



# UNITED HAMPSHIRE US REIT

Financial Results for the period  
12 March to 30 June 2020

12 August 2020



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United Overseas Bank Limited was the sole financial adviser for the initial public offering of United Hampshire US Real Estate Investment Trust (the “Offering”). United Overseas Bank Limited, UOB Kay Hian Private Limited and UBS AG, Singapore Branch were the joint issue managers and global coordinators for the Offering. United Overseas Bank Limited, UOB Kay Hian Private Limited, UBS AG, Singapore Branch, Credit Suisse (Singapore) Limited and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch were the joint bookrunners and underwriters for the Offering.



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Arundel Plaza, Maryland



# 1. Key Highlights

# Key Highlights

- **Resilient Portfolio Providing Essential Services**

- All properties remained open during the lockdown
- Retail occupancy remains high at **95%** and Self-storage occupancy trending up from May 2020
- **>90%** of retail tenants are open amid COVID-19
- Long WALE of **8.4 years**<sup>1</sup> for grocery and necessity properties

- **Strong Leasing Activity**

- 5 new tenants commenced occupancy
- New leases and renewals comprising approximately 170,000 sf were executed

- **Development Projects Updates**

- St. Lucie West commenced construction as planned and target completion in 1Q 2021
- Perth Amboy construction expected to be completed in August 2020

- **Strong and Prudent Balance Sheet**

- Conservative leverage of **36.2%**
- Interest coverage ratio of **6.1 times** and US\$20mil of undrawn committed RCF
- No refinancing needs until 2023

1. Computation included forward committed leases. Excluding forward committed leases, the WALE is 8.1 years as at 30 June 2020.

# Key Highlights

Gross Revenue

**US\$15.3 million**



Net Property Income

**US\$11.3 million**



Distributable Income

**US\$8.8 million**



Distribution Per Unit

**1.78 US Cents**





St. Lucie West, Florida

**Publix**  
FOOD & PHARMACY

## 2. Financial Performance



# Financial Performance Summary

<b>For the period 12 March 2020 to 30 June 2020</b>	<b>Actual (US\$'000)</b>	<b>Forecast<sup>1</sup> (US\$'000)</b>	<b>Variance (%)</b>
Gross Revenue	15,312	15,861	(3.5) <sup>2</sup>
Net Property Income	11,314	11,971	(5.5) <sup>3</sup>
Distributable Income	8,793	8,772	0.2 <sup>4</sup>
Distribution per Unit <sup>5</sup> (US cents)	1.78	1.78	-

- As at 30 June 2020, rent relief of US\$0.1m and rent deferral of US\$0.4m were granted. In addition, provision of US\$0.3m was made for rent relief which is currently under negotiation.

1. The Prospectus disclosed a 10-month profit forecast for the period from 1 March 2020 to 31 December 2020. Forecast numbers for the period from 12 March 2020 to 30 June 2020 were derived by pro-rating the forecast figures for the 10-month forecast period, except for fair value change numbers, as disclosed in the Prospectus.
2. Lower gross revenue was largely due to lower reimbursable expense recoveries pertaining to Grocery & Necessity Properties, deceleration in leasing activity at the Self-Storage Properties at the onset of the pandemic due to shelter-in-place guidelines (however leasing trends have been increasing after the gradual lifting of guidelines in May 2020) and the delay in completion of Perth Amboy. Grocery & Necessity Properties base rent revenue was higher than forecast but was partially offset by rent relief.
3. Lower net property income was mainly due to lower gross revenue and other operating income as the Top-Ups in relation to Perth Amboy was reclassified from other income to distribution adjustment (no impact on distributable income). The effect was offset by lower repair and maintenance expenses. Net property income included the provision for rent relief, which is currently under negotiation. Certain rent relief was granted in exchange for lease extensions that is accretive to the overall WALE of the portfolio.
4. Overall Distributable Income is 0.2% above the IPO forecast, taking into consideration of the Top-Up income for the period from 12 March 2020 to 30 June 2020, as well as the lower finance costs due to favorable floating-to-fixed interest rate swap rate secured for the term loans.
5. DPU of US1.78 cents for the period from 12 March 2020 to 30 June 2020 was calculated based on 493,277,002 issued units as at 30 June 2020.



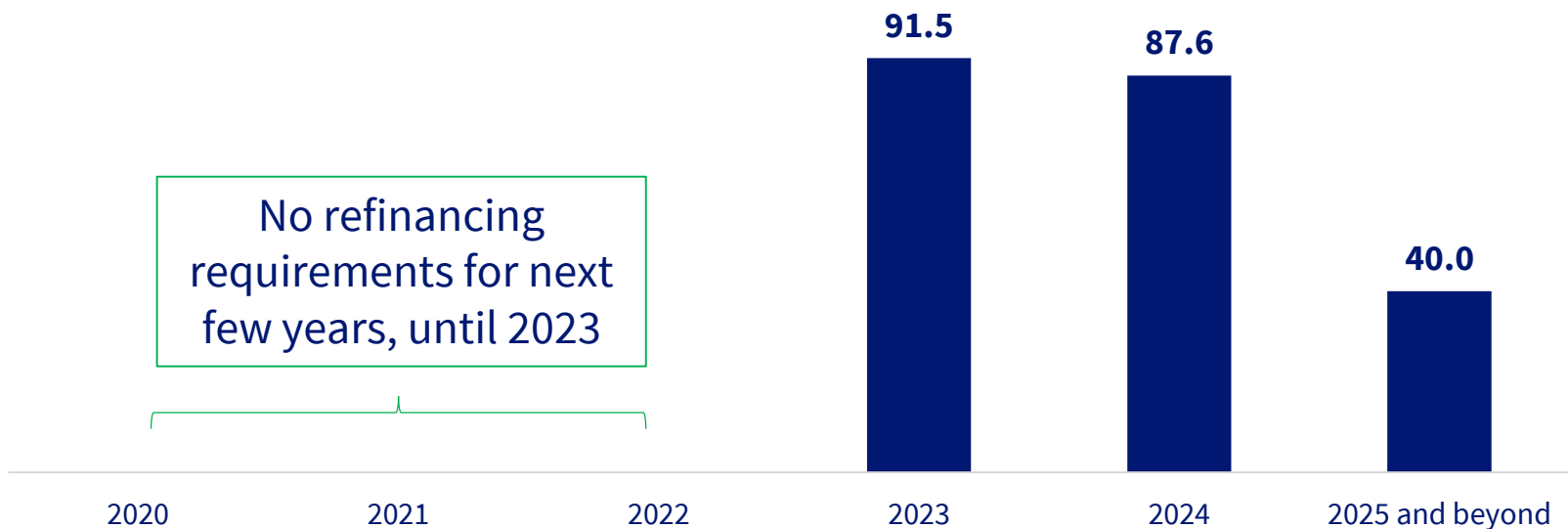
# Balance Sheet

<b>As at 30 June 2020</b>	<b>US\$'000</b>
Investment Properties	597,975
Current Assets	20,168
<b>Total Assets</b>	<b>629,133</b>
Total Loans & Borrowings	216,748
<b>Total Liabilities</b>	<b>249,819</b>
<b>Net Assets</b>	<b>379,314</b>
Units in Issue and to be Issued (000's)	494,761
<b>NAV per Unit (US\$)</b>	<b>0.76</b>
<b>Adjusted NAV per Unit (US\$)</b>	<b>0.74</b>

