

QUARTERLY
REPORT

REVESCO PROPERTIES TRUST

Q1 2025

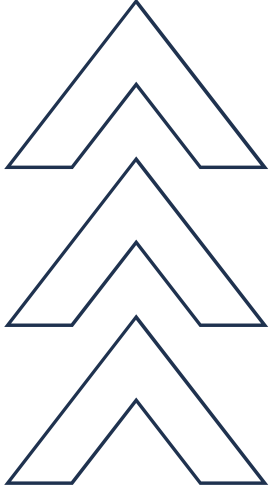


REVESCO
PROPERTIES TRUST

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Quarterly Insights from our Trustees



Dear Revesco Properties Trust Investors,

We are pleased to share our Q1 2025 performance update and strategic outlook.

The economic landscape in the United States during Q1 of 2025 has been marked by fluctuating tariff announcements leading to heightened market uncertainty. This uncertainty has put downward pressure on the 10 Year US Treasury rate which is down from 4.6% to 4.3% at time of writing. The U.S. economy continues to move forward during this disruption and continues to show historically low unemployment and continued growth in consumer spending. Inflation has remained above the Federal Reserve's 3% target rate, leading to the Federal Reserve holding rates until more certainty around tariffs occurs.

RPT sees current market dynamics as a compelling opportunity for equity deployment. 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 persists, and the national vacancy rate remains at historically low levels, currently 4.2% according to Colliers.



Building on the Q4 acquisitions of Whole Foods in Flagstaff and Roswell Village in metro Atlanta, RPT envisions 2025 as a year of continued growth. We have identified our next acquisition: Sundance Plaza in Steamboat Springs, CO – a growing lifestyle driven market with high average household income and a 3-hour drive from Denver. This 66,196 square foot center at 94% occupancy is under contract at \$18.925 million. The business plan calls for moving rents to market rates and increasing the weighted average lease term (WALT) over the first three years. The center is adjacent to the only Safeway grocery store in the market and features strong publicly traded tenants such as Starbucks, Dominos and Sherwin-Williams.

Beyond acquisitions, we continue our focus on the enhancement of our existing portfolio through our operational and leasing activities. During the first quarter, notable store openings include LensCrafters at Aspen Place in Flagstaff, AZ, and WaveMax at Park Lee in Phoenix, AZ. As a result of these efforts, our portfolio maintains strong occupancy at 95%.



I am pleased to report that in-place rents grew 2.39% during the quarter. The portfolio maintains a conservative loan-to-value (LTV) ratio of 59.1%, including alternatives, with an average mortgage rate of 6.1%. Further, there are no variable rate mortgages in our portfolio, and the first mortgage renewal does not occur until 2027.

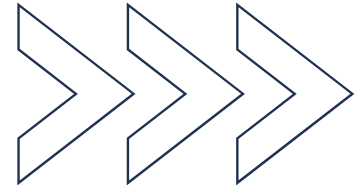
Looking ahead, we are excited by the opportunities that we have before us in 2025. RPT assets continue to reflect steady valuations despite turbulent public market fluctuations. We extend our gratitude for your continued trust and support.

Warm regards,

Christopher A. Wood
Trustee
Revesco Properties Trust

Scott R. Lee
Trustee
Revesco Properties Trust

Market Highlights



Retail Takes a Breather, Not a Break

Q1 2025 brought plenty of economic uncertainty across the U.S., but retail remained largely unaffected. Retailers, now better equipped to handle shifts in the economy and consumer behavior thanks to lessons learned during the pandemic, are treating this moment more as a pause than a downturn. While there's still some uncertainty around the economy, tariffs, and other factors, the current environment is shaping up to be competitive—yet resilient—for retail real estate through the rest of the year.

01 Affordability Takes the Spotlight

Although visits to brick-and-mortar stores dipped slightly compared to this time last year, U.S. consumers are still spending. According to Placer.ai, budget-friendly retailers are seeing growth. Coffee shop visits rose by 1.7% in the Q1, while off-price apparel stores saw a 3.2% year-over-year increase. Together, these trends show that even amid economic uncertainty, consumers remain active—just with a more budget-conscious approach. Rather than pulling back entirely, shoppers are simply shifting where and how they spend, favoring value-driven experiences and retailers that meet their financial comfort zones.

