

Howard Hughes®



## Supplemental Information

Three months ended June 30, 2019

NYSE: HHC

# Cautionary Statements

## Forward Looking Statements

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

## Non-GAAP Financial Measures

Our financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP); however, we use certain non-GAAP performance measures in this presentation, in addition to GAAP measures, as we believe these measures improve the understanding of our operational results and make comparisons of operating results among peer companies more meaningful. Management continually evaluates the usefulness, relevance, limitations and calculation of our reported non-GAAP performance measures to determine how best to provide relevant information to the public, and thus such reported measures could change. The non-GAAP financial measures used in this presentation are funds from operations ("FFO"), core funds from operations ("Core FFO"), adjusted funds from operations ("AFFO") 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 estate depreciation and amortization and impairment charges (which we believe are not indicative of the performance of our operating portfolio). We calculate FFO in accordance with NAREIT's definition. Since FFO excludes depreciation and amortization, gains and losses from depreciable property dispositions, and impairments, it can provide a performance measure that, when compared year over year, reflects the impact on operations from trends in occupancy rates, rental rates, operating costs, acquisition, development activities and financing costs. This provides a perspective of our financial performance not immediately apparent from net income determined in accordance with GAAP. Core FFO is calculated by adjusting FFO to exclude the impact of certain non-cash and/or nonrecurring income and expense items, as set forth in the calculation herein. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FFO serves as a useful, supplementary measure of the ongoing operating performance of the core operations across all segments, and we believe it is used by investors in a similar manner. Finally, AFFO adjusts our Core FFO operating measure to deduct cash expended on recurring tenant improvements and capital expenditures of a routine nature to present an adjusted measure of Core FFO. Core FFO and AFFO are non-GAAP and non-standardized measures and may be calculated differently by other peer companies.

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

While FFO, Core FFO, AFFO and NOI are relevant and widely used measures of operating performance of real estate companies, they do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity or operating performance. FFO, Core FFO, AFFO and NOI do not purport to be indicative of cash available to fund our future cash requirements. Further, our computations of FFO, Core FFO, AFFO and NOI may not be comparable to FFO, Core FFO, AFFO and NOI reported by other real estate companies. We have included in this presentation a reconciliation from GAAP net income to FFO, Core FFO and AFFO, as well as reconciliations of our GAAP Operating Assets segment Earnings Before Taxes ("EBT") to NOI and Seaport District 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](http://www.howardhughes.com). Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other publicly filed or furnished documents are available and may be accessed free of charge through the "Investors" section of our website under the "SEC Filings" subsection, as soon as reasonably practicable after those documents are filed with, or furnished to, the SEC. Also available through the Investors section of our website are beneficial ownership reports filed by our directors, certain officers and shareholders on Forms 3, 4 and 5.

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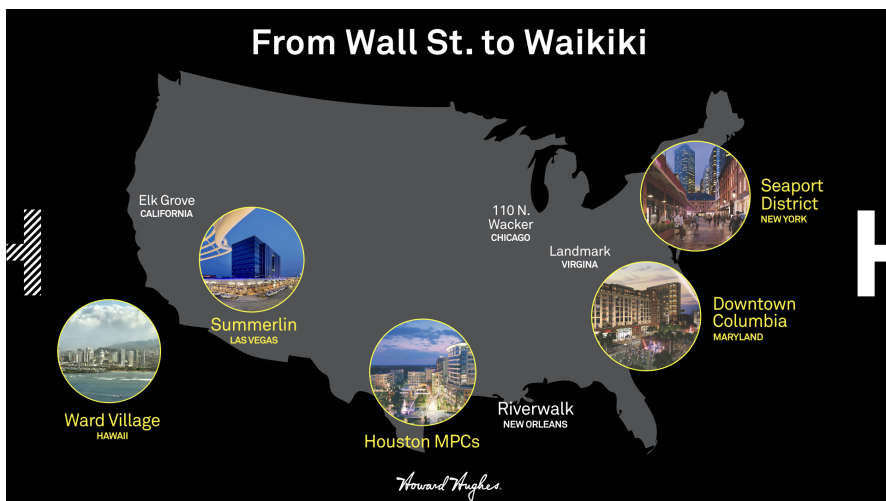
# Company Profile - Summary & Results

## Company Overview - Q2 2019

Exchange / Ticker	NYSE:	HHC
Share Price - June 30, 2019	\$	123.84
Diluted Earnings / Share	\$	0.31
FFO / Diluted Share	\$	1.21
Core FFO / Diluted Share	\$	1.52
AFFO / Diluted Share	\$	1.45

## Operating Portfolio by Region

### From Wall St. to Waikiki



## Recent Company Highlights

NEW YORK, June 27, 2019 -- (PRNewswire) -- The Howard Hughes Corporation (HHC) confirmed that its Board of Directors is conducting a broad review of potential strategic alternatives to maximize shareholder value. The Board has retained Centerview Partners to assist in its strategic review. A broad range of options is being considered including a sale, joint venture or spin-off of a portion of the company's assets; a recapitalization of the company; changes in the corporate structure of the company; or a sale of the company.

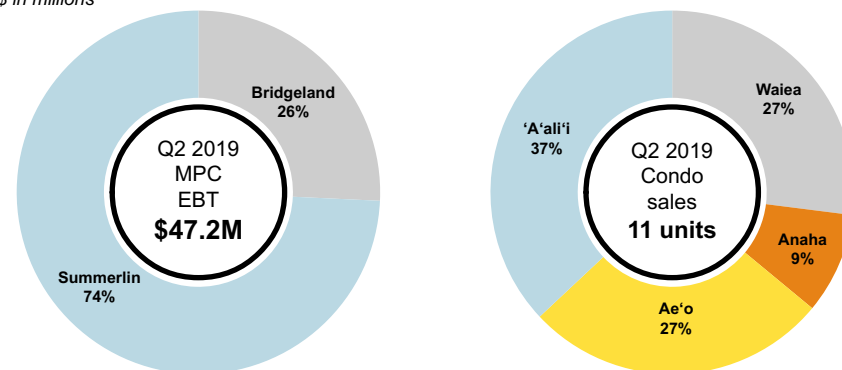
NEW YORK, June 24, 2019 -- (PRNewswire) -- HHC announced today it has secured a \$250 million term loan for the redevelopment of the Seaport District. The five-year loan is being provided by a consortium of leading financial institutions administered by Civitas Alternative Investments. The term loan has an initial rate of 6.10% for its first two years, followed by London Interbank Offered Rate (LIBOR) + 4.10% with a LIBOR cap of 2.30%.

NEW YORK, June 6, 2019 -- (PRNewswire) -- As part of a thoughtful and comprehensive approach to urban planning within the Seaport District, HHC has selected Skidmore, Owings & Merrill LLP (SOM) to advance a forward-looking plan for the continuing evolution of Seaport District properties. SOM brings highly relevant expertise to this important commission and will work with HHC and local stakeholders to create a compelling vision that respects the area's character, its local community, and the dynamic role the Seaport has played throughout New York City's history.

HONOLULU, May 15, 2019 -- (PRNewswire) -- HHC announced that it has begun welcoming residents to Ke Kilohana®, the first reserved housing tower and fourth mixed-use residential building to be delivered at Ward Village®, the award-winning 60-acre master planned community transforming Honolulu's urban core.

## Q2 2019 MPC & Condominium Results

\$ in millions



### Q2 2019 MPC EBT

Bridgeland	\$	12.1
Columbia		(0.3)
Summerlin		35.2
Woodlands/Woodlands Hills		0.2
<b>Total</b>	<b>\$</b>	<b>47.2</b>

### Q2 2019 Condo Units Contracted

Waiea	3
Anaha	1
Ke Kilohana	—
Ae'o	3
'A'ali'i	4
<b>Total (a)</b>	<b>11</b>

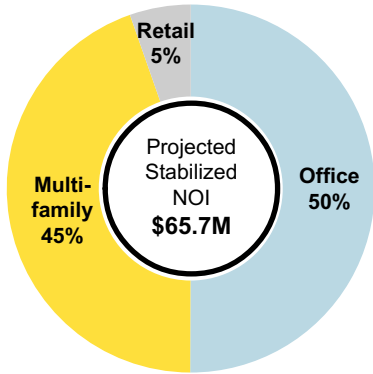
(a) Total not including Kō'ula, our newest building that began public sales in January 2019 and contracted 45 units this quarter. Kō'ula is excluded as we have not yet commenced construction.

# Company Profile - Summary & Results (con't)

## Path to Projected Annual Stabilized NOI

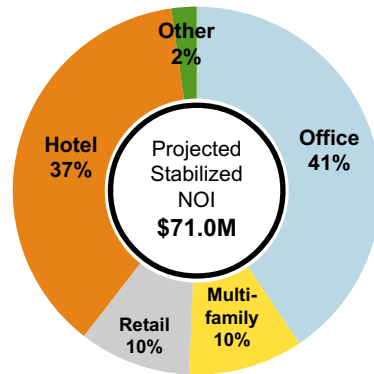
### Currently Under Construction

\$ in millions



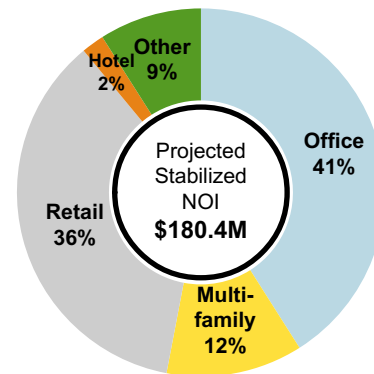
### Currently Unstabilized

\$ in millions



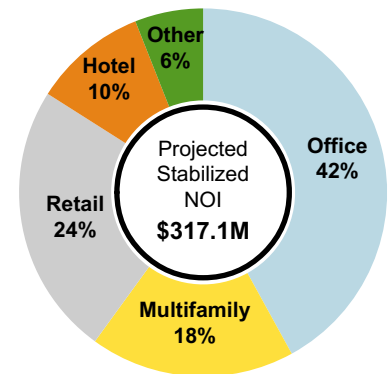
### Currently Stabilized

\$ in millions



### Total

\$ in millions



Property Type	Currently Under Construction	Currently Unstabilized	Currently Stabilized	Total
Retail & Office S.F.	2,353,219	1,459,376	5,572,289	9,384,884
Multi-family Units	1,510	729	1,601	3,840
Hotel Keys	—	704	205	909
Other Units	—	1,384	—	1,384
Projected Stabilized NOI \$	65.7	71.0	180.4	317.1

