

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

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2004

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: 000-25771

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

(Exact name of Registrant as specified in its charter)

Maryland
(State of incorporation)

13-3951476
(I.R.S. Employer Identification No.)

50 Rockefeller Plaza
New York, New York 10020
(Address of principal executive office)

10020
(Zip code)

Registrant's telephone numbers:

Investor Relations (212) 492-8920
(212) 492-1100

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12 (g) of the Act:
Common stock, \$.001 par value

CPA[®]:14 has **SHARES OF COMMON STOCK** registered pursuant to Section 12(g) of the Act.

CPA[®]:14 **HAS NO SECURITIES** registered on any exchanges.

CPA[®]:14 does not have any Securities registered pursuant to Section 12(b) of the Act.

CPA[®]:14 (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for 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.

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

CPA[®]:14 has no active market for common stock at August 6, 2004.

CPA[®]:14 has 67,350,313 shares of common stock, \$.001 par value outstanding at August 6, 2004.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

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* The summarized condensed consolidated financial statements contained herein are unaudited; however, in the opinion of management, all adjustments necessary for a fair presentation of such financial statements have been included.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

PART I

Item 1. - FINANCIAL INFORMATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

	<u>June 30, 2004</u> <u>(Unaudited)</u>	<u>December 31, 2003</u> <u>(Note)</u>
ASSETS:		
Land and buildings, net of accumulated depreciation of \$73,531 at June 30, 2004 and \$62,105 at December 31, 2003	\$ 992,709	\$1,010,438
Net investment in direct financing leases	115,424	114,907
Equity investments	135,186	120,388
Cash and cash equivalents	34,655	54,675
Marketable securities	6,653	6,792
Other assets, net	39,928	38,547
Total assets	<u>\$1,324,555</u>	<u>\$1,345,747</u>
 LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY:		
Liabilities:		
Mortgage notes payable	\$ 691,709	\$ 702,175
Accrued interest	4,385	4,461
Due to affiliates	4,139	4,559
Accounts payable and accrued expenses	4,529	5,968
Prepaid rental income and security deposits	18,538	19,607
Deferred acquisition fees payable to affiliate	19,985	22,530
Dividends payable	12,772	12,662
Total liabilities	<u>756,057</u>	<u>771,962</u>
Minority interest	<u>26,852</u>	<u>27,356</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$.001 par value; authorized, 120,000,000 shares; issued and outstanding, 68,306,747 shares at June 30, 2004 and 67,694,702 shares at December 31, 2003	68	68
Additional paid-in capital	612,995	606,380
Dividends in excess of accumulated earnings	(71,632)	(64,036)
Accumulated other comprehensive income	9,224	11,150
	550,655	553,562
Less, treasury stock at cost, 1,011,903 shares at June 30, 2004 and 802,642 shares at December 31, 2003	<u>(9,009)</u>	<u>(7,133)</u>
Total shareholders' equity	<u>541,646</u>	<u>546,429</u>
Total liabilities, minority interest and shareholders' equity	<u>\$1,324,555</u>	<u>\$1,345,747</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

Note: The balance sheet at December 31, 2003 has been derived from the audited consolidated financial statements at that date.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS of INCOME (Unaudited)

(in thousands, except share and per share amounts)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues:				
Rental income	\$28,193	\$26,753	\$56,442	\$53,312
Interest income from direct financing leases	3,319	3,234	6,707	6,463
Other operating income	<u>948</u>	<u>518</u>	<u>1,168</u>	<u>3,169</u>
	<u>32,460</u>	<u>30,505</u>	<u>64,317</u>	<u>62,944</u>
Operating expenses:				
Depreciation	5,846	5,617	11,705	11,213
General and administrative	1,552	2,170	3,354	4,331
Property expenses	<u>5,798</u>	<u>4,277</u>	<u>10,664</u>	<u>8,869</u>
	<u>13,196</u>	<u>12,064</u>	<u>25,723</u>	<u>24,413</u>
Income from continuing operations before other interest income, minority interest, equity investments, interest expense and (loss) gain	19,264	18,441	38,594	38,531
Other interest income	280	401	611	826
Minority interest in income	(406)	(410)	(812)	(882)
Income from equity investments	3,578	3,354	6,945	6,492
Interest expense	<u>(13,471)</u>	<u>(12,975)</u>	<u>(26,989)</u>	<u>(25,762)</u>
Income from continuing operations before (loss) gain	9,245	8,811	18,349	19,205
Unrealized loss on derivative instruments, net	(853)	(314)	(909)	(104)
Gain on foreign currency transactions, net	<u>513</u>	<u>169</u>	<u>454</u>	<u>169</u>
Net income	<u>\$ 8,905</u>	<u>\$ 8,666</u>	<u>\$17,894</u>	<u>\$ 19,270</u>
Basic and diluted earnings per share:	<u>\$.13</u>	<u>\$.13</u>	<u>\$.27</u>	<u>\$.29</u>
Weighted average shares outstanding – basic and diluted	<u>67,339,075</u>	<u>66,578,604</u>	<u>67,234,339</u>	<u>66,465,459</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

(in thousands)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Net income	<u>\$ 8,905</u>	<u>\$ 8,666</u>	<u>\$17,894</u>	<u>\$19,270</u>
Other comprehensive income:				
Change in foreign currency translation adjustment	(885)	2,034	(1,840)	3,089
Change in unrealized (depreciation) appreciation of marketable securities	<u>(241)</u>	<u>362</u>	<u>(86)</u>	<u>625</u>
	<u>(1,126)</u>	<u>2,396</u>	<u>(1,926)</u>	<u>3,714</u>
Comprehensive income	<u>\$ 7,779</u>	<u>\$11,062</u>	<u>\$15,968</u>	<u>\$22,984</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS of CASH FLOWS (Unaudited)

(in thousands)

