UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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): **February 26, 2018**

THE HOWARD HUGHES CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**001-34856**	**36-4673192**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

One Galleria Tower
13355 Noel Road, 22nd Floor
Dallas, Texas 75240
(Address of principal executive offices)

Registrant's telephone number, including area code: **(214) 741-7744**

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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company o

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. o

Item 2.02 Results of Operations and Financial Condition

On February 26, 2018, The Howard Hughes Corporation (the "Company") issued a press release announcing the Company's financial results for the fourth quarter and full year ended December 31, 2017. A copy of this press release is attached hereto as Exhibit 99.1.

The information contained in this Current Report on Form 8-K pursuant to this "Item 2.02 Results of Operations and Financial Condition" is being furnished. This information shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section or shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, unless specifically identified therein as being incorporated by reference.

Item 7.01 Regulation FD Disclosure.

On February 26, 2018, the Company issued supplemental information for the fourth quarter ended December 31, 2017. The supplemental information contains key information about the Company. The supplemental information is attached hereto as Exhibit 99.2 and has been posted on our website at www.howardhughes.com under the "Investors" tab.

The information contained in this Current Report on Form 8-K pursuant to this "Item 7.01 Regulation FD Disclosure" is being furnished. This information shall not be deemed to be filed for the purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section or shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, unless specifically identified therein as being incorporated by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press release dated February 26, 2018 announcing the Company's financial results for the fourth quarter and full year ended December 31, 2017.
99.2	Supplemental information for the fourth quarter ended December 31, 2017.

SIGNATURES

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 hereunto duly authorized.

THE HOWARD HUGHES CORPORATION

By: */s/* Peter F. Riley
Peter F. Riley
Senior Vice President, Secretary and
General Counsel

Date: February 26, 2018

PRESS RELEASE

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THE HOWARD HUGHES CORPORATION®
REPORTS FOURTH QUARTER AND FULL YEAR 2017 RESULTS

Dallas, TX, February 26, 2018 — The Howard Hughes Corporation ® (NYSE: HHC) (the "Company") announced operating results for the fourth quarter and year ended December 31, 2017. The financial statements, exhibits and reconciliations of non-GAAP measures in the attached Appendix and the Supplemental Information at Exhibit 99.2 provide further details of these results.

Full Year Earnings Highlights

- Net income attributable to common stockholders decreased $33.9 million in 2017, to $168.4 million and $3.91 per diluted share, compared to 2016 net income of $202.3 million or $4.73 per diluted share. The decrease is primarily due to a decline in gains on sales of properties, increased warrant liabilities loss, and decreased equity in earnings from real estate and other affiliates, offset by a $164.3 million decrease in our tax provision, primarily due to a $101.7 million benefit provided by the Tax Cuts and Jobs Act of 2017 (the "Tax Act").
- Total net operating income ("NOI") from operating assets, excluding assets sold or in redevelopment and including our share of NOI from joint ventures, was $157.0 million for the year ended December 31, 2017, an increase of $18.0 million or 13.0% over the year ended December 31, 2016 driven by strong performance and the stabilization of assets across all property types.
- Master Planned Communities ("MPC") segment earnings before tax ("EBT") increased by $10.9 million or 6.1% to $190.4 million for the year ended December 31, 2017, compared to $179.5 million for the year ended December 31, 2016, bolstered by strong performance in Bridgeland and Summerlin as well as the opening and initial land sales at our newest MPC, The Woodlands Hills.
- Sold 177 condominiums at Ward Village in 2017, bringing total homes closed or under contract to 1,286 homes or 93.1% of the 1,381 residences available for sale at our four residential projects.
- Completed and placed into service four projects including two office buildings and two self-storage facilities and commenced construction on five projects including three office buildings, one multi-family project and one retail center.
- Closed on the sales of six of our non-core assets for total proceeds of $88.6 million, resulting in a net gain of $55.3 million while generating $88.5 million in taxable losses.
- Subsequent to the end of the year, repurchased 475,920 shares of common stock in a private, unaffiliated transaction at a purchase price of $120.33 per share, or approximately $57.3 million.
- In February 2018, executed an agreement with an affiliate of Noho Hospitality Group, cofounded by two-time James Beard award-winning chef, Andrew Carmellini, to open a new restaurant in the Pier Village as well as multi-year sponsorship agreements with Ticketmaster and Heineken (through NYC Seaport SP Group, LLC).

Fourth Quarter 2017 Highlights

- Net income attributable to common stockholders increased to $149.1 million or $3.46 per diluted share for the three months ended December 31, 2017, as compared to $43.6 million, or $1.02 per diluted share, for the three months ended December 31, 2016, due in large part to a $94.0 million tax benefit primarily driven by the Tax Act.
- Total NOI from operating assets was $36.2 million for the three months ended December 31, 2017, a decrease of $2.2 million or 5.7% compared to $38.4 million for the three months ended December 31, 2016 reflecting a decrease at our 110 North Wacker property due to the tenant no longer paying rent as we prepare for imminent redevelopment.
- MPC segment EBT was $52.6 million for the three months ended December 31, 2017, a decrease of $10.1 million or 16.1% compared to the three months ended December 31, 2016 largely as a result of the timing of land sales.
- Sold 59 condominiums at Ward Village in the fourth quarter of 2017, bringing total homes closed or under contract to 1,286 homes or 93.1% of the 1,381 residences available for sale at our four residential projects.
- Sold four non-core properties for $52.1 million in proceeds, resulting in $22.8 million in gains while generating $43.6 million in taxable losses.
- Acquired our joint venture partner's 50.0% interest in Constellation, our multi-family project in Summerlin, for $8.0 million in cash and 50% of the joint venture's liabilities for a total of $16.0 million. As a result of the change in control, we recognized a gain of $17.8 million in Gain on acquisition of joint venture partner's interest in conjunction with this acquisition relating to the step-up to fair value of the assets acquired.
- Announced on October 9, 2017 that ESPN will open live broadcast studios and broadcast numerous daily shows from Pier 17 at the Seaport District in New York through a long-term lease with ESPN's studio provider NEP Imaging Group, LLC.
- Broke ground on the development of a new ballpark located in the Downtown Summerlin area for our wholly owned Las Vegas 51s Triple-A professional baseball team and signed a 20-year, $80.0 million naming rights agreement for the future stadium with the Las Vegas Convention and Visitor's Authority.
- Began construction in the first quarter of 2018 on Downtown Summerlin Apartments, a 267-unit multi-family project in Summerlin.

"In 2017, we continued making significant progress across each of our core markets and business segments. We had our third consecutive year of increased land sales at our MPCs, highest year of NOI in our history within our Operating Assets segment, and a record year of sales at Ward Village without the launch of a new building - contracting 177 units bringing our sales to 93% of total homes sold at our four buildings delivered or under construction. Additionally, we continued to unlock value within our deep development pipeline, placing four new properties into operation while commencing construction on five projects, which upon stabilization should add $28.2 million of recurring NOI." said David R. Weinreb, Chief Executive Officer. "We closed the year out strong with a successful quarter in which we sold four non-core properties, recycling the proceeds into our core assets, and unlocking meaningful tax benefits. We also increased total land sales revenues and operating income compared to the fourth quarter last year, demonstrating the continued robust demand in the market for homes within our award-winning master planned communities and the ongoing strength of our stabilizing operating portfolio."

Financial Results

Throughout 2017, we demonstrated strong operating results realizing $1.1 billion in total revenues, an increase of $65.1 million as compared to 2016 driven by increases in our Operating Assets and MPC segments offset by a modest decline in our Strategic Developments segment. The decrease in revenues in our Strategic Developments segment was due to a decrease in condominium rights and unit sales recognized on a percentage of completion, as two of our residential towers are substantially sold. Despite higher revenues, the decline in operating income was largely the result of one-time gain on sales of properties realized in 2016, including the result of a one-time opportunistic gain of $140.5 million on the 2016 sale of 80 South Street Assemblage, and is not indicative of the underlying business results within our operating segments.

	Three Months Ended December 31,		Year Ended December 31,	
(In thousands, except per share amounts)	**2017**	**2016**	**2017**	**2016**
Net income attributable to common stockholders	$ 149,121	$ 43,595	$ 168,404	$ 202,303
Basic income per share	$ 3.48	$ 1.10	$ 4.07	$ 5.12
Diluted income per share	$ 3.46	$ 1.02	$ 3.91	$ 4.73
Funds from operations (FFO)	$ 168,033	$ 67,963	$ 260,278	$ 244,588
FFO per weighted average diluted share	$ 3.90	$ 1.59	$ 6.04	$ 5.72
Core FFO	$ 75,437	$ 98,631	$ 297,980	$ 333,715
Core FFO per weighted average diluted share	$ 1.75	$ 2.31	$ 6.92	$ 7.81
AFFO	$ 68,822	$ 92,278	$ 279,182	$ 316,302
AFFO per weighted average diluted share	$ 1.60	$ 2.16	$ 6.48	$ 7.40

The $105.5 million increase in Net income attributable to common stockholders for the three months ended December 31, 2017 as compared to the same period in 2016 primarily relates to a $101.7 million tax benefit as well as increased operating income in our MPC segment and an increase in gains on sales of properties. These increases were partially offset by accelerated depreciation relating to operating assets closing for redevelopment. The $33.9 million decrease in Net income attributable to common stockholders for the year ended December 31, 2017 as compared to 2016 is primarily due to a decline in gains on sales of properties, a loss from redemption of senior notes, increased warrant liabilities loss, and decreased equity in earnings from real estate and other affiliates. These decreases were offset by a $164.3 million decrease in our tax provision, primarily due to a $101.7 million benefit provided by the Tax Act.

FFO for the three months ended December 31, 2017 increased $100.1 million or $2.31 per diluted share compared to the same period in 2016 primarily due to the items mentioned above. FFO for the year ended December 31, 2017 increased $15.7 million or $0.32 per diluted share as compared to the year ended December 31, 2016 primarily due to $125.4 million overall reduction in the tax provision, offset by a $46.4 million loss on redemption of senior notes due 2021, $19.0 million in additional warrant liability losses in 2017, decreases of approximately $38.2 million in segment earnings primarily driven by a decrease in condominium rights and units sales as homes at Waiea and Anaha are substantially sold, and a decrease of $3.8 million as compared to prior year on gains on acquisition of joint venture partner's interest.

Core FFO for the three months ended December 31, 2017 decreased $23.2 million or $0.56 per diluted share as compared to the same period in 2016, and for the year ended December 31, 2017 decreased $35.7 million or $0.89 per diluted share as compared to 2016. The decreases in both periods were primarily due to a decline in condominium rights and unit sales under the percentage of completion method as well as a decline in equity in earnings in real estate and other affiliates due to timing of sales at The Summit joint venture and a sale in 2016 at our Circle T Ranch and Power Center joint venture which did not recur in 2017. These decreases are offset by increases in the MPC and Operating Assets segment earnings, adjusted to exclude gains, depreciation and amortization on depreciable real estate property.

Adjusted FFO ("AFFO"), our Core FFO adjusted to exclude recurring capital improvements and leasing commissions, decreased $23.5 million or $0.56 per diluted share for the three months ended December 31, 2017 as compared to the same period in 2016 primarily due to the items discussed above. Adjusted FFO decreased $37.1 million or $0.92 per diluted share for the year ended December 31, 2017 as compared 2016 primarily due to the items discussed above as well as a slight increase of $1.6 million in recurring tenant and capital improvements. Please reference FFO, Core FFO and AFFO as defined and reconciled to the closest GAAP measure in the Appendix to this release and the reasons why we believe these non-GAAP measures are meaningful to investors.

Business Segment Operating Results

Master Planned Communities

In 2017, we increased our MPC segment earnings before tax to $190.4 million, an increase of 6.1% as compared to prior year, bolstered by strong performance in Bridgeland and Summerlin as well as the opening and initial land sales at our newest MPC, The Woodlands Hills. In total during 2017, we sold 349.6 acres of residential land at a price per acre increase of 1.3%, 26.1% and 12.1% at Bridgeland, Summerlin and The Woodlands, respectively. These increases, along with the sale of 35.7 acres of commercial land, helped drive an increase in total revenue in our MPC segment by $46.2 million. In addition, we recognized our $23.2 million share of earnings from The Summit, our luxury golf course joint venture development within Summerlin, and received a $10.0 million cash distribution generated by $55.9 million in land sales at the joint venture.

Operating Assets

In our Operating Assets segment, we increased net operating income ("NOI"), including our share of NOI from equity investments and excluding properties sold or in redevelopment, by $18.0 million, or 13.0%, to $157.0 million in 2017 compared to $139.0 million in 2016. This increase was driven by strong performance and the stabilization of assets across all property types, partially offset by NOI reductions related to the wind down of operating activities at both 110 North Wacker and certain areas of Ward Village, where we will execute on development in the coming months as we pursue future value creation opportunities. We experienced particularly strong NOI growth in our office and hospitality assets for the years ended December 31, 2017 and 2016 with an increase in NOI of $7.3 million and $6.9 million, respectively.

Also during 2017, we acquired our joint venture partner's 50.0% interest in Constellation for $8.0 million in cash and 50% of the joint venture's liabilities, for a total of $16.0 million, resulting in a gain of $17.8 million on step-up to fair value of net assets acquired. We also acquired our joint venture partner's 50.0% interest in the Las Vegas 51s minor league baseball team, which upon completion of a new stadium will serve as an amenity for our Summerlin MPC, for $16.4 million, resulting in a gain of $5.4 million on step-up to fair value of the net assets acquired.