## Q2 2019 Operating Results by Property Type

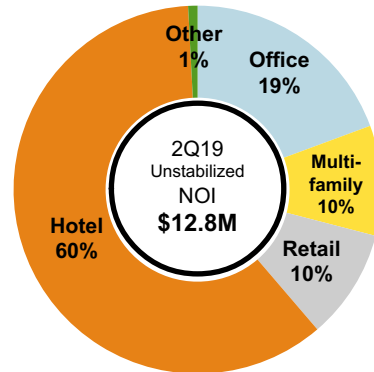
### Currently Under Construction

\$ in millions



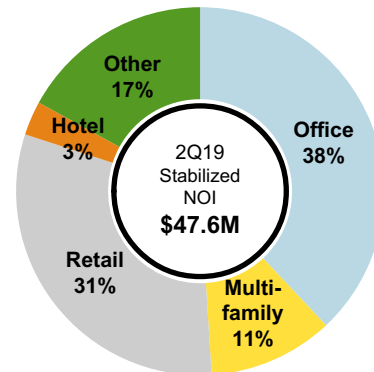
### Currently Unstabilized

\$ in millions



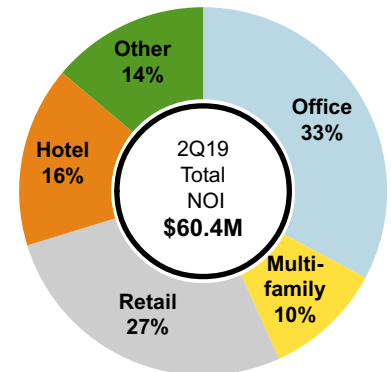
### Currently Stabilized

\$ in millions



### Total

\$ in millions



Path to Projected Annual Stabilized NOI charts exclude Seaport NOI, units, and square footage until we have greater clarity with respect to the performance of our tenants. See page 17 for Seaport NOI Yield and other project information. See page 29 for definitions of "Under Construction," "Unstabilized," "Stabilized" and "Net Operating Income (NOI)."

# Financial Summary

(\$ in thousands, except share price and billions)

	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	YTD Q2 2019	YTD Q2 2018
<b>Company Profile</b>							
Share price (a)	\$123.84	\$110.00	\$97.62	\$124.22	\$132.50	\$123.84	\$132.50
Market Capitalization (b)	\$5.4b	4.8b	4.2b	\$5.4b	\$5.7b	\$5.4b	\$5.7b
Enterprise Value (c)	\$8.3b	7.7b	7.0b	\$8.2b	\$8.3b	\$8.3b	\$8.3b
Weighted avg. shares - basic	43,113	43,106	43,075	43,066	42,573	43,109	43,014
Weighted avg. shares - diluted	43,271	43,257	43,250	43,317	42,942	43,263	43,386
Total diluted share equivalents outstanding	43,223	43,223	43,077	43,194	43,325	43,223	43,325
<b>Debt Summary</b>							
Total debt payable (d)	\$ 3,465,714	\$ 3,274,379	\$ 3,215,211	\$ 3,296,486	\$ 3,163,771	\$ 3,465,714	\$ 3,163,771
Fixed rate debt	\$ 1,904,165	\$ 1,675,207	\$ 1,663,875	\$ 1,651,695	\$ 1,643,194	\$ 1,904,165	\$ 1,643,194
Weighted avg. rate - fixed	5.18%	5.06%	5.17%	4.60%	4.60%	5.18%	4.60%
Variable rate debt, excluding condominium financing	\$ 1,561,549	\$ 1,494,918	\$ 1,454,579	\$ 1,411,932	\$ 1,355,523	\$ 1,561,549	\$ 1,355,523
Weighted avg. rate - variable	4.79%	4.85%	4.88%	4.78%	3.37%	4.79%	3.37%
Condominium debt outstanding at end of period	\$ —	\$ 104,254	\$ 96,757	\$ 232,859	\$ 165,054	\$ —	\$ 165,054
Weighted avg. rate - condominium financing	N/A	5.74%	5.75%	6.04%	5.93%	N/A	5.93%
Leverage ratio (debt to enterprise value)	41.17%	42.16%	45.49%	39.54%	37.59%	41.17%	37.59%

(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 costs.

# Financial Summary (con't)

(\$ in thousands)

## Earnings Profile

### Operating Assets Segment Income

	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	YTD Q2 2019	YTD Q2 2018
Revenues	\$ 106,604	\$ 89,107	\$ 80,940	\$ 83,676	\$ 85,905	\$ 195,711	\$ 170,529
Expenses	(47,901)	(42,754)	(41,348)	(42,786)	(40,849)	(90,655)	(82,441)
Company's Share NOI - Equity investees	1,688	5,089	1,952	1,343	791	6,777	4,801
Operating Assets NOI (a)	60,391	51,442	41,544	42,233	45,847	111,833	92,889
Avg. NOI margin	57%	58%	51%	50%	53%	57%	54%

### MPC Segment Earnings

Total revenues	72,859	50,896	47,786	143,135	62,765	123,755	118,530
Total expenses (b)	40,406	(28,679)	(25,864)	(70,298)	(37,088)	69,085	(73,537)
Interest (expense) income, net (c)	(8,283)	7,543	7,093	6,626	6,808	(15,826)	13,200
Equity in earnings in real estate and other affiliates	(6,499)	7,837	1,602	9,454	14,100	(14,336)	25,228
MPC Segment EBT (c)	47,235	37,597	30,617	88,917	46,585	84,832	83,421

### Seaport District Segment Income (d)

Revenues	12,325	6,586	9,278	12,852	3,848	18,911	6,749
Expenses	(15,212)	(10,571)	(12,794)	(15,798)	(3,383)	(25,783)	(5,766)
Company's Share NOI - Equity investees	(42)	(195)	(134)	(452)	(127)	(237)	(127)
Seaport District NOI (e)	(2,929)	(4,180)	(3,650)	(3,398)	338	(7,109)	856
Avg. NOI margin	(24%)	(63%)	(39%)	(26%)	9%	(38%)	13%

### Condo Gross Profit

Revenues (f)	235,622	198,310	317,953	8,045	20,885	433,932	31,722
Expenses (f)	(220,620)	(137,694)	(220,849)	(6,168)	(28,816)	(358,314)	(35,545)
Condo Net Income (f)	\$ 15,002	\$ 60,616	\$ 97,104	\$ 1,877	\$ (7,931)	\$ 75,618	\$ (3,823)

(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 NOI and the 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 estate taxes on 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 other segments 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 presented has 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 consistent with fiscal 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 on the new revenue standard adopted January 1, 2018.



# Balance Sheets

(In thousands, except par values and share amounts)

	Q2 2019	Q2 2018	FY 2018	FY 2017
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Assets:</b>				
Investment in real estate:				
Master Planned Communities assets	\$ 1,675,536	\$ 1,640,298	\$ 1,642,660	\$ 1,642,278
Buildings and equipment	3,136,130	2,390,097	2,932,963	2,238,617
Less: accumulated depreciation	(444,461)	(341,599)	(380,892)	(321,882)
Land	303,384	273,444	297,596	277,932
Developments	1,349,855	1,739,787	1,290,068	1,196,582
Net property and equipment	6,020,444	5,702,027	5,782,395	5,033,527
Investment in real estate and other affiliates	117,821	99,444	102,287	76,593
Net investment in real estate	6,138,265	5,801,471	5,884,682	5,110,120
Cash and cash equivalents	650,702	606,715	499,676	861,059
Restricted cash	197,898	129,654	224,539	103,241
Accounts receivable, net	19,980	13,471	12,589	13,041
Municipal Utility District receivables, net	273,169	222,857	222,269	184,811
Notes receivable, net	300	4,085	4,694	5,864
Deferred expenses, net	108,198	93,319	95,714	80,901
Operating lease right-of-use assets, net	71,176	—	—	—
Prepaid expenses and other assets, net	249,490	262,125	411,636	370,027
<b>Total assets</b>	<b>\$ 7,709,178</b>	<b>\$ 7,133,697</b>	<b>\$ 7,355,799</b>	<b>\$ 6,729,064</b>
<b>Liabilities:</b>				
Mortgages, notes and loans payable, net	\$ 3,422,490	\$ 3,137,773	\$ 3,181,213	\$ 2,857,945
Operating lease obligations	71,125	—	—	—
Deferred tax liabilities	166,033	141,799	157,188	160,850
Accounts payable and accrued expenses	697,763	703,514	779,272	521,718
<b>Total liabilities</b>	<b>4,357,411</b>	<b>3,983,086</b>	<b>4,117,673</b>	<b>3,540,513</b>
<b>Equity:</b>				
Common stock: \$.01 par value; 150,000,000 shares authorized, 43,661,694 shares issued and 43,141,845 outstanding as of June 30, 2019 and 43,511,473 shares issued and 42,991,624 outstanding as of December 31, 2018	437	436	436	433
Additional paid-in capital	3,329,062	3,314,197	3,322,433	3,302,502
Accumulated deficit	(75,043)	(180,967)	(120,341)	(109,508)
Accumulated other comprehensive loss	(28,542)	2,515	(8,126)	(6,965)
Treasury stock, at cost, 519,849 shares as of June 30, 2019 and December 31, 2018	(62,190)	(60,743)	(62,190)	(3,476)
Total stockholders' equity	3,163,724	3,075,438	3,132,212	3,182,986
Noncontrolling interests	188,043	75,173	105,914	5,565
<b>Total equity</b>	<b>3,351,767</b>	<b>3,150,611</b>	<b>3,238,126</b>	<b>3,188,551</b>
<b>Total liabilities and equity</b>	<b>\$ 7,709,178</b>	<b>\$ 7,133,697</b>	<b>\$ 7,355,799</b>	<b>\$ 6,729,064</b>
<b>Share Count Details (In thousands)</b>				
Shares outstanding at end of period (including restricted stock)	43,142	43,041	42,992	43,271
Dilutive effect of stock options (a)	81	127	117	200
Dilutive effect of warrants (b)	—	157	—	1,446
<b>Total diluted share equivalents outstanding</b>	<b>43,223</b>	<b>43,325</b>	<b>43,109</b>	<b>44,917</b>

(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.

