

RAMCO GERSHENSON PROPERTIES TRUST

Form 424B1

April 24, 2002

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Rule 424 (b) 1

Registration Statements No. 333-57871 and 333-86828

Ramco-Gershenson Properties Trust

4,200,000 Shares

Common Shares of Beneficial Interest

This is a public offering of 4,200,000 common shares of beneficial interest of Ramco-Gershenson Properties Trust.

Our common shares are listed on The New York Stock Exchange under the symbol RPT. On April 23, 2002, the last reported sale price of our common shares was \$17.64.

Investing in the common shares involves risk. See Risk Factors beginning on page 8.

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

	Per Share	Total
Public offering price	\$ 17.50	\$ 73,500,000
Underwriting discounts and commissions	\$ 1.05	\$ 4,410,000
Proceeds, before expenses, to Ramco-Gershenson Properties Trust	\$ 16.45	\$ 69,090,000

We have granted the underwriters the right to purchase up to 630,000 additional common shares to cover over-allotments.

Deutsche Bank Securities

McDonald Investments Inc.

Robertson Stephens

The date of this prospectus is April 23, 2002

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Property Location Map

Ramco-Gershenson Properties Trust

Kohl's, New Towne Plaza,
Canton, Michigan

Bi-Lo, Edgewood Square,
North Augusta, South Carolina

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Prospectus

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different or additional information. This prospectus is not an offer to sell nor is it seeking an offer to buy the common shares in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus and the documents incorporated by reference are accurate only as of their respective dates, regardless of the time of delivery of this prospectus or any sale of our common shares.

WHERE YOU CAN GET MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission, also known as the SEC. You can receive copies of these reports, proxy and information statements and other information, at prescribed rates, from the SEC by addressing written requests to the SEC's Public Reference Room at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549. In addition, you can read and copy our reports, proxy and information statements, and any other information or materials we file with the SEC at the public reference facilities and at the regional offices of the SEC, in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. The SEC also maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers, such as us, that file electronically with the SEC. The address of the SEC's Web site is <http://www.sec.gov>.

We have filed with the SEC a registration statement on Form S-3 to register the common shares that we are offering in this prospectus. This prospectus is part of the registration statement and does not include all of the information contained in the registration statement. For further information about us and the common shares offered, you should review the registration statement. You can inspect or copy the registration statement, at prescribed rates, at the SEC's public reference facilities at the addresses listed above.

Statements contained in this prospectus concerning the provisions of documents are necessarily summaries of those documents and when any of those documents is an exhibit to the registration statement, each such statement is qualified in its entirety by reference to the copy of the document filed with the SEC.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference the information and reports we file with it, which means that we can disclose important information to you by referring you to those documents. The information we incorporate in this prospectus by reference is an important part of this prospectus, and some of the information that we file after the date of this prospectus with the SEC will be incorporated automatically in this prospectus and update and supercede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, until we sell all of the common shares offered by this prospectus.

our annual report on Form 10-K for the year ended December 31, 2001 (except for Item 8),

our current report on Form 8-K filed with the SEC on April 19, 2002, and

the description of our common shares contained in our registration statement on Form 8-A filed with the SEC on November 1, 1988 (which incorporates by reference pages 101-119 of our prospectus/proxy statement filed with the SEC on November 1, 1988), as updated by the description of our common shares contained in our definitive proxy statement on Schedule 14A for our special meeting of shareholders held on December 18, 1997.

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We will provide, without charge, at the written or oral request of anyone to whom this prospectus is delivered, copies of the documents incorporated by reference in this prospectus other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing. Written requests should be directed to Ramco-Gershenson Properties Trust, 27600 Northwestern Highway, Suite 200, Southfield, Michigan 48034, Attention: Dawn Garcia-Hendershot. Telephone requests may be directed to (248) 728-1526.

FORWARD-LOOKING STATEMENTS

Some of the statements in this prospectus are forward-looking statements. These forward-looking statements include statements relating to our performance in the Management's Discussion and Analysis of Financial Condition and Results of Operations, Use of Proceeds and Description of the Company sections of this prospectus. In addition, we may make forward-looking statements in future filings with the SEC and in written materials, press releases and oral statements issued by us or on our behalf. Forward-looking statements include statements regarding the intent, belief or current expectations of us or our officers, including statements preceded by, followed by or including forward-looking terminology such as may, will, should, believe, expect, anticipate, estimate, continue, predict or similar expressions, with respect to such matters.

It is important to note that our actual results could differ materially from those anticipated from the forward-looking statements depending on various important factors, which include those factors discussed under Risk Factors, beginning on page 8, and the following:

our success or failure in implementing our business strategy,

economic conditions generally and in the commercial real estate and finance markets specifically,

our cost of capital, which depends in part on our asset quality, our relationships with lenders and other capital providers, our business prospects and outlook and general market conditions, and

changes in governmental regulations, tax rates and similar matters.

You should read this prospectus, as well as the documents incorporated by reference in them, including our financial statements and the notes to financial statements, before deciding whether to invest in our common shares.

All forward-looking statements in this prospectus are based on information available to us on the date of this prospectus. We do not undertake to update any forward-looking statements that may be made by us or on our behalf in this prospectus or otherwise.

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SUMMARY

This summary highlights selected information contained in greater detail elsewhere in this prospectus. This summary is not complete and does not contain all of the information you should consider before investing in our common shares. You should read this entire prospectus and the documents incorporated by reference carefully. Throughout this prospectus we refer to Ramco-Gershenson Properties Trust, a Maryland real estate investment trust, and its subsidiaries, including Ramco-Gershenson Properties, L.P. and Ramco-Gershenson, Inc., and their predecessors, as we, our and us, unless otherwise noted.

Our Business

We are a fully integrated, self-administered and self-managed real estate investment trust, also known as a REIT, that develops, acquires, manages and owns community shopping centers in the midwestern, southeastern and mid-Atlantic regions of the United States. As of December 31, 2001, we had a portfolio of 57 shopping centers totaling approximately 11.4 million square feet of gross leaseable area located in 12 states. Our properties consist of 56 community shopping centers, nine of which are power centers and three of which are single tenant facilities. We also own one enclosed regional mall. Our shopping centers are located in convenient and easily-accessible locations with abundant parking which are close to residential communities and offer excellent visibility for our tenants and easy access for shoppers.

For approximately half a century, Ramco-Gershenson, Inc. and its predecessor developed and owned shopping centers throughout the United States. Over that time, we developed or acquired over 60 shopping centers with a total of over 16.5 million square feet.

In May 1996, RPS Realty Trust acquired through a reverse merger substantially all the shopping centers and retail properties as well as the management company and business operations of Ramco-Gershenson, Inc. and certain of its affiliates. The resulting trust changed its name to Ramco-Gershenson Properties Trust.

Competitive Strengths

Based on our long history in the shopping center industry, the caliber of our management team and the quality of our assets, we feel that we are uniquely positioned to capitalize on opportunities in the real estate market as they present themselves.

Community Shopping Center Focus

We are predominantly a community shopping center company with a focus on acquiring, developing and managing centers primarily anchored by grocery stores and nationally-recognized discount department stores. It is our belief that centers with a grocery and/or discount component attract consumers seeking value-priced products. Since these products are required to satisfy everyday needs, customers usually visit the centers on a weekly basis.

Markets In Which We Operate

Our shopping centers are primarily located in major metropolitan areas in the midwestern and southeastern regions of the United States. Within specific markets, we seek a convenient and easily accessible location with abundant parking facilities, close to residential communities, with excellent visibility for our tenants and easy access for shoppers. In both of these regions we have concentrated a number of centers in reasonable proximity to each other in order to achieve market penetration as well as efficiencies in management, oversight and purchasing.

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Proactive Asset Management

We use our asset management personnel to perform a variety of functions, including playing a major role in creating and assessing leasing, redevelopment, acquisition and development opportunities. Our proactive approach to leasing has allowed us to consistently maintain a high occupancy rate, ranging between 93.0% and 95.5% during each of the last five years. Our asset management team also helps to ensure that our centers remain competitive in their respective trade areas. In addition, when considering an acquisition, we use our experience and tenant contacts to look for value-added opportunities. We maintain strong relationships with national and regional anchor tenants, allowing us to assess their interest in our prospective developments.

Experienced Management Team

Our management team has an average of approximately 27 years of experience in the real estate industry, including acquisition, development, financing, leasing and asset management experience. Our 45-year history as a shopping center developer provides us with the ability to discover attractive investment opportunities. Our management and trustees currently own 19.9% of our company (assuming the conversion into our common shares of all of our outstanding preferred shares and all of the outstanding units in our operating partnership but excluding our outstanding stock options), which aligns management's interests with that of our shareholders.

