Section 1: 10-Q (FORM 10Q 2Q 2019)

United States
Securities And Exchange Commission
Washington, DC 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 July 31, 2019

OR

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

For the transition period from _____to_____

Commission File Number 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**

N/A
Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $.01 per share	UBP	New York Stock Exchange
Class A Common Stock, par value $.01 per share	UBA	New York Stock Exchange
6.75% Series G Cumulative Preferred Stock	UBPPRG	New York Stock Exchange
6.25% Series H Cumulative Preferred Stock	UBPPRH	New York Stock Exchange

Common Stock Rights to Purchase Preferred Shares	N/A	New York Stock Exchange
Class A Common Stock Rights to Purchase Preferred Shares	N/A	New York Stock Exchange

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, 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** ☒

As of September 4, 2019 (latest date practicable), the number of shares of the Registrant's classes of Common Stock and Class A Common Stock outstanding was: 9,962,756 Common Shares, par value $.01 per share, and 29,892,041 Class A Common Shares, par value $.01 per share.

Index

Urstadt Biddle Properties Inc.

Part I. Financial Information

Item 1.	Financial Statements (Unaudited)	
	Consolidated Balance Sheets – July 31, 2019 (Unaudited) and October 31, 2018.	1
	Consolidated Statements of Income (Unaudited) – Nine and three months ended July 31, 2019 and 2018.	2
	Consolidated Statements of Comprehensive Income (Unaudited) – Nine and three months ended July 31, 2019 and 2018.	3
	Consolidated Statements of Cash Flows (Unaudited) – Nine months ended July 31, 2019 and 2018.	4
	Consolidated Statement of Stockholders' Equity (Unaudited) – Nine and three months ended July 31, 2019 and 2018.	5 , 6
	Notes to Consolidated Financial Statements.	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations.	18
Item 3.	Quantitative and Qualitative Disclosures about Market Risk.	24
Item 4.	Controls and Procedures.	24

Part II. Other Information

Item 1.	Legal Proceedings.	25
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds.	25
Item 6.	Exhibits.	26
Signatures		27

URSTADT BIDDLE PROPERTIES INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	July 31, 2019	October 31, 2018
	(Unaudited)	
Assets		
Real Estate Investments:		
Real Estate– at cost	$ 1,137,957	$ 1,118,075
Less: Accumulated depreciation	(235,184)	(218,653)
	902,773	899,422
Investments in and advances to unconsolidated joint ventures	30,068	37,434
	932,841	936,856
Cash and cash equivalents	8,600	10,285
Marketable securities	-	5,567
Tenant receivables	23,292	22,607
Prepaid expenses and other assets	19,284	22,467
Deferred charges, net of accumulated amortization	10,204	10,451
Total Assets	$ 994,221	$ 1,008,233
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Revolving credit line	$ 12,595	$ 28,595
Mortgage notes payable and other loans	311,396	293,801
Accounts payable and accrued expenses	11,830	3,900
Deferred compensation – officers	40	72
Other liabilities	21,676	21,466
Total Liabilities	357,537	347,834
Redeemable Noncontrolling Interests	78,294	78,258
Commitments and Contingencies		
Stockholders' Equity:		
6.75% Series G Cumulative Preferred Stock (liquidation preference of $25 per share); 3,000,000 shares issued and outstanding	75,000	75,000
6.25% Series H Cumulative Preferred Stock (liquidation preference of $25 per share); 4,600,000 shares issued and outstanding	115,000	115,000
Excess Stock, par value $0.01 per share; 20,000,000 shares authorized; none issued and outstanding	-	-
Common Stock, par value $0.01 per share; 30,000,000 shares authorized; 9,962,756 and 9,822,006 shares issued and outstanding	100	99
Class A Common Stock, par value $0.01 per share; 100,000,000 shares authorized; 29,892,041 and 29,814,814 shares issued and outstanding	299	298
Additional paid in capital	521,240	518,136
Cumulative distributions in excess of net income	(148,065)	(133,858)
Accumulated other comprehensive income (loss)	(5,184)	7,466
Total Stockholders' Equity	558,390	582,141
Total Liabilities and Stockholders' Equity	$ 994,221	$ 1,008,233

The accompanying notes to consolidated financial statements are an integral part of these statements.

URSTADT BIDDLE PROPERTIES INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(In thousands, except per share data)

	Nine Months Ended July 31,		Three Months Ended July 31,	
	2019	2018	**2019**	2018
Revenues				
Base rents	**$ 74,243**	$ 72,162	**$ 24,537**	$ 24,668
Recoveries from tenants	**24,664**	23,390	**7,839**	7,074
Lease termination	**194**	3,790	**178**	36
Other	**4,196**	3,467	**1,995**	1,031
Total Revenues	**103,297**	102,809	**34,549**	32,809
Expenses				
Property operating	**16,670**	16,850	**4,955**	4,804
Property taxes	**17,603**	15,604	**5,885**	5,300
Depreciation and amortization	**20,926**	21,287	**7,001**	7,370
General and administrative	**7,149**	7,024	**2,230**	2,322
Provision for tenant credit losses	**719**	674	**223**	302
Directors' fees and expenses	**265**	267	**73**	79
Total Operating Expenses	**63,332**	61,706	**20,367**	20,177
Operating Income	**39,965**	41,103	**14,182**	12,632
Non-Operating Income (Expense):				
Interest expense	**(10,607)**	(10,178)	**(3,497)**	(3,439)
Equity in net income from unconsolidated joint ventures	**1,007**	1,710	**289**	483
Gain on sale of marketable securities	**403**	-	**-**	-
Gain on sale of property	**409**	-	**409**	-
Interest, dividends and other investment income	**228**	246	**44**	104
Net Income	**31,405**	32,881	**11,427**	9,780
Noncontrolling interests:				
Net income attributable to noncontrolling interests	**(3,295)**	(3,595)	**(1,094)**	(1,138)
Net income attributable to Urstadt Biddle Properties Inc.	**28,110**	29,286	**10,333**	8,642
Preferred stock dividends	**(9,188)**	(9,188)	**(3,063)**	(3,063)
Net Income Applicable to Common and Class A Common Stockholders	**$ 18,922**	$ 20,098	**$ 7,270**	$ 5,579
Basic Earnings Per Share:				
Per Common Share:	**$ 0.45**	$ 0.48	**$ 0.17**	$ 0.13
Per Class A Common Share:	**$ 0.51**	$ 0.54	**$ 0.19**	$ 0.15
Diluted Earnings Per Share:				
Per Common Share:	**$ 0.44**	$ 0.47	**$ 0.17**	$ 0.13
Per Class A Common Share:	**$ 0.50**	$ 0.53	**$ 0.19**	$ 0.15
Dividends Per Share:				
Common	**$ 0.735**	$ 0.72	**$ 0.245**	$ 0.24
Class A Common	**$ 0.825**	$ 0.81	**$ 0.275**	$ 0.27

The accompanying notes to consolidated financial statements are an integral part of these statements.

URSTADT BIDDLE PROPERTIES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(In thousands)

	Nine Months Ended July 31,		Three Months Ended July 31,	
	2019	2018	**2019**	2018
Net Income	**$ 31,405**	$ 32,881	**$ 11,427**	$ 9,780
Other comprehensive income (loss):				
Change in unrealized gains on marketable securities	**-**	777	**-**	755
Change in unrealized gains (losses) on interest rate swaps	**(10,731)**	3,675	**(4,422)**	125
Change in unrealized losses on interest rate swaps-equity investees	**(1,350)**	-	**(561)**	-
Total comprehensive income	**19,324**	37,333	**6,444**	10,660
Comprehensive income attributable to noncontrolling interests	**(3,295)**	(3,595)	**(1,094)**	(1,138)
Total comprehensive income attributable to Urstadt Biddle Properties Inc.	**16,029**	33,738	**5,350**	9,522
Preferred stock dividends	**(9,188)**	(9,188)	**(3,063)**	(3,063)
Total comprehensive income applicable to Common and Class A Common Stockholders	**$ 6,841**	$ 24,550	**$ 2,287**	$ 6,459

The accompanying notes to consolidated financial statements are an integral part of these statements.

URSTADT BIDDLE PROPERTIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Nine Months Ended July 31,	
	2019	2018
Cash Flows from Operating Activities:		
Net income	**$ 31,405**	$ 32,881
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**20,926**	21,287
Straight-line rent adjustment	**(672)**	(830)
Provision for tenant credit losses	**719**	674
(Gain) on sale of marketable securities	**(403)**	-
(Gain) on sale of property	**(409)**	-
Restricted stock compensation expense and other adjustments	**3,229**	2,939
Deferred compensation arrangement	**(32)**	(21)
Equity in net (income) of unconsolidated joint ventures	**(1,007)**	(1,710)
Distributions of operating income from unconsolidated joint ventures	**1,007**	1,710
Changes in operating assets and liabilities:		
Tenant receivables	**(758)**	(1,369)
Accounts payable and accrued expenses	**(1,273)**	5,198
Other assets and other liabilities, net	**(394)**	(5,172)
Net Cash Flow Provided by Operating Activities	**52,338**	55,587
Cash Flows from Investing Activities:		
Acquisitions of real estate investments	**(11,755)**	(7,165)
Investments in and advances to unconsolidated joint ventures	**(619)**	-
Acquisitions of noncontrolling interests	**(1,723)**	-
Deposits on acquisition of real estate investment	**-**	-
Purchase of securities available for sale	**-**	(4,999)
Proceeds from the sale of available for sale securities	**5,970**	-
Proceeds from sale of property	**3,372**	-
Improvements to properties and deferred charges	**(13,663)**	(6,374)
Distributions to noncontrolling interests	**(3,295)**	(3,595)
Return of capital from unconsolidated joint ventures	**6,628**	324
Net Cash Flow (Used in) Investing Activities	**(15,085)**	(21,809)
Cash Flows from Financing Activities:		
Dividends paid -- Common and Class A Common Stock	**(31,939)**	(31,220)
Dividends paid -- Preferred Stock	**(9,188)**	(9,188)
Principal repayments on mortgage notes payable	**(4,762)**	(12,682)
Proceeds from mortgage note payable and other loans	**47,000**	-
Repayment of mortgage note payable and other loans	**(23,925)**	-
Repayment of revolving credit line borrowings	**(41,500)**	(9,000)
Proceeds from revolving credit line borrowings	**25,500**	30,595
Payment of taxes on shares withheld for employee taxes	**(270)**	(241)
Repurchase of shares of Class A Common Stock	**-**	(120)
Net proceeds from the issuance of Common and Class A Common Stock	**146**	148
Net Cash Flow (Used in) Financing Activities	**(38,938)**	(31,708)
Net Increase/(Decrease) In Cash and Cash Equivalents	**(1,685)**	2,070
Cash and Cash Equivalents at Beginning of Period	**10,285**	8,674
Cash and Cash Equivalents at End of Period	**$ 8,600**	$ 10,744
Supplemental Cash Flow Disclosures:		
Interest Paid	**$ 10,501**	$ 9,893

The accompanying notes to consolidated financial statements are an integral part of these statements.

URSTADT BIDDLE PROPERTIES INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
Nine Months Ended July 31, 2019 and 2018
(In thousands, except share and per share data)

	6.75% Series G Preferred Stock Issued	6.75% Series G Preferred Stock Amount	6.25% Series H Preferred Stock Issued	6.25% Series H Preferred Stock Amount	Common Stock Issued	Common Stock Amount	Class A Common Stock Issued	Class A Common Stock Amount	Additional Paid In Capital	Cumulative Distributions In Excess of Net Income	Accumulated Other Comprehensive Income (loss)	Total Stockholders' Equity
Balances - October 31, 2018	3,000,000	$ 75,000	4,600,000	$115,000	9,822,006	$ 99	29,814,814	$ 298	$ 518,136	$ (133,858)	$ 7,466	$ 582,141
November 1, 2018 adoption of new accounting standard - See Note 1	-	-	-	-	-	-	-	-	-	569	(569)	-
Net income applicable to Common and Class A common stockholders	-	-	-	-	-	-	-	-	-	18,922	-	18,922
Change in unrealized income on interest rate swap	-	-	-	-	-	-	-	-	-	-	(12,081)	(12,081)
Cash dividends paid :												
Common stock ($0.735 per share)	-	-	-	-	-	-	-	-	-	(7,321)	-	(7,321)
Class A common stock ($0.825 per share)	-	-	-	-	-	-	-	-	-	(24,617)	-	(24,617)
Issuance of shares under dividend reinvestment plan	-	-	-	-	3,550	-	4,217	-	146	-	-	146
Shares issued under restricted stock plan	-	-	-	-	137,200	1	111,450	1	(2)	-	-	-
Shares withheld for employee taxes	-	-	-	-	-	-	(14,290)	-	(269)	-	-	(269)
Forfeiture of restricted stock	-	-	-	-	-	-	(24,150)	-	-	-	-	-
Restricted stock compensation and other adjustments	-	-	-	-	-	-	-	-	3,229	-	-	3,229
Adjustments to redeemable noncontrolling interests	-	-	-	-	-	-	-	-	-	(1,760)	-	(1,760)
Balances - July 31, 2019	3,000,000	$ 75,000	4,600,000	$115,000	9,962,756	$ 100	29,892,041	$ 299	$ 521,240	$ (148,065)	$ (5,184)	$ 558,390

