AMERICAN COMMUNITY PROPERTIES TRUST
Form 10-K
March 31, 2009
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(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, 2008

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM _______________ TO _________________

Commission file number 1-14369

AMERICAN COMMUNITY PROPERTIES TRUST
(Exact name of registrant as specified in its charter)

MARYLAND	52-2058165
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

222 Smallwood Village Center
St. Charles, Maryland 20602
(Address of principal executive offices)(Zip Code)
(301) 843-8600
(Registrant's telephone number, including area code)

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

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Shares, $.01 par value	NYSE Amex

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 Exchange Act.Yes / /No /x/

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange 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 /x/ No / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (229.405) 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.
Yes /x/ No / /

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer / / Accelerated filer / / Non-accelerated filer / / Smaller Reporting Company /x/

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes / / No /x/

As of June 30, 2008 the aggregate market value of the common shares held by non-affiliates of the registrant, based on the closing price reported on the American Stock Exchange (currently the NYSE Amex) on that day of $13.75, was $30,330,121. As of March 1, 2009, there were 5,229,954 common shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement of American Community Properties Trust to be filed with the Securities and Exchange Commission with respect to the 2009 Annual Meeting of Shareholders, to be held on June 3, 2009, are incorporated by reference into Part III of this report.

Table of Contents

AMERICAN COMMUNITY PROPERTIES TRUST

2008 Form 10-K Annual Report

TABLE OF CONTENTS

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains various "forward-looking statements." Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "would," "could," "should," "seeks," "intends," " "projects," "estimates" or anticipates" or the negative of these words and phrases or similar words or phrases. Statements regarding the following subjects may be impacted by a number of risks and uncertainties:

- our business and investment strategy;
- our projected results of operations;
- our ability to manage our anticipated growth;
- our ability to obtain future financing arrangements;
- our estimates relating to, and our ability to pay, future distributions;
- our understanding of our competition and our ability to compete effectively;
- real estate market and industry trends in the United States, and particularly in the St. Charles, Maryland marketplace and its surrounding areas, and Puerto Rico;
- projected capital and operating expenditures;
- availability and creditworthiness of current and prospective tenants;
- interest rates; and
- lease rates and terms.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. You should carefully consider these risks before you make an investment decision with respect to our common stock, along with the following factors that could cause actual results to vary from our forward-looking statements:

- the factors referenced in this Annual Report on Form 10-K, including those set forth under the sections captioned "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations;"
- changes in our business and investment strategy;
- default by our tenants;
- availability, terms and deployment of capital;
- general volatility of the capital markets;
- availability of qualified personnel;
- perception of the real estate industry;
- changes in supply and demand dynamics within the real estate industry;
- environmental effects;
- changes in interest rates;
- the degree and nature of our competition;
- changes in applicable laws and regulations; and
- state of the general economy and the local economy in which our properties are located.

We cannot guarantee future results, levels of activity, performance or achievements. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this report. We do not intend, and disclaim any duty or obligation, to update or revise any industry information or forward-looking statements set forth in this report to reflect new information, future events or otherwise.

Table of Contents

PART I

ITEM 1. BUSINESS

References to "we", "us", "our", "ACPT" or the "Company" refer to American Community Properties Trust and our business a operations conducted through our subsidiaries.

GENERAL

ACPT is a self-managed holding company that is primarily engaged in the business of investing in and managing multifamily rental properties as well as community development and homebuilding. ACPT's operations are primarily concentrated in the Washington, D.C. metropolitan area and Puerto Rico and are carried out through its U.S. subsidiaries, American Rental Properties Trust ("ARPT"), American Rental Management Company ("ARMC"), American Land Development, Inc. ("ALD") and their subsidiaries and its Puerto Rican subsidiary, IGP Group Corp. ("IGP Group").

