

**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): December 30, 2019

THE HOWARD HUGHES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34856
(Commission File Number)

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

**One Galleria Tower
1335 Noel Road, 22nd Floor
Dallas, Texas 75240**
(Address of principal executive offices)

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

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

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

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 7.01 Regulation FD Disclosure.

On December 30, 2019, the Howard Hughes Corporation (the “Corporation”), issued a press release and released an investor presentation announcing the acquisition of a portfolio of two Class AAA office towers, warehouse space and developable land in The Woodlands, Texas, from Occidental Petroleum Corporation (“Occidental”) for \$565 million, through its subsidiary, The Woodlands Holding Company, Inc. The acquired properties include Occidental’s Century Park campus in the West Houston Energy Corridor, a 63-acre, 1.3 million-square foot campus with 17 office buildings and two Class AAA towers rebranded as The Woodlands Towers at The Waterway, which total approximately 1.4 million square feet of office space, as well as a 125,000 square-foot warehouse, and 9.3 acres of land in The Woodlands Town Center. Copies of the press release and the investor presentation are attached hereto as Exhibit 99.1 and 99.2, respectively, are incorporated herein by reference and have been posted on our website at www.howardhughes.com under the “Investors” tab.

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

FORWARD LOOKING STATEMENTS AND NON-GAAP FINANCIAL STATEMENTS

Forward-Looking Statements

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

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
99.1	Press release, dated December 30, 2019.
99.2	Investor Presentation, dated December 30, 2019
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURES

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

THE HOWARD HUGHES CORPORATION

By: /s/ Peter F. Riley

Peter F. Riley

Senior Vice President, Secretary and General Counsel

Date: December 30, 2019

Howard Hughes

THE HOWARD HUGHES CORPORATION® ACQUIRES APPROXIMATELY 1.4 MILLION SQUARE FEET OF PREMIUM OFFICE SPACE AND ADDITIONAL LAND FOR COMMERCIAL DEVELOPMENT IN THE WOODLANDS® FROM OCCIDENTAL

Acquisition Also Includes 63-Acre Campus in the West Houston Energy Corridor



THE WOODLANDS, TX (December 30, 2019) – The Howard Hughes Corporation® (NYSE:HHC) announced today the acquisition of two Class AAA office towers, warehouse space and developable land in The Woodlands®, Texas, from Occidental (NYSE: OXY), providing The Howard Hughes Corporation with highly sought-after, premium office space that will enable The Howard Hughes Corporation to meet ongoing demand in the market. The acquisition increases The Howard Hughes Corporation’s office portfolio within the award-winning master planned community (MPC) by approximately 50%, and reinforces The Howard Hughes Corporation’s standing as the community’s steward and largest stakeholder.

The \$565 million transaction also includes the acquisition of Occidental’s Century Park campus in the West Houston Energy Corridor—a 63-acre, 1.3-million-square-foot campus with 17 office buildings—which The Howard Hughes Corporation will immediately remarket, in line with its recently announced commitment to sell non-core properties and to focus resources into the growth of its core business of MPCs.

In The Woodlands, The Howard Hughes Corporation’s acquisition includes the two Class AAA towers rebranded as The Woodlands Towers at The Waterway, which total approximately 1.4 million square feet of office space, and a 125,000-square-foot warehouse. The acquisition also includes 9.3 acres of prime, developable land located in The Woodlands Town Center® bordering The Woodlands Waterway® and fronting Interstate 45 North, providing the opportunity for meaningful future commercial development in the heart of The Woodlands.

“The Howard Hughes Corporation is defined by a steadfast commitment to our master planned communities, which across the country are consistently ranked among the best places to live, work and discover, allowing leading corporations to attract and retain today’s top talent,” said Paul Layne, Chief Executive Officer of The Howard Hughes Corporation. “This acquisition of Class AAA office space in The Woodlands Towers at The Waterway, as well as the additional property in The Woodlands, further expands our existing portfolio in this market where our 2.5-million-square-foot office portfolio is currently 94% leased, allowing us to respond to the growing need for premium office space as companies are looking to relocate and expand within The Woodlands.”

