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

FORM 10-Q

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

For the quarterly period ended January 31, 2022

OR

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

For the transition period from ___________ to ___________

Commission File Number: 1-4702

AMREP Corporation

(Exact Name of Registrant as Specified in its Charter)

Oklahoma	59-0936128
State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification No.
850 West Chester Pike, Suite 205, Havertown, PA	19083
Address of Principal Executive Offices	Zip Code

(610) 487-0905
Registrant's Telephone Number, Including Area Code

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock $0.10 par value	**AXR**	**New York Stock Exchange**

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 (the "Exchange Act") 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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of Shares of Common Stock, par value $.10 per share, outstanding at March 7, 2022 – 7,336,370.

AMREP CORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AMREP CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share amounts)

	January 31, 2022 (Unaudited)	April 30, 2021
ASSETS		
Cash and cash equivalents	$ 27,300	$ 24,801
Real estate inventory	64,786	55,589
Investment assets, net	9,775	13,582
Other assets	1,924	645
Taxes receivable, net	284	—
Deferred income taxes, net	885	2,749
Prepaid pension costs	186	—
TOTAL ASSETS	$ 105,140	$ 97,366
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable and accrued expenses	$ 4,196	$ 4,458
Notes payable, net	5,726	3,448
Taxes payable, net	—	95
Accrued pension costs	—	476
TOTAL LIABILITIES	9,922	8,477
SHAREHOLDERS' EQUITY:		
Common stock, $.10 par value; shares authorized – 20,000,000; shares issued – 7,336,370 at January 31, 2022 and 7,323,370 at April 30, 2021	733	730
Capital contributed in excess of par value	45,325	45,072
Retained earnings	53,583	47,710
Accumulated other comprehensive loss, net	(4,423)	(4,623)
TOTAL SHAREHOLDERS' EQUITY	95,218	88,889
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 105,140	$ 97,366

The accompanying notes to consolidated financial statements are an integral part of these consolidated financial statements.

AMREP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
Three and Nine Months ended January 31, 2022 and 2021
(Amounts in thousands, except per share amounts)

	Three Months ended January 31, 2022	Three Months ended January 31, 2021	Nine Months ended January 31, 2022	Nine Months ended January 31, 2021
REVENUES:				
Land sale revenues	$ 5,879	$ 5,957	$ 21,535	$ 17,970
Home sale revenues	3,376	1,261	6,606	1,463
Building sales and other revenues	561	646	8,418	1,893
Total revenues	9,816	7,864	36,559	21,326
COSTS AND EXPENSES:				
Land sale cost of revenues	4,495	2,916	16,259	12,028
Home sale cost of revenues	2,623	1,082	5,167	1,256
Building sales and other cost of revenues	—	—	3,837	—
General and administrative expenses	1,540	1,342	3,983	4,306
Total costs and expenses	8,658	5,340	29,246	17,590
Operating income	1,158	2,524	7,313	3,736
Interest income (expense), net	—	(21)	1	(27)
Other income	—	300	260	950
Income before income taxes	1,158	2,803	7,574	4,659
Provision for income taxes	248	710	1,701	1,175
Net income	$ 910	$ 2,093	$ 5,873	$ 3,484
Basic earnings per share	$ 0.12	$ 0.29	$ 0.80	$ 0.44
Diluted earnings per share	$ 0.12	$ 0.28	$ 0.80	$ 0.44
Weighted average number of common shares outstanding – basic	7,363	7,343	7,357	7,872
Weighted average number of common shares outstanding – diluted	7,385	7,372	7,380	7,903

The accompanying notes to consolidated financial statements are an integral part of these consolidated financial statements.

AMREP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
Three and Nine Months ended January 31, 2022 and 2021
(Amounts in thousands)

	Three Months ended January 31,		Nine Months ended January 31,	
	2022	2021	2022	2021
Net income	$ 910	$ 2,093	$ 5,873	$ 3,484
Other comprehensive income, net of tax:				
Decrease in pension liability	98	132	293	396
Income tax effect	(31)	(42)	(93)	(126)
Decrease in pension liability, net of tax	67	90	200	270
Other comprehensive income	67	90	200	270
Total comprehensive income	$ 977	$ 2,183	$ 6,073	$ 3,754

The accompanying notes to consolidated financial statements are an integral part of these consolidated financial statements.

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AMREP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)
Three and Nine Months ended January 31, 2022 and 2021
(Amounts in thousands)

	Common Stock Shares	Common Stock Amount	Capital Contributed in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at Cost	Total
Balance, November 1, 2021	7,336	$ 731	$ 45,221	$ 52,673	$ (4,490)	$ —	$ 94,135
Reclassification of common stock settled from deferred common share units	—	2	(2)	—	—	—	—
Issuance of option to purchase common stock	—	—	16	—	—	—	16
Issuance of deferred common share units	—	—	90	—	—	—	90
Net income	—	—	—	910	—	—	910
Other comprehensive income	—	—	—	—	67	—	67
Balance, January 31, 2022	7,336	$ 733	$ 45,325	$ 53,583	$ (4,423)	$ —	$ 95,218
Balance, November 1, 2020	7,692	$ 768	$ 47,216	$ 44,540	$ (6,287)	$ (4,215)	$ 82,022
Issuance of deferred common share units	—	—	90	—	—	—	90
Repurchase of common stock	(144)	(14)	(874)	—	—	—	(888)
Retirement of treasury stock	(225)	(24)	(1,360)	(2,831)	—	4,215	—
Net income	—	—	—	2,093	—	—	2,093
Other comprehensive income	—	—	—	—	90	—	90
Balance, January 31, 2021	7,323	$ 730	$ 45,072	$ 43,802	$ (6,197)	$ —	$ 83,407
Balance, May 1, 2021	7,323	$ 730	$ 45,072	$ 47,710	$ (4,623)	$ —	$ 88,889
Reclassification of common stock settled from deferred common share units	—	2	(2)	—	—	—	—
Issuance of option to purchase common stock	—	—	16	—	—	—	16
Issuance of deferred common share units	—	—	90	—	—	—	90
Issuance of restricted common stock	13	1	149	—	—	—	150
Net income	—	—	—	5,873	—	—	5,873
Other comprehensive income	—	—	—	—	200	—	200
Balance, January 31, 2022	7,336	$ 733	$ 45,325	$ 53,583	$ (4,423)	$ —	$ 95,218
Balance, May 1, 2020	8,358	$ 836	$ 51,334	$ 43,149	$ (6,467)	$ (4,215)	$ 84,637
Issuance of restricted common stock	9	1	41	—	—	—	42
Issuance of deferred common share units	—	—	90	—	—	—	90
Issuance of common stock settled from deferred common share units	12	—	—	—	—	—	—
Repurchase of common stock	(831)	(83)	(5,033)	—	—	—	(5,116)
Retirement of treasury stock	(225)	(24)	(1,360)	(2,831)	—	4,215	—
Net income	—	—	—	3,484	—	—	3,484
Other comprehensive income	—	—	—	—	270	—	270
Balance, January 31, 2021	7,323	$ 730	$ 45,072	$ 43,802	$ (6,197)	$ —	$ 83,407

The accompanying notes to consolidated financial statements are an integral part of these consolidated financial statements.

