



REVESCO PROPERTIES TRUST

Management Report
Q1 2024

RPT Management Report: Q1 2024 and Year in Review

Revesco Properties Trust Investors:

I am pleased to provide you with an overview of our performance and strategic initiatives for the first quarter of 2024.

The economic landscape in the United States during the first quarter of 2024 has been robust, characterized by record employment levels and sustained consumption growth among U.S. consumers. However, we have observed that inflation has remained above the Federal Reserve's 3% target rate, leading to the expectation of prolonged elevated interest rates. As a result, the 10 Year US Treasury rate has elevated to over 4.6%, amplifying the cost of borrowing and putting downward pressure on pricing across various segments of the commercial real estate market.

RPT views these market dynamics as presenting a compelling opportunity for those with available equity to deploy. Deal flow for high-quality retail real estate assets has remained strong and acquisition targets continue to present themselves. This steady deal flow has facilitated a market-wide adjustment of values to align with the realities of the higher interest rate environment.

In the retail sector, tenant expansion and the national vacancy rate remains at historically low levels, currently standing at 4% as of February 2024 as reported by Colliers International.

We envision 2024 as a year of growth for RPT. We are actively pursuing new acquisitions, with the recent identification of Roswell Village in metro Atlanta. This 150,211 square foot center, with an expected acquisition price of \$38.3 million, presents an attractive investment opportunity, boasting a location in an affluent trade area and featuring strong publicly traded tenants such as Marshall's (TJX), Ross Dress for Less (ROST), Dollar General (DG), and Starbucks (SBUX), with a weighted average lease term ("WALT") of 6 years.

RPT continues to enhance the existing portfolio through our operational and leasing activities. During the first quarter, notable lease signings include Carhartt and Milan Laser at Aspen Place in Flagstaff, AZ, WaveMax at Park Lee in Phoenix, AZ, and an extension of Office Depot at Harmony School Shops in Ft. Collins, CO. As a result of these efforts, our portfolio maintains a high occupancy level of 97%.

I am pleased to report in-place rents increased 1% during the quarter. Our portfolio boasts a conservative loan-to-value (LTV) ratio of 42%, with an average mortgage rate of 4.4%. Notably, there are no variable rate mortgages in our portfolio, and the first mortgage renewal does not occur until 2027.

Looking ahead, we are excited by the opportunities that lie before us in 2024. The resilience of the US consumer and the ongoing performance of the retail real estate sector position RPT strategically to capitalize on acquisition opportunities, thereby expanding our portfolio and generating value for our investors.

We extend our gratitude for your continued trust and support.

Warm regards,



Christopher A. Wood
Trustee
Revesco Properties Trust

Q1 Overview

Highlights

- Office Depot Renewed for 12 months in 20,878 SF at Harmony School Shops
- New tenants Carhartt and Milan Laser opened for business at Aspen Place
- Marketing a build to suit opportunity for the pad site at Preston Place
- 2,600 SF end cap space leased by WaveMax at a rate that exceeds the previous user by \$5/SF at Park Lee
- Successful completion of the Parker Loan investment, yielding \$1.05M profit for the Trust



Property Highlights

5 WEST • BOZEMAN, MT

As reported in the fourth quarter, we received notice of Opportunity Bank's closure of their branch at 5 West. Despite this development, we want to highlight that the company remains committed to fulfilling their lease obligations, consistently meeting rent payments. We continue to collaborate with Opportunity Bank to explore new subleasing options for the vacated space. We have begun to explore the potential of selling the residential parking garage to the homeowners association. We expect to have more details on this potential transaction at the end of Q2.



5 West	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Occupancy	100.00%	100.00%	100.00%	100.00%	100.00%
Avg in-place rents (\$/SF)	\$25.73	\$25.78	\$26.19	\$26.54	\$26.54
WALT (years)	4.88	4.63	4.38	4.13	3.88

HARMONY SCHOOL SHOPS • FORT COLLINS, CO

We are pleased to report that Office Depot has extended their lease for an additional 12 months. Our focus for the upcoming quarter is to identify potential new retailers to bring to the center as we continue to improve our tenant profile. New leasing brokers from JLL are in the early stages of producing replacement tenant options.



