KOGER EQUITY INC
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Registration No. 333-37919

PRELIMINARY PROSPECTUS SUPPLEMENT (Subject to Completion) *Issued January 6, 2004*
(To Prospectus dated November 18, 1997)

3,500,000 Shares
COMMON STOCK

We are offering 3,500,000 shares of our common stock.

Our common stock is listed on the New York Stock Exchange under the symbol KE. On January 5, 2004, the last reported sale price of our common stock as reported on the NYSE was $20.80 per share.

Investing in our common shares involves risks. See Risk Factors beginning on page S-7 of this prospectus supplement.

PRICE $ PER SHARE

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Us
Per Share	$	$	$
Total	$	$	$

We have granted the underwriters the right to purchase up to an additional 525,000 shares of our common stock to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the common stock to purchasers on January , 2004.

MORGAN STANLEY

WACHOVIA SECURITIES

January , 2004

TABLE OF CONTENTS

As used in this prospectus supplement, references to we, our, the Company and Koger and similar references are to Koger Equity, Inc. and its consolidated subsidiaries unless otherwise expressly stated or the context otherwise requires.

This prospectus supplement is a supplement to the accompanying prospectus. If information in this prospectus supplement is inconsistent with the accompanying prospectus, this prospectus supplement will apply and supercede the information in the accompanying prospectus. It is important for you to read and carefully consider all information contained in this prospectus supplement and the accompanying prospectus. You should also read and carefully consider the information in the documents we have referred you to in Incorporation of Certain Documents by Reference.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. This prospectus supplement and the accompanying prospectus is not an offer to sell or the solicitation of an offer to buy any securities other than the registered shares to which they relate, nor is this prospectus supplement or the accompanying prospectus an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. You should assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates. When we or the underwriters deliver this prospectus supplement or the accompanying prospectus or make a sale pursuant to this prospectus supplement or the accompanying prospectus, neither we nor the underwriters are implying that the information is current as of the date of the delivery or sale.

PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information regarding our business, the common stock being sold in this offering and our financial statements and the notes thereto included in or incorporated by reference in this prospectus supplement and the accompanying prospectus.

KOGER EQUITY, INC.

Koger Equity, Inc. is a self-administered and self-managed equity real estate investment trust, or REIT, which develops, owns, operates, leases and manages urban and suburban office buildings in metropolitan areas in the southeastern United States and Texas. As of September 30, 2003, our portfolio of assets consisted of 126 office buildings totaling 9.21 million rentable square feet located in 18 urban and suburban office projects in 10 metropolitan areas in the southeastern United States and Texas. Over the last three years, we have undertaken a substantial repositioning of our portfolio by exiting certain non-core secondary and tertiary markets and focusing our operations and growth in other markets, including Atlanta, Dallas, Houston and southeastern Florida. As of September 30, 2003, the office projects in our portfolio were on average 82% occupied and the average annual base rent per rentable square foot occupied was $17.28.

We are committed to an investment strategy focused on acquiring and developing Class A assets with strong long-term appreciation potential. Our core markets are characterized by diversified and high-growth economies with established office markets and proven liquidity. We target in-fill locations with irreplaceable transportation access, proximity to desirable housing stock and other retail and cultural amenities.

We are committed to providing a high level of tenant service. We provide leasing, management and other customary tenant-related services for each of the properties we manage. In addition to managing most of our own properties, for the past several years we have provided property and asset management services through our wholly-owned subsidiaries for office buildings owned by third parties. Currently, however, we are not providing property and asset management services for any office buildings owned by third parties, though we may decide to do so again in the future.

As of September 30, 2003, we also owned approximately 55.8 acres of unimproved land held for development, approximately 15.5 acres of unimproved land held for sale and approximately 6 acres of land which is not suitable for development. A majority of the land held for development adjoins five of our office projects, which have infrastructure, including roads and utilities, in place. The remaining land held for development adjoins properties that we sold during 2001. We intend over time to develop and construct office buildings using this land and we may decide to acquire additional land for development in the future.

Competitive Advantages

We have benefited, and expect to continue to benefit, from the following competitive advantages:

Superior Property Management. Our senior management team has an average of 22 years of experience in the real estate industry. Each of our office properties is maintained by an on-site, full-service, professional staff.

Acquisition Expertise. Since the beginning of 1998, we have acquired over 4.1 million square feet of office space for approximately $472 million, excluding our expected acquisition of the Atlantic Center Plaza and joint venture investment in the Broward Financial Centre property. We intend to continue to acquire well located Class A suburban office properties in our existing and new markets that we believe are well-positioned to experience job growth in excess of the national averages in connection with an economic recovery. These markets are large and liquid and are historically characterized by active institutional ownership and large national tenants.