	6.75% Series G Preferred Stock Issued	6.75% Series G Preferred Stock Amount	6.25% Series H Preferred Stock Issued	6.25% Series H Preferred Stock Amount	Common Stock Issued	Common Stock Amount	Class A Common Stock Issued	Class A Common Stock Amount	Additional Paid In Capital	Cumulative Distributions In Excess of Net Income	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balances - October 31, 2017	3,000,000	$ 75,000	4,600,000	$115,000	9,664,778	$ 97	29,728,744	$ 297	$ 514,217	$ (120,123)	$ 2,742	$ 587,230
Net income applicable to Common and Class A common stockholders	-	-	-	-	-	-	-	-	-	20,098	-	20,098
Change in												

unrealized gains on marketable securities	-	-	-	-	-	-	-	-	-	-	777	777
Change in unrealized income on interest rate swap	-	-	-	-	-	-	-	-	-	-	3,675	3,675
Cash dividends paid :												
Common stock ($0.72 per share)	-	-	-	-	-	-	-	-	-	(7,069)	-	(7,069)
Class A common stock ($0.81 per share)	-	-	-	-	-	-	-	-	-	(24,151)	-	(24,151)
Issuance of shares under dividend reinvestment plan	-	-	-	-	3,383	-	4,279	-	148	-	-	148
Shares issued under restricted stock plan	-	-	-	-	152,700	2	102,800	1	(3)	-	-	-
Shares withheld for employee taxes	-	-	-	-	-	-	(10,886)	-	(240)	-	-	(240)
Forfeiture of restricted stock	-	-	-	-	-	-	(3,850)	-	-	-	-	-
Restricted stock compensation and other adjustments	-	-	-	-	-	-	-	-	2,941	-	-	2,941
Repurchase of Class A Common Stock	-	-	-	-	-	-	(6,660)	-	(120)	-	-	(120)
Adjustments to redeemable noncontrolling interests	-	-	-	-	-	-	-	-	-	270	-	270
Balances - July 31, 2018	3,000,000	$ 75,000	4,600,000	$115,000	9,820,861	$ 99	29,814,427	$ 298	$ 516,943	$ (130,975)	$ 7,194	$ 583,559

The accompanying notes to consolidated financial statements are an integral part of these statements

URSTADT BIDDLE PROPERTIES INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
Three Months Ended July 31, 2019 and 2018
(In thousands, except share and per share data)

	6.75% Series G Preferred Stock Issued	6.75% Series G Preferred Stock Amount	6.25% Series H Preferred Stock Issued	6.25% Series H Preferred Stock Amount	Common Stock Issued	Common Stock Amount	Class A Common Stock Issued	Class A Common Stock Amount	Additional Paid In Capital	Cumulative Distributions In Excess of Net Income	Accumulated Other Comprehensive Income (loss)	Total Stockholders' Equity
Balances - April 30, 2019	3,000,000	$ 75,000	4,600,000	$115,000	9,961,609	$ 100	29,901,146	$ 299	$ 520,074	$ (144,319)	$ (201)	$ 565,953
Net income applicable to Common and Class A common stockholders	-	-	-	-	-	-	-	-	-	7,270	-	7,270
Change in unrealized income on interest rate swap	-	-	-	-	-	-	-	-	-	-	(4,983)	(4,983)
Cash dividends paid :												
Common stock ($0.245 per share)	-	-	-	-	-	-	-	-	-	(2,441)	-	(2,441)
Class A common stock ($0.275 per share)	-	-	-	-	-	-	-	-	-	(8,195)	-	(8,195)
Issuance of shares under dividend reinvestment plan	-	-	-	-	1,147	-	1,345	-	48	-	-	48
Shares withheld for employee taxes	-	-	-	-	-	-	-	-	-	-	-	-
Forfeiture of restricted stock	-	-	-	-	-	-	(10,450)	-	-	-	-	-
Restricted stock compensation and other adjustments	-	-	-	-	-	-	-	-	1,118	-	-	1,118
Adjustments to redeemable noncontrolling interests	-	-	-	-	-	-	-	-	-	(380)	-	(380)
Balances - July 31, 2019	3,000,000	$ 75,000	4,600,000	$115,000	9,962,756	$ 100	29,892,041	$ 299	$ 521,240	$ (148,065)	$ (5,184)	$ 558,390

	6.75% Series G Preferred Stock Issued	6.75% Series G Preferred Stock Amount	6.25% Series H Preferred Stock Issued	6.25% Series H Preferred Stock Amount	Common Stock Issued	Common Stock Amount	Class A Common Stock Issued	Class A Common Stock Amount	Additional Paid In Capital	Cumulative Distributions In Excess of Net Income	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balances - April 30, 2018	3,000,000	$ 75,000	4,600,000	$115,000	9,819,765	$ 99	29,813,363	$ 298	$ 515,738	$ (123,315)	$ 6,314	$ 589,134
Net income applicable to Common and Class A common stockholders	-	-	-	-	-	-	-	-	-	5,579	-	5,579
Change in unrealized gains on marketable securities	-	-	-	-	-	-	-	-	-	-	755	755
Change in unrealized income on interest rate swap	-	-	-	-	-	-	-	-	-	-	125	125
Cash dividends paid :												
Common stock												

($0.24 per share)	-	-	-	-	-	-	-	-	-	(2,356)	-	(2,356)
Class A common stock ($0.27 per share)	-	-	-	-	-	-	-	-	-	(8,051)	-	(8,051)
Issuance of shares under dividend reinvestment plan	-	-	-	-	1,096	-	1,314	-	49	-	-	49
Forfeiture of restricted stock	-	-	-	-	-	-	(250)	-	-	-	-	-
Restricted stock compensation and other adjustments	-	-	-	-	-	-	-	-	1,156	-	-	1,156
Repurchase of Class A Common Stock	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments to redeemable noncontrolling interests	-	-	-	-	-	-	-	-	-	(2,832)	-	(2,832)
Balances - July 31, 2018	3,000,000	$ 75,000	4,600,000	$115,000	9,820,861	$ 99	29,814,427	$ 298	$ 516,943	$ (130,975)	$ 7,194	$ 583,559

The accompanying notes to consolidated financial statements are an integral part of these statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) ORGANIZATION, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

Urstadt Biddle Properties Inc. ("Company"), a Maryland Corporation, is a real estate investment trust (REIT), engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers in the metropolitan New York tri-state area outside of the City of New York. The Company's major tenants include supermarket chains and other retailers who sell basic necessities. At July 31, 2019, the Company owned or had equity interests in 83 properties containing a total of 5.3 million square feet of Gross Leasable Area ("GLA").

Principles of Consolidation and Use of Estimates

The accompanying consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and joint ventures in which the Company meets certain criteria in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810, "Consolidation". The Company has determined that such joint ventures should be consolidated into the consolidated financial statements of the Company. In accordance with ASC Topic 970-323 "Real Estate-General-Equity Method and Joint Ventures," joint ventures that the Company does not control but otherwise exercises significant influence over, are accounted for under the equity method of accounting. See Note 5 for further discussion of the unconsolidated joint ventures. All significant intercompany transactions and balances have been eliminated in consolidation.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been omitted. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results of operations for the three and nine months ended July 31, 2019 are not necessarily indicative of the results that may be expected for the year ending October 31, 2019. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K for the fiscal year ended October 31, 2018.

The preparation of financial statements requires management to make estimates and assumptions that affect the disclosure of contingent assets and liabilities, the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the periods covered by the financial statements. The most significant assumptions and estimates relate to the valuation of real estate, depreciable lives, revenue recognition, fair value estimates, and the collectability of tenant receivables and other assets and liabilities. Actual results could differ from these estimates. The consolidated balance sheet at October 31, 2018 has been derived from audited financial statements at that date.

Federal Income Taxes

The Company has elected to be treated as a REIT under Sections 856-860 of the Internal Revenue Code ("Code"). Under those sections, a REIT that, among other things, distributes at least 90% of real estate trust taxable income and meets certain other qualifications prescribed by the Code will not be taxed on that portion of its taxable income that is distributed. The Company believes it qualifies as a REIT and intends to distribute all of its taxable income for fiscal 2019 in accordance with the provisions of the Code. Accordingly, no provision has been made for Federal income taxes in the accompanying consolidated financial statements.

The Company follows the provisions of ASC Topic 740, "Income Taxes" that, among other things, defines a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Based on its evaluation, the Company determined that it has no uncertain tax positions and no unrecognized tax benefits as of July 31, 2019. As of July 31, 2019, the fiscal tax years 2016 through and including 2018 remain open to examination by the Internal Revenue Service. There are currently no federal tax examinations in progress.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and tenant receivables. The Company places its cash and cash equivalents with high quality financial institutions and the balances at times could exceed federally insured limits. The Company performs ongoing credit evaluations of its tenants and may require certain tenants to provide security deposits or letters of credit. Though these security deposits and letters of credit are insufficient to meet the terminal value of a tenant's lease obligation, they are a measure of good faith and a source of funds to offset the economic costs associated with lost rent and the costs associated with re-tenanting the space. The Company has no dependency upon any single tenant.

Marketable Securities

Marketable equity securities are carried at fair value based upon quoted market prices in active markets. On November 1, 2018, the Company adopted FASB Accounting Standards Update ("ASU") 2016-01 "Financial Instruments - Overall". ASU 2016-01 requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. As a result of the adoption, the Company recorded all unrealized holding gains for its marketable securities as of the date of adoption to cumulative distributions in excess of net income and reduced accumulated other comprehensive income in the amount of $569,000.

In January 2019, the Company sold all of its marketable equity securities and realized a gain on sale in the amount of $403,000, which has been recorded in the consolidated statement of income for nine months ended July 31, 2019.

The Company did not own any marketable equity securities as of July 31, 2019. The unrealized gain on the Company's marketable equity securities at October 31, 2018 is detailed below (in thousands):

	Fair Market Value	Cost Basis	Unrealized Gain/(Loss)	Gross Unrealized Gains	Gross Unrealized (Loss)
October 31, 2018					
REIT Securities	$ 5,567	$ 4,998	$ 569	$ 569	$ -

Derivative Financial Instruments

The Company occasionally utilizes derivative financial instruments, such as interest rate swaps, to manage its exposure to fluctuations in interest rates. The Company has established policies and procedures for risk assessment, and the approval, reporting and monitoring of derivative financial instruments. Derivative financial instruments must be effective in reducing the Company's interest rate risk exposure in order to qualify for hedge accounting. When the terms of an underlying transaction are modified, or when the underlying hedged item ceases to exist, all changes in the fair value of the instrument are marked-to-market with changes in value included in net income for each period until the derivative instrument matures or is settled. Any derivative instrument used for risk management that does not meet the hedging criteria is marked-to-market with the changes in value included in net income. The Company has not entered into, and does not plan to enter into, derivative financial instruments for trading or speculative purposes. Additionally, the Company has a policy of entering into derivative contracts only with major financial institutions.

As of July 31, 2019, the Company believes it has no significant risk associated with non-performance of the financial institutions that are the counterparties to its derivative contracts. At July 31, 2019, the Company had approximately $132.7 million in secured mortgage financings subject to interest rate swaps. Such interest rate swaps converted the LIBOR-based variable rates on the mortgage financings to an average fixed annual rate of 3.93% per annum. As of July 31, 2019 and October 31, 2018, the Company had a deferred liability of $4.8 million and $114,000, respectively (included in accounts payable and accrued expense on the consolidated balance sheets) and a deferred asset of $951,000 and $7.0 million, respectively (included in prepaid expenses and other assets on the consolidated balance sheets), relating to the fair value of the Company's interest rate swaps applicable to secured mortgages.

Charges and/or credits relating to the changes in fair values of such interest rate swaps are made to other comprehensive income/(loss) as the swaps are deemed effective and are classified as a cash flow hedge.

Comprehensive Income

Comprehensive income is comprised of net income applicable to Common and Class A Common stockholders and other comprehensive income (loss). Other comprehensive income (loss) includes items that are otherwise recorded directly in stockholders' equity, such as unrealized gains and losses on interest rate swaps designated as cash flow hedges, including the Company's share from entities accounted for under the equity method of accounting, and prior to November 1, 2018, unrealized gains/(losses) on marketable securities classified as available-for-sale. At July 31, 2019, accumulated other comprehensive (loss) consisted of net unrealized losses on interest rate swap agreements of $5.2 million, inclusive of the Company's share of accumulated comprehensive income/(loss) from joint ventures accounted for by the equity method of accounting. At October 31, 2018, accumulated other comprehensive income consisted of net unrealized gains on interest rate swap agreements of approximately $6.9 million and unrealized gains/(losses) on marketable securities classified as available-for-sale of $569,000. Unrealized gains and losses included in other comprehensive income/(loss) will be reclassified into earnings as gains and losses are realized.

Asset Impairment

On a periodic basis, management assesses whether there are any indicators that the value of its real estate investments may be impaired. A property value is considered impaired when management's estimate of current and projected operating cash flows (undiscounted and without interest) of the property over its remaining useful life is less than the net carrying value of the property. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the loss is measured as the excess of the net carrying amount of the property over the fair value of the asset. Changes in estimated future cash flows due to changes in the Company's plans or market and economic conditions could result in recognition of impairment losses which could be substantial. Management does not believe that the value of any of its real estate investments is impaired at July 31, 2019.

Acquisitions of Real Estate Investments, Capitalization Policy and Depreciation

Acquisition of Real Estate Investments:
The Company evaluates each acquisition of real estate or in-substance real estate (including equity interests in entities that predominantly hold real estate assets) to determine if the integrated set of assets and activities acquired meet the definition of a business and need to be accounted as a business combination. If either of the following criteria is met, the integrated set of assets and activities acquired would not qualify as a business:

- Substantially all of the fair value of the gross assets acquired is concentrated in either a single identifiable asset or a group of similar identifiable assets; or

- The integrated set of assets and activities is lacking, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs (i.e. revenue generated before and after the transaction).

An acquired process is considered substantive if:

- The process includes an organized workforce (or includes an acquired contract that provides access to an organized workforce), that is skilled, knowledgeable, and experienced in performing the process;

- The process cannot be replaced without significant cost, effort, or delay; or

- The process is considered unique or scarce.

Generally, the Company expects that acquisitions of real estate or in-substance real estate will not meet the definition of a business because substantially all of the fair value is concentrated in a single identifiable asset or group of similar identifiable assets (i.e. land, buildings, and related intangible assets) or because the acquisition does not include a substantive process in the form of an acquired workforce or an acquired contract that cannot be replaced without significant cost, effort or delay.

