At December 31, 2004, $535.5 million was available for future issuance in debt securities, preferred shares, common shares or warrants from our $1.1 billion shelf registration. We have significant unencumbered real estate assets which could be sold or used as collateral for financing purposes should other sources of capital not be available.

The following table summarizes our unsecured notes payable issued during 2004 from our $1.1 billion universal shelf:

TYPE AND AMOUNT	MONTH OF ISSUANCE	TERMS	COUPON RATE	MATURITY DATE	INTEREST PAID	PROCEEDS, NET OF DISCOUNT
$100.0 million senior unsecured notes	7/04	Interest only	4.70%	7/15/09	Jan. 15 and July 15	$ 99.8 million
$250.0 million senior unsecured notes	12/04	Interest only	4.375%	1/15/10	Jan. 15 and July 15	$ 249.9 million

We may redeem the notes at any time at a redemption price equal to the principal amount and accrued interest, plus a make-whole provision. The notes are direct, senior unsecured obligations and rank equally with all other unsecured and unsubordinated indebtedness. We used the net proceeds to reduce indebtedness outstanding under our unsecured line of credit.

During 2004, we paid off $30.0 million of maturing medium-term notes. These notes had interest rates ranging from 6.9% to 7.2%. We also paid off $200.0 million of maturing unsecured notes payable, which had an interest rate of 7.1%. Additionally, we repaid six conventional mortgage notes totaling $58.2 million which had a weighted average interest rate of 7.3%. We repaid all notes payable using proceeds available under our unsecured line of credit.

At December 31, 2004 and 2003, the weighted average interest rate on our floating rate debt, which includes our unsecured line of credit, was 2.5% and 2.2%, respectively.

MARKET RISK

We use fixed and floating rate debt to finance acquisitions, developments and maturing debt. These transactions expose us to market risk related to changes in interest rates. Management's policy is to review our borrowings and attempt to mitigate interest rate exposure through the use of long-term debt maturities and derivative instruments, where appropriate. As of December 31, 2004, we had no derivative instruments outstanding.

For fixed rate debt, interest rate changes affect the fair market value but do not impact net income to common shareholders or cash flows. Conversely, for floating rate debt, interest rate changes generally do not affect the fair market value but do impact net income to common shareholders and cash flows, assuming other factors are held constant.

At December 31, 2004, we had fixed rate debt of $1,429.6 million and floating rate debt of $146.8 million. Holding other variables constant (such as debt levels), a one percentage point variance in interest rates would change the unrealized fair market value of the fixed rate debt by approximately $65.9 million. The net income available to common shareholders and cash flows impact on the next year resulting from a one percentage point variance in interest rates on floating rate debt would be approximately $1.5 million, holding all other variables constant.

RESULTS OF OPERATIONS

Changes in revenues and expenses related to our operating properties from period to period are due primarily to property developments, dispositions, acquisitions, and the performance of the stabilized properties in the portfolio. Where appropriate, comparisons are made on a dollars-per-weighted-average-apartment home basis in order to adjust for such changes in the number of apartment homes owned during each period.