

# Howard Hughes®



## Supplemental Information

Three months ended June 30, 2020

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, 2019, as filed with the Securities and Exchange Commission ("SEC") on February 27, 2020 as amended and supplemented by any risk factors contained in our quarterly reports on Form 10-Q, which have been subsequently filed with the SEC. 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, gain on sale or disposal of real estate and other assets, net, provision for impairment, 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, officers and certain shareholders on Forms 3, 4 and 5.

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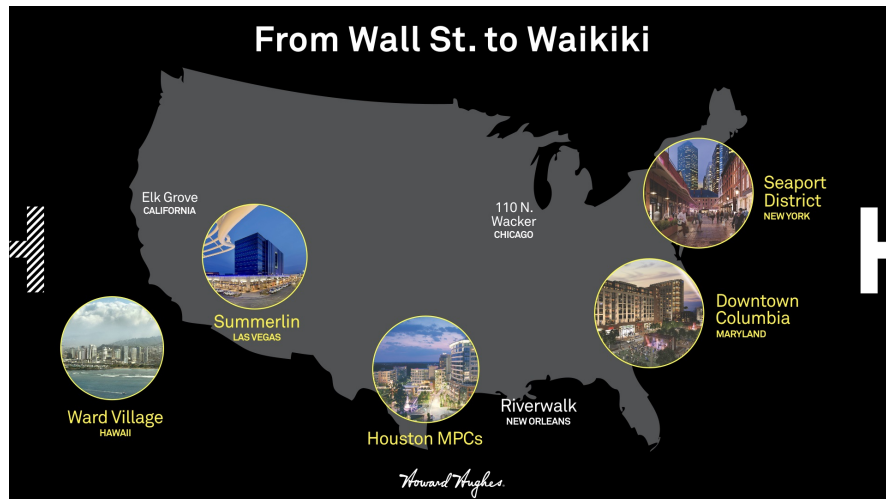
# Company Profile - Summary & Results

## Company Overview - Q2 2020

Exchange / Ticker	NYSE:	HHC
Share Price - June 30, 2020	\$	51.95
Diluted Earnings / Share	\$	(0.61)
FFO / Diluted Share	\$	0.22
Core FFO / Diluted Share	\$	0.19
AFFO / Diluted Share	\$	0.22

## Operating Portfolio by Region

### From Wall St. to Waikiki

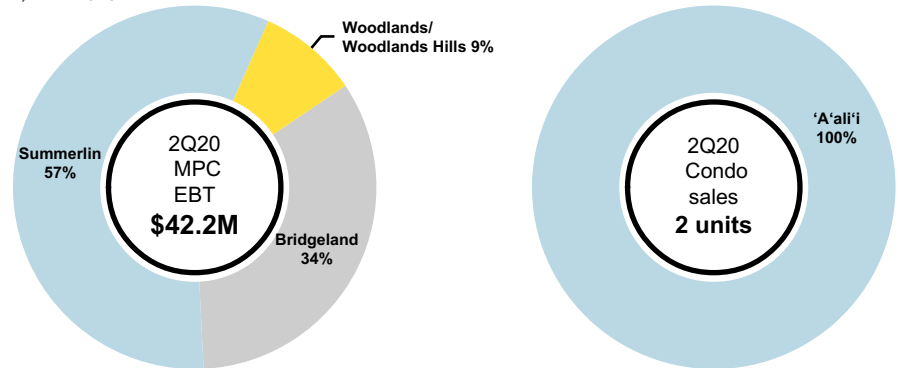


## Recent Company Highlights

THE WOODLANDS, Texas, June 25, 2020 (PRNewswire) -- The Howard Hughes Corporation (HHC) announced that Chief Financial Officer David O'Reilly has been appointed President of the Company. Mr. O'Reilly will also continue to serve as the Company's CFO, a position he has held since joining The Howard Hughes Corporation in 2016. As President, he will take an expanded role in the leadership of the publicly traded, award-winning real estate development company.

## Q2 2020 MPC & Condominium Results

\$ in millions



### Q2 2020 MPC EBT

Bridgeland	\$	14.2
Columbia		(0.2)
Summerlin		24.5
Woodlands/Woodlands Hills		3.7
<b>Total</b>	<b>\$</b>	<b>42.2</b>

### Q2 2020 Condo Units Contracted (a)

Waiea	—
Anaha	—
'A'ali'i	2
Kō'ula	—
<b>Total</b>	<b>2</b>

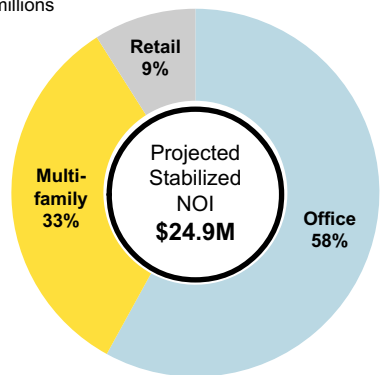
(a) Excludes Victoria Place as construction has not yet commenced.

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

## Q2 2020 Path to Projected Annual Stabilized NOI

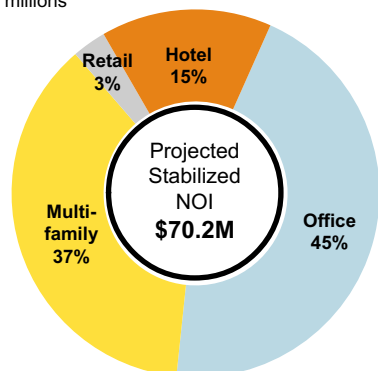
### Under Construction

\$ in millions



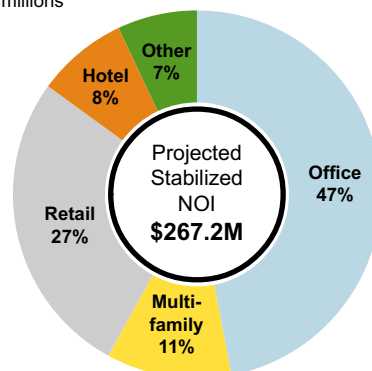
### Unstabilized

\$ in millions



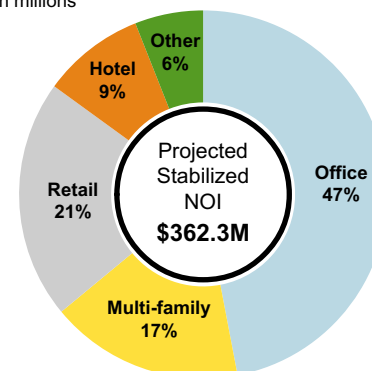
### Stabilized

\$ in millions



### Total

\$ in millions



Retail & Office S.F.	1,558,450
Multi-family Units	523
Hotel Keys	—
Other Units	— / —
Projected Stabilized NOI	\$ 24.9

Retail & Office S.F.	1,224,175
Multi-family Units	1,347
Hotel Keys	302
Other Units	— / —
Projected Stabilized NOI (a)	\$ 70.2

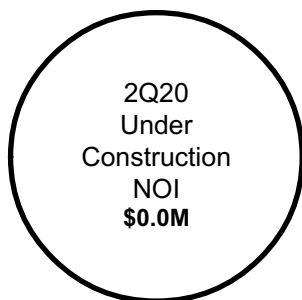
Retail & Office S.F.	7,858,591
Multi-family Units	2,330
Hotel Keys	607
Other Units	135,801 / 1,374
Projected Stabilized NOI	\$ 267.2

Retail & Office S.F.	10,641,216
Multi-family Units	4,200
Hotel Keys	909
Other Units	135,801 / 1,374
Projected Stabilized NOI	\$ 362.3

## Q2 2020 Operating Results by Property Type

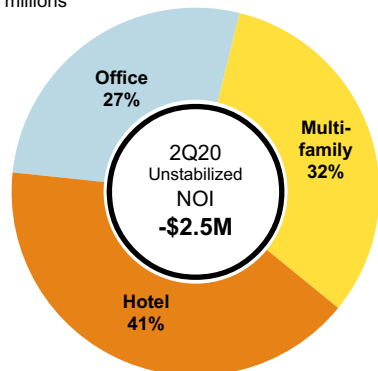
### Under Construction

\$ in millions



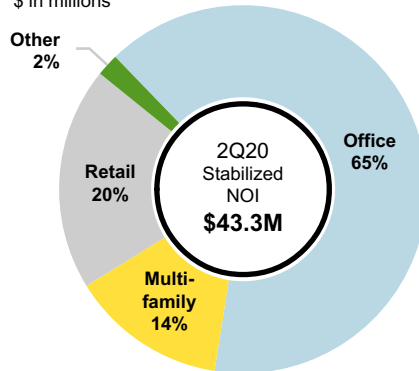
### Unstabilized

\$ in millions



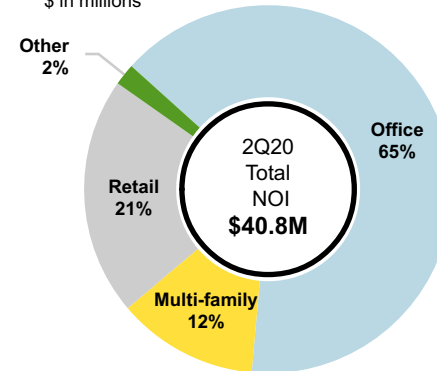
### Stabilized

\$ in millions



### Total (a)

\$ in millions



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 project information. See page 30 for definitions of "Under Construction," "Unstabilized," "Stabilized" and "Net Operating Income (NOI)."

(a) As a result of COVID-19, our Hospitality assets were temporarily shut down beginning in March 2020 and were gradually reopened in a phased approach starting May 2020. Additionally, our other operating assets were impacted by revenue deferrals and additional expenses directly associated with COVID-19.

