

URSTADT BIDDLE PROPERTIES INC
Form 10-K
January 12, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended October 31, 2017

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 1-12803

URSTADT BIDDLE PROPERTIES INC.
(Exact name of registrant as specified in its charter)

Maryland 04-2458042
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

321 Railroad Avenue, Greenwich, CT 06830
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (203) 863-8200

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$.01 per share	New York Stock Exchange
Class A Common Stock, par value \$.01 per share	New York Stock Exchange
6.75% Series G Cumulative Preferred Stock	New York Stock Exchange
6.25% Series H Cumulative Preferred Stock	New York Stock Exchange
Preferred Share Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12 (g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

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Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Act.
Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company
Emerging growth company	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes No

The aggregate market value of the voting common stock held by non-affiliates of the Registrant as of April 30, 2017 (price at which the common equity was last sold as of the last business day of the Registrant's most recently completed second fiscal quarter): Common Shares, par value \$.01 per share, \$37,629,126; Class A Common Shares, par value \$.01 per share, \$574,864,298.

Indicate the number of shares outstanding of each of the Registrant's classes of Common Stock and Class A Common Stock, as of January 4, 2018 (latest date practicable): 9,817,478 Common Shares, par value \$.01 per share, and 28,831,544 Class A Common Shares, par value \$.01 per share.

DOCUMENTS INCORPORATED BY REFERENCE

Proxy Statement for Annual Meeting of Stockholders to be held on March 21, 2018 (certain parts as indicated herein) (Part III).

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PART I

Special Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K of Urstadt Biddle Properties Inc. (the "Company") contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such statements can generally be identified by such words as "anticipate", "believe", "can", "continue", "could", "estimate", "expect", "intend", "may", "plan", "seek", "should", "will" or variations of such words or other similar expressions and the negatives of such words. All statements included in this report that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, including such matters as future capital expenditures, dividends and acquisitions (including the amount and nature thereof), business strategies, expansion and growth of our operations and other such matters, are forward-looking statements. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate. Such statements are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, performance or achievements, financial and otherwise, may differ materially from the results, performance or achievements expressed or implied by the forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to:

• economic and other market conditions, including local real estate and market conditions, that could impact us, our properties or the financial stability of our tenants;

• financing risks, such as the inability to obtain debt or equity financing on favorable terms, as well as the level and volatility of interest rates;

• any difficulties in renewing leases, filling vacancies or negotiating improved lease terms;

• the inability of the Company's properties to generate revenue increases to offset expense increases;

• environmental risk and regulatory requirements;

• risks of real estate acquisitions and dispositions (including the failure of transactions to close);

• risks of operating properties through joint ventures that we do not fully control;

• risks related to our status as a real estate investment trust, including the application of complex federal income tax regulations that are subject to change;

• as well as other risks identified in this Annual Report on Form 10-K under Item 1A. Risk Factors and in the other reports filed by the Company with the Securities and Exchange Commission (the "SEC").

Item 1. Business.

Organization

We are a real estate investment trust, organized as a Maryland corporation, engaged in the acquisition, ownership and management of commercial real estate. We were organized as an unincorporated business trust (the "Trust") under the laws of the Commonwealth of Massachusetts on July 7, 1969. In 1997, the shareholders of the Trust approved a plan

of reorganization of the Trust from a Massachusetts business trust to a Maryland corporation. As a result of the plan of reorganization, the Trust was merged with and into the Company, the separate existence of the Trust ceased, the Company was the surviving entity in the merger and each issued and outstanding common share of beneficial interest of the Trust was converted into one share of Common Stock, par value \$.01 per share, of the Company.

Tax Status – Qualification as a Real Estate Investment Trust

We elected to be taxed as a real estate investment trust ("REIT") under Sections 856-860 of the Internal Revenue Code of 1986, as amended (the "Code"), beginning with its taxable year ended October 31, 1970. Pursuant to such provisions of the Code, a REIT which distributes at least 90% of its real estate investment trust taxable income to its shareholders each year and which meets certain other conditions regarding the nature of its income and assets will not be taxed on that portion of its taxable income which is distributed to its shareholders. Although we believe that we qualify as a real estate investment trust for federal income tax purposes, no assurance can be given that we will continue to qualify as a REIT.

Description of Business

Our business is the ownership of real estate investments, which consist principally of investments in income-producing properties, with primary emphasis on neighborhood and community shopping centers in the metropolitan New York tri-state area outside of the City of New York. We believe that our geographic focus allows us to take advantage of the strong demographic profiles of the areas that surround the City of New York and the natural barriers to entry that such density and limitations on developable land provide. We also believe that our ability to directly operate and manage all of our properties within the tri-state area reduces overhead costs and affords us efficiencies that a more dispersed portfolio would make difficult.

At October 31, 2017, the Company owned or had equity interests in 81 properties comprised of neighborhood and community shopping centers, office buildings, single tenant retail or restaurant properties and office/retail mixed use properties located in four states, containing a total of 5.1 million square feet of gross leasable area ("GLA"). We seek to identify desirable properties, typically neighborhood and community shopping centers, for acquisition, which we acquire in the normal course of business. In addition, we regularly review our portfolio and, from time to time, may sell certain of our properties. For a description of the Company's properties and information about the carrying amount of the properties at October 31 2017 and encumbrances, see Item 2. Properties and Schedule III located in Item 15.

We do not consider our real estate business to be seasonal in nature.

Growth Strategy

Our long-term growth strategy is to increase cash flow, and consequently the value of our properties, through strategic re-leasing, renovations and expansions of our existing properties and selective acquisitions of income-producing properties, primarily neighborhood and community shopping centers, in our targeted geographic region. We may also invest in other types of real estate in our targeted geographic region. Key elements of our growth strategy and operating objectives are to:

- acquire quality neighborhood and community shopping centers in the northeastern part of the United States with a concentration on properties in the metropolitan New York tri-state area outside of the City of New York, and unlock further value in these properties with selective enhancements to both the property and tenant mix, as well as improvements to management and leasing fundamentals;

- selectively dispose of underperforming properties and re-deploy the proceeds into potentially higher performing properties that meet our acquisition criteria;

invest in our properties for the long-term through regular maintenance, periodic renovations and capital improvements, enhancing their attractiveness to tenants and customers, as well as increasing their value;

leverage opportunities to increase GLA at existing properties, through development of pad sites and reconfiguring of existing square footage, to meet the needs of existing or new tenants;

proactively manage our leasing strategy by aggressively marketing available GLA, renewing existing leases with strong tenants, and replacing weak ones when necessary, with an eye towards securing leases that include regular or fixed contractual increases to minimum rents, replacing below-market-rent leases with increased market rents when possible and further improving the quality of our tenant mix at our shopping centers;

maintain strong working relationships with our tenants, particularly our anchor tenants;

maintain a conservative capital structure with low leverage levels, ample liquidity and diverse sources of capital; and

control property operating and administrative costs.

Our hope is to grow our assets through acquisitions by 5% to 10% per year on a dollar value basis, subject to the availability of acquisitions that meet our investment parameters, although we cannot guarantee that investment properties meeting our investment specifications will be available to us.

