

UNITED STATES SECURITIES AND EXCHANGE  
COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 19, 2021

*Howard Hughes*

**THE HOWARD HUGHES CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

001-34856  
(Commission File Number)

36-4673192  
(I.R.S. Employer  
Identification No.)

9950 Woodloch Forest Drive, Suite 1100  
The Woodlands, Texas 77381  
(Address of principal executive offices)

Registrant's telephone number, including area code: (281) 719-6100

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

<u>Title of each class:</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered:</u>
Common stock \$0.01 par value per share	HHC	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01 Regulation FD Disclosure.**

On October 19, 2021, The Howard Hughes Corporation (the “Company”) issued a press release and an investor presentation announcing the acquisition and launch of Douglas Ranch, a new large-scale master planned community (“Douglas Ranch”) to be developed in the city of Buckeye in Phoenix’s West Valley effective October 18, 2021 (the “Effective Date”). The Company acquired Douglas Ranch from JDM Partners, led by Jerry Colangelo, David Eaton and Mel Shultz, and El Dorado Holdings, led by Mike Ingram, for approximately \$600 million. JDM Partner and El Dorado Holdings (the “JV Partners”) will remain as joint venture partners with the Company on Trillium, the 3,000-acre first village to be developed in Douglas Ranch. The JV Partners also have an option to reacquire 50% of Douglas Ranch (excluding Trillium) for \$271 million that expires six-months after the Effective Date. The acquired properties include nearly 37,000 acres of developable land, which is anticipated to include approximately 100,000 homes, 300,000 residents and 55 million square feet of commercial development. Residential lot sales at the to be developed master planned community are expected to begin in the first half of 2022.

Copies of the press release and the investor presentation are attached hereto as Exhibit 99.1 and 99.2, respectively, are incorporated herein by reference and have been posted on our website at [www.howardhughes.com](http://www.howardhughes.com) under the “Investors” tab.

The information contained in this Current Report on Form 8-K pursuant to this “Item 7.01 Regulation FD Disclosure” is being furnished. This information shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section or shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, unless specifically identified therein as being incorporated by reference.

**FORWARD LOOKING STATEMENTS**

**Forward-Looking Statements**

Statements made in this Current Report on Form 8-K (this “Current Report”) that are not historical facts, including statements accompanied by words such as “will,” “believe,” “expect,” “enables,” “realize,” “plan,” “intend,” “assume,” “transform” and other words of similar expression, are *forward-looking statements* within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management’s expectations, estimates, assumptions, and projections as of the date of this Current Report and are not guarantees of future performance. Actual results may differ materially from those expressed or implied in these statements. Factors that could cause actual results to differ materially are set forth as risk factors in the Company’s filings with the Securities and Exchange Commission, including its Quarterly and Annual Reports. The Company cautions you not to place undue reliance on the *forward-looking statements* contained in this Current Report. The Company does not undertake any obligation to publicly update or revise any *forward-looking statements* to reflect future events, information or circumstances that arise after the date of this Current Report.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">99.1</a>	<a href="#">Press release, dated October 19, 2021.</a>
<a href="#">99.2</a>	<a href="#">Investor Presentation, dated October 19, 2021.</a>
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE HOWARD HUGHES CORPORATION

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

Date: October 19, 2021

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**The Howard Hughes Corporation® and Jerry Colangelo Announce  
Launch of 37,000-Acre Master Planned Community in Phoenix's West Valley**

*Residential Lot Sales to Begin in First Half of 2022 at Douglas Ranch;  
Acquisition in Nation's Fastest-Growing Metro Region Solidifies Howard Hughes Position  
as Leading Developer of Large-Scale, Mixed-Use Communities*

*HHC to Host Investor Presentation Call Today at 9:00 a.m. Eastern Time*

**PHOENIX, October 19, 2021**—The Howard Hughes Corporation® (NYSE: HHC) and Jerry Colangelo today announced the launch of Douglas Ranch, a new large-scale master planned community (MPC) in Phoenix's West Valley. Encompassing nearly 37,000 acres in the nation's fastest-growing metro region, Douglas Ranch is anticipated to become one of the leading MPCs in the country, with 100,000 homes, 300,000 residents and 55 million square feet of commercial development. Residential lot sales at Douglas Ranch are scheduled to begin in the first half of 2022. The MPC was acquired by Howard Hughes from JDM Partners, led by Colangelo, David Eaton and Mel Shultz, and El Dorado Holdings, led by Mike Ingram; both companies will remain as joint venture partners with HHC on Trillium, the 3,000-acre first village of Douglas Ranch, located in the city of Buckeye, Arizona.

"The launch of Douglas Ranch is momentous news for Phoenix and the state of Arizona. We are creating a city of the future—leveraging The Howard Hughes Corporation's development expertise to build a community with limitless potential to spur growth, business expansion, economic opportunity and innovation," said Jerry Colangelo, sports executive, businessman, and long-time Phoenix resident whose development company, JDM Partners, is one of the largest owners of entitled land in Arizona.

"To ensure the success of Douglas Ranch, we specifically sought out The Howard Hughes Corporation for its unique capability to build exceptional communities, implement proven best-in-class practices across new platforms at significant scale, and rapidly deliver on build-to-suit opportunities to help businesses relocate," Colangelo continued. "As we prepare to start selling homes, we are excited that Douglas Ranch has been elevated to the ranks of the Howard Hughes communities that are among the most sought-after places to live, work and thrive in the nation."

Douglas Ranch will become an industry-leading community focused on sustainable development and technological advancement which will help serve and drive the substantial growth that is taking place in the Phoenix region—which has ranked as the country's top metropolitan area for net migration for the past three years, owing to its strong economy, low unemployment rate, business-friendly environment, and educated workforce. Phoenix has added almost a million residents in the last decade and is expected to grow by approximately 100,000 residents annually over the next 10 years. The city's West Valley showed outsized growth in new home construction in the region at over 8% per year and captured 57% of all housing demand in Phoenix. The area is positioned for exponential growth as long-term migration of residents and businesses is projected to continue.

With this acquisition, The Howard Hughes Corporation now operates the country's largest portfolio of large-scale master planned communities, with over 100,000 acres, including Summerlin® in Las Vegas, and The Woodlands® and Bridgeland® in the Greater Houston area, which all consistently rank among the country's best places to live. The company also operates acclaimed mixed-use developments including Downtown Columbia®, MD, the Seaport in New York City, and Ward Village® in Honolulu.

