

CAMDEN PROPERTY TRUST

Form 424B5

July 09, 2004

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**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-103119**

**Prospectus supplement to prospectus dated February 25, 2003**

**\$100,000,000**

**4.70% Notes due 2009**

We will pay interest on the Notes on January 15 and July 15 of each year, beginning January 15, 2005. The Notes will mature on July 15, 2009. We may redeem the Notes in whole or in part at any time at the redemption price described on page S-8. The Notes will be our direct, senior, unsecured obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness. The Notes will be issued only in denominations of \$1,000 and in integral multiples of \$1,000.

**Investing in the Notes involves risk. See Risk Factors beginning on page 1 of the accompanying prospectus.**

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

	<b>Per Note</b>	<b>Total</b>
Public offering price	99.841%	\$99,841,000
Underwriting discounts and commissions	0.600%	\$ 600,000
Proceeds, before expenses, to Camden Property Trust	99.241%	\$99,241,000

The public offering price set forth above does not include accrued interest, if any. Interest on the Notes will accrue from July 12, 2004.

***Joint Book-Running Managers***

**Deutsche Bank Securities**

**Wachovia Securities**

**Comerica Securities**

**KeyBanc Capital Markets**

The date of this prospectus supplement is July 7, 2004.

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We have not authorized any person to give any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement or the accompanying prospectus, and, if given or made, you must not rely upon such information or representations as having been authorized. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement or the accompanying prospectus, nor any sale made under this prospectus supplement and the accompanying prospectus shall, under any circumstances create any implication that there has been any change in our affairs since the date of this prospectus supplement or that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is correct as of any time subsequent to the date of such information.

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*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 the Notes. To understand this offering fully, you should carefully read the entire prospectus supplement and the accompanying prospectus and the documents incorporated by reference.*

**Our Business**

We are one of the largest real estate investment trusts in the nation with operations related to the ownership, development, construction and management of multifamily apartment communities. As of March 31, 2004, we owned interests in, operated or were developing 148 multifamily properties containing 52,996 apartment homes located in ten states. At March 31, 2004, we had two recently completed multifamily properties containing 786 apartment homes in lease-up. Four of our multifamily properties containing 1,652 apartment homes were under development at March 31, 2004, including 464 apartment homes owned through a joint venture. We also have several sites that we intend to develop into multifamily apartment communities.

*Properties.* The following table summarizes our multifamily property portfolio as of March 31, 2004, excluding land held for future development:

	<u>Apartment Homes</u>	<u>Properties</u>
<b>Operating Properties</b>		
<b>West Region</b>		
Las Vegas, Nevada (a)	9,625	33
Denver, Colorado (a)	2,529	8
Phoenix, Arizona	2,433	8
Los Angeles/Orange County, California	1,653	4
San Diego/Inland Empire, California	846	3
Tucson, Arizona	821	2
<b>Central Region</b>		
Dallas, Texas	8,359	23
Houston, Texas	6,810	15
St. Louis, Missouri	2,123	6
Austin, Texas	1,745	6
Corpus Christi, Texas	1,284	3
Kansas City, Missouri	596	1
<b>East Region</b>		
Tampa, Florida	6,089	13
Orlando, Florida	2,804	6
Charlotte, North Carolina	1,659	6
Louisville, Kentucky	1,448	5
Greensboro, North Carolina	520	2
<b>Total Operating Properties</b>	<u>51,344</u>	<u>144</u>

**Properties Under Development****West Region**

Los Angeles/Orange County, California	538	1
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**Central Region**

Dallas, Texas	284	1
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**East Region**

Orlando, Florida	366	1
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Northern Virginia (a)	464	1
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<b>Total Properties Under Development</b>	<b>1,652</b>	<b>4</b>
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<b>Total Properties</b>	<b>52,996</b>	<b>148</b>
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Less: Joint Venture Properties (a)	5,011	18
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<b>Total Properties Owned 100%</b>	<b>47,985</b>	<b>130</b>
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(a) Includes properties held in joint ventures as follows: one property with 320 apartment homes in Colorado in which we own a 50% interest and an unaffiliated private investor owns the remaining interest; 16 properties with 4,227 apartment homes in Nevada in which we own a 20% interest and an unaffiliated private investor owns the remaining interest; and one property with 464 apartment homes currently under development in Virginia in which we own a 20% interest, and an unaffiliated private investor owns the remaining interest.

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**The Offering**

For a more complete description of the Notes specified in the following summary, please see "Description of the Notes" in this prospectus supplement and "Description of Debt Securities" in the accompanying prospectus.

