

# Howard Hughes®



## Supplemental Information

Three months ended March 31, 2019

NYSE: HHC

# Cautionary Statements

## 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, 2018, as filed with the Securities and Exchange Commission (“SEC”) on February 27, 2019. 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 (“FFO”), core funds from operations (“Core FFO”), adjusted funds from operations (“AFFO”) and net operating income (“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.

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 and Seaport District segments 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 reconciliations of our GAAP Operating Assets segment Earnings Before Taxes (“EBT”) to NOI and Seaport District segment EBT 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](http://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.

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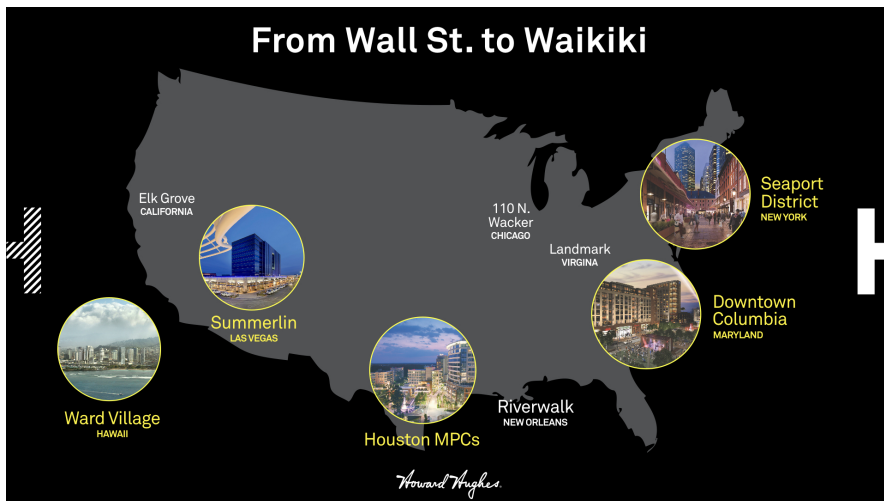
# Company Profile - Summary & Results

## Company Overview - Q1 2019

|                              |       |        |
|------------------------------|-------|--------|
| Exchange / Ticker            | NYSE: | HHC    |
| Share Price - March 31, 2019 | \$    | 110.00 |
| Diluted Earnings / Share     | \$    | 0.74   |
| FFO / Diluted Share          | \$    | 1.58   |
| Core FFO / Diluted Share     | \$    | 2.03   |
| AFFO / Diluted Share         | \$    | 1.99   |

## Operating Portfolio by Region

### From Wall St. to Waikiki



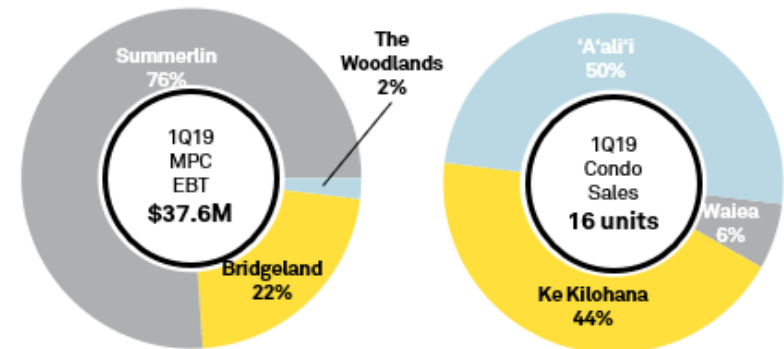
## Recent Company Highlights

NEW YORK, Feb. 25, 2019--(PRNewswire)-- The Howard Hughes Corporation, in partnership with exclusive booking partner Live Nation Entertainment, Inc., unveiled the initial lineup for its second annual Summer Concert Series on The Rooftop at Pier 17® at the Seaport District. Kicking off in May, this summer's concert series features performances by artists including Grammy nominated pop rock band, OneRepublic; comedy trio, The Lonely Island; soul musicians, Trombone Shorty & Ben Harper; legendary rock band, Steve Miller Band and more, all set against panoramic views of the iconic New York skyline.

NEW YORK, Feb. 19, 2019--(PRNewswire) -- The Howard Hughes Corporation is proud to announce that The Rooftop at Pier 17® at the Seaport District was named "Best New Concert Venue" for 2018 at the 30th Annual Pollstar Awards. The prestigious international awards ceremony, presented by Live Nation Entertainment, Inc., capped off a multi-day conference that gathered global leaders throughout the live entertainment business in Beverly Hills, CA.

## Q1 2019 MPC & Condominium Results

\$ in millions



### Q1 2019 MPC EBT

|                                   |           |             |
|-----------------------------------|-----------|-------------|
| Bridgeland                        | \$        | 8.4         |
| Columbia                          |           | (0.3)       |
| Summerlin                         |           | 28.7        |
| The Woodlands/The Woodlands Hills |           | 0.8         |
| <b>Total</b>                      | <b>\$</b> | <b>37.6</b> |

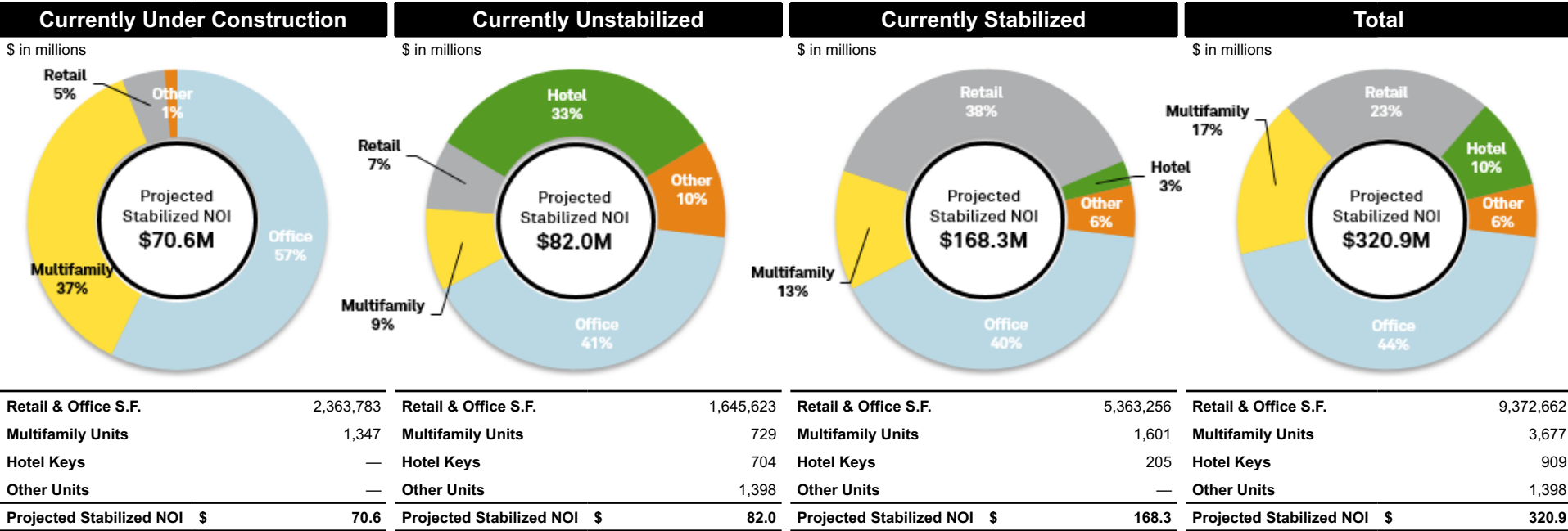
### Q1 2019 Condo Units Contracted

|                  |           |
|------------------|-----------|
| Waiea            | 1         |
| Anaha            | —         |
| Ke Kilohana      | 7         |
| Ae'o             | —         |
| 'A'ali'i         | 8         |
| <b>Total (a)</b> | <b>16</b> |

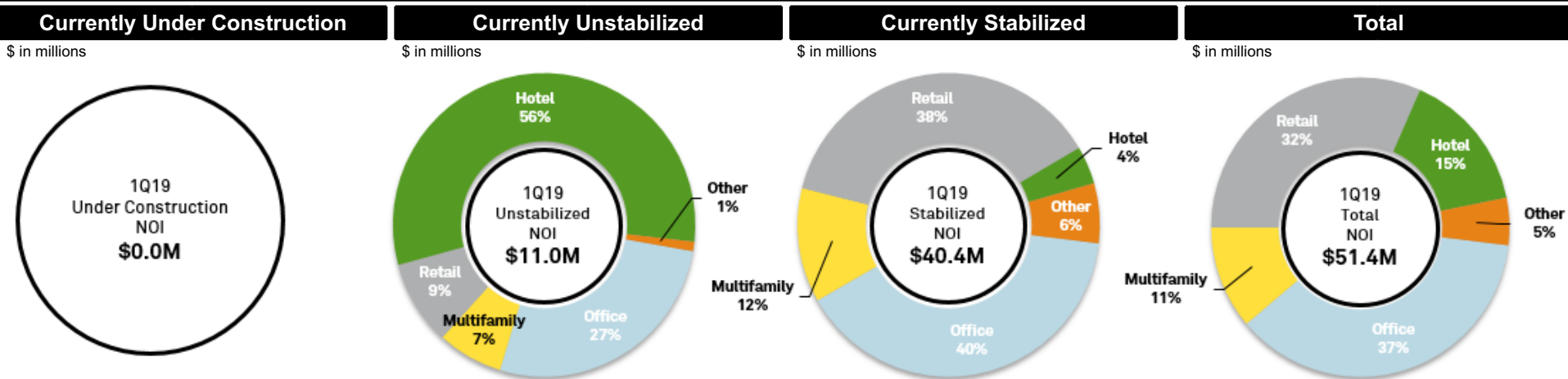
(a) Total not including Kō'ula, our newest building that began public sales in January 2019 and contracted 314 units this quarter. Kō'ula is excluded as we have not yet commenced construction.

# Company Profile - Summary & Results (con't)

## Path to Projected Annual Stabilized NOI



## Q1 2019 - Operating Results by Property Type



Path to Projected Annual Stabilized NOI charts exclude Seaport NOI, units, and square footage until we have greater clarity with respect to the performance of our tenants. See page 17 for Seaport NOI Yield and other project information. See page 29 for definitions of "Under Construction," "Unstabilized," "Stabilized" and "Net Operating Income (NOI)."

# Financial Summary

(\$ in thousands, except share price and billions)

|   | Q1 2019      | Q4 2018      | Q3 2018      | Q2 2018      | Q1 2018      | FY 2018      | FY 2017      |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Company Profile</b>                              |              |              |              |              |              |              |              |
| Share price (a)                                     | \$110.00     | \$97.62      | \$124.22     | \$132.50     | \$139.13     | \$97.62      | \$131.27     |
| Market Capitalization (b)                           | \$4.8b       | \$4.2b       | \$5.4b       | \$5.7b       | \$6.0b       | \$4.2b       | \$5.9b       |
| Enterprise Value (c)                                | \$7.7b       | \$7.0b       | \$8.2b       | \$8.3b       | \$8.3b       | \$7.0b       | \$7.9b       |
| Weighted avg. shares - basic                        | 43,106       | 43,075       | 43,066       | 42,573       | 42,976       | 43,036       | 41,364       |
| Weighted avg. shares - diluted                      | 43,257       | 43,250       | 43,317       | 42,942       | 43,363       | 43,237       | 43,089       |
| Total diluted share equivalents outstanding         | 43,223       | 43,077       | 43,194       | 43,325       | 43,301       | 43,109       | 44,917       |
| <b>Debt Summary</b>                                 |              |              |              |              |              |              |              |
| Total debt payable (d)                              | \$ 3,274,379 | \$ 3,215,211 | \$ 3,296,486 | \$ 3,163,771 | \$ 2,915,220 | \$ 3,215,211 | \$ 2,877,789 |
| Fixed rate debt                                     | \$ 1,675,207 | \$ 1,663,875 | \$ 1,651,695 | \$ 1,643,194 | \$ 1,522,488 | \$ 1,663,875 | \$ 1,526,875 |
| Weighted avg. rate - fixed                          | 5.06%        | 5.17%        | 4.60%        | 4.60%        | 4.98%        | 5.17%        | 5.04%        |
| Variable rate debt, excluding condominium financing | \$ 1,494,918 | \$ 1,454,579 | \$ 1,411,932 | \$ 1,355,523 | \$ 1,299,119 | \$ 1,454,579 | \$ 1,317,311 |
| Weighted avg. rate - variable                       | 4.85%        | 4.88%        | 4.78%        | 3.37%        | 4.32%        | 4.88%        | 4.10%        |
| Condominium debt outstanding at end of period       | \$ 104,254   | \$ 96,757    | \$ 232,859   | \$ 165,054   | \$ 93,613    | \$ 96,757    | \$ 33,603    |
| Weighted avg. rate - condominium financing          | 5.74%        | 5.75%        | 6.04%        | 5.93%        | 5.78%        | 5.75%        | 7.11%        |
| Leverage ratio (debt to enterprise value)           | 42.16%       | 45.49%       | 39.54%       | 37.59%       | 34.92%       | 45.47%       | 36.20%       |

(a) Presented as of period end date.

(b) 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.

(c) Enterprise Value = Market capitalization + book value of debt + noncontrolling interest - cash and equivalents.

(d) 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.