*Howard Hughes*



# Statements of Operations

(In thousands, except per share amounts)

	Q2 2019	Q2 2018	YTD Q2 2019	YTD Q2 2018
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Revenues:</b>				
Condominium rights and unit sales	\$ 235,622	\$ 20,885	\$ 433,932	\$ 31,722
Master Planned Communities land sales	58,321	52,432	99,633	98,997
Minimum rents	54,718	50,509	108,804	99,912
Tenant recoveries	13,512	12,250	27,020	25,002
Hospitality revenues	25,576	22,569	48,505	45,630
Builder price participation	9,369	5,628	14,564	10,709
Other land revenues	5,569	4,712	10,298	8,843
Other rental and property revenues	28,629	12,020	42,450	21,869
<b>Total revenues</b>	<u>431,316</u>	<u>181,005</u>	<u>785,206</u>	<u>342,684</u>
<b>Expenses:</b>				
Condominium rights and unit cost of sales	220,620	28,816	358,314	35,545
Master Planned Communities cost of sales	28,006	26,383	44,824	52,426
Master Planned Communities operations	12,387	10,587	24,082	20,912
Other property operating costs	41,322	25,730	78,586	48,905
Rental property real estate taxes	9,674	7,502	19,505	15,629
Rental property maintenance costs	4,152	3,951	8,329	7,148
Hospitality operating costs	16,607	15,417	32,230	30,984
(Recovery) provision for doubtful accounts	(86)	1,359	(88)	2,135
Demolition costs	550	6,660	599	13,331
Development-related marketing costs	5,839	7,188	11,541	13,266
General and administrative	30,072	26,886	55,404	51,150
Depreciation and amortization	38,918	29,087	75,049	57,275
<b>Total expenses</b>	<u>408,061</u>	<u>189,566</u>	<u>708,375</u>	<u>348,706</u>
<b>Other:</b>				
Loss on sale or disposal of real estate	(144)	—	(150)	—
Other income, net	10,288	266	10,461	266
<b>Total other</b>	<u>10,144</u>	<u>266</u>	<u>10,311</u>	<u>266</u>
<b>Operating income (loss)</b>	33,399	(8,295)	87,142	(5,756)
Interest income	2,251	2,603	4,824	4,679
Interest expense	(24,203)	(18,903)	(47,529)	(35,512)
Equity in earnings from real estate and other affiliates	6,354	16,299	16,305	30,685
Income (loss) before taxes	17,801	(8,296)	60,742	(5,904)
Provision for (benefit from) income taxes	4,473	(2,417)	15,489	(1,859)
Net income (loss)	13,328	(5,879)	45,253	(4,045)
Net loss attributable to noncontrolling interests	149	791	45	431
<b>Net income (loss) attributable to common stockholders</b>	<u>\$ 13,477</u>	<u>\$ (5,088)</u>	<u>\$ 45,298</u>	<u>\$ (3,614)</u>
<b>Basic income (loss) per share</b>	\$ 0.31	\$ (0.12)	\$ 1.05	\$ (0.08)
<b>Diluted income (loss) per share</b>	\$ 0.31	\$ (0.12)	\$ 1.05	\$ (0.08)

# Reconciliations of Net Income to FFO, Core FFO and AFFO

(In thousands, except share amounts)

	Q2 2019	Q2 2018	YTD Q2 2019	YTD Q2 2018
	Unaudited	Unaudited	Unaudited	Unaudited
<b>RECONCILIATIONS OF NET INCOME TO FFO</b>				
Net income (loss) attributable to common stockholders	\$ 13,477	\$ (5,088)	\$ 45,298	\$ (3,614)
Adjustments to arrive at FFO:				
Segment real estate related depreciation and amortization	37,037	27,350	71,554	54,100
Loss on sale or disposal of real estate	144	—	150	—
Reconciling items related to noncontrolling interests	(149)	(791)	(45)	(431)
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	1,923	1,172	3,750	2,685
<b>FFO</b>	<b>\$ 52,432</b>	<b>\$ 22,643</b>	<b>\$ 120,707</b>	<b>\$ 52,740</b>
Adjustments to arrive at Core FFO:				
Severance expenses	\$ 69	\$ 63	\$ 923	\$ 281
Non-real estate related depreciation and amortization	1,880	1,738	3,495	3,175
Straight-line amortization	(2,020)	(3,088)	(4,154)	(6,428)
Deferred income tax expense (benefit)	4,118	(1,170)	14,821	(924)
Non-cash fair value adjustments related to hedging instruments	(92)	(652)	(220)	(868)
Share based compensation	2,928	2,828	5,653	5,354
Other non-recurring expenses (development related marketing and demolition costs)	6,389	13,848	12,140	26,597
Our share of the above reconciling items included in earnings from unconsolidated joint ventures	99	156	163	250
<b>Core FFO</b>	<b>\$ 65,803</b>	<b>\$ 36,366</b>	<b>\$ 153,528</b>	<b>\$ 80,177</b>
Adjustments to arrive at AFFO:				
Tenant and capital improvements	\$ (2,753)	\$ (4,633)	\$ (3,795)	\$ (9,165)
Leasing commissions	(370)	(1,051)	(788)	(1,450)
<b>AFFO</b>	<b>\$ 62,680</b>	<b>\$ 30,682</b>	<b>\$ 148,945</b>	<b>\$ 69,562</b>
<b>FFO per diluted share value</b>	<b>\$ 1.21</b>	<b>\$ 0.53</b>	<b>\$ 2.79</b>	<b>\$ 1.22</b>
<b>Core FFO per diluted share value</b>	<b>\$ 1.52</b>	<b>\$ 0.85</b>	<b>\$ 3.55</b>	<b>\$ 1.87</b>
<b>AFFO per diluted share value</b>	<b>\$ 1.45</b>	<b>\$ 0.71</b>	<b>\$ 3.44</b>	<b>\$ 1.62</b>

# NOI by Region, excluding the Seaport District

Property	% Ownership (a)	Total		Q2 2019 Occupied (#)		Q2 2019 Leased (#)		Q2 2019 Occupied (%)		Q2 2019 Leased (%)		Q2 2019 Annualized NOI (b)	Stabilized NOI (c)	Time to Stabilize (Years)
		Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units			
<b>Stabilized Properties</b>														
Office - Houston	100%	1,477,006	—	1,391,441	—	1,411,897	—	94%	—%	96%	—%	\$ 38,071	\$ 40,070	—
Office - Columbia	100%	1,256,848	—	1,149,127	—	1,196,360	—	91%	—%	95%	—%	22,045	22,779	—
Office - Summerlin	100%	387,813	—	386,327	—	386,327	—	100%	—%	100%	—%	11,100	10,200	—
Retail - Houston	100%	292,652	—	274,031	—	274,031	—	94%	—%	94%	—%	10,199	9,903	—
Retail - Columbia	100%	89,199	—	89,199	—	89,199	—	100%	—%	100%	—%	2,085	2,200	—
Retail - Hawaii	100%	925,490	—	867,243	—	867,243	—	94%	—%	94%	—%	18,608	19,800	—
Retail - Other	100%	267,886	—	248,666	—	259,092	—	93%	—%	97%	—%	6,082	6,500	—
Retail - Summerlin	100%	838,524	—	758,394	—	766,000	—	90%	—%	91%	—%	22,557	26,300	—
Multi-Family - Houston (d)	100%	23,280	1,097	23,126	1,031	23,126	1,056	99%	94%	99%	96%	15,349	16,600	—
Multi-Family - Columbia (d)	50%	13,591	380	13,591	362	13,591	367	100%	95%	100%	97%	2,762	2,900	—
Multi-Family - Summerlin	100%	—	124	—	123	—	123	—%	99%	—%	99%	2,220	2,200	—
Hospitality - Houston	100%	—	205	—	175	—	—	—%	85%	—%	—%	5,478	4,500	—
Other - Summerlin	100%	—	—	—	—	—	—	—%	—%	—%	—%	7,000	7,000	—
Other Assets (e)	—	—	—	—	—	—	—	—%	—%	—%	—%	9,004	9,409	—
<b>Total Stabilized Properties (f)</b>												<b>172,561</b>	<b>180,361</b>	<b>—</b>
<b>Unstabilized Properties</b>														
Office - Houston	100%	909,595	—	643,055	—	799,469	—	71%	—%	88%	—%	9,071	20,968	1.3
Office - Columbia	100%	124,635	—	92,141	—	92,141	—	74%	—%	74%	—%	1,291	3,500	2.0
Office - Summerlin	100%	144,615	—	113,994	—	141,886	—	79%	—%	98%	—%	993	3,500	1.0
Retail - Houston	100%	143,758	—	118,036	—	124,116	—	82%	—%	86%	—%	2,887	3,368	0.5
Retail - Hawaii	100%	108,747	—	75,397	—	104,281	—	69%	—%	96%	—%	1,842	3,759	0.3
Multi-Family - Houston	100%	—	292	—	232	—	243	—%	79%	—%	83%	1,729	3,500	1.0
Multi-Family - Columbia	50%	28,026	437	10,681	407	10,681	428	38%	93%	38%	98%	2,880	3,800	1.0
Hospitality - Houston	100%	—	704	—	459	—	—	—%	65%	—%	—%	21,799	27,000	1.0
Self Storage - Houston	100%	—	1,384	—	1,050	—	1,062	—%	76%	—%	77%	486	1,600	1.0
<b>Total Unstabilized Properties</b>												<b>\$ 42,977</b>	<b>\$ 70,995</b>	<b>1.2</b>

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

Property	% Ownership (a)	Total		Q2 2019 Occupied (#)		Q2 2019 Leased (#)		Q2 2019 Occupied (%)		Q2 2019 Leased (%)		Q2 2019 Annualized NOI (b)	Stabilized NOI (c)	Time to Stabilize (Years)
		Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units	Sq. Ft.	Units			
<b>Under Construction Properties</b>														
Office - Houston	100%	383,000	—	—	—	383,000	—	—%	—%	100%	—%	\$ (1)	\$ 9,500	0.5
Office - Columbia	100%	320,000	—	—	—	150,000	—	—%	—%	47%	—%	—	9,200	4.0
Office - Other	23%	1,500,000	—	—	—	1,000,000	—	—%	—%	67%	—%	—	14,421	4.0
Retail - Houston	100%	72,264	—	—	—	42,389	—	—%	—%	59%	—%	—	2,200	3.0
Retail - Hawaii	100%	11,336	—	—	—	—	—	—%	—%	—%	—%	—	637	3.0
Multi-Family - Houston	100%	—	861	—	—	—	—	—%	—%	—%	—%	—	15,914	3.6
Multi-Family - Columbia	100%	56,619	382	—	—	—	—	—%	—%	—%	—%	—	9,162	4.0
Multi-Family - Summerlin	100%	—	267	—	—	—	—	—%	—%	—%	—%	—	4,400	1.0
Other - Houston	100%	10,000	—	—	—	10,000	—	—%	—%	100%	—%	2	260	0.0
<b>Total Under Construction Properties</b>												<b>1</b>	<b>65,694</b>	<b>3.5</b>
<b>Total/ Wtd. Avg. for Portfolio</b>												<b>\$ 215,539</b>	<b>\$ 317,050</b>	<b>2.8</b>

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

(b) Annualized 2Q19 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 17 for Seaport District Est. stabilized yield and other project information.

