SIZELER PROPERTY INVESTORS INC
Form 10-Q
May 14, 2003

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

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2003

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____________ to _____________

Commission file number 1-9349

SIZELER PROPERTY INVESTORS, INC.
(Exact name of registrant as specified in its charter)

MARYLAND	72-1082589
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2542 WILLIAMS BOULEVARD, KENNER, LOUISIANA	70062
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (504) 471-6200

Former name, former address and former fiscal year, if changed since last report.

Indicate by Check X whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes X No ___

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ___ No ___

APPLICABLE ONLY TO CORPORATE ISSUERS: Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

13,089,000 shares of Common Stock ($.0001 Par Value) were outstanding as of May 2, 2003.

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Sizeler Property Investors, Inc. and Subsidiaries

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PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

Sizeler Property Investors, Inc. and Subsidiaries

Consolidated Balance Sheets

ASSETS	March 31 2003 (Unaudited)
Real estate investments (Notes A and C):	
Land	$ 53,844
Buildings and improvements, net of accumulated depreciation of $100,034,000 in 2003 and $97,322,000 in 2002	219,469
Investment in real estate partnership	819
	274,132
Cash and cash equivalents	3,365
Accounts receivable and accrued revenue, net of allowance for doubtful accounts of $118,000 in 2003 and $116,000 in 2002	2,279
Prepaid expenses and other assets	12,697
Total Assets	$ 292,473
LIABILITIES AND SHAREHOLDERS' EQUITY	
LIABILITIES	
Mortgage notes payable (Note D)	$ 108,262
Notes payable	18,649
Accounts payable and accrued expenses	8,621
Tenant deposits and advance rents	864
	136,396
Convertible subordinated debentures	56,599
Total Liabilities	192,995
SHAREHOLDERS' EQUITY	
Series A preferred stock, 40,000 shares authorized, none issued	
Series B preferred stock, par value $0.0001 per share, liquidation preference $25 per share, 2,476,000 shares authorized, 336,000 issued and outstanding in 2003 and 2002	1
Common stock, par value $0.0001 per share, 51,484,000 shares authorized, shares issued and outstanding -- 13,082,000 in 2003 and 13,079,000 in 2002	1
Excess stock, par value $0.0001 per share, 16,000,000 authorized, none issued	
Additional paid-in capital	169,422

Accumulated other comprehensive (loss) gain	(44,
Cumulative net income	45,070
Cumulative distributions paid	(114,972
Total Shareholders' Equity	99,478
Total Liabilities and Shareholders' Equity	$ 292,473

See notes to consolidated financial statements.

Sizeler Property Investors, Inc. and Subsidiaries
Consolidated Statements of Income
(unaudited)

	Quarter Ended March 31	
	2003	2002
OPERATING REVENUE		
Rents and other income	$ 13,158,000	$ 13,101,000
Equity in income of partnership	14,000	34,000
	13,172,000	13,135,000
OPERATING EXPENSES		
Utilities	543,000	487,000
Real estate taxes	1,045,000	999,000
Administrative expenses	1,800,000	1,365,000
Operations and maintenance	2,046,000	1,957,000
Other operating expenses	1,425,000	1,007,000
Depreciation and amortization	2,885,000	2,823,000
	9,744,000	8,638,000
INCOME FROM OPERATIONS	3,428,000	4,497,000
Interest expense	3,131,000	3,306,000
NET INCOME	$ 297,000	$ 1,191,000
NET INCOME ALLOCATION:		
Allocable to preferred shareholders	205,000	---
Allocable to common shareholders	92,000	1,191,000
NET INCOME	$ 297,000	$ 1,191,000
Net income per common share - basic and diluted	$ 0.01	$ 0.10
WEIGHTED AVERAGE COMMON SHARES OUTSTANDNG	13,084,000	12,236,000

See notes to consolidated financial statements.

