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): **May 3, 2017**

THE HOWARD HUGHES CORPORATION

(Exact name of registrant as specified in its charter)

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

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

Item 2.02 Results of Operations and Financial Condition

On May 3, 2017, The Howard Hughes Corporation (the "Company") issued a press release announcing the Company's financial results for the first quarter ended March 31, 2017. 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 May 3, 2017, the Company issued supplemental information for the first quarter ended March 31, 2017. 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 May 3, 2017 announcing the Company's financial results for the first quarter ended March 31, 2017.
99.2	Supplement information for the first quarter ended March 31, 2017

SIGNATURES

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

THE HOWARD HUGHES CORPORATION

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

Date: May 3, 2017

PRESS RELEASE

Contact Information:
David R. O’Reilly
Chief Financial Officer
(214) 741-7744
David.OReilly@howardhughes.com

THE HOWARD HUGHES CORPORATION® REPORTS FIRST QUARTER 2017 RESULTS

Dallas, TX, May 3, 2017 – The Howard Hughes Corporation ® (NYSE: HHC) (the “Company”) announced operating results for the first quarter ended March 31, 2017. 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.

First Quarter 2017 Highlights:

- Net income attributable to common stockholders was $5.7 million or $0.13 per diluted share, a decrease of $138.1 million or $2.56 per diluted share from the first quarter 2016.
- Funds From Operations (“FFO”) was $9.9 million or $0.23 per diluted share, a decrease of $69.2 million or $1.63 per diluted share compared to the first quarter of 2016. Please reference FFO as defined in the Appendix to this release.
- Core FFO was $71.0 million or $1.66 per diluted share, an increase of $1.7 million or $0.02 per diluted share compared to the first quarter of 2016. Please reference Core FFO as defined in the Appendix to this release.
- Total NOI from operating assets was $44.7 million, an increase of $13.3 million or 42.4% compared to the first quarter of 2016, driven by growth in our office and hospitality assets.
- MPC segment revenue was $68.7 million, an increase of $19.0 million compared to the first quarter of 2016.
- At Ward Village in Honolulu, sold an additional 34 units, increasing the percent of total units closed or under contract at our four projects under construction to 82.8% as of April 18, 2017.
- Closed a private placement of $800 million in aggregate principal amount of 5.375% senior notes due 2025 and redeemed our existing $750 million of 6.875% senior notes due 2021.
- Placed in service our Class A, 204,020 square foot office building One Merriweather in Columbia, which is 56.0% leased, and the 654-unit HHC 242 Self-Storage facility in The Woodlands.
- Closed on a land sale of approximately 36 acres of our 100-acre property, The Elk Grove Collection, for gross sales proceeds of $36.0 million, resulting in a pre-tax gain of $32.2 million and tax loss of $41.8 million.
- In April 2017, finalized a 15-year build-to-suit lease with Aristocrat Technologies, Inc., a leading global provider of land based and online gaming solutions. The two-building campus will encompass approximately 180,000 square feet with completion anticipated in second quarter 2018.
- On May 2, 2017, announced that Bank of America will serve as the lead anchor tenant to the 51 story trophy Class A downtown office building at 110 North Wacker Drive in Chicago, Illinois. The lease accounts for more than a third of the Goettsch-designed 1.35 million square-foot high-rise. With construction planned to start in the spring of 2018, we expect the building to open late 2020.

"Our first quarter results were driven by further improvement in our operating assets segment as our portfolio matures and stabilizes. We also continued to make progress in our strategic developments segment where we completed and delivered both One Merriweather and our first self-storage product in The Woodlands," said David R. Weinreb, Chief Executive Officer. "Delivering these assets marks the ongoing transformation of our strategic developments into a predominantly revenue generating portfolio as we set out to create long-term shareholder value. Additionally, I am pleased that we completed our successful redemption and new issuance of $800 million in senior notes at a significantly lower interest rate. This is a great example of moving with alacrity when opportunities arise in the capital markets."

<u>First Quarter Financial Results</u>

	Three Months Ended March 31,	
(In thousands, except per share amounts)	**2017**	**2016**
Net income attributable to common stockholders	$ 5,659	$ 143,765
Basic income per share	$ 0.14	$ 3.64
Diluted income per share	$ 0.13	$ 2.69
Funds from operations (FFO)	$ 9,904	$ 79,061
FFO per diluted share	$ 0.23	$ 1.86
Core FFO	$ 71,042	$ 69,392
Core FFO per diluted share	$ 1.66	$ 1.64

Business Segment Operating Results

Operating Assets Segment Highlights

	Three Months Ended March 31,	
(In thousands)	**2017**	**2016**
Operating Assets EBT	$ 7,922	$ 403
Adjusted Operating Assets EBT	$ 31,194	$ 21,860
Total NOI from Operating Assets (a)	$ 44,720	$ 31,383

(a) Total NOI from Operating Assets includes Operating Assets NOI Excluding Properties Sold or In Redevelopment, plus our pro-rata share of NOI – equity investees, plus Distributions from Summerlin Hospital Investment (our "income-producing Operating Assets"). Prior year Total NOI was updated to exclude the Landmark Mall property closed for redevelopment in 2017 and the Park West property sold in the prior year. The Seaport – Historic Area/Uplands property was placed in service in the current year, and the prior year NOI has been included for comparative purposes.

Adjusted Operating Assets EBT, excludes depreciation and amortization and development-related marketing costs and demolition, and is presented here as a useful metric for adjusted operating results for our real estate operating properties. Adjusted Operating Assets EBT increased $9.3 million, or 42.5% to $31.2 million, compared to $21.9 million for the first quarter 2016.

Net operating income ("NOI") from our Operating Assets, which increased by 42.4% to $44.7 million for the three months ended March 31, 2017 as compared to $31.4 million for the three months ended March 31, 2016, is presented and discussed in further detail in the Supplemental Information to this Earnings Release. For a reconciliation of Operating Assets earnings before taxes ("EBT") to Operating Assets NOI and Operating Assets EBT to GAAP-basis net income (loss), please refer to the Appendix contained in this Earnings Release.

The increase in Total NOI from Operating Assets in the first quarter 2017 compared to the first quarter 2016 is primarily driven by the continued stabilization of our operating portfolio.

Master Planned Communities Segment Highlights

Our MPC revenues fluctuate each period given the nature of the development and sale of land in these large scale, long-term projects, and therefore, a better measurement of performance is the full year impact instead of quarterly results.

A summary of our MPC segment results for the quarter is shown below:

Summary of MPC Residential Land Sales Closed for the Three Months Ended March 31,

	Land Sales		Acres Sold		Price per acre	
($ In thousands)	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Bridgeland						
Residential	$ 7,256	$ 4,213	18.6	11.1	$ 390	$ 380
Summerlin						
Residential	26,264	42,140	37.7	118.1	697	357
The Woodlands						
Residential	2,361	2,464	4.5	4.1	525	601
Total residential land sales closed in period	$ 35,881	$ 48,817	60.8	133.3		

Residential land sales closed for the three months ended March 31, 2017 decreased $12.9 million or 26.5% to $35.9 million, compared to $48.8 million for the same period in 2016 primarily due to fewer sales at Summerlin, offset by increased sales velocity at Bridgeland. The average price per acre for the three months ended March 31, 2017 of $697,000 is not comparable to the average price per acre of $357,000 for the same period in 2016, due to the significant differences between the parcels sold. See the Appendix to this Earnings Release for a reconciliation from land sales closed to land sales revenue – GAAP.

Land development in the first quarter 2017 at The Summit, our joint venture with Discovery Land in Summerlin, continued on schedule based upon the initial plan. For the three months ended March 31, 2017, three custom residential lots closed for $10.6 million in revenue to the venture, of which we recognized $5.3 million Equity in earnings in Real Estate and Other Affiliates. As of March 31, 2017, contracted sales since inception are $247.3 million, of which $234.5 million had closed.

Strategic Developments Segment Highlights

We have condominiums for sale in Ward Village across five condominium projects, four of which are under construction: Waiea, Anaha, Ae`o, and Ke Kilohana. These four projects have a total unit count of 1,381, of which 1,140 were closed or under contract as of March 31, 2017, leaving the total number of unsold units under construction at 241. All development cost estimates presented herein are exclusive of land costs.

Ward Village Towers Under Construction as of March 31, 2017

($ in millions)	Total Units	Closed or Under Contract	Percent of Units Sold	Total Projected Costs	Costs Incurred to Date	Estimated Completion Date	
Waiea	174	163	93.7 %	$ 414.2	$ 377.0	Q2 2017	(a)
Anaha	317	301	95.0	401.3	257.3	Q3 2017	
Ae`o	466	289	62.0	428.5	92.6	2018	
Ke Kilohana	424	387	91.3	218.9	28.6	2019	
Total under construction	1,381	1,140	82.5 %	$ 1,462.9	$ 755.5		

(a) Waiea opened and customers began occupying units in November 2016. We closed on 150 units as of April 18, 2017.

The decrease in condominium rights and unit sales for the quarter ended March 31, 2017 as compared to the same period in 2016 primarily relates to a decline in revenue recognition under the percentage of completion method for our Waiea condominium tower as the project closes units, offset by increased revenue recognition at our Anaha condominium project. As condominium projects advance towards completion, revenue is recognized on qualifying sales contracts under percentage of completion.

For a more complete description of the status of our developments, please refer to “Item 2. - Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Form 10-Q for the three months ended March 31, 2017.

Balance Sheet and Other Quarterly Activity

As of March 31, 2017, our total consolidated debt equaled approximately 42.9% of our total assets. Our leverage ratio (debt to enterprise value, as defined in the Supplemental Information) was 38.0% at March 31, 2017. We believe our low-leverage, with a focus on project specific financing, greatly reduces our exposure to potential downturns and provides us with the ability to evaluate new opportunities. At March 31, 2017, we had approximately $541.5 million of cash on hand.

On March 16, 2017, we issued $800.0 million in 5.375% senior notes due March 15, 2025. We used the net proceeds from the new issuance to redeem all of our previously existing $750.0 million 6.875% senior notes due October 1, 2021, and to pay related transaction fees and expenses. Interest on the 2025 Notes is paid semi-annually, on March 15th and September 15th of each year beginning on September 15, 2017. At any time prior to March 15, 2020, we may redeem all or a portion of the Senior Notes at a redemption price equal to 100% of the principal plus a “make-whole” declining call premium thereafter to maturity. At any time prior to March 15, 2020, we may redeem 35% of the 2025 Notes at a price of 105.375% with net cash proceeds of certain equity offerings, plus accrued and unpaid interest. The notes contain customary terms and covenants and have no maintenance covenants.

Also, during the first quarter, we completed a $25.0 million non-recourse financing on the Columbia Regional Building at 4.48% interest, replacing the $23.0 million construction loan. The new loan matures February 2037. We also amended and restated our $80.0 million non-recourse mortgage financing for the 10-60 Columbia Corporate Center office buildings with a $94.5 million loan at LIBOR plus 1.75% with an initial maturity of May 2020, with two, one-year extensions. This amendment added One Mall North to the collateral pool and allowed us to draw $14.5 million. We have focused almost exclusively on obtaining non-recourse* debt for both our construction financing and long-term fixed rate mortgage financing and have limited cross-collateralization across the portfolio.