Acquisitions of real estate and in-substance real estate that do not meet the definition of a business are accounted for as asset acquisitions. The accounting model for asset acquisitions is similar to the accounting model for business combinations except that the acquisition consideration (including acquisition costs) is allocated to the individual assets acquired and liabilities assumed on a relative fair value basis. As a result, asset acquisitions do not result in the recognition of goodwill or a bargain purchase gain. The relative fair values used to allocate the cost of an asset acquisition are determined using the same methodologies and assumptions as the Company utilizes to determine fair value in a business combination.

The value of tangible assets acquired is based upon our estimation of value on an “as if vacant” basis. The value of acquired in-place leases includes the estimated costs during the hypothetical lease-up period and other costs that would have been incurred in the execution of similar leases under the market conditions at the acquisition date of the acquired in-place lease. We assess the fair value of tangible and intangible assets based on numerous factors, including estimated cash flow projections that utilize appropriate discount and capitalization rates and available market information. Estimates of future cash flows are based on a number of factors, including the historical operating results, known trends, and market/economic conditions that may affect the property.

The values of acquired above and below-market leases, which are included in prepaid expenses and other assets and other liabilities, respectively, are amortized over the terms of the related leases and recognized as either an increase (for below-market leases) or a decrease (for above-market leases) to rental revenue. The values of acquired in-place leases are classified in other assets in the accompanying consolidated balance sheets and amortized over the remaining terms of the related leases.

Capitalization Policy:
Land, buildings, property improvements, furniture/fixtures and tenant improvements are recorded at cost. Expenditures for maintenance and repairs are charged to operations as incurred. Renovations and/or replacements, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives.

Depreciation:
The Company is required to make subjective assessments as to the useful life of its properties for purposes of determining the amount of depreciation. These assessments have a direct impact on the Company’s net income.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings	30-40 years
Property Improvements	10-20 years
Furniture/Fixtures	3-10 years
Tenant Improvements	Shorter of lease term or their useful life

Property Held for Sale
The Company reports properties that are either disposed of or are classified as held for sale in continuing operations in the consolidated statement of income if the removal, or anticipated removal, of the asset(s) from the reporting entity does not represent a strategic shift that has or will have a major effect on an entity's operations and financial results when disposed of. The Company did not classify any properties as held for sale as of July 31, 2019.

In June 2019, the Company sold for $3.7 million its property located in Monroe, CT, as that property no longer met the Company's investment objectives. In conjunction with the sale the Company realized a gain on sale of property in the amount of $409,000, which is included in continuing operations in the consolidated statement of income for the three and nine months ended July 31, 2019.

The operating results of the Monroe Property, which is included in continuing operations is as follows (amounts in thousands):

	Nine Months Ended July 31,		**Three Months Ended July 31,**	
	2019	2018	**2019**	2018
Revenues	**$ 210**	$ 284	**$ 30**	$ 94
Property operating expense	**(66)**	(91)	**(14)**	(34)
Depreciation and amortization	**(41)**	(62)	**-**	(21)
Net Income	**$ 103**	$ 131	**$ 16**	$ 39

Revenue Recognition

On November 1, 2018, the Company adopted ASU 2014-09 - ASC Topic 606 - Revenue from Contracts with Customers. The adoption of ASU 2014-09 did not have an impact on the consolidated financial statements of the Company because the majority of the Company's revenue consists of lease-related income from leasing arrangements, which is specifically excluded from ASU 2014-09. Other revenues, as a whole, are immaterial to total revenues and have been recorded by the Company in prior years in accordance with the concepts contained in ASC Topic 606. There was no change to previously reported amounts as a result of the adoption of ASU 2014-09.

Revenues from operating leases are generally recognized based on the terms of leases entered into with tenants. In those instances in which the Company funds tenant improvements and the improvements are deemed to be owned by the Company, revenue recognition will commence when the improvements are substantially completed and possession or control of the space is turned over to the tenant. When the Company determines that the tenant allowances are lease incentives, the Company commences revenue recognition when possession or control of the space is turned over to the tenant for tenant work to begin. Minimum rental income from leases with scheduled rent increases is recognized on a straight-line basis over the lease term. At July 31, 2019 and October 31, 2018, $19,128,000 and $18,375,000, respectively, has been recognized as straight-line rents receivable (representing the current cumulative rents recognized prior to when billed and collectible as provided by the terms of the leases), all of which is included in tenant receivables in the accompanying consolidated financial statements. Percentage rent is recognized when a specific tenant's sales breakpoint is achieved. Property operating expense recoveries from tenants of common area maintenance, real estate taxes and other recoverable costs are recognized in the period the related expenses are incurred. Lease incentives are amortized as a reduction of rental revenue over the respective tenant lease terms. Lease termination amounts are recognized in operating revenues when there is a signed termination agreement, all of the conditions of the agreement have been met, the tenant is no longer occupying the property and the termination consideration is probable of collection. Lease termination amounts are paid by tenants who want to terminate their lease obligations before the end of the contractual term of the lease by agreement with the Company. There is no way of predicting or forecasting the timing or amounts of future lease termination fees. Interest income is recognized as it is earned. Gains or losses on disposition of properties are recorded when the criteria for recognizing such gains or losses under U.S. GAAP have been met.

The Company provides an allowance for doubtful accounts against the portion of tenant receivables that is estimated to be uncollectible. Such allowances are reviewed periodically. At July 31, 2019 and October 31, 2018, tenant receivables in the accompanying consolidated balance sheets are shown net of allowances for doubtful accounts of $5,137,000 and $4,800,000, respectively. Included in the aforementioned allowance for doubtful accounts is an amount for future tenant credit losses of approximately 10% of the deferred straight-line rents receivable which is estimated to be uncollectible.

Earnings Per Share

The Company calculates basic and diluted earnings per share in accordance with the provisions of ASC Topic 260, "Earnings Per Share." Basic earnings per share ("EPS") excludes the impact of dilutive shares and is computed by dividing net income applicable to Common and Class A Common stockholders by the weighted average number of Common shares and Class A Common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue Common shares or Class A Common shares were exercised or converted into Common shares or Class A Common shares and then shared in the earnings of the Company. Since the cash dividends declared on the Company's Class A Common stock are higher than the dividends declared on the Common Stock, basic and diluted EPS have been calculated using the "two-class" method. The two-class method is an earnings allocation formula that determines earnings per share for each class of common stock according to the weighted average of the dividends declared, outstanding shares per class and participation rights in undistributed earnings.

The following table sets forth the reconciliation between basic and diluted EPS (in thousands):

	Nine Months Ended July 31,		Three Months Ended July 31,	
	2019	2018	**2019**	2018
Numerator				
Net income applicable to common stockholders – basic	**$ 3,983**	$ 4,136	**$ 1,531**	$ 1,148
Effect of dilutive securities:				
Restricted stock awards	**155**	202	**68**	63
Net income applicable to common stockholders – diluted	**$ 4,138**	$ 4,338	**$ 1,599**	$ 1,211
Denominator				
Denominator for basic EPS – weighted average common shares	**8,812**	8,558	**8,813**	8,560
Effect of dilutive securities:				
Restricted stock awards	**501**	589	**585**	673
Denominator for diluted EPS – weighted average common equivalent shares	**9,313**	9,147	**9,398**	9,233
Numerator				
Net income applicable to Class A common stockholders-basic	**$ 14,939**	$ 15,962	**$ 5,739**	$ 4,431
Effect of dilutive securities:				
Restricted stock awards	**(155)**	(202)	**(68)**	(63)
Net income applicable to Class A common stockholders – diluted	**$ 14,784**	$ 15,760	**$ 5,671**	$ 4,368

Denominator				
Denominator for basic EPS – weighted average Class A common shares	**29,442**	29,363	**29,431**	29,358
Effect of dilutive securities:				
Restricted stock awards	**195**	175	**244**	232
Denominator for diluted EPS – weighted average Class A common equivalent shares	**29,637**	29,538	**29,675**	29,590

Segment Reporting

The Company's primary business is the ownership, management, and redevelopment of retail properties. The Company reviews operating and financial information for each property on an individual basis and therefore, each property represents an individual operating segment. The Company evaluates financial performance using property operating income, which consists of base rental income and tenant reimbursement income, less rental expenses and real estate taxes. Only one of the Company's properties, located in Stamford, CT ("Ridgeway"), is considered significant as its revenue is in excess of 10% of the Company's consolidated total revenues and accordingly is a reportable segment. The Company has aggregated the remainder of its properties as they share similar long-term economic characteristics and have other similarities including the fact that they are operated using consistent business strategies, are typically located in the same major metropolitan area, and have similar tenant mixes.

Ridgeway is located in Stamford, Connecticut and was developed in the 1950's and redeveloped in the mid 1990's. 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.

Segment information about Ridgeway as required by ASC Topic 280 is included below:

	Nine Months Ended July 31,		Three Months Ended July 31,	
	2019	2018	**2019**	2018
Ridgeway Revenues	**10.7%**	10.0%	**10.6%**	10.5%
All Other Property Revenues	**89.3%**	90.0%	**89.4%**	89.5%
Consolidated Revenue	**100.0%**	100.0%	**100.0%**	100.0%

	July 31, 2019	October 31, 2018
Ridgeway Assets	**6.6%**	7.2%
All Other Property Assets	**93.4%**	92.8%
Consolidated Assets (Note 1)	**100.0%**	100.0%

Note 1 - Ridgeway did not have any significant expenditures for additions to long lived assets in the three and nine months ended July 31, 2019 or the year ended October 31, 2018.

	July 31, 2019	October 31, 2018
Ridgeway Percent Leased	**97%**	96%

Ridgeway Significant Tenants (Percentage of Base Rent Billed):

	Nine Months Ended July 31,		Three Months Ended July 31,	
	2019	2018	**2019**	2018
The Stop & Shop Supermarket Company	**21%**	21%	**21%**	21%
Bed, Bath & Beyond	**14%**	14%	**15%**	14%
Marshall's Inc.	**10%**	10%	**11%**	10%
All Other Tenants at Ridgeway (Note 2)	**55%**	55%	**53%**	55%
Total	**100%**	100%	**100%**	100%

Note 2 - No other tenant accounts for more than 10% of Ridgeway's annual base rents in any of the periods presented. Percentages are calculated as a ratio of the tenants' base rent divided by total base rent of Ridgeway.

Income Statements (In Thousands):	Nine Months Ended July 31, 2019			Three Months Ended July 31, 2019		
	Ridgeway	**All Other Operating Segments**	**Total Consolidated**	**Ridgeway**	**All Other Operating Segments**	**Total Consolidated**
Revenues	**$ 11,147**	**$ 92,150**	**$ 103,297**	**$ 3,745**	**$ 30,804**	**$ 34,549**
Property Operating Expenses	**$ 3,243**	**$ 31,030**	**$ 34,273**	**$ 1,043**	**$ 9,797**	**$ 10,840**
Interest Expense	**$ 1,278**	**$ 9,329**	**$ 10,607**	**$ 424**	**$ 3,073**	**$ 3,497**
Depreciation and Amortization	**$ 1,768**	**$ 19,158**	**$ 20,926**	**$ 582**	**$ 6,419**	**$ 7,001**
Net Income	**$ 4,857**	**$ 26,548**	**$ 31,405**	**$ 1,695**	**$ 9,732**	**$ 11,427**

Income Statements (In Thousands):	Nine Months Ended July 31, 2018			Three Months Ended July 31, 2018		
		All Other			**All Other**	

	Ridgeway	Operating Segments	Total Consolidated	Ridgeway	Operating Segments	Total Consolidated
Revenues	$ 10,254	$ 92,555	$ 102,809	$ 3,434	$ 29,375	$ 32,809
Property Operating Expenses	$ 2,894	$ 29,560	$ 32,454	$ 978	$ 9,126	$ 10,104
Interest Expense	$ 1,439	$ 8,739	$ 10,178	$ 428	$ 3,011	$ 3,439
Depreciation and Amortization	$ 1,986	$ 19,301	$ 21,287	$ 650	$ 6,720	$ 7,370
Net Income	$ 3,935	$ 28,946	$ 32,881	$ 1,378	$ 8,402	$ 9,780

Stock-Based Compensation
The Company accounts for its stock-based compensation plans under the provisions of ASC Topic 718, "Stock Compensation", which requires that compensation expense be recognized, based on the fair value of the stock awards less estimated forfeitures. The fair value of stock awards is equal to the fair value of the Company's stock on the grant date. The Company recognizes compensation expense for its stock awards by amortizing the fair value of stock awards over the requisite service periods of such awards.

Reclassifications
Certain prior period amounts have been reclassified to conform to the current period's presentation.

New Accounting Standards
In May 2014, FASB issued Accounting Standards Update ("ASU") No. 2014-09 titled "Revenue from Contracts with Customers" and subsequently issued several related ASUs (collectively "ASU 2014-09"). ASU 2014-09 replaces most existing revenue recognition guidance and requires an entity to recognize the amount of revenue which it expects to be entitled to for the transfer of promised goods or services to customers. ASU 2014-09 is effective for annual periods beginning after December 15, 2017, and interim periods within those years and must be applied retrospectively by either restating prior periods or by recognizing the cumulative effect as of the date of first application. The Company adopted ASU 2014-09 effective November 1, 2018, using the modified retrospective approach. The adoption of ASU 2014-09 did not have an impact on the consolidated financial statements because the majority of the Company's revenue consists of lease-related income from leasing arrangements, which is specifically excluded from ASU 2014-09. Other revenues, as a whole, are immaterial to total revenues. There was no change to previously reported amounts as a result of the adoption of ASU 2014-09.