02 Landlords Poised to Capitalize on Retail Vacancies

According to Colliers, even with an uptick in retail closures and softer demand, most vacated spaces are being re-leased quickly—thanks to the continued scarcity of quality retail space. In fact, vacant space is being absorbed at the fastest rate in nearly 15 years. The strongest demand is for well-located, second-generation spaces, which remain top targets for expanding retailers, putting landlords in a strong position, particularly as leases come up for renewal.

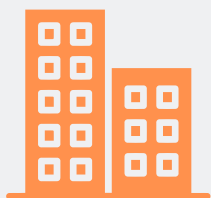
03 Slow and Steady Wins the Race

Cushman & Wakefield notes that despite tariff-related pressures, retailers are well-equipped to adapt, thanks to strategies shaped during the pandemic and inflation. The current environment is creating opportunities for tenants to secure more favorable lease terms. With limited new development and rising construction costs, vacancy rates could reach 6.0–6.5% by early 2026, but projected economic growth should help stabilize the market soon after. So although Q1 didn't outperform, it's setting the stage for potential success in retail real estate through the rest of the year.

RPT by the Numbers

AUM

\$150 M



WALT

3.7 Years



SQFT

607K



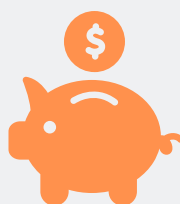
OCCUPANCY

95%



LTV

59%*



Q1 NOI

\$2.5 M



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*LTV includes financial investments

5 West

Bozeman, MT

SQFT
37,668

PURCHASE
DATE
2021

Regus



clearwater
CREDIT UNION

FICO

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Occupancy	100%	100%	100%	100%	100%
Avg. In-Place Rents (\$/SF)	\$26.54	\$26.58	\$26.77	\$27.12	\$27.12
WALT (Years)	3.88	3.63	3.38	3.00	2.88
NOI	\$288,010	\$289,754	\$287,140	\$327,233	\$279,691

QOQ | YOY Change

5 West remains a consistently high-performing and strategic asset. With stable in-place rents and full occupancy, tenants continue to support its long-term success and value. The slight decrease in NOI this quarter is due to year-end CAM adjustments posted in Q4 2024, not operational decline. Performance fundamentals remain strong, reinforcing the asset's ongoing stability and appeal.



Q1 Updates

The property remains stable with consistent performance, positioning it well for continued success.

Harmony School Shops

Fort Collins, CO

SQFT
88,144

PURCHASE
DATE
2021



	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Occupancy	100%	100%	100%	100%	100%
Avg. In-Place Rents (\$/SF)	\$18.73	\$18.73	\$18.73	\$18.73	\$18.76
WALT (Years)	3.33	3.08	2.89	2.50	2.44
NOI	\$394,958	\$320,627	\$424,055	\$324,341	\$368,644

QOQ | YOY Change

Performance at Harmony School Shops remains in line with expectations. Operational efficiencies in Q1 drove a 12% increase in NOI, positioning the asset for continued strong performance.

Q1 Updates

Office Depot is set to vacate its space at the end of April 2025, creating a prime opportunity for us to reposition the center for Fort Collins' more youthful demographic. Leasing efforts are already well underway to secure a high-quality replacement aligned with this vision.



Aspen Place at the Sawmill

Flagstaff, AZ

SQFT
124,340

PURCHASE
DATE
2021/2024



	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Occupancy	99%	99%	98.57%	94%	95.18%
Avg. In-Place Rents (\$/SF)	\$25.24	\$25.31	\$25.74	\$27.54	\$27.75
WALT (Years)	4.33	3.95	3.83	5.20	5.36
NOI	\$638,667	\$734,536	\$746,486	\$774,030	\$903,382

QOQ | YOY Change

Rents at Aspen Place grew 6.35% quarter-over-quarter and 9.06% year-over-year. Net Operating Income (NOI) increased significantly following the first full quarter of operations for both Whole Foods and LensCrafters.