Strategic Developments

Our Strategic Developments segment experienced another strong year of execution with respect to both the sale of condominium units in Ward Village as well as development activities throughout the portfolio, with two new condominium towers under construction, two that have welcomed residents and three projects completed at The Woodlands and Columbia. We reported revenues of $464.3 million from condominium rights and unit sales at our four residential condominium towers available for sale in Ward Village, as compared to $485.6 million in 2016 and $305.3 million in 2015. Through December 31, 2017 we have closed on the sales of a total of 464 units to new residents. With the opening of both Waiea and Anaha to new residents and the associated proceeds generated from the closings of those units, we repaid the $195.3 million outstanding balance on the Waiea and Anaha construction loan.

Also within our Strategic Development segment during 2017, we completed construction on: (i) two self-storage facilities in The Woodlands totaling 1,438 units; (ii) One Merriweather, a 202,603 square foot, Class A office building in Downtown Columbia; and (iii) Two Merriweather, a 124,635 square foot, Class A office building in Downtown Columbia. We commenced construction on six projects including: (i) Aristocrat, a 12-acre build-to-suit project including two 90,000 square foot office buildings, 100% pre-leased to Aristocrat Technologies; (ii) Two Summerlin, a 145,000 square foot Class A office building; (iii) 100 Fellowship Drive, a three-story, 203,000 rentable square foot medical building in The Woodlands which is 100% pre-leased; (iv) Creekside Park Apartments, a 292-unit apartment complex in The Woodlands; (v) Lake Woodlands Crossing Retail center, containing approximately 60,300 rentable retail square feet in The Woodlands; and (vi) 33 Peck Slip, our joint venture project for redevelopment of a 66-room hotel serving as an amenity in the Seaport District. Finally, we broke ground on a new ballpark in downtown Summerlin for the Las Vegas 51s minor league baseball team as well as signed a naming rights agreement with the Las Vegas Convention and Visitor's Authority for the new ballpark which will pay us $4 million annually for a 20-year term.

Balance Sheet Fourth Quarter Activity and Subsequent Events

As of December 31, 2017, our total consolidated debt equaled approximately 42.5% of our total assets. Our leverage ratio (debt to enterprise value, as defined in the Supplemental Information) was 36.2% as of December 31, 2017. We believe our low leverage, with a focus on project specific financing, reduces our exposure to potential downturns and provides us with the ability to evaluate new opportunities.

In 2017, we were also able to maintain our strong balance sheet, financial flexibility and liquidity to fund future growth. As of December 31, 2017, we have $861.1 million of cash and cash equivalents, and, based on extended maturity dates, we have only $78.2 million of debt maturing during 2018. In March of 2017, we issued $800 million of 5.375% senior notes due March 15, 2025 (the "2025 Notes"), using the sales proceeds to redeem all $750 million of the 6.875% senior notes, to pay related transaction fees and expenses, and to repay construction financings and fund ongoing development projects and general corporate needs. This refinancing transaction added meaningful duration to our debt maturity profile, reduced our current coupon by 150 basis points and maintained our current liquidity profile all at a positive net present value basis. In June of 2017, we opportunistically issued an additional $200.0 million of the 2025 Notes at a premium to par of 102.25%, further increasing our liquidity profile.

In addition, our liquidity was further enhanced during the year by obtaining approximately $127.6 million in construction financings, obtaining $49.2 million in non-recourse financings, a $30.0 million increase in The Woodlands Master Credit Facility, the receipt of our first reimbursement of $1.6 million from the first tranche of $38.5 million in Tax Increment Financed bonds issued by Howard County, Maryland (with another $14.4 million submitted for reimbursement as of December 31, 2017, to offset our development costs), and the receipt of $52.0 million from our CEO and President as consideration for the issuance of warrants to these executives. Finally, we closed on the sales of six non-core assets for total proceeds of $88.6 million, resulting in a net gain of $51.4 million included in Gains on sales of properties from our Strategic Developments segment and $3.9 million in Gains on sales of operating properties from our Operating Assets segment. These sales have generated $88.5 million in taxable losses.

On February 23, 2018, we repurchased 475,920 shares of our common stock, par value $0.01 per share, in a private transaction with an unaffiliated entity at a purchase price of $120.33 per share, or approximately $57,267,453 in the aggregate. The repurchase transaction was consummated on February 21, 2018, and was funded with cash on hand.

On January 19, 2018, we paid off the $18.9 million mortgage loan on our 110 North Wacker property and settled the related swap position. As of January 2018, our tenant has vacated, and demolition has begun on 110 North Wacker to allow for redevelopment of the property. The newly constructed 110 North Wacker will be a 53-story, Class A, downtown office building with 1.4 million square feet, and it is currently 34.8% pre-leased to Bank of America.

On December 28, 2017, we closed on a $24.2 million non-recourse financing for Constellation, a multi-family building located in Summerlin. The loan bears interest at 4.07% and matures on January 1, 2033.

On December 5, 2017, we executed a modification of our $65.5 million Three Hughes Landing Facility to extend the maturity 30 days to January 5, 2018. On January 5, 2018, we modified and extended the $65.5 million loan which bears interest at one-month LIBOR plus 2.60% with an initial maturity of December 5, 2018, with two, one-year extension options.

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 14 states from New York to Hawai'i. The Howard Hughes Corporation is traded on the New York Stock Exchange under HHC with major offices in New York, Columbia, MD, Dallas, Houston, Las Vegas and Honolulu. For additional information about HHC, visit www.howardhughes.com or find us on Facebook, Twitter, Instagram, and LinkedIn.

Safe Harbor Statement

We may make forward-looking statements in this press release and in other reports and presentations that we file or furnish with the Securities and Exchange Commission. In addition, our management may make forward-looking statements orally to analysts, investors, creditors, the media and others. Forward-looking statements include:

- budgeted costs, future lot sales and estimates of NOI and EBT;
- capital required for our operations and development opportunities for the properties in our Operating Assets and Strategic Developments segments;
- expected commencement and completion for property developments and timing of sales or rentals of certain properties;
- expected performance of our MPC segment and other current income producing properties;
- forecasts of our future economic performance; and
- future liquidity, development opportunities, development spending and management plans.

These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements to materially differ from any future results, performance and achievements expressed or implied by such forward-looking statements. These risk factors are described in our Annual Report, which has been filed with the Securities and Exchange Commission on February 26, 2018. Any factor could, by itself, or together with one or more other factors, adversely affect our business, results of operations or financial condition. There may be other factors currently unknown to us that we have not described in our Annual Report that could cause results to differ from our expectations. These forward-looking statements present our estimates and assumptions as of the date of this press release. Except as may be required by law, we undertake no obligation to modify or revise any forward-looking statements to reflect events or circumstances occurring after the date of this release.

THE HOWARD HUGHES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

	Three Months Ended December 31,		Year Ended December 31,	
(In thousands, except per share amounts)	**2017**	**2016**	**2017**	**2016**
Revenues:				
Condominium rights and unit sales	$ 122,043	$ 123,021	$ 464,251	$ 485,634
Master Planned Community land sales	71,064	68,150	248,595	215,318
Minimum rents	46,972	45,013	183,025	173,268
Tenant recoveries	11,187	11,222	45,814	44,330

Hospitality revenues	18,830	16,126	76,020	62,252
Builder price participation	8,222	5,755	22,835	21,386
Other land revenues	8,560	4,009	28,166	16,232
Other rental and property revenues	14,105	5,250	31,414	16,585
Total revenues	300,983	278,546	1,100,120	1,035,005
Expenses:				
Condominium rights and unit cost of sales	85,152	81,566	338,361	319,325
Master Planned Community cost of sales	32,828	29,599	121,116	95,727
Master Planned Community operations	13,896	11,919	38,777	42,371
Other property operating costs	31,576	18,465	91,729	65,978
Rental property real estate taxes	7,420	5,737	29,185	26,847
Rental property maintenance costs	3,416	3,175	13,432	12,392
Hospitality operating costs	14,828	11,980	56,362	49,359
Provision for doubtful accounts	982	1,035	2,710	5,664
Demolition costs	1,620	994	1,923	2,212
Development-related marketing costs	5,717	6,598	20,504	22,184
General and administrative	26,459	25,083	89,882	86,588
Depreciation and amortization	36,059	24,618	132,252	95,864
Total expenses	259,953	220,769	936,233	824,511
Operating income before other items	41,030	57,777	163,887	210,494
Other:				
Provision for impairment	—	—	—	(35,734)
Gains on sales of properties	18,915	—	51,367	140,549
Other (loss) income, net	2,498	1,595	3,248	11,453
Total other	21,413	1,595	54,615	116,268
Operating income	62,443	59,372	218,502	326,762
Interest income	872	459	4,043	1,359
Interest expense	(15,021)	(17,096)	(64,568)	(65,724)
Loss on redemption of senior notes due 2021	—	—	(46,410)	—
Warrant liability (loss) gain	—	(2,780)	(43,443)	(24,410)
Gain on acquisition of joint venture partner's interest	17,842	—	23,332	27,088
Gain (loss) on disposal of operating assets	3,868	(1,117)	3,868	(1,117)
Equity in earnings from Real Estate and Other Affiliates	(323)	21,118	25,498	56,818
Income before taxes	69,681	59,956	120,822	320,776
(Benefit) provision for income taxes	(77,647)	16,361	(45,801)	118,450
Net income	147,328	43,595	166,623	202,326
Net loss (income) attributable to noncontrolling interests	1,793	—	1,781	(23)
Net income attributable to common stockholders	$ 149,121	$ 43,595	$ 168,404	$ 202,303
Basic income per share:	$ 3.48	$ 1.10	$ 4.07	$ 5.12
Diluted income per share:	$ 3.46	$ 1.02	$ 3.91	$ 4.73

THE HOWARD HUGHES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
UNAUDITED

	December 31,	
(In thousands, except share amounts)	**2017**	**2016**
Assets:		
Investment in real estate:		
Master Planned Community assets	$ 1,642,278	$ 1,669,561
Buildings and equipment	2,238,617	2,027,363
Less: accumulated depreciation	(321,882)	(245,814)
Land	277,932	320,936
Developments	1,196,582	961,980
Net property and equipment	5,033,527	4,734,026
Investment in Real Estate and Other Affiliates	76,593	76,376
Net investment in real estate	5,110,120	4,810,402
Cash and cash equivalents	861,059	665,510
Accounts receivable, net	13,041	9,883
Municipal Utility District receivables, net	184,811	150,385
Notes receivable, net	5,864	155
Deferred expenses, net	80,901	64,531
Prepaid expenses and other assets, net	473,268	666,516
Total assets	$ 6,729,064	$ 6,367,382
Liabilities:		
Mortgages, notes and loans payable, net	$ 2,857,945	$ 2,690,747
Deferred tax liabilities	160,850	200,945
Warrant liabilities	—	332,170
Accounts payable and accrued expenses	521,718	572,010
Total liabilities	3,540,513	3,795,872
Equity:		
Preferred stock: $.01 par value; 50,000,000 shares authorized, none issued	—	—
Common stock: $.01 par value; 150,000,000 shares authorized, 43,300,253 shares issued and 43,270,880 outstanding as of December 31, 2017 and 39,802,064 shares issued and 39,790,003 outstanding as of December 31, 2016	433	398
Additional paid-in capital	3,302,502	2,853,269
Accumulated deficit	(109,508)	(277,912)
Accumulated other comprehensive loss	(6,965)	(6,786)
Treasury stock, at cost, 29,373 shares and 12,061 shares as of December 31, 2017 and 2016, respectively	(3,476)	(1,231)
Total stockholders' equity	3,182,986	2,567,738
Noncontrolling interests	5,565	3,772
Total equity	3,188,551	2,571,510
Total liabilities and equity	$ 6,729,064	$ 6,367,382

Appendix – Reconciliations of Non-GAAP Measures

As of and for the Three Months and Year Ended December 31, 2017

We use certain non-GAAP performance measures, in addition to the required GAAP presentations, as we believe these measures improve the understanding of our operational results and make comparisons of operating results among peer companies more meaningful. Management continually evaluates the usefulness, relevance, limitations, and calculation of the Company's reported non-GAAP performance measures to determine how best to provide relevant information to the public, and thus such reported measures could change. The non-GAAP financial measures used herein are Net operating income ("NOI"), Funds from operations ("FFO"), Core funds from operations ("Core FFO"), and Adjusted funds from operations ("AFFO").

Because our three segments, Master Planned Communities, Operating Assets and Strategic Developments, are managed separately, we use different operating measures to assess operating results and allocate resources among these three segments. The one common operating measure used to assess operating results for our business segments is EBT. EBT, as it relates to each business segment, represents the revenues less expenses of each segment, including interest income, interest expense and Equity in earnings of real estate and other affiliates. EBT excludes corporate expenses and other items that are not allocable to the segments. We present EBT because we use this measure, among others, internally to assess the core operating performance of our assets. However, EBT should not be considered as an alternative to GAAP net income.