On April 27, 2017, The Woodlands Master Credit Facility was upsized to increase facility by $30.0 million for a total of $180.0 million, providing the ability to fund the development of Creekside Park Apartments and include the asset in the facility’s collateral pool. The amended revolver bears interest at one-month LIBOR plus 2.75% with an initial maturity date of April 27, 2020 and a one-year extension option.

*Non-recourse debt means that the debt is non-recourse to The Howard Hughes Corporation but is collateralized by a real estate asset and/or is recourse to the subsidiary entity owning such asset.

About The Howard Hughes Corporation®

The Howard Hughes Corporation owns, manages and develops commercial, residential and mixed-use real estate throughout the U.S. Our properties include master planned communities, operating properties, development opportunities and other unique assets spanning 14 states from New York to 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 and in other reports that we file 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:

- projections and expectations regarding our revenues, operating income, net income, earnings per share, Earnings Before Taxes ("EBT"), Net Operating Income ("NOI"), capital expenditures, income tax, other contingent liabilities, dividends, leverage, capital structure or other financial items;
- forecasts of our future economic performance; and
- descriptions of assumptions underlying or relating to any of the foregoing.

In this press release, we make forward-looking statements discussing our expectations about:

- capital necessary for our operations and development opportunities for the properties in our Operating Assets and Strategic Developments segments;
- expected performance of our Master Planned Communities segment and other current income producing properties;
- expected commencement and completion for property developments and timing of sales or rentals of certain properties; and
- future liquidity, development opportunities, development spending and management plans.

Forward-looking statements give our current expectations relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to current or historical facts. These statements may include words such as "anticipate," "believe," "estimate," "expect," "forecast," "intend," "likely," "may," "plan," "project," "realize," "should," "transform," "would," and other statements of similar expression. Forward-looking statements should not be relied upon. They give our expectations about the future and are not guarantees.

There are several factors, many beyond our control, which could cause results to differ materially from our expectations. These risk factors are described in our Annual Report on Form 10-K for the year ended December 31, 2016 (the "Annual Report") and are incorporated herein by reference. 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 this press release or 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 press release.

THE HOWARD HUGHES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

(In thousands, except per share amounts)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenues:		
Condominium rights and unit sales	$ 80,145	$ 122,094
Master Planned Community land sales	53,481	41,942
Minimum rents	46,326	41,309
Builder price participation	4,661	4,647
Tenant recoveries	11,399	10,528
Hospitality revenues	19,711	12,909
Other land revenues	10,582	3,033
Other rental and property revenues	5,457	3,204
Total revenues	231,762	239,666
Expenses:		
Condominium rights and unit cost of sales	60,483	74,815
Master Planned Community cost of sales	25,869	15,688
Master Planned Community operations	9,394	9,594
Other property operating costs	18,508	15,742
Rental property real estate taxes	7,537	6,748
Rental property maintenance costs	3,028	3,132
Hospitality operating costs	13,845	10,475
Provision for doubtful accounts	535	3,041
Demolition costs	65	472
Development-related marketing costs	4,205	4,531
General and administrative	18,117	20,324
Depreciation and amortization	25,524	22,972
Total expenses	187,110	187,534
Operating income before other items	44,652	52,132
Other:		
Gains on sales of properties	32,215	140,479
Other income, net	687	359
Total other	32,902	140,838
Operating income	77,554	192,970
Interest income	622	269
Interest expense	(17,858)	(15,993)
Loss on redemption of senior notes due 2021	(46,410)	—
Warrant liability (loss) gain	(12,562)	29,820
Gain on acquisition of joint venture partner's interest	5,490	—
Equity in earnings from Real Estate and Other Affiliates	8,520	1,932
Income before taxes	15,356	208,998
(Provision) benefit for income taxes	(9,697)	(65,233)
Net income	5,659	143,765
Net income attributable to noncontrolling interests	—	—
Net income attributable to common stockholders	$ 5,659	$ 143,765
Basic income per share:	$ 0.14	$ 3.64
Diluted income per share:	$ 0.13	$ 2.69

THE HOWARD HUGHES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
UNAUDITED

(In thousands, except share amounts)	March 31, 2017	December 31, 2016
Assets:		
Investment in real estate:		
Master Planned Community assets	$ 1,672,484	$ 1,669,561
Buildings and equipment	2,131,973	2,027,363
Land	314,259	320,936
Less: accumulated depreciation	(266,260)	(245,814)
Developments	994,864	961,980
Net property and equipment	4,847,320	4,734,026
Investment in Real Estate and Other Affiliates	70,381	76,376
Net investment in real estate	4,917,701	4,810,402
Cash and cash equivalents	541,508	665,510
Accounts receivable, net	10,177	10,038
Municipal Utility District receivables, net	160,189	150,385
Deferred expenses, net	64,155	64,531
Prepaid expenses and other assets, net	714,412	666,516
Total assets	$ 6,408,142	$ 6,367,382
Liabilities:		
Mortgages, notes and loans payable	$ 2,750,254	$ 2,690,747
Deferred tax liabilities	210,043	200,945
Warrant liabilities	313,797	332,170
Accounts payable and accrued expenses	516,742	572,010
Total liabilities	3,790,836	3,795,872
Equity:		
Preferred stock: $.01 par value; 50,000,000 shares authorized, none issued	—	—
Common stock: $.01 par value; 150,000,000 shares authorized, 40,324,040 shares issued and 40,311,979 outstanding as of March 31, 2017 and 39,802,064 shares issued and 39,790,003 outstanding as of December 31, 2016	404	398
Additional paid-in capital	2,893,042	2,853,269
Accumulated deficit	(272,253)	(277,912)
Accumulated other comprehensive loss	(6,428)	(6,786)
Treasury stock, at cost, 12,061 shares as of March 31, 2017 and December 31, 2016, respectively	(1,231)	(1,231)
Total stockholders' equity	2,613,534	2,567,738
Noncontrolling interests	3,772	3,772
Total equity	2,617,306	2,571,510
Total liabilities and equity	$ 6,408,142	$ 6,367,382

Appendix – Reconciliations of Non-GAAP Measures

March 31, 2017

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 makes 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 Adjusted Operating Assets segment Earnings before tax ("EBT"), net operating income ("NOI"), MPC Land Sales Closed, funds from operations ("FFO"), and Core funds from operations ("Core FFO").

Because our three segments, Master Planned Communities, Operating Assets and Strategic Developments, are managed separately, we use different operating measures to assess operating results and allocate resources among these three segments. The one common operating measure used to assess operating results for our business segments is 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.

Reconciliation of EBT to GAAP income before taxes	**Three Months Ended March 31,**	
(In thousands)	**2017**	**2016**
MPC segment EBT	$ 44,186	$ 29,745
Operating Assets segment EBT	7,922	403
Strategic Developments segment EBT	48,845	183,705
Total consolidated segment EBT	100,953	213,853
Corporate and other items:		
General and administrative	(18,117)	(20,324)
Corporate interest expense, net	(12,873)	(13,076)
Warrant liability (loss) gain	(12,562)	29,820
Gain on acquisition of joint venture partner's interest	5,490	—
Loss on redemption of senior notes due 2021	(46,410)	—
Corporate other income, net	850	(246)
Corporate depreciation and amortization	(1,975)	(1,029)
Total Corporate and other items	(85,597)	(4,855)
Income before taxes	$ 15,356	$ 208,998

When a development property is placed in service, depreciation is calculated for the property ratably over the estimated useful lives of each of its components; however, most of our recently developed properties do not reach stabilization until 12 to 36 months after being placed in service due to the timing of tenants taking occupancy and subsequent leasing of remaining unoccupied space during that period. As a result, operating income, EBT and net income will not reflect the ongoing earnings potential of newly placed in service operating assets during this transition period to stabilization. Accordingly, we calculate Adjusted Operating Assets EBT, which excludes depreciation and amortization and development-related demolition and marketing costs and provision for impairment, as they do not represent operating costs for stabilized real estate properties.

The following table reconciles Adjusted Operating Assets EBT to Operating Assets EBT:

Reconciliation of Adjusted Operating Assets EBT to Operating Assets EBT (in thousands)	**Three Months Ended March 31, 2017**	**2016**
Operating Assets segment EBT	$ 7,922	$ 403
Add back:		
Depreciation and amortization	22,789	21,201
Demolition costs	65	—
Development-related marketing costs	418	256
Adjusted Operating Assets segment EBT	$ 31,194	$ 21,860

NOI

We believe that NOI is a useful supplemental measure of the performance of our Operating Assets portfolio because it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating real estate properties and the impact on operations from trends in rental and occupancy rates and operating costs. We define NOI as operating revenues (rental income, tenant recoveries and other revenue) less operating expenses (real estate taxes, repairs and maintenance, marketing and other property expenses). NOI excludes straight-line rents and amortization of tenant incentives, net interest expense, ground rent amortization, demolition costs, amortization, depreciation, and development-related marketing. We use NOI to evaluate our operating performance on a property-by-property basis because NOI allows us to evaluate the impact that factors, which vary by property, such as lease structure, lease rates and tenant base have on our operating results, gross margins and investment returns. Although we believe that NOI provides useful information to investors about the performance of our Operating Assets, due to the exclusions noted above, NOI should only be used as an additional measure of the financial performance of the assets of this segment of our business and not as an alternative to GAAP net income (loss). For reference, and as an aid in understanding our computation of NOI, a reconciliation of Operating Assets NOI to Operating Assets EBT has been presented in the table below. Variances between years in NOI typically result from changes in rental rates, occupancy, tenant mix and operating expenses. Please refer to our Operating Assets NOI by asset class and Operating Assets EBT in the Supplemental Information for the three months ended March 31, 2017 and 2016. Below is a reconciliation from NOI to EBT for the Operating Assets segment

	Three Months Ended March 31	
(In thousands)	**2017**	**2016**
Consolidated Operating Assets NOI excluding properties sold or in redevelopment	**$ 40,591**	**$ 27,451**
Redevelopments		
Landmark Mall	—	(151)
Total Operating Asset Redevelopments NOI	—	**(151)**
Dispositions		
Park West	(14)	498
Total Operating Asset Dispositions NOI	**(14)**	**498**
Total Operating Assets NOI - Consolidated	40,577	27,798
Straight-line lease amortization	1,961	3,121
Demolition costs	(65)	—
Development-related marketing costs	(418)	(256)
Depreciation and Amortization	(22,789)	(21,201)
Write-off of lease intangibles and other	(27)	(1)
Other income, net	(178)	363
Equity in earnings from Real Estate Affiliates	3,385	1,908
Interest, net	(14,524)	(11,329)
Total Operating Assets segment EBT	**$ 7,922**	**$ 403**

Reconciliation of MPC Land Sales Closed to GAAP Land Sales Revenue

The following table reconciles Total residential and commercial land sales closed in the three months ended March 31, 2017, and 2016, respectively, to Total land sales revenue – GAAP basis for the MPC segment for the three months ended March 31, 2017 and 2016, respectively. Total net recognized (deferred) revenue represents revenues on sales closed in prior periods where revenue was previously deferred and met criteria for recognition in the current periods, offset by revenues deferred on sales closed in the current period.