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# Financial Summary

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

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	YTD Q2 2020	YTD Q2 2019
<b>Company Profile</b>							
Share price (a)	\$51.95	\$50.52	\$126.80	\$129.60	\$123.84	\$51.95	\$123.84
Market Capitalization (b)	\$2.9b	\$2.8b	\$5.4b	\$5.6b	\$5.4b	\$2.9b	\$5.4b
Enterprise Value (c)	\$6.5b	\$6.3b	\$9.3b	\$8.8b	\$8.3b	\$6.5b	\$8.3b
Weighted avg. shares - basic	55,530	43,380	43,190	43,134	43,113	49,455	43,109
Weighted avg. shares - diluted	55,530	43,380	43,356	43,428	43,271	49,455	43,263
Total diluted share equivalents outstanding	54,931	54,939	42,673	43,426	43,223	54,931	43,223
<b>Debt Summary</b>							
Total debt payable (d)	\$ 4,439,153	\$ 4,345,066	\$ 4,138,618	\$ 3,665,263	\$ 3,465,714	\$ 4,439,153	\$ 3,465,714
Fixed-rate debt	\$ 1,902,175	\$ 1,906,187	\$ 1,908,660	\$ 2,011,626	\$ 1,904,165	\$ 1,902,175	\$ 1,904,165
Weighted avg. rate - fixed	5.06%	5.06%	5.05%	5.11%	5.18%	5.06%	5.18%
Variable-rate debt, excluding condominium financing	\$ 2,411,620	\$ 2,362,424	\$ 2,199,241	\$ 1,625,792	\$ 1,561,549	\$ 2,411,620	\$ 1,561,549
Weighted avg. rate - variable	3.44%	3.91%	4.32%	4.54%	4.79%	3.44%	4.79%
Condominium debt outstanding at end of period	\$ 125,358	\$ 76,455	\$ 30,717	\$ 27,846	\$ —	\$ 125,358	\$ —
Weighted avg. rate - condominium financing	3.22%	4.29%	4.83%	5.12%	N/A	3.22%	N/A
Leverage ratio (debt to enterprise value)	67.61%	68.40%	44.19%	41.17%	41.17%	67.58%	41.17%

(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 cash 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)

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	YTD Q2 2020	YTD Q2 2019
<b>Earnings Profile</b>							
<b>Operating Assets Segment Income</b>							
Revenues	\$ 81,004	\$ 111,170	\$ 93,639	\$ 101,694	\$ 106,604	\$ 192,174	\$ 195,711
Expenses	(42,007)	(53,264)	(48,414)	(48,571)	(47,899)	(95,271)	(90,653)
Company's Share NOI - Equity investees	1,836	5,961	2,123	2,043	1,688	7,797	6,777
Operating Assets NOI (a)	40,833	63,867	47,348	55,166	60,393	104,700	111,835
Avg. NOI margin	50%	57%	51%	54%	57%	54%	57%
<b>MPC Segment Earnings</b>							
Total revenues	68,913	50,446	170,739	92,287	72,859	119,359	123,755
Total expenses (b)	(32,061)	(23,813)	(73,886)	(43,251)	(38,927)	(55,874)	(66,158)
Interest income, net (c)	8,303	8,554	7,643	8,550	8,283	16,857	15,826
Equity in (losses) earnings in real estate and other affiliates	(2,968)	8,934	9,477	4,523	6,499	5,966	14,336
MPC Segment EBT (c)	42,187	44,121	113,973	62,109	48,714	86,308	87,759
<b>Seaport District Segment Income (d)</b>							
Revenues	2,653	8,736	11,550	22,389	11,389	11,389	18,911
Expenses	(6,093)	(12,626)	(16,802)	(25,281)	(14,276)	(18,719)	(25,783)
Company's Share NOI - Equity investees	(305)	(376)	(325)	(148)	(42)	(681)	(237)
Seaport District NOI (e)	(3,745)	(4,266)	(5,577)	(3,040)	(2,929)	(8,011)	(7,109)
Avg. NOI margin	(141%)	(49%)	(48%)	(14%)	(26%)	(70%)	(38%)
<b>Condo Gross Profit</b>							
Revenues	—	43	5,009	9,999	235,622	43	433,932
Expenses	(6,348)	(97,901)	(4,435)	(7,010)	(220,620)	(104,249)	(358,314)
Condo Net Income (f)	\$ (6,348)	\$ (97,858)	\$ 574	\$ 2,989	\$ 15,002	\$ (104,206)	\$ 75,618

(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 current period 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) As a result of significantly lower available inventory, we closed on zero condominium units during the three and six months ended June 30, 2020. The Company closed a portion of Ae'o in early 2019, with no new condominium towers delivered in 2020. However, as highlighted on page 23 of this presentation, overall progress at our condominium projects remains strong. Additionally, during the first quarter of 2020, the Company recorded a \$97.9 million charge for the estimated costs related to construction defects at the Waiea tower. The Company expects to recover all the repair costs from the general contractor, other responsible parties and insurance proceeds.



# Balance Sheets

(In thousands, except par values and share amounts)

	Q2 2020	Q2 2019	FY 2019	FY 2018
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Assets:</b>				
Investment in real estate:				
Master Planned Communities assets	\$ 1,670,375	\$ 1,675,536	\$ 1,655,674	\$ 1,642,660
Buildings and equipment	4,033,449	3,136,130	3,813,595	2,932,963
Less: accumulated depreciation	(571,752)	(444,461)	(507,933)	(380,892)
Land	361,081	303,384	353,022	297,596
Developments	1,498,478	1,349,855	1,445,997	1,290,068
Net property and equipment	6,991,631	6,020,444	6,760,355	5,782,395
Investment in real estate and other affiliates	119,706	117,821	121,757	102,287
Net investment in real estate	7,111,337	6,138,265	6,882,112	5,884,682
Net investment in lease receivable	2,754	—	79,166	—
Cash and cash equivalents	930,597	650,702	422,857	499,676
Restricted cash	257,687	197,898	197,278	224,539
Accounts receivable, net	17,711	19,980	12,279	12,589
Municipal Utility District receivables, net	320,439	273,169	280,742	222,269
Notes receivable, net	56,511	300	36,379	4,694
Deferred expenses, net	146,550	108,198	133,182	95,714
Operating lease right-of-use assets, net	57,882	71,176	69,398	—
Prepaid expenses and other assets, net	343,090	249,490	300,373	411,636
<b>Total assets</b>	<b>\$ 9,244,558</b>	<b>\$ 7,709,178</b>	<b>\$ 8,413,766</b>	<b>\$ 7,355,799</b>
<b>Liabilities:</b>				
Mortgages, notes and loans payable, net	\$ 4,401,063	\$ 3,422,490	\$ 4,096,470	\$ 3,181,213
Operating lease obligations	69,607	71,125	70,413	—
Deferred tax liabilities	131,691	166,033	180,748	157,188
Accounts payable and accrued expenses	902,494	697,763	733,147	779,272
<b>Total liabilities</b>	<b>5,504,855</b>	<b>4,357,411</b>	<b>5,080,778</b>	<b>4,117,673</b>
<b>Equity:</b>				
Preferred stock: \$.01 par value; 50,000,000 shares authorized, none issued	—	—	—	—
Common stock: \$.01 par value; 150,000,000 shares authorized, 55,981,559 issued and 54,931,299 outstanding as of June 30, 2020, and 150,000,000 shares authorized, 43,635,893 shares issued and 42,585,633 outstanding as of December 31, 2019	561	437	437	436
Additional paid-in capital	3,941,516	3,329,062	3,343,983	3,322,433
Accumulated deficit	(205,621)	(75,043)	(46,385)	(120,341)
Accumulated other comprehensive loss	(61,111)	(28,542)	(29,372)	(8,126)
Treasury stock, at cost, 1,050,260 shares as of June 30, 2020 and December 31, 2019	(120,530)	(62,190)	(120,530)	(62,190)
Total stockholders' equity	3,554,815	3,163,724	3,148,133	3,132,212
Noncontrolling interests	184,888	188,043	184,855	105,914
<b>Total equity</b>	<b>3,739,703</b>	<b>3,351,767</b>	<b>3,332,988</b>	<b>3,238,126</b>
<b>Total liabilities and equity</b>	<b>\$ 9,244,558</b>	<b>\$ 7,709,178</b>	<b>\$ 8,413,766</b>	<b>\$ 7,355,799</b>
<b>Share Count Details (In thousands)</b>				
Shares outstanding at end of period (including restricted stock)	54,931	43,142	42,586	42,992
Dilutive effect of stock options (a)	—	81	88	117
Dilutive effect of warrants (b)	—	—	4	—
<b>Total diluted share equivalents outstanding</b>	<b>54,931</b>	<b>43,223</b>	<b>42,678</b>	<b>43,109</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)

	Q2 2020	Q2 2019	YTD Q2 2020	YTD Q2 2019
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Revenues:</b>				
Condominium rights and unit sales	\$ —	\$ 235,622	\$ 43	\$ 433,932
Master Planned Communities land sales	57,073	58,321	96,805	99,633
Minimum rents	61,469	54,718	132,456	108,804
Other land, rental and property revenues	11,447	59,774	46,344	101,253
Tenant recoveries	17,202	13,512	38,077	27,020
Builder price participation	8,947	9,369	16,706	14,564
Interest income from sales-type leases	35	—	917	—
<b>Total revenues</b>	<b>156,173</b>	<b>431,316</b>	<b>331,348</b>	<b>785,206</b>
<b>Expenses:</b>				
Condominium rights and unit cost of sales	6,348	220,620	104,249	358,314
Master Planned Communities cost of sales	25,875	28,006	42,661	44,824
Operating costs	45,885	72,989	110,491	140,300
Rental property real estate taxes	15,199	9,674	28,777	19,505
Provision for (recovery of) doubtful accounts	1,866	(86)	3,567	(88)
Demolition costs	—	550	—	599
Development-related marketing costs	1,813	5,839	4,629	11,541
General and administrative	22,233	31,551	61,314	58,331
Depreciation and amortization	46,963	38,918	108,600	75,049
<b>Total expenses</b>	<b>166,182</b>	<b>408,061</b>	<b>464,288</b>	<b>708,375</b>
<b>Other:</b>				
Provision for impairment	—	—	(48,738)	—
Gain (loss) on sale or disposal of real estate and other assets, net	8,000	(144)	46,124	(150)
Other income (loss), net	1,607	10,288	(2,077)	10,461
<b>Total other</b>	<b>9,607</b>	<b>10,144</b>	<b>(4,691)</b>	<b>10,311</b>
<b>Operating (loss) income</b>	<b>(402)</b>	<b>33,399</b>	<b>(137,631)</b>	<b>87,142</b>
Interest income	404	2,251	1,550	4,824
Interest expense	(32,397)	(24,203)	(66,845)	(47,529)
Equity in (losses) earnings from real estate and other affiliates	(8,552)	6,354	2,797	16,305
(Loss) income before taxes	(40,947)	17,801	(200,129)	60,742
(Benefit) provision for income taxes	(6,844)	4,473	(40,944)	15,489
Net (loss) income	(34,103)	13,328	(159,185)	45,253
Net loss (income) attributable to noncontrolling interests	19	149	(33)	45
<b>Net (loss) income attributable to common stockholders</b>	<b>\$ (34,084)</b>	<b>\$ 13,477</b>	<b>\$ (159,218)</b>	<b>\$ 45,298</b>
<b>Basic (loss) income per share:</b>	<b>\$ (0.61)</b>	<b>\$ 0.31</b>	<b>\$ (3.22)</b>	<b>\$ 1.05</b>
<b>Diluted (loss) income per share:</b>	<b>\$ (0.61)</b>	<b>\$ 0.31</b>	<b>\$ (3.22)</b>	<b>\$ 1.05</b>

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

(In thousands, except share amounts)