Reconciliation of EBT to income before taxes (In thousands)	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
MPC segment EBT	$ 52,604	$ 62,706	$ 190,351	$ 179,481	$ 114,366
Operating Assets segment EBT	(14,356)	5,191	(28,664)	(22,985)	(9,646)
Strategic Developments segment EBT	51,985	36,102	169,041	302,022	97,580
Total consolidated segment EBT	90,233	103,999	330,728	458,518	202,300
Corporate and other items:					
General and administrative	(26,459)	(25,083)	(89,882)	(86,588)	(81,345)
Corporate interest expense, net	(12,105)	(13,104)	(48,700)	(52,460)	(52,995)
Warrant liability (loss) gain	—	(2,780)	(43,443)	(24,410)	58,320
Gain on acquisition of joint venture partner's interest	17,842	—	23,332	27,088	—
Gain (loss) on disposal of operating assets	3,868	(1,117)	3,868	(1,117)	29,073
Gains on sales of properties	125	—	125	—	—
Equity in earnings in Real Estate and Other Affiliates	(453)	—	(453)	—	—
Loss on redemption of senior notes due 2021	—	—	(46,410)	—	—
Corporate other (expense) income, net	(923)	51	(45)	6,241	1,409
Corporate depreciation and amortization	(2,447)	(2,010)	(8,298)	(6,496)	(6,042)
Total Corporate and other items	(20,552)	(44,043)	(209,906)	(137,742)	(51,580)
Income before taxes	$ 69,681	$ 59,956	$ 120,822	$ 320,776	$ 150,720

NOI

We believe that NOI is a useful supplemental measure of the performance of our Operating Assets portfolio because it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating real estate properties and the impact on operations from trends in rental and occupancy rates and operating costs. We define NOI as operating revenues (rental income, tenant recoveries and other revenue) less operating expenses (real estate taxes, repairs and maintenance, marketing and other property expenses, including our share of NOI from equity investees). NOI excludes straight-line rents and amortization of tenant incentives, net interest expense, ground rent amortization, demolition costs, amortization, depreciation, and development-related marketing. All management fees have been eliminated for all internally-managed properties. We use NOI to evaluate our operating performance on a property-by-property basis because NOI allows us to evaluate the impact that factors, which vary by property, such as lease structure,

lease rates and tenant base have on our operating results, gross margins and investment returns. Variances between years in NOI typically result from changes in rental rates, occupancy, tenant mix and operating expenses. Although we believe that NOI provides useful information to investors about the performance of our Operating Assets, due to the exclusions noted above, NOI should only be used as an additional measure of the financial performance of the assets of this segment of our business and not as an alternative to GAAP net income (loss). For reference, and as an aid in understanding our computation of NOI, a reconciliation of Operating Assets EBT to Operating Assets NOI has been presented in the table below.

(In thousands)	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016
Total Operating Assets segment EBT	**$ (14,356)**	**$ 5,191**	**$ (28,664)**	**$ (22,985)**
Add Back:				
Straight-line lease amortization	(2,801)	(1,057)	(7,999)	(10,689)
Demolition costs	1,443	194	1,605	194
Development-related marketing costs	1,029	46	3,346	947
Provision for impairment	—	—	—	35,734
Depreciation and Amortization	33,503	21,767	122,421	86,313
Write-off of lease intangibles and other	492	61	575	25
Other income, net	50	(1,475)	315	(4,601)
Equity in earnings from Real Estate Affiliates	472	(185)	(3,267)	(2,802)
Interest, net	15,580	13,458	61,584	50,427
Total Operating Assets NOI - Consolidated	**35,412**	**38,000**	**149,916**	**132,563**
Exclude:				
Redevelopments				
Historic Area / Uplands	—	—	—	(589)
Landmark Mall	—	(150)	—	(676)
Total Operating Asset Redevelopments NOI	—	**(150)**	—	**(1,265)**
Dispositions				
Cottonwood Square	250	176	750	705
Park West	1	490	(60)	1,835
Total Operating Asset Dispositions NOI	**251**	**666**	**690**	**2,540**
Consolidated Operating Assets NOI excluding properties sold or in redevelopment	**$ 35,161**	**$ 37,484**	**$ 149,226**	**$ 131,288**
Company's Share NOI - Equity investees	$ 1,084	$ 888	$ 4,401	$ 5,069
Distributions from Summerlin Hospital Investment	—	—	3,383	2,616
Total NOI	**$ 36,245**	**$ 38,372**	**$ 157,010**	**$ 138,973**

FFO, Core FFO, and Adjusted FFO (AFFO)

FFO is defined by the National Association of Real Estate Investment Trusts (NAREIT) as net income calculated in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization and impairment charges (which we believe are not indicative of the performance of our operating portfolio). We calculate FFO in accordance with NAREIT's definition. Since FFO excludes depreciation and amortization and gains and losses from depreciable property dispositions, and impairments, it can provide a performance measure that, when compared year over year, reflects the impact on operations from trends in land sales prices, occupancy rates, rental rates, operating costs, acquisition and development activities, and financing costs. This provides a perspective of our financial performance not immediately apparent from net income determined in accordance with GAAP. Core FFO is calculated by adjusting FFO to exclude the impact of certain non-cash and/or nonrecurring income and expense items, as set forth in the calculation below. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FFO serves as a useful, supplementary

measure of the ongoing operating performance of our core operations, and we believe it is used by investors in a similar manner. Finally, AFFO adjusts our Core FFO operating measure to deduct cash spent on recurring tenant improvements and capital expenditures of a routine nature as well as leasing commissions to present an adjusted measure of Core FFO. Core FFO and AFFO are non-GAAP and non-standardized measures and may be calculated differently by other peer companies.

While FFO, Core FFO, AFFO and NOI are relevant and widely used measures of operating performance of real estate companies, they do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity or operating performance. FFO, Core FFO, AFFO, and NOI do not purport to be indicative of cash available to fund our future cash requirements. Further, our computations of FFO, Core FFO AFFO and NOI may not be comparable to those reported by other real estate companies. We have included a reconciliation of FFO, Core FFO, and AFFO to GAAP net income below. Non-GAAP financial measures should not be considered independently, or as a substitute, for financial information presented in accordance with GAAP.

(In thousands)	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016
Net income attributable to common shareholders	$ 149,121	$ 43,595	$ 168,404	$ 202,303
Add:				
Segment real estate related depreciation and amortization	33,612	22,608	123,954	89,368
(Gain) loss on disposal of operating assets	(3,868)	1,117	(3,868)	1,117
Gains on sales of properties	(18,915)	—	(51,367)	(140,549)
Income tax expense (benefit) adjustments - deferred:				
(Gain) loss on disposal of operating assets	1,424	(419)	1,424	(419)
Gains on sales of properties	6,963	—	19,127	52,706
Impairment of depreciable real estate properties	—	—	—	35,734
Reconciling items related to noncontrolling interests	(1,793)	—	(1,781)	23

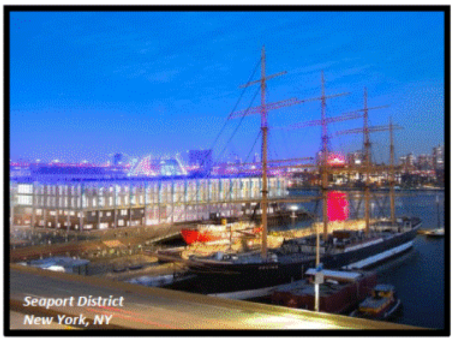
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	1,489	1,062	4,385	4,305
FFO	$ 168,033	$ 67,963	$ 260,278	$ 244,588
Adjustments to arrive at Core FFO:				
Acquisition expenses	77	—	109	526
Loss on redemption of senior notes due 2021	—	—	46,410	—
Gain on acquisition of joint venture partner's interest	(17,842)	—	(23,332)	(27,088)
Warrant loss	—	2,780	43,443	24,410
Severance expenses	123	253	2,525	453
Non-real estate related depreciation and amortization	2,447	2,010	8,298	6,496
Straight-line rent adjustment	(2,849)	(1,203)	(7,782)	(10,861)
Deferred income tax expense (benefit)	(85,334)	18,178	(64,014)	61,411
Non-cash fair value adjustments related to hedging instruments	506	265	905	1,364
Share based compensation	2,860	587	8,211	7,343
Other non-recurring expenses (development related marketing and demolition costs)	7,337	7,592	22,427	24,396
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	79	206	502	677
Core FFO	$ 75,437	$ 98,631	$ 297,980	$ 333,715
Adjustments to arrive at Adjusted FFO ("AFFO"):				
Tenant and capital improvements	(5,647)	(4,881)	(15,803)	(14,224)
Leasing commissions	(968)	(1,472)	(2,995)	(3,189)
AFFO	$ 68,822	$ 92,278	$ 279,182	$ 316,302
FFO per diluted share value	$ 3.90	$ 1.59	$ 6.04	$ 5.72
Core FFO per diluted share value	$ 1.75	$ 2.31	$ 6.92	$ 7.81
AFFO per diluted share value	$ 1.60	$ 2.16	$ 6.48	$ 7.40

Exhibit 99.2

NYSE: HHC

Supplemental Information

For the quarterly period ended December 31, 2017



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Forward Looking Statements

This presentation includes forward-looking statements. Forward-looking statements give our current expectations relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to current or historical facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "forecast," "plan," "intend," "believe," "likely," "may," "realize," "should," "transform," "would," and other statements of similar expression. Forward looking statements give our expectations about the future and are not guarantees. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements to materially differ from any future results, performance and achievements expressed or implied by such forward-looking statements. We caution you not to rely on these forward-looking statements. For a discussion of the risk factors that could have an impact on these forward-looking statements, see our Annual Report on Form 10-K for the fiscal year ended December 31, 2017. The statements made herein speak only as of the date of this presentation and we do not undertake to update this information except as required by law. Past performance does not guarantee future results. Performance during time periods shown is limited and may not reflect the performance for the full year or future years, or in different economic and market cycles.

Non-GAAP Financial Measures

Our financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP); however, we use certain non-GAAP performance measures in this presentation, in addition to GAAP measures, as we believe these measures improve the understanding of our operational results and make comparisons of operating results among peer companies more meaningful. Management continually evaluates the usefulness, relevance, limitations, and calculation of our reported non-GAAP performance measures to determine how best to provide relevant information to the public, and thus such reported measures could change. The non-GAAP financial measures used in this presentation are funds from operations, or FFO, core funds from operations, or Core FFO, adjusted funds from operations, or AFFO, and net operating income, or NOI.

FFO is defined by the National Association of Real Estate Investment Trusts (NAREIT) as net income calculated in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization and impairment charges (which we believe are not indicative of the performance of our operating portfolio). We calculate FFO in accordance with NAREIT's definition. Since FFO excludes depreciation and amortization, gains and losses from depreciable property dispositions, and impairments, it can provide a performance measure that, when compared year over year, reflects the impact on operations from trends in occupancy rates, rental rates, operating costs, acquisition, development activities and financing costs. This provides a perspective of our financial performance not immediately apparent from net income determined in accordance with GAAP. Core FFO is calculated by adjusting FFO to exclude the impact of certain non-cash and/or nonrecurring income and expense items, as set forth in the calculation herein. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FFO serves as a useful, supplementary measure of the ongoing operating performance of the core operations across all segments, and we believe it is used by investors in a similar manner. Finally, AFFO adjusts our Core FFO operating measure to deduct cash expended on recurring tenant improvements and capital expenditures of a routine nature to present an adjusted measure of Core FFO. Core FFO and AFFO are non-GAAP and non-standardized measures and may be calculated differently by other peer companies.

Herein, we define NOI as operating revenues (rental income, tenant recoveries and other revenue) less operating expenses (real estate taxes, repairs and maintenance, marketing and other property expenses), plus our share of NOI from equity investees. NOI excludes straight-line rents and amortization of tenant incentives, net interest expense, ground rent amortization, demolition costs, amortization, depreciation, development-related marketing costs and Equity in earnings from Real Estate and Other Affiliates. We use NOI to evaluate our operating performance on a property-by-property basis because NOI allows us to evaluate the impact that factors which vary by property, such as lease structure, lease rates and tenant bases, have on our operating results, gross margins and investment returns. We believe that NOI is a useful supplemental measure of the performance of our Operating Assets because it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating real estate properties and the impact on operations from trends in rental and occupancy rates and operating costs.

While FFO, Core FFO, AFFO and NOI are relevant and widely used measures of operating performance of real estate companies, they do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity or operating performance. FFO, Core FFO, AFFO and NOI do not purport to be indicative of cash available to fund our future cash requirements. Further, our computations of FFO, Core FFO, AFFO and NOI may not be comparable to FFO, Core FFO, AFFO and NOI reported by other real estate companies. We have included in this presentation a reconciliation from GAAP net income to FFO, Core FFO and AFFO, as well as a reconciliation of our GAAP Operating Assets Earnings Before Taxes ("EBT") segment measure to NOI. Non-GAAP financial measures should not be considered independently, or as a substitute, for financial information presented in accordance with GAAP.

Additional Information

Our website address is www.howardhughes.com. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other publicly filed or furnished documents are available and may be accessed free of charge through the "Investors" section of our website under the "SEC Filings" subsection, as soon as reasonably practicable after those documents are filed with, or furnished to, the SEC. Also available through the Investors section of our website are beneficial ownership reports filed by our directors, certain officers and shareholders on Forms 3, 4 and 5.

Company Overview - 4Q17

Exchange / Ticker		NYSE: HHC
Share Price - December 31, 2017	$	131.27
Diluted Earnings / Share	$	3.46
FFO / Diluted Share	$	3.90
Core FFO / Diluted Share	$	1.75
AFFO / Diluted Share	$	1.60

Recent Company Highlights

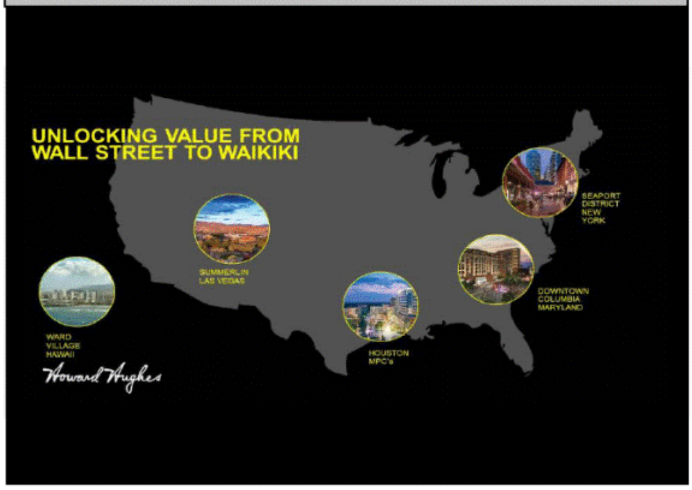
DALLAS--(BUSINESS WIRE)--Jan. 11, 2018-- The Howard Hughes Corporation® (NYSE: HHC) announced today that Ward Village®, its 60-acre master planned community in Honolulu's urban core, was named "Master Planned Community of the Year" at The Nationals℠ Awards gala held on January 9 in Orlando, Florida. Presented by The National Association of Home Builders (NAHB), The Nationals℠ pay tribute to superior new home design, marketing and sales achievements. Ward Village received top honors, being recognized for its revitalization of a formerly underutilized industrial area into one of the most sought-after communities in the nation.