# A Disciplined Approach to Debt Management

	As of 30 June 2020
Aggregate Leverage	36.2%
Weighted Average Interest Rate	2.84%
Interest Coverage	6.1 times
Weighted Term to Maturity	3.98 years
Available Undrawn Facilities	US\$20 million

Debt Maturity Profile (US\$'million)





# Distribution Details

<b>Distribution Period</b>	<b>12 March 2020 (Listing Date) to 30 June 2020</b>
<b>Distribution Per Unit (US cents)</b>	1.78

Ex Date 19 August 2020, Wednesday

Book Closure Date 20 August 2020, Thursday

Distribution Payment Date 29 September 2020, Tuesday



# 3. Portfolio Updates

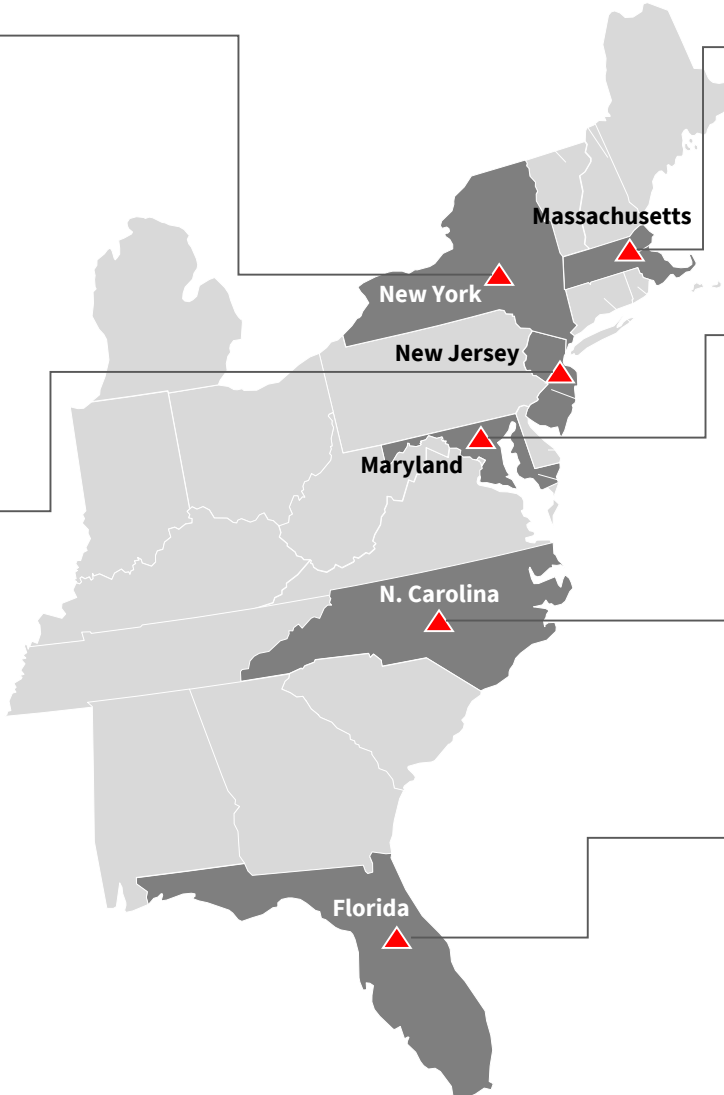


# 22 assets across 6 states focused on the East Coast

New York – Grocery & Necessity		
Name	City	% by Asset Value
Garden City Sq. BJ's Wholesale	Garden City	8.2%
Hudson Valley Plaza	Kingston	7.9%
Albany ShopRite Supermarket	Albany	3.9%
Garden City Sq. LA Fitness	Garden City	3.7%
Price Chopper Plaza	Warwick	3.4%
Wallkill Price Chopper	Middletown	2.3%
Albany ShopRite Gas Station	Albany	0.7%
<b>Total</b>		<b>30.2%</b>

New Jersey – Grocery & Necessity		
Name	City	% by Asset Value
Lawnside Commons	Lawnside	5.6%
Stop & Shop Plaza	Piscataway	5.0%
Wallington ShopRite	Wallington	2.7%
Towne Crossing	Burlington	2.3%
<b>Total</b>		<b>15.6%</b>

New Jersey – Self-Storage		
Name	City	% by Asset Value
Elizabeth	Elizabeth	4.1%
Millburn	Millburn	3.8%
Perth Amboy	Perth Amboy	3.3%
Carteret	Carteret	3.0%
<b>Total</b>		<b>14.2%</b>



Massachusetts – Grocery & Necessity		
Name	City	% by Asset Value
BJ's Quincy	Quincy	5.7%
Fairhaven Plaza	Fairhaven	3.2%
<b>Total</b>		<b>8.9%</b>

Maryland – Grocery & Necessity		
Name	City	% by Asset Value
Arundel Plaza	Glen Burnie	7.7%
Parkway Crossing	Parkville	4.6%
<b>Total</b>		<b>12.3%</b>

North Carolina – Grocery & Necessity		
Name	City	% by Asset Value
Lyncroft Center	Greenville	4.3%

Florida – Grocery & Necessity		
Name	City	% by Asset Value
St. Lucie West	Port St. Lucie	13.0%
Big Pine Center	Big Pine Key	1.6%
<b>Total</b>		<b>14.6%</b>

1. Total does not add up to 100% due to rounding differences.

# UHREIT's Competitive Advantage

**Tenants in the portfolio provide consumers with convenience, value, and a broad range of non-discretionary products and services**

- Grocery & Necessity and Self-Storage properties are generally considered cycle agnostic and not as vulnerable to cyclical shifts in the economy
- Tenants at Grocery & Necessity properties provide shoppers with the optionality to access food and other necessity products through omni-channel platforms
- Self-storage properties provide safe and reliable storage facilities for consumers to store their possessions
- UHREIT's portfolio provides investors with access to the U.S. consumer