AMREP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
Nine Months ended January 31, 2022 and 2021
(Amounts in thousands)

	Nine Months ended January 31, 2022	Nine Months ended January 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 5,873	$ 3,484
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	217	424
Amortization of debt issuance costs	71	30
Non-cash credits and charges:		
Stock-based compensation	178	132
Deferred income tax provision	1,771	1,301
Net periodic pension cost	(369)	298
Gain on debt forgiveness	(45)	(300)
Changes in assets and liabilities:		
Real estate inventory and investment assets	(5,608)	(2,750)
Other assets	(34)	(297)
Accounts payable and accrued expenses	(262)	951
Accrued pension costs	—	(1,847)
Taxes receivable	(379)	—
Net cash provided by operating activities	1,413	1,426
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from corporate-owned life insurance policy	92	—
Capital expenditures	(1,259)	(3)
Net cash used in investing activities	(1,167)	(3)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt financing	6,857	5,466
Principal debt payments	(4,554)	(3,782)
Payments for debt issuance costs	(50)	(87)
Repurchase of common stock	—	(5,116)
Net cash provided by (used in) financing activities	2,253	(3,519)
Increase (decrease) in cash and cash equivalents	2,499	(2,096)
Cash and cash equivalents, beginning of period	24,801	17,502
Cash and cash equivalents, end of period	$ 27,300	$ 15,406
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes refunded, net	$ 3	$ —
Interest paid, net of amount capitalized	$ —	$ 52
Right-of-use assets obtained in exchange for operating lease liabilities	$ 42	$ —

The accompanying notes to consolidated financial statements are an integral part of these consolidated financial statements.

AMREP CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)
Three and Nine Months Ended January 31, 2022 and 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

The accompanying unaudited consolidated financial statements have been prepared by AMREP Corporation (the "Company") pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial information, and do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. The Company, through its subsidiaries, is primarily engaged in two business segments: land development and homebuilding. The Company has no foreign sales or activities outside the United States. All references to the Company in this quarterly report on Form 10-Q include the Registrant and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

In the opinion of management, these unaudited consolidated financial statements include all adjustments, which are of a normal recurring nature, considered necessary to reflect a fair presentation of the results for the interim periods presented. The results of operations for such interim periods are not necessarily indicative of what may occur in future periods. Unless the context otherwise indicates, all references to 2022 and 2021 are to the fiscal years ending April 30, 2022 and 2021.

The unaudited consolidated financial statements herein should be read in conjunction with the Company's annual report on Form 10-K for the year ended April 30, 2021, which was filed with the SEC on July 27, 2021 (the "2021 Form 10-K"). Certain 2021 balances in these financial statements have been reclassified to conform to the current year presentation with no effect on net income or shareholders' equity.

Summary of Significant Accounting Policies

The significant accounting policies used in preparing these consolidated financial statements are consistent with the accounting policies described in the 2021 Form 10-K, except as described below.

Share-based compensation: The Company accounts for awards of restricted stock, stock options and deferred stock units in accordance with Accounting Standards Codification 718-10, which requires that compensation cost for all stock awards be calculated and amortized over the service period (generally equal to the vesting period). Compensation expense for awards of restricted stock, stock options and deferred stock units are based on the fair value of the awards at their grant dates. To estimate the grant-date fair value of stock options, the Company uses the Black-Scholes option-pricing model. The Black-Scholes model estimates the per share fair value of an option on its date of grant based on the following: the option's exercise price; the price of the underlying stock on the date of grant; the estimated dividend yield; a "risk-free" interest rate; the estimated option term; and the expected volatility. For the "risk-free" interest rate, the Company uses a U.S. Treasury bond due in a number of years equal to the option's expected term. To estimate expected volatility, the Company analyzes the historic volatility of the Company's common stock.

New Accounting Pronouncements

In December 2019, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2019-12, *Income Taxes – Simplifying the Accounting for Income Taxes*, which removes certain exceptions for companies related to tax allocations and simplifies when companies recognize deferred tax liabilities in an interim period. ASU 2019-12 was effective for the Company's fiscal year beginning May 1, 2021. The adoption of ASU 2019-12 by the Company did not have any effect on its consolidated financial statements.

There are no other new accounting standards or updates to be adopted that the Company currently believes might have a significant impact on its consolidated financial statements.

(2) REAL ESTATE INVENTORY

Real estate inventory consists of (in thousands):

	January 31, 2022	April 30, 2021
Land held for development or sale in New Mexico	$ 55,773	$ 49,918
Land held for development or sale in Colorado	4,022	3,975
Homebuilding finished inventory	1,410	417
Homebuilding construction in process	3,581	1,279
	$ 64,786	$ 55,589

(3) INVESTMENT ASSETS, NET

Investment assets, net consist of (in thousands):

	January 31, 2022	April 30, 2021
Land held for long-term investment	$ 9,775	$ 9,775
Buildings	—	10,003
Less accumulated depreciation	—	(6,196)
Buildings, net	—	3,807
	$ 9,775	$ 13,582

As of April 30, 2021, buildings were comprised of a 143,000 square foot warehouse and office facility located in Palm Coast, Florida. In October 2021, the Company sold this 143,000 square foot warehouse and office facility. Depreciation associated with buildings was $152,000 for the three months ended January 31, 2021 and $200,000 and $415,000 for the nine months ended January 31, 2022 and January 31, 2021.

(4) OTHER ASSETS

Other assets consist of (in thousands):

	January 31, 2022	April 30, 2021
Prepaid expenses	$ 412	$ 324
Receivables	39	37
Right-of-use assets associated with leases of office facilities	123	84
Other assets	80	172
Property	1,244	—
Equipment	235	222
Less accumulated depreciation	(209)	(194)
Property and equipment, net	1,270	28
	$ 1,924	$ 645

Prepaid expenses as of January 31, 2022 primarily consisted of stock compensation, insurance, real estate taxes and utility deposits. Amortized lease cost for right-of-use assets associated with the leases of office facilities was $8,000 and $41,000 for the three months ended January 31, 2022 and January 31, 2021 and $46,000 and $83,000 for the nine months ended January 31, 2022 and January 31, 2021.

In August 2021, the Company acquired a 7,000 square foot office building in Rio Rancho, New Mexico from which its real estate business now operates. Depreciation expense associated with property and equipment was$14,000 and $2,000 for the three months ended January 31, 2022 and January 31, 2021 and $17,000 and $9,000 for the nine months ended January 31, 2022 and January 31, 2021.