	<u>Six Months Ended June 30,</u>	
	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Net income	\$17,894	\$19,270
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,290	11,794
Straight-line rent adjustments	(2,282)	(1,989)
Income from equity investments in excess of distributions received	(455)	(997)
Issuance of shares in satisfaction of current and accrued performance fees	4,008	3,314
Minority interest in income	812	882
Funds released from escrow	-	1,120
Unrealized loss on derivatives, net	909	104
Unrealized loss on foreign currency transactions, net	272	-
Gain on foreign currency transactions, net	(726)	(169)
Decrease in prepaid rents and security deposits	(987)	(2,269)
Change in other operating assets and liabilities, net	<u>(1,134)</u>	<u>(1,666)</u>
Net cash provided by operating activities	<u>30,601</u>	<u>29,394</u>
Cash flows from investing activities:		
Distributions from operations of equity investments in excess of equity income	1,423	564
Purchases of real estate and equity investments and additional capitalized costs	(15,665)	(35,798)
Distributions of mortgage financing proceeds received from equity investee	-	8,722
Payment of value added taxes from purchase of real estate	(1,617)	(924)
Payment of deferred acquisition fees	<u>(3,266)</u>	<u>(2,373)</u>
Net cash used in investing activities	<u>(19,125)</u>	<u>(29,809)</u>
Cash flows from financing activities:		
Proceeds from mortgages	-	4,852
Funds released by mortgage lenders	167	-
Payments of mortgage principal	(5,354)	(4,451)
Distributions to minority interest partner	(1,427)	(1,833)
Contributions from minority interest partner	111	-
Proceeds from issuance of shares, net of costs	2,607	217
Deferred financing costs	-	(266)
Dividends paid	(25,380)	(25,011)
Purchase of treasury stock	<u>(1,876)</u>	<u>(1,138)</u>
Net cash used in financing activities	<u>(31,152)</u>	<u>(27,630)</u>
Effect of exchange rate changes on cash	<u>(344)</u>	<u>564</u>
Net decrease in cash and cash equivalents	(20,020)	(27,481)
Cash and cash equivalents, beginning of period	<u>54,675</u>	<u>74,107</u>
Cash and cash equivalents, end of period	<u>\$34,655</u>	<u>\$46,626</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands, except share and per share amounts)

Note 1. Basis of Presentation:

The accompanying unaudited condensed consolidated financial statements of Corporate Property Associates 14 Incorporated (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Article 10 of Regulation S-X of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. All significant intercompany balances and transactions have been eliminated. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results of the interim period presented have been included. The results of operations for the interim period are not necessarily indicative of results for the full year. These condensed consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2003.

Certain prior year amounts have been reclassified to conform to current year financial statement presentation.

Note 2. Transactions with Related Parties:

In connection with performing services on behalf of the Company, the Advisory Agreement between the Company and W. P. Carey & Co. LLC (the "Advisor"), provides that the Advisor receive asset management and performance fees, each of which are 1/2 of 1% of Average Invested Assets as defined in the Advisory Agreement. The Advisor has elected at its option to receive the performance fee in restricted shares of common stock of the Company rather than cash. The Advisor is also reimbursed for the actual cost of personnel needed to provide administrative services necessary to the operation of the Company. The Company incurred asset management fees of \$2,133 and \$1,889 for the three months ended June 30, 2004 and 2003, respectively, and \$4,236 and \$3,743 for the six months ended June 30, 2004 and 2003, respectively, with performance fees in like amounts, both of which are included in property expenses in the accompanying condensed consolidated financial statements. For the three months ended June 30, 2004 and 2003, the Company incurred personnel reimbursements of \$774 and \$797, respectively, and \$1,549 and \$1,600 for the six months ended June 30, 2004 and 2003, respectively, which are included in general and administrative expenses in the accompanying condensed consolidated financial statements.

Fees are payable to the Advisor for services provided to the Company relating to the identification, evaluation, negotiation, financing and purchase of properties. A portion of such fees is deferred and is payable in equal installments each January over no less than eight years following the first anniversary of the date a property was purchased. Such deferred fees are only payable if the Preferred Return is met. The unpaid portion of the deferred fees bears interest at an annual rate of 6% from the date of acquisition until paid. Current and deferred fees for transactions completed during the six months ended June 30, 2004 were \$901 and \$721, respectively. For transactions that were completed during the six months ended June 30, 2003, the current and deferred fees were \$1,825 and \$1,460, respectively.

Note 3. Equity Investments:

The Company owns interests in single-tenant net leased properties leased to corporations through noncontrolling interests (i) in various partnerships and limited liability companies in which its ownership interests are 50% or less and the Company exercises significant influence, and (ii) as tenants-in-common subject to joint control. The ownership interests range from 11.54% to 50%. All of the underlying investments are owned with affiliates that have similar investment objectives as the Company. The lessees are Advanced Micro Devices, Inc., Compucom Systems, Inc., Textron, Inc., CheckFree Holdings, Inc., Special Devices, Inc., Applied Materials, Inc., TruServ Corporation, Clear Channel Communications, Inc., Starmark Camhood, LLC, U-Haul Moving Partners, Inc. ("U-Haul") and Mercury Partners, LP ("Mercury"). The interests in the properties leased to U-Haul and Mercury were acquired in April 2004 and are described below.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share and per share amounts)

Summarized financial information of the Company's equity investees is as follows:

<i>(In thousands)</i>	<u>June 30, 2004</u>	<u>December 31, 2003</u>
Assets (primarily real estate)	\$1,123,025	\$781,144
Liabilities (primarily mortgage notes payable)	<u>681,032</u>	<u>471,052</u>
Partners' and members' equity	<u>\$ 441,993</u>	<u>\$310,092</u>
Company's share of equity investees' net assets	<u>\$ 135,186</u>	<u>\$120,388</u>
	<u>Six Months Ended June 30,</u>	
	<u>2004</u>	<u>2003</u>
Revenues (primarily rental income and interest income from direct financing leases)	\$ 47,962	\$ 39,705
Expenses (primarily interest on mortgages and depreciation)	<u>(28,885)</u>	<u>(22,663)</u>
Net income	<u>\$ 19,077</u>	<u>\$ 17,042</u>
Company's share of net income from equity investments	<u>\$ 6,945</u>	<u>\$ 6,492</u>

On April 29, 2004, the Company, along with two affiliates, Corporate Property Associates 15 Incorporated and Corporate Property Associates 16 – Global Incorporated, through a limited partnership in which the Company owns an 11.54% interest through a subsidiary, one of which is the general partner, purchased 78 retail self-storage and truck rental facilities and entered into master lease agreements with two lessees that operate the facilities under the U-Haul brand name. The self-storage facilities are leased to Mercury, and the truck rental facilities are leased to U-Haul. The total cost was \$312,445. In connection with the purchase, the limited partnership obtained \$183,000 of limited recourse mortgage financing collateralized by the properties and lease assignments.

