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 4, 2019

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**

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 (§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. o

Item 2.02 Results of Operations and Financial Condition.

On November 4, 2019, The Howard Hughes Corporation (the "Company") issued a press release announcing the Company's financial results for the third quarter ended September 30, 2019. 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 4, 2019, the Company issued supplemental information for the third quarter ended September 30, 2019. 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 4, 2019 announcing the Company's financial results for the third quarter ended September 30, 2019.
99.2	Supplemental information for the third quarter ended September 30, 2019.

SIGNATURES

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

THE HOWARD HUGHES CORPORATION

By: */s/* Peter F. Riley

Peter F. Riley

Senior Executive Vice President, Secretary and General Counsel

Date: November 4, 2019

Exhibit 99.1

PRESS RELEASE

Contact Information:
David R. O'Reilly
Chief Financial Officer
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The Howard Hughes Corporation® Reports Third Quarter 2019 Results

Strong third quarter results led by 33% growth in Operating Assets NOI and immediate progress on strategic transformation plan

Dallas, TX, November 4, 2019 – The Howard Hughes Corporation® (NYSE: HHC) (the "Company," "HHC" or "we") announced today operating results for the third quarter ended September 30, 2019. 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.

On October 21, 2019, Management announced the conclusion of its previously announced review of strategic alternatives. The process culminated in a transformation plan led by new executive leadership and comprised of three pillars: (1) a $45 - $50 million per annum reduction in overhead expenses, (2) the sale of approximately $2 billion of non-core assets and (3) accelerated growth in our core master planned communities ("MPC") assets.

Strategic Transformation Plan Highlights

- Paul Layne named Chief Executive Officer to lead execution of the transformation plan to create a lean, focused, decentralized organization built around the Company's core MPCs.
- Executed on $86 million in non-core asset sales by completing the sale of Cottonwood Mall, a non-core asset in Salt Lake City, Utah, for $46 million and the sale of approximately 650 acres of land in the West Windsor Township near Princeton, NJ for $40 million.
- Accelerated growth in our core MPC business by commencing construction of Creekside Park Apartments Phase II, a 360-unit multi-family development in The Woodlands, TX. The project is anticipated to contribute approximately $4.7 million of stabilized net operating income ("NOI").
- Board of Directors has authorized a new stock repurchase program, under which the Company may repurchase up to $100 million of its outstanding common stock.

Third Quarter 2019 Highlights

- Net income attributable to common stockholders increased to $29.8 million, or $0.69 per diluted share, for the three months ended September 30, 2019, compared to $23.4 million, or $0.54 per diluted share, for the three months ended September 30, 2018.
- Total NOI from the Operating Assets segment, including our share of NOI from equity investments, grew strongly by 33% to $56.3 million for the three months ended September 30, 2019, compared to $42.2 million for the prior year period.
- MPC segment earnings before tax ("EBT") decreased by $28.3 million to $60.6 million for the three months ended September 30, 2019. Despite the overall decrease in MPC EBT, our Houston MPCs showed continued strength led by Bridgeland with a 62.4% increase in underlying home sales as well as an 8.7% increase in price per acre.

- Broke ground on Kōʻula, our newest condominium tower that began public sales in January 2019, which is approximately 70.3% pre-sold as of the third quarter of 2019.
- Increased Seaport District segment revenues by $8.5 million to $23.1 million for the three months ended September 30, 2019 compared to the prior year period partially driven by the openings of Bar Wayō, Malibu Farm and The Lookout on Pier 17.

Highlights of our results for the nine and three months ended September 30, 2019 are summarized below. We are primarily focused on creating shareholder value by increasing our per share net asset value. Often, the nature of our business results in short term volatility in our Net income due to the timing of MPC land sales, recognition of condominium revenue and operating business pre-opening expenses, and, as such, we believe the following metrics are most useful in tracking our progress towards net asset value creation.

	Nine Months Ended September 30,				Three Months Ended September 30,			
($ in thousands)	**2019**	**2018**	**Change**	**% Change**	**2019**	**2018**	**Change**	**% Change**
Operating Assets NOI								
Office	$ 63,081	$ 50,195	$ 12,886	26 %	$ 24,159	$ 17,092	$ 7,067	41 %
Retail	47,188	47,215	(27)	— %	15,683	15,760	(77)	— %
Multi-family	14,503	11,902	2,601	22 %	5,317	3,685	1,632	44 %
Hospitality	23,419	20,436	2,983	15 %	7,231	4,952	2,279	46 %
Other	11,149	(782)	11,931	1,526 %	1,894	(600)	2,494	(416)%
Company's share NOI (a)	8,820	6,155	2,665	43 %	2,043	1,343	700	52 %
Total Operating Assets NOI (b)	$ 168,160	$ 135,121	$ 33,039	24 %	$ 56,327	$ 42,232	$ 14,095	33 %
Projected stabilized NOI Operating Assets ($ in millions)	$ 323.1	$ 315.7	$ 7.5	2 %				
MPC								
Acres Sold - Residential	337	384	(47)	(12)%	147	222	(75)	(34)%
Acres Sold - Commercial	—	4	(4)	(100)%	—	2	(2)	(100)%
Price Per Acre - Residential	$ 543	$ 533	$ 10	2 %	$ 574	$ 527	$ 47	9 %
Price Per Acre - Commercial	$ —	$ 767	$ (767)	(100)%	$ —	$ 851	$ (851)	(100)%
MPC EBT	$ 145,469	$ 172,338	$ (26,869)	(16)%	$ 60,637	$ 88,918	$ (28,281)	(32)%
Seaport District NOI								
Historic District & Pier 17 - Landlord	$ (5,156)	$ (2,746)	$ (2,410)	(88)%	$ (2,150)	$ (1,435)	$ (715)	(50)%
Multi-Family	303	363	(60)	(17)%	112	109	3	3 %
Hospitality	41	70	(29)	(41)%	—	70	(70)	(100)%
Historic District & Pier 17 - Managed Businesses	(4,420)	(528)	(3,892)	(737)%	(879)	(478)	(401)	(84)%
Tin Building - Managed Businesses	—	—	—	— %	—	—	—	— %
Events, Sponsorships & Catering Business	(536)	878	(1,414)	(161)%	25	(1,212)	1,237	(102)%
Company's share NOI (a)	(385)	(579)	194	(34)%	(148)	(452)	304	67 %
Total Seaport District NOI	$ (10,153)	$ (2,542)	$ (7,611)	299 %	$ (3,040)	$ (3,398)	$ 358	(11)%
Strategic Developments								
Condominium units contracted to sell (c)	82	49	33	67 %	55	2	53	2,650 %

(a) Includes Company's share of NOI from non-consolidated assets.
(b) Excludes properties sold or in redevelopment.
(c) Includes units at our buildings that are open or under construction as of September 30, 2019.

"Our third quarter results illustrate the strong fundamentals of our business across our core markets, highlighted by the 33% quarter-over-quarter growth we experienced in recurring Operating Assets NOI," said Paul H. Layne, Chief Executive Officer. "With the NOI growth in our Operating Assets segment, we have an annual run rate of $231 million with a stabilized NOI target of $323 million, a 2.4% increase over 2018. At Summerlin, we celebrated the Las Vegas Ballpark and Las Vegas Aviators being named ballpark and team of the year by *Ballpark Digest*. These recognitions speak to the catalytic impact baseball has had on Summerlin, in particular on Downtown Summerlin, and the importance of masterful design in creating vibrant destinations in the hearts of our planned cities. Additionally, home sales, a leading indicator of future land purchases by home builders, are up 22.6% across all our MPCs.

"At Ward Village, we also celebrated the ground breaking of Kō'ula, which began public sales in January 2019, marking our latest milestone as we continue to execute on our vision for the community with the development of each building and one-of-a-kind public spaces as well as the ongoing curation of unique offerings. Demand to live in our community remains high as evidenced by sales at Kō'ula, which is already 70% pre-sold.

"In New York, the Seaport District had a strong finish for the summer with the openings of Bar Wayō, the latest offering from the renowned Momofuku restaurant group; Malibu Farm, a California-inspired farm-to-table eatery; and The Lookout, a seasonal bar pop-up. Overall, the Seaport District's revenue is again up for the third quarter, and with many additional key offerings coming online in the next 18 months to complete the district, we are continuing to make substantial progress in accomplishing our vision.

"Finally, we recently announced a transformation plan for the Company following the conclusion of our strategic review process. The transformation plan has three main elements: a streamlined organizational structure with reduced overhead expenses, the sale of non-core assets and accelerated growth in our core MPC business, where we have unique and sustainable competitive advantages. We are confident that focusing on this path will provide the best long-term outcome for our shareholders, our customers and our employees," said Mr. Layne.

Financial Results

Net income attributable to common stockholders increased to $75.1 million, or $1.73 per diluted share, and $29.8 million, or $0.69 per diluted share, for the nine and three months ended September 30, 2019, respectively, compared to $19.8 million, or $0.46 per diluted share, and $23.4 million, or $0.54 per diluted share, for the nine and three months ended September 30, 2018, respectively. The increase for the nine months ended September 30, 2019 is primarily due to higher Condominium rights and unit sales, net of costs, driven by closings at Ae‘o. In addition, the increases in both the nine and three months ended September 30, 2019 are attributable to a gain recognized on the sale of Cottonwood Mall and selling profit recognized as a result of a build-to-suit lease that commenced at our 100 Fellowship Drive property which for accounting purposes is recognized as a sales-type lease. The increases in both periods were partially offset by lower MPC superpad sales at Summerlin and higher operating expenses at the Seaport District. The higher operating expenses at the Seaport District are due to start-up costs associated with opening new businesses.

Key factors impacting our Funds from operations ("FFO"), Core funds from operations ("Core FFO") and Adjusted FFO ("AFFO") are discussed below.

(In thousands, except share amounts)	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018
Net income attributable to common stockholders	$ 75,056	$ 19,751	$ 29,758	$ 23,365
Basic income per share:	$ 1.74	$ 0.46	$ 0.69	$ 0.54
Diluted income per share:	$ 1.73	$ 0.46	$ 0.69	$ 0.54
Funds from operations	$ 158,876	$ 105,113	$ 40,161	$ 53,753
FFO per weighted average diluted share	$ 3.66	$ 2.43	$ 0.91	$ 1.24
Core FFO	$ 211,301	$ 148,849	$ 59,859	$ 71,818
Core FFO per weighted average diluted share	$ 4.87	$ 3.44	$ 1.38	$ 1.66
AFFO	$ 204,711	$ 136,471	$ 57,852	$ 70,055
AFFO per weighted average diluted share	$ 4.72	$ 3.15	$ 1.32	$ 1.62

FFO increased $53.8 million, or $1.23 per diluted share, for the nine months ended September 30, 2019 and decreased $13.6 million, or $0.33 per diluted share, for the three months ended September 30, 2019, compared to the same periods in 2018. As noted above, the increase for the nine months ended September 30, 2019 was primarily attributable to the increase in Condominium rights and unit sales, net of costs, due to Ae‘o closings, partially offset by higher operating losses at the Seaport District. The decrease for the three months ended September 30, 2019 is attributable to a decrease in Master Planned Communities land sales due to fewer superpad sales at Summerlin and a slower pace of land development and custom lot sales at The Summit as well as an increase in interest expense due to placing assets into service. The decrease was partially offset by an increase in Other rental and property revenues in the Operating Assets and Seaport District segments.

Core FFO, our FFO adjusted to exclude the impact of certain non-cash and/or nonrecurring income and expense items, increased $62.5 million, or $1.43 per diluted share, for the nine months ended September 30, 2019 and decreased $12.0 million, or $0.28 per diluted share, for the three months ended September 30, 2019, compared to the same periods in 2018 primarily due to the factors discussed in the FFO section above, as well as a higher Deferred income tax expense, partially offset by lower Other non-recurring expenses.

AFFO, our Core FFO adjusted to exclude recurring capital improvements and leasing commissions, increased $68.2 million, or $1.57 per diluted share, for the nine months ended September 30, 2019 and decreased $12.2 million, or $0.30 per diluted share, for the three months ended September 30, 2019 compared to the same periods in 2018 primarily due to the items mentioned in the FFO and Core FFO discussions above. The increase in the nine month period was also impacted by lower tenant and capital improvements. 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

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 $33.0 million, or 24.5%, to $168.2 million in the nine months ended September 30, 2019 and by $14.1 million, or 33.4%, to $56.3 million in the three months ended September 30, 2019 compared to the same periods in 2018. The increase in NOI for the nine and three months ended September 30, 2019 is primarily driven by increases of $11.9 million and $2.5 million in our other properties category; $12.9 million and $7.1 million in our office properties; and $3.0 million and $2.3 million in our hospitality properties. The increase in our other category for the nine and three months ended September 30, 2019 is a result of placing the Las Vegas Ballpark, the home of our Triple-A baseball team The Las Vegas Aviators, into service in March 2019. The increases in our office and hospitality properties are mainly the result of continued stabilization of existing assets within these categories, increased occupancy, as well as NOI generated from assets placed into service subsequent to the third quarter of 2018.

As previously mentioned, in September 2019, the Las Vegas Ballpark and its professional Triple-A baseball team, the Las Vegas Aviators, were named ballpark and team of the year, respectively, by *Ballpark Digest*. This is the first time *Ballpark Digest* has awarded both a stadium and its affiliated team with top honors during the same year.

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. We also use residential home sales as a leading indicator of continued demand from homebuilders in our communities. As we continue to see strong demand for our land from homebuilders, continued demand in our MPCs for new homes and interest rate stabilization, we do not expect a material slowdown in the pace of residential land sales for the remainder of 2019.

During the nine and three months ended September 30, 2019, our MPC segment EBT decreased $26.9 million to $145.5 million and $28.3 million to $60.6 million, respectively, mainly as a result of fewer superpad sales at Summerlin and lower Equity in earnings from real estate and other affiliates. Land sales revenues at Summerlin were also negatively impacted by lower recognition of revenue deferred from previous sales and fewer SID bond assumptions and reimbursements. As noted above, the decrease in Equity in earnings from real estate and other affiliates is primarily attributable to a slower pace of land development and fewer custom lot sales at The Summit, which offers a mix of custom lots, detached homes sold by the joint venture and multi-family homes sold by the joint venture. This decrease in Equity in earnings from The Summit is in line with our expectations as a higher percentage of sales are being generated from the sale of homes built by the joint venture, which has a lower margin than the sale of custom lots. Our estimate of overall gross margin generated by the project remains unchanged. Despite the decline in year-to-date land sales in Summerlin, we remain optimistic that we will achieve total land sales for the year consistent with our results over the past two years.

For the nine month period, the decreases noted above are partially offset by increased land sales revenues at Bridgeland, The Woodlands and The Woodlands Hills. At Bridgeland, land sales revenues increased $15.3 million, or 50.4%, due to robust sales of single-family lots, resulting in 197 more lot sales in the nine months ended September 30, 2019 compared to the prior year period. Land sales revenues at The Woodlands increased $7.7 million due to a 48.3% increase in superpad and single-family sales for the nine months ended September 30, 2019 compared to the prior period. For the nine months ended September 30, 2019, land sales revenues at The Woodlands Hills increased 25.7% primarily due to the mix and number of lots sold. Despite fewer lots sales, Summerlin's price per acre increased to $685,000 for the nine months ended September 30, 2019 from $589,000 in the prior period primarily due to the mix of lots sold. For the three months ended September 30, 2019, the decreases in overall MPC revenue are partially offset by increased land sales revenues at The Woodlands Hills and The Woodlands, which increased 77.0% and 62.7%, respectively, primarily due to the mix and number of lots sold. The Woodlands also achieved a $737,000 price per acre for the three month period, an increase of $195,000, primarily due to the mix of lots sold. Land sales revenue at Bridgeland also increased for the three months ended September 30, 2019 primarily due to an 8.7% higher price per acre. Similarly, while Summerlin had fewer lots sales, price per acre increased 17.8% for the superpad and custom lot products for the three months ended September 30, 2019.