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

(e) Other assets are primarily made up of our share of equity method investments not included in other categories. These assets can be found on page 14 of this presentation.

(f) For Stabilized Properties, the difference between 2Q19 Annualized NOI and Stabilized NOI is attributable to a number of factors which may include timing, free rent or other temporary abatements, tenant turnover and market factors.

# Stabilized Properties - Operating Assets Segment

(\$ in thousands)

Property	Location	% Ownership	Rentable Sq. Ft./Units	Q2 2019 % Occ.	Q2 2019 % Leased	Annualized Q2 2019 NOI	Est. Stabilized NOI
<b>Office</b>							
3 Waterway Square	Houston, TX	100 %	232,021	100 %	100 %	\$ 6,235	\$ 6,900
4 Waterway Square	Houston, TX	100 %	218,551	100 %	100 %	6,813	6,856
1400 Woodloch Forest	Houston, TX	100 %	95,667	74 %	74 %	1,488	1,900
1735 Hughes Landing Boulevard	Houston, TX	100 %	318,170	100 %	100 %	7,498	7,696
2201 Lake Woodlands Drive	Houston, TX	100 %	24,119	100 %	100 %	495	410
3831 Technology Forest	Houston, TX	100 %	95,078	100 %	100 %	2,446	2,268
9303 New Trails	Houston, TX	100 %	97,967	56 %	77 %	966	1,800
One Hughes Landing	Houston, TX	100 %	197,719	94 %	94 %	5,923	6,240
Two Hughes Landing	Houston, TX	100 %	197,714	98 %	98 %	6,206	6,000
10-70 Columbia Corporate Center	Columbia, MD	100 %	889,603	92 %	95 %	15,655	14,330
Columbia Office Properties	Columbia, MD	100 %	62,038	89 %	89 %	1,230	1,402
One Mall North	Columbia, MD	100 %	98,619	93 %	97 %	1,910	1,947
One Merriweather	Columbia, MD	100 %	206,588	91 %	95 %	3,251	5,100
Aristocrat	Las Vegas, NV	100 %	181,534	100 %	100 %	4,346	4,500
One Summerlin	Las Vegas, NV	100 %	206,279	99 %	99 %	6,754	5,700
<b>Total Office</b>			<b>3,121,667</b>			<b>71,216</b>	<b>73,049</b>
<b>Retail</b>							
20/25 Waterway Avenue	Houston, TX	100 %	50,062	85 %	85 %	1,690	2,013
1701 Lake Robbins	Houston, TX	100 %	12,376	100 %	100 %	561	400
2000 Woodlands Parkway	Houston, TX	100 %	7,900	100 %	100 %	214	217
Creekside Village Green	Houston, TX	100 %	74,670	92 %	92 %	2,516	2,097
Hughes Landing Retail	Houston, TX	100 %	126,131	100 %	100 %	4,399	4,375
Waterway Garage Retail	Houston, TX	100 %	21,513	78 %	78 %	819	800
Columbia Regional	Columbia, MD	100 %	89,199	100 %	100 %	2,085	2,200
Ward Village Retail	Honolulu, HI	100 %	925,490	94 %	94 %	18,608	19,800
Downtown Summerlin	Las Vegas, NV	100 %	838,524	90 %	91 %	22,557	26,300
Outlet Collection at Riverwalk	New Orleans, LA	100 %	267,886	93 %	97 %	6,082	6,500
<b>Total Retail</b>			<b>2,413,751</b>			<b>\$ 59,531</b>	<b>\$ 64,703</b>

# Stabilized Properties - Operating Assets Segment (con't)

(\$ in thousands)

Property	Location	% Ownership	Rentable Sq. Ft. / Units (a)	Q2 2019 % Occ. (a)	Q2 2019 % Leased (a)	Annualized Q2 2019 NOI	Est. Stabilized NOI
<b>Multi-family</b>							
Millennium Six Pines Apartments	Houston, TX	100%	314	88%	91%	\$ 4,258	\$ 4,500
Millennium Waterway Apartments	Houston, TX	100%	393	95%	98%	4,153	4,600
One Lakes Edge	Houston, TX	100%	23,280 / 390	99% / 98%	99% / 99%	6,938	7,500
The Metropolitan Downtown Columbia	Columbia, MD	50%	13,591 / 380	100% / 95%	100% / 97%	2,762	2,900
Constellation	Las Vegas, NV	100%	124	99%	99%	2,220	2,200
<b>Total Multi-family</b>			<b>36,871 / 1,601</b>			<b>20,331</b>	<b>21,700</b>
<b>Hotel</b>							
Embassy Suites at Hughes Landing (b)	Houston, TX	100%	205	85%	85%	5,478	4,500
<b>Total Hotel</b>			<b>205</b>			<b>5,478</b>	<b>4,500</b>
<b>Other</b>							
Sarofim Equity Investment	Houston, TX	20%	NA	NA	NA	1,891	2,202
Stewart Title of Montgomery County, TX	Houston, TX	50%	NA	NA	NA	862	1,117
Woodlands Ground Leases	Houston, TX	100%	NA	NA	NA	1,850	1,662
Hockey Ground Lease	Las Vegas, NV	100%	NA	NA	NA	503	458
Summerlin Hospital Medical Center	Las Vegas, NV	5%	NA	NA	NA	3,625	3,625
Las Vegas Ballpark (c)	Las Vegas, NV	100%	NA	NA	NA	7,000	7,000
Other Assets	Various	100%	NA	NA	NA	274	344
<b>Total Other</b>						<b>16,005</b>	<b>16,408</b>
<b>Total Stabilized</b>						<b>\$ 172,561</b>	<b>\$ 180,360</b>

(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 set relate to the multi-family asset.

(b) Hotel property percentage occupied is the average for Q2 2019.

(c) The Las Vegas Ballpark is home to the Las Vegas Aviators which HHC owns 100%.

# Unstabilized Properties - Operating Assets Segment

(\$ in thousands)

Project Name	Location	% Ownership	Rentable Sq. Ft. / Units	Q2 2019 % Occ. (a)	Q2 2019 % Leased (a)	Develop. Costs Incurred	Est. Total Cost (Excl. Land)	Annualized Q2 2019 NOI	Est. Stabilized NOI (b)	Est. Stab. Date	Est. Stab. Yield
<b>Office</b>											
Three Hughes Landing	Houston, TX	100%	320,815	78%	82%	\$ 79,692	\$ 90,133	\$ 4,379	\$ 7,600	2020	8%
1725 Hughes Landing	Houston, TX	100%	331,754	78%	95%	58,764	74,994	5,275	6,900	2020	9%
Lakefront North (c)	Houston, TX	100%	257,026	51%	86%	55,070	77,879	(583)	6,468	2021	8%
Two Merriweather	Columbia, MD	100%	124,635	74%	74%	33,740	40,941	1,291	3,500	2021	9%
Two Summerlin	Las Vegas, NV	100%	144,615	79%	98%	42,939	49,421	993	3,500	2020	7%
<b>Total Office</b>			<b>1,178,845</b>			<b>270,205</b>	<b>333,368</b>	<b>11,355</b>	<b>27,968</b>		
<b>Retail</b>											
Lakeland Village Center	Houston, TX	100%	83,497	80%	83%	14,489	\$ 15,478	1,462	1,700	Q4 2019	11%
Ke Kilohana (d)	Honolulu, HI	100%	21,900	—%	100%	—	—	—	1,050	Q4 2019	n.a.
Anaha & Ae'o Retail (d)	Honolulu, HI	100%	86,847	79% / 89%	93% / 95%	—	—	1,842	2,709	Q4 2019	n.a.
Lake Woodlands Crossing	Houston, TX	100%	60,261	85%	91%	10,522	15,381	1,425	1,668	2020	11%
<b>Total Retail</b>			<b>252,505</b>			<b>25,011</b>	<b>30,859</b>	<b>4,729</b>	<b>7,127</b>		
<b>Multi-family</b>											
m.flats & TEN.M	Columbia, MD	50%	28,026 / 437	38% / 93%	38% / 98%	54,165	54,673	2,880	3,800	2020	7%
Creekside Apartments	Houston, TX	100%	292	79%	83%	40,058	42,111	1,729	3,500	2020	8%
<b>Total Multi-family</b>			<b>28,026 / 729</b>			<b>94,223</b>	<b>96,784</b>	<b>4,609</b>	<b>7,300</b>		
<b>Hotel</b>											
The Woodlands Resort & Conference Center	Houston, TX	100%	402	55%	55%	72,360	72,360	13,399	16,500	2020	8%
The Westin at The Woodlands	Houston, TX	100%	302	78%	78%	97,304	98,444	8,400	10,500	2020	11%
<b>Total Hotel</b>			<b>704</b>			<b>169,664</b>	<b>170,804</b>	<b>21,799</b>	<b>27,000</b>		
<b>Other</b>											
HHC 242 Self-Storage	Houston, TX	100%	639	80%	80%	8,228	8,228	253	800	2020	10%
HHC 2978 Self-Storage	Houston, TX	100%	745	73%	74%	7,828	7,828	233	800	2020	10%
<b>Total Other</b>			<b>1,384</b>			<b>16,056</b>	<b>16,056</b>	<b>486</b>	<b>1,600</b>		
<b>Total Unstabilized</b>						<b>\$ 575,159</b>	<b>\$ 647,871</b>	<b>\$ 42,977</b>	<b>\$ 70,995</b>		

