

QUARTERLY
REPORT

REVESCO PROPERTIES TRUST

Q4 2024

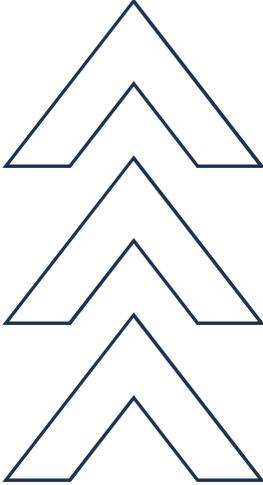


REVESCO
PROPERTIES TRUST

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Quarterly Insights from our Trustees



Dear Investors,

In a time of unprecedented growth for both the U.S. economy and RPT, we are thrilled to share our performance update for the fourth quarter of 2024. With a robust 3.7% increase in consumer spending as reported by the U.S. Commerce Department's Bureau of Economics, and record-low unemployment, each positive trend unfolds expansion possibilities for our strategic initiatives.

Economic and Market Overview

Strong consumer spending, decreasing unemployment levels, and the Federal Reserve cutting interest rates by 100bps from September to December have all played a part in the U.S. economy continuing to exhibit robust growth with a 3.1% Gross Domestic Product (GDP) increase in 2024. In the retail sector, the national vacancy rate remains at historically low levels, currently at 4.1% as of December 2024, according to Colliers.

We view these market dynamics - characterized by strong consumer demand and employment - as a significant opportunity for accretive acquisitions and portfolio expansion. We continue to see high quality retail real estate assets come to market. As experienced in Q4, we envision 2025 as a year of continued growth for RPT.

Portfolio Performance & Growth

We acquired two assets in Q4: Roswell Village in metro Atlanta and Whole Foods next to our existing asset, Aspen Place, in Flagstaff, AZ. These two acquisitions bring RPT's Assets Under Management ("AUM") to over \$150M and boosts the Gross Leasable Area ("GLA") of the portfolio to over 600,000 square feet.

Roswell Village is a 150,211 square foot center in an affluent trade area with strong demographics, featuring publicly traded tenants including Marshall's (TJX), Ross Dress for Less (ROST), Dollar General (DG), and Starbucks (SBUX), with a weighted average lease term ("WALT") of 6 years. Work has already commenced on leasing the vacancy and improving the tenant mix at the center.

RPT also acquired a 24,774 square foot Whole Foods Market adjacent to our Aspen Place shopping center. This acquisition increases RPT's footprint in Flagstaff to over 120,000 square feet and brings additional cash flow and valuation to Aspen Place. There is over 9 years of remaining lease commitment with Whole Foods Market which was critical to securing the best possible mortgage terms upon a refinancing of the combined asset.

I am pleased to report in-place rents across our portfolio increased during the quarter to \$19.34 per square foot - a YOY increase of 3.09%. Our portfolio boasts a conservative loan-to-value (LTV) ratio of 59%, with an average mortgage rate of 6.1%. Notably, there are no variable rate mortgages in our portfolio, and the first mortgage renewal in the portfolio does not occur until 2027.

Most notably, we are delighted to inform you that our Net Asset Value ("NAV") has increased by 2% across all unit Series, reflecting the strength of our portfolio and the success of our strategic initiatives in value creation for our investors.

Looking ahead, we are excited by the deal flow we continue to see and will continue our fund-raising activities to capitalize on these accretive opportunities. We invite you to consider enhancing your investment position with Revesco Properties Trust (RPT) and joining us in shaping the future of open-air retail.

We extend our gratitude for your continued trust and support.

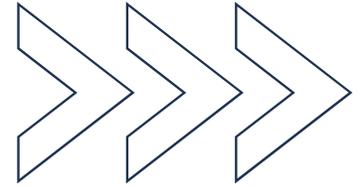
Warm regards,



Christopher A. Wood
Trustee
Revesco Properties Trust

Scott R. Lee
Trustee
Revesco Properties Trust

Market Highlights



Retail's Final Roar of 2024

While Q4 2024 marked the strongest retail demand period of the year, key factors continue to limit broader market expansion. Economic pressures, store closures, and a lack of new construction are creating a more complex retail environment, with consumer habits evolving in response to ongoing challenges. The retail landscape remains highly competitive, with some markets experiencing extreme shortages of available space.

01 Year of the Consumer

Placer.ai reports that American retail demonstrated remarkable vigor in 2024, with a 0.4% surge in foot traffic compared to 2023 levels. This growth, achieved despite persistent economic headwinds, underscores the extraordinary resilience of U.S. consumers. As we enter 2025, moderating inflation rates and stabilizing interest rates are creating a potent catalyst for retail expansion. Combined with strengthening consumer confidence and robust household balance sheets, these favorable conditions are positioning the retail sector for accelerated growth in the new year.

