

PENNSYLVANIA REAL ESTATE INVESTMENT TRUST

Form 424B5

April 16, 2012

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Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-178599

**PROSPECTUS SUPPLEMENT**

(To Prospectus dated January 12, 2012)

**4,000,000 Shares**

**PENNSYLVANIA REAL ESTATE INVESTMENT TRUST**

**8.25% Series A Cumulative Redeemable Perpetual Preferred Shares**

**(Liquidation Preference \$25.00 Per Share)**

We are selling 4,000,000 of our 8.25% Series A Cumulative Redeemable Perpetual Preferred Shares, which we refer to in this prospectus supplement as the Series A Preferred Shares. The Series A Preferred Shares will not be redeemable before April 20, 2017, except under circumstances intended to preserve our status as a real estate investment trust, or REIT, for federal and/or state income tax purposes and except as described below upon the occurrence of a Change of Control (as defined in this prospectus supplement). On and after April 20, 2017, we may, at our option, redeem any or all of the Series A Preferred Shares for cash at \$25.00 per share plus, subject to exceptions, any accrued and unpaid dividends to but excluding the date fixed for redemption. In addition, upon the occurrence of a Change of Control, we may, at our option, redeem any or all of the Series A Preferred Shares for cash within 120 days after the first date on which such Change of Control occurred at \$25.00 per share plus, subject to certain exceptions, any accrued and unpaid dividends to but excluding the date fixed for redemption. The Series A Preferred Shares have no stated maturity, are not subject to any sinking fund or mandatory redemption and will remain outstanding indefinitely unless we redeem or otherwise repurchase them or they become convertible and are converted as described in this prospectus supplement.

Upon the occurrence of a Change of Control, each holder of Series A Preferred Shares will have the right (unless, prior to the Change of Control Conversion Date (as defined in this prospectus supplement), we have provided or provide notice of our election to redeem some or all of the Series A Preferred Shares held by such holder as described in this prospectus supplement, in which case such holder will have the right only with respect to Series A Preferred Shares that are not called for redemption) to convert some or all of the Series A Preferred Shares held by such holder into our common shares on the Change of Control Conversion Date into a number of our common shares per Series A Preferred Share equal to the lesser of:

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference per Series A Preferred Share plus the amount of any accrued and unpaid dividends thereon to the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series A Preferred Shares dividend payment and prior to the corresponding dividend payment date for the Series A Preferred Shares, in which case no additional amount for such accrued and unpaid dividends will be included in this sum) by (ii) the Common Share Price (as defined herein); and

5.5741, or the Share Cap, subject to adjustments for any splits, subdivisions or combinations of our common shares; subject, in each case, to provisions for the receipt of alternative consideration under specified circumstances as described in this prospectus supplement.

Currently, no market exists for the Series A Preferred Shares. We plan to file an application to list the Series A Preferred Shares on the New York Stock Exchange, or NYSE, under the symbol PEIPrA. If the application is approved, trading of the Series A Preferred Shares on the NYSE is expected to begin within 30 days after the date of initial issuance of the Series A Preferred Shares.

**An investment in the Series A Preferred Shares involves various risks and prospective investors should carefully consider the matters discussed under Risk Factors beginning on page S-10 of this prospectus supplement and under Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2011, as well as the other risks described in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference in each, before making a decision to invest in Series A Preferred Shares.**

	Per Share	Total
Public offering price (1)	\$ 25.00	\$ 100,000,000
Underwriting discount	\$ 0.7875	\$ 3,150,000
Proceeds, before expenses, to Pennsylvania Real Estate Investment Trust	\$ 24.2125	\$ 96,850,000

(1) Plus accrued dividends from April 20, 2012, if settlement occurs after that date.

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

We have granted the underwriters an option to purchase a maximum of 600,000 additional Series A Preferred Shares, exercisable at any time until 30 days after the date of this prospectus supplement.

The Series A Preferred Shares will be ready for delivery through The Depository Trust Company on or about April 20, 2012.