# Financial Summary (con't)

(\$ in thousands)

## Earnings Profile

### Operating Assets Segment Income

|  | Q1 2019   | Q4 2018   | Q3 2018   | Q2 2018   | Q1 2018   | FY 2018    | FY 2017    |
|--|-----------|-----------|-----------|-----------|-----------|------------|------------|
| Revenues                               | \$ 89,107 | \$ 80,940 | \$ 83,676 | \$ 85,905 | \$ 84,624 | \$ 335,145 | \$ 309,077 |
| Expenses                               | (42,754)  | (41,453)  | (42,786)  | (40,849)  | (41,593)  | (166,681)  | (158,592)  |
| Company's Share NOI - Equity investees | 5,089     | 1,952     | 1,343     | 791       | 4,010     | 8,096      | 7,784      |
| Operating Assets NOI (a)               | 51,442    | 41,439    | 42,233    | 45,847    | 47,041    | 176,560    | 158,269    |
| Avg. NOI margin                        | 58%       | 51%       | 50%       | 53%       | 56%       | 53%        | 51%        |

### MPC Segment Earnings

|  |          |          |          |          |          |           |           |
|--|----------|----------|----------|----------|----------|-----------|-----------|
| Total revenues   | 50,896   | 47,786   | 143,135  | 62,765   | 55,765   | 309,451   | 299,543   |
| Total expenses (b)                                     | (28,679) | (25,864) | (70,298) | (37,088) | (36,449) | (169,699) | (163,072) |
| Interest (expense) income, net (c)                     | 7,543    | 7,093    | 6,626    | 6,808    | 6,392    | 26,919    | 24,292    |
| Equity in earnings in real estate and other affiliates | 7,837    | 1,602    | 9,454    | 14,100   | 11,128   | 36,284    | 23,234    |
| MPC Segment EBT (c)                                    | 37,597   | 30,617   | 88,917   | 46,585   | 36,836   | 202,955   | 190,351   |

### Seaport District Segment Income (d)

|  |          |          |          |         |         |          |          |
|--|----------|----------|----------|---------|---------|----------|----------|
| Revenues                               | 6,586    | 9,278    | 12,852   | 3,848   | 2,901   | 28,879   | 9,523    |
| Expenses                               | (10,552) | (12,761) | (15,777) | (3,383) | (2,384) | (34,305) | (10,781) |
| Company's Share NOI - Equity investees | (195)    | (134)    | (452)    | (127)   | —       | (713)    | —        |
| Seaport District NOI (e)               | (4,161)  | (3,617)  | (3,377)  | 338     | 517     | (6,139)  | (1,258)  |
| Avg. NOI margin                        | (63%)    | (39%)    | (26%)    | 9%      | 18%     | (21%)    | (13%)    |

### Condo Gross Profit

|                      |           |           |          |            |          |           |            |
|----------------------|-----------|-----------|----------|------------|----------|-----------|------------|
| Revenues (f)         | 198,310   | 317,953   | 8,045    | 20,885     | 10,837   | 357,720   | 464,251    |
| Expenses (f)         | (137,694) | (220,849) | (6,168)  | (28,816)   | (6,729)  | (262,562) | (338,361)  |
| Condo Net Income (f) | \$ 60,616 | \$ 97,104 | \$ 1,877 | \$ (7,931) | \$ 4,108 | \$ 95,158 | \$ 125,890 |

(a) Operating Assets NOI = Operating Assets NOI excluding properties sold or in redevelopment + the Howard Hughes Corporation's (the "Company" or "HHC") share of equity method investments NOI and the annual Distribution from our cost basis investment. Prior periods have been adjusted to be consistent with fiscal 2019 presentation.

(b) Expenses include both actual and estimated future costs of sales allocated on a relative sales value to land parcels sold, including Master Planned Communities ("MPC")-level G&A and real estate taxes on remaining residential and commercial land.

(c) MPC Segment EBT (Earnings before tax, as discussed in our GAAP financial statements), includes negative interest expense relating to capitalized interest for the segment on debt held in other segments and at corporate.

(d) Starting in the first quarter of 2019, the Seaport District has been moved out of our other segments and into a stand-alone segment for disclosure purposes. Segment information for all periods presented has been updated to reflect this change.

(e) Seaport District NOI = Seaport District NOI excluding properties sold or in redevelopment + Company's share of equity method investments NOI. Prior periods have been adjusted to be consistent with fiscal 2019 presentation.

(f) Revenues in 2019 and 2018 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 new revenue standard adopted January 1, 2018. Fiscal year 2017 is presented based on the percentage of completion method and is therefore not comparable to the 2019 or 2018 periods.

# Balance Sheets

(In thousands, except par values and share amounts)

|  | Q1 2019             | Q1 2018             | FY 2018             | FY 2017             |
|--|---------------------|---------------------|---------------------|---------------------|
|  | Unaudited           | Unaudited           | Unaudited           | Unaudited           |
| <b>Assets:</b>   |                     |                     |                     |                     |
| Investment in real estate:   |                     |                     |                     |                     |
| Master Planned Communities assets  | \$ 1,665,037        | \$ 1,633,492        | \$ 1,642,660        | \$ 1,642,278        |
| Buildings and equipment  | 3,082,749           | 2,365,773           | 2,932,963           | 2,238,617           |
| Less: accumulated depreciation   | (410,315)           | (325,026)           | (380,892)           | (321,882)           |
| Land   | 303,384             | 273,444             | 297,596             | 277,932             |
| Developments   | 1,384,212           | 1,412,153           | 1,290,068           | 1,196,582           |
| Net property and equipment   | 6,025,067           | 5,359,836           | 5,782,395           | 5,033,527           |
| Investment in real estate and other affiliates   | 106,800             | 85,911              | 102,287             | 76,593              |
| Net investment in real estate  | 6,131,867           | 5,445,747           | 5,884,682           | 5,110,120           |
| Cash and cash equivalents  | 452,908             | 632,838             | 499,676             | 861,059             |
| Restricted cash  | 134,398             | 132,105             | 224,539             | 103,241             |
| Accounts receivable, net   | 16,030              | 14,384              | 12,589              | 13,041              |
| Municipal Utility District receivables, net  | 246,231             | 203,436             | 222,269             | 184,811             |
| Notes receivable, net  | 4,723               | 8,310               | 4,694               | 5,864               |
| Deferred expenses, net   | 104,101             | 90,839              | 95,714              | 80,901              |
| Operating lease right-of-use assets, net   | 72,105              | —                   | —                   | —                   |
| Prepaid expenses and other assets, net   | 253,644             | 210,327             | 411,636             | 370,027             |
| <b>Total assets</b>  | <b>\$ 7,416,007</b> | <b>\$ 6,737,986</b> | <b>\$ 7,355,799</b> | <b>\$ 6,729,064</b> |
| <b>Liabilities:</b>  |                     |                     |                     |                     |
| Mortgages, notes and loans payable, net  | \$ 3,241,985        | \$ 2,895,771        | \$ 3,181,213        | \$ 2,857,945        |
| Operating lease obligations  | 71,888              | —                   | —                   | —                   |
| Deferred tax liabilities   | 165,690             | 143,581             | 157,188             | 160,850             |
| Accounts payable and accrued expenses  | 628,971             | 619,271             | 779,272             | 521,718             |
| <b>Total liabilities</b>   | <b>4,108,534</b>    | <b>3,658,623</b>    | <b>4,117,673</b>    | <b>3,540,513</b>    |
| <b>Equity:</b>   |                     |                     |                     |                     |
| Common stock: \$.01 par value; 150,000,000 shares authorized, 43,659,708 shares issued and 43,139,859 outstanding as of March 31, 2019 and 43,511,473 shares issued and 42,991,624 outstanding as of December 31, 2018 | 437                 | 436                 | 436                 | 433                 |
| Additional paid-in capital   | 3,325,499           | 3,310,421           | 3,322,433           | 3,302,502           |
| Accumulated deficit  | (88,520)            | (175,879)           | (120,341)           | (109,508)           |
| Accumulated other comprehensive loss   | (14,759)            | (797)               | (8,126)             | (6,965)             |
| Treasury stock, at cost, 519,849 shares as of March 31, 2019 and December 31, 2018   | (62,190)            | (60,743)            | (62,190)            | (3,476)             |
| Total stockholders' equity   | 3,160,467           | 3,073,438           | 3,132,212           | 3,182,986           |
| Noncontrolling interests   | 147,006             | 5,925               | 105,914             | 5,565               |
| <b>Total equity</b>  | <b>3,307,473</b>    | <b>3,079,363</b>    | <b>3,238,126</b>    | <b>3,188,551</b>    |
| <b>Total liabilities and equity</b>  | <b>\$ 7,416,007</b> | <b>\$ 6,737,986</b> | <b>\$ 7,355,799</b> | <b>\$ 6,729,064</b> |
| <b>Share Count Details (In thousands)</b>  |                     |                     |                     |                     |
| Shares outstanding at end of period (including restricted stock)   | 43,140              | 42,986              | 42,992              | 43,271              |
| Dilutive effect of stock options (a)   | 83                  | 146                 | 117                 | 200                 |
| Dilutive effect of warrants (b)  | —                   | 169                 | —                   | 1,446               |
| <b>Total diluted share equivalents outstanding</b>   | <b>43,223</b>       | <b>43,301</b>       | <b>43,109</b>       | <b>44,917</b>       |

(a) Stock options assume net share settlement calculated for the period presented.

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

*Howard Hughes*



# Statements of Operations

(In thousands, except per share amounts)

|  | Q1 2019          | Q1 2018         | FY 2018          | FY 2017           |
|--|------------------|-----------------|------------------|-------------------|
|  | Unaudited        | Unaudited       | Unaudited        | Unaudited         |
| <b>Revenues:</b>   |                  |                 |                  |                   |
| Condominium rights and unit sales                        | \$ 198,310       | \$ 10,837       | \$ 357,720       | \$ 464,251        |
| Master Planned Communities land sales                    | 41,312           | 46,565          | 261,905          | 248,595           |
| Minimum rents  | 54,086           | 49,395          | 207,315          | 183,025           |
| Tenant recoveries  | 13,508           | 12,760          | 49,993           | 45,814            |
| Hospitality revenues                                     | 22,929           | 23,061          | 82,037           | 76,020            |
| Builder price participation                              | 5,195            | 5,081           | 27,085           | 22,835            |
| Other land revenues                                      | 4,729            | 4,131           | 21,314           | 28,166            |
| Other rental and property revenues                       | 13,821           | 9,849           | 57,168           | 31,414            |
| <b>Total revenues</b>                                    | <u>353,890</u>   | <u>161,679</u>  | <u>1,064,537</u> | <u>1,100,120</u>  |
| <b>Expenses:</b>   |                  |                 |                  |                   |
| Condominium rights and unit cost of sales                | 137,694          | 6,729           | 262,562          | 338,361           |
| Master Planned Communities cost of sales                 | 16,818           | 26,043          | 124,214          | 121,116           |
| Master Planned Communities operations                    | 11,695           | 10,325          | 45,217           | 38,777            |
| Other property operating costs                           | 37,264           | 23,175          | 133,761          | 91,729            |
| Rental property real estate taxes                        | 9,831            | 8,127           | 32,183           | 29,185            |
| Rental property maintenance costs                        | 4,177            | 3,197           | 15,813           | 13,432            |
| Hospitality operating costs                              | 15,623           | 15,567          | 59,195           | 56,362            |
| (Recovery) provision for doubtful accounts               | (2)              | 776             | 6,078            | 2,710             |
| Demolition costs   | 49               | 6,671           | 17,329           | 1,923             |
| Development-related marketing costs                      | 5,702            | 6,078           | 29,249           | 20,504            |
| General and administrative                               | 25,332           | 24,264          | 104,625          | 89,882            |
| Depreciation and amortization                            | 36,131           | 28,188          | 126,565          | 132,252           |
| <b>Total expenses</b>                                    | <u>300,314</u>   | <u>159,140</u>  | <u>956,791</u>   | <u>936,233</u>    |
| <b>Other:</b>  |                  |                 |                  |                   |
| Other income, net  | 167              | —               | (936)            | 54,615            |
| <b>Operating income</b>                                  | <u>53,743</u>    | <u>2,539</u>    | <u>106,810</u>   | <u>218,502</u>    |
| Interest income  | 2,573            | 2,076           | 8,486            | 4,043             |
| Interest expense   | (23,326)         | (16,609)        | (82,028)         | (64,568)          |
| Loss on redemption of senior notes due 2021              | —                | —               | —                | (46,410)          |
| Warrant liability loss                                   | —                | —               | —                | (43,443)          |
| Gain on acquisition of joint venture partner's interest  | —                | —               | —                | 23,332            |
| Loss on sale or disposal of real estate                  | —                | —               | (4)              | 3,868             |
| Equity in earnings from real estate and other affiliates | 9,951            | 14,386          | 39,954           | 25,498            |
| Income before taxes                                      | 42,941           | 2,392           | 73,218           | 120,822           |
| Provision for income taxes                               | 11,016           | 558             | 15,492           | (45,801)          |
| Net income   | 31,925           | 1,834           | 57,726           | 166,623           |
| Net income attributable to noncontrolling interests      | (104)            | (360)           | (714)            | 1,781             |
| <b>Net income attributable to common stockholders</b>    | <u>\$ 31,821</u> | <u>\$ 1,474</u> | <u>\$ 57,012</u> | <u>\$ 168,404</u> |
| <b>Basic income per share</b>                            | <b>\$ 0.74</b>   | <b>\$ 0.03</b>  | <b>\$ 1.32</b>   | <b>\$ 4.07</b>    |
| <b>Diluted income per share</b>                          | <b>\$ 0.74</b>   | <b>\$ 0.03</b>  | <b>\$ 1.32</b>   | <b>\$ 3.91</b>    |

The Company's annual 2018 and quarterly 2019 results are presented in accordance with Topic 606, the new revenue standard adopted January 1, 2018. Please refer to Note 15 in the Company's Form 10-Q for further information.