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“We are excited to partner with JDM and El Dorado to launch what will be the leading master planned community in the Western United States,” said David O’Reilly, Chief Executive Officer of The Howard Hughes Corporation. “Douglas Ranch will be a model for forward-thinking development and offer an extraordinary lifestyle built on a robust economic foundation—incorporating best practices from across our national portfolio to advance environmental priorities and technological innovations.”

The \$600 million acquisition of the 37,000-acre Douglas Ranch is a unique opportunity to add a fully entitled, “shovel-ready” MPC to HHC’s acclaimed portfolio of award-winning communities—without hindering the company’s already extensive development pipeline. With the expectation of 1,000+ lot sales in 2022, Douglas Ranch is able to replicate the self-funding business model synonymous with HHC’s other large-scale master planned communities. Further demonstrating its strong market position, HHC is equipped with ample excess liquidity available to be allocated to continue meet underlying demand across its portfolio.

“The characteristics of this community are vastly similar to HHC’s other MPCs across the country, with a prime location, strong demographics in a thriving job market, high barriers to entry, and limited competition,” added O’Reilly. “Phoenix ranks as one of the country’s most affordable metropolitan areas, and as it continues its dynamic growth as an extremely well-situated regional hub, Phoenix’s West Valley is the ideal location for people and businesses looking to thrive for generations to come.”

Douglas Ranch is projected to become home to over 300,000 residents and to emerge as a vital commercial business center as residents move into the community and growing appetites for commercial amenities create development opportunities for new diversified product types within the Howard Hughes portfolio—including single family for rent and industrial assets. It is strategically positioned in the pathway of Phoenix’s significant growth in the West Valley and has direct access to I-10 through the Sun Valley Parkway. Additionally, Douglas Ranch is located off the future home of the I-11 interstate which has received Congressional approval and is projected to create \$30 to \$60 billion of economic impact in the region. I-11 will connect Phoenix, Las Vegas, and Southern California, and eventually establish a new trade route between Canada and Mexico by way of Idaho, Arizona and Nevada.

“Douglas Ranch will be a catalyst for growth, an economic boon for Arizona, and an ideal strategic fit within our HHC portfolio,” said Jay Cross, President of The Howard Hughes Corporation. “As we shape our cities of tomorrow and deliver the new urban experiences that people and businesses are seeking today, we are designing communities with urban amenities and intelligent infrastructure integrated into expansive open settings, with convenient access to major metropolitan cities. This transaction presents an opportunity to implement impactful ESG initiatives to support the community and promote renewable practices. The Howard Hughes Corporation is defined by our steadfast commitment to the master planned communities we develop and operate, and we are thrilled to include Phoenix as a place we call home.”

Centerview Partners LLP served as exclusive financial advisor to The Howard Hughes Corporation.

#### **Investor Presentation Call Information**

The company will hold an investor conference call and presentation today, Tuesday, October 19 at 9:00 a.m. Eastern Time.

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- To access the live presentation, use this weblink <https://services.choruscall.com/mediaframe/webcast.html?webcastid=FJzdnJnv>.
- To participate in the live Q&A, dial 1-877-883-0383 within the U.S., or 1-412-902-6506 when dialing internationally.
- All participants should dial in at least five minutes prior to the scheduled start time using 49965822 as the passcode.

The presentation will be available on the Investors section of the company's website following the conference call.

**About The Howard Hughes Corporation®**

The Howard Hughes Corporation owns, manages and develops commercial, residential and mixed-use real estate throughout the U.S. Its award-winning assets include the country's preeminent portfolio of master planned communities, as well as operating properties and development opportunities including: the Seaport in New York City; Downtown Columbia®, Maryland; The Woodlands®, The Woodlands Hills®, and Bridgeland® in the Greater Houston, Texas area; Summerlin®, Las Vegas; Ward Village® in Honolulu, and Douglas Ranch in Phoenix. The Howard Hughes Corporation's portfolio is strategically positioned to meet and accelerate development based on market demand, resulting in one of the strongest real estate platforms in the country. Dedicated to innovative placemaking, the company is recognized for its ongoing commitment to design excellence and to the cultural life of its communities. The Howard Hughes Corporation is traded on the New York Stock Exchange as HHC. For additional information visit [www.howardhughes.com](http://www.howardhughes.com).

**Safe Harbor Statement**

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

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**The Howard Hughes Corporation**

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# Douglas Ranch

The Next Great MPC

*Howard Hughes*



### Forward-looking statements

Statements made in this presentation that are not historical facts, including statements accompanied by words such as "anticipate," "believe," "estimate," "expect," "forecast," "intend," "likely," "may," "plan," "project," "realize," "should," "transform," "would," and other statements of similar expression and other words of similar expression, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934.

These statements are based on management's expectations, estimates, assumptions and projections as of the date of this presentation and are not guarantees of future performance. Actual results may differ materially from those expressed or implied in these statements. Factors that could cause actual results to differ materially are set forth as risk factors in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission. In this presentation, forward-looking statements include, but are not limited to, expectations about the performance of our Master Planned Communities segment and other current income-producing properties and future liquidity, development opportunities, development spending and management plans. We caution you not to place undue reliance on the forward-looking statements contained in this presentation and do not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the date of this presentation except as required by law.

### Non-GAAP financial measures

The Company believes that net operating income, or NOI, a non-GAAP financial measure, is a useful supplemental measure of the performance of our Operating Assets because it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating real estate properties and the impact on operations from trends in rental and occupancy rates and operating costs. We define NOI as operating revenues (rental income, tenant recoveries and other revenues) less operating expenses (real estate taxes, repairs and maintenance, marketing and other property expenses).

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 base have on our operating results, gross margins and investment returns.

MPC Segment EBT represents the revenues less expenses of the segment, including interest income, interest expense, depreciation and amortization and equity in earnings of real estate and other affiliates. MPC Segment EBT excludes corporate expenses and other items that are not allocable to the MPC Segment. We present MPC Segment EBT because we use this measure, among others, internally to assess the core operating performance of the segment.

Although we believe that NOI and MPC Segment EBT provide useful information to the investors about the performance of our Operating Assets and MPC's due to the exclusions noted above, NOI and MPC Segment EBT should only be used as additional measures of the financial performance of such assets and not as an alternative to GAAP net income (loss).

For a reconciliation of NOI and MPC Segment EBT to the most directly comparable GAAP measure see the Reconciliation to Non-GAAP Measures at the end of this presentation. No reconciliation of projected NOI is included in this presentation because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts and we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors.