Securities offered	\$100,000,000 aggregate principal amount of 4.70% Notes due 2009 (the "Notes").
Maturity	July 15, 2009.
Interest payment dates	Semi-annually in arrears on January 15 and July 15, commencing on January 15, 2005.
Ranking	The Notes:  will be our direct, senior, unsecured obligations;  will rank equally with each other and with all of our other unsecured and unsubordinated indebtedness from time to time outstanding; and  will be effectively subordinated to our mortgages and our other secured indebtedness and to indebtedness and other liabilities of our subsidiaries.
Use of proceeds	We intend to use the net proceeds of approximately \$99,141,000, after the underwriting discount and other expenses, from the Notes to repay an equal amount of the outstanding balance on our unsecured line of credit. See "Use of Proceeds."
Optional redemption	We may redeem some or all of the Notes at any time and from time to time at the redemption price set forth on page S-8 in the section entitled "Description of the Notes - Optional Redemption."
Covenants	We will issue the Notes under an indenture with SunTrust Bank. The indenture, among other things, restricts our ability to:  borrow money;  use assets as security in other transactions; and  sell certain assets or merge into other companies.

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We estimate that we will receive net proceeds of approximately \$99,141,000 from the sale of the Notes offered by this prospectus supplement, after deducting the underwriting discount and other expenses related to this offering. We intend to use the net proceeds to repay an equal amount of the outstanding balance under our unsecured line of credit. Our line of credit matures in August 2006. The scheduled interest rate on the line of credit is currently based on spreads over LIBOR or prime. The scheduled interest rate spreads are subject to change as our credit ratings change. Advances under our line of credit may be priced at the scheduled rates or we may enter into bid rate loans with participating banks at rates below the scheduled rates. These bid rate loans have terms of six months or less and may not exceed the lesser of \$250 million or the remaining amount available under the line of credit. Affiliates of some of the underwriters of this offering are lenders under the line of credit and, upon application of the net proceeds from this offering of the Notes, each will receive its proportionate share of the amount of the line of credit to be repaid.

**RATIO OF EARNINGS TO FIXED CHARGES**

The ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preferred distributions for each of our last five fiscal years and the three months ended March 31, 2004 are presented below. We computed our ratios of earnings to fixed charges by dividing earnings by fixed charges. We computed our ratios of earnings to combined fixed charges and preferred share dividends by dividing earnings by the sum of fixed charges and preferred share dividend requirements. For these purposes, earnings have been calculated by adding fixed charges to income from continuing operations before income taxes. Fixed charges consist of interest costs, the interest portion of rental expense, other than on capital leases, estimated to represent the interest factor in this rental expense and the amortization of debt discounts and issue costs.

	Year ended December 31,					Three months ended March 31, 2004
	2003(4)	2002	2001(3)	2000(2)	1999(1)	
Ratio of earnings to fixed charges	1.14x	1.35x	1.59x	1.61x	1.55x	1.17x
Ratio of earnings to combined fixed charges and preferred share dividends	1.14x	1.35x	1.58x	1.55x	1.49x	1.17x

- (1) Earnings include a \$2,979,000 impact related to gain on sales of properties. Excluding this impact, these ratios would be 1.51x and 1.46x.
- (2) Earnings include a \$18,323,000 impact related to gain on sales of properties. Excluding this impact, such ratios would be 1.42x and 1.39x.
- (3) Earnings include a \$2,372,000 impact related to gain on sales of properties. Excluding this impact, such ratios would be 1.57x and 1.55x.
- (4) Earnings include a \$2,590,000 impact related to gain on sales of properties. Excluding this impact, such ratios would be 1.11x.

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The following sets forth our debt and capitalization at March 31, 2004 and as adjusted to reflect this offering and the application of the net proceeds of this offering as described under *Use of Proceeds* above. You should read the information included in the table in conjunction with our unaudited consolidated financial statements and related notes included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2004, which is incorporated by reference in this prospectus supplement and the accompanying prospectus.

	<b>March 31, 2004</b>		
	<b>Actual</b>	<b>Adjustments</b>	<b>As Adjusted</b>
	<b>(in thousands)</b>		
Notes Payable:			
Unsecured	\$1,291,074	\$ (1)	\$1,291,074
Secured	230,622		230,622
	<hr/>		<hr/>
Total notes payable	1,521,696		1,521,696
Minority Interests	195,526		195,526
Shareholders' Equity:			
Common shares of beneficial interest	484		484
Additional paid-in capital	1,340,564		1,340,564
Distributions in excess of net income	(314,720)		(314,720)
Unearned restricted share awards	(15,937)		(15,937)
Treasury shares, at cost	(236,187)		(236,187)
	<hr/>		<hr/>
Total shareholders' equity	774,204		774,204
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Total capitalization	\$2,491,426		\$2,491,426
	<hr/>		<hr/>

- (1) Includes the repayment of approximately \$99.1 million of the outstanding balance under our unsecured line of credit and the receipt of the net proceeds of approximately \$99.1 million from the Notes. As of March 31, 2004, the outstanding balance under our unsecured line of credit was approximately \$65.0 million. As of July 2, 2004, the outstanding balance under our unsecured line of credit was approximately \$336 million.