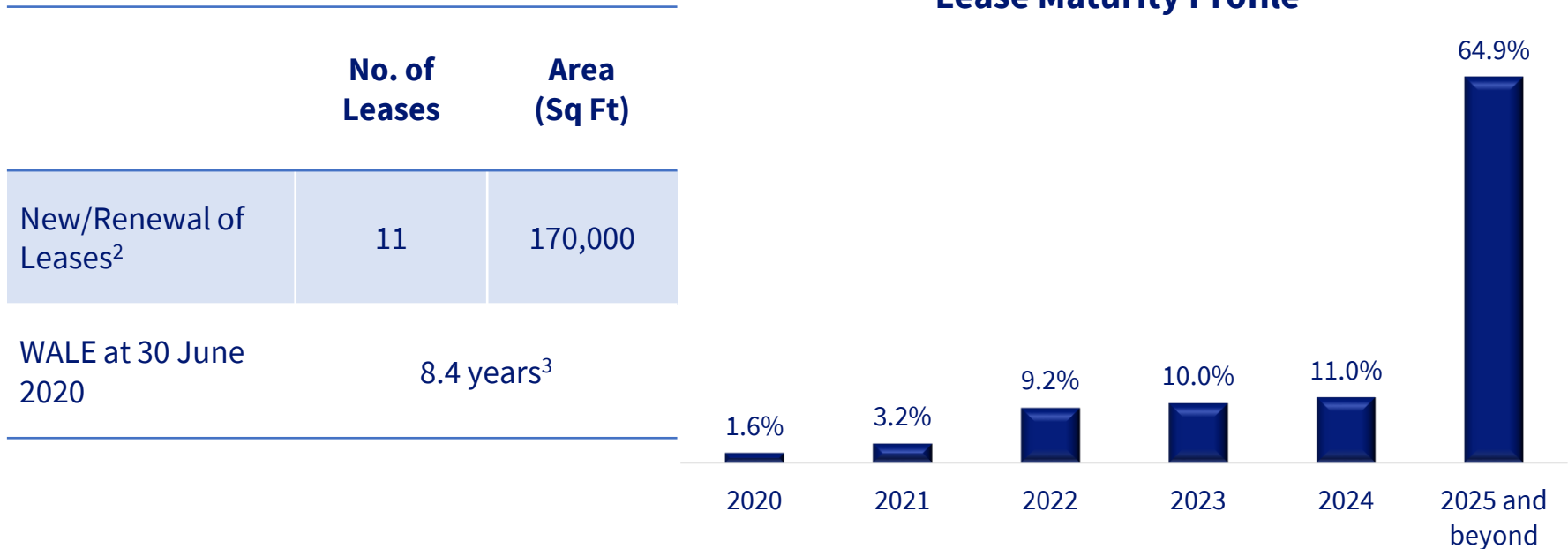
BJ's Quincy, Massachusetts

# Grocery & Necessity Properties Updates

# Long Lease Maturity Profile

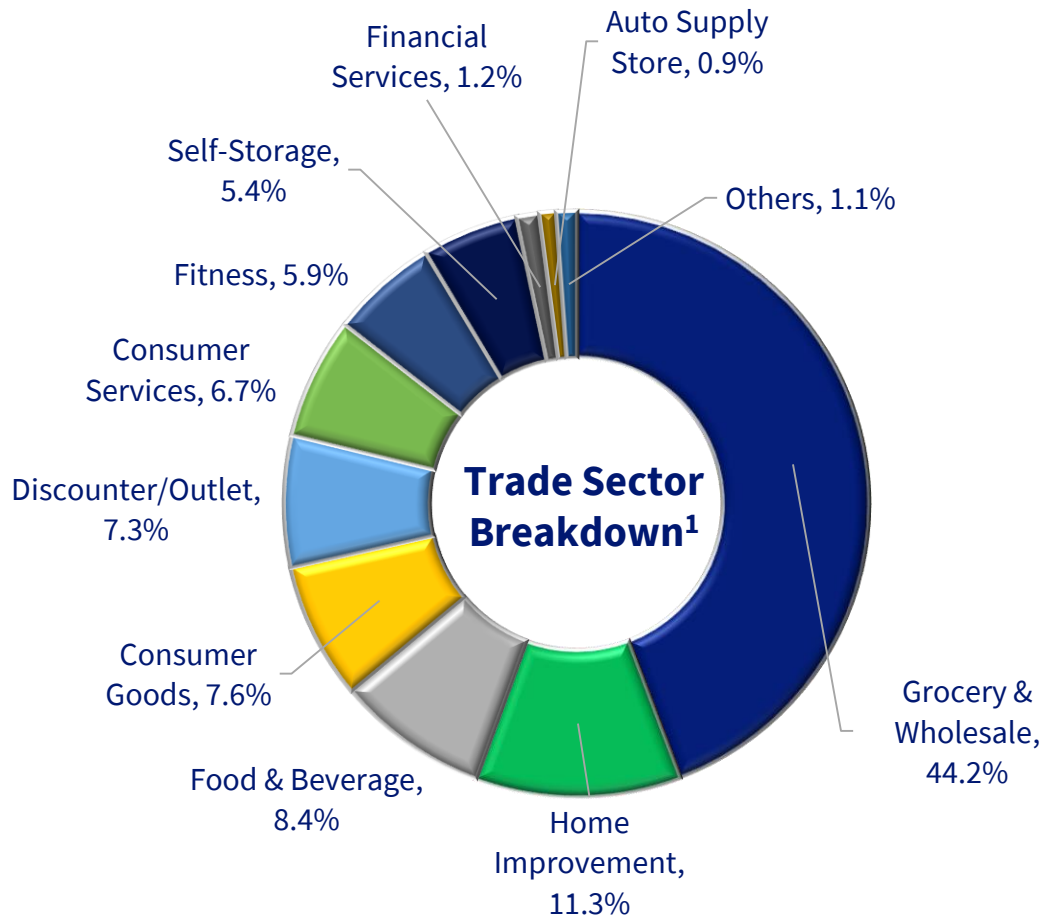
- Low leasing risk, <5% of leases based on rental expiring in 2020 and 2021
- Key new/renewed tenants include Publix, Beall’s Outlet, Ross and PetSmart
- Largely triple-net leases and >80%<sup>1</sup> of existing leases have built-in rental escalations

**Lease Maturity Profile<sup>1</sup>**



1. Based on Base Rental Income of Grocery & Necessity Properties for the month of June 2020.  
 2. For the period 1 January 2020 to 30 June 2020.  
 3. Computation included forward committed leases. Excluding forward committed leases, the WALE is 8.1 years as at 30 June 2020.