Joint Book-Running Managers

**Wells Fargo Securities**

**Citigroup**

**BofA Merrill Lynch**

**J.P. Morgan**

**Stifel Nicolaus Weisel**

**Deutsche Bank Securities  
Oppenheimer & Co.**

**Janney Montgomery Scott  
PNC Capital Markets LLC  
Prospectus Supplement dated April 13, 2012**

**Mitsubishi UFJ Securities  
TD Securities**

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our ability to refinance our existing indebtedness when it matures, on favorable terms or at all, due in part to the effects on us of dislocations and liquidity disruptions in the capital and credit markets;

our ability to raise capital, including through the issuance of equity, equity-related and/or debt securities if market conditions are favorable, through joint ventures or other partnerships, through sales of properties or interests in properties, or through other actions;

our short- and long-term liquidity position;

current economic conditions and their effect on employment, consumer confidence and spending and the corresponding effects on tenant business performance, prospects, solvency and leasing decisions and on our cash flows, and the value and potential impairment of our properties;

general economic, financial and political conditions, including credit market conditions, changes in interest rates or unemployment;

changes in the retail industry, including consolidation and store closings, particularly among anchor tenants;

our ability to maintain and increase property occupancy, sales and rental rates, in light of the relatively high number of leases that have expired or are expiring in the next two years;

increases in operating costs that cannot be passed on to tenants;

risks relating to development and redevelopment activities;

the effects of online shopping and other uses of technology on our retail tenants;

concentration of our properties in the Mid-Atlantic region;

changes in local market conditions, such as the supply of or demand for retail space, or other competitive factors;

potential dilution from any capital raising transactions;

possible environmental liabilities;

our ability to obtain insurance at a reasonable cost; and

existence of complex regulations, including those relating to our status as a REIT, and the adverse consequences if we were to fail to qualify as a REIT.

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Additional factors that might cause future events, achievements or results to differ materially from those expressed or implied by our forward-looking statements include those discussed in the section entitled "Risk Factors" in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, including our Annual Report on Form 10-K for the year ended December 31, 2011. We do not intend to update or revise any forward-looking statements to reflect new information, future events or otherwise.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary description of us and our business highlights selected information about us contained elsewhere in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein or therein. This summary does not contain all of the information about us that you should consider before buying securities in this offering. You should carefully read this entire prospectus supplement and the accompanying prospectus, including each of the documents incorporated herein and therein by reference, before making an investment decision.*

**Our Company**

Pennsylvania Real Estate Investment Trust, a Pennsylvania business trust founded in 1960 and one of the first equity REITs in the United States, has a primary investment focus on retail shopping malls and strip and power centers located in the eastern half of the United States, primarily in the Mid-Atlantic region. Our portfolio currently consists of a total of 49 properties in 13 states, including 38 enclosed malls, eight strip and power centers and three development properties. The operating retail properties have a total of 33.1 million square feet. The operating retail properties that we consolidate for financial reporting purposes have a total of 28.5 million square feet, of which we own 22.8 million square feet. The operating retail properties that are owned by unconsolidated partnerships with third parties have a total of 4.6 million square feet, of which 2.9 million square feet are owned by such partnerships. The development portion of our portfolio contains three properties in two states, with two classified as mixed use (a combination of retail and other uses) and one classified as other.

We are a fully integrated, self-managed and self-administered REIT that has elected to be treated as a REIT for federal income tax purposes. In general, we are required each year to distribute to our shareholders at least 90% of our net taxable income and to meet certain other requirements in order to maintain the favorable tax treatment associated with qualifying as a REIT.

We hold our interests in our portfolio of properties primarily through the Operating Partnership. We are the sole general partner of the Operating Partnership and, as of December 31, 2011, held a 96.0% controlling interest in the Operating Partnership. We consolidate the Operating Partnership for financial reporting purposes. We own our interests in our properties through various ownership structures, including partnerships and tenancy in common arrangements. PREIT owns interests in some of these properties directly and has pledged the entire economic benefit of such ownership to the Operating Partnership.

We provide management, leasing and real estate development services through PREIT Services, which generally develops and manages properties that we consolidate for financial reporting purposes, and PRI, which generally develops and manages properties that we do not consolidate for financial reporting purposes, including properties in which we own interests through partnerships with third parties and properties that are owned by third parties in which we do not have an interest. PRI is a taxable REIT subsidiary, as defined by federal tax laws, which means that it is able to offer additional services to tenants without jeopardizing our continuing qualification as a REIT under federal tax law.

Our primary objective is to maximize the long-term value of the Company for our shareholders. To that end, our business goals are to obtain the highest possible rental income, tenant sales and occupancy at our properties in order to maximize our cash flows, funds from operations, funds available for distribution to shareholders, and other operating measures and results, and ultimately to maximize the values of our properties.



