



UNITED HAMPSHIRE US REIT ACHIEVES 14.0% GROWTH IN 1H 2023 NET PROPERTY INCOME

- **Resilient financial performance with 13.3% increase in Gross Revenue and 14.0% increase in Net Property Income year-on-year**
- **Increase in committed occupancy of Grocery & Necessity Properties to 97.9%**
- **Long WALE of 7.2 years¹ for Grocery & Necessity Properties, majority of leases are triple net with built-in rental escalations**
- **No refinancing requirement in 2023 and 80.9%² fixed rate debt**
- **Proactive portfolio and asset management continue to yield results:**
 - **Proposed Divestment of Big Pine Center at a 3.7% premium to valuation³**
 - **New Development of Academy Sports + Outdoors store at Port St. Lucie on track to be completed in 2024**

SINGAPORE, 12 AUGUST 2023 – United Hampshire US REIT Management Pte. Ltd. (the “**Manager**”) of United Hampshire US Real Estate Investment Trust (“**UHREIT**”), announced today that its gross revenue and net property income (“**NPI**”) for 1H 2023 rose 13.3% and 14.0% year-on-year (“**y-o-y**”), to US\$36.0 million and US\$25.8 million respectively. This growth was supported by newly entered leases and rental escalation from existing leases as well as contribution from Upland Square Shopping Center (“**Upland Square**”), which was acquired in July 2022. The Manager has elected to retain distributable income of US\$1.5 million as capital reserve for asset enhancement and development initiatives such as the new Academy Sports + Outdoors store at Port St. Lucie. 1H 2023 Distribution Per Unit (“**DPU**”) is lower y-o-y at 2.65 US cents, excluding this retention, UHREIT’s 1H 2023 DPU would have remained at the same level as 1H 2022.

Summary of UHREIT 1H 2023 Results

	1H 2023 US\$'000	1H 2022 US\$'000	Variance %
Gross Revenue	36,008	31,768	13.3
Net Property Income	25,811	22,645	14.0
Distributable Income	16,663	16,305	2.2
DPU (US cents) (before retention)	2.91	2.91	-
DPU (US cents) (after retention)	2.65 ⁴	2.91	(8.9)

¹ Computation included forward committed leases for Grocery & Necessity Properties only. Excluding forward committed leases, the WALE is 7.0 years as at 30 June 2023.

² Including floating-rate loans that have been swapped to fixed rate.

³ Based on independent valuation of US\$9.5 million as at 31 December 2022.

⁴ Computed based on the distribution amount after deducting distributable income of US\$1.5 million retained as capital reserve for asset enhancement initiatives.



Mr. Gerard Yuen, Chief Executive Officer of the Manager, said, “We are pleased to deliver another resilient performance in 1H 2023, backed by the strong leasing momentum at our existing properties and the continued contribution from our latest acquisition – Upland Square. Our Grocery & Necessity committed occupancy continues to increase and has reached 97.9%, a high since IPO.”

“As part of our active asset management and rejuvenation strategy, we have entered into an agreement to divest Big Pine Center at a premium to its purchase price and valuation as at 31 December 2022. This highlights the continued resiliency in the value of this asset class. The divestment will further contribute to UHREIT’s financial flexibility to repay debt and pursue asset enhancement and investment opportunities.”

“In addition, we are also pleased to note that the construction of the new 63,000 sq ft Academy Sports + Outdoors store at Port St. Lucie is progressing well and is on track to be completed in 2024. We believe that this new store will bring in more foot traffic to the property and will in turn, further enhance its financial performance.”

Portfolio Review and Management

In 1H 2023, UHREIT made significant leasing progress. 22 new and renewal leases totaling 331,175 sq ft were entered. As at 30 June 2023, Grocery & Necessity Properties’ committed occupancy reached a high of 97.9%, along with a long WALE of 7.2 years¹. There is minimal roll-over risk with only 0.9%⁵ of the leases expiring in 2023. The majority of Grocery & Necessity leases are triple net with built-in rental escalations over the lease term. This mitigates the risk of increases in operating-related expenses.

In addition, UHREIT continues to be proactive in expanding its brand offering across different properties. Notable new stores include popular chains such as Bealls Outlet Store, Ashley Home Store and Raising Cane’s Restaurant.

The performance of UHREIT’s Self-Storage Properties in 1H 2023 remained resilient and occupancy increased from 1Q 2023. As at 30 June 2023, the occupancy for Millburn and Carteret was 95.8% and 94.6% respectively, up from 92.6% and 91.7% as at the end of the previous quarter.