ACPT was formed on March 17, 1997 as a Maryland real estate investment trust. ACPT is taxed as a U.S. partnership and its taxable income flows through to its shareholders. ACPT's U.S. subsidiaries, ARPT, ARMC, and ALD are taxed as U.S. corporations. ACPT is subject to Puerto Rico income taxes on IGP Group's taxable income, which generates foreign tax credits that have been passed through to ACPT's shareholders. A federal tax regulation has been proposed that could eliminate ACPT's ability to pass through these foreign tax credits to its shareholders. Comments on the proposed regulation are currently being evaluated, and the final regulation will be effective for tax years beginning after the final regulation is ultimately published in the Federal Register. ACPT's income consists of (i) certain passive income from IGP Group, (ii) additional distributions from IGP Group including Puerto Rico taxes paid on behalf of ACPT and (iii) dividends from ACPT's U.S. subsidiaries. Other than Interstate Commercial Properties ("ICP"), which is a subsidiary of IGP Group and is taxed as a Puerto Rico corporation, the income from the remaining Puerto Rico operating entities passes through to IGP Group or ALD. Of this income, only the portion attributable to the profits, losses or gains on the residential land sold in our Parque Escorial property passes through to ALD.

ARPT

ARPT holds partnership interests in entities that own 21 multifamily rental properties in Maryland and Virginia (the "U.S. Apartment Properties") indirectly through American Housing Properties L.P. ("AHP"), a Delaware limited partnership, in which ARPT has a 99% limited partner interest and American Housing Management Company, a wholly owned subsidiary of ARPT, has a 1% general partner interest.

ARMC

ARMC performs property management services in the United States for the U.S. Apartment Properties and until March 1, 2009 performed property management services for one third-party owned apartment community, Capital Park Apartments.

ALD

ALD owns interests in and operates developments, including the following:

1. a 100% ownership interest in St. Charles Community LLC ("SCC LLC"), which holds approximately 3,790 acres of land in St. Charles, Maryland;
2. the Class B interest in Interstate General Properties Limited Partnership S.E., a Maryland limited partnership ("IGP"), that represents IGP's rights to income, gains and losses associated with the balance of the residential land in our Parque Escorial property in Puerto Rico held by Land Development Associates, S.E. ("LDA"), a wholly owned subsidiary of IGP;
3. through November 19, 2008, a 50% interest, through SCC LLC, in a land development joint venture, St. Charles Active Adult Community, LLC ("Active Adult Community"). ACPT sold its interest in Active Adult Community to Lennar Corporation ("Lennar") in the fourth quarter of 2008; and

4. effective on October 28, 2008, a 50% interest in Surrey Homes, LLC ("Surrey Homes"), which is a homebuilding company that was created to meet the needs of developing communities in central Florida with a lot option, low overhead model.

IGP Group

IGP Group owns and operates the assets of ACPT's Puerto Rico division indirectly through a 99% limited partner interest and a 1% general partner interest in IGP (excluding the Class B interest in IGP transferred to ALD). IGP's assets and operations include:

1. a 100% ownership interest in LDA, a Puerto Rico special partnership which holds 120 acres of land in the planned community of Parque Escorial in Carolina, Puerto Rico ("Parque Escorial") and 490 acres of land in Canovanas, Puerto Rico;
2. general partner interests in nine partnerships, which collectively own and operate a total of 12 multifamily rental facilities in Puerto Rico (the "Puerto Rico Apartment Properties"), and a limited partner interest in two of these partnerships;
3. a 100% ownership interest in Escorial Office Building I, Inc. ("EOBI"), and through LDA and IGP, a 100% ownership interest in a Puerto Rico corporation that operates a three-story, 56,000 square foot office building in Carolina, Puerto Rico;
4. a 100% ownership interest in ICP, an entity that holds the partnership interest in El Monte Properties S.E. ("EMP") which was sold and is wrapping up operations in 2009;
5. a limited partner interest in ELI, S.E. ("ELI"), an entity that holds a 45.26% share in the future cash flow generated from a 30-year lease of an office building to the State Insurance Fund of the Government of Puerto Rico; and
6. an indirect 100% ownership interest, through LDA and IGP, in Torres del Escorial, Inc. ("Torres"), a Puerto Rico corporation organized to build 160 condominium units.