Business Strategy

Our goal is to maximize total return for our shareholders by improving operating income and enhancing asset value. We pursue our goal through:

An aggressive approach to repositioning, renovating and expanding our shopping centers. Since 1996, we have completed the repositioning of 19 shopping centers, producing a weighted average return on incremental invested capital of 14.7%.

The acquisition of community shopping centers in the midwestern, southeastern and mid-Atlantic regions of the United States with a focus on grocery and nationally-recognized discount department store anchor tenants.

The development of new shopping centers in emerging areas in metropolitan markets in which we currently operate and where we believe demand for a center exists.

A proactive approach to leasing unoccupied spaces and occupied spaces where leases are about to expire.

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The following table sets forth the distribution by region and by state of our gross leaseable area and annualized base rent as of December 31, 2001.

Region/State	Number of Properties	Company Owned Gross Leaseable Area		Annualized Base Rent(2)	
		Total Sq. Ft.(1)	% of Total Portfolio	Total	% of Total Portfolio
Midwestern					
Michigan	22	4,093,003	41.8	\$ 30,310,224	43.6
Ohio	4	786,696	8.0	6,621,321	9.5
Wisconsin	2	538,413	5.5	3,963,058	5.7
Subtotal Midwestern	28	5,418,112	55.4	40,894,604	58.8
Southeastern					
Florida	10	1,197,579	12.2	7,712,971	11.1
Tennessee	6	806,590	8.2	4,515,575	6.5
Georgia	4	547,331	5.6	3,213,370	4.6
North Carolina	3	544,627	5.6	3,194,857	4.6
South Carolina	2	433,588	4.4	2,561,631	3.7
Alabama	1	126,701	1.3	787,937	1.1
Subtotal Southeastern	26	3,656,416	37.4	21,986,342	31.6
Mid-Atlantic					
New Jersey	1	224,138	2.3	2,716,554	3.9
Virginia	1	240,042	2.5	2,556,412	3.7
Maryland	1	250,016	2.6	1,416,244	2.0
Subtotal Mid-Atlantic	3	714,196	7.3	6,689,211	9.6
Total	57	9,788,724	100.0	\$ 69,570,157	100.0

(1) Represents (a) gross leaseable area with respect to our shopping centers and (b) rentable square feet with respect to our single-tenant properties.

(2) We calculate annualized base rent for all leases in place on December 1, 2001 by multiplying total base rent for December 2001 by 12.

Occupancy

The following table sets forth the occupancy rates by category of our properties for 2000 and 2001. Our overall occupancy rates for 2000 and 2001 were 93.7% and 95.5%, respectively.

	2000	2001
Community Centers	94.2%	95.6%
Enclosed Regional Mall	89.9	94.0

Year End Results

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Our diluted funds from operations for the twelve months ended December 31, 2001 were \$31.6 million, up from \$30.1 million for the twelve months ended December 31, 2000, representing a 4.9% increase. Our total revenues for the twelve months ended December 31, 2001 increased 2.8%, or \$2.4 million, to \$91.0 million, from \$88.5 million for the twelve months ended December 31, 2000.

During 2001, we acquired two new shopping centers through joint ventures in which we have a 40% interest for an aggregate purchase price of approximately \$27 million, and we sold two shopping centers and four outparcels for approximately \$29 million. We also completed three redevelopment projects, commenced expansion of two shopping centers and announced the de-malling and expansion of one of our shopping centers.

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Recent Developments

Two of our tenants, Kmart Corporation and Jacobson Stores Inc., filed for Chapter 11 bankruptcy protection during January 2002. Jacobson is an anchor tenant at one of our shopping centers, with a total annualized base rent at December 31, 2001 of approximately \$158,000. Kmart is our second largest tenant (based on the percentage of our total annualized base rent) and leases ten locations with a total annualized base rent at December 31, 2001 of approximately \$4,242,000. Builders Square is the lessee of two of these ten locations under leases guaranteed by Kmart. Kmart has rejected the lease guarantee for one of these locations, which is presently vacant. The other Builders Square location has been subleased to two subtenants. The eight other Kmart leases are located in major metropolitan markets. On March 8, 2002, Kmart announced its intention to close 284 stores, including three stores leased from us. Kmart will continue to be obligated under the leases for these stores unless it rejects the leases as part of its bankruptcy proceedings.

On March 14, 2002, we entered into an agreement to redeem 1,200,000 of our series A preferred shares upon consummation of a public offering of our common shares on or before September 26, 2002. We issued these series A preferred shares beginning in September 1997 for a price of \$25.00 per share. The redemption price for the shares is \$22 1/7 per share, or \$26.6 million in the aggregate. The holder of the remaining 200,000 of our outstanding series A preferred shares has elected not to have us redeem its shares, and these series A preferred shares will automatically convert into 286,537 common shares upon the consummation of this offering.

We have recently decided to exercise our option to purchase the equity of our joint venture partner in RPT/Invest L.L.C., which owns the Rivertowne Square and Chester Springs shopping centers upon the completion of this offering. Pursuant to the terms of the limited liability company agreement for this joint venture, we have the option to purchase these shopping centers within 36 months of their original acquisition for a purchase price which is sufficient to provide the joint venture with a 20% internal rate of return compounded annually, after payment of all expenses, on the capital invested by the joint venture in the shopping centers. Assuming that we exercise the option to purchase the equity of our joint venture partner in RPT/Invest L.L.C. on April 30, 2002, we estimate that the purchase price would be approximately \$9.1 million.

On April 10, 2002, we sold Hickory Corners, a 178,000 square foot community shopping center located in Hickory, North Carolina, leaving us with a current portfolio of 56 shopping centers. The total proceeds from the sale were approximately \$10.7 million.

First Quarter 2002 Results

Our diluted funds from operations for the three months ended March 31, 2002 were \$7.5 million, compared with \$8.0 million for the three months ended March 31, 2001, representing a 6.3% decrease. This decrease is primarily the result of the major redevelopment of two of our shopping centers, Tel-Twelve Shopping Center and Shoppes of Lakeland. Our income from continuing operations for the three months ended March 31, 2002 was \$2.2 million, compared with \$6.1 million for the three months ended March 31, 2001. This decrease is primarily attributable to the \$5.0 million gain on sale of White Lake MarketPlace and Athens Towne Center which occurred in the first quarter of 2001.

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The Offering

Common Shares Offered by Us	4,200,000 shares
Common Shares to be Outstanding after the Offering	11,578,063 shares (12,208,063 shares if the underwriters exercise their overallotment option in full)
Use of Proceeds	We estimate that our net proceeds from this offering will be approximately \$67,840,000. We intend to use these proceeds to redeem 1,200,000 of our series A preferred shares, to purchase the equity of our joint venture partner in two projects and to pay down outstanding balances under our credit facility.
New York Stock Exchange Symbol	RPT
Public Offering Price	\$17.50 per share
Current Quarterly Dividends per Share	\$0.42 per share

The number of common shares outstanding after the offering is based on the number of common shares outstanding as of December 31, 2001. This number does not include shares reserved for issuance upon the exercise of outstanding options, the conversion of preferred shares and the exchange of units in our operating partnership, as detailed in Capitalization on page 17.

Unless otherwise indicated, all information contained in this prospectus assumes no exercise of the underwriters' over-allotment option.

Corporate Information

Our executive offices are located at 27600 Northwestern Highway, Suite 200, Southfield, Michigan 48034. Our telephone number is (248) 350-9900.