(a) With the exception of Hotel properties, Percentage Occupied and Percentage Leased are as of June 30, 2019. Each Hotel property Percentage Occupied is the average for Q2 2019. 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 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 23 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	Est. Stab. Yield
<b>Office</b>											
110 North Wacker (c)	Chicago, IL	23% (d)	1,500,000	67%	Under Construction	Q2 2018	2023	\$ 16,078	\$ 16,078	\$ 14,421	8%
100 Fellowship Drive	Houston, TX	100%	203,000	100%	Under Construction	Q1 2017	Q3 2019	52,443	63,278	5,100	8%
8770 New Trails	Houston, TX	100%	180,000	100%	Under Construction	Q1 2019	2020	3,484	45,985	4,400	10%
6100 Merriweather and Garage	Columbia, MD	100%	320,000	47%	Under Construction	Q2 2018	2023	64,138	138,221	9,200	7%
<b>Total Office</b>			<b>2,203,000</b>					<b>136,143</b>	<b>263,562</b>	<b>33,121</b>	
<b>Retail</b>											
'A'ali'i (e)	Honolulu, HI	100%	11,336	—%	Under Construction	Q4 2018	2022	—	—	637	—%
Creekside Park West	Houston, TX	100%	72,264	59%	Under Construction	Q4 2018	2022	5,807	22,625	2,200	10%
<b>Total Retail</b>			<b>83,600</b>					<b>5,807</b>	<b>22,625</b>	<b>2,837</b>	
<b>Other</b>											
Hughes Landing Daycare	Houston, TX	100%	10,000	100%	Under Construction	Q3 2018	Q4 2019	1,479	3,206	260	8%
<b>Total Other</b>			<b>10,000</b>					<b>1,479</b>	<b>3,206</b>	<b>260</b>	
<b>Multi-family</b>											
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	Est. Stab. Yield
Juniper Apartments (f)	Columbia, MD	100%	56,619 / 382	\$ 2,053	Under Construction	Q2 2018	2023	\$ 32,217	\$ 116,386	\$ 9,162	8%
Tanager Apartments	Las Vegas, NV	100%	267	1,924	Under Construction	Q1 2018	2020	39,986	59,276	4,400	7%
Two Lakes Edge	Houston, TX	100%	386	2,690	Under Construction	Q2 2018	2024	37,769	107,706	8,529	8%
Lakeside Row	Houston, TX	100%	312	1,686	Under Construction	Q2 2018	2021	22,566	48,412	3,875	8%
Millennium Phase III	Houston, TX	100%	163	2,595	Under Construction	Q2 2019	2021	1,027	45,033	3,510	8%
<b>Total Multi-family</b>			<b>56,619 / 1,510</b>					<b>133,565</b>	<b>376,813</b>	<b>29,476</b>	
<b>Total Under Construction</b>								<b>\$ 276,994</b>	<b>\$ 666,206</b>	<b>\$ 65,694</b>	

(a) Represents leases signed as of June 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 second 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 Cost (Excl. Land) represents HHC's total cash equity requirement. Develop. Costs Incurred represent HHC's equity in the project at June 30, 2019. Est. Stabilized NOI Yield is based on the projected building NOI at stabilization and our percentage ownership of the equity capitalization of the project. It does not include the impact of the partnership distribution waterfall.

(d) 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 result of the modification and our reduced future funding commitments, our effective ownership percentage is 22.9%. Our share of estimated stabilized NOI has therefore decreased, but the 8% yield remains unchanged as our funding 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 23 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)	Q2 2019 Total
	Historic District & Pier 17	Multi-Family (d)	Hospitality (e)	Historic District & Pier 17	Tin Building (f)		
<b>Revenues</b>							
Rental revenue (g)	\$ 1,670	\$ 240	\$ 749	\$ 5	\$ —	\$ —	\$ 2,664
Tenant recoveries	357	—	—	—	—	—	357
Other rental and property revenue	(29)	—	30	5,505	—	4,548	10,054
<b>Total Revenues</b>	<b>1,998</b>	<b>240</b>	<b>779</b>	<b>5,510</b>	<b>—</b>	<b>4,548</b>	<b>13,075</b>
<b>Expenses</b>							
Other property operating costs (g)	(3,282)	(130)	(795)	(6,398)	—	(5,399)	(16,004)
<b>Total Expenses</b>	<b>(3,282)</b>	<b>(130)</b>	<b>(795)</b>	<b>(6,398)</b>	<b>—</b>	<b>(5,399)</b>	<b>(16,004)</b>
<b>Net Operating Income - Seaport District (h)</b>	<b>\$ (1,284)</b>	<b>\$ 110</b>	<b>\$ (16)</b>	<b>\$ (888)</b>	<b>\$ —</b>	<b>\$ (851)</b>	<b>\$ (2,929)</b>
<b>Project Status</b>	Unstabilized	Stabilized	Unstabilized	Unstabilized	Under Construction	Unstabilized	
<b>Rentable Sq. Ft / Units</b>							
Total Sq. Ft. / units	282,237	13,000 / 21	66	88,995	53,396	28,598	
Leased Sq. Ft. / units (i)	133,199	— / 21	34	88,995	53,396	28,598	
% Leased or occupied (i)	47%	—% / 100%	52%	100%	100%	100%	
<b>Development (j)</b>							
Development costs incurred	\$ 495,695	\$ —	\$ —	\$ —	\$ 55,299	\$ —	\$ 550,994
Estimated total costs (excl. land)	\$ 595,018	\$ —	\$ —	\$ —	\$ 173,452	\$ —	\$ 768,470

## Stabilization Statistics - Seaport Uplands, Pier 17 and Tin Building (\$ in thousands)

Est. stabilized NOI (k)	\$43,000 - \$58,000
Est. stabilized year	2022
Est. stabilized yield	6% - 8%

(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 months ended June 30, 2019, our managed businesses include, among others, 10 Corso Como Retail and Café, SJP by Sarah Jessica Parker, R17 and Cobble & Co.

(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 Q2 2019.

(f) Represents the food hall by Jean-Georges.

(g) Rental revenue and expense earned from and paid by businesses we own and operate is eliminated in consolidation.

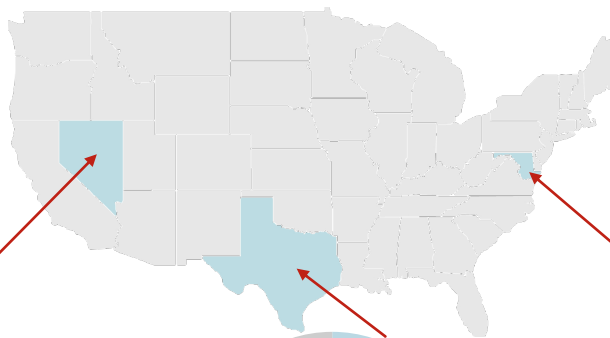
(h) See page 31 for the reconciliation of Seaport District NOI.

(i) 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. The decrease from Q1 2019 is due to the closing of Abercrombie & Fitch. Including managed businesses, events, sponsorships, catering and the Tin Building, we are approximately 67% leased.

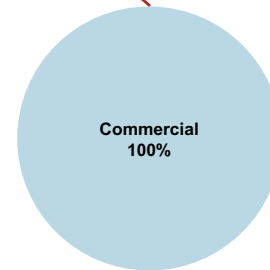
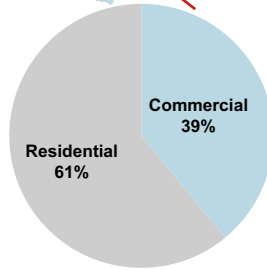
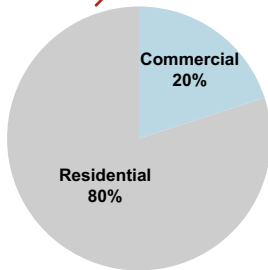
(j) Development costs incurred and Estimated total costs (excl. land) are shown net of insurance proceeds of approximately \$65.0 million.

(k) The expected range of stabilized yields is wider than our other projects because the Seaport District has a greater range of possible outcomes than our other projects, which may cause the ultimate results to fall outside of the expected range. The increased uncertainty is largely the result of (i) business operating risks, (ii) seasonality, (iii) potential sponsorship revenue and (iv) event revenue.

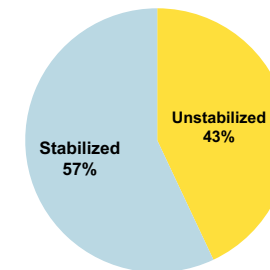
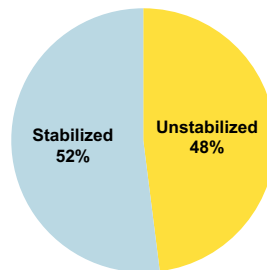
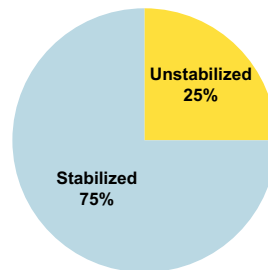
# MPC Portfolio



**Master Planned Communities- Remaining Saleable Acres (a)**



**Income Producing Assets - Stabilized and Unstabilized**



(\$ in thousands)

**MPC Performance - 2Q19 & 2Q18**

MPC Net Contribution (2Q19) (b)

MPC Net Contribution (2Q18) (b)

**Operating Asset Performance - 2019 & Future**

Annualized 2Q19 in-place NOI

Est. stabilized NOI (future) (d)

Wtd. avg. time to stab. (yrs.)

	Nevada	Texas	Maryland	Total (c)
MPC Net Contribution (2Q19) (b)	\$18,190	\$(10,679)	\$(329)	\$7,182
MPC Net Contribution (2Q18) (b)	\$20,525	\$(12,344)	\$(177)	\$8,004
Annualized 2Q19 in-place NOI	\$47,998	\$109,639	\$31,069	\$188,706
Est. stabilized NOI (future) (d)	\$57,683	\$160,340	\$53,541	\$271,564
Wtd. avg. time to stab. (yrs.)	1.0	2.4	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 June 30, 2019 is found under Reconciliation of Non-GAAP Measures on page 30.

(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	The Woodlands Hills	Bridgeland	Summerlin	Columbia	Total	Hawai'i	Seaport	Other	Total
	Houston, TX	Houston, TX	Houston, TX	Las Vegas, NV	Columbia, MD	MPC Regions	Honolulu, HI	New York, NY		Non-MPC
<b>Operating - Stabilized Properties</b>										
Office Sq.Ft..	1,477,006	—	—	387,813	1,256,848	3,121,667	—	—	—	—
Retail Sq. Ft.	315,932	—	—	838,524	102,790	1,257,246	925,490	13,000	267,886	1,206,376
Multifamily units	1,097	—	—	124	380	1,601	—	21	—	21
Hotel Rooms	205	—	—	—	—	205	—	—	—	—
Self Storage Units	—	—	—	—	—	—	—	—	—	—
<b>Operating - Unstabilized Properties</b>										
Office Sq.Ft..	909,595	—	—	144,615	124,635	1,178,845	—	—	—	—
Retail Sq.Ft. (a)	60,261	—	83,497	—	28,026	171,784	108,747	399,830	—	508,577
Multifamily units	292	—	—	—	437	729	—	—	—	—
Hotel rooms	704	—	—	—	—	704	—	66	—	66
Self Storage Units	1,384	—	—	—	—	1,384	—	—	—	—
<b>Operating - Under Construction Properties</b>										
Office Sq.Ft..	383,000	—	—	—	320,000	703,000	—	—	1,500,000	1,500,000
Retail Sq. Ft.	72,264	—	—	—	56,619	128,883	11,336	53,396	—	64,732
Other Sq. Ft.	10,000	—	—	—	—	10,000	—	—	—	—
Multifamily units	549	—	312	267	382	1,510	—	—	—	—
Hotel rooms	—	—	—	—	—	—	—	—	—	—
Self Storage Units	—	—	—	—	—	—	—	—	—	—
<b>Residential Land</b>										
Total gross acreage/condos (b)	28,505 ac.	2,055 ac.	11,506 ac.	22,500 ac.	16,450 ac.	81,016 ac.	2,132	n.a.	n.a.	2,132
Current Residents (b)	117,100	36	10,100	110,000	112,000	349,236	n.a.	n.a.	n.a.	—
Remaining saleable acres/condos	108	1,369	2,244	3,246	n.a.	6,967	151	n.a.	n.a.	151
Estimated price per acre (c)	652	318	410	565	n.a.	—	n.a.	n.a.	n.a.	—
<b>Commercial Land</b>										
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.