Although they do not directly impact our results of operations, we believe ongoing strong underlying home sales will continue to drive demand for land in our MPCs. The rate of home sales at The Woodlands Hills, which commenced sales in the second quarter of 2018, increased 154.5% and 18.2% for the nine and three months ended September 30, 2019, respectively, over the prior year periods. Bridgeland's home sales increased 42.7% and 62.4% for the nine and three months ended September 30, 2019, respectively, over the prior year periods. We believe that the acceleration at both The Woodlands Hills and Bridgeland speak to their respective maturation as master planned communities as well as their thoughtful approach to conservation, recreation and transportation. In addition, they have excellent access, schools and amenities. During the current quarter, we celebrated the opening of one such amenity, Dragonfly Park, a 25-acre park and 25-acre lake, located in Bridgeland's Parkland Village. Touted as a destination, the grand opening drew more than 1,500 residents to the park, which offers an abundance of outdoor activities, including a resort-style pool, lazy river, basketball and tennis courts, dragonfly play structure and event space. While home sales decreased 5.4% and 3.8% in Summerlin and The Woodlands, respectively, for the nine months ended September 30, 2019 compared to the previous year, home sales at Summerlin and The Woodlands have increased 6.6% and 27.0%, respectively, for the three months ended September 30, 2019 compared to the prior year period, evidencing continued strength. The following summarizes home sales in our MPCs during the nine and three months ended September 30, 2019.

	Net New Home Sales							
	Nine Months Ended September 30,				Three Months Ended September 30, 2019			
	2019	2018	Change	% Change	2019	2018	Change	% Change
The Woodlands	255	265	(10)	(3.8)%	80	63	17	27.0%
The Woodlands Hills	84	33	51	154.5 %	26	22	4	18.2%
Bridgeland	541	379	162	42.7 %	190	117	73	62.4%
Summerlin	989	1,046	(57)	(5.4)%	322	302	20	6.6%
Total	**1,869**	**1,723**	**146**	**8.5 %**	**618**	**504**	**114**	**22.6%**

The Seaport District

In the Seaport District, we celebrated the openings of Bar Wayō, the latest offering from the renowned Momofuku restaurant group; Malibu Farm, a California-inspired farm-to-table eatery; and The Lookout, a seasonal pop-up bar at Pier 17. We also sold out 30 concerts and have sold 96% of all available tickets for the Summer Concert Series.

Seaport District segment revenues increased by $20.4 million to $43.1 million and $8.5 million to $23.1 million for the nine and three months ended September 30, 2019, respectively, compared to the same periods in 2018. The increases are due to both our existing businesses as well as new business openings and were driven by the summer concert series, Cobble & Co, The Fulton, Garden Bar and 10 Corso Como Retail and Café.

In the Seaport District segment, NOI, including our share of NOI from equity investees, decreased by $7.6 million to a net operating loss of $10.2 million and increased by $0.4 million to a net operating loss of $3.0 million for the nine and three months ended September 30, 2019, respectively, compared to the same periods in 2018. The decrease in NOI in the nine month period was driven by continued investment in the development of the Seaport District, particularly as it relates to funding start-up costs related to the retail, food and beverage and other operating businesses. Decreases of $3.9 million, $2.4 million and $1.4 million, in managed businesses, landlord operations and events and sponsorships, respectively, compared to the prior year period were primary contributors to the decrease in NOI for the nine months ended September 30, 2019. The increase for the three month period compared to the prior year period was primarily attributable to an increase of $1.2 million in our events and sponsorships, partially offset by a decrease of $0.7 million in landlord operations for the three months ended September 30, 2019. Our landlord operations business represents physical real estate developed, owned and leased to third parties by HHC. We expect to continue to incur operating expenses in excess of rental revenues while the remaining available space is in lease-up. Our managed businesses include retail and food and beverage entities that we operate and own, either directly, through license agreements or in joint ventures. Our event and sponsorship businesses include our concert series; Winterland skating and bar; event catering; private events; and sponsorships from approximately 11 partners. We expect to incur operating losses for our event and sponsorship, landlord operations and managed business entities until the Seaport District reaches its critical mass of offerings.

The Seaport District is part non-stabilized operating asset, part development project and part operating business. As such, the Seaport District has a greater range of possible outcomes than our other projects. The greater uncertainty is largely the result of (i) business operating risks, (ii) seasonality, (iii) potential sponsorship revenue and (iv) event revenue. We operate and own, either directly, through license agreements or in joint ventures, many of the tenants in the Seaport District, including retail stores such as 10 Corso Como and SJP by Sarah Jessica Parker and restaurants such as The Fulton by Jean-Georges, Bar Wayō, Malibu Farm, two concepts by Andrew Carmellini, R17 and the Jean-Georges food hall. As a result, the revenues and expenses of these businesses, as well as the underlying market conditions affecting these types of businesses, will directly impact the NOI of the Seaport District. This is in contrast to our other retail properties where we primarily receive lease payments and are not as directly impacted by the operating performance of the underlying businesses. This causes the quarterly results and eventual stabilized yield of the Seaport District to be less predictable than our other operating real estate assets with traditional lease structures. Further, as we open new operating businesses, either owned entirely or in joint venture, we expect to incur pre-opening expenses and operating losses until those businesses stabilize, which likely will not happen until the Seaport District reaches its critical mass of offerings. We expect the time to stabilize the Seaport District will be primarily driven by the construction, interior finish work and stabilization to occur at the Jean-Georges food hall in the Tin Building. Construction is expected to be substantially complete in early 2021 with an expected opening by summer 2021, assuming that we receive the necessary approvals timely. We expect stabilization to occur approximately 12 to 18 months after opening. Given the factors and uncertainties listed above combined with our operating experience during this past summer as we opened multiple new venues, we will no longer provide guidance on our expected NOI yield and stabilization date for the Seaport District for the next several quarters. We will continue all other aspects of our disclosure for the Seaport District segment including revenues, expenses, NOI and EBITDA. As we move closer to opening a critical mass of offerings at the Seaport District and after a more thorough internal review by our new leadership, we will re-establish goals for yield on costs and stabilization dates when the uncertainties and range of possible outcomes are more clear.

Strategic Developments

Strategic Developments segment EBT increased $98.4 million and $25.9 million for the nine and three months ended September 30, 2019, respectively, compared to the same periods in the prior year. The increase for the nine months ended September 30, 2019 compared to the prior year period is primarily due to an increase in Condominium rights and unit sales, net of costs, due to closings at Ae‘o. As a result of the adoption of Topic 606 in 2018, condominium revenue is only recognized as unit sales close which occurs after building completion. The year to date period was also positively impacted by the gain recognized for the sale of Cottonwood Mall and the absence of the $13.4 million charge for window repairs at our Waiea condominium tower which was recorded in the second quarter of 2018 but did not recur in 2019. The increase for the three months ended September 30, 2019 compared to the prior year period is primarily due to an increase in the Gain on sale or disposal of real estate driven by the sale of Cottonwood Mall. For the nine and three months ended September 30, 2019, we reported revenues of $443.9 million and $10.0 million, respectively, from Condominium rights and unit sales for homes that actually closed escrow at our four delivered buildings (Waiea, Anaha, Ae‘o and Ke Kilohana) in Ward Village compared to $39.8 million and $8.0 million for the prior periods, respectively.

As noted above, the cause of the increase in revenue in the nine month period compared to prior year is increased closings. We closed on 594 condominium units during the nine months ended September 30, 2019 compared to 15 during the prior year period. Condominium revenue is recognized when construction of the condominium tower is complete and unit sales close, leading to greater variability in revenue recognized between periods. Strong sales momentum continued at ‘A‘ali‘i and Kō'ula, which are 83.1% and 70.3% pre-sold, respectively, as of September 30, 2019. Kō'ula, our newest condominium tower that began public sales in January 2019, was 71.9% pre-sold as of October 31, 2019. With approximately 89% of our homes sold across our six towers that are either delivered or under construction, our sales continue to support our ability to maintain a 30% blended profit margin, excluding land, across the community. We feel that the pace of pre-sales of our recent buildings reflects the combination of product and price that we have found to resonate in the market. Further, these sales continue to demonstrate the desirability of our community and the high quality product that we are developing in Honolulu. The current increased pace of pre-sales gives us the opportunity to modestly accelerate the pace under which we launch new towers.

Balance Sheet Third Quarter Activity and Subsequent Events

On October 24, 2019, we modified and extended our $47.9 million loan for Outlet Collection at Riverwalk. The total commitment was reduced to $30.9 million, including the required pay-down of $15.0 million. The loan bears interest at one-month London Interbank Offered Rate ("LIBOR") plus 2.50% and matures October 24, 2021.

On October 17, 2019, our wholly-owned subsidiary purchased the $99.7 million note for 250 Water Street from the previous lender at a discount of approximately $6.5 million. We expect to obtain third-party financing in the fourth quarter of 2019.

On October 17, 2019, we closed on a $250.0 million credit facility secured by land and certain other collateral in The Woodlands and Bridgeland master planned communities. The loan bears interest at LIBOR plus 2.50% with a final maturity of October 17, 2024. The new loan refinanced The Woodlands Master Credit Facility and Bridgeland Credit Facility with a combined principal balance of $215.0 million and a weighted average interest rate of LIBOR plus 2.87%.

On September 13, 2019, we closed on a $37.7 million multi-family loan and security agreement for Creekside Park Apartments. The loan bears interest at 3.52% with a maturity of October 1, 2029.

On August 6, 2019, we closed on a $30.7 million construction loan for Millennium Phase III Apartments. The loan bears interest at one-month LIBOR plus 1.75% with an initial maturity date of August 6, 2023 and a one-year extension option.

On August 1, 2019, we modified our $64.6 million construction loan, of which $31.1 million relates to Aristocrat and $33.5 million relates to Two Summerlin. The original loan bears interest at Wall Street Journal Prime plus 0.40% with a maturity of October 19, 2022. As part of the modification, the $33.5 million Two Summerlin note was amended to bear interest at 4.25% with an initial maturity of October 18, 2022 and one, 36-month extension option. We closed on a new $38.3 million note for Aristocrat which bears interest at 3.67% with an initial maturity of September 1, 2029. A portion of the proceeds for the new Aristocrat note were used to extinguish the original Aristocrat note.

As of September 30, 2019, our total consolidated debt equaled approximately 45.6% of our total assets and our leverage ratio (debt to enterprise value, as defined in the Supplemental Information) was 41.2%. 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, 2019, we had $638.0 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 12 states from New York to Hawai‘i. 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:

- announcement of certain changes, which we refer to as our "Transformation Plan", including new executive leadership, reduction in our overhead expenses, the proposed sale of our non-core assets and accelerated growth in our core MPC assets;
- expected performance of our stabilized, income-producing properties and the performance and stabilization timing of properties that we have recently placed into service or are under construction;
- capital required for our operations and development opportunities for the properties in our Operating Assets, Seaport District 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;
- 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 ("SEC") on February 27, 2019, as amended and supplemented by any risk factors contained in our quarterly reports on Form 10-Q, which have been subsequently filed with the SEC. 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

	Nine Months Ended September 30,		Three Months Ended September 30,	
(In thousands, except per share amounts)	**2019**	**2018**	**2019**	**2018**
Revenues:				
Condominium rights and unit sales	$ 443,931	$ 39,767	$ 9,999	$ 8,045
Master Planned Communities land sales	177,001	226,727	77,368	127,730
Minimum rents	164,356	153,156	55,552	53,244
Tenant recoveries	40,724	37,808	13,704	12,806
Hospitality revenues	68,536	64,738	20,031	19,108
Builder price participation	24,224	19,394	9,660	8,685
Other land revenues	16,646	15,988	5,954	7,145
Other rental and property revenues	79,872	42,266	37,816	20,397
Interest income from sales-type leases	1,088	—	1,088	—
Total revenues	1,016,378	599,844	231,172	257,160
Expenses:				
Condominium rights and unit cost of sales	365,324	41,713	7,010	6,168
Master Planned Communities cost of sales	78,128	109,609	33,304	57,183
Master Planned Communities operations	35,948	33,956	11,866	13,044
Other property operating costs	131,808	91,847	53,214	42,942
Rental property real estate taxes	28,585	24,148	9,080	8,519
Rental property maintenance costs	11,862	11,604	3,533	4,456
Hospitality operating costs	46,310	45,707	14,080	14,723
(Recovery) provision for doubtful accounts	(195)	4,417	(107)	2,282
Demolition costs	737	16,166	138	2,835
Development-related marketing costs	16,874	20,484	5,341	7,218
General and administrative	87,923	71,795	32,519	20,645
Depreciation and amortization	115,142	88,398	40,093	31,123
Total expenses	918,446	559,844	210,071	211,138
Other:				
Gain on sale or disposal of real estate, net	24,051	—	24,201	—
Other income (loss), net	11,798	(3,444)	1,337	(3,710)
Total other	35,849	(3,444)	25,538	(3,710)
Operating income	133,781	36,556	46,639	42,312
Selling profit from sales-type leases	13,537	—	13,537	—
Interest income	7,696	6,759	2,872	2,080
Interest expense	(76,358)	(57,182)	(28,829)	(21,670)
Equity in earnings from real estate and other affiliates	20,847	39,297	4,542	8,612
Income before taxes	99,503	25,430	38,761	31,334
Provision for income taxes	24,207	5,628	8,718	7,487
Net income	75,296	19,802	30,043	23,847
Net income attributable to noncontrolling interests	(240)	(51)	(285)	(482)
Net income attributable to common stockholders	$ 75,056	$ 19,751	$ 29,758	$ 23,365
Basic income per share:	$ 1.74	$ 0.46	$ 0.69	$ 0.54
Diluted income per share:	$ 1.73	$ 0.46	$ 0.69	$ 0.54

THE HOWARD HUGHES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
UNAUDITED

(In thousands, except par values and share amounts)	September 30, 2019	December 31, 2018
Assets:		
Investment in real estate:		
Master Planned Communities assets	$ 1,683,224	$ 1,642,660
Buildings and equipment	3,268,926	2,932,963
Less: accumulated depreciation	(478,185)	(380,892)
Land	315,643	297,596
Developments	1,345,807	1,290,068
Net property and equipment	6,135,415	5,782,395
Investment in real estate and other affiliates	121,611	102,287
Net investment in real estate	6,257,026	5,884,682
Net investment in lease receivable	78,021	—
Cash and cash equivalents	637,979	499,676
Restricted cash	204,650	224,539
Accounts receivable, net	17,248	12,589
Municipal Utility District receivables, net	288,376	222,269
Notes receivable, net	36,425	4,694
Deferred expenses, net	110,935	95,714
Operating lease right-of-use assets, net	70,349	—
Prepaid expenses and other assets, net	246,906	411,636
Total assets	$ 7,947,915	$ 7,355,799
Liabilities:		
Mortgages, notes and loans payable, net	$ 3,624,684	$ 3,181,213
Operating lease obligations	71,190	—
Deferred tax liabilities	172,476	157,188
Accounts payable and accrued expenses	699,509	779,272
Total liabilities	4,567,859	4,117,673
Equity:		
Preferred stock: $.01 par value; 50,000,000 shares authorized, none issued	—	—
Common stock: $.01 par value; 150,000,000 shares authorized, 43,752,777 issued and 43,232,928 outstanding as of September 30, 2019 and 43,511,473 shares issued and 42,991,624 outstanding as of December 31, 2018	438	436
Additional paid-in capital	3,334,101	3,322,433
Accumulated deficit	(45,285)	(120,341)
Accumulated other comprehensive loss	(35,513)	(8,126)
Treasury stock, at cost, 519,849 shares as of September 30, 2019 and December 31, 2018	(62,190)	(62,190)
Total stockholders' equity	3,191,551	3,132,212
Noncontrolling interests	188,505	105,914
Total equity	3,380,056	3,238,126
Total liabilities and equity	$ 7,947,915	$ 7,355,799

Appendix – Reconciliations of Non-GAAP Measures

As of and for the Nine and Three Months Ended September 30, 2019

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 four segments, Operating Assets, Master Planned Communities ("MPC"), Seaport District and Strategic Developments, being managed separately, we use different operating measures to assess operating results and allocate resources among these four 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.

