Education Realty Trust, Inc.
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July 23, 2009

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File No. 333-136147

PROSPECTUS SUPPLEMENT
(To prospectus dated August 25, 2006)

24,500,000 Shares

Common Stock

We are offering 24,500,000 shares of our common stock, par value $0.01 per share.

Our common stock is listed on the New York Stock Exchange under the symbol EDR. On July 22, 2009, the last reported sale price of our common stock as reported on the New York Stock Exchange was $4.70 per share.

To assist us in continuing to qualify as a real estate investment trust for federal income tax purposes, our charter imposes certain restrictions on the ownership of our capital stock. See Description of Capital Stock in the accompanying prospectus.

Investing in our common stock involves substantial risks. See Risk Factors beginning on page S-7 of this prospectus supplement and on page 12 of our Annual Report on Form 10-K for the year ended December 31, 2008 incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Per Share	Total
Public offering price	$4.35	$106,575,000
Underwriting discount	$.1957	$4,794,650
Proceeds, before expenses, to us	$4.1543	$101,780,350

The underwriters may also purchase up to 3,675,000 additional shares of our common stock from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover any overallotments.

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

The shares of common stock will be ready for delivery on or about July 28, 2009.

Joint Book-Running Managers

BofA Merrill Lynch KeyBanc Capital Markets UBS Investment Bank

Lead Manager

Morgan Keegan & Company, Inc.

Co-Managers

Keefe, Bruyette & Woods
Stifel Nicolaus

The date of this prospectus supplement is July 22, 2009.

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

You should rely only upon the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus required to be filed with the Securities and Exchange Commission, or SEC. 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 upon it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where such offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any such free writing prospectus and the documents incorporated by reference herein or therein is accurate only as of the respective dates of these documents. Our business, financial condition, liquidity, results of operations, funds from operations and prospects may have changed since those dates.

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is comprised of this prospectus supplement which describes the specific terms of this offering and certain other matters relating to us. The second part, the accompanying prospectus, contains a description of our common stock and provides more general information about securities we may offer from time to time, some of which does not apply to this offering. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or documents previously filed with the SEC, the information in this prospectus supplement will supersede such information.

This prospectus supplement is part of a registration statement that we have filed with the SEC relating to the securities offered hereby. This prospectus supplement does not contain all of the information that we have included in the registration statement and the accompanying exhibits and schedules in accordance with the rules and regulations of the SEC, and we refer you to the omitted information. It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the additional information incorporated by reference in this prospectus supplement and the accompanying prospectus. See Where You Can Find More Information in this prospectus supplement.

TABLE OF CONTENTS

SUMMARY

This summary is not complete and may not contain all of the information that may be important to you in deciding whether to invest in our common stock. To understand this offering fully prior to making an investment decision, you should carefully read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, including the sections entitled Risk Factors beginning on page S-7 of this prospectus supplement, and on page 12 of our Annual Report on Form 10-K for the year ended December 31, 2008 incorporated by reference in this prospectus supplement and the accompanying prospectus. Unless otherwise expressly stated or the context otherwise requires, all information in this prospectus supplement assumes that the overallotment option granted to the underwriters is not exercised.

All references to we, our, us, EDR and the Company in this prospectus supplement and the accompanying prospectus mean Education Realty Trust, Inc. and its consolidated subsidiaries, except where it is made clear that the term means only Education Realty Trust, Inc.

The Company

We are a self-managed and self-advised real estate investment trust, or REIT, organized in July 2004 to develop, acquire, own and manage high quality student housing communities located near university campuses. We were formed to continue and expand upon the student housing business of Allen & O Hara, Inc., a company with over 40 years of experience as an owner, manager and developer of student housing. We own 39 student housing communities located in 18 states containing 24,782 beds in 7,537 apartment units located near 34 universities. We provide third-party management services for 24 student housing communities located in 10 states containing 12,370 beds in 3,933 apartment units at 21 universities. We selectively develop student housing communities for our own account and also provide third-party development consulting services on student housing development projects for universities and other third parties. Currently, our third-party development business has been awarded contracts or is in the process of negotiating contracts for projects with an estimated total development cost of approximately $425 million.

All of our assets are held by, and we have conducted substantially all of our activities through, Education Realty Operating Partnership, LP, or the Operating Partnership, and its wholly owned subsidiaries, Allen & O Hara Education Services, Inc., or AOES, and Allen & O Hara Development Company, LLC, or AODC. The majority of our operating expenses are borne by the Operating Partnership, AOES or AODC, as the case may be.

We are the sole general partner of our Operating Partnership. As a result, our board of directors effectively directs all of the Operating Partnership s affairs. As of June 30, 2009, we own 96.0% of the outstanding partnership units of the Operating Partnership. Our ownership interest in the Operating Partnership will increase upon consummation of this offering. See Use of Proceeds. The remaining partnership units are held by former owners of certain of our properties, including members of our management team. Some of our officers and employees also own indirect interests in our Operating Partnership, which we refer to as profits interest units, through ownership of units in Education Realty Limited Partner, LLC, a Delaware limited liability company, which is controlled by us and holds 0.9% of the aggregate interests in our Operating Partnership.

University Towers Operating Partnership, LP, or the University Towers Partnership, which is our affiliate, owns and operates our University Towers property located in Raleigh, North Carolina. We own 72.7% of the units in the University Towers Partnership, and former owners of our University Towers property, including members of our management team, own 27.3% of the units in University Towers Partnership.

Our executive offices are located at 530 Oak Court Drive, Suite 300, Memphis, Tennessee 38117, and our telephone number is (901) 259-2500. Our website address is *www.educationrealty.com*. However, the information located on, or accessible from, our website is not, and shall not be deemed to be, a part of this prospectus supplement or the accompanying prospectus or incorporated into any other filings that we make with the SEC.

