# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 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): April 7, 2011**

# The Howard Hughes Corporation
(Exact name of registrant as specified in its charter)

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

| **13355 Noel Road, Suite 950, Dallas, Texas** | **75240** |
|---|---|
| (Address of principal executive offices) | (Zip Code) |

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

**Not Applicable**
(Former name or former address, if changed since last report.)

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

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

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

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

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

**Item 2.02 Results of Operations and Financial Condition.**

The information contained in this Current Report purusant to this “Item 2.02 Results of Operations and Financial Condition” is being furnished. The information on this Item on Form 8-K and on Exhibit 99.1 attached hereto shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

On April 7, 2011, The Howard Hughes Corporation (the “Company”) issued a press release announcing the Company’s financial results for the fourth quarter and fiscal year ended December 31, 2010. A copy of this press release is attached hereto as Exhibit 99.1.

**Item 7.01 Regulation FD Disclosure.**

The information contained in this Current Report purusant to this “Item 7.01 Regulation FD Disclosure” is being furnished. The information on this Item on Form 8-K and on Exhibit 99.2 and Exhibit 99.3 attached hereto shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

On April 7, 2011, The Howard Hughes Corporation (the “Company”) issued letters to its shareholders from each of the Company’s Chairman of the Board and Chief Executive Officer via press releases. Copies of the press releases are attached hereto as Exhibit 99.2 and Exhibit 99.3.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

| Exhibit No. | Description |
|---|---|
| 99.1 | Press release dated April 7, 2011 announcing the Company’s financial results for the fourth quarter and fiscal year ended December 31, 2011. |
| 99.2 | Press release dated April 7, 2011 containing a letter to the Company’s shareholders from the Chairman. |
| 99.3 | Press release dated April 7, 2011 containing a letter to the Company’s shareholders from the CEO. |

## 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

*April 11, 2011*

*By: Grant Herlitz*

*Name: Grant Herlitz*

*Title: President*

Exhibit Index

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| --- | --- |
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| 99.2 | Press release dated April 7, 2011 containing a letter to the Company's shareholders from the Chairman. |
| 99.3 | Press release dated April 7, 2011 containing a letter to the Company's shareholders from the CEO. |

**Exhibit 99.1**

**The Howard Hughes Corporation Announces Fourth Quarter and Full Year 2010 Results**

- **Net loss attributable to common stockholders totaled $(4.6) million for fourth quarter and $(69.4) million for full year 2010.**
- **Impairment charges totaled $503.4 million for full year 2010.**
- **Separation from General Growth Properties, Inc. ("GGP") completed November 9, 2010.**
- **The Howard Hughes Corporation raised $267 million from the issuance of common equity and warrants during fourth quarter 2010.**
- **New Executive Management Team appointed.**
- **The Company entered into agreements with Richmond American Homes of Nevada, Inc. and Pulte Homes of Nevada for the sale of lots in Summerlin for purchase prices of $22.2 million and $23 million, respectively.**

DALLAS, April 7, 2011 — The Howard Hughes Corporation (NYSE: HHC) today announced its results for the fourth quarter and full year 2010. Howard Hughes completed its separation from GGP on November 9, 2010 and subsequently appointed a new executive management team.

On November 22, 2010, The Howard Hughes Corporation appointed David R. Weinreb as Chief Executive Officer and Grant Herlitz as President. On February 28, 2011, Howard Hughes appointed Andrew C. Richardson as Chief Financial Officer effective March 28, 2011.

Since the spin-off, the Company has achieved several key objectives and begun initiatives to position Howard Hughes to maximize value for stockholders. Highlights include the commencement of a comprehensive evaluation of all of the Company's assets, which to date has resulted in a prioritization of those properties for which development, joint ventures, and/or sales can be initiated in the shorter term. Management has empowered local property managers to take more responsibility for their operations, with an emphasis on re-evaluating past practices and aggressively containing costs. In addition, the Company recently hired several experienced leasing professionals to drive revenues at its operating assets. Howard Hughes also made significant progress in building its independent public company infrastructure, and implementing its accounting, human resource and information technology systems.

Net loss attributable to common stockholders was $(4.6) million, or $(0.12) per share, for the fourth quarter 2010 compared with $(535.9) million, or $(14.21) per share, for the quarter ended December 31, 2009. Net loss attributable to common stockholders was $(69.4) million, or $(1.84) per share, for the year ended December 31, 2010, compared with $(703.6) million, or $(18.66) per share, for the year ended December 31, 2009.

The Howard Hughes Corporation recorded $503.4 million of non-cash impairment charges for the year ended December 31, 2010 compared to $680.3 million for the year ended December 31, 2009.

The Howard Hughes Corporation evaluates its real estate assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Recoverability means that the expected cumulative undiscounted future cash flows of an asset are less than its carrying value. The analysis ignores when the future cash flows are expected to be received while we own the assets and therefore does not consider expected economic returns. If estimated future cumulative undiscounted cash flows are less than carrying value, then the asset must be written down to its fair value. The process for deriving fair value involves discounting the expected future cash flows at a rate of return that an investor would require based on the risk profile of the cash flows and returns available in the market for other investments having similar risk. Other inputs such as appraisals and recent transactions for comparable properties may also be used. Book value for assets that have been recently impaired from an accounting perspective may more likely reflect market value than book values of assets that have not been impaired; consequently, unimpaired assets may be expected to generate above or below market returns relative to their respective book values. The lower book basis resulting from an impairment charge increases reported profitability from the asset in future periods, but has no impact on cash flow.

