



UNITED HAMPSHIRE US REAL ESTATE INVESTMENT TRUST'S 3Q 2020 DISTRIBUTABLE INCOME IS 0.5% HIGHER THAN IPO FORECAST

- **September 2020 Grocery & Necessity Properties rental collections running at 97%, with 100% of tenants open for business**
- **Grocery & Necessity Properties maintain high portfolio occupancy rate of 95% and long WALE of 8.4 years¹**
- **Robust leasing momentum with the execution of approximately 145,000 sq ft of new and renewal leases**
- **Occupancies for Self-Storage Properties continue to trend upwards**
 - **Carteret Self-Storage and Millburn Self-Storage achieved occupancies of 94% and 95% in October 2020 respectively**
 - **Elizabeth Self-Storage's occupancy grew significantly from 6% in April to 36% in October 2020**
- **Prudent capital management with no refinancing requirements until 2023**

SINGAPORE, 12 NOVEMBER 2020 – United Hampshire US REIT Management Pte. Ltd. (the “**Manager**”) of United Hampshire US Real Estate Investment Trust (“**United Hampshire US REIT**” or the “**REIT**”), announced today that its distributable income for the period 1 July 2020 to 30 September 2020 was US\$7.4 million, 0.5% higher than IPO forecast.

The resilient performance of the REIT is underpinned by a quality portfolio, with a majority of the tenants providing essential services. Grocery & Necessity Properties rental collections for September 2020 are currently 97%, with 100% of tenants open for business. As at 30 September 2020, Grocery & Necessity Properties' occupancy remains high at 95% with a long WALE of 8.4 years¹.

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.

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

The REIT's self-storage assets have also performed well. Both Millburn Self-Storage and Elizabeth Self-Storage recorded significant occupancy growth from April through October, increasing from 61% to 95% and 6% to 36%, respectively. Carteret Self-Storage's occupancy remains consistently high at above 90% since June 2020.

As at 30 September 2020, rent relief of US\$0.6 million² and rent deferral of US\$1.0 million in aggregate were granted to assist tenants in bridging through the pandemic. A provision of US\$0.2 million was made for rent relief currently under negotiation.

	3Q 2020 (1 July 2020 to 30 September 2020)			12 March 2020 (IPO) to 30 September 2020		
	Actual (US\$'000)	Forecast ³ (US\$'000)	Variance (%)	Actual (US\$'000)	Forecast ³ (US\$'000)	Variance (%)
Gross Revenue	12,841	13,275	(3.3)	28,153	29,136	(3.4)
Net Property Income	9,726	10,050	(3.2)	21,040	22,021	(4.5)
Distributable Income	7,376	7,339	0.5	16,169	16,111	0.4

Mr. Robert Schmitt, Chief Executive Officer of the Manager, said, "We are pleased to have delivered a solid set of results. This underscores the resilience of our portfolio, with a majority of the REIT's tenants in essential services. Following the easing of lockdown measures, all our tenants have recommenced business operations and our key grocery and home improvement tenants including BJ's, Lowes, The Home Depot and Walmart have recorded 9.3% to 35.1% increases in sales year-on-year in 2Q 2020, continuing to perform extremely well during the COVID-19 pandemic."

² Includes provision for rent relief under negotiation in 2Q 2020 which were subsequently finalised.

³ 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 1 July 2020 to 30 September 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.



“Our tenants have successfully adapted to the new retail environment through the continued adoption of omni-channel strategies which have become even more relevant in the current environment. The physical stores remain a crucial element of the omni-channel strategy, allowing an in-store experience in addition to enabling tenants to fulfill online demand at lower fulfilment and delivery costs, and at faster delivery speed.”

“Leasing momentum for our Self-Storage portfolio remains strong, with occupancies continuing to trend upwards. Leasing activity has further accelerated in tandem with the rising outflow of population from New York to the suburban areas.”

“Looking ahead, we believe our resilient portfolio and strong financial standing, with no refinancing required until 2023, will continue to deliver stable performance amid the global uncertainty.”

Portfolio Review and Management

The REIT experienced robust leasing momentum with approximately 145,000 sq ft of new and renewal leases executed during the quarter.

Overall, the REIT enjoys organic growth from built-in rental escalations for over 80% of its existing leases for Grocery & Necessity Properties which are primarily triple net. The Grocery & Necessity portfolio also features a long lease maturity profile with less than 4% of leases by base rental income expiring in 2020 and 2021.

The REIT’s self-storage assets have performed well with both Millburn and Carteret Self-Storage having achieved over 90% occupancy as at 30 October 2020. Elizabeth Self-Storage recorded a significant ramp-up in occupancy, from 6% as at 30 April 2020 to 36% as at 30 October 2020. The construction of Perth Amboy Self-Storage has been completed and leasing will commence pending completion of final inspections⁴. As for the New Publix Store at St. Lucie West, Florida, construction has commenced in May 2020 and is on track for completion in 1Q 2021.