S-1

TABLE OF CONTENTS

Recent Developments

Refinancing of Existing Debt

We have received a term sheet from KeyBank National Association, an affiliate of one of the underwriters of this offering, for the replacement of our Operating Partnership s existing $100 million revolving credit facility, which matures on March 30, 2010. The term sheet for the new credit facility contemplates a senior secured revolving credit facility that would permit borrowings of up to $100 million (subject to the borrowing base availability described below), with the ability to expand the facility up to an additional $50 million, upon satisfaction of certain conditions. Currently, we have received preliminary commitment letters totaling $50 million for this facility, and we are negotiating with a lender to secure a commitment for an additional $20 million. The term sheet contemplates a three-year facility, which we can elect to extend for one additional year, assuming no defaults thereunder and payment of an extension fee. As with our current credit facility, the new facility is expected to be secured by a cross-collateralized, first mortgage lien on five otherwise unmortgaged properties and a guaranty by us and the subsidiaries that own these five properties. Borrowings under the new facility will be limited to a borrowing base availability expected to be equal to the lesser of (i) 60% of the aggregate value of the properties securing the facility and (ii) the loan amount which would produce a debt service coverage ratio of no less than 1.4x, with debt service based on a 30-year amortization and an interest rate of 7.5% (8.39% constant). Based on the five properties providing security for the current facility (which are expected to be the same properties that will secure the new facility), the borrowing base availability at June 30, 2009 currently permits borrowings of up to approximately $46 million. We expect that the borrowing base availability under the new facility, based on anticipated underwriting standards, will be lower than our current credit facility. We expect the new facility to contain customary covenants, including financial covenants that will, among other things, require us to maintain certain minimum ratios of EBITDA (earnings before payment or charges of interest, taxes, depreciation, amortization or extraordinary items) and may include consolidated net worth and leverage ratio tests.

The closing of the new facility is subject to the negotiation and execution of definitive loan documentation and the fulfillment of customary conditions; accordingly, no assurance can be given that this facility will be procured on the terms, including the amount available to be borrowed, described above or at all.

As of June 30, 2009, we had borrowed approximately $198 million under our existing secured Master Credit Facility Agreement with Fannie Mae. We are seeking to expand the committed principal amount available under our credit facility with Fannie Mae to facilitate the refinancing of a portion of the remaining $98.6 million of mortgage debt related to nine communities in our Place portfolio that matures in December 2009. We received a letter from Red Mortgage Capital, Inc., a Fannie Mae Delegated Underwriting and Servicing lender that would increase the maximum amount available under our Master Credit Facility Agreement with Fannie Mae to approximately $251 to $259 million. The expanded facility would give us the ability to draw an additional $53 to $61 million. We expect to add up to nine of the thirteen communities in our Place portfolio as collateral for the expansion of this facility. This facility expansion is subject to negotiating an amendment to our existing agreement with Fannie Mae and final underwriting, and no assurance can be given that we will be successful in completing such expansion on the terms above or at all.

Dividends

On July 10, 2009, our board of directors declared a quarterly dividend of $0.1025 per share of common stock, payable entirely in cash. This dividend rate is the same rate that was in effect for the first quarter of 2009 and the fourth quarter of 2008. The dividend is payable on August 14, 2009 to holders of record of our common stock on July 31, 2009; accordingly, purchasers of common stock in this offering who hold such stock on July 31, 2009 will be entitled to receive this dividend. Our board of directors has determined that, beginning with our quarterly dividend for the third quarter of 2009 and contingent upon completion of this offering, it is in our best interest to reduce the quarterly cash dividend per share of common stock from $0.1025 (an annual rate of $0.41 per share) to $0.05 (an annual rate of $0.20 per share).

While the statements above concerning the remaining dividends for 2009 are our current expectations, any dividends declared and paid will be determined by our board of directors, in its sole discretion, based

S-2

TABLE OF CONTENTS

upon circumstances at the time of authorization and the actual number of shares issued in this offering. Accordingly, the actual dividends paid, if any, may vary from currently expected amounts. Depending upon our liquidity needs, we reserve the right to reduce or suspend dividend payments or to pay any or all of our common stock dividends in a combination of shares of common stock and cash in accordance with applicable Internal Revenue Service, or IRS, procedures. See Risk Factors We may change the dividend policy for our common stock in the future of this prospectus supplement.

Property Dispositions

On April 7, 2009, we sold a student housing property, College Station (Augusta, Georgia), for a sale price of $2,550,000. We received cash proceeds of $250,000 and a note receivable of $2,300,000. The note accrues interest at a rate of 3% per annum through August 31, 2009, with no interest or principal being payable during that period. Beginning on September 1, 2009, the note accrues interest at a rate of 6% per annum, and accrued interest is payable in monthly installments through December 31, 2009. All unpaid principal and interest is due on the maturity date of December 31, 2009. However, if no default exists at the maturity date, the maturity date of the note may be extended to June 30, 2011. The note would remain interest only at a rate of 6% per annum payable in monthly installments through December 31, 2010; thereafter, payments of principal, based upon a 20-year amortization schedule, and interest (at a rate of 6% per annum) would be made on a monthly basis. Any unpaid principal and interest would be due in full on June 30, 2011.

We continually assess our student housing communities, the markets they are in and the universities they serve to determine if any dispositions are necessary or appropriate. We are currently testing the market for three of our student housing communities: The Lofts, located in Orlando, Florida; NorthePointe, located in Tucson, Arizona; and The Reserve at Clemson, located in Central, South Carolina. These student housing communities contain a total of 2,232 beds in 731 apartment units and may be sold individually or as a portfolio if appropriate market conditions exist. These properties would be subject to the assumption of existing mortgage financing secured by these properties. Interest rates on the mortgages range from 5.55% to 5.59% per annum, and all mortgages have either full or partial interest-only periods remaining on their respective terms. We can give no assurance, however, that any of these properties will actually be sold or as to the terms on which they may be sold.

TABLE OF CONTENTS

Leasing for 2009/2010 Academic Year

The following table sets forth pre-leasing statistics for the 2009/2010 academic year for our owned and managed student housing communities:

unity	Primary University	Design Beds	Applications[1]				Fully Executed Leases[1]				2008 Fall Occupancy[2]	
			2009	%	***2008***	%	***2009***	%	***2008***	%	***Beds***	%
bles	Western Kentucky University	288	275	95.5 %	252	87.5 %	266	92.4 %	248	86.1 %	288	10
serve at	University of Georgia	612	600	98.0 %	562	91.8 %	593	96.9 %	553	90.4 %	575	94
Club	Florida State University	336	329	97.9 %	326	97.0 %	317	94.3 %	305	90.8 %	333	99
ointe	University of Arizona	912	798	87.5 %	816	89.5 %	666	73.0 %	731	80.2 %	879	96
serve at on	Clemson University	590	579	98.1 %	548	92.9 %	547	92.7 %	534	90.5 %	569	96
at South	University of South Florida	1,002	720	71.9 %	721	72.0 %	662	66.1 %	721	72.0 %	875	87
serve on s	Oklahoma State	732	535	73.1 %	658	89.9 %	519	70.9 %	632	86.3 %	723	98
ommons	Florida State University	732	584	79.8 %	521	71.2 %	491	67.1 %	418	57.1 %	598	81
inte at n	Western Michigan University	876	715	81.6 %	478	54.6 %	650	74.2 %	478	54.6 %	671	76
e Station t tte	Purdue University	960	929	96.8 %	800	83.3 %	902	94.0 %	776	80.8 %	902	94
ons on r	Ohio State University	502	466	92.8 %	495	98.6 %	450	89.6 %	496	98.8 %	501	99
inte	Penn State	984	984	100.0 %	984	100.0 %	984	100.0 %	980	99.6 %	983	99
serve at bia	University of Missouri	676	676	100.0 %	662	97.9 %	653	96.6 %	657	97.2 %	675	99
ons at ille	University of Tennessee	708	691	97.6 %	706	99.7 %	651	91.9 %	689	97.3 %	707	99
serve on ord	Texas Tech	737	580	78.7 %	582	79.0 %	533	72.3 %	510	69.2 %	663	90
serve at ss	University of Arizona	1,020	639	62.6 %	911	89.3 %	563	55.2 %	833	81.7 %	967	94
fts	University of Central Florida	730	697	95.5 %	687	94.1 %	636	87.1 %	687	94.1 %	726	99