# Primarily Leased to Cycle-Agnostic Tenants



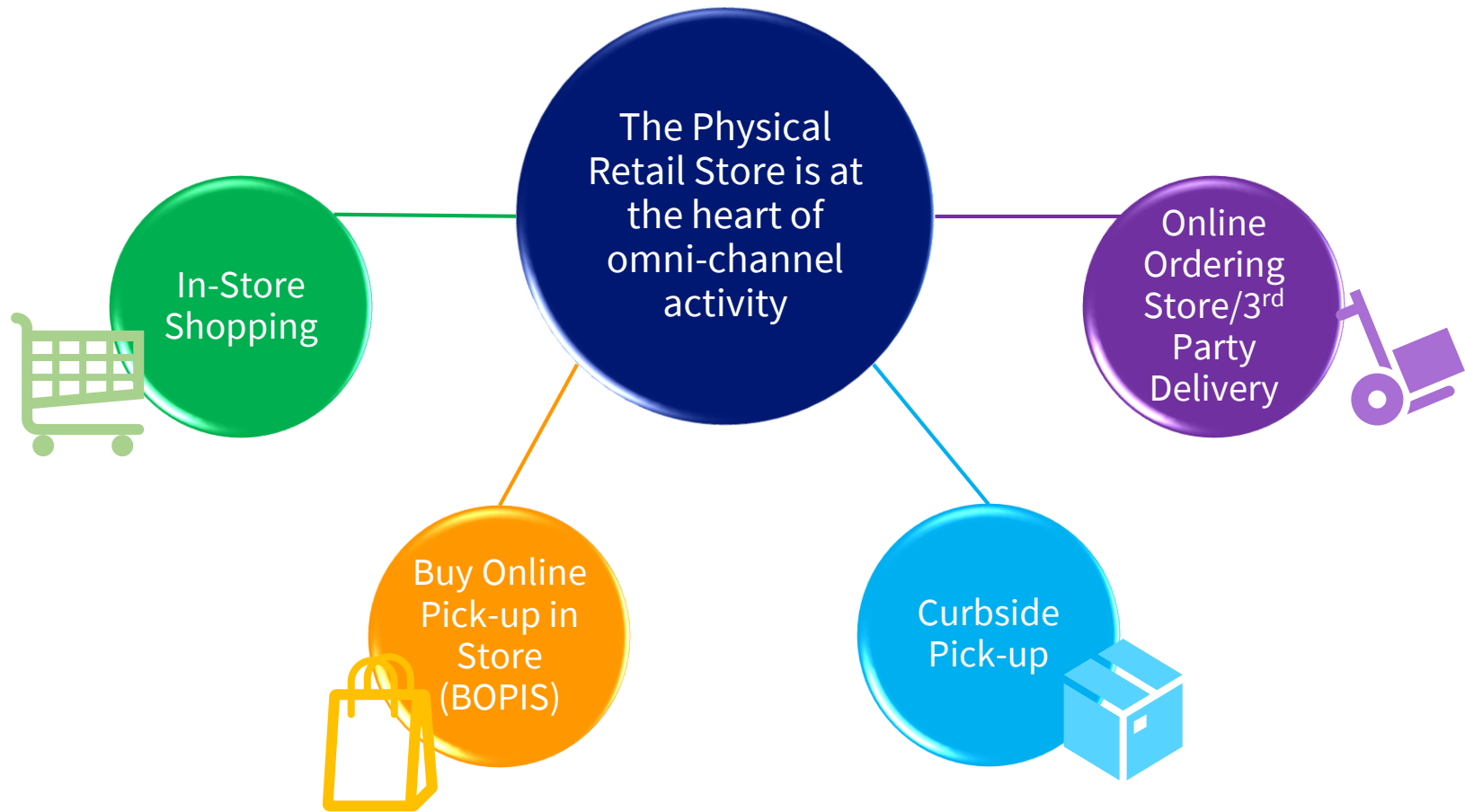
## Essential services²:

- Grocery stores, farmer's markets and farms;
- Pharmacies;
- Medical supply stores;
- Gas stations;
- Convenience stores;
- Ancillary stores within healthcare facilities;
- Hardware and home improvement stores;
- Banks and other financial institutions;
- Laundromats and dry-cleaning services;
- Stores that principally sell supplies for children under five years;
- Pet stores;
- Liquor stores;
- Car dealerships, but only for auto maintenance and repair, and auto mechanics;
- Printing and office supply shops;
- Mail and delivery stores

1. Based on Base Rental Income of Grocery & Necessity Properties for the month of June 2020.  
 2. Based on the definition of "Essential Retail Businesses" by the State of New Jersey.



# Retailers are Thriving in the Omni-Channel Environment



# Superior Tenants Achieving Strong Sales Growth

**U.S. retail sales increased 18.2% and 7.5% in May and June 2020 month-on-month<sup>1</sup> respectively**



Sales  
**▲19.9%** y-o-y<sup>2</sup>  
 Contributing  
**13.5%** of rental<sup>3</sup>

BJ's: Club sales increased **19.9%** in 1Q 2020 ended 2 May, compared to 1Q 2019<sup>2</sup>



Sales  
**▲20.6%** y-o-y<sup>2</sup>  
 Contributing  
**10.4%** of rental<sup>3</sup>

Ahold Delhaize: U.S. comparable sales excluding gas was up **20.6%** and online sales was up **77.6%** in 2Q 2020 ended 30 Jun<sup>2</sup>



Sales  
**▲10.0%** y-o-y<sup>2</sup>  
 Contributing  
**5.7%** of rental<sup>3</sup>

Walmart: Unprecedented demand for products across multiple categories. U.S. comparable sales grew **10.0%** and U.S. eCommerce sales grew **74%** in 1Q 2020 ended 1 May with strong results from grocery pick-up and delivery service<sup>2</sup>



Sales  
**▲7.5%** y-o-y<sup>2</sup>  
 Contributing  
**4.8%** of rental<sup>3</sup>

The Home Depot: For the first quarter ended 3 May, the world's largest home improvement retailer reported a **7.5%** in U.S. comparable sales. Approximately **80%** increase in online sales and **>60%** of U.S. online orders were picked up in store<sup>2</sup>

1. U.S. Census Bureau.  
 2. Extracted from respective companies' latest results releases.  
 3. Based on Base Rental Income of Grocery & Necessity Properties for the month of June 2020.

