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PRESENTATION

Operator

Good day, and welcome to the Fourth Quarter and Full Year 2020 Alexander & Baldwin Earnings call. (Operator Instructions) Please note, this event is being recorded. I would now like to turn the conference over to Stephen Swett, Investor Relations. Please go ahead.

Stephen C. Swett - ICR, LLC - MD

Thank you. Aloha, and welcome to our call to discuss Alexander & Baldwin's Fourth Quarter and Full Year 2020 earnings. With me today for our presentation are A&B's President and Chief Executive Officer, Chris Benjamin; and Brett Brown, Chief Financial Officer. We are also joined by Lance Parker, A&B's Chief Real Estate Officer; and Clayton Chun, Chief Accounting Officer, who are available to participate in the Q&A portion of the call.

Before we commence, please note that statements in this call and presentation that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding possible or assumed future results of operations, business strategies, growth opportunities and competitive positions as well as the rapidly changing challenges with, and the company's plans and responses to, the novel coronavirus COVID-19 pandemic and related economic disruptions. Such forward-looking statements speak only as of the date that the statements were made and are not guarantees of future performance.

Forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that could cause actual results and the timing of certain events to differ materially from those expressed in or implied by the forward-looking statements. These factors include, but are not limited to, prevailing market conditions and other factors related to the company's REIT status and the company's businesses. Risks associated with COVID-19 and its impacts on the company's businesses, results of operations, liquidity and financial condition, the evaluation of alternatives by the company related to its Materials & Construction business, and by the company's joint venture related to the development of Kukui'ula, generally discussed in the company's most recent Form 10-K, Form 10-Q and other filings with the SEC.

The information in this call and the presentation should be evaluated in light of these important risk factors. We do not undertake any obligation to update the company's forward-looking statements. Management will be referring to non-GAAP financial measures during our call today. Included in the appendix of today's presentation slides is a statement regarding our use of these non-GAAP measures and reconciliations. Slides from this presentation are available for download at our website, alexanderbaldwin.com. Chris will open up today's presentation with a strategic and operational update. We will then turn the presentation over to Brett, who will discuss financial matters. Chris will return for some closing remarks, and then we will open it up for your questions.

With that, let me turn it over to Chris.

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

Thanks, Steve, and good afternoon to our listeners. We hope this call finds everyone and their family safe and healthy. While COVID-19 generally made 2020 a year to forget, I'm very proud of what we accomplished at A&B over the past year and how we have positioned our company for growing success in 2021. I feel good not only about how our businesses will perform this year, but also the progress we intend to make in completing our strategic transformation and readying A&B for growth as a commercial real estate company. While our 2020 financial results fell short of our pre COVID expectations, our success in working with our tenants to retain occupancy, our success in monetizing noncore assets and advancing our simplification process and our continued progress in the turnaround of our Materials & Construction business all position us well entering 2021.

We are steadily approaching our endgame as a focused, efficient commercial real estate company with an attractive portfolio and the ability to grow that portfolio strategically. The reasons for my optimism are many. First, I believe in our portfolio and its importance in a post COVID world. Grocery-anchored community-based retail and services are and will remain critically important. There may be some fallout of certain tenants in a period of transition, but the demand for food, goods, services and lifestyle activities in local communities is only going to grow as people's lives increasingly are centered around their homes, families and neighborhoods. And our complementary portfolio of light industrial assets will help support the fulfillment needs of our retail tenants in an evolving market.

Second, Hawaii is strong and will remain so. Our COVID cases per capita, both today and over the course of the pandemic, are the lowest of any state in the nation. Our local businesses are open. COVID-induced unemployment is dropping, and capital is flowing into the state, creating a strong backdrop for our efforts to sell our remaining residential and noncore land assets. Tourism is resuming steadily and is likely to take off in the coming months as restrictions are eased further, and Americans are vaccinated and ready to travel again. I don't want to overlook the toll that the pandemic has taken on Hawaii's residents as unemployment has surged, mostly in the visitor industry, but I believe the tide is turning favorably.

Third, the work we've done in 2020 has positioned us well for a rebound in our core business and acceleration of our simplification efforts. I'm proud of our tenant retention work, the operational progress at Grace, and the work our team has done to position certain land assets for monetization. With our focused CRE end game now in sight, we also are taking steps to streamline our back-office functions, eliminate legacy financial obligations and enhance our technology capabilities. I expect the advancement of our strategic goals to be dramatic.