# Reconciliations of Net Income to FFO, Core FFO and AFFO

(In thousands, except share amounts)

|  | Q1 2019          | Q1 2018          | FY 2018           | FY 2017           |
|--|------------------|------------------|-------------------|-------------------|
|  | Unaudited        | Unaudited        | Unaudited         | Unaudited         |
| <b>RECONCILIATIONS OF NET INCOME TO FFO</b>  |                  |                  |                   |                   |
| Net income attributable to common stockholders   | \$ 31,821        | \$ 1,474         | \$ 57,012         | \$ 168,404        |
| Adjustments to arrive at FFO:  |                  |                  |                   |                   |
| Segment real estate related depreciation and amortization  | 34,517           | 26,750           | 119,309           | 125,638           |
| Loss (Gains) on sales of properties and disposals of operating assets                            | 6                | —                | 4                 | (55,235)          |
| Income tax expense adjustments - deferred:   |                  |                  |                   |                   |
| Gains on sales of properties   | —                | —                | —                 | 20,551            |
| Reconciling items related to noncontrolling interests  | 104              | 360              | 714               | (1,781)           |
| Our share of the above reconciling items included in earnings from unconsolidated joint ventures | 1,827            | 1,513            | 5,693             | 4,385             |
| <b>FFO</b>   | <b>\$ 68,275</b> | <b>\$ 30,097</b> | <b>\$ 182,732</b> | <b>\$ 261,962</b> |
| Adjustments to arrive at Core FFO:   |                  |                  |                   |                   |
| Acquisition expenses   | \$ —             | \$ —             | \$ —              | \$ 109            |
| Loss on redemption of senior notes due 2021  | —                | —                | —                 | 46,410            |
| Gain on acquisition of joint venture partner's interest  | —                | —                | —                 | (23,332)          |
| Warrant loss   | —                | —                | —                 | 43,443            |
| Severance expenses   | 854              | 261              | 687               | 2,525             |
| Non-real estate related depreciation and amortization  | 1,615            | 1,437            | 7,255             | 6,614             |
| Straight-line amortization   | (2,134)          | (3,340)          | (12,609)          | (7,782)           |
| Deferred income tax expense (benefit)  | 10,703           | 246              | 16,195            | (64,014)          |
| Non-cash fair value adjustments related to hedging instruments                                   | (128)            | (216)            | (1,135)           | 905               |
| Share based compensation   | 2,725            | 2,526            | 11,242            | 8,211             |
| Other non-recurring expenses (development related marketing and demolition costs)                | 5,751            | 12,749           | 46,579            | 22,427            |
| Our share of the above reconciling items included in earnings from unconsolidated joint ventures | 64               | 94               | 623               | 502               |
| <b>Core FFO</b>  | <b>\$ 87,725</b> | <b>\$ 43,854</b> | <b>\$ 251,569</b> | <b>\$ 297,980</b> |
| Adjustments to arrive at AFFO:   |                  |                  |                   |                   |
| Tenant and capital improvements  | \$ (1,042)       | \$ (4,532)       | \$ (14,267)       | \$ (15,803)       |
| Leasing Commissions  | (418)            | (399)            | (3,600)           | (2,995)           |
| <b>AFFO</b>  | <b>\$ 86,265</b> | <b>\$ 38,923</b> | <b>\$ 233,702</b> | <b>\$ 279,182</b> |
| <b>FFO per diluted share value</b>   | <b>\$ 1.58</b>   | <b>\$ 0.69</b>   | <b>\$ 4.23</b>    | <b>\$ 6.08</b>    |
| <b>Core FFO per diluted share value</b>  | <b>\$ 2.03</b>   | <b>\$ 1.01</b>   | <b>\$ 5.82</b>    | <b>\$ 6.92</b>    |
| <b>AFFO per diluted share value</b>  | <b>\$ 1.99</b>   | <b>\$ 0.90</b>   | <b>\$ 5.41</b>    | <b>\$ 6.48</b>    |

# NOI by Region, excluding the Seaport District

| Property                               | % Ownership (a) | Total     |       | 1Q19 Occupied (#) |       | 1Q19 Leased (#) |       | 1Q19 Occupied (%) |       | 1Q19 Leased (%) |       | 1Q19 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 |                         |                    |                           |
| <b>Stabilized Properties</b>           |                 |           |       |                   |       |                 |       |                   |       |                 |       |                         |                    |                           |
| Office - Houston                       | 100%            | 1,477,006 | —     | 1,401,654         | —     | 1,431,149       | —     | 95%               | —%    | 97%             | —%    | \$ 39,164               | \$ 40,060          | —                         |
| Office - Columbia                      | 100%            | 1,050,763 | —     | 1,002,992         | —     | 1,005,039       | —     | 95%               | —%    | 96%             | —%    | 16,197                  | 17,679             | —                         |
| Office - Summerlin                     | 100%            | 387,813   | —     | 380,221           | —     | 387,813         | —     | 98%               | —%    | 100%            | —%    | 8,930                   | 10,200             | —                         |
| Retail - Houston                       | 100%            | 292,652   | —     | 280,323           | —     | 281,696         | —     | 96%               | —%    | 96%             | —%    | 9,322                   | 9,903              | —                         |
| Retail - Columbia                      | 100%            | 89,199    | —     | 89,199            | —     | 89,199          | —     | 100%              | —%    | 100%            | —%    | 2,084                   | 2,200              | —                         |
| Retail - Hawaii                        | 100%            | 918,669   | —     | 858,132           | —     | 861,371         | —     | 93%               | —%    | 94%             | —%    | 20,096                  | 19,800             | —                         |
| Retail - Other                         | 100%            | 267,869   | —     | 244,074           | —     | 262,943         | —     | 91%               | —%    | 98%             | —%    | 6,635                   | 6,500              | —                         |
| Retail - Summerlin                     | 100%            | 842,414   | —     | 760,411           | —     | 775,696         | —     | 90%               | —%    | 92%             | —%    | 22,688                  | 26,300             | —                         |
| Multi-Family - Houston (d)             | 100%            | 23,280    | 1,097 | 23,126            | 1,067 | 23,126          | 1,089 | 99%               | 97%   | 99%             | 99%   | 14,304                  | 16,600             | —                         |
| Multi-Family - Columbia (d)            | 50%             | 13,591    | 380   | 13,591            | 351   | 13,591          | 356   | 100%              | 92%   | 100%            | 94%   | 2,782                   | 2,900              | —                         |
| Multi-Family - Summerlin               | 100%            | —         | 124   | —                 | 116   | —               | 116   | —%                | 94%   | —%              | 94%   | 2,305                   | 2,200              | —                         |
| Hospitality - Houston                  | 100%            | —         | 205   | —                 | 168   | —               | —     | —%                | 82%   | —%              | —%    | 5,348                   | 4,500              | —                         |
| Other Assets (e)                       | —               | —         | —     | —                 | —     | —               | —     | —%                | —%    | —%              | —%    | 7,940                   | 9,408              | —                         |
|  |                 |           |       |                   |       |                 |       |                   |       |                 |       | <b>157,795</b>          | <b>168,250</b>     | <b>—</b>                  |
| <b>Total Stabilized Properties (f)</b> |                 |           |       |                   |       |                 |       |                   |       |                 |       |                         |                    |                           |
| <b>Unstabilized Properties</b>         |                 |           |       |                   |       |                 |       |                   |       |                 |       |                         |                    |                           |
| Office - Houston                       | 100%            | 911,154   | —     | 640,020           | —     | 805,855         | —     | 70%               | —%    | 88%             | —%    | \$8,832                 | \$20,958           | 2.3                       |
| Office - Columbia                      | 100%            | 331,223   | —     | 248,516           | —     | 280,152         | —     | 75%               | —%    | 85%             | —%    | 4,083                   | 8,600              | 2.4                       |
| Office - Summerlin                     | 100%            | 144,615   | —     | 55,966            | —     | 136,914         | —     | 39%               | —%    | 95%             | —%    | 99                      | 3,500              | 1.5                       |
| Retail - Houston                       | 100%            | 143,758   | —     | 119,343           | —     | 124,116         | —     | 83%               | —%    | 86%             | —%    | 2,308                   | 3,368              | 1.0                       |
| Retail - Hawaii                        | 100%            | 86,847    | —     | 73,235            | —     | 82,381          | —     | 84%               | —%    | 95%             | —%    | 1,848                   | 2,709              | 1.0                       |
| Multi-Family - Houston                 | 100%            | —         | 292   | —                 | 192   | —               | 214   | —%                | 66%   | —%              | 73%   | 837                     | 3,500              | 2.0                       |
| Multi-Family - Columbia                | 50%             | 28,026    | 437   | 10,681            | 369   | 10,681          | 397   | 38%               | 84%   | 38%             | 91%   | 2,350                   | 3,800              | 2.0                       |
| Hospitality - Houston                  | 100%            | —         | 704   | —                 | 447   | —               | —     | —%                | 63%   | —%              | —%    | 20,010                  | 27,000             | 2.0                       |
| Self Storage - Houston                 | 100%            | —         | 1,398 | —                 | 933   | —               | 949   | —%                | 67%   | —%              | 68%   | 398                     | 1,600              | 2.0                       |
| Other - Summerlin                      | 100%            | —         | —     | —                 | —     | —               | —     | —%                | —%    | —%              | —%    | —                       | 7,000              | 1.0                       |
|  |                 |           |       |                   |       |                 |       |                   |       |                 |       | <b>\$ 40,765</b>        | <b>\$ 82,035</b>   | <b>1.9</b>                |
| <b>Total Unstabilized Properties</b>   |                 |           |       |                   |       |                 |       |                   |       |                 |       |                         |                    |                           |

# NOI by Region, excluding the Seaport District (con't)

| Property                                   | % Ownership (a) | Total     |       | 1Q19 Occupied (#) |       | 1Q19 Leased (#) |       | 1Q19 Occupied (%) |       | 1Q19 Leased (%) |       | 1Q19 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 |                         |                    |                           |
| <b>Under Construction Properties</b>       |                 |           |       |                   |       |                 |       |                   |       |                 |       |                         |                    |                           |
| Office - Houston                           | 100%            | 383,000   | —     | —                 | —     | 383,000         | —     | —%                | —%    | 100%            | —%    | \$ —                    | \$ 9,500           | 1.0                       |
| Office - Columbia                          | 100%            | 320,000   | —     | —                 | —     | 150,000         | —     | —%                | —%    | 47%             | —%    | —                       | 9,200              | 5.0                       |
| Office - Other                             | 33%             | 1,500,000 | —     | —                 | —     | 753,836         | —     | —%                | —%    | 50%             | —%    | —                       | 22,441             | 5.0                       |
| Retail - Houston                           | 100%            | 72,264    | —     | —                 | —     | 42,389          | —     | —%                | —%    | 59%             | —%    | —                       | 2,200              | 3.1                       |
| Retail - Hawaii                            | 100%            | 21,900    | —     | —                 | —     | 21,900          | —     | —%                | —%    | 100%            | —%    | —                       | 1,050              | 2.0                       |
| Multi-Family - Houston                     | 100%            | —         | 698   | —                 | —     | —               | —     | —%                | —%    | —%              | —%    | —                       | 12,404             | 5.1                       |
| Multi-Family - Columbia                    | 100%            | 56,619    | 382   | —                 | —     | —               | —     | —%                | —%    | —%              | —%    | —                       | 9,162              | 5.0                       |
| Multi-Family - Summerlin                   | 100%            | —         | 267   | —                 | —     | —               | —     | —%                | —%    | —%              | —%    | —                       | 4,400              | 2.0                       |
| Other - Houston                            | 100%            | 10,000    | —     | —                 | —     | 10,000          | —     | —%                | —%    | 100%            | —%    | —                       | 260                | 2.0                       |
| <b>Total Under Construction Properties</b> |                 |           |       |                   |       |                 |       |                   |       |                 |       | —                       | <b>70,617</b>      | <b>4.1</b>                |
| <b>Total/ Wtd. Avg. for Portfolio</b>      |                 |           |       |                   |       |                 |       |                   |       |                 |       | <b>\$ 198,560</b>       | <b>\$ 320,902</b>  | <b>3.3</b>                |

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

(b) Annualized 1Q19 NOI includes distribution received from cost method investment in 1Q19. For purposes of this calculation, this one time annual distribution is not annualized.

(c) Table above excludes Seaport District NOI, units, and square feet until we have greater clarity with respect to the performance of our tenants. See page 17 for Seaport District Est. stabilized yield and other project information.

(d) Multi-Family square feet represent ground floor retail whereas multi-family units represent residential units for rent.

(e) Other assets are primarily made up of our share of equity method investments not included in other categories. These assets can be found on page 14 of this presentation.

(f) For Stabilized Properties, the difference between 1Q19 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.

# Stabilized Properties - Operating Assets Segment

(\$ in thousands)

| Property                        | Location        | % Ownership | Rentable Sq. Ft./Units | Q1 2019 % Occ. | Q1 2019 % Leased | Annualized Q1 2019 NOI | Est. Stabilized NOI |
|---------------------------------|-----------------|-------------|------------------------|----------------|------------------|------------------------|---------------------|
| <b>Office</b>                   |                 |             |                        |                |                  |                        |                     |
| 3 Waterway Square               | Houston, TX     | 100 %       | 232,021                | 100 %          | 100 %            | \$ 6,327               | \$ 6,900            |
| 4 Waterway Square               | Houston, TX     | 100 %       | 218,551                | 100 %          | 100 %            | 6,859                  | 6,856               |
| 1400 Woodloch Forest            | Houston, TX     | 100 %       | 95,667                 | 73 %           | 73 %             | 1,490                  | 1,890               |
| 1735 Hughes Landing Boulevard   | Houston, TX     | 100 %       | 318,170                | 100 %          | 100 %            | 7,892                  | 7,696               |
| 2201 Lake Woodlands Drive       | Houston, TX     | 100 %       | 24,119                 | 100 %          | 100 %            | 480                    | 410                 |
| 3831 Technology Forest          | Houston, TX     | 100 %       | 95,078                 | 100 %          | 100 %            | 2,305                  | 2,268               |
| 9303 New Trails                 | Houston, TX     | 100 %       | 97,967                 | 64 %           | 89 %             | 1,259                  | 1,800               |
| One Hughes Landing              | Houston, TX     | 100 %       | 197,719                | 98 %           | 98 %             | 6,362                  | 6,240               |
| Two Hughes Landing              | Houston, TX     | 100 %       | 197,714                | 95 %           | 98 %             | 6,191                  | 6,000               |
| 10-70 Columbia Corporate Center | Columbia, MD    | 100 %       | 889,546                | 96 %           | 96 %             | 13,241                 | 14,330              |
| Columbia Office Properties      | Columbia, MD    | 100 %       | 62,038                 | 100 %          | 100 %            | 1,191                  | 1,402               |
| One Mall North                  | Columbia, MD    | 100 %       | 99,179                 | 92 %           | 93 %             | 1,764                  | 1,947               |
| Aristocrat                      | Las Vegas, NV   | 100 %       | 181,534                | 100 %          | 100 %            | 4,504                  | 4,501               |
| One Summerlin                   | Las Vegas, NV   | 100 %       | 206,279                | 96 %           | 100 %            | 4,426                  | 5,700               |
| <b>Total Office</b>             |                 |             | <b>2,915,582</b>       |                |                  | <b>64,291</b>          | <b>67,940</b>       |
| <b>Retail</b>                   |                 |             |                        |                |                  |                        |                     |
| 20/25 Waterway Avenue           | Houston, TX     | 100 %       | 50,062                 | 100 %          | 100 %            | 1,877                  | 2,013               |
| 1701 Lake Robbins               | Houston, TX     | 100 %       | 12,376                 | 100 %          | 100 %            | 617                    | 400                 |
| 2000 Woodlands Parkway          | Houston, TX     | 100 %       | 7,900                  | 100 %          | 100 %            | 261                    | 217                 |
| Creekside Village Green         | Houston, TX     | 100 %       | 74,670                 | 90 %           | 92 %             | 1,895                  | 2,097               |
| Hughes Landing Retail           | Houston, TX     | 100 %       | 126,131                | 100 %          | 100 %            | 4,273                  | 4,375               |
| Waterway Garage Retail          | Houston, TX     | 100 %       | 21,513                 | 78 %           | 78 %             | 399                    | 800                 |
| Columbia Regional               | Columbia, MD    | 100 %       | 89,199                 | 100 %          | 100 %            | 2,084                  | 2,200               |
| Ward Village Retail             | Honolulu, HI    | 100 %       | 918,669                | 93 %           | 94 %             | 20,096                 | 19,800              |
| Downtown Summerlin              | Las Vegas, NV   | 100 %       | 842,414                | 90 %           | 92 %             | 22,688                 | 26,300              |
| Outlet Collection at Riverwalk  | New Orleans, LA | 100 %       | 267,869                | 91 %           | 91 %             | 6,635                  | 6,500               |
| <b>Total Retail</b>             |                 |             | <b>2,410,803</b>       |                |                  | <b>\$ 60,825</b>       | <b>\$ 64,702</b>    |