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**DESCRIPTION OF THE NOTES**

*This description of the particular terms of the Notes offered hereby supplements and, to the extent inconsistent therewith, replaces the description of the general terms and provisions of the Notes set forth in the accompanying prospectus.*

The Notes are to be issued under an Indenture (the "Indenture"), which we have entered into with SunTrust Bank and which has been filed with the SEC, and is available for inspection at the corporate trust office of SunTrust Bank at 919 East Main Street, Richmond, Virginia 23219. The Indenture is subject to, and governed by, the Trust Indenture Act of 1939, as amended.

The following summarizes selected provisions of the Indenture and the Notes (the form of which has been filed, pursuant to a Current Report on Form 8-K, as an exhibit to the registration statement of which the accompanying prospectus forms a part). It does not restate the Indenture or the terms of the Notes in their entirety. We urge you to read the Indenture and the form of Notes because they, and not this description, define your rights as holders of the Notes.

**General**

The Notes will be initially limited to an aggregate principal amount of \$100,000,000 and will mature on July 15, 2009, unless previously redeemed. The Notes will be senior unsecured obligations and will rank equally with each other and with all of our other outstanding unsecured and unsubordinated indebtedness from time to time outstanding. The Notes will be effectively subordinated to our mortgages and other secured indebtedness and to our subsidiaries indebtedness. Accordingly, such prior indebtedness will have to be satisfied in full before holders of the Notes will be able to realize any value from the secured or indirectly-held properties.

As of March 31, 2004, on a pro forma basis after giving effect to the issuance of the Notes offered hereby and the application of the proceeds from the offering, our and our subsidiaries' total outstanding indebtedness would be approximately \$1,521,696,000, of which approximately 85% would be unsecured. We may incur additional indebtedness, including secured indebtedness, subject to the provisions described below under "Limitations on Incurrence of Indebtedness."

Except as described under "Limitations on Incurrence of Indebtedness" and "Merger, Consolidation and Sale" below and under "Description of Debt Securities" "Merger, Consolidation and Sale of Assets" and "Covenants" in the accompanying prospectus, the Indenture does not contain any other provisions that would limit our ability to incur indebtedness or that would afford holders of the Notes protection if we were to engage in transactions such as a highly leveraged or similar transaction, a change of control or a reorganization, restructuring, merger or similar transaction. In addition, subject to the limitations set forth under "Limitations on Incurrence of Indebtedness" and "Merger, Consolidation and Sale" below or under "Description of Debt Securities" "Merger, Consolidation and Sale of Assets" and "Covenants" in the accompanying prospectus, we may, in the future, enter into transactions, such as the sale of all or substantially all of our assets or a merger or consolidation that would increase the amount of our indebtedness or substantially reduce or eliminate our assets, which may have an adverse effect on our ability to service indebtedness, including the Notes. We have no present intention of engaging in a highly leveraged or similar transaction.

We may from time to time, without the consent of existing Note holders, create and issue further notes having the same terms and conditions as the Notes offered hereby in all respects, except for the issue date, the issue price and the first payment of interest thereon. Additional notes issued in this manner will be consolidated with and will form a single series with the Notes.



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### **Principal and Interest**

Interest on the Notes will accrue at the rate of 4.70% per year. Interest on the Notes will be payable semi-annually in arrears on January 15 and July 15, commencing on January 15, 2005, to the holders of record of the Notes on the immediately preceding January 1 and July 1.

Interest on the Notes will accrue from July 12, 2004 or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year of twelve 30-day months. If any interest payment date or date of maturity falls on a day that is not a business day, the required payment will be made on the next business day.

### **Optional Redemption**

We may redeem on any one or more occasions some or all of the Notes before they mature. The redemption price will equal the sum of (1) an amount equal to 100% of the principal amount thereof and (2) a make-whole premium, together with accrued and unpaid interest up to but not including the redemption date. We will calculate the make-whole premium as the amount of:

the aggregate present value as of the redemption date of each dollar of principal of the Notes being redeemed and the amount of interest (exclusive of interest accrued to the redemption date) that would have been payable in respect of such dollar if such redemption had not been made, determined by discounting, on a semi-annual basis, such principal and interest at the Reinvestment Rate (determined on the third business day preceding the date the notice of redemption is given) from the respective dates on which such principal and interest would have been payable if such redemption had not been made, over

the aggregate principal amount of the Notes being redeemed.

Reinvestment Rate means 0.20% (twenty one-hundredths of one percent) plus the arithmetic mean of the yields under the respective headings This Week and Last Week published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available prior to the date of determining the make-whole premium (or if such Statistical Release is no longer published, any such other reasonably comparable index that we designate) under the caption Treasury Constant Maturities for the maturity (rounded to the nearest month) corresponding to the then remaining maturity of such Notes being redeemed. If no maturity exactly corresponds to such maturity, the Reinvestment Rate will be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields for the two published maturities most closely corresponding to such maturity.