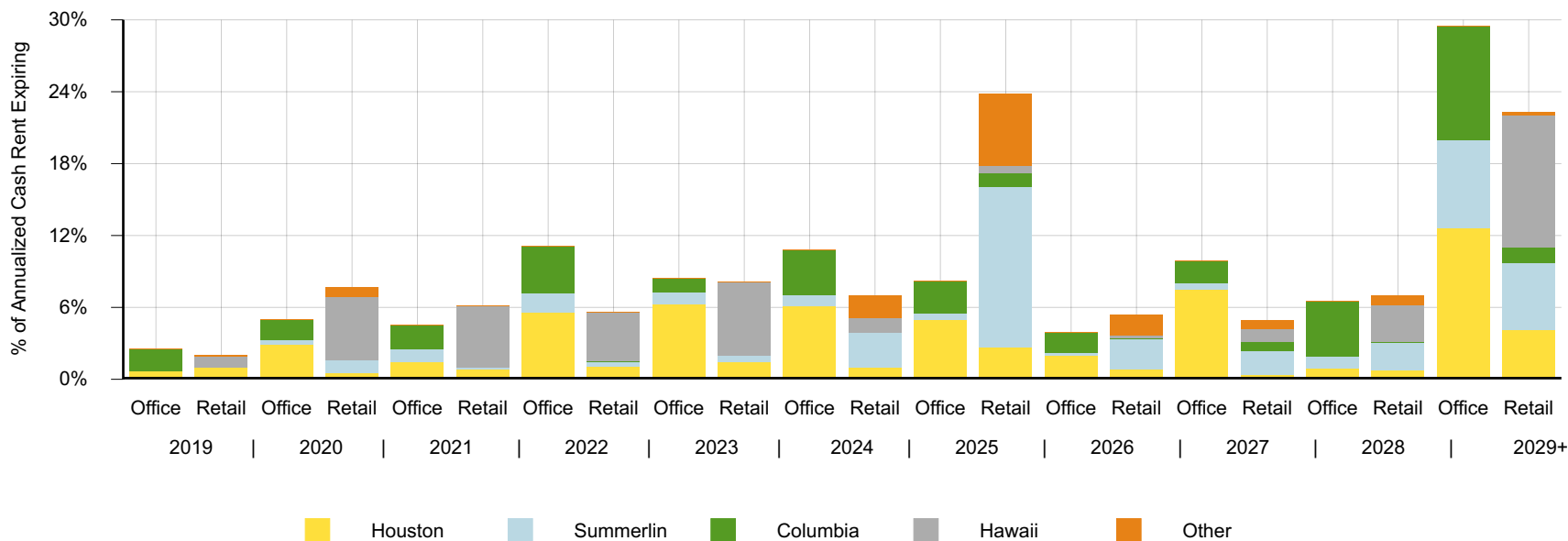
(a) Retail Sq. Ft. within the Summerlin region excludes 381,767 Sq. Ft. of anchors.

(b) Acreage shown as of June 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

## Office and Retail Lease Expirations Total Office and Retail Portfolio as of June 30, 2019



Expiration Year	Office Expirations (a)			Retail Expirations (a)		
	Annualized Cash Rent (In thousands)	Percentage of Annualized Cash Rent	Wtd. Avg. Annualized Cash Rent Per Leased Sq. Ft.	Annualized Cash Rent (In thousands)	Percentage of Annualized Cash Rent	Wtd. Avg. Annualized Cash Rent Per Leased Sq. Ft.
2019	\$ 3,969	2.60%	\$ 21.84	\$ 2,167	2.00%	\$ 34.49
2020	7,582	4.97%	29.97	8,368	7.74%	50.24
2021	6,719	4.40%	31.91	6,524	6.04%	26.80
2022	16,781	11.00%	32.54	6,117	5.66%	45.98
2023	12,889	8.45%	29.74	8,634	7.99%	46.16
2024	16,386	10.74%	30.59	7,663	7.09%	42.52
2025	12,383	8.12%	34.78	25,687	23.77%	54.47
2026	5,994	3.93%	36.16	5,837	5.40%	38.63
2027	15,100	9.90%	29.49	5,357	4.96%	40.61
2028	9,824	6.44%	42.08	7,662	7.09%	46.58
Thereafter	44,924	29.45%	39.20	24,070	22.26%	25.52
<b>Total</b>	<b>\$ 152,551</b>	<b>100.00%</b>		<b>\$ 108,086</b>	<b>100.00%</b>	

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

# Acquisition / Disposition Activity

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

## Q2 2019 Acquisitions

Date Acquired	Property	% Ownership	Location	Rentable Sq. Ft. / Units / Acres	Acquisition Price
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No acquisition activity in Q2 2019

## Q2 2019 Dispositions

Date Sold	Property	% Ownership	Location	Rentable Sq. Ft. / Units / Acres	Sale Price
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No disposition activity in Q2 2019

# Master Planned Community Land

(\$ in thousands)	The Woodlands		The Woodlands Hills		Bridgeland		Summerlin		Maryland		Total	
	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018
<b>Revenues:</b>												
Residential land sale revenues	\$ 9,013	\$ 10,910	\$ 3,142	\$ 2,273	\$ 16,432	\$ 9,011	\$ 29,701	\$ 28,838	\$ —	\$ —	\$ 58,288	\$ 51,032
Commercial land sale revenues	—	—	—	—	34	1,400	—	—	—	—	34	1,400
Builder price participation	89	90	44	—	280	125	8,956	5,413	—	—	9,369	5,628
Other land sale revenues	1,884	1,795	1	4	71	42	3,212	2,864	—	—	5,168	4,705
<b>Total revenues</b>	<b>10,986</b>	<b>12,795</b>	<b>3,187</b>	<b>2,277</b>	<b>16,817</b>	<b>10,578</b>	<b>41,869</b>	<b>37,115</b>	<b>—</b>	<b>—</b>	<b>72,859</b>	<b>62,765</b>
<b>Expenses:</b>												
Cost of sales - residential land	(4,576)	(4,209)	(1,613)	(1,043)	(6,377)	(3,010)	(15,432)	(17,789)	—	—	(27,998)	(26,051)
Cost of sales - commercial land	—	—	—	—	(8)	(331)	—	—	—	—	(8)	(331)
Real estate taxes	(1,237)	(1,528)	(67)	(83)	(500)	(430)	(815)	(674)	(129)	(150)	(2,748)	(2,865)
Land sales operations	(4,263)	(3,301)	(1,148)	(482)	(1,795)	(1,656)	(2,259)	(2,133)	(173)	(184)	(9,638)	(7,756)
Depreciation and amortization	(34)	(34)	—	—	(33)	(33)	(20)	(19)	—	—	(87)	(86)
Other (loss) income, net	73	—	—	—	—	—	—	—	—	—	73	—
<b>Total operating expenses</b>	<b>(10,037)</b>	<b>(9,072)</b>	<b>(2,828)</b>	<b>(1,608)</b>	<b>(8,713)</b>	<b>(5,460)</b>	<b>(18,526)</b>	<b>(20,615)</b>	<b>(302)</b>	<b>(334)</b>	<b>(40,406)</b>	<b>(37,089)</b>
Net interest capitalized (expense)	(1,316)	(1,175)	303	206	3,971	3,155	5,325	4,471	—	151	8,283	6,808
Equity in earnings from real estate affiliates	—	—	—	—	—	—	6,499	14,100	—	—	6,499	14,100
<b>EBT</b>	<b>\$ (367)</b>	<b>\$ 2,548</b>	<b>\$ 662</b>	<b>\$ 875</b>	<b>\$ 12,075</b>	<b>\$ 8,273</b>	<b>\$ 35,167</b>	<b>\$ 35,071</b>	<b>\$ (302)</b>	<b>\$ (183)</b>	<b>\$ 47,235</b>	<b>\$ 46,584</b>

## Key Performance Metrics:

### Residential

Total acres closed in current period	16.1	13.7	11.1	8.8	40.7	22.6	44.3	38.6	NM	NM
Price per acre achieved (a)	\$560	\$798	\$283	\$260	\$404	\$399	\$692	\$592	NM	NM
Avg. gross margins	49.2%	61.4%	48.7%	54.1%	61.2%	66.6%	48.0%	38.3%	NM	NM

### Commercial

Total acres closed in current period	—	—	—	—	—	2.0	—	—	—	—
Price per acre achieved	NM	NM	NM	NM	NM	\$573	NM	NM	NM	NM
Avg. gross margins	NM	NM	NM	NM	NM	76.4%	NM	NM	NM	NM
Avg. combined before-tax net margins	49.2%	61.0%	48.7%	54.0%	61.2%	68.0%	48.0%	38.0%	NM	NM

