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): November 5, 2018

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

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

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

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

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

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

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

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

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

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

Emerging growth company o

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

Item 2.02 Results of Operations and Financial Condition

On November 5, 2018, The Howard Hughes Corporation (the "Company") issued a press release announcing the Company's financial results for the third quarter ended September 30, 2018. A copy of this press release is attached hereto as Exhibit 99.1.

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

Item 7.01 Regulation FD Disclosure.

On November 5, 2018, the Company issued supplemental information for the third quarter ended September 30, 2018. The supplemental information contains key information about the Company. The supplemental information is attached hereto as Exhibit 99.2 and has been posted on our website at www.howardhughes.com under the "Investors" tab.

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press release dated November 5, 2018 announcing the Company's financial results for the third quarter ended September 30, 2018.
99.2	Supplemental information for the third quarter ended September 30, 2018.

SIGNATURES

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

THE HOWARD HUGHES CORPORATION

By: */s/* Peter F. Riley

Peter F. Riley

Senior Vice President, Secretary and General Counsel

Date: November 5, 2018

Exhibit 99.1

Howard Hughes®

PRESS RELEASE

Contact Information:
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The Howard Hughes Corporation® Reports Third Quarter 2018 Results

Strong Performance Led by Record Master Planned Communities Residential Revenues

Dallas, TX, November 5, 2018 – The Howard Hughes Corporation ® (NYSE: HHC) (the "Company") announced today operating results for the third quarter ended September 30, 2018. The financial statements, exhibits and reconciliations of non-GAAP measures in the attached Appendix and the Supplemental Information at Exhibit 99.2 provide further details of these results.

Third Quarter 2018 Highlights

- Net income attributable to common stockholders increased to $23.4 million, or $0.54 per diluted share, for the three months ended September 30, 2018, as compared to $10.5 million, or $0.24 per diluted share, for the three months ended September 30, 2017. This increase was primarily driven by increased land sales in our Master Planned Communities ("MPC") segment, as further discussed below. This increase was partially offset by the required adoption of new revenue recognition guidance on January 1, 2018, which mandated a change in revenue recognition for our condominiums as further discussed in the Financial Results section below.
- MPC segment earnings before tax ("EBT") was $88.9 million for the three months ended September 30, 2018, an increase of $48.5 million, or 119.7%, compared to the three months ended September 30, 2017. The increase was mainly a result of superpad sales at Summerlin and increased lot sales at Bridgeland. Lots sold at Summerlin and Bridgeland during the quarter achieved an average price per acre of $572,000 and $378,000, respectively, increases of $26,000 and $9,000, respectively, over the prior year period. MPC residential land sales during the quarter were the highest in the Company's history.
- Total net operating income ("NOI") from operating assets, including our share of NOI from equity investments, was $38.7 million for the three months ended September 30, 2018, an increase of $1.3 million, or 3.6%, compared to $37.3 million for the three months ended September 30, 2017. As discussed further in the Operating Assets section, NOI growth for the three months ended September 30, 2018 compared to the same period in 2017 would have been $4.6 million, or approximately 12.4%, when excluding the Seaport District.
- Estimated stabilized NOI increased by $9.0 million to $317.6 million as of the third quarter of 2018 (which excludes the redevelopment of the Seaport District) due to the addition of two floors at 110 North Wacker and the Lakefront North acquisition discussed below.
- Contracted to sell 220 condominiums at Ward Village in the third quarter of 2018, including 216 at ‘A‘ali‘i, our newest building that began public sales in January 2018. ‘A‘ali‘i, which broke ground on October 15, 2018, was 75.1% presold as of September 30, 2018. Including ‘A‘ali‘i, 1,905 homes, or 89.4% of the residences available for sale at our five residential buildings that are either delivered or under construction, were closed or under contract as of September 30, 2018.

- Celebrated the openings of 10 Corso Como, SJP by Sarah Jessica Parker, Roberto Cavalli, Cynthia Rowley, By Chloe, Cobble & Co. and Big Gay Ice Cream in the Seaport District.
- Signed an agreement with Nike to lease approximately 23,000 square feet of office space at Pier 17.
- Sold out 18 of 23 concerts held at The Rooftop at Pier 17 and hosted approximately 2,100 diners during the Seaport Food Lab summer pop-up series.
- Closed on a secured, non-recourse corporate credit facility with loan proceeds of up to $700.0 million, comprised of a $615.0 million term loan and an $85.0 million revolver. The loans under the facility bear interest at one-month LIBOR plus 1.65% and mature September 18, 2023. Concurrent with the funding of the term loan on September 21, 2018, the Company entered into a swap agreement to fix 100.0% of the outstanding principal of the term loan to a total rate equal to 4.61%.
- Acquired Lakefront North, two vacant, Class-A office buildings immediately adjacent to our Hughes Landing development in The Woodlands. We purchased the four- and six-story buildings, totaling 257,025 rentable square feet, as well as 12.9 acres of land for $53.0 million. We purchased these buildings below replacement cost, and the acquisition strengthens our control over the supply of office space and undeveloped land in The Woodlands.
- Broke ground on Two Lakes Edge, an eight-story 386-unit, multi-family property with retail and a restaurant on the ground level. This is our second multi-family residential development in Hughes Landing. On October 11, 2018, we closed on a $74.0 million construction loan for the project, bearing interest at one-month LIBOR plus 2.15% with an initial maturity date of October 11, 2022 and a one-year extension option.

"Our third quarter results illustrate the strong fundamentals of our business across our core markets and three key segments. Highlighted by the sale of two superpads in our Summerlin MPC with combined revenue of $91.1 million, our MPC results were particularly noteworthy for the quarter. The strong land sales were accompanied by continued NOI growth in our office and multi-family properties as more of our operating assets continue to stabilize" said David R. Weinreb, Chief Executive Officer. "In Honolulu, the extraordinary pace of sales in Ward Village continued in the third quarter, where we pre-sold an additional 220 homes that bring ‘A‘ali‘i, on which we recently began construction, to 75.1% pre-sold as of September 30, 2018. Finally, on the heels of successful openings for key fashion tenants in the Historic District, such as 10 Corso Como and SJP by Sarah Jessica Parker, we are pleased to announce that Nike has leased approximately 23,000 square feet at Pier 17. Our vision for the Seaport District continues to come alive as it transforms into one of New York City’s newest and most vibrant fashion and entertainment destinations."

Financial Results

Our total revenues were $257.2 million and $599.8 million for the three and nine months ended September 30, 2018, decreases of $1.6 million and $199.3 million, respectively, compared to the same periods in 2017, primarily due to a required change in accounting method as to how we recognize revenue on our condominium projects in our Strategic Developments segment. We adopted the new revenue recognition standard on January 1, 2018, as mandated by the Financial Accounting Standards Board for all public companies. The adoption mandated a change in revenue recognition for our condominium sales from percentage of completion to recognizing revenue and cost of sales for condominiums only after construction is complete and sales to buyers have closed. This change relates only to the *timing* of revenue recognition and will more closely match the actual cash flows from the sale of units. As a result of this accounting change, condominium revenue will be recognized later than it previously had been and will be lumpier, as revenue will only be recognized as unit sales close. The substantial majority of our closings have occurred at the time of building completion as a result of presales and units sold while construction is underway. See the Strategic Developments section below for additional information regarding the strong condominium sales this quarter. The reduction in revenue from this accounting change was partially offset by higher MPC revenues in the quarter, mainly as a result of superpad sales at Summerlin and increased lot sales at Bridgeland and The Woodlands Hills. These two factors had similar impacts on our FFO, Core FFO and Adjusted FFO ("AFFO") discussed below.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except per share amounts)	**2018**	**2017**	**2018**	**2017**
Net income attributable to common stockholders	$ 23,365	$ 10,504	$ 19,751	$ 19,283
Basic income per share	$ 0.54	$ 0.25	$ 0.46	$ 0.47
Diluted income per share	$ 0.54	$ 0.24	$ 0.46	$ 0.45
Funds from operations ("FFO")	$ 53,913	$ 45,304	$ 105,758	$ 92,245
FFO per weighted average diluted share	$ 1.24	$ 1.05	$ 2.44	$ 2.14
Core FFO	$ 72,525	$ 60,129	$ 151,068	$ 218,581
Core FFO per weighted average diluted share	$ 1.67	$ 1.39	$ 3.49	$ 5.07
AFFO	$ 70,762	$ 55,850	$ 138,690	$ 206,398
AFFO per weighted average diluted share	$ 1.63	$ 1.29	$ 3.20	$ 4.79

FFO for the three months ended September 30, 2018 increased $8.6 million, or $0.19 per diluted share, compared to the same period in 2017. The increase was primarily due to higher land sales in the MPC segment, partially offset by decreased revenues recognized in condominium sales, as discussed above. FFO for the nine months ended September 30, 2018 increased $13.5 million, or $0.3 per diluted share, compared to the same period in 2017. In addition to the factors impacting the three month period, the increase for the nine months ended September 30, 2018 was also attributable to the absence of the 2017 loss on both the redemption of senior notes due in 2021 and warrant liability and a decrease in the provision for income taxes provided by the Tax Cuts and Jobs Act of 2017, offset by the $32.2 million gain in 2017 on the sale of 36 acres of undeveloped land at The Elk Grove Collection.

Core FFO for the three and nine months ended September 30, 2018 increased $12.4 million and decreased $67.5 million, or $0.28 and $1.58 per diluted share, respectively, compared to the same periods in 2017. The increase for the three months ended September 30, 2018 is primarily attributable to the factors discussed in the FFO section above. The decrease for the nine months ended September 30, 2018 is also impacted by the 2017 losses on redemption of senior notes due in 2021 and warrant liability, both of which are added to FFO in the calculation of Core FFO. AFFO, our Core FFO adjusted to exclude recurring capital improvements and leasing commissions, increased $14.9 million and decreased $67.7 million, or $0.34 and $1.59 per diluted share, for the three and nine months ended September 30, 2018 compared to the same periods in 2017 primarily due to the items mentioned in the FFO and Core FFO discussions above. Please reference FFO, Core FFO and AFFO as defined and reconciled to the closest GAAP measure in the Appendix to this release and the reasons why we believe these non-GAAP measures are meaningful to investors and a better indication of our overall performance.

Business Segment Operating Results

Master Planned Communities

Our MPC revenues fluctuate each quarter given the nature of development and sale of land in these large scale, long-term communities. As a result of this fluctuation, we believe full year results are a better measurement of performance than quarterly results.

During the three and nine months ended September 30, 2018, our MPC segment earnings before tax were $88.9 million and $172.3 million compared to $40.5 million and $137.7 million during the same periods of 2017, increases of 119.7% and 25.1%, respectively. The primary drivers of these changes are discussed below.

For the three months ended September 30, 2018, the increase was driven by the timing of land sales in Summerlin and Bridgeland. At Summerlin, superpad sales totaled 160 acres, as compared to sales of 57 acres in the prior year period, and we achieved a residential price per acre of $572,000, an increase of $26,000 per acre over the prior year. There were 210 single-family lot sales at Bridgeland, which is 130 more lots sold compared to the same period last year. In Bridgeland, we achieved a residential price per acre of $378,000 during the quarter, an increase of $9,000 per acre over the prior year. Also contributing to the increase was a commercial land sale in The Woodlands for $1.4 million and 29 single-family lot sales in The Woodlands Hills with no comparable sales in the prior period. The Woodlands achieved a residential price per acre of $542,000, a decrease of $133,000 per acre from the prior year due to the mix of lots sold. The Woodlands achieved a commercial price per acre of $851,000, and The Woodlands Hills achieved a residential price per acre of $301,000, each without comparable prior year data.

The increase in EBT for the nine months ended September 30, 2018 was primarily attributable to superpad sales at Summerlin and increased single-family lot sales at Bridgeland and The Woodlands Hills. Summerlin sold superpad sites totaling 241 acres in 2018, compared to sales of 144 acres in the same period last year. We achieved a residential price per acre of $589,000 in 2018, which is consistent with the prior year. In addition, there were 380 single-family lot sales in Bridgeland compared to 299 single-family lot sales in the same period last year, and we achieved a price per acre of $382,000, consistent with the prior year. There were 115 single-family lot sales in The Woodlands Hills compared to none in the same period last year, and we achieved a price per acre of $273,000. These increases were offset in part by two commercial sales and an easement sale in the prior period with no comparable sales in the current period at The Woodlands and Bridgeland, respectively.

Operating Assets

In our Operating Assets segment, we increased NOI, including our share of NOI from equity investees and excluding properties sold or in redevelopment, by $1.3 million and $11.7 million, or 3.6% and 9.7%, to $38.7 million and $132.4 million in the three and nine months ended September 30, 2018, respectively, compared to the same periods of 2017. For the three months ended September 30, 2018, the increase is primarily driven by NOI increases of $2.5 million and $0.8 million in NOI at our office and multi-family properties, respectively, primarily as a result of continued stabilization and increased occupancy at several of our office and multi-family assets. This increase was partially offset by a decrease of $1.0 million in NOI at our retail properties, driven primarily by NOI loss of $3.3 million at our Seaport District properties. NOI at the Seaport District was negatively impacted by costs associated with opening new businesses such as our concert series, summer activations and restaurants. This loss is consistent with our expectations and included in our development budget for the project. Excluding the Seaport District, NOI for the three months ended September 30, 2018 would have increased $4.6 million, or approximately 12.4%, over the prior year period. The increase in NOI for the nine months ended September 30, 2018 is primarily driven by increases of $3.6 million, $3.5 million and $3.7 million in NOI at our retail, office and multi-family properties, respectively, all mainly as a result of continued stabilization at several of these assets. These increases were compounded by a $4.7 million increase in Hospitality NOI, mainly as a result of increased hotel room rates and conference and food and beverage revenue.

