

CEDAR REALTY TRUST, INC.  
Form 10-Q  
November 01, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934  
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934  
COMMISSION FILE NUMBER: 001-31817

CEDAR REALTY TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland 42-1241468  
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification No.)  
44 South Bayles Avenue, Port Washington, New York 11050-3765

(Address of principal executive offices) (Zip Code)

(516) 767-6492

(Registrant's telephone number, including area code)

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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 every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

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 Exchange Act). Yes No

At October 31, 2018, there were 91,207,909 shares of Common Stock, \$0.06 par value, outstanding.

CEDAR REALTY TRUST, INC.

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## Forward-Looking Statements

Certain statements made in this Form 10-Q or incorporated by reference herein are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and, as such, may involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe the Company’s future plans, strategies and expectations, are generally identifiable by use of the words “may”, “will”, “should”, “estimates”, “projects”, “anticipates”, “believes”, “expects”, “future”, and words of similar import, or the negative thereof. Factors which could cause actual results to differ materially from current expectations include, but are not limited to: adverse general economic conditions in the United States and uncertainty in the credit and retail markets; financing risks, such as the inability to obtain new financing or refinancing on favorable terms as the result of market volatility or instability; risks related to the market for retail space generally, including reductions in consumer spending, variability in retailer demand for leased space, tenant bankruptcies, adverse impact of internet sales demand, ongoing consolidation in the retail sector and changes in economic conditions and consumer confidence; risks endemic to real estate and the real estate industry generally; the impact of the Company’s level of indebtedness on operating performance; inability of tenants to meet their rent and other lease obligations; adverse impact of new technology and e-commerce developments on the Company’s tenants; competitive risk; risks related to the geographic concentration of the Company’s properties in the Washington, D.C. to Boston corridor; the effects of natural and other disasters; the inability of the Company to realize anticipated returns from its redevelopment activities; and the risk factors discussed under Part I, Item 1A, “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017.

Except for ongoing obligations to disclose material information as required by the federal securities laws, the Company undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. All of the above factors are difficult to predict, contain uncertainties that may materially affect the Company’s actual results and may be beyond the Company’s control. New factors emerge from time to time, and it is not possible for the Company’s management to predict all such factors or to assess the effects of each factor on the Company’s business. Accordingly, there can be no assurance that the Company’s current expectations will be realized.

## CEDAR REALTY TRUST, INC.

## CONSOLIDATED BALANCE SHEETS

(unaudited)

|   | September 30,<br>2018   | December 31,<br>2017    |
|---|-------------------------|-------------------------|
| <b>ASSETS</b>   |                         |                         |
| Real estate:  |                         |                         |
| Land  | \$ 295,734,000          | \$ 304,237,000          |
| Buildings and improvements  | 1,206,608,000           | 1,230,362,000           |
|   | 1,502,342,000           | 1,534,599,000           |
| Less accumulated depreciation   | (353,085,000 )          | (341,943,000 )          |
| Real estate, net  | 1,149,257,000           | 1,192,656,000           |
| Real estate held for sale   | 11,348,000              | —                       |
| Cash and cash equivalents   | 4,398,000               | 3,702,000               |
| Restricted cash   | —                       | 3,517,000               |
| Receivables   | 21,905,000              | 17,193,000              |
| Other assets and deferred charges, net  | 50,645,000              | 35,350,000              |
| <b>TOTAL ASSETS</b>   | <b>\$ 1,237,553,000</b> | <b>\$ 1,252,418,000</b> |
| <b>LIABILITIES AND EQUITY</b>   |                         |                         |
| Mortgage loans payable  | \$ 47,545,000           | \$ 127,969,000          |
| Capital lease obligation  | 5,398,000               | -                       |
| Unsecured revolving credit facility   | 102,000,000             | 55,000,000              |
| Unsecured term loans  | 471,954,000             | 397,156,000             |
| Accounts payable and accrued liabilities  | 25,688,000              | 24,519,000              |
| Unamortized intangible lease liabilities  | 14,014,000              | 17,663,000              |
| Total liabilities   | 666,599,000             | 622,307,000             |
| Commitments and contingencies   | —                       | —                       |
| Equity:   |                         |                         |
| Cedar Realty Trust, Inc. shareholders' equity:  |                         |                         |
| Preferred stock   | 159,541,000             | 207,508,000             |
| Common stock (\$.06 par value, 150,000,000 shares authorized, 91,211,000 and 91,317,000 shares, issued and outstanding, respectively) | 5,473,000               | 5,479,000               |
| Treasury stock (2,979,000 and 3,359,000 shares, respectively, at cost)  | (16,650,000 )           | (18,463,000 )           |
| Additional paid-in capital  | 876,865,000             | 875,062,000             |
| Cumulative distributions in excess of net income  | (473,098,000 )          | (446,944,000 )          |
| Accumulated other comprehensive income  | 15,592,000              | 5,694,000               |
| Total Cedar Realty Trust, Inc. shareholders' equity   | 567,723,000             | 628,336,000             |
| Noncontrolling interests:   |                         |                         |
| Minority interests in consolidated joint ventures   | (215,000 )              | (609,000 )              |
| Limited partners' OP Units  | 3,446,000               | 2,384,000               |

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|                                |                 |                 |
|--------------------------------|-----------------|-----------------|
| Total noncontrolling interests | 3,231,000       | 1,775,000       |
| Total equity                   | 570,954,000     | 630,111,000     |
| TOTAL LIABILITIES AND EQUITY   | \$1,237,553,000 | \$1,252,418,000 |

See accompanying notes to consolidated financial statements

CEDAR REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

|                       | Three months ended<br>September 30, |                   | Nine months ended<br>September 30, |              |
|-----------------------|-------------------------------------|-------------------|------------------------------------|--------------|
|                       | 2018                                | 2017              | 2018                               | 2017         |
| <b>REVENUES</b>       |                                     |                   |                                    |              |
| Rents                 | \$28,120,000                        | \$28,362,000      | \$85,732,000                       | \$84,790,000 |
| Expense recoveries    | 7,747,000                           | 7,436,000         | 24,800,000                         | 22,796,000   |
| Other                 | 303,000                             | 600,000           | 4,556,000                          | 1,285,000    |
| <b>Total revenues</b> | <b>36,170,000</b>                   | <b>36,398,000</b> | <b>115,088,000</b>                 |              |