Occidental will continue its presence at The Woodlands Towers at The Waterway, and will lease back 100% of the larger, approximately 808,000-square-foot tower at 1201 Lake Robbins Drive and 100% of the warehouse for 13 years.

“The sale of office complexes in the Houston Energy Corridor and The Woodlands is part of our plan to divest non-core assets and continue to improve the strength of our balance sheet,” said Occidental President and CEO Vicki Hollub. “It was important to us, and many of our employees, to maintain a presence in The Woodlands and we are pleased to have signed a 13-year lease to remain in the community.”

The Howard Hughes Corporation will also be growing its own presence in The Woodlands, relocating its corporate headquarters into the approximately 595,000-square-foot tower at 9950 Woodloch Forest Drive. “We unequivocally believe that The Woodlands is the greatest destination in Texas for any company seeking to relocate or grow, and we look forward to contributing to the continued expansion of the business community as we relocate our headquarters from Dallas to The Woodlands Towers at The Waterway,” said Mr. Layne.

“These iconic towers have long been a beacon at the entry to The Woodlands Town Center and The Howard Hughes Corporation is extremely proud to bring them into our portfolio,” said Jim Carman, President, Houston Region for The Howard Hughes Corporation. “The Woodlands offers a vibrant lifestyle, a strong workforce, highly-acclaimed schools, and unparalleled amenities including hiking trails, parks, and open spaces while focusing on health and wellness.”

The Woodlands, [Bridgeland](#)[®] and [The Woodlands Hills](#)[®] are the award-winning MPCs in Texas which help comprise the core of The Howard Hughes Corporation’s portfolio. Located in Cypress, Bridgeland is the #1 top-selling MPC in the Greater Houston area as ranked by Metrostudy, and #11 in the nation as ranked by RCLCO. The Woodlands Hills, located 13 miles north of The Woodlands in Conroe and Willis, Texas, is one of the newest MPCs in the Greater Houston area and is the first bespoke MPC of The Howard Hughes Corporation, built on the company’s guiding principles of expert placemaking.

Occidental was represented in the sale by Brandon Clarke, Executive Vice President, Jared Chua, Senior Vice President, and Steve Hesse, Vice Chairman, for CBRE.

About The Woodlands[®]

The Woodlands is a 28,000-acre master planned community located 27 miles north of downtown Houston. Throughout its 45-year history, The Woodlands has led the way among master planned communities that practice environmental preservation. It is home to over 117,000 people, and nearly 68,000 people work in the community. The Woodlands is one of the top-selling master planned communities in Texas and the nation. The Woodlands was named “Trailblazer of the Year” in 2018 by the Greater Houston Builders Association. The community was also consecutively named “Humanitarian of the Year” in 2017 and 2016 and “Master Planned Community of the Year” in 2015 by the Greater Houston Builders Association. For more information, visit www.thewoodlands.com. For additional details, find us on [Facebook](#), [Twitter](#), [Instagram](#) and [LinkedIn](#).

About The Howard Hughes Corporation®

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

Safe Harbor Statement

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

###

Media Contacts:

The Howard Hughes Corporation

Cristina Carlson
Vice President, Corporate Communications & Public Relations
646-822-6910
cristina.carlson@howardhughes.com

Lorrie Parise
Manager, PR & Community Relations, The Woodlands
281-719-6344
lorrie.parise@howardhughes.com

Kim Phillips
Vice President, Marketing, Houston Region
281-719-6174
kim.phillips@howardhughes.com

HHC Investor Relations

David R. O'Reilly
Chief Financial Officer
214-741-7744
david.oreilly@howardhughes.com



Acquisition of Occidental Assets in The Woodlands and Campus in West Houston Energy Corridor



Howard Hughes

Forward Looking Statements

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

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 is net operating income (“NOI”).

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 estimated performance of the Occidental Acquisitions 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 NOI is a relevant and widely used measure of operating performance of real estate companies, it does 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. NOI does not purport to be indicative of cash available to fund our future cash requirements. Further, our computations of NOI may not be comparable to NOI reported by other real estate companies. No reconciliation of projected NOI is included in this presentation because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts and we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

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.