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Sizeler Property Investors, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(unaudited)

	Three Months Ended Mar	
	2003	200
OPERATING ACTIVITIES:		
Net income	$ 297,000	$ 1,191
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,885,000	2,823
Decrease in accounts receivable and accrued revenue	508,000	694
Increase in prepaid expenses and other assets	(50,000)	(686
Decrease in accounts payable and accrued expenses	(2,969,000)	(3,755
Net Cash Provided by Operating Activities	671,000	267
INVESTING ACTIVITIES:		
Acquisitions of and improvements to real estate investments	(8,235,000)	(1,266
Net Cash Used in Investing Activities	(8,235,000)	(1,266
FINANCING ACTIVITIES:		
Principal payments on mortgage notes payable	(621,000)	(577
Net proceeds from (payments on) notes payable to banks	11,413,000	(38
(Increase) decrease in mortgage escrow deposits	(201,000)	329
Cash dividends to shareholders	(3,212,000)	(2,802
Purchase of company stock	(309,000)	
Proceeds from issuance of shares of common stock pursuant to direct stock purchase, stock option, and stock award plans	211,000	4,123
Net Cash Provided by Financing Activities	7,281,000	1,035
Net (decrease) increase in cash and cash equivalents	(283,000)	36
Cash and cash equivalents at beginning of year	3,648,000	1,228
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 3,365,000	$ 1,264
Cash interest payments, net of capitalized interest	$ 4,356,000	$ 4,550

See notes to consolidated financial statements.

Sizeler Property Investors, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

March 31, 2003

NOTE A -- BASIS OF PRESENTATION

As of March 31, 2003, the Company's real estate portfolio included interests in fifteen shopping centers and sixteen apartment communities. Two of the apartment communities are currently under construction. The Company holds, directly or indirectly through both wholly-owned subsidiaries and majority-owned entities, a fee interest in twenty-nine of its properties, and long-term ground leases on the remaining two properties - Southwood Shopping Center in Gretna, Louisiana and Westland Shopping Center in Kenner, Louisiana. Sixteen properties are held through partnerships and limited partnerships whereby the majority owner is a wholly-owned subsidiary of Sizeler Property Investors, Inc. The minority interests in these entities are held by third party corporations who have contributed capital for their respective interests. The other fifteen properties in the portfolio are held through wholly-owned subsidiary corporations and limited liability companies. The Company, the wholly-owned subsidiaries and majority-owned partnerships and limited partnerships, are referred to collectively as the "Company", and are properly reflected on the Company's consolidated balance sheet. Minority interests in majority-owned partnerships are not material.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information and with instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. Furthermore, the preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could materially differ from those estimates.

Operating results for the three-month period ended March 31, 2003, are not necessarily indicative of the results that may be expected for the year ending December 31, 2003. The consolidated balance sheet at December 31, 2002, has been derived from the audited consolidated financial statements at that date, but does not include all of the information and footnotes required by GAAP for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Sizeler Property Investors, Inc. Annual Report on Form 10-K for the year ended December 31, 2002.

NOTE B -- RECLASSIFICATIONS

Certain reclassifications have been made in the 2002 consolidated financial statements to conform with the 2003 consolidated financial statement presentation.

NOTE C -- REAL ESTATE INVESTMENTS

In April 2002, the Company executed a construction contract for approximately $12.0 million for the construction of the second phase of its Governors Gate apartment community located in Pensacola, Florida. In August 2002, the Company executed a construction contract for approximately $10.9 million for the construction of Greenbrier Estates, a new apartment community in proximity to the Company's North Shore Square Mall located in Slidell, Louisiana. Construction is currently underway on both apartment communities which will add approximately 350 new units to the existing portfolio. During the quarter ended March 31, 2003, the Company capitalized $302,000 in interest costs related to these and other developments.