Effective January 1, 2019, the Company moved the Seaport District out of the Operating Assets and Strategic Development segments and into a stand-alone segment for disclosure purposes. As applicable, we have adjusted our performance measures in all periods reported to reflect this change.

	Nine Months Ended September 30,			Three Months Ended September 30,		
(In thousands)	**2019**	**2018**	**$ Change**	**2019**	**2018**	**$ Change**
Operating Assets Segment EBT						
Total revenues	$ 305,395	$ 264,017	$ 41,378	$ 104,223	$ 87,462	$ 16,761
Total operating expenses	(139,589)	(126,372)	(13,217)	(47,950)	(43,373)	(4,577)
Segment operating income	165,806	137,645	28,161	56,273	44,089	12,184
Depreciation and amortization	(84,890)	(74,028)	(10,862)	(28,844)	(26,470)	(2,374)
Interest expense, net	(60,695)	(52,886)	(7,809)	(21,645)	(18,891)	(2,754)
Other income (loss), net	1,186	(2,603)	3,789	63	(2,767)	2,830
Equity in earnings (losses) from real estate and other affiliates	3,195	1,507	1,688	441	(76)	517
Selling profit from sales-type leases	13,537	—	13,537	13,537	—	13,537
Segment EBT	38,139	9,635	28,504	19,825	(4,115)	23,940
MPC Segment EBT						
Total revenues	216,042	261,665	(45,623)	92,287	143,135	(50,848)
Total operating expenses	(114,075)	(143,608)	29,533	(45,169)	(70,237)	25,068
Segment operating income	101,967	118,057	(16,090)	47,118	72,898	(25,780)
Depreciation and amortization	(334)	(245)	(89)	(88)	(78)	(10)
Interest income, net	24,376	19,826	4,550	8,550	6,626	1,924
Other income, net	601	18	583	534	18	516
Equity in earnings from real estate and other affiliates	18,859	34,682	(15,823)	4,523	9,454	(4,931)
Segment EBT	145,469	172,338	(26,869)	60,637	88,918	(28,281)

(In thousands)	Nine Months Ended September 30, 2019	2018	$ Change	Three Months Ended September 30, 2019	2018	$ Change
Seaport District Segment EBT						
Total revenues	43,051	22,612	20,439	23,130	14,601	8,529
Total operating expenses	(59,735)	(31,965)	(27,770)	(27,330)	(21,989)	(5,341)
Segment operating income	(16,684)	(9,353)	(7,331)	(4,200)	(7,388)	3,188
Depreciation and amortization	(19,713)	(6,506)	(13,207)	(6,767)	(2,309)	(4,458)
Interest (expense) income, net	(8,440)	8,466	(16,906)	(4,984)	1,471	(6,455)
Other loss, net	(147)	(120)	(27)	—	(120)	120
Equity in losses from real estate and other affiliates	(1,788)	(692)	(1,096)	(705)	(452)	(253)
Loss on sale or disposal of real estate	(6)	—	(6)	—	—	—
Segment EBT	(46,778)	(8,205)	(38,573)	(16,656)	(8,798)	(7,858)
Strategic Developments Segment EBT						
Total revenues	451,873	51,550	400,323	11,515	11,962	(447)
Total operating expenses	(382,341)	(60,892)	(321,449)	(11,327)	(13,553)	2,226
Segment operating income	69,532	(9,342)	78,874	188	(1,591)	1,779
Depreciation and amortization	(4,386)	(2,650)	(1,736)	(2,070)	(472)	(1,598)
Interest income, net	9,499	9,794	(295)	3,002	2,848	154
Other income (loss), net	664	(77)	741	354	(450)	804
Equity in earnings (loss) from real estate and other affiliates	581	3,797	(3,216)	283	(315)	598
Gain on sale or disposal of real estate, net	24,057	—	24,057	24,201	—	24,201
Segment EBT	99,947	1,522	98,425	25,958	20	25,938
Consolidated Segment EBT						
Total revenues	1,016,361	599,844	416,517	231,155	257,160	(26,005)
Total operating expenses	(695,740)	(362,837)	(332,903)	(131,776)	(149,152)	17,376
Segment operating income	320,621	237,007	83,614	99,379	108,008	(8,629)
Depreciation and amortization	(109,323)	(83,429)	(25,894)	(37,769)	(29,329)	(8,440)
Interest expense, net	(35,260)	(14,800)	(20,460)	(15,077)	(7,946)	(7,131)
Other income (loss), net	2,304	(2,782)	5,086	951	(3,319)	4,270
Equity in earnings from real estate and other affiliates	20,847	39,294	(18,447)	4,542	8,611	(4,069)
Gain on sale or disposal of real estate, net	24,051	—	24,051	24,201	—	24,201
Selling profit from sales-type leases	13,537	—	13,537	13,537	—	13,537
Consolidated segment EBT	236,777	175,290	61,487	89,764	76,025	13,739
Corporate income, expenses and other items	(161,481)	(155,488)	(5,993)	(59,721)	(52,178)	(7,543)
Net income	75,296	19,802	55,494	30,043	23,847	6,196
Net income attributable to noncontrolling interests	(240)	(51)	(189)	(285)	(482)	197
Net income attributable to common stockholders	$ 75,056	$ 19,751	$ 55,305	$ 29,758	$ 23,365	$ 6,393

NOI

We believe that NOI is a useful supplemental measure of the performance of our Operating Assets and Seaport District 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, other (loss) income, 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 and Seaport District 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 EBT to NOI for Operating Assets and Seaport District has been presented in the tables below.

	Nine Months Ended September 30, (Unaudited)		Three Months Ended September 30, (Unaudited)	
(In thousands)	**2019**	**2018**	**2019**	**2018**
Total Operating Assets segment EBT (a)	$ 38,139	$ 9,635	$ 19,825	$ (4,115)
Add back:				
Depreciation and amortization	84,890	74,028	28,844	26,470
Interest expense, net	60,695	52,886	21,645	18,891
Equity in (earnings) loss from real estate and other affiliates	(3,195)	(1,507)	(441)	76
Selling profit from sales-type leases	(13,537)	—	(13,537)	—
Impact of straight-line rent	(7,911)	(8,777)	(2,529)	(3,241)
Other	259	2,701	477	2,808
Total Operating Assets NOI - Consolidated	**159,340**	**128,966**	**54,284**	**40,889**
Dispositions				
Cottonwood Square	—	11	—	—
Total Operating Asset Dispositions NOI	**—**	**11**	**—**	**—**
Consolidated Operating Assets NOI excluding properties sold or in redevelopment	**159,340**	**128,977**	**54,284**	**40,889**
Company's Share NOI - Equity investees	5,195	2,709	2,043	1,343
Distributions from Summerlin Hospital Investment	3,625	3,435	—	—
Total Operating Assets NOI	**$ 168,160**	**$ 135,121**	**$ 56,327**	**$ 42,232**

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

(In thousands)	Nine Months Ended September 30, (Unaudited) 2019	2018	Three Months Ended September 30, (Unaudited) 2019	2018
Total Seaport District segment EBT (a)	$ (46,778)	$ (8,205)	$ (16,656)	$ (8,798)
Add back:				
Depreciation and amortization	19,713	6,506	6,767	2,309
Interest expense (income), net	8,440	(8,466)	4,984	(1,471)
Equity in losses from real estate and other affiliates	1,788	692	705	452
Impact of straight-line rent	1,658	(612)	412	(274)
Loss on sale or disposal of real estate	6	—	—	—
Other - development related	5,405	8,122	896	4,836
Total Seaport District NOI - Consolidated	**(9,768)**	**(1,963)**	**(2,892)**	**(2,946)**
Company's Share NOI - Equity investees	(385)	(579)	(148)	(452)
Total Seaport District NOI	**$ (10,153)**	**$ (2,542)**	**$ (3,040)**	**$ (3,398)**

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

FFO, Core FFO and 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, except share amounts)	Nine Months Ended September 30, (Unaudited) 2019	Nine Months Ended September 30, (Unaudited) 2018	Three Months Ended September 30, (Unaudited) 2019	Three Months Ended September 30, (Unaudited) 2018
Net income attributable to common shareholders	$ 75,056	$ 19,751	$ 29,758	$ 23,365
Adjustments to arrive at FFO:				
Segment real estate related depreciation and amortization	109,323	83,429	37,769	29,329
Gain on sale or disposal of real estate, net	(24,051)	—	(24,201)	—
Selling profit from sales-type leases	(13,537)	—	(13,537)	—
Income tax expense adjustments:				
Gain on sale or disposal of real estate, net	5,868	—	5,868	—
Selling profit from sales-type leases	3,303	—	3,303	—
Reconciling items related to noncontrolling interests	240	51	285	482
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	2,674	1,882	916	577
FFO	**$ 158,876**	**$ 105,113**	**$ 40,161**	**$ 53,753**
Adjustments to arrive at Core FFO:				
Severance expenses	$ 3,090	$ 420	$ 2,167	$ 139
Non-real estate related depreciation and amortization	5,819	4,969	2,324	1,794
Straight-line amortization	(6,257)	(10,104)	(2,103)	(3,676)
Deferred income tax expense	23,189	4,621	8,368	7,179
Non-cash fair value adjustments related to hedging instruments	(21)	(1,262)	199	(394)
Share based compensation	8,893	8,231	3,240	2,877
Other non-recurring expenses (development related marketing and demolition costs)	17,611	36,650	5,479	10,053
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	101	211	24	93
Core FFO	**$ 211,301**	**$ 148,849**	**$ 59,859**	**$ 71,818**
Adjustments to arrive at AFFO:				
Tenant and capital improvements	$ (4,001)	$ (10,684)	$ (206)	$ (1,519)
Leasing commissions	(2,589)	(1,694)	(1,801)	(244)
AFFO	**$ 204,711**	**$ 136,471**	**$ 57,852**	**$ 70,055**
FFO per diluted share value	**$ 3.66**	**$ 2.43**	**$ 0.91**	**$ 1.24**
Core FFO per diluted share value	**$ 4.87**	**$ 3.44**	**$ 1.38**	**$ 1.66**
AFFO per diluted share value	**$ 4.72**	**$ 3.15**	**$ 1.32**	**$ 1.62**

Exhibit 9

Supplemental Information

Three months ended September 30, 2019

NYSE: HHC

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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 performanc 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," "pro "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 ar 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 re 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 ha impact on these forward-looking statements, see our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, as filed with the Securities and Exchange Commission ("SEC") on Februa 2019 as amended and supplemented by any risk factors contained in our quarterly reports on Form 10-Q, which have been subsequently filed with the SEC. The statements made herein speak only as of the 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 anc 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 present 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. Manage 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 reported measures could change. The non-GAAP financial measures used in this presentation are funds from operations ("FFO"), core funds from operations ("Core FFO"), adjusted funds from operations ("AI and net operating income ("NOI").

FFO is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as net income calculated in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real e 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 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 ir 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 app 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 calcu 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 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 adjus 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 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), plu 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, develop 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 ir 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 me of the performance of our Operating Assets and Seaport District segments because it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly asso 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 defin 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 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 inc in this presentation a reconciliation from GAAP net income to FFO, Core FFO and AFFO, as well as reconciliations of our GAAP Operating Assets segment Earnings Before Taxes ("EBT") to NOI and Seaport D segment EBT to NOI. Non-GAAP financial measures should not be considered independently, or as a substitute, for financial information presented in accordance with GAAP.

Additional Information

Our website address is www.howardhughes.com. 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 ava 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 t SEC. Also available through the Investors section of our website are beneficial ownership reports filed by our directors, officers and certain shareholders on Forms 3, 4 and 5.

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Company Profile - Summary & Results

Company Overview - Q3 2019

Exchange / Ticker	NYSE:	HHC
Share Price - September 30, 2019	$	129.60
Diluted Earnings / Share	$	0.69
FFO / Diluted Share	$	0.91
Core FFO / Diluted Share	$	1.38
AFFO / Diluted Share	$	1.32

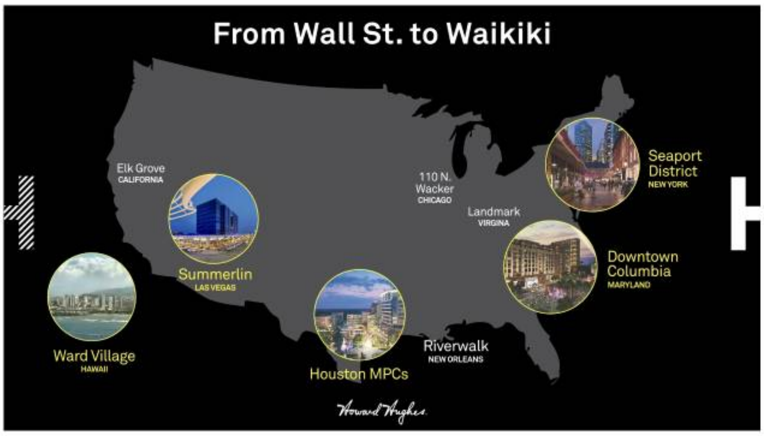
Recent Company Highlights

LAS VEGAS, Sept. 16, 2019 (PRNewswire) -- The Howard Hughes Corporation (HHC) c
Las Vegas Ballpark being named "Ballpark of the Year" and its professional Triple-A
team, the Las Vegas Aviators, being named "Team of the Year", both by Ballpark Dige
the first time Ballpark Digest has awarded both a stadium and its affiliated team with t
during the same year—the latest recognition during a record-setting inaugural seaso

DALLAS, July 18, 2019 (PRNewswire) -- HHC announced that two of its communities, S
and Bridgeland, have ranked among the top-selling MPCs in the country, according to
release of RCLCO's 2019 Mid-Year Report. Summerlin ranked fourth, following three co
years in the top five for year-end sales, and Bridgeland jumped seven spots to numb
after posting year-over-year growth of 35%.