Development Expertise and Available Land Holdings. Since the beginning of 1998, we have developed over 1.9 million square feet of office space. We also hold approximately 55.8 acres of unimproved land which we intend to develop in the future.

We are organized as a Florida corporation. Our executive offices are located at 225 NE Mizner Boulevard, Suite 200, Boca Raton, Florida 33432. Our telephone number is (561) 395-9666.

Recent Acquisition Activity

Our business plan includes taking advantage of acquisition opportunities throughout the market cycle. Generally, the environment for acquisitions has been favorable for us, as we have been able to identify acquisition opportunities for under-performing assets during the recent downturn in the economy. We target in-fill locations within our core markets which benefit from proximity to the most desirable residential neighborhoods, cultural and retail amenities and existing or proposed transportation infrastructure. We typically focus on opportunities to acquire under-performing Class A assets at discounts to replacement cost with a value-add component to the investment, which may include redevelopment of the property through capital investment and/or repositioning of the property within its market. We also seek to acquire stabilized assets that will provide good long-term value and cash flow for our shareholders.

The following table sets forth certain information regarding our recent acquisition and investment activity.

Property	Location	Acquisition Date	Purchase Price/ Investment	Year Built/ Renovated	Sq. Ft
Atlantic Center Plaza	Atlanta, Georgia	First Quarter 2004 (1)	$116.5 million	2001	502,000
Broward Financial Centre	Ft. Lauderdale, Florida	January 2004(2)	$4.5-$5 million (2)	1985	325,000
McGinnis Park	Alpharetta, Georgia	December 2003	$14.0 million (3)	1999 & 2001	201,000
Rosemeade Building	Dallas, Texas	September 2003	$17.9 million	1997	152,163
CIGNA Plaza	Dallas, Texas	September 2003	$15.2 million	1998	127,226
The Lakes on Post Oak	Houston, Texas	December 2002	$101.5 million	1978-82	1,204,852
Atlanta Three Ravinia	Atlanta, Georgia	January 2002	$125.0 million	1991	804,528

(1) Anticipated closing date.
(2) Anticipated closing date. Represents our 30% investment interest in a joint venture to acquire the property, as further described below.
(3) Represents our 75% investment interest in a joint venture to acquire the property, as further described below.

Agreement to Acquire Atlanta, Georgia Property. On January 6, 2004, we entered into an agreement to acquire a Class A property located in Atlanta, Georgia known as the Atlantic Center Plaza for a purchase price of $116.5 million, including our anticipated assumption of approximately $86.0 million in debt. The Atlantic Center Plaza, built in 2001, has 23 floors and contains an aggregate of approximately 502,000 square feet. According to records provided by the seller of the property, the property currently has an occupancy rate of 86%. Atlantic Center Plaza is well located in the midtown submarket of Atlanta and is anchored by a national law firm which occupies approximately 229,000 square feet, or approximately 46%, of the property and whose lease expires in October 2013. Approximately 78% of the in-place leases at Atlantic Center Plaza expire after 2011. The debt we anticipate assuming consists of a $76.0 million loan and a $10.0 million mezzanine loan, both of which are secured by a lien on the property. Both loans have a three year term remaining, variable interest rates and require us to execute an interest rate cap agreement. If we acquire the Atlantic Center Plaza, we have a one-time option from the lender to prepay, for a fee, the mezzanine loan and up to $6 million of the secured loan on the closing date. Subject to satisfaction of customary closing conditions, we expect to complete the acquisition of the Atlantic Center Plaza in the first quarter of 2004; however, there can be no assurance that this transaction will close. We expect to fund a portion of this purchase with the net proceeds from this offering, and to the extent necessary, with borrowings under our revolving credit facility. Atlantic Center Plaza will be managed by a third party that is an affiliate of the seller.

Joint Venture Investment for Fort Lauderdale, Florida Property. On October 31, 2003, through a newly formed DownREIT limited partnership, Koger BFC, Ltd., we provided our portion of a non-refundable deposit for the acquisition of all of the partnership interests in a partnership that owns an office building known as Broward Financial Centre, which is located in Fort Lauderdale, Florida and contains approximately