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**Recent Developments**

*Chief Executive Officer Succession*

On March 21, 2012, we announced that Joseph F. Coradino will become our chief executive officer, succeeding Ronald Rubin. Mr. Coradino will assume the position of chief executive officer and Mr. Rubin will retire from that position effective as of the Company's Annual Meeting of Shareholders on June 7, 2012. Mr. Rubin will remain Executive Chairman.

**Corporate Information**

Our principal corporate offices are located at The Bellevue, 200 South Broad Street, Philadelphia, Pennsylvania 19102-3803, and our telephone number is (215) 875-0700. We maintain a web site that contains information about us at <http://www.preit.com>. The information included on the web site is not, and should not be considered to be, a part of nor incorporated by reference into this prospectus supplement or the accompanying prospectus.

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**The Offering**

*The following is a brief summary of the terms of this offering. For a description of some of the terms of the Series A Preferred Shares, see Description of Our Series A Preferred Shares in this prospectus supplement.*

**Issuer** Pennsylvania Real Estate Investment Trust

**Securities Offered** 8.25% Series A Cumulative Redeemable Perpetual Preferred Shares, par value \$0.01 per share. We have granted the underwriters an option to purchase up to an additional Series A Preferred Shares. We reserve the right to reopen this series and issue additional Series A Preferred Shares either through public or private sales at any time.

**Dividends** Holders of Series A Preferred Shares will be entitled to receive cumulative cash dividends on the Series A Preferred Shares at the rate of 8.25% per annum of the \$25.00 per share liquidation preference, which is equivalent to \$2.0625 per annum per share. Dividends on the Series A Preferred Shares will be payable quarterly in arrears on or about the 15th day of March, June, September and December of each year (or, if the 15th day of any such month is not a business day, on the next business day), commencing June 15, 2012. Dividends will accrue and be cumulative from, and including, the date of original issuance, which is expected to be April 20, 2012. Because the first dividend payment date after the date of original issuance will be June 15, 2012, the dividend payable on each Series A Preferred Share on that date will be less than the full amount of a regular quarterly dividend per share. The dividend payable on June 15, 2012 will be paid to the persons who are the holders of record of the Series A Preferred Shares at the close of business on the corresponding record date, which will be June 1, 2012.

**No Maturity** Our Series A Preferred Shares have no maturity date and we are not required to repurchase or redeem our Series A Preferred Shares. Accordingly, our Series A Preferred Shares will remain outstanding indefinitely, unless we decide to repurchase or redeem them or unless, under circumstances where the holders of Series A Preferred Shares have a conversion right, such holders decide to convert their shares. We are not required to set aside funds to repurchase or redeem our Series A Preferred Shares.

**Ranking** Our Series A Preferred Shares will rank, with respect to the payment of dividends and distribution of assets upon our liquidation, dissolution or winding up: (i) senior to our common shares and any other junior equity securities that we may issue in the future, if any; (ii) equally with other parity equity securities that we may issue in the future, if any; and (iii) junior to all of our existing and future indebtedness and senior equity securities, if any, the issuance of which is approved by holders of the Series A Preferred Shares as described in this prospectus supplement.

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### **Optional Redemption**

Except in circumstances intended to preserve our qualification as a REIT or pursuant to our special optional redemption right discussed below, our Series A Preferred Shares are not redeemable prior to April 20, 2017. On and after April 20, 2017, we may, at our option, redeem our Series A Preferred Shares, in whole, at any time, or in part, from time to time, for cash at a redemption price of \$25.00 per share, plus, subject to exceptions, any accrued and unpaid dividends (whether or not declared) to, but not including, the date of redemption. Any partial redemption will be selected by lot or pro rata or by any other equitable method we may choose.

### **Special Optional Redemption**

Upon the occurrence of a Change of Control (as defined under Conversion Rights below), we will have the option to redeem our Series A Preferred Shares, in whole, at any time, or in part, from time to time, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of \$25.00 per share, plus, subject to exceptions, any accrued and unpaid dividends (whether or not declared) to, but not including, the redemption date.

### **Conversion Rights**

Upon the occurrence of a Change of Control, each holder of Series A Preferred Shares will have the right (the Change of Control Conversion Right ) (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem some or all of the Series A Preferred Shares held by such holder as described above under Optional Redemption or Special Optional Redemption, in which case such holder will have the right only with respect to Series A Preferred Shares that are not called for redemption) to convert some or all of the Series A Preferred Shares held by such holder on the Change of Control Conversion Date into a number of our common shares per Series A Preferred Share equal to the lesser of:

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference per Series A Preferred Share plus the amount of any accrued and unpaid dividends thereon to the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series A Preferred Shares dividend payment and prior to the corresponding dividend payment date for the Series A Preferred Shares, in which case no additional amount for such accrued and unpaid dividends will be included in this sum) by (ii) the Common Share Price; and

5.5741 (referred to as the Share Cap ), subject to adjustments for any splits, subdivisions or combinations of our common shares;

subject, in each case, to provisions for the receipt of alternative consideration under specified circumstances as described in this prospectus supplement.

