



UNITED HAMPSHIRE US REIT DELIVERS RESILIENT OPERATIONAL PERFORMANCE

- **Increased committed occupancy to 97.6%¹ for Grocery & Necessity Properties, supported by strong supply-demand leasing dynamics**
- **WALE increases to 7.9 years², up from 7.7 years as a result of strong leasing momentum and a high tenant retention rate of 92%¹ since IPO**
- **Self-Storage occupancy remains robust at 93.6%**
- **9M 2024 Gross Revenue increased 0.6% y-o-y supported by new leases, rental escalations from existing leases and contribution from the opening of the new Academy Sports store at St. Lucie West**
- **No refinancing requirements until November 2026³ and no interest rate swap maturing until December 2026**

SINGAPORE, 8 NOVEMBER 2024 — United Hampshire US REIT Management Pte. Ltd., the manager (the "**Manager**") of United Hampshire US Real Estate Investment Trust ("**UHREIT**"), announced today that its gross revenue for the nine months ended 30 September 2024 ("**9M 2024**") grew by 0.6% year-on-year ("**y-o-y**") to US\$54.7 million. The growth was supported by new leases and rental escalations from existing leases, as well as revenue generated from the new Academy Sports + Outdoors ("**Academy Sports**") store at St. Lucie West.

9M 2024 net property income ("**NPI**") of US\$37.4 million was slightly lower by 3.4% y-o-y. This decrease was mainly due to the absence of contribution from Big Pine Center and the two freestanding Lowe's and freestanding Sam's Club at Hudson Valley, which had been divested in August 2023 and August 2024, respectively. In addition, the 9M 2024 NPI was also impacted by ongoing tenant transitions, primarily Trader Joe's at Lynncroft which is targeted to open later this month. 9M 2024 distributable income of US\$18.7 million was also lower y-o-y mainly due to higher interest costs.

Mr. Gerard Yuen, Chief Executive Officer of the Manager said, "UHREIT was on 6 November 2024 awarded the (a) "Overall Sector Winner (REITs)" award, and (b) the "Highest Growth in Profit after Taxes over three years" award, at The Edge Singapore Centurion Club Awards 2024. These awards are a recognition of our proactive portfolio management which has enabled us to deliver high unitholder returns and profit after tax growth in a sustainable manner."

"We have continued to see strong leasing momentum for grocery-anchored strip centers coupled with continuing strong retail consumption in the United States. Retailer interest in strip centers remains fairly favourable, with new supply remaining low, and foot traffic at strip centers showing the strongest growth among retail formats since 2019. Amidst this backdrop, we have successfully executed a 20-year lease with a new grocer tenant, Food Bazaar Supermarket in Piscataway, New Jersey. This will further enhance the overall portfolio weighted average lease expiry ("**WALE**")."

¹ As at 30 September 2024.

² Computation included forward committed leases for Grocery & Necessity Properties only. Excluding forward committed leases, the WALE is 7.8 years as at 30 September 2024.

³ Assuming the loan extension option is fully exercised.

“With an expected lower interest rate environment and projected rate cuts by the U.S. Federal Reserve both this year and the next, we will continue to proactively manage the portfolio through asset enhancement initiatives and new developments such as the Academy Sports store, while also being on the lookout for potential acquisition opportunities to grow the REIT.”

Portfolio Review and Management

As at 30 September 2024, the Grocery & Necessity portfolio recorded a high committed occupancy of 97.6% with minimal leasing risk, given that only 0.3%⁴ and 3.7%⁴ of leases are set to expire in 2024 and 2025 respectively. With the strong leasing momentum witnessed year to date, the WALE has increased further to 7.9 years², up from 7.7 years in the previous quarter. Most of these leases are triple-net, with built-in rental escalations over the lease terms, which help offset inflationary pressure and increased costs.

For UHREIT's Self-Storage properties, occupancy rates at both Carteret and Millburn Self-Storage remained at healthy levels from the previous quarter. As at 30 September 2024, the occupancy for Carteret and Millburn was 94.8% and 92.5%, respectively. Average quarterly net rental rates moderated slightly, in line with the normalisation observed across the sector.