We will give you notice of any optional redemption at your address, as shown in our security register, at least 30 but not more than 60 days before the redemption date. The notice of redemption will specify, among other items, the redemption price and the principal amount of the Notes held by such holder to be redeemed.

If we redeem less than all of the Notes at any time, we will notify the trustee at least 45 days prior to the redemption date (or such shorter period as is satisfactory to the trustee) of the aggregate principal amount of the Notes to be redeemed and their redemption date. The trustee will select the Notes to be redeemed in such manner as it deems fair and appropriate. We will not redeem Notes in increments of less than \$1,000.

On and after the redemption date, the Notes or portions of them called for redemption will cease accruing interest unless we fail to give notice as provided in the Indenture or default in the payment of the redemption price.

### **Limitations on Incurrence of Indebtedness**

Under the Indenture, we may not, and may not permit any of our Subsidiaries (as defined below) to, incur any Debt (as defined below) if, immediately after giving effect to the incurrence of such additional Debt and the application of the proceeds thereof, the aggregate principal amount of all of our and our Subsidiaries outstanding

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Debt on a consolidated basis determined in accordance with generally accepted accounting principles is greater than 60% of the sum of (without duplication):

1. our and our Subsidiaries' Total Assets (as defined below) as of the end of the calendar quarter covered in our Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the SEC (or, if such filing is not permitted under the Securities Exchange Act of 1934, as amended (the Exchange Act)), with the trustee) prior to the incurrence of such additional Debt; and
2. the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent that such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by us or any of our Subsidiaries since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Debt.

In addition, we may not, and may not permit any of our Subsidiaries to, incur any Debt secured by any Encumbrance (as defined below) upon any of our or our Subsidiaries' property if, immediately after giving effect to the incurrence of such additional Debt and the application of the proceeds thereof, the aggregate principal amount of all of our and our Subsidiaries' outstanding Debt on a consolidated basis which is secured by any Encumbrance on our or any of our Subsidiaries' property is greater than 40% of the sum of (without duplication):

1. our and our Subsidiaries' Total Assets as of the end of the calendar quarter covered in our Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the SEC (or, if such filing is not permitted under the Exchange Act, with the trustee) prior to the incurrence of such additional Debt; and
2. the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent that such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by us or any of our Subsidiaries since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Debt.

Also, neither we nor our Subsidiaries may at any time own Total Unencumbered Assets (as defined below) equal to less than 150% of the aggregate outstanding principal amount of the Unsecured Debt (as defined below) on a consolidated basis.

Furthermore, we may not, and may not permit any of our Subsidiaries to, incur any Debt if the ratio of Consolidated Income Available for Debt Service (as defined below) to the Annual Service Charge (as defined below) for the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred will have been less than 1.5:1, on a pro forma basis after giving effect thereto and to the application of the proceeds therefrom, and calculated on the assumptions that:

1. such Debt and any other Debt that we or any of our Subsidiaries incur since the first day of such four-quarter period and the application of the proceeds therefrom, including to refinance other Debt, had been incurred at the beginning of such period;
2. the repayment or retirement of any other of our and our Subsidiaries' Debt since the first date of such four-quarter period had been repaid or retired at the beginning of such period (except that, in making such computation, the amount of Debt under any revolving credit facility will be computed based upon the average daily balance of such Debt during such period);
3. in the case of Acquired Debt (as defined below) or Debt incurred in connection with any acquisition since the first day of such four-quarter period, the related acquisition had occurred as of the first day of such period with appropriate adjustments with respect to such acquisition being included in such pro forma calculation; and



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4. if we or any of our Subsidiaries acquire or dispose of any asset or group of assets since the first day of such four-quarter period, whether by merger, stock purchase or sale, or asset purchase or sale, such acquisition or disposition or any related repayment of Debt had occurred as of the first day of such period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation.

Acquired Debt means Debt of a person:

1. existing at the time such person becomes a Subsidiary; or
2. assumed in connection with the acquisition of assets from such person or entity, in each case, other than Debt incurred in connection with, or in contemplation of, such person becoming a Subsidiary or such acquisition. Acquired Debt will be deemed to be incurred on the date of the related acquisition of assets from any person or the date the acquired person becomes a Subsidiary.

Annual Service Charge as of any date means the maximum amount which is payable in any period for interest on, and original issue discount of, our and our Subsidiaries Debt and the amount of dividends which are payable in respect of any Disqualified Shares (as defined below).

Consolidated Income Available for Debt Service for any period means our and our Subsidiaries Earnings from Operations (as defined below) plus amounts that have been deducted, and minus amounts that have been added, for the following (without duplication):

1. our and our Subsidiaries interest on Debt;
2. our and our Subsidiaries provision for taxes based on income;
3. amortization of debt discount and deferred financing costs;
4. provisions for gains and losses on properties and property depreciation and amortization;
5. the effect of any noncash charge resulting from a change in accounting principles in determining Earnings from Operations for such period; and
6. amortization of deferred charges.

