GGP Inc.
Form 10-K
February 22, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K
(MARK ONE)

ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2016
or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
COMMISSION FILE NUMBER 1-34948
GGP INC.
(Exact name of registrant as specified in its charter)

Delaware	27-2963337
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

110 N. Wacker Dr., Chicago, IL	60606
(Address of principal executive offices)	(Zip Code)

(312) 960-5000
(Registrant's telephone number, including area code)
Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class:	Name of Each Exchange on Which Registered:
Common Stock, $.01 par value	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: 6.375% Series A Cumulative Redeemable Preferred Stock
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No o
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ý
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No o
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ý	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No ý
Indicate by check mark whether the registrant has filed all reports required to be filed by section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.
Yes ý No o
On June 30, 2016, the last business day of the most recently completed second quarter of the registrant, the aggregate market value of the shares of common stock held by non-affiliates of the registrant was $18.6 billion based upon the closing price of the common stock on such date.
As of February 17, 2017, there were 884,947,944 shares of the registrant's common stock outstanding.
DOCUMENTS INCORPORATED BY REFERENCE
Portions of the proxy statement for the annual stockholders meeting to be held on May 17, 2017 are incorporated by reference into Part III.

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PART I
ITEM 1. BUSINESS
The following discussion should be read in conjunction with the Consolidated Financial Statements of GGP Inc. ("GGP" or the "Company") and related notes, as included in this Annual Report on Form 10-K (this "Annual Report"). The terms "we," "us" and "our" may also be used to refer to GGP and its subsidiaries. On January 17, 2017, General Growth Properties, Inc. announced that effective January 27, 2017, the Company changed its name from General Growth Properties, Inc. to GGP Inc. GGP, a Delaware corporation, was organized in July 2010 and is a self-administered and self-managed real estate investment trust, referred to as a "REIT".
Our Company and Strategy
GGP is a retail real estate company. Our primary business is owning and operating best-in-class retail properties that provide an outstanding environment and experience for our communities, retailers, employees, consumers and shareholders. We are an S&P 500 real estate company with a property portfolio predominantly comprised of Class A retail real estate (defined primarily by sales per square foot). Our retail properties are the core centers of retail, dining, and entertainment within their trade areas and, therefore, represent hubs of such activity. As of December 31, 2016, we own, either entirely or with joint venture partners, 127 retail properties located throughout the United States comprising approximately 125 million square feet of gross leasable area ("GLA").
Our portfolio generated total comparable tenant sales (all less anchors) of $20.5 billion and comparable tenant sales (<10,000 square feet) of $569 per square foot during 2016. We have 75 Class A retail properties reporting tenant sales (all less anchors) of $16.6 billion and tenant sales (<10,000 square feet) of $644 per square foot that contribute approximately 81% of our share of Company net operating income ("Company NOI" as defined in Item 7). The quality of our portfolio is further summarized in the table below which indicates the 75 Class A retail properties and their contribution to our 2016 share of Company NOI. Sales (all less anchors) is presented as total sales volume in millions of dollars and sales (<10,000 sq ft) is presented as sales per square foot in dollars.

Top Retail Properties (1)	2016 Sales (all less anchors)	2015 Sales (all less anchors)	2016 Sales (<10,000 sq ft)	2015 Sales (<10,000 sq ft)	Sales Growth (all less anchors)	% of Company NOI
Top 10	$ 4,098	$ 3,982	$ 835	$ 848	2.9 %	24.0 %
Top 30	9,617	9,425	737	745	2.0 %	51.0 %
Top 50	13,338	13,114	664	667	1.7 %	69.0 %
Top 100	19,289	19,145	582	584	0.8 %	96.0 %
Total Retail Properties	20,493	20,317	569	572	0.9 %	100.0 %
75 Class A Retail Properties	16,567	16,385	644	649	1.1 %	81.0 %

(1) The table excludes Christiana Mall.
Overall, traffic at our properties is up and our tenant sales data shows this over the course of 2016. Our long-term earnings growth is driven by:
1)contractual rent increases;
2)occupancy growth;
3)positive leasing spreads;
4)value creation from redevelopment projects;
5)managing operating expenses; and
6)strategic acquisitions and dispositions that recycle capital.
We have identified approximately $1.3 billion of income producing development and redevelopment projects within our portfolio, over 80% of which is being invested into Class A retail properties.
We believe our long-term strategy can provide our shareholders with a competitive risk-adjusted total return comprised of dividends and share price appreciation.

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Transactions and Highlights

During 2016, the following achievements promoted our long-term strategy as summarized below (figures shown represent our proportionate share):

- initial rental rates for signed leases that commenced in 2016 on a suite-to-suite basis increased 10.1% when compared to the rental rate for expiring leases;
- tenant sales (all less anchors) increased 0.9% on a trailing 12-month basis for 2016;
- leased percentage was 97.2% at December 31, 2016 (as defined in Item 7);
- invested $547.4 million in development and redevelopment of our properties;
- sold interests in eight properties for total gross proceeds at share of $604.3 million, which resulted in a net gain of $132.1 million (Note 3);
- sold a 50% interest in Fashion Show located in Las Vegas, Nevada to a joint venture partner for a gross sales price of $1.25 billion, which resulted in a gain of $634.9 million (Note 3);
- acquired interests in five properties for a total gross purchase price at share of $278.3 million including anchor boxes that will provide opportunities for redevelopment (Note 3); and
- acquired the remaining 50% interest in Riverchase Galleria in Hoover, Alabama for a gross purchase price of $143.5 million including the assumption of our venture partner's $110.3 million share of property level debt (Note 3).

Segments

We operate in a single reportable segment, which includes the operation, development and management of retail and other rental properties. Our portfolio is targeted to a range of market sizes and consumer tastes. Each of our operating properties is considered a separate operating segment, as each property earns revenues and incurs expenses, individual operating results are reviewed and discrete financial information is available. The Company's chief operating decision maker is comprised of a team of several members of executive management who use Company NOI in assessing segment operating performance. We do not distinguish or group our consolidated operations based on geography, size or type for purposes of making property operating decisions. Our operating properties have similar economic characteristics and provide similar products and services to our tenants. There are no individual operating segments that are greater than 10% of combined revenue, Company NOI, or combined assets. Further, all material operations are within the United States and no customer or tenant comprises more than 10% of consolidated revenues. As a result, the Company's operating properties are aggregated into a single reportable segment.

For the year ended December 31, 2016, our largest tenant, L Brands, Inc., (based on common parent ownership) accounted for approximately 4% of rents. Our three largest tenants, L Brands, Inc., The Gap, Inc., and Foot Locker, Inc., in aggregate, comprised approximately 9.2% of rents.