HONOLULU--(BUSINESS WIRE)--Jan. 5, 2018--The Howard Hughes Corporation® (NYSE: HHC) announced today that Simon Treacy has joined the company as President, Hawai'i. In this position, Mr. Treacy will be leading the development, sales and operations of Ward Village®, the acclaimed 60-acre master planned community recently named "Best Planned Community in the US" by Architectural Digest. Since beginning sales in 2014, Ward Village has sold more than 1,300 homes. At full build-out, the community will consist of more than 4,500 residences and approximately one million square feet of retail space.

DALLAS--(BUSINESS WIRE)--Jan. 2, 2018--The Howard Hughes Corporation® (NYSE: HHC) announced today the recent disposition of several non-core assets as the company continues to execute on its strategy of focusing capital and efforts on its core asset base that includes the Seaport District NYC in New York; Columbia, Maryland; The Woodlands®, Bridgeland®, and The Woodlands Hills master planned communities in the Greater Houston, Texas area; Summerlin®, Nevada; and Ward Village® in Honolulu, Hawai'i.

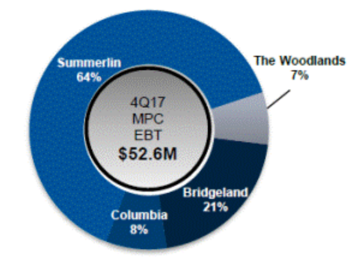
For more press releases, please visit www.howardhughes.com/press

Operating Portfolio by Region

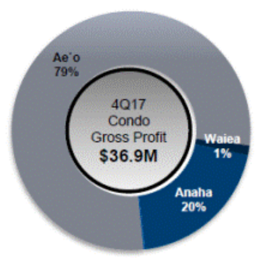


4Q17 MPC & Condominium Results

$ in millions



$ in millions



4Q17 MPC EBT	
Bridgeland	$10.9
Columbia	4.3
Summerlin	33.7
The Woodlands / The Woodlands Hills	3.7
Total	**$52.6**

4Q17 Condo Gross Profit	
Waiea	$0.5
Anaha	7.3
Ke Kilohana	0.1
Ae`o	29.0
Total	**$36.9**

Path to Projected Annual Stabilized NOI

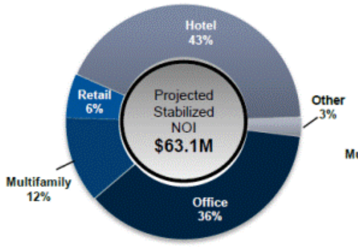
Currently Under Construction

$ in millions

Retail & Office S.F.	1,043,129
Multifamily Units	996
Hotel Keys	66
Other Units	-
Projected Stabilized NOI	**$40.5**

Currently Unstabilized

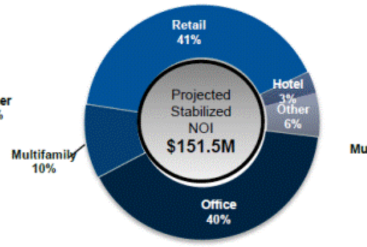
$ in millions



Retail & Office S.F.	1,161,222
Multifamily Units	390
Hotel Keys	708
Other Units	1,438
Projected Stabilized NOI	**$63.1**

Currently Stabilized

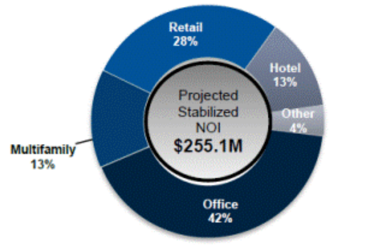
$ in millions



Retail & Office S.F.	5,300,031
Multifamily Units	1,233
Hotel Keys	205
Other Units	-
Projected Stabilized NOI	**$151.5**

Total

$ in millions



Retail & Office S.F.	7,504,382
Multifamily Units	2,619
Hotel Keys	979
Other Units	1,438
Projected Stabilized NOI	**$255.1**

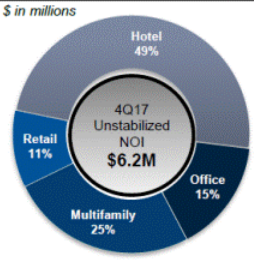
4Q17 - Operating Results by Property Type

Currently Under Construction

$ in millions

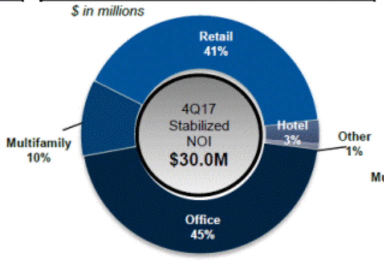
Currently Unstabilized

$ in millions



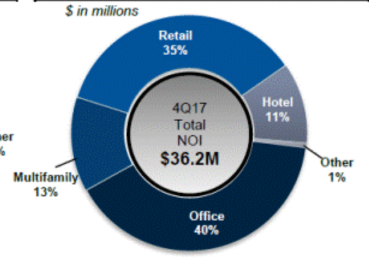
Currently Stabilized

$ in millions



Total

$ in millions



Note: Path to Projected Annual Stabilized NOI charts exclude Seaport NOI until we have greater clarity with respect to the performance of our tenants; however, the operating portion of Seaport is included in 4Q17 Operating Results by Property Type. See page 16 for Stabilized NOI Yield and other project information.

Company Profile	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	FY 2017	FY 2016
Share price[1]	$131.27	$117.93	$122.84	$117.25	$114.10	$131.27	$114.10
Market Capitalization[2]	$5.9b	$5.1b	$5.3b	$5.1b	$4.9b	$5.9b	$4.9b
Enterprise Value[3]	$7.9b	$7.5b	$7.7b	$7.3b	$6.9b	$7.9b	$6.9b
Weighted avg. shares - basic *(in thousands)*	42,860	42,845	40,373	39,799	39,492	41,364	39,492
Weighted avg. shares - diluted *(in thousands)*	43,120	43,267	43,051	42,757	42,753	43,089	42,729
Total diluted share equivalents outstanding *(in thousands)* [1]	44,917	43,380	43,401	43,194	42,961	44,917	42,961
Earnings Profile (*in thousands except for Avg. NOI margin*)							
Operating Segment Income							
Revenues	$80,727	$77,651	$79,643	$79,640	$75,793	$317,661	$282,196
Expenses	($45,566)	($41,492)	($42,154)	($39,223)	($38,309)	($168,435)	($150,908)
Company's Share of Equity Method Investments NOI and Cost Basis Investment	$1,084	$1,186	$1,385	$4,129	$888	$7,784	$7,685
Net Operating Income[4]	$36,245	$37,345	$38,874	$44,546	$38,372	$157,010	$138,973
Avg. NOI margin	45%	48%	49%	56%	51%	49%	49%
MPC Segment Earnings							
Total revenues	$87,832	$64,929	$78,076	$68,706	$77,902	$299,543	$253,304
Total expenses[5]	($43,300)	($37,299)	($40,762)	($35,357)	($41,592)	($156,718)	($138,409)
Interest income, net[6]	$6,390	$6,355	$5,990	$5,557	$5,468	$24,292	$21,085
Equity in earnings in Real Estate and Other Affiliates	$1,682	$6,480	$9,792	$5,280	$20,928	$23,234	$43,501
MPC Segment EBT[6]	$52,604	$40,465	$53,096	$44,186	$62,706	$190,351	$179,481
Condo Gross Profit							
Revenues[7]	$122,043	$113,852	$148,211	$80,145	$123,021	$464,251	$485,634
Expenses[7]	($85,152)	($86,531)	($106,195)	($60,483)	($81,566)	($338,361)	($319,325)
Condo Net Income	$36,891	$27,321	$42,016	$19,662	$41,455	$125,890	$166,309
Debt Summary (*in thousands except for percentages*)							
Total debt payable[8]	$2,877,789	$3,014,280	$3,023,122	$2,771,492	$2,708,460	$2,877,789	$2,708,460
Fixed rate debt outstanding at end of period	$1,526,875	$1,508,746	$1,514,192	$1,324,634	$1,184,141	$1,526,875	$1,184,141
Weighted avg. rate - fixed	5.04%	4.99%	5.06%	4.94%	5.89%	5.04%	5.89%
Variable rate debt outstanding at end of period, excluding condominium financing	$1,317,311	$1,310,265	$1,324,125	$1,309,169	$1,363,472	$1,317,311	$1,363,472
Weighted avg. rate - variable	4.10%	3.67%	3.64%	3.45%	3.33%	4.10%	3.33%
Condominium debt outstanding at end of period	$33,603	$195,269	$184,805	$137,689	$160,847	$33,603	$160,847
Weighted avg. rate - condominium financing	4.49%	7.98%	7.92%	7.68%	7.47%	7.11%	7.47%
Leverage ratio (debt to enterprise value)	36.20%	39.90%	39.10%	38.04%	38.80%	36.20%	38.80%

(1) Presented as of period end date.
(2) Market capitalization = Closing share price at of the last trading day of the respective period times total diluted share equivalents outstanding as of the date presented.
(3) Enterprise Value = (Market capitalization+ book value of debt + noncontrolling interest) - cash and equivalents.
(4) Net Operating Income = Operating Assets NOI excluding properties sold or in redevelopment + Company's Share of Equity Method Investments NOI and the annual Distribution from our Cost Basis Investment.
(5) Expenses include both actual and estimated future costs of sales allocated on a relative sales value to land parcels sold, including MPC-level G&A and real estate taxes on remaining residential and commercial land.
(6) MPC Segment EBT (Earnings before tax, as discussed in our GAAP financial statements), includes negative interest expense relating to capitalized interest for the segment relating to debt held in other segments and at corporate.
(7) Revenues represent "Condominium rights and unit sales" and expenses represent "Condominium rights and unit cost of sales" as stated in our GAAP financial statements, based on the percentage of completion method ("POC").
(8) Represents Total mortgages, notes, and loans payable, as stated in our GAAP financial statements as of the respective date, excluding unamortized deferred financing costs and bond issuance costs.

(In thousands)	FY 2017	FY 2016
ASSETS		
Investment in real estate:		
Master Planned Community assets	$ 1,642,278	$ 1,669,561
Buildings and equipment	2,238,617	2,027,363
Less: accumulated depreciation	(321,882)	(245,814)
Land	277,932	320,936
Developments	1,196,582	961,980
Net property and equipment	5,033,527	4,734,026
Investment in Real Estate and Other Affiliates	76,593	76,376
Net investment in real estate	5,110,120	4,810,402
Cash and cash equivalents	861,059	665,510
Accounts receivable, net	13,041	9,883
Municipal Utility District receivables, net	184,811	150,385
Notes receivable, net	5,864	155
Deferred expenses, net	80,901	64,531
Prepaid expenses and other assets, net	473,268	666,516
Total Assets	**$ 6,729,064**	**$ 6,367,382**
LIABILITIES AND EQUITY		
Liabilities		
Mortgages, notes and loans payable	$ 2,857,945	$ 2,690,747
Deferred tax liabilities	160,850	200,945
Warrant liabilities	—	332,170
Accounts payable and accrued expenses	521,718	572,010
Total Liabilities	**$ 3,540,513**	**$ 3,795,872**
Equity		
Common stock: $.01 par value; 150,000,000 shares authorized, 43,300,253 shares issued and 43,270,880 outstanding as of December 31, 2017 and 39,802,064 shares issued and 39,790,003 outstanding as of December 31, 2016	433	398
Additional paid-in capital	3,302,502	2,853,269
Accumulated deficit	(109,508)	(277,912)
Accumulated other comprehensive loss	(6,965)	(6,786)
Treasury stock, at cost, 29,373 shares and 12,061 shares as of December 31, 2017 and 2016, respectively	(3,476)	(1,231)
Total stockholders' equity	3,182,986	2,567,738
Noncontrolling interests	5,565	3,772
Total Equity	**$ 3,188,551**	**$ 2,571,510**
Total Liabilities and Equity	**$ 6,729,064**	**$ 6,367,382**
Share Count Details (in thousands)		
Shares outstanding at end of period	43,271	39,790
Dilutive effect of stock options[1]	200	277
Dilutive effect of warrants[2]	1,446	2,894
Total Diluted Share Equivalents Outstanding	**44,917**	**42,961**

(1) Stock options assume net share settlement calculated for the year-to-date period presented.

(2) Warrants assume net share settlement and incremental shares for dilution calculated as of the date presented.