NOTE D -- MORTGAGE NOTES PAYABLE

The Company's mortgage notes payable are secured by certain land, buildings and improvements. At March 31, 2003, mortgage notes payable totalled approximately $108.3 million. Individual notes ranged from $791,000 to $17.8 million, with fixed rates of interest ranging from 6.85% to 8.25% and maturity dates ranging from May 1, 2008 to January 1, 2013. Net book values of properties securing these mortgage notes payable totalled approximately $131.2 million at March 31, 2003, with individual property net book values ranging from $2.3 million to $29.7 million.

NOTE E -- SEGMENT DISCLOSURE

The Company is engaged in two operating segments, the ownership and rental of retail shopping center properties and apartment properties. These reportable segments offer different products or services and are managed separately as each requires different operating strategies and management expertise. There are no intersegment sales or transfers.

The Company assesses and measures segment operating results based on a performance measure referred to as Net Operating Income and is based on the operating revenues and operating expenses directly associated with the operations of the real estate properties (excluding depreciation and amortization, administrative and interest expense). Net Operating Income is not a measure of operating results or cash flows from operating activities as measured by GAAP, 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.

The operating revenue, operating expenses, net operating income and real estate investments for each of the reportable segments are summarized below for the three-month periods ended March 31, 2003 and 2002.

	Quarter Ended March 31	
Retail:	2003	2002
Operating revenue	$ 7,417,000	$ 7,136,000
Operating expenses	(2,276,000)	(2,207,000)
Net operating income - retail	5,141,000	4,929,000
Apartments:		
Operating revenue	5,755,000	5,999,000
Operating expenses	(2,783,000)	(2,243,000)
Net operating income - apartments	2,972,000	3,756,000
Net operating income - total	8,113,000	8,685,000
Administrative expenses	(1,800,000)	(1,365,000)

Depreciation and amortization	(2,885,000)	(2,823,000)
Income from operations	3,428,000	4,497,000
Interest expense	(3,131,000)	(3,306,000)
Net income	$ 297,000	$ 1,191,000

	March 31	
	2003	2002
Gross real estate investments:		
Retail	$ 217,538,000	$ 211,749,000
Apartments	156,628,000	139,799,000
	$ 374,166,000	$ 351,548,000

NOTE F - ACCOUNTING PRONOUNCEMENTS

During the second quarter of 2002, the FASB issued Statement 145, Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13 and Technical Corrections ("Statement 145"). This statement rescinds SFAS No. 4, Reporting Gains and Losses from Extinguishments of Debt, and requires that all gains and losses from extinguishments of debt should be classified as extraordinary items only if they meet the criteria in APB No. 30. Applying APB No. 30

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will distinguish transactions that are part of an entity's recurring operations from those that are unusual or infrequent or that meet the criteria for classification as to an extraordinary item. Any gain or loss on extinguishment of debt that was classified as an extraordinary item in prior periods presented that does not meet the criteria in APB No. 30 for classification as an extraordinary item must be reclassified. The Company adopted the provisions related to the rescission of SFAS No. 4 as of January 1, 2003, and will reclassify its 2002 early extinguishment of debt in the second quarter.

In June 2002, the Financial Accounting Standards Board issued Statement 146, Accounting for Costs Associated with Exit or Disposal Activities. Statement 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and requires that the liabilities associated with these costs be recorded at their fair value in the period in which the liability is incurred. Statement 146 was effective for us for disposal activities initiated after December 31, 2002, and had no effect on our consolidated financial position, results of operations or cash flows for the period ended March 31, 2003.

As required by Statement of Financial Accounting Standards No. 148 (FAS No. 148), Accounting for Stock Based Compensation- Transition and Disclosure, which amends FAS No. 123, the following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of FAS No. 123 to a stock based employee compensation. The pro forma data presented below is not representative of the effects on reported amounts for future years.