### The Acquisition

- The Howard Hughes Corporation (“HHC”) and Jerry Colangelo have announced the launch of Douglas Ranch, a new large-scale master planned community (“MPC”) in Phoenix’s West Valley, which encompasses ~37,000 acres
- The MPC was acquired for \$600mm from Colangelo’s JDM Partners (“JDM”) and El Dorado Holdings (“El Dorado”), which will both remain as joint venture partners with HHC on Trillium, the first village of Douglas Ranch which encompasses just over 3,000 acres

### The Opportunity

- The sellers sought out HHC given its reputation as a best-in-class MPC developer, and they view HHC as being uniquely qualified to execute this opportunity
- Douglas Ranch will become an industry-leading community focused on sustainable development and technological advancement which will help serve and drive the substantial growth that is taking place in the Phoenix region
- Ability to leverage best-in-class practices from our MPCs to a ~37,000-acre blank canvas MPC that has been fully entitled and is shovel-ready
- Opportunity to develop one of the leading MPCs located in the Sun Belt, with over 100,000 homes, 300,000 residents and up to 55mm square feet of commercial development in the fastest growing city in the country

*Howard Hughes*

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# Why Douglas Ranch?

## Douglas Ranch is a great strategic fit for HHC

### High Growth Market

Exceptionally situated in the fastest growing metro region in the U.S.  
Superior demographics, favorable business environment, and a thriving job market in one of the most affordable areas of the country

### Strategic Capital Allocation

Acquisition is accretive to HHC's cash flow and NOI growth, which will accelerate HHC's model of perpetual value creation  
Over \$850mm of pro forma liquidity following the transaction supports our existing development pipeline across every region of the portfolio  
Recycles net proceeds from non-core asset sales into our latest core MPC leveraging HHC's core expertise

### Immediately Accretive

Previous owners spent the last two decades assembling the land and entitlements  
Fully-entitled, shovel ready MPC will commence land sales in 2022 with over 1,000 lots, generating funds to support existing opportunities across the portfolio

### Generational Opportunity

Entitled for 100,000 homes, 300,000 residents and 55mm square feet of commercial development  
Ability to diversify into new commercial offerings including industrial and single-family for rent asset classes

### Limitless Innovation

Vast land bank presents the opportunity to develop an MPC from the ground up  
HHC will be able to fully execute on delivering a market-leading community focused on sustainability and technology

 *Howard Hughes.*



# Douglas Ranch Meets HHC Investment Criteria

## Douglas Ranch Opportunity

- ✓ Phoenix market is the fastest growing MSA with low unemployment rate
- ✓ Fully entitled, large scale MPC spanning 37,000 acres positioned in the Sun Belt region
- ✓ Benefit from best-in-class development, design and ESG practices
- ✓ Affordable location in a pro-business, low-tax state
- ✓ Substantial returns for 50 yrs.

**Douglas Ranch has all the Characteristics to be a Very Attractive Long-Term Investment**



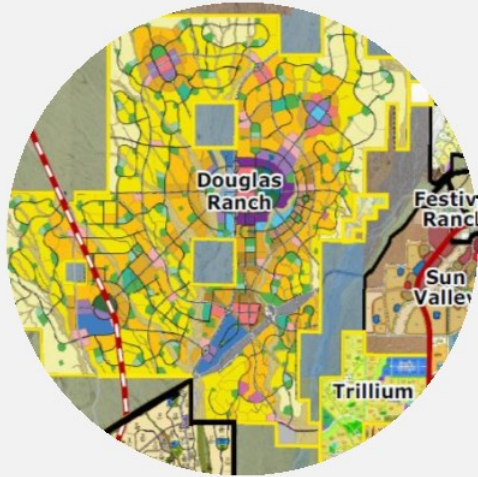
*Howard Hughes*

Sources: Land Advisors report, U.S. Bureau Labor of Statistics, Cromford report and market research.

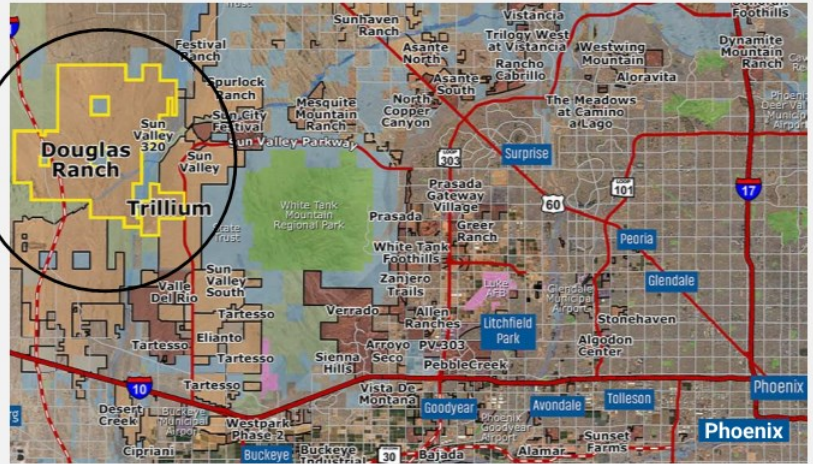
# Douglas Ranch Relation to Phoenix

Located in the West Valley, Douglas Ranch sits approximately 50 miles west of Phoenix, Arizona in the city of Buckeye

Douglas Ranch<sup>(1)</sup>



Map of Phoenix's West Valley<sup>(1)</sup>




Sources: Land Advisors report, U.S. Bureau Labor of Statistics, Cromford report and market research.


(1) Includes Douglas Ranch and Trillium, which we refer collectively as Douglas Ranch. Includes proposed I-11 Highway, which will directly connect Phoenix to Las Vegas and Mexico.