In February 2016, the FASB issued ASU 2016-02, "Leases." ASU 2016-02 significantly changes the accounting for leases by requiring lessees to recognize assets and liabilities for leases greater than 12 months on their balance sheet. The lessor model stays substantially the same; however, there were modifications to conform lessor accounting with the lessee model, eliminate real estate specific guidance, further define certain lease and non-lease components, and change the definition of initial direct costs of leases requiring significantly more leasing related costs to be expensed upfront. The Company has elected to apply the transition provisions of ASC Topic 842 at the beginning of the period of adoption, which for the Company, will be the first day of our year ended October 31, 2020 (i.e., November 1, 2019), and therefore, the Company will not retrospectively adjust prior periods presented. The Company will elect to apply certain adoption related practical expedients for all leases that commenced prior to the effective date. These practical expedients include not reassessing whether any expired or existing contracts are or contain leases; not reassessing the lease classification for any expired or existing leases; and not reassessing initial direct costs for any existing leases. Overall, the Company's assessment of the adoption of ASC Topic 842 on November 1, 2019 is that it is not expected to be material to our financial statements or the disclosures contained therein.

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities". ASU 2016-01 requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income, requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes, requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset, and eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost. The Company adopted ASU 2016-01 on November 1, 2018, and as a result, adjusted the opening balance of cumulative distributions in excess of net income and reduced accumulated other comprehensive income by $569,000, representing the amount of unrealized gains on marketable securities classified as available-for-sale as of the date of adoption.

The Company has evaluated all other new ASU's issued by FASB, and has concluded that these updates do not have a material effect on the Company's consolidated financial statements as of July 31, 2019.

(2) REAL ESTATE INVESTMENTS

In December 2018, the Company purchased Lakeview Plaza Shopping Center ("Lakeview") for $12.0 million (exclusive of closing costs). Lakeview is a 177,000 square foot grocery-anchored shopping center located in Putnam County, NY. In addition, the Company anticipates having to invest up to $8.0 million for capital improvements and re-tenanting at the property, approximately $4.2 million of which has already been expended and added to the cost of the property. The Company funded the purchase and capital improvements made subsequent to the purchase with available cash and borrowings on its unsecured revolving credit facility (the "Facility"). The Company intends to fund the remaining additional investment with a combination of available cash, borrowings on the Facility and by potentially placing a mortgage on the property.

The Company accounted for the purchase of Lakeview as an asset acquisition and allocated the total consideration transferred for the acquisition, including transaction costs, to the individual assets and liabilities acquired on a relative fair value basis.

The financial information set forth below summarizes the Company's purchase price allocation for the property acquired during the nine months ended July 31, 2019 (in thousands).

		Lakeview
Assets:		
Land	$	2,025
Building and improvements	$	10,620
In-place leases	$	772
Above market leases	$	459
Liabilities:		
In-place leases	$	-
Below Market Leases	$	1,123

The value of above and below market leases are amortized as a reduction/increase to base rental revenue over the term of the respective leases. The value of in-place leases described above are amortized as an expense over the terms of the respective leases.

For the nine month periods ended July 31, 2019 and 2018, the net amortization of above-market and below-market leases was approximately $448,000 and $1,097,000, respectively, and for the three month periods ended July 31, 2019 and 2018, the net amortization of above-market and below-market leases was approximately $157,000 and $832,000, respectively. All aforementioned amounts are included in base rents in the accompanying consolidated statements of income.

(3) MORTGAGE NOTES PAYABLE, BANK LINES OF CREDIT AND OTHER LOANS

The Company has a $100 million unsecured revolving credit facility with a syndicate of three banks led by The Bank of New York Mellon, as administrative agent. The syndicate also includes Wells Fargo Bank N.A. and Bank of Montreal (co-syndication agents). The Facility gives the Company the option, under certain conditions, to increase the Facility's borrowing capacity up to $150 million (subject to lender approval). The maturity date of the Facility is August 23, 2020 with a one year-year extension at the Company's option. Borrowings under the Facility can be used for general corporate purposes and the issuance of letters of credit (up to $10 million). Borrowings will bear interest at the Company's option of Eurodollar rate plus 1.35% to 1.95% or The Bank of New York Mellon's prime lending rate plus 0.35% to 0.95%, based on consolidated indebtedness. The Company pays a quarterly fee on the unused commitment amount of 0.15% to 0.25% per annum based on outstanding borrowings during the year. The Facility contains certain representations, financial and other covenants typical for this type of facility. The Company's ability to borrow under the Facility is subject to its compliance with the covenants and other restrictions on an ongoing basis. The principal financial covenants limit the Company's level of secured and unsecured indebtedness and additionally require the Company to maintain certain debt coverage ratios. The Company was in compliance with such covenants at July 31, 2019.

During the nine months ended July 31, 2019, the Company borrowed $25.5 million on the Facility to fund capital improvements to our properties, property acquisitions and general corporate purposes. During the nine months ended July 31, 2019, the Company repaid $41.5 million on the Facility with available cash and with cash proceeds from mortgage refinancings and proceeds from the sale of marketable securities and an investment property sale.

In March 2019, the Company refinanced its existing $14.9 million first mortgage secured by its Darien, CT property. The new mortgage has a principal balance of $25.0 million and has a term of 10 years and requires payments of principal and interest at the rate of LIBOR plus 1.65%. The Company also entered into an interest rate swap contract with the new lender, which converts the variable interest rate (based on LIBOR) to a fixed rate of 4.815% per annum.

In March 2019, the Company refinanced its existing $9.1 million first mortgage secured by our Newark, NJ property. The new mortgage has a principal balance of $10.0 million, has a term of 10 years, and requires payments of principal and interest at a fixed rate of 4.63%.

In June 2019, the Company placed a first mortgage on its Brewster NY property. The new mortgage has a principal balance of $12.0 million, has a term of 10 years and requires payments of principal and interest at the rate of LIBOR plus 1.75%. Concurrent with entering into the mortgage, the Company also entered into an interest rate swap contract with the new lender, which converts the variable interest rate (based on LIBOR) to a fixed rate of 3.6325% per annum.

(4) CONSOLIDATED JOINT VENTURES AND REDEEMABLE NONCONTROLLING INTERESTS

The Company has an investment in six joint ventures, UB Ironbound, LP (“Ironbound”), UB Orangeburg, LLC ("Orangeburg"), McLean Plaza Associates, LLC ("McLean"), UB Dumont I, LLC ("Dumont") and UB New City I, LLC ("New City"), each of which owns a commercial retail property, and UB High Ridge, LLC ("UB High Ridge"), which owns three commercial real estate properties. The Company has evaluated its investment in these six joint ventures and has concluded that these joint ventures are fully controlled by the Company and that the presumption of control is not offset by any rights of any of the limited partners or non-controlling members in these ventures and that the joint ventures should be consolidated into the consolidated financial statements of the Company in accordance with ASC Topic 810 "Consolidation". The Company’s investment in these consolidated joint ventures is more fully described below:

Ironbound (Ferry Plaza)

The Company, through a wholly-owned subsidiary, is the general partner and owns 84% of one consolidated limited partnership, Ironbound, which owns a grocery anchored shopping center.

The Ironbound limited partnership has a defined termination date of December 31, 2097. The partners in Ironbound are entitled to receive an annual cash preference payable from available cash of the partnership. Any unpaid preferences accumulate and are paid from future cash, if any. The balance of available cash, if any, is distributed in accordance with the respective partner’s interests. Upon liquidation of Ironbound, proceeds from the sale of partnership assets are to be distributed in accordance with the respective partnership interests. The limited partners are not obligated to make any additional capital contributions to the partnership.

Subsequent to July 31, 2019, the Company redeemed the remaining noncontrolling interest in Ironbound for $3.0 million. After the redemption the Company owns 100% of Ironbound.

Orangeburg

The Company, through a wholly-owned subsidiary, is the managing member and owns a 45.2% interest in Orangeburg, which owns a drug store anchored shopping center. The other member (non-managing) of Orangeburg is the prior owner of the contributed property who, in exchange for contributing the net assets of the property, received units of Orangeburg equal to the value of the contributed property less the value of the assigned first mortgage payable. The Orangeburg operating agreement provides for the non-managing member to receive an annual cash distribution equal to the regular quarterly cash distribution declared by the Company for one share of the Company’s Class A Common stock, which amount is attributable to each unit of Orangeburg ownership. The annual cash distribution is paid from available cash, as defined, of Orangeburg. The balance of available cash, if any, is fully distributable to the Company. Upon liquidation, proceeds from the sale of Orangeburg assets are to be distributed in accordance with the operating agreement. The non-managing member is not obligated to make any additional capital contributions to the partnership. Orangeburg has a defined termination date of December 31, 2097. Since purchasing this property, the Company has made additional investments in the amount of $6.9 million in Orangeburg, and as a result, as of July 31, 2019 the Company's ownership percentage has increased to 45.2% from approximately 2.92% at inception.

McLean Plaza

The Company, through a wholly-owned subsidiary, is the managing member and owns a 53% interest in McLean, which owns a grocery anchored shopping center. The McLean operating agreement provides for the non-managing members to receive a fixed annual cash distribution equal to 5.05% of their invested capital. The annual cash distribution is paid from available cash, as defined, of McLean. The balance of available cash, if any, is fully distributable to the Company. Upon liquidation, proceeds from the sale of McLean assets are to be distributed in accordance with the operating agreement. The non-managing members are not obligated to make any additional capital contributions to the entity.

UB High Ridge

The Company is the managing member and owns a 12.6% interest in UB High Ridge, LLC. The Company's initial investment was $5.5 million, and the Company has purchased additional interests totaling $2.2 million through July 31, 2019. UB High Ridge, either directly or through a wholly-owned subsidiary, owns three commercial real estate properties, High Ridge Shopping Center, a grocery anchored shopping center ("High Ridge"), and two single tenant commercial retail properties, one leased to JP Morgan Chase ("Chase Property") and one leased to CVS ("CVS Property"). Two properties are located in Stamford, CT and one property is located in Greenwich, CT. High Ridge is a shopping center anchored by a Trader Joe's grocery store. The properties were contributed to the new entities by the former owners who received units of ownership of UB High Ridge equal to the value of properties contributed less liabilities assumed. The UB High Ridge operating agreement provides for the non-managing members to receive an annual cash distribution, currently equal to 5.49% of their invested capital.

UB Dumont I, LLC

The Company is the managing member and owns a 36.4% interest in UB Dumont I, LLC. The Company's initial investment was $3.9 million, and the Company has purchased additional interests totaling $630,000 through July 31, 2019. Dumont owns a retail and residential real estate property, which retail portion is anchored by a Stop & Shop grocery store. The property is located in Dumont, NJ. The property was contributed to the new entity by the former owners who received units of ownership of Dumont equal to the value of contributed property less liabilities assumed. The Dumont operating agreement provides for the non-managing members to receive an annual cash distribution, currently equal to 5.05% of their invested capital.

UB New City I, LLC

The Company is the managing member and owns a 78.2% equity interest in a joint venture, UB New City I, LLC. The Company's initial investment was $2.4 million, and the Company has purchased additional interests totaling $91,300 through July 31, 2019. New City owns a single tenant retail real estate property located in New City, NY, which is leased to a savings bank. In addition, New City rents certain parking spaces on the property to the owner of an adjacent grocery anchored shopping center. The property was contributed to the new entity by the former owners who received units of ownership of New City equal to the value of contributed property. The New City operating agreement provides for the non-managing member to receive an annual cash distribution, currently equal to 5.00% of his invested capital.

Noncontrolling Interests

The Company accounts for noncontrolling interests in accordance with ASC Topic 810, "Consolidation." Because the limited partners or noncontrolling members in Ironbound, Orangeburg, McLean, UB High Ridge, Dumont and New City have the right to require the Company to redeem all or a part of their limited partnership or limited liability company units for cash, or at the option of the Company shares of its Class A Common stock, at prices as defined in the governing agreements, the Company reports the noncontrolling interests in the consolidated joint ventures in the mezzanine section, outside of permanent equity, of the consolidated balance sheets at redemption value which approximates fair value. The value of the Orangeburg, McLean, and a portion of the UB High Ridge and Dumont redemptions are based solely on the price of the Company's Class A Common stock on the date of redemption. For the nine months ended July 31, 2019 and 2018, the Company increased/ (decreased) the carrying value of the noncontrolling interests by $1.8 million and $(270,000), respectively, with the corresponding adjustment recorded in stockholders' equity.

The following table sets forth the details of the Company's redeemable non-controlling interests for the nine months ended July 31, 2019 and the fiscal year ended October 31, 2018 (amounts in thousands):

	July 31, 2019	October 31, 2018
Beginning Balance	**$ 78,258**	$ 81,361
Change in Redemption Value	**1,760**	(2,674)
Partial Redemption of UB High Ridge Noncontrolling Interest	**(1,003)**	(1,220)
Partial Redemption of Dumont Noncontrolling Interest	**(630)**	-
Partial Redemption of New City Noncontrolling Interest	**(91)**	-
Initial New City Noncontrolling Interest	**-**	791
Ending Balance	**$ 78,294**	$ 78,258

(5) INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED JOINT VENTURES

At July 31, 2019 and October 31, 2018 investments in and advances to unconsolidated joint ventures consisted of the following (with the Company's ownership percentage in parentheses) (amounts in thousands):

	July 31, 2019	October 31, 2018
Chestnut Ridge Shopping Center (50%)	**$ 12,165**	$ 12,508
Plaza 59 - Cash (50%)	**16**	5,194
Gateway Plaza (50%)	**6,977**	6,680
Putnam Plaza Shopping Center (66.67%)	**3,911**	5,978
Midway Shopping Center, L.P. (11.642%)	**4,380**	4,509
Applebee's at Riverhead (50%)	**1,896**	1,842
81 Pondfield Road Company (20%)	**723**	723
Total	**$ 30,068**	$ 37,434

Chestnut Ridge Shopping Center and Plaza 59 Cash

The Company, through a wholly-owned subsidiary, owns a 50% undivided tenancy-in-common interest in the 76,000 square foot Chestnut Ridge Shopping Center located in Montvale, New Jersey ("Chestnut"), which is anchored by a Fresh Market grocery store.