# Stabilized Properties - Operating Assets Segment (con't)

(\$ in thousands)

| Property                               | Location      | % Ownership | Rentable Sq. Ft. / Units     | Q1 2019 % Occ. | Q1 2019 % Leased | Annualized Q1 2019 NOI | Est. Stabilized NOI |
|--|---------------|-------------|------------------------------|----------------|------------------|------------------------|---------------------|
| <b>Multi-family</b>                    |               |             |                              |                |                  |                        |                     |
| Millennium Six Pines Apartments        | Houston, TX   | 100 %       | 314                          | 98 %           | 100 %            | \$ 4,031               | \$ 4,500            |
| Millennium Waterway Apartments         | Houston, TX   | 100 %       | 393                          | 96 %           | 98 %             | 3,674                  | 4,600               |
| One Lakes Edge                         | Houston, TX   | 100 %       | 23,280 / 390                 | 99% / 98 %     | 99% / 100 %      | 6,599                  | 7,500               |
| The Metropolitan Downtown Columbia     | Columbia, MD  | 50 %        | 13,591 / 380                 | 100% / 92 %    | 100% / 94 %      | 2,782                  | 2,900               |
| Constellation                          | Las Vegas, NV | 100 %       | 124                          | 94 %           | 94%              | 2,305                  | 2,200               |
| <b>Total Multi-family</b>              |               |             | <b><u>36,871 / 1,601</u></b> |                |                  | <b>19,391</b>          | <b>21,700</b>       |
| <b>Hotel</b>                           |               |             |                              |                |                  |                        |                     |
| Embassy Suites at Hughes Landing (a)   | Houston, TX   | 100 %       | 205                          | 82 %           | 82 %             | 5,348                  | 4,500               |
| <b>Total Hotel</b>                     |               |             | <b><u>205</u></b>            |                |                  | <b>5,348</b>           | <b>4,500</b>        |
| <b>Other</b>                           |               |             |                              |                |                  |                        |                     |
| Sarofim Equity Investment              | Houston, TX   | 20 %        | NA                           | NA             | NA               | 2,086                  | 2,202               |
| Stewart Title of Montgomery County, TX | Houston, TX   | 50 %        | NA                           | NA             | NA               | 406                    | 1,117               |
| Woodlands Ground Leases                | Houston, TX   | 100 %       | NA                           | NA             | NA               | 1,693                  | 1,662               |
| Hockey Ground Lease                    | Las Vegas, NV | 100 %       | NA                           | NA             | NA               | 498                    | 458                 |
| Summerlin Hospital Medical Center      | Las Vegas, NV | 100 %       | NA                           | NA             | NA               | 3,625                  | 3,625               |
| Other Assets                           | Various       | 100 %       | NA                           | NA             | NA               | (368)                  | 344                 |
| <b>Total Other</b>                     |               |             |                              |                |                  | <b>7,940</b>           | <b>9,408</b>        |
| <b>Total Stabilized</b>                |               |             |                              |                |                  | <b>\$ 157,795</b>      | <b>\$ 168,250</b>   |

(a) Hotel property percentage occupied is the average for Q1 2019.

# Unstabilized Properties - Operating Assets Segment

(\$ in thousands)

| Project Name                             | Location      | % Ownership | Rentable Sq. Ft. / Units | Q1 2019 % Occ. (a) | Q1 2019 % Leased (a) | Develop. Costs Incurred | Est. Total Cost (Excl. Land) | Annualized Q1 2019 NOI | Est. Stabilized NOI (b) | Est. Stab. Date | Est. Stab. Yield |
|--|---------------|-------------|--------------------------|--------------------|----------------------|-------------------------|------------------------------|------------------------|-------------------------|-----------------|------------------|
| <b>Office</b>                            |               |             |                          |                    |                      |                         |                              |                        |                         |                 |                  |
| Three Hughes Landing                     | Houston, TX   | 100%        | 320,815                  | 77%                | 81%                  | \$ 78,546               | \$ 90,162                    | \$ 4,118               | \$ 7,600                | 2020            | 8%               |
| 1725 Hughes Landing                      | Houston, TX   | 100%        | 331,754                  | 78%                | 95%                  | 58,746                  | 74,994                       | 5,202                  | 6,900                   | 2020            | 9%               |
| Lakefront North (c)                      | Houston, TX   | 100%        | 258,585                  | 51%                | 89%                  | 55,070                  | 77,879                       | (487)                  | 6,458                   | 2021            | 8%               |
| One Merriweather                         | Columbia, MD  | 100%        | 206,588                  | 85%                | 91%                  | 74,751                  | 78,187                       | 3,284                  | 5,100                   | 2020            | 7%               |
| Two Merriweather                         | Columbia, MD  | 100%        | 124,635                  | 58%                | 74%                  | 32,607                  | 40,941                       | 799                    | 3,500                   | 2021            | 9%               |
| Two Summerlin                            | Las Vegas, NV | 100%        | 144,615                  | 39%                | 95%                  | 38,003                  | 49,320                       | 99                     | 3,500                   | 2020            | 7%               |
| <b>Total Office</b>                      |               |             | <b>1,386,992</b>         |                    |                      | <b>337,723</b>          | <b>411,483</b>               | <b>13,015</b>          | <b>33,058</b>           |                 |                  |
| <b>Retail</b>                            |               |             |                          |                    |                      |                         |                              |                        |                         |                 |                  |
| Lakeland Village Center                  | Houston, TX   | 100%        | 83,497                   | 83%                | 83%                  | 14,286                  | \$ 15,478                    | 1,302                  | 1,700                   | Q4 2019         | 11%              |
| Anaha & Ae'o Retail (d)                  | Honolulu, HI  | 100%        | 86,847                   | 89% / 65%          | 95% / 93%            | —                       | —                            | 1,848                  | 2,709                   | Q4 2019         | n.a.             |
| Lake Woodlands Crossing                  | Houston, TX   | 100%        | 60,261                   | 83%                | 91%                  | 10,138                  | 15,381                       | 1,006                  | 1,668                   | 2020            | 11%              |
| <b>Total Retail</b>                      |               |             | <b>230,605</b>           |                    |                      | <b>24,424</b>           | <b>30,859</b>                | <b>4,156</b>           | <b>6,077</b>            |                 |                  |
| <b>Multi-family</b>                      |               |             |                          |                    |                      |                         |                              |                        |                         |                 |                  |
| m.flats & TEN.M (e)                      | Columbia, MD  | 50%         | 28,026 / 437             | 38% / 84%          | 38% / 91%            | 53,979                  | 54,673                       | 2,350                  | 3,800                   | 2020            | 7%               |
| Creekside Apartments                     | Houston, TX   | 100%        | 292                      | 66%                | 73%                  | 37,297                  | 42,111                       | 837                    | 3,500                   | 2020            | 8%               |
| <b>Total Multi-family</b>                |               |             | <b>28,026 / 729</b>      |                    |                      | <b>91,276</b>           | <b>96,784</b>                | <b>3,187</b>           | <b>7,300</b>            |                 |                  |
| <b>Hotel</b>                             |               |             |                          |                    |                      |                         |                              |                        |                         |                 |                  |
| The Woodlands Resort & Conference Center | Houston, TX   | 100%        | 402                      | 55%                | 55%                  | 72,360                  | 72,360                       | 12,237                 | 16,500                  | 2020            | 8%               |
| The Westin at The Woodlands              | Houston, TX   | 100%        | 302                      | 74%                | 74%                  | 98,226                  | 98,444                       | 7,773                  | 10,500                  | 2020            | 11%              |
| <b>Total Hotel</b>                       |               |             | <b>704</b>               |                    |                      | <b>170,586</b>          | <b>170,804</b>               | <b>20,010</b>          | <b>27,000</b>           |                 |                  |
| <b>Other</b>                             |               |             |                          |                    |                      |                         |                              |                        |                         |                 |                  |
| HHC 242 Self-Storage                     | Houston, TX   | 100%        | 644                      | 73%                | 73%                  | 8,228                   | 8,228                        | 197                    | 800                     | 2020            | 10%              |
| HHC 2978 Self-Storage                    | Houston, TX   | 100%        | 754                      | 61%                | 64%                  | 7,828                   | 7,828                        | 200                    | 800                     | 2020            | 10%              |
| Las Vegas Ballpark (f)                   | Las Vegas, NV | 100%        | n.a.                     | n.a.               | n.a.                 | 87,845                  | 122,452                      | —                      | 7,000                   | Q3 2019         | 6%               |
| <b>Total Other</b>                       |               |             | <b>1,398</b>             |                    |                      | <b>103,901</b>          | <b>138,508</b>               | <b>397</b>             | <b>8,600</b>            |                 |                  |
| <b>Total Unstabilized</b>                |               |             |                          |                    |                      | <b>\$ 727,910</b>       | <b>\$ 848,438</b>            | <b>\$ 40,765</b>       | <b>\$ 82,035</b>        |                 |                  |

(a) With the exception of Hotel properties, Percentage Occupied and Percentage Leased are as of March 31, 2019. Each Hotel property Percentage Occupied is the average for Q1 2019.

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

(c) Lakefront North development costs incurred and estimated total cost are inclusive of acquisition and tenant lease-up costs.

(d) Condominium retail Develop. Cost Incurred and Est. Total Costs (Excl. Land) are combined with their respective condominium costs on page 23 of this supplement.

(e) 38% occupied and leased represents first floor retail only. The multi-family units are 84% and 91% occupied and leased, respectively.

(f) Las Vegas Ballpark was placed into service as of March 31, 2019. However, operating activity did not begin until April 2019. Est. Total Cost (Excl. Land) and Stabilized NOI Yield are exclusive of \$27.0 million of costs to acquire the franchise.

*Howard Hughes*

# Under Construction Projects - Strategic Developments Segment

(\$ In thousands, except Sq. Ft. and units)

| (Owned & Managed) Project Name  | Location      | % Ownership | Est. Rentable Sq. Ft.              | Percent Pre-Leased (a)     | Project Status     | Const. Start Date | Est. Stabilized Date (b) | Develop. Costs Incurred | Est. Total Cost (Excl. Land) | Est. Stabilized NOI | Est. Stab. Yield |
|---------------------------------|---------------|-------------|------------------------------------|----------------------------|--------------------|-------------------|--------------------------|-------------------------|------------------------------|---------------------|------------------|
| <b>Office</b>                   |               |             |                                    |                            |                    |                   |                          |                         |                              |                     |                  |
| 110 North Wacker (c)            | Chicago, IL   | 33%         | 1,500,000                          | 50 %                       | Under construction | Q2 2018           | 2023                     | \$ 15,589               | \$ 51,428                    | \$ 22,441           | 8 %              |
| 100 Fellowship Drive            | Houston, TX   | 100%        | 203,000                            | 100 %                      | Under construction | Q1 2017           | Q3 2019                  | 49,016                  | 63,278                       | 5,100               | 8 %              |
| 8770 New Trails                 | Houston, TX   | 100%        | 180,000                            | 100 %                      | Under construction | Q1 2019           | 2020                     | 2,144                   | 45,985                       | 4,400               | 10 %             |
| 6100 Merriweather               | Columbia, MD  | 100%        | 320,000                            | 47 %                       | Under construction | Q2 2018           | 2023                     | 55,388                  | 138,221                      | 9,200               | 7 %              |
| <b>Total Office</b>             |               |             | <b>2,203,000</b>                   |                            |                    |                   |                          | <b>122,137</b>          | <b>298,912</b>               | <b>41,141</b>       |                  |
| <b>Retail</b>                   |               |             |                                    |                            |                    |                   |                          |                         |                              |                     |                  |
| Ke Kilohana (d)                 | Honolulu, HI  | 100%        | 21,900                             | 100 %                      | Under construction | Q3 2016           | Q4 2019                  | —                       | —                            | 1,050               | —%               |
| Creekside Park West             | Houston, TX   | 100%        | 72,264                             | 59 %                       | Under construction | Q4 2018           | 2022                     | 2,012                   | 22,625                       | 2,200               | 10 %             |
| <b>Total Retail</b>             |               |             | <b>94,164</b>                      |                            |                    |                   |                          | <b>2,012</b>            | <b>22,625</b>                | <b>3,250</b>        |                  |
| <b>Other</b>                    |               |             |                                    |                            |                    |                   |                          |                         |                              |                     |                  |
| Hughes Landing Daycare          | Houston, TX   | 100%        | 10,000                             | 100%                       | Under construction | Q3 2018           | Q4 2019                  | 764                     | 3,206                        | 260                 | 7 %              |
| <b>Total Other</b>              |               |             | <b>10,000</b>                      |                            |                    |                   |                          | <b>764</b>              | <b>3,206</b>                 | <b>260</b>          |                  |
| <b>Multi-family</b>             |               |             |                                    |                            |                    |                   |                          |                         |                              |                     |                  |
| Project Name                    | Location      | % Ownership | Est. Rentable Sq. Ft. / # of Units | Monthly Est. Rent Per Unit | Project Status     | Const. Start Date | Est. Stabilized Date (b) | Develop. Costs Incurred | Est. Total Cost (Excl. Land) | Est. Stabilized NOI | Est. Stab. Yield |
| Juniper Apartments (e)          | Columbia, MD  | 100%        | 56,619 / 382                       | \$ 2,053                   | Under construction | Q2 2018           | 2023                     | \$ 27,596               | \$ 116,386                   | \$ 9,162            | 8 %              |
| Tanager Apartments              | Las Vegas, NV | 100%        | 267                                | 1,924                      | Under construction | Q1 2018           | 2020                     | 31,350                  | 59,276                       | 4,400               | 7 %              |
| Two Lakes Edge                  | Houston, TX   | 100%        | 386                                | 2,690                      | Under construction | Q2 2018           | 2024                     | 20,314                  | 107,706                      | 8,529               | 8 %              |
| Lakeside Row                    | Houston, TX   | 100%        | 312                                | 1,686                      | Under construction | Q2 2018           | 2021                     | 14,170                  | 48,412                       | 3,875               | 8 %              |
| <b>Total Multi-family</b>       |               |             | <b>56,619 / 1,347</b>              |                            |                    |                   |                          | <b>93,430</b>           | <b>331,780</b>               | <b>25,966</b>       |                  |
| <b>Total Under Construction</b> |               |             |                                    |                            |                    |                   |                          | <b>\$ 218,343</b>       | <b>\$ 656,523</b>            | <b>\$ 70,617</b>    |                  |

(a) Represents leases signed as of March 31, 2019 and is calculated as the total leased square feet divided by total leasable square feet, expressed as a percentage.