(5) ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of (in thousands):

	January 31, 2022	April 30, 2021
Real estate operations		
Accrued expenses	$ 970	$ 658
Trade payables	1,486	1,377
Real estate customer deposits	1,373	1,769
	3,829	3,804
Corporate operations	367	654
	$ 4,196	$ 4,458

(6) NOTES PAYABLE

Notes payable, net consist of (in thousands):

	January 31, 2022	April 30, 2021
Real estate notes payable	$ 5,739	$ 3,482
Unamortized debt issuance costs	(13)	(34)
	$ 5,726	$ 3,448

The following tables present information on the Company's notes payable in effect during the nine months ended January 31, 2022 (dollars in thousands):

	Principal Amount Available for Borrowing	Outstanding Principal Amount		Principal Repayments	
Loan Identifier	January 31, 2022	January 31, 2022	April 30, 2021	Three Months ended January 31, 2022	Nine Months ended January 31, 2022
Revolving Line of Credit	$ 2,427	$ —	$ —	$ —	$ —
Lomas Encantadas U2B P3	—	—	410	—	1,770
Hawk Site U37	—	—	—	—	—
Hawk Site U23 U40	1,678	—	30	—	30
Lavender Fields – acquisition	—	—	1,749	—	1,704
Lavender Fields – development	2,194	241	1,293	263	1,052
La Mirada	1,877	5,498	—	—	—
		$ 5,739	$ 3,482		

	Interest Rate	Mortgaged Property Book Value	Capitalized Interest and Fees	
Loan Identifier	January 31, 2022	January 31, 2022	Three Months ended January 31, 2022	Nine Months ended January 31, 2022
Revolving Line of Credit	3.75 %	$ 1,693	$ —	$ —
Hawk Site U23 U40	3.75 %	4,709	—	—
Lavender Fields – development	3.75 %	6,560	6	23
La Mirada	3.75 %	8,851	90	151

As of January 31, 2022, the Company and each of its subsidiaries were in compliance with the financial covenants contained in the loan documentation for the then outstanding notes payable. Refer to Notes 6 and 19 to the consolidated financial statements contained in the 2021 Form 10-K for additional detail about each of the above notes payable.

As of January 31, 2022, the Company had a letter of credit outstanding under its Revolving Line of Credit in the principal amount of $1,323,000 in favor of a municipality guarantying the completion of improvements in a subdivision being constructed by the Company. As of January 31, 2022, the Company had loan reserves outstanding under its note payable for La Mirada in the aggregate principal amount of $2,364,000 in favor of a municipality guarantying the completion of improvements in a subdivision being constructed by the Company. The amounts under the letter of credit and loan reserves are not reflected as outstanding principal in notes payable.

The note payable identified as “Hawk Site U37” was terminated in October 2021. The note payable identified as “Lomas Encantadas U2B P3” was terminated in January 2022. The outstanding principal amount of the note payable identified as “Lavender Fields – acquisition” was prepaid in full without penalty in June 2021 following the parties agreeing to reduce the outstanding principal amount by $45,000, which was recognized as Other income during the nine months ended January 31, 2022.

In April 2020, BOKF, NA dba Bank of Albuquerque provided a loan to the Company pursuant to the Paycheck Protection Program administered by the U.S. Small Business Administration. The amount of the loan was $298,000. The Company made no principal repayments and accrued interest in the amount of $2,000 related to this loan during the nine months ended January 31, 2021. During the three months ended January 31, 2021, the Company received notice of forgiveness pursuant to the terms of the program of the entire principal amount of the loan and all accrued interest. The Company recognized this gain on debt forgiveness in Other income during the three and nine months ending January 31, 2021.

The following table summarizes the notes payable scheduled principal repayments subsequent to January 31, 2022 (in thousands):

Fiscal Year	Scheduled Payments
2022	$ —
2023	241
2024	5,498
Total	$ 5,739

(7) REVENUES

Land sale revenues. Substantially all of the land sale revenues were received from two and three customers for the three and nine months ended January 31, 2022 and two and four customers for the three and nine months ended January 31, 2021. There were no outstanding receivables from these customers as of January 31, 2022 or January 31, 2021.

Building sales and other revenues. Building sales and other revenues consist of (in thousands):

	Three Months ended January 31,		Nine Months ended January 31,	
	2022	2021	2022	2021
Sale of building	$ —	$ —	$ 6,750	$ —
Oil and gas royalties	48	46	223	82
Public improvement district reimbursements	291	110	530	354
Private infrastructure reimbursement covenants	48	84	131	462
Miscellaneous other revenues	174	406	784	995
	$ 561	$ 646	$ 8,418	$ 1,893

The Company owned a 143,000 square foot warehouse and office facility located in Palm Coast, Florida during the nine months ended January 31, 2022, which was leased to a third party through August 2020 and a portion of which was leased to the same third party after August 2020. Sale of building during the nine months ended January 31, 2022 consisted of the sale of this 143,000 square foot warehouse and office facility in October 2021.

Refer to Note 7 to the consolidated financial statements contained in the 2021 Form 10-K for additional detail about each category of building sales and other revenues. Miscellaneous other revenues for the three and nine months ended January 31, 2022 primarily consisted of rent received from the tenant of the building in Palm Coast, Florida and tenants at a shopping center in Albuquerque,New Mexico, payments for impact fee credits, a non-refundable option payment and sale of equipment. Miscellaneous other revenues for the three and nine months ended January 31, 2021 primarily consisted of rent received from the tenant of the buildings in Palm Coast, Florida and a tenant at the 14,000 square foot, single tenant retail building in Rio Rancho, New Mexico, payments for impact fee credits, installation of telecommunications equipment in subdivisions and a land condemnation.

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Major customers:

- There were two customers with revenues in excess of 10% of the Company’s revenues during the three months ended January 31, 2022. The revenues for each such customer during the three months ended January 31, 2022 were as follows: $1,458,000 and $4,068,000, with each of these revenues reported in the Company’s land development business segment.

- There were three customers with revenues in excess of 10% of the Company’s revenues during the nine months ended January 31, 2022. The revenues for each such customer during the nine months ended January 31, 2022 were as follows: $3,699,000, $4,844,000 and $10,754,000, with each of these revenues reported in the Company’s land development business segment.

- There were two customers with revenues in excess of 10% of the Company’s revenues during the three months ended January 31, 2021. The revenues for each such customer during the three months ended January 31, 2021 were as follows: $2,034,000 and $2,427,000, with each of these revenues reported in the Company’s land development business segment.

- There were four customers with revenues in excess of 10% of the Company’s revenues during the nine months ended January 31, 2021. The revenues for each such customer during the nine months ended January 31, 2021 were as follows: $2,490,000, $3,011,000, $4,596,000 and $7,244,000, with each of these revenues reported in the Company’s land development business segment.

(8) COST OF REVENUES

Building sales and other cost of revenues during the nine months ended January 31, 2022 consist of the sale of a 143,000 square foot warehouse and office facility located in Palm Coast, Florida.

(9) GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consist of (in thousands):

	Three Months ended January 31, 2022	Three Months ended January 31, 2021	Nine Months ended January 31, 2022	Nine Months ended January 31, 2021
Land development	$ 1,098	$ 829	$ 2,359	$ 1,826
Homebuilding	222	137	621	368
Corporate	220	376	1,003	2,112
	$ 1,540	$ 1,342	$ 3,983	$ 4,306

(10) BENEFIT PLANS

Pension plan

Refer to Note 11 to the consolidated financial statements contained in the 2021 Form 10-K for detail regarding the Company’s defined benefit pension plan. The Company recognizes the known changes in the funded status of the pension plan in the period in which the changes occur through other comprehensive income, net of the related deferred income tax effect. The Company recorded, net of tax, other comprehensive income of $67,000 and $90,000 during the three months ended January 31, 2022 and January 31, 2021 and $200,000 and $270,000 during the nine months ended January 31, 2022 and January 31, 2021 to account for the net effect of changes to the unfunded portion of pension liability. The Company funds the pension plan in compliance with IRS funding requirements. The Company did not make any contributions to the pension plan during the three or nine months ended January 31, 2022 or during the three months ended January 31, 2021. The Company made voluntary contributions to the pension plan of $1,847,000 during the nine months ended January 31, 2021.