# Douglas Ranch Offers Ideal Location

 Convenient access to six major metropolitan cities

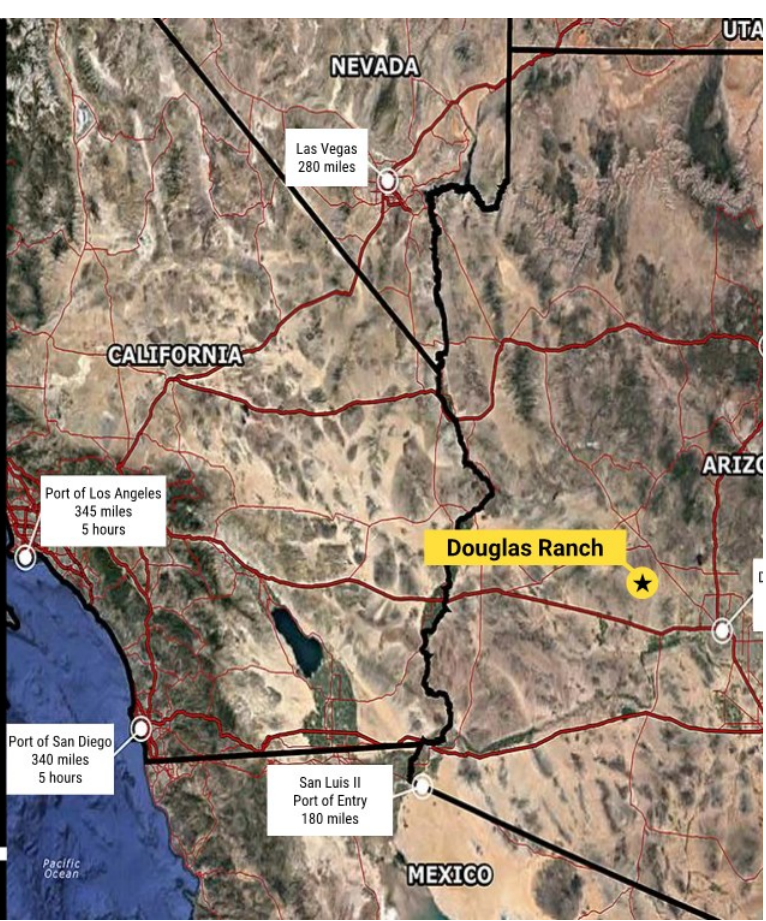
 Situated directly in the pathway of robust demand driven by:

- Rapid population growth
- Permanent geographical constraints
- Continued housing affordability

 These demand drivers suggest positive investment tailwinds throughout the Phoenix area

 Douglas Ranch as an ideal hub for industrial development given its proximity to I-10 as well as the future path of I-11

 *Howard Hughes*



# Phoenix is Experiencing Rapid Growth Residential & Commercial Growth

## ✂ One of the Fastest Growing Cities

Since 2010, Phoenix has added almost 1mm residents and has grown to a population of ~5mm with a strong outlook

- Expected to grow by ~100k annually over the next 10 years

10 consecutive years of price gains averaging 12.4% annual growth per year since 2012

5<sup>th</sup> largest city in the U.S., and 1 of 13 cities with 4 professional sports leagues

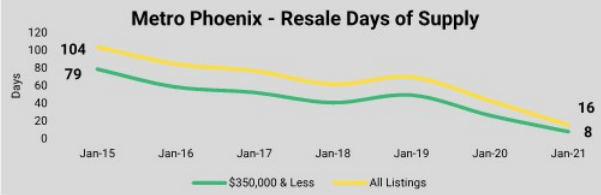
Strong economy w/ a low unemployment rate (4.8% vs national average of 5.2%)(1)

Tied for highest single family rental projected growth market (6%+) by GreenStreet

Leads nation with 24mm SF of under construction industrial space as demand rises

Rated #1 airport in the country by WSJ

## 🏠 Resulting in a Severe Lack of Available Supply

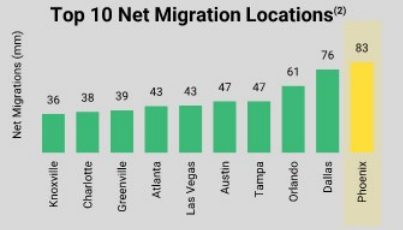


Est. ~630k housing units needed to meet demand



Large market for single-family homes for sale and rentals

## 📈 Phoenix is Benefiting from Rapid Growth



Sources: Land Advisors report, U.S. Bureau Labor of Statistics, Cromford report and market research.  
 (1) As of August 2021.  
 (2) In 2020.

# ...While Remaining One of the Most Affordable Metropolitan Areas...

## Affordability Meets High Growth Market

Phoenix's home prices have averaged **12.4%** annual growth since 2012, and remains one of the most affordable metros

- ~75% of all resale homes are below \$400k; ~50% of all resale homes are below \$300k

Unlike other metropolitan areas, Phoenix's median household income has stayed above the salary needed to buy a median-priced home in Phoenix

Fundamentals have created resilient single family for rent market to capitalize on under supplied housing

## Phoenix is Most Affordable Metro Area

### Salary Needed to Buy Median-Priced Home



## Median Home Price ~\$300k

### Median-Priced Homes



## Modest Home Price Range

### Resale Home Sales by Price Range



Sources: U.S. Census Bureau and Arizona Commerce Authority, HSH, RL Brown, Phoenix Metro Area data, Land Advisors report and market research.

# ... Which has Led to a Very Positive Outlook

## Home Builder Outlook for Phoenix is Among the Strongest

Strong market conditions reflect builders experiencing robust / steady sales (4 to 5 a month), with prices increasing every month



## Key Market Observations

"Anticipates [for Phoenix] an **increase in jobs and population, with home prices expected to rise** while other cities will see a decline."

- John Burns (Jan. 2020)

"Many of the **hottest housing markets are in the inland West and Sunbelt... Phoenix, Austin and Salt Lake City** have the three **highest annual rates of appreciation** among the 50 largest markets right now."

- Forbes (Apr. 2021)

"**Metro Phoenix will remain in the top tier** for housing, population and job growth 2021-2025."

- Land Advisors Organization (Feb. 2021)



Sources: John Burns 2021 Survey, Land Advisors report, and market research.