Let me turn now to some of the details supporting my optimism. As I noted, we are encouraged that Hawaii's COVID outcomes remain the best in the country. Over the course of the pandemic, less than 2% of our citizens have been diagnosed with COVID, truly remarkable when you consider that the national average is nearly 9%. We're appreciative of both our government leaders' decisive actions and our communities' disciplined behavior. Though our restrictions effectively shut off tourism, which resulted in elevated unemployment, these same restrictions have helped our local economies remain quite open. Even over the past few months, when cases were surging in other states, our local retailers, restaurants and gyms are open and operational with requisite social distancing requirements. And effective today, the island of Oahu, where 3 quarters of our NOI is generated, has moved into the next tier of reopening. This fully restores retail capacity, and expands capacity for restaurants and gyms. While Hawaii still has restrictions in place for incoming travelers, we expect some of those to begin loosening as mainland case counts drop and vaccination rates climb. This should support a continued increase in tourism and further improvement in unemployment statistics.

As of December 2020, the seasonally adjusted unemployment rate improved to 9.3% in Hawaii, from a high of 22.6% in May of 2020. But we're still quite far from our pre COVID rate of 2.7% in December 2019. While Hawaii's economy clearly has been hurt by the restrictions that have kept us safe, it's important to remember the nature of our retail assets, which are not heavily tourism-dependent. Only 2 of our retail assets are in resort communities, making up 6% of our pre COVID ABR. Tourism is an important driver of employment income and therefore, broad retail spending, but most of our tenants do not depend heavily on the direct spending of tourists. This has mitigated COVID's impact on our portfolio. Nonetheless, things have been very difficult for tenants at those 2 resort centers, Queens' MarketPlace on the Big Island and the Shops at Kukui'ula on Kauai. I want to extend my appreciation both to our tenants there and to our property management and leasing teams that have been working so closely with them. The outlook is improving dramatically.

Despite the broad impacts of COVID and the particular stress on the resort sector, our portfolio has proven to be resilient, thanks to our mix of needs-based retail, industrial and ground leases. For the fourth quarter, we collected 85% of all rents, and the month of December was sequentially

strongest as we collected 87% of rents overall. These trends have continued into 2021 as we have collected 85% of January rents, which is ahead of prior months at a similar point in time, and 98% of our tenants are open.

With regard to our occupancy results, from the beginning of the pandemic, we have endeavored to work with our tenants to ensure their long-term success. We felt this is the right thing for our local economy and community and for A&B. Portfolio-wide same-store occupancy actually increased by 40 basis points year-over-year. We did experience a decline in same-store retail occupancy of 120 basis points due to select retail lease terminations associated with COVID. Still, we believe our engagement with tenants kept much of our tenancy in place and reduced future occupancy risk. Our work with tenants has not stopped as we want to make sure those who were open at year-end can make it through to the other side of COVID, and we are tracking our tenant health closely.

Further, the 360 basis points increase in same-store industrial occupancy provided meaningful stability in 2020. While our geographic isolation and the near complete shutdown of tourism for most of the year has hurt our retail portfolio performance metrics relative to our mainland peers, we believe that we have the potential for an outsized recovery in the coming quarters as tourists steadily return to Hawaii and unemployment recovers further.

I'm also pleased that we advanced our redevelopment efforts in 2020, particularly at Aikahi Park Shopping Center, where we are refreshing the center, reclaiming some previously unutilized space and expecting to generate solid returns from our development spend. During the quarter, we signed a lease renewal with the center's grocery anchor, Safeway. This significant renewal and other strong leasing activity help ensure we'll be successful in enhancing the tenant mix at this community-focused center with outstanding dining, shopping and service options. The project remains on schedule and on budget. And even though the project is not slated for completion until the end of this year, we do expect to generate \$350,000 of incremental NOI from the asset in 2021 with further upside in 2022.

