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EastGroup Properties Announces Business and Market Updates

JACKSON, Miss., June 1, 2020 /[PRNewswire](#)/ -- **EastGroup Properties, Inc. (NYSE: EGP)** (the "Company", "EastGroup" or "we") announced today that in light of the current COVID-19 pandemic, the Company is providing an update on its portfolio occupancy, rent collections and rent relief requests. As previously reported in the Company's press release on April 30, 2020, COVID-19 did not have a material adverse impact on the Company's revenues during the first quarter of 2020. The updates contained herein provide information on the impacts to date during the second quarter of 2020.

Commenting on the current market conditions and company performance, Marshall Loeb, CEO, stated, "While we acknowledge the pandemic is far from over, we are pleased with our results to date. Specifically, the strength of our monthly rent collections as reflected below, tenant rent relief requests only rising by 2% in May, the pickup in prospect leasing activity we're seeing as markets re-open, and internally, how well our team was able to shift our operating strategy and work remotely. Longer term, we remain optimistic about increased demand for industrial space given the anticipated accelerating growth in e-commerce, higher inventory levels, nearshoring and reshoring of manufacturing as a result of the pandemic; and continued population shifts to our fast-growing Sunbelt markets."

As of June 1, 2020, EastGroup's operating portfolio is 96.9% leased and 96.5% occupied. The Company's rent collections for March, April and May 2020 are as follows:

- 99.3% of March rents have been collected; 0.7% of rents are uncollected.
- 97.7% of April rents have been collected; 0.7% of April rents have been deferred for collection in future periods; 1.6% of April rents are uncollected and no deferral agreement has been reached.
- 95.0% of May rents have been collected; 0.9% of May rents have been deferred for collection in future periods; 4.1% of May rents are uncollected and no deferral agreement has been reached.

EastGroup's properties in the Houston market contain approximately 5.9 million square feet, representing just under 14% of the Company's total annualized base rent. The Company's portfolio in Houston is currently 97.2% leased and 97.0% occupied. EastGroup's rent collections for its Houston properties for March, April and May 2020 are as follows:

- 99.9% of March rents have been collected.
- 99.9% of April rents have been collected.
- 99.7% of May rents have been collected.
- No deferral agreements have been executed to date.

During April 2020, the Company received rent relief requests from approximately 26% of the Company's customers. During May, EastGroup received requests from an additional 2% of its customers for a total of 28% to date. The majority of these requests have been denied while others are currently being evaluated. Approximately 6.5% of the requests have been granted some form of rent deferment. The requests are being handled on a case-by-case basis and the Company's responses are largely dependent on our understanding of the financial strength of the customer, the operational and earnings impacts being experienced by the customer, and the customer's ability or inability to obtain capital through debt or equity issuances, government assistance programs or by other means.

EastGroup is scheduled to present at the Nareit REITweek Virtual Investor Conference on Tuesday, June 2, 2020 at 11:20 a.m. EDT. Information regarding attending REITweek may be accessed on the Events page at www.reit.com.

EastGroup, an S&P MidCap 400 company, 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 45.7 million square feet.

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

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