



The Howard Hughes Corporation® Announces the Acquisition of Six Office Buildings in Downtown Columbia, Maryland

December 18, 2014

Master Developer for Downtown Columbia More Than Doubles Commercial Holdings to Over One Million Square Feet

COLUMBIA, Md.-- [The Howard Hughes Corporation](#)® (NYSE: HHC) announced today the acquisition of approximately 700,000 square feet of office product located in Downtown Columbia, MD valued at \$130 million. The six office buildings more commonly known as 10 - 60 Columbia Corporate Center are 90% leased and are currently unencumbered. With the acquisition, The Howard Hughes Corporation now holds more than 1.1 million square feet of commercial space, representing 50% of the total Downtown Columbia office market according to Cushman & Wakefield. The acquired properties include:

- 10 Corporate Center - the four-story building contains approximately 90,000 square feet
- 20 Corporate Center - the five-story building contains approximately 110,000 square feet
- 30 Corporate Center - the 12-story building contains approximately 135,000 square feet
- 40 Corporate Center - the 12-story building contains approximately 150,000 square feet
- 50 Corporate Center - the seven-story building contains approximately 120,000 square feet
- 60 Corporate Center - the six-story building contains approximately 110,000 square feet

In August 2012, The Howard Hughes Corporation purchased 70 Columbia Corporate Center, a nine-story, 170,000-square-foot Class 'A' office building, located adjacent to 10 - 60 Columbia Corporate Center, which fronts on Little Patuxent Parkway adjacent to Merriweather Post Pavilion. The building was redeveloped and is now 99% leased and occupied by tenants such as the Enterprise Community Foundation and GP Strategies, Inc.

A comprehensive Master Plan to develop Downtown Columbia was unanimously approved by Howard County in 2010 to create a walkable urban core in the heart of the award-winning Columbia master planned community. The vision includes up to 5,500 new multi-family residential units; 1.2 million square feet of retail; 4.3 million square feet of commercial office space; 640 hotel rooms and more open public spaces. The acclaimed Merriweather Post Pavilion, also located in the heart of Downtown Columbia and one of the country's top outdoor concert venues, will benefit from a \$19 million renovation over the next five years. The 10 - 60 Columbia Corporate Center buildings are located in the Symphony Overlook neighborhood within Downtown Columbia, an area envisioned to become a vibrant, mixed-use district connecting the various neighborhoods.

"The acquisition of the Columbia Corporate Center office buildings reinforces our long-term commitment to Downtown Columbia," said Grant Herlitz, President of The Howard Hughes Corporation. "Combined with our larger commercial portfolio and wide array of product offerings, we now have the flexibility to meet our existing tenants' space needs while also attracting new businesses and jobs to Downtown Columbia."

The Howard Hughes Corporation acquired the buildings as partial satisfaction of General Growth Properties, Inc.'s obligation to indemnify it for certain taxes under the Tax Matters Agreement, dated as of November 9, 2010. The transfer of the buildings is part of a settlement agreement between General Growth and The Howard Hughes Corporation that: (i) substantially terminates the Tax Matters Agreement, and (ii) provides that, in consideration of the full satisfaction of General Growth's indemnity obligations for certain taxes and interest related to master planned community land sales prior to March 31, 2010, General Growth will make a \$138 million cash payment to The Howard Hughes Corporation and transfer ownership of the office buildings valued at \$130 million to The Howard Hughes Corporation. The terms of the settlement agreement permit The Howard Hughes Corporation to control the ongoing litigation with the Internal Revenue Service ("IRS") in which the IRS has challenged The Howard Hughes Corporation's method of tax accounting for certain master planned community land sales.

On December 15, 2014, The Howard Hughes Corporation made a payment totaling approximately \$204 million to the IRS, which included approximately \$144 million of indefinable taxes and \$60 million of interest, in satisfaction of a judgment entered by the Tax Court in favor of the IRS with respect to these taxes. The Howard Hughes Corporation has filed an appeal of the Tax Court's decision to the Fifth Circuit Court of Appeals and expects the appeal to be heard by the appellate court in 2015. For more information, please refer to The Howard Hughes Corporation's Current Report on Form 8-K filed on December 18, 2014.

The development of Downtown Columbia into a 21st century urban destination is currently underway. Milestone accomplishments include the August 2014 opening of Columbia's first Whole Foods Market in HHC's redeveloped, Frank Gehry-designed, Columbia Regional Building; the recent opening of The Metropolitan Downtown Columbia, a 380-unit luxury apartment complex with 14,000 square feet of ground floor retail co-developed by HHC in partnership with Kettler; the expansion of The Mall in Columbia; the opening of the Haven on the Lake wellness center and spa; and the commencement of construction on Little Patuxent Square, a mixed-use development that will include office, retail and residential components. These achievements represent the initial phase of the transformation of Downtown Columbia into a world-class community to live, work, learn and play.

About The Howard Hughes Corporation®

The Howard Hughes Corporation owns, manages and develops commercial, residential and mixed-use real estate throughout the U.S. Our properties include master planned communities, operating properties, development opportunities and other unique assets spanning 16 states from New York to Hawai'i. The Howard Hughes Corporation is traded on the New York Stock Exchange as HHC and is headquartered in Dallas, TX. For additional information about HHC, visit www.howardhughes.com.

Safe Harbor Statement

Statements made in this press release that are not historical facts, including statements accompanied by words such as "will," "believe," "expect," "enables," "realize," "plan," "intend," "assume," "transform" and other words of similar expression, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's expectations, estimates, assumptions, and projections as of the date of this release and are not guarantees of future performance. Actual results may differ materially from those expressed or implied in these statements. Factors that could cause actual results to differ materially are set forth as risk factors in The Howard Hughes Corporation's filings with the Securities and Exchange Commission, including its Quarterly and Annual Reports. The Howard Hughes Corporation cautions you not to place undue reliance on the forward-looking statements contained in this release. The Howard Hughes Corporation does not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the date of this release.

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