Table of Contents

ACPT operated in two principal lines of business in 2008: Operating Real Estate and Land Development. The Operating Real Estate segment is comprised of ACPT's investments in rental properties and property management services; whereas, the Land Development segment is comprised of ACPT's community development and homebuilding services. This represents a change from ACPT's historical financial reporting practice of evaluating the Company solely based on geographical location. During the fourth quarter of 2008, the Company had a change in senior management. With this change came a new perspective on evaluating the Company's performance, developing goals, and the use of various generally accepted industry financial measures to assess the performance and financial condition of the business, including net operating income ("NOI") (a supplemental measure to operating income) and Funds From Operations ("FFO") (a supplemental measure to net income).

NOI, defined as real estate rental revenue less real estate operating expenses, is the primary performance measure we use to assess the results of our operations. When considered with the financial statements prepared in accordance with principles of accounting generally accepted in the United States ("GAAP"), it is helpful to investors in understanding our performance because it captures the performance of our real estate operations in a measure that is comparable with other entities that have a different capitalization. We provide NOI as a supplement to operating income calculated in accordance with GAAP. NOI is a non-GAAP financial measure and does not represent operating income or net income calculated in accordance with GAAP. As such, it should not be considered an alternative to operating income or net income as an indication of our operating performance.

FFO is a non-GAAP financial measure that we believe, when considered with the financial statements prepared in accordance with GAAP, is helpful to investors in understanding our performance because it captures features particular to real estate performance. Real estate generally appreciates over time or maintains residual value to a much greater extent than do other depreciable assets such as machinery, computers or other personal property. We compute FFO in accordance with the Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT, which defines FFO as net income (loss), computed in accordance with GAAP, excluding gains (or losses) from sales of depreciable property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

While ACPT continues to report operating results on a consolidated basis, it also now reports separately the operating results of its two lines of business within the segment disclosures and in the notes to the Company's consolidated financial statements. The Company has reclassified its segment disclosures for 2007 to include the results of these segments. Please see Note 13 to our consolidated financial statements in Item 8 of this Annual Report on Form 10-K for certain financial information related to these segments. Set forth below is a brief description of these businesses within each of our segments.

U.S. OPERATING REAL ESTATE OPERATIONS – Ownership in Multifamily and Commercial Properties and Property Management

Multifamily Rental Properties

ACPT, indirectly through ARPT and AHP, holds interests in the U.S. Apartment Properties. The U.S. Apartment Properties include a total of 3,366 rental units and are financed by a non-recourse mortgage whereby the owners are not jointly and severally liable for the debt. The U.S. Department of Housing and Urban Development ("HUD") provides rent subsidies to the U.S. Apartment Properties for residents of 973 apartment units. In addition, 110 units are leased pursuant to HUD's Low Income Housing Tax Credit ("LIHTC") program, and 139 other units are leased under income guidelines set by the Maryland Community Development Administration. The remaining 2,144 units are leased at market rates. During the first quarter of 2009, the Company executed purchase agreements for the sale of three of five U.S. Apartment Properties in Baltimore, Maryland for $29,200,000. The Company has received non-binding offers of $6,598,000 and is negotiating agreements for the remaining two properties. These properties contain an aggregate of 642 apartment units. The primary factor driving the decision to sell these properties was the strategic disposition of underperforming assets. These contracts are subject to certain customary closing conditions, including lender consent to allow the purchaser to assume the loans. We anticipate closing on the sale of these properties in the second quarter of 2009. There can be no assurance that these transactions will occur.

Table of Contents

The following table sets forth the name of each U.S. Apartment Property, the number of rental units in each property, the total portfolio percentage of each property, the project cost, the percentage of units under lease, and the expiration date and maximum benefit for any subsidy contract:

U.S. APARTMENT PROPERTIES	Number of Apartment Units	Percentage of Portfolio	12/31/2008 Project Cost (A) (in thousands)	Occupancy at 12/31/2008	Expiration Of Subsidy Contract	Maximum Subsidy (in thousands)
Consolidated Partnerships						
Bannister – Non-subsidized Apartments	167	5%	$ 8,981	88%	N/A	$ -
Bannister – Subsidized Apartments	41	1%			2009	536
Coachman's	104	3%	8,005	92%	N/A	-
Crossland	96	3%	3,483	95%	N/A	-
Essex	496	15%	21,220	97%	2009	4,672
Fox Chase	176	5%	8,990	95%	N/A	-
Headen House	136	4%	8,610	97%	2009	1,689
Huntington	204	6%	10,134	97%	2009	2,496
Lancaster	104	3%	6,042	87%	N/A	(B)
Milford Station I (D)	200	6%	13,271	90%	N/A	-
Milford Station II (D)	50	1%	1,879	94%	N/A	-
New Forest	256	8%	15,513	93%	N/A	-
Nottingham South (D)	85	3%	3,070	94%	N/A	-
Owings Chase (D)	234	7%	15,922	91%	N/A	-
Palmer – Non-subsidized Apartments	96	3%	9,185	94%	N/A	-
Palmer – Subsidized Apartments	56	2%			2009	732
Prescott Square (D)	73	2%	4,788	88%	N/A	-
Sheffield Greens	252	7%	25,999	93%	N/A	-
Village Lake	122	3%	7,994	96%	N/A	-
Wakefield Terrace – Non-subsidized Apartments	164	5%	11,301	90%	N/A	-
Wakefield Terrace – Subsidized Apartments	40	1%			2011	541
Wakefield Third Age (Brookmont)	104	3%	5,572	96%	N/A	-
Total Consolidated	3,256	96%	189,959			10,666
Unconsolidated Partnerships						
Brookside Gardens	56	2%	2,696	96%	N/A	(C)
Lakeside Apartments	54	2%	4,131	100%	N/A	(C)
Total Unconsolidated	110	4%	6,827			
Total	3,366	100%	$ 196,786			$ 10,666

(A) Project costs represent inception-to-date capitalized costs for each respective property as per Schedule III "Real Estate and Accumulated Depreciation" in Item 8 of this Annual Report on Form 10-K.

(B)

Not subsidized, however, 54 units are subject to household income restrictions set by the Maryland Community Development Administration ("MCDA").

(C) Not subsidized, but all units are set aside for low to moderate income tenants over certain age limitations under provisions set by the LIHTC program.

(D) During the first quarter of 2009, the Company executed purchase agreements for the sale of three of the five U.S. Apartment Properties in Baltimore, Maryland for $29,200,000. The Company has received non-binding offers of $6,598,000 and is negotiating agreements for the remaining two properties.

Table of Contents

The following table sets forth the operating results, mortgage balances and our economic interest in the U.S. Apartment Properties by location ($ amounts in thousands, all other figures are actual):

U.S. APARTMENT PROPERTIES	Number of Apartment Units	Operating Revenues	Operating Expenses (a)	Net Operating Income	Non-Recourse Mortgage Outstanding	Economic Interest Upon Liquidation (b)	
Consolidated Partnerships							
Charles County, Maryland							
Bannister	208	$ 2,587	$ 1,201	$ 1,386	$ 12,301	100.0%	
Coachman's	104	1,718	665	1,053	10,740	95.0%	
Crossland	96	1,205	598	607	4,034	60.0%	
Fox Chase	176	2,286	876	1,410	12,685	99.9%	
Headen House	136	1,641	659	982	6,828	75.5%	
Huntington	204	2,397	1,368	1,029	9,104	50.0%	
Lancaster	104	1,541	671	870	8,355	100.0%	
New Forest	256	4,082	1,506	2,576	22,445	99.9%	
Palmer	152	1,912	802	1,110	6,649	75.5%	
Sheffield Greens	252	4,346	1,882	2,464	26,749	100.0%	
Village Lake	122	1,589	671	918	9,088	95.0%	
Wakefield Terrace	204	2,292	1,110	1,182	9,897	75.5%	
Wakefield Third Age (Brookmont)	104	1,332	528	804	7,180	75.5%	
Baltimore County, Maryland							
Milford Station I (f)	200	1,911	1,005	906	10,491	100.0%	
Milford Station II (f)	50	410	271	139	1,345	100.0%	
Nottingham South (f)	85	638	468	170	2,543	100.0%	
Owings Chase (f)	234	2,408	1,238	1,170	12,208	100.0%	
Prescott Square (f)	73	738	431	307	3,541	100.0%	
Henrico County, Virginia							
Essex	496	4,482	2,239	2,243	13,766	50.0%	(c)
Total Consolidated	3,256	39,515	18,189	21,326	189,949		
Unconsolidated Partnerships							