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As a result of the Share Cap, subject to the immediately succeeding sentence, the number of our common shares (or corresponding alternative consideration, as applicable) issuable or deliverable, as applicable, upon conversion of Series A Preferred Shares in connection with a Change of Control will not exceed 22,296,400 common shares in total (or corresponding alternative consideration, as applicable), subject to proportionate increase to the extent the underwriters' option to purchase additional Series A Preferred Shares is exercised, not to exceed 25,640,860 common shares in total (or corresponding alternative consideration, as applicable) (referred to as the Exchange Cap). The Exchange Cap is subject to pro rata adjustments for any splits, subdivisions or combinations of our common shares on the same basis as corresponding adjustments to the Share Cap, and shall be increased on a pro rata basis for any additional Series A Preferred Shares that we may issue in the future.

If, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem some or all of the Series A Preferred Shares, whether pursuant to our special optional redemption right or our optional redemption right described above, holders of Series A Preferred Shares will not have the right to convert the Series A Preferred Shares called for redemption, and any Series A Preferred Shares called for redemption that have been tendered for conversion will be redeemed on the applicable redemption date instead of converted on the Change of Control Conversion Date.

For definitions of Change of Control, Change of Control Conversion Right, Change of Control Conversion Date and Common Share Price, and for a description of the adjustments and provisions for the receipt of alternative consideration that may be applicable to the Change of Control Conversion Right, see Description of the Series A Preferred Shares Conversion Rights.

Except as provided above in connection with a Change of Control, the Series A Preferred Shares are not convertible into or exchangeable for any other securities or property.

**Liquidation Preference Amount**

If we liquidate, dissolve or windup, holders of our Series A Preferred Shares will have the right to receive \$25.00 per share, plus an amount per share equal to accrued and unpaid dividends (whether or not earned or declared) to, but not including, the date of payment, before any payments are made to holders of our common shares or other junior equity securities.

**Voting Rights**

Holders of our Series A Preferred Shares will generally have no voting rights. However, if dividends on our Series A Preferred Shares are in arrears for six quarterly dividend periods (whether or not consecutive), the holders of our Series A Preferred Shares (voting separately as a class with the holders of any other series of parity equity securities upon which like voting rights have

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been conferred and are exercisable) will have the right to elect two additional members to serve on our Board of Trustees until we pay (or declare and set aside for payment) all dividends that are then in arrears. In addition, the affirmative vote of the holders of at least two-thirds of the outstanding Series A Preferred Shares is required for us to authorize, create or increase the number of any class or series of equity securities ranking senior to the Series A Preferred Shares with respect to the payment of dividends or the distribution of assets on liquidation, to amend our Trust Agreement (including the Amendment to the Trust Agreement establishing the Series A Preferred Shares (the Preferred Shares Amendment )) in a manner that materially and adversely affects the rights of the holders of Series A Preferred Shares or to take certain other actions. See Description of Our Series A Preferred Shares Voting Rights in this prospectus supplement.

Among other things, we may, without any vote of the holders of Series A Preferred Shares, issue additional Series A Preferred Shares and we may authorize and issue additional classes or series of parity and junior equity securities.

## **Information Rights**

During any period in which we are not subject to Section 13 or 15(d) of the Exchange Act, and any of our Series A Preferred Shares are outstanding, we will (i) transmit by mail (or other permissible means under the Exchange Act) to all holders of Series A Preferred Shares, as their names and addresses appear in our record books and without cost to such holders, copies of the annual reports and quarterly reports that we would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if we were subject thereto (other than any exhibits that would have been required) and (ii) promptly, upon request, supply copies of such reports to any prospective holder of Series A Preferred Shares. We will mail (or otherwise provide) the information to the holders of Series A Preferred Shares within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the SEC if we were subject to Section 13 or 15(d) of the Exchange Act.