serve on 1st	University of Kansas	714	606	84.9 %	634	88.1 %	516	72.3 %	587	81.5 %	703	97.
s Creek	University of Mississippi	636	563	88.5 %	527	82.9 %	556	87.4 %	463	72.8 %	560	88
West	University of South Carolina	480	365	76.0 %	409	85.2 %	356	74.2 %	393	81.9 %	444	92
s Lodge	University of Florida	1,116	1,115	99.9 %	932	83.5 %	1,106	99.1 %	892	79.9 %	985	88
e Grove	Middle Tennessee State Univ.	864	670	77.5 %	746	86.3 %	595	68.9 %	717	83.0 %	851	98
serve on College	Univ. Auburn University	576	397	68.9 %	545	94.6 %	365	63.4 %	518	89.9 %	562	97.
venue at rn	Georgia Southern Univ.	624	391	62.7 %	467	74.8 %	338	54.2 %	398	63.8 %	571	91
partment nity Legacy portfolio		*17,407*	*14,904*	*85.6%*	*14,969*	*86.0%*	*13,915*	*79.9%*	*14,216*	*81.6%*	*16,311*	*93.*
sity s	North Carolina State	953	953	100.0 %	953	100.0 %	953	100.0 %	953	100.0 %	953	10
ame-community Legacy io		*18,360*	*15,857*	*86.4%*	*15,922*	*86.7%*	*14,868*	*81.0%*	*15,169*	*82.6%*	*17,264*	*94.*
lace	Troy State Univ.	408	304	74.5 %	295	72.3 %	304	74.5 %	273	66.9 %	405	99
serve at nville	Jacksonville State University	504	281	55.8 %	283	56.2 %	234	46.4 %	283	56.2 %	476	94
Place	State Univ. of West GA	504	504	100.0 %	295	58.5 %	495	98.2 %	277	55.0 %	380	75
n Place	Clayton College & State Univ.	854	292	34.2 %	299	35.0 %	174	20.4 %	254	29.7 %	439	51
Place	Macon State College	336	191	56.8 %	234	69.6 %	150	44.6 %	189	56.3 %	258	76
hase at	Murray State Univ.	408	408	100.0 %	251	61.5 %	395	96.8 %	232	56.9 %	279	68
lace	Southeast Missouri State Univ.	360	360	100.0 %	360	100.0 %	358	99.4 %	358	99.4 %	357	99
on Place	Clemson University	288	287	99.7 %	262	91.0 %	277	96.2 %	235	81.6 %	265	92
serve at	Univ. of Tenn. Martin	384	319	83.1 %	217	56.5 %	253	65.9 %	213	55.5 %	265	69
ton Place	State Univ. of West GA	336	271	80.7 %	336	100.0 %	257	76.5 %	327	97.3 %	333	99
inte at rn	Georgia Southern Univ.	528	364	68.9 %	467	88.4 %	290	54.9 %	433	82.0 %	494	93
ey Place		480	480	100.0 %	372	77.5 %	480	100.0 %	347	72.3 %	445	92

n Place	Clemson University Western Kentucky University	504	504	100.0 %	286	56.7 %	456	90.5 %	245	48.6 %	429	85
partment community portfolio		*5,894*	*4,565*	*77.5%*	*3,957*	*67.1%*	*4,123*	*70.0%*	3,666	*62.2%*	*4,825*	*81.*
ommunity io	***Wholly-owned***	***24,254***	***20,422***	***84.2%***	***19,879***	***81.9%***	***18,991***	***78.3%***	***18,835***	***77.6%***	***22,089***	***91.***
'enture Portfolio		2,195	1,747	79.6 %	2,118	96.5 %	1,558	71.0 %	1,894	86.3 %	2,092	95
partments	managed, not	9,074	8,257	91.0 %	7,868	92.7 %	7,887	86.9 %	7,554	89.0 %	7,870	92
ame-community, owned, enture & managed		***35,523***	***30,426***	***85.7%***	***29,865***	***85.5%***	***28,436***	***80.0%***	***28,283***	***80.9%***	***32,051***	***91.***
evelopment	***less than one***	***1,200***	***810***	***67.5%***	***518***	***98.1%***	***697***	***58.1%***	***503***	***95.3%***	***525***	***99.***
anaged	***less than one***	***1,102***	***937***	***85.0%***	***766***	***99.5%***	***903***	***81.9%***	***766***	***99.5%***	***764***	***99.***

S-4

TABLE OF CONTENTS

(1) As of July 13 for the year indicated.
(2) As of September 30, 2008.

Management Succession Plan

We have initiated a search for a new Chief Executive Officer and President in connection with our plan for leadership succession. Our board of directors is in the process of identifying candidates in preparation for the future retirement of Paul O. Bower, Chief Executive Officer, President and Chairman of the board of directors. Mr. Bower, age 66, has informed the board of directors that he intends to retire from active employment with us upon appointment of his successor. Mr. Bower will remain on the board of directors, and continue to serve as its Chairman, following his retirement.

Our board of directors will identify and assess potential candidates and determine finalists for consideration. The search will target both internal and external candidates, and the board of directors has retained SpencerStuart, a leading international executive search firm, to assist in the process of identifying, screening and evaluating qualified candidates. The board of directors expects to complete the search process and appoint Mr. Bower s successor by the end of the first quarter of 2010.