Land sales activity in 2020 was strong, an encouraging indicator of continued interest in Hawaii assets. For the full year, we closed 18 units at the Kukui'ula joint venture projects, generating total proceeds for the joint venture of \$25.7 million, which eliminated the need for any capital contributions in the year. Also for the year, we generated \$17.6 million of revenue from the sale of land at Maui Business Park II and noncore land holdings. We also sold the Port Allen solar facility on Kauai.

For the full year 2020, Land Operations generated a total of \$40.6 million of operating revenue, and so far this year, we are seeing sustained and growing interest in Hawaii real estate. We've laid the groundwork for an acceleration of noncore sales and the market seems to be in our favor. This will be an important focus in 2021 as we seek to advance our simplification. In Materials & Construction, we're pleased with our progress in improving operations. Historically, we would not have been pleased with \$4 million of EBITDA for the year, but that was an improvement of more than \$10 million year-over-year, and it signals that things are moving in the right direction. We had improved success in winning new jobs in 2020, increasing our backlog. We've also trimmed G&A, made several operational improvements and strengthened our management team, most recently with the hiring of a new Chief Operating Officer with a proven track record in the Hawaii construction industry. The additional backlog I mentioned helps increase our confidence in a return to sustained profitability in 2021. Though I do need to flag that we expect a relatively light first quarter, likely with negative EBITDA as a result of the timing of paving projects. We expect better performance as the year progresses and more jobs commence.

In addition to advancing our core CRE business, monetizing noncore assets and turning around Grace, a major focus for A&B has been advancing our ESG initiatives, strengthening our corporate culture and demonstrating our commitment as partners for Hawaii, something we believe distinguishes us and enables us to create value for shareholders. As we celebrated the 150th anniversary of A&B in 2020, COVID gave us the opportunity to live out our values and demonstrate our commitment to employees, communities, the environment and our shareholders.

This slide highlights just a few of our achievements in 2020. We released our inaugural corporate responsibility report, which highlighted many of our ESG accomplishments, including our efforts to increase energy generation and efficiency. We won 2 awards, including the ICSC National Gold Medal for retail developments under 50,000 square feet, for our adaptive reuse of Lau Hala Shops in Kailua, where we transformed the former Macy's into an open-air lifestyle center, utilizing sustainable components. We hosted food giveaways at our properties, supported local nonprofits and offered COVID-impacted tenants operational support in their efforts to remain open and safe. In total, our charitable giving during the year supported 230 local organizations and nonprofits.

We were recognized by NAREIT as the winner of their Silver Award for Diversity, Equity and Inclusion and by Pacific Business news at its annual Business of Pride awards. And finally, on the governance front, we increased the independence of our Board and enhanced its gender and ethnic diversity. The changes to our Board also added new perspectives while keeping the CEO and Chairman roles separate.

I'll now turn the call over to Brett for financial details. Brett?

Brett A. Brown - *Alexander & Baldwin, Inc. - Executive VP & CFO*

Thanks, Chris, and good afternoon, everyone. Let me begin with our financial results. For the fourth quarter, we recorded net income available to A&B common shareholders of \$1 million or \$0.01 per share compared to net income of \$5.2 million or \$0.07 per share in the same quarter of 2019. For the full year 2020, we recorded net income available to A&B common shareholders of \$5.5 million or \$0.08 per share compared to a net loss available to A&B common shareholders of \$36.6 million or a loss of \$0.51 per share in 2019. The net loss in 2019 included the impact of a nearly \$50 million noncash goodwill impairment, an impact of \$0.69 per share in 2019.

For the fourth quarter, we reported funds from operations of \$10.7 million or \$0.15 per share compared to \$15.6 million or \$0.22 per share for the same quarter of the prior year. Core FFO was \$12.1 million or \$0.17 per share compared with \$17 million or \$0.23 per share, respectively, in the same quarter of the prior year. This decrease was driven primarily by COVID-related charges during the fourth quarter, which totaled \$6.3 million or \$0.09 per share.

For the full year 2020, FFO was \$45.1 million or \$0.62 per share compared with \$100,000 or \$0.00 per share for the full year 2019. And finally, core FFO was \$55.2 million or \$0.76 per share compared with \$63.4 million or \$0.88 per share for the full year 2019. Again, this decrease was driven by our efforts to grant tenant rent relief throughout COVID, along with related charges, which totaled \$25.4 million or \$0.35 per share.