Debt means, without duplication, any of our and our Subsidiaries indebtedness, whether or not contingent, in respect of:

1. borrowed money or evidenced by bonds, notes, debentures or similar instruments;
2. indebtedness for borrowed money secured by any Encumbrance existing on our or any of our Subsidiaries property;
3. the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued (other than letters of credit issued to provide credit enhancement or support with respect to other of our or any of our Subsidiaries indebtedness otherwise reflected as Debt hereunder) or amounts representing the balance deferred and unpaid of the purchase price of any property or services, except any such balance that constitutes an accrued expense or trade payable, or all conditional sale obligations or obligations under any title retention agreement;
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the principal amount of all of our and our Subsidiaries' obligations with respect to redemption, repayment or other repurchase of any Disqualified Stock; or

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5. any lease of property in which we or any of our Subsidiaries is a lessee which is reflected on our consolidated balance sheet as a capitalized lease in accordance with generally accepted accounting principles, to the extent, in the case of items of indebtedness under (1) through (3) above, that any such items (other than letters of credit) would appear as a liability on our consolidated balance sheet in accordance with generally accepted accounting principles, and also includes, to the extent not otherwise included, any of our or our Subsidiaries obligations to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), Debt of a person other than our company or any of our Subsidiaries (it being understood that we will be deemed to incur Debt whenever we or any of our Subsidiaries creates, assumes, guarantees or otherwise becomes liable in respect thereof).

Disqualified Shares means, with respect to any person, any capital stock of such person which by the terms of such capital stock (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable), upon the happening of any event or otherwise:

1. matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than capital stock which is redeemable solely in exchange for common stock);
  2. is convertible into or exchangeable or exercisable for Debt or Disqualified Shares; or
  3. is redeemable at the option of the holder thereof, in whole or in part (other than capital stock which is redeemable solely in exchange for common stock),
- in each case on or prior to the stated maturity of the Notes.

Earnings from Operations for any period means net earnings excluding gains and losses on sales of investments, as reflected in our consolidated financial statements for such period determined on a consolidated basis in accordance with generally accepted accounting principles.

Encumbrance means any mortgage, lien, charge, pledge or security interest of any kind.

Subsidiary means any corporation or other entity of which we directly, or indirectly through one or more of our Subsidiaries, own a majority of the voting power of the voting equity securities or the outstanding equity interests. For the purposes of this definition, voting equity securities means equity securities having voting power for the election of directors, whether at all times or only so long as no senior class of security has such voting power by reason of any contingency.

Total Assets as of any date means the sum of:

1. the Undepreciated Real Estate Assets; and
2. all of our and our Subsidiaries other assets determined in accordance with generally accepted accounting principles (but excluding accounts receivable and intangibles).

Total Unencumbered Assets means the sum of

1. those Undepreciated Real Estate Assets not subject to an Encumbrance; and
2. all of our and our Subsidiaries other assets not subject to an Encumbrance determined in accordance with generally accepted accounting principles (but excluding accounts receivable and intangibles).

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Undepreciated Real Estate Assets as of any date means the cost (original cost plus capital improvements) of our and our Subsidiaries' real estate assets on such date, before depreciation and amortization, determined on a consolidated basis in accordance with generally accepted accounting principles.

Unsecured Debt means Debt that is not secured by any Encumbrance upon any of our or our Subsidiaries' properties.

See Description of Debt Securities' Covenants in the accompanying prospectus for a description of additional covenants applicable to us.

## **Merger, Consolidation and Sale**

Under the Indenture, we may consolidate with, or sell, lease or convey all or substantially all of our assets to, or merge with or into, any other entity, provided that:

1. either we are the continuing entity, or the successor entity expressly assumes the Notes and all of our obligations relating to the Notes;
2. immediately after giving effect to such transaction and treating any indebtedness that becomes our obligation as a result thereof as having been incurred by us at the time of such transaction, no event of default under the Indenture, and no event that after notice or the lapse of time, or both, would become such an event of default, has occurred and is continuing; and
3. an officers' certificate and legal opinion covering such conditions is delivered to the trustee.

## **Events of Default, Notice and Waiver**

The Indenture provides that the following events are Events of Default with respect to the Notes:

1. default for 30 days in the payment of any installment of interest and other amounts payable (other than principal) on any Note when due and payable;
2. default in the payment of the principal of any Note when due and payable;
3. default in the performance, or breach, of any of our covenants contained in the Indenture that continues for 60 days after written notice as provided in the Indenture;
4. default under any bond, debenture, note, mortgage, indenture or instrument with an aggregate principal amount outstanding of at least \$10,000,000, which default has resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such indebtedness having been discharged or such acceleration having been rescinded or annulled within a period of 30 days after written notice to us as provided in the Indenture;
5. the entry by a court of competent jurisdiction of one or more judgments, orders or decrees against us in an aggregate amount (excluding amounts covered by insurance) in excess of \$10,000,000 and such judgments, orders or decrees remain undischarged, unstayed and unsatisfied in an aggregate amount (excluding amounts covered by insurance) in excess of \$10,000,000 for a period of 30 consecutive days; or
6. certain events of bankruptcy, insolvency or reorganization or appointment of a receiver, liquidator or trustee.