Harmony School Shops	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Occupancy	100.00%	100.00%	100.00%	100.00%	100.00%
Avg in-place rents (\$/SF)	\$18.61	\$18.68	\$18.68	\$18.71	\$18.73
WALT (years)	4.16	3.91	3.73	3.33	3.33

Property Highlights

ASPEN PLACE AT THE SAWMILL • FLAGSTAFF, AZ

Last quarter we reported the execution of two new lease agreements at \$4 to \$7 per square foot compared to the previous leasing rates respectively. Carhartt and Milan Laser have now opened their doors and add offerings demanded by the market. We have a 1,470 sqft shop space coming available at the end of Q2 and we are actively reviewing potential tenants as the demand for the space is high and we are committed to finding the best fit for the center.



Aspen Place	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Occupancy	99.00%	99.00%	99.00%	99.00%	99.00%
Avg in-place rents (\$/SF)	\$24.44	\$24.73	\$24.80	\$25.27	\$25.24
WALT (years)	4.74	4.49	4.30	4.39	4.14

PRESTON PLACE • LOUISVILLE, KY

In the fourth quarter, we completed a test fit for potential pad site development. We have now begun marketing this site to potential tenants with a focus specifically to quick-service restaurants, capitalizing on the growing demand in this sector.



Preston Place	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Occupancy	100.00%	100.00%	100.00%	100.00%	100.00%
Avg in-place rents (\$/SF)	\$7.81	\$7.81	\$7.81	\$7.81	\$7.81
WALT (years)	5.19	4.94	4.69	4.50	4.25

Property Highlights

PARK LEE • PHOENIX, AZ

In Q1 2024, we leased a 2,600 SF end cap space to WaveMax, a dry cleaner and laundromat which was a missing element of our tenant mix. We were able to lease this space at a rate that exceeds the previous tenant by \$5/SF, a testament to the high demand for space in well located retail centers. This lease increased our occupancy by 3% over the previous quarter. In Q2, our focus will be to continue to lease-up the property with well-qualified tenants and complete a test for potential pad site development that will help to further increase the asset's value.



Park Lee	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Occupancy	93.63%	93.11%	93.11%	81.40%	84.90%
Avg in-place rents (\$/SF)	\$13.73	\$13.11	\$13.44	\$13.85	\$14.75
WALT (years)	2.63	2.38	2.44	2.20	2.30

DISPOSITION: Park Land Loan – Parker, CO

In August 2021, RPT provided a \$5 million drawdown facility secured by a first lien on a parcel of land in Parker, CO. Over the course of the next two years, the facility was drawn upon and ultimately repaid on January 22, 2024.

The successful outcome of this investment is evidenced by the \$1.05 million profit generated for RPT, equating to an 11.4% internal rate of return over the 2.5 years the investment was outstanding.

Portfolio Summary

Name	Address	Asset Type	Size	Purchase Price	Purchase Date
5 West Commercial	5 W Mendenhall St. Bozeman, MT	Mixed-Use Condo Retail	37,668 SF	\$13.2M	May 2021
Harmony School Shops	2120-2226 E Harmony Rd. Fort Collins, CO	Multi-Tenant Retail	85,354 SF	\$19.2M	July 2021
Aspen Place at the Sawmill	319 Regent St. Flagstaff, AZ	Multi-Tenant Retail	99,566 SF	\$30.6M	December 2021
Preston Place	3426-3430 Preston Hwy Louisville, KY	Multi-Tenant Retail	134,019 SF	\$14.8M	July 2022
Park Lee Center	1615-1635 Camelback Rd. Phoenix, AZ	Multi-Tenant Retail	75,559 SF	\$11.6M	July 2022
Financial Assets					
Debenture Investment	4 Sites in Denver, CO	Convertible Debenture for Mixed-Use Development	308 Units	\$1M	December 2021
Santa Barbara Loan	111 E Victoria St. Santa Barbara, CA	Loan	21,970 SF	\$4M	August 2023



5 West Commercial



Harmony School Shops



Aspen Place at the Sawmill



Preston Place



Park Lee Center



Debenture Investment