Equity compensation plan

Refer to Note 11 to the consolidated financial statements contained in the 2021 Form 10-K for detail regarding the AMREP Corporation 2016 Equity Compensation Plan (the “Equity Plan”). The summary of the restricted share award activity during the nine months ended January 31, 2022 presented below represents the maximum number of shares that could become vested after these dates:

Restricted share awards	Number of Shares
Non-vested as of April 30, 2021	29,000
Granted during the nine months ended January 31, 2022	13,000
Vested during the nine months ended January 31, 2022	(20,500)
Forfeited during the nine months ended January 31, 2022	—
Non-vested as of January 31, 2022	21,500

The Company recognized non-cash compensation expense related to the vesting of restricted shares of common stock net of forfeitures of $25,000 and $20,000 during the three months ended January 31, 2022 and January 31, 2021 and $72,000 and $27,000 during the nine months ended January 31, 2022 and January 31, 2021. As of January 31, 2022 and January 31, 2021, there was $111,000 and $53,000 of unrecognized compensation expense related to restricted shares of common stock previously issued under the Equity Plan which had not vested as of those dates, which is expected to be recognized over the remaining vesting term not to exceed three years.

In November 2021, the Company granted Christopher V. Vitale, the President and Chief Executive Officer of the Company, an option to purchase 50,000 shares of common stock of the Company under the Equity Plan with an exercise price of $14.24 per share, which was the closing price on the New York Stock Exchange on the date of grant. The option will become exercisable for 100% of the option shares on November 1, 2026 if Mr. Vitale is employed by, or providing service to, the Company on such date. Subject to the definitions in the Equity Plan, in the event (a) Mr. Vitale has a termination of employment with the Company on account of death or disability, (b) the Company terminates Mr. Vitale’s employment with the Company for any reason other than cause or (c) of a change in control, then the option will become immediately exercisable for 100% of the option shares. The option has a term of ten years from the date of grant and terminates at the expiration of that period. The option automatically terminates upon: (i) the expiration of the three month period after Mr. Vitale ceases to be employed by the Company, if the termination of his employment by Mr. Vitale or the Company is for any reason other than as hereinafter set forth in clauses (ii), (iii) or (iv); (ii) the expiration of the one year period after Mr. Vitale ceases to be employed by the Company on account of Mr. Vitale’s disability; (iii) the expiration of the one year period after Mr. Vitale ceases to be employed by the Company, if Mr. Vitale dies while employed by the Company; or (iv) the date on which Mr. Vitale ceases to be employed by the Company, if the termination is for cause. If Mr. Vitale engages in conduct that constitutes cause after Mr. Vitale’s employment terminates, the option immediately terminates. Notwithstanding the foregoing, in no event may the option be exercised after the date that is immediately before the tenth anniversary of the date of grant. Except as described above, any portion of the option that is not exercisable at the time Mr. Vitale has a termination of employment with the Company immediately terminates. The fair value of the option was $252,000 as of the date of grant using the Black-Scholes fair value option valuation model. The following assumptions were used for determining the fair value of the option: expected volatility of 38.04%; average risk-free interest rate of 1.46%; dividend yield of 0%; and expected life of 7.5 years. As of January 31, 2022, the option has not been exercised, cancelled or forfeited. The Company recognized non-cash compensation expense related to the option of $16,000 during each of the three and nine months ended January 31, 2022. As of January 31, 2022, the option was out-of-the-money and therefore was not included in “weighted average number of common shares outstanding – diluted” when calculating diluted earnings per share. The option could be dilutive to earnings per share in the future.

In connection with the resignation of a director in September 2020, the Company (i) issued 12,411 shares of common stock in October 2020 pursuant to an equivalent number of deferred common share units previously issued to such director and (ii) paid $20,000 in September 2020 to such director in lieu of issuance of deferred common share units earned for calendar year 2020.

Director compensation non-cash expense, which is recognized for the expected annual grant of deferred common share units to non-employee members of the Company’s Board of Directors ratably over the director’s service in office during the calendar year, was $23,000 and $15,000 during the three months ended January 31, 2022 and January 31, 2021 and $68,000 and $58,000 during the nine months ended January 31, 2022 and January 31, 2021. As of January 31, 2022, there was $8,000 of accrued compensation expense related to the deferred stock units expected to be issued in December 2022. As of January 31, 2021, there was $8,000 of accrued compensation expense related to the deferred stock units issued in December 2021.

(11) OTHER INCOME

There was no other income for the three months ended January 31, 2022. Other income for the nine months ended January 31, 2022 consisted of $185,000 received in connection with a bankruptcy of a warranty provider, $45,000 of debt forgiveness with respect to the note payable identified as "Lavender Fields – acquisition" in Note 6 above and $30,000 received from a life insurance policy for a retired executive of the Company. Other income for the three months ended January 31, 2021 consisted of $300,000 of debt forgiveness with respect to the loan received by the Company pursuant to the Paycheck Protection Program administered by the U.S. Small Business Administration (refer to Note 6 of the notes to these consolidated financial statements for detail regarding this debt forgiveness). Other income for the nine months ended January 31, 2021 consisted of the $300,000 of debt forgiveness and a settlement payment of $650,000 from a former business segment (refer to Note 3 to the consolidated financial statements contained in the 2021 Form 10-K for detail regarding the settlement agreement).

(12) STOCK REPURCHASES

In August 2020, the Company repurchased 11,847 shares of common stock of the Company at a price of $4.48 per share in a privately negotiated transaction. As of the date of the repurchase, the repurchased shares were retired and returned to the status of authorized but unissued shares of common stock.

In September 2020, the Board of Directors of the Company authorized the Company to purchase up to 1,000,000 shares of common stock of the Company from time to time pursuant to a share repurchase program, subject to the total expenditure for the purchase of shares under the share repurchase program not exceeding $5,000,000, exclusive of any fees, commissions and other expenses related to such repurchases. Under the share repurchase program, the Company was authorized to repurchase its common stock from time to time, in amounts, at prices, and at such times as the Company deemed appropriate, subject to market conditions, legal requirements and other considerations. The Company's repurchases could be executed using open market purchases, unsolicited or solicited privately negotiated transactions or other transactions, and could be effected pursuant to trading plans intended to qualify under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. The share repurchase program did not obligate the Company to repurchase any specific number of shares and could be suspended, modified or terminated at any time without prior notice. The share repurchase program did not contain a time limitation during which repurchases were permitted to occur. In October 2020, the Company repurchased 675,616 shares of common stock of the Company at a price of $6.18 per share in a privately negotiated transaction pursuant to the share repurchase program. As of the date of the repurchase, the repurchased shares were retired and returned to the status of authorized but unissued shares of common stock.

In November 2020, the Company repurchased 143,482 shares of common stock of the Company at a price of $6.18 per share in a privately negotiated transaction. As of the date of the repurchase, the repurchased shares were retired and returned to the status of authorized but unissued shares of common stock. The share repurchase was not completed pursuant to the Company's share repurchase program.

In November 2020, the Company's share repurchase program was terminated.

(13) TREASURY STOCK

During the three months ended January 31, 2021, 225,250 shares of common stock of the Company held as treasury stock were retired and returned to the status of authorized but unissued shares of common stock.