	For the Three Months Ended March 31,	
(In thousands)	**2017**	**2016**
Total residential land sales closed in period	$ 35,881	$ 48,817
Total commercial land sales closed in period	3,799	10,405
Net recognized (deferred) revenue:		
Bridgeland	1,467	68
Summerlin	9,712	(17,380)
Total net recognized (deferred) revenue	11,179	(17,312)
Special Improvement District bond revenue	2,622	32
Total land sales revenue - GAAP basis	$ 53,481	$ 41,942

Total MPC segment revenue - GAAP basis	$ 68,706	$ 49,755

FFO and Core FFO

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 and gains and losses from depreciable property dispositions, and impairments, it can provide a performance measure that, when compared year over year, reflects the impact on operations from trends in occupancy rates, rental rates, operating costs, acquisition 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 herein. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FFO serves as a useful, supplementary measure of the ongoing operating performance of our core operations, and we believe it is used by investors in a similar manner. Core FFO is a non-GAAP and non-standardized measure and may be calculated differently by other peer companies.

While Core FFO, FFO 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 and NOI do not purport to be indicative of cash available to fund our future cash requirements. Further, our computations of FFO, Core FFO and NOI may not be comparable to FFO, Core FFO and NOI reported by other real estate companies. We have included a reconciliation of FFO and Core FFO to GAAP net income below. Non-GAAP financial measures should not be considered independently, or as a substitute, for financial information presented in accordance with GAAP.

(In thousands)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	December 31, 2016	December 31, 2015
Net income attributable to common shareholders	**$ 5,659**	**$ 143,765**	**$ 202,303**	**$ 126,719**
Add:				
Segment real estate related depreciation and amortization	23,549	21,943	89,368	92,955
Loss (gain) on disposal of depreciable real estate operating assets	—	—	1,117	(29,073)
Gains on sales of properties	(32,215)	(140,549)	(140,549)	—
Income tax expense (benefit) adjustments - deferred:				
Loss (gain) on disposal of depreciable real estate operating assets	—	—	(419)	10,176
Gains on sales of properties	12,081	52,706	52,706	—
Impairment of depreciable real estate properties	—	—	35,734	—
Reconciling items related to noncontrolling interests	—	—	23	—
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	830	1,196	863	2,255
FFO	**$ 9,904**	**$ 79,061**	**$ 241,146**	**$ 203,032**
Adjustments to arrive at Core FFO:				
Acquisition expenses	32	—	526	—
Loss on redemption of senior notes due 2021	46,410	—	—	—
Gain on acquisition of joint venture partner's interest	(5,490)	—	(27,088)	—
Warrant (gain) loss	12,562	(29,820)	24,410	(58,320)
Severance expenses	828	190	487	767
Non-real estate related depreciation and amortization	1,975	1,029	6,496	6,042
Straight-line rent adjustment	1,961	3,121	10,689	7,391
Deferred income tax expense (benefit)	(3,193)	7,509	61,411	10,976
Non-cash fair value adjustments related to hedging instruments	(198)	351	1,364	1,745
Share based compensation	1,906	2,722	6,707	7,284
Other non-recurring expenses (development related marketing and demolition costs)	4,270	5,003	24,396	28,763
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	75	227	206	(3)
Core FFO	**$ 71,042**	**$ 69,393**	**$ 350,750**	**$ 207,677**
FFO per diluted Share Value	$ 0.23	$ 1.86	$ 5.64	$ 4.75
Core FFO per diluted Share Value	$ 1.66	$ 1.64	$ 8.21	$ 4.86

Exhibit 99.2

THE HOWARD HUGHES CORPORATION

NYSE: HHC

Supplemental Information

3/31/2017

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

Phone: 214.741.7744
www.howardhughes.com

Forward Looking Statements

This presentation includes forward-looking statements. Forward-looking statements give our current expectations relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to current or historical facts. These statements may include words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “likely,” “may,” “plan,” “project,” “realize,” “should,” “transform,” “would,” and other statements of similar expression. Forward-looking statements should not be relied upon. They give our expectations about the future and are not guarantees. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements to materially differ from any future results, performance and achievements expressed or implied by such forward-looking statements. For a discussion of the risk factors that could have an impact these forward-looking statements, see our Annual Report on Form 10-K for the fiscal year ended December 31, 2016. The statements made herein speak only as of the date of this presentation and we do not undertake to update this information except as required by law. Past performance does not guarantee future results. Performance during time periods shown is limited and may not reflect the performance in different economic and market cycles.

Non-GAAP Financial Measures

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 makes 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 in this presentation are funds from operations, or FFO, core funds from operations, or Core FFO, and net operating income, or NOI.

FFO is defined by the National Association of Real Estate Investment Trusts (NAREIT) as net income calculated in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization and impairment charges (which we believe are not indicative of the performance of our operating portfolio). We calculate FFO in accordance with NAREIT’s definition. Since FFO excludes depreciation and amortization and gains and losses from depreciable property dispositions, and impairments, it can provide a performance measure that, when compared year over year, reflects the impact on operations from trends in occupancy rates, rental rates, operating costs, acquisition 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 herein. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FFO serves as a useful, supplementary measure of the ongoing operating performance of our core operations, and we believe it is used by investors in a similar manner. Core FFO is a non-GAAP and non-standardized measure 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). NOI excludes straight-line rents and amortization of tenant incentives, net interest expense, ground rent amortization, demolition costs, amortization, depreciation, and development-related marketing costs. We also generally include our share of NOI from equity method joint ventures and distributions from cost basis investments herein unless otherwise noted.

While Core FFO, FFO 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 and NOI do not purport to be indicative of cash available to fund our future cash requirements. Further, our computations of FFO, Core FFO and NOI may not be comparable to FFO, Core FFO and NOI reported by other real estate companies. We have included a reconciliation of NOI, FFO and Core FFO to GAAP net income in this presentation. 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 documents are available and may be accessed free of charge through the “Investors” section of our website under the SEC Filings subsection, as soon as reasonably practicable after those documents are filed with, or furnished to, the SEC. Also available through our Investors section of our website are beneficial ownership reports filed by our directors and executive officers on Forms 3, 4 and 5.

Company Overview – Q1-17

Exchange / Ticker	NYSE: HHC
Share Price - March 31, 2017	$ 117.25
Earnings / share	$ 0.13
FFO / Share	$ 0.23
Core FFO / Share	$ 1.66

Recent Company Highlights

LAS VEGAS--(BUSINESS WIRE)--May 1, 2017-- The Howard Hughes Corporation® (NYSE: HHC) announced today that it has finalized a 15-year, build-to-suit lease with Aristocrat Technologies, Inc., allowing the leading global provider of land-based and online gaming solutio to consolidate several of its Las Vegas facilities to a new campus in the Summerlin® master planned community. Aristocrat's new campus will be located minutes away from Downtown Summerlin®, reflecting the growth of commercial offerings in the community's urban core as Summerlin continues to gain appeal as a workplace. The relocation is in line with the growing corporate trend to locate workplaces closer where employees live in an effort to shorten commutes and boost quality of life.

DALLAS--(BUSINESS WIRE)--Mar. 30, 2017-- The Howard Hughes Corporation® (NYSE: HHC) (the "Company") today announced the expiration of its previously announced tender offer and consent solicitation (the "Tender Offer") for any and all of its existing 6.875% senior notes due 2021 (the "Notes"), which commenced on March 2, 2017 and is described in the Offer to Purchase and Consent Solicitation Statement, dated March 2, 2017 (the "Offer to Purchase"), and a related Consent and Letter of Transmittal (together with the Offer to Purchase, the "Offer Documents"). The Company has also completed the redemption of all of its outstanding Notes not tendered in the Tender Offer at a redemption price equal to 105.156% of the unpaid principal amount (or $158.3 million, plus $8.2 million, or approximately $5.16 per $1,000 principal amount of Notes) plus accrued and unpaid interest on such Notes up to, but excluding, the redemption date. The Company used a portion of its offering of $800 million in aggregate principal amount of 5.375% senior notes due 2025, which closed on March 16, 2017, to redeem the outstanding Notes not tendered by the holders.

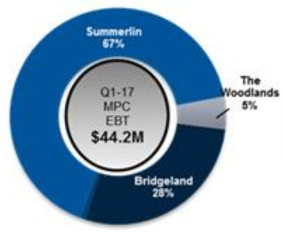
CHICAGO--(BUSINESS WIRE)--Mar. 17, 2017-- The Howard Hughes Corporation® (NYSE: HHC) received unanimous approval at today's Chicago Planning Commission meeting for its future trophy-class office building to be built at 110 North Wacker Drive, in collaboration with Riverside Investment & Development, Goettsch Partners and CBRE – the development, design and leasing team behin the recently completed 150 North Riverside Plaza office tower. With its prominent riverfront location, 110 North Wacker is a highly desirab office development site in the heart of the city, designed to be a dynamic addition to Chicago's iconic skyline.

For more press releases, please visit www.howardhughes.com/press

Operating Portfolio by Region

Q1-17 MPC & Condominium Results

$ in millions



$ in millions

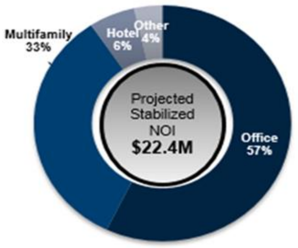
Q1-17 MPC EBT	
Bridgeland	$13.4
Columbia	(0.3)
Summerlin	30.0
The Woodlands	1.1
Total	**$44.2**

Q1-17 Condo Gross Profit	
Waiea	$3.
Anaha	16.
Ke Kilohana	0.
Ae`o	-
Total	**$19.**

Path to Annual Stabilized NOI

Currently Under Construction

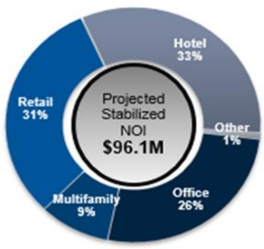
$ in millions



Retail & Office S.F.	513,000
Multifamily Units	729
Hotel Keys	72
Other Units	784
Projected Stabilized NOI	$ 22.4

Currently Unstabilized

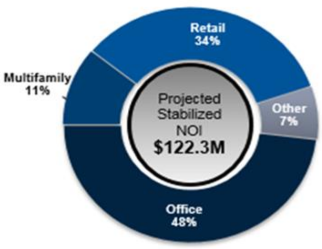
$ in millions



Retail & Office S.F.	2,043,656
Multifamily Units	514
Hotel Keys	913
Other Units	654
Projected Stabilized NOI	$ 96.1

Currently Stabilized

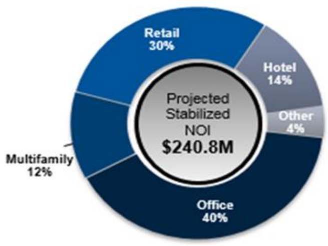
$ in millions



Retail & Office S.F.	4,569,966
Multifamily Units	1,108
Hotel Keys	-
Other Units	-
Projected Stabilized NOI	$ 122.3

Total

$ in millions



Retail & Office S.F.	7,126,622
Multifamily Units	2,351
Hotel Keys	985
Other Units	1,438
Projected Stabilized NOI	$ 240.8

Q1-17 - Operating Results by Property Type

Currently Under Construction

$ in millions

Currently Unstabilized

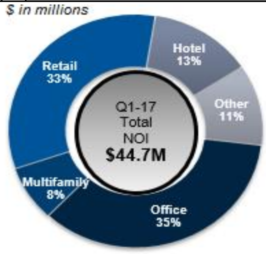
$ in millions

Currently Stabilized

$ in millions

Total

$ in millions



Note: Path to NOI Stabilization charts above exclude Seaport NOI until we have greater clarity with respect to the performance of our tenants. See page 13 for Stabilized NOI Yield and other project information.