02 Setting the Stage for 2025

Cushman & Wakefield reports that the retail market remains balanced heading into 2025, with supply and demand fundamentals aligned. While store expansions are more deliberate, openings and closures are roughly in sync. Consumer services and cross-border entrants are driving demand in a market with limited availability, keeping vacancy rates at historic lows. Although rent growth has slowed from a peak of 4.8% in 2022 to 2.8% in 2024, further moderation is expected as vacancy rises slightly in 2025. Despite economic uncertainties, the retail outlook remains stable, supported by strong demand and constrained supply.

03 Balancing Supply and Demand

The retail sector wrapped up 2024 with a strong Q4 performance, registering 1.4 million square feet of net absorption—representing 89% of the year's total, according to Cushman & Wakefield. Vacancy rates held steady at 4.1%, signaling a healthy market entering 2025. However, supply-side challenges persist, with only 8.3 million square feet of new shopping center space delivered in 2024, the lowest on record. With just 10.6 million square feet in the construction pipeline, retail inventory growth is expected to remain limited in the near term.

RPT by the Numbers

AUM

\$150 M



WALT

3.8 Years



SQFT

607K



OCCUPANCY

94%



LTV

59%*



Q4 NOI

\$2.3 M



5 West

Bozeman, MT

SQFT
37,668

PURCHASE
DATE
2021

Regus

clearwater
CREDIT UNION

FICO

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Occupancy	100%	100%	100%	100%	100%
Avg. In-Place Rents (\$/SF)	\$26.54	\$26.54	\$26.58	\$26.77	\$27.12
WALT (Years)	4.13	3.88	3.63	3.38	3.00
NOI	\$337,920	\$288,010	\$289,754	\$287,140	\$327,233

QOQ | YOY Change

5 West remains fully occupied, demonstrating its continued stability within the portfolio. Net Operating Income (NOI) increased from \$287,140 to \$327,233, primarily due to prior year common area maintenance (CAM) adjustments.

5 West continues to be a high-performing and strategic asset, with average in-place rents increasing 1.3% QOQ and 2.16% YOY.

Q4 Updates

5 West concluded 2024 with continued solid performance, maintaining its strong, consistent metrics across key property indicators. Throughout the quarter, a strategic adjustment was made to the residence garage parking fees, increasing the average rate to \$200 per stall. This change was implemented to bolster property revenue, helping to offset rising operational costs and further strengthen the property's financial position.



Harmony School Shops

Fort Collins, CO

SQFT
88,144

PURCHASE
DATE
2021



	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Occupancy	100%	100%	100%	100%	100%
Avg. In-Place Rents (\$/SF)	\$18.71	\$18.73	\$18.73	\$18.73	\$18.73
WALT (Years)	3.33	3.33	3.08	2.89	2.50
NOI	\$369,840	\$394,958	\$320,627	\$424,055	\$324,341

QOQ | YOY Change

Harmony School Shops continues to perform in-line with expectations with no change to in-place rents as the property is fully leased. Net Operating Income (NOI) normalized this quarter after prior year CAM adjustments, to \$324,341. Operating expenses increased at the center in Q4 as \$20,000 in landscaping work was performed to enhance the overall curb appeal of the asset.

Q4 Updates

This quarter, we were pleased to announce that Office Depot has opted to extend their lease beyond the original term, committing to stay through the end of April 2025. As we head into Q1 2025, we will be actively marketing the junior anchor box space for lease to a higher quality tenant more curated to the needs of the community.



Aspen Place at the Sawmill

Flagstaff, AZ

SQFT
124,340

PURCHASE
DATE
2021/2024



	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Occupancy	99%	99%	99%	98.57%	94%
Avg. In-Place Rents (\$/SF)	\$25.27	\$25.24	\$25.31	\$25.74	\$27.54
WALT (Years)	4.39	4.33	3.95	3.83	5.20
NOI	\$625,261	\$638,667	\$734,536	\$746,486	\$774,030

QOQ | YOY Change

Rents at Aspen Place have grown 1% QOQ and 2.77% YOY. NOI has increased 3.56% QOQ as Whole Foods joined the asset half way through the quarter. NOI has increased 9% YOY and we expect to see continued stabilization of NOI as we improve the tenant mix at the center.

Q4 Updates

The most significant development at Aspen Place this quarter was the acquisition of the neighboring Whole Foods Market, marking a major milestone for the property as it becomes a grocer-anchored center. This important addition enhances the property's appeal and positions Aspen Place for continued growth in the coming years. Looking ahead to 2025, our focus will shift to securing leases with high-quality, well-credited, national tenants. We look forward to making further announcements as these leases are secured over the coming months.



