

HERSHA HOSPITALITY TRUST
Form 10-Q
May 10, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2007

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: 001-14765
HERSHA HOSPITALITY TRUST
(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of Incorporation or Organization)

251811499
(I.R.S. Employer Identification No.)

44 Hersha Drive
Harrisburg, Pennsylvania
(Address of Registrant's Principal Executive Offices)

17102
(Zip Code)

Registrant's telephone number, including area code: **(717) 236-4400**

Indicate by check mark whether the registrant (i) 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 (ii) has been subject to such filing requirements for the past 90 days.

Yes No

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):

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Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

As of March 31, 2007, the number of Class A common shares of beneficial interest outstanding was 40,771,593.

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Hersha Hospitality Trust
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HERSHA HOSPITALITY TRUST AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF
MARCH 31, 2007 [UNAUDITED] AND DECEMBER 31, 2006
[IN THOUSANDS, EXCEPT SHARE AMOUNTS]

	March 31, 2007	December 31, 2006
Assets:		
Investment in Hotel Properties, net of Accumulated Depreciation	\$ 866,669	\$ 807,784
Investment in Joint Ventures	55,077	50,234
Development Loans Receivable	55,016	47,016
Cash and Cash Equivalents	8,369	10,316
Escrow Deposits	15,059	14,927
Hotel Accounts Receivable, net of allowance for doubtful accounts of \$64 and \$30	8,276	4,608
Deferred Costs, net of Accumulated Amortization of \$1,874 and \$1,543	8,111	7,525
Due from Related Parties	717	4,059
Intangible Assets, net of Accumulated Amortization of \$655 and \$618	5,762	5,594
Other Assets	24,324	16,145
Total Assets	\$ 1,047,380	\$ 968,208
Liabilities and Shareholders' Equity:		
Line of Credit	\$ 45,550	\$ 24,000
Mortgages and Notes Payable, net of unamortized discount of \$88 and \$1,312	619,109	556,542
Accounts Payable, Accrued Expenses and Other Liabilities	16,520	14,740
Dividends and Distributions Payable	9,144	8,985
Due to Related Parties	1,660	3,297
Total Liabilities	691,983	607,564
Minority Interests:		
Common Units	\$ 29,834	\$ 25,933
Interest in Consolidated Joint Ventures	2,553	3,092
Total Minority Interests	32,387	29,025
Shareholders' Equity:		
Preferred Shares - 8% Series A, \$.01 Par Value, 10,000,000 Shares Authorized, 2,400,000 Shares Issued and Outstanding at March 31, 2007 and December 31, 2006, respectively. (Aggregate Liquidation Preference \$60,000 at March 31, 2007 and December 31, 2006, respectively)	24	24
Common Shares - Class A, \$.01 Par Value, 50,000,000 Shares Authorized, 40,771,593 and 40,671,950 Shares Issued and Outstanding at March 31, 2007 and December 31, 2006, respectively.	408	405
Common Shares - Class B, \$.01 Par Value, 50,000,000 Shares Authorized, None Issued and Outstanding	-	-

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Accumulated Other Comprehensive Income	187	233
Additional Paid-in Capital	385,803	381,592
Distributions in Excess of Net Income	(63,412)	(50,635)
Total Shareholders' Equity	323,010	331,619
Total Liabilities and Shareholders' Equity	\$ 1,047,380	\$ 968,208

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

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HERSHA HOSPITALITY TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE
THREE MONTHS ENDED MARCH 31, 2007 AND 2006 [UNAUDITED]
[IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS]

	March 31,	March 31,
	2007	2006
Revenue:		
Hotel Operating Revenues	\$ 46,383	\$ 23,925
Interest Income from Development Loans	1,303	365
Land Lease Revenue	1,088	-
Hotel Lease Revenue	137	-
Other Revenues		