⁴ With the Perth Amboy Top-Up Agreement in place, the delay in commencement of leasing has no impact on Distributable Income for YTD September 2020.

Prudent Capital Management

United Hampshire REIT continues to focus on a disciplined and prudent capital management strategy. As at 30 September 2020, the REIT maintains a conservative leverage of 36.2%. In March 2020, the REIT took advantage of the low interest rate environment to hedge the floating rate of its Term Loan Facilities into 100% fixed interest rates. The REIT's weighted average interest rate and interest coverage ratio was 2.84% and 6.1 times respectively.

U.S. Market Outlook

The daily number of COVID-19 infections has risen with the onset of the Fall season in majority of U.S. States. The higher numbers are causing some States to consider pausing re-opening plans and tightening restrictions.

To date, however, no new restrictions have impacted the six states in which the properties are located, and all tenants remain open. The Manager continues to support tenants with initiatives such as designating selected parking spaces for curbside pick-up and permitting outdoor dining areas.

According to the advance estimate released by the Bureau of Economic Analysis, the U.S. gross domestic product rebounded at an annualised rate of 33.1% in the third quarter of 2020. This exceeded the predictions by economists and, was also the fastest growth rate since the U.S. Government began tracking quarterly GDP data in 1947⁵. Advance estimates of U.S. retail and food service sales for September 2020 registered an increase of 5.4% year-on-year with total sales for July 2020 through September 2020 increasing 3.6% year-on-year⁶. 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 2023⁷.

The Self-Storage sector experienced a sharp reversal of the negative move in rental growth during 2Q 2020. The move in rental growth among REITs accelerated to an average of approximately 12% year-on-year for October 2020 due to the uptick in the housing market and increased mobility⁸.

⁵ U.S. Bureau of Economic Analysis - Gross Domestic Product, Third Quarter 2020 (Advance Estimate), October 29, 2020.

⁶ U.S. Census Bureau, Advance Monthly Sales For Retail And Food Services, September 2020, 16 October 2020.

⁷ Green Street, REIT Stabilised Portfolio Occupancy as of 1 October 2020.

⁸ Green Street Advisors, Self-Storage Sector Update, 26 October 2020.



Against the backdrop of a challenging global macro-economic and socio-political environment, the Manager will monitor the situation closely and will continue to pursue its strategy of optimising its assets and strengthening its income stream. The Manager is confident that the resilient portfolio remains well-positioned to weather the challenges ahead and will continue to selectively look for suitable accretive acquisition opportunities.

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About United Hampshire US REIT

Listed on the Main Board of the Singapore Exchange on 12 March 2020, United Hampshire US REIT 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-based⁹ 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 United Hampshire US REIT 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 omni-channel platforms¹⁰.

The initial portfolio of United Hampshire US REIT comprises 22 predominantly freehold Grocery & Necessity Properties, and Self-Storage Properties, primarily concentrated in the Northeast markets of the U.S., with an appraised value of approximately US\$599.2 million¹¹ and an aggregate net lettable area (“**NLA**”) of approximately 3.17 million square feet¹².

⁹ “**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.

¹⁰ “**Omni-channel 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).

¹¹ The Appraised Value is calculated based on the higher of the independent valuations of each of the Properties, on a 100% basis including the minority interests in Lawnside Commons, Parkway Crossing and Walkkill Price Chopper that will be held by the Non-Controlling Interest Parties, conducted by the Independent Valuers and inclusive of the Top-Up (as defined in the Prospectus). The Appraised Value of the IPO Portfolio excluding the Top-Up is approximately US\$592.7 million. The Independent Valuers have valued the Properties as at the Valuation Date. The Independent Valuers have valued each of the Properties on an “as-is” basis (taking into account the Top-Ups for St. Lucie West) save for the Development/Newly Completed Properties, which have been valued on an “as-completed” basis (taking into account the Top-Ups).

¹² The aggregate NLA of the IPO Portfolio is based on the average of the NLA of each of the Properties as determined by the Independent Valuers, on a 100% basis including the minority interests in Lawnside Commons, Parkway Crossing and Walkkill Price Chopper that will be held by the Non-Controlling Interest Parties, and includes the NLA of the Development/Newly Completed Properties and St. Lucie West Expansion.



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, a leading bank in Asia. UOB Global Capital LLC was founded in 1998 and has US\$2.84 billion in AUM as of 30 September 2020. 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.

Since 2008, UOB Global Capital LLC and The Hampshire Companies, LLC have jointly formed three funds with combined AUM of approximately US\$1.1 billion (as at 30 September 2020) to focus on investment opportunities in income producing real estate assets in the U.S.

The Hampshire Companies, LLC

The Hampshire Companies, LLC 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. The Hampshire Companies, LLC currently owns and operates a diversified portfolio of 275 properties across U.S. with an AUM in excess of approximately US\$2.1 billion¹³ in value and totalling over 17.5 million square feet.

¹³ As at 30 September 2020.



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