

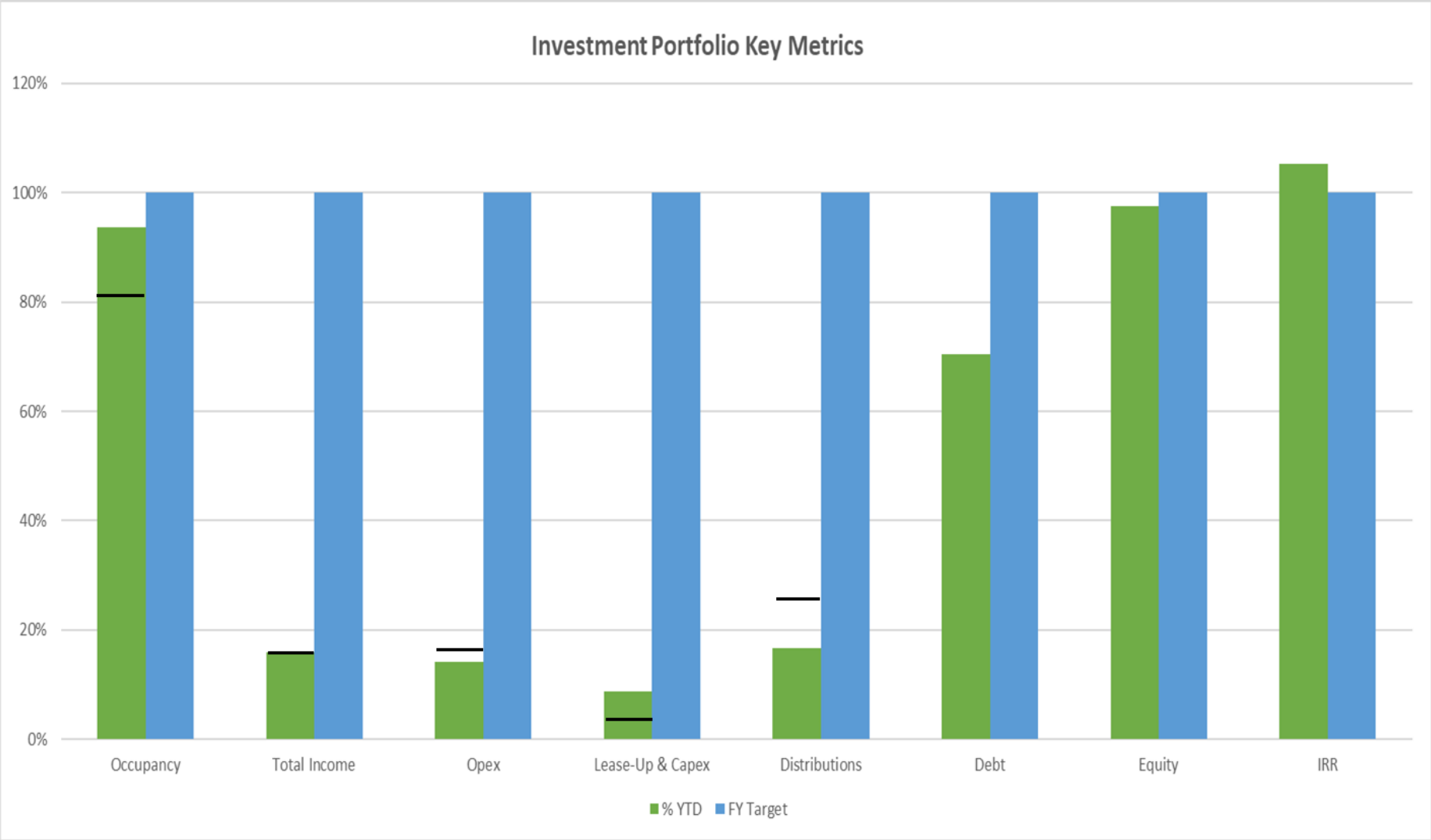
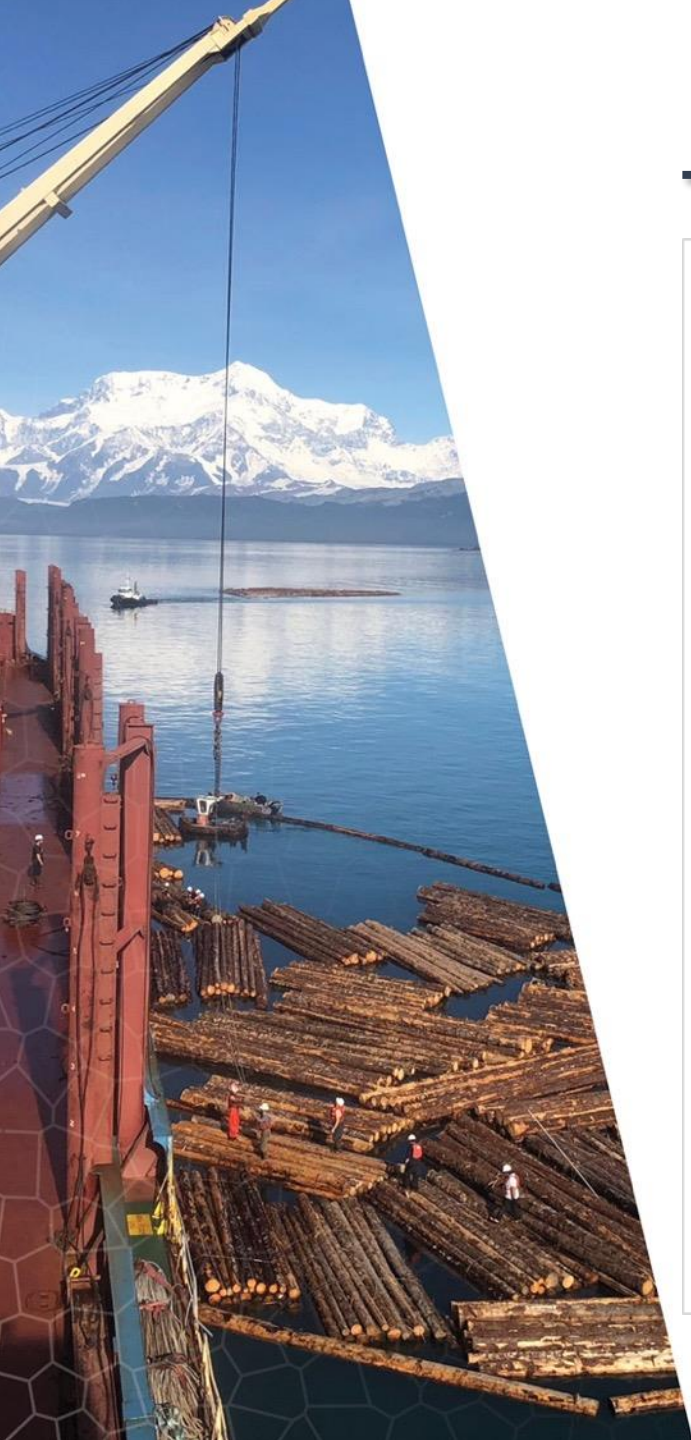