Carteret Self-Storage, New Jersey

extraspaces.com

# Self-Storage Properties Updates



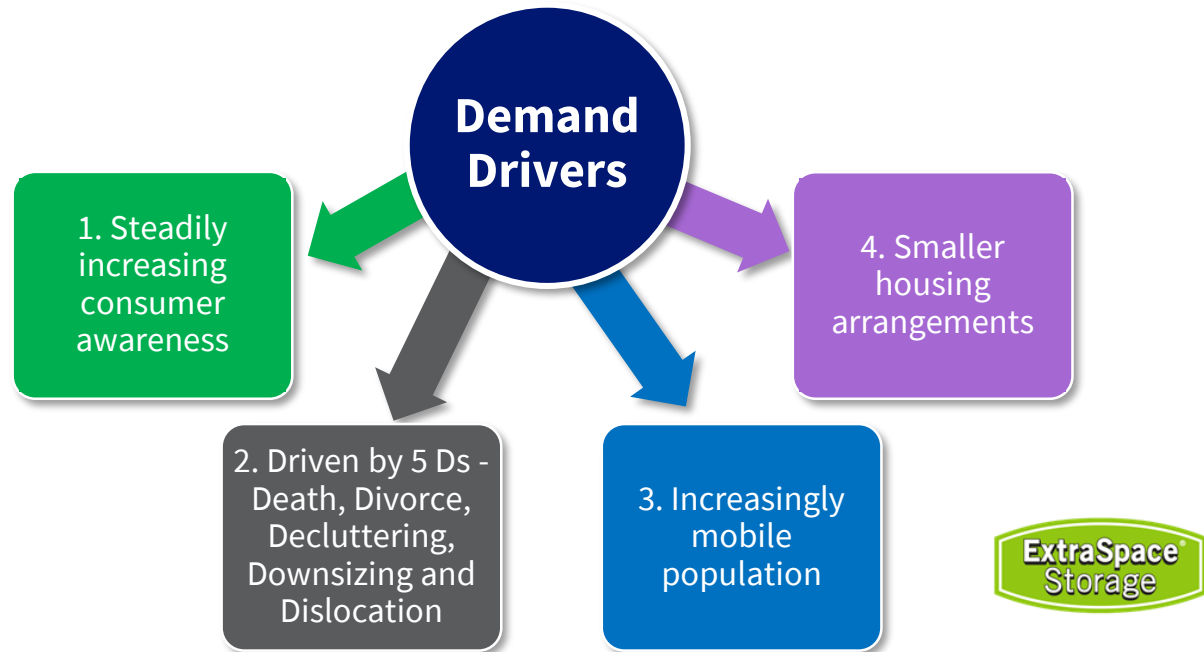
# Self-Storage as a Resilient and Cycle-Agnostic Asset Class

Rolling monthly leases with average stay of 1 to 2 years, and rent adjustments 1 to 2 times per year

Yield management systems using algorithms to allow operators to charge differential rates to maximise revenue

Tenants pay rent inclusive of rates and utilities

Higher returns also driven by lower maintenance capital expenditure than other asset classes



**~10 sqft**  
Boxes, bookcases, small furniture



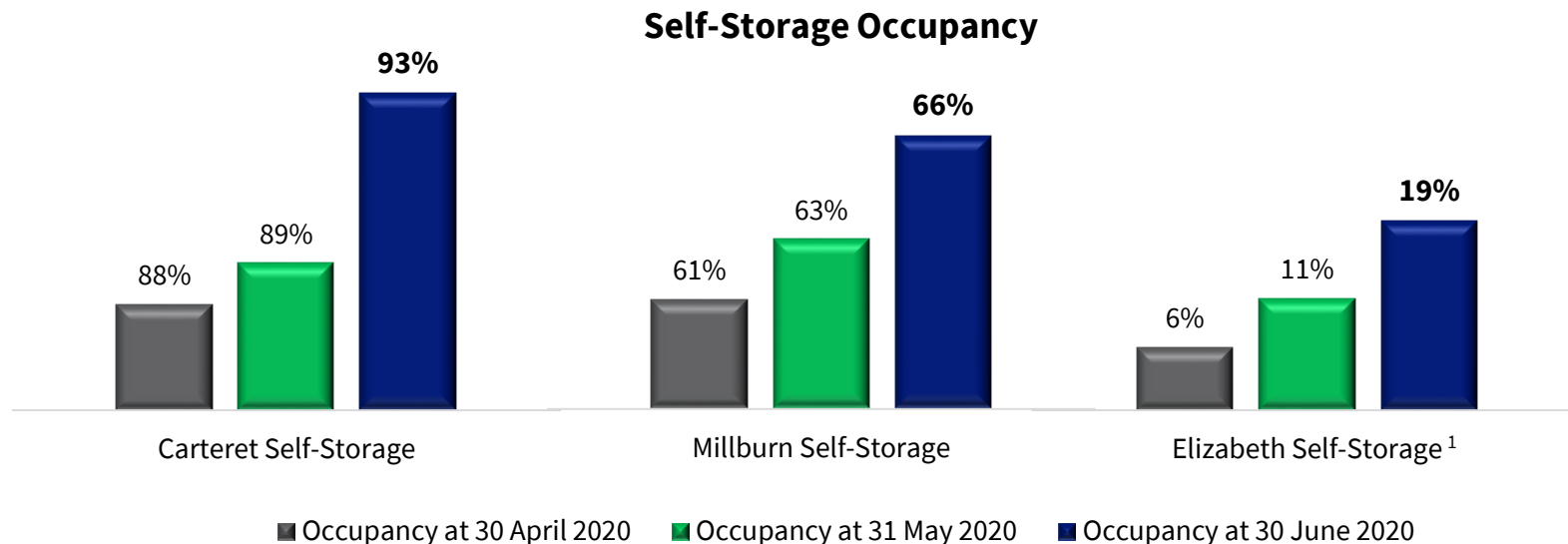
**~100 sqft**  
Furniture, appliances, bookcases, bicycles



**~1000 sqft**  
Automobiles, furniture, appliances

# Self-Storage Properties – Occupancy Growth Post Relaxation of Guidelines

- Self-storage is cycle-agnostic, demand driven fundamentally by life events such as downsizing, decluttering, dislocation, death and divorce
- **All Self-storage properties remained open** during the pandemic and experienced occupancy growth after guidelines were loosened
- Benefited from in-fill locations with high-barriers to entry where competition is limited
- Demonstrated resilience over the last couple of months with the adoption of contactless leasing methods



1. The construction of Elizabeth Self-Storage was completed in January 2020 and commenced operations in end-January 2020.

