



# Rexford Industrial

## Rexford Industrial Announces Fourth Quarter and Full Year 2020 Operating Results, Transaction and Capital Markets Activity

January 11, 2021

LOS ANGELES, Jan. 11, 2021 /PRNewswire/ -- Rexford Industrial Realty, Inc. (the "Company" or "Rexford Industrial") (NYSE: REXR), a real estate investment trust ("REIT") focused on creating value by investing in and operating industrial properties in Southern California infill markets, today announced operating results, transaction and capital markets activity for the fourth quarter and full year 2020.

"Rexford's exceptional performance throughout 2020 demonstrates the strength of our strategy and team, focused on creating value by investing, improving and operating industrial property within infill Southern California, the world's fourth largest industrial market and highest-demand, lowest-supply industrial property market in the nation," stated Michael Frankel and Howard Schwimmer, Co-Chief Executive Officers of the Company. "We are pleased to announce our team's outstanding operating results for the fourth quarter and full year 2020, despite the circumstances surrounding the COVID-19 pandemic. In the fourth quarter we executed over 1.8 million square feet of new and renewal leases at strong leasing spreads representing 30% growth, demonstrating the continued intensity of tenant demand for our high-quality, irreplaceable industrial portfolio and our team's entrepreneurial approach to asset management and customer service. Our full year acquisition volume of over \$1.2 billion, with \$875 million acquired during the fourth quarter, is a testament to our unparalleled sourcing model in which 75% of transactions were executed through off-market or lightly-marketed transactions. Our 2020 investments are expected to contribute \$48 million of NOI in 2021, with this contribution expected to grow at a compounded average rate of approximately 8% over the next three years as we capitalize on value-creation opportunities, below-market leases and contractual embedded rent growth. Looking ahead, our pipeline of acquisition opportunities remains strong with approximately \$140 million of new investments under LOI or contract and expected to close in the near-term. Our superior internal and external growth opportunities, highly differentiated and entrepreneurial business model and team, coupled with our low-leverage, fortress-like balance sheet position the Company to maximize cash flow growth and long-term shareholder value."

### Operating Results:

Fourth quarter and full year 2020 leasing activity demonstrate strong tenant demand fundamentals within Rexford's target Southern California infill markets.

<b>Q4 2020 Leasing Activity</b>				
<b>Releasing Spreads</b>				
<b># of Leases</b>				
	<b>Executed</b>	<b>SF of Leasing</b>	<b>GAAP</b>	<b>Cash</b>
<b>New Leases</b>	57	672,134	31.0%	20.5%
<b>Renewal Leases</b>	51	1,132,687	29.5%	17.3%
<b>Total Leases</b>	<b>108</b>	<b>1,804,821</b>	<b>29.9%</b>	<b>18.1%</b>

<b>Full Year 2020 Leasing Activity</b>				
<b>Releasing Spreads</b>				
<b># of Leases</b>				
	<b>Executed</b>	<b>SF of Leasing</b>	<b>GAAP</b>	<b>Cash</b>
<b>New Leases</b>	205	2,634,722	35.7%	22.1%
<b>Renewal Leases</b>	234	3,696,142	30.2%	18.9%
<b>Total Leases</b>	<b>439</b>	<b>6,330,864</b>	<b>31.6%</b>	<b>19.8%</b>

In the fourth quarter, the Company executed approximately 900,000 square feet of leases that were previously scheduled to expire in 2021 at cash releasing spreads of 17.3%. As of December 31, 2020, lease expirations for the full year 2021 total 4.8 million rentable square feet, representing approximately 15% of total portfolio rentable square feet. The mark-to-market on the remaining 2021 expiring leases is estimated to be approximately 17%. At December 31, 2020, the Company's Stabilized Same Property Portfolio occupancy was 98.2%.

#### **Rent Collections Update:**

As of January 8, 2021, the company has collected 97.3% of contractual fourth quarter billings, including 96.0% of the \$3.35 million of fourth quarter Covid-19 related deferral repayment billings. Collections of contractual billings for the second and third quarter 2020 were 87.9% and 97.3%, respectively.