In the Seaport District, we celebrated the openings of several new businesses, including 10 Corso Como on September 7th in conjunction with New York Fashion Week. The store is the only U.S. location for the iconic Milan-based fashion destination. We also celebrated the opening of SJP by Sarah Jessica Parker's first standalone shoe store on September 13th. Finally, we signed an agreement with Nike to lease approximately 23,000 square feet of office space at Pier 17.

Strategic Developments

In our Strategic Developments segment, we experienced another strong quarter, including robust sales of condominium units at Ward Village. Our newest tower to launch sales, ‘A‘ali‘i, was approximately 75.1% presold as of September 30, 2018 and 77.1% presold as of October 31, 2018. ‘A‘ali‘i launched public sales in January 2018 and demonstrates the continued strong demand for condominiums at Ward Village. We celebrated the groundbreaking of this new tower on October 15, 2018.

We also increased our estimated stabilized NOI by $9.0 million to $317.6 million as of the third quarter of 2018, excluding the redevelopment of the Seaport District. Of this increase, $2.5 million is attributable to two floors added to our 110 North Wacker development, which were incorporated into our plans as a result of strong leasing demand. An additional $6.5 million in estimated stabilized NOI is attributable to the acquisition of the Lakefront North property in the Operating Assets segment.

Despite strong sales activity, segment EBT decreased $34.4 million and $128.1 million for the three and nine months ended September 30, 2018, respectively, compared to the same periods in prior year. A change in accounting methods discussed previously contributed to the decreases and makes the periods not comparable. A $13.4 million charge for future window repairs at our Waiea condominium tower also contributed to the decrease in EBT for the nine months ended September 30, 2018. This charge represents the Company's estimate of total costs to complete the repairs. While we expect to recover these costs in future periods, we will not recognize any recovery until the amount can be estimated and is considered probable for financial reporting purposes.

Due to the change in accounting methods for revenue recognition of condominium sales previously discussed, for the current quarter, we reported revenues of $8.0 million from condominium rights and unit sales only for homes that actually closed escrow at the two delivered buildings (Waiea and Anaha) in Ward Village. Had we continued to account for them under the previous guidance, we would have reported condominium rights and unit sales of $51.8 million. For the comparable period in 2017, we reported revenue on a percentage of completion basis at Ward Village of $113.9 million. Due to the change in accounting methods, the two quarters are not comparable. From inception through October 31, 2018 we have closed on the sales of a total of 479 units to residents.

<u>Balance Sheet Third Quarter Activity and Subsequent Events</u>

On September 25, 2018, the Company and its joint venture partners closed on an amendment to the 110 North Wacker construction loan. The amendment increased the maximum borrowing capacity from $494.5 million to $512.6 million, modified the lenders and commitments included in the loan syndication and increased the Company's guarantee to approximately $92.3 million. The loan was modified as a result of the additional floors incorporated in the development plan, as previously discussed.

On September 11, 2018, the Company closed on an $89.8 million construction loan for 6100 Merriweather and an $85.7 million construction loan for Columbia Multi-family. Each loan bears interest at one-month LIBOR plus 2.75%, has an initial maturity date of September 11, 2022, has two, one-year extension options and is cross-collateralized.

On September 18, 2018, the Company closed on a $700.0 million loan for the Corporate Credit Facility, of which $615.0 million is a term loan and $85.0 million is a revolver. The loans under the facility bear interest at one-month LIBOR plus 1.65% and mature September 18, 2023. The Company has a one-time right to request an increase of $50.0 million in the aggregate amount of the revolver loan commitment. The net term loan proceeds were used to repay approximately $608.7 million of existing debt, and the revolver remains undrawn. Concurrent with the funding of the term loan on September 21, 2018, the Company entered into a swap agreement to fix 100.0% of the outstanding principal of the term loan to a total rate equal to 4.61%.

On July 27, 2018, the Company closed on a $34.2 million construction loan for Bridgeland Apartments, bearing interest at one-month LIBOR plus 2.25% with an initial maturity date of July 27, 2022 and a one-year extension option.

On July 20, 2018, the Company closed on a $51.2 million construction note for Summerlin Ballpark, bearing interest at 4.92% per annum and maturing on December 15, 2039. The note is secured by the ballpark and by the proceeds of the Naming Rights and Marketing agreement between the Company and the Las Vegas Convention and Visitors Authority, which provides an annual payment of $4.0 million to the Company in each of the next 20 years.

As of September 30, 2018, our total consolidated debt equaled approximately 44.7% of our total assets and our leverage ratio (debt to enterprise value, as defined in the Supplemental Information) was 39.5%. We believe our low leverage, with a focus on project-specific financing, reduces our exposure to potential downturns and provides us with the ability to evaluate new opportunities. As of September 30, 2018, we had $454.1 million of cash and cash equivalents.

About The Howard Hughes Corporation®

The Howard Hughes Corporation owns, manages and develops commercial, residential and mixed-use real estate throughout the U.S. Our properties include master planned communities, operating properties, development opportunities and other unique assets spanning 14 states from New York to Hawaiʻi. The Howard Hughes Corporation is traded on the New York Stock Exchange under HHC with major offices in New York, Columbia, MD, Dallas, Houston, Las Vegas and Honolulu. For additional information about HHC, visit www.howardhughes.com or find us on Facebook, Twitter, Instagram, and LinkedIn.

Safe Harbor Statement

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

- budgeted costs, future lot sales and estimates of NOI and EBT;
- capital required for our operations and development opportunities for the properties in our Operating Assets and Strategic Developments segments;
- expected commencement and completion for property developments and timing of sales or rentals of certain properties;

- expected performance of our MPC segment and other current income producing properties;
- transactions related to our non-core assets;
- the performance and our operational success at our Seaport District;
- forecasts of our future economic performance; and
- future liquidity, finance opportunities, development opportunities, development spending and management plans.

These statements involve known and unknown risks, uncertainties and other factors that may have a material impact on any future results, performance and achievements expressed or implied by such forward-looking statements. These risk factors are described in our Annual Report on Form 10-K, which has been filed with the Securities and Exchange Commission on February 26, 2018. Any factor could, by itself, or together with one or more other factors, adversely affect our business, results of operations or financial condition. There may be other factors currently unknown to us that we have not described in our Annual Report that could cause results to differ from our expectations. These forward-looking statements present our estimates and assumptions as of the date of this press release. Except as may be required by law, we undertake no obligation to modify or revise any forward-looking statements to reflect events or circumstances occurring after the date of this release.

Our Financial Presentation

As discussed throughout this release, we use certain non-GAAP performance measures, in addition to the required GAAP presentations, as we believe these measures improve the understanding of our operational results and make comparisons of operating results among peer companies more meaningful. Management continually evaluates the usefulness, relevance, limitations and calculation of the Company’s reported non-GAAP performance measures to determine how best to provide relevant information to the public, and thus such reported measures could change. The non-GAAP financial measures used throughout this release are Net operating income, Funds from operations, Core funds from operations, and Adjusted funds from operations. We provide a more detailed discussion about these non-GAAP measures in our reconciliation of non-GAAP measures provided in this earnings release.

THE HOWARD HUGHES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except per share amounts)	**2018**	**2017**	**2018**	**2017**
Revenues:				
Condominium rights and unit sales	$ 8,045	$ 113,852	$ 39,767	$ 342,208
Master Planned Communities land sales	127,730	54,906	226,727	177,531
Minimum rents	53,244	44,654	153,156	136,053
Tenant recoveries	12,806	11,586	37,808	34,627
Hospitality revenues	19,108	17,776	64,738	57,190
Builder price participation	8,685	5,472	19,394	14,613
Other land revenues	7,145	4,561	15,988	19,606
Other rental and property revenues	20,397	5,929	42,266	17,309
Total revenues	257,160	258,736	599,844	799,137
Expenses:				
Condominium rights and unit cost of sales	6,168	86,531	41,713	253,209
Master Planned Communities cost of sales	57,183	29,043	109,609	88,288
Master Planned Communities operations	13,044	8,180	33,956	24,881
Other property operating costs	42,942	21,354	91,847	60,153
Rental property real estate taxes	8,519	7,678	24,148	21,765
Rental property maintenance costs	4,456	3,380	11,604	10,016
Hospitality operating costs	14,723	13,525	45,707	41,534
Provision for doubtful accounts	2,282	448	4,417	1,728
Demolition costs	2,835	175	16,166	303
Development-related marketing costs	7,218	5,866	20,484	14,787
General and administrative	20,645	22,362	71,795	63,423
Depreciation and amortization	31,123	35,899	88,398	96,193
Total expenses	211,138	234,441	559,844	676,280
Operating income before other items	46,022	24,295	40,000	122,857
Other:				
Gains on sales of properties	—	237	—	32,452
Other (loss) income, net	(3,710)	(160)	(3,444)	750
Total other	(3,710)	77	(3,444)	33,202
Operating income	42,312	24,372	36,556	156,059
Interest income	2,080	1,764	6,759	3,171
Interest expense	(21,670)	(17,241)	(57,182)	(49,547)
Loss on redemption of senior notes due 2021	—	—	—	(46,410)
Warrant liability loss	—	—	—	(43,443)
Gain on acquisition of joint venture partner's interest	—	—	—	5,490
Equity in earnings from real estate and other affiliates	8,612	7,467	39,297	25,821
Income before taxes	31,334	16,362	25,430	51,141
Provision for income taxes	7,487	5,846	5,628	31,846
Net income	23,847	10,516	19,802	19,295
Net income attributable to noncontrolling interests	(482)	(12)	(51)	(12)
Net income attributable to common stockholders	$ 23,365	$ 10,504	$ 19,751	$ 19,283
Basic income per share:	$ 0.54	$ 0.25	$ 0.46	$ 0.47
Diluted income per share:	$ 0.54	$ 0.24	$ 0.46	$ 0.45

THE HOWARD HUGHES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
UNAUDITED

(In thousands, except shares and par value amounts)	September 30, 2018	December 31, 2017
Assets:		
Investment in real estate:		
Master Planned Communities assets	$ 1,621,168	$ 1,642,278
Buildings and equipment	2,510,945	2,238,617
Less: accumulated depreciation	(359,445)	(321,882)
Land	302,858	277,932
Developments	1,825,847	1,196,582
Net property and equipment	5,901,373	5,033,527
Investment in real estate and other affiliates	107,720	76,593
Net investment in real estate	6,009,093	5,110,120
Cash and cash equivalents	454,080	861,059
Restricted cash	158,468	103,241
Accounts receivable, net	15,437	13,041
Municipal Utility District receivables, net	237,567	184,811
Notes receivable, net	40,220	5,864
Deferred expenses, net	95,811	80,901
Prepaid expenses and other assets, net	286,194	370,027
Total assets	$ 7,296,870	$ 6,729,064
Liabilities:		
Mortgages, notes and loans payable, net	$ 3,261,210	$ 2,857,945
Deferred tax liabilities	148,770	160,850
Accounts payable and accrued expenses	705,864	521,718
Total liabilities	4,115,844	3,540,513
Equity:		
Preferred stock: $.01 par value; 50,000,000 shares authorized, none issued	—	—
Common stock: $.01 par value; 150,000,000 shares authorized, 43,538,420 shares issued and 43,033,127 outstanding as of September 30, 2018 and 43,300,253 shares issued and 43,270,880 outstanding as of December 31, 2017	436	433
Additional paid-in capital	3,318,747	3,302,502
Accumulated deficit	(157,602)	(109,508)
Accumulated other comprehensive income (loss)	4,450	(6,965)
Treasury stock, at cost, 505,293 and 29,373 shares as of September 30, 2018 and December 31, 2017, respectively	(60,743)	(3,476)
Total Stockholders' equity	3,105,288	3,182,986
Noncontrolling interests	75,738	5,565
Total equity	3,181,026	3,188,551
Total liabilities and equity	$ 7,296,870	$ 6,729,064

Appendix – Reconciliations of Non-GAAP Measures

As of and for the Three and Nine Months Ended September 30, 2018

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

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

	Three Months Ended September 30, (Unaudited)											
	2018	2017	$ Change	2018	2017	$ Change	2018	2017	$ Change	2018	2017	$ Change
(In thousands)	Operating			MPC			Strategic			Consolidated		
Total revenues	$ 101,000	$ 79,533	**$ 21,467**	$ 143,135	$ 64,929	**$ 78,206**	$ 13,025	$ 114,274	**$ (101,249)**	$ 257,160	$ 258,736	**$ (1,576)**
Total operating expenses	59,779	41,837	**(17,942)**	70,237	37,223	**(33,014)**	19,302	91,080	**71,778**	149,318	170,140	**20,822**
Segment operating income (loss)	41,221	37,696	**3,525**	72,898	27,706	**45,192**	(6,277)	23,194	**(29,471)**	107,842	88,596	**19,246**
Depreciation and amortization	(28,329)	(33,885)	**5,556**	(79)	(76)	**(3)**	(472)	(18)	**(454)**	(28,880)	(33,979)	**5,099**
Interest (expense) income, net	(18,891)	(15,940)	**(2,951)**	6,626	6,355	**271**	4,319	6,983	**(2,664)**	(7,946)	(2,602)	**(5,344)**
Other (loss) income, net	(2,887)	(249)	**(2,638)**	18	—	**18**	(450)	122	**(572)**	(3,319)	(127)	**(3,192)**
Equity in earnings (loss) from real estate and other affiliates	(529)	317	**(846)**	9,454	6,480	**2,974**	(316)	670	**(986)**	8,609	7,467	**1,142**
Gains on sales of properties	—	—	**—**	—	—	**—**	—	237	**(237)**	—	237	**(237)**
Segment EBT	$ (9,415)	$ (12,061)	**$ 2,646**	$ 88,917	$ 40,465	**$ 48,452**	$ (3,196)	$ 31,188	**$ (34,384)**	$ 76,306	$ 59,592	**$ 16,714**