Trust
Land Office

Commercial Real Estate Market Update

Resource Management Committee
October 20, 2023

Snapshot of Trust Portfolio Results



Trust Portfolio Results – Key Comments

- *The prior twelve months saw the portfolio climb from 91.4% leased to 93.6% leased. With the execution of the pending deal at North Park, the portfolio's leased percentage will climb to 97.6%.*
- *Income is essentially on track year-to-date and will skew higher as the year goes on due to scheduled rent escalations and new tenancies.*
- *Operating expenses, lease-up costs and capital expenditures are in line with budget. The lion's share of the lease-up costs will be related to the pending deal at North Park.*
- *After averaging \$148,170 the preceding twelve months, distributions have averaged \$114,557 to date this fiscal year. While capital expenditures and other items such as atypically high insurance premiums increases will affect distributions in the next couple of months, distributions through the balance of the fiscal year are expected to come in at solidly higher levels.*
- *With the portfolio's current outstanding principal balance at \$36.5mm, the loans are amortizing at a rate in excess of \$160,000 per month.*
- *At present, the portfolio has \$64.4mm in equity. Excluding gains from appreciation, which we do not forecast, the portfolio's equity will grow in sync with the monthly loan amortization.*
- *Marked to market, the projected internal rate of return for the portfolio in aggregate presently equals 9.15%. This exceeds the CPI plus 5% benchmark, which presently equals 8.7%.*