Strategic Rationale for Business Transaction

Acquisition of Strategic, High-Quality Assets

Financially Attractive

- ✓ Excellent long-term, risk-adjusted returns
- ✓ ~935k SF leased to Occidental for 13 years supports excellent project-level financing

Strategically Important

- ✓ Maintains internal MPC control, allowing HHC to continue to pace development to maximize value creation to shareholders
- ✓ Further solidifies HHC's dominance of the Class A office market in The Woodlands

Tax Efficient

- ✓ Structured as a Reverse 1031 exchange
- ✓ Acquisition will offset taxable gains associated with non-core divestment opportunities
- ✓ Minimizes tax friction with go-forward strategic plan





Transaction Details

- Properties
 - Two Class AAA office towers, totaling 1.4M square feet
 - 125,000-square-foot warehouse
 - 9.3 prime acres of developable land in The Woodlands Town Center
 - A 63-acre office campus in West Houston's Energy Corridor
- 1201 Lake Robbins Drive (807,586 SF) is 100% leased-back to Occidental, an investment-grade credit tenant, for 13 years
- Warehouse is 100% leased-back to Occidental for 13 years
- West Houston campus to be sold in 12-18 months
- Acquisition cost of \$565 mm, funded with initial financing of \$344 mm and \$221 mm of equity
- Total cost of \$629 mm (includes leasing and capital net of West Houston sale) to be financed with \$398 mm of project-level debt and \$231mm equity

 Howard Hughes

Benefits to HHC

- Further solidifies HHC's dominance of The Woodlands' Class A office market: increases office portfolio by ~ 50%
- Protects against competitor(s) entering the market with a substantial amount of high-quality office space
- Adds an additional large, investment-grade tenant to our office portfolio
- Provides needed new Class AAA vacant office (built in 2014) inventory to satisfy pent-up market demand, over 94% leased as of Sept. 30, 2019
- Does not require lengthy construction timeline or typical construction risks
- Mitigates NOI loss from non-core asset sales and replaces with more stable and creditworthy NOI in a core asset
 - Effectively replaces hospitality, non-core retail and other NOI with long-term, predictable income
- Secures large (9.3-acre) development site in prime location for future value creation
- Excellent financing enhances returns to HHC
 - 1201 Lake Robbins Drive and the warehouse: ~\$281mm at a fixed rate of ~3.5%, interest-only for 10 years
 - 9950 Woodloch Forest Drive: ~\$63.5 mm of initial funding with "good news" money for leasing for total funding up to \$137 mm at LIBOR plus 195 bps, interest-only for 5 years



Transaction Overview



- **1201 Lake Robbins Drive:** 807,586 SF
31-story Class AAA office building
100% leased to Occidental for 13 years
- **9950 Woodloch Forest Drive:** 595,854 SF
30-story Class AAA office building
- **Warehouse:** 125,000 SF
one-story storage building plus developable frontage
100% leased to Occidental for 13 years
- **Woodlands Future Development Site:** 9.3 acres in prime Town Center location
- **West Houston Campus:** 63-acre office campus with 1.3M SF in unfinished shell condition

**WOODLANDS
OFFICE PORTOLIO**
4.1M+ SF



- **Office Leaseback:** 807,586 SF (100% of 1201 Lake Robbins Drive) for 13 Years
- **Warehouse Leaseback:** 125,000 SF (100% leased) for 13 Years

**TRANSACTION
CLOSE ON**
12/30/19

The Woodlands Towers at The Waterway

The Woodlands Towers

- 9950 Woodloch Forest Drive
 - Year Built: 2014
 - Size: 595,854 SF / 30 Stories
 - Parking: 2.5:1000
- 1201 Lake Robbins Drive (13-Year Leaseback)
 - Year Built: 2000
 - Size: 807,586 SF / 31 Stories
 - Parking: 2.5:1000

Projections

- Lease-up Duration of 9950 Woodloch Forest Drive: 36 Months
- Leaseback NOI: \$26 million (including the warehouse)
- Stabilized NOI: \$44 million (including the warehouse)