# Phoenix Market is Migrating West

## Phoenix's Population has been Migrating West

West Valley holds the most substantial growth across the Metro Phoenix area for new home construction

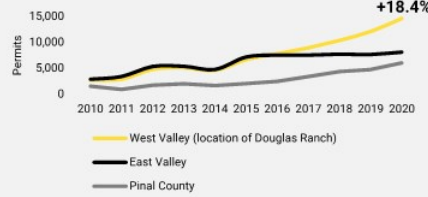
- 57% of all housing demand in Phoenix is in the West Valley and area is positioned to grow

Projected migration is mostly young families and professionals, growing at a 5-year CAGR of 35% and 15%, respectively

Migratory flows west support the ongoing development of Douglas Ranch as a strong tailwind

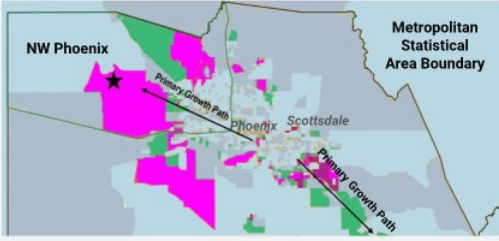
## Families are Migrating to the West Valley

### Metro Phoenix Single-Family Permits by Region



Market	2010 Market Share	2020 Market Share
West Valley	38%	51%
East Valley	41%	28%
Pinal County	21%	21%

## NW Phoenix is Experiencing Outsized Returns

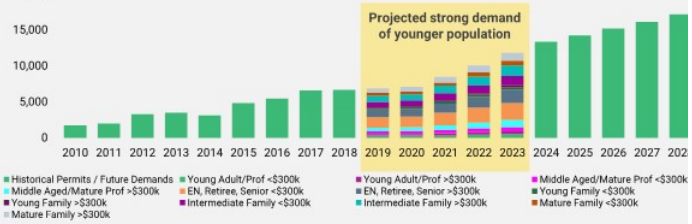


### Avg. Annual Household Growth

- (1)-1%
- 1-3%
- 3-5%
- 5-8%
- 8%+

## New Home Demand to Remain Strong into Future

### New Home Demand in the West Valley



Sources: Land Advisors report, HBACA, RCLCO report, Moody's, ESRI, Phoenix Business Journal, AZ Family, HUD, U.S. Census Bureau, RCLCO Consumer Research and market research.

# Background on Douglas Ranch

Today, Douglas Ranch's 37,000 acres are shovel-ready and poised for significant future development, zoned for:

- Over 100k residential units, equating to approximately 300k residents
- Up to 55mm square feet of commercial uses

Over the past two decades, the prior ownership group (JDM and El Dorado) assembled the land, in addition to obtaining necessary entitlements and progress planning

JDM and El Dorado are recognized as one of the largest owners of entitled land in the Phoenix metro area which signifies their confidence in this region

2002: JDM Purchases Douglas Ranch

2010: Entered into a master plan agreement with the City of Buckeye

2022: Entering first contracts with homebuilders at Trillium

2005: Partnership between JDM and El Dorado established

2015: Groundbreaking for I-11 freeway, which will bisect the development

*Howard Hughes*

# Overview of the First Village – “Trillium”

## Trillium to Generate Momentum for MPC

Comprised of ~3,029 acres and is at the front door to Douglas Ranch via the Sun Valley Parkway

Strategically positioned in the pathway of Phoenix's significant growth in the West Valley

The first lots are expected to be contracted for sale to homebuilders in first half of 2022

In active discussions to sell ~1,000 lots at ~\$80-85k per lot; ~\$300-\$315k per acre

Will offer reasonable pricing and strong amenities that will accelerate demand for the rest of Douglas Ranch

Planned 300+ acres of parks

Access to I-10 (via Sun Valley Parkway)



Sun Valley Parkway



 Howard Hughes.

# In Negotiations to Sell First Residential Lots



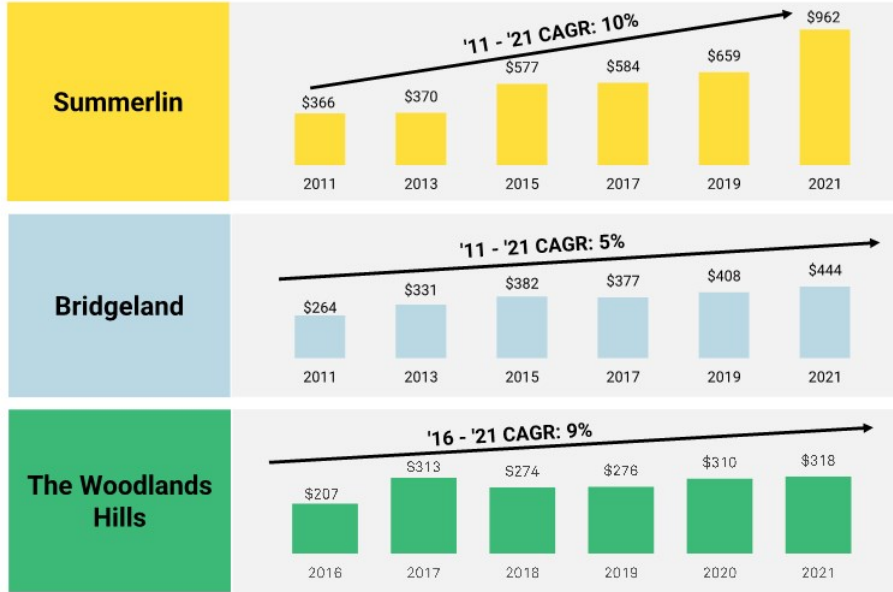
## Trillium Residential Lot Sales

Immediate impact to HHC with lot sales to begin in first half of 2022

Expect to deliver over 1,000+ lots in first year of operations

Initial sales to range between \$300k - \$315k per acre, noticeably higher than HHC's basis of \$39k per acre at Trillium

Anticipate outsized land price appreciation between 5% - 10% over the long-term, similar to our existing MPCs which have historically outperformed their nearby markets