In the first quarter of fiscal 2019, the Company's wholly-owned subsidiary that owned the 50% undivided tenancy-in-common interest in Plaza 59 and the other 50% tenancy-in-common owner of Plaza 59 entered into a purchase and sale agreement to sell Plaza 59 to an unrelated third party for a sale price of $10.0 million. In accordance with ASC Topic 360-10-45, the property met all the criteria to be classified as held for sale in the first quarter of fiscal 2019. In March 2019, Plaza 59 was sold and the asset was de-recognized in accordance with ASC Topic 610-20. The Company's 50% share of the loss on sale amounted to $457,000, relating to the de-recognition of the asset. The Company's remaining investment represents an investment in cash on hand.

Gateway Plaza and Applebee's at Riverhead

The Company, through two wholly-owned subsidiaries, owns a 50% undivided tenancy-in-common interest in the Gateway Plaza Shopping Center ("Gateway") and Applebee's at Riverhead ("Applebee's"). Both properties are located in Riverhead, New York. Gateway, a 198,500 square foot shopping center, is anchored by a 168,000 square foot Walmart, which also has 27,000 square feet of in-line space that is leased and a 3,500 square foot outparcel that is leased. Applebee's has a 5,400 square foot free standing Applebee's restaurant with a 7,200 square foot pad site that is leased.

Gateway is subject to a $12.1 million non-recourse first mortgage payable. The mortgage matures on March 1, 2024 and requires payments of principal and interest at a fixed rate of interest of 4.2% per annum.

Midway Shopping Center, L.P.

The Company, through a wholly-owned subsidiary, owns an 11.64% equity interest in Midway Shopping Center L.P. ("Midway"), which owns a 247,000 square foot shopping center in Westchester County, New York. Although the Company only has an approximate 12% equity interest in Midway, it controls 25% of the voting power of Midway and as such, has determined that it exercises significant influence over the financial and operating decisions of Midway and accounts for its investment in Midway under the equity method of accounting.

The Company has allocated the $7.4 million excess of the carrying amount of its investment in and advances to Midway over the Company's share of Midway's net book value to real property and is amortizing the difference over the property's estimated useful life of 39 years.

Midway is subject to a non-recourse first mortgage in the amount of $26.9 million. The loan requires payments of principal and interest at the rate of 4.80% per annum and will mature in 2027.

Putnam Plaza Shopping Center

The Company, through a wholly-owned subsidiary, owns a 66.67% (noncontrolling) undivided tenancy-in-common interest in the 189,000 square foot Putnam Plaza Shopping Center ("Putnam Plaza") located in Carmel, New York, which is anchored by a Tops grocery store.

Putnam Plaza is subject to a first mortgage payable in the amount of $18.5 million. The mortgage requires monthly payments of principal and interest at a fixed rate of 4.81% and will mature in 2028.

81 Pondfield Road Company

The Company's other investment in an unconsolidated joint venture is a 20% interest in a retail and office building in Westchester County, New York.

Equity Method of Accounting

The Company accounts for the above investments under the equity method of accounting since it exercises significant influence, but does not control the joint ventures. The other venturers in the joint ventures have substantial participation rights in the financial decisions and operation of the ventures or properties, which preclude the Company from consolidating the investments. The Company has evaluated its investment in the joint ventures and has concluded that the joint ventures are not VIE's. Under the equity method of accounting, the initial investment is recorded at cost as an investment in unconsolidated joint venture, and subsequently adjusted for equity in net income (loss) and cash contributions and distributions from the venture. Any difference between the carrying amount of the investment on the Company's balance sheet and the underlying equity in net assets of the venture is evaluated for impairment at each reporting period.

(6) STOCKHOLDERS' EQUITY

Authorized Stock
The Company's Charter authorizes 200,000,000 shares of stock. The total number of shares of authorized stock consists of 100,000,000 shares of Class A Common Stock, 30,000,000 shares of Common Stock, 50,000,000 shares of Preferred Stock, and 20,000,000 shares of Excess Stock.

Restricted Stock Plan
The Company has a Restricted Stock Plan, as amended (the "Plan") that provides a form of equity compensation for employees of the Company. In March 2019, the stockholders of the Company approved an increase in the number of shares available for grant under the Plan by 1,000,000 shares. The Plan, which is administered by the Company's compensation committee, authorizes grants of up to an aggregate of 5,500,000 shares of the Company's common equity consisting of 350,000 Common shares, 350,000 Class A Common shares and 4,800,000 shares, which at the discretion of the compensation committee, may be awarded in any combination of Class A Common shares or Common shares.

During the nine months ended July 31, 2019, the Company awarded 137,200 shares of Common Stock and 111,450 shares of Class A Common Stock to participants in the Plan. The grant date fair value of restricted stock grants awarded to participants in 2019 was approximately $4.2 million.

A summary of the status of the Company's non-vested Common and Class A Common shares as of July 31, 2019, and changes during the nine months ended July 31, 2019 is presented below:

	Common Shares		Class A Common Shares	
Non-vested Shares	Shares	Weighted-Average Grant-Date Fair Value	Shares	Weighted-Average Grant-Date Fair Value
Non-vested at October 31, 2018	1,255,900	$ 17.22	452,925	$ 21.13
Granted	137,200	$ 15.33	111,450	$ 18.84
Vested	(247,000)	$ 14.78	(77,000)	$ 18.15
Forfeited	-	$ -	(24,150)	$ 21.58
Non-vested at July 31, 2019	1,146,100	$ 17.52	463,225	$ 21.07

As of July 31, 2019, there was $14.5 million of unamortized restricted stock compensation related to non-vested restricted stock grants awarded under the Plan. The remaining unamortized expense is expected to be recognized over a weighted average period of 4.7 years. For the nine month periods ended July 31, 2019 and 2018, amounts charged to compensation expense totaled $3,191,000 and $3,249,000, respectively. For the three month periods ended July 31, 2019 and 2018, amounts charged to compensation expense totaled $1,077,000 and $1,155,000, respectively.

Share Repurchase Program
The Board of Directors of the Company has approved a share repurchase program ("Current Repurchase Program") for the repurchase of up to 2,000,000 shares, in the aggregate, of Common stock, Class A Common stock and Series G Cumulative Preferred Stock in open market transactions.

The Company has repurchased 195,413 shares of Class A Common Stock under the Current Repurchase Program. From the inception of all repurchase programs, the Company has repurchased 4,600 shares of Common Stock and 919,991 shares of Class A Common Stock.

Preferred Stock
The 6.75% Series G Senior Cumulative Preferred Stock ("Series G Preferred Stock") is non-voting, has no stated maturity and is redeemable for cash at $25.00 per share at the Company's option on or after October 28, 2019. The holders of our Series G Preferred Stock have general preference rights with respect to liquidation and quarterly distributions. Except under certain conditions, holders of the Series G Preferred Stock will not be entitled to vote on most matters. In the event of a cumulative arrearage equal to six quarterly dividends, holders of Series G Preferred Stock, together with all of the Company's other series of preferred stock (voting as a single class without regard to series) will have the right to elect two additional members to serve on the Company's Board of Directors until the arrearage has been cured. Upon the occurrence of a Change of Control, as defined in the Company's Articles of Incorporation, the holders of the Series G Preferred Stock will have the right to convert all or part of the shares of Series G Preferred Stock held by such holders on the applicable conversion date into a number of the Company's shares of Class A common stock. Underwriting commissions and costs incurred in connection with the sale of the Series G Preferred Stock are reflected as a reduction of additional paid in capital.

The 6.25% Series H Senior Cumulative Preferred Stock ("Series H Preferred Stock") is non-voting, has no stated maturity and is redeemable for cash at $25.00 per share at the Company's option on or after September 18, 2022. The holders of our Series H Preferred Stock have general preference rights with respect to liquidation and quarterly distributions. Except under certain conditions, holders of the Series H Preferred Stock will not be entitled to vote on most matters. In the event of a cumulative arrearage equal to six quarterly dividends, holders of Series H Preferred Stock, together with all of the Company's other series of preferred stock (voting as a single class without regard to series) will have the right to elect two additional members to serve on the Company's Board of Directors until the arrearage has been cured. Upon the occurrence of a Change of Control, as defined in the Company's Articles of Incorporation, the holders of the Series H Preferred Stock will have the right to convert all or part of the shares of Series H Preferred Stock held by such holders on the applicable conversion date into a number of the Company's shares of Class A common stock. Underwriting commissions and costs incurred in connection with the sale of the Series H Preferred Stock are reflected as a reduction of additional paid in capital.

(7) FAIR VALUE MEASUREMENTS

ASC Topic 820, "Fair Value Measurements and Disclosures" defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants.

ASC Topic 820's valuation techniques are based on observable or unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1- Quoted prices for identical instruments in active markets
- Level 2- Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which significant value drivers are observable
- Level 3- Valuations derived from valuation techniques in which significant value drivers are unobservable

The Company calculates the fair value of the redeemable noncontrolling interests based on either quoted market prices on national exchanges for those interests based on the Company's Class A Common stock (level 1), contractual redemption prices per share as stated in governing agreements (level 2) or unobservable inputs considering the assumptions that market participants would make in pricing the obligations (level 3). The level 3 inputs used include an estimate of the fair value of the cash flow generated by the limited partnership or limited liability company in which the investor owns the joint venture units capitalized at prevailing market rates for properties with similar characteristics or located in similar areas.

Marketable debt and equity securities are valued based on quoted market prices on national exchanges.

The fair values of interest rate swaps are determined using widely accepted valuation techniques, including discounted cash flow analysis, on the expected cash flows of each derivative. The analysis reflects the contractual terms of the swaps, including the period to maturity, and uses observable market-based inputs, including interest rate curves ("significant other observable inputs"). The fair value calculation also includes an amount for risk of non-performance using "significant unobservable inputs" such as estimates of current credit spreads to evaluate the likelihood of default. The Company has concluded, as of October 31, 2018 and July 31, 2019, that the fair value associated with the "significant unobservable inputs" relating to the Company's risk of non-performance was insignificant to the overall fair value of the interest rate swap agreements and, as a result, the Company has determined that the relevant inputs for purposes of calculating the fair value of the interest rate swap agreements, in their entirety, were based upon "significant other observable inputs".

The Company measures its redeemable noncontrolling interests, marketable equity and debt securities classified as available for sale securities and interest rate swap derivatives at fair value on a recurring basis. The fair value of these financial assets and liabilities was determined using the following inputs (amount in thousands):

		Fair Value Measurements at Reporting Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
July 31, 2019				
Assets:				
Interest Rate Swap Agreement	**$ 951**	**$ -**	**$ 951**	**$ -**
Liabilities:				
Interest Rate Swap Agreement	**$ 4,785**	**$ -**	**$ 4,785**	**$ -**
Redeemable noncontrolling interests	**$ 78,294**	**$ 22,319**	**$ 52,729**	**$ 3,246**
October 31, 2018				
Assets:				
Interest Rate Swap Agreement	$ 7,011	$ -	$ 7,011	$ -
Available for Sale Securities	$ 5,567	$ 5,567	$ -	$ -
Liabilities:				
Interest Rate Swap Agreement	$ 114	$ -	$ 114	$ -
Redeemable noncontrolling interests	$ 78,258	$ 22,131	$ 53,359	$ 2,768

Fair market value measurements based upon Level 3 inputs changed (in thousands) from $3,864 at October 31, 2017 to $2,768 at October 31, 2018 as a result of a $1,096 decrease in the redemption value of the Company's noncontrolling interest in Ironbound in accordance with the application of ASC Topic 810. Fair market value measurements based upon Level 3 inputs changed (in thousands) from $2,768 at October 31, 2018 to $3,246 at July 31, 2019 as a result of a $478 increase in the redemption value of the Company's noncontrolling interest in Ironbound in accordance with the application of ASC Topic 810.

(8) COMMITMENTS AND CONTINGENCIES

In the normal course of business, from time to time, the Company is involved in legal actions relating to the ownership and operations of its properties. In management's opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a material adverse effect on the consolidated financial position, results of operations or liquidity of the Company. At July 31, 2019, the Company had commitments of approximately $6.2 million for capital improvements to its properties and tenant-related obligations.

(9) SUBSEQUENT EVENTS

On September 4, 2019, the Board of Directors of the Company declared cash dividends of $0.275 for each share of Common Stock and $0.245 for each share of Class A Common Stock. The dividends are payable on October 18, 2019 to stockholders of record on October 4, 2019.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements of the company and the notes thereto included elsewhere in this report.

Forward Looking Statements:

This Quarterly Report on Form 10-Q of Urstadt Biddle Properties Inc. (the "Company"), including this Item 2, 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 our Annual Report on Form 10-K for the fiscal year ended October 31, 2018 under Item 1A. Risk Factors and in the other reports filed by the Company with the Securities and Exchange Commission (the "SEC").

Executive Summary

Overview

We are a fully integrated, self-administered real estate company that has elected to be a REIT for federal income tax purposes, engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers, with a concentration in the metropolitan New York tri-state area outside of the City of New York. Other real estate assets include office properties, single tenant retail or restaurant properties and office/retail mixed-use properties. Our major tenants include supermarket chains and other retailers who sell basic necessities.

At July 31, 2019, we owned or had equity interests in 83 properties, which include equity interests we own in six consolidated joint ventures and seven unconsolidated joint ventures, containing a total of 5.3 million square feet of Gross Leasable Area ("GLA"). Of the properties owned by wholly-owned subsidiaries or joint venture entities that we consolidate, approximately 93.0% of the GLA was leased (93.2% at October 31, 2018). Of the properties owned by unconsolidated joint ventures, approximately 96.2% of the GLA was leased (96.3% at October 31, 2018).

We have paid quarterly dividends to our stockholders continuously since our founding in 1969 and have increased the level of dividend payments to our stockholders for 25 consecutive years.