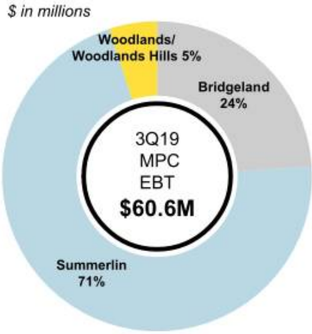
HONOLULU, July 10, 2019 (PRNewswire) -- HHC continues to make strong progress a
Village master planned community, securing a $293.7 million loan for its fifth residen
'A'ali'i, and breaking ground on its newest residential building, Kō'ula. As of the date of th
Kō'ula was 64% pre-sold while 'A'ali'i was over 80% pre-sold, reflecting the strong u
demand to live in Ward Village.

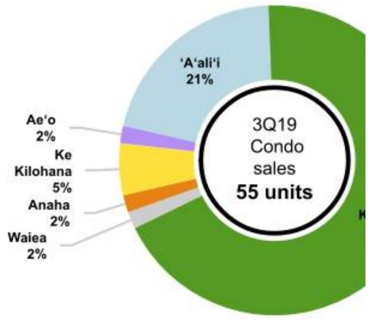
Operating Portfolio by Region



Q3 2019 MPC & Condominium Results

$ in millions





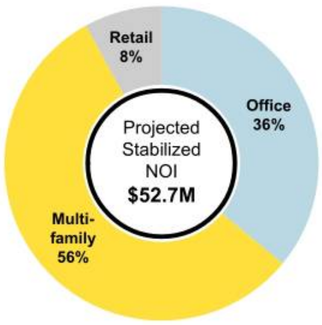
Q3 2019 MPC EBT		
Bridgeland	$	14.3
Columbia		—
Summerlin		43.2
Woodlands/Woodlands Hills		3.1
Total	**$**	**60.6**

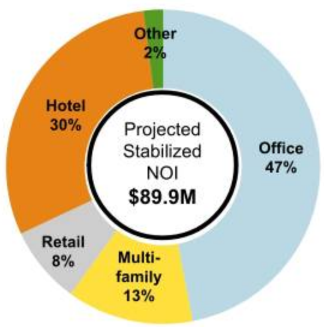
Q3 2019 Condo Units Contrac
Waiea
Anaha
Ke Kilohana
Ae'o
'A'ali'i
Kō'ula
Total

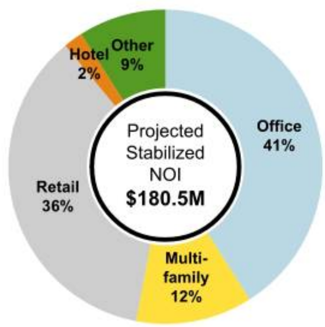
Company Profile - Summary & Results (con't)

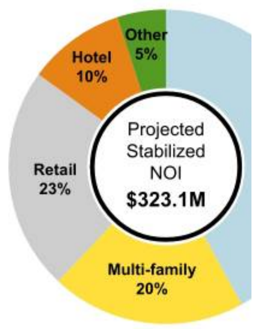
Q3 2019 Path to Projected Annual Stabilized NOI

Currently Under Construction		Currently Unstabilized		Currently Stabilized		Total	
$ in millions		$ in millions		$ in millions		$ in millions	





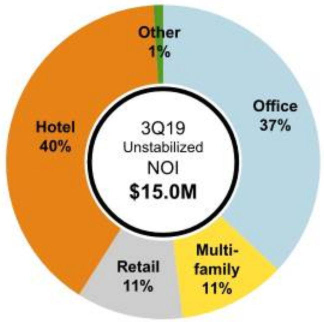


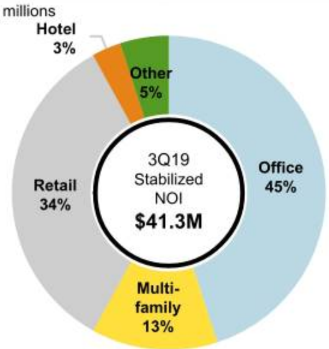


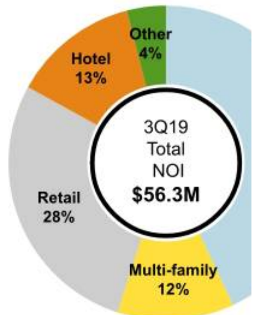
Currently Under Construction		Currently Unstabilized		Currently Stabilized		Total	
Retail & Office S.F.	1,856,633	**Retail & Office S.F.**	1,996,256	**Retail & Office S.F.**	5,567,865	**Retail & Office S.F.**	
Multi-family Units	1,603	**Multi-family Units**	996	**Multi-family Units**	1,601	**Multi-family Units**	
Hotel Keys	—	**Hotel Keys**	704	**Hotel Keys**	205	**Hotel Keys**	
Other Units	—	**Other Units**	1,376	**Other Units**	—	**Other Units**	
Projected Stabilized NOI $	**52.7**	**Projected Stabilized NOI $**	**89.9**	**Projected Stabilized NOI $**	**180.5**	**Projected Stabilized NOI $**	

Q3 2019 Operating Results by Property Type

Currently Under Construction	Currently Unstabilized	Currently Stabilized	Total
$ in millions	$ in millions	$ in millions	$ in millions







Path to Projected Annual Stabilized NOI charts exclude Seaport NOI, units, and square footage until we have greater clarity with respect to the performance of our tenants. See page
Seaport project information. See page 30 for definitions of "Under Construction," "Unstabilized," "Stabilized" and "Net Operating Income (NOI)."

Financial Summary

($ in thousands, except share price and billions)	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	YTD Q3 2019	YTD
Company Profile							
Share price (a)	$129.60	$123.84	$110.00	$97.62	$124.22	$129.60	$
Market Capitalization (b)	$5.6b	$5.4b	4.8b	4.2b	$5.4b	$5.6b	
Enterprise Value (c)	$8.8b	$8.3b	7.7b	7.0b	$8.2b	$8.8b	
Weighted avg. shares - basic	43,134	43,113	43,106	43,075	43,066	43,118	
Weighted avg. shares - diluted	43,428	43,271	43,257	43,250	43,317	43,375	
Total diluted share equivalents outstanding	43,426	43,223	43,223	43,077	43,194	43,426	
Debt Summary							
Total debt payable (d)	$ 3,665,263	$ 3,465,714	$ 3,274,379	$ 3,215,211	$ 3,296,486	$ 3,665,263	$ 3,
Fixed rate debt	$ 2,011,626	$ 1,904,165	$ 1,675,207	$ 1,663,875	$ 1,651,695	$ 2,011,626	$ 1,
Weighted avg. rate - fixed	5.11%	5.18%	5.06%	5.17%	4.60%	5.11%	
Variable rate debt, excluding condominium financing	$ 1,625,792	$ 1,561,549	$ 1,494,918	$ 1,454,579	$ 1,411,932	$ 1,625,792	$ 1,
Weighted avg. rate - variable	4.54%	4.79%	4.85%	4.88%	4.78%	4.54%	
Condominium debt outstanding at end of period	$ 27,846	$ —	$ 104,254	$ 96,757	$ 232,859	$ 27,846	$
Weighted avg. rate - condominium financing	5.12%	N/A	5.74%	5.75%	6.04%	5.12%	
Leverage ratio (debt to enterprise value)	41.17%	41.17%	42.16%	45.49%	39.54%	41.18%	

(a) Presented as of period end date.
(b) Market capitalization = Closing share price at of the last trading day of the respective period times total diluted share equivalents outstanding as of the date presented.
(c) Enterprise Value = Market capitalization + book value of debt + noncontrolling interest - cash and equivalents.
(d) Represents total mortgages, notes and loans payable, as stated in our GAAP financial statements as of the respective date, excluding unamortized deferred financing costs and bond issuance c

Financial Summary (con't)

($ in thousands)	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	YTD Q3 2019	YT
Earnings Profile							
Operating Assets Segment Income							
Revenues	$ 101,694	$ 106,604	$ 89,107	$ 80,940	$ 83,676	$ 297,405	$
Expenses	(47,410)	(47,901)	(42,754)	(41,348)	(42,787)	(138,065)	
Company's Share NOI - Equity investees	2,043	1,688	5,089	1,952	1,343	8,820	
Operating Assets NOI (a)	56,327	60,391	51,442	41,544	42,232	168,160	
Avg. NOI margin	55%	57%	58%	51%	50%	57%	
MPC Segment Earnings							
Total revenues	92,287	72,859	50,896	47,786	143,135	216,042	
Total expenses (b)	(44,723)	(40,406)	(28,679)	(25,864)	(70,297)	(113,808)	
Interest (expense) income, net (c)	8,550	8,283	7,543	7,093	6,626	24,376	
Equity in earnings in real estate and other affiliates	4,523	6,499	7,837	1,602	9,454	18,859	
MPC Segment EBT (c)	60,637	47,235	37,597	30,617	88,918	145,469	
Seaport District Segment Income (d)							
Revenues	22,389	12,325	6,586	9,278	12,852	41,300	
Expenses	(25,281)	(15,212)	(10,571)	(12,794)	(15,798)	(51,068)	
Company's Share NOI - Equity investees	(148)	(42)	(195)	(134)	(452)	(385)	
Seaport District NOI (e)	(3,040)	(2,929)	(4,180)	(3,650)	(3,398)	(10,153)	
Avg. NOI margin	(14%)	(24%)	(63%)	(39%)	(26%)	(25%)	
Condo Gross Profit							
Revenues (f)	9,999	235,622	198,310	317,953	8,045	443,931	
Expenses (f)	(7,010)	(220,620)	(137,694)	(220,849)	(6,168)	(365,324)	
Condo Net Income (f)	$ 2,989	$ 15,002	$ 60,616	$ 97,104	$ 1,877	$ 78,607	$

(a) Operating Assets NOI = Operating Assets NOI excluding properties sold or in redevelopment + the Howard Hughes Corporation's (the "Company" or "HHC") share of equity method investments I annual distribution from our cost basis investment. Prior periods have been adjusted to be consistent with fiscal 2019 presentation.
(b) Expenses include both actual and estimated future costs of sales allocated on a relative sales value to land parcels sold, including Master Planned Communities ("MPC")-level G&A and real esta remaining residential and commercial land.
(c) MPC Segment EBT (Earnings before tax, as discussed in our GAAP financial statements), includes negative interest expense relating to capitalized interest for the segment on debt held in othe and at corporate.
(d) Starting in the first quarter of 2019, the Seaport District has been moved out of our other segments and into a stand-alone segment for disclosure purposes. Segment information for all periods pre been updated to reflect this change.
(e) Seaport District NOI = Seaport District NOI excluding properties sold or in redevelopment + Company's share of equity method investments NOI. Prior periods have been adjusted to be consister 2019 presentation.
(f) Revenues in 2019 and 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 revenue standard adopted January 1, 2018.

Balance Sheets

(In thousands, except par values and share amounts)	Q3 2019	Q3 2018	FY 2018	FY 20
Assets:	Unaudited	Unaudited	Unaudited	Unaudi
Investment in real estate:				
Master Planned Communities assets	$ 1,683,224	$ 1,621,168	$ 1,642,660	$ 1,
Buildings and equipment	3,268,926	2,510,945	2,932,963	2,
Less: accumulated depreciation	(478,185)	(359,445)	(380,892)	(
Land	315,643	302,858	297,596	
Developments	1,345,807	1,825,847	1,290,068	1,
Net property and equipment	6,135,415	5,901,373	5,782,395	5,
Investment in real estate and other affiliates	121,611	107,720	102,287	
Net investment in real estate	6,257,026	6,009,093	5,884,682	5,
Net investment in lease receivable	78,021	—	—	
Cash and cash equivalents	637,979	454,080	499,676	
Restricted cash	204,650	158,468	224,539	
Accounts receivable, net	17,248	15,437	12,589	
Municipal Utility District receivables, net	288,376	237,567	222,269	
Notes receivable, net	36,425	40,220	4,694	
Deferred expenses, net	110,935	95,811	95,714	
Operating lease right-of-use assets, net	70,349	—	—	
Prepaid expenses and other assets, net	246,906	286,194	411,636	
Total assets	**$ 7,947,915**	**$ 7,296,870**	**$ 7,355,799**	**$ 6,**
Liabilities:				
Mortgages, notes and loans payable, net	$ 3,624,684	$ 3,261,210	$ 3,181,213	$ 2,
Operating lease obligations	71,190	—	—	
Deferred tax liabilities	172,476	148,770	157,188	
Accounts payable and accrued expenses	699,509	705,864	779,272	
Total liabilities	**4,567,859**	**4,115,844**	**4,117,673**	**3,**
Equity:				
Common stock: $.01 par value; 150,000,000 shares authorized, 43,752,777 issued and 43,232,928 outstanding as of September 30, 2019 and 43,511,473 shares issued and 42,991,624 outstanding as of December 31, 2018	438	436	436	
Additional paid-in capital	3,334,101	3,318,747	3,322,433	3,
Accumulated deficit	(45,285)	(157,602)	(120,341)	(
Accumulated other comprehensive loss	(35,513)	4,450	(8,126)	
Treasury stock, at cost, 519,849 shares as of September 30, 2019 and December 31, 2018	(62,190)	(60,743)	(62,190)	
Total stockholders' equity	3,191,551	3,105,288	3,132,212	3,
Noncontrolling interests	188,505	75,738	105,914	
Total equity	**3,380,056**	**3,181,026**	**3,238,126**	**3,**
Total liabilities and equity	**$ 7,947,915**	**$ 7,296,870**	**$ 7,355,799**	**$ 6,**
Share Count Details (In thousands)				
Shares outstanding at end of period (including restricted stock)	43,233	43,033	42,992	
Dilutive effect of stock options (a)	107	114	117	
Dilutive effect of warrants (b)	86	47	—	
Total diluted share equivalents outstanding	**43,426**	**43,194**	**43,109**	

(a) Stock options assume net share settlement calculated for the period presented.
(b) Warrants assume net share settlement and incremental shares for dilution calculated as of the date presented.