Renovations and Expansions

We invest in properties where cost effective renovation and expansion programs, combined with effective leasing and operating strategies, can improve the properties' values and economic returns. Retail properties are typically adaptable for varied tenant layouts and can be reconfigured to accommodate new tenants or the changing space needs of existing tenants. We also seek to leverage existing shopping center assets through pad site development. In determining whether to proceed with a renovation, expansion or pad, we consider both the cost of such expansion or renovation and the increase in rent attributable to such expansion or renovation. We believe that certain of our properties provide opportunities for future renovation and expansion. We generally do not engage in ground-up development projects.

Acquisitions and Dispositions

When evaluating potential acquisitions, we consider such factors as (i) economic, demographic, and regulatory conditions in the property's local and regional market; (ii) the location, construction quality, and design of the property; (iii) the current and projected cash flow of the property and the potential to increase cash flow; (iv) the potential for capital appreciation of the property; (v) the terms of tenant leases, including the relationship between the property's current rents and market rents and the ability to increase rents upon lease rollover; (vi) the occupancy and demand by tenants for properties of a similar type in the market area; (vii) the potential to complete a strategic renovation, expansion or re-tenanting of the property; (viii) the property's current expense structure and the potential to increase operating margins; (ix) competition from comparable properties in the market area; and (x) vulnerability of the property's tenants to competition from e-commerce.

We may, from time to time, enter into arrangements for the acquisition of properties with property owners through the issuance of non-managing member units or partnership units in these joint venture entities that we control, which we refer to as our DownREIT entities. The limited partners and non-managing members of each of these joint ventures are entitled to receive annual or quarterly cash distributions payable from available cash of the joint venture. The limited partners and non-managing members of these joint ventures have the right to require the Company to repurchase or redeem all or a portion of their limited partner or non-managing member interests for cash or Class A Common Stock of the Company, at our election, at prices and on terms set forth in the partnership or operating

agreements. We also have the right to redeem all or a portion of the limited partner and non-managing member interests for cash or Class A Common Stock of the Company, at our election, under certain circumstances, at prices and on terms set forth in the partnership or operating agreements. We believe that this acquisition method may permit us to acquire properties from property owners wishing to enter into tax-deferred transactions.

From time to time, we selectively dispose of underperforming properties and re-deploy the proceeds into potentially higher performing properties that meet our acquisition criteria.

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Leasing Results

At October 31, 2017, our properties collectively had 947 leases with tenants providing a wide range of products and services. Tenants include regional supermarkets, national and regional discount department stores, other local retailers and office tenants. At October 31, 2017 the 74 consolidated properties were 92.7% leased and 91.0% occupied (see Results of Operations discussion in Item 7). At October 31, 2017, we had equity investments in seven properties which we do not consolidate; those properties were 97.7% leased. We believe the properties are adequately covered by property and liability insurance.

A substantial portion of our operating lease income is derived from tenants under leases with terms greater than one year. Most of the leases provide for the payment of monthly fixed base rentals and for the payment by the tenant of a pro-rata share of the real estate taxes, insurance, utilities and common area maintenance expenses incurred in operating the properties.

For the fiscal year ended October 31, 2017, no single tenant comprised more than 9.9% of the total annual base rents of our properties. The following table sets forth a schedule of our ten largest tenants by percent of total annual base rent of our properties to total annual base rent for the year ended October 31, 2017.

Tenant	Number of Stores	% of Total Annual Base Rent of Properties	
Stop & Shop	8	9.9	%
CVS	10	5.4	%
The TJX Companies	6	3.4	%
Bed Bath & Beyond	3	2.9	%
Acme	4	2.7	%
ShopRite	3	1.8	%
Staples	3	1.4	%
BJ's	2	1.4	%
Rite Aid	4	1.3	%
DSW	2	1.1	%
	45	31.3	%

See Item 2. Properties for a complete list of the Company's properties.

The Company's single largest real estate investment is its 100% ownership of the general and limited partnership interests in the Ridgeway Shopping Center ("Ridgeway").

Ridgeway is located in Stamford, Connecticut and was developed in the 1950s and redeveloped in the mid-1990s. The property contains approximately 374,000 square feet of GLA. It is the dominant grocery anchored center and the largest non-mall shopping center located in the City of Stamford, Fairfield County, Connecticut. For the year ended October 31, 2017, Ridgeway revenues represented approximately 11.2% of the Company's total revenues and approximately 7.2% of the Company's total assets at October 31, 2017. As of October 31, 2017, Ridgeway was 97% leased. The property's largest tenants (by base rent) are: The Stop & Shop Supermarket Company (19%), Bed, Bath & Beyond (14%) and Marshall's Inc., a division of the TJX Companies (11%). No other tenant accounts for more than 10% of Ridgeway's annual base rents.

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The following table sets forth a schedule of the annual lease expirations for retail leases at Ridgeway as of October 31, 2017 for each of the next ten years and thereafter (assuming that no tenants exercise renewal or cancellation options and that there are no tenant bankruptcies or other tenant defaults):

Year of Expiration	Number of Leases Expiring	Square Footage of Expiring Leases	Minimum Base Rentals	Percentage of Total Annual Base Rent that is Represented by the Expiring Leases	%
2018	9	32,600	\$1,438,800	11.3	%
2019	3	14,600	431,900	3.3	%
2020	4	34,800	637,700	4.9	%
2021	4	44,800	994,700	7.7	%
2022	3	93,100	5,197,700	40.3	%
2023	6	92,200	2,583,300	20.0	%
2024	-	-	-	0.0	%
2025	-	-	-	0.0	%
2026	2	10,300	363,700	2.8	%
2027	2	5,000	135,600	1.1	%
Thereafter	1	33,800	1,115,700	8.6	%
Total	34	361,200	\$12,899,100	100	%

For further financial information about our only reportable operating segment, Ridgeway, see note 1 of our financial statements in Item 8 included in this Annual Report on Form 10-K.

Financing Strategy

We intend to continue to finance acquisitions and property improvements and/or expansions with the most advantageous sources of capital which we believe are available to us at the time, and which may include the sale of common or preferred equity through public offerings or private placements, the incurrence of additional indebtedness through secured or unsecured borrowings, investments in real estate joint ventures and the reinvestment of proceeds from the disposition of assets. Our financing strategy is to maintain a strong and flexible financial position by (i) maintaining a prudent level of leverage, and (ii) minimizing our exposure to interest rate risk represented by floating rate debt.

Compliance with Governmental Regulations

We, like others in the commercial real estate industry, are subject to numerous environmental laws and regulations. We may be liable for the costs of removal or remediation of certain hazardous or toxic substances at, on, in or under our properties, as well as certain other potential costs relating to hazardous or toxic substances (including government fines and penalties and damages for injuries to persons and adjacent property). These laws may impose liability without regard to whether we knew of, or were responsible for, the presence or disposal of those substances. This liability may be imposed on us in connection with the activities of an operator of, or tenant at, the property. The cost of any required remediation, removal, fines or personal or property damages and our liability therefore could exceed the value of the property and/or our aggregate assets. In addition, the presence of those substances, or the failure to

properly dispose of or remove those substances, may adversely affect our ability to sell or rent that property or to borrow using that property as collateral, which, in turn, would reduce our revenues and ability to make distributions.