	Three months ended March 31, 2003	2002
Net income, available to common shareholders	$ 92,000	$ 1,191,000
Stock-based employee compensation expense	(50,000)	(40,000)
Pro forma net income	$ 42,000	$ 1,151,000
Basic and diluted earnings per share:		
Earnings, available to common shareholders	$ 0.01	$ 0.10
Pro forma earnings	$ 0.00	$ 0.09
Black-Scholes option pricing model assumptions:		
Risk free interest rate	5.3%	5.4%
Expected life (years)	10 years	10 years
Volatility	21.9%	18.0%
Dividend yield	9.6%	10.9%

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Independent Accountants' Review Report

Shareholders and Board of Directors
Sizeler Property Investors, Inc.:

We have reviewed the accompanying consolidated balance sheet of Sizeler Property Investors, Inc. and subsidiaries (the Company) as of March 31, 2003, and the related consolidated statements of income and cash flows for the three-month periods ended March 31, 2003 and 2002. These consolidated financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Sizeler Property Investors, Inc. and subsidiaries as of December 31, 2002, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated

February 5, 2003, except for Note I as to which the date is March 6, 2003, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2002, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

KPMG LLP

New Orleans, Louisiana
April 25, 2003

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Comparison of the Three Months Ended March 31, 2003 and 2002

Total operating revenues were $13.2 million for the three-month period ended March 31, 2003, compared to $13.1 million earned a year ago. Operating revenues for the first quarter of 2003 were positively affected by increased rental rates, and higher occupancy in the retail portfolio, but negatively impacted by lower occupancy levels in the apartment portfolio. Management has formulated and is implementing steps to increase the occupancy rates at its apartment communities. First quarter operating costs were $5.1 million in 2003, compared to $4.4 million in 2002. The increase in costs was primarily due to increased insurance costs, real estate taxes and various other operating costs. Net operating income totaled $8.1 million for the three months ended March 31, 2003, compared to $8.7 million, earned in 2002.

General and administrative costs increased approximately $435,000 in the first quarter of 2003 due primarily to increased payroll costs and legal fees. Interest expense for the three months ended March 31, 2003 decreased $175,000 compared to the same period last year. During the quarter, the Company capitalized $302,000 in interest costs in 2003, as compared to $55,000 in the prior year's period. The average credit line interest rate was 3.22% for the three months ended March 31, 2003, compared to 3.95% in the prior year's period. The reduction in bank debt interest was partially offset by increased interest expense related to the Company's 9.0% convertible subordinated debentures due in 2009.

For the three months ended March 31, 2003, net income was $297,000, compared to $1.2 million in the prior year. Net income available to common shareholders was $92,000 in current year's quarter, compared to $1.2 million for the same period last year.

Liquidity and Capital Resources

The primary source of working capital for the Company is net cash provided by operating activities, from which the Company funds normal operating requirements, debt service obligations, and distributions to shareholders. In addition, the Company maintains unsecured credit lines with commercial banks, which it utilizes to supplement cash provided by operating activities and to initially finance the cost of property development and redevelopment activities, portfolio acquisitions and other expenditures. At March 31, 2003, the Company had $3.4 million in cash and cash equivalents and $75 million in committed bank lines of credit facilities, of which approximately $56.4 million was available. These lines of credit are renewable on an annual basis and utilization is subject to certain restrictive covenants that impose maximum borrowing levels by the Company through the maintenance of certain prescribed financial ratios.

Net cash flows provided by operating activities increased approximately $400,000 in 2003 compared to the same period in 2002. The increase was principally attributable to the timing in payment of certain expenses, partially offset by lower net income as compared to the prior year's period.

Net cash flows used in investing activities increased approximately $7.0 million in 2003 from 2002, primarily attributable to increased development activities. The Company is currently constructing a second phase of its Governors Gate apartment complex in Pensacola, Florida and a new apartment community in Slidell, Louisiana. The Company currently plans to fund the remaining construction costs through operating cash flows and usage of its bank lines of credit. During the quarter, the Company capitalized $302,000 in interest costs related to these and other developments.