Competition

In order to maintain and increase our competitive position within a marketplace we:

- strategically locate tenants within each property to achieve a merchandising strategy that promotes traffic, cross-shopping and maximizes sales;
- introduce new concepts to the property which may include restaurants, theaters, grocery stores, first-to-market retailers, and e-commerce retailers;
- invest capital to provide the right environment for our tenants and consumers, including aesthetic, technological, and infrastructure improvements; and
- ensure our properties are clean, secure and comfortable.

We believe the high-quality nature of our properties enables us to compete effectively for retailers and consumers.

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Environmental Matters

Under various federal, state or local laws, ordinances and regulations, an owner of real estate may be liable for the costs of remediation of certain hazardous or toxic substances on such real estate. These laws may impose liability without regard to whether the owner knew of the presence of such hazardous or toxic substances. The costs of remediation may be substantial and may adversely affect the owner's ability to sell or borrow against such real estate as collateral. In connection with the ownership and operation of our properties, we, or the relevant joint venture through which the property is owned, may be liable for such costs.

Substantially all of our properties have been subject to a Phase I environmental site assessment, which is intended to evaluate the environmental condition of the subject property and its surroundings. Phase I environmental assessments typically include a historical review, a public records review, a site visit and interviews, but do not include sampling or subsurface investigations.

As of December 31, 2016, the Phase I environmental site assessments have not revealed any environmental conditions that would have a material adverse effect on our overall business, financial condition or results of operations. However, it is possible that these assessments do not reveal all potential environmental liabilities or that conditions have changed since the assessment was prepared (typically, at the time the property was purchased or developed). See Risk Factors regarding additional discussion of environmental matters.

Other Policies

The following is a discussion of our investment policies, financing policies, conflict of interest policies and policies with respect to certain other activities. One or more of these policies may be amended or rescinded from time to time without a stockholder vote.

Investment Policies

The Company elected to be treated as a REIT commencing with the taxable year beginning July 1, 2010, its date of incorporation. REIT limitations restrict us from making investments that would cause our real estate assets to be less than 75% of our total assets. In addition, at least 75% of our gross income must be derived directly or indirectly from investments relating to real property or mortgages on real property, including "rents from real property," dividends from other REITs and, in certain circumstances, interest from certain types of temporary investments. At least 95% of our income must be derived from such real property investments, and from dividends, interest and gains from the sale or dispositions of stock or securities or from other combinations of the foregoing.

Subject to REIT limitations, we may invest in the securities of other issuers in connection with acquisitions of indirect interests in real estate. Such an investment would normally be in the form of a general or limited partnership or membership interests in special purpose partnerships and limited liability companies that own one or more properties. We may, in the future, acquire all or substantially all of the securities or assets of other REITs, management companies or similar entities where such investments would be consistent with our investment policies.

Financing Policies

We do not have a policy limiting the number or amount of mortgages that may be placed on any particular property. We generally seek to finance individual properties on a secured basis and ladder our maturities. Mortgage financing instruments usually limit additional indebtedness on those properties. Typically, we invest in or form separate legal entities to assist us in obtaining permanent financing at attractive terms. Permanent financing may be structured as a mortgage loan on a single property, or on a group of properties, and generally requires us to provide a mortgage interest on the property in favor of an institutional third party or as a securitized financing. These legal entities are structured so that they would not necessarily be consolidated in the event we became subject to a bankruptcy proceeding or liquidation. We decide upon the structure of the financing based upon the best terms available to us and whether the proposed financing is consistent with our other business objectives. We seek to minimize corporate recourse and cross collateralization and generally adhere to investment grade secured debt levels. We include the outstanding securitized debt of legal entities owning consolidated properties as part of our consolidated indebtedness.

We are party to a revolving credit facility that requires us to satisfy certain affirmative and negative covenants and to meet financial ratios and tests, which may include ratios and tests based on leverage, interest coverage and net worth.

If our Board of Directors determines to seek additional capital, we may raise that capital through additional public equity or preferred equity offerings, public debt offerings, debt financing, by creating joint ventures with existing ownership interests in properties or a combination of these methods. Our ability to retain cash flow is limited by the requirement for REITs to distribute at least 90% of their taxable income. We are also subject to federal income tax to the extent we distribute less than 100% of our REIT taxable income, including capital gains.

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If our Board of Directors determines to raise additional equity capital, it may, without stockholder approval, issue additional shares of common stock or other capital stock. The Board of Directors may issue a number of shares up to the amount of our authorized capital in any manner and on such terms and for such consideration as it deems appropriate. Such securities may be senior to the outstanding classes of common stock. Such securities also may include additional classes of preferred stock, which may be convertible into common stock. Any such offering could dilute a stockholder's investment in us. Brookfield Asset Management Inc. (including certain of its affiliates, "Brookfield") has preemptive rights to purchase our common stock as necessary to allow it to maintain its respective proportional ownership interest in GGP on a fully diluted basis.
We have a dividend reinvestment plan ("DRIP"). We may determine to pay dividends in a combination of cash and shares of common stock.

Conflict of Interest Policies

We maintain policies and have entered into agreements designed to reduce or eliminate potential conflicts of interest. We have adopted governance principles governing our affairs and the Board of Directors, as well as written charters for each of the standing committees of the Board of Directors. In addition, we have a Code of Conduct that applies to all of our officers, directors, and employees. At least a majority of the members of our Board of Directors must qualify as independent under the listing standards for NYSE companies. Any transaction between us and any director, officer or 5% stockholder must be approved pursuant to our Related Party Transaction Policy, including such transactions with Brookfield (as defined above), our largest stockholder.

Policies With Respect To Certain Other Activities

We intend to make investments that are consistent with our qualification as a REIT, unless the Board of Directors determines that it is no longer in our best interests to qualify as a REIT. We have authority to offer shares of our common stock or other securities in exchange for property. We also have authority to repurchase or otherwise reacquire our shares or any other securities. We may issue shares of our common stock, or cash at our option, to holders of units of limited partnership interest in the Operating Partnerships (as defined in Note 1) in future periods upon exercise of such holders' rights under the Operating Partnerships' agreements. Our policy prohibits us from making any loans to our directors or executive officers for any purpose. We may make loans to the joint ventures in which we participate.

Employees

As of January 27, 2017, we had approximately 1,800 employees.

Insurance

We have comprehensive liability, property and rental loss insurance with respect to our portfolio of properties. We believe that such insurance provides adequate coverage.

Qualification as a REIT

The Company intends to maintain REIT status, and therefore our operations generally will not be subject to federal income tax on real estate investment trust taxable income. A schedule detailing the taxability of dividends for 2016, 2015 and 2014 has been presented in Note 11.

Available Information

Our Internet website address is www.ggp.com. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Interactive Data Files, Current Reports on Form 8-K and amendments to those reports are available and may be accessed free of charge through the Investors section of our Internet website under the Financial Information subsection, as soon as reasonably practicable after those documents are filed with, or furnished to, the SEC. Our Internet website and included or linked information on the website are not intended to be incorporated into this Annual Report. Additionally, the public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 20549, and may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, which can be accessed at http://www.sec.gov.

