

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

May 22, 2009

FIRST REAL ESTATE INVESTMENT TRUST OF NEW JERSEY

(Exact name of registrant as specified in charter)

| | | |
|---|-----------------------------|--------------------------------------|
| New Jersey | 000-25043 | 22-1697095 |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |
| 505 Main Street, Hackensack, New Jersey | | 07601 |
| (Address of principal executive offices) | | (Zip Code) |

Registrant's telephone number, including area code: (201) 488-6400

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2 (b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4 (c) under the Exchange Act (17 CFR 240.13e-4 (c))

Item 8.01 Other Events

OPERATING RESULTS

The registrant has reported its operating results for the six and three-month period ended April 30, 2009. The Press Release is included as Exhibit I to this Form 8-K.

The statements in this report that relate to future earnings or performance are forward-looking. Actual results might differ materially and be adversely affected by such factors as longer than anticipated lease-up periods or the inability of tenants to pay increased rents. Additional information about these factors is contained in the Trust's filings with the SEC including the Trust's most recent filed report on Form 10-K and Form 10-Q.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FIRST REAL ESTATE INVESTMENT
TRUST OF NEW JERSEY

(Registrant)

By: /s/ Robert S. Hekemian

Robert S. Hekemian
Chairman of the Board

Date: May 22, 2009

EXHIBIT INDEX

| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|--|
| 1 | Press Release – Operating results for the six and three-month period ended April 30, 2009. |



HACKENSACK, NJ, May 21, 2009 – First Real Estate Investment Trust (“FREIT”) announced its operating results for the six and three-month periods ended April 30, 2009. The results of operations for the six and three months are not necessarily indicative of future operating results.

RESULTS OF OPERATIONS

Real Estate revenue for the six months ended April 30, 2009 (“Current Six Months”) increased 3.0% to \$21,319,000 compared to \$20,706,000 for the six months ended April 30, 2008 (“Prior Six Months”). Real Estate revenue for the three months ended April 30, 2009 (“Current Quarter”) increased 3.1% to \$10,570,000 compared to \$10,249,000 for the three months ended April 30, 2008 (“Prior Year’s Quarter”).

Net income for the Current Six Months was \$2,606,000 (\$0.38 diluted) compared to \$2,640,000 (\$0.38 diluted) for the Prior Six Months. Net income for the Current Quarter was \$1,085,000 (\$0.16 diluted) compared to \$1,237,000 (\$0.18 diluted) for the Prior Year’s Quarter. Refer to the schedule below for a detailed analysis of the major changes that impacted revenue and net income for the six and three months ended April 30, 2009 and 2008:

| | Six Months Ended April 30, | | | Three Months Ended April 30, | | |
|---|----------------------------------|---------------|-------------|----------------------------------|---------------|--------------|
| | 2009 | 2008 | Change | 2009 | 2008 | Change |
| | (in thousands, except per share) | | | (in thousands, except per share) | | |
| Real estate revenues: | | | | | | |
| Commercial properties | \$ 11,577 | \$ 11,179 | \$ 398 | \$ 5,719 | \$ 5,484 | \$ 235 |
| Residential properties | 9,742 | 9,527 | 215 | 4,851 | 4,765 | 86 |
| Total real estate revenues | <u>21,319</u> | <u>20,706</u> | <u>613</u> | <u>10,570</u> | <u>10,249</u> | <u>321</u> |
| Operating expenses: | | | | | | |
| Real estate operations | 8,987 | 8,682 | 305 | 4,646 | 4,245 | 401 |
| General and administrative | 880 | 810 | 70 | 466 | 420 | 46 |
| Depreciation | 2,937 | 2,674 | 263 | 1,463 | 1,336 | 127 |
| Total operating expenses | <u>12,804</u> | <u>12,166</u> | <u>638</u> | <u>6,575</u> | <u>6,001</u> | <u>574</u> |
| Operating income | 8,515 | 8,540 | (25) | 3,995 | 4,248 | (253) |
| Investment income | 130 | 313 | (183) | 51 | 154 | (103) |
| Financing costs | (5,381) | (5,818) | 437 | (2,666) | (2,885) | 219 |
| Minority interest in earnings of subsidiaries | (658) | (395) | (263) | (295) | (280) | (15) |
| Net income | <u>2,606</u> | <u>2,640</u> | <u>(34)</u> | <u>1,085</u> | <u>1,237</u> | <u>(152)</u> |
| Earnings per share: | | | | | | |
| Basic | \$ 0.38 | \$ 0.39 | \$ (0.01) | \$ 0.16 | \$ 0.18 | \$ (0.02) |
| Diluted | \$ 0.38 | \$ 0.38 | \$ - | \$ 0.16 | \$ 0.18 | \$ (0.02) |
| Weighted average shares outstanding: | | | | | | |
| Basic | 6,945 | 6,781 | | 6,942 | 6,799 | |
| Diluted | 6,945 | 6,894 | | 6,942 | 6,911 | |