## Key Valuation Metrics

### Remaining saleable acres

	The Woodlands	The Woodlands Hills	Bridgeland	Summerlin	Maryland
Residential	108 (b)	1,369	2,244	3,246	—
Commercial	737	175	1,543	831	96 (c)
Projected est. % superpads / lot size	—% / —	—% / —	—% / —	88% / 0.25 ac	NM
Projected est. % single-family detached lots / lot size	56% / 0.32 ac	86% / 0.23 ac	89% / 0.17 ac	—% / —	NM
Projected est. % single-family attached lots / lot size	44% / 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) (d)	33	9	68	100	NM
Projected GAAP gross margin, residential / commercial (e)	55.5% / 75.6%	62.4% / 62.4%	66.6% / 66.6%	53.7% / 53.7%	NM
Projected cash gross margin (f)	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 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.
- (c) Does not include 31 commercial acres held in the Strategic Developments segment in Downtown Columbia.
- (d) Represents the average monthly builder homes sold over the last twelve months ended June 30, 2019.
- (e) 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 previously deferred that met criteria for recognition in the current period. The projected margin is the Company's estimate of the 2019 margin.
- (f) 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 based on the 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)	Total (h)
<b>Key Metrics (\$ in thousands)</b>						
Type of building	Ultra-Luxury	Luxury	Upscale	Workforce	Upscale	
Number of units	177 (f)	317	465	423	750	2,132
Avg. unit Sq. Ft.	2,138	1,417	838	696	518	891
Condo Sq. Ft.	378,488	449,205	389,663	294,273	388,210	1,899,839
Street retail Sq. Ft.	8,200	16,100	70,800	21,900	11,336	128,336
Stabilized retail NOI	\$ 453	\$ 1,152	\$ 1,557	\$ 1,081	\$ 637	\$ 4,880
Stabilization year	2017	2019	2019	2020	2022	
<b>Development progress (\$ in millions)</b>						
Status	Opened	Opened	Opened	Opened	Under Construction	
Start date	2Q14	4Q14	1Q16	4Q16	4Q18	
Completion date/status	Complete	Complete	Complete	Complete	2021	
Total development cost	\$ 452	\$ 401	\$ 430	\$ 219	\$ 412	\$ 1,914
Cost-to-date	\$ 410	\$ 390	\$ 385	\$ 211	\$ 65	\$ 1,461
<b>Remaining to be funded</b>	<b>\$ 42</b>	<b>\$ 11</b>	<b>\$ 45</b>	<b>\$ 8</b>	<b>\$ 347</b>	<b>\$ 453</b>
<b>Financial Summary (\$ in thousands, except per Sq. Ft.)</b>						
Units closed (through Q2 2019)	169	314	463	418	—	1,364
Units under contract (through Q2 2019)	2	—	1	2	612	617
Total % of units closed or under contract	96.6%	99.1%	99.8%	99.3%	81.6%	92.9%
Units closed (current quarter)	3	1	3	418	—	425
Units under contract (current quarter)	3	1	3	—	4	11
Square footage closed or under contract (total)	357,479	434,157	388,680	292,056	298,075	1,770,447
Total % square footage closed or under contract	94.4%	96.7%	99.7%	99.2%	76.8%	93.2%
Target condo profit margin at completion (excl. land cost)						~30%
Total cash received (closings & deposits)						\$ 1,944,600
Total GAAP revenue recognized						\$ 1,862,097
Expected avg. price per Sq. Ft.	\$ 1,900 - \$1,950	\$ 1,100 - \$1,150	\$ 1,300 - \$1,350	\$ 700 - \$750	\$ 1,300 - \$1,350	\$ 1,300 - 1,325
Expected construction costs per retail Sq. Ft.						\$ ~1,100
<b>Deposit Reconciliation (in thousands)</b>						
Deposits from sales commitment						
Spent towards construction	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Held for future use (g)	—	—	—	—	75,660	75,660
<b>Total deposits from sales commitment</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 75,660</b>	<b>\$ 75,660</b>

(a) We began delivering units at Waiea in November 2016. As of June 30, 2019, we have closed on 169 units. We have two under contract, and six units remain to be sold.

(b) We began delivering units at Anaha in October 2017. As of June 30, 2019, we have closed on 314 units. We have no units under contract, and three units remain to be sold.

(c) We began delivering units at Ae'o in November 2018. As of June 30, 2019, we have closed on 463 units. We have one unit under contract, and one units remains to be sold.

(d) Ke Kilohana consists of 375 workforce units and 48 market rate units. As of June 30, 2019, we have closed on 418 units. We have two under contract, and three units remain to be sold.

(e) We broke ground on 'A'ali'i in the fourth quarter of 2018. As of June 30, 2019, we have entered into contracts for 612 of the units.

(f) 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.

(g) Total deposits held for future use are presented above only for projects under construction and are included in Restricted cash on the balance sheet.

(h) Total not including Kō'ula, our newest building that began public sales in January 2019 and contracted 45 units this quarter. Kō'ula is excluded as we have not yet commenced construction.

# 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 plans for the remaining acres. Previous development plans have been placed on hold as we believe we 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 2017, we acquired the 11.4 acre Macy's site for \$22.2 million.
Cottonwood Mall	Holladay, UT	100%	54	Under contract as of June 30, 2019.
Circle T Ranch and Power Center	Westlake, TX	50%	207	50/50 joint venture with Hillwood Development Company. In 2016, HHC sold 72 acres to an affiliate of Charles Schwab Corporation.
West Windsor	West Windsor, NJ	100%	658	Zoned for approximately 6 million square feet of commercial uses.
Monarch City	Allen, TX	100%	238	Located 27 miles north of Downtown Dallas, this 261-acre mixed-use development 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 Company is in the initial planning stages for this strategic site, it will continue to be used as a parking lot.
Sterrett Place	Columbia, MD	100%	3	In November 2017, we acquired the note secured by the land and improvements for a purchase price of \$5.3 million. In 2018, we foreclosed on the property, resulting in the acquisition of the land and improvements. We are in the process of relocating the last tenants in the building and plan to commence demolition in late 2019.
American City Building	Columbia, MD	100%	3	On December 20, 2016, we acquired the American City Building, a 117,098 square foot building in Columbia, Maryland, for \$13.5 million. We are in the process of formulating redevelopment plans for this property.

# Debt Summary

(In thousands)

	June 30, 2019	December 31, 2018
<b>Fixed-rate debt:</b>		
Unsecured 5.375% Senior Notes	\$ 1,000,000	\$ 1,000,000
Secured mortgages, notes and loans payable	889,654	648,707
Special Improvement District bonds	14,511	15,168
<b>Variable-rate debt:</b>		
Mortgages, notes and loans payable, excluding condominium financing (a)	1,561,549	1,454,579
Condominium financing (a)	—	96,757
<b>Mortgages, notes and loans payable</b>	<b>3,465,714</b>	<b>3,215,211</b>
Unamortized bond issuance costs	(5,678)	(6,096)
Deferred financing costs	(37,546)	(27,902)
Total mortgages, notes and loans payable, net	3,422,490	3,181,213
Total unconsolidated mortgages, notes and loans payable at pro-rata share	100,228	96,185
<b>Total Debt</b>	<b>\$ 3,522,718</b>	<b>\$ 3,277,398</b>

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

(In thousands)	Operating Assets	Seaport District	Master Planned Communities	Strategic Developments	Segment Totals	Non-Segment Amounts	Total
Mortgages, notes and loans payable, excluding condominium financing (a) (b)	\$ 1,780,882	\$ 351,684	\$ 231,913	\$ 154,994	\$ 2,519,473	\$ 1,003,244	\$ 3,522,717
Condominium financing (a)	—	—	—	—	—	—	—
Less: cash and cash equivalents (b)	(70,497)	(1,605)	(177,002)	(34,556)	(283,660)	(429,276)	(712,936)
Special Improvement District receivables	—	—	(18,091)	—	(18,091)	—	(18,091)
Municipal Utility District receivables	—	—	(273,169)	—	(273,169)	—	(273,169)
TIF Receivable	—	—	—	(5,820)	(5,820)	—	(5,820)
<b>Net Debt</b>	<b>\$ 1,710,385</b>	<b>\$ 350,079</b>	<b>\$ (236,349)</b>	<b>\$ 114,618</b>	<b>\$ 1,938,733</b>	<b>\$ 573,968</b>	<b>\$ 2,512,701</b>

## Consolidated Debt Maturities and Contractual Obligations by Extended Maturity Date as of June 30, 2019 (c)

(In thousands)	Remaining in 2019	2020	2021	2022	2023	2024	Thereafter	Total
Mortgages, notes and loans payable	\$ 46,032	\$ 206,693	\$ 418,782	\$ 248,434	\$ 787,783	\$ 353,299	\$ 1,404,692	\$ 3,465,715
Interest payments	87,334	167,240	152,981	137,706	119,882	80,454	122,311	867,908
Ground lease and other leasing commitments	3,028	7,272	7,111	6,373	6,390	6,432	266,855	303,461
<b>Total consolidated debt maturities and contractual obligations</b>	<b>\$ 136,394</b>	<b>\$ 381,205</b>	<b>\$ 578,874</b>	<b>\$ 392,513</b>	<b>\$ 914,055</b>	<b>\$ 440,185</b>	<b>\$ 1,793,858</b>	<b>\$ 4,637,084</b>

(a) As of June 30, 2019 and December 31, 2018, \$615.0 million of variable-rate debt has been swapped to a fixed rate for the term of the related debt. An additional \$55.0 million and \$50.0 million of variable rate debt was subject to interest rate collars as of June 30, 2019 and December 31, 2018, respectively, and \$75.0 million of variable rate debt was capped at a maximum interest rate as of June 30, 2019 and December 31, 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 to customary extension terms that are based on property performance as of the initial maturity date and/or extension date. Such extension terms may include, but are not limited to, minimum debt service coverage, minimum occupancy levels or condominium sales levels, as applicable, and other performance criteria. We may have to pay down a portion of the debt if we do not meet the requirements to exercise the extension option.

# Property-Level Debt

(\$ in thousands)

Asset	Q2 2019 Principal Balance	Contract Interest Rate	Interest Rate Hedge	Current Annual Interest Rate	Initial / Extended Maturity (a)
<b>Master Planned Communities</b>					
The Woodlands Master Credit Facility	\$ 150,000	L+275	Floating/Cap	5.15%	Apr-20 / Apr-21
Bridgeland Credit Facility	65,000	L+315	Floating	5.47%	Nov-20 / Nov-22
	<u>215,000</u>				
<b>Operating Assets</b>					
Outlet Collection at Riverwalk	46,584	L+250	Floating	4.90%	Oct-19 / Oct-20
Three Hughes Landing	58,456	L+260	Floating	5.00%	Dec-19 / Dec-20
Downtown Summerlin	262,997	L+215	Floating	4.55%	Sep-20 / Sep-21
Two Merriweather	26,242	L+250	Floating	4.90%	Oct-20 / Oct-21
HHC 242 Self-Storage	5,499	L+260	Floating	5.00%	Dec-21 / Dec-22
HHC 2978 Self-Storage	5,395	L+260	Floating	5.00%	Dec-21 / Dec-22
20/25 Waterway Avenue	13,263	0.0479	Fixed	4.79%	May-22
Millennium Waterway Apartments	53,560	3.75%	Fixed	3.75%	Jun-22
Aristocrat	27,795	P+40	Floating	5.90%	Oct-22
Two Summerlin	26,918	P+40	Floating	5.90%	Oct-22
Lake Woodlands Crossing Retail	10,791	L+180	Floating	4.20%	Jan-23
A'ali'i	—	L+310	Floating	5.50%	Jun-22 / June-23
Senior Secured Credit Facility	615,000	4.61%	Floating/Swap	4.61% (b)	Sep-23
The Woodlands Resort & Conference Center	62,500	L+250	Floating	4.90%	Dec-21 / Dec-23
Lakefront North	26,153	L+200	Floating	4.40%	Dec-22 / Dec-23
9303 New Trails	11,406	4.88%	Fixed	4.88%	Dec-23
4 Waterway Square	33,401	4.88%	Fixed	4.88%	Dec-23
3831 Technology Forest Drive	21,356	0.045	Fixed	4.50%	Mar-26
Kewalo Basin Harbor	8,676	L+275	Floating	5.15%	Sep-27
Millennium Six Pines Apartments	42,500	3.39%	Fixed	3.39%	Aug-28
3 Waterway Square	48,337	3.94%	Fixed	3.94%	Aug-28
One Hughes Landing	52,000	4.30%	Fixed	4.30%	Dec-29
One Lakes Edge	69,440	4.50%	Fixed	4.50%	Mar-29
Two Hughes Landing	48,000	4.2%	Fixed	4.20%	Dec-30
Constellation Apartments	24,200	4.07%	Fixed	4.07%	Jan-33
Hughes Landing Retail	35,000	3.5%	Fixed	3.50%	Dec-36
Columbia Regional Building	24,867	0.0448	Fixed	4.48%	Feb-37
Las Vegas Ballpark	51,231	4.92%	Fixed	4.92%	Dec-39
	<u>\$ 1,711,567</u>				

