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EastGroup Properties Announces Recent Business Activity

JACKSON, Miss., June 3, 2019 /[PRNewswire](#)/ -- **EastGroup Properties, Inc. (NYSE: EGP)** announced today its recent business activity.

In late April, EastGroup Properties, Inc. (the "Company" or "EastGroup") acquired Logistics Center 6 & 7, which contains a total of 142,000 square feet of multi-tenant business distribution space in two buildings in Dallas. The buildings, which are located in a master-planned park on DFW International Airport-owned property with a 40-year ground lease, were developed in 2018. The buildings were 19% leased at the time of acquisition and are currently 56% leased. The value-add property was acquired for \$13 million, and the Company estimates its total investment in the property, including improvements during the lease-up phase, will be approximately \$15 million.

In May, the Company closed the acquisition of Airways Business Center in Denver for \$48 million. The 100% leased, four-building complex includes 382,000 square feet in the airport submarket of Denver.

Also in May, EastGroup sold Altamonte Commerce Center, an eight-building complex containing 186,000 square feet in Orlando. The buildings were sold for \$14.9 million, and the Company will record a gain on the sale during the second quarter of 2019; the gain will not be included in funds from operations.

During the first two months of the second quarter, EastGroup started construction on four development projects totaling 523,000 square feet. The projects, which are located in Orlando, Ft. Myers, Houston and Phoenix, are 22% pre-leased and have projected total costs of \$50 million.

As disclosed in the Company's Form 10-K for the year ended December 31, 2018, and Form 10-Q for the period ended March 31, 2019, EastGroup has been involved in an action against the Company and certain of its executive officers relating to the Company's November 2016 purchase of a land parcel. A mediated resolution of the dispute was reached during the second quarter. The Company estimates the resolution of the matter will reduce its projected 2019 Net Income Attributable to Common Stockholders and Funds from Operations Attributable to Common Stockholders by a range of \$0.01 to \$0.02 per share.

During the first two months of the second quarter, the Company issued and sold 428,341 shares of common stock under its continuous equity program at an average price of \$113.17 per share, providing gross proceeds to the Company of \$48.5 million.

EastGroup Properties, Inc. is a self-administered equity real estate investment trust focused on the development, acquisition and operation of industrial properties in major Sunbelt markets throughout the United States with an emphasis in the states of Florida, Texas, Arizona, California and North Carolina. The Company's goal is to maximize shareholder value by being a leading provider in its markets of functional, flexible and quality business distribution space for location sensitive customers (primarily in the 15,000 to 70,000 square foot range). The Company's strategy for growth is based on ownership of premier distribution facilities generally clustered near major transportation features in supply-constrained submarkets. EastGroup's portfolio, including development projects and value-add acquisitions in lease-up and under construction, currently includes approximately 43 million square feet.

EastGroup Properties, Inc. press releases are available at www.eastgroup.net.

View original content to download multimedia:<http://www.prnewswire.com/news-releases/eastgroup-properties-announces-recent-business-activity-300860898.html>



SOURCE EastGroup Properties

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<https://investor.eastgroup.net/2019-06-03-EastGroup-Properties-Announces-Recent-Business-Activity>

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