

URSTADT BIDDLE PROPERTIES INC  
Form 10-K  
January 13, 2011

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

xANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the fiscal year ended October 31, 2010

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 1-12803

URSTADT BIDDLE PROPERTIES INC.  
(Exact name of registrant as specified in its charter)

Maryland  
(State or other jurisdiction of incorporation or organization)

04-2458042  
(I.R.S. Employer Identification Number)

321 Railroad Avenue, Greenwich, CT  
(Address of principal executive offices)

06830  
(Zip Code)

Registrant's telephone number, including area code: (203) 863-8200

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value \$.01 per share	New York Stock Exchange

Class A Common Stock, par value \$.01 per share  
New York Stock Exchange

8.50 % Series C Senior Cumulative Preferred Stock  
New York Stock Exchange

7.5 % Series D Senior Cumulative Preferred Stock  
New York Stock Exchange

Preferred Share Purchase Rights  
New York Stock Exchange

Securities registered pursuant to Section 12 (g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes

No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Act.

Yes

No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes

No

The aggregate market value of the voting common stock held by non-affiliates of the Registrant as of April 30, 2010 (price at which the common equity was last sold as of the last business day of the Registrant's most recently completed second fiscal quarter): Common Shares, par value \$.01 per share \$46,078,320; Class A Common Shares, par value \$.01 per share \$335,560,871.

Indicate the number of shares outstanding of each of the Registrant's classes of Common Stock and Class A Common Stock, as of January 11, 2011 (latest date practicable): 8,637,390 Common Shares, par value \$.01

per share, and 20,883,748 Class A Common Shares, par value \$.01 per share.

DOCUMENTS INCORPORATED BY REFERENCE

Proxy Statement for Annual Meeting of Stockholders to be held on March 10, 2011 (certain parts as indicated herein)  
(Part III).

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## PART I

### Forward-Looking Statements

This Annual Report on Form 10-K of Urstadt Biddle Properties Inc. (the “Company”) contains certain 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. Such statements can generally be identified by such words as “anticipate”, “believe”, “can”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “seek”, “should”, “will” or other similar expressions and the negatives of such words. All statements, other than statements of historical facts, included in this report that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, including such matters as future capital expenditures, dividends and acquisitions (including the amount and nature thereof), business strategies, expansion and growth of the Company’s operations and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate. Such statements are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, performance or achievements, financial and otherwise, may differ materially from the results, performance or achievements expressed or implied by the forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to; economic and other market conditions; financing risks, such as the inability to obtain debt or equity financing on favorable terms; the level and volatility of interest rates; financial stability of tenants; the inability of the Company’s properties to generate revenue increases to offset expense increases; governmental approvals, actions and initiatives; environmental/safety requirements; risks of real estate acquisitions (including the failure of acquisitions to close); risks of disposition strategies; as well as other risks identified in this Annual Report on Form 10-K under Item 1A. Risk Factors and in the other reports filed by the Company with the Securities and Exchange Commission (the “SEC”).

Item 1. Business.

#### Organization

The Company, a Maryland Corporation, is a real estate investment trust engaged in the acquisition, ownership and management of commercial real estate. The Company was organized as an unincorporated business trust (the “Trust”) under the laws of the Commonwealth of Massachusetts on July 7, 1969. In 1997, the shareholders of the Trust approved a plan of reorganization of the Trust from a Massachusetts business trust to a corporation organized in Maryland. The plan of reorganization was effected by means of a merger of the Trust into the Company. As a result of the plan of reorganization, the Trust was merged with and into the Company, the separate existence of the Trust ceased, the Company was the surviving entity in the merger and each issued and outstanding common share of beneficial interest of the Trust was converted into one share of Common Stock, par value \$.01 per share, of the Company.

#### Tax Status – Qualification as a Real Estate Investment Trust

The Company elected to be taxed as a real estate investment trust (“REIT”) under Sections 856-860 of the Internal Revenue Code of 1986, as amended (the “Code”), beginning with its taxable year ended October 31, 1970. Pursuant to such provisions of the Code, a REIT which distributes at least 90% of its real estate investment trust taxable income to its shareholders each year and which meets certain other conditions regarding the nature of its income and assets will not be taxed on that portion of its taxable income which is distributed to its shareholders. Although the Company

believes that it qualifies as a real estate investment trust for federal income tax purposes, no assurance can be given that the Company will continue to qualify as a REIT.