Table of Contents**Summary Financial Data**

The following summary financial data as of December 31, 1997, 1998, 1999, 2000 and 2001, and for each of the years in the five-year period ended December 31, 2001 have been derived from our audited financial statements, some of which appear elsewhere in this prospectus together with the report of Deloitte & Touche LLP, independent auditors. This summary financial data might not be a good indicator of our results for 2002. You should read the summary financial data together with our financial statements and the notes to our financial statements and with Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

	Year Ended or At December 31,				
	1997	1998	1999	2000	2001
Operating Data (in thousands, except per share amounts):					
Total revenue	\$ 59,244	\$ 76,755	\$ 84,299	\$ 88,532	\$ 90,973
Operating income	12,856	12,413	15,984	13,969	13,303
Gain on sale of real estate			974	3,795	5,550
Net income before cumulative effect of change in accounting principle	9,198	8,658	11,839	13,020	13,863
Cumulative effect of change in accounting principle(1)				(1,264)	
Net income	9,198	8,658	11,839	11,756	13,863
Preferred share dividends	278	1,614	3,407	3,360	3,360
Net income available to common shareholders	8,920	7,044	8,432	8,396	10,503
Per Common Share Data:					
Earning per share after cumulative effect of change in accounting principle:					
Basic	\$ 1.25	\$ 0.99	\$ 1.17	\$ 1.17	\$ 1.48
Diluted	1.25	0.98	1.17	1.17	1.47
Distributions to shareholders	\$ 11,967	\$ 11,970	\$ 12,126	\$ 12,091	\$ 11,942
Weighted average basic shares outstanding	7,123	7,133	7,218	7,186	7,105
Weighted average diluted shares outstanding	7,148	7,165	7,218	7,187	7,125
Balance Sheet Data:					
Cash and cash equivalents	\$ 5,033	\$ 4,550	\$ 5,744	\$ 2,939	\$ 5,542
Accounts receivable net	6,035	9,864	12,791	15,954	17,627
Investment in real estate (before accumulated depreciation)	473,213	535,980	542,955	557,995	557,349
Total assets	484,682	544,404	550,506	560,284	552,729
Mortgages and notes payable	295,618	328,248	337,552	354,008	347,275
Total liabilities	314,436	348,727	358,662	374,439	371,167
Minority interest	42,282	48,535	48,396	47,301	48,157
Shareholders equity	127,964	147,142	143,448	138,544	133,405

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Year Ended or At December 31,

	1997	1998	1999	2000	2001
Other Data:					
Funds from operations diluted(2)	\$ 20,778	\$ 24,330	\$ 28,868	\$ 30,126	\$ 31,607
Funds available for distribution(3)	17,342	21,226	25,245	24,985	28,572
Cash provided by operating activities	17,026	16,794	23,954	17,126	24,556
Cash provided by (used in) investing activities	(153,183)	(38,280)	(10,703)	(12,779)	5,774
Cash (used in) provided by financing activities	137,649	21,003	(12,057)	(7,152)	(27,727)
Number of properties	50	54	54	56	57
Company owned GLA (in thousands)	8,372	9,029	9,213	10,043	9,789
Occupancy rate	93.6%	93.1%	93.0%	93.7%	95.5%

- (1) In 2000, we changed our method of accounting for percentage rental revenue in accordance with SEC Staff Accounting Bulletin No. 101, Revenue Recognition in Financial Statements. See Note 12 in the accompanying financial statements.
- (2) We generally consider funds from operations, also known as FFO, an appropriate supplemental measure of our financial performance because it is predicated on cash flow analyses. We have adopted the most recent National Association of Real Estate Investment Trusts definition of FFO, which was amended effective January 1, 2000. Under that definition, FFO represents income before minority interest, excluding extraordinary items, as defined under accounting principles generally accepted in the United States of America, gains on sales of depreciable property, plus real estate related depreciation and amortization (excluding amortization of financing costs), and after adjustments for unconsolidated partnerships and joint ventures. Our computation of FFO may, however, differ from the methodology for calculating FFO utilized by other real estate companies, and therefore, may not be comparable to these other real estate companies. FFO does not represent cash generated from operating activities in accordance with accounting principles generally accepted in the United States of America and should not be considered an alternative to net income as an indication of our performance or to cash flows from operating activities as a measure of liquidity or our ability to pay distributions. Furthermore, while net income and cash generated from operating, investing and financing activities, determined in accordance with accounting principles generally accepted in the United States of America, consider capital expenditures which have been and will be incurred in the future, the calculation of FFO does not.
- (3) We define funds available for distribution as funds from operations diluted, as defined above, less straight line rent and non-recoverable recurring capital expenditures, plus amortization of management contracts. Our computation of funds available for distribution may, however, differ from the methodology for calculating funds available for distribution utilized by other real estate companies, and therefore, may not be comparable to these other real estate companies. Funds available for distribution should not be considered an alternative to net income as an indication of our performance or to cash flows as a measure of liquidity or our ability to pay distributions. Furthermore, while net income and cash generated from operating, investing and financing activities, determined in accordance with accounting principles generally accepted in the United States of America consider capital expenditures which have been and will be incurred in the future, the calculation of funds available for distribution does not.

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RISK FACTORS

*Investing in our common shares involves risk. You should carefully consider the specific factors listed below, together with the cautionary statements under the caption *Forward Looking Statements* and the other information included in this prospectus and the documents incorporated by reference, before purchasing our common shares. The risks described below are not the only ones that we face. Additional risks that are not yet known to us or that we currently think are immaterial could also impair our business, operating results or financial condition. If any of the following risks actually occur, our business, financial condition or results of operations could be adversely affected. In that case, the trading price of our common shares could decline, and you may lose all or part of your investment.*

RISKS RELATED TO OUR BUSINESS

Adverse market conditions may impede our ability to collect lease payments, which could adversely affect our business and operating results.

The economic performance and value of our real estate assets are subject to all the risks associated with owning and operating real estate, including risks related to adverse changes in national, regional and local economic and market conditions. Our current properties are located in 12 states in the midwestern, southeastern and mid-Atlantic regions of the United States. The economic condition of each of our markets may be dependent on one or more industries. An economic downturn in one of these industries may result in a business downturn for our tenants, and as a result, these tenants may fail to make rental payments, decline to extend leases upon expiration, delay lease commencements or declare bankruptcy.

Any tenant bankruptcies, leasing delays, or failure to make rental payments when due could result in the termination of the tenant's lease, causing material losses to us and adversely impacting our operating results. If our properties do not generate sufficient income to meet our operating expenses, including future debt service, our income and results of operations would be adversely affected. During 2001, seven of our tenants filed for bankruptcy protection, representing a total of 15 locations. These tenants represented approximately 1.7% of our annualized base rental income at December 31, 2001. During January 2002, two more of our tenants filed for bankruptcy protection, including Kmart Corporation, which represented approximately 6.1% of our annualized base rental income at December 31, 2001.

In particular, if any of our anchor tenants becomes insolvent, suffers a downturn in business, or decides not to renew its lease or vacates a property and prevents us from re-letting that property by continuing to pay rent for the balance of the term, it may adversely impact our business. In addition, a lease termination by an anchor tenant or a failure of an anchor tenant to occupy the premises could result in lease terminations or reductions in rent by some of our non-anchor tenants in the same shopping center pursuant to the terms of their leases. In that event, we may be unable to re-let the vacated space.

Similarly, the leases of some anchor tenants may permit them to transfer their leases to other retailers. The transfer to a new anchor tenant could cause customer traffic in the retail center to decrease which would reduce the income generated by that retail center. In addition, a transfer of a lease to a new anchor tenant could also give other tenants the right to make reduced rental payments or to terminate their leases with us.

We may be unable to collect balances due from any tenants in bankruptcy, which would adversely affect our operating results.

Any bankruptcy filings by or relating to one of our tenants or a lease guarantor would bar all efforts by us to collect pre-bankruptcy debts from that tenant, the lease guarantor or their property, unless we receive an order permitting us to do so from the bankruptcy court. The

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bankruptcy of a tenant or lease guarantor could delay our efforts to collect past due balances under the relevant leases and could ultimately preclude full collection of these sums. If a lease is assumed by the tenant in bankruptcy, all pre-bankruptcy balances due under the lease must be paid to us in full. However, if a lease is rejected by a tenant in bankruptcy, we would have only a general unsecured claim for damages. Any unsecured claim we hold may be paid only to the extent that funds are available and only in the same percentage as is paid to all other holders of unsecured claims. It is possible that we may recover substantially less than the full value of any unsecured claims we hold, if at all, which may adversely affect our operating results and financial condition.

Although five of our seven tenants who declared bankruptcy in 2001 have made full and timely payments of rent to us following their bankruptcy filings, six of these seven tenants owed us a combined total of approximately \$167,000, as of February 28, 2002, in unpaid rent relating to the period prior to their bankruptcy filings. Our two tenants who declared bankruptcy in January 2002, Kmart Corporation and Jacobson Stores, Inc., owed us approximately \$684,000 and \$96,000, respectively, as of February 28, 2002, in unpaid rent relating to the period prior to their bankruptcy filings, including approximately \$171,000 relating to a lease which has been rejected by Kmart. If leases are rejected, we may not be able to collect the related unpaid amounts. In addition, we cannot assure you that these tenants will continue to pay us rent.

Several of our tenants represent a significant portion of our leasing revenues.

As of December 31, 2001, we received 8.7% of our annualized base rent from Wal-Mart Stores Inc. and 6.1% from Kmart Corporation. Five other tenants each represented at least 2.0% of our total annualized base rent. The concentration in our leasing revenues from a small number of tenants creates the risk that, should these tenants experience financial difficulties, our operating results could be adversely affected.

We face competition for the acquisition and development of real estate properties, which may impede our ability to grow our operations or may increase the cost of these activities.