325,000 square feet of rentable space. The transaction is expected to close in January 2004. The newly formed Koger BFC, Ltd. will enter into a joint venture with Investcorp Properties Limited of New York to make the acquisition and have a 30% interest in the joint venture. Our total investment in this joint venture is currently estimated to be between $4.5 million and $5.0 million, including closing costs and fees. This transaction represents our first transaction with an institutional partner. We expect our returns on this investment to be enhanced by various fees payable to us by the partnership, including management fees, leasing commissions, and a promoted interest if certain thresholds are achieved. Thomas J. Crocker, our chief executive officer, has a 50% ownership interest in entities which own approximately 14% of the selling partnership. These entities, which Mr. Crocker has an interest in, will contribute their partnership interests to the newly formed Koger BFC, Ltd. in exchange for limited partnership units of Koger BFC, Ltd. It is estimated that approximately 40% of the limited partnership units of Koger BFC, Ltd. will be owned by the entities in which Mr. Crocker has an interest. This acquisition was approved by our independent directors and the pricing was determined by Investcorp, the 70% equity investor in the partnership. An affiliate of Wachovia Securities, one of the underwriters in this offering, has provided financial advisory services to us in connection with this transaction.

Joint Venture Investment for Alpharetta, Georgia Property. On December 30, 2003, our wholly-owned subsidiary, Koger McGinnis Park, LLC, entered into a joint venture which acquired two Class A mid-rise office buildings and 8.5 acres of undeveloped land suitable for development, located in the McGinnis Park office complex in Alpharetta, Georgia, a submarket of Atlanta. The two existing buildings contain approximately 201,000 square feet of rentable office space. Koger McGinnis Park, LLC has a 75% interest in the joint venture and Triangle W/Development (the seller of the property) owns the other 25% interest. Our total investment in this joint venture is currently approximately $14.0 million, including closing costs and fees. We funded this investment with borrowings under our revolving credit facility. The joint venture assumed a $979,000 mortgage on the undeveloped land. The joint venture anticipates securing a mortgage on the office buildings during the first quarter of 2004, and all of the net proceeds of the financing will be distributed to Koger McGinnis Park, LLC. We will receive a cumulative preferred return of 10% of the annual cash flow, after which we will receive 75% and Triangle W/Development will receive 25% of the annual cash flow. Upon the sale or refinancing of the assets, we will receive a cumulative preferred return of 15% and all of our capital, prior to Triangle W/Development receiving any net sales or refinancing proceeds. Triangle W/Development will subsequently receive all of its capital back and the next tier of capital proceeds will be allocated 25% to us and 75% to Triangle W/Development until Triangle W/Development receives $3.4 million, after which all remaining proceeds will be shared equally.

Acquisition of Dallas, Texas Properties. On September 11, 2003, we completed the acquisition of the Rosemeade Building and CIGNA Plaza in the metropolitan Dallas, Texas area for approximately $33.1 million. The two office buildings contain an aggregate of approximately 280,000 square feet of rentable space. As of September 30, 2003, the Rosemeade Building and CIGNA Plaza were 100% and 92% occupied, respectively. These properties were acquired for cash, which included proceeds from our September 2003 issuance of our Series A preferred stock.

Acquisition of Houston, Texas Property. On December 6, 2002, we acquired The Lakes on Post Oak, a 1.2 million square foot, suburban office building complex, including three towers, located in Houston, Texas, for approximately $101.5 million plus other transaction costs. This acquisition represents our first acquisition in the Houston market. We believe that the Houston market possesses qualities similar to our other core markets, including a diversified and growing economic base, size, liquidity and concentration of national tenants. As of September 30, 2003, the buildings were 75% occupied. This acquisition was funded using a $77 million term loan and borrowings under our secured revolving credit facility.

Recent Declaration of Dividends

On November 11, 2003, our board of directors declared a quarterly dividend of $0.35 per share payable February 5, 2004 to shareholders of record on December 31, 2003. The shares of common stock offered hereby will be delivered after the December 31, 2003 record date. Accordingly, purchasers of our common stock in this offering will not receive the dividend payable on February 5, 2004.

THE OFFERING

Common stock offered by us	3,500,000 shares
Common stock to be outstanding after this offering	shares
Use of proceeds	We intend to use the net proceeds from the offering to pay down our secured revolving credit facility and for general corporate purposes and acquisitions, including to fund the cash portion of the approximately $118.8 million acquisition cost of the Atlantic Center Plaza in Atlanta, Georgia, which includes approximately $2.3 million of related closing costs and the assumption of approximately $86.0 million in mortgage debt, up to $16.0 million of which may be prepaid upon completion of the acquisition. A portion of the balance to be paid down on our secured revolving credit facility is the result of the recent borrowings to fund our investment in the McGinnis Park properties and expected borrowings to fund our investment in the Broward Financial Centre property. Pending the application of the proceeds of this offering, or if we do not complete the Atlantic Center Plaza acquisition or have excess net proceeds, we intend to invest the net proceeds in investment grade short-term investments until they can be efficiently deployed. See Use of Proceeds.
New York Stock Exchange Symbol	KE

The number of common shares to be outstanding after this offering is based upon shares outstanding as of January , 2004. This number excludes common shares reserved for issuance on the exercise of options which we have granted and which are outstanding on January , 2004, of which are currently exercisable.