## **Listing**

Currently, no market exists for the Series A Preferred Shares. We intend to file an application to list our Series A Preferred Shares on the NYSE under the symbol PEIPrA. We expect trading of the Series A Preferred Shares on the NYSE, if listing is approved, to commence within 30 days after the date of the initial delivery of the shares. The underwriters have advised us that they intend to make a market in the Series A Preferred Shares prior to the commencement of any trading on the NYSE. However, the underwriters have no obligation to do so, and we cannot assure you that a market for the Series A Preferred Shares will develop prior to commencement of trading on the NYSE or, if developed, will be maintained or will provide you with adequate liquidity.

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**Use of Proceeds**

We estimate that the net proceeds of this offering will be approximately \$96.2 million (or approximately \$110.7 million if the underwriters exercise their option to purchase additional Series A Preferred Shares in full), after deducting the underwriting discount and other estimated offering expenses payable by us. We intend to use the net proceeds from this offering to repay amounts outstanding under our Revolving Facility and other indebtedness and for other general corporate purposes. Affiliates of certain of the underwriters in this offering are lenders under our 2010 Credit Facility and will receive their pro rata share of the net proceeds of this offering that are used to repay the Revolving Facility. See "Use of Proceeds" in this prospectus supplement.

**Restrictions on Ownership and Transfer**

To assist us in complying with the limitations on the concentration of ownership of a REIT imposed by the Internal Revenue Code, our Trust Agreement and the Preferred Shares Amendment setting forth the terms of the Series A Preferred Shares contain ownership and transfer restrictions relating to our shares. For example, the terms of the Series A Preferred Shares will restrict any person from acquiring actual or constructive ownership of more than 9.9% (by number of shares or value, whichever is more restrictive) of the outstanding Series A Preferred Shares. See "Description of Our Series A Preferred Shares - Restrictions on Ownership and Transfer" in this prospectus supplement and "Description of Preferred Shares of Beneficial Interest - Restrictions on Ownership" in the accompanying prospectus for additional information about these restrictions.

**Settlement Date**

The underwriters expect to deliver the shares through The Depository Trust Company on or about April 20, 2012.

**Form**

Our Series A Preferred Shares will be maintained in book-entry form registered in the name of the nominee of The Depository Trust Company, except in limited circumstances.

**Risk Factors**

Investing in our Series A Preferred Shares involves a high degree of risk and the purchasers of our Series A Preferred Shares may lose their entire investment. See "Risk Factors" beginning on page S-10 and the other information included and incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of risk factors you should carefully consider before deciding to invest in our Series A Preferred Shares.

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**RISK FACTORS**

*Investing in our Series A Preferred Shares will provide you with an equity ownership in our Company. As one of our shareholders, you will be subject to risks inherent in our business. The trading price of our Series A Preferred Shares will be affected by the performance of our business relative to, among other things, competition, market conditions and general economic and industry conditions. The value of your investment may decrease, resulting in a loss. You should carefully consider the following factors as well as the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2011 (which is incorporated by reference into this prospectus supplement) before deciding to invest in our Series A Preferred Shares.*

**Risks Related to Our Operations**

*Our recently announced management changes could impact our business and our prospects.*

On March 21, 2012, we announced that our chief executive officer, Ronald Rubin, will retire from that position and that Joseph F. Coradino will become our new chief executive officer, effective as of our annual meeting on June 7, 2012. Our future success depends upon the ability of our corporate management team to implement this management transition and to continue to execute our business strategies. If we fail to manage the transition successfully, it would have a negative impact on our business and our prospects.

**Risks Relating to this Offering**

*Our Series A Preferred Shares are subordinate to our debt, and your interests could be diluted by the issuance of additional preferred shares, including additional Series A Preferred Shares, and by other transactions.*

Our Series A Preferred Shares are subordinate to all of our and our subsidiaries' existing and future debt. Our existing debt restricts, and our future debt may include restrictions on, our ability to pay dividends to preferred shareholders. Our Trust Agreement currently authorizes the issuance of up to 25,000,000 preferred shares in one or more series. Subject to limitations prescribed by Pennsylvania law and our Trust Agreement, the Board of Trustees is authorized to issue, from our authorized but unissued capital shares, preferred shares in such classes or series as our Board of Trustees may determine and to establish from time to time the number of preferred shares to be included in any such class or series. We may not issue senior preferred shares without the affirmative vote of at least two-thirds of the outstanding Series A Preferred Shares; however, we may issue additional preferred shares that rank equally with the Series A Preferred Shares without the consent of any holder of the Series A Preferred Shares. The issuance of additional equity securities ranking equally with or senior to our Series A Preferred Shares would dilute the interests of the holders of our Series A Preferred Shares, and any issuance of equity securities senior to our Series A Preferred Shares or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on our Series A Preferred Shares. Other than the conversion right afforded to holders of Series A Preferred Shares that may become exercisable in connection with a Change of Control described under "Description of Our Series A Preferred Shares—Conversion Rights" in this prospectus supplement, none of the provisions relating to our Series A Preferred Shares contain any terms relating to or limiting our ability to incur indebtedness or affording the holders of our Series A Preferred Shares protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, that might materially and adversely affect the holders of our Series A Preferred Shares.

