RAMCO GERSHENSON PROPERTIES TRUST
Form 424B5
June 11, 2003

PROSPECTUS SUPPLEMENT
(To prospectus dated September 27, 2002)

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-99345

Ramco-Gershenson Properties Trust

2,150,000 Shares

Common Shares of Beneficial Interest

This is a public offering of 2,150,000 of our common shares of beneficial interest, par value $0.01 per share. All the common shares offered pursuant to this prospectus supplement are being offered by us.

Our common shares are listed on The New York Stock Exchange under the symbol RPT. On June 9, 2003, the last reported sale price of our common shares on the New York Stock Exchange was $24.73 per common share.

Investing in our common shares involves risk. See Risk Factors beginning on Page 1 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	**Total**
Public offering price	$24.15	$51,922,500
Underwriting discounts and commissions	$.50	$1,075,000
Proceeds, before expenses, to Ramco-Gershenson Properties Trust	$23.65	$50,847,500

We have granted the underwriter an option to purchase up to 322,500 additional common shares to cover over-allotments.

The underwriter expects to deliver the common shares to purchasers on or about June 13, 2003.

Deutsche Bank Securities

The date of this prospectus supplement is June 10, 2003.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. Because it is a summary, it may not contain all of the information that is important to you. You should read carefully this entire prospectus supplement and the accompanying prospectus, especially the section entitled Where You Can Find More Information on page (i) of the accompanying prospectus and the section entitled Risk Factors beginning on page 1 of the accompanying prospectus, as well as the documents incorporated by reference in this prospectus supplement and in the accompanying prospectus, before making a decision to invest in the common shares. Throughout this prospectus supplement, we refer to Ramco-Gershenson Properties Trust, a Maryland real estate investment trust, and its subsidiaries, including Ramco-Gershenson Properties, L.P. and Ramco-Gershenson, Inc. and their predecessors, as we, our, us or the Company unless otherwise noted.

Ramco-Gershenson Properties Trust

We are a fully integrated, self-administered and self-managed real estate investment trust, also known as a REIT, that acquires, develops, manages and owns community shopping centers in the midwestern, southeastern and mid-Atlantic regions of the United States. As of May 31, 2003, we had a portfolio of 61 shopping centers totaling approximately 11.9 million square feet of gross leaseable area located in 12 states. Our properties consist of 60 community shopping centers, nine of which are power centers and three of which are single tenant facilities. We also own one enclosed regional mall. Our shopping centers are located in convenient and easily-accessible locations with abundant parking which are close to residential communities and offer excellent visibility for our tenants and easy access for shoppers.

For approximately half a century, Ramco-Gershenson, Inc. and its predecessor developed and owned shopping centers throughout the United States. Over that time, we developed or acquired over 60 shopping centers with a total of over 16.5 million square feet.

In May 1996, RPS Realty Trust acquired through a reverse merger substantially all the shopping centers and retail properties as well as the management company and business operations of Ramco-Gershenson, Inc. and certain of its affiliates. The resulting trust changed its name to Ramco-Gershenson Properties Trust and relocated its corporate office to Southfield, Michigan, where Ramco-Gershenson, Inc. s officers assumed management responsibility. At that time, the trust also changed its operations from a mortgage REIT to an equity REIT and contributed seven mortgage loans, three real estate properties and other assets to Atlantic Realty Trust, an independent, newly-formed liquidating REIT. All of the stock of Atlantic Realty Trust was distributed subsequently to the shareholders of the trust.

In 1997, with approval from our shareholders, we changed our state of organization from Massachusetts to Maryland by terminating the Massachusetts trust and merging into a newly-formed Maryland real estate investment trust.

We conduct substantially all of our business, and hold substantially all of our interests in our properties, through our operating partnership, Ramco-Gershenson Properties, L.P., either directly or indirectly through partnerships or limited liability companies which hold fee title to the properties. We have the exclusive power to manage and conduct the business of our operating partnership. As of March 31, 2003, our company owned approximately 80.8% of the interests in our operating partnership.