TABLE OF CONTENTS

The Offering

Common stock offered by us	24,500,000 shares (or 28,175,000 shares if the underwriters exercise their overallotment option in full)
Common stock outstanding after this offering	53,022,966 shares (or 56,697,966 shares if the underwriters exercise their overallotment option in full)[1]
Diluted common stock to be outstanding after this offering	54,421,461 shares (or 58,096,461 shares if the underwriters exercise their overallotment option in full)[1][2]
Use of proceeds	We estimate that our net proceeds from this offering will be approximately $101 million (or approximately $116 million if the underwriters exercise their overallotment option in full) after deducting the underwriting discount and other estimated offering expenses. We intend to contribute the net proceeds to the Operating Partnership in exchange for a number of units to be issued by the Operating Partnership equal to the number of shares of common stock sold in this offering, thereby increasing our ownership of the Operating Partnership. The Operating Partnership intends to use the proceeds to repay debt, including the outstanding balance under its revolving credit facility and a portion of the mortgage debt associated with the communities in our Place portfolio, and any additional net proceeds will be used for general corporate purposes. See Use of Proceeds.
Restriction on ownership	In order to assist us in maintaining our qualification as a REIT, for federal income tax purposes, ownership, actual or constructive, by any person of more than 9.8% in value or number (whichever is more restrictive) of shares of our capital stock is restricted by our charter. This restriction may be waived by our board of directors, in its absolute discretion, upon satisfaction of certain conditions. See Description of Capital Stock in the accompanying prospectus.
Risk factors	An investment in shares of our common stock involves substantial risks, and prospective investors should carefully consider the matters discussed under the caption entitled Risk Factors beginning on page S-7 of this prospectus supplement, as well as on page 12 of our Annual Report on Form 10-K for the year ended December 31, 2008, which is incorporated by reference in this prospectus supplement and the accompanying prospectus.
New York Stock Exchange Symbol	EDR

(1) The number of shares of common stock to be outstanding after this offering is based on 28,522,966 shares outstanding as of June 30, 2009. Excludes 824,000 shares of common stock available for future issuance under the Education Realty Trust, Inc. 2004 Incentive Plan.

(2) Includes 1,120,995 shares of common stock issuable upon the conversion or exchange of limited partnership units in the Operating Partnership and the University Towers Partnership and 277,500 shares of common stock that may, under certain circumstances, be issuable upon conversion or exchange of indirect interests in the Operating Partnership, which we refer to as profits interest units, that were granted to certain of our employees under the Education Realty Trust, Inc. 2004 Incentive Plan.

For additional information regarding our common stock, see Description of Capital Stock in the accompanying prospectus.

TABLE OF CONTENTS

RISK FACTORS

Your investment in shares of our common stock involves substantial risks. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the factors set forth below as well as on page 12 of our Annual Report on Form 10-K for the year ended December 31, 2008 which is incorporated by reference in this prospectus supplement and the accompanying prospectus and other information that we file with the SEC before deciding whether an investment in shares of our common stock is suitable for you. If any of the risks contained in or incorporated by reference in this prospectus supplement or the accompanying prospectus develop into actual events, our business, financial condition, liquidity, results of operations, funds from operations and prospects could be materially and adversely affected, the market price of our common stock could decline and you may lose all or part of your investment.

This offering is expected to be dilutive, and there may be future dilution related to our common stock.

Giving effect to the issuance of shares of common stock in this offering, the receipt of the expected net proceeds and the use of those proceeds, we expect that this offering will have a dilutive effect on our expected earnings per share and funds from operations, or FFO, per share for the year ending December 31, 2009. The actual amount of dilution cannot be determined at this time and will be based on numerous factors. Additionally, subject to the 90-day lock up restrictions described in Underwriting No Sales of Similar Securities, we are not restricted from issuing additional securities, including common stock, securities that are convertible into or exchangeable for, or that represent the right to receive, common stock or preferred stock or any substantially similar securities. The market price of our common stock could decline as a result of issuances or sales of a large number of shares of our common stock in the market after this offering or the perception that such issuances or sales could occur. Additionally, future issuances or sales of substantial amounts of our common stock may be at prices below the offering price of the common stock offered by this prospectus supplement and may result in further dilution in our earnings and FFO per share and/or adversely impact the market price of our common stock.

We may change the dividend policy for our common stock in the future.

On July 10, 2009, our board of directors declared a quarterly dividend of $0.1025 per share of common stock, payable entirely in cash. This dividend rate is the same rate that was in effect for the first quarter of 2009 and the fourth quarter of 2008. The dividend is payable on August 14, 2009 to holders of record of our common stock on July 31, 2009; accordingly, purchasers of common stock in this offering who hold such stock on July 31, 2009 will be entitled to receive this dividend. Our board of directors has determined that, beginning with our quarterly dividend for the third quarter of 2009 and contingent upon completion of this offering, it is in our best interest to reduce the quarterly cash dividend per share of common stock from $0.1025 (an annual rate of $0.41 per share) to $0.05 (an annual rate of $0.20 per share). The payment of any future dividends will be determined by our board of directors, in its sole discretion, out of funds legally available for the payment of dividends.

We currently expect that any dividends paid during our taxable year ending December 31, 2009 will be paid entirely in cash. However, depending upon our liquidity needs, we reserve the right to pay any or all of these dividends in a combination of cash and shares of our common stock in accordance with recent guidance issued by the IRS. Such recent IRS guidance permits us to satisfy the REIT distribution requirements for our taxable year ending December 31, 2009 by making distributions consisting of both cash and shares of our common stock, as long as at least 10% of the total value of any such distribution consists of cash and certain other requirements are met. If we make such a distribution, each of our taxable U.S. stockholders will be required to treat the total value of the distribution that each such stockholder receives as a dividend, to the extent of each such stockholder s pro-rata share of our earnings and profits, regardless of whether such stockholder receives cash, shares of our common stock or a combination of cash and shares of our common stock. A U.S. stockholder s taxes resulting from receipt of a distribution consisting of cash and shares of our common stock may exceed the cash that such stockholder receives in the distribution, in which case such stockholder may have to use cash from other sources to pay such tax. If a taxable U.S. stockholder sells the common stock it receives in a distribution consisting of cash and shares of our common stock in order to pay its taxes, the sales proceeds may be less than the amount included in income with respect to such distribution, depending on the market price of our common stock at the time of the sale. With respect to non-U.S.

TABLE OF CONTENTS

stockholders, we may be required to withhold federal tax with respect to our dividends, including dividends that are paid in shares of our common stock. In addition, if a significant number of our stockholders sell shares of our common stock in order to pay taxes owed on dividends, such sales would put downward pressure on the market price of our common stock.