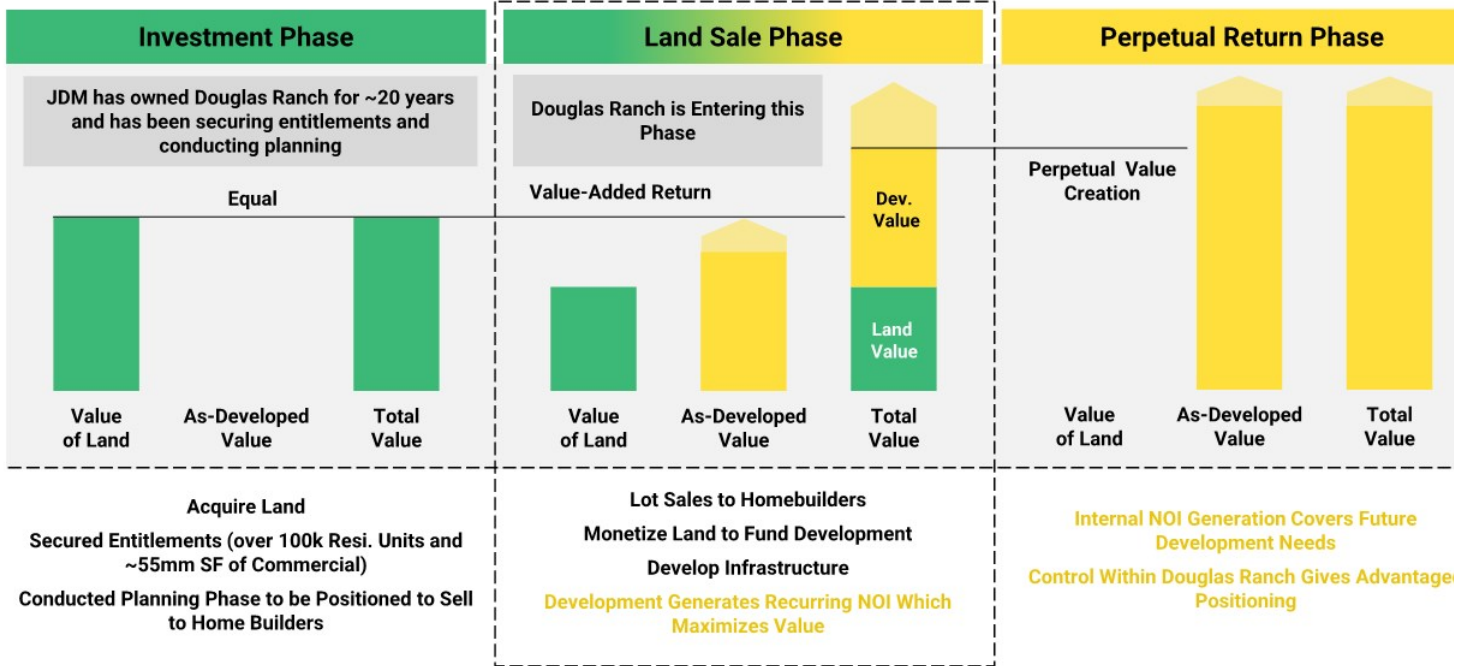


Delivering Long-Term Appreciation in Value<sup>(1)</sup>



Source: Company filings and data. Price per acre, \$ in thousands  
 (1) 2021 price per acre is based on a weighted average of acres sold YTD.



# Phases of Return Generation for Douglas Ranch



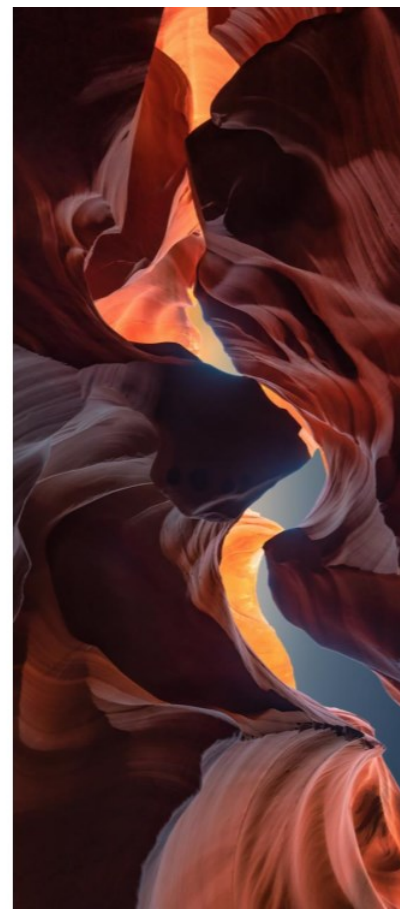
 *Howard Hughes.*

# Initial Proposed Development Plan

Near-term and long-term development plans for Douglas Ranch are already in place, which allow for immediate action

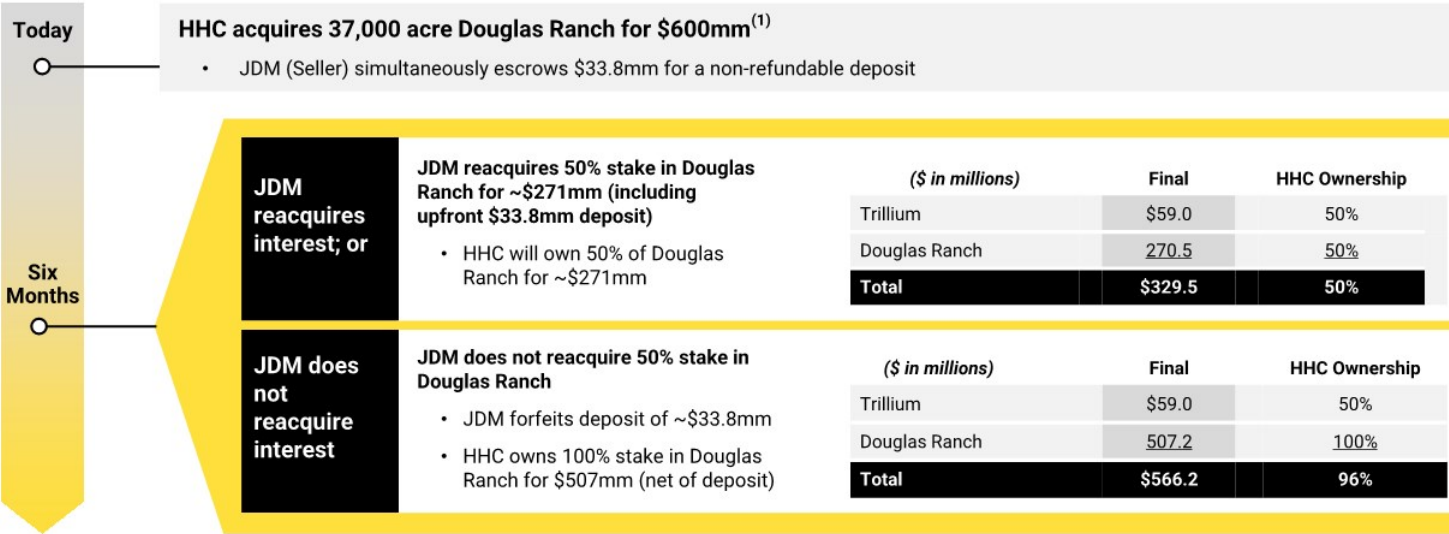
 <b>Near-term Plan</b> (~5 Years)	 <b>Long-term Plan</b> (~20 Years)
Establish Douglas Ranch as the premier MPC within the Phoenix West Valley where land sales are expected in the first village, Trillium, with ~1,000 lots sales in 2022	Establish Douglas Ranch as one of the leading sustainable MPCs in the nation with a strong focus on environmental awareness and innovative technology
Uniquely positioned for near-term commercial opportunities given the demand for industrial and fundamentals supporting the single-family rental market	Potential to establish the community as a commercial hub for logistics (west to LA and north to Las Vegas), top regional amenities, education and more
Diversify residential offerings across a wide range price points to support an accelerated sales velocity	Become a top-selling MPC in the country by expanding home sales across a wider range of price points and demographics as MPC matures
Progress development and infrastructure through the Trillium parcel to activate Douglas Ranch	Diverse commercial segmentation (single-family rentals, multi-family, condo, office, warehouse, logistics, medical, retail, etc.)
Secure a regional anchor (college / school system, logistics hub, large corporate user, etc.)	Generate significant free cash flow for reinvestment across portfolio or into new opportunities
<b>Cash Flow Neutral</b>	<b>Cash Flow Positive</b>