Statements of Operations

(In thousands, except per share amounts)	Q3 2019	Q3 2018	YTD Q3 2019	YTD Q3 201
	Unaudited	Unaudited	Unaudited	Unaudited
Revenues:				
Condominium rights and unit sales	$ 9,999	$ 8,045	$ 443,931	$ 3
Master Planned Communities land sales	77,368	127,730	177,001	22
Minimum rents	55,552	53,244	164,356	15
Tenant recoveries	13,704	12,806	40,724	3
Hospitality revenues	20,031	19,108	68,536	6
Builder price participation	9,660	8,685	24,224	1
Other land revenues	5,954	7,145	16,646	1
Other rental and property revenues	37,816	20,397	79,872	4
Interest income from sales-type leases	1,088	—	1,088	
Total revenues	231,172	257,160	1,016,378	59
Expenses:				
Condominium rights and unit cost of sales	7,010	6,168	365,324	4
Master Planned Communities cost of sales	33,304	57,183	78,128	10
Master Planned Communities operations	11,866	13,044	35,948	3
Other property operating costs	53,214	42,942	131,808	9
Rental property real estate taxes	9,080	8,519	28,585	2
Rental property maintenance costs	3,533	4,456	11,862	1
Hospitality operating costs	14,080	14,723	46,310	4
(Recovery) provision for doubtful accounts	(107)	2,282	(195)	
Demolition costs	138	2,835	737	1
Development-related marketing costs	5,341	7,218	16,874	2
General and administrative	32,519	20,645	87,923	7
Depreciation and amortization	40,093	31,123	115,142	8
Total expenses	210,071	211,138	918,446	55
Other:				
Gain on sale or disposal of real estate, net	24,201	—	24,051	
Other income (loss), net	1,337	(3,710)	11,798	(
Total other	25,538	(3,710)	35,849	(
Operating income	46,639	42,312	133,781	3
Selling profit from sales-type leases	13,537	—	13,537	
Interest income	2,872	2,080	7,696	
Interest expense	(28,829)	(21,670)	(76,358)	(5
Equity in earnings from real estate and other affiliates	4,542	8,612	20,847	3
Income before taxes	38,761	31,334	99,503	2
Provision for income taxes	8,718	7,487	24,207	
Net income	30,043	23,847	75,296	1
Net income attributable to noncontrolling interests	(285)	(482)	(240)	
Net income attributable to common stockholders	$ 29,758	$ 23,365	$ 75,056	$ 1
Basic income per share:	**$ 0.69**	**$ 0.54**	**$ 1.74**	**$**
Diluted income per share:	**$ 0.69**	**$ 0.54**	**$ 1.73**	**$**

Reconciliations of Net Income to FFO, Core FFO and AFFO

(In thousands, except share amounts)	Q3 2019	Q3 2018	YTD Q3 2019	YTD Q3 2
RECONCILIATIONS OF NET INCOME TO FFO	Unaudited	Unaudited	Unaudited	Unaudite
Net income attributable to common stockholders	$ 29,758	$ 23,365	$ 75,056	$ 19
Adjustments to arrive at FFO:				
Segment real estate related depreciation and amortization	37,769	29,329	109,323	83
Gain on sale or disposal of real estate, net	(24,201)	—	(24,051)	
Selling profit from sales-type leases	(13,537)	—	(13,537)	
Income tax expense adjustments:				
Gain on sale or disposal of real estate, net	5,868	—	5,868	
Selling profit from sales-type leases	3,303	—	3,303	
Reconciling items related to noncontrolling interests	285	482	240	
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	916	577	2,674	1
FFO	**$ 40,161**	**$ 53,753**	**$ 158,876**	**$ 105**
Adjustments to arrive at Core FFO:				
Severance expenses	$ 2,167	$ 139	$ 3,090	$
Non-real estate related depreciation and amortization	2,324	1,794	5,819	4
Straight-line amortization	(2,103)	(3,676)	(6,257)	(10
Deferred income tax expense	8,368	7,179	23,189	4
Non-cash fair value adjustments related to hedging instruments	199	(394)	(21)	(1
Share based compensation	3,240	2,877	8,893	8
Other non-recurring expenses (development related marketing and demolition costs)	5,479	10,053	17,611	36
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	24	93	101	
Core FFO	**$ 59,859**	**$ 71,818**	**$ 211,301**	**$ 148**
Adjustments to arrive at AFFO:				
Tenant and capital improvements	$ (206)	$ (1,519)	$ (4,001)	$ (10
Leasing commissions	(1,801)	(244)	(2,589)	(1
AFFO	**$ 57,852**	**$ 70,055**	**$ 204,711**	**$ 136**
FFO per diluted share value	**$ 0.91**	**$ 1.24**	**$ 3.66**	**$**
Core FFO per diluted share value	**$ 1.38**	**$ 1.66**	**$ 4.87**	**$**
AFFO per diluted share value	**$ 1.32**	**$ 1.62**	**$ 4.72**	**$**

NOI by Region, excluding the Seaport District

Property	% Ownership (a)	Total Sq. Ft.	Total Units	Q3 2019 Occupied (#) Sq. Ft.	Q3 2019 Occupied (#) Units	Q3 2019 Leased (#) Sq. Ft.	Q3 2019 Leased (#) Units	Q3 2019 Occupied (%) Sq. Ft.	Q3 2019 Occupied (%) Units	Q3 2019 Leased (%) Sq. Ft.	Q3 2019 Leased (%) Units	Q3 2019 Annualized NOI (b)	Stabilized NOI (c)
Stabilized Properties													
Office - Houston	100%	1,477,006	—	1,390,297	—	1,421,426	—	94%	—%	96%	—%	$ 42,026	$ 40,070
Office - Columbia	100%	1,255,741	—	1,148,956	—	1,192,546	—	91%	—%	95%	—%	22,526	22,779
Office - Summerlin	100%	387,813	—	387,813	—	387,813	—	100%	—%	100%	—%	10,241	10,200
Retail - Houston	100%	292,652	—	271,923	—	271,923	—	93%	—%	93%	—%	9,527	9,903
Retail - Columbia	100%	89,199	—	89,199	—	89,199	—	100%	—%	100%	—%	2,229	2,200
Retail - Hawaii	100%	936,530	—	872,527	—	875,912	—	93%	—%	94%	—%	19,345	19,800
Retail - Other	100%	268,522	—	242,673	—	256,078	—	90%	—%	95%	—%	6,676	6,500
Retail - Summerlin	100%	823,531	—	770,923	—	770,923	—	94%	—%	94%	—%	18,264	26,300
Multi-Family - Houston (d)	100%	23,280	1,097	23,126	1,047	23,126	1,065	99%	95%	99%	97%	16,242	16,600
Multi-Family - Columbia (d)	50%	13,591	380	11,471	332	11,471	348	84%	87%	84%	92%	2,959	2,900
Multi-Family - Summerlin (d)	100%	—	124	—	110	—	110	—%	89%	—%	89%	2,117	2,200
Hospitality - Houston (e)	100%	—	205	—	167	—	—	—%	81%	—%	—%	5,426	4,500
Other - Summerlin	100%	—	—	—	—	—	—	—%	—%	—%	—%	7,000	7,000
Other Assets (f)	—	—	—	—	—	—	—	—%	—%	—%	—%	10,198	9,531
Total Stabilized Properties (g)												**174,776**	**180,483**
Unstabilized Properties													
Office - Houston	100%	1,113,884	—	1,003,824	—	1,006,446	—	90%	—%	90%	—%	14,278	26,058
Office - Columbia	100%	447,235	—	92,141	—	255,545	—	21%	—%	57%	—%	811	12,700
Office - Summerlin	100%	144,615	—	141,886	—	141,886	—	98%	—%	98%	—%	3,035	3,500
Retail - Houston	100%	143,749	—	127,932	—	127,932	—	89%	—%	89%	—%	4,388	3,368
Retail - Hawaii	100%	108,747	—	80,164	—	105,449	—	74%	—%	97%	—%	2,303	3,759
Multi-Family - Houston (d)	100%	—	292	—	251	—	262	—%	86%	—%	90%	2,327	3,500
Multi-Family - Columbia (d)	50%	28,026	437	13,544	364	13,544	385	48%	83%	48%	88%	3,631	3,800
Multi-Family - Summerlin (d)	100%	—	267	—	85	—	113	—%	32%	—%	42%	648	4,400
Hospitality - Houston (e)	100%	—	704	—	453	—	—	—%	64%	—%	—%	24,028	27,000
Self Storage - Houston	100%	—	1,376	—	1,144	—	1,172	—%	83%	—%	85%	561	1,600
Other - Houston	100%	10,000	—	10,000	—	10,000	—	100%	—%	100%	—%	158	260
Total Unstabilized Properties												**$ 56,168**	**$ 89,945**

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

Property	% Ownership (a)	Total Sq. Ft.	Total Units	Q3 2019 Occupied (#) Sq. Ft.	Q3 2019 Occupied (#) Units	Q3 2019 Leased (#) Sq. Ft.	Q3 2019 Leased (#) Units	Q3 2019 Occupied (%) Sq. Ft.	Q3 2019 Occupied (%) Units	Q3 2019 Leased (%) Sq. Ft.	Q3 2019 Leased (%) Units	Q3 2019 Annualized NOI (b)	Stabilized NOI (c)
Under Construction Properties													
Office - Houston	100%	180,000	—	—	—	180,000	—	—%	—%	100%	—%	$ —	$ 4,400
Office - Other	23%	1,500,000	—	—	—	1,000,000	—	—%	—%	67%	—%	—	14,421
Retail - Houston	100%	72,264	—	—	—	42,389	—	—%	—%	59%	—%	—	2,200
Retail - Hawaii	100%	47,750	—	—	—	1,688	—	—%	—%	4%	—%	—	1,918
Multi-Family - Houston (d)	100%	—	1,221	—	—	—	—	—%	—%	—%	—%	—	20,601
Multi-Family - Columbia (d)	100%	56,619	382	—	—	—	—	—%	—%	—%	—%	—	9,162
Total Under Construction Properties												**—**	**52,702**
Total/ Wtd. Avg. for Portfolio												**$ 230,944**	**$ 323,130**

(a) Includes our share of NOI for our joint ventures.
(b) Annualized 3Q19 NOI includes distribution received from cost method investment in 1Q19. For purposes of this calculation, this one time annual distribution is not annualized
(c) Table above excludes Seaport District NOI, units, and square feet until we have greater clarity with respect to the performance of our tenants. See page 18 for Seaport District Est. stabilized yield and other information.
(d) Multi-Family square feet represent ground floor retail whereas multi-family units represent residential units for rent.
(e) Hospitality percentage occupied is the average for Q3 2019.
(f) Other assets are primarily made up of our share of equity method investments not included in other categories. These assets can be found on page 14 of this presentation.
(g) For Stabilized Properties, the difference between 3Q19 Annualized NOI and Stabilized NOI is attributable to a number of factors which may include timing, free rent or other temporary abatements, tenant tu and market factors.

Stabilized Properties - Operating Assets Segment

($ in thousands)

Property	Location	% Ownership	Rentable Sq. Ft./Units	Q3 2019 % Occ.	Q3 2019 % Leased	Annualized Q3 2019 NOI	Est. Stabili NOI
Office							
3 Waterway Square	Houston, TX	100 %	232,021	100 %	100 %	$ 6,716	$ 6
4 Waterway Square	Houston, TX	100 %	218,551	100 %	100 %	6,599	6
1400 Woodloch Forest	Houston, TX	100 %	95,667	70 %	73 %	1,386	1
1735 Hughes Landing Boulevard	Houston, TX	100 %	318,170	100 %	100 %	8,509	7
2201 Lake Woodlands Drive	Houston, TX	100 %	24,119	100 %	100 %	328	
3831 Technology Forest	Houston, TX	100 %	95,078	100 %	100 %	2,329	2
9303 New Trails	Houston, TX	100 %	97,967	58 %	79 %	843	1
One Hughes Landing	Houston, TX	100 %	197,719	94 %	98 %	10,225	6
Two Hughes Landing	Houston, TX	100 %	197,714	98 %	98 %	5,090	6
10-70 Columbia Corporate Center	Columbia, MD	100 %	888,219	91 %	95 %	15,270	14
Columbia Office Properties	Columbia, MD	100 %	62,038	79 %	89 %	1,293	1
One Mall North	Columbia, MD	100 %	98,619	97 %	97 %	1,749	1
One Merriweather	Columbia, MD	100 %	206,865	93 %	97 %	4,215	5
Aristocrat	Las Vegas, NV	100 %	181,534	100 %	100 %	4,120	4
One Summerlin	Las Vegas, NV	100 %	206,279	100 %	100 %	6,121	5
Total Office			**3,120,560**			**74,793**	**73**
Retail							
20/25 Waterway Avenue	Houston, TX	100 %	50,062	85 %	85 %	1,619	2
1701 Lake Robbins	Houston, TX	100 %	12,376	100 %	100 %	479	
2000 Woodlands Parkway	Houston, TX	100 %	7,900	100 %	100 %	53	
Creekside Village Green	Houston, TX	100 %	74,670	89 %	89 %	2,272	2
Hughes Landing Retail	Houston, TX	100 %	126,131	100 %	100 %	4,498	4
Waterway Garage Retail	Houston, TX	100 %	21,513	78 %	78 %	606	
Columbia Regional	Columbia, MD	100 %	89,199	100 %	100 %	2,229	2
Ward Village Retail	Honolulu, HI	100 %	936,530	93 %	94 %	19,345	19
Downtown Summerlin	Las Vegas, NV	100 %	823,531	94 %	94 %	18,264	26
Outlet Collection at Riverwalk	New Orleans, LA	100 %	268,522	90 %	95 %	6,676	6
Total Retail			**2,410,434**			**$ 56,041**	**$ 64**

Stabilized Properties - Operating Assets Segment (con't)

($ in thousands)

Property	Location	% Ownership	Rentable Sq. Ft. / Units (a)	Q3 2019 % Occ. (a)	Q3 2019 % Leased (a)	Annualized Q3 2019 NOI	Est. Sta NO
Multi-family							
Millennium Six Pines Apartments	Houston, TX	100%	314	96%	97%	$ 4,384	$
Millennium Waterway Apartments	Houston, TX	100%	393	94%	96%	4,262	
One Lakes Edge	Houston, TX	100%	23,280 / 390	99% / 96%	99% / 98%	7,595	
The Metropolitan Downtown Columbia	Columbia, MD	50%	13,591 / 380	84% / 87%	84% / 92%	2,959	
Constellation	Las Vegas, NV	100%	124	89%	89%	2,117	
Total Multi-family			**36,871 / 1,601**			**21,317**	
Hotel							
Embassy Suites at Hughes Landing (b)	Houston, TX	100%	205	81%	81%	5,426	
Total Hotel			**205**			**5,426**	
Other							
Sarofim Equity Investment	Houston, TX	20%	NA	NA	NA	2,353	
Stewart Title of Montgomery County, TX	Houston, TX	50%	NA	NA	NA	1,332	
Woodlands Ground Leases	Houston, TX	100%	NA	NA	NA	1,786	
Hockey Ground Lease	Las Vegas, NV	100%	NA	NA	NA	612	
Summerlin Hospital Medical Center	Las Vegas, NV	5%	NA	NA	NA	3,625	
Las Vegas Ballpark (c)	Las Vegas, NV	100%	NA	NA	NA	7,000	
Other Assets	Various	100%	NA	NA	NA	491	
Total Other						**17,199**	
Total Stabilized						**$ 174,776**	**$ 1**

(a) Instances with two sets of rentable sq. ft/units, % occupied and % leased relate to multi-family assets with a retail component. In these cases, the first set of numbers relate to the retail asset and the second relate to the multi-family asset.
(b) Hotel property percentage occupied is the average for Q3 2019.
(c) The Las Vegas Ballpark is home to our wholly owned team, the Las Vegas Aviators.