Q1 Updates

The opening of LensCrafters during the quarter drove an increase in property revenue and overall traffic. Leasing momentum continues to build, with healthy leasing interest from several high-end retail brands. Notably, Hello Neighbor—the Arizona-based restaurant group behind Lola in Glendale—is actively pursuing the former Grimaldi's space, highlighting the growing appeal of Aspen Place. While a lease has not yet been finalized, discussions are progressing positively.



Preston Place

Louisville, KY

SQFT
134,019

PURCHASE
DATE
2022

FLOOR DECOR & VCF VALUE CITY FURNITURE

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
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	4.00	3.75	3.40	3.25
NOI	\$266,100	\$270,748	\$297,933	\$249,002	\$212,182

QOQ | YOY Change

Preston Place continues to demonstrate stable performance, delivering consistent cash flow. Net Operating Income (NOI) decreased this quarter due to a one-time prior-year CAM adjustment. In-place rents remain steady, supported by full occupancy.

Q1 Updates

In Q1, we refreshed marketing materials to better position the property and generate increased interest, particularly in the pad site. We are actively assessing leasing versus selling strategies to optimize long-term value.



Park Lee

Phoenix, AZ

SQFT
75,559

PURCHASE
DATE
2022



	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Occupancy	81.40%	81.40%	81.40%	81.40%	84.90%
Avg. In-Place Rents (\$/SF)	\$15.38	\$15.43	\$15.46	\$15.46	\$15.85
WALT (Years)	2.30	1.71	1.86	1.70	1.50
NOI	\$150,285	\$167,972	\$203,100	\$189,567	\$177,409

QOQ | YOY Change

Net Operating Income (NOI) at Park Lee remains on target with budget expectations. Occupancy increased by 3.5% this quarter following the opening of WaveMax. NOI is expected to rise further in Q2 as WaveMax commenced rent payments in March 2025.

Q1 Updates

Improvements completed last quarter have successfully increased traffic to the center. We are currently negotiating a lease with a national quick-service restaurant tenant. In parallel, similar to our strategy at Preston Place, we are evaluating the benefits of leasing versus selling the pad site.



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Roswell Village

Roswell, GA

SQFT
150,211

PURCHASE
DATE
2024

ROSS
DRESS FOR LESS®

Marshalls

CRUNCH

	Q4 2024	Q1 2025
Occupancy	89.61%	89.61%
Avg. In-Place Rents (\$/SF)	\$19.37	\$19.93
WALT (Years)	5.20	4.99
NOI	\$414,902	\$583,594

QOQ Change

During our first full quarter of ownership, NOI, expenses, and occupancy remained in line with budget. In-place rents increased slightly due to scheduled rent escalations in existing leases.

Q1 Updates

During the quarter, we completed the initial capital improvement plan, including the full replacement of the Pizza Hut pad roof. Leasing the remaining vacancy remains a key priority. We are seeing strong tenant interest and are actively negotiating with five prospects, with a focus on curating a tenant mix that enhances the center's long-term value and better serves the needs of the community.

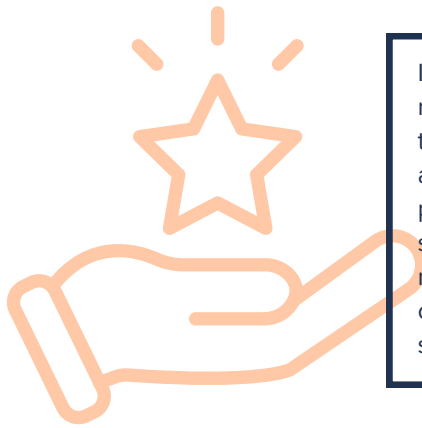


Financial Assets

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



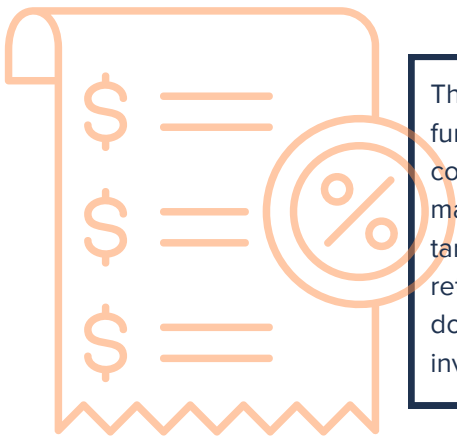
In the first quarter of 2025, average retail asking rents in the U.S. rose to \$25.56 per square foot, reflecting a modest 0.27% gain from the previous quarter. This deceleration in rent growth can be attributed to increasing availability rates and stagnant retail sales performance across markets. Despite the slowdown, significant rent spreads persist—creating challenging conditions for tenants while maintaining favorable positions for property owners. The retail sector continues to face headwinds from inflation and softening consumer spending patterns, both of which are tempering growth expectations.