Our existing properties, as well as properties we may acquire, as commercial facilities, are required to comply with Title III of the Americans with Disabilities Act of 1990. The requirements of this Act, or of other federal, state or local laws or regulations, also may change in the future and restrict further renovations of our properties with respect to access for disabled persons. Future compliance with the Americans with Disabilities Act of 1990 and similar regulations may require expensive changes to the properties.

Competition

The real estate investment business is highly competitive. We compete for real estate investments with investors of all types, including domestic and foreign corporations, financial institutions, other real estate investment trusts, real estate funds, individuals and privately owned companies. In addition, our properties are subject to local competition from the surrounding areas. Our shopping centers compete for tenants with other regional, community or neighborhood shopping centers in the respective areas where our retail properties are located. In addition, the retail industry is seeing greater competition from internet retailers who may not need to establish "brick and mortar" retail locations for their businesses. This reduces the demand for traditional retail space in shopping centers like ours and other grocery-anchored shopping center properties. Our office buildings compete for tenants principally with office buildings throughout the respective areas in which they are located. Leasing decisions are generally determined by prospective tenants on the basis of, among other things, rental rates, location, and the physical quality of the property and availability of space.

Property Management

We actively manage and supervise the operations and leasing of all of our properties.

Employees

Our executive offices are located at 321 Railroad Avenue, Greenwich, Connecticut. We have 51 employees and believe that our relationship with employees is good.

Company Website

All of the Company's filings with the SEC, including the Company's annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, are available free of charge at the Company's website at www.ubproperties.com as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the SEC. These filings can also be accessed through the SEC's website at www.sec.gov.

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Item 1A. Risk Factors

Risks Related to our Operations and Properties

There are risks relating to investments in real estate and the value of our property interests depends on conditions beyond our control. Yields from our properties depend on their net income and capital appreciation. Real property income and capital appreciation may be adversely affected by general and local economic conditions, neighborhood values, competitive overbuilding, zoning laws, weather, casualty losses and other factors beyond our control. Since substantially all of our income is rental income from real property, our income and cash flow could be adversely affected if a large tenant is, or a significant number of tenants are, unable to pay rent or if available space cannot be rented on favorable terms.

Operating and other expenses of our properties, particularly significant expenses such as interest, real estate taxes and maintenance costs, generally do not decrease when income decreases and, even if revenues increase, operating and other expenses may increase faster than revenues.

We may be unable to sell properties when appropriate because real estate investments are illiquid. Real estate investments generally cannot be sold quickly. In addition, there are some limitations under federal income tax laws applicable to real estate and to REITs in particular that may limit our ability to sell our assets. With respect to each of our five consolidated joint ventures, Ironbound, McLean, Orangeburg, UB High Ridge and Dumont, which we refer to as our DownREITs, we may not sell or transfer the contributed property through contractually agreed upon protection periods other than as part of a tax-deferred transaction under the Code or if the conditions exist which would give us the right to call all of the non-managing member units or partnership units, as applicable, following the death or dissolution of certain non-managing members or, in connection with the exercise of creditor's rights and remedies under the existing mortgage or any refinancing by the holder thereof (which will not constitute a violation of this restriction). Because of these market, regulatory and contractual conditions, we may not be able to alter our portfolio promptly in response to changes in economic or other conditions. Our inability to respond quickly to adverse changes in the performance of our investments could have an adverse effect on our ability to meet our obligations and make distributions to our stockholders.

Our business strategy is mainly concentrated in one type of commercial property and in one geographic location. Our primary investment focus is neighborhood and community shopping centers, with a concentration in the metropolitan New York tri-state area outside of the City of New York. For the year ended October 31, 2017, approximately 92.9% of our total revenues were from properties located in this area. Various factors may adversely affect a shopping center's profitability. These factors include circumstances that affect consumer spending, such as general economic conditions, economic business cycles, rates of employment, income growth, interest rates and general consumer sentiment, as well as weather patterns and natural disasters that could have a more significant localized effect in the areas where our properties are concentrated. Changes to the real estate market in our focus areas, such as an increase in retail space or a decrease in demand for shopping center properties, could adversely affect operating results. As a result, we may be exposed to greater risks than if our investment focus was based on more diversified types of properties and in more diversified geographic areas.

The Company's single largest real estate investment is its ownership of the Ridgeway Shopping Center ("Ridgeway") located in Stamford, Connecticut. For the year ended October 31, 2017, Ridgeway revenues represented approximately 11.2% of the Company's total revenues and approximately 7.2% of the Company's total assets at October 31, 2017. The loss of Ridgeway or a material decrease in revenues from Ridgeway could have a material adverse effect on the Company.

We are dependent on anchor tenants in many of our retail properties. Most of our retail properties are dependent on a major or anchor tenant, often a supermarket anchor. If we are unable to renew any lease we have with the anchor tenant at one of these properties upon expiration of the current lease on favorable terms, or to re-lease the space to another anchor tenant of similar or better quality upon departure of an existing anchor tenant on similar or better terms, we could experience material adverse consequences with respect to such property such as higher vacancy, re-leasing on less favorable economic terms, reduced net income, reduced funds from operations and reduced property values. Vacated anchor space also could adversely affect a property because of the loss of the departed anchor tenant's customer drawing power. Loss of customer drawing power also can occur through the exercise of the right that some anchors have to vacate and prevent re-tenanting by paying rent for the balance of the lease term. In addition, vacated anchor space could, under certain circumstances, permit other tenants to pay a reduced rent or terminate their leases at the affected property, which could adversely affect the future income from such property. There can be no assurance that our anchor tenants will renew their leases when they expire or will be willing to renew on similar economic terms. See Item 1. Business in this Annual Report on Form 10-K for additional information on our ten largest tenants by percent of total annual base rent of our properties.

Similarly, if one or more of our anchor tenants goes bankrupt, we could experience material adverse consequences like those described above. Under bankruptcy law, tenants have the right to reject their leases. In the event a tenant exercises this right, the landlord generally may file a claim for a portion of its unpaid and future lost rent. Actual amounts received in satisfaction of those claims, however, are typically very limited and will be subject to the tenant's final plan of reorganization and the availability of funds to pay its creditors. In July 2015, The Great Atlantic and Pacific Tea Company ("A&P"), an anchor at nine of our shopping centers, filed for bankruptcy, resulting in lost rent, vacancies of various duration at several of our shopping centers and other negative consequences. We can provide no assurance that we will not experience similar bankruptcies by other anchor tenants. See Item 7. Management's Discussion of Operations and Financial Condition in this Annual Report on Form 10-K for additional information.