SEGMENT INFORMATION

The following table sets forth comparative net operating income ("NOI") data for FREIT's real estate segments and reconciles the NOI to consolidated net income for the Current Six Months and Current Quarter, as compared to the prior year's comparable periods:

Six Months Ended April 30:

| | Commercial | | | | Residential | | | | Combined | |
|----------------------|-------------------|--------------|---------------------|------|-------------------|--------------|---------------------|--------|-------------------|-----------|
| | Six Months Ended | | Increase (Decrease) | | Six Months Ended | | Increase (Decrease) | | Six Months Ended | |
| | April 30, | | \$ | % | April 30, | | \$ | % | April 30, | |
| | 2009 | 2008 | | | 2009 | 2008 | | | 2009 | 2008 |
| | (\$ in thousands) | | | | (\$ in thousands) | | | | (\$ in thousands) | |
| Rental income | \$ 8,746 | \$ 8,486 | \$ 260 | 3.1% | \$ 9,559 | \$ 9,438 | \$ 121 | 1.3% | \$ 18,305 | \$ 17,924 |
| Reimbursements | 2,641 | 2,456 | 185 | 7.5% | - | - | - | - | 2,641 | 2,456 |
| Other | 104 | 97 | 7 | 7.2% | 183 | 89 | 94 | 105.6% | 287 | 186 |
| Total revenue | 11,491 | 11,039 | 452 | 4.1% | 9,742 | 9,527 | 215 | 2.3% | 21,233 | 20,566 |
| Operating expenses | 4,721 | 4,412 | 309 | 7.0% | 4,266 | 4,270 | (4) | -0.1% | 8,987 | 8,682 |
| Net operating income | \$ 6,770 | \$ 6,627 | \$ 143 | 2.2% | \$ 5,476 | \$ 5,257 | \$ 219 | 4.2% | 12,246 | 11,884 |
| Average | | | | | | | | | | |
| Occupancy % | <u>89.7%</u> | <u>90.0%</u> | <u>-0.3%</u> | | <u>93.3%</u> | <u>95.2%</u> | <u>-1.9%</u> | | | |

Reconciliation to consolidated net income:

| | | |
|-------------------------------------|-----------------|-----------------|
| Deferred rents - straight lining | 104 | 92 |
| Amortization of acquired leases | (18) | 48 |
| Net investment income | 130 | 313 |
| General and administrative expenses | (880) | (810) |
| Depreciation | (2,937) | (2,674) |
| Financing costs | (5,381) | (5,818) |
| Minority interest | (658) | (395) |
| Net income | <u>\$ 2,606</u> | <u>\$ 2,640</u> |

Three Months Ended April 30:

| | Commercial | | | | Residential | | | | Combined | |
|----------------------|--------------------|--------------|---------------------|-------|--------------------|--------------|---------------------|-------|--------------------|----------|
| | Three Months Ended | | Increase (Decrease) | | Three Months Ended | | Increase (Decrease) | | Three Months Ended | |
| | April 30, | | \$ | % | April 30, | | \$ | % | April 30, | |
| | 2009 | 2008 | | | 2009 | 2008 | | | 2009 | 2008 |
| | (\$ in thousands) | | | | (\$ in thousands) | | | | (\$ in thousands) | |
| Rental income | \$ 4,387 | \$ 4,292 | \$ 95 | 2.2% | \$ 4,769 | \$ 4,723 | \$ 46 | 1.0% | \$ 9,156 | \$ 9,015 |
| Reimbursements | 1,236 | 1,071 | 165 | 15.4% | - | - | - | - | 1,236 | 1,071 |
| Other | 52 | 52 | - | 0.0% | 82 | 42 | 40 | 95.2% | 134 | 94 |
| Total revenue | 5,675 | 5,415 | 260 | 4.8% | 4,851 | 4,765 | 86 | 1.8% | 10,526 | 10,180 |
| Operating expenses | 2,414 | 2,121 | 293 | 13.8% | 2,232 | 2,124 | 108 | 5.1% | 4,646 | 4,245 |
| Net operating income | \$ 3,261 | \$ 3,294 | \$ (33) | -1.0% | \$ 2,619 | \$ 2,641 | \$ (22) | -0.8% | 5,880 | 5,935 |
| Average | | | | | | | | | | |
| Occupancy % | <u>90.4%</u> | <u>90.7%</u> | <u>-0.3%</u> | | <u>92.6%</u> | <u>94.7%</u> | <u>-2.1%</u> | | | |

Reconciliation to consolidated net income:

| | | |
|-------------------------------------|-----------------|-----------------|
| Deferred rents - straight lining | 53 | 45 |
| Amortization of acquired leases | (9) | 24 |
| Net investment income | 51 | 154 |
| General and administrative expenses | (466) | (420) |
| Depreciation | (1,463) | (1,336) |
| Financing costs | (2,666) | (2,885) |
| Minority interest | (295) | (280) |
| Net income | <u>\$ 1,085</u> | <u>\$ 1,237</u> |

NOI is based on operating revenue and expenses directly associated with the operations of the real estate properties, but excludes deferred rents (straight lining), lease amortization, depreciation, financing costs and other non-operating activity. FREIT assesses and measures segment operating results based on NOI. NOI is not a measure of operating results or cash flow as measured by generally accepted accounting principles, and is not necessarily indicative of cash available to fund cash needs and should not be considered an alternative to cash flows as a measure of liquidity.