	2018	2017	$ Change
Corporate expenses and other items	52,459	49,076	**(3,383)**
Net income	$ 23,847	$ 10,516	**$ 13,331**
Net income attributable to noncontrolling interests	(482)	(12)	**(470)**
Net income attributable to common stockholders	$ 23,365	$ 10,504	**$ 12,861**

	Nine Months Ended September 30, (Unaudited)											
	2018	2017	$ Change	2018	2017	$ Change	2018	2017	$ Change	2018	2017	$ Change
(In thousands)	Operating			MPC			Strategic			Consolidated		
Total revenues	$ 285,481	$ 243,498	**$ 41,983**	$ 261,665	$ 211,711	**$ 49,954**	$ 52,698	$ 343,928	**$ (291,230)**	$ 599,844	$ 799,137	**$ (199,293)**
Total operating expenses	149,169	123,879	**(25,290)**	143,608	113,171	**(30,437)**	70,225	264,524	**194,299**	363,002	501,574	**138,572**
Segment operating income (loss)	136,312	119,619	**16,693**	118,057	98,540	**19,517**	(17,527)	$ 79,404	**(96,931)**	236,842	297,563	**(60,721)**
Depreciation and amortization	(79,190)	(88,918)	**9,728**	(245)	(247)	**2**	(2,650)	(1,177)	**(1,473)**	(82,085)	(90,342)	**8,257**
Interest (expense) income, net	(52,886)	(46,004)	**(6,882)**	19,826	17,902	**1,924**	18,260	18,321	**(61)**	(14,800)	(9,781)	**(5,019)**
Other (loss) income, net	(2,723)	(265)	**(2,458)**	18	—	**18**	(77)	137	**(214)**	(2,782)	(128)	**(2,654)**
Equity in earnings (loss) from real estate and other affiliates	1,056	3,739	**(2,683)**	34,682	21,552	**13,130**	3,556	530	**3,026**	39,294	25,821	**13,473**
Gains on sales of properties	—	—	**—**	—	—	**—**	—	32,452	**(32,452)**	—	32,452	**(32,452)**
Segment EBT	$ 2,569	$ (11,829)	**$ 14,398**	$ 172,338	$ 137,747	**$ 34,591**	$ 1,562	$ 129,667	**$ (128,105)**	$ 176,469	$ 255,585	**$ (79,116)**
Corporate expenses and other items										156,667	236,290	**79,623**
Net income										$ 19,802	$ 19,295	**$ 507**
Net income attributable to noncontrolling interests										(51)	(12)	**(39)**
Net income attributable to common stockholders										$ 19,751	$ 19,283	**$ 468**

NOI

We believe that NOI is a useful supplemental measure of the performance of our Operating Assets portfolio because it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating real estate properties and the impact on operations from trends in rental and occupancy rates and operating costs. We define NOI as operating revenues (rental income, tenant recoveries and other revenue) less operating expenses (real estate taxes, repairs and maintenance, marketing and other property expenses, including our share of NOI from equity investees). NOI excludes straight-line rents and amortization of tenant incentives, net interest expense, ground rent amortization, demolition costs, amortization, depreciation and development-related marketing. All management fees have been eliminated for all internally-managed properties. We use NOI to evaluate our operating performance on a property-by-property basis because NOI allows us to evaluate the impact that property-specific factors such as lease structure, lease rates and tenant base have on our operating results, gross margins and investment returns. Variances between years in NOI typically result from changes in rental rates, occupancy, tenant mix and operating expenses. Although we believe that NOI provides useful information to investors about the performance of our Operating Assets, due to the exclusions noted above, NOI should only be used as an additional measure of the financial performance of the assets of this segment of our business and not as an alternative to GAAP net income (loss). For reference, and as an aid in understanding our computation of NOI, a reconciliation of Operating Assets EBT to Operating Assets NOI has been presented in the table below.

(In thousands)	Three Months Ended September 30, (Unaudited) 2018	2017	Nine Months Ended September 30, (Unaudited) 2018	2017
Total Operating Assets segment EBT (a)	$ (9,415)	$ (12,061)	$ 2,569	$ (11,829)
Add Back:				
Depreciation and amortization	28,329	33,885	79,190	88,918
Interest expense (income), net	18,891	15,940	52,886	46,004
Equity in earnings (loss) from real estate and other affiliates	529	(317)	(1,056)	(3,739)
Straight-line rent revenue	(3,632)	(1,421)	(9,551)	(5,198)
Other	3,098	290	2,820	348
Total Operating Assets NOI - Consolidated	**37,800**	**36,316**	**126,858**	**114,504**
Dispositions:				
Cottonwood Square	—	(165)	—	(500)
Park West	—	8	—	61
Total Operating Asset Dispositions NOI	**—**	**(157)**	**—**	**(439)**
Consolidated Operating Assets NOI excluding properties sold or in redevelopment	**$ 37,800**	**$ 36,159**	**$ 126,858**	**$ 114,065**
Company's Share NOI - Equity investees	891	1,186	2,130	3,315
Distributions from Summerlin Hospital Investment	—	—	3,435	3,383
Total NOI	**$ 38,691**	**$ 37,345**	**$ 132,423**	**$ 120,763**

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

FFO, Core FFO, and Adjusted FFO (AFFO)

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

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

(In thousands)	Three Months Ended September 30, (Unaudited) 2018	2017	Nine Months Ended September 30, (Unaudited) 2018	2017
Net (loss) income attributable to common shareholders	$ 23,365	$ 10,504	$ 19,751	$ 19,283
Add:				
Segment real estate related depreciation and amortization	28,880	33,979	82,085	90,342
Gains on sales of properties	—	(237)	—	(32,452)
Income tax expense (benefit) adjustments - deferred				
Gains on sales of properties	—	83	—	12,164
Reconciling items related to noncontrolling interests	482	12	51	12
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	1,186	963	3,871	2,896
FFO	**$ 53,913**	**$ 45,304**	**$ 105,758**	**$ 92,245**
Adjustments to arrive at Core FFO:				
Acquisition expenses	$ —	$ —	$ —	$ 32
Loss on redemption of senior notes due 2021	—	—	—	46,410
Gain on acquisition of joint venture partner's interest	—	—	—	(5,490)
Warrant loss	—	—	—	43,443
Severance expenses	139	361	420	2,449
Non-real estate related depreciation and amortization	2,243	1,920	6,313	5,851
Straight-line amortization	(3,676)	(2,257)	(10,104)	(6,903)
Deferred income tax expense (benefit)	7,179	6,897	4,621	19,280
Non-cash fair value adjustments related to hedging instruments	(394)	68	(1,262)	399
Share based compensation	2,877	1,663	8,231	5,352
Other non-recurring expenses (development related marketing and demolition costs)	10,053	6,041	36,650	15,090
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	191	132	441	423
Core FFO	**$ 72,525**	**$ 60,129**	**$ 151,068**	**$ 218,581**
Adjustments to arrive at AFFO:				
Tenant and capital improvements	$ (1,519)	$ (3,541)	$ (10,684)	$ (10,156)
Leasing Commissions	(244)	(738)	(1,694)	(2,027)
AFFO	**$ 70,762**	**$ 55,850**	**$ 138,690**	**$ 206,398**
FFO per diluted share value	**$ 1.24**	**$ 1.05**	**$ 2.44**	**$ 2.14**
Core FFO per diluted share value	**$ 1.67**	**$ 1.39**	**$ 3.49**	**$ 5.07**
AFFO per diluted share value	**$ 1.63**	**$ 1.29**	**$ 3.20**	**$ 4.79**

Supplemental Information

Three months ended September 30, 2018

NYSE: HHC

The Howard Hughes Corporation, 13355 Noel Road, 22nd Floor, Dallas, TX 75240

HowardHughes.com 214.741.7744

Cautionary Statements

Forward Looking Statements

This presentation includes forward-looking statements. Forward-looking statements give our current expectations relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to current or historical facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "forecast," "plan," "intend," "believe," "likely," "may," "realize," "should," "transform," "would" and other statements of similar expression. Forward looking statements give our expectations about the future and are not guarantees. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements to materially differ from any future results, performance and achievements expressed or implied by such forward-looking statements. We caution you not to rely on these forward-looking statements. For a discussion of the risk factors that could have an impact on these forward-looking statements, see our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as filed with the Securities and Exchange Commission on February 26, 2018. The statements made herein speak only as of the date of this presentation, and we do not undertake to update this information except as required by law. Past performance does not guarantee future results. Performance during time periods shown is limited and may not reflect the performance for the full year or future years, or in different economic and market cycles.

Non-GAAP Financial Measures

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

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

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

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

Additional Information

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

Table of Contents

Company Profile - Summary & Results

Company Overview - Q3 2018

Exchange / Ticker	NYSE:	HHC
Share Price - September 30, 2018	$	124.22
Diluted Earnings / Share	$	0.54
FFO / Diluted Share	$	1.24
Core FFO / Diluted Share	$	1.67
AFFO / Diluted Share	$	1.63

Recent Company Highlights

DALLAS--(PRNewswire)--Sept. 24, 2018-- The Howard Hughes Corporation announced that it has closed on a secured, non-recourse corporate credit facility with loan proceeds of up to $700 million, comprised of a $615 million term loan and an $85 million revolver. Additionally, The Howard Hughes Corporation will have the right to increase the revolver by $50 million through the facility's accordion feature.

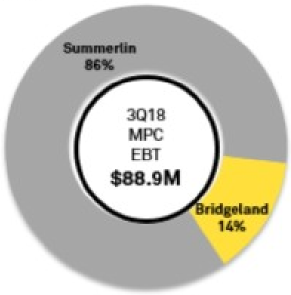
LAS VEGAS--(PRNewswire)--Sept. 18, 2018--The Howard Hughes Corporation, owner of the Las Vegas 51s, announced today a two-year Player Development Contract (PDC) between the Las Vegas 51s and the Oakland A's. The Las Vegas 51s, the city's professional Triple-A baseball team and a member of the Pacific Coast League (PCL), will begin the 2019 season in their new stadium the Las Vegas Ballpark, which is currently under construction in Downtown Summerlin.

NEW YORK--(PRNewswire)--Sept. 12, 2018--The Howard Hughes Corporation celebrated last week the opening of 10 Corso Como in the historic Seaport District, marking a milestone in the Lower Manhattan neighborhood's ongoing transformation into a fashion, cultural, culinary and entertainment hub. Formally opened on Friday, September 7 in conjunction with New York Fashion Week, the store is the only U.S. location for the iconic Milan-based fashion destination and features an Italian café and restaurant, fashion, design objects and books, beauty, a garden, as well as an art gallery.

Operating Portfolio by Region

Q3 2018 MPC & Condominium Results

$ in millions



$ in millions

Q3 2018 MPC EBT		
Bridgeland	$	13.0
Columbia		(0.4)
Summerlin		77.8
The Woodlands/The Woodlands Hills		(1.5)
Total	**$**	**88.9**

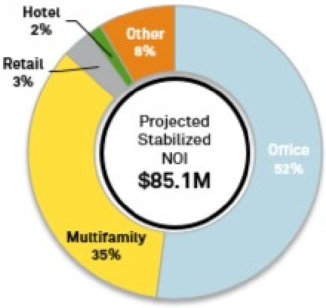
Q3 2018 Condo Gross Profit		
Waiea	$	2.0
Anaha		(0.1)
Ke Kilohana		—
Ae`o		—
Total	**$**	**1.9**

Company Profile - Summary & Results (con't)

Path to Projected Annual Stabilized NOI

Currently Under Construction

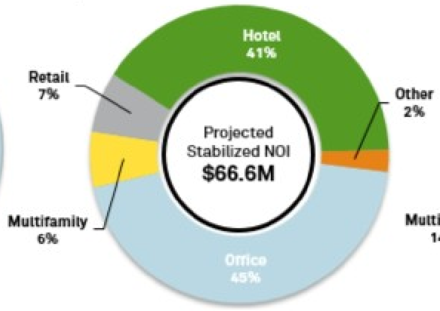
$ in millions



Retail & Office S.F.	2,430,200
Multifamily Units	1,639
Hotel Keys	66
Other Units	—
Projected Stabilized NOI $	85.1

Currently Unstabilized

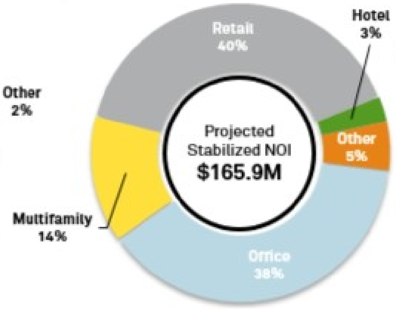
$ in millions



Retail & Office S.F.	1,438,691
Multifamily Units	437
Hotel Keys	705
Other Units	1,408
Projected Stabilized NOI $	66.6

Currently Stabilized

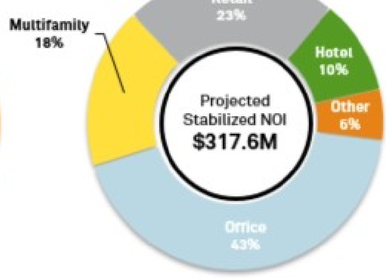
$ in millions



Retail & Office S.F.	5,171,937
Multifamily Units	1,622
Hotel Keys	205
Other Units	—
Projected Stabilized NOI $	165.9

Total

$ in millions



Retail & Office S.F.	9,040,828
Multifamily Units	3,698
Hotel Keys	976
Other Units	1,408
Projected Stabilized NOI $	317.6

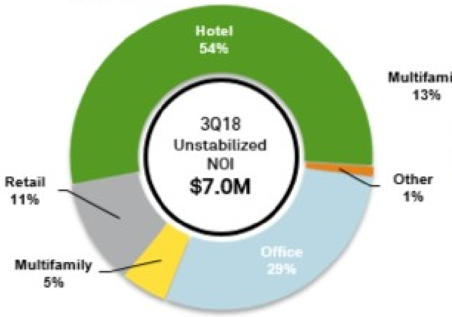
Q3 2018 - Operating Results by Property Type