*We have significant outstanding indebtedness that exposes us to the risk of default under our debt obligations, which could adversely affect our ability to meet our obligations under our Series A Preferred Shares.*

As of December 31, 2011, we had an aggregate consolidated indebtedness outstanding (excluding debt premium and debt discount) of \$2,163.0 million, \$2,026.1 million of which was secured by

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substantially all of our properties and \$136.9 million of which was unsecured indebtedness. As of December 31, 2011, \$240.0 million was outstanding under the term loans (the 2010 Term Loan ) under our credit facility, and \$95.0 million was outstanding under the revolving line of credit (the Revolving Facility ) under our credit facility (the 2010 Term Loan and the Revolving Facility, together, the 2010 Credit Facility ). In 2011, we obtained a new mortgage loan of \$27.7 million and we repaid \$79.3 million of existing mortgage loan debts. These debt amounts do not include our proportionate share of indebtedness of our partnership properties, which was \$204.5 million at December 31, 2011. Our consolidated debt represented 73.6% of our total market capitalization as of February 29, 2012. We may incur additional debt for various purposes, including, without limitation, to fund future asset acquisitions or ground-up development and operational needs. Our outstanding indebtedness, and the limitations imposed on us by our debt agreements, could have significant adverse consequences, including making it more difficult for us to satisfy our obligations with respect to our Series A Preferred Shares, including paying quarterly cash dividends.

### ***Our outstanding debt obligations restrict our ability to pay dividends on our Series A Preferred Shares or to redeem our Series A Preferred Shares.***

We, our Operating Partnership and our subsidiaries are, and may in the future become, parties to agreements and instruments, which, among other things, restrict or prevent the payment of dividends on our capital shares or our ability to redeem any of our capital shares. For example, under the terms of our 2010 Credit Facility, we are required to satisfy certain financial covenants, including among others, (1) consolidated liabilities to gross asset value of 0.70:1; (2) minimum ratio of EBITDA to interest expense of 1.60:1; and (3) minimum ratio of adjusted EBITDA to fixed charges of 1.35:1. We are also required to maintain our status as a REIT at all times. In addition, if an event of default exists under the documents governing our 2010 Credit Facility, we are restricted, in certain circumstances, from making any distributions in respect of our equity securities, including dividends on our Series A Preferred Shares or distributions to our shareholders necessary to maintain our qualification as a REIT, which could cause us to lose our REIT qualification and become subject to U.S. federal income tax. Our inability to meet the various financial and operating covenants contained in our debt instruments, including those discussed above, could result in us being limited in the amount of dividends we would be permitted to pay holders of our Series A Preferred Shares or in us being unable to redeem our Series A Preferred Shares.

### ***Our Series A Preferred Shares have not been rated.***

We have not sought to obtain a rating for our Series A Preferred Shares. No assurance can be given, however, that one or more rating agencies might not independently determine to issue such a rating or that such a rating, if issued, would not adversely affect the market price of our Series A Preferred Shares. In addition, we may elect in the future to obtain a rating of our Series A Preferred Shares, which could adversely affect the market price of our Series A Preferred Shares. Ratings only reflect the views of the rating agency or agencies issuing the ratings and such ratings could be revised downward, placed on a watch list or withdrawn entirely at the discretion of the issuing rating agency if, in its judgment, circumstances so warrant. Any such downward revision, placing on a watch list or withdrawal of a rating could have a material adverse effect on the market price of our Series A Preferred Shares.