Our executive offices are located at 27600 Northwestern Highway, Suite 200, Southfield, Michigan 48034. Our telephone number (248) 350-9900.

Competitive Strengths

Based on our long history in the shopping center industry, the caliber of our management team and the quality of our assets, we feel that we are uniquely positioned to capitalize on opportunities in the real estate market as they present themselves.

Community Shopping Center Focus

We are predominantly a community shopping center company with a focus on acquiring, developing and managing centers primarily anchored by grocery stores and nationally-recognized discount department stores. It is our belief that centers with a grocery and/or discount components attract consumers seeking value-oriented goods and services. Since these products are required to satisfy everyday needs, customers usually visit the centers on a weekly basis.

Markets In Which We Operate

Our shopping centers are primarily located in major metropolitan areas in the midwestern and southeastern regions of the United States. Within specific markets, we seek convenient, easily accessible locations with abundant parking facilities, close to residential communities, with excellent visibility for our tenants and easy access for shoppers. In both of these regions we have concentrated a number of centers in reasonable proximity to each other in order to achieve market penetration as well as efficiencies in management, oversight and purchasing.

Proactive Asset Management

We use our asset management personnel to perform a variety of functions, including playing a major role in creating and assessing redevelopment, acquisition, development and leasing opportunities. Our proactive approach to leasing has allowed us to consistently maintain a high occupancy rate, ranging between 90.9% and 95.5% during each of the last five years. Our asset management team also helps to ensure that our centers remain competitive in their respective trade areas. In addition, when considering an acquisition, we use our experience and tenant contacts to look for value-added opportunities. We maintain strong relationships with national and regional anchor tenants, allowing us to assess their interest in our prospective developments.

Experienced Management Team

Our management team has an average of approximately 28 years of experience in the real estate industry, including acquisition, development, construction, financing, leasing and asset management experience. Our 46-year history as a shopping center developer provides us with the ability to discover attractive investment opportunities. Our management and trustees currently own 16.4% of our company (assuming the conversion into our common shares of all of the outstanding units in our operating partnership but excluding our outstanding stock options), which aligns management s interests with those of our shareholders.

Business Strategy

Our goal is to maximize total return for our shareholders by improving operating income and enhancing asset value. We pursue our goal through:

A proactive approach to redeveloping, renovating and expanding our shopping centers.

The acquisition of community shopping centers in the midwestern, southeastern and mid-Atlantic regions of the United States with a focus on grocery and nationally-recognized discount department store anchor tenants.

The development of new shopping centers in metropolitan markets in which we currently operate and where we believe demand for a center exists.

A proactive approach to leasing vacant spaces and entering into new leases for occupied spaces where leases are about to expire.

Geographic Diversification

The following table sets forth the distribution by region and by state of our gross leaseable area and annualized base rent as of March 31, 2003.

		Company Owned Gross Leaseable Area		Annualized Base Rent(2)	
Region/State	**Number of Properties**	**Total Sq. Ft.(1)**	**% of Total Portfolio**	**Total**	**% of Total Portfolio**
Midwestern					
Michigan	23	4,398,799	42.7%	$31,964,310	43.5%
Ohio	4	814,401	7.9	6,359,926	8.7
Wisconsin	2	538,573	5.2	3,648,560	5.0
Subtotal Midwestern	29	5,751,773	55.8%	41,972,796	57.2%
Southeastern					
Florida	12	1,557,284	15.1%	11,898,503	16.2%
Georgia	5	642,271	6.2	4,317,288	5.9
Tennessee	6	796,702	7.7	4,026,258	5.5
South Carolina	2	361,828	3.5	1,938,513	2.6
North Carolina	2	367,108	3.6	2,019,252	2.7
Alabama	1	126,701	1.2	764,743	1.0

Subtotal Southeastern	28	3,851,894	37.3%	24,964,557	33.9%
Mid-Atlantic					
New Jersey	1	224,138	2.2%	2,744,308	3.7%
Virginia	1	240,042	2.3	2,466,934	3.4
Maryland	1	251,547	2.4	1,353,022	1.8
Subtotal Mid-Atlantic	3	715,727	6.9%	6,564,264	8.9%
Total	60	10,319,394	100%	$73,501,617	100%

(1) Represents (a) gross leaseable area with respect to our shopping centers and (b) rentable square feet with respect to our single-tenant properties.

