



Centerspace Reports Third Quarter 2023 Financial Results and Raises Mid-Point for 2023 Core FFO Guidance

MINNEAPOLIS, MN, October 30, 2023 – Centerspace (NYSE: CSR) announced today its financial and operating results for the three and nine months ended September 30, 2023. The tables below show Net Income (Loss), Funds from Operations (“FFO”)¹, and Core FFO¹, all on a per common share basis, for the three and nine months ended September 30, 2023; Same-Store Revenues, Expenses, and Net Operating Income (Loss) (“NOI”)¹ over comparable periods; and Same-Store¹ Weighted-Average Occupancy for each of the three months ended September 30, 2023, June 30, 2023, and September 30, 2022.

Per Common Share	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss) - diluted	\$ 0.41	\$ (0.14)	\$ 2.96	\$ (1.11)
FFO - diluted ⁽¹⁾	\$ 1.15	\$ 1.13	\$ 3.15	\$ 3.16
Core FFO - diluted ⁽¹⁾	\$ 1.20	\$ 1.15	\$ 3.56	\$ 3.25

Same-Store Results ⁽²⁾	Year-Over-Year Comparison	Sequential Comparison	YTD Comparison
	Q3 2023 vs. Q3 2022	Q3 2023 vs. Q2 2023	2023 vs. 2022
Revenues	5.7%	0.6%	8.3%
Expenses	6.1%	7.4%	6.6%
NOI ⁽¹⁾	5.4%	(3.7)%	9.5%

Same-Store Results ⁽²⁾	Three months ended			Nine months ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Weighted Average Occupancy	94.7%	95.2%	94.5%	94.9%	94.5%

- (1) NOI, FFO, Core FFO, and same-store results are non-GAAP financial measures. For more information on their usage and presentation, and a reconciliation to the most directly comparable GAAP measures, refer to “Non-GAAP Financial Measures and Reconciliations” in supplemental and financial operating data within.
- (2) Same-store results are updated for disposition activity. Refer to “Non-GAAP Financial Measures and Reconciliations” in supplemental and financial operating data within.

Highlights

- During the three months ended September 30, 2023, Centerspace successfully executed the sale of four non-core apartment communities and associated commercial space in Minot, North Dakota for an aggregate sales price of \$82.5 million, resulting in a gain on sale of \$11.3 million;
- Net income increased to \$0.41 per diluted share for the third quarter of 2023, compared to Net loss of \$0.14 per diluted share for the same period of 2022;
- Core FFO per diluted share increased 4.3% to \$1.20 for the three months ended September 30, 2023, compared to \$1.15 for the three months ended September 30, 2022;
- Same-store revenues increased by 5.7% for the third quarter of 2023 compared to the third quarter of 2022, driving a 5.4% increase in NOI compared to the same period of the prior year; and
- Narrowed the 2023 financial outlook ranges for net income per diluted share and FFO per diluted share and raised the mid-point for Core FFO per diluted share. Refer to page S-18 in the supplemental and financial operating data within for additional detail.

Balance Sheet

At the end of the third quarter, Centerspace had \$285.7 million of total liquidity on its balance sheet, consisting of \$256.0 million available under the lines of credit and cash and cash equivalents of \$29.7 million.

As of September 30, 2023, the Company had no outstanding variable rate debt and only \$30.6 million in debt maturing through 2025.

Subsequent Events

On October 11, 2023, the Company acquired Lake Vista Apartment Homes in Loveland, Colorado, for an aggregate purchase price of \$94.5 million. The acquisition was financed through the assumption of \$52.7 million in mortgage debt and cash.

Revised 2023 Financial Outlook

Centerspace revised its 2023 financial outlook. For additional information, see S-18 of the Supplemental Financial and Operating Data for the quarter ended September 30, 2023 included at the end of this release. These ranges should be considered in their entirety. The table below reflects the revised outlook.

	Previous Outlook for 2023				Updated Outlook for 2023			
	Low		High		Low		High	
Net income per Share – diluted	\$	2.84	\$	3.64	\$	2.90	\$	3.56
Same-Store Revenue		6.50 %		8.00 %		7.00 %		7.50 %
Same-Store Expenses		4.00 %		5.25 %		4.00 %		4.50 %
Same-Store NOI		8.50 %		10.00 %		9.00 %		9.50 %
FFO per Share – diluted	\$	4.14	\$	4.35	\$	4.20	\$	4.27
Core FFO per Share – diluted	\$	4.55	\$	4.75	\$	4.63	\$	4.71

Additional assumptions:

- Same-store capital expenditures of \$1,000 per home to \$1,050 per home
- Value-add expenditures of \$30.0 million to \$31.5 million
- Acquisitions of \$94.5 million
- Proceeds from dispositions of \$226.8 million

Earnings Call

Live webcast and replay: <https://ir.centerspacehomes.com>

Live Conference Call

Tuesday, October 31, 2023, at 10:00 AM ET

USA Toll Free Number	1-833-470-1428
International Toll Free Number	1-929-526-1599
Canada Toll Free Number	1-833-950-0062
Conference Number	775561

Conference Call Replay

Replay available until November 14, 2023

USA Toll Free Number	1-929-458-6194
International Toll Free Number	1-929-458-6194
Canada Toll Free Number	1-226-828-7575
Conference Number	468138

Supplemental Information

Supplemental Operating and Financial Data for the quarter ended September 30, 2023 included herein (“Supplemental Information”), is available in the Investors section on Centerspace’s website at www.centerspacehomes.com or by calling Investor Relations at 701-837-7104. Non-GAAP financial measures and other capitalized terms, as used in this earnings release, are defined and reconciled in the Supplemental Financial and Operating Data, which accompanies this earnings release.

About Centerspace

Centerspace is an owner and operator of apartment communities committed to providing great homes by focusing on integrity and serving others. Founded in 1970, as of September 30, 2023, Centerspace owned interests in 71 apartment communities consisting of 12,785 apartment homes located in Colorado, Minnesota, Montana, Nebraska, North Dakota, and South Dakota. Centerspace was named a Top Workplace for the fourth consecutive year in 2023 by the Minneapolis Star Tribune. For more information, please visit www.centerspacehomes.com.

Forward-Looking Statements

Certain statements in this press release and the accompanying Supplemental Operating and Financial Data are based on the company's current expectations and assumptions, and are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements do not discuss historical fact, but instead include statements related to expectations, projections, intentions or other items related to the future. Forward-looking statements are typically identified by the use of terms such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "will," "assumes," "may," "projects," "outlook," "future," and variations of such words and similar expressions. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements to be materially different from the results of operations, financial conditions, or plans expressed or implied by the forward-looking statements. Although the company believes the expectations reflected in its forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be achieved. As a result, reliance should not be placed on these forward-looking statements, as these statements are subject to known and unknown risks, uncertainties, and other factors beyond the company's control and could differ materially from actual results and performance. Such risks, uncertainties, and other factors that might cause such differences include, but are not limited to those risks and uncertainties detailed from time to time in Centerspace's filings with the Securities and Exchange Commission, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" contained in its Annual Report on Form 10-K for the year ended December 31, 2022, in its subsequent quarterly reports on Form 10-Q, and in other public reports. The company assumes no obligation to update or supplement forward-looking statements that become untrue due to subsequent events.

Contact Information

Investor Relations

Josh Klaetsch

Phone: 701-837-7104

Email: IR@centerspacehomes.com

Marketing & Media

Kelly Weber

Phone: 701-837-7104

Email: kweber@centerspacehomes.com