Currently Under Construction

$ in millions

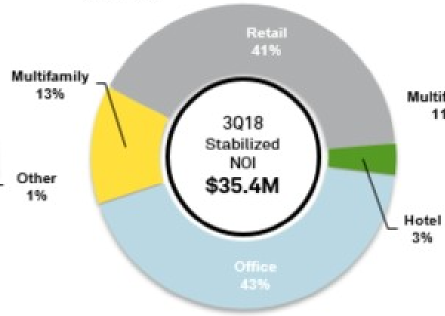
Currently Unstabilized

$ in millions



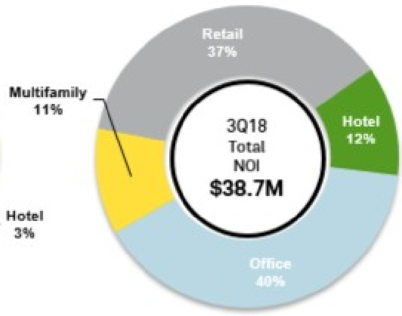
Currently Stabilized

$ in millions



Total

$ in millions



Path to Projected Annual Stabilized NOI charts exclude Seaport NOI until we have greater clarity with respect to the performance of our tenants; however, the operating portion of Seaport is included in 3Q18 Operating Results by Property Type. See page 18 for Stabilized NOI Yield and other project information

Financial Summary

Company Profile	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	YTD Q3 2018	YTD Q3 2017
Share price[1]	$124.22	$132.50	$139.13	$131.27	$117.93	$124.22	$117.93
Market Capitalization[2]	$5.4b	$5.7b	$6.0b	$5.9b	$5.1b	$5.4b	$5.1b
Enterprise Value[3]	$8.2b	$8.3b	$8.3b	$7.9b	$7.5b	$8.2b	$7.5b
Weighted avg. shares - basic (*in thousands*)	43,066	42,573	42,976	42,860	42,845	43,023	40,860
Weighted avg. shares - diluted (*in thousands*)	43,317	42,942	43,363	43,120	43,267	43,281	43,098
Total diluted share equivalents outstanding (*in thousands*)[1]	43,194	43,325	43,301	44,917	43,380	43,080	43,380
Earnings Profile (in *thousands* except for Avg. NOI margin)							
Operating Segment Income							
Revenues	$96,528	$89,752	$87,525	$80,727	$77,651	$273,805	$237,582
Expenses	($58,728)	($44,231)	($43,988)	($45,566)	($41,492)	($146,947)	($123,019)
Company's Share of Equity Method Investments NOI and Cost Basis Investment	$891	$664	$4,010	$1,084	$1,186	$5,565	$6,700
Net Operating Income[4]	$38,691	$46,185	$47,547	$36,245	$37,345	$132,423	$121,263
Avg. NOI margin	40%	52%	54%	45%	48%	48%	51%
MPC Segment Earnings							
Total revenues	$143,135	$62,765	$55,765	$87,832	$64,929	$261,665	$211,711
Total expenses[5]	($70,316)	($37,088)	($36,449)	($43,300)	($37,299)	($143,853)	($113,418)
Interest (expense) income, net[6]	$6,626	$6,808	$6,392	$6,390	$6,355	$19,826	$17,902
Other (loss) income, net	$18	$—	$—	$—	$—	$18	$—
Equity in earnings in Real Estate and Other Affiliates	$9,454	$14,100	$11,128	$1,682	$6,480	$34,682	$21,552
MPC Segment EBT[6]	$88,917	$46,585	$36,836	$52,604	$40,465	$172,338	$137,747
Condo Gross Profit							
Revenues[7]	$8,045	$20,885	$10,837	$122,043	$113,852	$39,767	$342,208
Expenses[7]	($6,168)	($28,816)	($6,729)	($85,152)	($86,531)	($41,713)	($253,209)
Condo Net Income	$1,877	($7,931)	$4,108	$36,891	$27,321	($1,946)	$88,999
Debt Summary (in *thousands* except for percentages)							
Total debt payable[8]	$3,296,486	$3,163,771	$2,915,220	$2,877,789	$3,014,280	$3,296,486	$3,014,280
Fixed rate debt outstanding at end of period	$1,651,695	$1,643,194	$1,522,488	$1,526,875	$1,508,746	$1,651,695	$1,508,746
Weighted avg. rate - fixed	4.60%	4.60%	4.98%	5.04%	4.99%	4.60%	4.99%
Variable rate debt outstanding at end of period, excluding condominium financing	$1,411,932	$1,355,523	$1,299,119	$1,317,311	$1,310,265	$1,411,932	$1,310,265
Weighted avg. rate - variable	4.78%	3.37%	4.32%	4.10%	3.67%	4.78%	3.67%
Condominium debt outstanding at end of period	$232,859	$165,054	$93,613	$33,603	$195,269	$232,859	$195,269
Weighted avg. rate - condominium financing	6.04%	5.93%	5.78%	4.49%	7.98%	6.04%	7.98%
Leverage ratio (debt to enterprise value)	39.54%	37.59%	34.92%	36.20%	39.90%	39.61%	39.90%

(1) Presented as of period end date.
(2) Market capitalization = Closing share price at of the last trading day of the respective period times total diluted share equivalents outstanding as of the date presented.
(3) Enterprise Value = Market capitalization + book value of debt + noncontrolling interest - cash and equivalents.
(4) Net Operating Income = Operating Assets NOI excluding properties sold or in redevelopment + Company's Share of Equity Method Investments NOI and the annual Distribution from our Cost Basis Investment. Prior periods have been adjusted to be consistent with fiscal 2018 presentation.
(5) Expenses include both actual and estimated future costs of sales allocated on a relative sales value to land parcels sold, including MPC-level G&A and real estate taxes on remaining residential and commercial land.
(6) MPC Segment EBT (Earnings before tax, as discussed in our GAAP financial statements), includes negative interest expense relating to capitalized interest for the segment on debt held in other segments and at corporate.
(7) Revenues in 2018 represent "Condominium rights and unit sales" and expenses represent "Condominium rights and unit cost of sales" as stated in our GAAP financial statements, based on the new revenue standard adopted January 1, 2018. Prior year periods are presented based on the percentage of completion method ("POC") and are therefore not comparable to the current period.
(8) Represents Total mortgages, notes, and loans payable, as stated in our GAAP financial statements as of the respective date, excluding unamortized deferred financing costs and bond issuance costs.

Balance Sheets

(In thousands, except shares and par value amounts)	Q3 2018	Q3 2017	FY 2017	FY 2016
ASSETS	Unaudited	Unaudited		
Investment in real estate:				
Master Planned Communities assets	$ 1,621,168	$ 1,667,496	$ 1,642,278	$ 1,669,561
Buildings and equipment	2,510,945	2,155,071	2,238,617	2,027,363
Less: accumulated depreciation	(359,445)	(303,887)	(321,882)	(245,814)
Land	302,858	314,383	277,932	320,936
Developments	1,825,847	1,124,079	1,196,582	961,980
Net property and equipment	5,901,373	4,957,142	5,033,527	4,734,026
Investment in real estate and other affiliates	107,720	89,155	76,593	76,376
Net investment in real estate	6,009,093	5,046,297	5,110,120	4,810,402
Cash and cash equivalents	454,080	601,934	861,059	665,510
Restricted cash	158,468	360,281	103,241	249,629
Accounts receivable, net	15,437	9,608	13,041	9,883
Municipal Utility District receivables, net	237,567	193,100	184,811	150,385
Notes receivable, net	40,220	46	5,864	155
Deferred expenses, net	95,811	76,692	80,901	64,531
Prepaid expenses and other assets, net	286,194	435,738	370,027	416,887
Total Assets	**$ 7,296,870**	**$ 6,723,696**	**$ 6,729,064**	**$ 6,367,382**
LIABILITIES AND EQUITY				
Liabilities				
Mortgages, notes and loans payable	$ 3,261,210	$ 2,993,448	$ 2,857,945	$ 2,690,747
Deferred tax liabilities	148,770	237,013	160,850	200,945
Warrant liabilities	—	—	—	332,170
Accounts payable and accrued expenses	705,864	462,853	521,718	572,010
Total Liabilities	**$ 4,115,844**	**$ 3,693,314**	**$ 3,540,513**	**$ 3,795,872**
Equity				
Common stock: $.01 par value; 150,000,000 shares authorized, 43,538,420 shares issued and 43,033,127 outstanding as of September 30, 2018 and 43,300,253 shares issued and 43,270,880 outstanding as of December 31, 2017	$ 436	$ 433	$ 433	$ 398
Additional paid-in capital	3,318,747	3,295,586	3,302,502	2,853,269
Accumulated deficit	(157,602)	(258,629)	(109,508)	(277,912)
Accumulated other comprehensive income (loss)	4,450	(9,017)	(6,965)	(6,786)
Treasury stock, at cost, 505,293 and 29,373 shares as of September 30, 2018 and December 31, 2017, respectively	(60,743)	(1,763)	(3,476)	(1,231)
Total stockholders' equity	3,105,288	3,026,610	3,182,986	2,567,738
Noncontrolling interests	75,738	3,772	5,565	3,772
Total Equity	**$ 3,181,026**	**$ 3,030,382**	**$ 3,188,551**	**$ 2,571,510**
Total Liabilities and Equity	**$ 7,296,870**	**$ 6,723,696**	**$ 6,729,064**	**$ 6,367,382**
Share Count Details (In thousands)				
Shares outstanding at end of period (including restricted stock)	43,033	43,207	43,271	39,790
Dilutive effect of stock options[1]	114	171	200	277
Dilutive effect of warrants[2]	47	2	1,446	2,894
Total Diluted Share Equivalents Outstanding	**43,194**	**43,380**	**44,917**	**42,961**

(1) Stock options assume net share settlement calculated for the year-to-date period presented.
(2) Warrants assume net share settlement and incremental shares for dilution calculated as of the date presented.

Statements of Operations

(In thousands, except share amounts)	Q3 2018	Q3 2017	YTD Q3 2018	YTD Q3 2017
Revenues:	Unaudited	Unaudited	Unaudited	Unaudited
Condominium rights and unit sales	$ 8,045	$ 113,852	$ 39,767	$ 342,208
Master Planned Communities land sales	127,730	54,906	226,727	177,531
Minimum rents	53,244	44,654	153,156	136,053
Tenant recoveries	12,806	11,586	37,808	34,627
Hospitality revenues	19,108	17,776	64,738	57,190
Builder price participation	8,685	5,472	19,394	14,613
Other land revenues	7,145	4,561	15,988	19,606
Other rental and property revenues	20,397	5,929	42,266	17,309
Total revenues	257,160	258,736	599,844	799,137
Expenses:				
Condominium rights and unit cost of sales	6,168	86,531	41,713	253,209
Master Planned Communities cost of sales	57,183	29,043	109,609	88,288
Master Planned Communities operations	13,044	8,180	33,956	24,881
Other property operating costs	42,942	21,354	91,847	60,153
Rental property real estate taxes	8,519	7,678	24,148	21,765
Rental property maintenance costs	4,456	3,380	11,604	10,016
Hospitality operating costs	14,723	13,525	45,707	41,534
Provision for doubtful accounts	2,282	448	4,417	1,728
Demolition costs	2,835	175	16,166	303
Development-related marketing costs	7,218	5,866	20,484	14,787
General and administrative	20,645	22,362	71,795	63,423
Depreciation and amortization	31,123	35,899	88,398	96,193
Total expenses	211,138	234,441	559,844	676,280
Operating income before other items	46,022	24,295	40,000	122,857
Other:				
Gains on sales of properties	—	237	—	32,452
Other (loss) income, net	(3,710)	(160)	(3,444)	750
Total other	(3,710)	77	(3,444)	33,202
Operating Income	42,312	24,372	36,556	156,059
Interest income	2,080	1,764	6,759	3,171
Interest expense	(21,670)	(17,241)	(57,182)	(49,547)
Loss on redemption of senior notes due 2021	—	—	—	(46,410)
Warrant liability loss	—	—	—	(43,443)
Gain on acquisition of joint venture partner's interest	—	—	—	5,490
Equity in earnings from real estate and other affiliates	8,612	7,467	39,297	25,821
Income before taxes	31,334	16,362	25,430	51,141
Provision for income taxes	7,487	5,846	5,628	31,846
Net income	23,847	10,516	19,802	19,295
Net income attributable to noncontrolling interests	(482)	(12)	(51)	(12)
Net income attributable to common stockholders	$ 23,365	$ 10,504	$ 19,751	$ 19,283
Basic income per share	**$ 0.54**	**$ 0.25**	**$ 0.46**	**$ 0.47**
Diluted income per share	**$ 0.54**	**$ 0.24**	**$ 0.46**	**$ 0.45**

The Company's 2018 three and nine month results are presented in accordance with Topic 606, the new revenue standard adopted January 1, 2018. Please refer to Note 2 in the Company's Form 10-Q for further information.

