operations. Our results of operations and financial condition, as reflected in the accompanying consolidated financial statements and related footnotes, are subject to management's evaluation and interpretation of business conditions, retailer performance, changing capital market conditions and other factors which could affect the ongoing viability of our tenants.

Executive Overview

Weingarten Realty Investors is a real estate investment trust ("REIT") organized under the Texas Real Estate Investment Trust Act. We, and our predecessor entity, began the ownership and development of shopping centers and other commercial real estate in 1948. Our primary business is leasing space to tenants in the shopping and industrial centers we own or lease. We also manage centers for joint ventures in which we are partners or for other outside owners for which we charge fees.

We operate a portfolio of rental properties which includes neighborhood and community shopping centers and industrial properties of approximately 72.8 million square feet. We have a diversified tenant base with our largest tenant comprising only 2.9% of total rental revenues during 2007.

We focus on increasing funds from operations (“FFO”) and growing dividend payments to our common shareholders. We do this through hands-on leasing, management and selected redevelopment of the existing portfolio of properties, through disciplined growth from selective acquisitions and new developments, and through the disposition of assets that no longer meet our ownership criteria. We do this while remaining committed to maintaining a conservative balance sheet, a well-staggered debt maturity schedule and strong credit agency ratings.

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We continue to maintain a strong, conservative capital structure, which provides ready access to a variety of attractive capital sources. We carefully balance obtaining low cost financing with minimizing exposure to interest rate movements and matching long-term liabilities with the long-term assets acquired or developed. The turmoil in the current capital markets has adversely affected both the pricing and the availability of certain financial instruments. However, based on our business plan for the upcoming year, we believe that asset dispositions, joint venture relationships and existing capital resources such as our revolving credit facilities will provide adequate capital to execute our business plan.

At December 31, 2007, we owned or operated under long-term leases, either directly or through our interest in real estate joint ventures or partnerships, a total of 383 developed income-producing properties and 32 properties under various stages of construction and development. The total number of centers includes 335 neighborhood and community shopping centers, 77 industrial projects and three other operating properties located in 23 states spanning the country from coast to coast.

We also owned interests in 19 parcels of unimproved land held for future development that totaled approximately 9.9 million square feet.

We had approximately 7,500 leases with 5,700 different tenants at December 31, 2007.

Leases for our properties range from less than a year for smaller spaces to over 25 years for larger tenants. Rental revenues generally include minimum lease payments, which often increase over the lease term, reimbursements of property operating expenses, including ad valorem taxes, and additional rent payments based on a percentage of the tenants' sales. The majority of our anchor tenants are supermarkets, value-oriented apparel/discount stores and other retailers or service providers who generally sell basic necessity-type goods and services. We believe stability of our anchor tenants, combined with convenient locations, attractive and well-maintained properties, high quality retailers and a strong tenant mix, should ensure the long-term success of our merchants and the viability of our portfolio.

In assessing the performance of our properties, management carefully tracks the occupancy of the portfolio. Occupancy for the total portfolio was 94.4% at December 31, 2007 compared to 94.1% at December 31, 2006. Historically, occupancy for the total portfolio has never fallen below 90.0%. We expect our existing portfolio occupancy to continue at this level due to our tenant diversification and a strong tenant anchor base in 2008. Another important indicator of performance is the spread in rental rates on a same-space basis as we complete new leases and renew existing leases. We completed 1,261 new leases or renewals during 2007 totaling 7.0 million square feet, increasing rental rates an average of 10.3% on a cash basis.

In the first quarter of 2006, we articulated a new long-term growth strategy with a planned three-year implementation. The key elements of this strategy are as follows:

- A much greater focus on new development, including merchant development, with $300 million in annual new development completions beginning in 2009.

- Increased use of joint ventures for acquisitions including the recapitalization (or partial sale) of existing assets, which provide the opportunity to further increase returns on investment through the generation of fee income from leasing and management services we will provide to the venture.

- Further recycling capital through the active disposition of non-core properties and reinvesting the proceeds into properties with barriers to entry within high growth metropolitan markets. This, combined with our continuous focus on our assets, produces a higher quality portfolio with higher occupancy rates and much stronger internal revenue growth.