# Property-Level Debt (con't)

(\$ in thousands)

Asset	Q2 2019 Principal Balance	Contract Interest Rate	Interest Rate Hedge	Current Annual Interest Rate	Initial / Extended Maturity (a)
<b>Seaport District</b>					
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
	<u>349,723</u>				
<b>Strategic Developments</b>					
100 Fellowship Drive	42,686	L+150	Floating	3.90%	May-22
Lakeside Row	11,317	L+225	Floating	4.65%	Jul-22 / Jul-23
Two Lakes Edge	12,145	L+215	Floating	4.55%	Oct-22 / Oct-23
Creekside Park West	1,334	L+225	Floating	4.65%	Mar-23 / Mar-24
110 North Wacker	54,956	L+300	Floating/Collar	5.40%	Apr-22 / Apr-24
6100 Merriweather	16,118	L+275	Floating	5.15%	Sep-22 / Sep-24
Juniper Apartments (d)	—	L+275	Floating	5.15%	Sep-22 / Sep-24
Tanager Apartments	24,988	L+225	Floating	4.65%	Oct-21 / Oct-24
8770 New Trails	—	L+245	Floating	4.85%	Jun-21 / Jan-32
	<u>163,544</u>				
Total (e)	<u>\$ 2,439,834</u>				

(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) Formerly known as Columbia Multi-family.

(e) 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 June 30, 2019	Future Cash Payments			
				Remaining 2019	Year Ending December 31, 2020	Thereafter	Total
Riverwalk (a)	100%	2045-2046	\$ 780	\$ 441	\$ 1,737	\$ 42,185	\$ 44,363
Seaport	100%	2031 (b)	534	1,089	2,199	221,019	224,307
Kewalo Basin Harbor	100%	2049	—	—	300	8,600	8,900
			<u>\$ 1,314</u>	<u>\$ 1,530</u>	<u>\$ 4,236</u>	<u>\$ 271,804</u>	<u>\$ 277,570</u>

(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 reached 90% occupancy, whichever occurs first. If an office, retail or multifamily property has been in service for more than 36 months but does not exceed 90% occupancy, the asset is considered underperforming.

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

**Under Construction** - Projects in the Strategic Developments and Seaport District segments for which construction has commenced as of June 30, 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 revenue) less operating cash expenses (real estate taxes, repairs and maintenance, marketing and other property expenses), including our share of NOI from equity investees. NOI excludes straight-line rents and amortization of tenant incentives, net interest expense, ground rent amortization, demolition costs, amortization, other (loss) income, depreciation, development-related marketing costs and, unless otherwise indicated, Equity in earnings from real estate and other affiliates. We use NOI to evaluate our operating performance on a property-by-property basis because NOI allows us to evaluate the impact that factors which vary by property, such as lease structure, lease rates and tenant bases, have on our operating results, gross margins and investment returns. We believe that NOI is a useful supplemental measure 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 associated with owning and operating real estate properties and the impact on operations from trends in rental and occupancy rates and operating costs.



# Reconciliation of Non-GAAP Measures

## Reconciliation of Operating Assets segment EBT to Total NOI:

(In thousands)	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	YTD Q2 2019	YTD Q2 2018
<b>Total Operating Assets segment EBT (a)</b>	\$ 12,628	\$ 5,686	\$ (5,793)	\$ (4,115)	\$ 5,385	\$ 18,314	\$ 13,750
Depreciation and amortization	28,938	27,108	29,265	26,470	24,198	56,046	47,558
Interest expense, net	20,059	18,991	18,664	18,892	17,308	39,050	33,995
Equity in earnings from real estate and other affiliates	(45)	(2,709)	(487)	75	1,000	(2,754)	(1,583)
Impact of straight-line rent	(2,537)	(2,845)	(3,277)	(3,243)	(2,414)	(5,382)	(5,536)
Other	(340)	122	707	2,811	(421)	(218)	(107)
<b>Total Operating Assets NOI - Consolidated</b>	<b>58,703</b>	<b>46,353</b>	<b>39,079</b>	<b>40,890</b>	<b>45,056</b>	<b>105,056</b>	<b>88,077</b>
<b>Redevelopments</b>							
110 North Wacker	—	—	513	—	—	—	—
<b>Total Operating Asset Redevelopments NOI</b>	<b>—</b>	<b>—</b>	<b>513</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Dispositions</b>							
Cottonwood Square	—	—	—	—	—	—	11
Park West	—	—	—	—	—	—	—
<b>Total Operating Asset Dispositions NOI</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>11</b>
<b>Consolidated Operating Assets NOI excluding properties sold or in redevelopment</b>	<b>58,703</b>	<b>46,353</b>	<b>39,592</b>	<b>40,890</b>	<b>45,056</b>	<b>105,056</b>	<b>88,088</b>
<b>Company's Share NOI - Equity investees</b>	<b>1,688</b>	<b>1,464</b>	<b>1,952</b>	<b>1,343</b>	<b>791</b>	<b>3,152</b>	<b>1,366</b>
<b>Distributions from Summerlin Hospital Investment</b>	<b>—</b>	<b>3,625</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,625</b>	<b>3,435</b>
<b>Total Operating Assets NOI</b>	<b>\$ 60,391</b>	<b>\$ 51,442</b>	<b>\$ 41,544</b>	<b>\$ 42,233</b>	<b>\$ 45,847</b>	<b>\$ 111,833</b>	<b>\$ 92,889</b>

(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)	<b>Q2 2019</b>	<b>Q1 2019</b>	<b>Q4 2018</b>	<b>Q3 2018</b>	<b>Q2 2018</b>	<b>YTD Q2 2019</b>	<b>YTD Q2 2018</b>
<b>Total Seaport District segment EBT (a)</b>	\$ (14,270)	\$ (15,852)	\$ (15,660)	\$ (8,798)	\$ (856)	\$ (30,122)	\$ 593
Depreciation and amortization	6,753	6,193	5,959	2,309	1,953	12,946	4,197
Interest expense (income), net	1,924	1,532	2,176	(1,471)	(3,278)	3,456	(6,995)
Equity in (earnings) loss from real estate and other affiliates	451	632	14	452	240	1,083	240
Impact of straight-line rent	491	755	179	(274)	(156)	1,246	(338)
Loss on sale or disposal of real estate	—	6	—	—	—	6	—
Other - development related	1,764	2,749	3,816	4,836	2,562	4,513	3,286
<b>Total Seaport District NOI - Consolidated</b>	<b>(2,887)</b>	<b>(3,985)</b>	<b>(3,516)</b>	<b>(2,946)</b>	<b>465</b>	<b>(6,872)</b>	<b>983</b>
<b>Company's Share NOI - Equity investees</b>	<b>(42)</b>	<b>(195)</b>	<b>(134)</b>	<b>(452)</b>	<b>(127)</b>	<b>(237)</b>	<b>(127)</b>
<b>Total Seaport District NOI</b>	<b>\$ (2,929)</b>	<b>\$ (4,180)</b>	<b>\$ (3,650)</b>	<b>\$ (3,398)</b>	<b>\$ 338</b>	<b>\$ (7,109)</b>	<b>\$ 856</b>

(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)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Total residential land sales closed in period	\$ 59,248	\$ 45,063	\$ 98,727	\$ 87,842
Total commercial land sales closed in period	—	1,398	—	1,398
Net recognized (deferred) revenue:				
Bridgeland	34	2	34	4
Summerlin	(970)	3,134	475	3,887
Total net recognized (deferred) revenue	(936)	3,136	509	3,891
Special Improvement District bond revenue	10	2,834	398	5,866
Total land sales revenue - GAAP basis	\$ 58,322	\$ 52,431	\$ 99,634	\$ 98,997

## Reconciliation of MPC Segment EBT to MPC Net Contribution

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
MPC segment EBT	\$ 47,235	\$ 46,584	\$ 84,832	\$ 83,420
Plus:				
Cost of sales - land	28,006	26,383	44,824	52,426
Depreciation and amortization	86	86	246	167
MUD and SID bonds collections, net	119	(2,380)	981	(5,004)
Distributions from real estate and other affiliates	1,306	2,745	2,741	2,745
Less:				
MPC development expenditures	(63,071)	(49,266)	(119,843)	(91,266)
MPC land acquisitions	—	(2,048)	(752)	(2,554)
Equity in earnings in real estate and other affiliates	(6,499)	(14,100)	(14,336)	(25,228)
MPC Net Contribution	\$ 7,182	\$ 8,004	\$ (1,307)	\$ 14,706

## Reconciliation of Segment EBTs to Net Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Operating Assets segment EBT	\$ 12,628	\$ 5,385	\$ 18,314	\$ 13,750
MPC segment EBT	47,235	46,584	84,832	83,420
Seaport District segment EBT	(14,270)	(856)	(30,122)	593
Strategic Developments segment EBT	13,343	(4,750)	73,989	1,502
Corporate and other items	(41,135)	(54,659)	(86,271)	(105,169)
Income before taxes	17,801	(8,296)	60,742	(5,904)
(Provision for) benefit from income taxes	(4,473)	2,417	(15,489)	1,859
Net income (loss)	13,328	(5,879)	45,253	(4,045)
Net loss attributable to noncontrolling interests	149	791	45	431
Net income (loss) attributable to common stockholders	\$ 13,477	\$ (5,088)	\$ 45,298	\$ (3,614)

*Howard Hughes*