We derive substantially all of our revenues from rents and operating expense reimbursements received pursuant to long-term operating leases and focus our investment activities on community and neighborhood shopping centers, anchored principally by regional supermarket or pharmacy chains. We believe that because consumers need to purchase food and other types of staple goods and services generally available at supermarket or pharmacy anchored shopping centers, the nature of our investments provides for relatively stable revenue flows even during difficult economic times.

We have a conservative capital structure, which includes permanent equity sources of Common Stock, Class A Common Stock and two series of perpetual preferred stock, which are only redeemable at our option. In addition, we have mortgage debt. We have one $3.2 million mortgage

maturing in October 2019, which we believe could easily be refinanced if we so choose or repaid with available cash. For further information please see the Financing Strategy, Unsecured Revolving Credit Facility and other Financing Transactions section of this Item 2 below. Thereafter, we do not have any additional secured debt maturing until March of 2022.

We focus on increasing cash flow, and consequently the value of our properties, and seek continued growth through strategic re-leasing, renovations and expansions of our existing properties and selective acquisitions of income-producing properties. Key elements of our growth strategies and operating policies 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. 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;

- 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 debt levels; and

- control property operating and administrative costs.

Highlights of Fiscal 2019; Recent Developments

Set forth below are highlights of our recent property acquisitions, potential acquisitions under contract, other investments, property dispositions and financings:

- In December 2018, we purchased the Lakeview Plaza Shopping Center ("Lakeview") for $12 million, exclusive of closing costs. Lakeview is a 177,000 square foot grocery-anchored shopping center located in Brewster, NY. When we purchased the property, we anticipated having to invest up to $8 million for capital improvements and for re-tenanting at the property. We purchased the property with available cash and a borrowing on our Unsecured Revolving Credit Facility ("Facility"). As of the date of this report, we have expended approximately $4.2 million of the $8 million anticipated additional investment.

- In March 18, 2019, we completed the refinancing of our $14.9 million mortgage secured by our Darien, CT shopping center. The new mortgage principal balance is $25 million, and the note has a term of ten years and requires payments of principal and interest at the rate of LIBOR plus 1.65%. We also entered into an interest rate swap with the new lender, which converts the variable interest rate (based on LIBOR) to a fixed rate of 4.815% per annum. The fixed interest rate on the refinanced mortgage was 6.55%.

- In March 2019, we completed the refinancing of our existing $9.1 million mortgage secured by our Newark, NJ shopping center. The new mortgage principal balance is $10 million, and the note has a term of ten years and requires payments of principal and interest at the fixed rate of 4.63%, which is a reduction from the fixed interest rate of 6.15% on the refinanced mortgage.

- In March 2019, we sold Plaza 59, a commercial real estate property located in Spring Valley, NY of which we owned a 50% undivided tenancy-in-common interest, and we accounted for under the equity method of accounting. The total loss on sale was $913,600, of which our 50% share was $456,700. This resulted in our equity in net income from Plaza 59 being reduced by $456,700. This loss has been added back to our Funds from Operations ("FFO") as discussed below in this Item 2.

- In June 2019, we placed a first mortgage on our Brewster, NY property. The new mortgage has a principal balance of $12.0 million, has a term of 10 years and requires payments of principal and interest at the rate of LIBOR plus 1.75%. Concurrent with entering into the mortgage, we also entered into an interest rate swap contract with the new lender, which converts the variable interest rate (based on LIBOR) to a fixed rate of 3.6325% per annum.

- In June 2019, we sold our Starbucks Plaza Shopping Center located in Monroe, CT as that property did not meet our stated investment objective of owing grocery or pharmacy-anchored shopping centers in the suburban communities that surround New York City. The property was acquired by us in 2007 and we sold the property for $3.65 million and realized a book "GAAP" gain on sale of $409,000. This gain is not included in our Funds from Operations ("FFO") as discussed below in this Item 2.

- In June 2019, we redeemed 4,150 units of UB New City I, LLC ("New City") from the noncontrolling member. The total cash price paid for

the redemption was $91,000. As a result of the redemption our ownership percentage of New City increased to 78.2% from 75.3%.

- In June 2019, we redeemed 44,701 units of UB High Ridge, LLC (“High Ridge”) from the noncontrolling member. The total cash price paid for the redemption was $1,002,000. As a result of the redemption our ownership percentage of High Ridge increased to 12.6% from 10.9%.

- In August 2019, we redeemed for $3 million, the remaining 16% limited partnership interest in UB Ironbound, LP ("Ironbound"). Ironbound owns a grocery-anchored shopping center located in Newark, NJ. After the redemption, we own 100% of the limited partnership, through two wholly-owned subsidiaries.

Known Trends; Outlook

We believe that shopping center REITs face opportunities and challenges that are both common to and unique from other REITs and real estate companies. As a shopping center REIT, we are focused on certain challenges that are unique to the retail industry. In particular, we recognize the challenges presented by e-commerce to brick-and-mortar retail establishments, including our tenants. However, we believe that because consumers generally prefer to purchase food and other staple goods and services available at supermarkets in person, the nature of our properties makes them less vulnerable to the encroachment of e-commerce than other properties whose tenants may more directly compete with the internet. Moreover, we believe the nature of our properties makes them less susceptible to economic downturns than other retail properties whose anchor tenants are not supermarkets or other staple goods providers. We note, however, that many prospective in-line tenants are seeking smaller spaces than in the past, as a result, in part, of internet encroachment on their brick-and-mortar business. When feasible, we actively work to place tenants that are less susceptible to internet encroachment, such as restaurants, fitness centers, healthcare and personal services. We continue to be sensitive to these considerations when we establish the tenant mix at our shopping centers, and believe that our strategy of focusing on supermarket anchors is a strong one.

In the metropolitan tri-state area outside of New York City, demographics (income, density, etc.) remain strong and opportunities for new development, as well as acquisitions, are competitive, with high barriers to entry. We believe that this will remain the case for the foreseeable future, and have focused our growth strategy accordingly.

As a REIT, we are susceptible to changes in interest rates, the lending environment, the availability of capital markets and the general economy. The impact of such changes are difficult to predict.

Leasing

Rollovers

For the nine months ended July 31, 2019, we signed leases for a total of 503,000 square feet of retail space in our consolidated portfolio. New leases for vacant spaces were signed for 140,000 square feet at an average rental decrease of 8.3% on a cash basis. Renewals for 363,000 square feet of space previously occupied were signed at average rental rates that were relatively the same level as the expiring rental rates on renewal leases on a cash basis.

Tenant improvements and leasing commissions averaged $42.91 per square foot for new leases and $2.06 per square foot for renewals for the nine months ended July 31, 2019. The average term for new leases was 6 years and the average term for renewal leases was 4 years.

The rental increases/decreases associated with new and renewal leases generally include all leases signed in arms-length transactions reflecting market leverage between landlords and tenants during the period. The comparison between average rent for expiring leases and new leases is determined by including minimum rent paid on the expiring lease and minimum rent to be paid on the new lease in the first year. In some instances, management exercises judgment as to how to most effectively reflect the comparability of spaces reported in this calculation. The change in rental income on comparable space leases is impacted by numerous factors including current market rates, location, individual tenant creditworthiness, use of space, market conditions when the expiring lease was signed, the age of the expiring lease, capital investment made in the space and the specific lease structure. Tenant improvements include the total dollars committed for the improvement (fit-out) of a space as it relates to a specific lease but may also include base building costs (i.e. expansion, escalators or new entrances) that are required to make the space leasable. Incentives (if applicable) include amounts paid to tenants as an inducement to sign a lease that do not represent building improvements.

The leases signed in 2019 generally become effective over the following one to two years. There is risk that some new tenants will not ultimately take possession of their space and that tenants for both new and renewal leases may not pay all of their contractual rent due to operating, financing or other matters.

In 2019, we believe our leasing volume will be in-line with our historical averages, with overall positive increases in rental income for renewal leases and small decreases for new leases. However, changes in rental income associated with individual signed leases on comparable spaces may be positive or negative, and we can provide no assurance that the rents on new leases will continue to increase at the above described levels, if at all.

Significant Events with Impacts on Leasing

In July 2015, one of our largest tenants, A&P, filed a voluntary petition under chapter 11 of title 11 of the United States Bankruptcy Code (the “Bankruptcy Code”). Subsequently, A&P determined that it would be liquidating the company. Prior to A&P filing for bankruptcy, A&P leased and occupied nine spaces totaling 365,000 square feet in our portfolio. The bankruptcy process relating to our nine spaces is complete, with eight of the nine A&P leases having been assumed by new operators in the bankruptcy process or re-leased by us to new operators. The remaining lease, located in our Pompton Lakes shopping center, totaling 63,000 square feet, was rejected by A&P in bankruptcy, and we are continuing to market that space for re-lease. In July 2018, one other 36,000 square foot space formerly occupied by A&P that we had released to a local grocery operator became vacant, as that operator failed to perform under its lease and was evicted. We have signed a lease with Whole Foods Market for this location, and we expect to deliver the space to the lessee by the end of fiscal 2019 or early in fiscal 2020.

In May 2018, the grocery tenant occupying 30,600 square feet at our Passaic, NJ property went vacant, the tenant was evicted, and the lease was terminated. In May 2019, we signed two leases to re-lease a large portion of this space at a rental rate that is 12% below the rent we received from the prior grocery tenant.

In April 2018, we reached agreement with the grocery tenant at our Newark, NJ property to terminate its 63,000 square foot lease in exchange for a $3.7 million lease termination payment, which was recorded as revenue in the second quarter of fiscal year ended October 31, 2018. Also in April 2018, we leased that same space to a new grocery store operator who took possession in May 2018. While the rental rate on the new lease is 30% less than the rental rate on the terminated lease, we hope that part of this decreased rental rate will be recaptured with the receipt of percentage rent in subsequent years as the store matures and its sales increase. The new lease required no tenant improvements or tenant allowances.

In 2017, Toys R’ Us and Babies R’ Us (“Toys”) filed a voluntary petition under chapter 11 of title 11 of the United States Bankruptcy Code. Subsequently, Toys determined that it would be liquidating the company. Toys ground leased 65,700 square feet of space in our Danbury, CT shopping center. In August 2018, this lease was purchased out of bankruptcy from Toys and assumed by a new owner. The base lease rate for the 65,700 square foot space was and remains at $0 for the duration of the lease, and we did not have any other leases with Toys R’ Us or Babies R’ Us, so the Company’s cash flow was not impacted by the bankruptcy of Toys R’ Us and Babies R’ Us. As of the date of this report, we have not been informed by the new owner of the lease which operator will occupy the space.

Impact of Inflation on Leasing

Our long-term leases contain provisions to mitigate the adverse impact of inflation on our operating results. Such provisions include clauses entitling us to receive (a) scheduled base rent increases and (b) percentage rents based upon tenants’ gross sales, which could increase as prices rise. In addition, many of our non-anchor leases are for terms of less than ten years, which permits us to seek increases in rents upon renewal at then current market rates if rents provided in the expiring leases are below then existing market rates. Most of our leases require tenants to pay a share of operating expenses, including common area maintenance, real estate taxes, insurance and utilities, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation.

Critical Accounting Policies

Critical accounting policies are those that are both important to the presentation of our financial condition and results of operations and require management's most difficult, complex or subjective judgments. For a further discussion about our critical accounting policies, please see Note 1 in our consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q.

Liquidity and Capital Resources

Overview

At July 31, 2019, we had cash and cash equivalents of $8.6 million, compared to $10.3 million at October 31, 2018. Our sources of liquidity and capital resources include operating cash flows from real estate operations, proceeds from bank borrowings and long-term mortgage debt, capital financings and sales of real estate investments. Substantially all of our revenues are derived from rents paid under existing leases, which means that our operating cash flow depends on the ability of our tenants to make rental payments. For the nine months ended July 31, 2019 and 2018, net cash flows from operating activities amounted to $52.3 million and $55.6 million, respectively. The nine month period ended 2018 net cash flows from operations included a one-time $3.7 million lease termination payment received from a grocery store tenant in our Newark, NJ property (see Significant Events with Impacts on Leasing section earlier in this Item 2 for more information).

Our short-term liquidity requirements consist primarily of normal recurring operating expenses and capital expenditures, debt service, management and professional fees, cash distributions to certain limited partners and non-managing members of our consolidated joint ventures, and regular dividends paid to our Common and Class A Common stockholders, which we expect to continue. Cash dividends paid on Common and Class A Common stock for the nine months ended July 31, 2019 and 2018 totaled $31.9 million and $31.2 million, respectively. Historically, we have met short-term liquidity requirements, which is defined as a rolling twelve month period, primarily by generating net cash from the operation of our properties. We believe that our net cash provided by operations will continue to be sufficient to fund our short-term liquidity requirements, including payment of dividends necessary to maintain our federal income tax REIT status.

Our long-term liquidity requirements consist primarily of obligations under our long-term debt, dividends paid to our preferred stockholders, capital expenditures and capital required for acquisitions. In addition, the limited partners and non-managing members of our six consolidated joint venture entities, Ironbound, UB McLean, LLC, UB Orangeburg, LLC, UB High Ridge, LLC, UB Dumont I, LLC and UB New City I, LLC, have the right to require us to repurchase all or a portion of their limited partner or non-managing member interests at prices and on terms as set forth in the governing agreements. See Note 4 to the financial statements included in Item 1 of this Report on Form 10-Q. Historically, we have financed the foregoing requirements through operating cash flow, borrowings under our Facility, debt refinancings, new debt, equity offerings and other capital market transactions, and/or the disposition of under-performing assets, with a focus on keeping our debt level low. We expect to continue doing so in the future. We cannot assure you, however, that these sources will always be available to us when needed, or on the terms we desire.