Charles County, Maryland						
Brookside Gardens	56	325	282	43	1,202	(d)
Lakeside	54	502	284	218	1,921	(e)
Total Unconsolidated	110	827	566	261	3,123	
Grand Total	3,366	$ 40,342	$ 18,755	$ 21,587	$ 193,072	

(a) Amounts exclude management fees eliminated in consolidation.

(b) Unless stated otherwise, surplus cash from operations and proceeds from sale or liquidation are allocated based on the economic interest.

(c) Upon liquidation, the limited partners have a priority distribution equal to their unrecovered capital. As of December 31, 2008, the unrecovered limited partner capital for Essex was $1,890,000. The Company's receivable of $2,958,000 is the second priority of proceeds from the sale or liquidation on the property. Until the limited partners have recovered their capital contributions, any surplus cash is distributed first to the limited partners up to $100,000, then a matching $100,000 to the general partner, with any remaining split between the general partner and the limited partners.

(d) The Company's share of the economic ownership is immaterial.

(e) The Company is currently eligible to receive $363,000 in distributions related to the payment of a development fee. This amount receives priority over return of equity to the partners but is subordinate to a $3,000 per year preferred return to the minority partners. Upon settlement of all priority items, balance is split 70% to the Company and 30% to the minority partners.

(f) During the first quarter of 2009, the Company executed purchase agreements for the sale of three of the five U.S. Apartment Properties in Baltimore, Maryland for $29,200,000. The Company has received non-binding offers of $6,598,000 and is negotiating agreements for the remaining two properties.

Table of Contents

New Multifamily Rental Property Construction

In 2008, ACPT commenced the construction of a 184 unit luxury apartment complex within St. Charles, Maryland called Gleneagles Apartments. Gleneagles Apartments is expected to consist of one, two and three bedroom units ranging in size from 905 to 1,840 square feet. ACPT currently anticipates average monthly rents of approximately $1,625 per unit. Pre-leasing efforts are currently scheduled to commence during the third quarter of 2009, and delivery of the initial units is expected to occur during the fourth quarter of 2009. ACPT has received all county permits, and the HUD insured loan, totaling $25,045,200, closed on January 22, 2009.

Property Management

ACPT, indirectly through ARMC, operates a property management business that manages 3,654 rental apartment units located in the Washington, D.C. metropolitan area, Baltimore, Maryland and Richmond, Virginia, 3,366 of which ACPT holds an ownership interest. Management fees for the 3,366 units are based on a percentage of rents ranging from 4% to 6.5%. The management contracts for these properties have terms of one or two years and are automatically renewed upon expiration but, may be terminated on 30 days notice by either party. ARMC is entitled to receive an aggregate incentive management fee of $40,000 annually from two of the properties that it manages, as well as the potential to receive an incentive management fee of $100,000 from another property that it manages. However, the payment of these fees is subject to the availability of surplus cash. Management and other fees earned from properties included within the consolidated financial statements are eliminated in consolidation. As of December 31, 2008, management fees from third-party owned apartment properties equaled 3% of rents. Effective March 1, 2008, the Company’s management agreement with one of the third-party owned apartment properties, G.L. Limited Partnership, was terminated. Effective March 1, 2009, the Company’s management agreement with the final third-party owned rental property, Capital Park Towers Apartments, was terminated.

Competition

ACPT's investment properties that receive rent subsidies are not subject to the same market conditions as properties charging market rents. The U.S. Apartment Properties located in St. Charles, Maryland have market rents that are impacted by the supply and demand for competing rental apartments in the area, as well as the local housing market. When housing becomes more affordable due to lower mortgage interest rates or softening home prices, the performance of our rental apartments can be adversely impacted. Conversely, the performance of the rental apartment market typically improves when mortgage interest rates rise, home prices increase, or economic conditions and the credit markets become depressed.