Reconciliations of Net Income to FFO, Core FFO and AFFO

(In thousands, except share amounts)	Q3 2018	Q3 2017	YTD Q3 2018	YTD Q3 2017
RECONCILIATIONS OF NET INCOME TO FFO	Unaudited	Unaudited	Unaudited	Unaudited
Net income attributable to common stockholders	$ 23,365	$ 10,504	$ 19,751	$ 19,283
Add:				
Segment real estate related depreciation and amortization	28,880	33,979	82,085	90,342
Gains on sales of properties	—	(237)	—	(32,452)
Income tax expense (benefit) adjustments - deferred				
Gains on sales of properties	—	83	—	12,164
Reconciling items related to noncontrolling interests	482	12	51	12
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	1,186	963	3,871	2,896
FFO	**$ 53,913**	**$ 45,304**	**$ 105,758**	**$ 92,245**
Adjustments to arrive at Core FFO:				
Acquisition expenses	$ —	$ —	$ —	$ 32
Loss on redemption of senior notes due 2021	—	—	—	46,410
Gain on acquisition of joint venture partner's interest	—	—	—	(5,490)
Warrant loss	—	—	—	43,443
Severance expenses	139	361	420	2,449
Non-real estate related depreciation and amortization	2,243	1,920	6,313	5,851
Straight-line amortization	(3,676)	(2,257)	(10,104)	(6,903)
Deferred income tax expense (benefit)	7,179	6,897	4,621	19,280
Non-cash fair value adjustments related to hedging instruments	(394)	68	(1,262)	399
Share based compensation	2,877	1,663	8,231	5,352
Other non-recurring expenses (development related marketing and demolition costs)	10,053	6,041	36,650	15,090
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	191	132	441	423
Core FFO	**$ 72,525**	**$ 60,129**	**$ 151,068**	**$ 218,581**
Adjustments to arrive at AFFO:				
Tenant and capital improvements	$ (1,519)	$ (3,541)	$ (10,684)	$ (10,156)
Leasing Commissions	(244)	(738)	(1,694)	(2,027)
AFFO	**$ 70,762**	**$ 55,850**	**$ 138,690**	**$ 206,398**
FFO per diluted share value	**$ 1.24**	**$ 1.05**	**$ 2.44**	**$ 2.14**
Core FFO per diluted share value	**$ 1.67**	**$ 1.39**	**$ 3.49**	**$ 5.07**
AFFO per diluted share value	**$ 1.63**	**$ 1.29**	**$ 3.20**	**$ 4.79**

NOI by Region

Property	% Ownership (a)	Total		3Q18 Occupied (#)		3Q18 Leased (#)		3Q18 Occupied (%)		3Q18 Leased (%)		3Q18 Annualized NOI (b)	Stabilized NOI (c)	Time to Stabilize (Years)
		Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units			
Stabilized Properties														
Office - Houston	100%	1,477,006	—	1,413,335	—	1,424,820	—	96%	—%	96%	—%	$38,743	$40,060	—
Office - Columbia	100%	1,049,790	—	979,785	—	992,426	—	93%	—%	95%	—%	16,725	17,678	—
Office - Summerlin	100%	206,279	—	197,307	—	203,271	—	96%	—%	99%	—%	5,507	5,700	—
Retail - Houston	100%	292,652	—	282,054	—	285,106	—	96%	—%	97%	—%	9,636	9,903	—
Retail - Columbia	100%	89,199	—	89,199	—	89,199	—	100%	—%	100%	—%	2,066	2,200	—
Retail - Hawaii	100%	918,669	—	854,884	—	864,142	—	93%	—%	94%	—%	21,744	21,421	—
Retail - Other	100%	265,021	—	256,820	—	256,820	—	97%	—%	97%	—%	5,648	6,500	—
Retail - Summerlin	100%	823,450	—	727,740	—	731,443	—	88%	—%	89%	—%	20,648	26,300	—
Multi-Family - Houston (d)	100%	23,280	1,097	23,126	1,019	23,126	1,054	99%	93%	99%	96%	12,584	16,600	—
Multi-Family - Columbia (d)	50%	13,591	380	13,591	358	13,591	365	100%	94%	100%	96%	2,728	3,500	—
Multi-Family - Summerlin	100%	—	124	—	120	—	120	—%	97%	—%	97%	2,154	2,200	—
Multi-Family - New York (d)	100%	13,000	21	13,000	21	13,000	21	100%	100%	100%	100%	435	600	—
Hospitality - Houston	100%	—	205	—	169	—	169	—%	82%	—%	82%	5,151	4,500	—
Other Assets (e)	—	—	—	—	—	—	—	—%	—%	—%	—%	8,549	8,775	—
Total Stabilized Properties (f)												**$152,318**	**$165,937**	—
Unstabilized Properties														
Office - Houston	100%	909,594	—	485,433	—	528,631	—	53%	—%	58%	—%	$7,114	$20,958	2.3
Office - Columbia	100%	330,727	—	248,516	—	248,516	—	75%	—%	75%	—%	2,298	8,600	2.4
Retail - Houston (g)	100%	83,497	—	67,138	—	69,534	—	80%	—%	83%	—%	1,180	1,700	0.0
Retail - Hawaii	100%	86,847	—	70,301	—	80,164	—	81%	—%	92%	—%	922	2,709	1.0
Multi-Family - Columbia (d)	50%	28,026	437	6,672	292	6,672	309	24%	67%	24%	71%	1,382	4,000	1.0
Hospitality - Houston	100%	—	705	—	454	—	454	—%	64%	—%	64%	19,290	27,000	2.0
Self Storage - Houston	100%	—	1,408	—	826	—	826	—%	59%	—%	59%	273	1,600	2.0
Total Unstabilized Properties												**$32,459**	**$66,567**	**2.0**

NOI by Region (con't)

Property	% Ownership (a)	Total		3Q18 Occupied (#)		3Q18 Leased (#)		3Q18 Occupied (%)		3Q18 Leased (%)		3Q18 Annualized NOI (b)	Stabilized NOI (c)	Time to Stabilize (Years)
		Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units			
Under Construction Properties														
Office - Houston	100%	203,000	—	—	—	203,000	—	—%	—%	100%	—%	—	$5,100	1.0
Office - Columbia	100%	320,000	—	—	—	150,000	—	—%	—%	47%	—%	—	9,200	5.0
Office - Summerlin	100%	325,000	—	—	—	225,335	—	—%	—%	69%	—%	(5)	7,600	1.5
Office - Other	33%	1,500,000	—	—	—	584,664	—	—%	—%	39%	—%	—	22,441	5.0
Retail - Houston	100%	60,300	—	—	—	46,825	—	—%	—%	78%	—%	(4)	1,668	2.0
Retail - Hawaii	100%	21,900	—	—	—	21,900	—	—%	—%	100%	—%	—	1,081	2.0
Multi-Family - Houston	100%	—	990	—	—	—	—	—%	—%	—%	—%	1	15,904	4.4
Multi-Family - Columbia	100%	—	382	—	—	—	—	—%	—%	—%	—%	—	9,162	5.0
Multi-Family - Summerlin	100%	—	267	—	—	—	—	—%	—%	—%	—%	—	4,400	2.0
Hospitality - New York	35%	—	66	—	—	—	—	—%	—%	—%	—%	(381)	1,300	0.0
Other - Houston	100%	—	—	—	—	—	—	—%	—%	—%	—%	—	217	1.0
Other - Summerlin	100%	—	—	—	—	—	—	—%	—%	—%	—%	—	7,000	1.0
Total Under Construction Properties												**($389)**	**$85,073**	**3.7**
Total/ Wtd. Avg. for Portfolio												**$184,388**	**$317,577**	**3.3**

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

(b) Annualized 3Q18 NOI includes distribution received from cost method investment in 1Q18. For purposes of this calculation, this one time annual distribution is not annualized.

(c) Table above excludes Seaport NOI until we have greater clarity with respect to the performance results of our tenants. See page 18 for Stabilized NOI Yield and other project information.

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

(e) Other assets are primarily made up of our share of equity method investments not included in other categories. These assets can be found on page 15 of this presentation.

(f) For Stabilized Properties, the difference between 3Q18 Annualized NOI and Stabilized NOI is attributable to a number of factors which may include timing, free rent or other temporary abatements, tenant turnover and market factors.

(g) Retail - Houston in the Unstabilized Properties section is inclusive of retail in Bridgeland.

(h) Office - Other in the Under Construction Properties section is inclusive of 110 North Wacker in Chicago.

MPC Portfolio

($ in thousands)	Nevada	Texas	Maryland	Total (c)
MPC Performance - 3Q18 & 3Q17				
MPC Net Contribution (3Q18) (b)	$90,697	$547	$(395)	$90,849
MPC Net Contribution (3Q17) (b)	$30,727	$(11,439)	$(313)	$18,975
Operating Asset Performance - 2018 & Future				
Annualized 3Q18 In-Place NOI	$32,120	$98,814	$25,063	$155,997
Est. Stabilized NOI (Future) (d)	$57,105	$150,058	$54,341	$261,504
Wtd. Avg. Time to Stab. (yrs.)	1.6	2.5	4.0	—

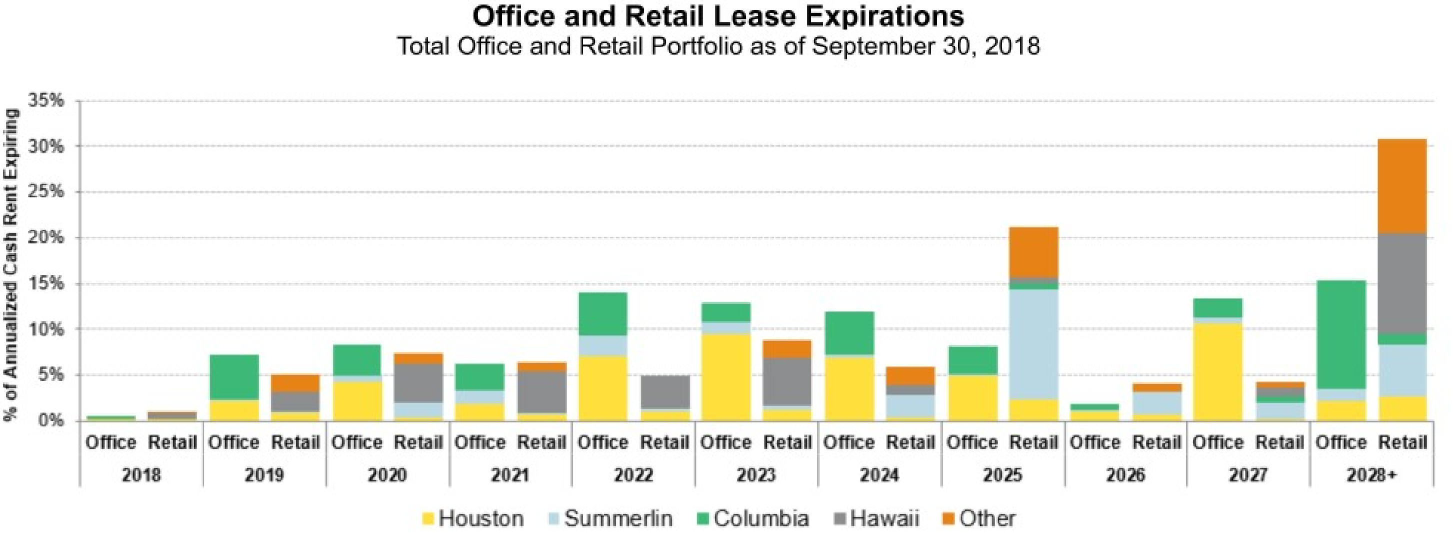
(a) Commercial acres may be developed by us or sold.
(b) Reconciliation from GAAP MPC segment earnings before tax (EBT) measure to MPC Net Contribution for the three months ended September 30, 2018 is found under Reconciliation of Non-GAAP Measures on page 29.
(c) Total excludes NOI from non-core operating assets, and NOI from core assets within Hawaii and New York as these regions are not defined as MPCs.
(d) Est. Stabilized NOI (Future) represents all assets within the respective MPC regions, inclusive of stabilized, unstabilized and under construction.

Portfolio Key Metrics

	MPC Regions						Non-MPC Regions			
	The Woodlands Houston, TX	The Woodlands Hills Houston, TX	Bridgeland Houston, TX	Summerlin Las Vegas, NV	Columbia Columbia, MD	Total MPC Regions	Hawaii Honolulu, HI	Seaport New York, NY	Other	Total Non-MPC
Operating - Stabilized Properties										
Office s.f.	1,477,006	—	—	206,279	1,049,790	2,733,033	—	—	—	—
Retail s.f.	315,932	—	—	823,450	102,790	1,242,172	918,669	13,000	265,021	1,196,690
Multifamily units	1,097	—	—	124	380	1,601	—	21	—	21
Hotel Rooms	205	—	—	—	—	205	—	—	—	—
Self Storage Units	—	—	—	—	—	—	—	—	—	—
Operating - Unstabilized Properties										
Office s.f.	909,594	—	—	—	330,727	1,240,321	—	—	—	—
Retail s.f. (a)	—	—	83,497	—	28,026	111,523	86,847	—	—	86,847
Multifamily units	—	—	—	—	437	437	—	—	—	—
Hotel rooms	705	—	—	—	—	705	—	—	—	—
Self Storage Units	1,408	—	—	—	—	1,408	—	—	—	—
Operating - Under Construction Properties										
Office s.f.	203,000	—	—	325,000	320,000	848,000	—	—	1,500,000	1,500,000
Retail s.f. (b)	60,300	—	—	—	—	60,300	21,900	—	—	21,900
Multifamily units	678	—	312	267	382	1,639	—	—	—	—
Hotel rooms	—	—	—	—	—	—	—	66	—	66
Self Storage Units	—	—	—	—	—	—	—	—	—	—
Residential Land										
Total gross acreage/condos (c)	28,475 ac.	2,055 ac.	11,470 ac.	22,500 ac.	16,450 ac.	80,950 ac.	1,379	n.a.	n.a.	1,379
Current Residents (c)	116,000	—	8,800	108,000	112,000	344,800	n.a.	n.a.	n.a.	—
Remaining saleable acres/condos	184	1,399	2,345	3,324	n.a.	7,252	9	n.a.	n.a.	9
Estimated price per acre (d)	677	273	382	589	n.a.		n.a.	n.a.	n.a.	—
Commercial Land										
Total acreage remaining	762	171	1,533	793	97	3,356	n.a.	n.a.	n.a.	—
Estimated price per acre (e)	873	n.a.	583	n.a.	n.a.		n.a.	n.a.	n.a.	—

Portfolio Key Metrics herein include square feet, units and rooms included in joint venture projects. sq. ft. and units are not shown at share. Retail s.f. includes multi-family s.f.
(a) Retail Sq. ft. within the Summerlin region excludes 381,767 sq. ft. of anchors.
(b) Retail Sq. ft. within New York region excludes 449,527 sq. ft for Pier 17, Uplands and Tin Building, pending final plans for this project.
(c) Acreage shown as of September 30, 2018; current residents shown as of December 31, 2017.
(d) Residential pricing represents average price per acre in 2018.
(e) Commercial pricing: estimate of current value based upon recent sales, third party appraisals and third party MPC experts. At all MPCs except Bridgeland, commercial pricing represents average price per acre in 2017. Bridgeland and The Woodlands were the only MPCs with commercial sales in 2018; the sale of 1.56 acres in The Woodlands did not cause the average price to change.