# Development Initiatives Updates



## New Publix Store – St. Lucie West, Florida

- Construction commenced in May 2020
- Footings were completed in June 2020
- Walls are in the process of being constructed
- Project is on track for completion in 1Q 2021



## Perth Amboy Self Storage

- Construction is anticipated to be completed in August 2020
- Extra Space Storage will commence operations upon completion





## 4. COVID-19 Updates



# Majority of Properties are in States that are Recovering with Lower COVID-19 Transmission

- New COVID-19 cases are significantly down from their April peak in many northeastern states where majority of UHREIT's properties are located
- Cases have more recently spiked up in other states, primarily in the south and western regions, however UHREIT's two properties in those regions are away from the hotspots and remain open
- The status of the virus and various regional guidelines regarding the loosening of restrictions on businesses are fluid and dynamic, the Manager will continue to monitor the situation closely



# Grocery & Necessity Tenants Thriving

- **>90% of the retail tenants are open**, most of them such as grocery and home improvement stores are considered essential services and have been doing exceedingly well during this period
- UHREIT's Grocery & Necessity properties are single-storey, open-air centers in populous suburban areas
- Equipped with large car parks and common areas which are conducive for social distancing, facilitate in-store and curbside pickup and outdoor dining
- Simple and functional layouts also allow customers to form queues along sidewalks



Large car parks and common areas are conducive for social distancing and facilitate pickup



Tents set up in the car park for outdoor dining



# New Store Openings Amid COVID-19

- The strength of the portfolio is affirmed by lease commencements
  - 5 tenants comprising over 20,000 sq ft opened in 1H 2020 with long lease tenure of 5 to 10 years and built-in rental escalation
- These tenants are located in the following states: Florida, North Carolina and New York
- Necessity uses include healthcare, consumer goods, F&B and a Government Agency



# Initiatives to Support the Tenants

1

Designating selected parking spaces at the properties for curbside pick-up



2

Permitting new outdoor dining areas enabling tenants to set-up outdoor tents



3

Addressing requests for rent relief while balancing the needs of the portfolio





## 5. Outlook



# U.S. Stimulus Initiatives

- The U.S. Government has introduced legislation to combat the economic impact of COVID-19 and provide relief to the U.S. consumer. The primary stimulus initiatives are summarised below:
  - **Coronavirus Aid, Relief, and Economic Security Act (CARES Act) – over \$2 trillion** in stimulus initiatives comprising: The Paycheck Protection Program which provided loans to small businesses; extended unemployment benefits; and payments to lower and middle income taxpayers<sup>1</sup>
  - **Families First Coronavirus Response Act – approximately \$192 billion** to cover the cost of COVID-19 testing, paid sick leave, unemployment benefits and food assistance<sup>2</sup>
  - **Coronavirus Preparedness & Response Supplemental Appropriations Act – approximately \$8.3 billion** of funding to address issues which include vaccine development and loans for small businesses<sup>3</sup>
- An additional package providing more stimulus which is reported to be greater than US\$1 trillion is currently being deliberated in the Congress as many benefits from the initial stimulus package have begun to expire

#### Sources:

1. Congress.gov - Coronavirus Aid, Relief, and Economic Security Act or the CARES Act; Green Street Research
2. Congress.gov – Families First Coronavirus Response Act
3. Congress.gov - Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020

# Outlook

- Despite recent 2Q 2020 annualised GDP growth guidance of -32.9%<sup>1</sup>, U.S. retail sales picked up strongly in May 2020 with a 18.2% increase month-on-month (MOM). This trend continued in June as the advance estimate reflected a 7.5% increase MOM and a 1.1% increase year-on-year, demonstrating its resilience<sup>2</sup>
- The stabilised portfolio occupancy of the Retail Strip Center Index is estimated to be approximately 94.3% for 2020 which is above the 10-year average and projected to remain at this level through 2023<sup>3</sup>
- The importance of physical retail stores has been further solidified through Buy Online-Pickup in Store (BOPIS) strategies adopted by retailers. 59% of consumers said they are more likely to use curbside pickup following the COVID-19 outbreak and 75% of those who subscribed to multiple delivery services (including Amazon Prime), said they are still likely to opt for curbside pickup once the pandemic subsides<sup>4</sup>
- Although investment in the overall retail sector is down 73% year-on-year due to the slowdown in business activity, average cap rates are down 10 basis points from the prior year. Grocery anchored centers accounted for approximately 24% of the investment activity in the 2Q and pricing for the sub-sector was up by 1.6%, outperforming the rest of the retail sector<sup>5</sup>
- Early July move-in rental rate data for Self Storage is showing widespread year-on-year growth, suggesting that absent leasing volume during peak lockdown measures for May and June was not lost, but instead delayed<sup>6</sup>
- U.S. unemployment rate declined for the third straight month in July 2020 to 10.2%, a marked decline from close to 15% at the height of the pandemic. Notable employment growth occurred in leisure and hospitality, government, retail trade, professional and business services, other services and health care<sup>7</sup>

## Sources:

1. U.S. Bureau of Economic Analysis, 30 July 2020 - Gross Domestic Product, 2Q 2020 (Advance Estimate) and Annual Update
2. U.S. Census Bureau, 16 July 2020 - Advance Monthly Sales for Retail and Food Services, June 2020
3. Green Street, REIT Stabilised Portfolio Occupancy as of 1 August 2020
4. CommerceHub, COVID-19 Shopping & Delivery Trends, Results from CommerceHub Consumer Survey, April 2020
5. Real Capital Analytics, US Retail Capital Trends 2Q 2020
6. Green Street Advisors, Self Storage Sector Update, 3 August 2020
7. U.S. Bureau of Labor Statistics, 7 August 2020 - The Employment Situation - July 2020



