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## **PREIT Celebrates Another Milestone in the Redevelopment of Valley Mall With the Opening of Onelife Fitness and Sears Replacement**

*DICK's Sporting Goods is the latest in-demand concept joining the tenant roster, replacing the defunct Sears store*

*PREIT successfully replaces over 300,000 square feet of department store space at this property*

**Philadelphia, PA, February 20, 2019** – [PREIT](#) (NYSE: PEI) today detailed new updates in the transformation of Valley Mall in Hagerstown, MD – one of the Company's key suburban Washington DC assets. As part of its strategic efforts to strengthen its portfolio through anchor repositioning and remerchandising, PREIT has successfully replaced three department stores, with four tenants opening in just two years.

### **Onelife Fitness and Tilt**

Earlier this month, [Onelife Fitness](#) opened its 70,000-square foot full-service gym, the brand's fifth Maryland location. The facility offers a community-focused, amenity-driven club – including an extensive array of fitness classes, a cardio cinema and indoor and outdoor pools, further differentiating this property in the traditional mall landscape. Onelife Fitness joins [Tilt Studio](#) in the former Macy's box with unique, experiential concepts. Tilt Studio – one of just 13 locations in the country – opened in September 2018, offering 48,000 square feet of attractions including rides, bowling, black light laser tag, black light golf and arcade games.



### **Belk**

In October, Valley Mall welcomed the region's first [Belk](#), which occupies 123,000 square feet in the former Bon-Ton space. In July 2017, PREIT announced the proactive recapture and replacement of Bon-Ton, which closed in February 2018. Just nine months later, Valley Mall opened its doors to the new-to-region retailer, offering national brands and private-label fashion, shoes and accessories.



### **DICK's Sporting Goods**

In the latest milestone of the property's ongoing evolution, PREIT has proactively recaptured the former Sears box and executed a lease with DICK's Sporting Goods to occupy 59,000 square feet with an anticipated opening in Spring 2020. PREIT has successfully replaced over 300,000 square feet of space in three former department stores over the past eighteen months and truly differentiated the mall's product offering expanding its appeal to a broader base of consumers.

The new anchor concepts complement PREIT's ongoing transformation of the mall. Regal Cinema will be remodeled this year to introduce luxury reclining seating in a stadium format, and PREIT recently upgraded dining amenities at the mall with the addition of BJ's Brewhouse and the recently executed Black Rock Bar & Grill, joining Primanti Bros., Mission BBQ and Red Robin. These collective efforts are resulting in a measurable increase in traffic and sales. The property's sales per square foot reached back over \$400 following multiple years of anchor vacancy and are expected to grow further following these additions.

"PREIT's ability to remain ahead of the curve and create a portfolio that is attractive to new tenants and facilitate a vision that is compelling to consumers differentiates the Company and results in a successful transformation story for Valley Mall," said Joseph Coradino, CEO of PREIT. "While reports about department store struggles abound across the country, PREIT can proudly proclaim that we have successfully curated a strong mix of high-quality, thriving concepts across our portfolio and have fully leased department stores in our core portfolio."

The remerchandising and opening of these new anchor stores has more than doubled the number of jobs available thus far. Valley Mall is well-positioned in the burgeoning Hagerstown community, with a growing population, key accessibility to major highways, and 1000 hotel rooms within a half mile. Attracting shoppers from four states – Maryland, Virginia, Pennsylvania and West Virginia – it is the dominant enclosed shopping center in the region.

### **About PREIT**

PREIT (NYSE:PEI) is a publicly traded real estate investment trust that owns and manages quality properties in compelling markets. PREIT's robust portfolio of carefully curated retail and lifestyle offerings mixed with destination dining and entertainment experiences are located primarily in the densely-populated eastern U.S. with concentrations in the mid-Atlantic's top MSAs. Since 2012, the company has driven a transformation guided by an emphasis on portfolio quality and balance sheet

strength driven by disciplined capital expenditures. Additional information is available at [www.preit.com](http://www.preit.com) or on [Twitter](#) or [LinkedIn](#).

***Forward Looking Statements***

This press release contains certain forward-looking statements that can be identified by the use of words such as “anticipate,” “believe,” “estimate,” “expect,” “project,” “intend,” “may” or similar expressions. Forward-looking statements relate to expectations, beliefs, projections, future plans, strategies, anticipated events, trends and other matters that are not historical facts. These forward-looking statements reflect our current views about future events, achievements or results and are subject to risks, uncertainties and changes in circumstances that might cause future events, achievements or results to differ materially from those expressed or implied by the forward-looking statements. In particular, our business might be materially and adversely affected by changes in the retail and real estate industries, including consolidation and store closings, particularly among anchor tenants; current economic conditions and the corresponding effects on tenant business performance, prospects, solvency and leasing decisions; our inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise; our ability to maintain and increase property occupancy, sales and rental rates; increases in operating costs that cannot be passed on to tenants; the effects of online shopping and other uses of technology on our retail tenants; risks related to our development and redevelopment activities, including delays, cost overruns and our inability to reach projected occupancy or rental rates; acts of violence at malls, including our properties, or at other similar spaces, and the potential effect on traffic and sales; our ability to sell properties that we seek to dispose of or our ability to obtain prices we seek; our substantial debt and the liquidation preference of our preferred shares and our high leverage ratio; our ability to refinance our existing indebtedness when it matures, on favorable terms or at all; our ability to raise capital, including through sales of properties or interests in properties and through the issuance of equity or equity-related securities if market conditions are favorable; and potential dilution from any capital raising transactions or other equity issuances.

Additional factors that might cause future events, achievements or results to differ materially from those expressed or implied by our forward-looking statements include those discussed herein and in our Annual Report on Form 10-K for the year ended December 31, 2017 in the section entitled “Item 1A. Risk Factors.” We do not intend to update or revise any forward-looking statements to reflect new information, future events or otherwise.

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