For a more complete description of impairments, please refer to Item 7 beginning on page 29 and Footnotes 2 and 3 to The Howard Hughes Consolidated and Combined Financial Statements contained in the Company's Form 10-K for the fiscal year ended December 31, 2010.

David R. Weinreb, CEO of The Howard Hughes Corporation, stated "Our executive management team is optimistic about the depth, strength and quality of the Company's development pipeline. We are establishing a comprehensive long-term strategic plan for each of our assets which will allow us to focus our resources on the most attractive opportunities within our portfolio. I believe that the Company's unique collection of assets provides us with a great opportunity to create long-term value for our stockholders."

**ABOUT THE HOWARD HUGHES CORPORATION**

The Howard Hughes Corporation owns, manages and develops commercial, residential and mixed-use real estate throughout the country. Created from a selected subset of 34 assets previously held by General Growth Properties, the Company's properties include master planned communities, operating properties, development opportunities, and other unique assets spanning 18 states from Hawaii to New York.

**Master Planned Communities**

The Howard Hughes Corporation owns, develops, and sells property in four master planned communities that include over 14,000 acres of marketable land, including Summerlin in Las Vegas, Bridgeland and The Woodlands in Houston, and Columbia, Fairwood, and Emerson in Columbia Maryland.

**Operating Assets**

The Howard Hughes Corporation's operating assets are primarily retail and include Ward Centers (Honolulu, HI), South Street Seaport (Manhattan, NY), Landmark Mall (Alexandria, VA), Park West (Peoria, AZ), Rio West Mall (Gallup, NM), Riverwalk Marketplace (New Orleans, LA) and Cottonwood Square (Holladay, UT).

**Strategic Development Opportunities**

The Howard Hughes Corporation owns a diverse pipeline of near, mid and long-term real estate developments. These range from air rights and surface parking lots to aging properties poised for redevelopment.

For more information on the company, please visit our website at: www.howardhughes.com or contact Kay Weinmann via e-mail at kay.weinmann@howardhughes.com or by telephone at (214) 741-7744.

**Safe Harbor Statement**

Statements made in this press release that are not historical facts, including statements accompanied by words such as “will,” “believe,” “expect” or similar words, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this press release related to future operating performance, the creation of long-term value for our stockholders and progress on some of the Company’s larger developments are forward-looking statements. 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 Annual Report on Form 10-K for the year ended December 31, 2010 filed today. 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.

**The Howard Hughes Corporation**
**Consolidated and Combined Statements of Income (Loss)**
**(In thousands, except per share amounts)**

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | **2010** | **2009** | **2010** | **2009** |
| **Revenues:** | | | | |
| Minimum rent | $ 16,577 | $ 16,263 | $ 66,926 | $ 65,653 |
| Tenant recoveries | 4,676 | 4,815 | 18,567 | 19,642 |
| Master Planned Community land sales | 24,511 | 3,898 | 38,058 | 34,563 |
| Builder price participation | 781 | 1,867 | 4,124 | 5,687 |
| Other land sale revenues | 1,271 | 1,388 | 5,384 | 5,747 |
| Other rental and property revenues | 3,024 | 2,737 | 9,660 | 5,056 |
| Total revenues | 50,840 | 30,968 | 142,719 | 136,348 |
| **Expenses:** | | | | |
| Master Planned Community cost of sales | 16,387 | 1,871 | 23,388 | 22,020 |
| Master Planned Community sales operations | 5,388 | 6,611 | 29,041 | 27,042 |
| Rental property real estate taxes | 3,369 | 3,700 | 14,530 | 13,813 |
| Rental property maintenance costs | 1,729 | 1,941 | 6,495 | 5,586 |
| Other property operating costs | 10,698 | 9,220 | 37,893 | 34,810 |
| Provision for doubtful accounts | 681 | 1,358 | 1,782 | 2,539 |
| General and administrative | 9,076 | 4,260 | 21,538 | 23,023 |
| Provisions for impairment | 502,778 | 499,587 | 503,356 | 680,349 |
| Depreciation and amortization | 4,028 | 4,620 | 16,563 | 19,841 |
| Total expenses | 554,134 | 533,168 | 654,586 | 829,023 |
| Operating loss | (503,294) | (502,200) | (511,867) | (692,675) |
| Interest income | 251 | 1,202 | 369 | 1,689 |
| Interest expense | (534) | (209) | (2,422) | (977) |
| Warrant liability expense | (140,900) | — | (140,900) | — |
| Loss before income taxes, equity in income (loss) from Real Estate Affiliates, reorganization items and noncontrolling interests | (644,477) | (501,207) | (654,820) | (691,963) |
| Benefit from (provision for) income taxes | 651,062 | (841) | 633,459 | 23,969 |
| Equity in income (loss) from Real Estate Affiliates | 3,019 | (30,326) | 9,413 | (28,209) |
| Reorganization items | (14,153) | (2,843) | (57,282) | (6,674) |
| Income (loss) from continuing operations | (4,549) | (535,217) | (69,230) | (702,877) |
| Discontinued operations — loss on dispositions | — | (939) | — | (939) |
| Net income (loss) | (4,549) | (536,156) | (69,230) | (703,816) |
| Allocation to noncontrolling interests | (81) | 304 | (201) | 204 |
| Net income (loss) attributable to common stockholders | $ (4,630) | $ (535,852) | $ (69,431) | $ (703,612) |
| **Basic and Diluted Income (Loss) Per Share:** | | | | |
| Continuing operations | $ (0.12) | $ (14.19) | $ (1.84) | $ (18.64) |
| Discontinued operations | — | (0.02) | — | (0.02) |
| Total basic and diluted income (loss) per share | $ (0.12) | $ (14.21) | $ (1.84) | $ (18.66) |
| **Weighted Average Shares of Common Stock:** | | | | |
| Basic | 37,753 | 37,716 | 37,726 | 37,716 |
| Diluted | 37,753 | 37,716 | 37,726 | 37,716 |