Lease Expirations



Expiration Year	Office Expirations (a) Annualized Cash Rent (In thousands)	Office Expirations (a) Percentage of Annualized Cash Rent	Office Expirations (a) Wtd. Avg. Annualized Cash Rent Per Leased Sq. Ft.	Retail Expirations (a) Annualized Cash Rent (In thousands)	Retail Expirations (a) Percentage of Annualized Cash Rent	Retail Expirations (a) Wtd. Avg. Annualized Cash Rent Per Leased Sq. Ft.
2018	$ 524	0.50%	$ 28.90	$ 1,163	0.97%	$ 29.49
2019	7,538	7.25%	29.15	6,103	5.10%	43.05
2020	8,678	8.34%	30.88	8,790	7.35%	51.26
2021	6,511	6.26%	32.23	7,600	6.36%	28.42
2022	14,558	14.00%	32.77	5,954	4.98%	48.12
2023	13,356	12.84%	29.50	10,551	8.82%	49.91
2024	12,363	11.89%	30.03	7,129	5.96%	42.41
2025	8,479	8.15%	33.68	25,259	21.13%	55.33
2026	1,990	1.91%	33.41	4,985	4.17%	35.87
2027	13,949	13.42%	28.91	5,198	4.35%	40.46
Thereafter	16,048	15.44%	42.00	36,830	30.81%	34.75
Total	**$ 103,994**	**100.00%**		**$ 119,562**	**100.00%**	

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

Stabilized Properties

(Dollars in thousands)

Property	Location	% Ownership	Rentable Sq. Ft./Units	Q3 2018 % Occ.	Q3 2018 % Leased	Annualized Q3 2018 NOI	Est. Stabilized NOI
Office							
3 Waterway Square	Houston, TX	100 %	232,021	96 %	100 %	$ 6,913	$ 6,900
4 Waterway Square	Houston, TX	100 %	218,551	100 %	100 %	6,752	6,856
1400 Woodloch Forest	Houston, TX	100 %	95,667	92 %	92 %	1,756	1,890
1735 Hughes Landing Boulevard	Houston, TX	100 %	318,170	100 %	100 %	7,522	7,696
2201 Lake Woodlands Drive	Houston, TX	100 %	24,119	100 %	100 %	(60)	410
3831 Technology Forest	Houston, TX	100 %	95,078	100 %	100 %	2,333	2,268
9303 New Trails	Houston, TX	100 %	97,967	63 %	64 %	1,089	1,800
One Hughes Landing	Houston, TX	100 %	197,719	99 %	100 %	6,443	6,240
Two Hughes Landing	Houston, TX	100 %	197,714	95 %	95 %	5,994	6,000
10-70 Columbia Corporate Center	Columbia, MD	100 %	889,145	93 %	94 %	13,586	14,330
Columbia Office Properties	Columbia, MD	100 %	62,038	100 %	100 %	1,343	1,402
One Mall North	Columbia, MD	100 %	98,607	92 %	92 %	1,795	1,947
One Summerlin	Las Vegas, NV	100 %	206,279	96 %	99 %	5,507	5,700
Total Office			**2,733,075**			**$ 60,973**	**$ 63,439**
Retail							
20/25 Waterway Avenue	Houston, TX	100 %	50,062	100 %	100 %	$ 1,751	$ 2,013
1701 Lake Robbins	Houston, TX	100 %	12,376	100 %	100 %	563	400
2000 Woodlands Parkway	Houston, TX	100 %	7,900	100 %	100 %	57	217
Creekside Village Green	Houston, TX	100 %	74,670	90 %	90 %	2,127	2,097
Hughes Landing Retail	Houston, TX	100 %	126,131	99 %	100 %	4,312	4,375
Waterway Garage Retail	Houston, TX	100 %	21,513	93 %	100 %	825	800
Columbia Regional	Columbia, MD	100 %	89,199	100 %	100 %	2,066	2,200
Ward Village Retail	Honolulu, HI	100 %	918,669	93 %	94 %	21,744	21,421
Downtown Summerlin	Las Vegas, NV	100 %	823,450	88 %	89 %	20,648	26,300
Outlet Collection at Riverwalk	New Orleans, LA	100 %	265,021	97 %	97 %	5,648	6,500
Total Retail			**2,388,991**			**$ 59,741**	**$ 66,323**

Stabilized Properties (con't)

(Dollars in thousands)

Property	Location	% Ownership	Rentable Sq. Ft. / Units	Q3 2018 % Occ.	Q3 2018 % Leased	Annualized Q3 2018 NOI	Est. Stabilized NOI
Residential							
Millennium Six Pines Apartments	Houston, TX	100%	314	95 %	97%	$ 3,718	$ 4,500
Millennium Waterway Apartments	Houston, TX	100%	393	92 %	96%	2,633	4,600
One Lakes Edge	Houston, TX	100%	23,280 / 390	99% / 92%	99% / 95%	6,233	7,500
The Metropolitan	Columbia, MD	50%	13,591 / 380	100% / 94%	100% / 96%	2,728	3,500
Constellation	Las Vegas, NV	100%	124	97%	97%	2,154	2,200
85 South Street	New York, NY	100%	13,000 / 21	100% / 100%	100% / 100%	435	600
Total Residential			**49,871 / 1,622**			**$ 17,901**	**$ 22,900**
Hotel							
Embassy Suites at Hughes Landing (a)	Houston, TX	100%	205	82%	82%	$ 5,151	$ 4,500
Total Hotel			**205**			**$ 5,151**	**$ 4,500**
Other							
Sarofim Equity Investment	Houston, TX	20%	NA	NA	NA	$ 2,200	$ 2,200
Stewart Title of Montgomery County, TX	Houston, TX	50%	NA	NA	NA	1,034	1,034
Woodlands Ground Leases	Houston, TX	100%	NA	NA	NA	1,662	1,662
Hockey Ground Lease	Las Vegas, NV	100%	NA	NA	NA	470	470
Summerlin Hospital Distribution	Las Vegas, NV	100%	NA	NA	NA	3,435	3,435
Other Assets	Various	100%	NA	NA	NA	(253)	(27)
Total Other			**NA**			**$ 8,548**	**$ 8,774**
Total Stabilized						**$ 152,314**	**$ 165,936**

(a) Hotel property Percentage Occupied is the average for Q3 2018.

Unstabilized Properties

(Dollars in thousands)

Project Name	Location	% Ownership	Rentable Sq. Ft. / Units	Q3 2018 % Occ. (a)	Q3 2018 % Leased (a)	Develop. Costs Incurred	Est. Total Cost (Excl. Land)	Annualized Q3 2018 NOI	Est. Stabilized NOI (b)	Est. Stab. Date	Est. Stab. Yield
Office											
Three Hughes Landing	Houston, TX	100%	320,815	63%	68 %	$ 75,461	$ 90,162	$ 2,482	$ 7,600	2020	8%
1725 Hughes Landing	Houston, TX	100%	331,754	71%	78 %	55,688	74,994	4,776	6,900	2020	9%
Lakefront North (c)	Houston, TX	100%	257,025	19%	19 %	55,070	77,879	(144)	6,458	2021	8%
One Merriweather	Columbia, MD	100%	206,588	85%	85 %	72,819	78,187	2,578	5,100	2020	7%
Two Merriweather	Columbia, MD	100%	124,139	58%	58 %	32,030	40,941	(280)	3,500	2021	9%
Total Office			**1,240,321**			**$ 291,068**	**$ 362,163**	**$ 9,412**	**$ 29,558**		
Retail											
Lakeland Village Center	Houston, TX	100%	83,497	80%	83 %	$ 14,183	$ 16,274	$ 1,180	$ 1,700	2019	10%
Anaha & Ae`o Retail (d)	Honolulu, HI	100%	86,847	81%	92 %	—	—	922	2,709	2019	n.a.
Total Retail			**170,344**			**$ 14,183**	**$ 16,274**	**$ 2,102**	**$ 4,409**		
Residential											
m.flats/TEN.M (d)	Columbia, MD	50%	28,026 / 437	24% / 67%	24% / 71%	$ 53,400	$ 54,673	$ 1,382	$ 4,000	2019	7%
Total Residential			**28,026/ 437**			**$ 53,400**	**$ 54,673**	**$ 1,382**	**$ 4,000**		
Hotel											
The Woodlands Resort & Conference Center	Houston, TX	100%	403	58%	58 %	$ 72,360	$ 72,360	$ 11,721	$ 16,500	2020	13%
The Westin at The Woodlands	Houston, TX	100%	302	77%	77 %	93,443	98,444	7,569	10,500	2020	11%
Total Hotel			**705**			**$ 165,803**	**$ 170,804**	**$ 19,290**	**$ 27,000**		
Other											
HHC 242 Self-Storage	Houston, TX	100%	654	62%	62 %	$ 8,216	$ 8,607	$ 156	$ 800	2020	9%
HHC 2978 Self-Storage	Houston, TX	100%	754	56%	56 %	7,828	8,476	116	800	2020	9%
Total Other			**1,408**			**$ 16,044**	**$ 17,083**	**$ 272**	**$ 1,600**		
Total Unstabilized						**$ 540,498**	**$ 620,997**	**$ 32,458**	**$ 66,567**		

(a) With the exception of Hotel properties, Percentage Occupied and Percentage Leased are as of September 30, 2018. Each Hotel property Percentage Occupied is the average for Q3 2018.
(b) Company estimates of stabilized NOI are based on current leasing velocity, excluding inflation and organic growth.
(c) Lakefront North development costs incurred and estimated total cost are inclusive of acquisition and tenant lease-up costs.
(d) Condominium retail Develop. Cost Incurred and Est. Total Costs (Excl. Land) are combined with their respective condominium costs on page 21 of this supplement.

Under Construction Projects

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

Owned & Managed

Project Name	City, State	% Ownership	Est. Rentable Sq. Ft.	Percent Pre-Leased[1]	Project Status	Const. Start Date	Est. Stabilized Date[2]	Develop. Costs Incurred	Est. Total Cost (Excl. Land)	Est. Stabilized NOI	Stabilized NOI Yield
Office											
110 North Wacker[3]	Chicago, IL	33%	1,500,000	39%	Under construction	Q1 2018	2023	15,589	51,428	22,441	8%
100 Fellowship Dr	Houston, TX	100%	203,000	100%	Under construction	Q2 2017	Q4 2019	42,069	63,278	5,100	8%
Aristocrat	Las Vegas, NV	100%	180,000	100%	Under construction	Q2 2017	Q1 2019	26,151	46,661	4,100	9%
Two Summerlin	Las Vegas, NV	100%	145,000	55%	Under construction	Q2 2017	2020	30,145	49,320	3,500	7%
6100 Merriweather[4]	Columbia, MD	100%	320,000	47%	Under construction	Q1 2018	2023	18,315	138,221	9,200	7%
Total Office			**2,348,000**					**$ 132,269**	**$ 348,908**	**$ 44,341**	
Retail											
Seaport - Uplands / Pier 17[5]	New York, NY	100%	449,527	66%	Under construction	Q4 2013	Q1 2021	476,360	731,000	43,000 - 58,000	6% - 8%
Ke Kilohana[6]	Honolulu, HI	100%	21,900	100%	Under construction	Q4 2016	2019	—	—	1,081	—%
Lake Woodlands Crossing	Houston, TX	100%	60,300	78%	Under construction	Q4 2017	Q4 2020	8,523	15,381	1,668	11%
Total Retail			**531,727**					**$ 484,883**	**$ 746,381**	**$45,749 - 60,749**	
Other											
Summerlin Ballpark[7]	Las Vegas, NV	100%	n.a.	n.a.	Under construction	Q1 2018	2019	27,246	114,670	7,000	6%
Hughes Landing Daycare	Houston, TX	100%	n.a.	n.a.	Under construction	Q3 2018	2019	141	2,706	217	8%
Total Other			**n.a.**					**$ 27,387**	**$ 117,376**	**$ 7,217**	

Project Name	City, State	% Ownership	Est. Number of Units	Monthly Est. Rent Per Unit	Project Status	Const. Start Date	Est. Stabilized Date[2]	Develop. Costs Incurred	Est. Total Cost (Excl. Land)	Est. Stabilized NOI	Stabilized NOI Yield
Multi-family											
Columbia Multi-family	Columbia, MD	100%	382	$2,053	Under construction	Q2 2018	2023	$ 14,426	$ 116,386	$ 9,162	8%
Creekside Apartments	Houston, TX	100%	292	$1,538	Under construction	Q1 2017	Q4 2019	33,212	42,111	3,500	8%
Tanager Apartments[8]	Las Vegas, NV	100%	267	$1,924	Under construction	Q1 2018	Q3 2020	15,573	59,276	4,400	7%
Two Lakes Edge	Houston, TX	100%	386	$2,690	Under construction	Q3 2018	2024	2,638	107,706	8,529	8%
Bridgeland Apartments	Houston, TX	100%	312	$1,686	Under construction	Q2 2018	2021	5,529	48,412	3,875	8%
Total Multi-family			**1,639**					**$ 71,378**	**$ 373,891**	**$ 29,466**	
Total Under Construction								**$ 715,917**	**$ 1,586,556**	**$126,734 - $141,774**	

(1) Represents leases signed as of September 30, 2018 and is calculated as the total leased square feet divided by total leasable square feet, expressed as a percentage.
(2) Represents management's estimate of the first quarter of operations in which the asset may be stabilized.
(3) 110 North Wacker represents our member only. We are not including OH allocations, Development Fees and Leasing Commissions in Costs Incurred and Est. Total Cost (Excl Land). Est. Total Cost (Excl. Land) represents HHC's total cash equity requirement. Development costs incurred represent HHC's equity in the project at September 30, 2018. Stabilized NOI Yield is based on the projected building NOI at stabilization and our percentage ownership of the equity capitalization of the project. It does not include the impact of the partnership distribution waterfall. In Q3 2018, an additional 58,000 rentable square feet were added to 110 North Wacker. This decreased the overall Percent Pre-Leased to 39% from the prior quarter's 42%, however there has been no decrease in the actual square footage pre-leased.
(4) Three Merriweather was renamed to 6100 Merriweather in Q3 2018.
(5) Seaport - Uplands / Pier 17 Estimated Rentable sq. ft. and costs are inclusive of the Tin Building, the plans for which are being finalized. Develop. Costs Incurred and Est. Total Costs are shown net of insurance proceeds of approximately $54 million.
(6) Condominium retail Develop. Cost Incurred and Est. Total Costs (Excl. Land) are combined with their respective condominium costs on page 21 of this supplement.
(7) Est. Total Cost (Excl. Land) and Stabilized NOI Yield are exclusive of $27 million of costs to acquire the franchise.
(8) Downtown Summerlin Apartments was renamed to Tanager Apartments in Q3 2018.