Preston Place

Louisville, KY

SOFT
134,019

PURCHASE
DATE
2022

FLOOR DECOR & VCF VALUE CITY FURNITURE

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Occupancy	100%	100%	100%	100%	100%
Avg. In-Place Rents (\$/SF)	\$7.81	\$7.81	\$7.81	\$7.81	\$7.81
WALT (Years)	4.50	4.50	4.00	3.75	3.40
NOI	\$160,266	\$266,100	\$270,748	\$297,933	\$249,002

QOQ | YOY Change

Preston Place continues to demonstrate stable performance, delivering consistent cash flow and solidifying its position within our portfolio. Net operating income (NOI) has decreased this quarter due to a prior year CAM adjustment of \$48,000. In-place rents have remained consistent as the center is fully leased.

Q4 Updates

Preston Place continued to demonstrate consistent performance across all key metrics throughout the quarter. A notable improvement was the completion of underground electrical wiring for parking lot lighting, enhancing both the property's functionality and aesthetics. This upgrade not only improves the overall tenant and visitor experience but also contributes to long-term operational efficiency and sustainability.



Park Lee

Phoenix, AZ

SQFT
75,559

PURCHASE
DATE
2022



	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Occupancy	81.40%	81.40%	81.40%	81.40%	81.40%
Avg. In-Place Rents (\$/SF)	\$13.85	\$15.38	\$15.43	\$15.46	\$15.46
WALT (Years)	2.20	2.30	1.71	1.86	1.70
NOI	\$186,668	\$150,285	\$167,972	\$203,100	\$189,567

QOQ | YOY Change

Net Operating Income (NOI) at Park Lee remains on target with budget expectations, despite lower-than-expected occupancy levels. Prior year CAM adjustments of \$33,000 were made in Q4 and NOI is expected to stabilize in Q1 2025, as our new tenant, WaveMax starting their lease.



Q4 Updates

Significant improvements were made during the quarter to address previous security and homeless-related concerns, leading to a noticeable enhancement in the overall property environment. These efforts have already resulted in positive feedback during leasing tours, contributing to a stronger appeal for prospective tenants. We are currently working with a prospective professional services tenant for +3,000 SQFT of space. We are also reviewing the potential sale of the Pad Site located on the property.

Roswell Village

Roswell, GA

SQFT
150,211

PURCHASE
DATE
2024

ROSS DRESS FOR LESS® Marshalls CRUNCH

Q4 2024

Occupancy	89.95%
Avg. In-Place Rents (\$/SF)	\$19.37
WALT (Years)	5.20
NOI	\$414,902

Roswell Village, acquired by RPT in November 2024, marks our strategic entry into a booming market driven by strong demographics and sustained consumer demand. This high-performing center features an impressive lineup of publicly traded tenants, including Ross, Marshalls, Starbucks, Dollar General, and Crunch Fitness.

With 10,000 SQFT of vacant space, we see a significant value-creation opportunity that aligns perfectly with our expertise. Within just six weeks of ownership, we are actively negotiating a lease with a professional service provider, and have strong interest from other notable retailers for the remaining space.

We look forward to deploying our proven strategy to enhance tenant mix, drive foot traffic, and solidify Roswell Village as the premier retail destination in the area.



Financial Assets

Name	Address	Asset Type	Size	Purchase Price	Purchase Date
Santa Barbara Loan	111 E Victoria St. Santa Barbara, CA	Loan	21,970 SF	\$4 Million	August 2023
Debenture Investment	4 Sites in Denver, CO	Convertible Debenture for Mixed-Use Development	308 Units	\$1.525 Million	December 2021



Key Takeaways



In the fourth quarter, average retail asking rents in the U.S. rose to \$34.47 per square foot, reflecting robust backfill demand across key markets. Regions experiencing growth in population and buying power are outperforming, as higher consumer spending drives stronger tenant demand. This surge in demand is not only filling vacant spaces quickly but also improving sales performance in existing locations, making these markets increasingly attractive to retailers looking for growth opportunities. As consumption rises, tenants are more willing to invest in prime spaces, further tightening supply in high-demand areas.

Source: Colliers



The U.S. consumer economy remains supportive of the retail real estate market, with strong household finances, rising employment, and growing consumer confidence driving retail demand. Many retailers posted positive results during the holiday season, fueling optimism for 2025. High-performing brands are expected to expand, though with a more strategic focus due to increased competition and higher operating costs. While potential tariff increases under the incoming administration pose a risk, the overall economic environment is expected to remain favorable for retail real estate next year.

Source: Cushman & Wakefield



Retail vacancy remains at a historic low of 4.1%, creating challenges for tenants, especially in high-quality shopping centers in sought-after markets. While the fourth-quarter rebound in absorption was strong, overall demand has slowed due to economic pressures, store closures, and limited space availability. With just 8.3 million square feet of new retail space coming online in 2024—the lowest on record—property owners are poised to benefit from the tight supply, particularly in regions with extreme space shortages.

Source: Colliers and Cushman & Wakefield

Acknowledgements

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We appreciate the invaluable support and feedback from our investors and stakeholders, whose trust and partnership are fundamental to our achievements. This report reflects our collective efforts and commitment to transparency and success of Revesco Properties Trust.

Thank you.

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