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

(c) 110 North Wacker represents our member only. We are not including overhead allocations, development fees and leasing commissions in Develop. Costs Incurred and Est. Total Cost (Excl. Land). Est. Total Cost (Excl. Land) represents HHC's total cash equity requirement. Develop. Costs Incurred represent HHC's equity in the project at March 31, 2019. Est. Stabilized NOI Yield is based on the projected building NOI at stabilization and our percentage ownership of the equity capitalization of the project. It does not include the impact of the partnership distribution waterfall.

(d) Condominium retail Develop. Cost Incurred and Est. Total Costs (Excl. Land) are combined with their respective condominium costs on page 23 of this supplement.

(e) Columbia Multi-family was renamed to Juniper Apartments as of Q1 2019.



# Seaport District Segment Performance

| (\$ in thousands)                              | Real Estate Operations (Landlord) (a) |                  |                 | Managed Businesses (b)      |                  | Events, Sponsorships & Catering Business (c) | Q1 2019 Total     |
|--|---------------------------------------|------------------|-----------------|-----------------------------|------------------|--|-------------------|
|  | Historic District & Pier 17           | Multi-Family (d) | Hospitality (e) | Historic District & Pier 17 | Tin Building (f) |  |                   |
| <b>Revenues</b>                                |                                       |                  |                 |                             |                  |  |                   |
| Rental revenue (g)                             | \$ 1,724                              | \$ 221           | \$ 270          | \$ 4                        | \$ —             | \$ —   | \$ 2,219          |
| Tenant recoveries                              | 240                                   | —                | —               | —                           | —                | —  | 240               |
| Other rental and property revenue              | 54                                    | 2                | 22              | 1,749                       | —                | 2,571  | 4,398             |
| <b>Total Revenues</b>                          | <b>2,018</b>                          | <b>223</b>       | <b>292</b>      | <b>1,753</b>                | <b>—</b>         | <b>2,571</b>                                 | <b>6,857</b>      |
| <b>Expenses</b>                                |                                       |                  |                 |                             |                  |  |                   |
| Other property operating costs (g)             | (3,736)                               | (142)            | (472)           | (4,387)                     | —                | (2,281)                                      | (11,018)          |
| <b>Total Expenses</b>                          | <b>(3,736)</b>                        | <b>(142)</b>     | <b>(472)</b>    | <b>(4,387)</b>              | <b>—</b>         | <b>(2,281)</b>                               | <b>(11,018)</b>   |
| <b>Net Operating Income - Seaport District</b> | <b>\$ (1,718)</b>                     | <b>\$ 81</b>     | <b>\$ (180)</b> | <b>\$ (2,634)</b>           | <b>\$ —</b>      | <b>\$ 290</b>                                | <b>\$ (4,161)</b> |

| Project Status | Unstabilized | Stabilized | Unstabilized | Unstabilized | Under Construction | Unstabilized |
|----------------|--------------|------------|--------------|--------------|--------------------|--------------|
|----------------|--------------|------------|--------------|--------------|--------------------|--------------|

## Rentable Sq. Ft / Units

|                        |         |             |     |        |        |        |
|------------------------|---------|-------------|-----|--------|--------|--------|
| Total Sq. Ft. / units  | 282,237 | 13,000 / 21 | 66  | 88,995 | 53,396 | 28,598 |
| Leased Sq. Ft. / units | 146,000 | — / 21      | 29  | 88,995 | 53,396 | 28,598 |
| % Leased or occupied   | 52%     | —% / 100%   | 44% | 100%   | 100%   | 100%   |

## Development (h)

|                                    |            |      |      |      |            |      |            |
|------------------------------------|------------|------|------|------|------------|------|------------|
| Development costs incurred         | \$ 489,155 | \$ — | \$ — | \$ — | \$ 47,772  | \$ — | \$ 536,927 |
| Estimated total costs (excl. land) | \$ 570,713 | \$ — | \$ — | \$ — | \$ 159,982 | \$ — | \$ 730,695 |

## Stabilization Statistics - Seaport Uplands, Pier 17 and Tin Building (\$ in thousands)

|                       |                     |
|-----------------------|---------------------|
| Est. stabilized NOI   | \$43,000 - \$58,000 |
| Est. stabilized year  | 2022                |
| Est. stabilized yield | 6% - 8%             |

(a) Real Estate Operations (Landlord) represents physical real estate developed and owned by HHC.

(b) Managed Businesses represents retail and food and beverage businesses that HHC owns, either wholly or through joint ventures, and operates, including license and management agreements. For the three months ended March 31, 2019, our managed businesses include, among others, 10 Corso Como Retail and Café, SJP by Sarah Jessica Parker, R-17 and Cobble & Co.

(c) Events, Sponsorships & Catering Business includes private events, catering, sponsorships, concert series and other rooftop activities.

(d) Multi-Family includes 85 South Street.

(e) Hospitality represents Mr. C Seaport, of which HHC has a 35% ownership interest. Percentage occupied is the average for Q1 2019.

(f) Represents the food hall by Jean-Georges.

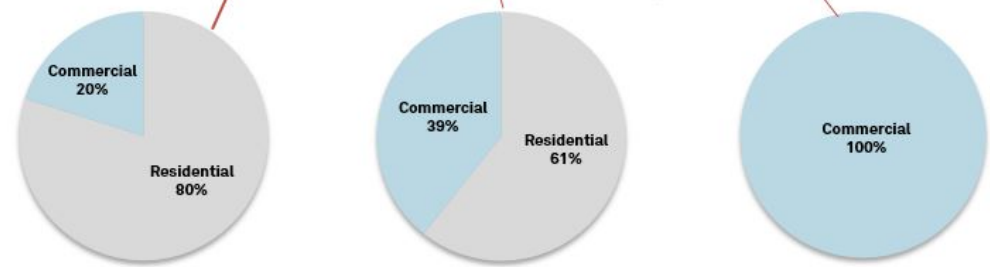
(g) Rental revenue and expense earned from and paid by businesses we own and operate is eliminated in consolidation.

(h) Development costs incurred and Estimated total costs are shown net of insurance proceeds of approximately \$55.0 million.

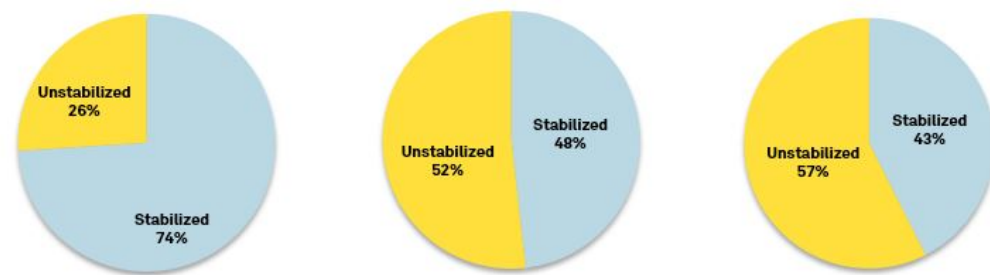
# MPC Portfolio



**Master Planned Communities - Remaining Saleable Acres (a)**



**Income Producing Assets - Stabilized & Unstabilized**



(\$ in thousands)

**MPC Performance - 1Q19 & 1Q18**

MPC Net Contribution (1Q19) (b)

MPC Net Contribution (1Q18) (b)

**Operating Asset Performance - 2019 & Future**

Annualized 1Q19 in-place NOI

Est. stabilized NOI (future) (d)

Wtd. avg. time to stab. (yrs.)

|                                  | <b>Nevada</b> | <b>Texas</b> | <b>Maryland</b> | <b>Total (c)</b> |
|----------------------------------|---------------|--------------|-----------------|------------------|
| MPC Net Contribution (1Q19) (b)  | \$9,174       | \$(17,350)   | \$(313)         | \$(8,489)        |
| MPC Net Contribution (1Q18) (b)  | \$24,977      | \$(18,112)   | \$(163)         | \$6,702          |
| Annualized 1Q19 in-place NOI     | \$37,249      | \$104,581    | \$27,503        | \$169,333        |
| Est. stabilized NOI (future) (d) | \$57,323      | \$155,928    | \$53,541        | \$266,792        |
| Wtd. avg. time to stab. (yrs.)   | 1.6           | 3.0          | 3.9             | —                |

(a) Commercial acres may be developed by us or sold.

(b) Reconciliation of GAAP MPC segment EBT to MPC Net Contribution for the three months ended March 31, 2019 is found under Reconciliation of Non-GAAP Measures on page 30.

(c) Total excludes NOI from non-core operating assets and NOI from core assets within Hawai'i 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.

# Portfolio Key Metrics

|  | MPC Regions                  |                                    |                           |                            |                          | Non-MPC Regions      |                         |                         |           |                  |
|--|------------------------------|------------------------------------|---------------------------|----------------------------|--------------------------|----------------------|-------------------------|-------------------------|-----------|------------------|
|  | The Woodlands<br>Houston, TX | The Woodlands Hills<br>Houston, TX | Bridgeland<br>Houston, TX | Summerlin<br>Las Vegas, NV | Columbia<br>Columbia, MD | Total<br>MPC Regions | Hawai'i<br>Honolulu, HI | Seaport<br>New York, NY | Other     | Total<br>Non-MPC |
| <b>Operating - Stabilized Properties</b>         |                              |                                    |                           |                            |                          |                      |                         |                         |           |                  |
| Office Sq.Ft..                                   | 1,477,006                    | —                                  | —                         | 387,813                    | 1,050,763                | 2,915,582            | —                       | —                       | —         | —                |
| Retail Sq. Ft.                                   | 315,932                      | —                                  | —                         | 842,414                    | 102,790                  | 1,261,136            | 918,669                 | 13,000                  | 267,869   | 1,199,538        |
| Multifamily units                                | 1,097                        | —                                  | —                         | 124                        | 380                      | 1,601                | —                       | 21                      | —         | 21               |
| Hotel Rooms                                      | 205                          | —                                  | —                         | —                          | —                        | 205                  | —                       | —                       | —         | —                |
| Self Storage Units                               | —                            | —                                  | —                         | —                          | —                        | —                    | —                       | —                       | —         | —                |
| <b>Operating - Unstabilized Properties</b>       |                              |                                    |                           |                            |                          |                      |                         |                         |           |                  |
| Office Sq.Ft..                                   | 911,154                      | —                                  | —                         | 144,615                    | 331,223                  | 1,386,992            | —                       | —                       | —         | —                |
| Retail Sq.Ft. (a)                                | 60,261                       | —                                  | 83,497                    | —                          | 28,026                   | 171,784              | 86,847                  | 399,830                 | —         | 486,677          |
| Multifamily units                                | 292                          | —                                  | —                         | —                          | 437                      | 729                  | —                       | —                       | —         | —                |
| Hotel rooms                                      | 704                          | —                                  | —                         | —                          | —                        | 704                  | —                       | 66                      | —         | 66               |
| Self Storage Units                               | 1,398                        | —                                  | —                         | —                          | —                        | 1,398                | —                       | —                       | —         | —                |
| <b>Operating - Under Construction Properties</b> |                              |                                    |                           |                            |                          |                      |                         |                         |           |                  |
| Office Sq.Ft..                                   | 383,000                      | —                                  | —                         | —                          | 320,000                  | 703,000              | —                       | —                       | 1,500,000 | 1,500,000        |
| Retail Sq. Ft.                                   | 72,264                       | —                                  | —                         | —                          | 56,619                   | 128,883              | 21,900                  | 53,396                  | —         | 75,296           |
| Other Sq. Ft.                                    | 10,000                       | —                                  | —                         | —                          | —                        | 10,000               | —                       | —                       | —         | —                |
| Multifamily units                                | 386                          | —                                  | 312                       | 267                        | 382                      | 1,347                | —                       | —                       | —         | —                |
| Hotel rooms                                      | —                            | —                                  | —                         | —                          | —                        | —                    | —                       | —                       | —         | —                |
| Self Storage Units                               | —                            | —                                  | —                         | —                          | —                        | —                    | —                       | —                       | —         | —                |
| <b>Residential Land</b>                          |                              |                                    |                           |                            |                          |                      |                         |                         |           |                  |
| Total gross acreage/condos (b)                   | 28,475 ac.                   | 2,055 ac.                          | 11,506 ac.                | 22,500 ac.                 | 16,450 ac.               | 80,986 ac.           | 2,132                   | n.a.                    | n.a.      | 2,132            |
| Current Residents (b)                            | 117,100                      | 36                                 | 10,100                    | 110,000                    | 112,000                  | 349,236              | n.a.                    | n.a.                    | n.a.      | —                |
| Remaining saleable acres/condos                  | 131                          | 1,379                              | 2,285                     | 3,290                      | n.a.                     | 7,085                | 162                     | n.a.                    | n.a.      | 162              |
| Estimated price per acre (c)                     | 652                          | 318                                | 410                       | 565                        | n.a.                     | —                    | n.a.                    | n.a.                    | n.a.      | —                |
| <b>Commercial Land</b>                           |                              |                                    |                           |                            |                          |                      |                         |                         |           |                  |
| Total acreage remaining                          | 739                          | 175                                | 1,543                     | 831                        | 96                       | 3,384                | n.a.                    | n.a.                    | n.a.      | —                |
| Estimated price per acre (c)                     | 1,027                        | 515                                | 539                       | 1,091                      | 580                      | —                    | n.a.                    | n.a.                    | n.a.      | —                |

Portfolio Key Metrics herein include square feet, units and rooms included in joint venture projects. Sq. Ft. and units are not shown at share. Retail Sq. Ft. includes multi-family Sq. Ft.

(a) Retail Sq. Ft. within the Summerlin region excludes 381,767 Sq. Ft. of anchors.