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ITEM 1A. RISK FACTORS

Business Risks

Our revenues and available cash are subject to conditions affecting the retail sector

Our real property investments are influenced by the retail sector, which may be negatively impacted by increased unemployment, increased federal income and payroll taxes, increased health care costs, increased state and local taxes, increased real estate taxes, industry slowdowns, lack of availability of consumer credit, weak income growth, increased levels of consumer debt, poor housing market conditions, adverse weather conditions, natural disasters, plant closings, and other factors. Similarly, local real estate conditions, such as an oversupply of, or a reduction in demand for, retail space or retail goods, and the supply and creditworthiness of current and prospective tenants may negatively impact our properties.

Given these economic conditions, we believe there is a risk that the sales at stores operating in our properties may be adversely affected, which may cause tenants to be unable to pay their rental obligations. Because substantially all of our income is derived from rentals of real property, our income and available cash would be adversely affected if a significant number of tenants are unable to meet their obligations.

We may be unable to lease space in our properties on favorable terms or at all

Our results of operations depend on our ability to continue to lease space in our properties, including vacant space and re-leasing space in properties where leases are expiring, optimizing our tenant mix, or leasing properties on economically favorable terms. Because approximately 6% to 12% of our total leases expire annually based on expiring GLA, we are continually focused on leasing our properties. Similarly, we are pursuing a strategy of replacing expiring short-term leases with long-term leases.

The bankruptcy or store closures of national tenants, which are tenants with chains of stores in many of our properties, may adversely affect our revenues

Our leases generally contain provisions designed to ensure the creditworthiness of the tenant. However, companies in the retail industry, including some of our tenants, have declared bankruptcy, or from time to time, have voluntarily closed certain of their stores. We may be unable to re-lease such space or to re-lease it on comparable or more favorable terms. As a result, the bankruptcy or closure of a national tenant may adversely affect our revenues. In addition, such closings may allow other tenants to modify their leases to terms that are less favorable for us, also adversely impacting our revenues. For example, certain of our lease agreements include a co-tenancy provision that allows the tenant to pay a reduced rent amount and, in certain instances, terminate the lease, if we fail to maintain certain occupancy levels or if specific anchor tenants are no longer at the property. Therefore, if occupancy or tenancy falls below certain thresholds, rents we are entitled to receive from our retail tenants could be reduced.

It may be difficult to sell real estate quickly, and transfer restrictions apply to some of our properties

Real estate investments are relatively illiquid, which may limit our ability to strategically change our portfolio promptly in response to changes in economic or other conditions. If revenues from a property decline but the related expenses do not, the income and cash available to us would be adversely affected. If it becomes necessary or desirable for us to dispose of one or more of our mortgaged properties, we may not be able to obtain a release of the lien on the mortgaged property without payment of the associated debt. The foreclosure of a mortgage on a property or inability to sell a property could adversely affect the level of cash available to us.

Our business is dependent on perceptions by retailers and shoppers of the convenience and attractiveness of our retail properties, and our inability to maintain a positive perception may adversely affect our revenues

We are dependent on perceptions by retailers or shoppers of the safety, convenience and attractiveness of our retail properties. If retailers and shoppers perceive competing retail properties and other retailing options such as the Internet to be more convenient or of a higher quality, our revenues may be adversely affected.

We develop, expand and acquire properties and these activities are subject to risks due to economic factors

Capital investment to expand or develop properties is anticipated to be an ongoing part of our strategy. In connection with such projects, we will be subject to various risks, which may result in lower than expected returns or a loss. These risks include the following:

- we may not have sufficient capital to proceed with planned expansion or development activities;
- construction costs of a project may exceed original estimates;

•we may not be able to obtain zoning, occupancy or other required governmental permits and authorizations;

- income from completed projects may not meet projections; and
- we may not be able to obtain anchor store, mortgage lender and property partner approvals, if applicable, for expansion or development activities.

Newly acquired properties may not perform as expected, such as not realizing expected occupancy and rental rates. In addition, we may have unexpected costs and may be unable to finance or refinance the new properties at acceptable terms. If an acquisition is not successful, we may have a loss on our investment in the property.

We are in a competitive business

There are numerous retail formats that compete with our properties in attracting retailers to lease space. In addition, retailers at our properties face continued competition from retailers at other malls, lifestyle and power centers, outlet malls and other discount shopping centers, discount shopping clubs, Internet sales, catalog companies, and telemarketing. Competition of these types could adversely affect our revenues and cash flows.

We compete with other major real estate investors with significant capital for attractive investment opportunities. These competitors include REITs, public and private financial institutions, and private institutional investors.

Our ability to realize our strategies and capitalize on our competitive strengths are dependent on our ability to effectively operate a large portfolio of high quality properties, maintain good relationships with our tenants and consumers, and remain well-capitalized. Our failure to do any of the foregoing could affect our ability to compete effectively in the markets in which we operate.

Some of our properties are subject to potential natural or other disasters

A number of our properties are located in areas that are subject to natural or other disasters, including hurricanes and earthquakes. Furthermore, many of our properties are located in coastal regions, and would therefore be affected by any future increases in sea levels. For example, certain of our properties are located in California and Hawaii or in other areas with a higher risk of natural disasters such as earthquakes or tsunamis.

Possible terrorist activity or other acts or threats of violence and threats to public safety could adversely affect our financial condition and results of operations

Terrorist attacks and threats of terrorist attacks in the United States or other acts or threats of violence may result in declining economic activity, which could harm the demand for goods and services offered by our tenants and the value of our properties and might adversely affect the value of an investment in our securities. Such a resulting decrease in retail demand could make it difficult for us to renew or re-lease our properties.

Terrorist activities or violence also could directly affect the value of our properties through damage, destruction or loss, and the availability of insurance for such acts, or of insurance generally, might be reduced or cost more, which could increase our operating expenses and adversely affect our financial condition and results of operations. To the extent that our tenants are affected by such attacks and threats of attacks, their businesses similarly could be adversely affected, including their ability to continue to meet obligations under their existing leases. These acts and threats might erode business and consumer confidence and spending and might result in increased volatility in national and international financial markets and economies. Any one of these events might decrease demand for real estate, decrease or delay the occupancy of our new or redeveloped properties, and limit our access to capital or increase our cost of raising capital.

Information technology failures and data security breaches could harm our business

We use information technology, digital telecommunications and other computer resources to carry out important operational activities and to maintain our business records. Many of these resources are provided to us and/or maintained on our behalf by third-party service providers pursuant to agreements that specify to varying degrees certain security and service level standards. Although we and our service providers employ what we believe are adequate security, disaster recovery and other preventative and corrective measures, our ability to conduct our business may be impaired if these resources are compromised, degraded, damaged or fail, whether due to a virus or other harmful circumstance, intentional penetration or disruption of our information technology resources by a third party, natural disaster, hardware or software corruption or failure or error or poor product or vendor/developer selection (including a failure of security controls incorporated into or applied to such hardware or software), telecommunications system failure, service provider error or failure, intentional or unintentional personnel actions (including the failure to follow our security protocols), or lost connectivity to our networked resources.