## RECONCILIATIONS OF NET INCOME TO FFO

	Q2 2020	Q2 2019	YTD Q2 2020	YTD Q2 2019
	Unaudited	Unaudited	Unaudited	Unaudited
Net (loss) income attributable to common stockholders	\$ (34,084)	\$ 13,477	\$ (159,218)	\$ 45,298
Adjustments to arrive at FFO:				
Segment real estate related depreciation and amortization	45,512	37,037	105,328	71,554
(Gain) loss on sale or disposal of real estate and other assets, net	(8,000)	144	(46,124)	150
Income tax expense adjustments:				
Gain on sale or disposal of real estate and other assets, net	1,680	—	9,686	—
Impairment of depreciable real estate properties	—	—	48,738	—
Reconciling items related to noncontrolling interests	(19)	(149)	33	(45)
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	7,053	896	8,200	1,758
<b>FFO</b>	<b>\$ 12,142</b>	<b>\$ 51,405</b>	<b>\$ (33,357)</b>	<b>\$ 118,715</b>

Adjustments to arrive at Core FFO:

Severance expenses	(841)	69	1,637	923
Non-real estate related depreciation and amortization	1,451	1,881	3,272	3,495
Straight-line amortization	(2,029)	(2,020)	(4,996)	(4,154)
Deferred income tax (benefit) expense	(7,076)	4,118	(41,701)	14,821
Non-cash fair value adjustments related to hedging instruments	3,227	(92)	4,320	(220)
Share-based compensation	1,768	2,928	2,577	5,653
Other non-recurring expenses (development-related marketing and demolition costs)	1,813	6,389	4,629	12,140
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	52	48	144	77
<b>Core FFO</b>	<b>\$ 10,507</b>	<b>\$ 64,726</b>	<b>\$ (63,475)</b>	<b>\$ 151,450</b>

Adjustments to arrive at AFFO:

Tenant and capital improvements	\$ (1,971)	\$ (2,753)	\$ (5,560)	\$ (3,795)
Leasing commissions	(1,314)	(370)	(2,236)	(788)
Condominium inventory writedown	5,078	—	5,078	—
<b>AFFO</b>	<b>\$ 12,300</b>	<b>\$ 61,603</b>	<b>\$ (66,193)</b>	<b>\$ 146,867</b>

**FFO per diluted share value**

<b>\$ 0.22</b>	<b>\$ 1.19</b>	<b>\$ (0.67)</b>	<b>\$ 2.74</b>
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**Core FFO per diluted share value**

<b>\$ 0.19</b>	<b>\$ 1.50</b>	<b>\$ (1.28)</b>	<b>\$ 3.50</b>
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**AFFO per diluted share value**

<b>\$ 0.22</b>	<b>\$ 1.42</b>	<b>\$ (1.34)</b>	<b>\$ 3.39</b>
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# NOI by Region, excluding the Seaport District

Property	% Ownership (a)	Total		Q2 2020 Occupied (#)		Q2 2020 Leased (#)		Q2 2020 Occupied (%)		Q2 2020 Leased (%)		Q2 2020 Annualized NOI (b)	Est. 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%	3,195,219	—	2,992,673	—	2,996,401	—	94%	—%	94%	—%	\$ 77,641	\$ 86,028	—
Office - Columbia	100%	1,393,546	—	1,258,785	—	1,263,612	—	90%	—%	91%	—%	23,060	25,579	—
Office - Summerlin	100%	532,428	—	528,148	—	528,148	—	99%	—%	99%	—%	13,866	13,700	—
Retail - Houston	100%	436,401	—	386,864	—	400,357	—	89%	—%	92%	—%	12,219	13,271	—
Retail - Columbia	100%	89,199	—	89,199	—	89,199	—	100%	—%	100%	—%	2,415	2,200	—
Retail - Hawaii	100%	1,036,363	—	896,725	—	897,653	—	87%	—%	87%	—%	11,160	23,559	—
Retail - Other	100%	273,096	—	266,028	—	268,887	—	97%	—%	98%	—%	774	6,500	—
Retail - Summerlin	100%	837,442	—	746,393	—	777,182	—	89%	—%	93%	—%	8,503	26,300	—
Multi-Family - Houston (d)	100%	23,280	1,389	22,180	1,189	22,180	1,232	95%	86%	95%	89%	15,773	19,800	—
Multi-Family - Columbia (d)	50%	41,617	817	25,015	777	39,497	799	60%	95%	95%	98%	6,264	6,700	—
Multi-Family - Summerlin (d)	100%	—	124	—	110	—	114	—%	89%	—%	92%	1,882	2,200	—
Hospitality - Houston (e)	100%	—	607	—	90	—	—	—%	15%	—%	—%	10,674	21,000	—
Self-Storage - Houston	100%	—	1,374	—	1,109	—	1,131	—%	81%	—%	82%	524	600	—
Other - Summerlin	100%	—	—	—	—	—	—	—%	—%	—%	—%	6,930	12,282	—
Other Assets (f)	100%	135,801	—	135,801	—	135,801	—	100%	—%	100%	—%	5,604	7,502	—
<b>Total Stabilized Properties (g)</b>												<b>\$ 197,289</b>	<b>\$ 267,221</b>	<b>—</b>
<b>Unstabilized Properties</b>														
Office - Houston	100%	764,069	—	299,619	—	488,535	—	39%	—%	64%	—%	\$ (426)	\$ 22,300	2.6
Office - Columbia	100%	319,002	—	159,900	—	159,900	—	50%	—%	50%	—%	(297)	9,200	3.0
Retail - Houston	100%	72,973	—	42,389	—	49,922	—	58%	—%	68%	—%	263	2,200	2.0
Multi-Family - Houston (d)	100%	11,448	698	—	253	6,146	304	—%	36%	54%	44%	(1,002)	12,404	3.1
Multi-Family - Columbia (d)	100%	56,683	382	—	101	11,080	145	—%	26%	20%	38%	(518)	9,162	3.0
Multi-Family - Summerlin (d)	100%	—	267	—	193	—	207	—%	72%	—%	78%	2,742	4,400	0.3
Hospitality - Houston (e)	100%	—	302	—	—	—	—	—%	—%	—%	—%	4,518	10,500	0.3
<b>Total Unstabilized Properties</b>												<b>\$ 5,280</b>	<b>\$ 70,166</b>	<b>2.7</b>

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

Property	% Ownership (a)	Total		Q2 2020 Occupied (#)		Q2 2020 Leased (#)		Q2 2020 Occupied (%)		Q2 2020 Leased (%)		Q2 2020 Annualized NOI (b)	Est. 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 - Other	23%	1,500,000	—	—	—	1,110,000	—	—%	—%	74%	—%	N/A	\$ 14,421	3.0
Retail - Columbia	100%	10,700	—	—	—	10,700	—	—%	—%	100%	—%	N/A	400	1.0
Retail - Hawaii	100%	47,750	—	—	—	1,688	—	—%	—%	4%	—%	N/A	1,918	2.7
Multi-Family - Houston (d)	100%	—	523	—	—	—	—	—%	—%	—%	—%	N/A	8,197	2.2
<b>Total Under Construction Properties</b>												<b>N/A</b>	<b>24,936</b>	<b>2.5</b>
<b>Total/ Wtd. Avg. for Portfolio</b>												<b>\$ 202,569</b>	<b>\$ 362,323</b>	<b>2.6</b>

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

(b) Annualized Q2 2020 NOI includes distribution received from cost method investment in Q1 2020. 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) Hospitality percentage occupied is the average for Q2 2020. As a result of COVID-19, our Hospitality assets were temporarily shut down beginning in March 2020, and were gradually reopened in a phased approach starting May 2020.

(f) 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.

(g) For Stabilized Properties, the difference between 2Q20 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.	Q2 2020 % Occ.	Q2 2020 % Leased	Annualized Q2 2020 NOI	Est. Stabilized NOI
<b>Office</b>							
3 Waterway Square	Houston, TX	100%	232,021	96%	96%	\$ 6,893	\$ 6,900
4 Waterway Square	Houston, TX	100%	218,551	100%	100%	6,786	6,856
1201 Lake Robbins Tower (a)	Houston, TX	100%	807,586	100%	100%	25,307	25,000
1400 Woodloch Forest	Houston, TX	100%	95,667	48%	48%	942	1,900
1725 Hughes Landing	Houston, TX	100%	331,754	94%	95%	6,180	6,900
1735 Hughes Landing	Houston, TX	100%	318,170	100%	100%	8,078	7,696
2201 Lake Woodlands Drive	Houston, TX	100%	24,119	100%	100%	256	410
3831 Technology Forest	Houston, TX	100%	95,078	100%	100%	2,491	2,268
9303 New Trails	Houston, TX	100%	97,967	77%	77%	1,600	1,800
Lakefront North	Houston, TX	100%	258,058	92%	92%	2,286	6,458
One Hughes Landing	Houston, TX	100%	197,719	94%	94%	5,224	6,240
Two Hughes Landing	Houston, TX	100%	197,714	83%	83%	4,051	6,000
Three Hughes Landing	Houston, TX	100%	320,815	89%	89%	7,548	7,600
10-70 Columbia Corporate Center	Columbia, MD	100%	898,548	88%	89%	13,598	14,330
Columbia Office Properties	Columbia, MD	100%	62,038	89%	89%	411	1,402
One Mall North	Columbia, MD	100%	98,673	95%	95%	1,824	1,947
One Merriweather	Columbia, MD	100%	206,865	99%	99%	5,326	4,800
Two Merriweather	Columbia, MD	100%	127,422	87%	87%	1,902	3,100
Aristocrat	Las Vegas, NV	100%	181,534	100%	100%	4,299	4,500
One Summerlin	Las Vegas, NV	100%	206,279	98%	98%	6,134	5,700
Two Summerlin	Las Vegas, NV	100%	144,615	100%	100%	3,431	3,500
<b>Total Office</b>			<b>5,121,193</b>			<b>114,567</b>	<b>125,307</b>
<b>Retail</b>							
20/25 Waterway Avenue	Houston, TX	100%	50,062	76%	91%	960	2,013
1701 Lake Robbins	Houston, TX	100%	12,376	100%	100%	488	400
2000 Woodlands Parkway	Houston, TX	100%	7,900	100%	100%	266	217
Creeside Village Green	Houston, TX	100%	74,670	88%	88%	2,126	2,097
Hughes Landing Retail	Houston, TX	100%	126,131	99%	100%	4,645	4,375
Lakeland Village Center	Houston, TX	100%	83,488	88%	88%	1,810	1,700
Lake Woodlands Crossing Retail	Houston, TX	100%	60,261	87%	87%	1,672	1,668
Waterway Garage Retail	Houston, TX	100%	21,513	58%	78%	250	800
Columbia Regional	Columbia, MD	100%	89,199	100%	100%	2,415	2,200
Ward Village Retail	Honolulu, HI	100%	1,036,363	87%	87%	11,160	23,559
Downtown Summerlin	Las Vegas, NV	100%	837,442	89%	93%	8,503	26,300
Outlet Collection at Riverwalk	New Orleans, LA	100%	273,096	97%	98%	776	6,501
<b>Total Retail</b>			<b>2,672,501</b>			<b>\$ 35,071</b>	<b>\$ 71,830</b>