(2) We calculate annualized base rent for all leases in place on March 1, 2003 by multiplying total base rent for

March 2003 by 12.

Occupancy

Our overall occupancy rates for 2001 and 2002 and for the three months ended March 31, 2003 were 95.5%, 90.5% and 90.9% respectively.

Tenant Mix

The following table sets forth information regarding our top ten tenants as of March 31, 2003, determined by the percentage of our total annualized base rent in place at March 1, 2003.

		Company Owned Gross Leaseable Area		Annualized Base Rent(1)		
Tenant	Number of Stores	Total Sq. Ft.	% of Total Portfolio	Total	% of Total Portfolio(2)	Type of Business
Wal-Mart	13	1,227,126	11.89%	$5,289,203	7.20%	Discount Department Store
Kmart(3)	6	628,480	6.09	3,031,486	4.12	Discount Department Store
Farmer Jack/A & P	5	252,280	2.44	2,430,660	3.31	Supermarket
Publix	6	286,877	2.78	2,251,829	3.06	Supermarket
Lowe s Home Centers	2	270,720	2.62	1,735,056	2.36	Home Improvement Store
T.J. Maxx/ Marshalls	8	223,206	2.16	1,623,412	2.21	Off-Price Department Store
OfficeMax	7	161,998	1.57	1,496,189	2.04	Office Supply Store
Circuit City	3	104,839	1.02	1,474,356	2.01	Electronics Store
Jo-Ann Fabrics	6	153,758	1.49	1,457,457	1.98	Fabric & Craft Retailer
Kohl s	4	274,084	2.66	1,455,855	1.98	Department Store

(1) We calculate annualized base rent for all leases in place on March 1, 2003 by multiplying total base rent for March 2003 by 12.

(2) Represents the total annualized base rent for the tenant divided by our total company annualized base rent of $73,501,617.

(3) Filed Chapter 11 bankruptcy on January 22, 2002.

Recent Developments

On June 9, 2003, we announced that we are currently in negotiations to purchase four shopping centers, all of which are located in the State of Michigan. Subject to certain conditions, including the completion of due diligence investigations of each shopping center, the closing of the purchase of each center is expected in the third quarter of 2003. The aggregate purchase price for the four properties is approximately $61,000,000. Three of the centers have existing debt totaling $33,500,000, with a weighted average interest rate of approximately 7.88%. None of these properties will be acquired unless management believes that the acquisitions will have a positive impact on the financial performance of the Company.

On June 3, 2003, we announced that Kmart Corporation assigned its lease at our Tel-Twelve shopping center in Southfield, Michigan to Meijer, a grocery and discount department store. We have been informed by Meijer that it intends to remove the current 128,000 square foot Kmart store and replace it with a new 195,000 square foot store.

Although the lease has been assigned to Meijer from Kmart, for accounting purposes, the assignment is required to be treated as a termination of the Kmart lease and recognized as a new agreement with Meijer. As a result, we plan to write off a $3.0 million straight-line rent receivable from Kmart, leading to a reduction in second quarter 2003 net income of $0.20 per diluted common share and a reduction in second quarter 2003 Funds From Operations (FFO) of $0.20 per diluted common share. In connection with the transactions, we revised our prior estimate of 2003 diluted FFO per share from between $2.23 and $2.33 to between $2.03 and $2.13, which corresponds to net income per diluted common share estimates for 2003 of between $0.49 and $0.53.