A significant and extended disruption in the functioning of these resources, including our primary website, could damage our reputation and cause us to lose customers, tenants, revenues, result in the unintended and/or unauthorized public disclosure or the misappropriation of proprietary, personal identifying and confidential information, and require us to incur significant expenses to address and remediate or otherwise resolve these kinds of issues, expenses that we may not be able to recover in whole or in any part from our service providers or responsible parties, or their or our insurers.

We may incur costs to comply with environmental laws

Under various federal, state or local laws, ordinances and regulations, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances released at a property, and may be held liable to third parties for bodily injury or property damage (investigation and/or clean-up costs) incurred by the parties in connection with the contamination. These laws often impose liability without regard to whether the owner or operator knew of the release of the hazardous or toxic substances. The presence of contamination or the failure to remediate contamination may adversely affect the owner's ability to sell, lease or borrow with respect to the real estate. Other federal, state and local laws, ordinances and regulations require abatement or removal of asbestos-containing materials in the event of demolition or certain renovations or remodeling, the cost of which may be substantial for certain redevelopments, and also govern emissions of and exposure to asbestos fibers in the air. Federal, state and local laws also regulate the operation and removal of underground storage tanks. In connection with the ownership, operation and management of certain properties, we could be held liable for the costs of remedial action with respect to these regulated substances or tanks or related claims.

Our properties have been subjected to varying degrees of environmental assessment at various times. However, the identification of new areas of contamination, a change in the extent or known scope of contamination or changes in cleanup requirements could result in significant costs to us.

Some potential losses are not insured

We carry comprehensive liability, fire, flood, earthquake, terrorism, extended coverage and rental loss and environmental insurance on all of our properties. We believe the policy specifications and insured limits of these policies are adequate and appropriate. There are, however, some types of losses, including lease and other contract claims, and certain environmental conditions not discovered within the applicable policy period, which generally are not insured. If an uninsured loss or a loss in excess of insured limits occurs, we could lose all or a portion of the capital we have invested in a property, as well as the anticipated future revenue from the property. If this happens, we might nevertheless remain obligated for any mortgage debt or other financial obligations related to the property.

Inflation or deflation may adversely affect our financial condition and results of operations

Should the general price level increase in the future, this may have an impact on our consumers' disposable income. This may place pressure on retailer sales and margins as their costs rise and they may be unable to pass the costs along to the consumer, which in turn may affect their ability to pay rents and which could adversely impact our cash flow. Many but not all of our leases have fixed amounts for recoveries and if our costs rise we may not be able to pass these costs on to our tenants. Rising costs may also impact our ability to generate cash flows.

Inflation also poses a risk to us due to the possibility of future increases in interest rates. Such increases would result in higher interest rates on new fixed-rate debt and adversely impact us due to our outstanding variable rate debt. From time to time, we manage our exposure to interest rate fluctuations related to a portion of our variable-rate debt using interest rate cap, swap and treasury lock agreements. Such agreements allow us to replace variable-rate debt with fixed-rate debt. However, our efforts to manage risks associated with interest rate volatility may not be successful. Additionally, interest rate cap, swap and treasury-lock agreements expose us to additional risks, including that the counterparties to the agreements might not perform their obligations. We also might be subject to additional costs, such as transaction fees or breakage costs, if we terminate these agreements.

Deflation may have an impact on our ability to repay our debt. Deflation may delay consumption and thus weaken tenant sales, which may reduce our tenants' ability to pay rents. Deflationary pressure on retailers may diminish their ability to rent our space and decrease our ability to re-lease the space on favorable terms to us.

Organizational Risks

We are a holding company with no operations of our own and will depend on our subsidiaries for cash

Our operations are conducted almost entirely through our subsidiaries. Our ability to make dividends or distributions in connection with being a REIT is highly dependent on the earnings of and the receipt of funds from our subsidiaries through dividends or distributions, and our ability to generate cash to meet our debt service obligations is further limited by our subsidiaries' ability to make such dividends, distributions or intercompany loans. Our subsidiaries' ability to pay any dividends or distributions to us are limited by their obligations to satisfy their own obligations to their creditors and preferred stockholders before making any dividends or distributions to us.

Delaware law imposes requirements that could further restrict our ability to pay dividends to holders of our common stock.

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We share control of some of our properties with other investors and may have conflicts of interest with those investors
For the Unconsolidated Properties (as defined in Note 1), we are required to make decisions with the other investors who have interests in the respective property or properties. For example, the approval of certain of the other investors is required with respect to operating budgets and refinancing, encumbering, expanding or selling any of these properties, to make distributions, as well as to bankruptcy decisions related to the Unconsolidated Properties and related joint ventures. We might not have the same interests as the other investors in relation to these transactions. Accordingly, we might not be able to favorably resolve any of these issues, or we might have to provide financial or other inducements to the other investors to obtain a favorable resolution.
In addition, various restrictive provisions and rights apply to sales or transfers of interests in our jointly owned properties. As such, we might be required to make decisions about buying or selling interests in a property or properties at a time that is not desirable.
Bankruptcy of our joint venture partners could impose delays and costs on us with respect to the jointly owned retail properties
The bankruptcy of one of the other investors in any of our jointly owned properties could materially and adversely affect the respective property or properties. Pursuant to the Bankruptcy Code, we would be precluded from taking some actions affecting the estate of the other investor without prior court approval which would, in most cases, entail prior notice to other parties and a hearing. At a minimum, the requirement to obtain court approval may delay the actions we would or might want to take. If the relevant joint venture through which we have invested in a property has incurred recourse obligations, the discharge in bankruptcy of one of the other investors might result in our ultimate liability for a greater portion of those obligations than would otherwise be required.
We are impacted by tax-related obligations to some of our partners
We own certain properties through partnerships that have arrangements in place that protect the deferred tax situation of our existing third party limited partners. Violation of these arrangements could impose costs on us. As a result, we may be restricted with respect to decisions such as financing, encumbering, expanding or selling these properties.
Several of our joint venture partners are tax-exempt. As such, they are taxable to the extent of their share of unrelated business taxable income generated from these jointly owned properties. As the manager of these joint ventures, we have obligations to avoid the creation of unrelated business taxable income at these properties. As a result, we may be restricted with respect to decisions related to the financing of and revenue generation from these properties.
We provide financial support for a number of joint venture partners
We provide financing to some of our joint venture partners. As of December 31, 2016, we have provided venture partners loans of $664.1 million (of which $618.4 million is secured by the respective partnership interests). A default by a joint venture partner under their debt obligation may result in a loss.
We may not be able to maintain our status as a REIT
We have elected to be treated as a REIT in connection with the filing of our tax return for 2010, retroactive to July 1, 2010. It is possible that we may not meet the conditions for continued qualification as a REIT and that the cost of maintaining REIT status might have a material impact on the Company. In addition, once an entity is qualified as a REIT, the Internal Revenue Code (the "Code") generally requires that such entity distribute at least 90% of its taxable ordinary income to shareholders and pay tax on or distribute 100% of its taxable capital gains. We expect to distribute 100% of our taxable capital gains and taxable ordinary income to shareholders annually. There can be no assurances as to the allocation between cash and common stock of our future dividends.
Due to certain investments made by us, our subsidiary REITs may reflect a significant amount of related party rent as non-qualifying income. While our charter protects our shareholders from causing us to have related party rent, actions that we undertake ourselves can cause us or certain of our partners to have related party rent. As a result, we may be restricted with respect to decisions relating to revenue generation at certain properties.
If, with respect to any taxable year, we fail to maintain our qualification as a REIT, we would not be allowed to deduct distributions to shareholders in computing our taxable income and federal income tax. If any of our REIT subsidiaries fail to qualify as a REIT, such failure could result in our loss of REIT status. If we lose our REIT status, corporate level income tax, including any applicable alternative minimum tax, would apply to our taxable income at regular corporate rates. As a result, the amount available for distribution to holders of equity securities that would otherwise

