

Rexford Industrial Realty, Inc.
Form 10-Q
November 09, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2015

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: 001-36008

Rexford Industrial Realty, Inc.

(Exact name of registrant as specified in its charter)

MARYLAND

(State or other jurisdiction of incorporation or organization)

46-2024407

(I.R.S. Employer Identification No.)

11620 Wilshire Boulevard, Suite 1000,

Los Angeles, California

(Address of principal executive offices)

90025

(Zip Code)

(310) 966-1680

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 Web site, 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 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

The number of shares of common stock outstanding at November 4, 2015 was 55,586,607.

REXFORD INDUSTRIAL REALTY, INC.

QUARTERLY REPORT FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

REXFORD INDUSTRIAL REALTY, INC.

CONSOLIDATED BALANCE SHEETS

(Unaudited and in thousands – except share and per share data)

	September 30, 2015	December 31, 2014
ASSETS		
Land	\$445,454	\$368,033
Buildings and improvements	634,606	540,837
Tenant improvements	26,539	21,404
Furniture, fixtures, and equipment	188	188
Total real estate held for investment	1,106,787	930,462
Accumulated depreciation	(96,403)	(76,884)
Investments in real estate, net	1,010,384	853,578
Cash and cash equivalents	5,083	8,606
Note receivable	-	13,137
Rents and other receivables, net	2,221	1,812
Deferred rent receivable, net	7,009	5,165
Deferred leasing costs, net	5,044	3,608
Deferred loan costs, net	1,595	2,045
Acquired lease intangible assets, net	27,838	28,136
Acquired indefinite-lived intangible	5,271	5,271
Other assets	5,491	4,699
Acquisition related deposits	1,250	2,110
Investment in unconsolidated real estate entities	4,056	4,018
Total Assets	\$1,075,242	\$932,185
LIABILITIES & EQUITY		
Liabilities		
Notes payable	\$335,058	\$356,362
Interest rate swap liability	4,716	1,402
Accounts payable, accrued expenses and other liabilities	13,886	10,053
Dividends payable	7,504	5,244
Acquired lease intangible liabilities, net	2,700	3,016
Tenant security deposits	10,523	8,768
Prepaid rents	1,935	1,463
Total Liabilities	376,322	386,308
Equity		
Rexford Industrial Realty, Inc. stockholders' equity		
Common Stock, \$0.01 par value 490,000,000 authorized and	552	434

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55,587,903 and 43,702,442 outstanding as of September 30, 2015

and December 31, 2014, respectively

Additional paid in capital	722,102	542,318
Cumulative distributions in excess of earnings	(41,613)	(21,673)
Accumulated other comprehensive loss	(4,546)	(1,331)
Total stockholders' equity	676,495	519,748
Noncontrolling interests	22,425	26,129
Total Equity	698,920	545,877
Total Liabilities and Equity	\$1,075,242	\$932,185

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

REXFORD INDUSTRIAL REALTY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited and in thousands – except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
RENTAL REVENUES				
Rental income	\$20,617	\$15,516	\$58,449	\$39,917
Tenant reimbursements	2,377	2,052	7,405	5,244
Other income	341	16	693	73
TOTAL RENTAL REVENUES	23,335	17,584	66,547	45,234
Management, leasing and development services	186	171	479	654
Interest income	153	281	710	835
TOTAL REVENUES	23,674	18,036	67,736	46,723
OPERATING EXPENSES				
Property expenses	6,237	4,879	17,882	12,905
General and administrative	3,778	3,273	11,064	8,658
Depreciation and amortization	10,642	8,032	31,016	20,165
TOTAL OPERATING EXPENSES	20,657	16,184	59,962	41,728
OTHER EXPENSE				
Acquisition expenses	528	426	1,608	1,411
Interest expense	2,245	1,957	5,729	4,745
TOTAL OTHER EXPENSE	2,773	2,383	7,337	6,156
TOTAL EXPENSES	23,430	18,567	67,299	47,884
Equity in income (loss) from unconsolidated real estate entities	45	2	58	(4)
Gain from early repayment of note receivable	581	-	581	-
Loss on extinguishment of debt	(253)	-	(182)	-
Loss on sale of real estate	-	(150)	-	(150)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	617	(679)	894	(1,315)
DISCONTINUED OPERATIONS				
Income from discontinued operations before gain on sale of real estate	-	-	-	21
Gain on sale of real estate	-	-	-	2,125
INCOME FROM DISCONTINUED OPERATIONS	-	-	-	2,146
NET INCOME (LOSS)	\$617	\$(679)	\$894	\$831
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Rexford Industrial Realty, Inc. common stockholders	\$540	\$(623)	\$706	\$687
Noncontrolling interests	24	(80)	36	80
Participating securities	53	24	152	64

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NET INCOME (LOSS)	\$617	\$(679) \$894	\$831
Income (loss) from continuing operations available to common stockholders per share - basic and diluted	\$0.01	\$(0.02) \$0.01	\$(0.04)
Net income (loss) available to common stockholders per share - basic and diluted	\$0.01	\$(0.02) \$0.01	\$0.02
Weighted average shares of common stock outstanding - basic and diluted	55,145,963	33,527,183	53,613,874	28,151,818
Dividends declared per common share	\$0.135	\$0.12	\$0.375	\$0.36

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

REXFORD INDUSTRIAL REALTY, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited and in thousands)

	Three Months Ended September 30, 2015		Nine Months Ended September 30, 2014	
	2015	2014	2015	2014
Net income (loss)	\$ 617	\$ (679)	\$ 894	\$ 831
Other comprehensive income (loss): cash flow				
hedge adjustment	(1,756)	626	(3,314)	167
Comprehensive income (loss)	(1,139)	(53)	(2,420)	998
Less: comprehensive (income) loss attributable				
to noncontrolling interests	33	22	63	(89)
Comprehensive income (loss) attributable to				
common stockholders	\$ (1,106)	\$ (31)	\$ (2,357)	\$ 909

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

REXFORD INDUSTRIAL REALTY, INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited and in thousands – except share data)

	Number of Shares	Common Stock	Additional Paid-in Capital	Cumulative Distributions in Excess of Earnings	Accumulated		Noncontrolling Interests	Total Equity
					Other Comprehensive Loss	Total Stockholders Equity		
Balance at January 1, 2015								