Company Profile	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2016	FY 2015
Share price	$ 117.25	$ 114.10	$ 114.50	$ 114.32	$ 105.89	$ 114.10	$ 113.16
Market Capitalization	$ 5.1 b	$ 4.9 b	$ 4.9 b	$ 4.9b b	$ 4.5 b	$ 4.9 b	$ 4.9 b
Enterprise Value[1]	$ 7.3 b	$ 6.9 b	$ 7.1 b	$ 6.9b b	$ 6.3 b	$ 6.9 b	$ 6.9 b
Dilutive effect of stock options	241	289	299	277	239	277	316
Warrants[2]	2,641	2,894	2,892	2,835	2,570	2,894	2,873
Weighted avg. shares - basic	39,799	39,492	39,502	39,492	39,473	39,492	39,470
Weighted avg. shares - diluted	42,757	42,753	42,760	42,664	42,400	42,729	42,754
Diluted shares outstanding (in thousands)	43,194	42,973	43,030	42,946	42,633	42,961	42,904
Earnings Profile							
Operating Segment Income							
Revenues	$ 79,856	$ 76,000	$ 71,238	$ 72,224	$ 63,593	$ 283,057	$ 251,414
Expenses	$ 39,265	$ 38,436	$ 39,893	$ 36,982	$ 36,142	$ 152,329	$ 135,666
Company's Share of Equity Method Investments NOI and Cost Basis Investment	$ 4,129	$ 888	$ 569	$ 2,272	$ 3,932	$ 8,893	$ 4,951
Net Operating Income[3]	$ 44,720	$ 38,454	$ 31,914	$ 37,514	$ 31,383	$ 139,621	$ 120,699
Avg. NOI margin	56 %	51 %	45 %	52 %	49 %	49 %	48 %
MPC Segment Earnings							
Total revenues	$ 68,706	$ 81,738	$ 51,304	$ 70,507	$ 49,755	$ 253,304	$ 229,865
Total expenses[4]	$ 35,357	$ 45,429	$ 30,720	$ 36,895	$ 25,365	$ 138,409	$ 133,612
Interest income, net[5]	$ 5,557	$ 5,468	$ 5,253	$ 5,009	$ 5,355	$ 21,085	$ 18,113
Equity in earnings in Real Estate and Other Affiliates	5,280	20,928	13,699	8,874	—	43,501	—
MPC Segment EBT[5]	$ 44,186	$ 62,705	$ 39,536	$ 47,495	$ 29,745	$ 179,481	$ 114,366
Condo Gross Profit							
Revenues[6]	$ 80,145	$ 123,021	$ 115,407	$ 125,112	$ 122,094	$ 485,634	$ 305,284
Expenses[6]	$ 60,483	$ 81,566	$ 83,218	$ 79,726	$ 74,815	$ 319,325	$ 191,606
Condo Net Income	$ 19,662	$ 41,455	$ 32,189	$ 45,386	$ 47,279	$ 166,309	$ 113,678
Debt Summary							
Total debt payable[7]	$ 2,771,492	$ 2,708,460	$ 2,865,456	$ 2,668,522	$ 2,561,944	$ 2,708,460	$ 2,463,122
Fixed rate	$ 1,324,634	$ 1,184,141	$ 1,152,897	$ 1,114,735	$ 1,120,393	$ 1,184,141	$ 1,121,669
Weighted avg. rate	4.94 %	5.89 %	5.99 %	6.29 %	6.17 %	5.89 %	6.08 %
Variable rate	$ 1,309,169	$ 1,363,472	$ 1,425,276	$ 1,403,762	$ 1,374,211	$ 1,363,472	$ 1,313,636
Weighted avg. rate	3.45 %	3.33 %	3.08 %	2.76 %	2.8 %	3.33 %	2.92 %
Short term condominium financing	$ 137,689	$ 160,847	$ 287,283	$ 150,025	$ 67,340	$ 160,847	$ 27,817
Weighted avg. rate	7.68 %	7.47 %	7.28 %	7.20 %	7.19 %	7.47 %	7.11 %
Leverage ratio (debt to enterprise value)	38.0 %	39.0 %	39.9 %	38.4 %	40.1 %	38.8 %	35.6 %

(1) Enterprise Value = (Market value of common stock + book value of debt + noncontrolling interest) - cash and equivalents
(2) Warrants assume net share settlement.
(3) Net Operating Income = Operating Assets NOI excluding properties sold or in redevelopment + Company's Share of Equity Method Investments NOI and the annual Distribution from our Cost Basis Investment.
(4) Expenses include both actual and estimated future costs of sales allocated on a relative sales value to land parcels sold, including MPC-level G&A and real estate taxes on remaining residential and commercial land.
(5) MPC Segment EBT (Earnings before tax, as discussed in our GAAP financial statements), includes negative interest expense relating to capitalized interest for the segment relating to debt held in other segments and at corporate.
(6) Revenues represent "Condominium rights and unit sales" and expenses represent "Condominium rights and unit cost of sales" as stated in our GAAP financial statements, based on the percentage of completion method ("POC").
(7) Represents Total mortgages, notes, and loans payable, as stated in our GAAP financial statements, excluding unamortized deferred financing costs and underwriting fees.

In thousands

ASSETS	Q1 2017	Q1 2016	FY 2016	FY 2015
	Unaudited	Unaudited		
Real estate assets				
Master Planned Community assets	$ 1,672,484	$ 1,647,947	$ 1,669,561	$ 1,642,842
Land	314,259	325,412	320,936	322,462
Buildings and equipment	2,131,973	1,884,772	2,027,363	1,772,401
Less: accumulated depreciation	(266,260)	(252,095)	(245,814)	(232,969)
Developments	994,864	806,862	961,980	1,036,927
Net property and equipment	4,847,320	4,412,898	4,734,026	4,541,663
Net investment in Real Estate and Other Affiliates	70,381	56,295	76,376	57,811
Total Real Estate Assets	$ 4,917,701	$ 4,469,193	$ 4,810,402	$ 4,599,474
Cash and cash equivalents	541,508	736,834	665,510	445,301
Accounts Receivable	10,177	54,194	10,038	11,626
MUD receivables, net	160,189	157,282	150,385	139,946
Deferred expenses	64,155	63,532	64,531	61,804
Prepaid expenses and other assets	714,412	550,939	666,516	463,431
Total Assets	$ 6,408,142	$ 6,031,974	$ 6,367,382	$ 5,721,582
LIABILITIES AND EQUITY				
Liabilities				
Mortgages, notes and loans payable	$ 2,750,254	$ 2,543,638	$ 2,690,747	$ 2,443,962
Deferred tax liabilities	210,043	141,972	200,945	89,221
Warrant liabilities	313,797	277,940	332,170	307,760
Uncertain tax position liability	—	3,340	—	1,396
Accounts payable and accrued expenses	516,742	564,621	572,010	515,354
Total Liabilities	$ 3,790,836	$ 3,531,511	$ 3,795,872	$ 3,357,693
Equity				
Capital stock	$ 404	$ 398	$ 398	$ 398
Additional paid-in capital	2,893,042	2,851,343	2,853,269	2,847,823
Accumulated deficit	(272,253)	(336,450)	(277,912)	(480,215)
Accumulated other loss	(6,428)	(17,760)	(6,786)	(7,889)
Treasury stock	(1,231)	(840)	(1,231)	—
Total stockholders' equity	2,613,534	2,496,691	2,567,738	2,360,117
Non-controlling interest	3,772	3,772	3,772	3,772
Total Equity	$ 2,617,306	$ 2,500,463	$ 2,571,510	$ 2,363,889
Total Liabilities and Equity	$ 6,408,142	$ 6,031,974	$ 6,367,382	$ 5,721,582
Share Count Details (in thousands)				
Shares outstanding	40,312	39,824	39,790	39,715
Dilutive effect of stock options	241	239	277	316
Warrants (assumes net share settlement)	2,641	2,570	2,894	2,873
Total Diluted Share Equivalents Outstanding	43,194	42,633	42,961	42,904

In thousands	Q1 2017	Q1 2016	FY 2016	FY 2015
Revenues:	Unaudited	Unaudited		
Condominium rights and unit sales	$ 80,145	$ 122,094	$ 485,634	305,284
Master Planned Community land sales	53,481	41,942	215,318	187,399
Builder price participation	4,661	4,647	21,386	26,846
Minimum rents	46,326	41,309	173,268	150,805
Tenant recoveries	11,399	10,528	44,330	39,542
Hospitality revenues	19,711	12,909	62,252	45,374
Other land revenues	10,582	3,033	16,232	14,803
Other rental and property revenues	5,457	3,204	16,585	27,035
Total revenues	**$ 231,762**	**$ 239,666**	**$ 1,035,005**	**$ 797,088**
Expenses:				
Condominium rights and unit cost of sales	$ 60,483	$ 74,815	$ 319,325	$ 191,606
Master Planned Community cost of sales	25,869	15,688	95,727	88,065
Master Planned Community operations	9,394	9,594	42,371	44,907
Other property operating costs	18,508	15,742	65,978	72,751
Rental property real estate taxes	7,537	6,748	26,847	24,138
Rental property maintenance costs	3,028	3,132	12,392	10,712
Hospitality operating costs	13,845	10,475	49,359	34,839
Provision for doubtful accounts	535	3,041	5,664	4,030
Demolition costs	65	472	2,212	3,297
Development-related marketing costs	4,205	4,531	22,184	25,466
General and administrative	18,117	20,324	86,588	81,345
Depreciation and amortization	25,524	22,972	95,864	98,997
Total expenses	**$ 187,110**	**$ 187,534**	**$ 824,511**	**$ 680,153**
Operating income before other items	**44,652**	**52,132**	**210,494**	**116,935**
Other:				
Provision for impairment	—	—	(35,734)	—
Gain on sale of properties	32,215	140,479	140,549	—
Other income, net	687	359	11,453	1,829
Total other	**$ 32,902**	**$ 140,838**	**$ 116,268**	**$ 1,829**
Operating Income	**$ 77,554**	**$ 192,970**	**$ 326,762**	**$ 118,764**
Interest expense, net of interest income	(17,236)	(15,724)	(64,365)	(59,158)
Loss on early extinguishment of debt	(46,410)	—	—	—
Warrant liability (loss) / gain	(12,562)	29,820	(24,410)	58,320
Gain on acquisition of joint venture partner's interest	5,490	—	27,088	—
(Loss) / gain on disposal of operating assets	—	—	(1,117)	29,073
Equity in earnings from Real Estate and Other Affiliates	8,520	1,932	56,818	3,721
Income (loss) before taxes	15,356	208,998	320,776	150,720
Provision for income taxes	(9,697)	(65,233)	(118,450)	(24,001)
Net income	5,659	143,765	202,326	126,719
Net income attributable to noncontrolling interests	—	—	(23)	—
Net income (loss) attributable to common stockholders	**$ 5,659**	**$ 143,765**	**$ 202,303**	**$ 126,719**