receive dividends would be reduced for the year or years involved, and we would no longer be required to make distributions. In addition, unless we were entitled to relief under the relevant statutory provisions, we would be disqualified from treatment as a REIT for four subsequent taxable years.

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We believe that we are a domestically controlled qualified investment entity as defined by the Code. The Protecting Americans from Tax Hikes Act (PATH Act) was enacted in December 2015 and it permits a publicly traded REIT to treat all of its 5%-or-less shareholders as United States persons unless it has actual knowledge to the contrary. Even with this change in presumption, no assurance can be given that the Company is or will continue to be a domestically controlled qualified investment entity.

Legislative or regulatory action could adversely affect stockholders and our Company

Future changes to tax laws may adversely affect the Company either directly through changes to the taxation of the REIT, its subsidiaries or its stockholders or indirectly through changes which adversely affect its tenants. These changes could have an adverse effect on an investment in our shares or on the market value or the resale potential of our assets. These potential changes could generally result in REIT's having fewer tax advantages, and may lead REIT's to determine that it would be more advantageous to elect to be taxed, for federal income tax purposes, as a corporation. Not all states automatically conform to changes in the Code. Some states use the legislative process to decide whether it is in their best interests to conform or not to various provisions of the Code. This could increase the complexity of our compliance efforts, increase compliance costs, and may subject us to additional taxes and audit risk.

An ownership limit, certain anti-takeover defenses and applicable law may hinder any attempt to acquire us

Our amended and restated certificate of incorporation and amended and restated bylaws contain the following limitations.

The ownership limit. In order to protect our REIT status, our certificate of incorporation provides the following three restrictions on transfer:

- No one person may own more than 9.9% of the outstanding number or value. This ensures we meet the REIT requirement that not more than 50% in value of the outstanding shares of our capital stock may be owned, directly or indirectly by five or fewer "individuals" at any time during the last half of a taxable year.
- No person can acquire shares that would result in outstanding shares being beneficially owned by fewer than 100 persons. This ensures we meet the REIT requirement that there be at least 100 stockholders.
- No person can transfer shares that would cause us or our subsidiaries to constructively own 10% or more of the ownership interests in a tenant. This protects against having certain rent be treated as "related party" rent and thereby having such rent be non-qualifying income for purposes of the REIT tests.

Our Board of Directors has the ability to provide a waiver from these ownership restrictions. Any attempt to own or transfer shares or any of our other shares of beneficial interest in violation of these restrictions may result in the transfer being automatically void. Our charter provides that shares in excess of the ownership limits will be transferred to a trust for the exclusive benefit of a charitable beneficiary. As of August 19, 2016, Brookfield's potential ownership of the Company (assuming full share settlement of the Warrants (Note 9)), including (i) the effect of shares issuable upon exercise of the Warrants owned by Brookfield or managed by Brookfield on behalf of third parties and (ii) shares managed by Brookfield on behalf of third parties, is 34.6%, which is stated in their Form 13D filed on the same date.

Selected provisions of our charter documents. Our charter authorizes the board of directors:

- to cause us to issue additional authorized but unissued shares of common stock or preferred stock;
- to classify or reclassify, in one or more series, any unissued preferred stock; and
- to set the preferences, rights and other terms of any classified or reclassified stock that we issue.

Selected provisions of our bylaws. Our amended and restated bylaws contain the following limitations:

- the inability of stockholders to act by written consent;
- restrictions on the ability of stockholders to call a special meeting without 15% or more of the voting power of the issued and outstanding shares entitled to vote generally in the election of directors; and
- rules regarding how stockholders may present proposals or nominate directors for election at stockholder meetings.

Selected provisions of Delaware law. We are a Delaware corporation, and Section 203 of the Delaware General Corporation Law applies to us. In general, Section 203 prevents an "interested stockholder" (as defined below), from engaging in a "business combination" (as defined in the statute) with us for three years following the date that person becomes an interested stockholder unless one or more of the following occurs:

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- before that person became an interested stockholder, our board of directors approved the transaction in which the interested stockholder became an interested stockholder or approved the business combination;
- upon completion of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) stock held by directors who are also officers of our company and by employee stock plans that do not provide employees with the right to determine confidentially whether shares held under the plan will be tendered in a tender or exchange offer; and
- following the transaction in which that person became an interested stockholder, the business combination is approved by our board of directors and authorized at a meeting of stockholders by the affirmative vote of the holders of at least two-thirds of our outstanding voting stock not owned by the interested stockholder.

The statute defines "interested stockholder" as any person that is the owner of 15% or more of our outstanding voting stock or is an affiliate or associate of us and was the owner of 15% or more of our outstanding voting stock at any time within the three-year period immediately before the date of determination.

Each item discussed above may delay, deter or prevent a change in control of our company, even if a proposed transaction is at a premium over the then current market price for our common stock. Further, these provisions may apply in instances where some stockholders consider a transaction beneficial to them. As a result, our stock price may be negatively affected by these provisions.

There is a risk of investor influence over our company that may be adverse to our best interests and those of our other shareholders

Brookfield owns, or manages on behalf of third parties, a significant portion of the shares of our common stock (excluding shares issuable upon the exercise of Warrants) as of December 31, 2016. The effect of the exercise of the Warrants by Brookfield or the election to receive future dividends in the form of common stock, would further increase their ownership. Due to the Warrants, Brookfield's potential ownership amount will continue to change due to payments of dividends and changes in our stock price.