Capital Expenditures

We invest in our existing properties and regularly make capital expenditures in the ordinary course of business to maintain our properties. We believe that such expenditures enhance the competitiveness of our properties. For the nine months ended July 31, 2019, we paid approximately $13.7 million for land improvements, property improvements, tenant improvements and leasing commission costs (approximately $5.2 million representing land improvements (see Highlights of Fiscal 2019 earlier in this Item 2 for more information on our purchase of Lakeview), $3.9 million representing property improvements and approximately $4.6 million related to new tenant space improvements, leasing costs and capital improvements as a result of new tenant spaces). The amount of these expenditures can vary significantly depending on tenant negotiations, market conditions and rental rates. We expect to incur approximately $6.2 million for anticipated capital improvements, tenant improvements/allowances and leasing costs related to new tenant leases and property improvements during the remainder of fiscal 2019. This amount is inclusive of the remaining investment needed on Lakeview (see Highlights section above). These expenditures are expected to be funded from operating cash flows, bank borrowings or other financing sources.

We are currently in the process of developing 3.4 acres of land we own adjacent to one of our shopping centers. The development consists of construction of two pad site buildings totaling approximately 5,260 square feet each pre-leased to national restaurant chains and building an approximately 131,000 gross square foot self-storage facility, which will be managed for us by a national self-storage company. We anticipate the total development cost will be approximately $15 million over the next two years. We plan on funding the development costs with available cash, borrowing on our Facility, or using other sources of equity as more fully described earlier in this Item 2.

Financing Strategy, Unsecured Revolving Credit Facility and other Financing Transactions

Our strategy is to maintain a conservative capital structure with low leverage levels by commercial real estate standards. Mortgage notes payable and other loans of $311.4 million consist of $1.7 million in variable rate debt with an interest rate of 5.00% as of July 31, 2019 and $309.7 million in fixed-rate mortgage loans with a weighted average interest rate of 4.1% at July 31, 2019. The mortgages are secured by 27 properties with a net book value of $562 million and have fixed rates of interest ranging from 3.4% to 4.8%. The $1.7 million in variable rate debt is unsecured. We may refinance our mortgage loans, at or prior to scheduled maturity, through replacement mortgage loans. The ability to do so, however, is dependent upon various factors, including the income level of the properties, interest rates and credit conditions within the commercial real estate market. Accordingly, there can be no assurance that such re-financings can be achieved.

We have 11 promissory notes secured by properties we consolidate and 3 promissory notes secured by properties in joint ventures that we do not consolidate. The interest rate on these 14 notes is based on some variation of the London Interbank Offered Rate (“LIBOR”) plus some amount of credit spread. In addition, on the day these notes were executed by us we entered into derivative interest rate swap contracts, the counterparty of which was either the lender on the aforementioned promissory notes or an affiliate of that lender. These swap contracts are in accordance with the International Swaps and Derivatives Association, Inc ("ISDA"). These swap contracts convert the variable interest rate in the notes, which are based on LIBOR, to a fixed rate of interest for the life of each note. All indications are that the LIBOR reference rate will no longer be published beginning on or around the year 2021. All contracts, including our 14 promissory notes and 14 swap contracts that use LIBOR, will no longer have the reference rate available and the reference rate will need to be replaced. We have very good working relationships with all of our lenders to our notes, who are also the counterparties to our swap contracts. All indications we have received from our lenders and counterparties is that their goal

is to have the replacement reference rate under the notes match the replacement rates in the swaps. If this were to happen, we believe there would be no effect on our financial position or results of operations. However, because this is the first time any of our promissory notes or swap contracts reference rates have stopped being published, we cannot be sure how the replacement rate event will conclude. Until we have more clarity from our lenders and counterparties on how they plan on dealing with this replacement rate event, we cannot be certain of the impact on the Company.

At July 31, 2019, we had $12.6 million in additional variable-rate debt consisting of draws on our Facility (see below) that were not fixed through an interest rate swap or otherwise. See "Item 3. Quantitative and Qualitative Disclosures about Market Risk" included in this Report on Form 10-Q for additional information on our interest rate risk.

We currently maintain a ratio of total debt to total assets below 32.6% and a fixed charge coverage ratio of over 3.4 to 1 (excluding preferred stock dividends), which we believe will allow us to obtain additional secured mortgage loans or other types of borrowings, if necessary. We own 50 properties in our consolidated portfolio that are not encumbered by secured mortgage debt. At July 31, 2019, we had borrowing capacity of $87 million on our Facility. Our Facility includes financial covenants that limit, among other things, our ability to incur unsecured and secured indebtedness. See Note 3 in our consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q for additional information on these and other restrictions.

We have a $100 million unsecured revolving credit facility with a syndicate of three banks, BNY Mellon, Bank of Montreal and Wells Fargo N.A. with the ability under certain conditions to additionally increase the capacity to $150 million, subject to lender approval. The maturity date of the Facility is August 23, 2020 with a one-year extension at our option. Borrowings under the Facility can be used for general corporate purposes and the issuance of up to $10 million of letters of credit. Borrowings will bear interest at our option of Eurodollar rate plus 1.35% to 1.95% or The Bank of New York Mellon's prime lending rate plus 0.35% to 0.95%, based on consolidated indebtedness, as defined. We pay a quarterly commitment fee on the unused commitment amount of 0.15% to 0.25% per annum, based on outstanding borrowings during the year. As of July 31, 2019, $87 million was available to be drawn on the Facility. Our ability to borrow under the Facility is subject to its compliance with the covenants and other restrictions on an ongoing basis. The principal financial covenants limit our level of secured and unsecured indebtedness and additionally require us to maintain certain debt coverage ratios. We were in compliance with such covenants at July 31, 2019.

During the nine months ended July 31, 2019, we borrowed $25.5 million on our Facility for property acquisitions, to fund capital improvements to our properties and for general corporate purposes. For the nine months ended July 31, 2019 we repaid $41.5 million of borrowings on our Facility, with available cash, proceeds from mortgage financings, proceeds from investment property sales and proceeds from the sale of marketable securities.

Net Cash Flows from:

Operating Activities

Net cash flows provided by operating activities amounted to $52.3 million for the nine months ended July 31, 2019 compared to $55.6 million in the comparable period of fiscal 2018. The decrease in operating cash flows when compared with the corresponding prior period was due primarily to our receiving a $3.7 million lease termination payment in the second quarter of fiscal 2018 from one of our grocery store tenants who wanted to terminate its lease early (see Significant Events with Impacts on Leasing earlier in this Item 2 for more information). This decrease was partially offset by our properties generating additional operating income in the nine months ended July 31, 2019 when compared with the corresponding prior period. This additional operating income was predominantly from properties acquired after in fiscal 2018 and in the first nine months of fiscal 2019. In addition, our net income increased as a result of increased base rent from a grocery store tenant amending and extending its lease at the beginning of fiscal 2019 at a significantly higher base rent than in the prior period.

Investing Activities

Net cash flows used in investing activities amounted to $15.1 million for the nine months ended July 31, 2019 compared to $21.8 million in the comparable period of fiscal 2018. The decrease in net cash flows used in investing activities in fiscal 2019 when compared to the corresponding prior period was the result of selling our marketable security portfolio in the second quarter of fiscal 2019 and realizing proceeds on that sale of $6 million. The marketable securities were purchased in the first half of fiscal 2018. These transactions created an $11 million positive variance in cash flows from investing activities for the nine month period ended July 31, 2019 compared with the corresponding prior period. In addition, the decrease in cash flows used in investing activities was the result of one of our unconsolidated joint ventures selling a property it owned in the second quarter of fiscal 2019 and distributing $5 million in sales proceeds to us. In addition, this decrease in net cash used by investing activities was the result of us selling one property in the nine months ended July 31, 2019 that provided $3.4 million in sales proceeds versus having no property sales in the corresponding prior period. This positive variance was partially offset by us acquiring one property for $12 million in the first nine months of fiscal 2019 versus purchasing three properties in the first nine months of fiscal 2018 for $7.2 million and expending $7.3 million more for improvements to properties and deferred charges in the first nine months of fiscal 2019 versus the corresponding prior period.

We regularly make capital investments in our properties for property improvements, tenant improvements costs and leasing commissions.

Financing Activities

The $7.2 million increase in net cash flows used by financing activities for the nine months ended July 31, 2019 when compared to the corresponding prior period was predominantly the result of repaying $32.5 million more and borrowing $5.1 million less on our Facility in the first nine months of fiscal 2019 when compared with the corresponding period of fiscal 2018. This increase was partially offset by our generating a net $30 million more in cash flow from mortgage refinancings and a new mortgage financing on a previously unencumbered property in the nine months ended July 31, 2019 when compared to the corresponding prior period.

Results of Operations

The following information summarizes our results of operations for the nine months and three months ended July 31, 2019 and 2018 (amounts in thousands):

	Nine months ended July 31,				Change Attributable to	
Revenues	**2019**	2018	Increase (Decrease)	% Change	Property Acquisitions/Sales	Properties Held In Both Periods (Note 1)
Base rents	**$ 74,243**	$ 72,162	$ 2,081	2.9%	$ 2,275	$ (194)
Recoveries from tenants	**24,664**	23,390	1,274	5.4%	940	334
Lease termination	**194**	3,790	(3,596)	(94.9)%	-	(3,596)
Other income	**4,196**	3,467	729	21.0%	58	671
Operating Expenses						
Property operating	**16,670**	16,850	(180)	(1.1)%	906	(1,086)
Property taxes	**17,603**	15,604	1,999	12.8%	641	1,358
Depreciation and amortization	**20,926**	21,287	(361)	(1.7)%	348	(709)
General and administrative	**7,149**	7,024	125	1.8%	n/a	n/a
Non-Operating Income/Expense						
Interest expense	**10,607**	10,178	429	4.2%	95	334
Interest, dividends, and other investment income	**228**	246	(18)	(7.3)%	n/a	n/a

	Three Months Ended July 31,				Change Attributable to	
Revenues	**2019**	2018	Increase (Decrease)	% Change	Property Acquisitions/Sales	Properties Held In Both Periods (Note 1)
Base rents	**$ 24,537**	$ 24,668	$ (131)	(0.5)%	$ 603	$ (734)
Recoveries from tenants	**7,839**	7,074	765	10.8%	177	588
Lease termination	**178**	36	142	394.4%	-	142
Other income	**1,995**	1,031	964	93.5%	17	947
Operating Expenses						
Property operating	**4,955**	4,804	151	3.1%	193	(42)
Property taxes	**5,885**	5,300	585	11.0%	222	363
Depreciation and amortization	**7,001**	7,370	(369)	(5.0)%	82	(451)
General and administrative	**2,230**	2,322	(92)	(4.0)%	n/a	n/a
Non-Operating Income/Expense						
Interest expense	**3,497**	3,439	58	1.7%	23	35
Interest, dividends, and other investment income	**44**	104	(60)	(57.7)%	n/a	n/a

Note 1 – Properties held in both periods includes only properties owned for the entire periods of 2019 and 2018 and for interest expense the amount also includes parent company interest expense. All other properties are included in the property acquisition/sales column. There are no properties excluded from the analysis.

Base rents increased by 2.9% to $74.2 million for the nine month period ended July 31, 2019 as compared with $72.2 million in the comparable period of 2018. Base rents decreased by 0.5% to $24.5 million for the three month period ended July 31, 2019 as compared with $24.7 million in the comparable period of 2018. The change in base rent and the changes in other income statement line items analyzed in the table above were attributable to:

Property Acquisitions and Properties Sold:

In fiscal 2018, we purchased three properties totaling 53,700 square feet of GLA. In the first nine months of fiscal 2019, we purchased one property totaling 177,000 square feet and sold one property totaling 10,100 square feet. These properties accounted for all of the revenue and expense changes attributable to property acquisitions and sales in the nine months ended July 31, 2019 when compared with fiscal 2018.

Properties Held in Both Periods:

Revenues

Base Rent
The decrease in base rents for the nine month and three month periods ended July 31, 2019, when compared to the corresponding prior periods, was predominantly caused by an increase in base rent in the nine months ended July 31, 2018 as a result of $725,000 in amortization of a below market rent in accordance with ASC Topic 805 from a lease with a tenant who vacated a shopping center and whose lease was terminated. This decrease was offset by new leasing activity at several properties held in both periods and a lease renewal with a grocery-store tenant at a significantly higher rent than the expiring period rent, both of which created a positive variance in base rent.

In the first nine months of fiscal 2019, we leased or renewed approximately 503,000 square feet (or approximately 11.0% of total consolidated property leasable area). At July 31, 2019, the Company's consolidated properties were 93.0% leased (93.2% leased at October 31, 2018).

Tenant Recoveries
In the nine month and three month periods ended July 31, 2019, recoveries from tenants (which represent reimbursements from tenants for operating expenses and property taxes) increased by $334,000 and $588,000, respectively, when compared with the corresponding prior periods. This increase was a result of an increase in property tax expense caused by an increase in property tax assessments in both periods predominantly related to properties the Company owns in Stamford, CT. This increase was partially offset by a decrease in property operating expenses mostly related to a decrease in snow removal costs at our properties owned in both periods.

Lease Termination Income
In April 2018, we reached agreement with the grocery tenant at our Newark, NJ property to terminate its 63,000 square foot lease in exchange for a one-time $3.7 million lease termination payment, which we received and recorded as revenue in the nine month period ended July 31, 2018. Also in March 2018, we leased that same space to a new grocery store operator who took possession in May 2018. While the rental rate on the new lease is 30% less than the rental rate on the terminated lease, we hope that part of this decreased rental rate will be recaptured with the receipt of percentage rent in subsequent years as the store matures and its sales increase. The new lease required no tenant improvement allowance.

Expenses

Property Operating

In the nine month and three month periods ended July 31, 2019, property operating expenses decreased by $1.1 million and $42,000, respectively, when compared with the corresponding prior periods, predominantly as a result of a decrease in snow removal costs at our properties owned in both periods.

Property Taxes

In the nine month and three month periods ended July 31, 2019, property taxes increased by $1.4 million and $363,000, respectively, when compared with the corresponding prior periods, as a result of an increase in property tax assessments for a number of our properties owned in both periods, specifically in the City of Stamford, CT.