During 2007 and 2006, we made excellent progress in the execution of this long-term growth strategy as described in the following sections on new development, acquisitions and joint ventures and dispositions.

New Development
At December 31, 2007, we had 32 properties in various stages of development, including our merchant development program, which is up from 26 properties under development a year ago. We have invested $341.0 million to-date on these projects and, at completion we estimate our total investment to be $628.7 million. These properties are slated to open over the next one to five years with a projected return on investment of approximately 9% when completed.

In addition to these projects, we have a development pipeline with eight development sites under contract, which will represent a projected investment of approximately $178 million. Due to current economic factors, obtaining new projects over the next year may prove challenging as potential retail anchors are delaying their expansion plans due to the softening of the economy. We will continue to seek opportunities and monitor this market closely.

Merchant development is a new program in which we develop a project with the objective of selling all or part of it, instead of retaining it in our portfolio on a long-term basis. Also, disposition of land parcels and non-operating properties are included in this program. We generated gains of approximately $16.4 million from this program during 2007. We expect to generate similar gains in 2008 and throughout future years.

Acquisitions and Joint Ventures
During 2007, we acquired 20 shopping centers, 14 industrial properties, our partner's 50% interest in a retail center and one other operating property for a purchase price of approximately $565 million. Included in that total were seven retail properties and seven industrial properties purchased as part of unconsolidated real estate joint ventures. It is possible that, consistent with our strategy, some of the other acquired properties will also be contributed to future joint ventures.

Acquisitions are a key component of our strategy. However, the turmoil in the credit markets has significantly reduced transactions in the marketplace and, therefore, created uncertainty with respect to pricing. Partnering with institutional investors through joint ventures enables us to acquire high quality assets in our target markets while also meeting our financial return objectives. We benefit from access to lower-cost capital, as well as leveraging our expertise to provide fee-based services such as the acquisition, leasing and management of properties, to the joint ventures.

Joint venture fee income for 2007 was approximately $8.2 million or an increase of $5.7 million over 2006. This is a direct result of our strategy initiative to develop new joint venture relationships. We expect continued strong growth in joint venture income during the upcoming year.

Dispositions
During 2007, we sold 17 shopping centers, one industrial distribution center and one industrial building for $253.9 million. Also, one shopping center in an unconsolidated joint venture was sold, of which our share of the sales proceeds totaled $11.2 million. Although lenders for prospective acquirers have tightened their underwriting criteria, we expect to continue to dispose of non-core properties during the coming year as opportunities present themselves. Dispositions are part of an ongoing portfolio management process where we prune our portfolio of properties that do not meet our geographic or growth targets and provide capital to recycle into properties that have barrier-to-entry locations within high growth metropolitan markets. Over time, we expect this to produce a portfolio with higher occupancy rates and much stronger internal revenue growth.

Summary of Critical Accounting Policies

Our discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and contingencies as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. We evaluate our assumptions and estimates on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

Rental revenue is generally recognized on a straight-line basis over the life of the lease, which begins the date the leasehold improvements are substantially complete, if owned by us, or the date the tenant takes control of the space, if the leasehold improvements are owned by the tenant. Revenue from tenant reimbursements of taxes, maintenance expenses and insurance is recognized in the period the related expense is recognized. Revenue based on a percentage of tenants' sales is recognized only after the tenant exceeds their sales breakpoint. In addition, in circumstances where we would provide a tenant improvement allowance for improvements that are owned by the tenant, we would recognize the allowance as a reduction of rental revenue on a straight-line basis over the term of the lease. Other revenue is income from contractual agreements with third parties, tenants or partially owned real estate joint ventures or partnerships, which is recognized as the related services are performed under the respective agreements.

Real Estate Joint Ventures and Partnerships

To determine the method of accounting for partially owned real estate joint ventures and partnerships, we first apply the guidelines set forth in Financial Accounting Standards Board (“FASB”) Interpretation No. 46R, "Consolidation of Variable Interest Entities." Based upon our analysis, we have determined that we have no interests in variable interest entities.