We face potential difficulties or delays in renewing leases or re-leasing space. We derive most of our income from rent received from our tenants. Although substantially all of our properties currently have favorable occupancy rates, we cannot predict that current tenants will renew their leases upon expiration of their terms. In addition, current tenants could attempt to terminate their leases prior to the scheduled expiration of such leases or might have difficulty in continuing to pay rent in full, if at all, in the event of a severe economic downturn. If this occurs, we may not be able to promptly locate qualified replacement tenants and, as a result, we would lose a source of revenue while remaining responsible for the payment of our obligations. Even if tenants decide to renew their leases, the terms of renewals or new leases, including the cost of required renovations or concessions to tenants, may be less favorable than current lease terms.

In some cases, our tenant leases contain provisions giving the tenant the exclusive right to sell particular types of merchandise or provide specific types of services within the particular retail center, or limit the ability of other tenants within the center to sell that merchandise or provide those services. When re-leasing space after a vacancy in a center with one of these tenants, such provisions may limit the number and types of prospective tenants for the vacant space. The failure to re-lease space or to re-lease space on satisfactory terms could adversely affect our results from operations. Additionally, properties we may acquire in the future may not be fully leased and the cash flow from existing operations may be insufficient to pay the operating expenses and debt service associated with that property until the property is fully leased. As a result, our net income, funds from operations and ability to pay dividends to stockholders could be adversely affected.

We may acquire properties or acquire other real estate related companies, and this may create risks. We may acquire properties or acquire other real estate related companies when we believe that an acquisition is consistent with our business strategies. We may not succeed in consummating desired acquisitions on time or within budget. When we do pursue a project or acquisition, we may not succeed in leasing newly acquired properties at rents sufficient to cover the costs of acquisition and operations. Acquisitions in new markets or industries where we do not have the same level of market knowledge may result in poorer than anticipated performance. We may also abandon acquisition

opportunities that management has begun pursuing and consequently fail to recover expenses already incurred and will have devoted management's time to a matter not consummated. Furthermore, our acquisitions of new properties or companies will expose us to the liabilities of those properties or companies, some of which we may not be aware of at the time of the acquisition. In addition, redevelopment of our existing properties presents similar risks.

Newly acquired properties may have characteristics or deficiencies currently unknown to us that affect their value or revenue potential. It is also possible that the operating performance of these properties may decline under our management. As we acquire additional properties, we will be subject to risks associated with managing new properties, including lease-up and tenant retention. In addition, our ability to manage our growth effectively will require us to successfully integrate our new acquisitions into our existing management structure. We may not succeed with this integration or effectively manage additional properties, particularly in secondary markets. Also, newly acquired properties may not perform as expected.

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Competition may adversely affect our ability to acquire new properties. We compete for the purchase of commercial property with many entities, including other publicly traded REITs. Many of our competitors have substantially greater financial resources than ours. In addition, our competitors may be willing to accept lower returns on their investments. If we are unable to successfully compete for the properties we have targeted for acquisition, we may not be able to meet our growth and investment objectives. We may incur costs on unsuccessful acquisitions that we will not be able to recover. The operating performance of our property acquisitions may also fall short of our expectations, which could adversely affect our financial performance.

Competition may limit our ability to generate sufficient income from tenants and may decrease the occupancy and rental rates for our properties. Our properties consist primarily of open-air shopping centers and other retail properties. Our performance, therefore, is generally linked to economic conditions in the market for retail space. In the future, the market for retail space could be adversely affected by:

- weakness in the national, regional and local economies;
- the adverse financial condition of some large retailing companies;
- the impact of internet sales on the demand for retail space;
- ongoing consolidation in the retail sector; and
- the excess amount of retail space in a number of markets.

In addition, numerous commercial developers and real estate companies compete with us in seeking tenants for our existing properties. If our competitors offer space at rental rates below our current rates or the market rates, we may lose current or potential tenants to other properties in our markets and we may need to reduce rental rates below our current rates in order to retain tenants upon expiration of their leases. Increased competition for tenants may require us to make tenant and/or capital improvements to properties beyond those that we would otherwise have planned to make. As a result, our results of operations and cash flow may be adversely affected.

In addition, our tenants face increasing competition from internet commerce, outlet malls, discount retailers, warehouse clubs and other sources which could hinder our ability to attract and retain tenants and/or cause us to reduce rents at our properties, which could have an adverse effect on our results of operations and cash flows. We may fail to anticipate the effects of changes in consumer buying practices, particularly of growing online sales and the resulting retailing practices and space needs of our tenants or a general downturn in our tenant's businesses, which may cause tenants to close their stores or default in payment of rent.

Property ownership through joint ventures could limit our control of those investments, restrict our ability to operate and finance the property on our terms, and reduce their expected return. As of October 31, 2017, we owned seven of our operating properties through consolidated joint ventures and seven through unconsolidated joint ventures. Our joint ventures, and joint ventures we may enter into in the future, may involve risks not present with respect to our wholly-owned properties, including the following:

We may share decision-making authority with our joint venture partners regarding certain major decisions affecting the ownership or operation of the joint venture and the joint venture property, such as, but not limited to, (i) additional capital contribution requirements, (ii) obtaining, refinancing or paying off debt, and (iii) obtaining consent prior to the sale or transfer of our interest in the joint venture to a third party, which may prevent us from taking actions that are opposed by our joint venture partners;

Our joint venture partners may have business interests or goals with respect to the property that conflict with our business interests and goals, which could increase the likelihood of disputes regarding the ownership, management or disposition of the property;

Disputes may develop with our joint venture partners over decisions affecting the property or the joint venture, which may result in litigation or arbitration that would increase our expenses and distract our officers from focusing their time and effort on our business, disrupt the day-to-day operations of the property such as by delaying the implementation of important decisions until the conflict is resolved, and possibly force a sale of the property if the dispute cannot be resolved; and

The activities of a joint venture could adversely affect our ability to qualify as a REIT.

In addition, with respect to our five consolidated joint ventures, Ironbound, McLean, Orangeburg, UB High Ridge and Dumont, we have additional obligations to the limited partners and non-managing members and additional limitations on our activities with respect to those joint ventures. The limited partners and non-managing members of each of these joint ventures are entitled to receive annual or quarterly cash distributions payable from available cash of the joint venture, with the Company required to provide such funds if the joint venture is unable to do so. The limited partners and non-managing members of these joint ventures have the right to require the Company to repurchase all or a portion of their limited partner or non-managing member interests for cash or Class A Common Stock of the Company, at our election, at prices and on terms set forth in the partnership or operating agreements. We also have the right to redeem all or a portion of the limited partner and non-managing member interests for cash or Class A Common Stock of the Company, at our election, under certain circumstances, at prices and on terms set forth in the partnership or operating agreements. The right of these limited partners and non-managing members to put their equity interest to us could require us to expend cash, or issue Class A Common Stock of the REIT, at a time or under circumstances that are not desirable to us.

In addition, the partnership agreement or operating agreements with our partners in Ironbound, McLean, Orangeburg, UB High Ridge and Dumont include certain restrictions on our ability to sell the property and to pay off the mortgage debt on these properties before their maturity, although refinancings are generally permitted. These restrictions could prevent us from taking advantage of favorable interest rate environments and limit our ability to best manage the debt on these properties.