Let me now turn to our Commercial Real Estate segment. CRE revenues decreased by 12.1% or \$5.1 million over the prior year quarter to \$36.9 million, and NOI decreased by 21.4%, or \$5.9 million compared to the same period last year to \$21.6 million. This decrease was mainly driven by reduced retail rental revenue due to COVID. For the full year 2020, CRE revenues decreased year-over-year by 6.6% or \$10.6 million to \$150 million.

Total portfolio NOI decreased by 9.5% or \$9.9 million to \$94.3 million. This decrease was again primarily due to the full year impact of COVID on our retail portfolio. For the full year 2020, we granted deferrals of \$5.9 million and have already received repayment of \$2.4 million as of year-end 2020. The majority of the remainder is due by year-end 2021, and other forms of tenant relief modifications were provided during the year to support our tenants, which totaled \$6.4 million. With respect to leasing, despite the challenges presented by COVID, we continue to show positive activity. We completed 65 leases in the fourth quarter, totaling approximately 368,000 square feet. For comparable leases, spreads were 8.6% portfolio-wide and 9.1% for retail spaces. For the full year, we executed 220 leases totaling approximately 919,000 square feet and at spreads for comparable leases of 7.3% portfolio-wide and 6.9% for retail spaces.

Among the completed leases in the fourth quarter, were 21 lease modification extensions related to COVID for 87,000 square feet. In many cases, we were able to come to mutually agreeable agreement -- arrangements, excuse me, with tenants in exchange for more lease term, which averaged approximately 2 years and 6 months. During the full year, we completed 56 lease modification extensions related to COVID for 180,000 square feet at a weighted average term of 1 year, 8 months. Our Land Operations business unit produced revenue of \$11.6 million during the fourth quarter of 2020 and generated EBITDA of \$4.5 million in the quarter as a result of sales and other operating revenue. As Chris mentioned, during the quarter, we completed sales of 6 units at Kukui'ula joint venture projects and over 100 acres of noncore land holdings.

For the full year, Land Operations revenue was \$40.6 million, and EBITDA was \$18.8 million. Our Materials & Construction segment generated adjusted EBITDA of \$300,000 for the fourth quarter compared to \$600,000 in the same quarter of the prior year. Adjusted EBITDA for M&C was \$4.4 million for the full year 2020 as compared to a \$6.1 million loss in 2019. We credit this for -- full year profitability to our operational improvements and expect that our efforts will generate -- will benefit us longer-term as we seek monetization at the appropriate time.

G&A expenses decreased 15.9% to \$11.6 million in the fourth quarter of 2020 compared to \$13.8 million in the fourth quarter of 2019, due primarily to reduced G&A in our CRE segment, Materials & Construction and at the corporate level. For the full year 2020, G&A expenses decreased 21.7%

from \$58.9 to \$46.1 million. As some of the decrease was COVID related, in corporate G&A, we expect approximately \$2 million in expenses will return in 2021, plus onetime charges of approximately \$4 million related to implementing a new ERP system and preparing to shift our pension obligations to a third party. Also at Grace, we expect approximately \$2 million of G&A expenses will return in 2021. While total 2021 G&A is forecast to be higher than 2020, it will fall below 2019 totals.

Let me now turn to our balance sheet and liquidity metrics. We continue to focus on maintaining a flexible balance sheet with ample capacity to support both our long-term growth objectives and as a defensive measure during periods of economic stress such as COVID. During the quarter, we repaid the remaining \$70 million of the \$120 million we had proactively drawn on the credit facility in March. At December 31, 2020, our total debt outstanding was \$687 million, and we had total liquidity of \$395 million, including \$57 million of cash and \$338 million of remaining capacity on our credit facility. We have no material debt maturities until September 2022. And at quarter end, net debt to trailing 12 months consolidated adjusted EBITDA was 6.7x, a 0.7x improvement from 7.4x a year ago. And finally, our debt to total market capitalization stood at 36%.

As we look ahead, we continue to focus on reducing leverage, and our long-term target is to achieve net debt to consolidated adjusted EBITDA between 5x and 6x. With respect to our dividend, we were pleased to reinstate our dividend in December at \$0.15 per share. Recent events, including the reopening of Hawaii and the COVID vaccine, have given us more confidence with our go-forward visibility on operations. We believe this new rate represents a comfortable level for A&B as the Board declared a first quarter 2021 dividend of \$0.15 per share.