**The Howard Hughes Corporation**
**Consolidated and Combined Balance Sheets**
**(In thousands)**

| | December 31, | |
|---|---|---|
| | **2010 (Consolidated)** | **2009 (Combined)** |
| **Assets:** | | |
| Investment in real estate: | | |
| Master Planned Community assets | $ 1,350,648 | $ 1,742,226 |
| Land | 180,976 | 193,130 |
| Buildings and equipment | 343,006 | 451,279 |
| Less accumulated depreciation | (83,390) | (85,639) |
| Developments in progress | 293,403 | 300,621 |
| Net property and equipment | 2,084,643 | 2,601,617 |
| Investment in and loans to/from Real Estate Affiliates | 149,543 | 140,558 |
| Net investment in real estate | 2,234,186 | 2,742,175 |
| Cash and cash equivalents | 284,682 | 3,204 |
| Accounts receivable, net | 8,154 | 9,145 |
| Notes receivable | 38,954 | 8,214 |
| Tax indemnity receivable, including interest | 323,525 | — |
| Deferred expenses, net | 6,619 | 7,444 |
| Prepaid expenses and other assets | 126,587 | 135,045 |
| Total assets | $ 3,022,707 | $ 2,905,227 |
| | | |
| **Liabilities:** | | |
| Liabilities not subject to compromise: | | |
| Mortgages, notes and loans payable | $ 318,660 | $ 208,860 |
| Deferred tax liabilities | 78,680 | 782,817 |
| Warrant liability | 227,348 | — |
| Uncertain tax position liability | 140,076 | 66,129 |
| Accounts payable and accrued expenses | 78,836 | 68,062 |
| Liabilities not subject to compromise | 843,600 | 1,125,868 |
| Liabilities subject to compromise | — | 275,839 |
| Total liabilities | 843,600 | 1,401,707 |
| | | |
| **Equity:** | | |
| Common stock: $.01 par value; 100,000,000 shares authorized, 37,904,506 shares issued as of December 31, 2010 | 379 | — |
| Additional paid-in capital | 2,708,036 | — |
| GGP equity | — | 1,504,364 |
| Accumulated deficit | (528,505) | — |
| Accumulated other comprehensive loss | (1,627) | (1,744) |
| Total stockholders' equity | 2,178,283 | 1,502,620 |
| Noncontrolling interests in consolidated ventures | 824 | 900 |
| Total equity | 2,179,107 | 1,503,520 |
| Total liabilities and equity | $ 3,022,707 | $ 2,905,227 |

**Supplemental Information**
**December 31, 2010**

**Operating Assets Net Operating Income and EBT**

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 |
| | (In thousands) | | | |
| **Operating Assets** | | | | |
| Ward Centers | $ 5,761 | $ 4,598 | $ 22,980 | $ 22,152 |
| 110 N. Wacker | 2,039 | 1,417 | 6,628 | 4,988 |
| South Street Seaport | 946 | 890 | 3,898(1) | 4,524 |
| Columbia Office Properties | 602 | 834 | 2,765 | 2,880 |
| Rio West Mall | 419 | 503 | 1,899 | 2,040 |
| Landmark Mall | 370 | 538 | 1,519 | 2,372 |
| Riverwalk Marketplace | 350 | 694 | 955 | 868 |
| Cottonwood Square | 111 | 92 | 484 | 507 |
| Park West | 112 | (66) | 366 | 138 |
| Other properties | 94 | 108 | 1,058 | 1,667 |
| Total operating assets NOI | $ 10,804 | $ 9,608 | $ 42,552 | $ 42,136 |
| | | | | |
| Straight-line and market lease amortization rent | (480) | (492) | (142) | (199) |
| Provisions for impairment | (80,401) | (50,541) | (80,923) | (50,964) |
| Depreciation and amortization | (3,909) | (4,338) | (16,017) | (17,367) |
| Interest, net | (3,132) | (3,203) | (16,145) | (13,957) |
| Operating assets EBT | $ (77,118) | $ (48,966) | $ (70,675) | $ (40,351) |

(1) Includes a $1.2 million provision for bad debt expense related to a single tenant.