We consider FFO an appropriate supplemental measure of the financial performance of an equity REIT. Under the National Association of Real Estate Investment Trusts (NAREIT) definition, FFO represents income before minority interest, excluding extraordinary items, as defined under accounting principles generally accepted in the United States of America (GAAP), gains on sales of depreciable property, plus real estate related depreciation and amortization (excluding amortization of financing costs), and after adjustments for unconsolidated partnerships and joint ventures. FFO should not be considered an alternative to GAAP net income as an indication of the Company s performance. We consider FFO as a useful measure for reviewing our comparative operating and financial performance between periods or to compare our performance to different REITs. However, our computation of FFO may differ from the methodology for calculating FFO utilized by other real estate companies, and therefore, may not be comparable to the methods of other real estate companies.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of 2,150,000 common shares in this offering will be approximately $50,647,500, after payment of the underwriting discounts and estimated offering expenses payable by us.

We intend to use the net proceeds of the sale of our common shares in this offering initially to pay down outstanding balances under our secured and unsecured credit facilities. Our secured credit facility expires in December 2005 and has a variable interest rate which ranges between 150 and 200 basis points over LIBOR, depending on certain debt ratios, and was 175 basis points above LIBOR at March 31, 2003. Our unsecured credit facility also expires in December 2005 and has a variable interest rate which ranges between 325 and 375 basis points above LIBOR, depending on certain debt ratios, and was 363 basis points above LIBOR at March 31, 2003.

Following the offering, we may borrow amounts under our credit facilities to acquire additional shopping centers and to expand or renovate our existing centers. We are currently in negotiations to purchase four shopping centers during the third quarter of 2003. See Recent Developments.

The description above reflects our current intentions for how we will use the estimated net proceeds from the sale of common shares in this offering. We might change how we use the estimated net proceeds in response to, among other things, changes in our business plans, future revenues and expenses and industry, regulatory or competitive conditions. The amount of our expenses and their timing will vary depending on a number of factors, including changes in our expected operations or business plan and changes in economic and industry conditions. Any such changes will be at the discretion of our Board of Trustees and officers.

CAPITALIZATION

The following table sets forth our actual capitalization at March 31, 2003 and as adjusted to give effect to the sale of 2,150,000 common shares we are offering by this prospectus supplement, the application of the estimated net proceeds to us from that offering and the consummation of the transactions described under Use of Proceeds. See Use of Proceeds.

	March 31, 2003	
	Actual	As Adjusted
	(in thousands, except share data)	
Debt:		
Mortgage and construction loans	$324,155	$313,258
Secured credit facility	93,000	75,000
Unsecured credit facility	21,750	
Total debt	438,905	388,258
Minority interest	46,147	46,147
Shareholders equity:		
Preferred shares, par value $0.01; 10,000,000 shares authorized; 1,000,000 Series B shares issued and outstanding, liquidation values of $25,000,000	23,804	23,804
Common shares, par value $0.01; 30,000,000 shares authorized; 12,300,791 issued and outstanding (1) (14,450,791 shares as adjusted (2))	122	144
Additional paid-in capital	234,213	284,838
Accumulated other comprehensive loss	(2,269)	(2,269)
Cumulative distributions in excess of net income	(56,250)	(56,250)
Total shareholders equity	199,620	250,267

Total Capitalization	$684,672	$684,672

(1) The number of common shares outstanding as of March 31, 2003 does not include:

572,575 common shares issuable as of March 31, 2003 upon exercise of outstanding options granted under our stock option plans, and

2,931,062 common shares issuable as of March 31, 2003 upon exchange of outstanding units in our operating partnership, Ramco-Gershenson Properties, LP.

(2) The number of common shares outstanding as adjusted does not include the 322,500 common shares that will be issued if the underwriter exercises its overallotment option in full.

COMMON SHARE PRICE AND DIVIDEND PERFORMANCE

Our common shares are listed on The New York Stock Exchange under the trading symbol RPT. The following table sets forth, for the periods indicated, the range of high and low closing sales prices for our common shares as reported on The New York Stock Exchange and the cash dividends paid per share.