Capital Management

Following the successful refinancing of the Arundel Plaza loan in February 2024, UHREIT has no refinancing requirements until November 2026³. Furthermore, there is no interest swap maturing until December 2026. UHREIT has a healthy weighted average debt maturity of 2.6 years³ and 73.6% of the total loans are either fixed rate loans or floating rate loans that have been hedged to fixed rates. For the quarter ended 30 September 2024, the weighted average interest rate was 5.02%⁵, the aggregate leverage ratio of 39.9%, and the interest coverage ratio of 2.5 times⁶.

Outlook

U.S. third quarter GDP increased at an annualised rate of 2.8%⁷ and the unemployment rate in October 2024 remained unchanged at 4.1%⁸. Consumer spending remains strong with sales for retail and food services for September 2024 up 1.7% y-o-y⁹ and grocery sales up 2.5% y-o-y⁹. Overall, U.S. retail sales strengthened in September 2024, surpassing forecasts and showcasing resilient consumer spending that continues to drive the economy¹⁰.

⁴ Based on base rental income of Grocery & Necessity Properties for the month of September 2024.

⁵ Trailing 12-month and excludes upfront debt-related transaction costs and revolving credit facility.

⁶ The interest coverage ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees (excluding interest on lease liabilities).

⁷ U.S. Bureau of Economic Analysis, “Gross Domestic Product, Third Quarter 2024 (Advance Estimate)”, 30 October 2024.

⁸ U.S. Bureau of Labor Statistics, “The Employment Situation – October 2024”, 01 November 2024.

⁹ U.S. Census Bureau, “Advance monthly sales for retail and food services – September 2024”, 17 October 2024.

¹⁰ Yahoo! Finance, “US retail sales showcase resilience of economy's growth engine”, 17 October 2024.

The U.S. inflation rate has declined significantly, from a peak of 9.1% in June 2022 to 2.4% in September 2024¹¹. The U.S. Federal Reserve cut interest rates by 50bps in September and is expected to continue cutting rates in 2024 and 2025 although the timing and number of cuts will be dependent on the underlying economic data.

Omnichannel strength has emerged as a strategic necessity for e-commerce and retail businesses to maintain a competitive edge and achieve sustainable growth in the coming years¹². Physical stores, along with in-store shopping and returns, remain critical to retailers in achieving customer satisfaction.

The Strip Center sector demand remains strong with no signs of easing up, as foot traffic at strip centers has seen a notable increase in visitors since pre-pandemic¹³. On the supply front, new strip center construction is expected to remain muted in the foreseeable future, as developments are expected to average just 0.3% between 2024 to 2028, the lowest among traditional sectors and opposite to other real estate sectors grappling with challenges posed by high vacancy and new supply entering the market¹³.

Looking Ahead

Amidst market volatility from geopolitical headwinds and macroeconomic uncertainty, the Manager will remain focused on strengthening UHREIT's income streams and balance sheet, optimising the portfolio by evaluating potential acquisition opportunities, asset enhancement and development initiatives, and selectively divesting for capital recycling and to take advantage of opportunities as they present themselves.

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Food Bazaar Supermarket at Piscataway, New Jersey

¹¹ U.S. Bureau of Labor Statistics, "Consumer Price Index – September 2024", 10 October 2024.

¹² Ryder 2024 E-Commerce Consumer Study.

¹³ Green Street, "Strip Center Sector Update", 20 August 2024.



To find out more about UHREIT, please visit <https://www.uhreit.com/>



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For queries, please contact:

United Hampshire US REIT Management Pte. Ltd.

Wong Siew Lu, CFA, CA (Singapore)

Head of Investor Relations and Sustainability

T +65 6797 9010 (Office Hours)

E IR@uhreit.com

Citigate Dewe Rogerson Singapore Pte Ltd

Chia Hui Kheng / Dolores Phua / Eric Seow

T +65 6534 5122 (Office Hours)

E uhreit@citigatedewerogerson.com



About United Hampshire US REIT

Listed on the Main Board of the Singapore Exchange Securities Trading Limited on 12 March 2020, UHREIT is a Singapore real estate investment trust established with the principal investment strategy of investing in a diversified portfolio of stabilised income-producing (i) grocery-anchored and necessity-based¹⁴ retail properties ("**Grocery & Necessity Properties**"), and (ii) modern, climate-controlled self-storage facilities ("**Self-Storage Properties**"), located in the U.S.