We compete with many other entities for the acquisition of retail shopping centers and land that is appropriate for new developments, including other REITs, institutional pension funds and other owner-operators of shopping centers. These competitors may increase the price we pay to acquire properties or may succeed in acquiring those properties themselves. In addition, the sellers of properties we wish to acquire may find our competitors to be more attractive buyers because they may have greater resources, may be willing to pay more, or may have a more compatible operating philosophy. In particular, larger REITs may enjoy significant competitive advantages that result from, among other things, a lower cost of capital and enhanced operating efficiencies. In addition, the number of entities and the amount of funds competing for suitable properties may increase. This would increase demand for these properties and therefore increase the prices paid for them. If we pay higher prices for properties or are unable to acquire suitable properties at reasonable prices, our financial condition and operating results may be adversely affected.

We may not be successful in identifying or completing suitable acquisitions and new developments that meet our criteria, which may affect our financial results and impede our growth.

Integral to our business strategy is our ability to continue to acquire and develop properties. We may not be successful in identifying suitable real estate properties that meet our acquisition criteria and are compatible with our growth strategy or in consummating acquisitions or investments on satisfactory terms. We also may not be successful in identifying suitable areas for new development, negotiating for the acquisition of the land, obtaining required permits and

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authorizations, completing developments in accordance with our budgets and on a timely basis or leasing any newly-developed space. If we fail to identify or complete suitable acquisitions or developments within our budget, our financial condition and results of operations could be adversely affected and our growth could slow, which in turn could adversely impact our share price.

Our redevelopment projects may not yield anticipated returns, which would adversely affect our operating results.

A key component of our business strategy is exploring redevelopment opportunities at existing properties within our portfolio and in connection with property acquisitions. To the extent that we engage in these redevelopment activities, they will be subject to the risks normally associated with these projects, including, among others, cost overruns and timing delays as a result of the lack of availability of materials and labor, weather conditions and other factors outside of our control. Any substantial unanticipated delays or expenses could adversely affect the investment returns from these redevelopment projects and adversely impact our operating results.

Competition may affect our ability to renew leases or re-let space on favorable terms and may require us to make unplanned capital improvements.

We face competition from similar retail centers within the trade areas in which our centers operate to renew leases or re-let space as leases expire. Some of these competing properties may be newer, better located or better tenanted than our properties. In addition, any new competitive properties that are developed within the trade areas in which we operate may result in increased competition for customer traffic and creditworthy tenants. We may not be able to renew leases or obtain new tenants to whom space may be re-let as leases expire, and the terms of renewals or new leases (including the cost of required renovations or concessions to tenants) may be less favorable to us than current lease terms. Increased competition for tenants may require us to make capital improvements to properties which we would not have otherwise planned to make. In addition, we face competition from alternate forms of retailing, including home shopping networks, mail order catalogues and on-line based shopping services, which may limit the number of retail tenants that desire to seek space in shopping center properties generally. If we are unable to re-let substantial amounts of vacant space promptly, if the rental rates upon a renewal or new lease are significantly lower than expected, or if reserves for costs of re-letting prove inadequate, then our earnings and cash flow will decrease.

We may be restricted from re-letting space based on existing exclusivity lease provisions with some of our tenants.

In many cases, our leases contain provisions giving the tenant the exclusive right to sell clearly identified types of merchandise or provide specific types of services within the particular retail center or limit the ability of other tenants to sell that merchandise or provide those services. When releasing space after a vacancy, these provisions may limit the number and types of prospective tenants suitable for the vacant space. If we are unable to re-let space on satisfactory terms, our operating results would be adversely impacted.

Rising operating expenses could adversely affect our operating results.

Our current properties and any properties we acquire in the future are and will be subject to risks associated with rising operating expenses, any or all of which may negatively affect us. If any property is not fully occupied or if rents being paid are not sufficient to cover operating expenses, then we could be required to expend funds for that property's operating expenses. Our properties are subject to increases in real estate and other tax rates, utility costs, insurance costs, repairs and maintenance and administrative expenses.

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While most of our leases require that tenants pay all or a portion of the applicable real estate taxes, insurance and operating and maintenance costs, renewals of leases or future leases may not be negotiated on these terms, in which event we will have to pay those costs. If we are unable to lease properties on a basis requiring the tenants to pay all or some of these costs, or if tenants fail to pay required tax, insurance, utility and other expenses, we could be required to pay those costs, which could adversely affect our operating results.

The illiquidity of our real estate investments could significantly impede our ability to respond to adverse changes in the performance of our properties, which could adversely impact our financial condition.

Because real estate investments are relatively illiquid, our ability to promptly sell one or more properties in our portfolio in response to changing economic, financial and investment conditions is limited. The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond our control. We cannot predict whether we will be able to sell any property for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a willing purchaser and to complete the sale of a property. We may be required to expend funds to correct defects or to make improvements before a property can be sold. We cannot assure you that we will have funds available to correct those defects or to make those improvements. These factors and any others that would impede our ability to respond to adverse changes in the performance of our properties could significantly adversely affect our financial condition and operating results.

If we suffer losses that are not covered by insurance or that are in excess of our insurance coverage limits, we could lose invested capital and anticipated profits.

Catastrophic losses, such as losses resulting from wars, acts of terrorism, earthquakes, floods, hurricanes, tornadoes or other natural disasters, pollution or environmental matters, generally are either uninsurable or not economically insurable, or may be subject to insurance coverage limitations, such as large deductibles or co-payments. Although we currently maintain all risk replacement cost insurance for our buildings, rents and personal property, commercial general liability insurance and pollution liability insurance, our insurance coverage may be inadequate if any of the events described above occurred to, or caused the destruction of, one or more of our properties. Under that scenario, we could lose both our invested capital and anticipated profits from that property.

RISKS RELATED TO OUR DEBT OBLIGATIONS

We have substantial debt obligations, including variable rate debt, which may impede our operating performance and put us at a competitive disadvantage.

Required repayments of debt and related interest can adversely affect our operating performance. Upon completion of this offering, the application of the estimated net proceeds and the consummation of the transactions described under Use of Proceeds, we expect to have approximately \$337.1 million of outstanding indebtedness. Approximately \$66.8 million of this debt will bear interest at a variable rate, and we have the ability to borrow an additional \$39.9 million under our existing secured credit facility. Increases in interest rates on our existing indebtedness would increase our interest expense, which could adversely affect our cash flow and our ability to pay dividends. For example, if market rates of interest on our variable rate debt outstanding as of December 31, 2001 increased by 100 basis points, the increase in interest expense on our existing variable rate debt would decrease future earnings and cash flows by approximately \$768,000 annually.

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The amount of our debt may adversely affect our business and operating results by:

requiring us to use a substantial portion of our funds from operations to pay interest, which reduces the amount available for dividends,

placing us at a competitive disadvantage compared to our competitors that have less debt,

making us more vulnerable to economic and industry downturns and reducing our flexibility to respond to changing business and economic conditions, and

limiting our ability to borrow more money for operations, capital or to finance acquisitions in the future.

Subject to compliance with the financial covenants in our borrowing agreements, our management and Board of Trustees have discretion to increase the amount of our outstanding debt at any time. We could become more highly leveraged, resulting in an increase in debt service costs that could adversely affect our cash flow and the amount available for distribution to our shareholders. If we increase our debt, we may also increase the risk of default on our debt.

Because we must annually distribute a substantial portion of our income to maintain our REIT status, we will continue to need additional debt and/or equity capital to grow.

In general, we must annually distribute at least 90% of our taxable net income to our shareholders to maintain our REIT status. As a result, those earnings will not be available to fund acquisition, development or redevelopment activities. We have historically funded acquisition, development and redevelopment activities by:

borrowing from financial institutions,

retaining cash flow that we are not required to distribute to maintain our REIT status,

selling assets that we do not believe present the potential for significant future growth or that are no longer compatible with our business plan,

selling preferred shares, and

entering into joint venture transactions with third parties.

We expect to continue to fund our acquisition, development and redevelopment activities in this way. Our failure to obtain funds from these sources could limit our ability to grow, which could have a material adverse effect on the value of our common shares.

Our financial covenants may restrict our operating or acquisition activities, which may adversely impact our financial condition and operating results.

The financial covenants contained in our mortgages and debt agreements reduce our flexibility in conducting our operations and create a risk of default on our debt if we cannot continue to satisfy them. The mortgages on our properties contain customary negative covenants such as those that limit our ability, without the prior consent of the lender, to further mortgage the applicable property or to discontinue insurance coverage. In addition, if we breach covenants in our debt agreements, the lender can declare a default and require us to repay the debt immediately and, if the debt is secured, can ultimately take possession of the property securing the loan.