Our board of directors will continue to evaluate our per share dividend payments on a quarterly basis as they monitor the capital markets and the impact of the economy on us. The decision as to whether to authorize and pay dividends on our common stock in the future, as well as the timing, amount and composition of any such future dividends, will be at the sole discretion of our board of directors in light of conditions then existing, including our earnings, funds from operations, financial condition, liquidity, capital requirements, debt maturities, the availability of capital, contractual prohibitions or other restrictions, applicable REIT and legal restrictions and general overall economic conditions and other factors. While the statements above concerning our dividend policy represent our current expectation, any actual dividend payable will be determined by our board of directors based upon the circumstances at the time of declaration and the actual number of shares then outstanding, and any dividend payable may vary from such expected amounts. Any change in our per share dividend payments could have a material adverse effect on the market price of our common stock.

Our indebtedness is, and after the application of the net proceeds from this offering will continue to be, substantial and could impair our ability to obtain additional financing or have other adverse consequences.

As of June 30, 2009, our consolidated debt outstanding, excluding unamortized debt premium of $1 million, was approximately $479 million, which represents approximately 79% of our total market capitalization (defined as the market value of our outstanding common stock plus the principal amount of our outstanding debt) at that time. As of June 30, 2009, the balance at maturity of total consolidated debt (after giving effect to amortization through maturity) was approximately $479 million, including $100 million, $50 million, $7 million, $68 million and $254 million currently scheduled to mature in 2009, 2010, 2011, 2012 and thereafter, respectively. On a pro forma basis as of June 30, 2009, assuming the completion of this offering and the use of the net proceeds therefrom as described under Use of Proceeds, our total consolidated debt would have been approximately $408 million. As of such date, and giving effect to the foregoing assumptions, our total consolidated debt maturing in 2009, 2010, 2011, 2012 and thereafter would have been approximately $59 million, $20 million, $7 million, $68 million and $254 million, respectively.

Our substantial leverage could have important consequences. For example, it could:

- result in the acceleration of a significant amount of debt for non-compliance with the terms of such debt or, if such debt contains cross-default or cross-acceleration provisions, other debt;
- result in the loss of assets due to foreclosure or sale on unfavorable terms, which could, in turn, create taxable income and tax liabilities without accompanying cash proceeds;
- restrict our access to new capital;
- materially impair our ability to borrow unused amounts under existing financing arrangements or to obtain additional financing or refinancing on favorable terms or at all;
- require us to continue to dedicate a substantial portion of our cash flow to paying principal and interest on our indebtedness, reducing the cash flow available to fund our business or to pay dividends, including dividends necessary to maintain our REIT qualification, or to use for other purposes;
- increase our vulnerability to the ongoing economic downturn;
- limit our ability to withstand competitive pressures; and/or
- reduce our flexibility to respond to changing business and economic conditions.

If any of the foregoing occurs, our business, financial condition, liquidity, results of operations, funds from operations and prospects could be materially and adversely affected, and the trading price of our common stock could decline significantly.

Our indebtedness is, and after the application of the net proceeds from this offering will continue to be, substantial a

TABLE OF CONTENTS

The recent and ongoing credit and liquidity crisis may limit our access to capital and have a material adverse effect on our ability to meet our debt payments, pay dividends to our stockholders or make future investments necessary to implement our business plan.

In order to meet our debt payments, pay dividends to our stockholders or make future investments necessary to implement our business plan, we may need to raise additional capital. Recently, the global capital and credit markets have experienced extraordinary turmoil and upheaval, characterized by the bankruptcy, failure or sale of various financial institutions and an unprecedented level of intervention from the U.S. federal government. This disruption in the credit markets, the repricing of credit risk and the deterioration of the financial and real estate markets have made it increasingly difficult for REITs and other companies to access capital. Adverse market conditions include greater stock price volatility, significantly less liquidity, widening of credit spreads and a lack of price transparency. It is difficult to predict how long these conditions will persist and the extent to which our results of operations, funds from operations, financial condition and liquidity may be adversely affected. This market turmoil and tightening of credit have also led to an increased lack of consumer confidence and widespread reduction of business activity generally which may adversely impact us, including our ability to acquire and dispose of assets and continue our development pipeline. If current levels of market disruption and volatility continue or worsen, we may not be able to obtain new debt financing or refinance our maturing debt on favorable terms or at all. In addition, our future access to the equity markets could be limited. Any such financing or refinancing issues could materially and adversely affect us.

While we currently have no reason to believe that we will be unable to access our credit facilities in the future, concern about the stability of the markets generally and the strength of borrowers specifically has led many lenders and institutional investors to reduce and, in some cases, eliminate funding to borrowers. In addition, the financial institutions that are parties to our secured revolving credit facility, our Fannie Mae secured credit facility and other debt documents might have incurred losses or might have reduced capital reserves on account of their prior lending to borrowers, their holdings of certain mortgage securities or their other financial relationships, in part because of the general weakening of the U.S. economy and the increased financial instability of many borrowers. As a result, these financial institutions might be or become capital constrained and might tighten their lending standards or become insolvent. If they experience shortages of capital and liquidity, or if they experience excessive volumes of borrowing requests from other borrowers within a short period of time, these lenders might not be able or willing to honor their funding commitments to us, which would adversely affect our ability to draw on our credit facilities and, over time, could negatively impact our ability to consummate acquisitions, repay indebtedness as it matures, fund capital expenditures or pay dividends to our stockholders. Continued adverse conditions in the credit markets in future years could also adversely affect the availability and terms of future borrowings, renewals or refinancings.

As with other public companies, the availability of debt and equity capital depends, in part, upon the market price of our common stock and investor demand, which, in turn, depends upon various market conditions that change from time to time. Among the market conditions and other factors that may affect the market price of our common stock is the market s perception of our current and future financial condition, liquidity, growth potential, earnings, funds from operations and cash distributions. Our failure to meet the market s expectation with regard to any of these or other items would likely adversely affect the market price of our common stock, possibly materially. If we cannot access capital or we cannot access capital upon acceptable terms, we may be required to liquidate one or more investments in properties at times that may not permit us to realize the maximum return on those investments, which could also result in adverse tax consequences to us. We cannot assure you that we will be able to raise the necessary capital to meet our debt service obligations, pay dividends to our stockholders or make future investments necessary to implement our business plan, and the failure to do so could have a material adverse effect on us.

Our student housing communities have previously been and in the future may be subject to impairment charges, which could adversely affect our results of operations and funds from operations.

We are required to periodically evaluate our properties for impairment indicators. A property s value is considered impaired if management s estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property, based on its intended use, is less than the carrying value of the property. These estimates of cash flows are based on factors such as expected future operating income, trends and prospects, as well as the effects of interest and capitalization rates, demand and occupancy, competition and other factors.