(In thousands)	Q4 2017	Q4 2016	FY 2017	FY 2016
	Unaudited	Unaudited		
Revenues:				
Condominium rights and unit sales	$ 122,043	$ 123,021	$ 464,251	$ 485,634
Master Planned Community land sales	71,064	68,150	248,595	215,318
Minimum rents	46,972	45,013	183,025	173,268
Tenant recoveries	11,187	11,222	45,814	44,330
Hospitality revenues	18,830	16,126	76,020	62,252
Builder price participation	8,222	5,755	22,835	21,386
Other land revenues	8,560	4,009	28,166	16,232
Other rental and property revenues	14,105	5,250	31,414	16,585
Total revenues	**300,983**	**278,546**	**1,100,120**	**1,035,005**
Expenses:				
Condominium rights and unit cost of sales	85,152	81,566	338,361	319,325
Master Planned Community cost of sales	32,828	29,599	121,116	95,727
Master Planned Community operations	13,896	11,919	38,777	42,371
Other property operating costs	31,576	18,465	91,729	65,978
Rental property real estate taxes	7,420	5,737	29,185	26,847
Rental property maintenance costs	3,416	3,175	13,432	12,392
Hospitality operating costs	14,828	11,980	56,362	49,359
Provision for doubtful accounts	982	1,035	2,710	5,664
Demolition costs	1,620	994	1,923	2,212
Development-related marketing costs	5,717	6,598	20,504	22,184
General and administrative	26,459	25,083	89,882	86,588
Depreciation and amortization	36,059	24,618	132,252	95,864
Total expenses	**259,953**	**220,769**	**936,233**	**824,511**
Operating income before other items	**41,030**	**57,777**	**163,887**	**210,494**
Other:				
Provision for impairment	—	—	—	(35,734)
Gains on sales of properties	18,915	—	51,367	140,549
Other (loss) income, net	2,498	1,595	3,248	11,453
Total other	**21,413**	**1,595**	**54,615**	**116,268**
Operating Income	**62,443**	**59,372**	**218,502**	**326,762**
Interest income	872	459	4,043	1,359
Interest expense	(15,021)	(17,096)	(64,568)	(65,724)
Loss on redemption of senior notes due 2021	—	—	(46,410)	—
Warrant liability loss	—	(2,780)	(43,443)	(24,410)
Gain on acquisition of joint venture partner's interest	17,842	—	23,332	27,088
Gain (loss) on disposal of operating assets	3,868	(1,117)	3,868	(1,117)
Equity in earnings from Real Estate and Other Affiliates	(323)	21,118	25,498	56,818
Income before taxes	69,681	59,956	120,822	320,776
Benefit (Provision) for income taxes	77,647	(16,361)	45,801	(118,450)
Net income	147,328	43,595	166,623	202,326
Net income attributable to noncontrolling interests	1,793	—	1,781	(23)
Net income attributable to common stockholders	**$ 149,121**	**$ 43,595**	**$ 168,404**	**$ 202,303**
Basic income per share	**$ 3.48**	**$ 1.10**	**$ 4.07**	**$ 5.12**
Diluted income per share	**$ 3.46**	**$ 1.02**	**$ 3.91**	**$ 4.73**

(In thousands)	Q4 2017	Q4 2016	FY 2017	FY 2016
RECONCILIATION OF NET INCOME TO FFO				
Net income attributable to common shareholders	$ 149,121	$ 43,595	$ 168,404	$ 202,303
Add:				
Segment real estate related depreciation and amortization	33,612	22,608	123,954	89,368
(Gain) loss on disposal of operating assets	(3,868)	1,117	(3,868)	1,117
Gains on sales of properties	(18,915)	—	(51,367)	(140,549)
Income tax expense (benefit) adjustments - deferred				
(Gain) loss on disposal of operating assets	1,424	(419)	1,424	(419)
Gains on sales of properties	6,963	—	19,127	52,706
Impairment of depreciable real estate properties	—	—	—	35,734
Reconciling items related to noncontrolling interests	(1,793)	—	(1,781)	23
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	1,489	1,062	4,385	4,305
FFO	$ 168,033	$ 67,963	$ 260,278	$ 244,588
Adjustments to arrive at Core FFO:				
Acquisition expenses	$ 77	$ —	$ 109	$ 526
Loss on redemption of senior notes due 2021	—	—	46,410	—
Gain on acquisition of joint venture partner's interest	(17,842)	—	(23,332)	(27,088)
Warrant loss	—	2,780	43,443	24,410
Severance expenses	123	253	2,525	453
Non-real estate related depreciation and amortization	2,447	2,010	8,298	6,496
Straight-line amortization	(2,849)	(1,203)	(7,782)	(10,861)
Deferred income tax expense (benefit)	(85,334)	18,178	(64,014)	61,411
Non-cash fair value adjustments related to hedging instruments	506	265	905	1,364
Share based compensation	2,860	587	8,211	7,343
Other non-recurring expenses (development related marketing and demolition costs)	7,337	7,592	22,427	24,396
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	79	206	502	677
Core FFO	$ 75,437	$ 98,631	$ 297,980	$ 333,715
Adjustments to arrive at AFFO:				
Tenant and capital improvements	$ (5,647)	$ (4,881)	$ (15,803)	$ (14,224)
Leasing Commissions	(968)	(1,472)	(2,995)	(3,189)
AFFO	$ 68,822	$ 92,278	$ 279,182	$ 316,302
FFO per diluted share value	$ 3.90	$ 1.59	$ 6.04	$ 5.72
Core FFO per diluted share value	$ 1.75	$ 2.31	$ 6.92	$ 7.81
AFFO per diluted share value	$ 1.60	$ 2.16	$ 6.48	$ 7.40

Dollars in thousands

Property	% Ownership (a)	Total		4Q17 Occupied (#)		4Q17 Leased (#)		4Q17 Occupied (%)		4Q17 Leased (%)		4Q17 Annualized NOI (b)	Stabilized NOI (c)	Time to Stabilize (Years)
		Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units			
Stabilized Properties														
Office - Houston	100%	1,477,006	—	1,425,460	—	1,428,400	—	97%	—	97%	—	$36,937	$40,060	—
Office - Columbia	100%	1,048,679	—	979,763	—	982,926	—	93%	—	94%	—	$15,277	$15,295	—
Office - Other (d)	100%	226,000	—	226,000	—	226,000	—	100%	—	100%	—	$0	$0	—
Office - Summerlin	100%	206,279	—	191,965	—	196,400	—	93%	—	95%	—	$5,031	$5,700	—
Retail - Houston	100%	217,982	—	216,431	—	216,431	—	99%	—	99%	—	$5,630	$7,412	—
Retail - Columbia	100%	89,199	—	89,199	—	89,199	—	100%	—	100%	—	$1,640	$2,200	—
Retail - Hawaii	100%	919,412	—	804,779	—	804,779	—	88%	—	88%	—	$18,515	$18,968	—
Retail - Other (e)	100%	264,462	—	262,306	—	263,822	—	99%	—	100%	—	$5,374	$6,500	—
Retail - Summerlin	100%	824,421	—	750,627	—	796,385	—	91%	—	97%	—	$17,564	$26,300	—
Multi-Family - Houston	100%	—	707	—	674	—	686	—	95%	—	97%	$8,023	$9,100	—
Multi-Family - Columbia	50%	13,591	380	13,591	350	13,591	361	100%	92%	100%	95%	$2,671	$3,500	—
Multi-Family - New York	100%	13,000	22	13,000	21	13,000	21	100%	95%	100%	95%	$518	$600	—
Multi-Family - Summerlin	100%	—	124	—	121	—	121	—	98%	—	98%	$1,135	$2,200	—
Hospitality - Houston	100%	—	205	—	154	—	—	—	75%	—	0%	$3,778	$4,500	—
Other Assets (f)	—	—	—	—	—	—	—	—	—	—	—	$8,537	$9,122	—
Total Stabilized Properties (g)												**$130,631**	**$151,458**	**—**
Unstabilized Properties														
Office - Houston	100%	652,569	—	373,114	—	416,561	—	57%	—	64%	—	$3,203	$14,500	3.0
Office - Columbia	100%	327,238	—	186,091	—	237,292	—	57%	—	73%	—	$1,400	$8,700	3.4
Retail - Houston (h)	100%	158,135	—	126,279	—	130,140	—	80%	—	82%	—	$2,473	$3,797	1.0
Multi-Family - Houston	100%	23,280	390	21,552	377	23,126	377	93%	97%	99%	97%	$6,408	$7,500	0.5
Hospitality - Houston	100%	—	708	—	393	—	393	—	56%	—	56%	$12,245	$27,000	1.0
Self Storage - Houston	100%	—	1,438	—	468	—	468	—	33%	—	33%	$32	$1,600	3.0
Total Unstabilized Properties												**$25,760**	**$63,097**	**2.7**
Under Construction Properties														
Office - Houston	100%	203,000	—	—	—	203,000	—	—	—	100%	—	—	$5,100	2.0
Office - Columbia	100%	320,000	—	—	—	150,000	—	—	—	47%	—	—	$9,200	6.0
Office - Summerlin	100%	325,000	—	—	—	196,000	—	—	—	60%	—	—	$7,600	2.5
Retail - Houston	100%	60,300	—	—	—	35,000	—	—	—	58%	—	—	$1,668	3.0
Retail - Hawaii	100%	106,300	—	—	—	88,400	—	—	—	83%	—	—	$3,790	2.3
Multi-Family - Houston	100%	—	292	—	—	—	—	—	—	—	—	—	$3,500	3.0
Multi-Family - Columbia	50%	28,529	437	—	25	—	60	0%	6%	0%	14%	—	$4,000	2.0
Multi-Family - Summerlin	100%	—	267	—	—	—	—	—	—	—	—	—	$4,400	3.0
Hospitality - New York	35%	—	66	—	—	—	—	—	—	—	—	—	$1,300	1.0
Total Under Construction Properties												**$0**	**$40,558**	**3.4**
Total/ Wtd. Avg. for Portfolio												**$156,391**	**$255,113**	**3.1**

Notes

(a) Includes our share of NOI for our joint ventures.

(b) Annualized 4Q17 NOI includes distribution received from cost method investment in 1Q17. For purposes of this calculation, this one time annual distribution is not annualized.

(c) Table above excludes Seaport NOI until we have greater clarity with respect to the performance of our tenants. See page 16 for Stabilized NOI Yield and other project information.

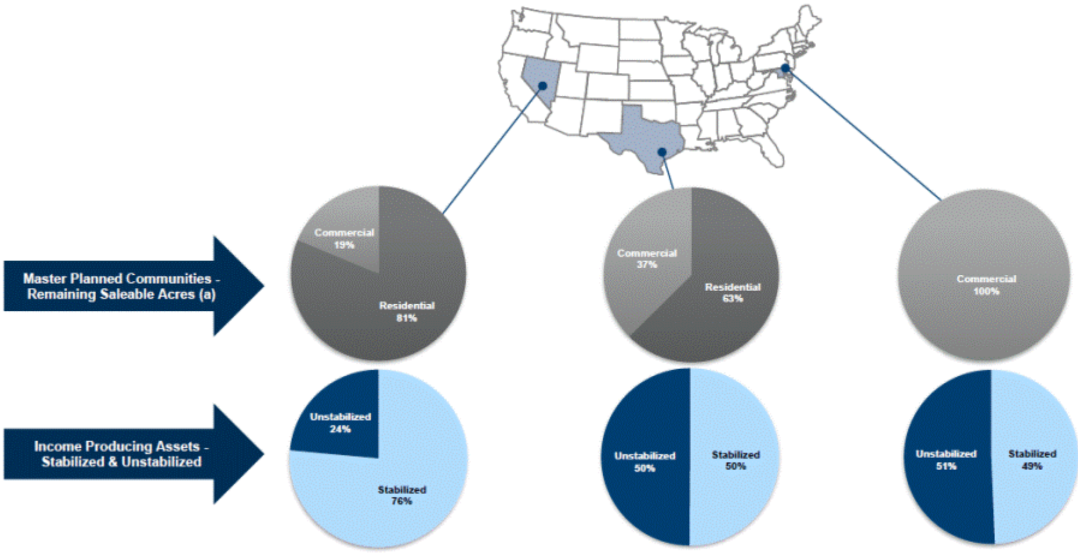
(d) NOI at 110 North Wacker for 4Q17 is not shown or annualized. Re-development of this asset will begin in early 2018.

(e) Cottonwood Square was sold on December 27, 2017. The square feet for this asset are excluded from this table.

(f) Other assets are primarily made up of Kewalo Basin, Summerlin Baseball and Summerlin Hockey ground lease, and our share of other equity method investments not included in other categories.

(g) For Stabilized Properties, the difference between 4Q17 Annualized NOI and Stabilized NOI is attributable to a number of factors which may include timing, free rent or other temporary abatements, tenant turnover and market factors.

(h) Retail - Houston is inclusive of retail in The Woodlands and Bridgeland.



($ in thousands)	Nevada	Texas	Maryland	Total (c)
MPC Performance - 4Q17 & 4Q16				
MPC Net Contribution (4Q17) (b)	$62,507	$16,646	$9,903	$89,056
MPC Net Contribution (4Q16) (b)	$53,816	$31,898	($291)	$85,423
Operating Asset Performance - 2017 & Future				
Annualized 4Q17 In-Place NOI	$27,922	$82,618	$21,328	$131,868
Est. Stabilized NOI (Future) (d)	$50,977	$129,219	$43,235	$223,431
Wtd. Avg. Time to Stab. (yrs.)	2.7	2.6	4.5	—

Note

(a) Commercial acres may be developed internally or sold.

(b) Reconciliation from GAAP MPC segment earnings before tax (EBT) measure to MPC Net Contribution for the three months ended December 31, 2017 is found under Reconciliation of Non-GAAP Measures on page 25.

(c) Total excludes NOI from non-core operating assets, and NOI from core assets within Hawaii and New York as these regions are not defined as MPCs.

(d) Est. Stabilized NOI (Future) represents all assets within the respective MPC regions, inclusive of stabilized, unstabilized, and under construction.