#### **Transaction Activity:**

During the fourth quarter, the Company completed 10 acquisitions representing 17 properties and 3.4 million square feet for an aggregate purchase price of \$874.9 million. Additionally, the Company sold one property for a sales price of \$1.3 million. Fourth quarter acquisitions included two UPREIT transactions, whereby the Company issued 2.4 million operating partnership units ("OP Units"), representing \$111.8 million of purchase price value.

During the full year of 2020, the Company completed 20 acquisitions representing 38 properties and 5.0 million square feet for an aggregate purchase price of \$1.2 billion. The estimated weighted average unlevered stabilized yield for 2020 acquisitions is 4.4%, with ongoing embedded cash flow growth projected into future periods. Additionally, the Company sold four properties for an aggregate sales price of \$45.5 million. Full year acquisition activity included a total of three UPREIT transactions, whereby the Company issued 3.8 million OP Units, representing \$179.3 million of purchase price value.

Subsequent to year end, the Company acquired 15010 Don Julian Road, a 100% leased property located in the Los Angeles – San Gabriel Valley submarket, for \$22.2 million or \$46 per land square foot. At lease expiration in 2022, the Company plans to redevelop the 10.97 acre site into a 218,000 square foot newly constructed Class A warehouse/distribution facility, with an estimated unlevered stabilized yield of approximately 5.5%. The acquisition was funded using cash on hand.

#### **Capital Markets Activity:**

In November, the company completed its inaugural public bond offering of \$400 million 2.125% senior notes due 2030 (the "Notes"). The Notes were priced at 99.211% of the principal amount and will mature on December 1, 2030. Proceeds of the Notes were used to fund acquisitions, development and redevelopment activities, and the repayment of the Company's \$100 million term loan due in 2022.

In December, the Company completed a common stock offering issuing 6,900,000 shares of its common stock, including 900,000 shares sold pursuant to the exercise in full of the underwriters' option to purchase additional shares at a net price of \$47.15 per share. The Company received proceeds of approximately \$325.3 million, before deducting offering expenses. Proceeds of the offering are being used to fund acquisition, development and redevelopment activities, and for general corporate purposes.

During the fourth quarter, the Company issued an aggregate of 709,981 shares of common stock through its at-the-market equity offering program ("ATM program") at an average price of \$50.13 per share, receiving proceeds of approximately \$35.6 million before issuance costs. On November 9, 2020, the Company renewed its ATM program to include \$750 million of capacity with the option to offer shares on a forward basis. As of December 31, 2020, the renewed ATM program had approximately \$720.7 million of remaining capacity.

As of December 31, 2020, Rexford had a cash balance of approximately \$176 million and zero outstanding balance under its \$500 million revolving credit facility. The Company has no debt maturities through 2022.

#### **Fourth Quarter Earnings Release:**

The Company will release audited fourth quarter and full year 2020 financial results after the market closes on Wednesday, February 10, 2021. A conference call will be held on Thursday, February 11, 2021, at 1:00 p.m. Eastern Time to review the Company's fourth quarter results, discuss recent events and conduct a question-and-answer period. The conference call will be available on the Company's website at [ir.rexfordindustrial.com](http://ir.rexfordindustrial.com).

#### **To Participate in the Telephone Conference Call:**

Dial in at least 5 minutes prior to start time:

Domestic: 1-877-407-0789

International: 1-201-689-8562

#### **Conference Call Playback:**

Domestic: 1-844-512-2921

International: 1-412-317-6671

Pass code: 13714732

The playback can be accessed through March 11, 2021.

#### **About Rexford Industrial:**

Rexford Industrial, a real estate investment trust focused on owning and operating industrial properties throughout Southern California infill markets, owns 249 properties with approximately 31.5 million rentable square feet and manages an additional 20 properties with approximately 1.0 million rentable square feet.

For additional information, visit [www.rexfordindustrial.com](http://www.rexfordindustrial.com).

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