**Reconciliation of EBT to GAAP-basis loss from continuing operations**

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 |
| | (In thousands) | | | |
| Real estate property EBT: | | | | |
| Operating Assets segment | $ (77,118) | $ (48,966) | $ (70,675) | $ (40,351) |
| MPC segment | (395,230) | (11,797) | (385,242) | (55,409) |
| Strategic Developments segment | (18,901) | (469,841) | (26,458) | (603,802) |
| Less: Real Estate Affiliates | (3,252) | 33,657 | (10,007) | 30,622 |
| Consolidated properties | (494,501) | (496,947) | (492,382) | (668,940) |
| General and administrative | (9,076) | (4,260) | (21,538) | (17,643) |
| Strategic Initiatives | — | — | — | (5,380) |
| Warrant liability expense | (140,900) | — | (140,900) | — |
| Benefit from (provision for) income taxes | 651,062 | (841) | 633,459 | 23,969 |
| Equity in income of unconsolidated Real Estate Affiliates | 3,019 | (30,326) | 9,413 | (28,209) |
| Reorganization costs | (14,153) | (2,843) | (57,282) | (6,674) |
| Loss from continuing operations | $ (4,549) | $ (535,217) | $ (69,230) | $ (702,877) |

## Operating Assets Net Operating Income ("NOI")

The Company believes that NOI is a useful supplemental measure of the performance of its Operating Assets. We define NOI as property specific revenues (rental income, tenant recoveries and other income) less expenses (real estate taxes, repairs and maintenance, marketing and other property expenses) and excluding the operations of properties held for disposition. NOI also excludes straight line rents, market lease amortization, impairments, depreciation and other amortization expense. Other real estate companies may use different methodologies for calculating NOI, and accordingly, the NOI of our Operating Assets may not be comparable to other real estate companies.

The Company also believes that NOI 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 occupancy rates, rental rates, and operating costs. This measure thereby provides an operating perspective not immediately apparent from GAAP continuing operations or net income attributable to common stockholders. The Company uses NOI to evaluate its operating performance on a property-by-property basis because NOI allows the Company to evaluate the impact that factors such as lease structure, lease rates and tenant base, which vary by property, have on the Company's operating results, gross margins and investment returns. NOI should only by used as an alternative measure of the financial performance of such assets and not as an alternative to GAAP operating income (loss) or net income (loss) available to common stockholders.

## MPC Land Sales Summary

| | | Land Sales | | Acres Sold | | Number of Lots/Units | | Price per acre | | Price per lot | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Year Ended December 31, | | | | | | | | | |
| | | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| | | ($ in thousands) | | | | | | | | | |
| **Residential Land Sales** | | | | | | | | | | | |
| Columbia | Single Family - detached | $ 2,400 | $ 500 | 2 | 1 | 12 | 4 | $ 1,275 | $ 531 | $ 200 | $ 125 |
| | Townhomes | 3,031 | 3,006 | 2 | 2 | 29 | 33 | 1,832 | 1,775 | 105 | 91 |
| | High/Mid Apartments | — | 3,125 | — | 8 | — | 164 | — | 379 | — | 19 |
| | Single Family - detached (Fairwood) | — | 15,000 | — | 239 | — | 636 | — | 63 | — | 24 |
| Bridgeland | Single Family - detached | 15,123 | 10,239 | 58 | 41 | 289 | 204 | 259 | 251 | 52 | 50 |
| Summerlin | Single Family - detached | 8,909 | — | 17 | — | 95 | — | 519 | — | 94 | — |
| | Custom Lots | 2,252 | 550 | 2 | 0 | 4 | 1 | 1,204 | 1,618 | 563 | 550 |
| Woodlands | Single Family - detached | 65,230 | 47,917 | 181 | 135 | 737 | 557 | 360 | 354 | 89 | 86 |
| | Single Family - attached | 988 | — | 4 | — | 52 | — | 279 | — | 19 | — |
| Subtotal | | 97,933 | 80,337 | 266 | 426 | 1,218 | 1,599 | | | | |
| **Commercial Land Sales** | | | | | | | | | | | |
| Summerlin | Retail | — | 4,564 | — | 4 | — | — | — | 1,047 | — | — |
| Bridgeland | Not-for-Profit | 1,600 | 741 | 20 | 15 | — | — | 80 | 50 | — | — |
| Woodlands | Office and other | 10,597 | 3,603 | 21 | 49 | — | — | 496 | 74 | — | — |
| | Apartments and assisted living | 4,879 | 7,150 | 12 | 19 | — | — | 392 | 370 | — | — |
| | Retail | 5,843 | 674 | 20 | 3 | — | — | 290 | 261 | — | — |
| | Hotel | 2,331 | 3,379 | 3 | 5 | — | — | 719 | 672 | — | — |
| Subtotal | | 25,250 | 20,111 | 76 | 95 | | | | | | |
| Total acreage sales revenues | | 123,183 | 100,448 | | | | | | | | |
| Deferred Revenue | | 3,994 | (3,409) | | | | | | | | |
| SID | | 749 | 248 | | | | | | | | |
| Venture partner's share The Woodlands partnership acreage sales | | (42,687) | (29,794) | | | | | | | | |
| Total MPC segment land sales revenues | | $ 85,239 | $ 67,493 | | | | | | | | |

**Exhibit 99.2**

April 7, 2011

**To the Shareholders of The Howard Hughes Corporation:**

The Howard Hughes Corporation ('HHC') began its existence as a public company when it was spun off from General Growth Properties Inc. ('GGP') when it emerged from bankruptcy on November 9th of last year. Having joined the board of GGP shortly after the company filed for bankruptcy, my first priority was to work with the other directors of GGP to stabilize the company, extend the maturity of its debts and raise sufficient capital to emerge from bankruptcy as an independent publicly traded real estate investment trust. During that process, as I learned more about the disparate assets of GGP, I considered the idea of creating a new company to own certain assets hidden within GGP whose value would not likely be realized while these properties remained at GGP.