### ***As a holder of Series A Preferred Shares you will have extremely limited voting rights.***

Your voting rights as a holder of Series A Preferred Shares will be extremely limited. Our common shares are the only class of our capital shares carrying full voting rights. Voting rights for holders of Series A Preferred Shares exist primarily with respect to the ability to appoint, together with holders of our parity equity securities having similar voting rights, if any, two additional trustees to our Board of Trustees in the event that six quarterly dividends (whether or not consecutive) payable on our Series A Preferred Shares are in arrears, and with respect to voting on amendments to our Trust Agreement or the Preferred Shares Amendment setting forth the terms of the Series A Preferred Shares that materially and adversely affect the



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rights of Series A Preferred Shares holders or create additional classes or series of preferred shares that are senior to our Series A Preferred Shares. See **Description of Our Series A Preferred Shares Voting Rights** below. Other than the limited circumstances described in this prospectus supplement, holders of Series A Preferred Shares will not have any voting rights.

***You may not be permitted to exercise conversion rights upon a change of control. If exercisable, the change of control conversion feature of the Series A Preferred Shares may not adequately compensate you, and the change of control conversion and redemption features of the Series A Preferred Shares may make it more difficult for a party to take over our Company or discourage a party from taking over our Company.***

Upon the occurrence of a Change of Control, as a result of which our common shares and the common securities of the acquiring or surviving entity (or ADRs representing such common securities) are not listed on the NYSE, the NYSE Amex or NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE Amex or NASDAQ, holders of Series A Preferred Shares will have the right to convert some or all of their Series A Preferred Shares into our common shares (or equivalent value of alternative consideration). Notwithstanding that we generally may not redeem the Series A Preferred Shares prior to April 20, 2017, we have a special optional redemption right to redeem the Series A Preferred Shares in the event of a Change of Control, and holders of Series A Preferred Shares will not have the right to convert any shares that we have elected to redeem prior to the Change of Control Conversion Date. See **Description of the Series A Preferred Shares Conversion Rights** and **Description of the Series A Preferred Shares Redemption**. Upon such a conversion, the holders will be limited to a maximum number of common shares equal to the Share Cap multiplied by the number of Series A Preferred Shares converted. If the Common Share Price (as defined in **Description of the Series A Preferred Shares Conversion Rights**) is less than \$4.485 (which is 30% of the per-share closing sale price of our common shares on April 12, 2012), subject to adjustment, each holder will receive a maximum of 5.5741 of our common shares per Series A Preferred Share, which may result in a holder receiving value that is less than the liquidation preference of the holder's Series A Preferred Shares. In addition, those features of the Series A Preferred Shares may have the effect of inhibiting a third party from making an acquisition proposal for our Company or of delaying, deferring or preventing a change of control of our Company under circumstances that otherwise could provide the holders of our common shares and Series A Preferred Shares with the opportunity to realize a premium over the then-current market price or that shareholders may otherwise believe is in their best interests.

***There is no established trading market for the Series A Preferred Shares and listing on the NYSE does not guarantee a market for the Series A Preferred Shares.***

Our Series A Preferred Shares are a new issue of securities with no established trading market. We intend to file an application to list our Series A Preferred Shares on the NYSE, but there can be no assurance that the NYSE will approve the Series A Preferred Shares for listing. Even if the Series A Preferred Shares were to be listed, an active trading market on the NYSE for our Series A Preferred Shares may not develop or, if it does develop, may not last, in which case the trading price of our Series A Preferred Shares could be adversely affected. If an active trading market does develop on the NYSE, our Series A Preferred Shares may trade at prices lower than the initial offering price. In addition, we have been advised by the underwriters that they intend to make a market in our Series A Preferred Shares, but they are not obligated to do so and may discontinue market-making at any time without notice.

***The market price and trading volume of the Series A Preferred Shares may fluctuate significantly and be volatile due to numerous factors beyond our control.***

The Series A Preferred Shares are a new issue of securities with no established trading market, which may result in significant volatility in the market price and trading volume of the Series A Preferred Shares.

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In addition, the market price of our Series A Preferred Shares will depend on many factors (some of which are beyond our control), including:

prevailing interest rates;

the market for similar securities;

general economic and financial market conditions;

our issuance of additional preferred shares or debt securities; and

our financial condition, cash flows, results of operations and prospects.

The trading prices of common and preferred shares issued by REITs and other real estate companies historically have been affected by changes in market interest rates. One of the factors that may influence the market price of the Series A Preferred Shares is the annual yield from distributions on the Series A Preferred Shares as compared to yields on other financial instruments. An increase in market interest rates may lead prospective purchasers of the Series A Preferred Shares to demand a higher annual yield, which could reduce the market price of the Series A Preferred Shares.