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

(\$ in thousands)

Property	Location	% Ownership	Rentable Sq. Ft. / Units (b)		Q2 2020 % Occ. (b)		Q2 2020 % Leased (b)		Annualized Q2 2020 NOI	Est. Stabilized NOI
<b>Multi-family</b>										
Millennium Six Pines Apartments	Houston, TX	100%	—	/ 314	83%		86%	\$ 3,580	\$ 4,500	
Millennium Waterway Apartments	Houston, TX	100%	—	/ 393	83%		87%	3,281	4,600	
One Lakes Edge	Houston, TX	100%	23,280	/ 390	95% /	87%	95% / 89%	6,105	7,200	
Creekside Park Apartments	Houston, TX	100%	—	/ 292		90%	93.49%	2,807	3,500	
The Metropolitan Downtown Columbia	Columbia, MD	50%	13,591	/ 380	84% /	97%	84% / 100%	3,044	2,900	
m.flats & TEN.M	Columbia, MD	50%	28,026	/ 437	48% /	94%	100% / 96%	3,220	3,800	
Constellation	Las Vegas, NV	100%	—	/ 124		89%	92%	1,882	2,200	
<b>Total Multi-family</b>			<b>64,897</b>	<b>/ 2,330</b>				<b>23,919</b>	<b>28,700</b>	
<b>Hotel</b>										
Embassy Suites at Hughes Landing (c)	Houston, TX	100%		205	20%		—%	2,994	4,500	
The Woodlands Resort & Conference Center	Houston, TX	100%		402	12%		—%	7,680	16,500	
<b>Total Hotel</b>				<b>607</b>				<b>10,674</b>	<b>21,000</b>	
<b>Other</b>										
Hughes Landing Daycare	Houston, TX	100%	10,000	/ —	100% /	—%	100% / —%	79	260	
The Woodlands Warehouse	Houston, TX	100%	125,801	/ —	100% /	—%	100% / —%	765	1,200	
Self-Storage 242 & 2978	Houston, TX	100%	—	/ 1,374		81%	82%	524	600	
Sarofim Equity Investment	Houston, TX	20%		NA		NA	NA	2,120	2,202	
Stewart Title of Montgomery County, TX	Houston, TX	50%		NA		NA	NA	840	1,117	
Woodlands Ground Leases	Houston, TX	100%		NA		NA	NA	1,792	1,662	
Kewalo Basin Harbor	Honolulu, HI	100%		NA		NA	NA	913	1,100	
Hockey Ground Lease	Las Vegas, NV	100%		NA		NA	NA	526	458	
Summerlin Hospital Medical Center	Las Vegas, NV	5%		NA		NA	NA	3,724	3,724	
Las Vegas Ballpark (d) (e)	Las Vegas, NV	100%		NA		NA	NA	2,680	8,100	
Other Assets	Various	100%		NA		NA	NA	(905)	(39)	
<b>Total Other</b>			<b>135,801</b>	<b>/ 1,374</b>				<b>13,058</b>	<b>20,384</b>	
<b>Total Stabilized</b>								<b>\$ 197,289</b>	<b>\$ 267,221</b>	

(a) 1201 Lake Robbins Tower and 9950 Woodloch Forest Tower, collectively known as The Woodlands Towers at the Waterway, were acquired on December 30, 2019. 9950 Woodloch Forest Tower is an unstabilized property as of June 30, 2020. See page 15 for further details.

(b) For instances with two sets of rentable sq. ft./units, % occupied and % leased relate to multi-family assets with a retail component. In these cases, the first set of numbers relate to the retail asset and the second set relate to the multi-family asset.

(c) Hotel property percentage occupied is the average for Q2 2020.

(d) Annualized NOI for these properties are based on a trailing 12-month calculation due to seasonality of the respective businesses.

(e) The Las Vegas Ballpark presentation is inclusive of the results from both the stadium operations and those of our wholly-owned team, the Las Vegas Aviators.

# Unstabilized Properties - Operating Assets Segment

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

Project Name	Location	% Ownership	Rentable Sq. Ft. / Units	Q2 2020 % Occ. (a)	Q2 2020 % Leased (a)	Develop. Costs Incurred	Est. Total Cost (Excl. Land)	Annualized Q2 2020 NOI	Est. Stabilized NOI (b)	Est. Stab. Date	Est. Stab. Yield
<b>Office</b>											
9950 Woodloch Forest Tower (c) (d)	Houston, TX	100%	584,069	51%	53%	131,614	210,571	(73)	17,900	2023	9%
8770 New Trails	Houston, TX	100%	180,000	—%	100%	37,750	45,985	(353)	4,400	2021	10%
6100 Merriweather	Columbia, MD	100%	319,002	50%	50%	99,787	138,221	(297)	9,200	2023	7%
<b>Total Office</b>			<b>1,083,071</b>			<b>269,151</b>	<b>394,777</b>	<b>(723)</b>	<b>31,500</b>		
<b>Retail</b>											
Creekside Park West	Houston, TX	100%	72,973	58%	68%	18,095	22,625	263	2,200	2022	10%
<b>Total Retail</b>			<b>72,973</b>			<b>18,095</b>	<b>22,625</b>	<b>263</b>	<b>2,200</b>		
<b>Multi-family</b>											
Juniper Apartments	Columbia, MD	100%	56,683 / 382	—% / 26%	20% / 38%	92,312	116,386	(518)	9,162	2023	8%
Lakeside Row	Houston, TX	100%	312	63%	72%	41,133	48,412	52	3,875	2021	8%
Two Lakes Edge	Houston, TX	100%	11,448 / 386	—% / 15%	54% / 21%	89,780	107,706	(1,054)	8,529	2024	8%
Tanager Apartments	Las Vegas, NV	100%	267	72%	78%	52,266	59,276	2,742	4,400	Q3 2020	7%
<b>Total Multi-family</b>			<b>68,131 / 1,347</b>			<b>275,491</b>	<b>331,780</b>	<b>1,222</b>	<b>25,966</b>		
<b>Hotel</b>											
The Westin at The Woodlands	Houston, TX	100%	302	—%	n.a.	98,215	98,215	4,518 (e)	10,500	Q3 2020	11%
<b>Total Hotel</b>			<b>302</b>			<b>98,215</b>	<b>98,215</b>	<b>4,518</b>	<b>10,500</b>		
<b>Total Unstabilized</b>						<b>\$ 660,952</b>	<b>\$ 847,397</b>	<b>\$ 5,280</b>	<b>\$ 70,166</b>		

(a) With the exception of Hotel properties, Percentage Occupied and Percentage Leased are as of June 30, 2020. Each Hotel property Percentage Occupied is the average for Q2 2020. For instances with two sets of rentable sq. ft./units, % occupied and % leased relate to multi-family assets with a retail component. In these cases, the first set of numbers relate to the retail asset and the second set relate to the multi-family asset.

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

(c) Lakefront North and 9950 Woodloch Forest Tower development costs incurred and estimated total cost are inclusive of acquisition and tenant lease-up costs.

(d) 1201 Lake Robbins Tower and 9950 Woodloch Forest Tower, collectively known as The Woodlands Towers at the Waterway, were acquired on December 30, 2019. 1201 Lake Robbins Tower is a stabilized property as of June 30, 2020, and 9950 Woodloch Forest Tower is unstabilized as Occidental Petroleum's lease in this building expired in the second quarter of 2020. Occidental Petroleum has leased 100% of 1201 Lake Robbins Tower through 2032. See page 13 for further details.

(e) Annualized NOI for these properties are based on a trailing 12-month calculation due to seasonality of the hotel business.



# 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	23%	1,500,000	74%	Under Construction	Q2 2018	2023	\$ 16,078	\$ 16,078	\$ 14,421	8%
<b>Total Office</b>			<b>1,500,000</b>					<b>16,078</b>	<b>16,078</b>	<b>14,421</b>	
<b>Retail</b>											
Merrifield District Area 3 Retail	Columbia, MD	100%	10,700	100%	Under Construction	Q3 2019	2021	2,622	5,680	400	7%
A'ali'i (d)	Honolulu, HI	100%	11,336	—%	Under Construction	Q4 2018	2022	—	—	637	—%
Kō'ula (d)	Honolulu, HI	100%	36,414	5%	Under Construction	Q3 2019	2023	—	—	1,281	—%
<b>Total Retail</b>			<b>58,450</b>					<b>2,622</b>	<b>5,680</b>	<b>2,318</b>	
Project Name	Location	% Ownership	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
<b>Multi-family</b>											
Millennium Phase III Apartments	Houston, TX	100%	163	2,595	Under Construction	Q2 2019	2021	20,433	45,033	3,500	8%
Creekside Park Apartments Phase II	Houston, TX	100%	360	1,744	Under Construction	Q3 2019	2023	11,629	57,472	4,697	8%
<b>Total Multi-family</b>			<b>523</b>					<b>32,062</b>	<b>102,505</b>	<b>8,197</b>	
<b>Total Under Construction</b>								<b>\$ 50,762</b>	<b>\$ 124,263</b>	<b>\$ 24,936</b>	

(a) Represents leases signed as of June 30, 2020, 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 June 30, 2020. 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.

# Seaport District Operating Performance

(\$ in thousands)	Real Estate Operations (Landlord) (a)			Managed Businesses (b)		Events, Sponsorships & Catering Business (g)	Q2 2020 Total
	Historic District & Pier 17	Multi-Family (c)	Hospitality (d)	Historic District & Pier 17 (e)	Tin Building (f)		
<b>Revenues</b>							
Rental revenue (h)	\$ 1,245	\$ 241	\$ 25	\$ —	\$ —	\$ —	\$ 1,511
Tenant recoveries	208	—	—	—	—	—	208
Other rental and property revenue	55	—	—	—	—	905	960
<b>Total Revenues</b>	<b>1,508</b>	<b>241</b>	<b>25</b>	<b>—</b>	<b>—</b>	<b>905</b>	<b>2,679</b>
<b>Expenses</b>							
Other property operating costs (h)	(3,119)	(131)	(141)	(1,457)	—	(1,576)	(6,424)
<b>Total Expenses</b>	<b>(3,119)</b>	<b>(131)</b>	<b>(141)</b>	<b>(1,457)</b>	<b>—</b>	<b>(1,576)</b>	<b>(6,424)</b>
<b>Net Operating (Loss) Income - Seaport District (i)</b>	<b>\$ (1,611)</b>	<b>\$ 110</b>	<b>\$ (116)</b>	<b>\$ (1,457)</b>	<b>\$ —</b>	<b>\$ (671)</b>	<b>\$ (3,745)</b>
<b>Project Status</b>	Unstabilized	Stabilized	Unstabilized	Unstabilized	Under Construction	Unstabilized	
<b>Rentable Sq. Ft / Units</b>							
Total Sq. Ft. / units	305,265	13,000 / 21	66	73,488	53,396	21,077	
Leased Sq. Ft. / units (j)	125,374	— / 21	—	73,488	53,396	21,077	
% Leased or occupied (j)	41%	—% / 100%	—%	100%	100%	100%	
<b>Development (k)</b>							
Development costs incurred	\$ 532,851	\$ —	\$ —	\$ —	\$ 89,453	\$ —	\$ 622,304
Estimated total costs (excl. land)	\$ 594,368	\$ —	\$ —	\$ —	\$ 173,452	\$ —	\$ 767,820

(a) Real Estate Operations (Landlord) represents physical real estate developed and owned, either wholly or through joint ventures, 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 June 30, 2020, our managed businesses include, among others, The Fulton, SJP by Sarah Jessica Parker, R17, Cobble & Co. and Malibu Farm.