While the REIT structure is an excellent corporate form with which to own stabilized income producing assets like GGP's mall properties, it is less than ideal for owning development assets, master planned communities ('MPCs'), and other assets whose current cash flows are not reflective of their long-term potential. This is due to REIT ownership limitations on assets held for sale in the ordinary course of business, the large amount of capital and time required for development assets, and the fact that investors principally value REITs based on their distributable free cash flow.

We decided to set up a new company to own these assets so we could realize their long-term potential while maximizing the value of GGP in the short term. While the short term is not usually a time period that most public company executives are willing to acknowledge that they even consider, in this case it was critical for GGP shareholders to create value in the short term so we could participate in value creation over the long term. GGP was subject to a series of takeover bids from Simon Properties that undervalued the company and had material risk of transaction failure because of antitrust issues. By creating and then committing to spin off HHC, we were able to create about $7 per share in value for GGP shareholders for a total combined value of approximately $22 per pre-bankruptcy GGP share.

Once we had selected the assets that were to be contributed to HHC and negotiated the separation arrangements with GGP, our highest priority was identifying the senior management team that would run the company. Typically, such a process involves hiring a search firm, which then attempts to recruit executives at competitors with relevant experience. In this case, there are few truly comparable companies to HHC and a less than obvious pool of candidates to select from. While there are a number of publicly traded non-REIT real estate corporations (so-called C corporations) that own development assets in some cases that are similar to HHC, their track records in creating shareholder value leave much to be desired.

While I believed that so-called real estate opportunity fund managers had the experience to oversee HHC's assets, I had no interest in hiring an external manager on a 2% and 20% basis to run the company, particularly in light of the ongoing conflicts they would have with other investments in their portfolios. The key criteria we used to find senior management were: character, energy, intelligence, and experience profitably investing in a diverse collection of real estate assets. In addition, I wanted someone who had made money already, without having lost any of the passion and drive to succeed, and without significant outside interests and assets that would compete for his or her attention.

We found our leader in David Weinreb, a Dallas-based real estate entrepreneur, whom I had known (but not well) since high school, but only in recent years gotten to know in a business and personal context. David had contacted me a year or so ago for advice on raising a real estate opportunity fund about which we had an ongoing dialogue. He had been investing and developing real estate assets largely on his own since leaving college (just like Bill Gates but in real estate) more than 25 years ago and had sold or monetized the vast majority of his assets before the recent downturn in the markets.

While over the last 10 or so years he had largely been investing his own capital in real estate and investment securities with his partner, Grant Herlitz, and a team based in Dallas, Houston and Los Angeles, David was considering raising a larger pool of capital to participate in opportunities created by the credit crisis. It was in this context that I mentioned the assets that would become HHC, and David and Grant were intrigued. They spent the next 30 or so days inspecting the properties that would be contributed to HHC. They then worked on spec to assist Pershing Square in negotiating the best possible deal for old GGP shareholders in setting up HHC.

As we worked together on the HHC portfolio and negotiated arrangements for the company's eventual spinoff, it became clear to us that these were the right partners to oversee the company going forward. David and Grant are moneymakers with a clear understanding of risk and reward. While there are real estate executives with more public company experience, more master planned community experience, and/or more development experience, we were principally interested in selecting a management team we trusted with relevant experience, who would think of the corporation's capital as their own, and who were willing to invest a meaningful amount of their own money alongside shareholders.

To date, David, Grant, and our new CFO Andy Richardson have committed $19 million of their own capital to purchase long-term warrants on HHC at their fair value at the time of purchase. Under the terms of the warrants, they cannot be sold or hedged for the first six years of their seven-year life, a provision which meaningfully reduces their value compared with warrants without liquidity or hedging restrictions. In light of the long-term nature of the company's assets, I cannot think of a better way to align the interests of and incentivize our management team to create value for shareholders. If the stock price stays flat from the time they joined the company, they will lose their entire investment in the warrants. If the stock price makes a sustained increase in value over the next seven years, management will participate to a leveraged extent in the increase in the stock price. Other than the warrants, our senior management receives relatively modest cash compensation particularly when compared with real estate private equity compensation levels.

While on the subject of compensation and alignment of incentives, I thought it worth mentioning that the funds that I manage currently own a 23.6% fully diluted economic interest in HHC including stock, total return swaps, and seven-year warrants that we received in exchange for our backstop commitment to HHC. I receive no salary for serving as your chairman, and I have waived all board compensation. As a result, you can be comfortable that my interests are aligned with yours. That is not a guarantee of success, but rather it will ensure that we will succeed or fail together. In a partnership, getting the right team in place with the right incentives puts you on good footing for future success. On this basis, we are off to a good start.

Now you might ask how one should calculate the value of HHC and judge our future progress. While these are two critical questions for any investor, in the case of HHC, the answers are not nearly as straightforward as in a more typical real estate or other public company.

With respect to the valuation of HHC, the easy answer is that you should calculate the value of our assets — cash, real estate, and tax attributes — subtract our liabilities and then divide by fully diluted shares outstanding. The difficulty is that the real estate assets owned by HHC are notoriously difficult to value. First, you should consider that their long-term value — the value that can be achieved by a long-term owner — is, in my opinion, materially higher than their liquidation value. Some, albeit not ideal, evidence of this is to compare the value of GGP just before the spinoff of HHC to the value of the combined companies today. Approximately $7 per GGP share in value has been created by the contribution of the properties to an entity that has the capability to hold these assets forever.