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(14) INFORMATION ABOUT THE COMPANY'S OPERATIONS IN DIFFERENT INDUSTRY SEGMENTS

The following tables set forth summarized data relative to the industry segments in which the Company operated for the periods indicated (in thousands):

	Land Development	Homebuilding	Corporate	Consolidated
Three months ended January 31, 2022 (a)				
Revenues	$ 7,046	$ 2,770	$ —	$ 9,816
Net income (loss)	770	366	(226)	910
Provision for income taxes	22	95	131	248
Depreciation	12	—	2	14
EBITDA (c)	$ 804	$ 461	$ (93)	$ 1,172
Capital expenditures	$ —	$ 4	$ —	$ 4
Three months ended January 31, 2021 (a)				
Revenues	$ 6,531	$ 1,262	$ 71	$ 7,864
Net income (loss)	2,284	35	(226)	2,093
Provision for income taxes	483	7	220	710
Interest income, net (b)	20	—	1	21
Depreciation	17	—	137	154
EBITDA (c)	$ 2,804	$ 42	$ 132	$ 2,978
Capital expenditures	$ —	$ 3	$ —	$ 3
Nine months ended January 31, 2022 (a)				
Revenues	$ 24,251	$ 5,410	$ 6,898	$ 36,559
Net income	4,187	556	1,130	5,873
Provision for income taxes	612	131	958	1,701
Interest income, net (b)	—	—	1	1
Depreciation	12	—	205	217
EBITDA (c)	$ 4,811	$ 687	$ 2,294	$ 7,792
Capital expenditures	$ 1	$ 15	$ —	$ 16
Total assets as of January 31, 2022	$ 87,205	$ 5,491	$ 12,444	$ 105,140
Nine months ended January 31, 2021 (a)				
Revenues	$ 19,376	$ 1,464	$ 486	$ 21,326
Net income (loss)	4,684	(116)	(1,084)	3,484
Provision (benefit) for income taxes	810	(44)	409	1,175
Interest income (expense), net (b)	30	—	(3)	27
Depreciation	40	—	384	424
EBITDA (c)	$ 5,564	$ (160)	$ (294)	$ 5,110
Capital expenditures	$ —	$ 3	$ —	$ 3
Total assets as of January 31, 2021	$ 79,193	$ 2,182	$ 14,517	$ 95,892

(a) Revenue and net income information for the land development business segment include certain amounts classified as home sale revenues, home sale cost of revenues and building sales and other revenues in the accompanying consolidated statements of operations. For example, revenues and cost of revenues in the land development business segment include an allocation of home sales revenues and home sales cost of revenues attributable to the market value of land transferred from the land development business segment to the homebuilding business segment. Revenue and net income information for the homebuilding business segment include amounts classified as building sales and other revenues in the accompanying consolidated statements of operations. Corporate is net of intercompany eliminations.

(b) Interest income, net excludes inter-segment interest expense (income) that is eliminated in consolidation.

(c) The Company uses EBITDA (which the Company defines as income (loss) before net interest income, income taxes, depreciation and amortization, and non-cash impairment charges) in addition to net income (loss) as a key measure of profit or loss for segment performance and evaluation purposes.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

AMREP Corporation (the "Company"), through its subsidiaries, is primarily engaged in two business segments: land development and homebuilding. The Company has no foreign sales or activities outside the United States. All references to the Company in this quarterly report on Form 10-Q include the Registrant and its subsidiaries. The following provides information that management believes is relevant to an assessment and understanding of the Company's consolidated results of operations and financial condition. The information contained in this Item 2 should be read in conjunction with the consolidated financial statements and related notes thereto included in this report on Form 10-Q and with the Company's annual report on Form 10-K for the year ended April 30, 2021, which was filed with the Securities and Exchange Commission on July 27, 2021 (the "2021 Form 10-K"). Many of the amounts and percentages presented in this Item 2 have been rounded for convenience of presentation. Unless the context otherwise indicates, all references to 2022 and 2021 are to the fiscal years ending April 30, 2022 and 2021.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's discussion and analysis of financial condition and results of operations is based on the accounting policies used and disclosed in the 2021 consolidated financial statements and accompanying notes that were prepared in accordance with accounting principles generally accepted in the United States of America and included as part of the 2021 Form 10-K and in Note 1 to the consolidated financial statements included in this report on Form 10-Q. The preparation of those consolidated financial statements required management to make estimates and assumptions that affected the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual amounts or results could differ from those estimates and assumptions.

The Company's critical accounting policies, assumptions and estimates are described in Item 7 of Part II of the 2021 Form 10-K. There have been no changes in these critical accounting policies.

Information concerning the Company's implementation and the impact of recent accounting standards or updates issued by the Financial Accounting Standards Board is included in the notes to the consolidated financial statements contained in the 2021 Form 10-K and in the notes to the consolidated financial statements included in this report on Form 10-Q. The Company did not adopt any accounting policy in the nine months ended January 31, 2022 that had a material effect on its consolidated financial statements.

RESULTS OF OPERATIONS

For the three months ended January 31, 2022, the Company had net income of $910,000, or $0.12 per diluted share, compared to net income of $2,093,000, or $0.29 per diluted share, for the three months ended January 31, 2021. For the nine months ended January 31, 2022, the Company had net income of $5,873,000, or $0.80 per diluted share, compared to net income of $3,484,000, or $0.44 per diluted share, for the nine months ended January 31, 2021.

Revenues. The following presents information on revenues for the Company's operations (dollars in thousands):

	Three Months ended January 31,			Nine Months ended January 31,		
	2022	2021	% Increase (Decrease)	2022	2021	% Increase (Decrease)
Land sale revenues	$ 5,879	$ 5,957	(1)%	$ 21,535	$ 17,970	20 %
Home sale revenues	3,376	1,261	*(a)*	6,606	1,463	*(a)*
Building sales and other revenues	561	646	(13)%	8,418	1,893	*(a)*
Total	$ 9,816	$ 7,864	25 %	$ 36,559	$ 21,326	71 %

(a) Percentage not meaningful.

During the three and nine months ended January 31, 2022, the Company has experienced supply chain constraints, increases in the prices of building materials, shortages of skilled labor and delays in municipal approvals and inspections in both the land development business segment and homebuilding business segment, which have caused delays in construction and the realization of revenues and increases in cost of revenues.

- Land sale revenues for the three months ended January 31, 2022 were lower than the prior period by $78,000 primarily due to the availability of developed residential lots for sale. Land sale revenues for the nine months ended January 31, 2022 were higher than the prior period by $3,565,000 primarily due to increased demand for developed residential lots by builders. The Company's land sale revenues were as follows (dollars in thousands):

	Three Months ended January 31, 2022			Three Months ended January 31, 2021		
	Acres Sold	Revenue	Revenue Per Acre[1]	Acres Sold	Revenue	Revenue Per Acre[1]
Developed						
Residential	11.4	$ 5,879	$ 516	10.8	$ 5,615	$ 520
Commercial	—	—	—	—	—	—
Total Developed	11.4	$ 5,879	$ 516	10.8	5,615	520
Undeveloped	—	—	—	62	342	6
Total	11.4	$ 5,879	$ 516	72.8	$ 5,957	$ 82

	Nine Months ended January 31, 2022			Nine Months ended January 31, 2021		
	Acres Sold	Revenue	Revenue Per Acre[1]	Acres Sold	Revenue	Revenue Per Acre[1]
Developed						
Residential	44.7	$ 21,535	$ 482	35.9	$ 17,478	$ 486
Commercial	—	—	—	0.4	134	335
Total Developed	44.7	$ 21,535	$ 482	36.3	17,612	485
Undeveloped	—	—	—	64	358	6
Total	44.7	$ 21,535	$ 482	100.3	$ 17,970	$ 179

[1] Revenue per acre may not calculate precisely due to the rounding of revenues to the nearest thousand dollars.