(c) Multi-Family represents 85 South Street which includes base level retail in addition to residential units.

(d) Hospitality represents Mr. C Seaport, of which HHC has a 35% ownership interest as of June 30, 2020. On July 16, 2020, HHC completed the sale of its equity investment in Mr. C Seaport. Percentage occupied is the average for Q2 2020.

(e) Includes our 90% share of NOI from Bar Wayō.

(f) Represents the food hall by Jean-Georges. As a result of potential impacts related to COVID-19, including the halting of construction on the Tin Building, we are uncertain as to the timing of construction completion and the opening of the Tin Building.

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

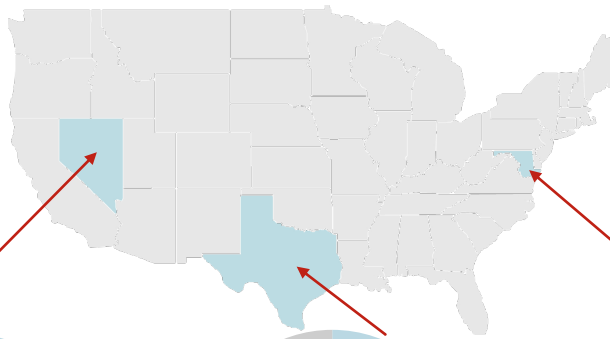
(h) Rental revenue and expense earned from and paid by businesses we own and operate is eliminated in consolidation.

(i) See page 33 for the reconciliation of Seaport District NOI.

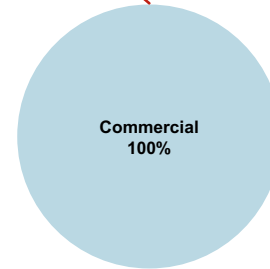
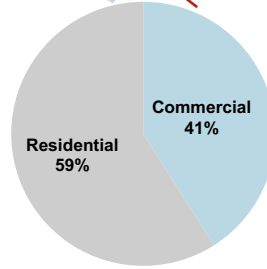
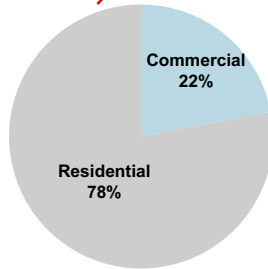
(j) The percent leased for Historic District & Pier 17 landlord operations includes agreements with terms of less than one year and excludes leases with our managed businesses.

(k) Development costs incurred and Estimated total costs (excl. land) are shown net of insurance proceeds of approximately \$64.7 million.

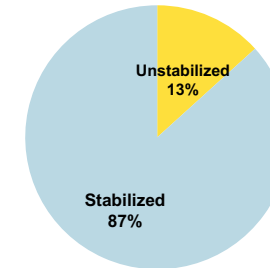
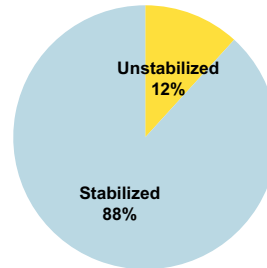
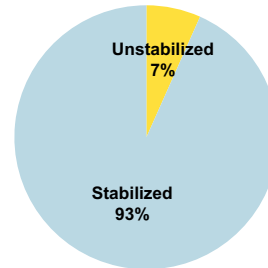
# MPC Portfolio



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



**Income-Producing Assets - Stabilized and Unstabilized**



(\$ in thousands)

**MPC Performance - 2Q20 & 2Q19**

	Nevada	Texas	Maryland	Total
MPC Net Contribution (2Q20) (b)	\$17,802	\$8,175	\$(236)	\$25,741
MPC Net Contribution (2Q19) (b)	\$18,190	\$(10,679)	\$(329)	\$7,182
<b>Operating Asset Performance - 2020 &amp; Future</b>				
Annualized 2Q20 in-place NOI	\$32,182	\$126,953	\$30,908	\$190,043
Est. stabilized NOI (future) (c)	\$58,882	\$202,720	\$53,223	\$314,825
Wtd. avg. time to stab. (yrs.)	0.3	2.2	2.7	—

(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 June 30, 2020, is found under Reconciliation of Non-GAAP Measures on page 33.

(c) 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 Houston, TX	The Woodlands Hills Houston, TX	Bridgeland Houston, TX	Summerlin Las Vegas, NV	Columbia Columbia, MD	Total MPC Regions	Hawai'i (a) Honolulu, HI	Seaport New York, NY	Other	Total Non-MPC
<b>Operating - Stabilized Properties</b>										
Office Sq.Ft.	3,195,219	—	—	532,428	1,393,546	5,121,193	—	—	—	—
Retail Sq. Ft. (b)	376,193	—	83,488	837,442	130,816	1,427,939	1,036,363	13,000	273,096	1,322,459
Multifamily units	1,389	—	—	124	817	2,330	—	21	—	21
Hotel Rooms	607	—	—	—	—	607	—	—	—	—
Self-Storage Units	1,374	—	—	—	—	1,374	—	—	—	—
Other Sq. Ft.	135,801	—	—	—	—	135,801	—	—	—	—
<b>Operating - Unstabilized Properties</b>										
Office Sq.Ft.	764,069	—	—	—	319,002	1,083,071	—	146,935	—	146,935
Retail Sq.Ft.	84,421	—	—	—	56,683	141,104	—	252,895	—	252,895
Multifamily units	386	—	312	267	382	1,347	—	—	—	—
Hotel rooms	302	—	—	—	—	302	—	66	—	66
Self-Storage Units	—	—	—	—	—	—	—	—	—	—
Other Sq. Ft.	—	—	—	—	—	—	—	—	—	—
<b>Operating - Under Construction Properties</b>										
Office Sq.Ft.	—	—	—	—	—	—	—	—	1,500,000	1,500,000
Retail Sq.Ft.	—	—	—	—	10,700	10,700	47,750	53,396	—	101,146
Other Sq. Ft.	—	—	—	—	—	—	—	—	—	—
Multifamily units	523	—	—	—	—	523	—	—	—	—
Hotel rooms	—	—	—	—	—	—	—	—	—	—
Self-Storage Units	—	—	—	—	—	—	—	—	—	—
<b>Residential Land</b>										
Total gross acreage/condos (c)	28,505 ac.	2,055 ac.	11,506 ac.	22,500 ac.	16,450 ac.	81,016 ac.	2,697	n.a.	n.a.	2,697
Current Residents (c)	118,000	300	12,550	113,000	112,000	355,850	n.a.	n.a.	n.a.	—
Remaining saleable acres/condos	46 ac.	1,332 ac.	2,088 ac.	2,953 ac.	n.a.	6,419 ac.	262	n.a.	n.a.	262
Estimated price per acre (d)	\$ 1,068	\$ 274	\$ 422	\$ 676	n.a.	—	n.a.	n.a.	n.a.	\$ —
<b>Commercial Land</b>										
Total acreage remaining	722 ac.	175 ac.	1,527 ac.	831 ac.	96 ac.	3,351 ac.	n.a.	n.a.	n.a.	—
Estimated price per acre (d)	\$ 1,147	\$ 515	\$ 543	\$ 1,125	\$ 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) Excludes Victoria Place as construction has not yet commenced.

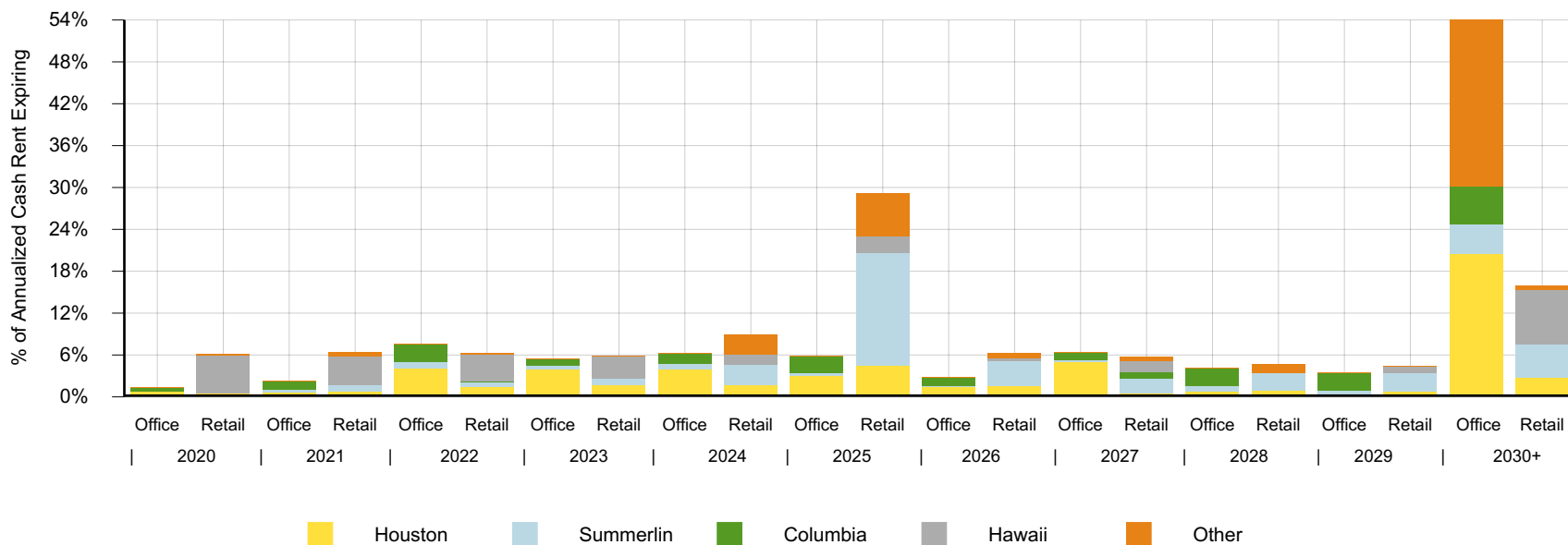
(b) Retail Sq. Ft. within the Summerlin region excludes 381,767 Sq. Ft. of anchors.

