

## Inland Real Estate Income Trust Suspends Distributions, Rescinds 1Q20 Distribution

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Inland Real Estate Income Trust Inc., a publicly registered, non-traded real estate investment trust, has suspended distributions and rescinded the first quarter distribution that was expected to be paid on June 1, 2020 to stockholders of record as of May 29, 2020. The company also suspended its distribution reinvestment plan and share repurchase plan until further notice.

The company indicated that the suspensions are temporary and cited uncertainty surrounding the COVID-19 pandemic as the reason.

“The forced closures and modifications of tenant operations over the last few months have challenged many of our retail tenants,” the company said in a filing with the Securities and Exchange Commission. “Over the last two months, the shelter-in-place mandates and challenging operating environment have led to lower rent collections,



with 60 percent of billed rent collected for April, and 37 percent collected for May as of May 26th.”

“While the expected lifting of certain governmental restrictions in the near future is good news, some of our tenants may not recover from the loss of business, and others could continue to be adversely affected by the pandemic, depending on how businesses are allowed to operate in the various states in which they are located, among other factors,” the company added.

The suspension of the distribution reinvestment plan will be effective on June 6, 2020 and the suspension of the share repurchase plan will be effective on June 26, 2020.

The company noted that any unfulfilled repurchase requests will automatically roll over for processing when it restarts the plan, unless a stockholder withdraws their request.

“These actions are being taken until there is better clarity on our tenants’ ability and willingness to pay rent and meet other lease obligations and, ultimately, the performance of our shopping centers,” Inland REIT said in a letter to shareholders.

In addition to these changes, the company said that it is taking other steps to reduce cash expenditures, including delaying capital improvement projects, where possible.

Although its shopping centers have remained open due to the necessity-based nature of its grocery anchors and other essential retailers, 62 percent of tenants (measured by annualized base rent) confirmed full or partial store closures during the COVID-19 pandemic. As states have eased restrictions, several tenants have re-opened or are working to re-open at varying capacities, the company said.

Payment plans, mostly in the form of rent deferrals, have been reached with 37 tenants at 98 locations, and the company said that it is in the process of negotiating with other tenants.

The company has received requests for short-term rent relief or other accommodations from tenants representing approximately 58 percent of its portfolio as of May 20, 2020. “We are in communication with our tenants and are managing negotiations on a case-by-case basis,” the company said.

“While our strategic plan laid out early last year continues to be the long-term plan for the company, in light of the current and potential future impact of COVID-19, we may choose not to make any acquisitions, dispositions or engage in any redevelopment projects until we can accurately assess the post-crisis market conditions,” the letter stated. “We may also choose to revise the plan if we believe doing so is in the company’s best interest.”

Inland Real Estate Income Trust, sponsored by Inland Real Estate Investment Corporation, is focused on acquiring grocery-anchored retail assets. The company commenced operations in October 2012 and closed the offering in October 2015 after raising \$834.4 million, excluding proceeds from the company’s distribution reinvestment plan. Inland Income Trust currently owns 44 retail properties in 21 states, totaling approximately 6.5 million square feet occupied by 715 tenants.



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