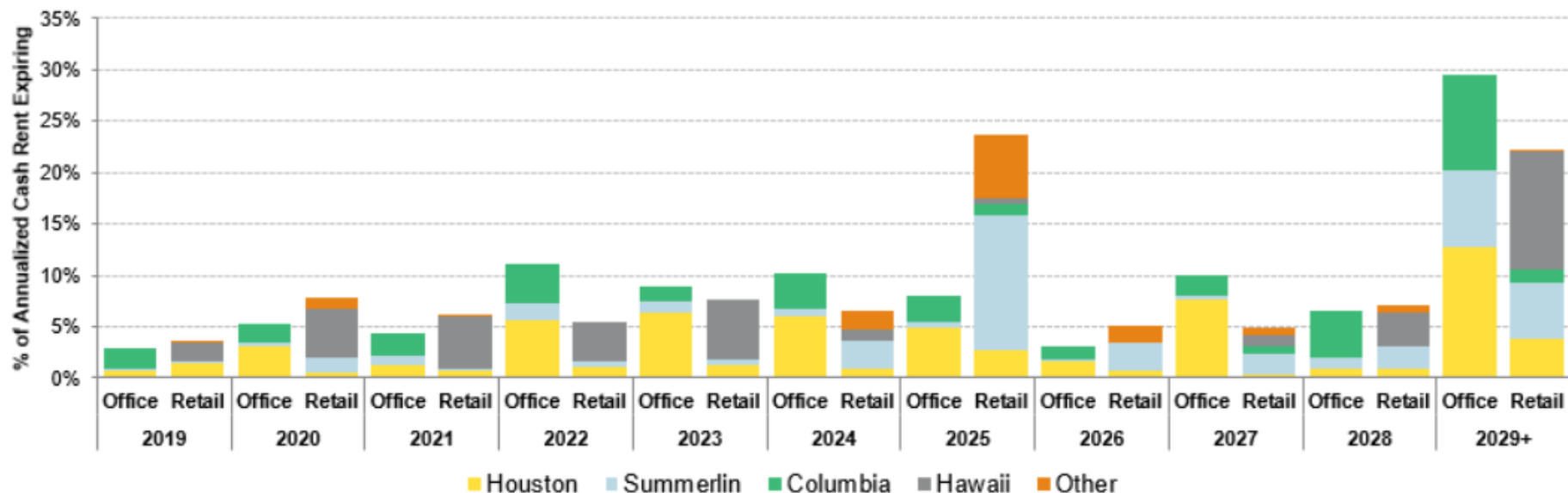
(b) Acreage shown as of March 31, 2019; current residents shown as of December 31, 2018.

(c) Residential and commercial pricing represents the Company's estimate of price per acre per its 2019 land models.

# Lease Expirations

## Office and Retail Lease Expirations

Total Office and Retail Portfolio as of March 31, 2019



| Expiration Year | Office Expirations (a)                 |                                       |  | Retail Expirations (a)                 |                                       |  |
|-----------------|--|---------------------------------------|--|--|---------------------------------------|--|
|                 | Annualized Cash Rent<br>(In thousands) | Percentage of<br>Annualized Cash Rent | Wtd. Avg. Annualized Cash<br>Rent Per Leased Sq. Ft. | Annualized Cash Rent<br>(In thousands) | Percentage of<br>Annualized Cash Rent | Wtd. Avg. Annualized Cash<br>Rent Per Leased Sq. Ft. |
| 2019            | \$ 4,284                               | 2.85%                                 | \$ 21.66   | \$ 3,842                               | 3.49%                                 | \$ 36.90   |
| 2020            | 7,946                                  | 5.29%                                 | 29.87  | 8,570                                  | 7.78%                                 | 50.51  |
| 2021            | 6,651                                  | 4.43%                                 | 32.32  | 6,587                                  | 5.98%                                 | 26.31  |
| 2022            | 16,776                                 | 11.17%                                | 32.50  | 6,057                                  | 5.50%                                 | 46.04  |
| 2023            | 13,297                                 | 8.85%                                 | 30.19  | 8,464                                  | 7.68%                                 | 45.72  |
| 2024            | 15,411                                 | 10.26%                                | 28.44  | 7,276                                  | 6.60%                                 | 41.82  |
| 2025            | 12,069                                 | 8.04%                                 | 33.90  | 26,063                                 | 23.65%                                | 54.41  |
| 2026            | 4,736                                  | 3.15%                                 | 36.80  | 5,696                                  | 5.17%                                 | 38.81  |
| 2027            | 14,981                                 | 9.98%                                 | 29.26  | 5,353                                  | 4.86%                                 | 40.60  |
| 2028            | 9,824                                  | 6.54%                                 | 42.08  | 7,842                                  | 7.11%                                 | 45.72  |
| Thereafter      | 44,205                                 | 29.44%                                | 39.04  | 24,474                                 | 22.18%                                | 25.98  |
| <b>Total</b>    | <b>\$ 150,180</b>                      | <b>100.00%</b>                        |  | <b>\$ 110,224</b>                      | <b>100.00%</b>                        |  |

(a) Excludes leases with an initial term of 12 months or less.

# Acquisition / Disposition Activity

(In thousands, except rentable Sq. Ft. / Units / Acres)

## Q1 2019 Acquisitions

| Date Acquired | Property | % Ownership | Location | Rentable<br>Sq. Ft. / Units / Acres | Acquisition Price |
|---------------|----------|-------------|----------|-------------------------------------|-------------------|
|---------------|----------|-------------|----------|-------------------------------------|-------------------|

No acquisition activity in Q1 2019

## Q1 2019 Dispositions

| Date Sold | Property | % Ownership | Location | Rentable<br>Sq. Ft. / Units / Acres | Sale Price |
|-----------|----------|-------------|----------|-------------------------------------|------------|
|-----------|----------|-------------|----------|-------------------------------------|------------|

No disposition activity in Q1 2019

# Master Planned Community Land

| (\$ in thousands)                              | The Woodlands   |                   | The Woodlands Hills |                 | Bridgeland      |                 | Summerlin        |                  | Maryland        |                 | Total            |                  |
|--|-----------------|-------------------|---------------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|------------------|------------------|
|  | Q1 2019         | Q1 2018           | Q1 2019             | Q1 2018         | Q1 2019         | Q1 2018         | Q1 2019          | Q1 2018          | Q1 2019         | Q1 2018         | Q1 2019          | Q1 2018          |
| <b>Revenues:</b>                               |                 |                   |                     |                 |                 |                 |                  |                  |                 |                 |                  |                  |
| Residential land sale revenues                 | \$ 10,683       | \$ 5,639          | \$ 2,438            | \$ 2,854        | \$ 11,758       | \$ 5,419        | \$ 16,432        | \$ 32,638        | \$ —            | \$ —            | \$ 41,311        | \$ 46,550        |
| Commercial land sale revenues                  | —               | —                 | —                   | —               | —               | 2               | —                | 13               | —               | —               | —                | 15               |
| Builder price participation                    | 29              | 16                | 21                  | —               | 224             | 96              | 4,921            | 4,969            | —               | —               | 5,195            | 5,081            |
| Other land sale revenues                       | 1,591           | 1,196             | 7                   | 2               | 16              | 32              | 2,776            | 2,561            | —               | 328             | 4,390            | 4,119            |
| <b>Total revenues</b>                          | <b>12,303</b>   | <b>6,851</b>      | <b>2,466</b>        | <b>2,856</b>    | <b>11,998</b>   | <b>5,549</b>    | <b>24,129</b>    | <b>40,181</b>    | <b>—</b>        | <b>328</b>      | <b>50,896</b>    | <b>55,765</b>    |
| <b>Expenses:</b>                               |                 |                   |                     |                 |                 |                 |                  |                  |                 |                 |                  |                  |
| Cost of sales - residential land               | (5,723)         | (2,846)           | (1,190)             | (1,524)         | (5,318)         | (1,474)         | (4,588)          | (20,192)         | —               | —               | (16,819)         | (26,036)         |
| Cost of sales - commercial land                | —               | —                 | —                   | —               | —               | (1)             | —                | (7)              | —               | —               | —                | (8)              |
| Real estate taxes                              | (1,461)         | (1,519)           | (60)                | (85)            | (489)           | (460)           | (768)            | (623)            | (134)           | (153)           | (2,912)          | (2,840)          |
| Land sales operations                          | (3,912)         | (2,854)           | (578)               | (417)           | (1,371)         | (1,293)         | (2,716)          | (2,596)          | (206)           | (321)           | (8,783)          | (7,481)          |
| Depreciation and amortization                  | (34)            | (35)              | —                   | —               | (32)            | (24)            | (114)            | (21)             | 20              | (1)             | (160)            | (81)             |
| Other (loss) income, net                       | —               | —                 | —                   | —               | —               | —               | (5)              | —                | —               | —               | (5)              | —                |
| <b>Total operating expenses</b>                | <b>(11,130)</b> | <b>(7,254)</b>    | <b>(1,828)</b>      | <b>(2,026)</b>  | <b>(7,210)</b>  | <b>(3,252)</b>  | <b>(8,191)</b>   | <b>(23,439)</b>  | <b>(320)</b>    | <b>(475)</b>    | <b>(28,679)</b>  | <b>(36,446)</b>  |
| Net interest capitalized (expense)             | (1,294)         | (1,108)           | 293                 | 195             | 3,627           | 2,964           | 4,917            | 4,341            | —               | —               | 7,543            | 6,392            |
| Equity in earnings from real estate affiliates | —               | —                 | —                   | —               | —               | —               | 7,837            | 11,128           | —               | —               | 7,837            | 11,128           |
| <b>EBT</b>                                     | <b>\$ (121)</b> | <b>\$ (1,511)</b> | <b>\$ 931</b>       | <b>\$ 1,025</b> | <b>\$ 8,415</b> | <b>\$ 5,261</b> | <b>\$ 28,692</b> | <b>\$ 32,211</b> | <b>\$ (320)</b> | <b>\$ (147)</b> | <b>\$ 37,597</b> | <b>\$ 36,839</b> |

## Key Performance Metrics:

### Residential

|                                      |       |       |       |       |       |       |       |       |    |    |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|----|----|
| Total acres closed in current period | 17.3  | 8.1   | 8.7   | 10.6  | 30.9  | 14.7  | 20.5  | 44.7  | NM | NM |
| Price per acre achieved (a)          | \$618 | \$697 | \$280 | \$270 | \$381 | \$369 | \$712 | \$647 | NM | NM |
| Avg. gross margins                   | 46.4% | 49.5% | 51.2% | 46.6% | 54.8% | 72.8% | 72.1% | 38.1% | NM | NM |

### Commercial

|                                      |       |       |       |       |       |       |       |       |    |    |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|----|----|
| Total acres closed in current period | —     | —     | —     | —     | —     | —     | —     | —     | —  | —  |
| Price per acre achieved              | NM    | NM    | NM    | NM    | NM    | NM    | NM    | NM    | NM | NM |
| Avg. gross margins                   | NM    | NM    | NM    | NM    | NM    | 50.0% | NM    | 46.2% | NM | NM |
| Avg. combined before-tax net margins | 46.4% | 49.5% | 51.2% | 46.6% | 54.8% | 72.8% | 72.1% | 38.0% | NM | NM |

## Key Valuation Metrics

### Remaining saleable acres

|   | The Woodlands |           | The Woodlands Hills |           | Bridgeland |           | Summerlin |           | Maryland |  |
|---|---------------|-----------|---------------------|-----------|------------|-----------|-----------|-----------|----------|--|
| Residential   | 131 (b)       |           | 1,379               |           | 2,285      |           | 3,290     |           | —        |  |
| Commercial  | 739           |           | 175                 |           | 1,543      |           | 831       |           | 96 (c)   |  |
| Projected est. % superpads / lot size                     | —%            | / —       | —%                  | / —       | —%         | / —       | 88%       | / 0.25 ac | NM       |  |
| Projected est. % single-family detached lots / lot size   | 62%           | / 0.31 ac | 86%                 | / 0.23 ac | 88%        | / 0.16 ac | —%        | / —       | NM       |  |
| Projected est. % single-family attached lots / lot size   | 38%           | / 0.09 ac | 14%                 | / 0.13 ac | 11%        | / 0.12 ac | —%        | / —       | NM       |  |
| Projected est. % custom homes / lot size                  | —%            | / —       | —%                  | / —       | 1%         | / 1.00 ac | 12%       | / 0.45 ac | NM       |  |
| Estimated builder sale velocity (blended total - TTM) (d) | 36            |           | 8                   |           | 62         |           | 98        |           | NM       |  |
| Projected GAAP gross margin, residential / commercial (e) | 55.5%         | / 75.6%   | 62.4%               | / 62.4%   | 66.6%      | / 66.6%   | 53.7%     | / 53.7%   | NM       |  |
| Projected cash gross margin (f)                           | 99.0%         |           | 88.6%               |           | 80.1%      |           | 70.8%     |           | NM       |  |

### Residential sellout / Commercial buildout date estimate

|             |      |      |      |      |      |
|-------------|------|------|------|------|------|
| Residential | 2023 | 2029 | 2034 | 2039 | —    |
| Commercial  | 2027 | 2027 | 2045 | 2039 | 2023 |

- (a) The 2019 price per acre achieved for Summerlin residential lots is mostly attributable to custom lots sales, which positively impacted results.
- (b) The Woodlands Residential reports remaining saleable acres on a gross basis due to potential changes in land usage and the unknown acreage that may be set aside for drainage, parks and roads for undeveloped land.
- (c) Does not include 31 commercial acres held in the Strategic Developments segment in Downtown Columbia.
- (d) Represents the average monthly builder homes sold over the last twelve months ended March 31, 2019.
- (e) GAAP gross margin is net of MUDs and 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. The projected margin is the Company's estimate of the 2019 margin.
- (f) Projected cash gross margin is net of MUDs and includes all future projected revenue less all future projected development costs, net of expected reimbursable costs, and capitalized overhead, taxes and interest based on the Company's 2019 land models.

NM Not meaningful.