#### Description of Business

The Company's sole business is the ownership of real estate investments, which consist principally of investments in income-producing properties, with primary emphasis on properties in the northeastern part of the United States with a concentration in Fairfield County, Connecticut, Westchester and Putnam Counties, New York and Bergen County, New Jersey. The Company's core properties consist principally of neighborhood and community shopping centers, five office buildings and one office/retail mixed use property. The remaining properties consist of two industrial properties. The Company seeks to identify desirable properties for acquisition, which it acquires in the normal course of business. In addition, the Company regularly reviews its portfolio and from time to time may sell certain of its properties.

The Company intends to continue to invest substantially all of its assets in income-producing real estate, with an emphasis on neighborhood and community shopping centers, although the Company will retain the flexibility to invest in other types of real property. While the Company is not limited to any geographic location, the Company's current strategy is to invest primarily in properties located in the northeastern region of the United States with a concentration in Fairfield County, Connecticut, Westchester and Putnam Counties, New York, and Bergen County, New Jersey.



At October 31, 2010, the Company owned or had equity interests in fifty properties comprised of neighborhood and community shopping centers, office buildings, office/retail mixed use and industrial facilities located in seven states throughout the United States, containing a total of 4.6 million square feet of gross leasable area (“GLA”). For a description of the Company's individual investments, see Item 2-Properties.

#### Investment and Operating Strategy

The Company's investment objective is to increase the cash flow and consequently the value of its properties. The Company seeks growth through (1) the strategic re-tenanting, renovation and expansion of its existing properties, and (2) the selective acquisition of income-producing properties, primarily neighborhood and community shopping centers, in its targeted geographic region. The Company may also invest in other types of real estate in the targeted geographic region. For a discussion of key elements of the Company's growth strategies and operating policies, see Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Company invests in properties where cost effective renovation and expansion programs, combined with effective leasing and operating strategies, can improve the properties' values and economic returns. Retail properties are typically adaptable for varied tenant layouts and can be reconfigured to accommodate new tenants or the changing space needs of existing tenants. In determining whether to proceed with a renovation or expansion, the Company considers both the cost of such expansion or renovation and the increase in rent attributable to such expansion or renovation. The Company believes that certain of its properties provide opportunities for future renovation and expansion.

When evaluating potential acquisitions, the Company considers such factors as (1) economic, demographic, and regulatory conditions in the property's local and regional market; (2) the location, construction quality, and design of the property; (3) the current and projected cash flow of the property and the potential to increase cash flow; (4) the potential for capital appreciation of the property; (5) the terms of tenant leases, including the relationship between the property's current rents and market rents and the ability to increase rents upon lease rollover; (6) the occupancy and demand by tenants for properties of a similar type in the market area; (7) the potential to complete a strategic renovation, expansion or re-tenanting of the property; (8) the property's current expense structure and the potential to increase operating margins; and (9) competition from comparable properties in the market area.

The Company may from time to time enter into arrangements for the acquisition of properties with unaffiliated property owners through the issuance of units of limited partnership interests in entities that the Company controls. These units may be redeemable for cash or for shares of the Company's Common stock or Class A Common stock. The Company believes that this acquisition method may permit it to acquire properties from property owners wishing to enter into tax-deferred transactions.

#### Core Properties

The Company considers those properties that are directly managed by the Company, concentrated in the retail sector and located close to the Company's headquarters in Fairfield County, Connecticut, to be core properties. Of the fifty properties the Company owns or has an equity interest in, forty eight properties (three of which are accounted for under the equity method of accounting) are considered core properties, consisting of forty two retail properties, five office buildings (including the Company's executive headquarters) and one mixed use office/retail property. At October 31, 2010, these properties contained in the aggregate 4.2 million square feet of GLA. The Company's core properties collectively had 609 tenants providing a wide range of products and services. Tenants include regional supermarkets, national and regional discount department stores, other local retailers and office tenants. At October

31, 2010, the forty-five consolidated core properties were 94% leased. At October 31, 2010 the Company had equity investments in three core properties which it does not consolidate, those properties were approximately 90% leased. The Company believes the core properties are adequately covered by property and liability insurance.

A substantial portion of the Company's operating lease income is derived from tenants under leases with terms greater than one year. Certain of the leases provide for the payment of fixed base rentals monthly in advance and for the payment by the tenant of a pro-rata share of the real estate taxes, insurance, utilities and common area maintenance expenses incurred in operating the properties.