(c) Acreage shown as of June 30, 2020; current residents shown as of December 31, 2019.

(d) Residential and commercial pricing represents the Company's estimate of price per acre per its 2020 land models.

# Lease Expirations

## Office and Retail Lease Expirations Total Office and Retail Portfolio as of June 30, 2020



Expiration Year	Office Expirations (a)			Retail Expirations (a)		
	Annualized Cash Rent (In thousands)	Percentage of Annualized Cash Rent	Wtd. Avg. Annualized Cash Rent Per Leased Sq. Ft.	Annualized Cash Rent (In thousands)	Percentage of Annualized Cash Rent	Wtd. Avg. Annualized Cash Rent Per Leased Sq. Ft.
2020	\$ 3,309	1.37%	\$ 20.61	\$ 4,648	6.13%	\$ 36.71
2021	5,482	2.27%	19.92	4,819	6.36%	32.27
2022	18,122	7.51%	11.54	4,810	6.34%	44.81
2023	13,483	5.58%	26.43	4,494	5.93%	43.40
2024	15,212	6.30%	23.21	6,725	8.87%	41.65
2025	14,223	5.89%	20.84	22,053	29.08%	49.53
2026	6,952	2.88%	33.86	4,789	6.32%	39.45
2027	15,551	6.44%	27.37	4,440	5.86%	55.54
2028	9,705	4.02%	37.64	3,467	4.57%	39.51
2029	8,066	3.34%	16.23	3,419	4.51%	37.66
Thereafter	131,337	54.40%	44.49	12,161	16.03%	49.20
<b>Total</b>	<b>\$ 241,442</b>	<b>100.00%</b>		<b>\$ 75,825</b>	<b>100.00%</b>	

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

# Acquisition / Disposition Activity

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

## Q2 2020 Acquisitions

Date Acquired	Property	% Ownership	Location	Rentable Sq. Ft. / Units / Acres	Acquisition Price
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No acquisition activity in Q2 2020

## Q2 2020 Dispositions

Date Sold	Property	% Ownership	Location	Rentable Sq. Ft. / Units / Acres	Sale Price
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No disposition activity in Q2 2020

# Master Planned Community Land

(\$ in thousands)	The Woodlands		The Woodlands Hills		Bridgeland		Summerlin		Columbia		Total	
	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019
<b>Revenues:</b>												
Residential land sale revenues	\$11,930	\$ 9,013	\$ 2,364	\$ 3,142	\$16,455	\$16,432	\$ 26,324	\$29,701	\$ —	\$ —	\$ 57,073	\$ 58,288
Commercial land sale revenues	—	—	—	—	—	34	—	—	—	—	—	34
Builder price participation	237	89	28	44	530	280	8,152	8,956	—	—	8,947	9,369
Other land sale revenues	80	1,884	—	1	25	71	2,788	3,212	—	—	2,893	5,168
<b>Total revenues</b>	<b>12,247</b>	<b>10,986</b>	<b>2,392</b>	<b>3,187</b>	<b>17,010</b>	<b>16,817</b>	<b>37,264</b>	<b>41,869</b>	<b>—</b>	<b>—</b>	<b>68,913</b>	<b>72,859</b>
<b>Expenses:</b>												
Cost of sales - residential land	(6,812)	(4,576)	(898)	(1,613)	(5,364)	(6,377)	(12,800)	(15,432)	—	—	(25,875)	(27,998)
Cost of sales - commercial land	—	—	—	—	—	(8)	—	—	—	—	—	(8)
Real estate taxes	(1,079)	(1,237)	(45)	(67)	(576)	(500)	(587)	(815)	(136)	(129)	(2,423)	(2,748)
Land sales operations	(1,045)	(3,794)	(405)	(931)	(545)	(1,482)	(1,571)	(1,779)	(106)	(173)	(3,672)	(8,159)
Depreciation and amortization	(33)	(34)	—	—	(33)	(33)	(25)	(19)	—	—	(91)	(86)
Other income, net	—	74	—	—	—	—	—	—	—	—	—	72
<b>Total operating expenses</b>	<b>(8,969)</b>	<b>(9,567)</b>	<b>(1,348)</b>	<b>(2,611)</b>	<b>(6,518)</b>	<b>(8,400)</b>	<b>(14,983)</b>	<b>(18,045)</b>	<b>(242)</b>	<b>(302)</b>	<b>(32,061)</b>	<b>(38,927)</b>
Net interest capitalized (expensed)	(849)	(1,316)	257	303	3,731	3,971	5,164	5,325	—	—	8,303	8,283
Equity in (losses) earnings from real estate affiliates	—	—	—	—	—	—	(2,968)	6,499	—	—	(2,968)	6,499
<b>EBT</b>	<b>\$ 2,429</b>	<b>\$ 103</b>	<b>\$ 1,301</b>	<b>\$ 879</b>	<b>\$14,223</b>	<b>\$12,388</b>	<b>\$ 24,477</b>	<b>\$35,648</b>	<b>\$ (242)</b>	<b>\$ (302)</b>	<b>\$ 42,187</b>	<b>\$ 48,714</b>

## Key Performance Metrics:

### Residential

Total acres closed in current period	7.2 ac.	16.1 ac.	7.6 ac.	11.1 ac.	38.4 ac.	40.7 ac.	37.4 ac.	44.3 ac.	—	—
Price per acre achieved (a)	\$ 1,657	\$ 560	\$ 311	\$ 283	\$ 429	\$ 404	\$ 705	\$ 692	NM	NM
Avg. gross margins	42.9 %	49.2 %	62.0 %	48.7 %	67.4 %	61.2 %	51.4 %	48.0 %	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	NM	NM	NM	NM	NM
Avg. combined before-tax net margins	42.9 %	49.2 %	62.0 %	48.7 %	67.4 %	61.2 %	51.4 %	48.0 %	NM	NM

## Key Valuation Metrics

### Remaining saleable acres

	The Woodlands	The Woodlands Hills	Bridgeland	Summerlin	Columbia
Residential (b)	46 ac.	1,332 ac.	2,088 ac.	2,953 ac.	—
Commercial (c)	722 ac.	175 ac.	1,527 ac.	831 ac.	96 ac.
Projected est. % superpads / lot size	—% / —	—% / —	—% / —	87% / 0.25 ac	NM
Projected est. % single-family detached lots / lot size	52% / 0.55 ac.	85% / 0.22 ac.	89% / 0.16 ac.	—% / —	NM
Projected est. % single-family attached lots / lot size	48% / 0.12 ac.	15% / 0.13 ac.	10% / 0.10 ac.	—% / —	NM
Projected est. % custom homes / lot size	—% / —	—% / —	1% / 1.00 ac.	13% / 0.45 ac	NM
Estimated builder sale velocity (blended total - TTM) (d)	24	17	81	104	NM
Projected GAAP gross margin (e)	42.9%	62.0%	67.4%	51.4%	NM
Projected cash gross margin (e)	99.8%	92.2%	81.0%	70.2%	NM

### Residential sellout / Commercial buildout date estimate

Residential	2022	2031	2034	2039	—
Commercial	2031	2030	2045	2039	2023

- (a) The price per acre achieved for Summerlin residential lots is mostly attributable to custom lots sales. The price per acre achieved for The Woodlands residential lots is mostly attributable to the mix of lots sold.
- (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) Columbia Commercial excludes 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 June 30, 2020.
- (e) Projected GAAP gross margin is based on GAAP revenues and expenses which exclude revenues deferred on sales closed where revenue did not meet criteria for recognition and includes revenues previously deferred that met criteria for recognition in the current period. Gross margin for each MPC may vary from period to period based on the locations of the land sold and the related costs associated with developing the land sold. Projected cash gross margin includes all future projected revenues less all future projected development costs, net of expected reimbursable costs, and capitalized overhead, taxes and interest.

NM Not meaningful.



# Ward Village Condominiums

	Waiea (a)	Anaha (b)	Ae'o (c)	Ke Kilohana (d)	'A'ali'i (e)	Kō'ula (f)	Total
<b>Key Metrics (\$ in thousands)</b>							
Type of building	Ultra-Luxury	Luxury	Upscale	Workforce	Upscale	Upscale	
Number of units	177	317	465	423	750	565	2,697
Avg. unit Sq. Ft.	2,138	1,417	838	696	518	725	856
Condo Sq. Ft.	378,488	449,205	389,663	294,273	388,210	409,576	2,309,415
Street retail Sq. Ft.	7,716	16,048	70,800	28,386	11,336	36,414	170,700
Stabilized retail NOI	\$ 453	\$ 1,152	\$ 1,557	\$ 1,081	\$ 637	\$ 1,281	\$ 6,161
Stabilization year	2017	2020	2019	2020	2022	2023	
<b>Development progress (\$ in millions)</b>							
Status	Opened	Opened	Opened	Opened	Under Construction	Under Construction	
Start date	2Q14	4Q14	1Q16	4Q16	4Q18	3Q19	
Completion date/status	Complete	Complete	Complete	Complete	2021	2022	
Total development cost (g)	\$ 566	\$ 401	\$ —	\$ 219	\$ 412	\$ 487	\$ 2,085
Cost-to-date (g)	\$ 424	\$ 398	\$ —	\$ 214	\$ 191	\$ 75	\$ 1,302
<b>Remaining to be funded</b>	<b>\$ 142</b>	<b>\$ 3</b>	<b>\$ —</b>	<b>\$ 5</b>	<b>\$ 221</b>	<b>\$ 412</b>	<b>\$ 783</b>
<b>Financial Summary (\$ in thousands, except per Sq. Ft.)</b>							
Units closed (through Q2 2020)	170	315	465	423	—	—	1,373
Units under contract (through Q2 2020)	2	1	—	—	630	429	1,062
Total % of units closed or under contract	97.2%	99.7%	100.0%	100.0%	84.0%	75.9%	90.3%
Units closed (current quarter)	—	—	—	—	—	—	—
Units under contract (current quarter)	—	—	—	—	2	—	2
Square footage closed or under contract (total)	360,161	443,386	389,663	294,273	307,639	319,947	2,115,069
Total % square footage closed or under contract	95.2%	98.7%	100.0%	100.0%	79.2%	78.1%	91.6%
Target condo profit margin at completion (excl. land cost)							~30%
Total cash received (closings & deposits)	656,355	493,067	513,176	215,947	82,148	100,005	\$ 2,060,698
Total GAAP revenue recognized							\$ 1,877,148
Expected avg. price per Sq. Ft.	\$1,900 - \$1,950	\$1,100 - \$1,150	\$1,300 - \$1,350	\$700 - \$750	\$1,300 - \$1,350	\$1,500 - \$1,550	\$1,300 - 1,325
Expected construction costs per retail Sq. Ft.							\$~1,100
<b>Deposit Reconciliation (in thousands)</b>							
Spent towards construction	\$ —	\$ —	\$ —	\$ —	\$ 80,695	\$ —	\$ 80,695
Held for future use (h)	—	—	—	—	1,453	100,005	101,458
<b>Total deposits from sales commitment</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 82,148</b>	<b>\$ 100,005</b>	<b>\$ 182,153</b>

(a) We began delivering units at Waiea in November 2016. As of June 30, 2020, we have closed on 170 units. We have two under contract, and five units remain to be sold.