Acquisition / Disposition Activity

In thousands, except rentable SF / Units / Acres

3Q 2018 Acquisitions

Date Acquired	Property	% Ownership	Location	Rentable Sq. Ft. / Units / Acres	Acquisition Price
9/7/2018	Lakefront North	100%	Houston, TX	257,025 sq ft / 12.9 acres	$ 53,000

3Q 2018 Dispositions

Date Sold	Property	% Ownership	Location	Rentable Sq. Ft. / Units / Acres	Sale Price
No disposition activity in Q3 2018					

Master Planned Community Land

(Dollars in thousands)	The Woodlands Q3 2018	The Woodlands Q3 2017	The Woodlands Hills Q3 2018	The Woodlands Hills Q3 2017	Bridgeland Q3 2018	Bridgeland Q3 2017	Summerlin Q3 2018	Summerlin Q3 2017	Maryland Q3 2018	Maryland Q3 2017	Total Q3 2018	Total Q3 2017
Revenues:												
Residential land sale revenues	$ 7,205	$ 7,493	$ 1,688	$ —	$ 16,035	$ 6,458	$ 101,313	$ 38,521	$ —	$ —	$ 126,241	$ 52,472
Commercial land sale revenues	1,362	—	—	—	127	2,234	—	199	—	—	1,489	2,433
Builder price participation	39	125	—	—	225	49	8,421	5,298	—	—	8,685	5,472
Other land sale revenues	1,893	1,738	10	7	1,055	162	3,349	2,231	413	413	6,720	4,551
Total revenues	**$ 10,499**	**$ 9,356**	**$ 1,698**	**$ 7**	**$ 17,442**	**$ 8,903**	**$ 113,083**	**$ 46,249**	**$ 413**	**$ 413**	**$ 143,135**	**$ 64,928**
Expenses:												
Cost of sales - residential land	$ (3,426)	$ (3,722)	$ (753)	$ —	$ (5,758)	$ (2,187)	$ (45,787)	$ (22,373)	$ —	$ —	$ (55,724)	$ (28,282)
Cost of sales - commercial land	(1,426)	—	—	—	(32)	(647)	—	(113)	—	—	(1,458)	(760)
Real estate taxes	(1,395)	(1,493)	(82)	(24)	(625)	(582)	(989)	1,671	(134)	(154)	(3,225)	(582)
Land sales operations	(4,457)	(3,366)	(1,216)	(239)	(1,296)	(1,203)	(2,193)	(2,241)	(668)	(549)	(9,830)	(7,598)
Depreciation and amortization	(34)	(30)	—	—	(37)	(19)	(8)	(24)	—	(1)	(79)	(74)
Total Expenses	**$ (10,738)**	**$ (8,611)**	**$ (2,051)**	**$ (263)**	**$ (7,748)**	**$ (4,638)**	**$ (48,977)**	**$ (23,080)**	**$ (802)**	**$ (704)**	**$ (70,316)**	**$ (37,296)**
Net interest capitalized (expense)	(1,182)	(1,092)	223	133	3,315	2,698	4,270	4,617	—	—	6,626	6,356
Other income, net	18	—	—	—	—	—	—	—	—	—	18	—
Equity in earnings from real estate affiliates	—	—	—	—	—	—	9,454	6,480	—	—	9,454	6,480
EBT	**$ (1,403)**	**$ (347)**	**$ (130)**	**$ (123)**	**$ 13,009**	**$ 6,963**	**$ 77,830**	**$ 34,266**	**$ (389)**	**$ (291)**	**$ 88,917**	**$ 40,468**

Key Performance Metrics:

	The Woodlands Q3 2018	The Woodlands Q3 2017	The Woodlands Hills Q3 2018	The Woodlands Hills Q3 2017	Bridgeland Q3 2018	Bridgeland Q3 2017	Summerlin Q3 2018	Summerlin Q3 2017	Maryland Q3 2018	Maryland Q3 2017
Residential										
Total acres closed in current period	13.3	11.1	5.6	—	42.4	17.5	160.8	57.7	NM	NM
Price per acre achieved	$542	$675	$301	NM	$378	$369	$572	$546	NM	NM
Avg. gross margins	52.0 %	50.0%	55.0%	NM	64.0%	66.0%	55.0%	42.0%	NM	NM
Commercial										
Total acres closed in current period	1.6(d)	—	—	—	—	—	—	—	—	—
Price per acre achieved	$851	NM	NM	NM	NM	NM	NM	NM	NM	NM
Avg. gross margins	(5.0)%	NM	NM	NM	75.0%	71.0%	NM	39.0%	NM	NM
Avg. combined before-tax net margins	43.0 %	50.0%	55.0%	NM	64.0%	67.0%	55.0%	42.0%	NM	NM

Key Valuation Metrics	Woodlands		The Woodlands Hills		Bridgeland		Summerlin		Maryland
Remaining saleable acres									
Residential	184		1,399		2,345		3,324		—
Commercial	762		171		1,533		793		97 (a)
Projected est. % superpads / lot size	—%	—	—%	—	—%	—	88%	0.25 ac	NM
Projected est. % single-family detached lots / lot size	66%	0.30	87%	0.29 ac	89%	0.16 ac	—%	—	NM
Projected est. % single-family attached lots / lot size	34%	0.09	13%	0.13 ac	10%	0.12 ac	—%	—	NM
Projected est. % custom homes / lot size	—%	—	—%	—	1%	1.00 ac	12%	0.45 ac	NM
Estimated builder sale velocity (blended total - TTM) (b)	33		—		50		113		NM
Gross margin range (GAAP), net of MUDs (c)	43.0%		55.0%		64.0%		55.0%		NM
Projected gross margin range (Cash), net of MUDs (c)	99.4%		85.9%		75.4%		75.4%		NM
Residential sellout / Commercial buildout date estimate									
Residential	2023		2029		2034		2039		—
Commercial	2026		2028		2045		2039		2021

(a) Does not include 31 commercial acres held in the Strategic Development segment in Downtown Columbia.
(b) Represents the average monthly builder homes sold over the last twelve months ended September 30, 2018.
(c) GAAP gross margin is based on GAAP revenues and expenses which exclude revenues deferred on sales closed where revenue did not meet criteria for recognition, and includes revenues previously deferred that met criteria for recognition in the current period. Gross margin for each MPC may vary from period to period based on the locations of the land sold and the related costs associated with developing the land sold. Projected cash gross margin includes all future projected revenue less all future projected development costs, net of expected reimbursable costs, and capitalized overhead, taxes and interest.
(d) The 1.6 acre commercial site sold in Q3 2018 was reacquired in 2014 at market value as the original purchaser did not proceed with construction. Our cost basis plus holding costs slightly exceeded the Q3 2018 sale price.
NM - Not meaningful.

Ward Village Condominiums

	Waiea (a)	Anaha (b)	Ae'o	Ke Kilohana (c)	Total
Key Metrics					
Type of building	Ultra-Luxury	Luxury	Upscale	Workforce	
Number of units	174	317	465	423	1,379
Avg. unit Sq. Ft.	2,174	1,417	834	696	1,095
Condo Sq. Ft.	378,238	449,205	388,039	294,273	1,509,755
Street retail Sq. Ft.	8,200	16,100	68,300	21,900	114,500
Stabilized retail NOI ($ in thousands)	$453	$1,152	$1,557	$1,081	$4,243
Stabilization year	2017	2019	2019	2020	
Development progress					
Status	Opened	Opened	Under Construction	Under Construction	
Start date	2Q14	4Q14	1Q16	4Q16	
Completion date (actual or est.)	Complete	Complete	4Q18	2Q19	
Total development cost ($m)	$442.3	$401.3	$428.5	$218.9	$1,491.0
Cost-to-date ($m)	$399.1	$385.9	$365.1	$146.1	$1,296.2
Remaining to be funded ($m)	$43.2	$15.4	$63.4	$72.8	$194.8
Financial Summary (Dollars in thousands, except per sq. ft.)					
Units closed (through Q3 2018)	164	313	—	—	477
Units under contract (through Q3 2018)	3	1	465	395	864
Total % of units closed or under contract	96.0%	99.1%	100.0%	93.4%	97.2%
Units Closed (current quarter)	2	—	—	—	2
Units under contract (current quarter)	—	1	1	—	2
Square footage closed or under contract (total)	347,082	434,157	388,039	264,488	1,433,766
Total % square footage closed or under contract	91.8%	96.7%	100.0%	89.9%	95.0%
Target condo profit margin at completion (excl. land cost)	—	—	—	—	~30%
Total cash received (closings & deposits)	—	—	—	—	$1,284,319
Total GAAP revenue recognized	—	—	—	—	$1,114,168
Expected avg. price per sq. ft.	$1,900 - $1,950	$1,100 - $1,150	$1,300 - $1,350 (d)	$700 - $750	$1,300 - $1,325
Expected construction costs per retail sq. ft.	—	—	—	—	~$1,100
Deposit Reconciliation (in thousands)					
Deposits from sales commitment					
Spent towards construction	$117,916	$80,268	$68,241	$20,853	$287,278
Held for future use (e)	$410	$3,376	$74,868	$1,251	$79,905
Total deposits from sales commitment	**$118,326**	**$83,644**	**$143,109**	**$22,104**	**$367,183**

(a) We began delivering units at Waiea in November 2016. As of September 30, 2018, we have closed on 164 units. We have three under contract, and seven units remain to be sold.
(b) We began delivering units at Anaha in October 2017. As of September 30, 2018, we have closed on 313 units. We have one unit under contract, and three units remain to be sold.
(c) Ke Kilohana consists of 375 workforce units and 49 market rate units. As of September 30, 2018, we have entered into contracts for 395 of the units.
(d) Pricing at Ae'o has benefited from the continued strong demand at Ward Village.
(e) Total deposits held for future use are shown in Restricted cash on the balance sheet.

Other Assets

Property Name	City, State	% Own	Acres	Notes
Planned Future Development				
The Elk Grove Collection	Elk Grove, CA	100%	64	Plan to build a 400,000 sq. ft. outlet retail center. Sold 36 acres for $36 million in total proceeds in 2017.
Landmark Mall	Alexandria, VA	100%	33	Plan to transform the mall into an open-air, mixed-use community. In January 2017, we acquired the 11.4 acre Macy's site for $22.2 million.
Cottonwood Mall	Holladay, UT	100%	54	Under contract to sell in separate parcels. First closing expected in 2019.
Circle T Ranch and Power Center	Westlake, TX	50%	207	50/50 joint venture with Hillwood Development Company. In 2016, HHC sold 72 acres to an affiliate of Charles Schwab Corporation.
West Windsor	West Windsor, NJ	100%	658	Zoned for approximately 6 million square feet of commercial uses.
Monarch City (formerly known as AllenTowne)	Allen, TX	100%	238	Located 27 miles north of Downtown Dallas. Agricultural property tax exemptions are in place for most of the property, which reduces carrying costs.
Bridges at Mint Hill	Charlotte, NC	91%	210	Zoned for approximately 1.3 million square feet of commercial uses.
Maui Ranch Land	Maui, HI	100%	20	Two, non-adjacent, ten-acre parcels zoned for native vegetation.
Fashion Show Air Rights	Las Vegas, NV	80%	N/A	Air rights above the Fashion Show Mall located on the Las Vegas Strip.
250 Water Street	New York, NY	100%	1	The one-acre site is situated at the entrance of the Seaport district. While the Company is in the initial planning stages for this strategic site, it will continue to be used as a parking lot.
Sterrett Place	Columbia, MD	100%	3	In November 2017, we acquired the note secured by the land and improvements for a purchase price of $5.3M. In 2018, we foreclosed on the property, resulting in the acquisition of the land and improvements.
American City Building	Columbia, MD	100%	3	On December 20, 2016, we acquired the American City Building, a 117,098 square foot building in Columbia, Maryland, for $13.5 million. We are in the process of formulating redevelopment plans for this property.