# Thank You

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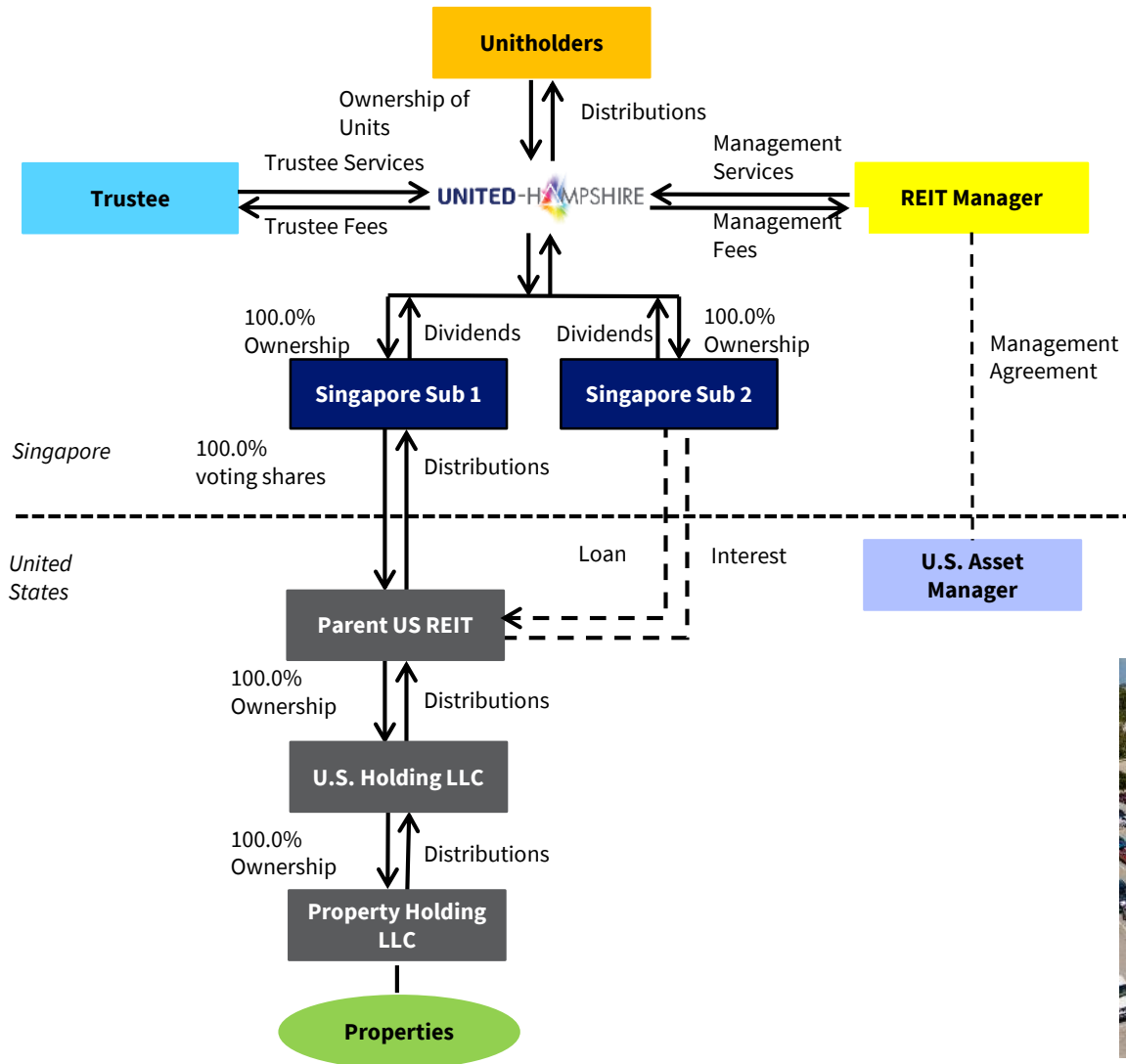






# 6. Appendix

# Trust Structure



## Tax Efficient Structure

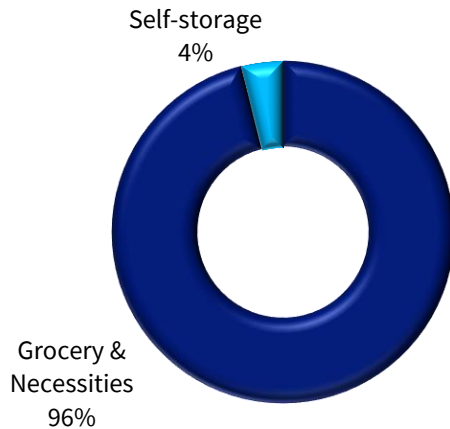
- No U.S. corporate tax (21%) and U.S. withholding tax (30%)
- No Singapore corporate tax (17%) and withholding tax (10%)
- Minimal taxes incurred



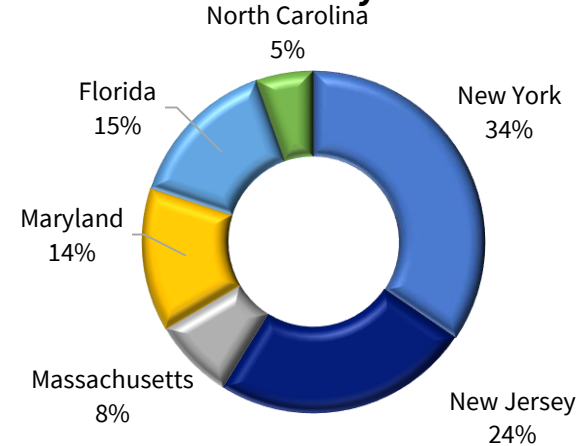


# Income Stability & Diversification Across the Portfolio

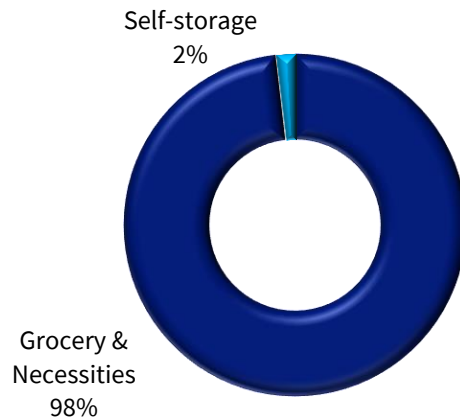
**Gross Revenue by Segment<sup>1</sup>**



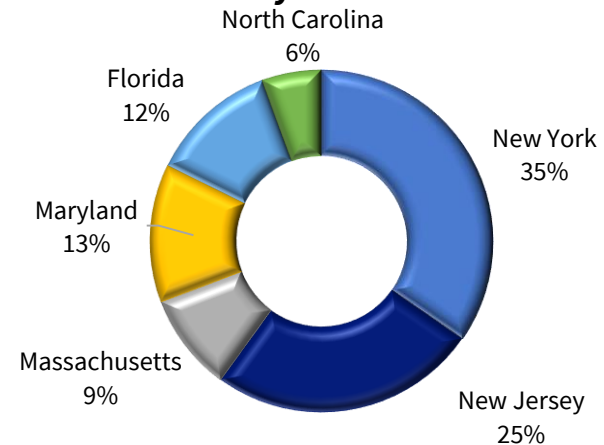
**Gross Revenue by Location<sup>1</sup>**