In particular, our outstanding credit facility contains customary restrictions, requirements and other limitations on our ability to incur indebtedness, including limitations on total liabilities to assets and minimum debt service coverage and tangible net worth ratios. Our ability to borrow under our credit facility is subject to compliance with these financial and other

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covenants. We rely in part on borrowings under our credit facility to finance acquisition, development and redevelopment activities and for working capital. If we are unable to borrow under our credit facility or to refinance existing indebtedness, our financial condition and results of operations would likely be adversely impacted.

Mortgage debt obligations expose us to increased risk of loss of property, which could adversely affect our financial condition.

Incurring mortgage debt increases our risk of loss because defaults on indebtedness secured by properties may result in foreclosure actions by lenders and ultimately our loss of the related property. We have entered into mortgage loans which are secured by multiple properties and contain cross collateralization and cross default provisions. Cross collateralization provisions allow a lender to foreclose on multiple properties in the event that we default under the loan. Cross default provisions allow a lender to foreclose on the related property in the event a default is declared under another loan. For federal income tax purposes, a foreclosure of any of our properties would be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure but would not receive any cash proceeds.

TAX RISKS

For purposes of this section, we, our and us refer to Ramco-Gershenson Properties Trust, a Maryland real estate investment trust, including its predecessor, Ramco-Gershenson Properties Trust (formerly known as RPS Realty Trust), a Massachusetts business trust, but excluding all of its subsidiaries and affiliated entities.

We are involved in various tax disputes with the Internal Revenue Service and may not be able to resolve these disputes on satisfactory terms.

We are involved in a dispute with the Internal Revenue Service, also known as the IRS, that relates to its examination of our taxable years ended December 31, 1991 through 1995. During the third quarter of 1994, we held more than 25% of the value of our total assets in short-term Treasury Bill reverse repurchase agreements, which could be viewed as non-qualifying assets for purposes of determining whether we qualified to be taxed as a REIT. We requested that the IRS enter into a closing agreement with us that our ownership of the short-term Treasury Bill reverse repurchase agreements would not adversely affect our status as a REIT. The IRS deferred any action relating to this issue pending the further examination of our taxable years ended December 31, 1991 through 1994. As discussed below, the IRS has proposed to disqualify us as a REIT for our taxable year ended December 31, 1994 based on our ownership of the short-term Treasury Bill reverse repurchase agreements.

If we were to fail to qualify as a REIT for any taxable year, we would be subject to federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates for such year, and distributions to shareholders would not be deductible by us in computing our taxable income. Any such corporate tax liability could be substantial and, unless we were indemnified against such tax liability, would reduce the amount of cash we have available for distribution to our shareholders, which in turn could have a material adverse impact on the value of, and trading prices for, our common shares. In addition, we would not be able to re-elect REIT status until the fifth taxable year following the initial year of disqualification unless we were to qualify for relief under applicable Internal Revenue Code provisions. See Federal Income Tax Considerations beginning on page 61 of this prospectus for a discussion of the material federal income tax consequences relating to us and the acquisition, holding and disposition of our common shares.

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In May 1996, we acquired substantially all of the shopping center and retail properties, as well as the management organization and business operations, of Ramco-Gershenson, Inc. and certain of its affiliates. At that time, we contributed seven mortgage loans, three real estate properties and other assets to Atlantic Realty Trust, a newly formed REIT (referred to in this section as Atlantic), and distributed all of the stock of Atlantic to our shareholders. In connection with the organization of Atlantic and distribution of all of its stock, we entered into a tax agreement with Atlantic under which Atlantic assumed all tax liability arising out of the IRS then ongoing examination, excluding any tax liability relating to any actions or events occurring, or any tax return position taken, after May 10, 1996, but including liabilities for interest, penalties, additions to tax and costs relating to covered taxes. In addition, the tax agreement provides that, to the extent any taxes covered by the tax agreement can be avoided through the declaration of a deficiency dividend (that is, our declaration and payment of a current distribution that is permitted to relate back to the year for which the IRS determines a deficiency in order to satisfy the requirement for REIT qualification that we distribute a certain minimum percentage of our taxable income for such year), we will make, and Atlantic will reimburse us for the amount of, such deficiency dividend.

In addition to examining our taxable years ended December 31, 1991 through 1994, the IRS has examined our taxable year ended December 31, 1995. Based on these examinations, the IRS has not only proposed to disqualify us as a REIT for our taxable year ended December 31, 1994 based on our ownership of the short-term Treasury Bill reverse repurchase agreements, as noted above, but has also proposed to adjust (increase) our REIT taxable income for the taxable years ended December 31, 1991, 1992, 1993 and 1995. If sustained, the adjustments proposed by the IRS to our REIT taxable income would in and of themselves disqualify us as a REIT for at least some of these years unless we were to pay a deficiency dividend for each of the taxable years for which we would otherwise be disqualified as a REIT as a result of having failed to distribute a sufficient amount of our taxable income. We are continuing to dispute these issues with the IRS through an administrative appeals procedure. In addition, the IRS is currently conducting an examination of our taxable years ended December 31, 1996 and 1997, and of one of our subsidiary partnerships for the taxable years ended December 31, 1997 and 1998.

Based on the second of two examination reports issued by the IRS, we could be liable for up to approximately \$54.1 million in combined taxes, penalties and interest through March 31, 2002, for our taxable years ended December 31, 1991 through 1995. However, the second examination report acknowledges (as does the first examination report) that we can avoid disqualification as a REIT for our examined tax years other than for the tax year ended December 31, 1994 if we distribute a deficiency dividend to our shareholders. The distribution of a deficiency dividend would be deductible by us, thereby reducing our liability for federal income tax. Based on the second examination report, the proposed adjustments to our REIT taxable income would require us to pay a deficiency dividend to our current shareholders resulting in combined taxes, penalties, interest and deficiency dividends for our taxable years ended December 31, 1991 through 1995 of approximately \$56.3 million as of March 31, 2002.

If the IRS successfully challenges our status as a REIT for any taxable year, we would not be able to re-elect REIT status until the fifth taxable year following the initial year of disqualification (unless we were to qualify for relief under applicable Internal Revenue Code provisions). Thus, for example, if the IRS successfully challenges our status as a REIT solely for our taxable year ended December 31, 1994 based on our ownership of the short-term Treasury Bill reverse repurchase agreements, we would not be able to re-elect REIT status until our taxable year which began January 1, 1999, unless we were to qualify for relief.

In the notes to the consolidated financial statements made part of Atlantic's annual report on Form 10-K filed with the Securities and Exchange Commission for its fiscal year ended December 31, 2001, Atlantic has disclosed its liability for the tax deficiencies (and interest and

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penalties on the tax deficiencies) proposed to be assessed against us by the IRS for the taxable years ended December 31, 1991 through 1995, as reflected in each of the two examination reports issued by the IRS. We believe, but can provide no assurance, that Atlantic currently has sufficient assets to pay such tax deficiencies, interest and penalties. According to the annual report on Form 10-K filed by Atlantic for its fiscal year ended December 31, 2001, Atlantic had net assets at December 31, 2001 of \$57.9 million (determined pursuant to the liquidation basis of accounting). If the amount of tax, interest and penalties assessed against us ultimately exceeds the amounts proposed in each of the examination reports, however, because interest continues to accrue on the proposed tax deficiencies, or additional tax deficiencies are proposed or for any other reason, then Atlantic may not have sufficient assets to reimburse us for all amounts we must pay to the IRS, and we would be required to pay the difference out of our own funds. Accordingly, the ultimate resolution of any controversy over tax liabilities covered by the tax agreement may have a material adverse effect on our financial position, results of operations or cash flows, including if we are required to distribute deficiency dividends to our shareholders and/or pay additional taxes, interest and penalties to the IRS in amounts that exceed the value of Atlantic's net assets. Moreover, the IRS may assess us with taxes that Atlantic is not required under the tax agreement to pay, such as taxes arising from the recently-commenced examination of us for the taxable years ended December 31, 1996 and 1997, and of our subsidiary partnership for the taxable years ended December 31, 1997 and 1998. There can be no assurance, therefore, that the IRS will not assess us with substantial taxes, interest and penalties which Atlantic cannot, is not required to or otherwise does not pay. Our tax dispute is described in more detail under the caption "Federal Income Tax Considerations - Tax Audit" beginning on page 71 of this prospectus.

Our failure to qualify as a REIT would result in higher taxes and reduced cash

available for our shareholders.