Howard Hughes

Note: NOI includes warehouse leaseback

Energy Corridor Campus Summary

Assets

- Developable Acres: 63
- Building Size: 1.3M SF
- Year Built: 1984
- Number of Buildings: 17
- Height: Three Stories
- Parking: 3,187 spaces (2.5:1000)
- Use Restrictions: Corporate office and affiliated retail

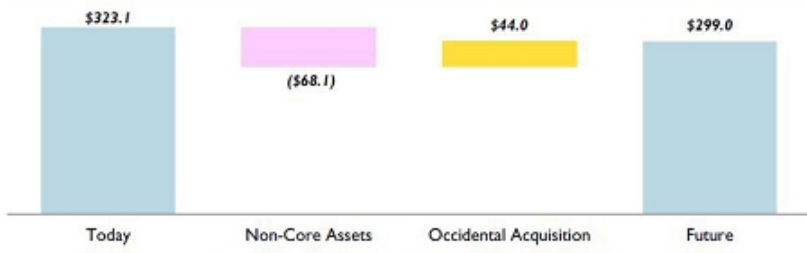
Strategy

- Disposition in 12-18 Months
- HHC's ability to acquire the West Houston Campus along with the assets in The Woodlands differentiated HHC's offer from offers of other potential buyers

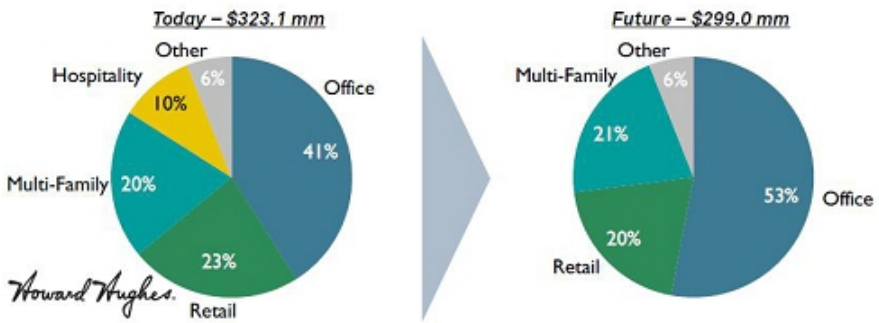


Transaction Impact

NOI Bridge



Components of Stabilized NOIs



Howard Hughes

In-Place & Stabilized NOI Reconciliation

Non-Core Asset Sales & Acquisitions	Region	Annualized Q3 '19 NOI / In-Place NOI	Estimated Stabilized NOI
Non-Core Assets:		(\$ in mm)	(\$ in mm)
110 North Wacker	Chicago	-	\$14.4
Cottonwood Mall ¹	Salt Lake City	-	-
West Windsor ¹	Central New Jersey	-	-
Elk Grove	Sacramento	-	-
Outlet Collection at Riverwalk	New Orleans	\$6.7	6.5
Bridges Of Mint Hill ¹	Charlotte	-	-
85 South Street	New York	0.4	0.5
Monarch City	Dallas	-	-
MD Anderson (100 Fellowship Drive)	Woodlands	1.2	5.1
Woodlands Hospitality Portfolio	Woodlands	29.4	31.5
Non-Core Retail Assets	Various MPCs	8.7	10.1
Subtotal		\$46.4	\$68.1
Occidental Acquisitions:		(\$ in mm)	(\$ in mm)
1201 Lake Robbins Drive	Woodlands	\$24.3	\$24.3
9950 Woodloch Forest Drive	Woodlands	-	18.4
Warehouse	Woodlands	1.3	1.3
Subtotal		\$25.6	\$44.0
Total NOI Impact		\$(20.8)	\$(24.1)

¹ Cottonwood Mall, West Windsor and Bridge at Mint Hill sold for a total of approximately \$96mm.



Howard Hughes®

Discover How

© 2019 Howard Hughes Corporation Intellectual Property. All rights reserved. The Howard Hughes Corporation logo and all other Howard Hughes marks contained herein are trademarks of Howard Hughes Intellectual Property. The information contained herein is not an offer, commitment, representation or warranty by Howard Hughes and is subject to change.