With respect to guidance, we are initiating core FFO per share guidance for 2021 in the range of \$0.67 to \$0.77 per share. This guidance incorporates our expectations on tenant retention for the coming year, as our tenants recover from COVID, and is supported by same-store NOI guidance in the range of 0% to 4%, plus reduced core business interest expense, both of which are offset by the increased corporate G&A expenses referenced earlier.

With that, I'll turn the call over to Chris for his closing remarks.

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

Thanks, Brett. While the full course of COVID-19 remains hard to predict, we are anticipating a steady return to normalcy in 2021. We believe that having been hit hard by Hawaii's dramatic but successful COVID response, our portfolio stands to benefit disproportionately from the reopening of the state. Similarly, we are encouraged by the progress we made in selling noncore assets in 2020 and positioning others for sale in 2021 and 2022. We plan to double down on this important effort and take advantage of what we see as strong demand for Hawaii assets. While we cannot predict timing of future sales and therefore, the completion of our simplification effort, our Board agrees that this is our highest priority and has structured financial incentives to encourage and reward completion of this effort. As I stated earlier, we believe the long-term benefit to A&B shareholders will be significant. I'm proud of what we've accomplished in a challenging environment in 2020, and I'd like to thank the entire A&B team again for its continued dedication.

With that, we'll now open the call for your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) The first question comes from Alexander Goldfarb of Piper Sandler.

Alexander David Goldfarb - Piper Sandler & Co., Research Division - MD & Senior Research Analyst

So first question, looking at your guidance, the \$0.67 to \$0.77. You guys did \$0.15 in the quarter and if I look at sort of a run rate, that would presuppose a pretty steep jump. So just what are some of the things that are factoring in there that we should think about as sort of growing that to something in the more higher, closer to the \$0.20 range that would get you to where your guidance is?

Brett A. Brown - Alexander & Baldwin, Inc. - Executive VP & CFO

So as you'll see, the same-store growth obviously decreased substantially in the quarter as well as for the year. And so with the projection of 0% to 4%, that's implying at the midpoint an increase. And so we are seeing the improvement there on that same-store front, Alex, that makes up that difference.

Alexander David Goldfarb - Piper Sandler & Co., Research Division - MD & Senior Research Analyst

Okay. But you're saying that same-store is basically -- because I assume it's a ramp. It's not just a jump in the first quarter. But you're effectively saying that we're going to see a delta from, call it, sort of \$0.15 in the first quarter to something north of \$0.20 by the time we get to the fourth quarter. So call it, something in the \$0.22 range. Is that sort of what we're saying -- or you're saying that?

Brett A. Brown - Alexander & Baldwin, Inc. - Executive VP & CFO

No, it's more a gradual increase over the year because -- or straight-line almost across the year. Because you look at -- and we're not giving quarters here, but I just want to say that we ended the year with much higher occupancy. We were only down 40 basis points. And so we're starting the year at a much higher level. So we think that we're going to have an improved quarter, obviously, going from fourth to first. And then as the year plays out.

Alexander David Goldfarb - Piper Sandler & Co., Research Division - MD & Senior Research Analyst

Okay. Okay. That's helpful. So again, pretty meaningful bumps along the way. Okay. Got it. The second question is, you brought up land dispositions and the growing interest that people have in both residential and the commercial. Just going back to the Maui Business Park because that was something that you guys referenced in your slide deck, and we had discussed on the prior call with you. What are your thoughts around the Maui Business Park? How much of that will you end up keeping so that you can build more warehouse distribution facilities versus how much of it will you end up selling?

Lance K. Parker - Alexander & Baldwin, Inc. - Executive VP & Chief Real Estate Officer

Alex, it's Lance. We haven't designated specifically what portions or amount of acreage that we'll keep versus what we'll sell. I think we're going to be a little bit more strategic in how we view that and maybe a little bit more opportunistic. That said, I mean, as we have discussed in the past, we do view the opportunity, both on the commercial side much like we've done with the Ho'okele Shopping Center, as well as on the industrial side as we do have conversations with industrial users on the island that are looking for build-to-suit opportunities. So it's hard to say at this point of the 66 remaining usable acres within the park, how much of that we would retain. But suffice it to say that there is a portion of that, that we do view as long-term and strategic for the commercial portfolio.