Partially owned real estate joint ventures and partnerships over which we exercise financial and operating control are consolidated in our financial statements. In determining if we exercise financial and operating control, we consider factors such as ownership interest, authority to make decisions, kick-out rights and substantive participating rights. Partially owned real estate joint ventures and partnerships where we have the ability to exercise significant influence, but do not exercise financial and operating control, are accounted for using the equity method.

Our investments in partially owned real estate joint ventures and partnerships are reviewed for impairment, periodically, if events or circumstances change indicating that the carrying amount of our investments may not be recoverable. The ultimate realization of our investments in partially owned real estate joint ventures and partnerships is dependent on a number of factors, including the performance of each investment and market conditions. We will record an impairment charge if we determine that a decline in the value of an investment is other than temporary.

Property

Real estate assets are stated at cost less accumulated depreciation, which, in the opinion of management, is not in excess of the individual property's estimated undiscounted future cash flows, including estimated proceeds from disposition. Depreciation is computed using the straight-line method, generally over estimated useful lives of 18-40 years for buildings and 10-20 years for parking lot surfacing and equipment. Major replacements where the betterment extends the useful life of the asset are capitalized, and the replaced asset and corresponding accumulated depreciation are removed from the accounts. All other maintenance and repair items are charged to expense as incurred. If we do not allocate these costs appropriately or incorrectly estimate the useful lives of our real estate, depreciation expense may be misstated.

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Acquisitions of properties are accounted for utilizing the purchase method and, accordingly, the results of operations of an acquired property are included in our results of operations from the date of acquisition. We have used estimates of future cash flows and other valuation techniques to allocate the purchase price of acquired property among land, buildings on an "as if vacant" basis, tenant improvements and other identifiable intangibles. Current economic and operational property conditions, known trends and changes expected in current market conditions are considered in the estimates of future cash flows used for purchase price allocation purposes. Other identifiable intangible assets and liabilities include the effect of out-of-market leases, the value of having leases in place ("as is" versus "as if vacant" and absorption costs), out-of-market assumed mortgages and tenant relationships. Depreciation and amortization is computed using the straight-line method, generally over estimated useful lives of 40 years for buildings and one to 25 years for other identifiable intangible assets. The impact of these estimates could result in significant differences related to the purchased assets, liabilities and resulting depreciation or amortization. Initial valuations are subject to change until such information is finalized, no later than 12 months from the acquisition date. The impact of incorrect estimates in connection with acquisition asset values and related estimated useful lives could be material to our consolidated financial statements.

Property also includes costs incurred in the development of new operating properties and properties in our merchant development program. Merchant development is a new program in which we develop a project with the objective of selling all or part of it, instead of retaining it in our portfolio on a long-term basis. Also, disposition of land parcels and non-operating properties are included in this program. These properties are carried at cost and no depreciation is recorded on these assets until the commencement of rental revenue or no later than one year from the completion of major construction. These costs include pre-acquisition costs directly identifiable with the specific project, development and construction costs, interest and real estate taxes. Indirect development costs, including salaries and benefits, travel and other related costs that are directly attributable to the development of the property, are also capitalized. The capitalization of such costs ceases at the earlier of one year from the completion of major construction or when the property, or any completed portion, becomes available for occupancy.

Property also includes costs for tenant improvements paid by us, including reimbursements to tenants for improvements that are owned by us and will remain our property after the lease expires.

Our properties are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of the property, including any identifiable intangible assets, may not be recoverable. In such an event, a comparison is made of the current and projected operating cash flows of each such property into the foreseeable future on an undiscounted basis to the carrying amount of such property. Our overall future plans for a property and our views on current market and economic conditions may have a significant impact on the resulting estimated future cash flows of a property that are analyzed for these purposes. The property carrying amount is adjusted, if necessary, to the estimated fair value to reflect an impairment in the value of the asset.

Interest Capitalization

Interest is capitalized on land under development and buildings under construction based on rates applicable to borrowings outstanding during the period and the weighted average balance of qualified assets under development/construction during the period. Differences in methodologies to calculate applicable interest rates and the cost of qualified assets can yield significant differences in the amounts capitalized and, as a result, the amount of depreciation recognized.