Source: Colliers



The U.S. retail real estate market maintains strong fundamentals entering Q1 2025, with record occupied space and 43 of 50 major metros showing vacancy rates below long-term averages. While inflation concerns and projected store closures present challenges, limited new construction (28 million square feet delivering in 2025, a record low) should support continued positive net absorption, sub-5% vacancy rates, and moderate rent growth throughout the year. Consumer resilience remains a key driver of demand across diverse tenant categories, helping to offset potential headwinds.

Source: Marcus & Millichap



The retail real estate sector begins 2025 with solid consumer fundamentals including healthy household balance sheets, continued job growth, and positive wage gains—supporting the market's strong occupancy metrics. While recently implemented tariffs on imported goods create near-term uncertainty affecting retailer costs, consumer spending, and operational planning, they don't yet represent a major concern for retail real estate investment.

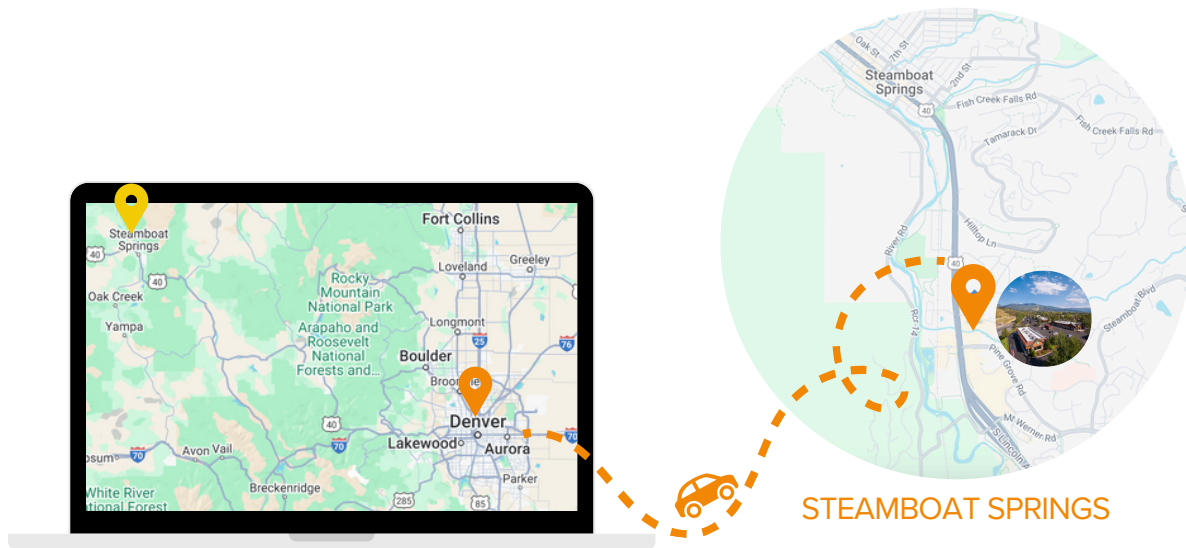
Source: Cushman & Wakefield

Upcoming Acquisitions



Sundance Plaza, a 66,196 SF, strategically located retail center in Steamboat Springs, Colorado with significant potential for transformation into a grocery-anchored destination. This property offers an attractive opportunity to acquire a well-positioned retail asset in a thriving mountain resort community with strong year-round tourism and a growing permanent population. The vision includes securing a premier grocery tenant as an anchor, which would significantly enhance foot traffic, stabilize the tenant mix, and position the center for long-term value appreciation and sustainable returns, capitalizing on Steamboat Springs' strong economic fundamentals, limited retail development pipeline, and favorable demographics.

SUNDANCE PLAZA Steamboat Springs, CO



3 Hour Drive
Denver to Steamboat Springs

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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