ACPT has historically been the only source for multifamily apartment living in St. Charles, Maryland and its surrounding areas. In the winter of 2008, Archstone-Smith opened “Westchester at the Pavilions,” a luxury apartment community in St. Charles, Maryland. Currently, the rents within this new facility are higher than those charged for ACPT’s apartments. It is currently unclear to what extent occupancy levels at our higher end fair market properties will be impacted by the addition of these units into the St. Charles market.

PUERTO RICAN OPERATING REAL ESTATE OPERATIONS – Ownership in Multifamily and Commercial Properties and Property Management

Multifamily Rental Properties

ACPT, indirectly through IGP, holds interests in the Puerto Rico Apartment Properties. The Puerto Rico Apartment Properties comprise a total of 2,653 rental units, all of which receive rent subsidies from HUD and are financed by non-recourse mortgages. During the first quarter of 2009, the Company executed a non-binding letter of intent to sell the Puerto Rico Apartment Properties. The letter of intent is subject to customary closing conditions, including the ability of the purchaser to obtain financing, and we anticipate closing on the sale of these properties in the second quarter of 2009.

-8-

Table of Contents

The table below sets forth the name of each Puerto Rico Apartment Property, the number of rental units in each property, the percentage of total Puerto Rico Apartment Property units held by each property, the project cost, the percentage of such units under lease, and the expiration date and maximum benefit for any subsidy contract:

	Number of Apartment Units	Percentage of Portfolio	12/31/2008 Project Cost (B) (in thousands)	Occupancy at 12/31/2008	Expiration of Subsidy Contract	Maximum Subsidy (in thousands)
Consolidated Partnerships						
San Anton	184	7%	$ 5,643	100%	2010	$ 1,342
Monserrate Associates	304	11%	12,944	99%	2009	2,700
Alturas del Senorial	124	5%	5,191	99%	2009	1,096
Jardines de Caparra	198	7%	8,157	99%	2010	1,662
Colinas de San Juan	300	11%	12,702	100%	2011	2,144
Bayamon Garden	280	11%	14,311	100%	2011	2,085
Vistas del Turabo	96	4%	3,589	100%	2021	726
Monserrate Tower II (A)	304	11%	13,666	100%	2020	2,554
Santa Juana (A)	198	7%	8,230	99%	2020	1,685
Torre De Las Cumbres (A)	155	6%	7,155	100%	2020	1,350
De Diego (A)	198	8%	8,222	100%	2020	1,670
Valle del Sol	312	12%	15,885	100%	2013	2,491
Total	2,653	100%	$ 115,695			$ 21,505

(A) This property is owned by Caroline Associates L.P., a Maryland limited partnership in which IGP holds a 50% interest.

(B) Project costs represent total capitalized costs for each respective property as per Schedule III "Real Estate and Accumulated Depreciation" in Item 8 of this Annual Report on Form 10-K.

Table of Contents

The table below sets forth the operating results, mortgage balances and our economic interest in the Puerto Rico Apartment Properties by location ($ amounts in thousands, all other figures are actual):

P.R. APARTMENT PROPERTIES	Number of Apartment Units	Operating Revenues	Operating Expenses (a)	Net Operating Income	Non-Recourse Mortgage Outstanding	Economic Interest Upon Liquidation (b)	
Consolidated Partnerships							
Carolina, Puerto Rico							
Monserrate Associates	304	$ 2,785	$ 1,472	$ 1,313	$ 6,816	52.50%	
Monserrate Tower II (c)	304	2,637	1,420	1,217	9,861	50.00%	(e)
San Anton	184	1,492	961	531	4,091	49.50%	
San Juan, Puerto Rico							
Alturas Del Senorial	124	1,120	643	477	3,449	50.00%	
Colinas San Juan	300	2,164	1,072	1,092	9,380	50.00%	
De Diego (c)	198	1,748	995	753	5,457	50.00%	(e)
Torre de Las Cumbres (c)	155	1,425	777	648	5,067	50.00%	(e)
Caguas, Puerto Rico							
Santa Juana (c)	198	1,832	1,042	790	7,036	50.00%	(e)