See Description of Debt Securities Events of Default, Notice and Waiver in the accompanying prospectus for a description of rights, remedies and other matters relating to Events of Default.

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**Discharge, Defeasance and Covenant Defeasance**

The provisions of Article 14 of the Indenture relating to defeasance and covenant defeasance, which are described in the accompanying prospectus, will apply to the Notes.

**Book Entry Only Issuance    The Depository Trust Company**

The Notes will be represented by one global security that will be deposited with the Trustee on behalf of The Depository Trust Company ( DTC ) and registered in the name of DTC or its nominee. This means that we will not issue certificates to you for the Notes. One global security will be issued to DTC, who will keep a computerized record of its participants (for example, your broker) whose clients have purchased the Notes. Each participant will then keep a record of its clients. Unless it is exchanged in whole or in part for a certificated security, a global security may not be transferred. However, DTC, its nominees, and their successors may transfer a global security as a whole to one another. Beneficial interests in the global security will be shown on, and transfers of the global security will be made only through, records maintained by DTC and its participants.

DTC has provided us with the following information: DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants deposit with DTC. DTC also records the settlement among its participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in its participants' accounts. This eliminates the need to exchange certificates. Direct participants of DTC include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations and certain other organizations.

DTC is owned by a number of its direct participants and by the New York Stock Exchange, the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. DTC's book-entry system is also used by other organizations such as securities brokers and dealers, banks and trust companies that work through a direct participant. The rules that apply to DTC and its participants are on file with the Securities and Exchange Commission.

**Same-Day Settlement and Payment**

The underwriters will make settlement for the Notes in immediately available funds. We will make all payments of principal and interest in respect of the Notes in immediately available funds.

The Notes will trade in DTC's Same-Day Funds Settlement System until maturity or until the Notes are issued in certificated form, and secondary market trading activity in the Notes will therefore be required by DTC to settle in immediately available funds.

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**FEDERAL INCOME TAX CONSEQUENCES**

The following discussion supplements the discussion contained under the heading Federal Income Tax Considerations and Consequences of Your Investment in the accompanying prospectus and supercedes that discussion to the extent inconsistent with that discussion.

Because the following discussion is a summary that, in conjunction with the discussion contained under the heading Federal Income Tax Considerations and Consequences of Your Investment in the accompanying prospectus, is intended to address only material federal income tax consequences relating to the ownership and disposition of our notes that will apply to all holders, it may not contain all the information that may be important to you. As you review this discussion, you should keep in mind that:

the tax consequences to you may vary depending on your particular tax situation;

special rules that are not discussed below may apply to you if, for example, you are a tax-exempt organization, a broker-dealer, a non-U.S. person, a trust, an estate, a regulated investment company, a financial institution, an insurance company, or otherwise subject to special tax treatment under the Internal Revenue Code;

this summary does not address state, local or non-U.S. tax considerations;

this summary deals only with investors that hold our notes as capital assets, within the meaning of Section 1221 of the Internal Revenue Code; and

this discussion is not intended to be, and should not be construed as, tax advice.

You are urged both to review the following discussion and to consult with your own tax advisor to determine the effect of ownership and disposition of common shares on your tax situation, including any state, local or non-U.S. tax consequences.

The information in this section is based on the current Internal Revenue Code, current, temporary and proposed Treasury regulations, the legislative history of the Internal Revenue Code, current administrative interpretations and practices of the Internal Revenue Service, including its practices and policies as endorsed in private letter rulings, which are not binding on the Internal Revenue Service, and existing court decisions. Future legislation, regulations, administrative interpretations and court decisions could change current law or adversely affect existing interpretations of current law. Any change could apply retroactively. We have not requested and do not plan to request any rulings from the Internal Revenue Service concerning the matters discussed in the following discussion. It is possible that the Internal Revenue Service could challenge the statements in this discussion, which do not bind the Internal Revenue Service or the courts, and that a court could agree with the Internal Revenue Service.

**2003 Tax Legislation**

On May 28, 2003, President Bush signed into law the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Jobs and Growth Tax Relief Reconciliation Act of 2003 generally will reduce the maximum tax rate applicable to you on capital gains recognized on the sale or other disposition of our securities from 20% to 15%. The Jobs and Growth Tax Relief Reconciliation Act of 2003 also generally will reduce the maximum marginal rate of tax payable by individuals on dividends received from corporations that are subject to a corporate level of tax. Except in limited circumstances, this reduced tax rate will not apply to dividends paid by us to our shareholders because generally we are not subject to federal income tax on the portion of our REIT taxable income or capital gains distributed to our shareholders. The reduced maximum federal income tax rate will apply to that portion, if any, of dividends received by our shareholders with respect to shares of our stock held by them that are attributable to (1) dividends received by

us from non-REIT corporations or other taxable REIT subsidiaries, (2) income from the prior year with respect to which we were required to pay federal corporate income tax during the prior year (if, for example, we did not distribute 100% of our REIT taxable income for the prior year) and (3) distributions by us that

