





residential rental rates at the Flatbush Gardens and Tribeca House properties, bringing the Clover House property online during the third quarter of 2019, and completing renovation and re-leasing of approximately 50% of the units at the 10 West 65<sup>th</sup> Street property during the second quarter of 2019.

For the first quarter of 2020, net loss was \$0.8 million, or \$0.02 per share, compared to net loss of \$0.1 million, or \$0.01 per share, for the first quarter of 2019. The change was primarily attributable to the revenue increases discussed above and lower property operating expenses, offset by higher property taxes, insurance expense, depreciation and amortization expense, and general and administrative expenses (each such expense inclusive of the impact of bringing the Clover House property online), and higher interest expense primarily resulting from the refinancing of the 250 Livingston Street property in May 2019 and the recognition of interest expense in connection with bringing the Clover House property online.

For the first quarter of 2020, AFFO was \$5.6 million, or \$0.13 per share, compared to \$5.3 million, or \$0.12 per share, for the first quarter of 2019. The increase was primarily attributable to the revenue increases discussed above and lower property operating expenses, partially offset by higher property taxes, insurance expense, recurring cash general and administrative expenses, and interest expense.

### **Balance Sheet**

At March 31, 2020, notes payable (excluding unamortized loan costs) was \$1,008.7 million, compared to \$1,009.4 million at December 31, 2019; the decrease primarily reflected scheduled principal amortization.

### **Flatbush Gardens Refinancing**

On May 8, 2020, the Company refinanced the debt on its Flatbush Gardens property with a \$329 million, twelve-year secured first mortgage loan with New York Community Bank, the property's current lender. The loan bears interest at 3.125% and requires interest-only payments for the first seven years, which is expected to initially reduce annual debt service by \$3.0 million (pro forma for scheduled principal amortization on the existing loan). With the proceeds, the Company repaid the \$246 million loan on the property due March 2028, which bore interest at 3.5% through February 2023 and was scheduled to commence principal amortization in September 2020. Net remaining proceeds of \$77.8 million, before reserves, increased the Company's cash position. In connection with the refinancing, an independent appraisal commissioned by the lender valued the property at \$475 million.

### **Dividend**

The Company today declared a first quarter dividend of \$0.095 per share, the same amount as last quarter, to shareholders of record on May 22, 2020, payable May 29, 2020.

### **Conference Call and Supplemental Material**

The Company will host a conference call on May 11, 2020, at 5:00 PM Eastern Time to discuss the first quarter 2020 results and provide a business update pertaining to the COVID-19 pandemic. The conference call can be accessed by dialing (800) 346-7359 or (973) 528-0008, conference entry code 848521. A replay of the call will be available from May 11, 2020, following the call, through May 25, 2020, by dialing (800) 332-6854 or (973) 528-0005, replay conference ID 848521. Supplemental data to this release can be found under the "Quarterly Earnings" navigation tab on the "Investors" page of our website at [www.clipperrealty.com](http://www.clipperrealty.com). The Company's filings with the Securities and Exchange Commission ("SEC") are filed at [www.sec.gov](http://www.sec.gov) under Clipper Realty Inc.

## **About Clipper Realty Inc.**

Clipper Realty Inc. (NYSE: CLPR) is a self-administered and self-managed real estate company that acquires, owns, manages, operates and repositions multifamily residential and commercial properties in the New York metropolitan area, with a portfolio in Manhattan and Brooklyn. For more information on the Company, please visit [www.clipperrealty.com](http://www.clipperrealty.com).

## **Forward-Looking Statements**

Various statements contained in this press release, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. These forward-looking statements may include estimates concerning capital projects and the success of specific properties. Our forward-looking statements are generally accompanied by words such as "estimate," "project," "predict," "believe," "expect," "intend," "anticipate," "potential," "plan" or other words that convey the uncertainty of future events or outcomes. The forward-looking statements in this press release speak only as of the date of this press release.