Deferred Charges

Debt and lease costs are amortized primarily on a straight-line basis, which approximates the effective interest method, over the terms of the debt and over the lives of leases, respectively. Lease costs represent the initial direct costs incurred in origination, negotiation and processing of a lease agreement. Such costs include outside broker commissions and other independent third party costs, as well as salaries and benefits, travel and other internal costs directly related to completing the leases. Costs related to supervision, administration, unsuccessful origination efforts and other activities not directly related to completed lease agreements are charged to expense as incurred. Differences in methodologies to calculate and defer these costs can yield differences in the amounts deferred and, accordingly, the amount of amortization recognized.

Sales of Real Estate

Sales of real estate include the sale of shopping center pads, property adjacent to shopping centers, shopping center properties, merchant development properties, investments in real estate joint ventures and partnerships and partial sales to real estate joint ventures and partnerships in which we participate.

We recognize profit on sales of real estate, including merchant development sales, in accordance with FASB's Statement of Financial Accounting Standards ("SFAS") No. 66 ("SFAS 66"), "Accounting for Sales of Real Estate." Profits are not recognized until (a) a sale is consummated; (b) the buyer's initial and continuing investments are adequate to demonstrate a commitment to pay; (c) the seller's receivable is not subject to future subordination; and (d) we have transferred to the buyer the usual risks and rewards of ownership in the transaction, and we do not have a substantial continuing involvement with the property.

We recognize gains on the sale of real estate to joint ventures and partnerships in which we participate to the extent we receive cash from the joint venture or partnership, if it meets the sales criteria in accordance with SFAS 66 and we do not have a commitment to support the operations of the real estate joint venture or partnership to an extent greater than our proportionate interest in the real estate joint venture or partnership..

Accrued Rent and Accounts Receivable

Receivable balances outstanding include base rents, tenant reimbursements and receivables attributable to the straight-lining of rental commitments. An allowance for the uncollectible portion of accrued rents and accounts receivable is determined based upon an analysis of balances outstanding, historical bad debt levels, tenant credit worthiness and current economic trends. Additionally, estimates of the expected recovery of pre-petition and post-petition claims with respect to tenants in bankruptcy are considered in assessing the collectibility of the related receivables. As these factors change, the allowance is subject to revision and may impact the results of operations.

Income Taxes

We have elected to be treated as a REIT under the Internal Revenue Code of 1986, as amended. As a REIT, we generally will not be subject to corporate level federal income tax on taxable income we distribute to our shareholders. To be taxed as a REIT, we must meet a number of requirements including defined percentage tests concerning the amount of our assets and revenues that come from, or are attributable to, real estate operations. As long as we distribute at least 90% of the taxable income of the REIT to our shareholders as dividends, we will not be taxed on the portion of our income we distribute as dividends unless we have ineligible transactions.

The Tax Relief Extension Act of 1999 gave REITs the ability to conduct activities which a REIT was previously precluded from doing as long as such activities are performed in entities which have elected to be treated as taxable REIT subsidiaries under the IRS code. These activities include buying or developing properties with the express purpose of selling them. We conduct certain of these activities in taxable REIT subsidiaries that we have created. We calculate and record income taxes in our consolidated financial statements based on the activities in those entities. We also record deferred taxes for the temporary tax differences that have resulted from those activities as required under SFAS No. 109, "Accounting for Income Taxes." We use estimates in preparing our deferred tax amounts and if revised, these estimates could impact our results of operations.

Results of Operations

Comparison of the Year Ended December 31, 2007 to the Year Ended December 31, 2006

Revenues

Total revenues were $599.1 million for the year ended 2007 versus $538.2 million for the year ended 2006, an increase of $60.9 million or 11.3%. This increase resulted primarily from an increase in rental revenues of $54.4 million and other income of $6.5 million.

Property acquisitions and new development activity contributed $56.6 million of the rental income increase with $5.3 million resulting from 1,261 renewals and new leases, comprising 7.0 million square feet at an average rental rate increase of 10.3%. Offsetting these rental income increases was a decrease of $7.5 million, which resulted from the sale of an 80% interest in five industrial centers in the third quarter of 2006.