Although we have historically used moderate levels of leverage, if we employed higher levels of leverage, it would result in increased risk of default on our obligations and in an increase in debt service requirements, which could adversely affect our financial condition and results of operations and our ability to pay dividends and make distributions. In addition, the viability of the interest rate hedges we use is subject to the strength of the counterparties. We have incurred, and expect to continue to incur, indebtedness to advance our objectives. The only restrictions on the amount of indebtedness we may incur are certain contractual restrictions and financial covenants contained in our unsecured revolving credit agreement. Accordingly, we could become more highly leveraged, resulting in increased risk of default on our financial obligations and in an increase in debt service requirements. This, in turn, could adversely affect our financial condition, results of operations and our ability to make distributions.

Using debt to acquire properties, whether with recourse to us generally or only with respect to a particular property, creates an opportunity for increased return on our investment, but at the same time creates risks. Our goal is to use debt to fund investments only when we believe it will enhance our risk-adjusted returns. However, we cannot be sure that our use of leverage will prove to be beneficial. Moreover, when our debt is secured by our assets, we can lose those assets through foreclosure if we do not meet our debt service obligations. Incurring substantial debt may adversely affect our business and operating results by:

- requiring us to use a substantial portion of our cash flow to pay interest and principal, which reduces the amount available for distributions, acquisitions and capital expenditures;
- making us more vulnerable to economic and industry downturns and reducing our flexibility to respond to changing business and economic conditions;
- requiring us to agree to less favorable terms, including higher interest rates, in order to incur additional debt, and otherwise limiting our ability to borrow for operations, working capital or to finance acquisitions in the future; or
- limiting our flexibility in conducting our business, which may place us at a disadvantage compared to competitors with less debt or debt with less restrictive terms.

In addition, variable rate debt exposes us to changes in interest rates. Interest expense on our variable rate debt as of October 31, 2017 would increase by \$40,000 annually for a 1% per annum increase in interest rates. This exposure would increase if we seek additional variable rate financing based on pricing and other commercial and financial

terms. We enter into interest rate hedging transactions, including interest rate swaps. There can be no guarantee that the future financial condition of these counterparties will enable them to fulfill their obligations under these agreements.

We are obligated to comply with financial and other covenants in our debt that could restrict our operating activities, and failure to comply could result in defaults that accelerate the payment under our debt. Our mortgage notes payable contain customary covenants for such agreements including, among others, provisions:

- restricting our ability to assign or further encumber the properties securing the debt; and
- restricting our ability to enter into certain new leases or to amend or modify certain existing leases without obtaining consent of the lenders.

Our unsecured revolving credit agreement contains financial and other covenants which may limit our ability, without our lenders' consent, to engage in operating or financial activities that we may believe desirable. Our unsecured revolving credit facility contains, among others, provisions restricting our ability to:

- permit unsecured debt to exceed \$400 million;
- create certain liens;
- increase our overall secured and unsecured borrowing beyond certain levels;
- consolidate, merge or sell all or substantially all of our assets;
- permit secured debt to be more than 40% of gross asset value, as defined in the agreement; and
 - permit unsecured indebtedness excluding preferred stock to exceed, 60% of eligible real estate asset value as defined in the agreement.

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In addition, covenants included in our unsecured revolving credit facility (i) limit the amount of debt we may incur, excluding preferred stock, as a percentage of gross asset value, as defined in the agreement, to less than 60% (leverage ratio), (ii) require earnings before interest, taxes, depreciation and amortization to be at least 150% of fixed charges, (iii) require net operating income from unencumbered properties to be at least 200% of unsecured interest expenses, (iv) require not more than 15% of gross asset value and unencumbered asset pool, each term as defined in the agreement, to be attributable to the Company's pro rata share of the value of unencumbered properties owned by non-wholly owned subsidiaries or unconsolidated joint ventures, and (v) require at least 10 unencumbered properties in the unencumbered asset pool, with at least 10 properties owned by the company or a wholly-owned subsidiary.

If we were to breach any of our debt covenants and did not cure the breach within any applicable cure period, our lenders could require us to repay the debt immediately, and, if the debt is secured, could immediately begin proceedings to take possession of the property securing the loan. As a result, a default under our debt covenants could have an adverse effect on our financial condition, our results of operations, our ability to meet our obligations and the market value of our shares.

We may be required to incur additional debt to qualify as a REIT. As a REIT, we must generally make annual distributions to shareholders of at least 90% of our taxable income. We are subject to income tax on amounts of undistributed taxable income and net capital gain. In addition, we would be subject to a 4% excise tax if we fail to distribute sufficient income to meet a minimum distribution test based on our ordinary income, capital gain and aggregate undistributed income from prior years. We intend to make distributions to shareholders to comply with the Code's distribution provisions and to avoid federal income and excise tax. We may need to borrow funds to meet our distribution requirements because:

- our income may not be matched by our related expenses at the time the income is considered received for purposes of determining taxable income; and
- non-deductible capital expenditures, creation of reserves, or debt service requirements may reduce available cash but not taxable income.

In these circumstances, we might have to borrow funds on terms we might otherwise find unfavorable and we may have to borrow funds even if our management believes the market conditions make borrowing financially unattractive. Current tax law also allows us to pay a portion of our distributions in shares instead of cash.

Our ability to grow will be limited if we cannot obtain additional capital. Our growth strategy includes the redevelopment of properties we already own and the acquisition of additional properties. We are required to distribute to our stockholders at least 90% of our taxable income each year to continue to qualify as a REIT for federal income tax purposes. Accordingly, in addition to our undistributed operating cash flow, we rely upon the availability of debt or equity capital to fund our growth, which financing may or may not be available on favorable terms or at all. The debt could include mortgage loans from third parties or the sale of debt securities. Equity capital could include our common stock or preferred stock. Additional financing, refinancing or other capital may not be available in the amounts we desire or on favorable terms.

Our access to debt or equity capital depends on a number of factors, including the general state of the capital markets, the markets perception of our growth potential, our ability to pay dividends, and our current and potential future earnings. Depending on the outcome of these factors, we could experience delay or difficulty in implementing our growth strategy on satisfactory terms, or be unable to implement this strategy.

We cannot assure you we will continue to pay dividends at historical rates. Our ability to continue to pay dividends on our shares of Class A Common stock or Common stock at historical rates or to increase our dividend rate, and our ability to pay preferred share dividends will depend on a number of factors, including, among others, the following:

- our financial condition and results of future operations;
- the performance of lease terms by tenants;
- the terms of our loan covenants;
- payment obligations on debt; and
- our ability to acquire, finance or redevelop and lease additional properties at attractive rates.

If we do not maintain or increase the dividend on our common shares, it could have an adverse effect on the market price of our shares of Class A Common stock or Common stock and other securities. Any preferred shares we may offer may have a fixed dividend rate that would not increase with any increases in the dividend rate of our common shares. Conversely, payment of dividends on our common shares may be subject to payment in full of the dividends on any preferred shares and payment of interest on any debt securities we may offer.