During 2008, management determined that due to declining occupancy and other trends at one student housing community the carrying amount of that property may not be recoverable. In accordance with SFAS No. 144, management estimated the fair value of the property and recorded a $1.6 million impairment loss. Ongoing adverse market and economic conditions and market volatility make it difficult to value our student housing communities. These factors may result in uncertainty in valuation estimates and instability in the estimated value of our student housing communities which, in turn, could result in a substantial decrease in the value of the communities and significant impairment charges.

We continually assess our student housing communities to determine if any dispositions are necessary or appropriate. We are currently testing the market for three of our student housing communities, and may seek to sell certain other student housing communities over the next several years. No assurance can be given that we will be able to recover the current carrying amount of our student housing communities in the future. Our failure to do so would require us to recognize additional impairment charges for the period in which we reached that conclusion, which could materially and adversely affect us and our results of operations and funds from operations.

Future sales or issuances of our common stock may cause the market price of our common stock to decline.

The sale of substantial amounts of our common stock, whether directly by us or in the secondary market, the perception that such sales could occur or the availability for future sale of shares of our common stock or securities convertible into or exchangeable or exercisable for our common stock could materially and adversely affect the market price of our common stock and our ability to raise capital through future offerings of equity or equity-related securities. In addition, we may issue capital stock or other equity securities senior to our common stock in the future for a number of reasons, including to finance our operations and business plan, to adjust our ratio of debt to equity, to satisfy obligations upon the exchange of partnership units in the Operating Partnership and the University Towers Partnership or for other reasons.

The market price of our common stock may fluctuate significantly.

The market price of our common stock may fluctuate significantly in response to many factors, including:

- actual or anticipated variations in our operating results, funds from operations, cash flows or liquidity;
- change in our earnings estimates or those of analysts and any failure to meet such estimates;
- changes in our dividend policy;
- publication of research reports about us, the student housing industry or the real estate industry generally;
- increases in market interest rates that lead purchasers of our common stock to demand a higher dividend yield;
- changes in market valuations of similar companies;
- adverse market reaction to the amount of our outstanding debt at any time, the amount of our maturing debt in the near and medium term and our ability to refinance such debt and the terms thereof or our plans to incur additional debt in the future;
- additions or departures of key management personnel, including our ability to find attractive replacements;
- actions by institutional stockholders;
- speculation in the press or investment community;

S-10

TABLE OF CONTENTS

the realization of any of the other risk factors included in, or incorporated by reference to, this prospectus supplement and the accompanying prospectus; and

general market and economic conditions.

Many of the factors listed above are beyond our control. Those factors may cause the market price of our common stock to decline, regardless of our financial performance, condition and prospects. It is impossible to provide any assurance that the market price of our common stock will not fall in the future, and it may be difficult for our stockholders to resell shares of our common stock at prices they find attractive, or at all.

FORWARD-LOOKING STATEMENTS

Our disclosure and analysis in this prospectus supplement, the accompanying prospectus and the documents that are incorporated by reference herein and therein contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements provide our current expectations or forecasts of future events and are not statements of historical fact. These forward-looking statements include information about possible or assumed future events, including, among other things, discussion and analysis of our future financial condition, results of operations and funds from operations, our strategic plans and objectives, cost management, occupancy and leasing rates and trends, liquidity and ability to refinance our indebtedness as it matures, anticipated capital expenditures (and access to capital) required to complete projects, amounts of anticipated cash distributions to our stockholders in the future and other matters. Words such as anticipates, expects, intends, plans, believes, seeks, estimates and variations of t and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and/or could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

Forward-looking statements involve inherent uncertainty and may ultimately prove to be incorrect or false. You are cautioned to not place undue reliance on forward-looking statements. Except as otherwise may be required by law, we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or actual operating results. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to:

risks and uncertainties related to the current recession, the national and local economies, and the real estate industry in general and in our specific markets (including university enrollment conditions and admission policies, and our relationship with these universities);

volatility in the capital markets;

rising interest and insurance rates;

competition from university-owned or other private student housing and our inability to obtain new tenants on favorable terms, or at all, upon the expiration of existing leases;

availability and terms of capital and financing, both to fund our operations and to refinance our indebtedness as it matures;

legislative or regulatory changes, including changes to laws governing student housing, construction and real estate investment trusts;

our possible failure to qualify as a REIT and the risk of changes in laws affecting REITs;

our dependence upon key personnel whose continued service is not guaranteed;

our ability to identify, hire and retain highly qualified executives in the future and to successfully execute our leadership succession plan;

availability of appropriate acquisition and development targets;

failure to integrate acquisitions successfully;

TABLE OF CONTENTS

- the financial condition and liquidity of, or disputes with, our joint venture and development partners;
- impact of ad valorem, property and income taxes;
- changes in generally accepted accounting principles;
- construction delays, increasing construction costs or construction costs that exceed estimates;
- potential liability for uninsured losses and environmental liabilities;
- lease-up risks; and
- the potential need to fund improvements or other capital expenditures out of operating cash flow.

This list of risks and uncertainties, however, is only a summary of some of the most important factors and is not intended to be exhaustive. You should carefully review the risks described under Risk Factors beginning on page S-7 in this prospectus supplement and on page 12 of our Annual Report on Form 10-K for the year ended December 31, 2008. New factors may also emerge from time to time that could materially and adversely affect us.

TABLE OF CONTENTS

USE OF PROCEEDS

After deducting the underwriting discount and the other estimated expenses of this offering payable by us, we expect net proceeds from this offering of approximately $101 million (or approximately $116 million if the underwriters overallotment option is exercised in full).

We intend to contribute the net proceeds to the Operating Partnership in exchange for a number of units to be issued by the Operating Partnership equal to the number of shares of common stock sold in this offering, thereby increasing our ownership of the Operating Partnership. The Operating Partnership intends to use the proceeds to repay debt, including the outstanding balance under its revolving credit facility and a portion of the mortgage debt associated with the communities in our Place portfolio, and any additional net proceeds will be used for general corporate purposes.

Our $100 million revolving credit facility matures on March 30, 2010 and accrues interest equal to a base rate or London InterBank Offered Rate, or LIBOR, plus an applicable margin based upon our leverage. As of June 30, 2009, our revolving credit facility had an outstanding balance of approximately $29.6 million, which bore interest at an annual rate of 2.64%. Affiliates of certain of the underwriters of this offering are lenders under this facility and will receive a pro rata portion of the net proceeds from this offering used to repay the amounts outstanding under such facility. See Underwriting Other Relationships.