Proposed Divestment of Big Pine Center, Florida

As part of its proactive portfolio and asset management strategy, the Manager has entered into an agreement to divest Big Pine Center, Florida, for a sale consideration of US\$9.9 million. The consideration represents a 3.7% premium over the 31 December 2022 appraised value of US\$9.5 million, and 7.7% premium over the purchase price of US\$9.2 million. The divestment will free up capital to repay debt, finance capital expenditure and asset enhancement initiatives and/or new investments. Assuming the net proceeds are used to partially repay debt, UHREIT’s proforma gearing will be reduced by 0.8%.

⁵ Based on base rental income of Grocery & Necessity Properties for the month of June 2023.



Prudent Capital Management

Following the completion of refinancing of all the term loans in December 2022, UHREIT has no refinancing requirement in 2023, with only a US\$21.1 million mortgage loan maturing in 2024. As at 30 June 2023, 80.9% of UHREIT's total loans are either fixed rate loans or floating rate loans that have been hedged using interest rate swaps. Weighted average interest rate for the trailing 12-month period stood at 3.57%⁶, with a weighted average debt maturity of 3.5 years⁷, whilst aggregate leverage is at 42.0%, with an interest coverage ratio of 2.8 times.

U.S. Market Outlook

U.S. inflation fell to 3.2%⁸ in July 2023, after reaching a peak of 9.1%⁸ in June 2022. In July 2023, the Federal Reserve ("Fed") increased interest rates by 25 basis points, bringing the Fed Funds rate to a target range of 5.25% - 5.5%⁹. Despite the continuation of the Fed's rate rising campaign, the U.S. economy achieved a stronger-than-expected expansion with real GDP increasing at an annual rate of 2.4% in 2Q 2023¹⁰. The unemployment rate in July 2023 remains low at just 3.5%¹¹.

Based on the advance monthly sales report released by the U.S. Census Bureau, total retail sales for 1H 2023 was up 3.2% y-o-y and Grocery Sales for June 2023 was up 1.1% y-o-y¹². Furthermore, U.S. consumer confidence increased to a two-year high in July 2023¹³, amid a persistently tight labor market and receding inflation, bolstering the economy's prospects in the near term.

The Strip Center sector has benefitted from flexible work arrangements as consumers are spending more time at home than city centres where their offices are located. The added flexibility has increased demand for the goods and services offered in Strip Centers, ranging from grocery shopping to dining.

The Self-Storage sector, which performed very well during the pandemic, has seen some softening from its peak in 2021. Despite this, UHREIT's Self-Storage occupancy rates remain at high levels due to strong demand for self-storage units and the undersupply of self-storage facilities in the New York Metro Area.

Looking Ahead

With a protracted high interest rate environment, the Manager will continue to focus its efforts on optimising the portfolio and strengthening its income streams through asset enhancement and rejuvenation initiatives to deliver long-term value to all unitholders.

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⁶ Trailing 12-month and excludes upfront debt-related transaction costs.

⁷ Assuming the loan extension option is fully exercised.

⁸ U.S. Bureau of Labor Statistics, "Consumer price index – July", 10 August 2023.

⁹ Reuters, "Fed lifts rates, Powell leaves door open to another hike in September", 27 July 2023.

¹⁰ Financial Times, "US economic growth accelerates to 2.4% in second quarter", 28 July 2023.

¹¹ U.S. Bureau of Labor Statistics, "The Employment Situation – July 2023", 04 August 2023.

¹² U.S. Census Bureau, "Advance Monthly Sales for Retail and Food Services, June 2023", 18 July 2023.

¹³ The Conference Board, "US Consumer Confidence", 25 July 2023.



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



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About United Hampshire US REIT

Listed on the Main Board of the Singapore Exchange 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 21 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\$742.7 million¹⁶ and an aggregate net lettable area (“**NLA**”) of approximately 3.8 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\$3.0 billion in Asset Under Management (“**AUM**”) as of 31 December 2022. 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 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 190 properties across the U.S. with an AUM in excess of approximately US\$2.0 billion in value and totalling over 15.0 million square feet. The Hampshire Companies, LLC is also the asset manager of UHREIT bringing its total non-regulatory AUM to US\$2.7 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 2022) 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 June 2023.

¹⁷ As at 31 December 2022.



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