The Mercury lease has an initial term of 20 years with two 10-year renewal options and provides for annual rent of \$18,551. The Mercury lease is guaranteed by Mercury 99, LLC, an entity that owns a 99% ownership interest in Mercury. The U-Haul lease has an initial term of 10 years with two 10-year renewal options and provides for annual rent of \$9,990. In the event of default, termination or expiration of the U-Haul lease, Mercury 99, LLC will automatically assume the obligations of the U-Haul lease and Mercury 99, LLC will continue to lease the self-storage facilities and shall lease the truck rental facilities pursuant to the terms (with extension) of the U-Haul lease. Upon Mercury 99, LLC's assumption, the term of the U-Haul lease shall be deemed extended so as to automatically become co-terminus for the term of the Mercury 99, LLC lease. Each lease provides for rent increases every five years based on a formula indexed to the Consumer Price Index.

The loan provides for monthly payments of principal and interest of \$1,230 at a fixed annual interest rate of 6.449% and based on a 25-year amortization schedule. The loan matures on May 1, 2014.

Note 4. Interest in Mortgage Loan Securitization:

The Company is accounting for its subordinated interest in the Carey Commercial Mortgage Trust mortgage securitization as an available-for-sale marketable security, which is measured at fair value with all gains and losses from changes in fair value reported as a component of other comprehensive income as part of shareholders' equity. As of June 30, 2004, the fair value of the Company's interests was \$6,653, reflecting an aggregate unrealized gain of \$812 and cumulative net amortization of \$192 (\$53 for the six months ended June 30, 2004). The fair value of the Company's interests in the trust is determined using a discounted cash flow model with assumptions of market rates and the credit quality of the underlying lessees.

One of the key variables in determining fair value of the subordinated interest is current interest rates. As required by Statement of Financial Accounting Standards ("SFAS") No. 140, "Accounting for Transfer and Servicing of Financial Assets and Extinguishments of Liabilities," a sensitivity analysis of the current value of the interest based on adverse changes in market interest rates of 1% and 2% is as follows:

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share and per share amounts)

	<u>Fair Value as of June 30, 2004</u>	<u>1% Adverse Change</u>	<u>2% Adverse Change</u>
Fair value of the interests	\$6,653	\$6,339	\$6,046

The above sensitivity is hypothetical and changes in fair value, based on a 1% or 2% variation, should not be extrapolated because the relationship of the change in assumption to the change in fair value may not always be linear.

Note 5. Lease Revenues:

The Company's operations consist of the direct and indirect investment in and the leasing of industrial and commercial real estate. The financial reporting sources of lease revenues for the six-month periods ended June 30, 2004 and 2003 are as follows:

	<u>2004</u>	<u>2003</u>
Per Statements of Income:		
Rental income from operating leases	\$56,442	\$53,312
Interest from direct financing leases	6,707	6,463
Adjustment:		
Share of lease revenue applicable to minority interest	(3,980)	(4,036)
Share of lease revenue from equity investments	<u>16,349</u>	<u>14,872</u>
	<u>\$75,518</u>	<u>\$70,611</u>

For the six-month periods ended June 30, 2004 and 2003, the Company earned its net lease revenues from its investments as follows:

	<u>2004</u>	%	<u>2003</u>	%
Carrefour France, SAS	\$ 6,690	9%	\$ 5,415	8%
Starmark Camhood, LLC/Wellbridge Club Management, Inc. (a)	3,746	5	2,967	4
Nortel Networks Limited.	3,000	4	3,000	4
Petsmart, Inc. (b)	2,906	4	2,906	4
Clear Channel Communications, Inc. (a)	2,830	4	2,830	4
TruServ Corporation (a)	2,533	3	2,528	4
Atrium Companies, Inc.	2,278	3	2,224	3
Advance PCS, Inc.	2,150	3	2,150	3
Federal Express Corporation (b)	1,993	3	1,972	3
Tower Automotive, Inc.	1,948	3	1,948	3
Galyan's Trading Company	1,905	3	1,905	3
Katun Corporation	1,902	3	1,860	3
PerkinElmer, Inc.	1,698	2	1,457	2
Collins & Aikman Corporation	1,674	2	1,639	2
Advanced Micro Devices, Inc. (a)	1,629	2	1,629	2
Metaldyne Company LLC	1,625	2	1,582	2
Applied Materials, Inc. (a)	1,609	2	1,549	2
APW North America Inc.	1,466	2	1,394	2
Amerix Corporation	1,249	2	1,229	2
Mayo Foundation (d)	1,210	2	1,210	2
Buffets, Inc.	1,136	2	1,112	2
Institutional Jobbers Company	1,135	2	1,135	2
Other (a) (b) (c)	<u>27,206</u>	<u>33</u>	<u>24,970</u>	<u>34</u>
	<u>\$75,518</u>	<u>100%</u>	<u>\$70,611</u>	<u>100%</u>

(a) Represents the Company's proportionate share of lease revenues from its equity investments.

(b) Net of minority interest of an affiliate.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share and per share amounts)

- (c) Net of minority interest of an unaffiliated third party.
- (d) Lease was assumed from Celestica Corporation effective January 1, 2004.