Both our commercial and residential business segments remain profitable. Still, the modest revenue growth, especially during the Current Quarter, failed to outpace the increase in operating expenses, causing combined NOI to be slightly under the Prior Year's Quarter. The current recession has also impacted FREIT as described below.

COMMERCIAL SEGMENT

The current economic recession has reduced consumer spending, resulting in declining sales and lower profitability to some of our commercial tenants. As a result, some tenants have closed their business; some have been put on relaxed payment plans, and some are seeking outright rent relief. Delinquencies have risen, causing us to prudently increase our allowance for doubtful accounts. To date our tenant fall-out has been minor as average occupancy has declined only 0.3%, however, we may experience additional fall-out of some smaller tenants, and if the recession is prolonged, some larger tenants. We expect re-leasing of vacated space to take longer and, generally at lower rents that reflect current economic conditions. We expect our revenues at our commercial properties to be flat or slightly lower during fiscal 2009 than during fiscal 2008.

RESIDENTIAL SEGMENT

While average occupancy at our residential properties for the Current Six Months is at 93.3%, the effects of the economic recession are being felt. Year-to-date, occupancy has fallen 1.9% compared to the Prior Six Months, and declined 2.1% during the Current Quarter compared to the Prior Year's Quarter. These declines are attributable to the higher than normal unemployment in our areas of operation. Additionally, we are experiencing rent reductions, a higher number of move-outs, and higher than usual incidences of delinquencies of rental payments. As with our commercial segment, we have prudently increased our allowances for doubtful accounts. We expect these trends to continue through fiscal 2009 and result in residential revenues that are flat or slightly lower than during fiscal 2008.

FUNDS FROM OPERATIONS ("FFO")

Many consider FFO as the standard measurement of a REIT's performance. We compute FFO as follows:

Funds From Operations ("FFO")

| | Six Months Ended | | Three Months Ended | |
|---|-------------------|-----------------|--------------------|-----------------|
| | April 30, | | April 30, | |
| | 2009 | 2008 | 2009 | 2008 |
| | (\$ in thousands) | | (\$ in thousands) | |
| Net income | \$ 2,606 | \$ 2,640 | \$ 1,085 | \$ 1,237 |
| Depreciation | 2,937 | 2,674 | 1,463 | 1,336 |
| Amortization of deferred mortgage costs | 118 | 141 | 59 | 68 |
| Deferred rents (Straight lining) | (104) | (92) | (53) | (45) |
| Amortization of acquired leases | 18 | (48) | 9 | (24) |
| Capital Improvements - Apartments | (106) | (258) | (27) | (118) |
| Minority interests: | | | | |
| Equity in earnings of affiliates | 658 | 395 | 295 | 280 |
| Distributions to minority interests | (563) | (595) | (443) | (268) |
| FFO | <u>\$ 5,564</u> | <u>\$ 4,857</u> | <u>\$ 2,388</u> | <u>\$ 2,466</u> |
| <i>Per Share - Basic</i> | <u>\$ 0.80</u> | <u>\$ 0.72</u> | <u>\$ 0.34</u> | <u>\$ 0.36</u> |
| <i>Per Share - Diluted</i> | <u>\$ 0.80</u> | <u>\$ 0.70</u> | <u>\$ 0.34</u> | <u>\$ 0.36</u> |
| Weighted Average Shares Outstanding: | | | | |
| <i>Basic</i> | <u>6,945</u> | <u>6,781</u> | <u>6,942</u> | <u>6,799</u> |
| <i>Diluted</i> | <u>6,945</u> | <u>6,894</u> | <u>6,942</u> | <u>6,911</u> |

FFO does not represent cash generated from operating activities in accordance with accounting principles generally accepted in the United States of America, and therefore should not be considered a substitute for net income as a measure of results of operations or for cash flow from operations as a measure of liquidity. Additionally, the application and calculation of FFO by certain other REITs may vary materially from that of FREIT's, and therefore FREIT's FFO and the FFO of other REITs may not be directly comparable.

DIVIDENDS

The second quarter dividend of \$0.30 per share is payable on June 12, 2009 to shareholders of record on June 2, 2009.

The statements in this report that relate to future earnings or performance are forward-looking. Actual results might differ materially and be adversely affected by such factors as longer than anticipated lease-up periods or the inability of tenants to pay increased rents. Additional information about these factors is contained in the Trust's filings with the SEC including the Trust's most recent filed report on Form 10-K and Form 10-Q.

First Real Estate Investment Trust is a publicly traded (over-the-counter – symbol FREVS) REIT organized in 1961. It has approximately \$242 million (historical cost basis) of assets. Its portfolio of residential and commercial properties extends from Eastern L.I. to Maryland, with the largest concentration in Northern New Jersey.

For additional information contact Shareholder Relations at (201) 488-6400

Visit us on the web: www.freitnj.com