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Occupancy (leased space) of the portfolio as compared to the prior year was as follows:

	December 31, 2007	December 31, 2006
Shopping Centers	95.1%	95.0%
Industrial	92.0%	91.2%
Total	94.4%	94.1%

Other income increased by $6.5 million from the prior year. This increase resulted primarily from the increase in joint venture fee income of $5.7 million and miscellaneous tenant revenue of $.8 million.

Expenses
Total expenses for 2007 were $333.5 million versus $295.9 million in 2006, an increase of $37.6 million or 12.7%.

The increases in 2007 for depreciation and amortization expense ($10.2 million), operating expenses ($18.3 million), ad valorem taxes ($5.9 million) and general and administrative expenses ($3.2 million) were primarily a result of the properties acquired and developed during the year, an increase in property insurance expenses as a result of the hurricanes experienced in 2005, and increases associated with additional headcount needed to achieve growth in the portfolio. Overall, direct operating costs and expenses (operating and ad valorem tax expense) of operating our properties as a percentage of rental revenues were 29.8% in 2007 and 28.4% in 2006.

Interest Expense
Interest expense totaled $148.8 million for 2007, up $3.5 million or 2.4% from 2006. The components of interest expense were as follows (in thousands):

	Year Ended December 31, 2007	Year Ended December 31, 2006
Gross interest expense	$ 180,612	$ 160,454
Over-market mortgage adjustment of acquired properties	(6,758)	(7,464)
Capitalized interest	(25,025)	(7,616)
Total	$ 148,829	$ 145,374

Gross interest expense totaled $180.6 million in 2007, up $20.2 million or 12.6% from 2006. The increase in gross interest expense was due to an increase in the average debt outstanding from $2.5 billion in 2006 to $3.0 billion in 2007 at a weighted average interest rate of 5.9% in 2007 and 6.0% for 2006. Capitalized interest increased $17.4 million due to an increase in new development activity, and the over-market mortgage adjustment decreased by $.7 million.

Equity in Earnings of Real Estate Joint Ventures and Partnerships, net
Our equity in earnings of real estate joint ventures and partnerships was $19.9 million in 2007 versus $14.7 million in 2006, an increase of $5.2 million or 35.4%. This increase was attributable primarily to our incremental income from our investments in newly formed joint ventures for the acquisition and development of retail and industrial properties.

Income Allocated to Minority Interests
Income allocated to minority interests was $10.2 million in 2007 versus $6.4 million in 2006, an increase of $3.8 million or 59.4%. This increase resulted primarily from the gain on sale of three shopping centers that were each held

in a 50%-owned consolidated entity. .

Gain on Sale of Properties

The decrease in gain on sale of properties of $18.4 million resulted primarily from the sale of an 80% interest in five industrial properties in the San Diego, Memphis and Atlanta markets in 2006.

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Gain on Land and Merchant Development Sales

Gain on land and merchant development sales totaled $16.4 million in 2007. We sold two vacant industrial buildings in San Diego, California; one shopping center in Phoenix, Arizona, the River Pointe apartments in Conroe, Texas and 17 parcels of land, of which 11 are located in Texas, three in Arizona and one each in Florida, Louisiana and Tennessee. The activity in 2006 of $7.1 million resulted from the disposition of the Timber Springs shopping center in Orlando, Florida and the sale of three parcels of land in Arizona (1) and Texas (2).

Provision for Income Taxes

The increase is attributable to an increase of $1.9 million in the Texas margin tax, which was enacted in the second quarter of 2006 and an increase of $.8 million at our taxable REIT subsidiary.

Income from Discontinued Operations

Income from discontinued operations was $86.8 million in 2007 versus $162.6 million in 2006, a decrease of $75.8 million or 46.6%. This decrease was due primarily to the decrease in gain on sale of 17 properties in 2007 as compared to the gain on sale of 23 properties in 2006. Also, the income from discontinued operations for 2006 includes the operating results of the properties disposed of in 2007.