**NPI by Segment<sup>1</sup>**



**NPI by Location<sup>1</sup>**

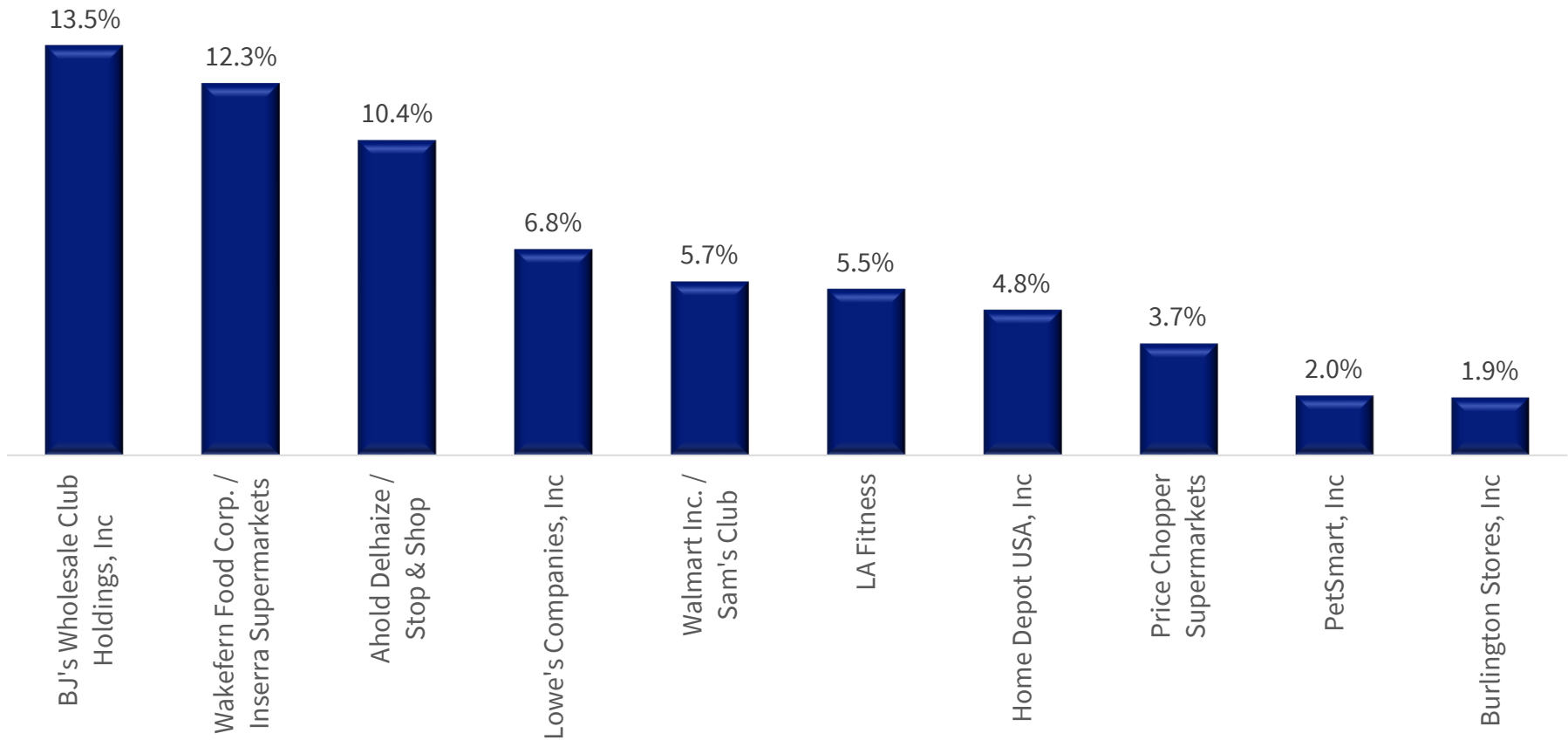


1. Based on Base Rental Income for the month of June 2020.



# Top 10 Tenants<sup>1</sup>

Anchored by large, creditworthy tenants, that focus on resilient grocery, discounters, wholesale, home improvement and F&B sectors



1. Based on Base Rental Income of Grocery & Necessity Properties for the month of June 2020.

# Portfolio Overview

## (Grocery and Necessity Properties)

Property Name	Location	Land Tenure	Completion Year	NLA (Sq Ft)	Occupancy	WALE (years)	Property Value (US\$'million)
Garden City Square - BJ's Wholesale Club	New York	Freehold	2012	121,000	100%	12.4	47.9
Garden City Square - LA Fitness	New York	Freehold	2013	55,000	100%	8.0	21.7
Albany ShopRite - Supermarket	New York	Freehold	2012	65,000	100%	11.8	22.9
Albany Shop Rite - Gas Station	New York	Freehold	1991	917	100%	11.8	4.2
Price Chopper Plaza	New York	Freehold	2011	84,295	100%	12.0	20.0
Wallkill Price Chopper	New York	Freehold	1990	137,795	90%	4.5	13.6
Hudson Valley Plaza <sup>1</sup>	New York	Freehold	1996	673,379	84%	5.3	46.0
Wallington ShopRite	New Jersey	Leasehold	2015	94,027	100%	20.0	15.9
Stop & Shop Plaza	New Jersey	Freehold	1999	84,167	100%	4.1	29.3
Towne Crossing	New Jersey	Freehold	1998	91,745	100%	3.0	13.4

1. The occupancy rate of Hudson Valley Plaza is calculated based on the NLA of 673,379 sq ft minus the non-functional static space of 67,616 sq ft.

# Portfolio Overview

## (Grocery and Necessity Properties)

Property Name	Location	Land Tenure	Completion Year	NLA (Sq Ft)	Occupancy	WALE (years)	Property Value (US\$'million)
Lawnside Commons	New Jersey	Freehold	1970	151,076	100%	4.8	32.7
St. Lucie West	Florida	Freehold	1992	262,686 (without St. Lucie West Expansion) 317,651 (with St. Lucie West Expansion)	96%	5.5	76.1
Big Pine Center	Florida	Freehold	1984	93,150	91%	5.8	9.2
Arundel Plaza	Maryland	Freehold	1997	282,035	99%	11.2	45.3
Parkway Crossing	Maryland	Freehold	1967	260,242	99%	6.2	26.6
BJ's Quincy	Massachusetts	Freehold	2009	84,360	100%	9.8	33.6
Fairhaven Plaza	Massachusetts	Freehold	1999	80,239	94%	8.4	18.5
Lynncroft Center	North Carolina	Freehold	2002	182,925	96%	4.1	24.9



# Portfolio Details (Self-Storage Properties )

Property Name	Location	Land Tenure	Completion Year	NLA (Sq Ft)	Occupancy	Property Value (US\$'million)
Carteret Self-Storage	New Jersey	Freehold	2017	73,775	93%	17.3
Millburn Self-Storage	New Jersey	Freehold	2018	80,918	66%	22.2
Elizabeth Self-Storage	New Jersey	Freehold	2020	80,575	19%	23.9
Perth Amboy Self-Storage	New Jersey	Freehold	2020	71,388	NA	19.3