For our MPC assets, one can make assumptions about the timing and number of future lot sales and then discount back these cash flows over the 30-or-so-year life of the project at a discount rate you deem appropriate. The problem with such an approach is that small changes in assumptions on discount rates, lot pricing and selling velocity, inflation, etc. can have an enormous impact on fair value.

For our development assets, one needs to make assumptions about what will be built, when it will it be built, to whom it will be leased, what rents it will achieve, what expenses it will incur, and what multiple an investor will place on these cash flows. Again, even highly sophisticated real estate investors will assign substantially divergent values to the same assets when using their own assumptions.

Some investors look at book value, but book values, particularly for HHC are in most cases largely unreliable measures of value. For example, South Street Seaport, one of our more valuable assets, is carried on the books of HHC at $3.1 million. Last year, it generated more than $5 million in cash net operating income, and this number meaningfully understates the potential future cash generating potential of this property as GGP generally discontinued granting long-term leases to tenants as it prepared the property for a major redevelopment. Even using the $5 million NOI number, one can get to values approaching $100 million using cap rates appropriate for New York City retail assets, and we would likely leave a lot of money on the table if we sold it for this price.

We could attempt to calculate net asset value and publish a number as some public real estate companies have done. I am not a huge fan of this approach because of the widely diverging estimate of values that even the most informed, best-intentioned evaluators will generate. So therefore, the best we can do is to give you as much information as we can provide (bearing in mind that there is some information that we will elect to withhold for competitive reasons) so that you can form your own conclusion. While we have just begun the public reporting process and we are still learning that art, you can expect over time that we will release more information to assist you in forming your own assessment.

With respect to judging our business progress going forward, the usual metrics like net income, operating cash flow, EBITDA, AFFO, earnings per share, etc. are not going to offer much help. (By the way, when you read this sentence in the annual letter of a typical company, you should usually take your money elsewhere.) Our reported net income and cash flows will largely depend on gains and losses from sales of assets and the book value of those assets on our balance sheet. We could generate large amounts of income for example by selling South Street Seaport and other assets for which book value is less than market value. While this would generate material accounting gains and require us to pay large amounts of taxes, we might be destroying long-term shareholder value by doing so, particularly if we believe materially more value can be created through redeveloping and releasing these assets over time. We will also generate larger profits from our Summerlin MPC as a result of the more than $300 million write down the company recognized at year end, but this should not make you feel richer as a result.

Simply put, I will judge our progress based on our management’s ability to move each of our assets closer to the point at which it can generate its maximum potential cash as an operating asset, and to manage our MPCs to once again begin to generate material amounts of cash from sales of lots to builders and the development or sale of their commercial parcels.

Because of (1) the large number of assets we own, (2) the large amounts of capital required to redevelop these properties to enable them to achieve their full potential, (3) our relatively limited cash resources, (4) our aversion to the use of large amounts of recourse leverage, (5) our high return requirements for our own capital, and (6) the availability of large amounts of lower-cost real estate equity capital for developments like the ones owned by HHC, you should expect that we will raise outside capital and/or joint venture many of our properties with other investors, operators, and/or developers. This approach should enable us to manage risk and increase our return on invested capital.

We will do our best to keep you informed as to our progress with each asset in the portfolio as we obtain necessary approvals, design and build projects, lease space, and generate cash flows. Over time, our goal will be to turn each of our non- or modestly income-producing assets into an income-generating property, while selectively monetizing assets when we believe a sale will generate more value for HHC on a present value basis than holding the asset for the long term.

In light of the complexity of our asset base and the inadequacy of GAAP accounting to track our progress, you should now understand how important it is to get the right management team in place with the right incentives. Furthermore, while most public company boards are comprised of experienced executives with typically minimal expertise in the business of the company on whose board they sit, HHC's board is largely comprised of real estate experts with broad expertise in MPC and retail development, residential and office ownership and development, institutional investment in real estate, and other real estate disciplines relevant to HHC.

Importantly, our directors do not need their director fees to pay their rent, and have chosen to participate for the experience, reputational benefits, and camaraderie from working to create value for our shareholders. We will act in your best interests to the best of our ability and look forward to the opportunity to impress you with HHC's success over the coming years.

Lastly, in a world where investors are concerned about the future value of paper money and inflation that have caused many investors to turn to gold to hedge that risk, I am quite comforted by the assets of HHC. We own the gold and blue white diamonds of the real estate business, assets that have traditionally performed well in inflationary environments.

Welcome aboard.

Sincerely,

William A. Ackman<br>
Chairman

**Safe Harbor Statement**

Statements made in this release that are not historical facts, including statements accompanied by words such as "will," "believe," "may," "expect" or similar words, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this release related to the company's future operating performance, the creation of long-term value for our stockholders and progress on some of the company's larger developments are forward-looking statements. 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 Annual Report on Form 10-K for the year ended December 31, 2010. 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.