Unless we specifically state otherwise, the information in this prospectus supplement does not take into account the sale of up to 525,000 shares of our common stock that the underwriters have the option to purchase from us to cover over-allotments.

SUMMARY FINANCIAL DATA

The following table sets forth our summary consolidated financial data for the nine months ended September 30, 2003 and 2002 and for the years ended December 31, 1998 through 2002, and should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, which is included in our periodic reports, and the consolidated financial statements and notes thereto all of which are incorporated by reference herein. Our summary operating, balance sheet and other data for the years ended December 31, 1998 through 2002 and for the periods then ended have been derived from our audited financial statements. The unaudited financial data for the nine months ended September 30, 2003 and 2002 includes all adjustments, consisting of normal recurring accruals, which we consider necessary for the fair presentation of our financial position and results of operations for such periods. The results for the nine month period ended September 30, 2003 may not be indicative of the results to be expected for the full year.

	Nine Months Ended September 30,		Year Ended December 31,				
	2003	**2002**	**2002**	**2001**	**2000**	**1999**	**1998**
	($ in thousands, except ratios, per share and property data)						
Operating Data:							
Rental revenues and other rental services	$107,407	$ 94,286	$126,404	$165,623	$164,733	$156,153	$133,663
Interest income	179	329	405	776	703	457	446
Total operating revenues[1]	107,743	96,878	129,751	169,703	166,526	158,537	135,940
Expense							
Property operation	41,949	34,233	46,235	61,608	61,868	60,582	53,719
Depreciation and amortization	24,537	19,915	27,908	35,099	34,244	31,477	27,454
Mortgage and loan interest	22,059	17,864	25,145	26,112	28,157	22,730	17,543
General and administrative expense	8,415	8,428	11,381	8,412	20,217	8,633	6,953
Dividends on preferred stock	371						
Net income available to common shareholders	11,011	13,882	16,423	73,223	27,153	36,586	29,602
Earnings per share diluted	0.52	0.65	0.77	2.75	1.01	1.35	1.10
Dividends declared per common share	1.05	1.05	1.40	3.14	1.40	1.35	1.15
Weighted average shares outstanding diluted	21,377	21,407	21,378	26,610	26,962	27,019	26,901
Balance Sheet Data (end of period):							
Operating properties (before depreciation)	$934,374	$789,736	$897,158	$663,286	$946,780	$927,523	$872,183
Undeveloped land	13,036	13,855	13,826	13,855	13,975	17,137	20,535
Total assets	836,169	695,504	805,085	690,585	851,022	885,739	834,995
Mortgages and loans payable	394,128	314,994	431,698	248,683	343,287	351,528	307,903
Total shareholders equity	404,355	348,419	343,068	354,542	448,493	467,826	464,763
Other Data:							
Funds from operations[2]	$ 34,717	$ 33,473	$ 43,834	$ 69,681	$ 56,107	$ 65,011	$ 56,486
Income before interest expense, income taxes, total depreciation and amortization	$ 57,956	$ 51,773	$ 69,063	$135,118	$ 89,533	$ 90,980	$ 75,555
Number of buildings (at end of period)	126	121	124	120	194	218	251
Percent occupied (at end of period)	82%	86%	84%	90%	90%	93%	90%

(1) Certain amounts have been reclassified for comparability with current year presentation.

(2) Funds from operations (FFO) is a non-GAAP financial measure. We believe that funds from operations is a useful measure of the performance of an equity REIT. Funds from operations should not be considered as an alternative to net income as an indication of our financial performance, or to cash flow from operating activities (determined in accordance with GAAP) as a measure of our financial liquidity, nor is it necessarily indicative of sufficient cash flow to fund all of our cash needs. While we believe our calculation of FFO generally conforms with the National Association of Real Estate Investment Trusts (NAREIT) definition of FFO, our method of calculating FFO may be different from methods used by other REIT s and the method preferred by NAREIT. Funds from operations is calculated as follows:

	Nine Months Ended September 30,		Year Ended December 31,				
	2003	2002	2002	2001	2000	1999	1998
			(in thousands)				
Net income available to common shareholders	$11,011	$13,882	$16,423	$ 73,223	$27,153	$36,586	$29,602
Real estate related depreciation	21,728	18,493	25,889	32,261	31,720	28,800	25,146
Real estate related amortization deferred tenant costs	1,264	1,080	1,523	2,172	1,923	2,132	1,464
Amortization goodwill				170	170	170	170
Real estate related amortization fair value of acquired leases	1,303						
Minority interest		20	20	1,044	1,156	1,174	139
Gain on sale or disposition of operating properties				(39,189)	(5,963)	(3,846)	
Gain on sale or disposition of non-operating assets	(589)	(2)	(21)		(52)	(5)	(35)
Funds from operations	$34,717	$33,473	$43,834	$ 69,681	$56,107	$65,011	$56,486

RISK FACTORS

Investing in our common stock involves risks. As with other publicly traded securities, the value of our common stock will depend upon various market conditions and other factors which may change from time to time. In particular, the market value of our common stock may fluctuate depending on the extent of investor interest in our company and the market s perception of us, including our growth potential and the value of our assets. Specific factors which could adversely affect our financial condition, our results of operations or the market s perception of us and hence the market value of our common stock are discussed below. Additionally, much of the business information, as well as the financial and operational data, contained in our risk factors is updated in our subsequent periodic reports. Although we have tried to discuss key factors, please be aware that other risks may prove to be important in the future. New risks may emerge at any time and we cannot predict such risks or estimate the extent to which they may affect our financial performance. Each of the risks described could result in a decrease in the value of our securities and your investment therein.

Risk Related to the Offering

If we do not complete the acquisition of the Atlantic Center Plaza, the offering will have a significant dilutive impact on our earnings per share of common stock until we are able to efficiently deploy the proceeds.

We intend to use the net proceeds from the offering for general corporate purposes and acquisitions, including to fund the cash portion of the approximately $118.8 million acquisition cost of the Atlantic Center Plaza in Atlanta, Georgia, which includes approximately $2.3 million of related closing costs and the assumption of approximately $86.0 million in mortgage debt. If we do not complete the acquisition or we do not need all the proceeds of the offering to acquire the Atlantic Center Plaza, the offering will have a significant dilutive impact on our earnings per share of common stock until we are able to efficiently deploy the proceeds.

Risks Related to Real Estate Financing and Investments

Our use of leverage can adversely impact our operation, cash flow, and ability to make distributions and our financial condition will be negatively impacted if we cannot repay or refinance our indebtedness as it becomes due.

We are subject to risks normally associated with debt financing, including:

- the risk that our cash flow will be insufficient to meet required payments of principal and interest;
- the risk that the existing debt with respect to our properties, which in most cases will not have been fully amortized at maturity, will not be able to be refinanced; and
- the risk that the terms of any refinancing of any existing debt will not be as favorable as the terms of the existing debt.

At September 30, 2003, we had outstanding debt of approximately $394.1 million, all of which is secured by liens on certain of our properties. Approximately $211.9 million of this debt will mature by 2007. Our $100 million secured revolving credit facility, none of which was outstanding as of September 30, 2003, matures in December 2004. In connection with our proposed acquisition of Atlantic Center Plaza, we may incur up to an additional $86.0 million of secured debt. If principal payments due at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new equity capital, we expect that our cash flow will not be sufficient to repay our debts maturing in 2004 and 2007 referenced above. Furthermore, prevailing interest rates or other factors at the time of refinancing, such as the reluctance of lenders to make commercial real estate loans, may result in higher interest rates upon refinancing than the interest rates on the existing debt. Consequently, the interest expense relating to the refinanced debt would increase and adversely affect our cash flow and the amount of distributions we could make to our shareholders. Where we mortgage a property to secure payment of debt, if we are unable to meet the mortgage payments, then the mortgagee may foreclose upon, or otherwise take control of, the mortgaged property, with a consequent loss of income and asset value to us.

Increases in interest rates on our variable rate debt could increase our interest expense, which would adversely affect our cash flow and our ability to pay dividends to our shareholders.

At September 30, 2003, we had a $100 million secured revolving credit facility and $78.5 million of term loans with variable interest rates, and we may incur additional variable rate debt in the future. Increases in interest rates on this variable rate debt could increase our interest expense and adversely affect our cash flow and our ability to pay dividends to our shareholders. We may be required to purchase interest rate protection products in connection with our future variable rate debt, which may further increase our borrowing costs.

Our board of directors can increase our total debt ratio without shareholder approval and any such increase could adversely affect our cash flow and cash available for distribution to our shareholders.

As of September 30, 2003, the ratio of our total consolidated debt to the sum of the market value of our issued and outstanding capital stock plus our total consolidated debt was approximately 50%. Our policy regarding this debt to total market capitalization ratio is not subject to any limitation in our organizational documents. Accordingly, our board of directors could establish policies which would allow us to increase our debt to total market capitalizat