	MPC Regions						Non-MPC Regions			
	Woodlands Houston, TX	Woodlands Hills Houston, TX	Bridgeland Houston, TX	Summerlin Las Vegas, NV	Columbia Columbia, MD	Total MPC Regions	Hawaii Honolulu, HI	Seaport New York, NY	Other	Total Non-MPC
Operating - Stabilized Properties										
Office s.f.	1,477,006	-	-	206,279	1,048,679	2,731,964	-	-	226,000	226,000
Retail s.f.	217,982	-	-	824,421	102,790	1,145,193	919,412	-	264,462	1,183,874
Multifamily units	707	-	-	124	380	1,211	-	22	-	22
Hotel Rooms	205	-	-	-	-	205	-	-	-	-
Self Storage Units	-	-	-	-	-	-	-	-	-	-
Operating - Unstabilized Properties										
Office s.f.	652,569	-	-	-	327,238	979,807	-	-	-	-
Retail s.f. (a)	97,949	-	83,466	-	-	181,415	-	-	-	-
Multifamily units	390	-	-	-	-	390	-	-	-	-
Hotel rooms	708	-	-	-	-	708	-	-	-	-
Self Storage Units	1,438	-	-	-	-	1,438	-	-	-	-
Operating - Under Construction Properties										
Office s.f.	203,000	-	-	325,000	320,000	848,000	-	-	-	-
Retail s.f. (b)	60,300	-	-	-	28,529	88,829	106,300	-	-	106,300
Multifamily units	292	-	-	267	437	996	-	-	-	-
Hotel rooms	-	-	-	-	-	-	-	66	-	66
Self Storage Units	-	-	-	-	-	-	-	-	-	-
Residential Land										
Total gross acreage/condos (c)	28,475 ac.	2,055 ac.	11,470 ac.	22,500 ac.	16,450 ac.	80,950 ac.	1,381	n.a.	n.a.	1,381
Current Residents (c)	116,000	-	8,800	108,000	112,000	344,800	n.a.	n.a.	n.a.	-
Remaining saleable acres/condos	231	1,425	2,440	3,568	n.a.	7,664	95	n.a.	n.a.	95
Estimated price per acre (d)	$628	$313	$377	$584	n.a.		n.a.	n.a.	n.a.	-
Commercial Land										
Total acreage remaining	743	171	1,535	821	97	3,367	n.a.	n.a.	n.a.	-
Estimated price per acre (e)	$945	$552	$470	$759	$576		n.a.	n.a.	n.a.	-

Notes

Portfolio Key Metrics herein include square feet, units and rooms included in joint venture projects. Sq. ft. and units are not shown at share.

(a) Retail s.f. within the Summerlin region excludes 381,767 sq. ft. of anchors.

(b) Retail s.f. within New York region excludes Pier 17 and Uplands, pending final plans for this project.

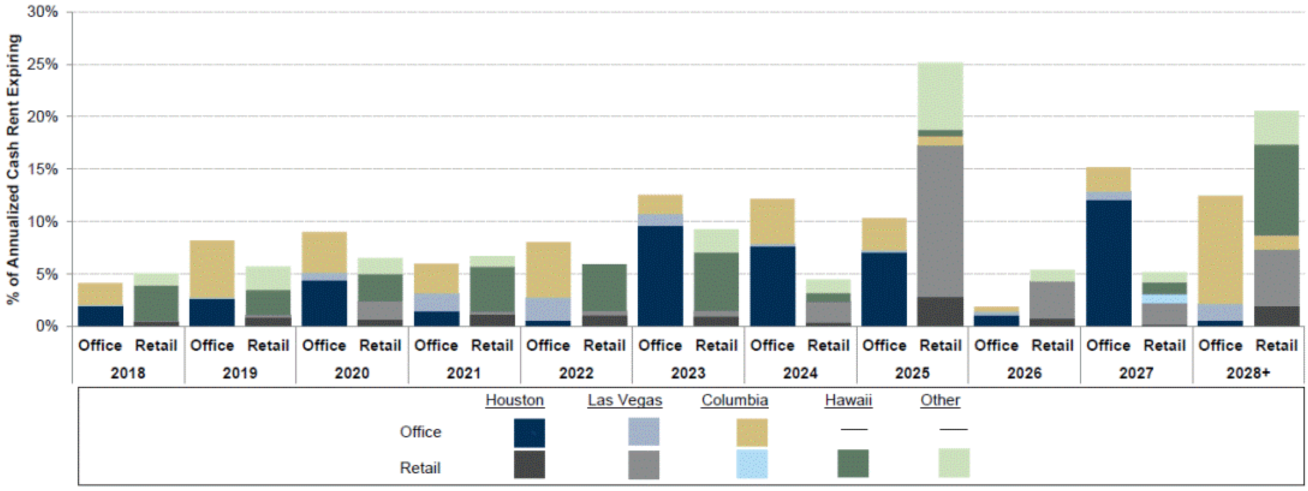
(c) Acreage and current residents shown as of December 31, 2017.

(d) Residential pricing represents average price per acre in 2017.

(e) Commercial pricing: estimate of current value based upon recent sales, third party appraisals and third party MPC experts.

Office and Retail Lease Expirations

Total Office and Retail Portfolio as of December 31, 2017



Expiration Year	Office Expirations: Annualized Cash Rent ($ in thousands)	Office Expirations: Percentage of Annualized Cash Rent	Office Expirations: Wtd. Avg. Annualized Cash Rent Per Leased Sq. Ft.	Retail Expirations: Annualized Cash Rent ($ in thousands)	Retail Expirations: Percentage of Annualized Cash Rent	Retail Expirations: Wtd. Avg. Annualized Cash Rent Per Leased Sq. Ft.
2018	$3,841	4.14%	$32.96	$5,253	5.06%	$39.36
2019	7,614	8.21%	28.68	5,909	5.70%	40.75
2020	8,364	9.02%	27.56	6,791	6.55%	52.32
2021	5,552	5.98%	31.93	6,980	6.73%	26.91
2022	7,471	8.05%	10.40	6,151	5.93%	48.53
2023	11,640	12.55%	28.66	9,627	9.28%	53.52
2024	11,287	12.17%	24.59	4,659	4.49%	35.71
2025	9,599	10.35%	33.78	26,094	25.15%	53.99
2026	1,739	1.87%	32.38	5,582	5.38%	38.10
2027	14,098	15.20%	29.77	5,376	5.18%	40.93
Thereafter	11,559	12.46%	42.35	21,319	20.55%	24.54
Total	**$92,765**	**100.00%**		**$103,741**	**100.00%**	

Dollars in thousands

Property	Location	% Ownership	Rentable Sq. Ft. / Units	4Q17 % Occ.	4Q17 % Leased	Annualized 4Q17 NOI	Est. Stabilized NOI
Office							
One Hughes Landing	Houston, TX	100%	197,719	100%	100%	$6,204	$6,240
Two Hughes Landing	Houston, TX	100%	197,714	96%	98%	5,840	6,000
1735 Hughes Landing Boulevard	Houston, TX	100%	318,170	100%	100%	7,332	7,696
2201 Lake Woodlands Drive	Houston, TX	100%	24,119	100%	100%	(23)	410
9303 New Trails	Houston, TX	100%	97,967	58%	58%	1,185	1,800
3831 Technology Forest	Houston, TX	100%	95,078	100%	100%	2,268	2,268
3 Waterway Square	Houston, TX	100%	232,021	100%	100%	6,768	6,900
4 Waterway Square	Houston, TX	100%	218,551	100%	100%	5,687	6,856
1400 Woodloch Forest	Houston, TX	100%	95,667	97%	97%	1,676	1,890
10-70 Columbia Corporate Center	Columbia, MD	100%	888,474	92%	93%	12,615	12,615
Columbia Office Properties	Columbia, MD	100%	61,598	100%	100%	818	818
One Mall North	Columbia, MD	100%	98,607	99%	99%	1,843	1,861
One Summerlin	Las Vegas, NV	100%	206,279	93%	95%	5,031	5,700
110 N. Wacker	Chicago, IL	100%	226,000	100%	100%	–	–
Total Office			**2,957,964**			**$57,245**	**$61,055**
Retail							
Hughes Landing Retail	Houston, TX	100%	126,131	99%	99%	$3,316	$4,104
1701 Lake Robbins	Houston, TX	100%	12,376	100%	100%	322	400
20/25 Waterway Avenue	Houston, TX	100%	50,062	100%	100%	1,393	1,891
Waterway Garage Retail	Houston, TX	100%	21,513	100%	100%	620	800
Columbia Regional	Columbia, MD	100%	89,199	100%	100%	1,640	2,200
Downtown Summerlin	Las Vegas, NV	100%	824,421	91%	97%	17,564	26,300
Ward Village Retail	Honolulu, HI	100%	919,412	88%	88%	18,515	18,968
Cottonwood Square (a)	Salt Lake City, UT	100%	–	0%	0%	–	–
Outlet Collection at Riverwalk	New Orleans, LA	100%	264,462	99%	100%	5,374	6,500
2000 Woodlands Parkway	Houston, TX	100%	7,900	100%	100%	(20)	217
Total Retail			**2,315,476**			**$48,724**	**$61,380**

Notes
(a) Cottonwood Square was sold on December 27, 2017. The square feet and NOI for this asset are excluded from this table.

Dollars in thousands

Property	Location	% Ownership	Rentable Sq. Ft. / Units	4Q17 % Occ.	4Q17 % Leased	Annualized 4Q17 NOI	Est. Stabilized NOI
Residential							
Millennium Six Pines Apartments	Houston, TX	100%	314	97%	98%	$3,893	$4,500
Millennium Waterway Apartments	Houston, TX	100%	393	94%	96%	4,129	4,600
85 South Street	New York, NY	100%	13,000 / 22	100% / 95%	100% / 95%	518	600
The Metropolitan	Columbia, MD	50%	13,591 / 380	100% / 92%	100% / 95%	2,671	3,500
Constellation	Las Vegas, NV	100%	124	98%	98%	1,135	2,200
Total Residential			**26,591 / 1,233**			**$12,347**	**$15,400**
Hotel							
Embassy Suites at Hughes Landing (a)	Houston, TX	100%	205	75%	NA	$3,778	$4,500
Total Hotel			**205**			**$3,778**	**$4,500**
Other							
Summerlin Hospital Distribution	Las Vegas, NV	5%	NA	NA	NA	$3,382	$3,382
Sarofim Equity Investment	Houston, TX	20%	NA	NA	NA	2,047	2,047
Stewart Title of Montgomery County, TX	Houston, TX	50%	NA	NA	NA	409	409
Woodlands Ground Leases	Houston, TX	100%	NA	NA	NA	1,614	1,614
Summerlin Operating Company	Las Vegas, NV	100%	NA	NA	NA	999	999
Hockey Ground Lease	Las Vegas, NV	100%	NA	NA	NA	452	452
Other Assets	Various	100%	NA	NA	NA	(365)	220
Total Other			**NA**	**NA**	**NA**	**$8,537**	**$9,122**
Total Stabilized						**$130,631**	**$151,458**

Notes

(a) Hotel property Percentage Occupied is the average for Q4 2017.

Dollars in thousands

Project Name	Location	% Ownership	Rentable Sq. Ft. / Units	4Q17 % Occ. (a)	4Q17 % Leased (a)	Develop. Costs Incurred	Est. Total Cost (Excl. Land)	Annualized 4Q17 NOI	Est. Stabilized NOI (b)	Est. Stab. Date
Office										
Three Hughes Landing	Houston, TX	100%	320,815	44%	57%	$67,055	$90,162	($108)	$7,600	2020
1725 Hughes Landing	Houston, TX	100%	331,754	70%	70%	54,810	74,994	3,311	6,900	2020
One Merriweather	Columbia, MD	100%	202,603	56%	81%	67,984	78,187	1,541	5,100	2020
Two Merriweather	Columbia, MD	100%	124,635	58%	58%	26,985	40,941	(141)	3,600	2021
Total Office			**979,807**			**$216,834**	**$284,284**	**$4,603**	**$23,200**	
Retail										
Creekside Village Green	Houston, TX	100%	74,669	91%	91%	$15,779	$15,779	$1,411	$2,097	2017
Lakeland Village Center	Houston, TX	100%	83,466	70%	75%	13,658	16,274	1,062	1,700	2018
Total Retail			**158,135**			**$29,437**	**$32,053**	**$2,473**	**$3,797**	
Residential										
One Lakes Edge	Houston, TX	100%	23,280 / 390	93% / 97%	99% / 98%	$81,729	$81,729	$6,408	$7,500	2020
Total Residential			**23,280 / 390**	**93% / 97%**	**99% / 98%**	**$81,729**	**$81,729**	**$6,408**	**$7,500**	
Hotel										
The Woodlands Resort & Conference Center	Houston, TX	100%	406	45%	NA	$72,360	$72,360	$7,274	$16,500	2020
The Westin at The Woodlands	Houston, TX	100%	302	69%	NA	92,727	97,380	4,971	10,500	2020
Total Hotel			**708**			**$165,087**	**$169,740**	**$12,245**	**$27,000**	
Other										
HHC 242 Self-Storage	Houston, TX	100%	654	36%	36%	$8,138	$8,607	($17)	$800	2020
HHC 2978 Self-Storage	Houston, TX	100%	784	29%	29%	7,754	8,476	49	800	2020
Total Other			**1,438**			**$15,892**	**$17,083**	**$32**	**$1,600**	
Total Unstabilized						**$508,979**	**$584,889**	**$25,760**	**$63,097**	

Notes

(a) With the exception of Hotel properties, Percentage Occupied and Percentage Leased are as of December 31, 2017. Each Hotel property Percentage Occupied is the average for Q4 2017.

(b) Company estimates of stabilized NOI are based on current leasing velocity, excluding inflation and organic growth.