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we designate as long-term capital gains dividends (except for some distributions taxable to our shareholders at a maximum rate of 25%). The dividend and capital gains tax rate reductions provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003 generally are effective for taxable years ending on or after May 6, 2003 through December 31, 2008. Without future legislative changes, the maximum long-term capital gains and dividend rates discussed above will increase in 2009. This new law could cause stock in non-REIT corporations to be a more attractive investment to individual investors than stock in REITs and could have an adverse effect on the market price of our equity securities.

**Proposed Legislation**

H.R. 1890, introduced in April 2003, and an identical bill, S. 1568, introduced in August 2003, would modify certain provisions of the Internal Revenue Code relating to REITs. The legislation would, among other things, revise the REIT asset test by expanding the straight-debt safe harbor, modify the treatment of certain REIT distributions that are attributable to gain from sales or exchanges of United States real property interests and expand the REIT provisions dealing with a failure to satisfy the income or asset tests. Whether any or all of these proposals will ultimately be enacted cannot be determined at this time.

**Table of Contents****UNDERWRITING**

Subject to the terms and conditions of the Underwriting Agreement, dated July 7, 2004, we have agreed to sell to each of the underwriters named below severally, and each of the underwriters has severally agreed to purchase, the principal amount of the Notes set forth opposite its name below:

<b>Underwriters</b>	<b>Principal Amount of Notes</b>
Deutsche Bank Securities Inc.	\$ 40,000,000
Wachovia Capital Markets, LLC	40,000,000
Comerica Securities Inc.	10,000,000
KeyBanc Capital Markets, a Division of McDonald Investments Inc.	10,000,000
<b>Total</b>	<b>\$ 100,000,000</b>

The Underwriting Agreement provides that the obligations of the several underwriters to purchase the Notes offered hereby are subject to certain conditions. Under the terms and conditions of the Underwriting Agreement, if the underwriters take any of the Notes, then they are obligated to take and pay for all of the Notes.

The underwriters initially propose to offer part of the Notes directly to the public at the public offering price set forth on the cover page and part to certain dealers at a price that represents a concession not in excess of 0.350% of the principal amount of the Notes. Any underwriter may allow, and any such dealer may reallow, a concession not in excess of 0.250% of the principal amount of the Notes to certain other dealers. After the initial offering of the Notes, the underwriters may, from time to time, vary the offering price and other selling terms.

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 which the underwriters may be required to make in respect of such liabilities.

The Notes are a new issue of securities with no established trading market. The Notes will not be listed on any securities exchange or on any automated dealer quotation system. The underwriters may make a market in the Notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes or that an active public trading market for the Notes will develop. If an active public trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected.

In connection with the offering of the Notes, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the underwriters may overallocate in connection with the offering of the Notes, creating a syndicate short position. In addition, the underwriters may bid for, and purchase, Notes in the open market to cover syndicate short positions or to stabilize the price of the Notes. Finally, the underwriters may reclaim selling concessions allowed for distributing the Notes in the offering of the Notes, if the syndicate repurchases previously distributed Notes in syndicate covering transactions, stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the Notes above independent market levels, but no representation is made hereby of the magnitude of any effect that the transactions described above may have on the market price of the Notes. The underwriters are not required to engage in any of these activities, and may end any of these activities at any time without notice.



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Expenses associated with this offering, to be paid by us, are estimated to be \$100,000.

In the ordinary course of their respective businesses, the underwriters and their affiliates have engaged, and may in the future engage, in commercial banking and/or investment banking transactions with us and our affiliates for which they have received, and will in the future receive, customary fees.

Certain of the underwriters will make the securities available for distribution on the Internet through a proprietary Web site and/or a third-party system operated by Market Axess Inc., an Internet-based communications

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technology provider. Market Axess Inc. is providing the system as a conduit for communications between those underwriters and their customers and is not a party to any transactions. Market Axess Inc., a registered broker-dealer, will receive compensation from those underwriters based on transactions those underwriters conduct through the system. Those underwriters will make the securities available to their customers through the Internet distributions, whether made through a proprietary or third-party system, on the same terms as distributions made through other channels.

**LEGAL MATTERS**

Certain legal matters will be passed upon for us by Locke Liddell & Sapp LLP, Dallas, Texas, as our securities and tax counsel. Certain legal matters in connection with this offering will be passed upon for the underwriters by Sidley Austin Brown & Wood LLP, New York, New York, who will rely on the opinion of Locke Liddell & Sapp LLP as to matters of Texas law.

