



# REVESCO PROPERTIES TRUST

Management Report  
Q2 2023



**REVESCO**  
PROPERTIES TRUST

REAL ESTATE INVESTMENT TRUST

2731 17th Street, Suite 300 | Denver, CO 80211 | (303) 551 7750  
1090 W Georgia Street, Suite 1310 | Vancouver, BC V6E 3V7

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## Management Update

Revesco Properties Trust Investors:

As we step into the summer season, we are finalizing the Q2 2023 financials for Revesco Properties Trust ("RPT"). We want to assure you that distributions will be promptly sent no later than Thursday, August 10th, followed by comprehensive statements, including NAV.

Throughout Q2, we witnessed a noteworthy development in the market dynamics. The gap between offers and asking prices on acquisition targets narrowed, indicating a more focused alignment between buyers and sellers. However, it's essential to acknowledge the growing scarcity of both debt and equity, which has prompted lenders to adopt a more cautious approach across all forms of debt, including commercial real estate mortgages. As a result, the volume of capital market trades was significantly affected. The recent rise in the Federal Reserve rate to 5.25% has further impacted the debt market. We, at RPT, would like to reassure our investors that our portfolio is not exposed to variable rate mortgage debt, and we maintain a conservative interest rate average of 4.40%

Given the uncertainty surrounding interest rates and debt availability in the broader commercial real estate market, we took a prudent stance in Q2 and refrained from making any new acquisitions. As we head into Q3, our team at Revesco is optimistic about the opportunities that lie ahead. We continue to see a steady flow of promising deals in the growing markets we focus on, and we are currently pursuing an acquisition that fits well into the overall acquisition strategy for the fund. Our analysis indicates that the current market conditions, with higher interest rates and lower available mortgage proceeds, may present an advantageous environment for acquiring high-quality assets at attractive valuations, which could potentially be below replacement cost. We believe this creates a favorable opportunity for our investors.

At RPT, our commitment to executing on our asset management plans remains unwavering. We have made significant improvements to our open-air retail shopping centers during the quarter, aligning with our strategic goals. The investments in our portfolio are performing as expected and generating steady free cash flow, reflecting the soundness of our business decisions. With a strong occupancy rate of 98.56%, we completed 3,410 square feet of new and renewal leasing during the quarter, ensuring a solid foundation for future growth. Our weighted average lease term ("WALT") stands at 4.16 years, contributing to the stability and predictability of our revenue stream.

As we look forward to the future, we remain bullish on the open-air retail market sincerely thank you for your continued support. We remain dedicated to maximizing returns for our investors and seizing opportunities in this ever-evolving real estate landscape.

Thank you for being part of the Revesco Properties Trust journey.

Sincerely,



Christopher A. Wood  
Trustee

## Q2 Overview

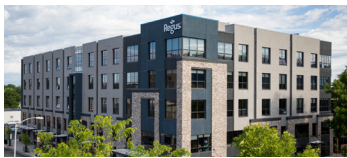
### Highlights

- Delivered an overall occupancy of 98.56%
- Collected 100% of rents
- Executed two new leases, one at Aspen Place and the other at Park Lee
- Approved tenant sublease at 5 West
- Completed several exterior improvements at Preston Place
- Executed a letter of intent (LOI) to purchase a shopping center in Orange County, CA