The change in the average selling price per acre of developed residential land for the three months ended January 31, 2022 compared to the three months ended January 31, 2021 and for the nine months ended January 31, 2022 compared to the nine months ended January 31, 2021 was primarily due to the location and mix of lots sold.

- Home sale revenues for the three and nine months ended January 31, 2022 were higher than the prior periods by $2,115,000 and $5,143,000 due to the expansion of the Company's homebuilding operations. The Company's home sale revenues consist of:

	Three Months ended January 31,		Nine Months ended January 31,	
	2022	2021	2022	2021
Homes sold	11	6	22	7
Average selling price	$ 307,000	$ 210,000	$ 300,000	$ 209,000

As of January 31, 2022, the Company had 40 homes in production, including 28 homes under contract, which homes under contract represented $11,236,000 of expected home sale revenues when closed, subject to customer cancellations and change orders.

- Building sales and other revenues for the three months ended January 31, 2022 were lower than the prior periods by $85,000. Building sales and other revenues for the nine months ended January 31, 2022 were higher than the prior periods by $6,525,000. Building sales and other revenues consist of (dollars in thousands):

	Three Months ended January 31,			Nine Months ended January 31,		
	2022	2021	% Increase (Decrease)	2022	2021	% Increase (Decrease)
Sale of building	$ —	$ —	*(a)*	$ 6,750	$ —	*(a)*
Oil and gas royalties	49	46	7 %	223	82	*(a)*
Public improvement district reimbursements	292	110	*(a)*	530	354	50 %
Private infrastructure reimbursement covenants	48	84	(43)%	131	462	(72)%
Miscellaneous other revenues	172	406	(58)%	784	995	(21)%
Total	$ 561	$ 646	(13)%	$ 8,418	$ 1,893	*(a)*

(a) Percentage not meaningful.

The Company owned a 143,000 square foot warehouse and office facility located in Palm Coast, Florida during the nine months ended January 31, 2022, which was leased to a third party through August 2020 and a portion of which was leased to the same third party after August 2020. Sale of building during the nine months ended January 31, 2022 consisted of the sale of this 143,000 square foot warehouse and office facility in October 2021.

Miscellaneous other revenues for the three and nine months ended January 31, 2022 primarily consisted of rent received from the tenant of the building in Palm Coast, Florida and tenants at a shopping center in Albuquerque, New Mexico, payments for impact fee credits, a non-refundable option payment and sale of equipment.

The Company owned a 61,000 square foot warehouse and office facility located in Palm Coast, Florida during 2021, which was leased to a third party through August 2020 and which was sold in April 2021. The Company owned a 14,000 square foot, single tenant retail building in the Las Fuentes at Panorama Village subdivision in Rio Rancho, New Mexico, which was leased to a third party during 2021 and which was sold in March 2021. Miscellaneous other revenues for the three and nine months ended January 31, 2021 primarily consisted of rent received from the tenant of the buildings in Palm Coast, Florida and the tenant at the 14,000 square foot, single tenant retail building in Rio Rancho, New Mexico, payments for impact fee credits and a land condemnation.

Refer to Note 7 to the consolidated financial statements contained in the 2021 Form 10-K for additional detail about the categories of building sales and other revenues.

Cost of Revenues. The following presents information on cost of revenues for the Company's operations (dollars in thousands):

	Three Months ended January 31,			Nine Months ended January 31,		
	2022	2021	% Increase (Decrease)	2022	2021	% Increase (Decrease)
Land sale cost of revenues	$ 4,495	$ 2,916	54 %	$ 16,259	$ 12,028	35 %
Home sale cost of revenues	2,623	1,082	*(a)*	5,167	1,256	*(a)*
Building sales and other cost of revenues	—	—	*(a)*	3,837	—	*(a)*

(a) Percentage not meaningful.

- Land sale cost of revenues for the three months ended January 31, 2022 was higher than the prior period by $1,579,000. Land sale gross margin was 24% for the three months ended January 31, 2022 compared to 51% for the three months ended January 31, 2021. Land sale cost of revenues for the nine months ended January 31, 2022 was higher than the prior period by $4,231,000. Land sale gross margin was 25% for the nine months ended January 31, 2022 compared to 33% for the nine months ended January 31, 2021. The changes in gross margin were primarily due to the location, size and mix of property sold. As a result of many factors, including the nature and timing of specific transactions and the type and location of land being sold, revenues, average selling prices and related gross margin from land sales can vary significantly from period to period and prior results are not necessarily a good indication of what may occur in future periods.

- Home sale cost of revenues for the three and nine months ended January 31, 2022 were higher than the prior periods by $1,541,000 and $3,911,000 due to the expansion of the Company's homebuilding operations. Home sale gross margins were 22% for each of the three and nine months ended January 31, 2022 compared to 14% for each of the three and nine months ended January 31, 2021. The increase in gross margin was primarily due to the location and mix of homes sold and to efficiencies gained during the expansion of the Company's homebuilding operations.

- Building sales and other cost of revenues during the nine months ended January 31, 2022 consisted of expenses associated with the sale of a 143,000 square foot warehouse and office facility located in Palm Coast, Florida. The Company owned a 14,000 square foot, single tenant retail building in the Las Fuentes at Panorama Village subdivision in Rio Rancho, New Mexico, which was sold in March 2021. Building sales and other cost of revenues during the three and nine months ended January 31, 2021 consisted of expenses associated with this 14,000 square foot building.

General and Administrative Expenses. The following presents information on general and administrative expenses for the Company's operations (dollars in thousands):

	Three Months ended January 31,			Nine Months ended January 31,		
	2022	2021	% Increase (Decrease)	2022	2021	% Increase (Decrease)
Land development	$ 1,098	$ 829	32 %	$ 2,359	$ 1,826	29 %
Homebuilding	222	137	62 %	621	368	69 %
Corporate	220	376	(41)%	1,003	2,112	(52)%
Total	$ 1,540	$ 1,342	15%	$ 3,983	$ 4,306	(7)%

- Land development general and administrative expenses for the three and nine months ended January 31, 2022 were higher than the prior periods by $269,000 and $533,000 primarily due to an increase in real estate taxes.

- Homebuilding general and administrative expenses for the three and nine months ended January 31, 2022 were higher than the prior periods by $85,000 and $253,000 primarily due to the expansion of the Company's homebuilding operations.

- Corporate general and administrative expenses for the three and nine months ended January 31, 2022 were lower than the prior periods by $156,000 and $1,109,000 primarily due to reduced pension benefit expenses and professional fees.

Interest income (expense), net. Interest income (expense), net was $0 and $1,000 for the three and nine months ended January 31, 2022 and $(21,000) and $(27,000) for the three and nine months ended January 31, 2021. The change in interest income (expense), net was primarily due to a reduction in bank fees.

Other income. Refer to Note 11 to the consolidated financial statements included in this report on Form 10-Q for detail regarding other income.

