

# Gladstone Commercial Provides a Business Update

**MCLEAN, VA / ACCESSWIRE / August 4, 2021 / [Gladstone Commercial Corporation](#)**

(NASDAQ:GOOD) ("we" or "Gladstone Commercial") is a real estate investment trust ("REIT") focused on acquiring, owning and operating net leased industrial and office properties across the United States. We are providing the following business update regarding our portfolio performance during a time of market volatility related to, among other factors, the global COVID-19 pandemic.

- Approximately 99% of July cash base rents have been paid and collected. Portfolio occupancy is in excess of 96%, as of July 31, 2021.
- We remain within a small subset of U.S. equity REITs that have maintained their dividend rate and payment of distributions in tandem with this high level of rental collections during the COVID-19 pandemic.
- We continue to execute our growth strategy. Year-to-date, we have acquired \$41.125 million of industrial properties, totaling 285,956 square feet, across four properties, at an average GAAP capitalization rate of 7.7%, with a weighted average lease term of 15.6 years.
- On July 21, 2021, we announced the acquisition of an 80,604 square foot industrial facility on 18.6 acres with significant outdoor storage in Pacific (St. Louis), Missouri for \$22.0 million. The initial capitalization rate for the acquisition was 6.6%, with a GAAP capitalization rate of 7.5%. The property is 100% leased to ADB Companies, LLC, with 17.4 years of remaining absolute NNN lease term. ADB Companies is an infrastructure solutions provider within the telecom and power sectors, offering a full suite of infrastructure construction services from design through repairs.
- Our leasing initiatives continue to be successful. We increased straight-line rents an average of approximately 13% on the two lease extensions announced in July. On July 14, 2021, we announced a seven-year, nine-month lease extension with Power Engineers Incorporated ("Power") at our Burnsville, Minnesota office property for their current 12,663 square foot suite. Power services the Power Delivery, Power Generation, Renewables & Storage, Food & Beverage, Government, Agribusiness, Campus Energy, Oil & Gas and Petrochemical industries. This lease renewal continues Power's existing tenancy that began in 2016.
- On July 26, 2021, we announced a ten-year lease renewal for our entire 60,245 square foot, single story flex office building, located at 6550 First Park Ten in San Antonio, Texas. The property is leased to PIMA Medical Institute, which operates a medical trade school at the building and has been at the location since 2018.
- We have continued to raise additional capital through our equity capital markets initiatives to fund acquisitions and operating needs. On June 21, 2021, we announced a public offering of 6.00% Series G Cumulative Redeemable Preferred Stock, raising approximately \$96.6 million in net proceeds, which we used to fully redeem the previously outstanding 7.00% Series D Cumulative Redeemable Preferred Stock, resulting in a decreased dividend rate of 1 percentage point. The execution created significant annual savings and will benefit core FFO performance. In addition, we have

continued to raise equity capital through our common stock ATM program. Since January 1, 2021, and through July 31, 2021, we have issued 1.1 million shares of common stock for net proceeds of \$21.2 million.

- We continue to have ample liquidity and a strong capital structure. As of July 31, 2021, our current available liquidity is approximately \$27.5 million via our revolving credit facility and cash on hand.

We have experienced successful rent collection during the COVID-19 pandemic; however, we may receive additional rent relief requests as the pandemic continues to adversely affect business operations. However, we are unable to quantify the outcomes of potential future negotiation of relief packages, the success of any tenant's financial prospects or the amount of relief requests that we will ultimately receive or grant.

### **About Gladstone Commercial (NASDAQ:GOOD)**

Gladstone Commercial is a real estate investment trust focused on acquiring, owning and operating net leased industrial and office properties across the United States. As of March 31, 2021, Gladstone Commercial's real estate portfolio consisted of 120 properties located in 27 states, totaling approximately 15.5 million square feet. For additional information please visit [www.gladstonecommercial.com](http://www.gladstonecommercial.com).

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For Investor Relations inquiries related to any of the monthly dividend paying Gladstone funds, please visit [www.gladstonecompanies.com](http://www.gladstonecompanies.com).

**SOURCE:** Gladstone Commercial Corporation

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