(b) We began delivering units at Anaha in October 2017. As of June 30, 2020, we have closed on 315 units. We have one unit under contract, and one unit remain to be sold.

(c) We began delivering units at Ae'o in November 2018. As of June 30, 2020, we have closed on all 465 units.

(d) Ke Kilohana consists of 375 workforce units and 48 market rate units. As of June 30, 2020, we have closed on all 423 units.

(e) We broke ground on 'A'ali'i in the fourth quarter of 2018. As of June 30, 2020, we have entered into contracts for 630 of the units.

(f) We broke ground on Kō'ula in the third quarter of 2019. During the second quarter of 2020, two purchasers defaulted on their obligations to purchase units. As of June 30, 2020, we have entered into contracts for 429 of the units.

(g) Development cost and cost-to-date are included only if the project has more than \$1.0 million of estimated costs remaining to be incurred.

(h) Total deposits held for future use are presented above only for projects under construction and are included in Restricted cash on the balance sheet.

*Howard Hughes*

## Other/Non-core Assets

Property Name	City, State	% Own	Acres	Notes
<b>Planned Future Development</b>				
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	In January 2017, we acquired the 11.4-acre Macy's site for \$22.2 million.
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.
Monarch City	Allen, TX	100%	238	Located 27 miles north of Downtown Dallas, this 261-acre mixed-use development received unanimous zoning approval June 26, 2019.
Century Park	Houston, TX	100%	63	In conjunction with the acquisition of the Occidental Towers in The Woodlands in December 2019, we acquired Century Park, a 63-acre, 1.3 million square foot campus with 17 office buildings in the West Houston Energy Corridor in Houston, TX.
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.

# Debt Summary

(In thousands)

	June 30, 2020	December 31, 2019
<b>Fixed-rate debt:</b>		
Unsecured 5.375% Senior Notes	\$ 1,000,000	\$ 1,000,000
Secured mortgages, notes and loans payable	879,773	884,935
Special Improvement District bonds	22,402	23,725
<b>Variable-rate debt:</b>		
Mortgages, notes and loans payable, excluding condominium financing (a)	2,411,620	2,199,241
Condominium financing (a) (c)	125,358	30,717
<b>Mortgages, notes and loans payable</b>	<b>4,439,153</b>	<b>4,138,618</b>
Unamortized bond issuance costs	(4,808)	(5,249)
Deferred financing costs	(33,282)	(36,899)
<b>Total mortgages, notes and loans payable, net</b>	<b>\$ 4,401,063</b>	<b>\$ 4,096,470</b>

## Net Debt on a Segment Basis, at share as of June 30, 2020 (b)

(In thousands)	Operating Assets	Master Planned Communities	Seaport District	Strategic Developments	Segment Totals	Non-Segment Amounts	Total
Mortgages, notes and loans payable (a) (c)	\$ 2,340,663	\$ 266,988	\$ 340,125	\$ 398,784	\$ 3,346,560	\$ 1,054,503	\$ 4,401,063
Mortgages, notes and loans payable of real estate and other affiliates (d)	79,331	6,205	14,350	—	99,886	—	99,886
Less:							
Cash and cash equivalents	(42,161)	(99,211)	(4,221)	(7,104)	(152,697)	(777,900)	(930,597)
Cash and cash equivalents of real estate and other affiliates (d)	(3,118)	(47,525)	(834)	(1,434)	(52,911)	—	(52,911)
Special Improvement District receivables	—	(40,963)	—	—	(40,963)	—	(40,963)
Municipal Utility District receivables	—	(320,439)	—	—	(320,439)	—	(320,439)
TIF Receivable	—	—	—	(4,032)	(4,032)	—	(4,032)
<b>Net debt</b>	<b>\$ 2,374,715</b>	<b>\$ (234,945)</b>	<b>\$ 349,420</b>	<b>\$ 386,214</b>	<b>\$ 2,875,404</b>	<b>\$ 276,603</b>	<b>\$ 3,152,007</b>

## Consolidated Debt Maturities and Contractual Obligations by Extended Maturity Date as of June 30, 2020 (e)

(In thousands)	Remaining in 2020	2021	2022	2023	2024	2025	Thereafter	Total
Mortgages, notes and loans payable	\$ 70,543	\$ 570,267	\$ 90,043	\$ 1,102,548	\$ 1,004,941	\$ 1,105,179	\$ 495,632	\$ 4,439,153
Interest payments	87,611	162,056	154,721	142,546	95,063	33,348	108,264	783,609
Ground lease and other leasing commitments	3,056	7,184	6,507	6,464	6,432	5,047	261,805	296,495
<b>Total consolidated debt maturities and contractual obligations</b>	<b>\$ 161,211</b>	<b>\$ 739,507</b>	<b>\$ 251,272</b>	<b>\$ 1,251,557</b>	<b>\$ 1,106,436</b>	<b>\$ 1,143,573</b>	<b>\$ 865,701</b>	<b>\$ 5,519,257</b>

(a) As of June 30, 2020, and December 31, 2019, \$705.0 million and \$630.1 million of variable-rate debt has been swapped to a fixed rate for the term of the related debt, respectively. An additional \$270.9 million and \$184.3 million of variable-rate debt was subject to interest rate collars as of June 30, 2020, and December 31, 2019, respectively and \$75.0 million of variable-rate debt was capped at a maximum interest rate as of June 30, 2020 and December 31, 2019.

(b) Net debt is a non-GAAP financial measure that we believe is useful to our investors and other users of our financial statements as its components are important indicators of our overall liquidity, capital structure and financial position. However, it should not be used as an alternative to our debt calculated in accordance with GAAP.

(c) As of June 30, 2020, \$125.4 million of the Mortgages, notes and loans payable related to financing for the condominium towers at Ward Village in the Strategic Developments segment.

(d) Each segment includes our share of related Mortgages, notes and loans payable and Cash and cash equivalents for all joint ventures included in Investments in real estate and other affiliates.

(e) 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	Q2 2020 Principal Balance	Contract Interest Rate	Interest Rate Hedge	Current Annual Interest Rate	Initial / Extended Maturity (a)
<b>Operating Assets</b>					
Three Hughes Landing	\$ 60,766	L+260	Floating	2.76%	Sep-20
1201 Lake Robbins	273,070	L+235	Floating	2.51%	Dec-20 / Jun-21
The Woodlands Warehouse	7,230	L+235	Floating	2.51%	Dec-20 / Jun-21
Two Merriweather	30,553	L+250	Floating	2.66%	Oct-20 / Oct-21
Outlet Collection at Riverwalk	29,647	L+250	Floating	2.66%	Oct-21
20/25 Waterway Avenue	12,995	4.79%	Fixed	4.79%	May-22
Millennium Waterway Apartments	52,495	3.75%	Fixed	3.75%	Jun-22
HHC 242 Self-Storage	5,499	L+260	Floating	2.76%	Dec-21 / Dec-22
HHC 2978 Self-Storage	5,395	L+260	Floating	2.76%	Dec-21 / Dec-22
Lake Woodlands Crossing Retail	12,319	L+180	Floating	1.96%	Jan-23
Downtown Summerlin	221,500	L+215	Floating	2.31%	Jun-23
Lakeside Row	28,787	L+225	Floating	2.41%	Jul-22 / Jul-23
Senior Secured Credit Facility	676,279	4.61%	Floating/Swap	4.61% (b), (c)	Sep-23
Two Lakes Edge	58,944	L+215	Floating	2.31%	Oct-22 / Oct-23
The Woodlands Resort & Conference Center	62,500	L+250	Floating	2.66%	Dec-21 / Dec-23
Lakefront North	39,865	L+200	Floating	2.16%	Dec-22 / Dec-23
9303 New Trails	10,982	4.88%	Fixed	4.88%	Dec-23
4 Waterway Square	32,162	4.88%	Fixed	4.88%	Dec-23
Creekside Park West	14,338	L+225	Floating	2.41%	Mar-23 / Mar-24
6100 Merriweather	52,665	L+275	Floating	2.91%	Sep-22 / Sep-24
Juniper Apartments	61,750	L+275	Floating	2.91%	Sep-22 / Sep-24
Tanager Apartments	39,323	L+225	Floating	2.41%	Oct-21 / Oct-24
9950 Woodloch Forest Drive	63,500	L+195	Floating	2.11%	Mar-25
Two Summerlin	32,803	4.25%	Fixed	4.25%	Oct-22 / Oct-25
3831 Technology Forest Drive	20,914	4.50%	Fixed	4.50%	Mar-26
Kewalo Basin Harbor	11,446	L+275	Floating	2.91%	Sep-27
Millennium Six Pines Apartments	42,500	3.39%	Fixed	3.39%	Aug-28
3 Waterway Square	46,943	3.94%	Fixed	3.94%	Aug-28
One Lakes Edge	69,440	4.50%	Fixed	4.50%	Mar-29
Aristocrat	37,578	3.67%	Fixed	3.67%	Sep-29
Creekside Park Apartments	37,730	3.52%	Fixed	3.52%	Oct-29
One Hughes Landing	51,414	4.30%	Fixed	4.30%	Dec-29
Two Hughes Landing	48,000	4.20%	Fixed	4.20%	Dec-30

# Property-Level Debt (con't)

(\$ in thousands)

Asset	Q2 2020 Principal Balance	Contract Interest Rate	Interest Rate Hedge	Current Annual Interest Rate	Initial / Extended Maturity (a)
<b>Operating Assets (cont.)</b>					
8770 New Trails	28,690	4.89%	Floating/Swap	4.89% (d)	Jun-21 / Jan-32
Constellation Apartments	24,200	4.07%	Fixed	4.07%	Jan-33
Hughes Landing Retail	34,667	3.50%	Fixed	3.50%	Dec-36
Columbia Regional Building	24,456	4.48%	Fixed	4.48%	Feb-37
Las Vegas Ballpark	50,494	4.92%	Fixed	4.92%	Dec-39
	<u>2,413,838</u>				
<b>Master Planned Communities</b>					
Bridgeland Credit Facility	\$ 125,000	L+250	Floating/Cap	2.66%	Oct-22 / Oct-24
The Woodlands Master Credit Facility	125,000	L+250	Floating/Cap	2.66%	Oct-22 / Oct-24
	<u>250,000</u>				
<b>Seaport District</b>					
250 Water Street	\$ 100,000	L+350	Floating	3.66%	Nov-22 / Nov-23
Seaport District	250,000	6.10%	Fixed/Floating	6.10% (e)	Jun-24
	<u>350,000</u>				
<b>Strategic Developments</b>					
A'ali'i	\$ 72,781	L+310	Floating	3.26%	Jun-22 / Jun-23
Kō'ula	52,577	L+300	Floating	3.16%	Mar-23 / Mar-24
110 North Wacker	270,885	L+300	Floating/Collar	4.89% (f)	Apr-22 / Apr-24
Millennium Phase III Apartments	6,669	L+175	Floating	1.91%	Aug-23 / Aug-24
Creekside Park Apartments Phase II	1	L+175	Floating	1.91%	Jan-24 / Jan -25
	<u>402,913</u>				
Total (g)	<u>\$ 3,416,751</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 \$676.3 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) Balance includes \$61.3 million drawn on the revolver portion of the loan that is intended for general corporate use.