Provision for income taxes. The Company had a provision for income taxes of $248,000 and $1,701,000 for the three and nine months ended January 31, 2022 compared to a provision for income taxes of $710,000 and $1,175,000 for the three and nine months ended January 31, 2021. The provision for income taxes correlated to the amount of income before income taxes during each period.

LIQUIDITY AND CAPITAL RESOURCES

AMREP Corporation is a holding company that conducts substantially all of its operations through subsidiaries. As a holding company, AMREP Corporation is dependent on its available cash and on cash from subsidiaries to pay expenses and fund operations. The Company's liquidity is affected by many factors, including some that are based on normal operations and some that are related to the real estate industry and the economy generally.

The Company's primary sources of funding for working capital requirements are cash flow from operations, bank financing for specific real estate projects, a revolving line of credit and existing cash balances. Land and homebuilding properties generally cannot be sold quickly, and the ability of the Company to sell properties has been and will continue to be affected by market conditions. The ability of the Company to generate cash flow from operations is primarily dependent upon its ability to sell the properties it has selected for disposition at the prices and within the timeframes the Company has established for each property. The development of additional lots for sale, construction of homes or pursuing other real estate projects will require financing or other sources of funding, which may not be available on acceptable terms (or at all). If the Company is unable to obtain such financing, the Company's results of operations could be adversely affected. Except as described below, there have been no material changes to the Company's liquidity and capital resources as reflected in the Liquidity and Capital Resources section of Management's Discussion and Analysis of Financial Condition and Results of Operations in the 2021 Form 10-K.

Operating Activities

The following presents information on the Company's operating activities (dollars in thousands):

	January 31, 2022	April 30, 2021	% Increase (Decrease)
Real estate inventory	$ 64,786	$ 55,589	17 %
Investment assets, net	9,775	13,582	(28)%
Other assets	1,924	645	*(a)*
Deferred income taxes, net	885	2,749	(68)%
Accounts payable and accrued expenses	4,196	4,458	(6)%
Taxes receivable (payable), net	284	(95)	*(a)*
Prepaid (accrued) pension costs	186	(476)	*(a)*

(a) Percentage not meaningful.

- Real estate inventory increased from April 30, 2021 to January 31, 2022 by $9,197,000. Real estate inventory consists of (dollars in thousands):

	January 31, 2022	April 30, 2021	% Increase (Decrease)
Land inventory in New Mexico	$ 55,773	$ 49,918	12 %
Land inventory in Colorado	4,022	3,975	1 %
Homebuilding finished inventory	1,410	417	*(a)*
Homebuilding construction in process	3,581	1,279	*(a)*
	$ 64,786	$ 55,589	

(a) Percentage not meaningful.

Land inventory in New Mexico increased from April 30, 2021 to January 31, 2022 by $5,855,000 primarily due to increased land development activity and the acquisition of land. Homebuilding finished inventory increased from April 30, 2021 to January 31, 2022 by $993,000 primarily due to the completion of construction of model homes and homes not yet sold. Homebuilding construction in process increased from April 30, 2021 to January 31, 2022 by $2,302,000 due to increased homebuilding activity.

- Investment assets, net decreased from April 30, 2021 to January 31, 2022 by $3,807,000. Investment assets, net consist of (dollars in thousands):

	January 31, 2022	April 30, 2021	% Increase (Decrease)
Land held for long-term investment	$ 9,775	$ 9,775	0 %
Buildings	—	10,003	*(a)*
Less accumulated depreciation	—	(6,196)	*(a)*
Buildings, net	—	3,807	*(a)*
	$ 9,775	$ 13,582	

(a) Percentage not meaningful.

As of April 30, 2021, buildings were comprised of a 143,000 square foot warehouse and office facility located in Palm Coast, Florida. In October 2021, the Company sold this 143,000 square foot warehouse and office facility. Depreciation associated with buildings was $152,000 for the three months ended January 31, 2021 and $200,000 and $415,000 for the nine months ended January 31, 2022 and January 31, 2021.

- Other assets increased from April 30, 2021 to January 31, 2022 by $1,279,000 primarily due to an increase in property and equipment as a result of the acquisition of a 7,000 square foot office building in Rio Rancho, New Mexico from which the Company's real estate business operates.

- Deferred income taxes, net decreased from April 30, 2021 to January 31, 2022 by $1,864,000 primarily due to use of federal net operating loss carry forwards.

- Accounts payable and accrued expenses decreased from April 30, 2021 to January 31, 2022 by $262,000 primarily due to a reduction in customer deposits.

- Taxes payable, net decreased from April 30, 2021 to January 31, 2022 by $379,000 in connection with finalization of certain Company's tax return filings.

- Accrued pension costs of the Company's frozen defined benefit pension plan (representing the Company's pension liability) decreased from April 30, 2021 to January 31, 2022 by $662,000 primarily due to favorable investment results of plan assets. The Company recorded, net of tax, other comprehensive income of $67,000 and $200,000 for the three and nine months ended January 31, 2022 and $90,000 and $270,000 for the three and nine months ended January 31, 2021 reflecting the change in accrued pension costs during each period net of the related deferred tax and unrecognized prepaid pension amounts.

Financing Activities

Notes payable, net increased from $3,448,000 as of April 30, 2021 to $5,726,000 as of January 31, 2022 primarily due to additional borrowings to fund land acquisition and development activities partially offset by repayments made on outstanding borrowings. Refer to Note 6 to the consolidated financial statements included in this report on Form 10-Q and Notes 6 and 19 to the consolidated financial statements contained in the 2021 Form 10-K for additional detail about notes payable.

Investing Activities

Capital expenditures were $4,000 and $16,000 for the three and nine months ended January 31, 2022 and $3,000 for each of the three and nine months ended January 31, 2021 primarily for technology upgrades during each period.

OTHER

In November 2021, the Company entered into an employment agreement with Christopher V. Vitale. Mr. Vitale is the President and Chief Executive Officer of the Company. Pursuant to the employment agreement,

- Mr. Vitale will serve as the President and Chief Executive Officer of the Company for a base salary of not less than the rate in effect immediately before the date of such agreement, which results in a base salary of $335,000 per year.

- The parties agreed to provisions relating to vacation, paid-time-off, office location, confidentiality, invention assignment, non-competition and non-solicitation.

- Upon any termination of Mr. Vitale's employment, the Company will pay and issue to Mr. Vitale any earned but unpaid base salary, the dollar value equivalent of the number of days of vacation and paid-time-off earned but not used, unreimbursed business expenses, unpaid bonus previously awarded by the Company and vested benefits, equity awards or payments (excluding any severance benefits or payments) payable or issuable under any policy or plan of the Company or under any equity award agreement or other arrangement between the Company and Mr. Vitale.

- Upon any termination of Mr. Vitale's employment due to the death of Mr. Vitale, the Company will pay to Mr. Vitale's executors, administrators or personal representatives, an amount equal to his then-annual base salary which he would otherwise have earned for the month in which he dies and for three months thereafter.

- Upon any termination of Mr. Vitale's employment by Mr. Vitale for Good Reason or the Company without Cause and delivery by Mr. Vitale of a release of claims to the Company, the Company will pay or provide to Mr. Vitale (a) a lump sum amount equal to 200% of the highest of (i) Mr. Vitale's annual base salary in effect immediately prior to the termination date, (ii) Mr. Vitale's annual base salary in effect on the date 210 days prior to the termination date or (iii) in the event the termination of Mr. Vitale's employment was for Good Reason, Mr. Vitale's annual base salary in effect prior to the event constituting Good Reason; and (b) all restricted stock, stock options and other outstanding equity grants with respect to the Company that are held by Mr. Vitale immediately prior to the termination date will become fully vested and, as applicable, fully exercisable as of the termination date.