Dollars in thousands, except per sq. ft. and unit amounts

Owned & Managed

Project Name	City, State	% Ownership	Est. Rentable Sq. Ft.	Percent Pre-Leased[1]	Project Status	Const. Start Date	Est. Stabilized Date[2]	Develop. Costs Incurred	Est. Total Cost (Excl. Land)	Est. Stabilized NOI	Stabilized NOI Yield
Office											
100 Fellowship Dr	Houston, TX	100%	203,000	100%	Under construction	Q2 2017	Q4 2019	$12,965	$63,278	$5,062	8%
Aristocrat	Las Vegas, NV	100%	180,000	100%	Under construction	Q2 2017	Q1 2019	6,691	46,661	4,071	9%
Two Summerlin	Las Vegas, NV	100%	145,000	11%	Under construction	Q2 2017	2020	8,368	49,538	3,500	7%
Three Merriweather	Columbia, MD	100%	320,000	50%	Pending Construction	Q1 2018	2023	4,426	138,221	9,200	7%
Total Office			**848,000**					**$32,450**	**$297,698**	**$21,833**	
Retail											
Seaport - Uplands / Pier 17[3]	New York, NY	100%	449,527	56%	Under construction	Q4 2013	Q1 2021	$447,065	$731,000	$43,000 - $58,000	6% - 8%
Lake Woodlands Crossing	Houston, TX	100%	60,300	58%	Under construction	Q4 2017	Q4 2020	551	15,381	1,700	11%
Total Retail			**509,827**					**$447,616**	**$746,381**	**$44,700 - $59,700**	

Project Name	City, State	% Ownership	Est. Number of Units	Monthly Est. Rent Per Unit	Project Status	Const. Start Date	Est. Stabilized Date[2]	Develop. Costs Incurred	Est. Total Cost (Excl. Land)	Est. Stabilized NOI	Stabilized NOI Yield
Multifamily											
Creekside Apartments	Houston, TX	100%	292	$1,538	Under construction	Q1 2017	Q4 2019	$14,527	$42,111	$3,499	8%
m.flats/Ten.M Building[4]	Columbia, MD	50%	437	$1,982	Under construction	Q1 2016	Q3 2019	96,934	109,345	8,100	7%
Downtown Summerlin Apartments	Las Vegas, NV	100%	267	$1,924	Pending Construction	Q1 2018	Q3 2020	2,764	59,276	4,400	7%
Total Multifamily			996					**$114,225**	**$210,732**	**$15,999**	
Total Under Construction								**$594,291**	**$1,254,811**	**$82,532 - $97,532**	

(1) Represents leases signed as of December 31, 2017 and is calculated as the total leased square feet divided by total leasable square feet, expressed as a percentage.

(2) Represents management's estimate of the first quarter of operations in which the asset may be stabilized.

(3) Seaport - Uplands / Pier 17 Estimated Rentable sq. ft. and costs are inclusive of the Tin Building, the plans for which are being finalized. Develop. Costs Incurred and Est. Total Costs are shown net of insurance proceeds of approximately $55 million.

(4) Total Develop. Costs Incurred, Est. Total Cost, and Est. Stabilized NOI shown gross, not at share.

In thousands, except rentable SF / Units / Acres

4Q 2017 Acquisitions

Date Acquired	Property	% Ownership	Location	Rentable SF / Units / Acres	Acquisition Price
12/28/2017	Constellation	100%	Las Vegas, NV	124 Units	$8,000(1)

4Q 2017 Dispositions

Date Sold	Property	% Ownership	Location	Rentable SF / Units / Acres	Sale Price
12/13/2017	Century Plaza	100%	Birmingham, AL	59.00 AC	$3,000
12/22/2017	Kendall Town Center	100%	Kendall, FL	69.85 AC	$41,837
12/27/2017	Cottonwood Square	100%	Salt Lake City, UT	77,080 SF	$8,500

(1) Purchased our joint venture partner's 50% interest for $8.0 million in cash and 50% of the joint venture liabilities for a total of $16.0 million.

Dollars in thousands	Woodlands 4Q 2017	Woodlands 4Q 2016	Woodlands Hills 4Q 2017	Woodlands Hills 4Q 2016	Bridgeland 4Q 2017	Bridgeland 4Q 2016	Summerlin 4Q 2017	Summerlin 4Q 2016	Maryland 4Q 2017	Maryland 4Q 2016	Total 4Q 2017	Total 4Q 2016
Revenues:												
Residential land sale revenues	$13,114	$17,529	$1,282	$—	$7,341	$6,918	$35,691	$42,303	$—	$—	$57,428	$66,750
Commercial land sale revenues	—	—	—	—	1,745	1,345	1,591	55	10,300	—	13,636	1,400
Builder price participation	49	48	—	—	102	159	8,071	5,548	—	—	8,222	5,755
Other land sale revenues	1,274	1,612	9	2	4,111	108	3,152	2,274	—	1	8,546	3,997
Total revenues	**$14,437**	**$19,189**	**$1,291**	**$2**	**$13,299**	**$8,530**	**$48,505**	**$50,180**	**$10,300**	**$1**	**$87,832**	**$77,902**
Expenses:												
Cost of sales - residential land	$5,715	$8,328	$672	$—	$2,558	$2,048	$17,797	$18,809	$—	$—	$26,742	$29,185
Cost of sales - commercial land	—	—	—	—	437	389	29	25	5,620	—	6,086	414
Real estate taxes	885	501	3	15	453	394	631	595	(229)	164	1,743	1,669
Land sales operations (a)	3,408	6,123	247	63	1,858	1,579	2,506	2,417	634	66	8,653	10,248
Depreciation and amortization	30	30	-	-	23	24	21	19	2	3	76	76
Total Expenses	**$10,038**	**$14,982**	**$922**	**$78**	**$5,329**	**$4,434**	**$20,984**	**$21,865**	**$6,027**	**$233**	**$43,300**	**$41,592**
Net interest capitalized (expense)	(1,177)	(1,107)	148	148	2,896	2,408	4,523	4,022	—	(3)	6,390	5,468
Equity in earnings from real estate affiliates	—	—	—	—	—	—	1,682	20,928	—	—	1,682	20,928
EBT	**$3,222**	**$3,100**	**$517**	**$72**	**$10,866**	**$6,504**	**$33,726**	**$53,265**	**$4,273**	**($235)**	**$52,604**	**$62,706**
Key Performance Metrics:												
Residential												
Total acres closed in current period	18.7	30.8	4.1	—	20.3	18.8	59.6	35.7	—	—		
Price per acre achieved	$701	$569	$313	NM	$362	$368	$571	$688	NM	NM		
Avg. gross margins	56%	52%	48%	NM	65%	70%	50%	56%	NM	NM		
Commercial												
Total acres closed in current period	—	—	—	—	9.0	—	5.0	—	10.3	—		
Price per acre achieved	NM	NM	NM	NM	$264	NM	$256	NM	$1,000	NM		
Avg. gross margins	NM	NM	NM	NM	75%	71%	98%	55%	45%	NM		
Avg. combined before-tax net margins	**56%**	**52%**	**48%**	**NM**	**67%**	**71%**	**52%**	**56%**	**45%**	**NM**		

Key Valuation Metrics:	Woodlands	Woodlands Hills	Bridgeland	Summerlin	Maryland
Remaining saleable acres					
Residential	231	1,425	2,440	3,568	NM
Commercial	743	171	1,535	821	97 (b)
Projected est. % superpads / lot size	0% / —	0% / —	0% / —	88% / 0.25 ac	NM
Projected est. % single-family detached lots / lot size	71% / 0.29 ac	87% / 0.32 ac	89% / 0.16 ac	0% / —	NM
Projected est. % single-family attached lots / lot size	29% / 0.08 ac	13% / 0.13 ac	10% / 0.12 ac	0% / —	NM
Projected est. % custom homes / lot size	0% / —	0% / —	1% / 1.0 ac	21% / 0.4 ac	NM
Estimated builder sale velocity (blended total - TTM) (c)	35	—	45	85	NM
Gross margin range (GAAP), net of MUDs (d)	56.0%	48.0%	67.0%	52.0%	45.0%
Gross margin range (Cash), net of MUDs (d)	99.0%	85.0%	81.0%	75.0%	NM
Residential sellout / Commercial buildout date estimate					
Residential	2023	2029	2034	2039	—
Commercial	2026	2028	2045	2039	2021

Notes

(a) Includes Other income of $3.5 million that has been included for presentation purposes.

(b) Does not include 31 commercial acres held in the Strategic Development segment in Downtown Columbia.

(c) Represents the average monthly builder homes sold over the last twelve months ended December 31, 2017.

(d) GAAP gross margin is based on GAAP revenues and expenses which exclude revenues deferred on sales closed where revenue did not meet criteria for recognition, and includes revenues previously deferred that met criteria for recognition in the current period. Gross margin for each MPC may vary from period to period based on the locations of the land sold and the related costs associated with developing the land sold. Projected cash gross margin includes all future projected revenue less all future projected development costs, net of expected reimbursable costs, and future capitalized overhead, taxes and interest.

	Waiea (a)	Anaha (b)	Ae'o	Ke Kilohana (c)	Total
Key Metrics					
Type of building	Ultra-Luxury	Luxury	Upscale	Workforce	
Number of units	174	317	466	424	1,381
Avg. unit s.f.	2,174	1,417	836	694	1,094
Condo s.f.	378,238	449,205	389,368	294,273	1,511,084
Street retail s.f.	8,200	16,100	68,300	21,900	114,500
Stabilized retail NOI ($ in thousands)	$453	$1,152	$1,557	$1,081	$4,243
Stabilization year	2017	2019	2019	2020	
Development progress					
Status	Opened	Opened	U/C	U/C	
Start date (actual or est.)	2Q14	4Q14	1Q16	4Q16	
Completion date (actual or est.)	Complete	Complete	1Q19	2019	
Total development cost ($m)	$424.6	$401.3	$428.5	$218.9	$1,473.3
Cost-to-date ($m)	$391.6	$371.7	$222.3	$64.9	$1,050.5
Remaining to be funded ($m)	$33.0	$29.6	$206.2	$154.0	$422.8
Financial Summary (Dollars in thousands, except per sq. ft.)					
# of units closed or under contract in 4Q17	165	309	422	390	1,286
Total % of units closed or under contract	94.8%	97.5%	90.6%	92.0%	93.1%
Number of units closed or under contract (current quarter)	0	2	55	2	59
Square footage closed or under contract (total)	340,061	423,729	340,720	259,600	1,364,110
Total % square footage closed or under contract	89.9%	94.3%	87.5%	88.2%	90.3%
Target condo profit margin at completion (excl. land cost)	—	—	—	—	~30%
Total cash received (closings & deposits)	—	—	—	—	$1,188,912
Total GAAP revenue recognized	—	—	—	—	$1,324,901
Expected avg. price per sq. ft.	$1,900 - $1,950	$1,100 - $1,150	$1,300 - $1,350	$700 - $750	$1,300 - $1,325
Expected construction costs per retail sq. ft.	—	—	—	—	~$1,100
Deposit Reconciliation (Dollars in thousands)					
Deposits from sales commitment					
spent towards construction	$117,916	$80,268	$67,000	$19,443	$284,627
held for future use (d)	$13,527	$1,758	$34,346	$225	$49,856
Total deposits from sales commitment	**$131,443**	**$82,026**	**$101,346**	**$19,668**	**$334,483**

Notes

(a) We began delivering units at Waiea in November 2016. As of December 31, 2017, we've closed 159 units, we have 6 under contract, and 9 units remaining to be sold.

(b) We began delivering units at Anaha in October 2017. As of December 31, 2017, we've closed 305 units, we have 4 under contract, and 8 units remaining to be sold.

(c) Ke Kilohana consists of 375 workforce units and 49 market rate units.

(d) Total deposits held for future use are shown in Other Assets on the balance sheet.

U/C = Under Construction

Property Name	City, State	% Own	Acres	Notes
Planned Future Development				
The Elk Grove Collection	Elk Grove, CA	100%	64	Plan to build a 400,000 Sq. Ft. outlet retail center. Sold 36 acres for $36 million in total proceeds in 2017.
Landmark Mall	Alexandria, VA	100%	33	Plan to transform the mall into an open-air, mixed-use community. In January 2017, we acquired the 11.4 acre Macy's site for $22.2 million.
Cottonwood Mall	Holladay, UT	100%	54	Under contract to sell in separate parcels. First closing expected in 2018.
Circle T Ranch and Power Center	Westlake, TX	50%	207	50/50 joint venture with Hillwood Development Company. In 2016, HHC sold 72 acres to an affiliate of Charles Schwab Corporation.
West Windsor	West Windsor, NJ	100%	658	Zoned for approximately 6 million square feet of commercial uses.
AllenTowne	Allen, TX	100%	238	Located 27 miles north of Downtown Dallas. Agricultural property tax exemptions are in place for most of the property, which reduces carrying costs.
Bridges at Mint Hill	Charlotte, NC	91%	210	Zoned for approximately 1.3 million square feet of commercial uses.
Maui Ranch Land	Maui, HI	100%	20	Two, non-adjacent, ten-acre parcels zoned for native vegetation.
Fashion Show Air Rights	Las Vegas, NV	80%	N/A	Air rights above the Fashion Show Mall located on the Las Vegas Strip.

(In thousands)	December 31, 2017	December 31, 2016
Fixed-rate debt:		
Unsecured 5.375% Senior Notes	$ 1,000,000	$ -
Unsecured 6.875% Senior Notes	-	750,000
Secured mortgages, notes and loans payable	499,299	390,118
Special Improvement District bonds	27,576	44,023
Variable-rate debt:		
Mortgages, notes and loans payable, excluding condominium financing	1,317,311	1,363,472
Condominium financing	33,603	160,847
Mortgages, notes and loans payable	$ 2,877,789	$ 2,708,460
Unamortized bond issuance costs	(6,898)	(5,779)
Deferred financing costs, net	(12,946)	(11,934)
Total consolidated mortgages, notes and loans payable	$ 2,857,945	$ 2,690,747
Total unconsolidated mortgages, notes and loans payable at pro-rata share	$ 84,983	$ 55,481
Total Debt	**$ 2,942,928**	**$ 2,746,228**

Net Debt on a Segment Basis, at share as of December 31, 2017

(In thousands) Segment Basis (a)	Master Planned Communities	Operating Assets	Strategic Developments	Segment Totals	Non-Segment Amounts	Total
Mortgages, notes and loans payable, excluding condominium financing (a	$ 239,764	$ 1,625,494	$ 48,927	$ 1,914,185	$ 995,140	$ 2,909,325
Condominium financing	—	—	33,603	33,603	—	33,603
Less: cash and cash equivalents (a)	(104,256)	(71,520)	(44,202)	(219,978)	(674,701)	(894,679)
Special Improvement District receivables	(26,430)	—	—	(26,430)	—	(26,430)
Municipal Utility District receivables	(184,811)	—	—	(184,811)	—	(184,811)
Net Debt	**$ (75,733)**	**$ 1,553,974**	**$ 38,328**	**$ 1,516,569**	**$ 320,439**	**$ 1,837,008**

Consolidated Debt Maturities and Contractual Obligations by Extended Maturity Date as of December 31, 2017 (b)

(In thousands)	1 year	1-3 years	3-5 years	5 years and thereafter	Total
Mortgages, notes and loans payable	$ 78,207	$ 902,184	$ 535,904	$ 1,361,494	$ 2,877,789
Interest Payments	130,849	347,517	164,699	185,105	828,170
Ground lease and other leasing commitments	8,769	16,378	15,527	314,129	354,803
Total consolidated debt maturities and contractual obligations	**$ 217,825**	**$ 1,266,079**	**$ 716,130**	**$ 1,860,728**	**$ 4,060,762**

(a) Each segment includes our share of related cash and debt balances for all joint ventures included in Investments in Real Estate and Other Affiliates. Please see our Liquidity and Capital Resources discussion in the 2017 Annual Report on Form 10-K for additional information.