We operate in a manner so as to qualify as a REIT for federal income tax purposes. Although we do not intend to request a ruling from the IRS as to our REIT status, we have received the opinion of Honigman Miller Schwartz and Cohn LLP with respect to our qualification as a REIT since the commencement of our taxable year which began January 1, 2002. This opinion was issued in connection with this offering of common shares. A copy of this opinion is filed as an exhibit to the registration statement of which this prospectus is a part. Investors should be aware, however, that opinions of counsel are not binding on the IRS or any court. The opinion of Honigman Miller Schwartz and Cohn LLP represents only the view of our special tax counsel based on its review and analysis of existing law and on certain representations as to factual matters and covenants made by us and our Chief Executive Officer. Furthermore, both the validity of the opinion and our continued qualification as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution and shareholder ownership requirements on a continuing basis, the results of which will not be monitored by Honigman Miller Schwartz and Cohn LLP.

As discussed above, if we were to fail to qualify as a REIT for any taxable year, we would be subject to federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates, and distributions to shareholders would not be deductible by us in computing our taxable income. Any such corporate tax liability could be substantial and, unless we were indemnified against such tax liability, would reduce the amount of cash available to us for distribution to our shareholders, which in turn could have a material adverse impact on the value of, and trading prices for, our common shares.

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USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of 4,200,000 common shares in this offering will be approximately \$67,840,000, after payment of the underwriting discounts and estimated offering expenses payable by us.

We intend to use the net proceeds of the sale of our common shares in this offering initially to pay down outstanding balances under our credit facility. Our credit facility expires in September 2003 and has a variable interest rate which is between 162.5 basis points and 225.0 basis points above LIBOR, depending on certain debt ratios, and was 200.0 basis points above LIBOR at December 31, 2001.

Following the offering, we expect to borrow approximately \$26.6 million under our credit facility to redeem 1,200,000 of our series A preferred shares. These shares were originally issued at a price of \$25.00 per share, and we have entered into an agreement with the holders of these shares giving us the right to redeem the shares at a price per series A preferred share of \$22 1/7. We also plan to borrow approximately \$9.1 million under our credit facility to purchase the equity of our joint venture partner in the Rivertowne Square and Chester Springs shopping centers.

The description above is our estimated allocation of the estimated net proceeds from the sale of common shares in this offering. We might change the allocation among the categories discussed above or to new categories in response to, among other things, changes in our business plans, future revenues and expenses and industry, regulatory or competitive conditions. The amount of our expenses and their timing will vary depending on a number of factors, including changes in our expected operations or business plan and changes in economic and industry conditions. Any such shifts will be at the discretion of our Board of Trustees and officers.

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The following table sets forth our actual capitalization at December 31, 2001 and as adjusted to give effect to the sale of 4,200,000 common shares we are offering by this prospectus, the application of the estimated net proceeds to us from that offering and the consummation of the transactions described under Use of Proceeds. See Use of Proceeds. You should read this table together with Management's Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and the notes to our financial statements included elsewhere in this prospectus.

	December 31, 2001	
	Actual	As Adjusted
(in thousands)		
Debt:		
Mortgage loans	\$ 222,850	\$ 244,850
Secured credit facility	102,300	70,105
Unsecured term loan	22,125	22,125
Total debt	347,275	337,080
Minority Interest	48,157	48,157
Shareholders' equity:		
Preferred shares, par value \$0.01; 10,000,000 shares authorized; 1,400,000 series A preferred shares issued and outstanding (0 shares, as adjusted), liquidation value of \$35,000,000 (\$0, as adjusted)(1)	33,829	
Common shares, par value \$0.01; 30,000,000 shares authorized; 7,091,526 issued and outstanding (11,578,063 shares, as adjusted)(1)(2)	71	116
Additional paid-in capital	150,186	222,814
Accumulated other comprehensive loss	(3,179)	(3,179)
Cumulative distributions in excess of net income	(47,502)	(45,077)
Total shareholders' equity	133,405	174,674
Total Capitalization	\$ 528,837	\$ 559,911

(1) The number of preferred shares as adjusted reflects the automatic conversion upon the consummation of this offering of the 200,000 series A preferred shares which we will not redeem from the proceeds of this offering into 286,537 common shares.

(2) The number of common shares outstanding as of December 31, 2001 does not include:

653,605 common shares issuable upon exercise of outstanding options granted under our stock option plans,

2,944,977 common shares issuable upon exchange of outstanding units in our operating partnership, Ramco-Gershenson Properties, L.P., and

2,005,763 common shares issuable upon conversion of our outstanding series A preferred shares.

See Notes 14 and 15 of the accompanying financial statements.

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Our common shares are listed on The New York Stock Exchange under the trading symbol RPT. The following table sets forth, for the periods indicated, the range of high and low closing sales prices for our common shares as reported on The New York Stock Exchange and the cash dividends paid per share.

	<u>High</u>	<u>Low</u>	<u>Dividends</u>
Year Ended December 31, 2000			
First Quarter	\$ 14.875	\$ 12.375	\$ 0.42
Second Quarter	15.875	13.500	0.42
Third Quarter	15.562	13.875	0.42
Fourth Quarter	14.750	12.937	0.42
Year Ended December 31, 2001			
First Quarter	\$ 15.00	\$ 13.25	\$ 0.42
Second Quarter	17.55	13.70	0.42
Third Quarter	18.15	14.33	0.42
Fourth Quarter	17.57	16.05	0.42
Year Ending December 31, 2002			
First Quarter	\$ 18.30	\$ 16.15	\$ 0.42
Second Quarter (through April 23, 2002)	18.65	17.64	0.42

On April 23, 2002 the last sales price for our common shares reported on The New York Stock Exchange was \$17.64 per share. As of December 31, 2001, we had 2,170 shareholders of record.

Dividend Policy

Dividends are paid to our shareholders on a quarterly basis if, as and when declared by our Board of Trustees. In order to maintain our status as a REIT, we are generally required to distribute annually to our shareholders at least 90% of our adjusted REIT taxable income (as defined in the Internal Revenue Code).

Future dividends on our common shares will be at the discretion of our Board of Trustees and will depend on, among other things, our results of operations, financial condition and capital requirements, the annual distribution requirements under the REIT provisions of the Internal Revenue Code, our debt service requirements and other factors as our Board of Trustees may deem relevant. In addition, our credit facility contains a financial covenant which could limit the amount of dividends we could pay in the event of a deterioration in our results of operations or financial condition and which prohibits the payment of dividends on our common shares in the event that we fail to pay when due (subject to any applicable grace period) any principal of or interest on borrowings under the credit facility. Accordingly, we cannot assure you that future dividends will be paid or sustained at current levels.

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Historically, our retained funds from operation have allowed us to maintain strong dividend coverage. The chart below sets forth our distribution coverage for each of the last two years:

		For the Year Ended December 31,	
		2000	2001
Total Funds from Operations	Diluted	\$ 30,126	\$ 31,607
Less: Distributions		(20,362)	(20,233)
Retained Funds from Operations	Diluted	9,764	11,374
Diluted Funds from Operations Payout Ratio(1)		67.6%	64.0%
Distribution Coverage(2)		1.5	1.6

(1) Represents distributions divided by total funds from operations diluted.

(2) Represents total funds from operations diluted divided by distributions.

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DESCRIPTION OF THE COMPANY

Overview

We are a fully integrated, self-administered and self-managed real estate investment trust, also known as a REIT, that develops, acquires, manages and owns community shopping centers in the midwestern, southeastern and mid-Atlantic regions of the United States. As of December 31, 2001, we had a portfolio of 57 shopping centers totaling approximately 11.4 million square feet of gross leaseable area located in 12 states. Our shopping centers include 56 community shopping centers, including nine power centers and three single tenant facilities. We also own one enclosed regional mall. Our properties are located in convenient and easily-accessible locations with abundant parking which are close to residential communities and offer excellent visibility for our tenants and easy access for shoppers.

Historical Overview and Organizational Structure

For approximately half a century, Ramco-Gershenson, Inc. and its predecessor developed and owned shopping centers throughout the United States. Over that time, we developed or acquired over 60 shopping centers with a total of over 16.5 million square feet.

In May 1996, our predecessor, RPS Realty Trust, acquired through a reverse merger substantially all the shopping centers and retail properties as well as the management company and business operations of Ramco-Gershenson, Inc. and some of its affiliates. The resulting trust changed its name to Ramco-Gershenson Properties Trust and relocated its corporate office to Southfield, Michigan, where Ramco-Gershenson, Inc.'s officers assumed management responsibility. The trust also changed its operations from a mortgage REIT to an equity REIT and contributed seven mortgage loans, three real estate properties and other assets to Atlantic Realty Trust, an independent, newly formed liquidating REIT, all of the stock of which was distributed to the shareholders of the trust.