(d) Concurrent with the closing of the \$35.5 million construction loan for 8770 New Trails on June 27, 2019, the Company entered into an interest rate swap which is designated as a cash flow hedge. The loan will bear interest at one-month LIBOR plus 2.45%, but it is currently swapped to a fixed rate equal to 4.89%.

(e) The loan initially bears interest at 6.10% and will begin bearing interest at one-month LIBOR plus 4.10% subject to a LIBOR cap of 2.30% and LIBOR floor of 0.00%, at the earlier of June 20, 2021 or the date certain debt coverage ratios are met.

(f) 100% of the \$270.9 million outstanding principal is subject to fixed interest rate collar contracts for the remaining term of the debt.

(g) Excludes JV debt, Corporate bond 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 June 30, 2020	Future Cash Payments			
				Remaining 2020	Year Ending December 31, 2021		Total
					Thereafter		
Riverwalk (a)	100%	2045-2046	\$ 762	\$ 459	\$ 1,737	\$ 40,448	\$ 42,644
Seaport	100%	2031 (b)	544	1,110	2,243	218,777	222,130
Kewalo Basin Harbor	100%	2049	—	300	300	8,000	8,600
			<u>\$ 1,306</u>	<u>\$ 1,869</u>	<u>\$ 4,280</u>	<u>\$ 267,225</u>	<u>\$ 273,374</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.

# Summary of Restructuring Expenses

(\$ in thousands)

Restructuring Expenses	Liability as of March 31, 2020	Settled in Q2 2020	(Benefit) Expense Recorded in Q2 2020	Liability as of June 30, 2020
<b>Known Expenses</b>				
Employee severance	\$ 2,604	\$ (1,719)	\$ (131)	\$ 753
<b>Estimated Expenses</b>				
Employee relocation	5,266	—	(710)	4,557
<b>Total Restructuring Expenses (a)</b>	<u>\$ 7,870</u>	<u>\$ (1,719)</u>	<u>\$ (841)</u>	<u>\$ 5,310</u>

(a) Does not include additional estimated \$1.3 million - \$2.3 million remaining restructuring expenses expected to be incurred in the remainder of 2020.



# Definitions

**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.

**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.

**Under Construction** - Projects in the Strategic Developments and Seaport District segments for which construction has commenced as of June 30, 2020, unless otherwise noted. This excludes MPC and condominium development.

**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, gain on sale or disposal of real estate and other assets, net, provision for impairment 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)	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	YTD Q2 2020	YTD Q2 2019
<b>Total Operating Assets segment EBT (a)</b>	\$ (17,342)	\$ (7,544)	\$ (3,507)	\$ 19,825	\$ 12,628	\$ (24,886)	\$ 18,314
Add back:							
Depreciation and amortization	36,995	37,089	30,609	28,844	28,938	74,084	56,046
Interest expense, net	23,103	26,193	20,334	21,645	20,059	49,296	39,050
Equity in earnings from real estate and other affiliates	(475)	(4,394)	(477)	(441)	(45)	(4,869)	(2,754)
Gain on sale or disposal of real estate and other assets, net	—	(38,124)	—	—	—	(38,124)	—
Selling profit from sales-type leases	—	—	—	(13,537)	—	—	—
Provision for impairment	—	48,738	—	—	—	48,738	—
Impact of straight-line rent	(3,248)	(3,103)	(1,096)	(2,529)	(2,537)	(6,351)	(5,382)
Other	(119)	173	412	477	(340)	54	(218)
<b>Total Operating Assets NOI - Consolidated</b>	<b>38,914</b>	<b>59,028</b>	<b>46,275</b>	<b>54,284</b>	<b>58,703</b>	<b>97,942</b>	<b>105,056</b>
<b>Redevelopments</b>							
110 North Wacker	10	1	1	2	2	11	2
<b>Total Operating Asset Redevelopments NOI</b>	<b>10</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>11</b>	<b>2</b>
<b>Dispositions</b>							
100 Fellowship Drive	73	(1,123)	(1,051)	(1,163)	—	(1,050)	—
<b>Total Operating Asset Dispositions NOI</b>	<b>73</b>	<b>(1,123)</b>	<b>(1,051)</b>	<b>(1,163)</b>	<b>—</b>	<b>(1,050)</b>	<b>—</b>
<b>Consolidated Operating Assets NOI excluding properties sold or in redevelopment</b>	<b>38,997</b>	<b>57,906</b>	<b>45,225</b>	<b>53,123</b>	<b>58,705</b>	<b>96,903</b>	<b>105,058</b>
<b>Company's Share NOI - Equity investees</b>	<b>1,836</b>	<b>2,237</b>	<b>2,123</b>	<b>2,043</b>	<b>1,688</b>	<b>4,073</b>	<b>3,152</b>
<b>Distributions from Summerlin Hospital Investment</b>	<b>—</b>	<b>3,724</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,724</b>	<b>3,625</b>
<b>Total Operating Assets NOI</b>	<b>\$ 40,833</b>	<b>\$ 63,867</b>	<b>\$ 47,348</b>	<b>\$ 55,166</b>	<b>\$ 60,393</b>	<b>\$ 104,700</b>	<b>\$ 111,835</b>

(a) EBT excludes corporate expenses and other items that are not allocable to the segments.

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

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

(In thousands)	<b>Q2 2020</b>	<b>Q1 2020</b>	<b>Q4 2019</b>	<b>Q3 2019</b>	<b>Q2 2019</b>	<b>YTD Q2 2020</b>	<b>YTD Q2 2019</b>
<b>Total Seaport District segment EBT (a)</b>	\$ (24,636)	\$ (35,956)	\$ (12,464)	\$ (16,656)	\$ (14,270)	\$ (60,592)	\$ (30,122)
Add back:							
Depreciation and amortization	6,776	20,875	6,668	6,767	6,753	27,651	12,946
Interest expense, net	4,626	5,053	4,425	4,984	1,924	9,679	3,456
Equity in losses from real estate and other affiliates	6,633	2,043	804	705	451	8,676	1,083
Loss on sale or disposal of real estate	—	—	—	—	—	—	6
Gain on extinguishment of debt	—	—	(4,851)	—	—	—	—
Impact of straight-line rent	1,208	125	(24)	412	491	1,333	1,246
Other loss, net (b)	1,953	3,970	190	896	1,764	5,923	4,513
<b>Total Seaport District NOI - Consolidated</b>	<b>(3,440)</b>	<b>(3,890)</b>	<b>(5,252)</b>	<b>(2,892)</b>	<b>(2,887)</b>	<b>(7,330)</b>	<b>(6,872)</b>
<b>Company's Share NOI - Equity investees</b>	<b>(305)</b>	<b>(376)</b>	<b>(325)</b>	<b>(148)</b>	<b>(42)</b>	<b>(681)</b>	<b>(237)</b>
<b>Total Seaport District NOI</b>	<b>\$ (3,745)</b>	<b>\$ (4,266)</b>	<b>\$ (5,577)</b>	<b>\$ (3,040)</b>	<b>\$ (2,929)</b>	<b>\$ (8,011)</b>	<b>\$ (7,109)</b>

(a) EBT excludes corporate expenses and other items that are not allocable to the segments.

(b) Includes miscellaneous development-related items as well as the loss related to the write-off of inventory due to the permanent closure of 10 Corso Como Retail and Café

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

(In thousands)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Total residential land sales closed in period	\$ 57,123	\$ 59,247	\$ 86,869	\$ 98,726
Total commercial land sales closed in period	—	—	2,096	—
Net recognized (deferred) revenue:				
Bridgeland	—	34	(305)	34
Summerlin	(839)	(970)	7,354	475
Total net recognized (deferred) revenue	(839)	(936)	7,049	509
Special Improvement District bond revenue	789	10	791	398
Total land sales revenue - GAAP basis	\$ 57,073	\$ 58,321	\$ 96,805	\$ 99,633

(In thousands)

## Reconciliation of MPC Segment EBT to MPC Net Contribution

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
MPC segment EBT	\$ 42,187	\$ 47,235	\$ 86,308	\$ 84,832
Plus:				
Cost of sales - land	25,875	28,006	42,661	44,824
Depreciation and amortization	91	86	182	246
MUD and SID bonds collections, net	4,935	119	6,058	981
Distributions from real estate and other affiliates	1,173	1,306	2,345	2,741
Less:				
MPC development expenditures	(51,488)	(63,071)	(116,384)	(119,843)
MPC land acquisitions	—	—	—	(752)
Equity in losses (earnings) in real estate and other affiliates	2,968	(6,499)	(5,966)	(14,336)
MPC Net Contribution	\$ 25,741	\$ 7,182	\$ 15,204	\$ (1,307)

(In thousands)

## Reconciliation of Segment EBTs to Net Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Operating Assets segment EBT	\$ (17,342)	\$ 12,628	\$ (24,886)	\$ 18,314
MPC segment EBT	42,187	48,714	86,308	87,759
Seaport District segment EBT	(24,636)	(14,270)	(60,592)	(30,122)
Strategic Developments segment EBT	(2,244)	13,345	(105,924)	73,989
Corporate income, expenses and other items	(38,912)	(42,616)	(95,035)	(89,198)
(Loss) income before taxes	(40,947)	17,801	(200,129)	60,742
Provision for income taxes	6,844	(4,473)	40,944	(15,489)
Net (loss) income	(34,103)	13,328	(159,185)	45,253
Net loss (income) attributable to noncontrolling interests	19	149	(33)	45
Net (loss) income attributable to common stockholders	\$ (34,084)	\$ 13,477	\$ (159,218)	\$ 45,298

*Howard Hughes*