- For purposes of the employment agreement, the term "Good Reason" means any of the following actions taken by the Company without Mr. Vitale's consent: a diminution in base salary of more than five percent; the removal of Mr. Vitale as the President and Chief Executive Officer of the Company; a material diminution in Mr. Vitale's authority, duties or responsibilities as the President and Chief Executive Officer of the Company; assigning any material new duties or responsibilities to Mr. Vitale in addition to those normally associated with his role as President and Chief Executive Officer of the Company; the Company ceasing to be a company subject to the periodic and current reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, or ceasing to have its common stock traded on an exchange registered as a national securities exchange under Section 6 of the Securities Exchange Act of 1934, as amended; a requirement that Mr. Vitale relocate his office other than as permitted by the employment agreement; or the failure of the Company to observe or perform any of its obligations to Mr. Vitale under the employment agreement.

- For purposes of the employment agreement, the term "Cause" means the failure of Mr. Vitale to observe or perform (other than by reason of illness, injury, disability or incapacity) any of the material terms or provisions of the employment agreement, conviction of a felony or other crime involving moral turpitude, misappropriation of funds of the Company, the commission of an act of dishonesty by Mr. Vitale resulting in or intended to result in wrongful personal gain or enrichment at the expense of the Company or a material breach (other than by reason of illness, injury, disability or incapacity) of any written employment or other policy of the Company.

- Upon any termination of Mr. Vitale's employment in connection with a long-term disability, by Mr. Vitale for Good Reason or by the Company without Cause, the Company will pay to Mr. Vitale a lump sum cash payment equal to 200% of the annual cost of medical and other health care benefits for Mr. Vitale, his spouse and his other dependents and an amount equal to the estimated federal, state and local income and FICA taxes related thereto.

- Payments under the employment agreement may be adjusted as a result of section 409A and section 280G of the Internal Revenue Code of 1986, as amended.

- In the event Mr. Vitale is made, or threatened to be made, a party to any legal action or proceeding, whether civil or criminal, including any governmental or regulatory proceeding or investigation, by reason of the fact that Mr. Vitale is or was a director or senior officer of the Company, the Company will defend, indemnify and hold harmless Mr. Vitale, and the Company will promptly pay or reimburse Mr. Vitale's related expenses to the fullest extent contemplated or permitted from time to time by applicable law and required by the Company's Certificate of Incorporation. During Mr. Vitale's employment with the Company and after termination of any such employment for any reason, the Company will cover Mr. Vitale under the Company's directors' and officers' insurance policy applicable to other officers and directors according to the terms of such policy, but in no event for a period of time to exceed six years after the termination date.

In November 2021, the Company granted Mr. Vitale an option to purchase 50,000 shares of common stock of the Company under the Equity Plan. Refer to Note 10 to the consolidated financial statements included in this report on Form 10-Q for additional detail about this option.

Statement of Forward-Looking Information

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of the Company. The Company and its representatives may from time to time make written or oral statements that are "forward-looking", including statements contained in this report and other filings with the Securities and Exchange Commission, reports to the Company's shareholders and news releases. All statements that express expectations, estimates, forecasts or projections are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, other written or oral statements, which constitute forward-looking statements, may be made by or on behalf of the Company. Words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "projects", "forecasts", "may", "should", variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and contingencies that are difficult to predict. All forward-looking statements speak only as of the date of this report or, in the case of any document incorporated by reference, the date of that document. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on behalf of the Company are qualified by the cautionary statements in this section. Many of the factors that will determine the Company's future results are beyond the ability of management to control or predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in or suggested by such forward-looking statements.

The forward-looking statements contained in this report include, but are not limited to, statements regarding (1) the Company's ability to finance its future working capital, land development, homebuilding and capital expenditure needs, (2) the Company's expected liquidity sources, including the amount of principal available for borrowing under the Company's financing arrangements, (3) anticipated future development of the Company's real estate holdings, (4) the timing of reimbursements under, and the general effectiveness of, the Company's public improvement districts and private infrastructure reimbursement covenants, (5) the availability of bank financing for projects, (6) the utilization of existing bank financing, (7) the backlog of homes under contract and in production and the dollar amount of expected sales revenues when such homes are closed, (8) the effect of recent accounting pronouncements, (9) the timing of recognizing unrecognized compensation expense related to shares of common stock issued under the AMREP Corporation 2016 Equity Compensation Plan, (10) the future issuance of deferred stock units to directors of the Company, (11) the future business conditions that may be experienced by the Company and (12) the dilution to earnings per share that outstanding options to purchase shares of common stock of the Company may cause in the future.

The Company undertakes no obligation to update or publicly release any revisions to any forward-looking statement to reflect events, circumstances or changes in expectations after the date of such forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Vice President, Finance and Accounting, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. As a result of such evaluation, the Company's Chief Executive Officer and Vice President, Finance and Accounting have concluded that such disclosure controls and procedures were effective as of January 31, 2022 to provide reasonable assurance that the information required to be disclosed in the reports the Company files or submits under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and (ii) accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Vice President, Finance and Accounting, as appropriate, to allow timely decisions regarding disclosure. The Company believes that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Changes in Internal Control over Financial Reporting

No change in the Company's system of internal control over "financial reporting" (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934) occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

PART II. OTHER INFORMATION

Item 6. Exhibits

Exhibit Number	Description
10.1	Employment Agreement, dated November 1, 2021, by and between AMREP Corporation and Christopher V. Vitale. (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed November 2, 2021)
10.2	Stock Option Grant, dated as of November 1, 2021, delivered by AMREP Corporation to Christopher V. Vitale. (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed November 2, 2021)
31.1	Certification required by Rule 13a-14(a) under the Securities Exchange Act of 1934
31.2	Certification required by Rule 13a-14(a) under the Securities Exchange Act of 1934
32	Certification required pursuant to 18 U.S.C. Section 1350
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit)

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SIGNATURE

Pursuant to the requirements 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.

Date: March 10, 2022

AMREP CORPORATION
(Registrant)

By: /s/ Adrienne M. Uleau
Name: Adrienne M. Uleau
Title: Vice President, Finance and Accounting
(Principal Accounting Officer)

EXHIBIT INDEX

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104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit)

Exhibit 31.1

CERTIFICATION

I, Adrienne M. Uleau, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended January 31, 2022 of AMREP Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: March 10, 2022

/s/ Adrienne M. Uleau
Adrienne M. Uleau
Vice President, Finance and Accounting
(Principal Financial Officer)

Exhibit 31.2

CERTIFICATION

I, Christopher V. Vitale, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended January 31, 2022 of AMREP Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: March 10, 2022

/s/ Christopher V. Vitale
Christopher V. Vitale
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of AMREP Corporation (the “Company”) on Form 10-Q for the period ended January 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned does hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 10, 2022

/s/ Adrienne M. Uleau
Adrienne M. Uleau
Vice President, Finance and Accounting
(Principal Financial Officer)

/s/ Christopher V. Vitale
Christopher V. Vitale
President and Chief Executive Officer
(Principal Executive Officer)