In the quarter ended March 31, 2003, the Company recorded \$2,588 of other operating income as a result of the forfeiture of a security deposit on property located in Utah.

Note 6. Unrealized Losses:

Included in the determination of net income for the six months ended June 30, 2004 and 2003 are unrealized losses of \$1,181 and \$104, respectively, which reflect changes in the fair value of derivative instruments and losses on foreign currency transactions. Derivative instruments include an interest rate swap agreement on a variable rate limited recourse mortgage obligation, common stock warrants in certain tenant companies, which provide for net settlement and a provision in a lease contract which provides the Company with an option to receive a portion of rent in U.S. dollars or the local currency. For the period ended June 30, 2004, unrealized losses on derivatives consist of \$766 on the interest rate swap agreement, \$136 on common stock warrants and \$7 on the foreign currency option. The interest rate swap agreement has a notional amount of \$8,943 and matures in September 2007.

Note 7. Accounting Pronouncements:

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"), the primary objective of which is to provide guidance on the identification of entities for which control is achieved through means other than voting rights ("variable interest entities" or "VIEs") and to determine when and which business enterprise should consolidate the VIE (the "primary beneficiary"). In December 2003, the FASB issued a revised FIN 46 which modifies and clarifies various aspects of the original Interpretation. FIN 46 applies when either (1) the equity investors (if any) lack one or more of the essential characteristics of controlling financial interest, (2) the equity investment at risk is insufficient to finance that entity's activities without additional subordinated financial support or (3) the equity investors have voting rights that are not proportionate to their economic interest. In addition FIN 46 requires additional disclosures. The adoption of FIN 46 did not have a material impact on the financial statements as none of its investments in unconsolidated joint ventures are VIEs.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS No. 150 establishes standards for the classification and measurement of certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). In particular, it requires that mandatorily redeemable financial instruments be classified as liabilities and reported at fair value and that changes in their fair values be reported as interest cost.

This statement was effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective for the Company as of July 1, 2003. On November 7, 2003, the FASB indefinitely deferred the classification and measurement provisions of SFAS No. 150 as they apply to certain mandatorily redeemable non-controlling interests entered into before November 5, 2003. This deferral is expected to remain in effect while these provisions are further evaluated by the FASB. The Company has interests in five limited partnerships that are consolidated and have minority interests that have finite lives and were considered mandatorily redeemable noncontrolling interests prior to the issuance of the deferral. Accordingly, in accordance with the deferral noted above, these minority interests have not been reflected as liabilities. The carrying value and fair value of these minority interests at June 30, 2004 are \$12,380 and \$18,692, respectively. Based on the FASB's deferral of this provision, the adoption of SFAS No. 150 did not have a material effect on the Company's financial statements.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

Item 2. – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in thousands, except share and per share amounts)

The following discussion and analysis of financial condition and results of operations of Corporate Property Associates 14 Incorporated (“CPA[®]:14”) should be read in conjunction with the condensed consolidated financial statements and notes thereto as of June 30, 2004 included in this quarterly report and CPA[®]:14’s Annual Report on Form 10-K for the year ended December 31, 2003. The following discussion includes forward-looking statements. Forward-looking statements, which are based on certain assumptions, describe future plans, strategies and expectations of CPA[®]:14. Forward-looking statements discuss matters that are not historical facts. Because they discuss future events or conditions, forward-looking statements may include words such as “anticipate”, “believe”, “estimate”, “intend”, “could”, “should”, “would”, “may”, or similar expressions. Do not unduly rely on forward-looking statements. They give our expectations about the future and are not guarantees, and speak only as of the date they are made. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievement of CPA[®]:14 to be materially different from the results of operations or plan expressed or implied by such forward looking statements. The risk factors are fully described in Item 1 of the Annual Report on Form 10-K for the year ended December 31, 2003. Accordingly, such information should not be regarded as representations by CPA[®]:14 that the results or conditions described in such statements or objectives and plans of CPA[®]:14 will be achieved. Additionally, a description of CPA[®]:14’s critical accounting estimates is included in the management’s discussion and analysis in the Annual Report on Form 10-K. There has been no significant change in such critical accounting estimates.

EXECUTIVE OVERVIEW

How CPA[®]:14 Earns Revenue

The primary source of CPA[®]:14’s revenues are earned from leasing real estate. CPA[®]:14 acquires and owns commercial properties that are then leased to companies domestically and internationally, primarily on a net lease basis. Revenue is subject to fluctuation because of lease expirations, lease terminations, the timing of new lease transactions and sales of property.

How Management Evaluates Results of Operations

Management evaluates the results of CPA[®]:14 with a primary focus on the ability to generate cash flow necessary to meet its investment objectives of increasing its distribution rate to its shareholders and overall property appreciation. As a result, management’s assessment of operating results gives less emphasis to the effect of unrealized gains and losses which may cause fluctuations in net income for comparable periods but has no impact on cash flow and to other noncash charges such as depreciation and impairment charges. In evaluating cash flow from operations, management includes equity distributions that are included in investing activities to the extent that the distributions in excess of equity income are the result of noncash charges such as depreciation and amortization. Management does not consider unrealized gains and losses from foreign currency or derivative instruments when evaluating its ability to fund dividends. Management’s evaluation of CPA[®]:14’s potential for generating cash flow is based on long-term assessments.

For the three months ended June 30, 2004, cash flow generated from operations and equity investments were substantially sufficient to fund dividends paid and meet other obligations including paying scheduled mortgage principal payments and making distributions to minority interests which hold ownership interests in several of CPA[®]:14’s properties. Management expects based on its current projections that over the long-term, cash flow from operations and equity investments will meet the objective of increasing the distribution rate and meeting other cash obligations. CPA[®]:14 has cash balances of \$15,000 as of June 30, 2004 which can be utilized for working capital needs and other commitments and may be used for future real estate purchases.