For the fiscal year ended October 31, 2010, no single tenant comprised more than 8.7% of the total annual base rents of the Company's core properties. The following table sets out a schedule of our ten largest tenants by percent of total annual base rent of our core properties as of October 31, 2010.

Tenant	Number of Stores	% of Total Annual Base Rent of Core Properties
Stop & Shop Supermarket	5	8.7%
Bed Bath & Beyond	3	4.1%
TJX Companies	4	2.9%
A&P Supermarkets	3	2.9%
ShopRite	3	2.8%
Staples	3	2.4%
Big Y	2	2.2%
Toys R Us	2	2.1%
BJ's	2	2.0%
Sports Authority	1	1.4%
		31.5%

See Item 2 Properties for a complete list of the Company's core properties.

In December, 2010, the Company was notified that The Great Atlantic and Pacific Tea Company, Inc., which leases three spaces in the Company's portfolio (129,000 sf), filed a petition for protection under Chapter 11 of the United States Bankruptcy Law. As of the date of this report the Company has not received any additional information regarding these three leases. If the leases are rejected under bankruptcy law the Company potentially could suffer re-tenanting costs and a rental income loss until the spaces are re-leased. If the leases are rejected the Company believes it would be successful in re-leasing the vacant spaces, although there could be some rental revenue loss during the time it takes to re-lease the spaces.

The Company's single largest real estate investment is its 90% general partnership interest in the Ridgeway Shopping Center ("Ridgeway"). Ridgeway is located in Stamford, Connecticut and was developed in the 1950's and redeveloped in the mid 1990's. The property contains approximately 371,000 square feet of gross leasable space. It is the dominant grocery anchored center and the largest non-mall shopping center located in the City of Stamford, Fairfield County, Connecticut. For the year ended October 31, 2010, Ridgeway revenues represented approximately 15% of the Company's total revenues and approximately 15% of the Company's total assets at October 31, 2010. As of October 31, 2010, Ridgeway was 100% leased. The property's largest tenants (by base rent) are: The Stop & Shop Supermarket Company (19%), Bed, Bath and Beyond (15%) and Marshall's Inc., a division of the TJX Companies (10%). No other tenant accounts for more than 10% of Ridgeway's annual base rents.

The following table sets out a schedule of the annual lease expirations for retail leases at Ridgeway as of October 31, 2010 for each of the next ten years and thereafter (assuming that no tenants exercise renewal or cancellation options and that there are no tenant bankruptcies or other tenant defaults):

Year of Expiration	Number of Leases Expiring	Square Footage	Minimum Base Rentals	Base Rent (%)
2011	5	8,715	291,895	2.9%
2012	6	35,359	1,227,057	12.3%
2013	10	77,146	2,485,077	24.8%
2014	4	15,498	302,039	3.0%
2015	4	31,935	834,325	8.3%
2016	-	-	-	-
2017	1	60,000	1,853,760	18.5%
2018	4	54,085	1,618,351	16.2%
2019	1	2,950	88,500	0.9%
2020	-	-	-	-
Thereafter	3	64,882	1,309,802	13.1%
<b>Total</b>	<b>38</b>	<b>350,570</b>	<b>\$10,010,806</b>	<b>100.0%</b>

#### Non-Core Properties

In a prior year, the Board of Directors of the Company expanded and refined the strategic objectives of the Company to concentrate the real estate portfolio into one of primarily retail properties located in the Northeast and authorized the sale of the Company's non-core properties in the normal course of business over a period of years given prevailing market conditions and the characteristics of each property.

Through this strategy, the Company seeks to update its property portfolio by disposing of properties which have limited growth potential and redeploying capital into properties in its target geographic region and product type where the Company's management skills may enhance property values. The Company may engage from time to time in like-kind property exchanges, which allow the Company to dispose of properties and redeploy proceeds in a tax efficient manner.

At October 31, 2010, the Company's non-core properties consisted of two industrial facilities in St. Louis and Dallas with a total of 447,000 square feet of GLA. The non-core properties collectively had 2 tenants and were 100% leased at October 31, 2010.

The two industrial facilities consist of automobile and truck parts distribution warehouses. The facilities are net leased to Chrysler Group, LLC under lease arrangements whereby the tenant pays all taxes, insurance, maintenance and other operating costs of the property during the term of the lease. For the fiscal years ended October 31, 2010, 2009, and 2008 revenues billed and collected under the above leases amounted to approximately \$1,761,000, \$1,789,000 and \$1,776,000 respectively.