# Ward Village Condominiums

|  | Waiea (a)          | Anaha (b)          | Ae'o (c)           | Ke Kilohana (d)    | 'A'ali'i (e)       | Total (h)         |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| <b>Key Metrics (\$ in thousands)</b>                           |                    |                    |                    |                    |                    |                   |
| Type of building   | Ultra-Luxury       | Luxury             | Upscale            | Workforce          | Upscale            |                   |
| Number of units  | 177 (f)            | 317                | 465                | 423                | 750                | 2,132             |
| Avg. unit Sq. Ft.  | 2,137              | 1,417              | 834                | 696                | 518                | 890               |
| Condo Sq. Ft.  | 378,238            | 449,205            | 388,039            | 294,273            | 388,210            | 1,897,965         |
| Street retail Sq. Ft.  | 8,200              | 16,100             | 70,800             | 21,900             | 11,336             | 128,336           |
| Stabilized retail NOI  | \$ 453             | \$ 1,152           | \$ 1,557           | \$ 1,081           | \$ 637             | \$ 4,880          |
| Stabilization year   | 2017               | 2019               | 2019               | 2020               | 2022               |                   |
| <b>Development progress (\$ in millions)</b>                   |                    |                    |                    |                    |                    |                   |
| Status   | Opened             | Opened             | Opened             | Under Construction | Under Construction |                   |
| Start date   | 2Q14               | 4Q14               | 1Q16               | 4Q16               | 4Q18               |                   |
| Completion date (actual or est.)                               | Complete           | Complete           | Complete           | 2019               | 2021               |                   |
| Total development cost   | \$ 452             | \$ 401             | \$ 429             | \$ 219             | \$ 412             | \$ 1,913          |
| Cost-to-date   | \$ 409             | \$ 388             | \$ 384             | \$ 185             | \$ 44              | \$ 1,410          |
| <b>Remaining to be funded</b>                                  | <b>\$ 43</b>       | <b>\$ 13</b>       | <b>\$ 45</b>       | <b>\$ 34</b>       | <b>\$ 368</b>      | <b>\$ 503</b>     |
| <b>Financial Summary (\$ in thousands, except per Sq. Ft.)</b> |                    |                    |                    |                    |                    |                   |
| Units closed (through Q1 2019)                                 | 166                | 313                | 460                | —                  | —                  | 939               |
| Units under contract (through Q1 2019)                         | 2                  | —                  | 1                  | 420                | 608                | 1,031             |
| Total % of units closed or under contract                      | 94.9%              | 98.7%              | 99.1%              | 99.3%              | 81.1%              | 92.4%             |
| Units closed (current quarter)                                 | 1                  | —                  | 161                | —                  | —                  | 162               |
| Units under contract (current quarter)                         | 1                  | —                  | —                  | 7                  | 8                  | 16                |
| Square footage closed or under contract (total)                | 349,485            | 432,453            | 383,953            | 292,587            | 295,711            | 1,754,189         |
| Total % square footage closed or under contract                | 92.4%              | 96.3%              | 98.9%              | 99.4%              | 76.2%              | 92.4%             |
| Target condo profit margin at completion (excl. land cost)     | —                  | —                  | —                  | —                  | —                  | ~30%              |
| Total cash received (closings & deposits)                      | —                  | —                  | —                  | —                  | —                  | 1,737,373         |
| Total GAAP revenue recognized                                  | —                  | —                  | —                  | —                  | —                  | 1,626,475         |
| Expected avg. price per Sq. Ft.                                | \$ 1,900 - \$1,950 | \$ 1,100 - \$1,150 | \$ 1,300 - \$1,350 | \$ 700 - \$750     | \$ 1,300 - \$1,350 | \$ 1,300 - 1,325  |
| Expected construction costs per retail Sq. Ft.                 | \$ —               | \$ —               | \$ —               | \$ —               | \$ —               | \$ ~1,100         |
| <b>Deposit Reconciliation (in thousands)</b>                   |                    |                    |                    |                    |                    |                   |
| Deposits from sales commitment                                 |                    |                    |                    |                    |                    |                   |
| Spent towards construction                                     | \$ —               | \$ —               | \$ 68,241          | \$ 24,811          | \$ —               | \$ 93,052         |
| Held for future use (g)  | —                  | —                  | 500                | 9,760              | 74,691             | 84,951            |
| <b>Total deposits from sales commitment</b>                    | <b>\$ —</b>        | <b>\$ —</b>        | <b>\$ 68,741</b>   | <b>\$ 34,571</b>   | <b>\$ 74,691</b>   | <b>\$ 178,003</b> |

(a) We began delivering units at Waiea in November 2016. As of March 31, 2019, nine units remain to be sold.

(b) We began delivering units at Anaha in October 2017. As of March 31, 2019, four units remain to be sold.

(c) We began delivering units at Ae'o in November 2018. As of March 31, 2019, four units remain to be sold.

(d) Ke Kilohana consists of 375 workforce units and 48 market rate units. As of March 31, 2019, we have entered into contracts for 420 of the units.

(e) We broke ground on 'A'ali'i in the fourth quarter of 2018. As of March 31, 2019, we have entered into contracts for 608 of the units.

(f) The increase in number of units at Waiea from prior quarter is a result of subdividing one large unit due to demand for smaller units in the tower.

(g) Total deposits held for future use are shown in Restricted cash on the balance sheet.

(h) Total not including Kō'ula, our newest building that began public sales in January 2019 and contracted 314 units this quarter. Kō'ula is excluded as we have not yet commenced construction.

# Other Assets

| Property Name                   | City, State      | % Own | Acres | Notes   |
|---------------------------------|------------------|-------|-------|---|
| Planned Future Development      |                  |       |       |   |
| The Elk Grove Collection        | Elk Grove, CA    | 100%  | 64    | Sold 36 acres for \$36 million in total proceeds in 2017. We are assessing our plans for the remaining acres. Previous development plans have been placed on hold as we believe we can allocate capital into core assets and achieve a better risk-adjusted return. |
| 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    | Was under contract to sell in separate parcels with the first closing expected in 2019. The purchase contract was canceled in 2019.   |
| 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.   |
| Monarch City                    | 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.  |
| 250 Water Street                | New York, NY     | 100%  | 1     | The one-acre site is situated at the entrance of the Seaport District. While the Company is in the initial planning stages for this strategic site, it will continue to be used as a parking lot.   |
| Sterrett Place                  | Columbia, MD     | 100%  | 3     | In November 2017, we acquired the note secured by the land and improvements for a purchase price of \$5.3 million. In 2018, we foreclosed on the property, resulting in the acquisition of the land and improvements.   |
| American City Building          | Columbia, MD     | 100%  | 3     | On December 20, 2016, we acquired the American City Building, a 117,098 square foot building in Columbia, Maryland, for \$13.5 million. We are in the process of formulating redevelopment plans for this property.   |



# Debt Summary

(In thousands)

|   | March 31, 2019      | December 31, 2018   |
|---|---------------------|---------------------|
| <b>Fixed-rate debt:</b>   |                     |                     |
| Unsecured 5.375% Senior Notes   | \$ 1,000,000        | \$ 1,000,000        |
| Secured mortgages, notes and loans payable                                | 660,229             | 648,707             |
| Special Improvement District bonds  | 14,978              | 15,168              |
| <b>Variable-rate debt:</b>  |                     |                     |
| Mortgages, notes and loans payable, excluding condominium financing (a)   | 1,494,918           | 1,454,579           |
| Condominium financing (a)   | 104,254             | 96,757              |
| <b>Mortgages, notes and loans payable</b>                                 | <b>3,274,379</b>    | <b>3,215,211</b>    |
| Unamortized bond issuance costs   | (5,889)             | (6,096)             |
| Deferred financing costs  | (26,505)            | (27,902)            |
| Total mortgages, notes and loans payable, net                             | <u>3,241,985</u>    | <u>3,181,213</u>    |
| Total unconsolidated mortgages, notes and loans payable at pro-rata share | <u>96,446</u>       | <u>96,185</u>       |
| <b>Total Debt</b>   | <b>\$ 3,338,431</b> | <b>\$ 3,277,398</b> |

## Net Debt on a Segment Basis, at share as of March 31, 2019

| (In thousands)  | Operating Assets    | Seaport District  | Master Planned Communities | Strategic Developments | Segment Totals      | Non-Segment Amounts | Total               |
|---|---------------------|-------------------|----------------------------|------------------------|---------------------|---------------------|---------------------|
| Mortgages, notes and loans payable, excluding condominium financing (a) (b) | \$ 1,762,609        | \$ 142,323        | \$ 230,231                 | \$ 95,582              | \$ 2,230,745        | \$ 1,003,433        | \$ 3,234,178        |
| Condominium financing (a)   | —                   | —                 | —                          | 104,254                | 104,254             | —                   | 104,254             |
| Less: cash and cash equivalents (b)   | (63,627)            | (765)             | (163,073)                  | (38,055)               | (265,520)           | (246,592)           | (512,112)           |
| Special Improvement District receivables                                    | —                   | —                 | (18,054)                   | —                      | (18,054)            | —                   | (18,054)            |
| Municipal Utility District receivables                                      | —                   | —                 | (246,231)                  | —                      | (246,231)           | —                   | (246,231)           |
| TIF Receivable  | —                   | —                 | —                          | (3,896)                | (3,896)             | —                   | (3,896)             |
| <b>Net Debt</b>   | <b>\$ 1,698,982</b> | <b>\$ 141,558</b> | <b>\$ (197,128)</b>        | <b>\$ 157,885</b>      | <b>\$ 1,801,298</b> | <b>\$ 756,841</b>   | <b>\$ 2,558,140</b> |

## Consolidated Debt Maturities and Contractual Obligations by Extended Maturity Date as of March 31, 2019 (c)

| (In thousands)  | Remaining in 2019 | 2020              | 2021              | 2022              | 2023              | 2024              | Thereafter          | Total               |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Mortgages, notes and loans payable                                    | \$ 84,001         | \$ 309,114        | \$ 419,558        | \$ 235,983        | \$ 764,029        | \$ 70,103         | \$ 1,391,591        | \$ 3,274,379        |
| Interest payments   | 122,864           | 153,925           | 133,638           | 117,842           | 100,906           | 72,097            | 113,864             | 815,136             |
| Ground lease and other leasing commitments                            | 5,201             | 7,272             | 7,111             | 6,373             | 6,390             | 6,432             | 266,855             | 305,634             |
| <b>Total consolidated debt maturities and contractual obligations</b> | <b>\$ 212,066</b> | <b>\$ 470,311</b> | <b>\$ 560,307</b> | <b>\$ 360,198</b> | <b>\$ 871,325</b> | <b>\$ 148,632</b> | <b>\$ 1,772,310</b> | <b>\$ 4,395,149</b> |

(a) As of March 31, 2019 and December 31, 2018, \$615.0 million of variable-rate debt has been swapped to a fixed rate for the term of the related debt. An additional \$50.0 million of variable rate debt was subject to interest rate collars and \$75.0 million of variable rate debt was capped at a maximum interest rate as of March 31, 2019 and December 31, 2018.

(b) Each segment includes our share of related cash and debt balances for all joint ventures included in Investments in real estate and other affiliates.

(c) Mortgages, notes and loans payable and Condominium financing are presented based on extended maturity date. Extension periods generally may 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 if we do not meet the requirements to exercise the extension option.

# Property-Level Debt

(\$ in thousands)

| Asset                                    | Q1 2019 Principal Balance | Contract Interest Rate | Interest Rate Hedge | Current Annual Interest Rate | Initial / Extended Maturity (a) |
|--|---------------------------|------------------------|---------------------|------------------------------|---------------------------------|
| <b>Master Planned Communities</b>        |                           |                        |                     |                              |                                 |
| The Woodlands Master Credit Facility     | \$ 150,000                | L+275                  | Floating/Cap        | 5.24%                        | Apr-20 / Apr-21                 |
| Bridgeland Credit Facility               | 65,000                    | L+315                  | Floating            | 5.75%                        | Nov-20 / Nov-22                 |
|  | <u>215,000</u>            |                        |                     |                              |                                 |
| <b>Operating Assets</b>                  |                           |                        |                     |                              |                                 |
| Outlet Collection at Riverwalk           | 47,068                    | L+250                  | Floating            | 4.99%                        | Oct-19 / Oct-20                 |
| Three Hughes Landing                     | 56,538                    | L+260                  | Floating            | 5.09%                        | Dec-19 / Dec-20                 |
| The Woodlands Resort & Conference Center | 62,500                    | L+250                  | Floating            | 4.99%                        | Dec-21 / Dec-23                 |
| Downtown Summerlin                       | 264,884                   | L+215                  | Floating            | 4.64%                        | Sep-20 / Sep-21                 |
| Two Merriweather                         | 24,000                    | L+250                  | Floating            | 4.99%                        | Oct-20 / Oct-21                 |
| HHC 242 Self-Storage                     | 6,604                     | L+260                  | Floating            | 5.09%                        | Oct-19 / Oct-21                 |
| HHC 2978 Self-Storage                    | 6,042                     | L+260                  | Floating            | 5.09%                        | Jan-20 / Jan-22                 |
| 20/25 Waterway Avenue                    | 13,328                    | 4.79%                  | Fixed               | 4.79%                        | May-22                          |
| Millennium Waterway Apartments           | 53,817                    | 3.75%                  | Fixed               | 3.75%                        | Jun-22                          |
| Aristocrat                               | 28,057                    | P + 40                 | Floating            | 5.90%                        | Oct-22                          |
| Two Summerlin                            | 24,113                    | P + 40                 | Floating            | 5.90%                        | Oct-22                          |
| Lake Woodlands Crossing Retail           | 10,382                    | L+180                  | Floating            | 4.29%                        | Jan-23                          |
| Senior Secured Credit Facility           | 615,000                   | 4.61%                  | Floating/Swap       | 4.61% (b)                    | Sep-23                          |
| Lakefront North                          | 24,243                    | L+200                  | Floating            | 4.49%                        | Dec-22 / Dec-23                 |
| 9303 New Trails                          | 11,508                    | 4.88%                  | Fixed               | 4.88%                        | Dec-23                          |
| 4 Waterway Square                        | 33,701                    | 4.88%                  | Fixed               | 4.88%                        | Dec-23                          |
| 3831 Technology Forest Drive             | 21,461                    | 4.50%                  | Fixed               | 4.50%                        | Mar-26                          |
| Kewalo Basin Harbor                      | 6,483                     | L+275                  | Floating            | 5.24%                        | Sep-27                          |
| Millennium Six Pines Apartments          | 42,500                    | 3.39%                  | Fixed               | 3.39%                        | Aug-28                          |
| 3 Waterway Square                        | 48,676                    | 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                          |
| Constellation Apartments                 | 24,200                    | 4.07%                  | Fixed               | 4.07%                        | Jan-33                          |
| Hughes Landing Retail                    | 35,000                    | 3.50%                  | Fixed               | 3.50%                        | Dec-36                          |
| Summerlin Ballpark                       | 40,016                    | 4.92%                  | Fixed               | 4.92%                        | Dec-39                          |
| Columbia Regional Building               | 24,967                    | 4.48%                  | Fixed               | 4.48%                        | Feb-37                          |
|  | <u>1,694,528</u>          |                        |                     |                              |                                 |
| <b>Seaport District</b>                  |                           |                        |                     |                              |                                 |
| 250 Water Street                         | 129,723                   | 6.00%                  | Fixed               | 6.00%                        | Jun-19 / Jun-20                 |