In 1997, with approval from our shareholders, we changed our state of organization from Massachusetts to Maryland by terminating the Massachusetts trust and merging into a newly-formed Maryland real estate investment trust.

We conduct substantially all of our business, and hold substantially all of our interests in our properties, through our operating partnership, Ramco-Gershenson Properties, L.P., either directly or indirectly through partnerships or limited liability companies which hold fee title to the properties. We have the exclusive power to manage and conduct the business of our operating partnership. As of December 31, 2001, our company owned approximately 70.7% of the interests in our operating partnership. Set forth below is a chart which depicts the structure of our organization as of December 31, 2001.

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ORGANIZATIONAL STRUCTURE

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- (1) After giving effect to this offering, approximately 96.8% of our common shares will be held by our public shareholders and approximately 3.2% by our executive officers and trustees. Units of our operating partnership are redeemable at the holder's request. These units may be redeemed, at our option and in our sole discretion, either for common shares on a one-for-one basis and/or cash (based on the fair market value of an equivalent number of common shares at the time of redemption). If all units of the operating partnership were redeemed by us for common shares, our company would be owned approximately 83.5% by our public shareholders and approximately 16.5% by our executive officers and trustees. Our executive officers and trustees also hold stock options to acquire an aggregate of 505,000 common shares, which, if exercised in full, would reduce the percentage of our company owned by our public shareholders to 80.7% on a fully-diluted basis.

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Competitive Strengths

Based on our long history in the shopping center industry, the caliber of our management team and the quality of our assets, we believe that we are uniquely positioned to capitalize on opportunities in the real estate market as they present themselves.

Community Shopping Center Focus

We are predominantly a community shopping center company with a focus on acquiring, developing and managing centers primarily anchored by grocery stores and nationally-recognized discount department stores. It is our belief that centers with a grocery and/or discount component attract consumers seeking value-priced products. Since these products are required to satisfy everyday needs, customers usually visit the centers on a weekly basis. Our shopping centers are focused in metropolitan trade areas in the midwestern and the southeastern regions of the United States. We also own and operate three centers in the mid-Atlantic region of the United States. Our anchor tenants include Wal-Mart, Target, Kmart, Kohl's, Home Depot and Lowe's Home Improvement. Approximately 57.1% of our community shopping centers have grocery anchors, including Publix, A&P, Kroger, Super Valu, ShopRite, Kash n Karry, Winn-Dixie, Giant Eagle and Meijer.

Markets In Which We Operate

Our shopping centers are primarily located in major metropolitan areas in the midwestern and southeastern regions of the United States. By focusing our energies on these markets, we have developed a thorough understanding of the unique characteristics of these trade areas. Based on data provided by Market Insight Group, 61.5% of our midwestern centers are located in trade areas with income levels that exceed the national average, and 84.0% of our southeastern centers are located within markets that exceed national average population growth rates. In both of these regions we have concentrated a number of centers in reasonable proximity to each other in order to achieve market penetration as well as efficiencies in management, oversight and purchasing.

Proactive Asset Management

We are proactive asset managers. We use our asset management personnel to perform a variety of functions, including playing a major role in creating and assessing leasing, redevelopment, acquisition and development opportunities. Our proactive approach to leasing has allowed us to consistently maintain a high occupancy rate, ranging between 93.0% and 95.5% during each of the last five years. As of December 31, 2001, our annual rate of tenant retention upon lease expiration averaged 73.0%. Our asset management team also helps to ensure that our centers remain competitive in their respective trade areas. For example, based on our asset managers' recommendations, we have repositioned fully leased centers to take advantage of changes in retail trends and demographics. In addition, when considering an acquisition, we use our experience and tenant contacts to look for value-added opportunities which may not have been capitalized on by the existing owner and which may have been overlooked by our competitors. We are also able to use our tenant contacts to assess our customers' needs for space when we evaluate potential development projects.

Experienced Management Team

Our management team has an average of approximately 27 years of experience in the real estate industry, including acquisition, development, financing, leasing and asset management experience. Over the last three decades, the members of our management team have taken advantage of the opportunities that are present in prosperous times and have met the challenges of working through market downturns. A number of our executives have worked for

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national retailers, providing them with unique insight into the business needs and demands of these anchor tenants. Our management team has a proven track record of adding value to our shopping centers. We feel that our management team's knowledge of the markets in which we operate, established long-standing tenant relationships and ability to anticipate retailing trends provide us a key competitive advantage. Moreover, our management and trustees currently own 19.9% of our company (assuming the conversion into our common shares of all of our outstanding preferred shares and all of the outstanding units in our operating partnership but excluding our outstanding stock options), which aligns management's interests with that of our shareholders.

Business Strategy

Our goal is to maximize total return for our shareholders by improving operating income and enhancing asset value. We achieve this objective by owning and managing a portfolio of shopping centers located in attractive markets with strong economic and demographic characteristics.

We pursue our goal through:

An aggressive approach to repositioning, renovating and expanding our shopping centers. Our management team assesses our centers annually to identify redevelopment opportunities and proactively engage in value-enhancing activities. These efforts have improved our property values and increased our operating income. They also keep our centers attractive, well tenanted and properly maintained. Since 1996, we have completed the repositioning of 19 shopping centers, producing a weighted average return on incremental invested capital of 14.7%. We calculate a redevelopment project's return on incremental invested capital as the sum of the new tenant rents less the displaced tenant rents for the project, divided by the sum of all capitalized costs associated with the project, including land, construction costs, architectural and engineering services, brokerage commissions, legal fees, demolition, lease buyouts and financing costs incurred during the construction period.

The acquisition of community shopping centers in the midwestern, southeastern and mid-Atlantic regions of the United States with a focus on grocery and nationally-recognized discount department store anchor tenants. We seek transactions that are accretive to our funds from operations and that lend themselves to value-added opportunities which result in increased operating income and improved property value. Our experience allows us to create additional income through the expansion, retenanting or redevelopment of portions of our acquisition properties.

The development of new shopping centers in emerging areas in metropolitan markets in which we currently operate and where we believe demand for a center exists. We do not begin a development until, at a minimum, we have leases with the anchor tenant and indications of interest from other tenants. We pursue developments that we expect, when completed, will generate a stabilized unleveraged return on costs of at least 12.0%. In some instances we also seek to maximize our return and minimize risk by leasing parcels of land to our major anchor tenants. We calculate a shopping center's stabilized unleveraged return on costs by dividing the net operating income of the shopping center (assuming full lease-up) by the total cost of the shopping center, including the cost of land, construction costs and the capitalized costs associated with architectural and engineering services, brokerage commissions, legal fees and financing costs incurred during the construction period. This calculation does not take into account any permanent financing interest cost or debt repayment.

A proactive approach to leasing unoccupied spaces and occupied spaces where leases are about to expire. We also look for opportunities to retenant our properties to meet

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changing market demands. During the year ended December 31, 2001, we signed 72 new leases with rents representing a 25.8% increase over our portfolio average rent per square foot, including 64 new leases with non-anchor tenants. During 2001, we also renewed 71 leases with existing tenants at a 5.3% average increase in rentals over prior rates, including 69 leases with existing non-anchor tenants at a 6.7% average increase in rentals over prior rates. Our current portfolio average base rent per square foot is \$7.44 overall and \$11.26 for non-anchor tenants. At December 31, 2001, our overall occupancy rate was 95.5%.

The promotion of our shopping centers through print and radio media as well as on site activities and holiday circulars. We believe that we are somewhat unique in applying promotional efforts that typically are associated with super regional malls to our community centers. We find that having the landlord organize promotional events for our centers increases customer traffic and stimulates sales that translate into higher rental rates. We not only promote our shopping centers, but these efforts are formatted to produce measurable results so that we can gauge the effectiveness of our actions.

Financing Strategy

Our goal is to have a strong and flexible financial position by accessing multiple sources of capital and by managing our leverage and variable interest rate exposure. We expect to finance future growth by:

incurring indebtedness through additional borrowings,

retaining cash flow that we are not required to distribute to maintain our REIT status,

selling properties where we do not see any further potential for rental growth or which are no longer compatible with our business plan,

selling common shares, preferred shares or debt securities through public offerings or private placements, and

issuing units of limited partnership interests of our operating partnership in exchange for contributed property.

Industry Overview

The International Council of Shopping Centers, or ICSC, in an industry report dated April 2001, estimates that retail shopping center sales in the United States were approximately \$1.1 trillion in 2000 and have grown at an average annual rate of 5% since 1990. At the end of 2000, there were 45,025 shopping centers containing 5.6 billion square feet of gross leaseable area in the United States, according to the ICSC report. ICSC also estimates that adult visitors to shopping centers in the United States averaged 197 million per month in 2000, an increase of over 3% above the average monthly traffic for 1999.