(b) Mortgages, notes and loans payable and condominium financing are presented based on extended maturity date. Extension periods generally can be exercised at our option at the initial maturity date, subject to customary extension terms that are based on property performance as of the initial maturity date and/or extension date. Such extension terms may include, but are not limited to, minimum debt service coverage, minimum occupancy levels or condominium sales levels, as applicable, and other performance criteria. We may have to pay down a portion of the debt in order to obtain the extension if we are not in compliance with the covenants of the financing arrangement.

Asset	4Q17 Principal Balance ($ in thousands)	Contract Interest Rate	Interest Rate Hedge	Current Annual Interest Rate	Initial / Extended Maturity (a)
Master Planned Communities					
The Woodlands Master Credit Facility	$150,000	L+275	Floating	4.24%	Apr-20 / Apr-21
Bridgeland Credit Facility	$65,000	L+315	Floating	4.76%	Nov-20 / Nov-22
	$215,000				
Operating Assets					
Outlet Collection at Riverwalk	$53,841	L+275	Floating	4.24%	Oct-17 / Oct-18
1725-35 Hughes Landing Boulevard	$117,417	L+165	Floating	3.14%	Jun-18 / Jun-19
The Westin at The Woodlands	$57,946	L+265	Floating	4.14%	Aug-18 / Aug-19
110 North Wacker (b)	$18,926	5.21%	Swapped to Fixed	5.21%	Oct-19
Three Hughes Landing	$45,058	L+235	Floating	3.84%	Jan-18 / Dec-19
Lakeland Village Center at Bridgeland	$11,470	L+235	Floating	3.84%	May-18 / May-20
Embassy Suites at Hughes Landing	$31,245	L+250	Floating	3.99%	Oct-18 / Oct-20
The Woodlands Resort & Conference Center	$65,500	L+325	Floating	4.74%	Dec-18 / Dec-20
One Merriweather	$42,332	L+215	Floating	3.64%	Feb-20 / Feb-21
Downtown Summerlin	$274,088	L+215	Floating / Swap	4.69%	Sep-20 / Sep-21
Two Merriweather	$19,429	L+250	Floating	3.99%	Oct-20 / Oct-21
HHC 242 Self-Storage	$6,243	L+260	Floating	4.09%	Oct-19 / Oct-21
HHC 2978 Self-Storage	$5,634	L+260	Floating	4.09%	Jan-20 / Jan-22
70 Columbia Corporate Center	$20,000	L+200	Floating	3.49%	May-20 / May-22
One Mall North	$14,463	L+225	Floating	3.74%	May-20 / May-22
10-60 Corporate Centers	$80,000	L+175	Floating / Swap	3.33%	May-20 / May-22
20/25 Waterway Avenue	$13,646	4.79%	Fixed	4.79%	May-22
Millennium Waterway Apartments	$55,095	3.75%	Fixed	3.75%	Jun-22
Ward Village	$238,718	L+250	Floating / Swap	3.82%	Sep-21 / Sep-23
9303 New Trails	$12,003	4.88%	Fixed	4.88%	Dec-23
4 Waterway Square	$35,151	4.88%	Fixed	4.88%	Dec-23
3831 Technology Forest Drive	$21,954	4.50%	Fixed	4.50%	Mar-26
Kewalo Basin Harbor	—	L+275	Floating	4.24%	Sep-27
Millennium Six Pines Apartments	$42,500	3.39%	Fixed	3.39%	Aug-28
3 Waterway Square	$50,327	3.94%	Fixed	3.94%	Aug-28
One Hughes Landing	$52,000	4.30%	Fixed	4.30%	Dec-29
Two Hughes Landing	$48,000	4.20%	Fixed	4.20%	Dec-30
One Lakes Edge	$69,440	4.50%	Fixed	4.50%	Mar-29 / Mar-31
Constellation Apartments	$24,200	4.07%	Fixed	4.07%	Jan-33
Hughes Landing Retail	$35,000	3.50%	Fixed	3.50%	Dec-36
Columbia Regional Building	$25,000	4.48%	Fixed	4.48%	Feb-37
	$1,586,626				
Strategic Developments					
Ke Kilohana	—	L+325	Floating	4.74%	Dec-19 / Dec-20
Ae'o	$33,603	L+400	Floating	5.49%	Dec-19 / Dec-21
100 Fellowship Drive	$1	L+150	Floating	2.99%	May-22
Aristocrat	—	P+40	Floating	4.90%	Oct-22
Two Summerlin	—	P+40	Floating	4.90%	Oct-22
	$33,604				
Total (c)	**$1,835,230**				

Notes

(a) Extended maturity assumes all extension options are exercised if available based on property performance.

(b) Libor was swapped to a 2.96% fixed-rate through its full repayment on January 19, 2018.

(c) Excludes JV debt, Corporate level debt, and SID bond debt related to Summerlin MPC & Retail.

Minimum Contractual Ground Lease Payments ($ in thousands)

					Future Cash Payments		
					Year Ended December 31		
Ground Leased Asset	**Pro-Rata Share**	**Expiration Date**	**Three months ended December 31, 2017**	**2017**	**2018**	**Thereafter**	**Total**
Riverwalk (a)	100%	2045-2046	$997	$3,649	$2,453	$60,406	$62,859
Seaport	100%	2031 (b)	348	1,547	1,593	205,903	207,496
Kewalo Basin Harbor	100%	2049	75	300	300	9,200	9,500
				$5,496	$4,346	$275,509	$279,855

(a) Includes base ground rent, deferred ground rent and the participation rent, as applicable. Future payments of participation rent are calculated based on the floor only.

(b) Initial expiration is 12/30/2031 but subject to extension options through 12/31/2072.

Under Construction - Projects in the Strategic segment for which construction has commenced as of December 31, 2017, unless otherwise noted. This excludes MPC and condominium development.

Unstabilized - Properties in the Operating segment that have not been in service for more than 36 months and do not exceed 90% occupancy. If an office, retail or multi-family property has been in service for more than 36 months but does not exceed 90% occupancy, the asset is considered underperforming and is included in Stabilized.

Stabilized - Properties in the Operating segment that have been in service for more than 36 months or have reached 90% occupancy, which ever occurs first. If an office, retail or multifamily property has been in service for more than 36 months but does not exceed 90% occupany, the asset is considered underperforming.

Net Operating Income (NOI) - We define NOI as operating cash revenues (rental income, tenant recoveries and other revenue) less operating cash expenses (real estate taxes, repairs and maintenance, marketing and other property expenses), including our share of NOI from equity investees. NOI excludes straight-line rents and amortization of tenant incentives, net interest expense, ground rent amortization, demolition costs, amortization, depreciation, development-related marketing costs and, unless otherwise indicated, Equity in earnings from Real Estate and Other Affiliates. We use NOI to evaluate our operating performance on a property-by-property basis because NOI allows us to evaluate the impact that factors which vary by property, such as lease structure, lease rates and tenant bases, have on our operating results, gross margins and investment returns. We believe that net operating income ("NOI") is a useful supplemental measure of the performance of our Operating Assets because it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating real estate properties and the impact on operations from trends in rental and occupancy rates and operating costs.

Reconciliation of Operating Assets segment EBT to Total NOI:

(In thousands)	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016 (a)	FY 2017	FY 2016 (a)
Total Operating Assets segment EBT	$ (14,356)	$ (13,162)	$ (9,068)	$ 7,922	$ 5,191	$ (28,664)	$ (22,985)
Straight-line lease amortization	(2,801)	(1,421)	(1,816)	(1,961)	(1,057)	(7,999)	(10,689)
Demolition costs	1,443	34	63	65	194	1,605	194
Development-related marketing costs	1,029	1,067	832	418	46	3,346	947
Depreciation and Amortization	33,503	33,885	32,244	22,789	21,767	122,421	86,313
Provision for impairment	—	—	—	—	—	—	35,734
Write-off of lease intangibles and other	492	41	15	27	61	575	25
Other income, net	50	249	(162)	178	(1,475)	315	(4,601)
Equity in earnings from Real Estate Affiliates	472	(317)	(37)	(3,385)	(185)	(3,267)	(2,802)
Interest, net	15,580	15,940	15,540	14,524	13,458	61,584	50,427
Total Operating Assets NOI - Consolidated	**35,412**	**36,316**	**37,611**	**40,577**	**38,000**	**149,916**	**132,563**
Redevelopments							
Historic Area / Uplands (a)	—	—	—	—	—	—	(589)
Landmark Mall	—	—	—	—	(150)	—	(676)
Total Operating Asset Redevelopments NOI	—	—	—	—	**(150)**	—	**(1,265)**
Dispositions							
Cottonwood Square	250	165	161	174	176	750	705
Park West	1	(8)	(39)	(14)	490	(60)	1,835
Total Operating Asset Dispositions NOI	**251**	**157**	**122**	**160**	**666**	**690**	**2,540**
Consolidated Operating Assets NOI excluding properties sold or in redevelopment	**$ 35,161**	**$ 36,159**	**$ 37,489**	**$ 40,417**	**$ 37,484**	**$ 149,226**	**$ 131,288**
Company's Share NOI - Equity investees	**$ 1,084**	**$ 1,186**	**$ 1,385**	**$ 746**	**$ 888**	**$ 4,401**	**$ 5,069**
Distributions from Summerlin Hospital Investment	—	—	—	**3,383**	—	3,383	**2,616**
Total NOI	**$ 36,245**	**$ 37,345**	**$ 38,874**	**$ 44,546**	**$ 38,372**	**$ 157,010**	**$ 138,973**

(a) - Effective January 1, 2017, we moved South Street Seaport assets under construction and related activities out of the Operating Assets segment into the Strategic Developments segment. South Street Seaport operating properties and related operating results remain presented within the Operating Assets segment. The respective segment earnings and NOI presented above in all 2016 periods to reflect this change.

Reconciliation of MPC Land Sales Closed to GAAP Land Sales Revenue:	**Three Months Ended December 31,**		**Year Ended December 31,**	
(In thousands)	**Q4 2017**	**Q4 2016**	**Q4 2017**	**Q4 2016**
Total residential land sales closed in period	$ 55,759	$ 48,997	$ 189,017	$ 163,142
Total commercial land sales closed in period	13,955	—	18,254	10,753
Net recognized (deferred) revenue:				
Bridgeland	(634)	1,345	6,722	3,780
Summerlin	(2,270)	15,655	20,063	29,596
Total net recognized (deferred) revenue	(2,904)	17,000	26,785	33,376
Special Improvement District bond revenue	4,254	2,153	14,539	8,047
Total land sales revenue - GAAP basis	$ 71,064	$ 68,150	$ 248,595	$ 215,318
Total MPC segment revenue - GAAP basis	$ 87,832	$ 77,902	$ 299,543	$ 253,304

Reconciliation of MPC segment EBT to MPC Net Contribution:	**Three Months Ended December 31,**		**Year Ended December 31,**	
(In thousands)	**2017**	**2016**	**2017**	**2016**
MPC segment EBT	$ 52,604	$ 62,706	$ 190,351	$ 179,481
Plus:				
Cost of sales - land	32,828	29,599	121,116	95,727
Depreciation and amortization	76	75	323	311
MUD and SID bonds collections, net	54,548	34,187	56,509	37,672
Distributions from Real Estate and Other Affiliates	10,000	22,900	10,000	22,900
Less:				
MPC development expenditures	(56,342)	(43,091)	(193,087)	(149,592)
MPC land acquisitions	(2,976)	(25)	(4,391)	(94)
Equity in earnings in Real Estate and Other Affiliates	(1,682)	(20,928)	(23,234)	(43,501)
MPC Net Contribution	$ 89,056	$ 85,423	$ 157,587	$ 142,904

Reconciliation of Segment EBTs to Net Income	**Three Months Ended December 31,**		**Year Ended December 31,**	
(In thousands)	**2017**	**2016**	**2017**	**2016**
MPC segment EBT	$ 52,604	$ 62,706	$ 190,351	$ 179,481
Operating Assets segment EBT	(14,356)	5,191	(28,664)	(22,985)
Strategic Developments segment EBT	51,985	36,102	169,041	302,022
Corporate and other items	(20,552)	(44,043)	(209,906)	(137,742)
Income before taxes	69,681	59,956	120,822	320,776
Provision for income taxes	77,647	(16,361)	45,801	(118,450)
Net income	147,328	43,595	166,623	202,326
Net income attributable to noncontrolling interests	1,793	-	1,781	(23)
Net income attributable to common stockholders	$ 149,121	$ 43,595	$ 168,404	$ 202,303