Market interest rates could adversely affect the share price of our stock and increase the cost of refinancing debt. A variety of factors may influence the price of our common equities in the public trading markets. We believe that investors generally perceive REITs as yield-driven investments and compare the annual yield from dividends by REITs with yields on various other types of financial instruments. An increase in market interest rates may lead purchasers of stock to seek a higher annual dividend rate from other investments, which could adversely affect the market price of the stock. In addition, we are subject to the risk that we will not be able to refinance existing indebtedness on our properties. We anticipate that a portion of the principal of our debt will not be repaid prior to maturity. Therefore, we likely will need to refinance at least a portion of our outstanding debt as it matures. A change in interest rates may increase the risk that we will not be able to refinance existing debt or that the terms of any refinancing will not be as favorable as the terms of the existing debt.

If principal payments due at maturity cannot be refinanced, extended or repaid with proceeds from other sources, such as new equity capital or sales of properties, our cash flow will not be sufficient to repay all maturing debt in years when significant "balloon" payments come due. As a result, our ability to retain properties or pay dividends to stockholders could be adversely affected and we may be forced to dispose of properties on unfavorable terms, which could adversely affect our business and net income.

Construction and renovation risks could adversely affect our profitability. We currently are renovating some of our properties and may in the future renovate other properties, including tenant improvements required under leases. Our renovation and related construction activities may expose us to certain risks. We may incur renovation costs for a property which exceed our original estimates due to increased costs for materials or labor or other costs that are unexpected. We also may be unable to complete renovation of a property on schedule, which could result in increased debt service expense or construction costs. Additionally, some tenants may have the right to terminate their leases if a renovation project is not completed on time. The time frame required to recoup our renovation and construction costs and to realize a return on such costs can often be significant.

We are dependent on key personnel. We depend on the services of our existing senior management to carry out our business and investment strategies. We do not have employment agreements with any of our existing senior management. As we expand, we may continue to need to recruit and retain qualified additional senior management. The loss of the services of any of our key management personnel or our inability to recruit and retain qualified personnel in the future could have an adverse effect on our business and financial results.

Uninsured and underinsured losses may affect the value of, or return from, our property interests. We maintain insurance on our properties, including the properties securing our loans, in amounts which we believe are sufficient to permit replacement of the properties in the event of a total loss, subject to applicable deductibles. There are certain types of losses, such as losses resulting from wars, terrorism, earthquakes, floods, hurricanes or other acts of God that may be uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, we could lose capital invested in a property, as well as the anticipated future revenues from a property, while remaining obligated for any mortgage indebtedness or other financial obligations related to the property. In addition,

changes in building codes and ordinances, environmental considerations and other factors might make it impracticable for us to use insurance proceeds to replace a damaged or destroyed property. If any of these or similar events occur, it may reduce our return from an affected property and the value of our investment.

Properties with environmental problems may create liabilities for us. Under various federal, state and local environmental laws, statutes, ordinances, rules and regulations, as an owner of real property, we may be liable for the costs of removal or remediation of certain hazardous or toxic substances at, on, in or under our properties, as well as certain other potential costs relating to hazardous or toxic substances (including government fines and penalties and damages for injuries to persons and adjacent property). A property can be adversely affected either through direct physical contamination or as the result of hazardous or toxic substances or other contaminants that have or may have emanated from other properties. These laws may impose liability without regard to whether we knew of, or were responsible for, the presence or disposal of those substances. This liability may be imposed on us in connection with the activities of an operator of, or tenant at, the property. The cost of any required remediation, removal, fines or personal or property damages and our liability therefore could exceed the value of the property and/or our aggregate assets. In addition, the presence of those substances, or the failure to properly dispose of or remove those substances, may adversely affect our ability to sell or rent that property or to borrow using that property as collateral, which, in turn, would reduce our revenues and ability to make distributions.

Prior to the acquisition of any property and from time to time thereafter, we obtain Phase I environmental reports, and, when deemed warranted, Phase II environmental reports concerning the Company's properties. There can be no assurance, however, that (i) the discovery of environmental conditions that were previously unknown, (ii) changes in law, (iii) the conduct of tenants or neighboring property owner, or (iv) activities relating to properties in the vicinity of the Company's properties, will not expose the Company to material liability in the future. Changes in laws increasing the potential liability for environmental conditions existing on properties or increasing the restrictions on discharges or other conditions may result in significant unanticipated expenditures or may otherwise adversely affect the operations of our tenants, which could adversely affect our financial condition and results of operations.

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We face risks relating to cybersecurity attacks that could cause loss of confidential information and other business disruptions. We rely extensively on computer systems to process transactions and manage our business, and our business is at risk from and may be impacted by cybersecurity attacks. These could include attempts to gain unauthorized access to our data and computer systems. Attacks can be both individual and/or highly organized attempts organized by very sophisticated hacking organizations. We employ a number of measures to prevent, detect and mitigate these threats, which include password encryption, frequent password change events, firewall detection systems, anti-virus software in-place and frequent backups; however, there is no guarantee such efforts will be successful in preventing a cyber attack. A cybersecurity attack could compromise the confidential information of our employees, tenants and vendors. A successful attack could disrupt and otherwise adversely affect our business operations, including through lawsuits by third-parties.

The Americans with Disabilities Act of 1990 could require us to take remedial steps with respect to existing or newly acquired properties. Our existing properties, as well as properties we may acquire, as commercial facilities, are required to comply with Title III of the Americans with Disabilities Act of 1990. Investigation of a property may reveal non-compliance with this Act. The requirements of this Act, or of other federal, state or local laws or regulations, also may change in the future and restrict further renovations of our properties with respect to access for disabled persons. Future compliance with this Act may require expensive changes to the properties.

Risks Related to our Organization and Structure

We will be taxed as a regular corporation if we fail to maintain our REIT status. Since our founding in 1969, we have operated, and intend to continue to operate, in a manner that enables us to qualify as a REIT for federal income tax purposes. However, the federal income tax laws governing REITs are complex. The determination that we qualify as a REIT requires an analysis of various factual matters and circumstances that may not be completely within our control. For example, to qualify as a REIT, at least 95% of our gross income must come from specific passive sources, such as rent, that are itemized in the REIT tax laws. In addition, to qualify as a REIT, we cannot own specified amounts of debt and equity securities of some issuers. We also are required to distribute to our stockholders at least 90% of our REIT taxable income (excluding capital gains) each year. Our continued qualification as a REIT depends on our satisfaction of the asset, income, organizational, distribution and stockholder ownership requirements of the Internal Revenue Code on a continuing basis. At any time, new laws, interpretations or court decisions may change the federal tax laws or the federal tax consequences of qualification as a REIT. If we fail to qualify as a REIT in any taxable year and do not qualify for certain Internal Revenue Code relief provisions, we will be subject to federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates. In addition, distributions to stockholders would not be deductible in computing our taxable income. Corporate tax liability would reduce the amount of cash available for distribution to stockholders which, in turn, would reduce the market price of our stock. Unless entitled to relief under certain Internal Revenue Code provisions, we also would be disqualified from taxation as a REIT for the four taxable years following the year during which we ceased to qualify as a REIT.