As of June 30, 2009, we had approximately $98.6 million of mortgage debt outstanding related to the communities in our Place portfolio. The mortgage debt bears interest at 6.44%, is interest only and matures on December 6, 2009. We intend to apply a portion of the net proceeds from this offering to reduce this mortgage debt. To avoid incurring certain defeasance fees and expenses, we expect to delay the repayment of this debt until October 2009; accordingly, we will hold more cash and cash equivalents than has historically been the case until such time as these funds are used to reduce the mortgage debt.

Pending application of any portion of the net proceeds, we may invest it in interest-bearing accounts and short-term, interest-bearing securities as is consistent with our intention to maintain our qualification for taxation as a REIT. Such investments may include, for example, obligations of the Government National Mortgage Association, other government and governmental agency securities, certificates of deposit and interest-bearing bank deposits.

TABLE OF CONTENTS

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2009 on an actual basis and on an adjusted basis to reflect the sale of 24,500,000 shares of our common stock offered by us in this offering at a public offering price of $4.35 per share, and after the deduction of the underwriting discount and other estimated expenses payable by us, and application of the net proceeds as set forth under Use of Proceeds. The table does not give effect to up to 3,675,000 additional shares of our common stock that may be sold pursuant to the underwriters overallotment option. You should read the following table in conjunction with the consolidated financial statements and related notes which are incorporated by reference into this prospectus supplement.

	As of June 30, 2009 (In thousands, except share and per share data)[(1)]	
	Actual	As Adjusted
Cash and cash equivalents (excluding restricted cash)	$ 4,070	$ 33,830
Mortgage and construction loans, net of unamortized premium/discount	$ 450,493	$ 408,893
Revolving line of credit	$ 29,600	$
Total debt	$ 480,093	$ 408,893
Redeemable noncontrolling interests	$ 11,325	$ 11,325
Equity:		
Education Realty Trust, Inc. stockholders equity:		
Common stock, $0.01 par value per share	$ 285	$ 530
Additional paid-in capital	$ 302,876	$ 403,591
Accumulated deficit	$ (40,717)	$ (40,717)
Total Education Realty Trust, Inc. stockholders equity	$ 262,444	$ 363,404
Noncontrolling interests	$ 2,863	$ 2,863
Total equity	$ 265,307	$ 366,267
Total capitalization	$ 756,725	$ 786,485

(1) As of June 30, 2009, we had approximately $98.6 million of mortgage debt outstanding related to the communities in our Place portfolio. The as adjusted column assumes approximately $41.6 million of the net proceeds from this offering are used to repay the mortgage debt associated with the communities in our Place portfolio, which implicitly assumes that we will repay the remaining $57 million of mortgage debt related to the communities in our Place portfolio with borrowings under our credit facility with Fannie Mae, which we are seeking to amend to provide for increased borrowing capacity, or cash from other sources. If we are unsuccessful in expanding the borrowing capacity under our credit facility with Fannie Mae and do not have cash available from other sources, we may use a larger portion of the net proceeds from this offering to repay mortgage debt associated with the communities in our Place portfolio.

TABLE OF CONTENTS

PRICE RANGE OF COMMON STOCK AND DIVIDENDS

Our common stock is listed on the NYSE under the symbol EDR. The table below sets forth, for the fiscal quarters indicated, high and low reported sales prices per share on the NYSE and the cash dividends per share with respect to such fiscal quarter. The last reported sale price of our common stock on the NYSE on July 22, 2009 was $4.70 per share.

	Stock Price		
	High	Low	Dividends
2007			
First Quarter	$ 15.53	$ 13.76	$ 0.2050
Second Quarter	$ 15.00	$ 13.36	$ 0.2050
Third Quarter	$ 14.39	$ 11.68	$ 0.2050
Fourth Quarter	$ 14.24	$ 10.44	$ 0.2050
2008			
First Quarter	$ 13.89	$ 9.95	$ 0.2050
Second Quarter	$ 14.50	$ 11.15	$ 0.2050
Third Quarter	$ 13.46	$ 9.84	$ 0.2050
Fourth Quarter	$ 11.06	$ 2.16	$ 0.1025
2009			
First Quarter	$ 6.03	$ 2.61	$ 0.1025
Second Quarter	$ 5.24	$ 3.32	$ 0.1025
Third Quarter (through July 22, 2009)	$ 5.10	$ 4.22	

On July 10, 2009, our board of directors declared a second quarter dividend of $0.1025 per share of common stock, payable entirely in cash. The dividend is payable on August 14, 2009 to holders of record of our common stock on July 31, 2009; accordingly, purchasers of common stock in this offering who hold such stock on July 31, 2009 will be entitled to receive this dividend. Our board of directors has determined that, beginning with our quarterly dividend for the third quarter of 2009 and contingent upon completion of this offering, it is in our best interest to reduce the quarterly cash dividend per share of common stock from $0.1025 (an annual rate of $0.41 per share) to $0.05 (an annual rate of $0.20 per share). We can provide no assurance that our board of directors will not reduce or eliminate the payment of dividends on our common stock, or change the form of any dividend payments in accordance with applicable IRS procedures, in the future, whether or not this offering is completed.

It has been our policy to declare and pay dividends to the holders of shares of our common stock so as to comply with applicable provisions of the Internal Revenue Code of 1986, as amended, or Code, governing REITs. The discussion of our dividend policy contained in this prospectus supplement supersedes and replaces any discussion of our prior dividend policy contained in our Annual Report on Form 10-K for the year ended December 31, 2008 or in the accompanying prospectus.

Our board of directors will continue to evaluate our per share dividend payments on a quarterly basis as they monitor the capital markets and the impact of the economy on us. The decision as to whether to authorize and pay dividends on our common stock in the future, as well as the timing, amount and composition of any such future dividends, will be at the sole discretion of our board of directors in light of conditions then existing, including our earnings, funds from operations, financial condition, liquidity, capital requirements, debt maturities, the availability of capital, contractual prohibitions or other restrictions, applicable REIT and legal restrictions and general overall economic conditions and other factors. While the statements above concerning our dividend policy represent our current expectation, any actual dividend payable will be determined by our board of directors based upon the circumstances at the time of declaration and the actual number of shares then outstanding, and any dividend payable may vary from such expected amounts.

The transfer agent and registrar for our common stock is currently American Stock Transfer & Trust Company, LLC.