Current Developments and Trends

As general economic conditions continue to improve, inflation and interest rates are expected to continue to rise as well. In addition, competition for both real estate properties and for investors’ money continues to increase. These trends generally present challenges to the real estate leasing market. Management feels that its objective of maintaining a diverse portfolio of properties with long-term leases and long-term, fixed rate debt obligations provides investors protection from these trends. In addition, the majority of lease transactions include Consumer Price Index escalation clauses or stated rent increases that are intended to help protect our investors against potential future inflation and should allow CPA[®]:14 to continue to increase its dividend.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

Item 2. – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

(Dollars in thousands, except share and per share amounts)

Management will continue to pursue its objectives through long-term transactions and continuing to diversify its portfolio. To that end, management is seeking to continue to invest in the international commercial real estate market as a means of diversifying its portfolio. While more complex and generally requiring a longer lead time to complete, international transactions currently provide the benefits of more favorable interest rates and greater flexibility to leverage the underlying property.

Management believes that as the portfolio matures there is a potential for a substantial increase in the value of the portfolio and that any increase will not be reflected in its financial statements.

Current developments include:

In April 2004, CPA[®]:14, along with two affiliates, Corporate Property Associates 15 Incorporated and Corporate Property Associates 16 – Global Incorporated through a limited partnership in which CPA[®]:14 owns an approximate 11% interest through a subsidiary, completed a transaction purchasing 78 retail self-storage and truck rental facilities under the U-Haul brand for \$312,000. In connection with the purchase, the limited partnership obtained \$183,000 of limited recourse mortgage financing collateralized by the properties and lease assignments. The loan, which matures on May 1, 2014, provides for monthly payments of principal and interest of \$1,230 at a fixed annual interest rate of 6.449% and based on a 25-year amortization schedule. Annual rental income from the related leases approximates \$28,541 over the initial terms, which range from 10 to 20 years. This transaction is accounted for as an equity investment.

In June 2004, the Board of Directors of CPA[®]:14 approved and increased the second quarter dividend to \$.1897 per share payable on July 15, 2004 to shareholders of record as of June 30, 2004.

RESULTS OF OPERATIONS:

Lease Revenues – For the comparable quarters ended June 30, 2004 and 2003, lease revenues (rental income and interest income from direct financing leases) increased by \$1,525 primarily as a result of recent acquisitions and the completion of build-to-suit projects during 2003, scheduled rent increases at several properties and the impact of favorable changes in foreign exchange rates on rents from foreign properties. During 2003, CPA[®]:14 completed build-to-suit projects at properties leased to Waddington North America, Inc., Career Education Group and Rave Motion Pictures LLC, which provided \$678 of the increase in lease revenues during the current quarter. Lease revenues also increased by \$266 as the result of the expansion in July 2003 at a property in LeMans, France leased to Carrefour France, SAS. Scheduled rent increases at several properties contributed an additional \$460 to lease revenues. Approximately 20 properties have scheduled rent increases during the remainder of 2004. The rent increases are generally determined by formulas that are indexed to increases in the Consumer Price Index. Lease revenues from CPA[®]:14’s properties in Europe and the United Kingdom benefited from the changes in foreign exchange rates, with \$274 of the increase in lease revenues attributable to the favorable changes in the average exchange rates for the Euro and the British Pound as compared with average exchange rates in 2003. These increases were partially reduced by lower rental income as a result of vacant properties.

For the comparable six-month periods ended June 30, 2004 and 2003, lease revenues increased \$3,374 primarily due to the same factors as described above. Additional rental income from completed build-to-suit projects and an acquisition contributed \$1,897 of the increase, scheduled rent increases contributed \$928 of the increase and the positive impact of foreign currency exchange rates accounted for \$917 of the increase. These increases were partially reduced by lower rental income as a result of vacant properties.

During the first six months of 2004, CPA[®]:14 entered into new net leases with The Retail Distribution Group and Wavetronix LLC at properties that were previously vacant or partially vacant. The net lease with Retail Distribution was entered into in January 2004 for property in Grand Rapids, Michigan in which CPA[®]:14 owns a 60% interest. The Grand Rapids property had been vacant since May 2003. The Retail Distribution lease provides for initial annual rent of \$903, of which CPA[®]:14’s share is \$542, and has an initial term through August 31, 2009. The Retail Distribution lease provides for adjustments to its rent as it vacated another property, which is still subject to lease in order to lease the Grand Rapids property. Any adjustments to rent will be reduced by any sublease rentals Retail Distribution receives from the other property. In December 2003, CPA[®]:14 entered into a net lease with Wavetronix

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

Item 2. – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

(Dollars in thousands, except share and per share amounts)

for a portion of a partially vacant property in Lindon, Utah which began contributing \$301 of annual lease revenue in June 2004 when improvements at the property were completed. The lease has an initial term of five years and seven months.

Other Operating Income – For the comparable quarters ended June 30, 2004 and 2003, other operating income increased \$430 primarily due to an increase in costs reimbursable by tenants. Such reimbursable costs are recorded as both revenue and expense and therefore have no impact on net income.

For the comparable six-month periods ended June 30, 2004 and 2003, other operating income decreased \$2,001 primarily as a result of the recognition of \$2,588 from the forfeiture of a security deposit in the quarter ended March 31, 2003 which was partially offset by the increase in costs reimbursable by tenants as described above.

Depreciation Expense – For the comparable quarters ended June 30, 2004 and 2003, depreciation expense increased \$229 primarily due to additional depreciation of \$160 related to acquisitions and completion of several build-to-suit projects in the last six months of 2003 and the increase in average exchange rates for the comparable periods.

For the comparable six-month periods ended June 30, 2004 and 2003, depreciation expense increased \$492 primarily due to \$333 of additional depreciation as a result of the 2003 acquisitions and completion of several build-to-suit projects as described above. Depreciation expense also increased as a result of increases in average exchange rates primarily due to Carrefour.