We will pay federal taxes if we do not distribute 100% of our taxable income. To the extent that we distribute less than 100% of our taxable income, we will be subject to federal corporate income tax on our undistributed income. In addition, we will incur a 4% nondeductible excise tax on the amount, if any, by which our distributions in any year are less than the sum of:

- 85% of our ordinary income for that year;
- 95% of our capital gain net income for that year; and
- 100% of our undistributed taxable income from prior years.

We have paid out, and intend to continue to pay out, our income to our stockholders in a manner intended to satisfy the distribution requirement and to avoid corporate income tax and the 4% nondeductible excise tax. Differences in

timing between the recognition of income and the related cash receipts or the effect of required debt amortization payments could require us to borrow money or sell assets to pay out enough of our taxable income to satisfy the distribution requirement and to avoid corporate income tax and the 4% excise tax in a particular year.

Gain on disposition of assets deemed held for sale in the ordinary course of business is subject to 100% tax. If we sell any of our assets, the IRS may determine that the sale is a disposition of an asset held primarily for sale to customers in the ordinary course of a trade or business. Gain from this kind of sale generally will be subject to a 100% tax. Whether an asset is held "primarily for sale to customers in the ordinary course of a trade or business" depends on the particular facts and circumstances of the sale. Although we will attempt to comply with the terms of safe-harbor provisions in the Internal Revenue Code prescribing when asset sales will not be so characterized, we cannot assure you that we will be able to do so.

U.S. federal tax reform legislation could affect REITs generally, the geographic markets in which we operate, our stock and our results of operations, both positively and negatively in ways that are difficult to anticipate. The U.S. Congress has passed sweeping tax reform legislation that would make significant changes to corporate and individual tax rates and the calculation of taxes, as well as international tax rules for U.S. domestic corporations. As a REIT, we are generally not required to pay federal taxes otherwise applicable to regular corporations if we comply with the various tax regulations governing REITs. Stockholders, however, are generally required to pay taxes on REIT dividends. Tax reform legislation would affect the way in which dividends paid on our stock are taxed by the holder of that stock and could impact our stock price or how stockholders and potential investors view an investment in REITs. In addition, while certain elements of tax reform legislation would not impact us directly as a REIT, they could impact the geographic markets in which we operate, the tenants that populate our shopping centers and the customers who frequent our properties in ways, both positive and negative, that are difficult to anticipate.

Our ownership limitation may restrict business combination opportunities.

To qualify as a REIT under the Internal Revenue Code, no more than 50% in value of our outstanding capital stock may be owned, directly or indirectly, by five or fewer individuals during the last half of each taxable year. To preserve our REIT qualification, our charter generally prohibits any person from owning shares of any class with a value of more than 7.5% of the value of all of our outstanding capital stock and provides that:

- a transfer that violates the limitation is void;
- shares transferred to a stockholder in excess of the ownership limitation are automatically converted, by the terms of our charter, into shares of "Excess Stock;"
- a purported transferee receives no rights to the shares that violate the limitation except the right to designate a transferee of the Excess Stock held in trust; and
- the Excess Stock will be held by us as trustee of a trust for the exclusive benefit of future transferees to whom the shares of capital stock ultimately will be transferred without violating the ownership limitation.

We may also redeem Excess Stock at a price which may be less than the price paid by a stockholder. Pursuant to authority under our charter, our board of directors has determined that the ownership limitation does not apply to Mr. Charles J. Urstadt, our Chairman, who, as of October 31, 2017, beneficially owns 46.2% of our outstanding Common Stock and 0.5% of our outstanding Class A common stock or to Mr. Willing L. Biddle, our CEO, who beneficially owns 30.2% of our outstanding Common Stock and 0.1% of our outstanding Class A Common Stock. Such holdings represent approximately 66.3% of our outstanding voting interests. Together as a group Messrs. Urstadt, Biddle, and the other directors and executive officers hold approximately 66.7% of our outstanding voting interests through their beneficial ownership of our Common Stock and Class A common stock. The ownership limitation may delay or discourage someone from taking control of us, even though a change of control might involve a premium price for our stockholders or might otherwise be in their best interest.

Certain provisions in our charter and bylaws and Maryland law may prevent or delay a change of control or limit our stockholders from receiving a premium for their shares. Among the provisions contained in our charter and bylaws

and Maryland law are the following:

Our board of directors is divided into three classes, with directors in each class elected for three-year staggered terms. Our directors may be removed only for cause upon the vote of the holders of two-thirds of the voting power of our common equity securities.

Our stockholders may call a special meeting of stockholders only if the holders of a majority of the voting power of our common equity securities request such a meeting in writing.

Any consolidation, merger, share exchange or transfer of all or substantially all of our assets must be approved by (i) a majority of our directors who are currently in office or who are approved or recommended by a majority of our directors who are currently in office (the "Continuing Directors") and (ii) the holders of two-thirds of the voting power of our common equity securities.

Certain provisions of our charter may only be amended by (i) a vote of a majority of our Continuing Directors and (ii) the holders of a majority of the voting power of our common equity securities. These provisions relate to the election and classification of directors, the ownership limit and the stockholder vote required for certain business combination transactions. An action by stockholders to remove a director would require a vote of at least two-thirds of the voting power of our outstanding common equity securities.

The number of directors may be increased or decreased by a vote of our board of directors.

In addition, we are subject to various provisions of Maryland law that impose restrictions and require affected persons to follow specified procedures with respect to certain takeover offers and business combinations, including combinations with persons who own 10% or more of our outstanding shares. These provisions of Maryland law could delay, defer or prevent a transaction or a change of control that our stockholders might deem to be in their best interests. Furthermore, shares acquired in a control share acquisition have no voting rights, except to the extent approved by the affirmative vote of two-thirds of all votes entitled to be cast on the matter, excluding all interested shares. Under Maryland law, "control shares" are those which, when aggregated with any other shares held by the acquiror, allow the acquiror to exercise voting power within specified ranges. The control share provisions of Maryland law also could delay, defer or prevent a transaction or a change of control which our stockholders might deem to be in their best interests. As permitted by Maryland law, our charter and bylaws provide that the "control shares" and "business combinations" provisions of Maryland law described above will not apply to acquisitions of those shares by Mr. Charles J. Urstadt or Mr. Willing L. Biddle or to transactions between the Company and Mr. Urstadt or Mr. Biddle or any of their respective affiliates. Consequently, unless such exemptions are amended or repealed, we may in the future enter into business combinations or other transactions with Mr. Urstadt, Mr. Biddle or any of their respective affiliates without complying with the requirements of Maryland anti-takeover laws. In view of the common equity securities controlled by Messrs. Urstadt and Biddle, either may control a sufficient percentage of the voting power of our common equity securities to effectively block approval of any proposal which requires a vote of our stockholders.