TABLE OF CONTENTS

ADDITIONAL FEDERAL INCOME TAX CONSIDERATIONS

As described more fully in the accompanying prospectus, we have elected to be taxed as a REIT under Sections 856 through 860 of the Code and applicable Treasury Regulations, which set forth the requirements for qualification as a REIT. In the opinion of Bass, Berry & Sims PLC, we qualified to be taxed as a REIT for our taxable years ended December 31, 2005 through December 31, 2008 and our organization and current and proposed method of operation will enable us to continue to qualify as a REIT for our taxable year ending December 31, 2009 and in the future. Investors should be aware that Bass, Berry & Sims PLC s opinion is based upon customary assumptions, is conditioned upon certain representations made by us as to factual matters, including representations regarding the nature of our properties and the future conduct of our business, and is not binding upon the IRS or any court and speaks as of the date issued. In addition, Bass, Berry & Sims PLC s opinion is based on existing federal income tax law governing qualification as a REIT, which is subject to change, possibly on a retroactive basis. Moreover, our continued qualification and taxation as a REIT depend upon our ability to meet on a continuing basis, through actual annual operating results, certain qualification tests set forth in the federal income tax laws. Those qualification tests involve the percentage of income that we earn from specified sources, the percentage of our assets that falls within specified categories, the diversity of our share ownership, and the percentage of our earnings that we distribute. While Bass, Berry & Sims PLC has reviewed those matters in connection with the foregoing opinion, Bass, Berry & Sims PLC will not review our compliance with those tests on a continuing basis. Accordingly, no assurance can be given that the actual results of our operations for any particular taxable year will satisfy such requirements.

The following discussion, which supplements the discussion under the heading Federal Income Tax Considerations in the accompanying prospectus, is a summary of certain additional federal income tax considerations regarding our qualification as a REIT, the ownership of our common stock and certain distributions of our stock. **You are urged to consult your own tax advisor regarding the specific tax consequences of the purchase, ownership and sale of our common stock.**

Recent Tax Legislation

The Housing and Economic Recovery Act of 2008, or the Housing Act, revised the tax treatment of certain foreign currency exchange gains for purposes of the 75% and 95% gross income tests. In general, if real estate foreign exchange gain (as defined in Code Section 856(n)(2)) is recognized after July 30, 2008, such foreign exchange gain will not constitute gross income for purposes of the 75% and 95% gross income tests. If passive foreign exchange gain (as defined in Code Section 856(n)(3)) that is not real estate foreign exchange gain is recognized after July 30, 2008, such foreign exchange gain will not constitute gross income for purposes of the 95% gross income test, but will generally be included in gross income and treated as nonqualifying income for purposes of the 75% gross income test.

The Housing Act provides that certain qualified hedging income (as described below) derived from transactions we may enter after July 30, 2008 is excluded from both the 75% and 95% gross income tests. Historically, qualified hedging income included only income derived from transactions that hedged indebtedness incurred or to be incurred by us to acquire or carry real estate assets. Under the Housing Act, for transactions entered into by us after July 30, 2008, qualified hedging income is expanded to include income recognized by us from a transaction primarily entered into to manage the risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% gross income tests. Under both prior law and the Housing Act, we are also required to properly identify any such hedges in our books and records.

Under the Housing Act, beginning with our 2009 taxable year, we may hold up to 25% of the total value of our assets in the form of securities issued by our taxable REIT subsidiaries.

We are subject to a 100% penalty tax on income from prohibited transactions (generally, income derived from the sale of property held primarily for sale to customers in the ordinary course of business). With respect to prohibited transactions occurring after July 30, 2008, any foreign currency gain (as defined in Section 988(b)(1) of the Code) and any foreign currency loss (as defined in Section 988(b)(2) of the Code) will be taken into account in determining the amount of income subject to the 100% penalty tax. The Code provides a safe harbor that, if met, allows us to avoid being treated as engaged in a prohibited transaction. In the case of

TABLE OF CONTENTS

sales taking place after July 30, 2008, the Housing Act makes it easier to comply with the safe harbor by reducing from 4 years to 2 years the time periods during which certain conditions must be satisfied. In order to meet the safe harbor, for transactions occurring after July 30, 2008, among other conditions, (i) we must have held the property for at least 2 years (and, in the case of property which consists of land or improvements not acquired through foreclosure, we must have held the property for 2 years for the production of rental income), (ii) we must not have made aggregate expenditures during the 2-year period preceding the date of sale that exceed 30% of the net selling price of the property, and (iii) during the taxable year the property is disposed of, we must not have made more than 7 property sales or, alternatively, either the aggregate adjusted basis of all of the properties sold by us during the taxable year must not exceed 10% of the aggregate adjusted basis of all of our assets as of the beginning of the taxable year or the aggregate fair market value of all the properties sold by us during the taxable year must not exceed 10% of the aggregate fair market value of all our assets as of the beginning of the taxable year.

Certain Distributions of Our Stock

The IRS recently issued guidance that permits certain distributions made by a REIT consisting of both cash and its stock to be treated as dividend distributions for purposes of satisfying the annual distribution requirements applicable to REITs. Based on that guidance, if we satisfy certain requirements, including the requirement that at least 10% of the total value of any such distribution consists of cash, the cash and our stock that we distribute will be treated as a dividend, to the extent of our current or accumulated earnings and profits. If we make such a distribution to our stockholders, each of our stockholders will be required to treat the total value of the distribution that each stockholder receives as a dividend, to the extent of each stockholder s pro-rata share of our current or accumulated earnings and profits, regardless of whether such stockholder receives cash, our stock or a combination of cash and our stock. For a general discussion of the federal income tax consequences to our stockholders on the receipt of dividends, see Federal Income Tax Considerations Taxation of Taxable U.S. Stockholders, Taxation of Tax-Exempt Stockholders and Taxation of Non-U.S. Stockholders in the accompanying prospectus.

We advise each of our stockholders that the taxes resulting from your receipt of a distribution consisting of cash and our stock may exceed the cash that you receive in the distribution. We urge you to consult your tax advisor regarding the specific federal, state, local and foreign income and other tax consequences of distributions consisting of both cash and our stock.

TABLE OF CONTENTS

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated, KeyBanc Capital Markets Inc. and UBS Securities LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us, our Operating Partnership and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of common stock set forth opposite its name below.

Underwriter	Number of Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated	12,738,856
KeyBanc Capital Markets Inc.	4,009,481
UBS Securities LLC	4,009,481
Morgan Keegan & Company, Inc	2,138,390
Keefe, Bruyette & Woods, Inc	1,069,195
Stifel, Nicolaus & Company, Incorporated	534,597
Total	24,500,000

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares of common stock to be sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares of common stock, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer s certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives of the underwriters have advised us that the underwriters propose initially to offer the shares of common stock to the public at the public offering price set forth on the cover page of this prospectus supplement and to dealers at that price less a concession not in excess of $.11 per share. After the initial public offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds, before expenses, to us. The information assumes either no exercise or full exercise by the underwriters of their overallotment option described below.

	Per Share	Without Option	With Option
Public offering price			