General and Administrative Expenses - For the comparable three and six-month periods ended June 30, 2004 and 2003, general and administrative expenses decreased \$618 and \$977, respectively, primarily due to a reduction in several general and administrative expenses including personnel cost reimbursements, investor related service costs and acquisition expenses partially offset by increased accounting and auditing fees and state taxes.

Property Expenses – For the comparable quarters ended June 30, 2004 and 2003, property expenses increased by \$1,521 primarily due to increases in asset management and performance fees and property related expenses. Asset management and performance fees increased \$488 as a result of the growth of CPA[®]:14’s asset base and the appreciation of existing properties as determined by CPA[®]:14’s initial independent valuation of its portfolio as of December 31, 2003. Property related expenses paid by CPA[®]:14 and reimbursed by tenants increased \$433 primarily related to an expansion of property leased to Carrefour. Such reimbursable costs are recorded as both revenue and expense and therefore have no impact on net income. Property related expenses also increased as a result of property carrying costs paid on vacant properties and changes in certain property related accruals.

The increase of \$1,795 for the comparable six-month periods ended June 30, 2004 and 2003, is due primarily to the same factors as described above. Asset management and performance fees increased \$986 for the six-month period ended June 30, 2004. Property related expenses paid by CPA[®]:14 and reimbursed by tenants increased \$474 due to the same factors as described above.

Income From Equity Investments – Income from equity investments increased by \$224 for the comparable quarters ended June 30, 2004 and 2003, primarily as a result of the April 2004 purchase by CPA[®]:14 along with two affiliates through a newly-formed limited partnership of 78 self-storage and truck leasing facilities and entering into two net leases with lessees that operate the properties under the U-Haul brand name. CPA[®]:14’s cash flow from its approximate 11% interest was \$150 during the quarter. Annual cash flow from this transaction is expected to approximate \$1,500. Rent increases at several properties during the first six months of 2004 also contributed to the increase. The increase of \$453 for the comparable six-month periods ended June 30, 2004 and 2003, is due primarily to the same factors as described above as well as the acquisition of a noncontrolling interest in properties leased to Starmark Camhood, LLC in February 2003.

Interest Expense – For the comparable quarters ended June 30, 2004 and 2003, interest expense increased by \$496 primarily due to additional interest of \$339 on new mortgages obtained during 2003 on properties leased to Carrefour, Career Education and Nascar Technical Institute, Inc. Prior year capitalization of interest related to build-to-suit projects also contributed to the current quarter increase as there have been no such projects to date in 2004.

For the comparable six-month periods ended June 30 2004 and 2003, interest expense increased \$1,227 primarily due to increased interest of \$863 on new mortgages obtained during 2003 on properties leased to Carrefour, Career

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

Item 2. – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

(Dollars in thousands, except share and per share amounts)

Education Group and Nascar Technical Institute. Prior year capitalization of interest related to build-to-suit projects also contributed to the current quarter increase as there have been no such projects to date in 2004.

Net Income - For the quarter ended June 30, 2004, net income increased by \$239 to \$8,905 as compared with net income of \$8,666 for the quarter ended June 30, 2003. For the comparable six-month periods ended June 30, 2004 and 2003 net income decreased by \$1,376 to \$17,894 as compared with net income of \$19,270 for the comparable prior year period. The decrease in net income for the six-month period is primarily due to the recognition of \$2,588 in the quarter ended March 31, 2003 related to the forfeiture of a security deposit, which is classified as other operating income. During the current quarter and six-month period ended June 30, 2004, CPA[®]:14 benefited from increases in lease revenues and income from equity investments as well as a decrease in general and administrative expense, but these benefits were offset by increases in depreciation, interest and property expenses.

FINANCIAL CONDITION:

Uses of Cash During the Period

There has been no material change in CPA[®]:14’s financial condition since December 31, 2003. Cash and cash equivalents totaled \$34,655 as of June 30, 2004, a decrease of \$20,020 from the December 31, 2003 balance. Management believes CPA[®]:14 has sufficient cash balances to meet its working capital needs. CPA[®]:14’s use of cash during the period is described below.

Operating Activities - For the six-month period ended June 30, 2004, cash flows from operating activities and equity investments of \$32,024 were substantially sufficient to pay dividends to shareholders of \$25,380, meet scheduled principal payment installments on mortgage debt of \$5,354 and distribute \$1,316 to minority partners. Annual operating cash flow is expected to continue to increase as a result of new leases signed in 2004 including leases with Retail Distribution and Wavetronix as well as scheduled rent increases at several properties during the remainder of 2004. The Retail Distribution and Wavetronix leases will contribute annual cash flow (lease revenues, net of property-level debt service) of approximately \$549. Retail Distribution and Wavetronix will also pay certain carrying costs of the properties which had been incurred by CPA[®]:14.

Investing Activities - CPA[®]:14’s investing activities primarily consist of real estate purchases and payment of its annual installment of deferred acquisition fees. In April 2004, CPA[®]:14 used \$15,000 to purchase its interest in the U-Haul transaction. Annual cash flow from this transaction (lease revenues, net of property-level debt service) is expected to approximate \$1,500. Other real estate related payments included \$455 to fund leasehold improvements at the Lindon, Utah building in connection with signing the Wavetronix lease and \$166 to pay final construction costs for the Waddington North America and Rave Motion Pictures build-to-suit projects, which were placed in service in 2003. The annual installment of deferred acquisition fees is paid each January and was \$3,266 in 2004. Additionally, \$1,617 was used to pay off a payable for refundable value added taxes in connection with the Carrefour expansion.