Results of Operations

Comparison of the Year Ended December 31, 2006 to the Year Ended December 31, 2005

Revenues

Total revenues increased by $50.3 million or 10.3% in 2006 ($538.2 million in 2006 versus $487.9 million in 2005). This increase resulted primarily from the increase in rental revenues of $49.8 million or 10.3%.

Property acquisitions and new development activity contributed $35.6 million of the rental income increase. The remaining increase of $14.2 million resulted from 1,264 renewals and new leases, comprising 6.1 million square feet at an average rental rate increase of 7.5%.

Occupancy (leased space) of the portfolio as compared to the prior year was as follows:

	December 31,	
	2006	2005
Shopping Centers	95.0%	94.6%
Industrial	91.2%	93.1%
Total	94.1%	94.2%

Expenses

Total expenses increased by $38.2 million or 14.8% in 2006 ($295.9 million in 2006 versus $257.7 million in 2005).

The increases in 2006 for depreciation and amortization expense ($10.5 million), operating expenses ($14.8 million) and ad valorem taxes ($6.5 million) and general and administrative expense ($6.4 million) were primarily a result of the properties acquired and developed during the year, an increase in property insurance expenses as a result of the hurricanes experienced in 2005 and increases associated with headcount increases to support the growth of the portfolio. Overall, direct operating costs and expenses (operating and ad valorem tax expense) of operating our properties as a percentage of rental revenues were 28.4% in 2006 and 26.9% in 2005.

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Interest Expense

Interest expense totaled $145.4 million for 2006, up $16.2 million or 12.6% from 2005. The components of interest expense were as follows (in thousands):

	Year Ended December 31, 2006	2005
Gross interest expense	$ 160,454	$ 138,845
Over-market mortgage adjustment of acquired properties	(7,464)	(7,056)
Capitalized interest	(7,616)	(2,629)
Total	$ 145,374	$ 129,160

Gross interest expense totaled $160.5 million in 2006, up $21.6 million or 15.6% from 2005. The increase in gross interest expense was due to an increase in the average debt outstanding from $2.2 billion in 2005 to $2.5 billion in 2006 at a weighted average interest rate of 6.0% in 2006 and 6.1% for 2005. Capitalized interest increased $5.0 million due to an increase in new development activity, and the over-market mortgage adjustment increased by $.4 million.

Interest and Other Income

Interest and other income was $9.0 million in 2006 versus $2.9 million in 2005, an increase of $6.1 million or 210.3%. This increase was attributable to interest earned from a qualified escrow account for the purposes of completing like-kind exchanges, construction loans associated with our new development activities, excess proceeds from our $575 million Convertible Debt Offering and assets held in a grantor trust related to our deferred compensation plan.

Equity in Earnings of Real Estate Joint Ventures and Partnerships, net

Equity in earnings of real estate joint ventures and partnerships increased by $8.1 million or 122.7% in 2006 ($14.7 million in 2006 versus $6.6 million in 2005). This increase was attributable primarily to our share of the gains generated from the disposition of two shopping centers in Texas totaling $4.0 million, a gain of $1.1 million associated with land and merchant development activities in Texas and Washington and incremental income from our investments in newly formed joint ventures in 2005 and 2006 for the acquisition and development of retail and industrial properties.

Gain on Sale of Properties

The gain of $22.5 million and $22.3 million in 2006 and 2005, respectively, resulted primarily from the sale of an 80% interest in five industrial properties in the San Diego, Memphis and Atlanta markets and two retail centers in Louisiana, respectively, in which we retained a continuing 20% operating interest.

Gain on Land and Merchant Development Sales

Gain on land and merchant development sales of $7.1 million in 2006 resulted from the gain from the sale of the Timber Springs shopping center in Orlando, Florida and the sale of three parcels of land in Arizona (1) and Texas (2). The activity in 2005 resulted from the sale of a parcel of land in Orlando, Florida.

Provision for Income Taxes

The amount reported in 2006 includes the tax expense in our taxable REIT subsidiary and the deferred tax impact attributable to the Texas margin tax enacted in the second quarter of 2006.