Unstabilized Properties - Operating Assets Segment

($ in thousands)

Project Name	Location	% Ownership	Rentable Sq. Ft. / Units	Q3 2019 % Occ. (a)	Q3 2019 % Leased (a)	Develop. Costs Incurred	Est. Total Cost (Excl. Land)	Annualized Q3 2019 NOI	Est. Stabilized NOI (b)	Est. Stab. Date
Office										
Three Hughes Landing	Houston, TX	100%	320,815	82%	82%	$ 80,732	$ 90,133	$ 6,741	$ 7,600	2020
1725 Hughes Landing	Houston, TX	100%	331,754	95%	95%	60,705	74,994	6,246	6,900	2020
Lakefront North (c)	Houston, TX	100%	258,058	87%	87%	55,070	77,879	128	6,458	2021
100 Fellowship Drive	Houston, TX	100%	203,257	100%	100%	56,267	63,278	1,163	5,100	Q4 2019
6100 Merriweather and Garage	Columbia, MD	100%	320,000	—%	47%	74,493	138,221	(103)	9,200	2023
Two Merriweather	Columbia, MD	100%	127,235	72%	83%	34,096	40,941	914	3,500	2021
Two Summerlin	Las Vegas, NV	100%	144,615	98%	98%	44,399	53,238	3,035	3,500	2020
Total Office			**1,705,734**			**405,762**	**538,684**	**18,124**	**42,258**	
Retail										
Lakeland Village Center	Houston, TX	100%	83,488	88%	88%	14,574	15,478	3,047	1,700	Q4 2019
Lake Woodlands Crossing	Houston, TX	100%	60,261	91%	91%	11,436	12,546	1,341	1,668	2020
Ke Kilohana (d)	Honolulu, HI	100%	21,900	—%	100%	—	—	—	1,050	Q4 2019
Anaha & Ae'o Retail (d)	Honolulu, HI	100%	86,847	79% / 95%	100% / 95%	—	—	2,303	2,709	Q4 2019
Total Retail			**252,496**			**26,010**	**28,024**	**6,691**	**7,127**	
Multi-family										
m.flats & TEN.M	Columbia, MD	50%	28,026 / 437	48% / 83%	48% / 88%	53,979	54,673	3,631	3,800	2020
Creekside Apartments	Houston, TX	100%	292	86%	90%	40,058	42,111	2,327	3,500	2020
Tanager Apartments	Las Vegas, NV	100%	267	32%	42%	47,452	59,276	648	4,400	2020
Total Multi-family			**28,026 / 996**			**141,489**	**156,060**	**6,606**	**11,700**	
Hotel										
The Woodlands Resort & Conference Center	Houston, TX	100%	402	53%	53%	72,360	72,360	15,227	16,500	2020
The Westin at The Woodlands	Houston, TX	100%	302	79%	79%	98,226	98,444	8,801	10,500	2020
Total Hotel			**704**			**170,586**	**170,804**	**24,028**	**27,000**	

Unstabilized Properties - Operating Assets Segment (cont.)

($ in thousands)

Project Name	Location	% Ownership	Rentable Sq. Ft. / Units	Q3 2019 % Occ. (a)	Q3 2019 % Leased (a)	Develop. Costs Incurred	Est. Total Cost (Excl. Land)	Annualized Q3 2019 NOI	Est. Stabilized NOI (b)	Est. Stab. Date
Other										
HHC 242 Self-Storage	Houston, TX	100%	639	85%	87%	8,228	8,228	289	800	2020
HHC 2978 Self-Storage	Houston, TX	100%	737	81%	83%	7,828	7,828	272	800	2020
Hughes Landing Daycare	Houston, TX	100%	10,000 / n.a.	100%	100%	2,611	3,206	158	260	Q4 2019
Total Other			**10,000 / 1,376**			**18,667**	**19,262**	**719**	**1,860**	
Total Unstabilized						**$ 762,514**	**$ 912,834**	**$ 56,168**	**$ 89,945**	

(a) With the exception of Hotel properties, Percentage Occupied and Percentage Leased are as of September 30, 2019. Each Hotel property Percentage Occupied is the average for Q3 2019. Instances with two sets of rent ft/units, % occupied and % leased relate to multi-family assets with a retail component. In these cases, the first set of numbers relate to the retail asset and the second set relate to the multi-family asset.
(b) Company estimates of stabilized NOI are based on current leasing velocity, excluding inflation and organic growth.
(c) Lakefront North 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 24 of this supplement.

Under Construction Projects - Strategic Developments Segment

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

(Owned & Managed) Project Name	Location	% Ownership	Est. Rentable Sq. Ft.	Percent Pre-Leased (a)	Project Status	Const. Start Date	Est. Stabilized Date (b)	Develop. Costs Incurred	Est. Total Cost (Excl. Land)	Est. Stabilized NOI
Office										
110 North Wacker (c)	Chicago, IL	23% (d)	1,500,000	67%	Under Construction	Q2 2018	2023	$ 16,078	$ 16,078	$ 14,421
8770 New Trails	Houston, TX	100%	180,000	100%	Under Construction	Q1 2019	2020	11,878	45,985	4,400
Total Office			**1,680,000**					**27,956**	**62,063**	**18,821**
Retail										
'A'ali'i (e)	Honolulu, HI	100%	11,336	—%	Under Construction	Q4 2018	2022	—	—	637
Kō'ula (e)	Honolulu, HI	100%	36,414	5%	Under Construction	Q3 2019	2023	—	—	1,281
Creekside Park West	Houston, TX	100%	72,264	59%	Under Construction	Q4 2018	2022	9,517	22,625	2,200
Total Retail			**120,014**					**9,517**	**22,625**	**4,118**

Project Name	Location	% Ownership	Est. Rentable Sq. Ft. / # of Units	Monthly Est. Rent Per Unit	Project Status	Const. Start Date	Est. Stabilized Date (b)	Develop. Costs Incurred	Est. Total Cost (Excl. Land)	Est. Stabilized NOI
Multi-family										
Juniper Apartments (f)	Columbia, MD	100%	56,619 / 382	$ 2,053	Under Construction	Q2 2018	2023	$ 45,607	$ 116,386	$ 9,162
Two Lakes Edge	Houston, TX	100%	386	2,690	Under Construction	Q2 2018	2024	54,391	107,706	8,529
Lakeside Row	Houston, TX	100%	312	1,686	Under Construction	Q2 2018	2021	29,900	48,412	3,875
Millennium Phase III	Houston, TX	100%	163	2,595	Under Construction	Q2 2019	2021	1,719	45,033	3,500
Creekside Park Apartments Phase II	Houston, TX	100%	360	1,744	Under Construction	Q3 2019	2023	865	57,472	4,697
Total Multi-family			**56,619 / 1,603**					**132,482**	**375,009**	**29,763**
Total Under Construction								**$ 169,955**	**$ 459,697**	**$ 52,702**

(a) Represents leases signed as of September 30, 2019 and is calculated as the total leased square feet divided by total leasable square feet, expressed as a percentage.
(b) Represents management's estimate of the first quarter of operations in which the asset may be stabilized.
(c) 110 North Wacker represents our member only. We are not including overhead allocations, development fees and leasing commissions in Develop. Costs Incurred and Est. Total Cost (Excl Land). Est. Total Land) represents HHC's total cash equity requirement. Develop. Costs Incurred represent HHC's equity in the project at September 30, 2019. Est. Stabilized NOI Yield is based on the projected building NOI at s and our percentage ownership of the equity capitalization of the project. It does not include the impact of the partnership distribution waterfall.
(d) In Q2 2019, we revised the calculation of our effective ownership interest in 110 North Wacker based on the loan modification and joint venture funding commitment changes that occurred in May 2019. As a r modification and our reduced future funding commitments, our effective ownership percentage is 23%. Our share of estimated stabilized NOI therefore decreased, but the 8% yield remained unchanged as c commitment decreased as well.
(e) Condominium retail Develop. Cost Incurred and Est. Total Costs (Excl. Land) are combined with their respective condominium costs on page 24 of this supplement.
(f) Columbia Multi-family was renamed to Juniper Apartments as of Q1 2019.

Seaport District Operating Performance

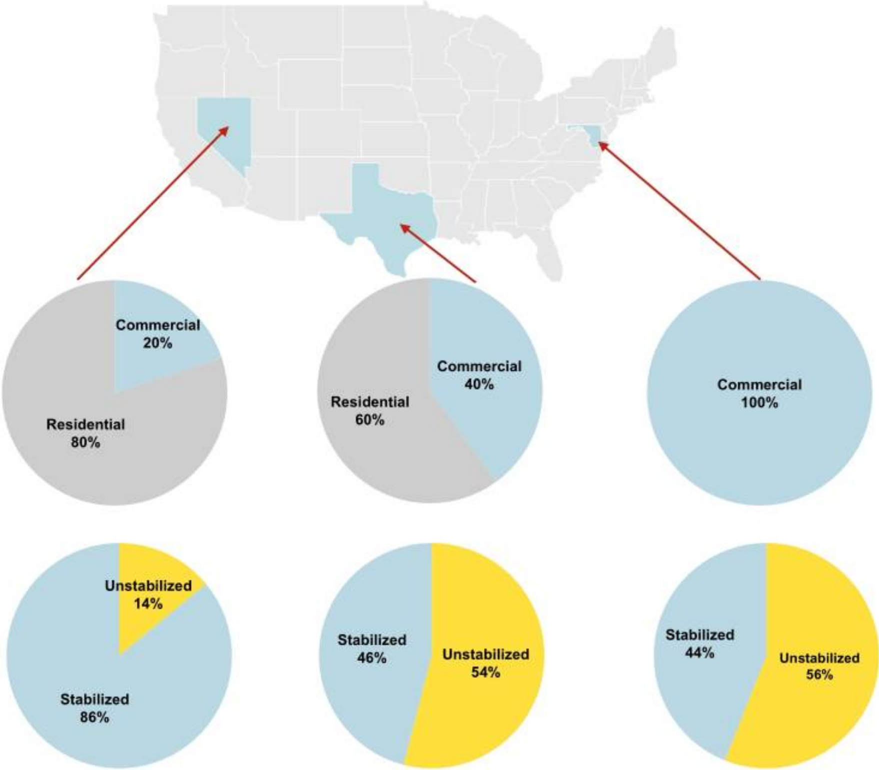
($ in thousands)	Real Estate Operations (Landlord) (a)			Managed Businesses (b)		Events, Sponsorships & Catering Business (c)	
	Historic District & Pier 17	Multi-Family (d)	Hospitality (e)	Historic District & Pier 17 (f)	Tin Building (g)		Q3 2019
Revenues							
Rental revenue (h)	$ 1,381	$ 249	$ 829	$ 2	$ —	$ —	$
Tenant recoveries	393	—	—	—	—	—	
Other rental and property revenue	10	—	—	10,196	—	10,413	
Total Revenues	1,784	249	829	10,198	—	10,413	
Expenses							
Other property operating costs (h)	(3,934)	(137)	(817)	(11,237)	—	(10,388)	(
Total Expenses	(3,934)	(137)	(817)	(11,237)	—	(10,388)	(
Net Operating (Loss) Income - Seaport District (i)	$ (2,150)	$ 112	$ 12	$ (1,039)	$ —	$ 25	$
Project Status	Unstabilized	Stabilized	Unstabilized	Unstabilized	Under Construction	Unstabilized	
Rentable Sq. Ft / Units							
Total Sq. Ft. / units	290,865	13,000 / 21	66	87,888	53,396	21,077	
Leased Sq. Ft. / units (j)	128,066	— / 21	57	73,488	53,396	21,077	
% Leased or occupied (j)	44%	—% / 100%	86%	84%	100%	100%	
Development (k)							
Development costs incurred	$ 508,365	$ —	$ —	$ —	$ 66,045	$ —	$ 5
Estimated total costs (excl. land)	$ 595,018	$ —	$ —	$ —	$ 173,452	$ —	$ 7

(a) Real Estate Operations (Landlord) represents physical real estate developed and owned by HHC.
(b) Managed Businesses represents retail and food and beverage businesses that HHC owns, either wholly or through joint ventures, and operates, including license and management agreements. For the three m
ended September 30, 2019, our managed businesses include, among others, 10 Corso Como Retail and Café, SJP by Sarah Jessica Parker, R17, Cobble & Co and the recently opened Bar Wayō, Malibu Far
The Lookout at Pier 17.
(c) Events, Sponsorships & Catering Business includes private events, catering, sponsorships, concert series and other rooftop activities.
(d) Multi-Family includes 85 South Street.
(e) Hospitality represents Mr. C Seaport, of which HHC has a 35% ownership interest. Percentage occupied is the average for Q3 2019.
(f) Includes our share of NOI from Bar Wayō.
(g) Represents the food hall by Jean-Georges.
(h) Rental revenue and expense earned from and paid by businesses we own and operate is eliminated in consolidation.
(i) See page 32 for the reconciliation of Seaport District NOI.
(j) The percent leased for Historic District & Pier 17 landlord operations includes agreements with terms of less than one year and excludes leases with our managed businesses.
(k) Development costs incurred and Estimated total costs (excl. land) are shown net of insurance proceeds of approximately $65.0 million.

MPC Portfolio

Master Planned Communities- Remaining Saleable Acres (a)

Income Producing Assets - Stabilized and Unstabilized



($ in thousands)	Nevada	Texas	Maryland	Total (
MPC Performance - 3Q19 & 3Q18				
MPC Net Contribution (3Q19) (b)	$37,197	$2,850	$(12)	$40,035
MPC Net Contribution (3Q18) (b)	$90,697	$(2,349)	$(395)	$87,953
Operating Asset Performance - 2019 & Future				
Annualized 3Q19 in-place NOI	$45,542	$123,823	$32,186	$201,55
Est. stabilized NOI (future) (d)	$57,683	$165,018	$53,541	$276,24
Wtd. avg. time to stab. (yrs.)	1.0	2.2	3.4	—