Interest

In the nine month and three month periods ended July 31, 2019, interest expense increased by $334,000 and $35,000, respectively, when compared with the corresponding prior periods as a result of the Company having a larger balance drawn on its Facility for a large portion of fiscal 2019 when compared with the corresponding prior periods.

Depreciation and Amortization

In the nine month and three month periods ended July 31, 2019, depreciation and amortization decreased by $709,000 and $451,000, respectively when compared with the prior period primarily as a result of increased ASC Topic 805 amortization expense for lease intangibles in the nine month and three month periods ended July 31, 2018 for a tenant who vacated the property and whose lease was terminated.

General and Administrative Expenses

General and administrative expense was relatively unchanged for the nine month and three months ended July 31, 2019 when compared with the corresponding prior periods.

Funds from Operations

We consider Funds from Operations ("FFO") to be an additional measure of our operating performance. We report FFO in addition to net income applicable to common stockholders and net cash provided by operating activities. Management has adopted the definition suggested by The National Association of Real Estate Investment Trusts ("NAREIT") and defines FFO to mean net income (computed in accordance with GAAP) excluding gains or losses from sales of property, plus real estate-related depreciation and amortization and after adjustments for unconsolidated joint ventures.

Management considers FFO a meaningful, additional measure of operating performance because it primarily excludes the assumption that the value of our real estate assets diminishes predictably over time and industry analysts have accepted it as a performance measure. FFO is presented to assist investors in analyzing our performance. It is helpful as it excludes various items included in net income that are not indicative of our operating performance, such as gains (or losses) from sales of property and depreciation and amortization. However, FFO:

- does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income); and
- should not be considered an alternative to net income as an indication of our performance.

FFO as defined by us may not be comparable to similarly titled items reported by other real estate investment trusts due to possible differences in the application of the NAREIT definition used by such REITs. The table below provides a reconciliation of net income applicable to Common and Class A Common stockholders in accordance with GAAP to FFO for the nine months and three months ended July 31, 2019 and 2018 (amounts in thousands):

Reconciliation of Net Income Available to Common and Class A Common Stockholders To Funds From Operations:	Nine months ended July 31,		Three Months Ended July 31,	
	2019	2018	**2019**	2018
Net Income Applicable to Common and Class A Common Stockholders	**$ 18,922**	$ 20,098	**$ 7,270**	$ 5,579
Real property depreciation	**16,930**	16,558	**5,597**	5,562
Amortization of tenant improvements and allowances	**2,706**	3,046	**974**	967
Amortization of deferred leasing costs	**1,223**	1,618	**411**	820
Depreciation and amortization on unconsolidated joint ventures	**1,129**	1,290	**376**	482
(Gain) on sale of property	**(409)**	-	**(409)**	-
Loss on sale of property in unconsolidated joint venture	**457**	-	**-**	-
Funds from Operations Applicable to Common and Class A Common Stockholders	**$ 40,958**	$ 42,610	**$ 14,219**	$ 13,410

FFO amounted to $41.0 million in the first nine months of fiscal 2019 compared to $42.6 million in the comparable period of fiscal 2018. The net decrease in FFO is attributable, among other things, to: (i) the receipt of a $3.7 million one-time lease termination payment in the second quarter of fiscal 2018 from a grocery store tenant who wanted to terminate its lease early (see Significant Events with an Impact on Leasing section earlier in this Item 2); (ii) an increase of $725,000 in base rent in the third quarter of fiscal 2018 related to the amortization of a below market rent in accordance with ASC Topic 805 for a grocery store tenant who was evicted and whose lease was terminated at our Passaic property (see Significant Events with an Impact on Leasing section earlier in this Item 2) and (iii) an increase in interest expense as a result of having more outstanding on our Facility in the nine month and three month periods ended July 31, 2019 when compared with the corresponding prior periods; offset by (iv) a $403,000 gain on sale of marketable securities in the first nine months of fiscal 2019 when we sold all of our marketable securities; (v) the additional net income generated from properties acquired in fiscal 2018 and the first nine months of fiscal 2019; (vi) additional net income generated from increased base rent revenue for our existing properties, specifically related to a property where the grocery store tenant renewed its lease at a significantly higher rent than the current rent.

FFO amounted to $14.2 million in the three months ended July 31, 2019 compared to $13.4 million in the comparable period of fiscal 2018. The net increase in FFO is attributable, among other things, to: (i) the additional net income generated from properties acquired in fiscal 2018 and the first nine months of fiscal 2019; (ii) additional net income generated from increased base rent revenue for our existing properties, specifically related to a property where the grocery store tenant renewed its lease at a significantly higher rent than the current rent; offset by: (iii) an increase of $725,000 in base rent in the third quarter of fiscal 2018 related to the amortization of a below market rent in accordance with ASC Topic 805 for a grocery store tenant who was evicted and whose lease was terminated at our Passaic property (see Significant Events with an Impact on Leasing section earlier in this Item 2).

Off-Balance Sheet Arrangements

We have six off-balance sheet investments in real property through unconsolidated joint ventures:

- a 66.67% equity interest in the Putnam Plaza Shopping Center,
- an 11.642% equity interest in Midway Shopping Center, L.P.,
- a 50% equity interest in the Chestnut Ridge Shopping Center,
- a 50% equity interest in the Gateway Plaza shopping center and the Riverhead Applebee's Plaza, and
- a 20% interest in a suburban office building with ground level retail.

These unconsolidated joint ventures are accounted for under the equity method of accounting, as we have the ability to exercise significant influence over, but not control of, the operating and financial decisions of these investments. Our off-balance sheet arrangements are more fully discussed in Note 5, "Investments in and Advances to Unconsolidated Joint Ventures" in our financial statements in Item 1 of this Quarterly Report on Form 10-Q. Although we have not guaranteed the debt of these joint ventures, we have agreed to customary environmental indemnifications and nonrecourse carve-outs (e.g. guarantees against fraud, misrepresentation and bankruptcy) on certain loans of the joint ventures. The below table details information about the outstanding non-recourse mortgage financings on our unconsolidated joint ventures (amounts in thousands):

		Principal Balance			
Joint Venture Description	Location	Original Balance	At July 31, 2019	Fixed Interest Rate Per Annum	Maturity Date
Midway Shopping Center	Scarsdale, NY	$ 32,000	$ 26,900	4.80%	Dec-2027
Putnam Plaza Shopping Center	Carmel, NY	$ 18,900	$ 18,700	4.81%	Oct-2028
Gateway Plaza	Riverhead, NY	$ 14,000	$ 12,100	4.18%	Feb-2024
Applebee's Plaza	Riverhead, NY	$ 2,300	$ 1,900	3.38%	Aug-2026

Environmental Matters

Based upon management's ongoing review of its properties, management is not aware of any environmental condition with respect to any of our properties that would be reasonably likely to have a material adverse effect on us. There can be no assurance, however, that (a) the discovery of environmental conditions that were previously unknown, (b) changes in law, (c) the conduct of tenants or (d) activities relating to properties in the vicinity of our properties, will not expose us 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.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to interest rate risk primarily through our borrowing activities, which predominantly include fixed-rate mortgage debt and, in limited circumstances, variable rate debt. As of July 31, 2019, we had total mortgage debt of $308.2 million, of which 100% was fixed-rate, inclusive of variable rate mortgages that have been swapped to fixed interest rates using interest rate swap derivatives contracts.

For our fixed-rate debt, there is inherent rollover risk for borrowings as they mature and are renewed at current market rates. The extent of this risk is not quantifiable or predictable because of the variability of future interest rates and our future financing requirements.

To reduce our exposure to interest rate risk on variable-rate debt, we use interest rate swap agreements, for example, to convert some of our variable-rate debt to fixed-rate debt. As of July 31, 2019, we had nine open derivative financial instruments. These interest rate swaps are cross collateralized with mortgages on properties in Rye, NY, Ossining, NY, Yonkers, NY, Orangeburg, NY, Brewster, NY, Stamford, CT, Greenwich CT, Darien, CT and Dumont, NJ. The Rye swaps expire in October 2019, the Ossining swap expires in October 2024, the Yonkers swap expires in November 2024, the Orangeburg swap expires in October 2024, the Brewster swap expires in June 2029, the Stamford swap expires in July 2027, the Greenwich swaps expire in October 2026, the Darien swap expires in March 2028, and the Dumont, NJ swap expires in August 2027, in each case concurrent with the maturity of the respective mortgages. All of the aforementioned derivatives contracts are adjusted to fair market value at each reporting period. We have concluded that all of the aforementioned derivatives contracts are effective cash flow hedges as defined in ASC Topic 815. We are required to evaluate the effectiveness at inception and at each reporting date. As a result of the aforementioned derivatives contracts being effective cash flow hedges, all changes in fair market value are recorded directly to stockholders equity in accumulated comprehensive income and have no effect on our earnings.

All indications are that the LIBOR reference rate will no longer be published beginning on or around the year 2021. We have very good working relationships with all of our lenders to our notes, who are also the counterparties to our swap contracts. All indications we have received from our lenders and counterparties is that their goal is to have the replacement reference rate under the notes match the replacement rates in the swaps. If this were to happen, we believe there would be no effect on our financial position or results of operations. However, because this is the first time any of our promissory notes or swap contracts reference rates have stopped being published, we cannot be sure how the replacement rate event will conclude. Until we have more clarity from our lenders and counterparties on how they plan on dealing with this replacement rate event, we cannot be certain of the impact on the Company.

At July 31, 2019, we had $12.6 million outstanding on our Facility, which bears interest at LIBOR plus 1.35%. In addition, we purchased a property in March of fiscal 2018 and financed a portion of the purchase price with unsecured notes accepted by the seller of the property. The unsecured notes require the payment of interest only. $1.5 million of the notes bear interest at a fixed rate of 5.05% and $1.7 million of the notes bear interest at a variable rate of interest based on the level of our Class A Common stock dividend, which was 5.00% as of July 31, 2019. If interest rates were to rise 1%, our interest expense would increase by $142,450 per annum as a result of the variable rate borrowing outstanding at July 31, 2019 on the Facility and the unsecured notes.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective.

Changes in Internal Controls

During the quarter ended July 31, 2019, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not involved in any litigation that in management's opinion would result in a material adverse effect on our ownership, management or operation of our properties.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In December 2013, our Board of Directors approved a share repurchase program ("Current Repurchase Program") for the repurchase of up to 2,000,000 shares, in the aggregate, of Common stock, Class A Common stock and Series G Cumulative Preferred stock in open market transactions. We have repurchased 195,413 shares of Class A Common Stock under the Current Repurchase Program. From the inception of all repurchase programs, we have repurchased 4,600 shares of Common Stock and 919,991 shares of Class A Common Stock. For the three months ended July 31, 2019, the Company did not repurchase any stock under the Current Repurchase Program.

From time to time, we could be deemed to have repurchased shares as a result of shares withheld for tax purposes upon a stock compensation related vesting event.

Item 6. Exhibits

31.1	Certification of the Chief Executive Officer of Urstadt Biddle Properties Inc. pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
31.2	Certification of the Chief Financial Officer of Urstadt Biddle Properties Inc. pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
32	Certification of the Chief Executive Officer and Chief Financial Officer of Urstadt Biddle Properties Inc. pursuant to Section 906 of Sarbanes-Oxley Act of 2002.
101	The following materials from Urstadt Biddle Properties Inc.'s Quarterly Report on Form 10-Q for the quarter ended July 31, 2019, formatted in XBRL (Extensible Business Reporting Language): (1) the Consolidated Balance Sheets, (2) the Consolidated Statements of Income, (3) the Consolidated Statements of Comprehensive Income (4) the Consolidated Statements of Cash Flows, (5) the Consolidated Statements of Stockholders' Equity, and (6) Notes to Consolidated Financial Statements that have been detail tagged.

S I G N A T U R E S

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

URSTADT BIDDLE PROPERTIES INC.
(Registrant)

By: /s/ Willing L. Biddle
Willing L. Biddle
Chief Executive Officer
(Principal Executive Officer)

By: /s/ John T. Hayes
John T. Hayes
Senior Vice President &
Chief Financial Officer
(Principal Financial Officer
and Principal Accounting Officer

Dated: September 5, 2019

(Back To Top)

Section 2: EX-31.1 (EXHIBIT 31.1 WLB CERTIFICATION)

EXHIBIT 31.1

Certification

I, Willing L. Biddle, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended July 31, 2019 of Urstadt Biddle Properties Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on our evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 5, 2019

/s/ Willing L. Biddle
Willing L. Biddle
President and
Chief Executive Officer

(Back To Top)

Section 3: EX-31.2 (EXHIBIT 31.2 JTH CERTIFICATION)

EXHIBIT 31.2

Certification

I, John T. Hayes, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended July 31, 2019 of Urstadt Biddle Properties Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on our evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 5, 2019

/s/ John T. Hayes
John T. Hayes
Senior Vice President and
Chief Financial Officer

(Back To Top)

Section 4: EX-32 (EXHIBIT 32 WLB/JTH CERTIFICATION)

EXHIBIT 32

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

with Respect to the Quarterly Report on Form 10-Q
for the Quarter Ended July 31, 2019
of Urstadt Biddle Properties Inc.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Urstadt Biddle Properties Inc., a Maryland corporation (the "Company"), does hereby certify, to the best of such officer's knowledge, that:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended July 31, 2019 (the "Form 10-Q") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

2. Information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: September 5, 2019

/s/ Willing L. Biddle
Willing L. Biddle
President and
Chief Executive Officer

Dated: September 5, 2019

/s/ John T. Hayes
John T. Hayes
Senior Vice President and
Chief Financial Officer

The certification set forth above is being furnished as an Exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and is not being filed as part of the Form 10-Q or as a separate disclosure document of the Company or the certifying officers.

(Back To Top)