Brookfield has entered into standstill agreements to limit their influence, the concentration of ownership of our outstanding equity held or managed by Brookfield may make some transactions more difficult or impossible without their support, or more likely with their support. The interests of Brookfield, any other substantial stockholder or any of their respective affiliates could conflict with or differ from our interests or the interests of the holders of our common stock. For example, the concentration of ownership held or managed by Brookfield could delay, defer or prevent a change of control of our company or impede a merger, takeover or other business combination that may otherwise be favorable for us and the other stockholders. Brookfield may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. We cannot assure you that the standstill agreements can fully protect against these risks.

Brookfield has the right to designate three directors of our Board of Directors as long as it owns 20% or greater of our outstanding shares as stated under the various agreements made during GGP's emergence from bankruptcy in 2010.

As long as Brookfield owns directly or indirectly, a substantial portion of our outstanding shares, subject to the terms of the standstill agreements, it would be able to exert significant influence over us, including:

- the composition of our board of directors;
- direction and policies, including the appointment and removal of officers;
- the determination of incentive compensation, which may affect our ability to retain key employees;
- any determinations with respect to mergers or other business combinations;
- our acquisition or disposition of assets;
- our financing decisions and our capital raising activities;
- the payment of dividends;
- conduct in regulatory and legal proceedings; and
- amendments to our certificate of incorporation.

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Some of our directors are involved in other businesses including, without limitation, real estate activities and public and/or private investments and, therefore, may have competing or conflicting interests with us and our board of directors has adopted resolutions renouncing any interest or expectation in any such business opportunities. In addition, our relationship agreement with Brookfield Asset Management Inc. contains significant exclusions from Brookfield's obligation to present opportunities to us.

Certain of our directors have and may in the future have interests in other real estate business activities, and may have control or influence over these activities or may serve as investment advisors, directors or officers. These interests and activities, and any duties to third parties arising from such interests and activities, could divert the attention of such directors from our operations. Additionally, certain of our directors are engaged in investment and other activities in which they may learn of real estate and other related opportunities in their non-director capacities. Our board of directors has adopted resolutions applicable to our directors that expressly provide, as permitted by Section 122(17) of the DGCL, that our non-employee directors are not obligated to limit their interests or activities in their non-director capacities or to notify us of any opportunities that may arise in connection therewith, even if the opportunities are complementary to or in competition with our businesses. Accordingly, we have, and investors in our common stock should have, no expectation that we will be able to learn of or participate in such opportunities. Additionally, the relationship agreement with Brookfield Asset Management Inc. contains significant exclusions from Brookfield's obligations to present opportunities to us.

Liquidity Risks

Our indebtedness could adversely affect our financial health and operating flexibility

As of December 31, 2016, we had $18.4 billion aggregate principal amount of indebtedness outstanding at our proportionate share including $5.8 billion of our share of unconsolidated debt and our Junior Subordinated Notes of $206.2 million. Our indebtedness may have important consequences to us and the value of our equity, including:

- limiting our ability to borrow significant additional amounts for working capital, capital expenditures, debt service requirements, execution of our business strategy or other purposes;
- limiting our ability to use operating cash flow in other areas of our business or to pay dividends because we must dedicate a portion of these funds to service debt;
- increasing our vulnerability to general adverse economic and industry conditions, including increases in interest rates, particularly given the portion of our indebtedness which bears interest at variable rates;
- limiting our ability to capitalize on business opportunities and to react to competitive pressures and adverse changes in government regulation; and
- giving secured lenders the ability to foreclose on our assets.

Our debt contains restrictions and covenants which may limit our ability to enter into or obtain funding for certain transactions or operate our business

The terms of certain of our debt will require us to satisfy certain customary affirmative and negative covenants and to meet financial ratios and tests, including ratios and tests based on leverage, interest coverage and net worth, or to satisfy similar tests as a precondition to incurring additional debt. We entered into a revolving credit facility in April 2012 that subjects us to such covenants and restrictions. The revolving credit facility was amended in October 2015, and we may draw up to $1.5 billion under it, including the uncommitted accordion feature. In addition, certain of our indebtedness contains restrictions. The covenants and other restrictions under our debt agreements affect, among other things, our ability to:

- incur indebtedness;
- create liens on assets;
- sell assets;
- manage our cash flows;
- transfer assets to other subsidiaries;
- make capital expenditures;
- engage in mergers and acquisitions; and
- make distributions to equity holders, including holders of our common stock.

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In addition, our debt contains certain terms which include restrictive operational and financial covenants and restrictions on the distribution of cash flows from properties serving as collateral for the debt. Fees and cash flow restrictions may affect our ability to fund our on-going operations from our operating cash flows and we may be limited in our operating and financial flexibility and, thus, may be limited in our ability to respond to changes in our business or competitive activities.

We may not be able to refinance, extend or repay our consolidated debt or our portion of indebtedness of our Unconsolidated Real Estate Affiliates

As of December 31, 2016, our proportionate share of total debt, including the $206.2 million of Junior Subordinated Notes, aggregated $18.4 billion consisting of our consolidated debt, net of noncontrolling interest, of $12.6 billion combined with our share of the debt of our Unconsolidated Real Estate Affiliates (Note 6) of $5.8 billion. Of our proportionate share of total debt, $1.3 billion is recourse to the Company due to guarantees or other security provisions for the benefit of the note holder. There can be no assurance that we, or the joint venture, will be able to refinance or restructure this debt on acceptable terms or otherwise, or that operations of the properties or contributions by us and/or our partners will be sufficient to repay such loans. If we or the joint venture cannot service this debt, we or the joint venture may have to deed property back to the applicable lenders.

We may not be able to raise capital through financing activities

Substantially all of our assets are encumbered by property-level indebtedness; therefore, we may be limited in our ability to raise additional capital through property level or other financings. In addition, our ability to raise additional capital could be limited to refinancing existing secured mortgages before their maturity date which may result in yield maintenance or other prepayment penalties to the extent that the mortgage is not open for prepayment at par.

We may not be able to sell assets timely and at prices we believe are appropriate due to the illiquid nature of real estate

Our ability to sell our properties timely and for an attractive price may be limited. Limitations could be caused by the economic climate, which affects the value of our properties, and by the availability of credit, which could increase the cost and difficulty for potential purchasers to acquire financing. These factors may limit our ability to sell these properties at a price that exceeds the cost of our investment.

FORWARD-LOOKING INFORMATION

Refer to Item 7.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our investments in real estate as of December 31, 2016 consisted of our interests in 127 retail properties. We generally own the land underlying the properties; however, at certain of our properties, all or part of the underlying land is owned by a third party that leases the land to us pursuant to a long-term ground lease. We manage substantially all of our Consolidated Properties (defined in Note 1) and provide management, leasing, and other services to a majority of our Unconsolidated Properties. Information regarding encumbrances on our properties is included here and on Schedule III of this Annual Report.

Mall and freestanding GLA includes in-line mall shop and outparcel retail locations (locations that are not attached to the primary complex of buildings that comprise a mall) and excludes anchors and tenant-owned GLA.

