
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

Current Report

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) November 7, 2024

Transcontinental Realty Investors, Inc.

(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of Incorporation or organization)	001-09240 (Commission File Number)	94-6565852 (IRS Employer Identification Number)
1603 LBJ Freeway, (Address of principal executive offices)	Suite 800 Dallas TX	75234 (Zip Code)
	(469) 522-4200 Registrant's Telephone Number, including area code	

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Securities Act (17 CFR 230.425)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Securities Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Securities Act (17 CFR 240.13e-4(c))

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock	TCI	NYSE

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 ((17 CFR 230.405 of or Rule 12b-2 of the Securities Act of 1934 (17 CFR 230.405):

Emerging growth company

If an emerging growth company indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition

On November 7, 2024, Transcontinental Realty Investors, Inc. (“TCI” or the “Company”) announced its operational results for the quarter ended September 30, 2024. A copy of the announcement is attached as Exhibit “99.1.”

The information furnished pursuant to Item 2.02 in this Form 8-K, including Exhibit “99.1” attached hereto, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, unless we specifically incorporate it by reference in a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934. We undertake no duty or obligation to publicly update or revise the information furnished pursuant to Item 2.02 of this Current Report on Form 8-K.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits

- (d) Exhibits.

The following exhibit is furnished with this Report:

<u>Exhibit No.</u>	<u>Description</u>
99.1 *	Press release dated November 7, 2024

* Furnished herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRANSCONTINENTAL REALTY INVESTORS, INC.

Dated: November 7, 2024

By: /s/ ERIK L. JOHNSON

Erik L. Johnson

President and Chief Executive Officer

NEWS RELEASE

FOR IMMEDIATE RELEASE

Contact:

Transcontinental Realty Investors, Inc. Investor Relations

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Transcontinental Realty Investors, Inc. reports Earnings for Q3 2024

DALLAS (November 7, 2024) -- Transcontinental Realty Investors, Inc. (NYSE:TCI) is reporting its results of operations for the three months ended September 30, 2024. For the three months ended September 30, 2024, we reported net income attributable to common shares of \$1.7 million or \$0.20 per diluted share, compared to a net income of \$4.5 million or \$0.52 per diluted share for the same period in 2023.

Financial Highlights

- Total occupancy was 79% at September 30, 2024, which includes 95% at our multifamily properties and 48% at our commercial properties.
- On July 10, 2024, we replaced the existing loan on Forest Grove with a \$6.6 million loan that bears interest at SOFR plus 1.85% and matures on August 1, 2031.
- On October 18, 2024, we completed a 45,000 square foot lease at Stanford Center. This is the first new lease at the property following our major renovation of the property. The new lease provides a 14% increase in occupancy to the property and a 20% increase in rent per square foot over recent expired leases at the property. The lease is expected to commence in April 2025.
- On October 21, 2024, we obtained a \$27.5 million construction loan to finance the development of a 234 unit multifamily property in Dallas, Texas ("Mountain Creek") that is expected to be completed in 2026 for a total cost of approximately \$49.8 million. The construction loan on Mountain Creek bears interest at SOFR plus 3.45% and matures on October 20, 2026.

Financial Results

Rental revenues decreased \$0.8 million from \$11.8 million for the three months ended September 30, 2023 to \$11.1 million for the three months ended September 30, 2024. The decrease in rental revenue is primarily due to a decrease in occupancy at our commercial properties. We expect occupancy to improve in the fourth quarter due to our recently completed 45,000 square foot lease at Stanford Center.

Net operating loss decreased \$0.1 million from \$1.8 million for the three months ended September 30, 2023 to \$1.7 million for the three months ended September 30, 2024. The decrease in net operating loss is primarily due to a decrease in general and administrative expenses.

Net income attributable to the Company decreased \$2.7 million from \$4.5 million for the three months ended September 30, 2023 to \$1.7 million for the three months ended September 30, 2024. The decrease in net income is primarily attributed to a decrease in interest income.

About Transcontinental Realty Investors, Inc.

Transcontinental Realty Investors, Inc., a Dallas-based real estate investment company, holds a diverse portfolio of equity real estate located across the U.S., including office buildings, apartments, shopping centers, and developed and undeveloped land. The Company invests in real estate through direct ownership, leases and partnerships and invests in mortgage loans on real estate. The Company also holds mortgage receivables.

TRANSCONTINENTAL REALTY INVESTORS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Revenues:				
Rental revenues	\$ 11,074	\$ 11,838	\$ 33,541	\$ 34,236
Other income	533	687	1,738	2,216
Total revenue	<u>11,607</u>	<u>12,525</u>	<u>35,279</u>	<u>36,452</u>
Expenses:				
Property operating expenses	6,989	7,443	20,247	20,580
Depreciation and amortization	3,120	3,313	9,429	9,615
General and administrative	1,223	1,432	3,898	7,836
Advisory fee to related party	1,944	2,112	5,789	6,282
Total operating expenses	<u>13,276</u>	<u>14,300</u>	<u>39,363</u>	<u>44,313</u>
Net operating loss	(1,669)	(1,775)	(4,084)	(7,861)
Interest income	5,917	9,676	17,244	26,998
Interest expense	(2,075)	(1,902)	(5,806)	(7,415)
Gain on foreign currency transactions	—	—	—	993
Loss on early extinguishment of debt	—	—	—	(1,710)
Equity in income from unconsolidated joint venture	283	85	827	798
Gain on sale or write down of assets, net	—	—	—	188
Income tax provision	(546)	(1,322)	(1,818)	(2,638)
Net income	<u>1,910</u>	<u>4,762</u>	<u>6,363</u>	<u>9,353</u>
Net income attributable to noncontrolling interest	(203)	(311)	(609)	(855)
Net income attributable to the Company	<u>\$ 1,707</u>	<u>\$ 4,451</u>	<u>\$ 5,754</u>	<u>\$ 8,498</u>
Earnings per share				
Basic and diluted	<u>\$ 0.20</u>	<u>\$ 0.52</u>	<u>\$ 0.67</u>	<u>\$ 0.98</u>
Weighted average common shares used in computing earnings per share				
Basic and diluted	<u>8,639,316</u>	<u>8,639,316</u>	<u>8,639,316</u>	<u>8,639,316</u>