## Portfolio Summary

| Name                       | Address  | Asset Type   | Size              | Purchase Price | Purchase Date |
|----------------------------|--|--|-------------------|----------------|---------------|
| 5 West Commercial          | 5 W Mendenhall St.<br>Bozeman, MT              | Mixed-Use<br>Condo Retail                                | 37,668 SF         | \$13.2M        | May 2021      |
| Harmony School Shops       | 2120-2226<br>E Harmony Rd.<br>Fort Collins, CO | Multi-Tenant<br>Retail                                   | 85,354 SF         | \$19.2M        | July 2021     |
| Aspen Place at the Sawmill | 319 Regent St.<br>Flagstaff, AZ                | Multi-Tenant<br>Retail                                   | 99,566 SF         | \$30.6M        | December 2021 |
| Preston Place              | 3426-3430<br>Preston Hwy<br>Louisville, KY     | Multi-Tenant<br>Retail                                   | 134,019 SF        | \$14.8M        | July 2022     |
| Park Lee Center            | 1615-1635<br>Camelback Rd.<br>Phoenix, AZ      | Multi-Tenant<br>Retail                                   | 75,559 SF         | \$11.6M        | July 2022     |
| <b>Financial Assets</b>    |  |  |                   |                |               |
| Parker Loan                | Broncos Pkwy &<br>S Parker Rd.<br>Parker, CO   | Land Loan  | 92 Acres          | \$6M           | July 2021     |
| Debenture Investment       | 4 Sites in<br>Denver, CO                       | Convertible<br>Debenture for<br>Mixed-Use<br>Development | 308 Units         | \$1M           | December 2021 |
| <b>TOTALS</b>              |  |  | <b>432,166 SF</b> |                |               |



5 West Commercial



Harmony School Shops



Aspen Place at the Sawmill



Preston Place



Park Lee Center



Debenture Investment

## Property Highlights

### 5 WEST • BOZEMAN, MT

Revesco approved FICO sublease to Suite 201 to Wipfli. Wipfli is a national consulting and accounting firm that serves over 100,000 clients across multiple industries.



| 5 West                     | 2023 Q1   | 2023 Q2   |
|----------------------------|-----------|-----------|
| NOI                        | \$233,464 | \$306,930 |
| Occupancy                  | 100.00%   | 100.00%   |
| Avg in-place rents (\$/SF) | \$25.73   | \$25.78   |
| WALT (years)               | 4.88      | 4.63      |

### HARMONY SCHOOL SHOPS • FORT COLLINS, CO

Occupancy remains high and the property is performing as expected.



| Harmony School Shops       | 2023 Q1   | 2023 Q2   |
|----------------------------|-----------|-----------|
| NOI                        | \$446,796 | \$388,381 |
| Occupancy                  | 100.00%   | 100.00%   |
| Avg in-place rents (\$/SF) | \$18.61   | \$18.68   |
| WALT (years)               | 4.16      | 3.91      |

## Property Highlights

### ASPEN PLACE AT THE SAWMILL • FLAGSTAFF, AZ

Management executed a new 5-year lease with Milan Laser Hair removal for 1,200 SF to backfill By the Bucket at a \$5/SF higher rate. With this new lease, Revesco continues to diversify the tenant mix by adding more health and wellness tenants.



| Harmony School Shops       | 2023 Q1   | 2023 Q2   |
|----------------------------|-----------|-----------|
| NOI                        | \$649,080 | \$865,987 |
| Occupancy                  | 99.00%    | 99.00%    |
| Avg in-place rents (\$/SF) | \$24.44   | \$24.73   |
| WALT (years)               | 4.74      | 4.49      |

### PRESTON PLACE • LOUISVILLE, KY

This quarter, Revesco completed exterior lighting upgrades to LEDs per our asset management plans.



| Harmony School Shops       | 2023 Q1   | 2023 Q2   |
|----------------------------|-----------|-----------|
| NOI                        | \$269,611 | \$257,277 |
| Occupancy                  | 100.00%   | 100.00%   |
| Avg in-place rents (\$/SF) | \$7.81    | \$7.81    |
| WALT (years)               | 5.19      | 4.94      |

## Property Highlights

### PARK LEE • PHOENIX, AZ

Revesco executed a new 5-year lease with a local Japanese soft goods concept for 2,210 SF. We also initiated and nearly completed environmental remediation in accordance with the lender requirements.



| Harmony School Shops       | 2023 Q1   | 2023 Q2   |
|----------------------------|-----------|-----------|
| NOI                        | \$198,848 | \$242,110 |
| Occupancy                  | 93.63%    | 93.11%    |
| Avg in-place rents (\$/SF) | \$13.73   | \$13.11   |
| WALT (years)               | 2.63      | 2.38      |