We disclaim any obligation to update these statements unless required by law, and we caution you not to rely on them unduly. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties (including uncertainties regarding the impact of the COVID-19 pandemic, and measures intended to curb its spread, on our business, our tenants and the economy generally), most of which are difficult to predict and many of which are beyond our control and which may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. For a discussion of these and other important factors that could affect our actual results, please refer to our filings with the SEC, including the "Risk Factors" section of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, our Annual Report on Form 10-K for the year ended December 31, 2019, and other reports filed from time to time with the SEC.

### Contact Information:

Michael Frenz  
Chief Financial Officer  
(718) 438-2804 x2274  
M: (917) 576-7750  
mfrenz@clipperrealty.com

**Clipper Realty Inc.**  
**Consolidated Balance Sheets**  
(In thousands, except for share and per share data)

	<b>March 31, 2020</b>	<b>December 31,</b>
	(unaudited)	<b>2019</b>
<b>ASSETS</b>		
Investment in real estate		
Land and improvements	\$ 540,859	\$ 540,859
Building and improvements	607,353	602,547
Tenant improvements	3,051	3,051
Furniture, fixtures and equipment	11,865	11,707
Real estate under development	32,894	31,787
Total investment in real estate	1,196,022	1,189,951
Accumulated depreciation	(114,903)	(109,418)
Investment in real estate, net	1,081,119	1,080,533
Cash and cash equivalents	36,298	42,500
Restricted cash	17,572	14,432
Tenant and other receivables, net of allowance for doubtful accounts of \$3,692 and \$3,361, respectively	4,750	4,187
Deferred rent	1,073	1,274
Deferred costs and intangible assets, net	8,560	8,782
Prepaid expenses and other assets	8,581	14,499
<b>TOTAL ASSETS</b>	<b>\$ 1,157,953</b>	<b>\$ 1,166,207</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Notes payable, net of unamortized loan costs of \$10,958 and \$11,528, respectively	\$ 997,752	\$ 997,903
Accounts payable and accrued liabilities	9,793	13,029
Security deposits	7,637	7,570
Below-market leases, net	1,496	1,625
Other liabilities	4,416	4,297
<b>TOTAL LIABILITIES</b>	<b>1,021,094</b>	<b>1,024,424</b>
Equity:		
Preferred stock, \$0.01 par value; 100,000 shares authorized (including 140 shares of 12.5% Series A cumulative non-voting preferred stock), zero shares issued and outstanding	-	-
Common stock, \$0.01 par value; 500,000,000 shares authorized, 17,814,672 shares issued and outstanding	178	178
Additional paid-in-capital	93,461	93,431
Accumulated deficit	(38,393)	(36,375)
Total stockholders' equity	55,246	57,234
Non-controlling interests	81,613	84,549
<b>TOTAL EQUITY</b>	<b>136,859</b>	<b>141,783</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 1,157,953</b>	<b>\$ 1,166,207</b>

**Clipper Realty Inc.**  
**Consolidated Statements of Operations**  
(In thousands, except per share data)  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>		
Residential rental income	\$ 23,718	\$ 20,772
Commercial rental income	7,168	6,880
<b>TOTAL REVENUES</b>	<b>30,886</b>	<b>27,652</b>
<b>OPERATING EXPENSES</b>		
Property operating expenses	7,159	7,563
Real estate taxes and insurance	6,864	5,731
General and administrative	2,323	1,668
Depreciation and amortization	5,558	4,549
<b>TOTAL OPERATING EXPENSES</b>	<b>21,904</b>	<b>19,511</b>
<b>INCOME FROM OPERATIONS</b>	<b>8,982</b>	<b>8,141</b>
Interest expense, net	(9,788)	(8,274)
<b>Net loss</b>	<b>(806)</b>	<b>(133)</b>
Net loss attributable to non-controlling interests	480	79
<b>Net loss attributable to common stockholders</b>	<b>\$ (326)</b>	<b>\$ (54)</b>
Basic and diluted net loss per share	\$ (0.02)	\$ (0.01)
<b>Weighted average common shares / OP units</b>		
Common shares outstanding	17,815	17,813
OP units outstanding	26,317	26,317
Diluted shares outstanding	44,132	44,130





