The tenants targeted by UHREIT are tenants resilient to the impact of e-commerce, including but not limited to restaurants, home improvement stores, fitness centers, warehouse clubs and other uses with strong omnichannel platforms¹⁵.

UHREIT's portfolio comprises 20 predominantly freehold Grocery & Necessity Properties and two Self-Storage Properties, primarily concentrated in the East Coast of the U.S., with a carrying value of approximately US\$738.7 million¹⁶ and an aggregate net lettable area ("**NLA**") of approximately 3.6 million square feet.

About the Sponsors

UOB Global Capital LLC

UOB Global Capital LLC is an originator and distributor of private equity, hedge funds, fixed income and real estate products, and a global asset management subsidiary of United Overseas Bank Limited ("**UOB**"), a leading bank in Asia. UOB Global Capital LLC was founded in 1998 and has US\$3.8 billion in Asset Under Management ("**AUM**") as of 31 December 2023. It operates from offices in New York and Paris, with representation at UOB's headquarters in Singapore. In this way, the firm can conduct its activities and meet investors' needs across the Americas, Europe, the Middle East and Asia.

The Hampshire Companies, LLC

The Hampshire Companies, LLC ("**THC**") is a privately held, fully integrated real estate firm and real estate investment fund manager, which has over 60 years of hands-on experience in acquiring, developing, leasing, repositioning, managing, financing and disposing of real estate. It has a diversified investment platform and derives results from its broad experience in multiple commercial real estate asset classes, including industrial, retails, self-storage, office, industrial and multifamily. THC currently owns and/or operates a diversified portfolio of 180 properties across the U.S. totaling approximately 13.5 million square feet. THC has an AUM of approximately US\$1.7 billion. THC is also the asset manager of UHREIT bringing its total regulatory and non-regulatory AUM to US\$2.5 billion¹⁷.

Since 2008, UOB Global Capital LLC and The Hampshire Companies, LLC have jointly formed three funds with combined AUM of approximately US\$1.3 billion (as at 31 December 2023) to focus on investment opportunities in income producing real estate assets in the U.S.

¹⁴ "**Grocery-anchored and necessity-based**" retail properties are assets which are anchored by non-discretionary spending businesses such as supermarkets and grocers (generally accounting for 50 to 70 per cent of the NLA), complemented by smaller inline tenants (generally each accounting for less than 5 per cent of the NLA) for lifestyle services such as hair salons, laundry and dry cleaning stores..

¹⁵ "**Omnichannel platforms**" means the utilisation of multiple distribution channels, both physical and digital to allow the retailer to be better positioned to engage with the customer. These channels include the physical store, websites, phones, e-mail offers, social media, and traditional advertisement methods (i.e. print media).

¹⁶ Based on carrying value of investment properties as at 30 September 2024.

¹⁷ As at 31 December 2023.

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The past performance of UHREIT is not necessarily indicative of its future performance. Certain statements made in this announcement may be forward-looking statements that are based on certain assumptions and expectations of future events regarding UHREIT's present and future business strategies and the environment in which UHREIT operates in. Actual future performance, outcomes and results may differ materially from those expressed in such forward-looking statements. No assurance can be given that such assumptions and expectations are accurate or will be met or realised. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of UHREIT, and the forecasted financial performance of UHREIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events. None of UHREIT, the Manager, Perpetual (Asia) Limited (in its capacity as trustee of UHREIT), or any of their respective affiliates, subsidiaries, controlling persons, directors, officers, employees, agents, advisers or representatives undertake to update or revise any information on the basis of any subsequent developments, information, events or otherwise.

This announcement includes information (a) relating to persons other than UHREIT and/or (b) supplied by or on behalf of third-party sources and/or other publicly available sources (including, without limitation, information regarding market participants in the sectors in which UHREIT competes and other industry data) ("**Third Party Information**"). Such third-party sources have not reviewed this announcement. None of UHREIT, the Manager, Perpetual (Asia) Limited (in its capacity as trustee of UHREIT), or any of their respective affiliates, subsidiaries, controlling persons, directors, officers, employees, agents, advisers or representatives has undertaken any independent verification of such Third Party Information and nothing herein shall be taken as a representation, warranty or undertaking of any responsibility in relation to the accuracy, completeness, correctness and/or reliability of such Third Party Information.