Alexander David Goldfarb - Piper Sandler & Co., Research Division - MD & Senior Research Analyst

Okay. So Lance, so based on your response, it sounds like you guys have sort of reassessed. And whereas previously you would have been open to selling more of it, now you're thinking that you're going to, you're going to -- not necessarily keep more, but you're prone to reserve more of it for future development versus thinking about selling. Is that the right way to think about it?

Lance K. Parker - *Alexander & Baldwin, Inc. - Executive VP & Chief Real Estate Officer*

I think we've always been opportunistic, and we will continue to do so. So to the extent that we have buyers that are interested in buying and building in the park and are accretive in terms of tenant use to the overall business park, we would certainly be entertaining those types of deals. Similarly, I think our preference would be to the extent that we can find either build-to-suit opportunities for, like I said, industrial or commercial users that would be -- that would certainly be something that we'd want to take a look at.

Alexander David Goldfarb - *Piper Sandler & Co., Research Division - MD & Senior Research Analyst*

Okay. And then just -- oh, yes, sorry.

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

Well, Alex, I was just going to -- this is Chris. I was just going to add that I think in terms of the hierarchy of our priorities, our priority as a commercial real estate company is always going to be to try to build and generate space -- lease income over the long term. Second preference would probably be ground leases and then third would be selling the land. That's not our first priority. But you have to recognize, as I think we may have talked about before, there are certainly -- there are just simply some tenants that have no interest in being a tenant -- or I'm sorry, some retailers that have no interest in being a tenant. They want to own the dirt and so we don't turn those opportunities away. But suffice it to say that our priority, if we can find opportunities to build and lease the space is generally that.

Alexander David Goldfarb - *Piper Sandler & Co., Research Division - MD & Senior Research Analyst*

Okay. And then just a final question, and I appreciate your time. On the housing boom that's going on, I think in one of our prior discussions, you guys had mentioned that you're seeing Hawaiians do the same thing that everyone is doing here in the U.S., which is go out and buy homes. How is that going? And does that represent an opportunity for you, meaning are there shopping centers where before you may not have had as much density around, and now because of the economic interest from homebuyers, there's now more potential there? Or any changes in where you see acquisition opportunities, et cetera?

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

Well, I'll take a first shot at it, and then I'll let Lance jump in. There are 2 areas where I think we see potential benefits. And it's not so much in terms of home buying in the suburbs driving necessarily more demand. But I do think that changing commute patterns and what's likely to be a permanent increase in remote working does set up nicely for community-based centers. As I indicated in my script, I think that we are expecting more people to be spending more time in their communities, which means more services and more food and just generally more activity at community-based centers. Whether that's driven by new homes or just simply people spending more time in their existing homes, I think it's probably a benefit for a grocery-anchored portfolio. The one area where I think the surge in residential demand in Hawaii stands to benefit us the most is at Kukui'ula, because there is just a tremendous desire on the part of U.S. Mainland folks to buy real estate in Hawaii right now. And a lot of the projects like Kukui'ula, including Kukui'ula, are seeing a tremendous surge in demand right now from people who now have the ability to work remotely. And are deciding they might want to do it in Hawaii.

So while we only have 1 project like that, which is Kukui'ula, I think it could set up very well for better performance at Kukui'ula this year and potentially position the asset better for sales of parcels and faster monetization.

Operator

The next question comes from Sheila McGrath with Evercore ISI.

Sheila Kathleen McGrath - *Evercore ISI Institutional Equities, Research Division - Senior MD*

I noticed that leasing spreads for the retail portfolio were positive and fairly -- I think 7% or 8%. I think that's good news in this challenging environment. Could you give us a little bit more detail behind that? Was that in exchange for rent deferral in the near term? Or was there some -- 1 lease that was way below market that might be skewing that?