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# Deal Overview

HHC's acquisition and JDM's six-month option period provides strong deal dynamics



(1) JDM and El Dorado continue to hold a 50% stake in Trillium. JDM has six months to decide whether or not to reacquire interest.

# HHC Has Significant Excess Liquidity for Investment Opportunities

## Well-Positioned With Strong Fundamentals

HHC's disciplined capital approach allows the company to acquire Douglas Ranch and still have ample liquidity to fund development activity across every region within its portfolio

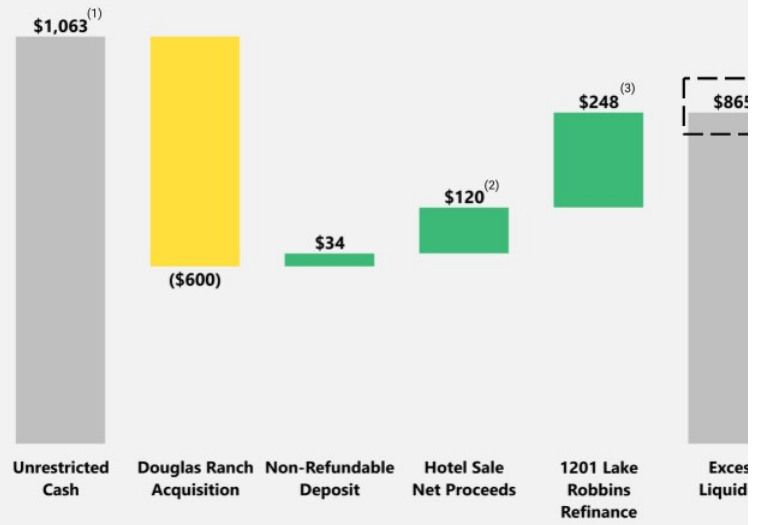
Acquisition will not restrict HHC's ability to execute on decade's long development pipeline

Activity from core business segments will continue to generate meaningful cash flow

Sale of remaining non-core assets will drive liquidity even higher

**Project is immediately cash-flow neutral with opportunity for generational wealth creation**

## Sufficient Excess Liquidity Remaining



Source: Company filings and data. In \$ millions.

(1) As of 2Q '21.

(2) Net proceeds following the sale of HHC's three Woodlands-based hotels announced Sept. 16, 2021.

(3) Net proceeds following the refinance of 1201 Lake Robbins announced Oct. 18, 2021.



# Addition of Douglas Ranch Will Add Meaningful Value to HHC's NAV

HHC Segments <sup>(1)</sup>	Remaining Acres	Asset Value	Per Share
The Woodlands	748 ac.	575	
The Woodlands Hills	1,467 ac.	280	
Bridgeland	4,145 ac.	1,247	
Summerlin	3,695 ac.	1,947	
Columbia	96 ac.	191	
MPC Net Debt	-	394	
<b>+ Douglas Ranch</b>	<b>36,839 ac.</b>	<b>TBD</b>	
<b>Master Planned Communities</b>	<b>46,990 ac.</b>	<b>\$4,634+</b>	<b>\$85+</b>
<b>Operating Assets</b>		<b>2,476</b>	<b>\$45</b>
<b>Ward Village</b>		<b>1,382</b>	<b>\$25</b>
<b>Seaport</b>		<b>943</b>	<b>\$17</b>
<b>Non-Core &amp; Corporate</b>		<b>(1,186)</b>	<b>\$(22)</b>
<b>Sum of the Parts Total</b>		<b>\$8,250+</b>	<b>\$150+</b>

Significant increase in bank will drive HHC's NAV substantially higher



Source: Company filings and data. In \$ millions.  
 (1) Values in table as of Dec. 31<sup>st</sup>, 2020 to match NAV presented at HHC's 2021 Investor Day.

# Douglas Ranch Adds to HHC's Depth of Unmatched Opportunities



## Portfolio Now Spans 100,000+ Acres Across Six States

Douglas Ranch diversifies and enhances HHC's platform

8 total communities

Situated in affluent and growing markets

Will be home to over 700,000 residents once all communities are fully developed

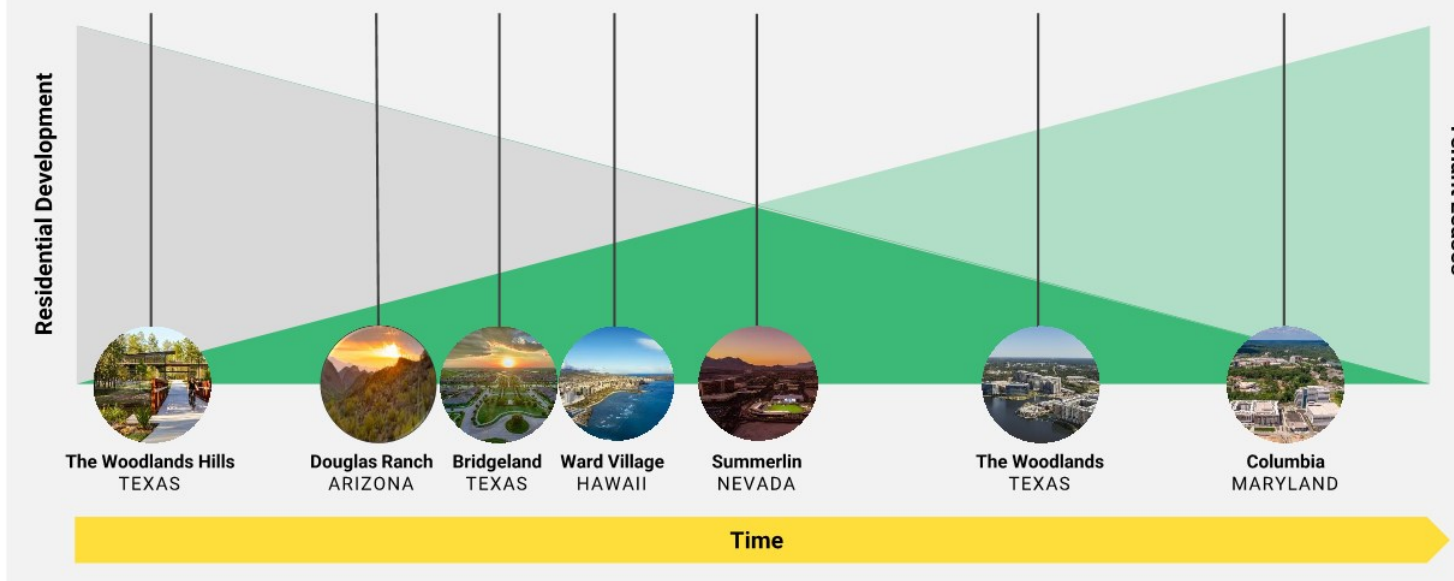
Decades of commercial expansion with millions of square feet of entitlements in place