Our stockholder rights plan could deter a change of control. We have adopted a stockholder rights plan. This plan may deter a person or a group from acquiring more than 10% of the combined voting power of our outstanding shares of common stock and Class A common stock because, after (i) the person or group acquires more than 10% of the combined voting power of our outstanding Common stock and Class A Common stock, or (ii) the commencement of a tender offer or exchange offer by any person (other than us, any one of our wholly owned subsidiaries or any of our employee benefit plans, or certain exempt persons), if, upon consummation of the tender offer or exchange offer, the person or group would beneficially own 30% or more of the combined voting power of our outstanding shares of Common stock and Class A Common stock, and upon satisfaction of certain other conditions, all other stockholders will have the right to purchase securities from us at a price that is less than their fair market value. This would substantially reduce the value of the stock owned by the acquiring person. Our board of directors can prevent the plan from operating by approving the transaction and redeeming the rights. This gives our board of directors significant power to approve or disapprove of the efforts of a person or group to acquire a large interest in us. The rights plan exempts acquisitions of Common stock and Class A Common stock by Mr. Charles J. Urstadt, Willing L. Biddle, members of their families and certain of their affiliates.

The concentration of our stock ownership or voting power limits our stockholders' ability to influence corporate matters. Each share of our Common Stock entitles the holder to one vote. Each share of our Class A Common Stock entitles the holder to 1/20 of one vote per share. Each share of Common Stock and Class A Common Stock have identical rights with respect to dividends except that each share of Class A Common Stock will receive not less than 110% of the regular quarterly dividends paid on each share of Common Stock. As of October 31, 2017, Charles J. Urstadt, our Chairman, and Willing Biddle, our President and Chief Executive Officer, beneficially owned approximately 19.3% of our outstanding Common Stock and Class A Common Stock, which together represented approximately 66.3% of the voting power of our outstanding common stock. Messrs. Urstadt and Biddle therefore have significant influence over management and affairs and over all matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or our assets, for the foreseeable future. This concentrated control limits or restricts our stockholders' ability to influence corporate matters.

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Item 1B. Unresolved Staff Comments.

None.

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Item 2. Properties.

Properties

The following table sets forth information concerning each property at October 31, 2017. Except as otherwise noted, all properties are 100% owned by the Company.

Retail Properties:	Year Renovated	Year Completed	Year Acquired	Gross Leasable Sq Feet	Acres	Number of Tenants	% Leased	Principal Tenant
Stamford, CT	1997	1950	2002	374,000	13.6	34	97	% Stop & Shop
Stratford, CT	1988	1978	2005	278,000	29.0	19	100	% Stop & Shop, BJ's
Scarsdale, NY (1)	2004	1958	2010	250,000	14.0	27	98	% ShopRite
New Milford, CT	2002	1972	2010	235,000	20.0	14	100	% Walmart
Riverhead, NY (2)	-	2014	2014	198,000	20.7	3	98	% Walmart
Danbury, CT	-	1989	1995	194,000	19.3	18	98	% Christmas Tree Shops
Carmel, NY (3)	2006	1971	2010	189,000	22.0	38	98	% Tops Markets
Ossining, NY	2000	1978	1998	137,000	11.4	26	96	% Stop & Shop
Somers, NY	-	2002	2003	135,000	26.0	29	97	% Home Goods
Midland Park, NJ	1999	1970	2015	130,000	7.9	26	97	% Kings Supermarket
Carmel, NY	1999	1983	1995	129,000	19.0	17	96	% ShopRite
Pompton Lakes, NJ	2000	1965	2015	125,000	12.0	16	44	% Planet Fitness
Yorktown, NY	1997	1973	2005	121,000	16.4	12	73	% Staples
New Providence, NJ	2010	1965	2013	109,000	7.8	24	98	% Acme Markets
Newark, NJ (4)	-	1995	2008	108,000	8.4	13	95	% Acme Markets
Wayne, NJ	1992	1959	1992	102,000	9.0	41	59	% PNC Bank
Newington, NH	1994	1975	1979	102,000	14.3	7	97	% JoAnns Fabrics
Darien, CT	1992	1955	1998	96,000	9.5	22	97	% Stop & Shop
Emerson, NJ	2013	1981	2007	93,000	7.0	11	82	% ShopRite

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Stamford, CT (8)	2013	1963 & 1968	2017	87,000	6.7	25	95	Trader Joes %
New Milford, CT	-	1966	2008	81,000	7.6	5	92	Big Y %
Somers, NY Montvale, NJ (2)	- 2010	1991 1965	1999 2013	80,000 79,000	10.8 9.9	29 15	83 95	CVS The Fresh %Market
Orange, CT	-	1990	2003	78,000	10.0	13	100	Trader Joes %
Kinnelon, NJ Orangeburg, NY (5)	2015 2014	1961 1966	2015 2012	77,000 74,000	7.5 10.6	12 23	98 90	Marshalls CVS %
Dumont, NJ (9)	-	1992	2017	74,000	5.5	34	100	Stop & Shop ShopRite (Grade %A)
Stamford, CT New Milford, CT	2000 -	1970 2003	2016 2011	72,000 72,000	9.7 8.8	14 9	98 93	TJ Max %
Eastchester, NY	2013	1978	1997	70,000	4.0	13	100	Acme Markets %
Boonton, NJ Ridgefield, CT	2016 1999	1999 1930	2014 1998	63,000 62,000	5.4 3.0	10 41	100 91	Acme Markets Keller Williams %
Fairfield, CT Bloomfield, NJ	- 2016	1995 1977	2011 2014	62,000 59,000	7.0 5.1	3 9	100 96	Marshalls Superfresh %Supermarket
Yonkers, NY (7)	-	1982	2014	58,000	5.0	13	100	Acme Markets %
Cos Cob, CT Briarcliff Manor, NY	2008 2014	1986 1975	2014 2001	48,000 47,000	1.1 1.0	32 15	92 83	CVS CVS %
Wyckoff, NJ	2014	1971	2015	43,000	5.2	15	92	Walgreens %
Westport, CT Old Greenwich, CT	- -	1986 1976	2003 2014	40,000 39,000	3.0 1.4	9 13	64 92	Rio Bravo %Restaurant Kings %Supermarket
Rye, NY	-	Various	2004	39,000	1.0	22	96	A&S Deli %
Derby, CT	-	2014	2017	39,000	5.3	6	91	Aldi %Supermarket
Passaic, NJ Danbury, CT	2016	1974	2017	37,000	2.9 2.7	3	100	Gala Fresh %Market %

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	2012	1988	2002	33,000		6	100	Buffalo Wild Wings
Bethel, CT	1967	1957	2014	31,000	4.0	7	100	% Rite Aid Westchester Community College
Ossining, NY	2001	1981	1999	29,000	4.0	3	88	% College
Katonah, NY	1986	Various	2010	28,000	1.7	25	89	% Squires
Stamford, CT	1995	1960	2016	27,000	1.1	7	100	% Federal Express United States Post Office
Waldwick, NJ	-	1953	2017	27,000	1.8	11	100	% Post Office
Harrison, NY	-	1970	2015	26,000	1.6	13	100	% Key Foods
Pelham, NY Spring Valley, NY	2014	1975	2006	25,000	1.0	9	100	% Key Foods

(2)