Lance K. Parker - *Alexander & Baldwin, Inc. - Executive VP & Chief Real Estate Officer*

Sheila, it's Lance. I would say -- let me start with just sort of generally. We've been pleased with both the leasing activity as well as the positive lease spreads that we had over the year as well as Q4. And anecdotally, also pleased with the lease activity that we're seeing in 2021, just in terms of early interest. But specific to the performance for the quarter, we did have 2 very important renewals that we executed with anchors. One was Sam's Club at Pearl Highlands Center that was a positive lease spread. The other was Safeway over at Aikahi Shopping Center that similarly, was at a positive lease spread. And given the scale of that, I would say that, that sort of disproportionately weighed the positivity of the lease spreads for the quarter. But the other thing to look at is not just the lease spreads. It's also the GLA. We thought we had a pretty good quarter as we compare year-over-year, even when we strip out the 21 modifications that we did do, where we did get some additional term. I think we averaged about 2.5 years on that. So any time that even COVID-related lease modifications, we were looking for some additional benefits from our tenants as we struck those deals.

Sheila Kathleen McGrath - *Evercore ISI Institutional Equities, Research Division - Senior MD*

Okay. Great. And then just in terms of the lease modifications, most of them are rent deferrals -- or I guess, vary a little bit. But would you expect most of the rent deferral structure to be paid back by the end of '21? Or how -- what is the typical structure that we could think about?

Lance K. Parker - *Alexander & Baldwin, Inc. - Executive VP & Chief Real Estate Officer*

So for the full year, we gave \$5.9 million in rent deferrals. 40% of that has already been paid back. So that was that was structured purposefully for early payback in 2020. We have approximately 55% remaining that is structured to be paid back over 2021. So fully amortized over the year, and that's the expectation for repayment on that.

Sheila Kathleen McGrath - *Evercore ISI Institutional Equities, Research Division - Senior MD*

Okay. And then moving to the 100 acre, noncore land sale, was that structured in like a 1031 or tax-efficient structure? And where would -- what kind of lands were those?

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

It was -- sorry, Sheila. I'm struggling with the 100 acres. I know we mentioned we had -- we sold about 1,000 acres. I think we sold about 1,000 acres of agricultural and conservation lands in the year, 1,200 acres in total. I believe that most, if not all of that was actually land that was held in our taxable REIT subsidiary. And therefore, we did not 1031 those proceeds.

Brett A. Brown - *Alexander & Baldwin, Inc. - Executive VP & CFO*

That's correct, Chris. We had a few parcels on Maui.

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

Yes, we had some smaller parcels.

Brett A. Brown - *Alexander & Baldwin, Inc. - Executive VP & CFO*

That collectively added up to the 100 acres.

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

100. Okay. I'm sorry. So we had about 100 [acres] (added by the company after the call) of that then was on Maui. The balance was on Kauai but all of it was held within the taxable REIT subsidiary, so it didn't generate 1031 proceeds for reinvestment.

Sheila Kathleen McGrath - *Evercore ISI Institutional Equities, Research Division - Senior MD*

Okay. And then looking at 2021 in terms of either ag land or land sales. Are you looking at more noncore land sales in 2021?

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

Yes, definitely. What I would say, overall, with respect to our simplification is we're making a full-court press to try to accelerate all aspects of our simplification. And that includes both monetization of land as well as some of the other organizational technology, liability related things that we want to accomplish. And so that will be a big push this year and into next year. And specifically, with respect to land holdings, that would include a lot of our remaining noncore land assets.

Sheila Kathleen McGrath - *Evercore ISI Institutional Equities, Research Division - Senior MD*

Okay. And then just on Kukui'ula, you mentioned the pickup of activity and interest level. Do you think that monetization of that asset will likely come from just builder interest and you can accelerate parcel sales to builders? Or do you think you would look to bring partner capital into that asset?

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

I think potentially both. I think the first thing that we're definitely focused on is monetizing builder parcels because, first of all, that will bring cash in most quickly. And it will also position the project for better momentum and potential monetization of the entire investment. So I would say we will be looking at both opportunities this year. But right now, our primary focus is on monetization of builder parcels, and we're getting some good interest there.

Operator

This concludes our question-and-answer session. I would like to turn the conference back over to Stephen Swett, for any closing remarks.

Stephen C. Swett - *ICR, LLC - MD*

Thank you, Andrew, and thank you all for joining us today. If you have any follow-up questions, please feel free to call us at (808) 525-8475 or e-mail us at investorrelations@abhi.com. Aloha, and have a great day.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

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