According to the Urban Land Institute, shopping centers are typically organized in five categories: convenience, neighborhood, community, regional and super regional centers. The shopping centers are distinguished by various characteristics, including center size, the number and type of anchor tenants and the types of products sold.

Convenience centers include at least three tenants with a gross leaseable area of up to 30,000 square feet and are generally anchored by a tenant that provides personal/convenience service such as a mini market.

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Neighborhood centers provide for the sale of personal services and goods for the day-to-day living of the immediate neighborhood. Average gross leaseable area of a neighborhood center is approximately 60,000 square feet. These centers may include a grocery store.

Community centers provide, in addition to convenience goods and personal services offered by neighborhood centers, a wider range of soft and hard line goods. Average gross leaseable area of a community center ranges between 100,000 and 500,000 square feet. The center may include a grocery store, discount department store, super drug store, and several specialty stores. In some cases a community center may be classified as a power center. A power center may have over 1,000,000 square feet of gross leaseable area and include several category specific off-price anchors of 20,000 or more square feet. These anchors typically emphasize hard goods such as consumer electronics, sporting goods, office supplies, home furnishings and home improvement goods. It is our experience that the demand for the types of goods and services offered at community centers is not generally affected by economic downturns.

Regional centers, also known as regional malls, are built around two or more full line department stores of generally not less than 50,000 square feet. Their typical size ranges from 250,000 to about 900,000 square feet. Regional malls provide services typical of a business district but are not as extensive as those provided by a super regional mall.

Super regional centers, also known as super regional malls, are built around three or more full line department stores of generally not less than 75,000 square feet. Their typical size ranges from 500,000 square feet to more than 1,500,000 square feet. These centers offer an extensive variety of general merchandise, apparel furniture and home furnishings.

Acquisition and Market Selection Process

We seek to acquire primarily community shopping centers in trade areas with attractive demographic characteristics. Our acquisition activities are focused in major metropolitan areas in the states in which we currently operate. In general, our strategy is to target geographic areas proximate to our existing community shopping centers which allows us to maximize our current resources and manage expenses. We seek to establish a firm market presence by owning multiple properties in an area. We will, however, continue to evaluate all potential acquisitions on a property-by-property and market-by-market basis. The types of markets in which we seek to acquire community shopping centers have some or all of the following characteristics:

a stable or growing population,

strong average household income levels, and

a diverse economy.

Within specific markets, we seek a convenient and easily accessible location with abundant parking facilities, close to residential communities, with excellent visibility for our tenants and easy access for shoppers. We also look for community shopping centers with a tenant mix which is appropriate for the trade area and in which we believe there are redevelopment opportunities which could increase our investment returns. Since 1996, we have acquired 28 properties, totaling approximately 4.6 million square feet, at a total cost of \$260.7 million and an average stabilized unleveraged return on costs of 10.4%.

Development of New Shopping Centers

Our 45-year history as a shopping center developer provides us with the ability to discover outstanding retail sites with development potential. We maintain strong relationships with national and regional anchor tenants, allowing us to assess their interest in our prospective developments. We seek opportunities in trade areas in metropolitan markets in which we currently operate and where we believe demand exists.

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We do not purchase property on a speculative basis. Instead, we only purchase a development parcel once all of our primary anchors have signed leases and many of our smaller retail space tenants have signed leases or indicated an interest in the project. We seek to achieve a stabilized unleveraged return on costs of at least 12.0% for each of our developments by:

leasing land to some anchors to enable them to build their own premises,

providing fixed tenant construction allowances, thus eliminating the risk of cost overruns, and

attempting to realize the highest possible rents.

Our goal has been to develop at least one new shopping center each year. Since 1996, we have developed five shopping centers, totaling approximately 1.6 million square feet, at a cost of \$93.4 million and an average stabilized unleveraged return on costs of 13.7%.

Following are examples of our recent development projects:

White Lake MarketPlace, White Lake, Michigan (a Detroit suburb) This 350,000 square foot development is anchored by Wal-Mart, Home Depot, Farmer Jack (A & P) Supermarket and OfficeMax. The anchors are complemented by 19,000 square feet of additional retail and three outparcels leased to Applebee's, Standard Federal Bank and Blockbuster Video. The White Lake MarketPlace produced a stabilized unleveraged return on costs of 13.8%.

Auburn Mile, Auburn Hills, Michigan (a Detroit suburb) This 650,000 square foot development is anchored by Target, Costco, Meijer and Staples. Target, Costco and Meijer each have the right to purchase their respective parcels after four years. Land leases with outparcel users at this site include Olive Garden, Wendy's and Comerica Bank. By restricting our capital usage to the acquisition of the overall parcel, and assuming that Target, Costco and Meijer exercise their rights to purchase their parcels, we have achieved a stabilized unleveraged return on costs of 13.5% for this project. If none of these tenants exercise their rights to purchase their parcels, we have achieved a stabilized unleveraged return on costs of 10.2% for this project.

Crossroads Centre, Rossford, Ohio (a Toledo suburb) This 600,000 square foot development is anchored by Target, Home Depot and Giant Eagle. The shopping center was developed by a joint venture in which we have a 10% interest. We have the right, but not the obligation, to acquire the entire ownership of this center during 2002. Both Target and Home Depot have the right to purchase their respective parcels after four years. Assuming both of these tenants exercise their rights to purchase their parcels, this project will produce a stabilized unleveraged return on costs of 15.5%. If none of these tenants exercise their rights to purchase their parcels, this project will achieve a stabilized unleveraged return on costs of 14.2%.

Redevelopment of Existing Shopping Centers

The redevelopment of our portfolio is a driver of income growth. In addition, our redevelopment activities enable us to keep our properties competitive and well tenanted. Since 1996, we have completed 19 redevelopments totaling 1.1 million square feet, at an estimated cost of \$38.6 million and a weighted average return on incremental invested capital of 14.7%.

Following are examples of our recent redevelopment projects.

Tel-Twelve Shopping Center, Southfield, Michigan (a Detroit suburb) Originally developed as a regionally enclosed mall in 1968, Tel-Twelve has been expanded and renovated several times. In 2001, we announced the de-malling of this

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630,000 square foot shopping center as part of our redevelopment program. Once this redevelopment project is completed, this center will be comprised of 650,000 square feet and will be anchored by Lowe's Home Improvement, Kmart (one of the original anchors), Circuit City, Office Depot and Media Play.

West Oaks II Shopping Center, Novi, Michigan (a Detroit suburb) We originally developed this 388,000 square foot center in 1987. In 2000, we completed the two-story expansion of the Kohl's store and construction of the first two-story JoAnn etc store.

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As of December 31, 2001, we owned and operated a portfolio of 57 shopping centers totaling approximately 11.4 million square feet of gross leaseable area located in 12 states. Our properties consist of 56 community shopping centers, nine of which are power centers and three of which are single tenant facilities. We also own one enclosed regional mall.

The following table sets forth information regarding the properties we owned and operated as of December 31, 2001.

Property Name and Location	Year Opened or Acquired / Year of Latest Expansion (3)	Gross Leaseable Area at 12/31/01				Annualized Base Rent at 12/31/01		Anchors(15)
		Total (11)	Company Owned (12)	Anchor (13)	% Leased	Total (14)	Per Sq. Ft.	
Community Shopping Centers								
Community Centers								
Chester Springs,								
Chester, NJ(6)	1994/1999	224,138	224,138	81,760	99.0	\$ 2,716,554	\$ 12.25	ShopRite Supermarket, Staples
Aquia Towne								
Center,								
Stafford, VA	1998	240,042	240,042	117,195	96.4	2,556,412	11.05	Shoppers Food Warehouse, Big Lots
West Allis Town								
Centre,								
West Allis, WI	1987	329,454	329,454	216,474	98.8	2,291,608	7.04	Kmart(8), Kmart, Kohl's Supermarket (A&P)(5)
East Town Plaza,								
Madison, WI(6)	1992/1999	341,954	208,959	277,680	93.7	1,671,449	8.54	Burlington, Marshalls, JoAnn, Borders, Toys R Us(1), Shopco(1)
Eastridge								
Commons,								
Flint, MI	1990/1997	271,749	169,840	226,112	98.2	1,627,231	9.76	Farmer Jack (A&P), Staples, Target(1), TJ Maxx
Northwest								
Crossing,								
Knoxville, TN	1997/1995	260,707	260,707	217,443	99.2	1,612,097	6.23	Goody's Family Clothing, Ingles Market(5), Wal- Mart
Roseville Plaza,								
Roseville, MI	1983/1994	295,987	295,987	211,166	91.5	1,582,534	5.84	