In thousands

	Q1 2017	Q1 2016	FY 2016	FY 2015
RECONCILIATION OF NET INCOME TO FFO				
Net income attributable to common shareholders	$ 5,659	$ 143,765	$ 202,303	$ 126,719
Add:				
Segment real estate related depreciation and amortization	23,549	21,943	89,368	92,955
Loss (gain) on disposal of depreciable real estate operating assets	—	—	1,117	(29,073)
Gains on sales of properties	(32,215)	(140,549)	(140,549)	—
Income tax expense (benefit) adjustments - deferred				
Loss (gain) on disposal of depreciable real estate operating assets	—	—	(419)	10,176
Gains on sales of properties	12,081	52,706	52,706	—
Impairment of depreciable real estate properties	—	—	35,734	—
Reconciling items related to noncontrolling interests	—	—	23	—
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	830	1,196	863	2,255
FFO	**9,904**	**79,061**	**241,146**	**203,032**
Adjustments to arrive at Core FFO:				
Acquisition expenses	32	—	526	—
Loss on redemption of senior notes due 2021	46,410	—	—	—
Gain on acquisition of joint venture partner's interest	(5,490)	—	(27,088)	—
Warrant (gain) loss	12,562	(29,820)	24,410	(58,320)
Severance expenses	828	190	487	767
Non-real estate related depreciation and amortization	1,975	1,029	6,496	6,042
Straight-line rent adjustment	1,961	3,121	10,689	7,391
Deferred income tax expense (benefit)	(3,193)	7,509	61,411	10,976
Non-cash fair value adjustments related to hedging instruments	(198)	351	1,364	1,745
Share based compensation	1,906	2,722	6,707	7,284
Other non-recurring expenses (development related marketing and demolition costs)	4,270	5,003	24,396	28,763
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	75	227	206	(3)
Core FFO	**$ 71,042**	**$ 69,393**	**$ 350,750**	**$ 207,677**

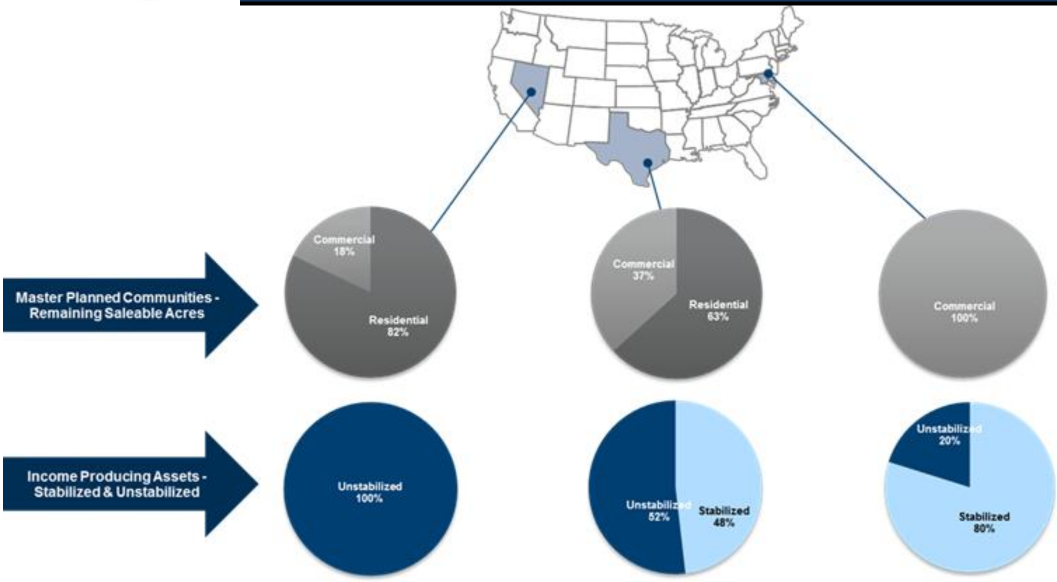
	Q1 2017	Q1 2016	FY 2016	FY 2015
FFO per diluted share value	**$ 0.23**	**$ 1.86**	**$ 5.64**	**$ 4.75**
Core FFO per diluted share value	**$ 1.66**	**$ 1.64**	**$ 8.21**	**$ 4.86**

Dollars in thousands

Property	% Ownership (a)	Total SF / Units	1Q17 SF/Units Occupied	1Q17 SF/Units Leased	1Q17 % Occupied	1Q17 % Leased	1Q17 Annualized Cash NOI (a) (b)	Stabilized NOI (a) (c)	Time to Stabilize (Years)
Stabilized Properties									
Office - Houston	100 %	1,452,473	1,420,111	1,430,452	98 %	98 %	$ 35,972	$ 38,200	NA
Office - Columbia	100 %	1,085,070	978,897	1,010,821	90 %	93 %	13,544	14,500	NA
Office - Other	100 %	226,000	226,000	226,000	100 %	100 %	6,064	6,100	NA
Retail - Houston (d)	100 %	233,362	224,308	225,948	96 %	97 %	6,952	6,500	NA
Retail - Columbia	100 %	88,556	68,100	88,556	77 %	100 %	1,564	2,200	NA
Retail - Hawaii	100 %	1,143,533	1,070,347	1,078,352	94 %	94 %	23,600	25,600	NA
Retail - Other	100 %	340,972	333,699	333,699	98 %	98 %	7,352	7,200	NA
Multi-Family - Houston	100 %	707	617	646	87 %	91 %	6,204	9,100	NA
Multi-Family - Columbia	50 %	380	350	355	92 %	93 %	2,764	3,500	NA
Multi-Family - New York	100 %	21	20	20	96 %	96 %	476	600	NA
Other Assets (e)	NA	NA	NA	NA	NA	NA	8,821	8,821	NA
Total Stabilized Properties (f)							**$ 113,313**	**$ 122,321**	**NA**
Unstabilized Properties									
Office - Houston	100 %	676,688	243,609	306,095	36 %	45 %	$ 2,384	$ 14,500	3.0
Office - Columbia	100 %	204,020	97,930	122,412	48 %	60 %	1,488	5,100	3.0
Office - Summerlin	100 %	208,347	137,926	160,636	66 %	77 %	3,720	5,700	1.0
Retail - Houston (d)	100 %	157,641	104,208	110,182	66 %	70 %	2,504	3,600	0.5
Retail - Summerlin	100 %	796,443	670,605	699,277	84 %	88 %	17,916	26,300	1.0
Multi-Family - Houston	100 %	390	300	336	77 %	86 %	4,244	7,500	1.0
Multi-Family - Summerlin	50 %	124	96	106	77 %	86 %	—	1,100	1.0
Hospitality - Houston	100 %	913	605	605	66 %	66 %	23,464	31,500	2.9
Self Storage - Houston	100 %	654	—	—	NA	NA	—	800	2.0
Total Unstabilized Properties							**$ 55,720**	**$ 96,100**	**1.7**
Under Construction Properties									
Office - Houston	100 %	203,000	—	203,000	NA	100 %	NA	$ 5,100	2.0
Office - Columbia	100 %	130,000	—	97,500	NA	75 %	NA	3,600	4.0
Office - Summerlin	100 %	180,000	—	180,000	0 %	100 %	NA	4,100	2.0
Multi-Family - Houston	100 %	292	—	—	NA	0 %	NA	3,500	2.0
Multi-Family - Columbia	50 %	437	—	—	NA	0 %	NA	4,000	2.0
Hospitality - New York	35 %	72	—	—	NA	0 %	NA	1,300	1.0
Self Storage - Houston	100 %	784	—	—	NA	NA	NA	800	2.0
Total Under Construction Properties							**NA**	**$ 22,400**	**2.1**
Total/ Wtd. Avg for Portfolio							**$ 169,033**	**$ 240,821**	**1.9**

Notes

(a) **Includes our share of NOI where we do not own 100%.**
(b) **Annualized 1Q17 NOI includes distribution received from our cost basis investment. For purposes of this calculation, these one time annual distributions are not annualized.**
(c) **Table above excludes Seaport NOI until we have greater clarity. Please reference page 13 for Stabilized NOI Yield and other project information.**
(d) **Retail - Houston is inclusive of retail in The Woodlands and Bridgeland.**
(e) **Other Assets are primarily made up of income from Kewalo Basin, Summerlin Baseball and Hockey ground lease, and our share of other equity method investments not included in other categories.**
(f) **For Stabilized Properties, the difference between 1Q17 cash NOI and Stabilized NOI is attributable to a number of factors which may include timing, free rent or other temporary abatements, tenant turnover and market factors considered nonpermanent.**



(Dollars in thousands)	Nevada	Texas	Maryland	Total
MPC Performance - FY-16 & Q1-17				
MPC Net Contribution (FY-16) (a)	$136,500	$7,583	($1,179)	$142,904
MPC Net Contribution (Q1-17) (a)	$20,395	$2,478	($303)	$22,570
Operating Asset Performance - 2017 & Future				
Annualized 1Q17 In-Place Cash NOI	$25,016	$81,724	$19,360	$126,100
Est. Stabilized NOI (Future)	$40,580	$121,100	$32,900	$194,580
Wtd. Avg. Time to Stab. (yrs.)	1.0	1.9	3.0	—

Note

(a) Reconciliation from GAAP MPC segment EBT to MPC Net Contribution for the three months ended March 31, 2017 is found on Reconciliation of non-GAAP Measures.