### ***Future offerings of debt or senior equity securities may adversely affect the market price of the Series A Preferred Shares.***

If we decide to incur debt or issue equity securities in the future, it is possible that such debt or securities will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, any convertible or exchangeable securities that we issue in the future might have rights, preferences and privileges more favorable than those of the Series A Preferred Shares and might result in dilution to holders of the Series A Preferred Shares. We and, indirectly, our shareholders, will bear the cost of issuing and servicing such securities. Because our decision to incur debt or issue equity securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future capital-raising efforts. Thus, holders of the Series A Preferred Shares will bear the risk that our future capital-raising efforts will reduce the market price of the Series A Preferred Shares and dilute the value of their holdings in us.

### ***If our common shares are delisted, your ability to transfer or sell your Series A Preferred Shares may be limited and the market price of the Series A Preferred Shares will be materially adversely affected.***

Other than in connection with certain change of control transactions, the Series A Preferred Shares will not contain provisions that protect you if our common shares are delisted from the NYSE. Since the Series A Preferred Shares have no stated maturity date, you may be forced to hold your Series A Preferred Shares indefinitely and receive dividends thereon only when, as and if authorized by our Board of Trustees and declared by us with no assurance as to ever receiving the liquidation preference. In addition, if our common shares are delisted, it is likely that the Series A Preferred Shares will be delisted, which will limit your ability to transfer or sell your Series A Preferred Shares and could have a material adverse effect on the market price of the Series A Preferred Shares.

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**USE OF PROCEEDS**

The net proceeds from this offering will be approximately \$96.2 million (or approximately \$110.7 million in the event that the underwriters exercise in full their option to purchase 600,000 additional Series A Preferred Shares), after deducting the underwriting discount and our estimated offering expenses.

We intend to use the net proceeds from this offering to repay amounts outstanding under our Revolving Facility and other indebtedness and for other general corporate purposes. As of the date of this prospectus supplement, the interest rate payable on our 2010 Credit Facility is approximately 4.25% per annum, and the principal amount outstanding is approximately \$240.0 million under the 2010 Term Loan and \$30.0 million under the Revolving Facility.

Affiliates of certain of the underwriters in this offering are lenders under our 2010 Credit Facility and will receive their pro rata share of the net proceeds of this offering that are used to repay the 2010 Credit Facility. See **Underwriting** in this prospectus supplement.

**Table of Contents****RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED DIVIDENDS**

Our ratio of earnings to combined fixed charges and preferred dividends for the fiscal years ended December 31, 2011, 2010, 2009, 2008 and 2007 was as follows:

	<b>Year ended December 31, 2011</b>	<b>Year ended December 31, 2010</b>	<b>Year ended December 31, 2009</b>	<b>Year ended December 31, 2008</b>	<b>Year ended December 31, 2007</b>
Ratio of Earnings to Combined Fixed Charges and Preferred Dividends	0.33	0.53	0.26	0.76	0.95

The ratio of earnings to combined fixed charges and preferred dividends was computed by dividing our earnings by our combined fixed charges and preferred dividends. For this purpose, earnings have been calculated as (a) income (loss) from continuing operations before allocation to noncontrolling interest and income from investments in unconsolidated joint ventures, plus (b) fixed charges (as defined below), plus (c) amortization of capitalized interest, plus (d) distributed income of investments in unconsolidated joint ventures, less (a) capitalized interest, and less (b) preferred dividends on our previously outstanding 11% Non-Convertible Senior Preferred Shares, which were redeemed on July 31, 2007. Fixed charges are comprised of (a) interest, whether expensed or capitalized, (b) amortization of premiums, discounts and capitalized expenses related to our indebtedness, and (c) the estimated interest component of rental expense. Preferred dividends are the amount of earnings required to pay dividends on outstanding preferred shares.

**Table of Contents****CAPITALIZATION**

The following table sets forth our capitalization as of December 31, 2011 (1) on an actual basis, (2) on a pro forma basis to reflect certain transactions since December 31, 2011 and (3) as adjusted to reflect the offering of our Series A Preferred Shares, after deducting the underwriting discount and our estimated offering expenditures, and the application of the net proceeds as described under *Use of Proceeds* in this prospectus supplement. You should read this table in conjunction with *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K and our audited financial statements and related notes for the year ended December 31, 2011 included therein.

<b>(In thousands, except per share data)</b>	<b>As of December 31, 2011</b>		
	<b>Actual</b>	<b>Pro Forma<sup>(1)</sup> (unaudited)</b>	<b>As Adjusted<sup>(2)</sup> (unaudited)</b>
Cash	\$ 21,798	\$ 22,548	\$ 88,748