

ONE LIBERTY PROPERTIES INC
Form 10-Q
November 08, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2016

OR

o Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 001-09279

ONE LIBERTY PROPERTIES, INC.

(Exact name of registrant as specified in its charter)

MARYLAND
(State or other jurisdiction of
incorporation or organization)

13-3147497
(I.R.S. employer
identification number)

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60 Cutter Mill Road, Great Neck, New York
(Address of principal executive offices)

11021
(Zip code)

(516) 466-3100

(Registrant's telephone number, including area code)

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 and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of November 1, 2016, the registrant had 17,730,430 shares of common stock outstanding.

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One Liberty Properties, Inc. and Subsidiaries

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Part I FINANCIAL INFORMATION

Item 1. Financial Statements

ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Amounts in Thousands, Except Par Value)

	September 30, 2016 (Unaudited)	December 31, 2015
Assets		
Real estate investments, at cost		
Land	\$ 212,668	\$ 186,994
Buildings and improvements	537,140	460,379
Total real estate investments, at cost	749,808	647,373
Less accumulated depreciation	93,255	85,116
Real estate investments, net	656,553	562,257
Properties held-for-sale		12,259
Investment in unconsolidated joint ventures	10,993	11,350
Cash and cash equivalents	17,645	12,736
Restricted cash	836	1,074
Unbilled rent receivable (including \$712 related to properties held-for-sale in 2015)	13,323	13,577
Unamortized intangible lease assets, net	33,931	28,978
Escrow, deposits and other assets and receivables	6,046	4,268
Total assets	\$ 739,327	\$ 646,499
Liabilities and Equity		
Liabilities:		
Mortgages payable, net of \$4,118 and \$3,373 deferred financing costs, respectively	\$ 396,676	\$ 331,055
Line of credit, net of \$380 and \$506 deferred financing costs, respectively	22,420	17,744
Dividends payable	7,245	6,901
Accrued expenses and other liabilities	18,843	13,852
Unamortized intangible lease liabilities, net	19,821	14,521
	465,005	384,073
Total liabilities		
Commitments and contingencies		
Equity:		
One Liberty Properties, Inc. stockholders' equity:		
Preferred stock, \$1 par value; 12,500 shares authorized; none issued		
Common stock, \$1 par value; 25,000 shares authorized; 17,074 and 16,292 shares issued and outstanding	17,074	16,292
Paid-in capital	250,257	232,378
Accumulated other comprehensive loss	(9,671)	(4,390)

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Accumulated undistributed net income	14,912	16,215
Total One Liberty Properties, Inc. stockholders' equity	272,572	260,495
Non-controlling interests in consolidated joint ventures	1,750	1,931
Total equity	274,322	262,426
Total liabilities and equity	\$ 739,327	\$ 646,499

See accompanying notes to consolidated financial statements.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Per Share Data)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenues:				
Rental income, net	\$ 16,334	\$ 15,273	\$ 46,985	\$ 44,159
Tenant reimbursements	1,687	835	4,614	2,407
Lease termination fee				650
Total revenues	18,021	16,108	51,599	47,216
Operating expenses:				
Depreciation and amortization	4,663	4,435	13,246	12,090
General and administrative (see Note 11 for related party information)	2,681	2,350	7,961	7,132
Real estate expenses (see Note 11 for related party information)	2,188	1,415	6,521	4,022
Real estate acquisition costs (see Note 11 for related party information)	162	90	610	417
Federal excise and state taxes	43	68	198	266
Leasehold rent	77	77	231	231
Total operating expenses	9,814	8,435	28,767	24,158
Operating income	8,207	7,673	22,832	23,058
Other income and expenses:				
Gain on sales of real estate, net	119		9,824	5,392
Purchase price fair value adjustment				960
Prepayment costs on debt			(577)	(568)
Equity in earnings of unconsolidated joint ventures	228	347	794	311
Other income	362	2	431	77
Interest:				
Expense	(4,404)	(4,044)	(12,593)	(11,690)
Amortization and write-off of deferred financing costs	(189)	(187)	(644)	(828)
Net income	4,323	3,791	20,067	16,712
Net income attributable to non-controlling interests	(24)	(3)	(40)	(1,386)
Net income attributable to One Liberty Properties, Inc.	\$ 4,299	\$ 3,788	\$ 20,027	\$ 15,326
Weighted average number of common shares outstanding:				
Basic	16,845	16,014	16,605	15,892

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Diluted		16,962		16,114		16,722		15,992
Per common share attributable to common stockholders:								
Basic	\$.24	\$.22	\$	1.16	\$.92
Diluted	\$.24	\$.22	\$	1.15	\$.92
Cash distributions declared per share of common stock								
	\$.41	\$.39	\$	1.23	\$	1.17

See accompanying notes to consolidated financial statements.

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ONE LIBERTY PROPERTIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net income	\$ 4,323	\$ 3,791	\$ 20,067	\$ 16,712
Other comprehensive gain/loss				
Net unrealized gain on available-for-sale securities		1		2
Reclassification of gain on available-for-sale securities included in net income			(27)	
Net unrealized gain (loss) on derivative instruments	1,018	(3,035)	(5,177)	(2,579)
One Liberty Properties Inc.'s share of joint venture net unrealized gain (loss) on derivative instruments	44	(93)	(92)	(67)
Other comprehensive gain (loss)	1,062	(3,127)	(5,296)	(2,644)
Comprehensive income	5,385	664	14,771	14,068
Net income attributable to non-controlling interests	(24)	(3)	(40)	(1,386)
Adjustment for derivative instruments attributable to non-controlling interests	(5)	13		