	MPC Regions						Non-MPC Regions			
	Woodlands Houston, TX	Woodlands Hills Houston, TX	Bridgeland Houston, TX	Summerlin Las Vegas, NV	Columbia Columbia, MD	Total MPC Regions	Hawaii Honolulu, HI	Seaport New York, NY	Other	Total Non-MPC
Operating - Stabilized Properties										
Office s.f.	1,452,473	—	—	—	1,085,070	2,537,543	—	—	226,000	226,000
Retail s.f.	233,362	—	—	—	88,556	321,918	1,143,533	—	340,972	1,484,505
Multifamily units	707	—	—	—	380	1,087	—	21	—	21
Hotel Rooms	—	—	—	—	—	—	—	—	—	—
Self Storage	—	—	—	—	—	—	—	—	—	—
Operating - Unstabilized Properties										
Office s.f.	676,688	—	—	208,347	204,020	1,089,055	—	—	—	—
Retail s.f. (a)	74,669	—	82,972	796,443	—	954,084	—	—	—	—
Multifamily units	390	—	—	124	—	514	—	—	—	—
Hotel rooms	913	—	—	—	—	913	—	—	—	—
Self Storage	654	—	—	—	—	654	—	—	—	—
Operating - Under Construction Properties										
Office s.f.	203,000	—	—	180,000	130,000	513,000	—	—	—	—
Retail s.f. (b)	—	—	—	—	—	—	—	—	—	—
Multifamily units	292	—	—	—	437	729	—	—	—	—
Hotel rooms	—	—	—	—	—	—	—	72	—	72
Self Storage	784	—	—	—	—	784	—	—	—	—
Residential Land										
Total gross acreage/condos (c)	28,475 ac.	2,055 ac.	11,400 ac.	22,500 ac.	16,450 ac.	80,880 ac.	1,381	n.a.	n.a.	1,381
Current Residents (c)	115,000	—	8,300	107,000	112,000	342,300	n.a.	n.a.	n.a.	—
Remaining saleable acres/condos	307	1,439	2,474	3,740	n.a.	7,998	241	n.a.	n.a.	241
Estimated price per acre (d)	$560	$207	$372	$577	n.a.		n.a.	n.a.	n.a.	
Commercial Land										
Total acreage remaining	752	171	1,530	826	108	3,387	n.a.	n.a.	n.a.	—
Estimated price per acre (e)	$957	$552	$394	$759	$316		n.a.	n.a.	n.a.	

Notes

Portfolio key metrics herein include square feet, units and rooms included in joint venture projects.

(a) Retail s.f. within the Summerlin region excludes 381,767 sq. ft. of anchors.

(b) Retail s.f. within New York region excludes Pier 17 and Uplands, pending final plans for this project.

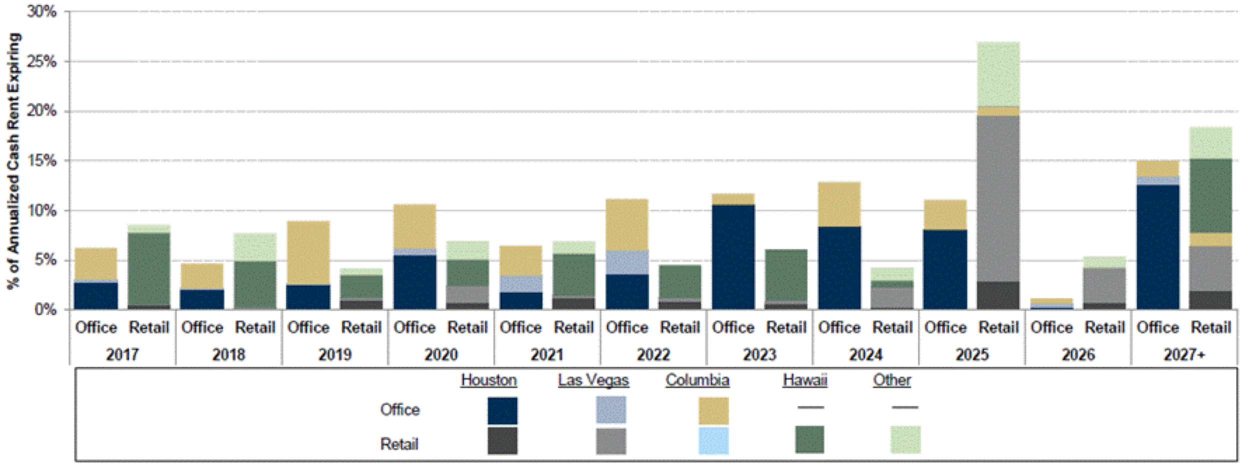
(c) Acreage and current residents shown as of December 31, 2016.

(d) Residential pricing: average 2016 acreage pricing for Bridgeland, Summerlin and The Woodlands. Summerlin avarage pricing excludes the sale of approximately 117 acres to Pulte with an atypical economic structure. Pro forma acreage pricing for The Woodlands Hills.

(e) Commercial pricing: estimate of current value based upon recent sales, third party appraisals and third party MPC experts. The Woodlands Hills commercial is valued at cost.

Office and Retail Lease Expirations

Total Office and Retail Portfolio as of March 31, 2017



Expiration Year	Office Expirations: Annualized Cash Rent ($ in thousands)	Office Expirations: Percentage of Annualized Cash Rent	Office Expirations: Wtd. Avg. Annualized Cash Rent Per Leased Sq. Ft.	Retail Expirations: Annualized Cash Rent ($ in thousands)	Retail Expirations: Percentage of Annualized Cash Rent	Retail Expirations: Wtd. Avg. Annualized Cash Rent Per Leased Sq. Ft.
2017	$ 5,022	6.25 %	28.47	$ 8,843	8.56 %	29.43
2018	3,768	4.69 %	25.16	7,975	7.72 %	40.44
2019	7,187	8.95 %	29.67	4,368	4.23 %	36.55
2020	8,537	10.63 %	28.19	7,183	6.95 %	48.47
2021	5,179	6.45 %	32.97	7,123	6.89 %	28.65
2022	8,965	11.16 %	29.92	4,734	4.58 %	50.17
2023	9,411	11.71 %	28.71	6,296	6.09 %	47.13
2024	10,345	12.88 %	29.55	4,442	4.30 %	34.90
2025	8,908	11.09 %	33.55	27,854	26.95 %	55.98
2026	947	1.18 %	35.99	5,536	5.36 %	37.79
Thereafter	12,069	15.02 %	23.17	18,991	18.38 %	15.08
Total	**$ 80,337**	**100.00 %**		**$ 103,345**	**100.00 %**	

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

Owned & Managed

Project Name	City, State	% Ownership	Est. Rentable Sq. Ft.	Percent Pre-Leased[1]	Project Status	Const. Start Date	Est. Stabilized Date[2]	Develop. Costs Incurred	Est. Total Cost	Est. Stabilized NOI[3]	Stabilized NOI Yield
Office											
100 Fellowship Dr	Houston, TX	100 %	203,000	100 %	Under construction	Q2 2017	Q4 2019	$ 1,323	$ 63,278	$ 5,062	8 %
Two Merriweather	Columbia, MD	100 %	130,000	58 %	Under construction	Q3 2016	Q2 2020	$ 8,833	$ 40,941	$ 3,685	9 %
Aristocrat	Las Vegas, NV	100 %	180,000	100 %	Under construction	Q2 2017	2019	$ 201	$ 45,085	$ 4,071	9 %
Retail											
Seaport - Uplands / Pier 17	New York, NY	100 %	401,787	49 %	Under construction	Q4 2013	Q1 2021	$ 364,227	$ 731,000	$ 43,000 - $58,000	6%-8 %
Total			**914,787**					**$ 374,584**	**$ 880,304**		

Project Name	City, State	% Ownership	Est. Number of Units	Monthly Est. Rent Per Unit	Project Status	Const. Start Date	Est. Stabilized Date[2]	Develop. Costs Incurred	Est. Total Cost	Est. Stabilized NOI[3]	Stabilized NOI Yield
Multifamily											
Creekside Apartments	Houston, TX	100 %	292	$ 1,538	Under construction	Q1 2017	Q4 2019	$ 1,403	$ 42,111	$ 3,499	8 %
m.flats/Ten.M Building[4]	Columbia, MD	50 %	437	$ 1,982	Under construction	Q1 2016	Q3 2019	$ 63,900	$ 109,345	$ 8,100	7 %
Self-Storage											
HHC 2978 Self Storage	Houston, TX	100 %	784	$ 142	Under construction	Q1 2016	Q2 2020	$ 5,964	$ 8,476	$ 759	9 %
Total			**1,513**					**$ 71,267**	**$ 159,932**		

Note: Seaport - Uplands / Pier 17 Estimated Rentable sq. ft. and costs are inclusive of the Tin Building, the status of which is still pending. All costs are shown net of insurance proceeds of approximately $55 million.

(1) Based on leases signed as of Q1 2017 and is calculated as the total est. rentable square feet leased divided by total est. rentable square feet, expressed as a percentage.

(2) Represents management's estimate of the first quarter of operations in which the asset may be stabilized.

(3) Total NOI shown gross, not at share.

(4) The remaining costs in this non-consolidated joint-venture are expected to be funded by the in-place construction financing.

Dollars in thousands

Project Name	Location	% Ownership	Rentable Sq. Ft. / Units	1Q17 % Occ.	1Q17 % Leased	Develop. Costs Incurred	Est. Total Cost	Annualized 1Q17 Cash NOI	Annualized Est. Stab. NOI (a)	Est. Stab. Date
Office										
Three Hughes Landing	Houston, TX	100 %	320,815	18 %	23 %	$ 60,778	$ 90,162	NM	$ 7,600	2020
1725 Hughes Landing (b)	Houston, TX	100 %	331,754	54 %	68 %	50,185	74,994	3,060	6,900	2020
One Merriweather	Columbia, MD	100 %	204,020	48 %	60 %	57,549	78,187	1,488	5,100	2020
One Summerlin (c)	Las Vegas, NV	100 %	208,347	66 %	77 %	—	—	3,720	5,700	2018
Retail										
Creekside Village Green	Houston, TX	100 %	74,669	84 %	84 %	15,779	15,779	2,028	1,900	2017
Lakeland Village Center	Houston, TX	100 %	82,972	50 %	57 %	12,721	16,274	476	1,700	2018
Downtown Summerlin (c)	Las Vegas, NV	100 %	796,443	84 %	88 %	415,074	418,304	17,916	26,300	2018
Residential										
One Lakes Edge	Houston, TX	100 %	390	77 %	86 %	81,729	81,729	4,244	7,500	2018
Constellation	Las Vegas, NV	50 %	124	77 %	84 %	20,760	20,760	256	1,100	2018
Hotel										
Embassy Suites at Hughes Landing	Houston, TX	100 %	205	84 %	N/A	42,911	46,363	6,156	4,500	2019
The Woodlands Resort & Conference Center	Houston, TX	100 %	406	55 %	N/A	72,360	72,360	9,836	16,500	2020
The Westin at The Woodlands	Houston, TX	100 %	302	70 %	N/A	91,349	97,380	7,472	10,500	2020
Other										
HHC 242 Self-Storage	Houston, TX	100 %	654	7 %	7 %	7,034	8,607	NM	800	2019

Notes

(a) Company estimates of stabilized NOI based solely on current leasing velocity, excluding inflationary and organic growth.
(b) Shown net of tenant reimbursements.
(c) One Summerlin development costs are combined with Downtown Summerlin.

In thousands, except rentable sq. ft. and acres

1Q2017 Acquisitions

Date Acquired	Property	Type of Ownership	% Ownership	Location	Rentable Sq. Ft./ Acres	Acquisition Price
1/6/2017	Macy's Parcel	NA	100 %	Alexandria, VA	11.4	$ 22,200
3/1/2017	LV51s Baseball Team (a)	NA	100 %	Las Vegas, NV	n.a.	$ 16,400

1Q2017 Dispositions

Date Sold	Property	Type of Ownership	% Ownership	Location	Rentable Sq. Ft./ Acres	Sale Price
1/18/2017	Elk Grove Casino Site	NA	NA	Elk Grove, CA	36.0	$ 36,000

Note

(a)

On March 1, 2017, we acquired our joint venture partner’s 50.0% interest in the Las Vegas 51s minor league baseball team for $16.4 million. Upon completion of the transaction, we became the sole owner (100%) of this Triple-A baseball team affiliated with the New York Mets. Team NOI is included in Other Assets on page 9 and generates a stabilized NOI of $0.4 million.