Debt Summary

(In thousands)	September 30, 2018	December 31, 2017
Fixed-rate debt:		
Unsecured 5.375% Senior Notes due 2025	$ 1,000,000	$ 1,000,000
Secured mortgages, notes and loans payable	635,637	499,299
Special Improvement District bonds	16,058	27,576
Variable-rate debt:		
Mortgages, notes and loans payable, excluding condominium financing (a)	1,411,931	1,317,311
Condominium financing (a)	232,860	33,603
Mortgages, notes and loans payable	3,296,486	2,877,789
Unamortized bond issuance costs	(6,301)	(6,898)
Deferred financing costs, net	(28,975)	(12,946)
Total consolidated mortgages, notes and loans payable	3,261,210	2,857,945
Total unconsolidated mortgages, notes and loans payable at pro-rata share	94,856	84,983
Total Debt	**$ 3,356,066**	**$ 2,942,928**

Net Debt on a Segment Basis, at share as of September 30, 2018

(In thousands) **Segment Basis (b)**	Master Planned Communities	Operating Assets	Strategic Developments	Segment Totals	Non- Segment Amounts	Total
Mortgages, notes and loans payable, excluding condominium financing (a)	$ 229,934	$ 1,674,875	$ 214,582	$ 2,119,391	$ 1,003,814	$ 3,123,205
Condominium financing (a)	—	—	232,860	232,860	—	232,860
Less: cash and cash equivalents (b)	(111,704)	(91,095)	(76,274)	(279,074)	(239,878)	(518,952)
Special Improvement District receivables	(23,747)	—	—	(23,747)	—	(23,747)
Municipal Utility District receivables	(237,567)	—	—	(237,567)	—	(237,567)
TIF receivable	—	—	(6,048)	(6,048)	—	(6,048)
Net Debt	**$ (143,084)**	**$ 1,583,780**	**$ 365,120**	**$ 1,805,816**	**$ 763,936**	**2,569,752**

Consolidated Debt Maturities and Contractual Obligations by Extended Maturity Date as of September 30, 2018 (c)

(In thousands)	Remaining in 2018	2019	2020	2021	2022	2023	Thereafter	Total
Mortgages, notes and loans payable	$ 57,418	$ 92,700	$ 277,397	$ 582,878	$ 207,312	$ 673,880	$ 1,391,597	$ 3,281,996
Interest Payments	41,371	161,344	151,204	129,272	108,276	90,345	155,635	847,631
Ground lease and other leasing commitments	2,024	8,119	8,259	8,097	7,430	40,673	306,944	348,058
Total consolidated debt maturities and contractual obligations	**$ 100,813**	**$ 262,163**	**$ 436,860**	**$ 720,247**	**$ 323,018**	**$ 804,898**	**$ 1,854,176**	**$ 4,477,685**

(a) $654.0 million and $428.3 million of variable-rate debt has been swapped to a fixed-rate for the term of the related debt as of September 30, 2018 and December 31, 2017, respectively.
(b) Each segment includes our share of related cash and debt balances for all joint ventures included in Investments in Real Estate and Other Affiliates.
(c) Mortgages, notes and loans payable and condominium financing are presented based on extended maturity date. Extension periods generally may be exercised at our option at the initial maturity date, subject to customary extension terms that are based on property performance as of the initial maturity date and/or extension date. Such extension terms may include, but are not limited to, minimum debt service coverage, minimum occupancy levels or condominium sales levels, as applicable, and other performance criteria. We may have to pay down a portion of the debt if we do not meet the requirements to exercise the extension option.

Property-Level Debt

(Dollars in thousands)

Asset		Q3 2018 Principal Balance	Contract Interest Rate	Interest Rate Hedge		Current Annual Interest Rate	Initial / Extended Maturity (a)
Master Planned Communities							
The Woodlands Master Credit Facility	$	150,000	L+275	Floating/Cap		5.00%	Apr-20 / Apr-21
Bridgeland Credit Facility		65,000	L+315	Floating		5.55%	Nov-20 / Nov-22
		215,000					
Operating Assets							
Outlet Collection at Riverwalk		52,388	L+275	Floating		5.01%	Oct-17 / Oct-18
250 Water Street		128,231	0%, 6.00%	Fixed		—%	Dec-18 / Jun-20
Three Hughes Landing		51,526	L+260	Floating		4.86%	Dec-18 / Dec-20
The Woodlands Resort & Conference Center		62,500	L+325	Floating		5.51%	Dec-18 / Dec-20
Downtown Summerlin		268,609	L+215	Floating		4.41%	Sep-20 / Sep-21
Two Merriweather		23,803	L+250	Floating		4.76%	Oct-20 / Oct-21
HHC 242 Self-Storage		6,506	L+260	Floating		4.86%	Oct-19 / Oct-21
HHC 2978 Self-Storage		5,943	L+260	Floating		4.86%	Jan-20 / Jan-22
20/25 Waterway Avenue		13,459	4.79%	Fixed		4.79%	May-22
Millennium Waterway Apartments		54,341	3.75%	Fixed		3.75%	Jun-22
Aristocrat		11,247	P + 40	Floating		5.29%	Oct-22
Two Summerlin		6,717	P + 40	Floating		5.29%	Oct-22
Lake Woodlands Crossing Retail		8,427	L+180	Floating		4.06%	Jan-23
Corporate Credit Facility		615,000	L+165	Floating/Swap	(b)	4.61%	Sep-23
9303 New Trails		11,710	4.88%	Fixed		4.88%	Dec-23
4 Waterway Square		34,292	4.88%	Fixed		4.88%	Dec-23
3831 Technology Forest Drive		21,678	4.50%	Fixed		4.50%	Mar-26
Kewalo Basin Harbor		1,297	L+275	Floating		5.01%	Sep-27
Millennium Six Pines Apartments		42,500	3.39%	Fixed		3.39%	Aug-28
3 Waterway Square		49,346	3.94%	Fixed		3.94%	Aug-28
One Hughes Landing		52,000	4.30%	Fixed		4.30%	Dec-29
Two Hughes Landing		48,000	4.20%	Fixed		4.20%	Dec-30
One Lakes Edge		69,440	4.50%	Fixed		4.50%	Mar-29 / Mar-31
Constellation Apartments		24,200	4.07%	Fixed		4.07%	Jan-33
Hughes Landing Retail		35,000	3.50%	Fixed		3.50%	Dec-36
Columbia Regional Building		25,000	4.48%	Fixed		4.48%	Feb-37
	$	1,723,160					

Property-Level Debt (con't)

(Dollars in thousands)

Asset	Q3 2018 Principal Balance	Contract Interest Rate	Interest Rate Hedge	Current Annual Interest Rate	Initial / Extended Maturity (a)
Strategic Developments					
Ke Kilohana	$ 69,393	L+325	Floating	5.51%	Dec-19 / Dec-20
Ae'o	163,467	L+400	Floating/Cap	6.26%	Dec-19 / Dec-21
100 Fellowship Drive	31,908	L+150	Floating	3.76%	May-22
Aristocrat	4,501	P+40	Floating	5.29%	Oct-22
Two Summerlin	7,575	P+40	Floating	5.29%	Oct-22
Bridgeland Apartments	—	L+225	Floating	4.51%	Jul-22 / Jul-23
110 North Wacker	38,981	L+300	Floating/Collar	5.26%	Apr-22 / Apr-24
6100 Merriweather (c)	—	L+275	Floating	5.01%	Sep-22 / Sep-24
Columbia Multifamily (c)	—	L+275	Floating	5.01%	Sep-22 / Sep-24
Tanager Apartments (d)	—	L+225	Floating	4.05%	Oct-21 / Oct-24
Summerlin Ballpark	13,514	4.92%	Fixed	4.92%	Dec-39
	329,339				
Total (e)	$ 2,267,499				

(a) Extended maturity assumes all extension options are exercised if available based on property performance.
(b) The credit facility bears interest at one-month LIBOR plus 1.65%, but the $615.0 million term loan is swapped to an overall rate equal to 4.61%. The following properties are included as collateral for the credit facility: 10-70 Columbia Corporate Centers, One Mall North, One Merriweather, 1701 Lake Robbins, 1725-1735 Hughes Landing Boulevard, Creekside Village, Lakeland Village, Embassy Suites at Hughes Landing, The Westin at The Woodlands and certain properties at Ward Village.
(c) Formerly known as Three Merriweather.
(d) Formerly known as Downtown Summerlin Apartments.
(e) Excludes JV debt, Corporate level debt, and SID bond debt related to Summerlin MPC & Retail.

Summary of Ground Leases

Minimum Contractual Ground Lease Payments (dollars in thousands)

				Future Cash Payments			
	Pro-Rata		Three months ended	Remaining	Year Ending December 31,		
Ground Leased Asset	Share	Expiration Date	September 30, 2018	2018	2019	Thereafter	Total
Riverwalk (a)	100%	2045-2046	$ 576	$ 564	$ 2,131	$ 57,455	$ 60,150
Seaport	100%	2031 (b)	403	403	1,636	204,078	206,117
Kewalo Basin Harbor	100%	2049	75	75	300	8,900	9,275
			$ 1,054	$ 1,042	$ 4,067	$ 270,433	$ 275,542

(a) Includes base ground rent, deferred ground rent and participation rent, as applicable. Future payments of participation rent are calculated based on the floor only.
(b) Initial expiration is 12/30/2031 but subject to extension options through 12/31/2072.

Definitions

Under Construction - Projects in the Strategic Developments segment for which construction has commenced as of September 30, 2018, unless otherwise noted. This excludes MPC and condominium development.

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

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

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

Reconciliation of Non-GAAP Measures

Reconciliation of Operating Assets segment EBT to Total NOI:

(In thousands)	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	YTD Q3 2018	YTD Q3 2017
Total Operating Assets segment EBT (a)	$ (9,415)	$ 4,715	$ 7,269	$ (11,834)	$ (12,061)	$ 2,569	$ (11,829)
Depreciation and amortization	28,329	25,688	25,173	33,503	33,885	79,190	88,918
Interest expense (income), net	18,891	17,308	16,687	15,580	15,940	52,886	46,004
Equity in earnings (loss) from real estate and other affiliates	529	1,001	(2,586)	472	(317)	(1,056)	(3,739)
Straight-line rent revenue	(3,632)	(2,867)	(3,052)	(2,801)	(1,421)	(9,551)	(5,198)
Other	3,098	(324)	46	492	290	2,820	348
Total Operating Assets NOI - Consolidated	**37,800**	**45,521**	**43,537**	**35,412**	**36,316**	**126,858**	**114,504**
Dispositions							
Cottonwood Square	—	—	—	(250)	(165)	—	—
Park West	—	—	—	(1)	8	—	(61)
Total Operating Asset Dispositions NOI	—	—	—	**(251)**	(157)	—	**(61)**
Consolidated Operating Assets NOI excluding properties sold or in redevelopment	37,800	45,521	43,537	35,161	36,159	126,858	114,443
Company's Share NOI - Equity investees	**891**	**664**	**575**	**1,084**	**1,186**	**2,130**	**3,315**
Distributions from Summerlin Hospital Investment	—	—	**3,435**	—	—	**3,435**	**3,383**
Total NOI	$ 38,691	$ 46,185	$ 47,547	$ 36,245	$ 37,345	$ 132,423	$ 121,141

(a) EBT excludes corporate expenses and other items that are not allocable to the segments. Prior periods have been adjusted to be consistent with fiscal 2018 presentation.

Reconciliation of Non-GAAP Measures (con't)

Reconciliation of MPC Land Sales Closed to GAAP Land Sales Revenue:	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2018	2017	2018	2017
Total residential land sales closed in period	$ 116,973	$ 45,467	$ 204,812	$ 133,258
Total commercial land sales closed in period	1,362	—	2,760	4,299
Net recognized (deferred) revenue:				
Bridgeland	127	2,234	131	7,356
Summerlin	1,345	3,166	5,232	22,333
Total net recognized (deferred) revenue	1,472	5,400	5,363	29,689
Special Improvement District bond revenue	7,923	4,039	13,789	10,285
Total land sales revenue - GAAP basis	$ 127,730	$ 54,906	$ 226,724	$ 177,531
Total MPC segment revenue - GAAP basis	$ 143,135	$ 64,929	$ 261,665	$ 211,711

Reconciliation of MPC segment EBT to MPC Net Contribution:	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2018	2017	2018	2017
MPC segment EBT	$ 88,917	$ 40,465	$ 172,338	$ 137,747
Plus:				
Cost of sales - land	57,183	29,043	109,609	88,288
Depreciation and amortization	79	76	245	247
MUD and SID bonds collections, net	(347)	1,643	(5,351)	1,961
Less:				
MPC development expenditures	(45,444)	(45,772)	(136,705)	(136,745)
MPC land acquisitions	(1,010)	—	(3,565)	(1,415)
Equity in earnings in Real Estate and Other Affiliates	(8,529)	(6,480)	(31,012)	(21,552)
MPC Net Contribution	$ 90,849	$ 18,975	$ 105,559	$ 68,531

Reconciliation of Segment EBTs to Net Income	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2018	2017	2018	2017
MPC segment EBT	$ 88,917	$ 40,465	$ 172,338	$ 137,747
Operating Assets segment EBT	(9,415)	(12,061)	2,569	(11,829)
Strategic Developments segment EBT	(3,196)	31,188	1,562	129,667
Corporate and other items	(44,973)	(43,229)	(151,041)	(204,444)
Income before taxes	31,333	16,363	25,428	51,141
Provision for income taxes	(7,487)	(5,846)	(5,628)	(31,846)
Net income	23,846	10,517	19,800	19,295
Net loss attributable to noncontrolling interests	(482)	(12)	(51)	(12)
Net income attributable to common stockholders	$ 23,364	$ 10,505	$ 19,749	$ 19,283