**Exhibit 99.3**

April 7, 2011

**To the Shareholders of The Howard Hughes Corporation from the Chief Executive Officer:**

When Howard Hughes assumed control of the family business in 1924, he was well-positioned for success with a nearly debt-free portfolio of assets. While Howard Hughes' passions for aviation and the silver screen are legendary, it was his visionary investments in real estate that form the bedrock of our company today. With the benefit of his acumen and vision, he created one of the great American empires of the Twentieth Century. As we publicly launch The Howard Hughes Corporation, the story is much the same. We are well capitalized and own some of the most sought after properties in the nation.

The Howard Hughes Corporation was re-born on November 9, 2010 as an independent, publicly traded real estate company with an irreplaceable collection of assets and a talented team of professionals. Our assets span 18 states from New York to Hawaii. They include best-in-class master planned communities, operating properties with tremendous potential, and a diverse pipeline of strategic development opportunities in some of the country's most desirable locations. I am honored to have the opportunity to lead a team of more than 175 employees who are committed to making this company a top performing owner and developer of real estate in our industry.

Because I strongly believe in the quality of our people and assets, I have made a substantial personal investment in the company. Throughout my career in real estate, I have always invested my own capital. This commitment to having "skin in the game" is at the core of my investment philosophy and has been critical to my past success. Grant Herlitz, our President, shares this philosophy. It was clear to Grant and me that the only way we could properly lead this company was to make substantial, long-term personal investments. In doing so, we affirmed our belief in the business and our commitment to creating long-term stockholder value. You can be certain that Grant and I will treat your money as if it is our own.

This culture of ownership is further augmented by our board of directors, many of whom have made personal investments in the company. The directors and the companies they represent, along with senior management have invested a combined $269 million of new capital. On a fully diluted basis, this group owns over 43.5% of the company. We are fortunate to have a board of directors with the passion, good judgment, and substantial real estate expertise that will contribute materially to our success.

The Howard Hughes name is synonymous with the relentless pursuit of achievement. We are inspired by that legacy and are systematically assessing and strategically positioning our portfolio. While we are at the start of a long journey together, we look forward to earning your trust as we confront the many challenges ahead.

**Pre-Emergence Preparation**

While Grant and I were not appointed as President and Chief Executive Officer until November 22, 2010, we gained considerable experience while serving as the company's interim management. Since early August 2010, our team has tirelessly focused on preparing the company to emerge from the bankruptcy of our parent as an independent entity. We methodically worked to understand all operational facets of the organization, assessed the current and potential value of the assets, and established the infrastructure necessary for future success.

Through this “total immersion” process, we gained a deep knowledge of the assets and the infrastructure, and positioned ourselves to successfully transition the company. I am proud of what our team accomplished and grateful to everyone who helped to make the spin-off a success. Spin-off related initiatives included negotiating the agreements required for a successful separation from GGP; assuming control of development, leasing and asset management; assembling teams in key functions including accounting, human resources, legal and information technology; engaging in an open dialogue with cities, partners and consultants to assess the status of each project; and creating a strong brand identity.

Successfully completing these initiatives made it possible for us to be here today. However, we also understand that these accomplishments are in the past and significant work remains. Since the spin-off, our team has embraced new objectives and is sharply focused on the future.

**Team Howard**

Ninety-four members of our 177 person team are dedicated to the company’s master planned community business, 51 work with our operating assets, and 32 are at corporate. Those employees dedicated to the master planned community and operating assets have significant tenure. Their history and understanding of the assets have allowed us to achieve a seamless transition.

Our executive team comes from an entrepreneurial culture. While focused on creating value for the company as quickly as possible, we also recognize the importance of process and systems required to efficiently manage the company. Our goal is to balance these disciplines while staying flexible enough to take advantage of opportunities as they arise.

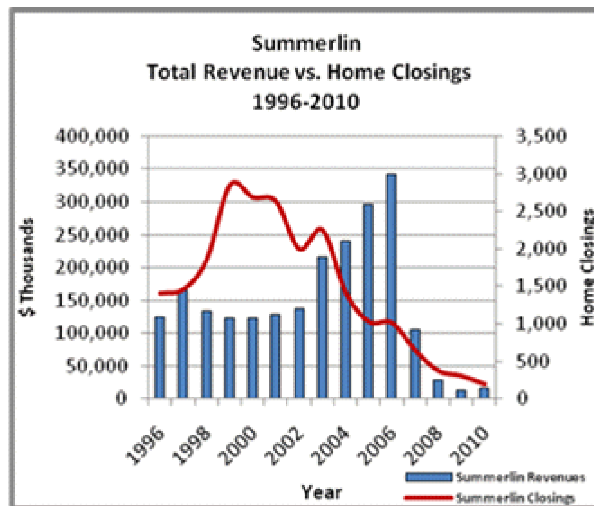
Recently, Andrew Richardson joined HHC as CFO. Andy has also made a substantial, long-term personal investment in the company. I believe our continued practice of substantial investments by corporate officers further strengthens our commitment to the company’s long-term success.

**Master Planned Communities**

With over 14,000 acres of land remaining to be sold in some of the country’s most dynamic markets, our master planned communities (“MPC’s”) are the core of our current business. This business consists of the ownership, development and sale of property at four communities including three wholly owned MPC’s: Summerlin in Las Vegas, Bridgeland in Houston, and the Maryland region, based in Columbia. The company also owns a substantial ownership interest in The Woodlands in Houston.

The collapse of the national housing market had a significant impact on land sales in our MPC’s. As the market recovers, our communities are well positioned to capitalize. Excessive leverage and lower quality offerings caused many of our competitors to suffer during the downturn. Both the quality of our product and the strength of our balance sheet put our MPC’s in a position to benefit when demand for new homes begins returning to historical norms.