Anchors are frequently department stores whose merchandise appeals to a broad range of shoppers. Anchors generally either own their stores, the land under them and adjacent parking areas, or enter into long-term leases at rates that are generally lower than the rents charged to mall store tenants. We also typically enter into long-term reciprocal agreements with anchors that provide for, among other things, mall and anchor operating covenants and anchor expense participation. The properties in our portfolio receive a smaller percentage of their operating income from anchors than from retail stores (other than anchors) that are typically specialty retailers who lease space in the structure including, or attached to, the primary complex of buildings that comprise a shopping center.

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The following sets forth certain information regarding our properties as of December 31, 2016:
RETAIL PROPERTIES

Property Count	Property Name	Location	GGP Ownership		Total GLA	Mall and Freestanding GLA	Retail Percentage Leased		Anchors
Consolidated Retail Properties									
1	200 Lafayette	New York, NY	100	%	27,970	27,970	100.0	%	Pirch
2	605 N. Michigan Avenue	Chicago, IL	100	%	82,526	82,526	51.8	%	Sephora
3	830 N. Michigan Avenue	Chicago, IL	100	%	117,411	117,411	100.0	%	Uniqlo, Topshop
4	Apache Mall (1)	Rochester, MN	100	%	782,318	413,202	98.2	%	Herberger's, JCPenney, Macy's
5	Augusta Mall (1)	Augusta, GA	100	%	1,099,384	502,161	99.0	%	Dillard's, JCPenney, Macy's, Sears
6	Baybrook Mall	Friendswood, TX	100	%	1,694,298	876,762	98.0	%	Dillard's, JCPenney, Macy's, Sears
7	Beachwood Place	Beachwood, OH	100	%	1,007,584	348,809	98.8	%	Dillard's, Nordstrom, Saks Fifth Avenue
8	Bellis Fair	Bellingham, WA	100	%	685,713	347,403	92.9	%	JCPenney, Kohl's, Macy's, Target
9	Boise Towne Square (1)	Boise, ID	100	%	1,211,363	423,406	96.5	%	Dillard's, JCPenney, Macy's, Sears, Kohl's
10	Brass Mill Center	Waterbury, CT	100	%	1,165,475	448,245	97.6	%	Burlington Coat Factory, JCPenney, Macy's, Sears
11	Coastland Center (1)	Naples, FL	100	%	922,996	332,606	99.6	%	Dillard's, JCPenney, Macy's, Sears
12	Columbia Mall	Columbia, MO	100	%	727,193	306,133	98.7	%	Dillard's, JCPenney, Sears, Target
13	Columbiana Centre	Columbia, SC	100	%	786,034	265,115	98.9	%	Belk, Dillard's, JCPenney
14	Coral Ridge Mall	Coralville, IA	100	%	1,051,901	510,940	97.7	%	Dillard's, JCPenney, Target, Younkers
15	Coronado Center (1)	Albuquerque, NM	100	%	1,108,759	522,122	100.0	%	JCPenney, Kohl's, Macy's, Sears
16	Crossroads Center	St. Cloud, MN	100	%	901,340	377,898	98.3	%	JCPenney, Macy's, Sears, Target
17	Cumberland Mall	Atlanta, GA	100	%	1,037,458	536,883	99.5	%	Macy's, Sears
18	Deerbrook Mall	Humble, TX	100	%	1,293,035	639,495	100.0	%	Dillard's, JCPenney, Macy's, Sears
19	Eastridge Mall WY	Casper, WY	100	%	570,951	281,155	92.2	%	JCPenney, Macy's, Sears, Target
20	Fashion Place (1)	Murray, UT	100	%	917,960	418,360	96.7	%	Dillard's, Nordstrom
21	Four Seasons Town Centre	Greensboro, NC	100	%	1,078,793	436,777	96.4	%	Dillard's, JCPenney
22	Fox River Mall	Appleton, WI	100	%	1,154,298	559,384	97.3	%	JCPenney, Macy's, Sears, Target, Younkers
23		Fort Wayne, IN	100	%	1,224,890	448,020	90.5	%	

	Glenbrook Square								JCPenney, Macy's, Sears, Carson's
24	Governor's Square (1)	Tallahassee, FL	100	%	1,030,972	339,367	99.5	%	Dillard's, JCPenney, Macy's, Sears
25	Grand Teton Mall	Idaho Falls, ID	100	%	630,321	213,122	92.0	%	Dillard's, JCPenney, Macy's, Sears
26	Greenwood Mall	Bowling Green, KY	100	%	851,576	422,523	99.8	%	Dillard's, JCPenney, Sears, Macy's
27	Hulen Mall	Ft. Worth, TX	100	%	991,148	394,578	98.3	%	Dillard's, Macy's, Sears
28	Jordan Creek Town Center	West Des Moines, IA	100	%	1,346,015	736,522	99.0	%	Dillard's, Younkers
29	Lakeside Mall	Sterling Heights, MI	100	%	1,503,945	483,227	85.1	%	JCPenney, Lord & Taylor, Macy's, Macy's Men's & Home, Sears

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Property Count	Property Name	Location	GGP Ownership		Total GLA	Mall and Freestanding GLA	Retail Percentage Leased		Anchors
30	Lynnhaven Mall	Virginia Beach, VA	100	%	1,181,022	649,630	98.8	%	Dillard's, JCPenney, Macy's
31	Mall of Louisiana	Baton Rouge, LA	100	%	1,559,645	610,381	97.7	%	Dillard's, Dillard's Men's & Home, JCPenney, Macy's, Sears
32	Mall St. Matthews	Louisville, KY	100	%	1,019,067	504,932	98.7	%	Dillard's, Dillard's Men's & Home, JCPenney
33	Market Place Shopping Center	Champaign, IL	100	%	887,071	502,257	98.7	%	Bergner's, JCPenney, Macy's,
34	Mayfair	Wauwatosa, WI	100	%	1,600,934	637,028	97.4	%	Boston Store, Macy's, Nordstrom
35	Meadows Mall	Las Vegas, NV	100	%	944,951	308,098	94.3	%	Dillard's/Curacao, JCPenney, Macy's, Sears
36	Mondawmin Mall	Baltimore, MD	100	%	459,453	385,535	100.0	%	
37	North Point Mall	Alpharetta, GA	100	%	1,324,412	421,411	92.5	%	Dillard's, JCPenney, Macy's, Sears, Von Maur
38	North Star Mall	San Antonio, TX	100	%	1,247,753	518,431	98.6	%	Dillard's, JCPenney, Macy's, Saks Fifth Avenue
39	Northridge Fashion Center	Northridge, CA	100	%	1,406,079	581,636	97.8	%	JCPenney, Macy's, Sears
40	Northtown Mall (1)	Spokane, WA	100	%	921,026	436,517	89.2	%	JCPenney, Kohl's, Macy's, Sears
41	Oak View Mall	Omaha, NE	100	%	859,459	255,273	84.9	%	Dillard's, JCPenney, Sears, Younkers
42	Oakwood Center	Gretna, LA	100	%	914,017	399,989	97.5	%	Dillard's, JCPenney, Sears
43	Oakwood Mall	Eau Claire, WI	100	%	819,370	404,526	96.5	%	Macy's, JCPenney, Sears, Younkers
44	Oglethorpe Mall	Savannah, GA	100	%	943,945	407,361	98.2	%	Belk, JCPenney, Macy's, Sears
45	Oxmoor Center (1)	Louisville, KY	94	%	918,536	351,326	95.5	%	Macy's, Sears, Von Maur
46	Paramus Park (1)	Paramus, NJ	100	%	764,996	305,939	100.0	%	Macy's, Sears
47	Park City Center	Lancaster, PA	100	%	1,437,839	534,674	96.5	%	Bon Ton, Boscov's, JCPenney, Kohl's, Sears
48	Park Place	Tucson, AZ	100	%	1,053,695	472,238	99.3	%	Dillard's, Macy's, Sears
49	Peachtree Mall	Columbus, GA	100	%	815,553	380,338	98.2	%	Dillard's, JCPenney, Macy's
50	Pecanland Mall	Monroe, LA	100	%	963,268	347,832	97.0	%	Belk, Burlington Coat Factory, Dillard's, JCPenney, Sears
51	Pembroke Lakes Mall	Pembroke Pines, FL	100	%	1,135,670	354,395	96.7	%	Dillard's, Dillard's Men's & Home, JCPenney, Macy's, Macy's Home Store, Sears
52	Pioneer Place (1)	Portland, OR	100	%	310,331	310,331	99.0	%	
53	Prince Kuhio Plaza (1)	Hilo, HI	100	%	495,241	258,821	93.1	%	Macy's, Sears