Income from Discontinued Operations

Income from discontinued operations increased by $70.4 million ($162.6 million in 2006 versus $92.2 million in 2005). This increase was due to the disposition of 23 properties totaling 3.5 million square feet that provided sales proceeds of $308.2 million and generated gains of $145.5 million. The 2005 caption includes the operating results of properties disposed in 2007 and 2006 plus the disposition of 16 properties and a vacant building totaling 1.3 million square feet in 2005. The 2005 dispositions provided sales proceeds of $133.8 million and generated gains of $65.5 million.

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Effects of Inflation

We have structured our leases in such a way as to remain largely unaffected should significant inflation occur. Most of the leases contain percentage rent provisions whereby we receive increased rentals based on the tenants' gross sales. Many leases provide for increasing minimum rentals during the terms of the leases through escalation provisions. In addition, many of our leases are for terms of less than 10 years, which allow us to adjust rental rates to changing market conditions when the leases expire. Most of our leases also require the tenants to pay their proportionate share of operating expenses and ad valorem taxes. As a result of these lease provisions, increases due to inflation, as well as ad valorem tax rate increases, generally do not have a significant adverse effect upon our operating results as they are absorbed by our tenants.

Capital Resources and Liquidity

Our primary liquidity needs are payment of our common and preferred dividends, maintaining and operating our existing properties, payment of our debt service costs and funding planned growth. We anticipate that cash flows from operating activities will continue to provide adequate capital for all common and preferred dividend payments and debt service costs, as well as the capital necessary to maintain and operate our existing properties. We do not anticipate that the current turmoil in the capital markets will have a significant effect on our ability to obtain capital or to execute our business plan. We believe that asset dispositions, real estate joint venture relationships and existing capital resources such as our revolving credit facilities will provide adequate capital. Our most restrictive debt covenants limit the amount of additional leverage we can add, however, we believe the sources of capital described above are adequate to execute our current business plan and remain in compliance with our debt covenants.

Primary sources of capital for funding our acquisitions and new development programs are our revolving credit facilities, cash generated from sales of properties, transactions with venture partners, cash flow generated by our operating properties and proceeds from capital issuances as needed. Amounts outstanding under the revolving credit agreement are retired as needed with proceeds from the issuance of long-term debt, common and preferred equity, cash generated from dispositions of properties and cash flow generated by our operating properties. As of December 31, 2007, the balance outstanding under our $575 million revolving credit facility was $255.0 million, and no amounts were outstanding under our $30 million credit facility, which we use for cash management purposes.

Our capital structure also includes non-recourse secured debt that we assume in conjunction with our acquisitions program. We also have non-recourse debt secured by acquired or developed properties held in several of our real estate joint ventures and partnerships. We hedge the future cash flows of certain debt transactions, as well as changes in the fair value of our debt instruments, principally through interest rate swaps with major financial institutions. We generally have the right to sell or otherwise dispose of our assets except in certain cases where we are required to obtain a third party consent, such as assets held in entities in which we have less than 100% ownership.

Investing Activities:

Acquisitions
Retail Properties.
A portfolio of six retail properties was purchased in January and March 2007, including five properties in Tucson, Arizona and one in Scottsdale, Arizona. The centers are leased to a diverse mix of national retailers including Wal-Mart, Safeway, Walgreens, Kohl’s, Home Depot, PetSmart and Circuit City. This acquisition added 801,551 square feet to our portfolio and represented a total investment of $140 million. This purchase transaction includes an earnout provision of approximately $29 million that is contingent upon the subsequent development of space by the property seller. This contingency agreement expires in 2010.

Cherokee Plaza, acquired in January 2007, is a 98,553 square foot grocery-anchored neighborhood center located in the prestigious Buckhead area in Atlanta, Georgia. The 100% occupied property is anchored by a 57,000 square foot Kroger.

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Sunrise West Shopping Center, acquired in January 2007, is a 76,321 square foot grocery-anchored neighborhood center located in Sunrise (Miami), Florida. This property is anchored by a 44,000 square foot Publix. Cole Park Plaza, acquired in February 2007, is an 82,258 square foot retail development located in Chapel Hill (Durham), North Carolina next to our existing Chatham Crossing shopping center. Both Sunrise and Cole Park were acquired through an existing unconsolidated joint venture with AEW Capital Management.