Dollars in thousands	Woodlands Q1 2017	Woodlands Q1 2016	Woodlands Hills Q1 2017	Woodlands Hills Q1 2016	Bridgeland Q1 2017	Bridgeland Q1 2016	Summerlin Q1 2017	Summerlin Q1 2016	Maryland Q1 2017	Maryland Q1 2016	Total Q1 2017	Total Q1 2016
Revenues:												
Residential land sale revenues	$ 2,361	$ 2,464	$ 0	$ 0	$ 8,723	$ 4,281	$ 38,598	$ 23,777	$ —	$ —	$ 49,682	$ 30,522
Commercial land sale revenues	3,799	10,405	—	—	—	—	—	1,015	—	—	3,799	11,420
Builder price participation	274	503	—	—	15	255	4,372	3,889	—	—	4,661	4,647
Other land sale revenues	1,909	129	10	0	6,629	75	2,015	2,960	2	2	10,565	3,166
Total revenues	**$ 8,343**	**$ 13,501**	**$ 10**	**$ 0**	**$ 15,367**	**$ 4,611**	**$ 44,984**	**$ 31,641**	**$ 2**	**$ 2**	**$ 68,706**	**$ 49,755**
Expenses:												
Cost of sales - residential land	$ (1,127)	$ (955)	—	—	$ (2,675)	$ (1,447)	$ (21,167)	$ (9,141)	—	—	(24,969)	(11,543)
Cost of sales - commercial land	(900)	(4,145)	—	—	—	—	—	—	—	—	(900)	(4,145)
Real estate taxes	(1,265)	(1,329)	(75)	(23)	(331)	(236)	(590)	(541)	(164)	(165)	(2,424)	(2,294)
Land sales operations	(3,005)	(3,659)	(62)	(52)	(1,372)	(1,003)	(2,408)	(2,505)	(123)	(81)	(6,970)	(7,300)
Depreciation and amortization	(30)	(30)	—	—	(35)	(24)	(25)	(24)	(3)	(5)	(93)	(83)
Total Expenses	**$ (6,327)**	**$ (10,118)**	**$ (137)**	**$ (75)**	**$ (4,413)**	**$ (2,710)**	**$ (24,190)**	**$ (12,211)**	**$ (290)**	**$ (251)**	**$ (35,356)**	**$ (25,365)**
Net interest capitalized (expense)	(912)	(1,624)	142	137	2,462	2,466	3,868	4,367	(3)	9	5,557	5,355
Equity in earnings from real estate affiliates	—	—	—	—	—	—	5,280	—	—	—	5,280	—
EBT	**$ 1,104**	**$ 1,759**	**$ 15**	**$ 62**	**$ 13,416**	**$ 4,367**	**$ 29,942**	**$ 23,797**	**$ (291)**	**$ (240)**	**$ 44,186**	**$ 29,745**
Key Performance Metrics:												
Residential												
Total acres sold	4.5	4.1	—	—	18.6	11.1	37.7	118.1	NM	NM		
Price per acre achieved	$ 525	$ 601	NM	NM	$ 390	$ 380	$ 697	$ 357	NM	NM		
Avg. gross margins	52 %	61 %	NM	NM	69 %	66 %	45 %	63 %	NM	NM		
Commercial												
Total acres sold	10.4	4.3	—	—	—	—	—	—	NM	NM		
Price per acre achieved	$ 365	$ 2,420	NM	NM	NM	NM	NM	NM	NM	NM		
Avg. gross margins	76 %	60 %	NM	NM	NM	NM	NM	NM	NM	NM		
Avg. combined before-tax net margins	**67 %**	**60 %**	**NM**	**NM**	**69 %**	**66 %**	**45 %**	**63 %**	**NM**	**NM**		

Key Valuation Metrics:	Woodlands		Woodlands Hills		Bridgeland		Summerlin		Maryland
Remaining saleable acres									
Residential	307		1,439		2,474		3,740		NM
Commercial	752		171		1,530		826		108(a)
Projected est. % superpads / lot size	0 %	—	0 %	—	0 %	—	79 %	0.25 ac	NM
Projected est. % single-family detached lots / lot size	75 %	0.28 ac	87 %	0.32 ac	89 %	0.16 ac	0 %	—	NM
Projected est. % single-family attached lots / lot size	25 %	0.07 ac	13 %	0.13 ac	10 %	0.12 ac	0 %	—	NM
Projected est. % custom homes / lot size	0 %	—	0 %	—	1 %	1.0 ac	21 %	0.4 ac	NM
Estimated builder sale velocity (blended total) - Q1 2017	20		—		40		70		NM
Gross margin (GAAP), net of MUDs (b)	67.1 %		NM		69.3 %		45 %		NM
Projected cash gross margin, net of MUDs (b)	96.6 %		80.0 %		85.5 %		66.8 %		NM
Sellout date estimate									
Residential	2022		2029		2036		2035		—
Commercial	2025		2028		2045		2039		—

Notes

(a) Does not include 31 commercial acres held in the Strategic Development segment in Downtown Columbia.

(b) GAAP gross margin is based on GAAP revenues and expenses which exclude revenues deferred on sales closed where revenue did not meet criteria for recognition, and includes revenues previously deferred that met criteria for recognition in the current period. Gross margin for each MPC may vary from period to period based on the locations of the land sold and the related costs associated with developing the land sold. Projected cash gross margin includes all future projected revenue less all future projected development costs, net of expected reimbursable costs, and capitalized overhead, taxes and interest.

	Waiea (a)	Anaha	Ae'o	Ke Kilohana (b)	Total
Key Metrics					
Type of building	Ultra-Luxury	Luxury	Upscale	Workforce	
Number of units	174	317	466	424	1,381
Avg. unit s.f.	2,174	1,417	836	694	5,121
Condo s.f.	378,238	449,205	389,368	294,273	1,511,084
Street retail s.f.	8,000	16,000	67,000	22,000	113,000
Total s.f.	386,238	465,205	456,368	316,273	1,624,084
Development progress					
Status	Opened	U/C	U/C	U/C	
Start date (actual or est.)	2Q14	4Q14	1Q16	4Q16	
Completion date (actual or est.)	2Q17	3Q17	4Q18	2019	
Total development cost ($m)	$ 414.2	$ 401.3	$ 428.5	$ 218.9	$ 1,462.9
Cost-to-date ($m)	$ 377.0	$ 257.3	$ 92.6	$ 28.6	755.5
Remaining to be funded ($m)	$ 37.2	$ 144.0	$ 335.9	$ 190.3	$ 707.4
Financial Summary (Dollars in thousands, except per sq. ft.)					
# of units closed or under contract in 1Q17	163	301	289	387	1,140
Total % of units closed or under contract	94%	95 %	62 %	91 %	83 %
Number of units closed or under contract (current quarter)	3	3	24	1	31
Square footage closed or under contract (total)	335,991	401,304	219,328	256,666	1,213,289
Total % square footage closed or under contract	89%	89 %	56 %	87 %	80 %
Target condo profit margin at completion (excl. land cost)	—	—	—	—	30 %
Total cash received (closings & deposits)	—	—	—	—	$ 725,504
Total GAAP revenue recognized	—	—	—	—	$ 940,097
Expected avg. price per sq. ft.	$ 1,900 - $1,950	$ 1,100 - $1,150	$ 1,300 - $1,350	$ 700 - $750	$1,300 - $1,325
Expected construction costs per retail sq. ft.	—	—	—	—	$ 1,100
Deposit Reconciliation (Dollars in thousands)					
Deposits from sales commitment					
spent towards construction	N/A	$ 79,850	$ 0	$ 0	$ 79,850
held for future use (c) (d)	N/A	13,069	66,766	19,220	99,055
Total deposits from sales commitment	**N/A**	**$ 92,919**	**$ 66,766**	**$ 19,220**	**$ 178,905**

Notes

(a) We began delivering units at Waiea in November 2016. As of April 18, 2017, we've closed 150 units, we have 13 under contract, and 11 units remaining to be sold.
(b) Ke Kilohana consists of 375 workforce units and 49 market rate units.
(c) Only $0.8 million, $52.0 million, and $19.0 million can be used for development at Anaha, Ae`o and Ke Kilohana, respectively.
(d) Total deposits held for future use are shown in Other Assets on the balance sheet.

Property Name	City, State	% Own	Acres	Notes
Future Development				
The Elk Grove Collection	Elk Grove, CA	100 %	64	Plan to build a 400,000 Sq. Ft. outlet retail center. Recently sold 36 acres for $36 million in total proceeds.
Landmark Mall	Alexandria, VA	100 %	33	Plan to transform the mall into an open-air, mixed-use community. In January 2017, we acquired the 11.4 acre Macy's site for $22.2 million.
Cottonwood Mall	Holladay, UT	100 %	54	Under contract to sell in pieces. First closing expected in 2017.
Century Plaza Mall	Birmingham, AL	100 %	59	Mall is completely vacant. We are evaluating potential redevelopment opportunities.
Circle T Ranch and Power Center	Westlake, TX	50 %	207	50/50 joint venture with Hillwood Development Company. We sold 72-acres to an affiliate of Charles Schwab Corporation.
Kendall Town Center	Kendall, FL	100 %	70	Zoned for 730,000 Sq. Ft. of commercial space. Going through re-entitlement process.
West Windsor	West Windsor, NJ	100 %	658	Current zoning allows for approximately 6 million Sq. Ft. of commercial uses.
AllenTowne	Allen, TX	100 %	238	Located 27 miles north of Downtown Dallas. Agricultural property tax exemptions are in place for most of the property, significantly reducing carrying costs.
Bridges at Mint Hill	Charlotte, NC	91 %	210	Zoned for approximately 1.3 million Sq. Ft. of commercial uses.
Lakemoor Land	Volo, IL	100 %	40	Located 50 miles north of Chicago. The project is currently designated as farmland.
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.