	High	Low	Dividends
Year Ended December 31, 2001			
First Quarter	$15.00	$13.25	$0.42
Second Quarter	17.55	13.70	0.42
Third Quarter	18.15	14.33	0.42
Fourth Quarter	17.57	16.05	0.42
Year Ending December 31, 2002			
First Quarter	$18.30	$16.15	$0.42
Second Quarter	20.85	17.64	0.42
Third Quarter	20.50	17.49	0.42
Fourth Quarter	20.06	16.91	0.42
Year Ending December 31, 2003			
First Quarter	$22.50	$19.10	$0.42
Second Quarter (through June 9, 2003)	24.95	21.81	0.42

On June 9, 2003, the last sales price for our common shares reported on The New York Stock Exchange was $24.73 per share. As of May 31, 2003, we had 2,660 shareholders of record.

Dividend Policy

Dividends are paid to our shareholders on a quarterly basis if, as and when declared by our Board of Trustees. In order to maintain our status as a REIT, we are generally required to distribute annually to our shareholders at least 90% of our adjusted REIT taxable income (as defined in the Internal Revenue Code).

Future dividends on our common shares will be at the discretion of our Board of Trustees and will depend on, among other things, our results of operations, financial condition and capital requirements, the annual distribution requirements under the REIT provisions of the Internal Revenue Code, our debt service requirements and other factors as our Board of Trustees may deem relevant. In addition, our credit facilities contain financial covenants which could limit the amount of dividends we could pay in the event of a deterioration in our results of operations or financial condition and which prohibits the payment of dividends on our common shares in the event that we fail to pay when due (subject to any applicable grace period) any principal of or interest on borrowings under the credit facilities. Accordingly, we cannot assure you that future dividends will be paid or sustained at current levels.

Historically, our retained funds from operation have allowed us to maintain strong dividend coverage. The chart below sets forth our distribution coverage for 2001 and 2002 and the three months ended March 31, 2003:

	For the Year Ended December 31,		Three Months Ended March 31,
	2001	2002	2003
Net income available to common shareholders	$10,503	$12,280	$2,557

Add:

Depreciation and amortization expense
17,148 17,969 5,098

Minority interest in partnership:

Continuing operations
5,500 2,618 792

Discontinued operations
303 74

Less:

Discontinued operations, gain on sale of property
(2,164)

Gain on redemption of preferred shares
(2,425)

Gain on sale of real estate
(5,207)

Funds from Operations Basic
28,247 28,352 8,447

Add:

Convertible preferred share dividends
3,360 828

Funds from Operations diluted
31,607 29,180 8,447

Less: Distributions
(20,233) (24,184) (6,397)

Retained Funds from Operations Diluted	$11,374	$4,996	$2,050
Diluted Funds from Operations Payout Ratio(1)	64.0%	82.9%	75.7%
Distribution Coverage(2)	1.6	1.2	1.3

(1) Represents distributions divided by total funds from operations diluted.

(2) Represents total funds from operations diluted divided by distributions.

SELECTED FINANCIAL DATA

The following table sets forth our unaudited selected financial data on a consolidated basis for the three months ended March 31, 2003 and 2002, and selected financial data on a consolidated basis for the year ended December 31, 2002 and should be read in conjunction with the financial statements and related notes that are incorporated by reference into this prospectus supplement. The financial information is derived from our consolidated financial statements. The results of the three-month period ended March 31, 2003 may not be indicative of the results to be expected for the full year.

	Three Months Ended March 31, 2003	Three Months Ended March 31, 2002	Year Ended December 31, 2002
	(in thousands, except per share data)		
Statements of operations data:			
Revenues:			
Minimum rents	$17,446	$13,868	$60,878
Percentage rents	659	522	1,070
Recoveries from tenants	7,703	5,948	25,324
Fees and management income	208	651	1,527
Interest and other income	479		