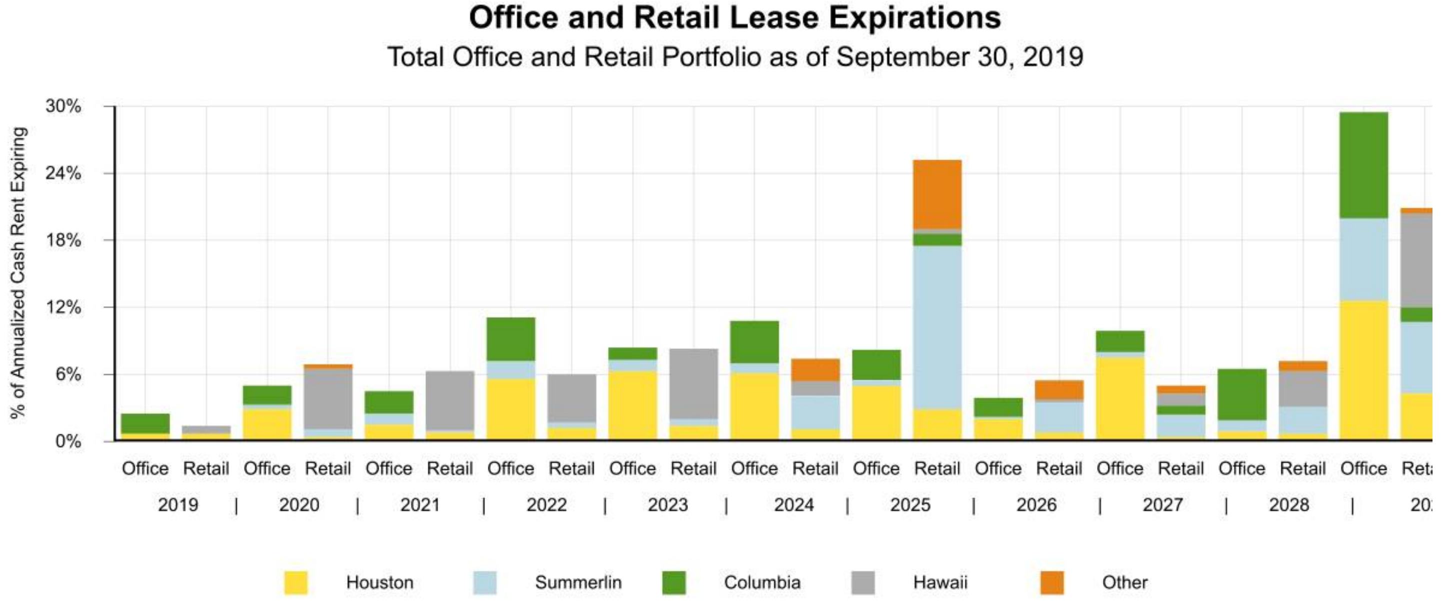
(a) Commercial acres may be developed by us or sold.
(b) Reconciliation of GAAP MPC segment EBT to MPC Net Contribution for the three months ended September 30, 2019 is found under Reconciliation of Non-GAAP Measures on page 33.
(c) Total excludes NOI from non-core operating assets and NOI from core assets within Hawai'i 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	Hawai'i Honolulu, HI	Seaport New York, NY	Other
Operating - Stabilized Properties									
Office Sq.Ft..	1,477,006	—	—	387,813	1,255,741	3,120,560	—	—	—
Retail Sq. Ft.	315,932	—	—	823,531	102,790	1,242,253	936,530	13,000	268,522
Multifamily units	1,097	—	—	124	380	1,601	—	21	—
Hotel Rooms	205	—	—	—	—	205	—	—	—
Self Storage Units	—	—	—	—	—	—	—	—	—
Operating - Unstabilized Properties									
Office Sq.Ft..	1,113,884	—	—	144,615	447,235	1,705,734	—	—	—
Retail Sq.Ft. (a)	60,261	—	83,488	—	28,026	171,775	108,747	399,830	—
Multifamily units	292	—	—	267	437	996	—	—	—
Hotel rooms	704	—	—	—	—	704	—	66	—
Self Storage Units	1,376	—	—	—	—	1,376	—	—	—
Other Sq. Ft.	10,000	—	—	—	—	10,000	—	—	—
Operating - Under Construction Properties									
Office Sq.Ft..	180,000	—	—	—	—	180,000	—	—	1,500,000
Retail Sq. Ft.	72,264	—	—	—	56,619	128,883	47,750	53,396	—
Other Sq. Ft.	—	—	—	—	—	—	—	—	—
Multifamily units	909	—	312	—	382	1,603	—	—	—
Hotel rooms	—	—	—	—	—	—	—	—	—
Self Storage Units	—	—	—	—	—	—	—	—	—
Residential Land									
Total gross acreage/condos (b)	28,505 ac.	2,055 ac.	11,506 ac.	22,500 ac.	16,450 ac.	81,016 ac.	2,697	n.a.	n.a.
Current Residents (b)	117,100	36	10,100	110,000	112,000	349,236	n.a.	n.a.	n.a.
Remaining saleable acres/condos	88	1,358	2,202	3,168	n.a.	6,816	302	n.a.	n.a.
Estimated price per acre (c)	652	318	410	565	n.a.	—	n.a.	n.a.	n.a.
Commercial Land									
Total acreage remaining	737	175	1,543	831	96	3,382	n.a.	n.a.	n.a.
Estimated price per acre (c)	1,027	515	539	1,091	580	—	n.a.	n.a.	n.a.

Portfolio Key Metrics herein include square feet, units and rooms included in joint venture projects. Sq. Ft. and units are not shown at share. Retail Sq. Ft. includes multi-family Sq. Ft.
(a) Retail Sq. Ft. within the Summerlin region excludes 381,767 Sq. Ft. of anchors.
(b) Acreage shown as of September 30, 2019; current residents shown as of December 31, 2018.
(c) Residential and commercial pricing represents the Company's estimate of price per acre per its 2019 land models.

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. Annua Rent Per Lease
2019	$ 3,969	2.60%	$ 21.84	$ 1,466	1.39%	$
2020	7,582	4.97%	29.97	7,204	6.84%	
2021	6,719	4.40%	31.91	6,646	6.31%	
2022	16,781	11.00%	32.54	6,313	5.99%	
2023	12,889	8.45%	29.74	8,668	8.23%	
2024	16,386	10.74%	30.59	7,807	7.41%	
2025	12,383	8.12%	34.78	26,522	25.18%	
2026	5,994	3.93%	36.16	5,825	5.53%	
2027	15,100	9.90%	29.49	5,312	5.04%	
2028	9,824	6.44%	42.08	7,481	7.10%	
Thereafter	44,924	29.45%	39.20	22,068	20.98%	
Total	**$ 152,551**	**100.00%**		**$ 105,312**	**100.00%**	

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

Acquisition / Disposition Activity

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

Q3 2019 Acquisitions

Date Acquired	Property	% Ownership	Location	Rentable Sq. Ft. / Units / Acres	Acquisition P

No acquisition activity in Q3 2019

Q3 2019 Dispositions

Date Sold	Property	% Ownership	Location	Rentable Sq. Ft. / Units / Acres	Sale Pric
9/16/2019	Cottonwood Mall	100%	Holladay, UT	196,975 sq ft / 54 acres	$46.0 milli

Master Planned Community Land

($ in thousands)	The Woodlands Q3 2019	The Woodlands Q3 2018	The Woodlands Hills Q3 2019	The Woodlands Hills Q3 2018	Bridgeland Q3 2019	Bridgeland Q3 2018	Summerlin Q3 2019	Summerlin Q3 2018	Maryland Q3 2019	Maryland Q3 2018	To Q3 2019
Revenues:											
Residential land sale revenues	$ 11,722	$ 7,205	$ 2,988	$ 1,688	$ 17,618	$ 16,035	$ 45,039	$ 101,313	$ —	$ —	$ 77,367
Commercial land sale revenues	—	1,362	—	—	—	127	—	—	—	—	—
Builder price participation	119	39	33	—	153	225	9,356	8,421	—	—	9,661
Other land sale revenues	1,957	1,893	—	10	20	1,055	3,282	3,349	—	413	5,259
Total revenues	**13,798**	**10,499**	**3,021**	**1,698**	**17,791**	**17,442**	**57,677**	**113,083**	**—**	**413**	**92,287**
Expenses:											
Cost of sales - residential land	(5,216)	(3,426)	(1,123)	(753)	(5,885)	(5,758)	(21,079)	(45,787)	—	—	(33,303)
Cost of sales - commercial land	—	(1,426)	—	—	—	(32)	—	—	—	—	—
Real estate taxes	(1,501)	(1,395)	39	(82)	(577)	(625)	(1,011)	(989)	(133)	(134)	(3,183)
Land sales operations	(4,266)	(4,457)	(593)	(1,216)	(1,446)	(1,296)	(2,185)	(2,193)	(193)	(668)	(8,683)
Depreciation and amortization	(34)	(34)	—	—	(33)	(36)	(21)	(8)	—	—	(88)
Other (loss) income, net	—	18	—	—	223	—	—	—	311	—	534
Total operating expenses	**(11,017)**	**(10,720)**	**(1,677)**	**(2,051)**	**(7,718)**	**(7,747)**	**(24,296)**	**(48,977)**	**(15)**	**(802)**	**(44,723)**
Net interest capitalized (expense)	(1,317)	(1,182)	284	223	4,249	3,315	5,334	4,270	—	—	8,550
Equity in earnings from real estate affiliates	—	—	—	—	—	—	4,523	9,454	—	—	4,523
EBT	**$ 1,464**	**$ (1,403)**	**$ 1,628**	**$ (130)**	**$ 14,322**	**$ 13,010**	**$ 43,238**	**$ 77,830**	**$ (15)**	**$ (389)**	**$ 60,637**
Key Performance Metrics:											
Residential											
Total acres closed in current period	15.9	13.3	11	5.6	42.9	42.4	77.6	160.8	NM	NM	
Price per acre achieved (a)	$737	$542	$272	$301	$411	$378	$674	$572	NM	NM	
Avg. gross margins	55.5%	52.4 %	62.4%	55.4%	66.6%	64.1%	53.2%	54.8%	NM	NM	
Commercial											
Total acres closed in current period	—	1.6 (b)	—	—	—	—	—	—	—	—	
Price per acre achieved	NM	851	NM	NM	NM	NM	NM	NM	NM	NM	
Avg. gross margins	NM	(4.7)%	NM	NM	NM	74.8%	NM	NM	NM	NM	
Avg. combined before-tax net margins	55.5%	43.4 %	62.4%	55.4%	66.6%	64.0%	53.2%	54.8%	NM	NM	

Key Valuation Metrics	The Woodlands	The Woodlands Hills	Bridgeland	Summerlin	Maryland
Remaining saleable acres					
Residential	88 (c)	1,358	2,202	3,168	—
Commercial	737	175	1,543	831	96 (d)
Projected est. % superpads / lot size	—% / —	—% / —	—% / —	88% / 0.25 ac	NM
Projected est. % single-family detached lots / lot size	49% / 0.35 ac	86% / 0.23 ac	89% / 0.17 ac	—% / —	NM
Projected est. % single-family attached lots / lot size	51% / 0.07 ac	14% / 0.13 ac	10% / 0.10 ac	—% / —	NM
Projected est. % custom homes / lot size	—% / —	—% / —	1% / 1.00 ac	12% / 0.45 ac	NM
Estimated builder sale velocity (blended total - TTM) (e)	26	11	75	102	NM
Projected GAAP gross margin, residential / commercial (f)	55.5% / 75.6%	62.4% / 62.4%	66.6% / 66.6%	53.7% / 53.7%	NM
Projected cash gross margin (g)	99.0%	88.6%	80.1%	71.3%	NM
Residential sellout / Commercial buildout date estimate					
Residential	2023	2029	2034	2039	—
Commercial	2027	2027	2045	2039	2023

(a) The 2019 price per acre achieved for Summerlin residential lots is mostly attributable to custom lots sales, which positively impacted results.
(b) 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 pric
(c) The Woodlands Residential reports remaining saleable acres on a gross basis due to potential changes in land usage and the unknown acreage that may be set aside for drainage, parks and roads for undeveloped land.
(d) Does not include 31 commercial acres held in the Strategic Developments segment in Downtown Columbia.
(e) Represents the average monthly builder homes sold over the last twelve months ended September 30, 2019.
(f) GAAP gross margin is net of MUDs and 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 previous that met criteria for recognition in the current period. The projected margin is the Company's estimate of the 2019 margin.
(g) Projected cash gross margin is net of MUDs and includes all future projected revenue less all future projected development costs, net of expected reimbursable costs, and capitalized overhead, taxes and interest ba Company's 2019 land models.
NM Not meaningful.

Ward Village Condominiums

	Waiea (a)	Anaha (b)	Ae'o (c)	Ke Kilohana (d)	'A'ali'i (e)	Kō'ula (f)	T
Key Metrics ($ in thousands)							
Type of building	Ultra-Luxury	Luxury	Upscale	Workforce	Upscale	Upscale	
Number of units	177 (g)	317	465	423	750	565	
Avg. unit Sq. Ft.	2,138	1,417	838	696	518	725	
Condo Sq. Ft.	378,488	449,205	389,663	294,273	388,210	409,576	
Street retail Sq. Ft.	8,200	16,100	70,800	21,900	11,336	36,414	
Stabilized retail NOI	$ 453	$ 1,152	$ 1,557	$ 1,081	$ 637	$ 1,281	$
Stabilization year	2017	2019	2019	2020	2022	2023	
Development progress ($ in millions)							
Status	Opened	Opened	Opened	Opened	Under Construction	Under Construction	
Start date	2Q14	4Q14	1Q16	4Q16	4Q18	3Q19	
Completion date/status	Complete	Complete	Complete	Complete	2021	2022	
Total development cost	$ 453	$ 401	$ 430	$ 219	$ 412	$ 485	$
Cost-to-date	$ 414	$ 392	$ 418	$ 211	$ 83	$ 37	$
Remaining to be funded	$ 39	$ 9	$ 12	$ 8	$ 329	$ 448	$
Financial Summary ($ in thousands, except per Sq. Ft.)							
Units closed (through Q3 2019)	170	314	465	422	—	—	
Units under contract (through Q3 2019)	2	1	—	1	623	397	
Total % of units closed or under contract	97.2%	99.4%	100.0%	100.0%	83.1%	70.3%	
Units closed (current quarter)	1	—	2	4	—	—	
Units under contract (current quarter)	1	1	1	3	11	38	
Square footage closed or under contract (total)	360,161	436,649	389,663	294,273	304,414	295,178	
Total % square footage closed or under contract	95.2%	97.2%	100.0%	100.0%	78.4%	72.1%	
Target condo profit margin at completion (excl. land cost)							
Total cash received (closings & deposits)							$
Total GAAP revenue recognized							$
Expected avg. price per Sq. Ft.	$1,900 - $1,950	$1,100 - $1,150	$1,300 - $1,350	$700 - $750	$1,300 - $1,350	$1,500 - $1,550	$1,
Expected construction costs per retail Sq. Ft.							
Deposit Reconciliation (in thousands)							
Deposits from sales commitment							
Spent towards construction	$ —	$ —	$ —	$ —	$ 9,478	$ —	$
Held for future use (h)	—	4,491	24	24	68,185	87,131	
Total deposits from sales commitment	**$ —**	**$ 4,491**	**$ 24**	**$ 24**	**$ 77,663**	**$ 87,131**	**$**

(a) We began delivering units at Waiea in November 2016. As of September 30, 2019, we have closed on 170 units. We have two under contract, and five units remain to be sold.
(b) We began delivering units at Anaha in October 2017. As of September 30, 2019, we have closed on 314 units. We have one unit under contract, and two units remain to be sold.
(c) We began delivering units at Ae'o in November 2018. As of September 30, 2019, we have closed on all 465 units.
(d) Ke Kilohana consists of 375 workforce units and 48 market rate units. As of September 30, 2019, we have closed on 422 unit and have one under contract.
(e) We broke ground on 'A'ali'i in the fourth quarter of 2018. As of September 30, 2019, we have entered into contracts for 623 of the units.
(f) We broke ground on Kō'ula in the third quarter of 2019. As of September 30, 2019, we have entered into contracts for 397 of the units.
(g) The increase in number of units at Waiea from 2018 is a result of subdividing one large unit due to demand for smaller units in the tower.
(h) Total deposits held for future use are presented above only for projects under construction and are included in Restricted cash on the balance sheet.

Other Assets

Property Name	City, State	% Own	Acres	Notes
Planned Future Development				
The Elk Grove Collection	Elk Grove, CA	100%	64	Sold 36 acres for $36 million in total proceeds in 2017. We are assessing our pla remaining acres. Previous development plans have been placed on hold as we b can allocate capital into core assets and achieve a better risk-adjusted return.
Landmark Mall	Alexandria, VA	100%	33	Plan to transform the mall into an open-air, mixed-use community. In January 20 acquired the 11.4 acre Macy's site for $22.2 million.
Circle T Ranch and Power Center	Westlake, TX	50%	207	50/50 joint venture with Hillwood Development Company. In 2016, HHC sold 72 an affiliate of Charles Schwab Corporation.
West Windsor	West Windsor, NJ	100%	658	Under contract as of September 30, 2019.
Monarch City	Allen, TX	100%	238	Located 27 miles north of Downtown Dallas, this 261-acre mixed-use developme received unanimous zoning approval June 26, 2019.
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 Co in the initial planning stages for this strategic site, it will continue to be used as a lot.
Sterrett Place	Columbia, MD	100%	3	In November 2017, we acquired the note secured by the land and improvements purchase price of $5.3 million. In 2018, we foreclosed on the property, resulting i acquisition of the land and improvements. We are in the process of relocating the tenants in the building and plan to commence demolition in the fourth quarter of
American City Building	Columbia, MD	100%	3	On December 20, 2016, we acquired the American City Building, a 117,098 squa building in Columbia, Maryland, for $13.5 million. We are in the process of formu redevelopment plans for this property.