Financing Activities - In addition to making scheduled mortgage principal payments, paying dividends to shareholders and making distributions to minority partners, CPA[®]:14 obtained \$2,607 as a result of issuing shares through its dividend reinvestment plan, and used \$1,876 to purchase treasury shares. Substantially all of CPA[®]:14’s mortgages are limited recourse and bear interest at fixed rates. Accordingly, CPA[®]:14’s cash flow should not be adversely affected by increases in interest rates which are near historical lows. A lender on limited recourse mortgage debt has recourse only to the property collateralizing such debt and not to any of CPA[®]:14’s other assets, while unsecured financing would give a lender recourse to all of CPA[®]:14’s assets. The use of limited recourse debt, therefore, will allow CPA[®]:14 to limit its exposure of all of its assets to any one debt obligation. Management believes that the strategy of combining equity and limited recourse mortgage debt will allow CPA[®]:14 to meet its short-term and long-term liquidity needs and will help to diversify CPA[®]:14’s portfolio and, therefore, reduce concentration of risk in any particular lessee.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

Item 2. – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

(Dollars in thousands, except share and per share amounts)

Cash Resources

As of June 30, 2004, CPA[®]:14 has \$34,655 in cash and cash equivalents which can be used for working capital needs and other commitments and may be used for future real estate purchases. In addition, debt may be incurred on unleveraged properties with a carrying value of \$56,295 as of June 30, 2004 and any proceeds may be used to finance future real estate purchases.

Cash Requirements

During the next twelve months, cash requirements will include scheduled mortgage principal payments (CPA[®]:14 has no mortgage balloon payments scheduled until February 2008), paying dividends to shareholders and making distributions to minority partners as well as other normal recurring operating expenses. CPA[®]:14 may also seek to use its cash to purchase new properties to further diversify its portfolio and maintain cash balances sufficient to meet working capital needs. Based on the projected increase in operating cash flows from new leases, the completed build-to-suit projects and recent property acquisitions, cash flow from operations and distributions from operations of equity investments in excess of equity income is expected to be sufficient to meet operating cash flow objectives. Accordingly, CPA[®]:14 expects to have sufficient cash flow to continue increasing the distribution rate to its shareholders. Distributions are determined by management’s long-term projections of cash flow.

Other Matters

CPA[®]:14 conducts business in Europe and may recognize transaction gains and losses from its foreign operations. Foreign currency transaction gains and losses were not material to CPA[®]:14’s results of operations for the current quarter. CPA[®]:14 is subject to material foreign currency exchange rate risk from the effects of changes in exchange rates. To date, CPA[®]:14 has not entered into any foreign currency forward exchange contracts to hedge the effects of adverse fluctuations in foreign currency exchange rates. CPA[®]:14 has obtained limited recourse mortgage financing at fixed rates of interest in the local currency. To the extent that currency fluctuations increase or decrease rental revenues as translated to dollars, the change in debt service, as translated to dollars, will partially offset the effect of fluctuations in revenue, and, to some extent mitigate the risk from changes in foreign currency rates. As of June 30, 2004, Carrefour, which leases properties in France, contributed 9% of lease revenues (see Note 5 to the accompanying condensed consolidated financial statements). The leverage used on the limited recourse financing of the Carrefour France, SAS investments is higher than the average leverage on CPA[®]:14’s domestic real estate investments.

OFF-BALANCE SHEET ARRANGEMENTS, GUARANTEES AND AGGREGATE CONTRACTUAL AGREEMENTS:

A summary of CPA[®]:14’s contractual obligations and commitments is as follows:

<i>(in thousands)</i>	<u>Total</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Thereafter</u>
Obligations:							
Limited recourse mortgage notes payable ⁽¹⁾	\$691,709	\$5,617	\$11,974	\$12,945	\$13,900	\$20,071	\$627,202
Deferred acquisition fees	19,985	-	3,484	3,573	3,573	3,304	6,051
Subordinated disposition fees	240	-	-	-	-	-	240
Commitments:							
Share of minimum rents payable under office cost-sharing agreement	780	127	373	280	-	-	-
	<u>\$712,714</u>	<u>\$5,744</u>	<u>\$15,831</u>	<u>\$16,798</u>	<u>\$17,473</u>	<u>\$23,375</u>	<u>\$633,493</u>

(1) The limited recourse mortgage notes payable were obtained in connection with the acquisition of properties in the ordinary course of business.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

Item 3. – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

(in thousands)

Market risk is the exposure to loss resulting from changes in interest rates, foreign currency exchange rates and equity prices. In pursuing its business plan, the primary market risks to which CPA[®]:14 is exposed are interest rate risk and foreign currency exchange risk.

The value of CPA[®]:14's real estate is subject to fluctuations based on changes in interest and foreign currency exchange rates, local and regional economic conditions and changes in the creditworthiness of lessees. These factors may affect CPA[®]:14's ability to refinance its debt when balloon payments are scheduled.

CPA[®]:14 owns marketable securities through its ownership interests in Carey Commercial Mortgage Trust ("CCMT"). The value of the marketable securities is subject to fluctuation based on changes in interest rates, economic conditions and the creditworthiness of lessees at the mortgaged properties. As of June 30, 2004, CPA[®]:14's interests in CCMT had a fair value of \$6,653.

Approximately \$663,848 of CPA[®]:14's long-term debt bears interest at fixed rates, and therefore the fair value of these instruments is affected by changes in the market interest rates. The following table presents principal cash flows based upon expected maturity dates of the debt obligations and the related weighted-average interest rates by expected maturity dates for the fixed rate debt. The interest rate on the fixed rate debt as of June 30, 2004 ranged from 5.15% to 8.85%. The interest rate on the variable rate debt as of June 30, 2004 ranged from 2.94% to 6.27%.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Thereafter</u>	<u>Total</u>	<u>Fair Value</u>
Fixed rate debt	\$5,323	\$11,368	\$12,320	\$13,255	\$19,407	\$602,175	\$663,848	\$659,331
Weighted average interest rate	7.15%	7.16%	7.16%	7.16%	7.32%	7.46%		
Variable rate debt	\$294	\$606	\$625	\$645	\$664	\$25,027	\$27,861	\$27,861

Annual interest expense from variable rate debt would increase or decrease by approximately \$279 for each change of 1% in annual interest rates.