At October 31, 2010, the Company also held one fixed rate first mortgage note receivable, secured by a shopping center with a net book value of \$1,090,000.

#### Financing Strategy

The Company intends to continue to finance acquisitions and property improvements and/or expansions with the most advantageous sources of capital which it believes are available to the Company at the time, and which may include the sale of common or preferred equity through public offerings or private placements, the incurrence of additional indebtedness through secured or unsecured borrowings, investments in real estate joint ventures and the reinvestment of proceeds from the disposition of assets. The Company's financing strategy is to maintain a strong and flexible financial position by (1) maintaining a prudent level of leverage, and (2) minimizing its exposure to interest rate risk represented by floating rate debt.

#### Matters Relating to the Real Estate Business

The Company is subject to certain business risks arising in connection with owning real estate which include, among others, (1) the bankruptcy or insolvency of, or a downturn in the business of, any of its major tenants, (2) the possibility that such tenants will not renew their leases as they expire, (3) vacated anchor space affecting an entire shopping center because of the loss of the departed anchor tenant's customer drawing power, (4) risks relating to leverage, including uncertainty that the Company will be able to refinance its indebtedness, and the risk of higher interest rates, (5) potential liability for unknown or future environmental matters, and (6) the risk of uninsured losses. Unfavorable economic conditions could also result in the inability of tenants in certain retail sectors to meet their lease obligations and otherwise could adversely affect the Company's ability to attract and retain desirable tenants. The Company believes that its shopping centers are relatively well positioned to withstand adverse economic conditions since they typically are anchored by grocery stores, drug stores and discount department stores that offer day-to-day necessities rather than luxury goods. For a discussion of various business risks, see Item 1A. Risk Factors.

#### Compliance with Governmental Regulations

The Company, like others in the commercial real estate industry, is subject to numerous environmental laws and regulations. Although potential liability could exist for unknown or future environmental matters, the Company believes that its tenants are operating in accordance with current laws and regulations.

## Competition

The real estate investment business is highly competitive. The Company competes for real estate investments with investors of all types, including domestic and foreign corporations, financial institutions, other real estate investment trusts, real estate funds, individuals and privately owned companies. In addition, the Company's properties are subject to local competitors from the surrounding areas. The Company's shopping centers compete for tenants with other regional, community or neighborhood shopping centers in the respective areas where the Company's retail properties are located. The Company's office buildings compete for tenants principally with office buildings throughout the respective areas in which they are located. Leasing space to prospective tenants is generally determined on the basis of, among other things, rental rates, location, and physical quality of the property and availability of space.

The Company's industrial properties are net leased under lease arrangements with Chrysler Group, LLC. In December 2009, the Company extended the leases of both non-core properties seven years through December 2016. Net rents on the St. Louis property (192,000 sf) were decreased to \$3.40 per square foot in years 1-5 and \$3.90 per square foot in years 6-7 versus \$3.98 per square foot in the expiring lease. Net rents on the Dallas property (255,000 sf) were decreased to \$3.71 per square foot in years 1-5 and \$4.25 per square foot in years 6-7 versus \$4.21 per square foot in the expiring lease. Neither lease contains an option for a term extension beyond 2016. The effective date of both extensions was January 1, 2010. Currently the properties are used as parts distribution facilities for the parts and service division of Chrysler Group LLC.

The Company does not consider its real estate business to be seasonal in nature.

### Property Management

The Company actively manages and supervises the operations and leasing at all of its core properties. The Company's remaining non-core industrial properties are net leased to tenants under lease arrangements, whereby the tenant is obligated to manage the property.

### Employees

The Company's executive offices are located at 321 Railroad Avenue, Greenwich, Connecticut. It occupies approximately 8,000 square feet in a two-story office building owned by the Company. The Company has 32 employees and believes that its relationship with its employees is good.

### Company Website

All of the Company's filings with the SEC, including the Company's annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, are available free of charge at the Company's website at [www.ubproperties.com](http://www.ubproperties.com) as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the SEC. These filings can also be accessed through the SEC's website at [www.sec.gov](http://www.sec.gov).

### Code of Ethics and Whistleblower Policy

The Company's Board of Directors has adopted a Code of Ethics for Senior Financial Officers that applies to the Company's Chief Executive Officer, Chief Financial Officer and Controller. The Board also adopted a Code of Business Conduct and Ethics applicable to all employees as well as a "Whistleblower Policy". These are available free of charge.

### Financial Information About Industry Segments

The Company operates in one industry segment, ownership of comm