Net cash flows provided by financing activities increased approximately $6.2 million in 2003 from 2002 due to (i) an increase of $11.5 million in borrowing proceeds from notes payable to banks in 2003, offset by (ii) a decrease of $3.9 million in proceeds from the issuance of shares of common stock pursuant to the direct stock purchase and dividend reinvestment plan, stock option redemptions and stock award plans, (iii) increased cash dividends to shareholders of $411,000 and (iv) increased cash usage of $309,000 to purchase shares of Company stock.

As of March 31, 2003, the Company had mortgage debt of $108.3 million. All of these mortgages are non-recourse and bear fixed rates of interest for a fixed term. The Company has a 50% interest in a partnership which owns the Southwood Shopping Center located in Gretna, Louisiana. This property is subject to a mortgage for which the other 50% owner is liable. Fourteen of the Company's existing operating properties are currently unencumbered by mortgage debt. The Company anticipates that its current cash balance, operating cash flows, and borrowing capacity (including borrowings

under its lines of credit) will be adequate to fund the Company's future (i) operating and administrative expenses, (ii) debt service obligations, (iii) distributions to shareholders, (iv) development activities, (v) capital improvements on existing properties, and (vi) typical repair and maintenance expenses at its properties.

Holders of the Company's Series B cumulative redeemable preferred stock are entitled to receive, when, as and if declared by the Board of Directors, out of funds legally available for the payment of dividends, preferential cumulative cash dividends at the rate of 9.75% per annum of the liquidation preference per share (equivalent to a fixed annual amount of $2.4375 per share). Dividends on the Series B preferred stock will be payable quarterly in arrears on the fifteenth day of February, May, August and November of each year, or, if not a business day, the next succeeding business day.

The Company's current common stock dividend policy is to pay quarterly dividends to shareholders, based upon, among other things, funds from operations, as opposed to net income. Because funds from operations excludes the deduction of non-cash charges, principally depreciation on real estate assets, quarterly dividends will typically be greater than net income and may include a tax-deferred return of capital component. The Board of Directors, on May 9, 2003, declared a cash dividend on common stock of $0.23 per share for the period January 1, 2003 through March 31, 2003, payable on June 5, 2003 to shareholders of record as of May 30, 2003.

Funds From Operations

Real estate industry analysts and the Company utilize the concept of funds from operations as an important analytical measure of a Real Estate Investment Trust's financial performance. The Company considers funds from operations in evaluating its operating results and its dividend policy, is also based, in part, on the concept of funds from operations.

Funds from operations (FFO) is defined by the Company as net income, excluding gains or losses from sales of property and those items defined as extraordinary under accounting principles generally accepted in the United States of America (GAAP), certain non-recurring charges, plus depreciation on real estate assets and after adjustments for unconsolidated partnerships to reflect FFO on the same basis. FFO does not represent cash flows from operations as defined by GAAP, nor is it indicative that cash flows are adequate to fund all cash needs, including distributions to shareholders. FFO should not be considered as an alternative to net income as defined by GAAP or to cash flows as a measure of liquidity. A reconciliation of net income to basic and diluted FFO is presented below (in thousands):

	Quarter Ended March 3		
	2003		
	Dollars	Shares	Dollars
Net income	$ 297	13,084,000	$ 1,19
Additions:			
Depreciation	2,885		2,82
Partnership depreciation	8		
Deductions:			
Minority depreciation	14		1
Preferred dividends	205		--
Amortization costs	156		14
Funds from operations - available to common shareholders	$ 2,815	13,084,000	$ 3,86
Interest on convertible debentures	1,274		1,23
Amortization of debenture issuance costs	64		6
Funds from operations - available to common shareholders - diluted	$ 4,153	18,230,000	$ 5,15

Effects of Inflation

Substantially all of the Company's retail leases contain provisions designed to provide the Company with a hedge against inflation. Most of the Company's retail leases contain provisions which enable the Company to receive percentage

rentals based on tenant sales in excess of a stated breakpoint and/or provide for periodic increases in minimum rent during the lease term. The majority of the Company's retail leases are for terms of less than ten years, which allows the Company to adjust rentals to changing market conditions. In addition, most retail leases require tenants to pay a contribution towards property operating expenses, thereby reducing the Company's exposure to higher operating costs caused by inflation. The Company's apartment leases are written for short terms, generally six to twelve months, and are adjusted according to changing market conditions.