Debt Summary

(In thousands)	September 30, 2019	December 31, 2018
Fixed-rate debt:		
Unsecured 5.375% Senior Notes	$ 1,000,000	$ 1,000,000
Secured mortgages, notes and loans payable	997,243	648,707
Special Improvement District bonds	14,382	15,168
Variable-rate debt:		
Mortgages, notes and loans payable, excluding condominium financing (a)	1,625,792	1,454,579
Condominium financing (a)	27,845	96,757
Mortgages, notes and loans payable	3,665,262	3,215,211
Unamortized bond issuance costs	(5,465)	(6,096)
Deferred financing costs	(35,113)	(27,902)
Total mortgages, notes and loans payable, net	3,624,684	3,181,213
Total unconsolidated mortgages, notes and loans payable at pro-rata share	100,794	96,185
Total Debt	**$ 3,725,478**	**$ 3,277,398**

Net Debt on a Segment Basis, at share as of September 30, 2019

(In thousands)	Operating Assets	Master Planned Communities	Seaport District	Strategic Developments	Segment Totals	Non-Segment Amounts
Mortgages, notes and loans payable, excluding condominium financing (a) (b)	$ 1,914,080	$ 231,906	$ 352,669	$ 195,918	$ 2,694,573	$ 1,003,059
Condominium financing (a)	—	—	—	27,846	27,846	—
Less: cash and cash equivalents (b)	(76,618)	(163,091)	(5,249)	(54,951)	(299,909)	(399,090)
Special Improvement District receivables	—	(17,352)	—	—	(17,352)	—
Municipal Utility District receivables	—	(288,376)	—	—	(288,376)	—
TIF Receivable	—	—	—	(5,792)	(5,792)	—
Net Debt	**$ 1,837,462**	**$ (236,913)**	**$ 347,420**	**$ 163,021**	**$ 2,110,990**	**$ 603,969**

Consolidated Debt Maturities and Contractual Obligations by Extended Maturity Date as of September 30

(In thousands)	Remaining in 2019	2020	2021	2022	2023	2024	Thereafter
Mortgages, notes and loans payable	$ 38,341	$ 209,995	$ 425,719	$ 202,768	$ 842,386	$ 447,075	$ 1,498,979
Interest payments	47,192	171,629	158,154	144,270	127,933	85,504	120,823
Ground lease and other leasing commitments	1,698	7,272	7,111	6,373	6,389	6,432	266,855
Total consolidated debt maturities and contractual obligations	**$ 87,231**	**$ 388,896**	**$ 590,984**	**$ 353,411**	**$ 976,708**	**$ 539,011**	**$ 1,886,657**

(a) As of September 30, 2019 and December 31, 2018, $616.7 million of variable-rate debt has been swapped to a fixed rate for the term of the related debt. An additional $114.3 million and $50.0 million of variab was subject to interest rate collars as of September 30, 2019 and December 31, 2018, respectively, and $75.0 million of variable rate debt was capped at a maximum interest rate as of September 30, 2019 and De 2018.

(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 t 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 levels or condominium sales levels, as applicable, and other performance criteria. We may have to pay down a portion of the debt if we do not meet the requirements to exercise the extension option.

Property-Level Debt

($ in thousands)

Asset		Q3 2019 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	4.77%		Apr-20 / Apr
Bridgeland Credit Facility		65,000	L+315	Floating	5.24%		Nov-20 / Nov
		215,000					
Operating Assets							
Outlet Collection at Riverwalk		46,100	L+250	Floating	4.52%		Oct-19 / Oct
Three Hughes Landing		59,279	L+260	Floating	4.62%		Dec-19 / Dec
Downtown Summerlin		261,096	L+215	Floating	4.17%		Sep-20 / Sep
Two Merriweather		27,277	L+250	Floating	4.52%		Oct-20 / Oct
20/25 Waterway Avenue		13,198	4.79%	Fixed	4.79%		May
100 Fellowship Drive		46,562	L+150	Floating	3.52%		May
Millennium Waterway Apartments		53,300	3.75%	Fixed	3.75%		Jun
HHC 242 Self-Storage		5,499	L+260	Floating	4.62%		Dec-21 / Dec
HHC 2978 Self-Storage		5,395	L+260	Floating	4.62%		Dec-21 / Dec
Lake Woodlands Crossing Retail		11,866	L+180	Floating	3.82%		Jan
Senior Secured Credit Facility		615,000	4.61%	Floating/Swap	4.61%	(b)	Sep
The Woodlands Resort & Conference Center		62,500	L+250	Floating	4.52%		Dec-21 / Dec
Lakefront North		28,980	L+200	Floating	4.02%		Dec-22 / Dec
9303 New Trails		11,302	4.88%	Fixed	4.88%		Dec
4 Waterway Square		33,097	4.88%	Fixed	4.88%		Dec
Tanager Apartments		28,767	L+225	Floating	4.27%		Oct-21 / Oct
Two Summerlin		33,372	4.25%	Fixed	4.25%		Oct-22 / Oct
3831 Technology Forest Drive		21,248	4.50%	Fixed	4.50%		Mar
Kewalo Basin Harbor		9,654	L+275	Floating	4.77%		Sep
Millennium Six Pines Apartments		42,500	3.39%	Fixed	3.39%		Aug
3 Waterway Square		47,993	3.94%	Fixed	3.94%		Aug
One Lakes Edge		69,440	4.50%	Fixed	4.50%		Mar
Aristocrat		38,290	3.67%	Fixed	3.67%		Sep
Creekside Park Apartments		37,730	3.52%	Fixed	3.52%		Oct
One Hughes Landing		52,000	4.30%	Fixed	4.30%		Dec
Two Hughes Landing		48,000	4.20%	Fixed	4.20%		Dec
Constellation Apartments		24,200	4.07%	Fixed	4.07%		Jan
Hughes Landing Retail		35,000	3.50%	Fixed	3.50%		Dec
Columbia Regional Building		24,766	4.48%	Fixed	4.48%		Feb
Las Vegas Ballpark		51,231	4.92%	Fixed	4.92%		Dec
	$	1,844,642					

Property-Level Debt (con't)

($ in thousands)

Asset	Q3 2019 Principal Balance	Contract Interest Rate	Interest Rate Hedge	Current Annual Interest Rate	Initial / Extended Maturity (a)
Seaport District					
250 Water Street	$ 99,723	6.00%	Fixed	6.00%	Jun-20
Seaport District (c)	250,000	6.10%	Fixed to Floating	6.10%	Jun-24
	349,723				
Strategic Developments					
A'ali'i	27,846	L+310	Floating	5.12%	Jun-22 / Jun-23
Lakeside Row	18,798	L+225	Floating	4.27%	Jul-22 / Jul-23
Two Lakes Edge	22,665	L+215	Floating	4.17%	Oct-22 / Oct-23
Creekside Park West	6,048	L+225	Floating	4.27%	Mar-23 / Mar-24
110 North Wacker	114,296	L+300	Floating/Collar	5.02%	Apr-22 / Apr-24
Millennium Phase III	1	L+175	Floating	3.77%	Aug-23 / Aug-24
6100 Merriweather	26,816	L+275	Floating	4.77%	Sep-22 / Sep-24
Juniper Apartments	12,510	L+275	Floating	4.77%	Sep-22 / Sep-24
8770 New Trails	1,682	L+245	Floating	4.47%	Jun-21 / Jan-32
	230,662				
Total (d)	$ 2,640,027				

(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 Center, One Mall North, One Merriweather, 1701 Lake Robbins, 1725-1735 Hughes Landing Boulevard, Creekside Village Green, Lakeland Village Center at Bridgeland, Embassy Suites at Hughes Landing, The Westin at The Woodlands and certain properties at Ward Village.
(c) The loan initially bears interest at 6.10% and matures on June 1, 2024. The loan will begin bearing interest at one-month LIBOR plus 4.10%, subject to a LIBOR cap of 2.30% and LIBOR floor of 0.00%, at the earlier of June 20, 2021 or the date certain debt coverage ratios are met.
(d) Excludes JV debt, Corporate level debt, and SID bond debt related to Summerlin MPC and retail.

Summary of Ground Leases

Minimum Contractual Ground Lease Payments ($ in thousands)

Ground Leased Asset	Pro-Rata Share	Expiration Date	Three months ended September 30, 2019	Future Cash Payments Year Ending December 31, Remaining 2019	2020	Thereafter	Tot
Riverwalk (a)	100%	2045-2046	$ 34	$ 407	$ 1,737	$ 42,185	$
Seaport	100%	2031 (b)	544	544	2,199	221,019	2
Kewalo Basin Harbor	100%	2049	—	—	300	8,600	
			$ 578	$ 951	$ 4,236	$ 271,804	$ 2

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

Definitions

Stabilized - Properties in the Operating Assets and Seaport District segments that have been in service for more than 36 months or have reache occupancy, whichever occurs first. If an office, retail or multifamily property has been in service for more than 36 months but does not excee occupancy, the asset is considered underperforming.

Unstabilized - Properties in the Operating Assets and Seaport District segments that have been in service for less than 36 months and do not e 90% occupancy.

Under Construction - Projects in the Strategic Developments and Seaport District segments for which construction has commenced as of Septemb 2019, unless otherwise noted. This excludes MPC and condominium development.

Net Operating Income (NOI) - We define net operating income ("NOI") as operating cash revenues (rental income, tenant recoveries and other rev less operating cash expenses (real estate taxes, repairs and maintenance, marketing and other property expenses), including our share of NO equity investees. NOI excludes straight-line rents and amortization of tenant incentives, net interest expense, ground rent amortization, demolition amortization, other (loss) income, depreciation, development-related marketing costs and, unless otherwise indicated, Equity in earnings from real and other affiliates. We use NOI to evaluate our operating performance on a property-by-property basis because NOI allows us to evaluate the i that factors which vary by property, such as lease structure, lease rates and tenant bases, have on our operating results, gross margins and inves returns. We believe that NOI is a useful supplemental measure of the performance of our Operating Assets and Seaport District segments beca provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and ope 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 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	YTD Q3 2019	YTD Q3
Total Operating Assets segment EBT (a)	$ 19,825	$ 12,628	$ 5,686	$ (5,793)	$ (4,115)	$ 38,139	$
Depreciation and amortization	28,844	28,938	27,108	29,265	26,470	84,890	7
Interest expense, net	21,645	20,059	18,991	18,664	18,891	60,695	5
Equity in (earnings) loss from real estate and other affiliates	(441)	(45)	(2,709)	(487)	76	(3,195)	(
Selling profit from sales-type leases	(13,537)	—	—	—	—	(13,537)	
Impact of straight-line rent	(2,529)	(2,537)	(2,845)	(3,277)	(3,241)	(7,911)	(
Other	477	(340)	122	707	2,808	259	
Total Operating Assets NOI - Consolidated	**54,284**	**58,703**	**46,353**	**39,079**	**40,889**	**159,340**	**12**
Redevelopments							
110 North Wacker	—	—	—	513	—	—	
Total Operating Asset Redevelopments NOI	**—**	**—**	**—**	**513**	**—**	**—**	
Dispositions							
Cottonwood Square	—	—	—	—	—	—	
Total Operating Asset Dispositions NOI	**—**	**—**	**—**	**—**	**—**	**—**	
Consolidated Operating Assets NOI excluding properties sold or in redevelopment	**54,284**	**58,703**	**46,353**	**39,592**	**40,889**	**159,340**	**12**
Company's Share NOI - Equity investees	**2,043**	**1,688**	**1,464**	**1,952**	**1,343**	**5,195**	
Distributions from Summerlin Hospital Investment	**—**	**—**	**3,625**	**—**	**—**	**3,625**	
Total Operating Assets NOI	**$ 56,327**	**$ 60,391**	**$ 51,442**	**$ 41,544**	**$ 42,232**	**$ 168,160**	**$ 13**

(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 2019 presentation.

Reconciliation of Non-GAAP Measures (con't)

Reconciliation of Seaport District segment EBT to Total NOI:

(In thousands)	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	YTD Q3 2019	YTD Q3
Total Seaport District segment EBT (a)	$ (16,656)	$ (14,270)	$ (15,852)	$ (15,660)	$ (8,798)	$ (46,778)	$ (
Depreciation and amortization	6,767	6,753	6,193	5,959	2,309	19,713	
Interest expense (income), net	4,984	1,924	1,532	2,176	(1,471)	8,440	(
Equity in losses from real estate and other affiliates	705	451	632	14	452	1,788	
Impact of straight-line rent	412	491	755	179	(274)	1,658	
Loss on sale or disposal of real estate	—	—	6	—	—	6	
Other - development related	896	1,764	2,749	3,816	4,836	5,405	
Total Seaport District NOI - Consolidated	**(2,892)**	**(2,887)**	**(3,985)**	**(3,516)**	**(2,946)**	**(9,768)**	**(**
Company's Share NOI - Equity investees	**(148)**	**(42)**	**(195)**	**(134)**	**(452)**	**(385)**	
Total Seaport District NOI	**$ (3,040)**	**$ (2,929)**	**$ (4,180)**	**$ (3,650)**	**$ (3,398)**	**$ (10,153)**	**$ (**

(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 2019 presentation.

Reconciliation of Non-GAAP Measures (con't)

(In thousands)	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Reconciliation of MPC Land Sales Closed to GAAP Land Sales Revenue				
Total residential land sales closed in period	$ 84,608	$ 116,973	$ 183,335	$ 204,8
Total commercial land sales closed in period	—	1,362	—	2,
Net recognized (deferred) revenue:				
Bridgeland	—	127	34	[illegible]
Summerlin	(7,244)	1,345	(6,769)	5,
Total net recognized (deferred) revenue	(7,244)	1,472	(6,735)	5,
Special Improvement District bond revenue	3	7,923	401	13,
Total land sales revenue - GAAP basis	$ 77,367	$ 127,730	$ 177,001	$ 226,

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Reconciliation of MPC Segment EBT to MPC Net Contribution				
MPC segment EBT	$ 60,637	$ 88,918	$ 145,469	$ 172,
Plus:				
Cost of sales - land	33,304	57,183	78,128	109,
Depreciation and amortization	88	78	334	[illegible]
MUD and SID bonds collections, net	10,099	(347)	11,080	(5,
Distributions from real estate and other affiliates	1,320	925	4,061	3,
Less:				
MPC development expenditures	(60,890)	(48,339)	(180,733)	(139,
MPC land acquisitions	—	(1,011)	(752)	(3,
Equity in earnings in real estate and other affiliates	(4,523)	(9,454)	(18,859)	(34,
MPC Net Contribution	$ 40,035	$ 87,953	$ 38,728	$ 102,

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Reconciliation of Segment EBTs to Net Income				
Operating Assets segment EBT	$ 19,825	$ (4,115)	$ 38,139	$ 9,
MPC segment EBT	60,637	88,918	145,469	172,
Seaport District segment EBT	(16,656)	(8,798)	(46,778)	(8,
Strategic Developments segment EBT	25,958	20	99,947	1,
Corporate income, expenses and other items	(51,003)	(44,691)	(137,274)	(149,
Income before taxes	38,761	31,334	99,503	25,
Provision for income taxes	(8,718)	(7,487)	(24,207)	(5,
Net income	30,043	23,847	75,296	19,
Net loss attributable to noncontrolling interests	(285)	(482)	(240)	[illegible]
Net income attributable to common stockholders	$ 29,758	$ 23,365	$ 75,056	$ 19,