CPA[®]:14 has foreign operations. Accordingly, CPA[®]:14 is subject to foreign currency exchange risk from the effects of exchange rate movements of foreign currencies and this may affect future costs and cash flows; however, exchange rate movements to date have not had a significant effect on CPA[®]:14's financial position or results of operations. To date CPA[®]:14 has not entered into any foreign currency forward exchange contracts to hedge the effects of adverse fluctuations in foreign currency exchange. One of CPA[®]:14's lease agreements provides the option to receive a portion of the rent in dollars or the local currency; this option is considered a derivative financial instrument and changes in the fair value of the option, which were not significant, are included in the determination of net income.

Item 4. – CONTROLS AND PROCEDURES

The Co-Chief Executive Officers and Chief Financial Officer of the Company have conducted a review of the Company's disclosure controls and procedures as of June 30, 2004.

The Company's disclosure controls and procedures include the Company's controls and other procedures designed to ensure that information required to be disclosed in this and other reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is accumulated and communicated to the Company's management, including its Co-Chief Executive Officers and Chief Financial Officer, to allow timely decisions regarding required disclosure and to ensure that such information is recorded, processed, summarized and reported, within the required time periods.

Based upon this review, the Company's Co-Chief Executive Officers and Chief Financial Officer have concluded that the Company's disclosure controls (as defined in Rule 13a-14(c) promulgated under the Exchange Act) are sufficiently effective to ensure that the information required to be disclosed by the Company in the reports it files under the Exchange Act is recorded, processed, summarized and reported with adequate timeliness.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

PART II

Item 2. - CHANGES IN SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

- (c) For the three and six-month periods ended June 30, 2004, 186,089 and 354,774 shares, respectively, were issued to the Advisor as consideration for performance fees and 130,549 and 257,271 shares, respectively, were issued pursuant to the Company's Stock Purchase and Dividend Reinvestment Plan. Shares were issued at per share amounts which ranged from \$10.00 to \$11.30.

- (e) Issuer Purchases of Equity Securities

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾</u>
January 1, 2004 – January 31, 2004	47,328	\$8.89	N/A
February 1, 2004 – February 29, 2004	28,884	8.85	N/A
March 1, 2004 – March 31, 2004	-	-	N/A
April 1, 2004 – April 30, 2004	130,987	8.98	N/A
May 1, 2004 – May 31, 2004	2,062	10.17	N/A
June 1, 2004 – June 30, 2004	-	-	N/A
	<u>209,261</u>		

- (1) All shares were purchased pursuant to the Company's Redemption Plan. The maximum amount of shares purchasable in any period depends on the availability of funds generated by the Dividend Reinvestment Plan and other factors at the discretion of the Company's Board of Directors.

Item 4. - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

An annual Shareholders' meeting was held on June 10, 2004, at which time a vote was taken to elect the Company's directors through the solicitation of proxies. The following directors were elected for a one-year term:

<u>Name Of Director</u>	<u>Total Shares Voting</u>	<u>Shares Voting Yes</u>	<u>Shares Voting No</u>	<u>Shares Abstaining</u>
William P. Carey	36,504,693	36,181,681	24,500	298,512
William Ruder	36,504,693	36,109,925	96,256	298,512
George E. Stoddard	36,504,693	36,063,151	143,030	298,512
Warren G. Wintrub	36,504,693	36,185,643	20,538	298,512
Charles E. Parente	36,504,693	36,169,550	36,631	298,512

Item 6. - EXHIBITS AND REPORTS ON FORM 8-K:

- (a) Exhibits:

- 31.1 Certification of Co-Chief Executive Officers
- 31.2 Certification of Chief Financial Officer
- 32.1 Certification of Co-Chief Executive Officers Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

- (b) Reports on Form 8-K:

None

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

SIGNATURES

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

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

8/6/2004
Date

By: /s/ John J. Park
John J. Park
Managing Director and
Chief Financial Officer
(Principal Financial Officer)

8/6/2004
Date

By: /s/ Claude Fernandez
Claude Fernandez
Managing Director and
Chief Accounting Officer
(Principal Accounting Officer)

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED
CERTIFICATIONS OF CO-CHIEF EXECUTIVE OFFICERS
PURSUANT TO RULE 13a-14(a)

We, William Polk Carey and Gordon F. DuGan, certify that:

1. We have reviewed this Quarterly Report on Form 10-Q of Corporate Property Associates 14 Incorporated (the "Registrant");
2. Based on our 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 our 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 we are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
 - d) Disclosed in this quarterly report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and we have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; 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 over financial reporting.

Date 8/6/2004

Date 8/6/2004

/s/ William Polk Carey

/s/ Gordon F. DuGan

William Polk Carey
 Chairman
 (Co-Chief Executive Officer)

Gordon F. DuGan
 Vice Chairman
 (Co-Chief Executive Officer)

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)

I, John J. Park, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Corporate Property Associates 14 Incorporated (the "Registrant");
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 officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
 - d) Disclosed in this quarterly report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; 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 over financial reporting.

Date 8/6/2004

/s/ John J. Park

John J. Park
Chief Financial Officer

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICERS
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Corporate Property Associates 14 Incorporated (the "Company") on Form 10-Q for the period ending June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, William Polk Carey, Co-Chief Executive Officer of the Company, and Gordon F. DuGan, Co-Chief Executive Officer of the Company, certify, to the best of our knowledge and belief, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ William Polk Carey

William Polk Carey
Chairman
(Co-Chief Executive Officer)

8/6/2004
Date

/s/ Gordon F. DuGan

Gordon F. DuGan
Vice Chairman
(Co-Chief Executive Officer)

8/6/2004
Date

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Corporate Property Associates 14 Incorporated and will be retained by Corporate Property Associates 14 Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Corporate Property Associates 14 Incorporated (the "Company") on Form 10-Q for the period ending June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John J. Park, Chief Financial Officer of the Company, certify, to the best of my knowledge and belief, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ John J. Park

John J. Park
Chief Financial Officer

8/6/2004

Date

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Corporate Property Associates 14 Incorporated and will be retained by Corporate Property Associates 14 Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.