Future Results

This Form 10-Q and other documents prepared and statements made by the Company, may contain certain forward-looking statements that are subject to risk and uncertainty. Investors and potential investors in the Company's securities are cautioned that a number of factors could adversely affect the Company and cause actual results to differ materially from those in the forward-looking statements, including, but not limited to (a) the inability to lease current or future vacant space in the Company's properties; (b) decisions by tenants and anchor tenants who own their space to close stores at the Company's properties; (c) the inability of tenants to pay rent and other expenses; (d) tenant financial difficulties; (e) general economic and world conditions, including threats to the United States homeland from unfriendly factions; (f) decreases in rental rates available from tenants; (g) increases in operating costs at the Company's properties; (h) increases in corporate operating costs associated with new regulatory requirements; (i) lack of availability of financing for acquisition, development and rehabilitation of properties by the Company; (j) possible dispositions of mature properties since the Company is continuously engaged in the examination of its various lines of business; (k) increases in interest rates; (l) a general economic downturn resulting in lower retail sales and causing downward pressure on occupancies and rents at retail properties; as well as (m) the adverse tax consequences if the Company were to fail to qualify as a REIT in any taxable year. Except as required under federal securities laws and the rules and regulations of the SEC, we do not have any intention or obligation to update or revise any forward-looking statements in this Form 10-Q, whether as a result of new information, future events, changes in assumptions or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We incorporate by reference the disclosure contained in Item 7a, Quantitative and Qualitative Disclosures About Market Risk, of the Company's Form 10-K, for the year ended December 31, 2002. There have been no material changes during the first three months of 2003.

Item 4. Controls and Procedures.

Within the 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic SEC filings.

In addition, the Company reviewed its internal controls, and there have been no significant changes in the Company's internal controls or in other factors that could significantly affect those controls subsequent to the date of their last evaluation.

PART II

Other Information

Item 1. Legal Proceedings.

The Company operates in various states in the Gulf South and has subsidiaries and other affiliates domiciled in those states owning titles to the properties in their respective states. There are no pending legal proceedings to which the Company or any subsidiary or affiliate is a party or to which any of its properties is subject which in the opinion of management and its litigation counsel has resulted or will result in any material adverse effect to the financial position of the Company as a whole.

Item 2. Changes in Securities.

None.

Item 3. Defaults upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

Exhibit 15. Letter regarding Unaudited Interim Financial Information (filed herewith). Exhibit 99.1. Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002- Sidney W. Lassen. Exhibit 99.2. Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002- Charles E. Miller, Jr.

(b) Reports on Form 8-K None.

SIGNATURE

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

SIZELER PROPERTY INVESTORS, INC.

(Registrant)

By: /S/ CHARLES E. MILLER, JR.

Charles E. Miller, Jr.
Chief Financial Officer

Date: May 13, 2003

CERTIFICATIONS

I, Sidney W. Lassen, certify that:

1. I have reviewed the quarterly report on Form 10-Q of Sizeler Property Investors, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

    a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

    c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluations as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including

any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 13, 2003

/S/ SIDNEY W. LASSEN

Sidney W. Lassen
Chief Executive Officer

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CERTIFICATIONS

I, Charles E. Miller, Jr., certify that:

1. I have reviewed the quarterly report on Form 10-Q of Sizeler Property Investors, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluations as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 13, 2003

/S/ CHARLES E. MILLER, JR

Charles E. Miller, Jr.
Chief Financial Officer