(In thousands)	March 31, 2017	December 31, 2016
Fixed-rate debt:		
Collateralized mortgages, notes and loans payable	$ 1,283,481	$ 1,140,118
Special Improvement District bonds	40,886	44,023
Variable-rate debt:		
Collateralized mortgages, notes and loans payable, excluding condominium financing	1,309,436	1,363,472
Condominium financing	137,689	160,847
Mortgages, notes and loans payable	$ 2,771,492	$ 2,708,460
Deferred Financing Costs, net	(21,238)	(17,713)
Total consolidated mortgages, notes and loans payable	$ 2,750,254	$ 2,690,747
Total unconsolidated mortgages, notes and loans payable at pro-rata share	$ 71,520	$ 55,481
Total Debt	$ 2,821,773	$ 2,746,228

	Consolidated Debt Maturities and Contractual Obligations by Final Due Date (a)				
(In thousands)	2017	2018-2020	2021-2022	2023 and thereafter	Total
Mortgages, notes and loans payable, excluding condominium financing	$ 66,228	$ 860,692 (b)	$ 281,105	$ 1,425,778	$ 2,633,803
Condominium financing	—	137,689	—	—	137,689
Interest Payments	95,898	293,762	148,694	208,589	746,943
Ground lease and other leasing commitments	9,885	16,094	15,283	298,881	340,143
Total consolidated debt maturities and contractual obligations	$ 172,011	$ 1,308,237	$ 445,082	$ 1,933,248	$ 3,858,578

	Net Debt on a Segment Basis, at share					
(In thousands) Segment Basis (c)	Master Planned Communities	Operating Assets	Strategic Developments	Segment Totals	Non-Segment Amounts	Total
Mortgages, notes and loans payable, excluding condominium financing (c)	$ 252,535	$ 1,604,927	$ 32,153	$ 1,889,615	$ 794,469	$ 2,684,084
Condominium financing	—	—	137,689	137,689	—	137,689
Less: cash and cash equivalents (c)	(102,732)	(85,281)	(21,260)	(209,273)	(387,651)	(596,924)
Special Improvement District receivables	(61,129)	—	—	(61,129)	—	(61,129)
Municipal Utility District receivables	(160,189)	—	—	(160,189)	—	(160,189)
Net Debt	$ (71,515)	$ 1,519,646	$ 148,582	$ 1,596,713	$ 406,818	$ 2,003,531

(a) Mortgages, notes and loans payable and Short term condominium financing are presented based on extended maturity date. Extension periods generally can be exercised at our option at the initial maturity date, subject to customary extension terms that are based on property performance as of the initial maturity date and/or extension date. Such extension terms may include, but are not limited to, minimum debt service coverage, minimum occupancy levels or condominium sales levels, as applicable, and other performance criteria. In certain cases due to property performance not meeting covenants, we may have to pay down a portion of the loan in order to obtain the extension.
(b) Of this total, $150.0 million has been refinanced subsequent to March 31, 2017 and has an extended maturity date of 2021 (initial maturity in 2020 with a one-year extension option).
(c) Each segment includes our share of related cash and debt balances for all joint ventures included in Investments in Real estate and Other Affiliates. See our quarterly filing on Form 10-Q for further details.

Asset	Principal Balance	Contract Interest Rate	Interest Rate Hedge	Current Annual Interest Rate	Maturity Date (a)
Master Planned Communities					
The Woodlands Master Credit Facility (b)	$ 150,000	L+275	Floating	3.68 %	Mar-21
Bridgeland Credit Facility	65,000	4.60 %	Fixed	4.6 %	Nov-22
	$ 215,000				
Operating Assets					
1701 Lake Robbins (c)	$ 4,600	5.81 %	Fixed	5.81 %	Apr-17
1723-35 Hughes Landing Boulevard	109,876	L+165	Floating	2.58 %	Jun-19
70 Corporate Center	20,000	L+225	Floating	3.18 %	Jul-19
Downtown Summerlin	305,888	L+225	Floating	3.18 %	Jul-19
The Westin at The Woodlands	58,077	L+265	Floating	3.68 %	Aug-19
110 N. Wacker	21,759	5.21 %	Fixed	5.21 %	Oct-19
Outlet Collection at Riverwalk	55,293	L+275	Floating	3.68 %	Oct-19
Three Hughes Landing	36,462	L+235	Floating	3.28 %	Dec-19
Lakeland Village Center at Bridgeland	10,644	L+235	Floating	3.28 %	May-20
Embassy Suites at Hughes Landing	30,223	L+250	Floating	3.43 %	Oct-20
The Woodlands Resort & Conference Center	70,000	L+275	Floating	4.18 %	Dec-20
One Merriweather	34,072	L+215	Floating	3.08 %	Feb-21
HHC 242 Self-Storage	4,995	L+260	Floating	3.53 %	Oct-21
10-60 Corporate Centers / One Mall North	94,463	L+175	Floating	3.04 %	May-22
20/25 Waterway	13,825	4.79 %	Fixed	4.79 %	May-22
Millennium Waterway Apartments	55,584	3.75 %	Fixed	3.75 %	Jun-22
Ward Village	238,718	L+320	Floating	3.54 %	Sep-23
9303 New Trails	12,286	4.88 %	Fixed	4.88 %	Dec-23
4 Waterway Square	35,979	4.88 %	Fixed	4.88 %	Dec-23
3831 Technology Forest Drive	22,282	4.50 %	Fixed	4.50 %	Mar-26
Millennium Six Pines Apartments	42,500	3.39 %	Fixed	3.39 %	Aug-28
3 Waterway Square	51,279	3.94 %	Fixed	3.94 %	Aug-28
One Lake's Edge	69,440	4.50 %	Fixed	4.50 %	Mar-29
One Hughes Landing	52,000	4.30 %	Fixed	4.30 %	Dec-29
Two Hughes Landing	48,000	4.20 %	Fixed	4.20 %	Dec-30
Hughes Landing Retail	35,000	3.50 %	Fixed	3.50 %	Dec-36
Columbia Regional Building	25,000	4.48 %	Fixed	4.48 %	Feb-37
	$ 1,558,245				
Strategic Developments					
Waiea and Anaha	$ 137,689	L+675	Floating	7.68 %	Nov-19
Ke Kilohana	—	L+325	Floating	4.18 %	Dec-20
Two Merriweather	—	L+250	Floating	3.43 %	Oct-21
Ae'o	—	L+400	Floating	4.93 %	Dec-21
HHC 2978 Self-Storage	3,729	L+260	Floating	3.53 %	Jan-22
	$ 141,418				
Total (d)	**$ 1,914,663**				

Notes

(a) Maturity dates shown assumes all extension options are exercised.
(b) The Woodlands Master Credit Facility has been extended to 2021.
(c) Debt related to 1701 Lake Robbins was paid down in full in Q2-17.
(d) Excludes JV debt, Corporate level debt, and SID bond debt related to Summerlin MPC & Retail. Above balances are as of March 31, 2017.

Minimum Contractual Ground Lease Payments ($ in thousands)

					Future Cash Payments			
					Year Ended December 31			
Ground Leased Asset	Pro-Rata Share	Expiration Date	Three months ended March 31, 2017	2016	2017	2018	Thereafter	Total
Riverwalk (a)	100 %	2044-2046 (b)	$ 492	$ 3,334	$ 3,334	$ 2,454	$ 60,424	$ 66,212
Seaport	100 %	2031 (c)	381	1,429	1,550	1,594	205,641	208,786
Kewalo Basin Harbor	100 %	2049	75	300	300	300	9,300	9,900
				$ 5,064	$ 5,185	$ 4,348	$ 275,365	$ 284,898

(a) Includes base ground rent, deferred ground rent and the participation rent floor, as appropriate.
(b) Except for Port of New Orleans ground lease which has no termination date, and WTC license agreement expires in 2019 but can be extended by agreement of the parties.
(c) Initially expires 12/30/2031 but subject to options to extend through 12/31/2072.

Under Construction - Projects that reside in the Strategic segment for which construction has commenced as of March 31, 2017. This excludes MPC and condominium development.

Unstabilized - Properties in the Operating segment that have not been in service for more than 36 months and do not exceed 90% occupancy. If an office, retail or multifamily property has been in service for more than 36 months but does not exceed 90% occupany, the asset is considered underperforming and is included in Stabilized.

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

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

Reconciliation of Operating Assets segment EBT to Total NOI:

(In thousands)	Q1 2017 (a)	as filed Q4 2016	as filed Q3 2016	as filed Q2 2016	Q1 2016 (a)	as filed FY 2016	as filed FY 2015
Total Operating Assets segment EBT	$ 7,922	$ 5,761	$ (34,316)	$ 8,131	$ 403	$ (19,132)	$ (9,902)
Straight-line lease amortization	1,961	1,057	2,550	4,079	3,121	10,689	7,391
Demolition costs	(65)	(629)	(16)	(6)	—	(1,123)	(2,675)
Development-related marketing costs	(418)	(2,072)	(1,950)	(1,988)	(256)	(7,110)	(9,747)
Depreciation and Amortization	(22,789)	(21,767)	(20,732)	(22,613)	(21,201)	(86,313)	(89,075)
Provision for impairment	—	—	(35,734)	—	—	(35,734)	—
Write-off of lease intangibles and other	(27)	(60)	—	(117)	(1)	(60)	(671)
Other income, net	(178)	1,475	13	2,750	363	4,601	524
Equity in earnings from Real Estate Affiliates	3,385	185	(209)	899	1,908	2,802	1,883
Interest, net	(14,524)	(10,425)	(9,769)	(10,108)	(11,329)	(39,447)	(31,111)
Total Operating Assets NOI - Consolidated	40,577	37,997	31,531	35,235	27,798	132,563	113,579
<u>Redevelopments</u>							
South Street Seaport	—	92	186	(7)	—	(532)	(2,692)
Landmark Mall	—	(150)	—	—	(151)	(676)	(347)
Total Operating Asset Redevelopments NOI	—	(58)	186	(7)	(151)	(1,208)	(3,039)
<u>Dispositions</u>							
The Club at Carlton Woods	—	—	—	—	—	—	(942)
Park West	(14)	489	—	—	498	1,835	1,812
Total Operating Asset Dispositions NOI	(14)	489	—	—	498	1,835	870
Consolidated Operating Assets NOI excluding properties sold or in redevelopment	$ 40,591	$ 37,566	$ 31,345	$ 35,242	$ 27,451	$ 131,936	$ 115,748
Company's Share NOI - Equity investees	746	888	569	2,272	1,316	5,069	3,204
Distributions from Summerlin Hospital Investment	3,383	—	—	—	2,616	2,616	1,747
Total NOI	$ 44,720	$ 38,454	$ 31,914	$ 37,514	$ 31,383	$ 139,621	$ 120,699

Note:
(a)- Effective January 1, 2017, we moved South Street Seaport assets under construction and related activities out of the Operating Assets segment into the Strategic Developments segment. Amounts presented for Q1 2016 have been adjusted from previously reported to reflect this change.

Reconciliation of MPC Land Sales Closed to GAAP Land Sales Revenue:

(In thousands)	Q1 2017	Q1 2016	FY 2016	FY 2015
Total residential land sales closed in period	$ 35,881	$ 48,817	$ 163,142	$ 157,806
Total commercial land sales closed in period	3,799	10,405	10,753	36,002
Net recognized (deferred) revenue:				
Bridgeland	1,467	68	3,780	(11,136)
Summerlin	9,712	(17,380)	29,596	(16,043)
Total net recognized (deferred) revenue	11,179	(17,312)	33,376	(27,179)
Special Improvement District bond revenue	2,622	32	8,047	20,770
Total land sales revenue - GAAP basis	$ 53,481	$ 41,942	$ 215,318	$ 187,399
Total MPC segment revenue - GAAP basis	$ 68,706	$ 49,755	$ 253,304	$ 229,865