Oak Grove Market Center, acquired in June 2007, is a 97,207 square foot grocery-anchored shopping center located in Portland, Oregon. The center is anchored by a 53,000 square foot Safeway.

In July 2007, we acquired a portfolio of five retail power centers, adding 1.4 million square feet to our portfolio under management. Three of the retail power centers in Florida, Georgia and Texas were acquired through a new unconsolidated real estate joint venture with PNC Realty Investors on behalf of its institutional client, AFL-CIO Building Investment Trust (the "BIT"). We own 20% of this joint venture with the BIT owning 80%. The remaining two centers, one in Atlanta, Georgia and the other in Chicago, Illinois, were wholly acquired by us.

Countryside Centre, a 242,123 square foot community center located in the St. Petersburg/Clearwater Area of Florida, was also acquired in July 2007. This center is anchored by Albertson's, TJ Maxx, Home Goods and Shoe Carnival.

Stella Link Shopping Center is a 28,510 square foot shopping center located in Houston, Texas, which was acquired in August 2007. This retail center is adjacent to one of our operating properties, which is anchored by Sellers Brothers and Burke's Outlet.

The Shoppes at South Semoran is a 101,535 square foot shopping center located in suburban Orlando, Florida, which was acquired in September 2007. This 100% occupied center is anchored by a 57,000 square foot Winn Dixie.

In September 2007, we acquired a 10% interest in Tully Corners Shopping Center through a tenancy-in-common arrangement. This 115,992 square foot grocery-anchored shopping center, located in San Jose, California, is anchored by Save Mart, Petco and Party City.

In October 2007, we acquired a 10% interest in Paradise Key Shopping Center through a tenancy-in-common arrangement. This 271,777 square foot grocery-anchored shopping center is located in Destin, Florida.

In December 2007, we acquired our partner's 50% interest in Tropicana Beltway located in Las Vegas, Nevada. The center is anchored by Lowe's and Wal-Mart.

Industrial Properties.
Lakeland Business Park, acquired in January 2007, is a 100% leased 168,400 square foot industrial business center located in Lakeland (Tampa), Florida.

In April and May 2007, we acquired a portfolio of 10 high quality industrial buildings located in Richmond, Virginia for a purchase price of $136 million, including $6 million that is contingent upon the lease up of vacant space by the property seller. This contingency agreement expires in 2009. Eight of the buildings were acquired through an existing 20%-owned unconsolidated joint venture with PNC Realty Investors on behalf of its institutional client the BIT. The remaining two buildings were acquired directly by us. This portfolio added 2.4 million square feet under management.

Town & Country Commerce Center, acquired in June 2007, is a 206,000 square foot industrial distribution center located in Houston, Texas. The property is 100% leased to Arizona Tile and Seitel Solution Tech Center.

Riverview Distribution Center, acquired in August 2007, is a 265,200 square foot industrial center located in Atlanta, Georgia. It is anchored by 109,000 square foot CHEP USA.

In October 2007, we acquired Westlake Industrial Centre, a 154,464 square foot industrial building, and Southpark Industrial Centre, a 234,525 square foot industrial center, both of which are located in Atlanta, Georgia.

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The cash requirements for these acquisitions were initially financed under our revolving credit facilities, using available cash generated from dispositions of properties or using cash flow generated by our operating properties.

Dispositions

Retail Properties.

In 2007, we sold 17 shopping centers totaling 1.8 million square feet of building area, of which nine were located in Texas, three in Louisiana, two each in Colorado and Illinois and one in Georgia. Sales proceeds from these dispositions totaled $243.2 million and generated gains of $80.9 million. Three of these shopping centers were each held in a 50% consolidated real estate joint venture. These real estate joint ventures are consolidated in our financial statements because we exercise financial and operating control.

In December 2007, a retail center in Highland Ranch, Colorado was sold. This property was held in a 40%-owned unconsolidated joint venture, and our share of the sales proceeds and the gain generated was $11.2 million and $2.2 million, respectively.