# Property-Level Debt (con't)

(\$ in thousands)

| Asset                         | Q1 2019 Principal Balance | Contract Interest Rate | Interest Rate Hedge | Current Annual Interest Rate | Initial / Extended Maturity (a) |
|-------------------------------|---------------------------|------------------------|---------------------|------------------------------|---------------------------------|
| <b>Strategic Developments</b> |                           |                        |                     |                              |                                 |
| Ke Kilohana                   | 104,254                   | L+325                  | Floating            | 5.74%                        | Dec-19 / Dec-20                 |
| 100 Fellowship Drive          | 38,099                    | L+150                  | Floating            | 3.99%                        | May-22                          |
| Lakeside Row                  | 2,693                     | L+225                  | Floating            | 4.74%                        | Jul-22 / Jul-23                 |
| Two Lakes Edge                | —                         | L+215                  | Floating            | 4.64%                        | Oct-22 / Oct-23                 |
| Creekside Park West           | —                         | L+225                  | Floating            | 4.74%                        | Mar-23 / Mar-24                 |
| 110 North Wacker              | 50,000                    | L+300                  | Floating/Collar     | 5.49%                        | Apr-22 / Apr-24                 |
| 6100 Merriweather             | —                         | L+275                  | Floating            | 5.24%                        | Sep-22 / Sep-24                 |
| Juniper Apartments (c)        | —                         | L+275                  | Floating            | 5.24%                        | Sep-22 / Sep-24                 |
| Tanager Apartments            | 13,212                    | L+225                  | Floating            | 4.74%                        | Oct-21 / Oct-24                 |
|                               | 208,258                   |                        |                     |                              |                                 |
| Total (d)                     | <u>\$ 2,247,509</u>       |                        |                     |                              |                                 |

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

(b) The credit facility bears interest at one-month LIBOR plus 1.65%, but the \$615.0 million term loan is swapped to an overall rate equal to 4.61%. The following properties are included as collateral for the credit facility: 10-70 Columbia Corporate Center, One Mall North, One Merriweather, 1701 Lake Robbins, 1725-1735 Hughes Landing Boulevard, Creekside Village Green, Lakeland Village Center at Bridgeland, Embassy Suites at Hughes Landing, The Westin at The Woodlands and certain properties at Ward Village.

(c) Formerly known as Columbia Multi-family.

(d) Excludes JV debt, Corporate level debt, and SID bond debt related to Summerlin MPC and retail.

# Summary of Ground Leases

Minimum Contractual Ground Lease Payments (\$ in thousands)

| Ground Leased Asset | Pro-Rata Share | Expiration Date | Three months ended<br>March 31, 2019 | Future Cash Payments |                                  |                   |                   |
|---------------------|----------------|-----------------|--------------------------------------|----------------------|----------------------------------|-------------------|-------------------|
|                     |                |                 |                                      | Remaining<br>2019    | Year Ending December 31,<br>2020 | Thereafter        | Total             |
| Riverwalk (a)       | 100%           | 2045-2046       | \$ 532,000                           | \$ 1,593             | \$ 2,125                         | \$ 55,192         | \$ 58,910         |
| Seaport             | 100%           | 2031 (b)        | 403,000                              | 1,233                | 1,682                            | 202,395           | 205,310           |
| Kewalo Basin Harbor | 100%           | 2049            | 75,000                               | 225                  | 300                              | 8,600             | 9,125             |
|                     |                |                 | <u>\$ 1,010,000</u>                  | <u>\$ 3,051</u>      | <u>\$ 4,107</u>                  | <u>\$ 266,187</u> | <u>\$ 273,345</u> |

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

(b) Initial expiration is December 30, 2031 but subject to extension options through December 31, 2072. Future cash payments are inclusive of extension options.

# Definitions

**Under Construction** - Projects in the Strategic Developments and Seaport District segments for which construction has commenced as of March 31, 2019, unless otherwise noted. This excludes MPC and condominium development.

**Unstabilized** - Properties in the Operating Assets and Seaport District segments that have been in service for less than 36 months and do not exceed 90% occupancy.

**Stabilized** - Properties in the Operating Assets and Seaport District segments that have been in service for more than 36 months or have reached 90% occupancy, whichever occurs first. If an office, retail or multifamily property has been in service for more than 36 months but does not exceed 90% occupancy, the asset is considered underperforming.

**Net Operating Income (NOI)** - We define net operating income ("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, other (loss) income, 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 NOI is a useful supplemental measure of the performance of our Operating Assets and Seaport District segments 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 Non-GAAP Measures

## Reconciliation of Operating Assets segment EBT to Total NOI:

| (In thousands)   | Q1 2019          | Q4 2018          | Q3 2018          | Q2 2018          | Q1 2018          | FY 2018           | FY 2017           |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| <b>Total Operating Assets segment EBT (a)</b>  | \$ 5,686         | \$ (5,793)       | \$ (4,115)       | \$ 5,386         | \$ 8,365         | \$ 3,843          | \$ (17,087)       |
| Depreciation and amortization  | 27,108           | 29,265           | 26,470           | 24,198           | 23,360           | 103,293           | 117,835           |
| Interest expense, net  | 18,991           | 18,664           | 18,892           | 17,308           | 16,687           | 71,551            | 61,583            |
| Equity in earnings from real estate and other affiliates                               | (2,709)          | (487)            | 75               | 1,000            | (2,583)          | (1,995)           | (3,735)           |
| Straight-line rent amortization  | (2,845)          | (3,277)          | (3,243)          | (2,414)          | (3,122)          | (12,056)          | (8,220)           |
| Other  | 122              | 602              | 2,811            | (422)            | 313              | 3,304             | 799               |
| <b>Total Operating Assets NOI - Consolidated</b>                                       | <b>46,353</b>    | <b>38,974</b>    | <b>40,890</b>    | <b>45,056</b>    | <b>43,020</b>    | <b>167,940</b>    | <b>151,175</b>    |
| <b>Redevelopments</b>  |                  |                  |                  |                  |                  |                   |                   |
| 110 North Wacker   | —                | 513              | —                | —                | —                | 513               | —                 |
| <b>Total Operating Asset Redevelopments NOI</b>  | <b>—</b>         | <b>513</b>       | <b>—</b>         | <b>—</b>         | <b>—</b>         | <b>513</b>        | <b>—</b>          |
| <b>Dispositions</b>  |                  |                  |                  |                  |                  |                   |                   |
| Cottonwood Square  | —                | —                | —                | —                | 11               | 11                | (750)             |
| Park West  | —                | —                | —                | —                | —                | —                 | 60                |
| <b>Total Operating Asset Dispositions NOI</b>  | <b>—</b>         | <b>—</b>         | <b>—</b>         | <b>—</b>         | <b>11</b>        | <b>11</b>         | <b>(690)</b>      |
| <b>Consolidated Operating Assets NOI excluding properties sold or in redevelopment</b> | <b>46,353</b>    | <b>39,487</b>    | <b>40,890</b>    | <b>45,056</b>    | <b>43,031</b>    | <b>168,464</b>    | <b>150,485</b>    |
| <b>Company's Share NOI - Equity investees</b>  | <b>1,464</b>     | <b>1,952</b>     | <b>1,343</b>     | <b>791</b>       | <b>575</b>       | <b>4,661</b>      | <b>4,401</b>      |
| <b>Distributions from Summerlin Hospital Investment</b>                                | <b>3,625</b>     | <b>—</b>         | <b>—</b>         | <b>—</b>         | <b>3,435</b>     | <b>3,435</b>      | <b>3,383</b>      |
| <b>Total Operating Assets NOI</b>  | <b>\$ 51,442</b> | <b>\$ 41,439</b> | <b>\$ 42,233</b> | <b>\$ 45,847</b> | <b>\$ 47,041</b> | <b>\$ 176,560</b> | <b>\$ 158,269</b> |

(a) EBT excludes corporate expenses and other items that are not allocable to the segments. Prior periods have been adjusted to be consistent with fiscal 2019 presentation.

# Reconciliation of Non-GAAP Measures (con't)

## Reconciliation of Seaport District segment EBT to Total NOI:

| (In thousands)  | <b>Q1 2019</b>    | <b>Q4 2018</b>    | <b>Q3 2018</b>    | <b>Q2 2018</b> | <b>Q1 2018</b> | <b>FY 2018</b>    | <b>FY 2017</b>    |
|---|-------------------|-------------------|-------------------|----------------|----------------|-------------------|-------------------|
| <b>Total Seaport District segment EBT (a)</b>                   | \$ (15,852)       | \$ (15,660)       | \$ (8,798)        | \$ (856)       | \$ 1,449       | \$ (23,865)       | \$ 3,402          |
| Depreciation and amortization                                   | 6,193             | 5,959             | 2,309             | 1,953          | 2,244          | 12,465            | 6,270             |
| Interest expense (income), net                                  | 1,532             | 2,176             | (1,471)           | (3,278)        | (3,717)        | (6,290)           | (13,229)          |
| Equity in (earnings) loss from real estate and other affiliates | 632               | 14                | 452               | 240            | —              | 706               | 644               |
| Straight-line rent amortization                                 | 755               | 179               | (274)             | (155)          | (182)          | (432)             | 115               |
| Loss on sale or disposal of real estate                         | 6                 | —                 | —                 | —              | —              | —                 | —                 |
| Other - Development related                                     | 2,768             | 3,849             | 4,857             | 2,561          | 723            | 11,990            | 1,540             |
| <b>Total Seaport District NOI - Consolidated</b>                | <b>(3,966)</b>    | <b>(3,483)</b>    | <b>(2,925)</b>    | <b>465</b>     | <b>517</b>     | <b>(5,426)</b>    | <b>(1,258)</b>    |
| <b>Company's Share NOI - Equity investees</b>                   | <b>(195)</b>      | <b>(134)</b>      | <b>(452)</b>      | <b>(127)</b>   | <b>—</b>       | <b>(713)</b>      | <b>—</b>          |
| <b>Total Seaport District NOI</b>                               | <b>\$ (4,161)</b> | <b>\$ (3,617)</b> | <b>\$ (3,377)</b> | <b>\$ 338</b>  | <b>\$ 517</b>  | <b>\$ (6,139)</b> | <b>\$ (1,258)</b> |

(a) EBT excludes corporate expenses and other items that are not allocable to the segments. Prior periods have been adjusted to be consistent with fiscal 2019 presentation.

# Reconciliation of Non-GAAP Measures (con't)

(In thousands)

## Reconciliation of MPC Land Sales Closed to GAAP Land Sales Revenue

|   | Three Months Ended March 31, |           | Three Months Ended December 31, |           |
|---|------------------------------|-----------|---------------------------------|-----------|
|   | 2019                         | 2018      | 2018                            | 2017      |
| Total residential land sales closed in period | \$ 39,479                    | \$ 42,778 | \$ 30,197                       | \$ 55,759 |
| Total commercial land sales closed in period  | —                            | —         | 2,356                           | 13,955    |
| Net recognized (deferred) revenue:            |                              |           |                                 |           |
| Bridgeland                                    | —                            | 2         | 422                             | (634)     |
| Summerlin                                     | 1,444                        | 753       | 1,817                           | (2,270)   |
| Total net recognized (deferred) revenue       | 1,444                        | 755       | 2,239                           | (2,904)   |
| Special Improvement District bond revenue     | 388                          | 3,032     | 385                             | 4,254     |
| Total land sales revenue - GAAP basis         | \$ 41,311                    | \$ 46,565 | \$ 35,177                       | \$ 71,064 |

## Reconciliation of MPC Segment EBT to MPC Net Contribution

|  | Three Months Ended March 31, |           | Three Months Ended December 31, |           |
|--|------------------------------|-----------|---------------------------------|-----------|
|  | 2019                         | 2018      | 2018                            | 2017      |
| MPC segment EBT  | \$ 37,597                    | \$ 36,836 | \$ 30,617                       | \$ 52,604 |
| Plus:  |                              |           |                                 |           |
| Cost of sales - land                                   | 16,818                       | 26,043    | 14,605                          | 32,828    |
| Depreciation and amortization                          | 160                          | 81        | 2                               | (76)      |
| MUD and SID bonds collections, net                     | 862                          | (2,624)   | 42,753                          | 54,551    |
| Distributions from real estate and other affiliates    | 1,435                        | —         | 6,330                           | 10,000    |
| Less:  |                              |           |                                 |           |
| MPC development expenditures                           | (56,772)                     | (42,000)  | (55,899)                        | (46,924)  |
| MPC land acquisitions                                  | (752)                        | (506)     | (5,262)                         | (3,001)   |
| Equity in earnings in real estate and other affiliates | (7,837)                      | (11,128)  | (1,602)                         | (1,682)   |
| MPC Net Contribution                                   | \$ (8,489)                   | \$ 6,702  | \$ 31,544                       | \$ 98,300 |

## Reconciliation of Segment EBTs to Net Income

|   | Three Months Ended March 31, |          | Three Months Ended December 31, |             |
|---|------------------------------|----------|---------------------------------|-------------|
|   | 2019                         | 2018     | 2018                            | 2017        |
| Operating Assets segment EBT                      | \$ 5,686                     | \$ 8,365 | \$ (5,793)                      | \$ (10,672) |
| MPC segment EBT                                   | 37,597                       | 36,836   | 30,617                          | 52,604      |
| Seaport District segment EBT                      | (15,852)                     | 1,449    | (15,660)                        | 1,455       |
| Strategic Developments segment EBT                | 60,646                       | 6,252    | 96,433                          | 53,756      |
| Corporate and other items                         | (45,136)                     | (50,510) | (57,809)                        | (27,462)    |
| Income before taxes                               | 42,941                       | 2,392    | 47,788                          | 69,681      |
| Provision for income taxes                        | (11,016)                     | (558)    | (9,864)                         | 77,647      |
| Net income  | 31,925                       | 1,834    | 37,924                          | 147,328     |
| Net loss attributable to noncontrolling interests | (104)                        | (360)    | (663)                           | 1,793       |
| Net income attributable to common stockholders    | \$ 31,821                    | \$ 1,474 | \$ 37,261                       | \$ 149,121  |

*Howard Hughes*