**EXPERTS**

The consolidated financial statements and related financial statement schedule incorporated in this prospectus supplement by reference from Camden Property Trust's Annual Report on Form 10-K for the year ended December 31, 2003 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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**PROSPECTUS**

**Camden Property Trust**

By this prospectus, we may offer up to \$1,085,500,000 of our:

We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and the supplements carefully before you invest.

**DEBT SECURITIES  
PREFERRED SHARES  
COMMON SHARES  
WARRANTS**

**You should carefully consider the risks set forth under Risk Factors starting on page 1 of this prospectus.**

These securities have not been approved or disapproved by the SEC or any state securities commission. None of those authorities has determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

We may offer the securities directly or through underwriters, agents or dealers. The supplement will describe the terms of that plan of distribution. The section entitled Plan of Distribution below also provides more information on this topic.

The date of this prospectus is February 25, 2003.

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**RISK FACTORS**

*The following sets forth the most significant factors that make an investment in our securities speculative or risky. You should carefully consider the following information in conjunction with the other information contained or incorporated by reference in this prospectus or any prospectus supplement before making a decision to invest in our securities.*

**Rising interest rates would increase our costs and could affect the market price of our securities**

We have incurred and expect to continue to incur debt in the future. Some of this debt has variable or floating interest rates. Accordingly, if interest rates increase, our interest costs will also increase. In addition, an increase in market interest rates may lead purchasers of our securities to demand a higher annual yield, which could adversely affect the market price of our outstanding equity or debt securities.

**Failure to generate sufficient cash flows could limit our ability to make required payments for debt service and pay distributions to shareholders and could adversely affect our ability to maintain our status as a REIT**

The following factors, among others, may adversely affect the cash flows generated by our properties:

the national and local economic climates;

local real estate market conditions, such as an oversupply of apartment homes;

the perceptions by prospective residents of the safety, convenience and attractiveness of our properties and the neighborhoods in which they are located;

the need to periodically repair, renovate and relet space; and

our ability to pay for adequate maintenance and insurance and increased operating costs, including real estate taxes.

Some significant expenditures associated with each property, such as mortgage payments, if any, real estate taxes and maintenance costs, are generally not reduced when cash flows from operations from the property decreases.

**Unfavorable changes in market and economic conditions could hurt occupancy or rental rates**

The market and economic conditions may significantly affect apartment home occupancy or rental rates. Occupancy and rental rates in the markets in which we operate, in turn, may significantly affect our profitability and our ability to satisfy our financial obligations and make distributions to shareholders. The risks that may affect conditions in these markets include the following:

the economic climate, which may be adversely impacted by plant closings, industry slowdowns and other factors;

local conditions, such as oversupply of apartments or a reduction in demand for apartments in an area;

a future economic downturn that simultaneously affects more than one of our geographical markets;

the inability or unwillingness of residents to pay their current rent or rent increases;

the potential effect of rent control or rent stabilization laws, or other laws regulating housing, that could prevent us from raising rents; and

competition from other available apartments and changes in market rental rates.

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**Difficulties of selling real estate could limit our flexibility**

Real estate investments can be hard to sell, especially if market conditions are poor. This may limit our ability to vary our portfolio promptly in response to changes in economic or other conditions. In addition, the Internal Revenue Code limits our ability to sell properties that we have held for fewer than four years, which may affect our ability to sell properties without adversely affecting our return.

**Development and construction risks could impact our profitability**

We intend to continue to develop and construct multifamily apartment communities for our own account. Our development and construction activities may be exposed to a number of risks that may increase our construction costs. This could adversely impact our profitability and our ability to satisfy our financial obligations and make distributions to shareholders. These risks include the following:

we may be unable to obtain, or may face delays in obtaining, necessary zoning, land-use, building, occupancy and other required permits and authorizations, which could result in increased costs;

we may incur construction costs for a property that exceed our original estimates due to increased materials, labor or other costs, or due to errors and omissions that occur in the design or construction process, and we may not be able to increase rents to compensate for the increases in these costs;

occupancy rates and rents at a newly completed community may fluctuate depending on a number of factors, including market and economic conditions, and may result in the community not being profitable;

we may not be able to obtain financing with favorable terms for the development of a community, which may make us unable to proceed with its development;

we may not be able to complete construction and lease-up of a community on schedule, which could result in increased costs;

we may abandon development opportunities that we have already begun to explore and, as a result, may fail to recover expenses already incurred in exploring these development opportunities; and

we rely on subcontractors to perform most of our construction activities and poor performance or defaults by a major subcontractor, or our inability to obtain adequate performance bonds for a major subcontractor, may lead to project delays and unanticipated additional costs.

We also develop and construct properties for unrelated third parties pursuant to guaranteed maximum price contracts. The terms of these contracts require us to estimate the time and costs to complete a project. Based on these estimates, we determine a time and the costs for completion of the project and assume the risk that the time and costs associated with our performance may be greater than we anticipated. As a result, our profitability on guaranteed maximum price contracts is dependent on our ability to predict these factors accurately. The time and costs may be affected by a variety of factors,