Although the recession has hit the Las Vegas market particularly hard, we are confident that growth will return and absorption will accelerate. To the casual observer, Las Vegas appears to have unlimited land available. In reality, this market is supply constrained due to the topography of the surrounding mountains, land set aside for conservation and recreational purposes, and the federal government’s ownership of the majority of the land surrounding the city. With over 7,000 acres of land remaining, Summerlin is the dominant land owner in the market. Going forward we are well positioned to capture additional market share. Even a modest increase in pricing could result in large increases in revenue compared to historical performance.




Long-term, the MPC's have the potential to generate the cash flow necessary to accelerate the growth of the company's strategic development segment. Furthermore, each community possesses additional opportunities for vertical development. We will not only focus on selling land, but will also look for opportunities to joint venture retail, residential and commercial developments with the potential to create recurring income.

**Operating Assets**

The company's operating assets are primarily retail properties including South Street Seaport (Manhattan, NY), Ward Centers (Honolulu, HI), various properties in Columbia Town Center (Columbia, MD), Landmark Mall (Alexandria, VA), Riverwalk Marketplace (New Orleans, LA), Rio West Mall (Gallup, NM), Cottonwood Square (Holladay, UT) and Park West (Peoria, AZ).

We are focused on the operational performance of each of these assets, and have hired an experienced and passionate group of leasing professionals to drive income. To date, we have seen significant interest across the portfolio from many national and local retailers for both operating properties and our strategic developments. We are working with our tenants and their customers to ensure that they are receiving the best experience possible when they visit a Howard Hughes property. We are in the process of reducing costs by re-bidding every vendor contract and reviewing every line item in the budget in addition to appealing the property tax value of each asset. These appeals have achieved positive results with reductions to date totaling over $100 million in assessed value.

**Strategic Developments**

Our Company has a substantial portfolio of large and small-scale developments in our pipeline. These strategic developments provide opportunities for near, mid and long-term value creation. Senior management and the development team are currently assessing the feasibility of each strategic development, and as this occurs, we are beginning to prioritize those opportunities with the greatest development potential. Ward Centers and South Street Seaport are operating properties, but also represent substantial redevelopment opportunities. Notable strategic developments include projects such as Summerlin Centre in Las Vegas, Cottonwood in Salt Lake City, and Ala Moana Tower in Honolulu.

Ward Centers is just one example of the untapped value within our portfolio. Today, this 60-acre property contains 1.1 million square feet of retail, office and industrial space in the heart of urban Honolulu. The company has land use approvals to redevelop the property with up to 9.3 million square feet of mixed-use development. This future development has the potential to expand upon and materially enhance the property's retail presence. It also presents an opportunity to develop thousands of residential units with unobstructed ocean views in one of the market's most desirable residential locations.

The Columbia Town Center master plan is another important example of the potential for value creation within the portfolio. While currently a part of our MPC segment, Columbia Town Center has an approved master plan to develop up to 5,500 new residential units, approximately one million square feet of retail, approximately five million square feet of commercial office space and 640 hotel rooms. Columbia Town Center, located in Howard County, Maryland between Baltimore and Washington D.C., has over 261,000 people living within a seven-mile radius with an average annual household income exceeding $120,000.

Depending on the scale, complexity and capital requirements of each asset, we will either develop assets internally or seek joint venture capital or operating partners. We recognize that development projects of significant scale have long-lead times and require a substantial investment of both time and capital. Rest assured that we are being thorough in our due diligence and thoughtful in our analysis so that those projects that are prioritized for development will be structured and financed to maximize value for the company and minimize our risk.

**The Future of Howard Hughes**

As we look to the future of The Howard Hughes Corporation, there are two simple maxims that apply to our portfolio. First, we recognize the importance of location and quality. South Street Seaport is one of the top five most visited sites in New York City, Ward Centers is 60 acres of fee simple oceanfront land in the heart of Honolulu, and Summerlin Centre is arguably one of the best regional mall sites in the country. When the US economy recovers, those assets that are best located will be primed for development. Second, we understand that down cycles don’t last forever. Current revenue from our Summerlin MPC is well below its long-term average. Even a gradual return to this long-term average will generate significant cash flow for the company.

As a largely unlevered company we have the time and resources to maximize the value of our portfolio. As of December 31, 2010, we held over $285 million in cash versus approximately $318 million of asset-specific, limited recourse debt excluding our proportionate share of The Woodlands debt. With over $3 billion in total assets, the health of our balance sheet allows for flexibility in making investment decisions. Therefore, we will be pragmatic in pursuing only those investments that meet our high return thresholds.

While we are only in our fifth month of existence as a company, we possess a powerful brand, an irreplaceable collection of assets and a sound corporate infrastructure. We have implemented the backbone that has allowed the company to immediately focus on the continued development and execution of its strategic plan.

As we pursue our goal of becoming the preeminent developer of master planned communities and mixed-use properties in the country, we acknowledge that many challenges lie ahead. As with any great endeavor, we know that achieving our goal will take significant time and effort. I am grateful for the hard work and steadfast dedication our team has given thus far.

With exceptional people, irreplaceable assets, and a collective commitment to excellence, The Howard Hughes Corporation is well positioned for success.

David R. Weinreb
Chief Executive Officer

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