One of a kind opportunity to create generational wealth



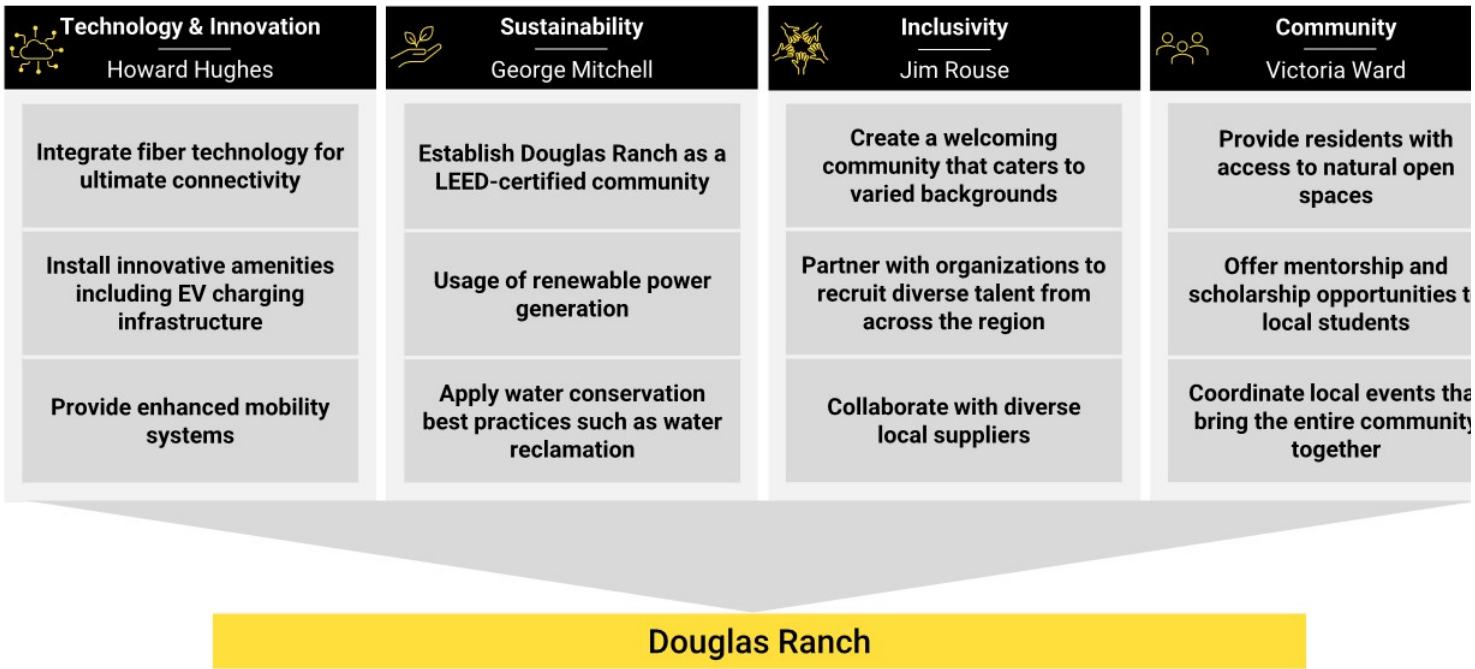
# HHC Now Has a Community in Nearly Every Stage of the Lifecycle

↔ We Move From Land Holder to Landlord Over Time As Communities Mature



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# Core Principles of HHC's Founders Shape Future for Douglas Ranch



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# Douglas Ranch Exemplifies the HHC Opportunity

Acquisition solidifies HHC's position as the nation's leading developer of large-scale master planned communities



Positioned in markets that generate outsized risk-adjusted returns due to ability to create large-scale communities and drive local demand



Strong underlying demand across portfolio



Fortress-like balance sheet with robust capital position



Best in class executive team in place supported by an unmatched Board

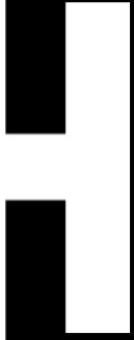


Raw land and entitlements in place allows HHC the ability to quickly execute on decade's long development pipeline



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# Appendix



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# Deal Basis and Ownership

HHC wins favorable dynamics with either ownership option

## HHC Final Basis and Ownership Summary

		A	-	B	=	C		
In Six Months	JDM reacquires interest; or	(\$ in millions)	At Closing	JDM Repurchase	Final	HHC Ownership	Basis per Acre (\$k)	
		Trillium	\$59.0	-	\$59.0	50%	\$39.0	
		Douglas Ranch	541.0	33.8	507.2	100%	15.0	
		<b>Total</b>	<b>\$600.0</b>	<b>\$33.8</b>	<b>\$566.2</b>	<b>96%</b>	<b>\$17.0</b>	
In Six Months	JDM does not reacquire interest	(\$ in millions)	At Closing	JDM Repurchase	Final	HHC Ownership	Basis per Acre (\$k)	
		Trillium	\$59.0	-	\$59.0	50%	\$39.0	
		Douglas Ranch	541.0	270.5	270.5	50%	16.0	
		<b>Total</b>	<b>\$600.0</b>	<b>\$270.5</b>	<b>\$329.5</b>	<b>50%</b>	<b>\$17.9</b>	

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