54	Providence Place (1)	Providence, RI	94	%	1,241,729	723,609	99.0	%	Macy's, Nordstrom
55	Quail Springs Mall	Oklahoma City, OK	100	%	1,116,211	450,615	95.3	%	Dillard's, JCPenney, Von Maur
56	Red Cliffs Mall	St. George, UT	100	%	433,279	140,944	97.2	%	Dillard's, JCPenney, Sears
57	Ridgedale Center	Minnetonka, MN	100	%	1,173,773	372,833	92.6	%	JCPenney, Macy's, Sears, Nordstrom

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Property Count	Property Name	Location	GGP Ownership		Total GLA	Mall and Freestanding GLA	Retail Percentage Leased		Anchors
58	Riverchase Galleria	Hoover (Birmingham), AL	76	%	1,478,101	538,043	99.5	%	Belk, JCPenney, Macy's, Sears, Von Maur
59	River Hills Mall	Mankato, MN	100	%	716,224	352,282	96.1	%	Herberger's, JCPenney, Sears, Target
60	Rivertown Crossings	Grandville (Grand Rapids), MI	100	%	1,258,813	623,188	96.9	%	JCPenney, Kohl's, Macy's, Sears, Younkers
61	Sooner Mall	Norman, OK	100	%	504,308	237,403	95.5	%	Dillard's, JCPenney, Sears
62	Southwest Plaza	Littleton, CO	100	%	1,356,350	715,986	91.8	%	Dillard's, JCPenney, Macy's, Sears
63	Spokane Valley Mall (1)	Spokane, WA	100	%	867,920	352,309	94.3	%	JCPenney, Macy's, Sears
64	Staten Island Mall	Staten Island, NY	100	%	1,253,292	512,778	99.5	%	Macy's, Sears, JCPenney
65	Stonestown Galleria	San Francisco, CA	100	%	840,261	411,968	98.8	%	Macy's, Nordstrom
66	The Crossroads	Portage, MI	100	%	768,263	265,302	95.0	%	Burlington Coat Factory, JCPenney, Macy's, Sears
67	The Gallery at Harborplace (1)	Baltimore, MD	100	%	366,019	99,914	86.6	%	
68	The Maine Mall (1)	South Portland, ME	100	%	1,021,548	479,116	99.7	%	Bon Ton, JCPenney, Macy's, Sears
69	The Mall in Columbia	Columbia, MD	100	%	1,424,993	624,825	95.8	%	JCPenney, Lord & Taylor, Macy's, Nordstrom, Sears
70	The Oaks Mall	Gainesville, FL	100	%	906,104	348,237	94.7	%	Belk, Dillard's, JCPenney, Macy's, Sears
71	The Parks at Arlington	Arlington, TX	100	%	1,511,265	762,320	97.3	%	Dillard's, JCPenney, Macy's, Sears
72	The Shoppes at Buckland Hills	Manchester, CT	100	%	1,068,091	555,480	95.2	%	JCPenney, Macy's, Macy's Men's & Home, Sears
73	The Shops at Fallen Timbers	Maumee, OH	100	%	605,575	344,073	94.2	%	Dillard's, JCPenney
74	The Shops at La Cantera	San Antonio, TX	75	%	1,316,213	615,553	98.5	%	Dillard's, Macy's, Neiman Marcus, Nordstrom
75	The Streets at Southpoint	Durham, NC	94	%	1,334,322	607,975	99.6	%	Belk, JCPenney, Macy's, Nordstrom, Sears
76	The Woodlands Mall	Woodlands, TX	100	%	1,464,030	708,950	99.7	%	Dillard's, JCPenney, Macy's, Nordstrom
77	Town East Mall	Mesquite, TX	100	%	1,217,770	408,384	100.0	%	Dillard's, JCPenney, Macy's, Sears
78	Tucson Mall (1)	Tucson, AZ	100	%	1,280,235	602,872	96.1	%	Dillard's, JCPenney, Macy's, Sears
79	Tysons Galleria (1)	McLean (Washington, D.C.), VA	100	%	796,707	284,774	96.2	%	Neiman Marcus, Saks Fifth Avenue
80	Valley Plaza Mall	Bakersfield, CA	100	%	1,174,824	517,856	98.4	%	JCPenney, Macy's, Sears, Target

81	Visalia Mall	Visalia, CA	100	%	435,371	178,371	95.1	%	JCPenney, Macy's
82	Westlake Center	Seattle, WA	100	%	97,128	97,128	98.4	%	
83	Westroads Mall	Omaha, NE	100	%	1,069,492	540,456	98.0	%	JCPenney, Von Maur, Younkers
84	White Marsh Mall	Baltimore, MD	100	%	1,110,980	387,625	96.9	%	JCPenney, Macy's, Macy's Home Store, Sears, Boscov's
85	Willowbrook (1)	Wayne, NJ	100	%	1,518,546	488,486	100.0	%	Bloomingdale's, Lord & Taylor, Macy's, Sears

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Property Count	Property Name	Location	GGP Ownership		Total GLA	Mall and Freestanding GLA	Retail Percentage Leased		Anchors
86	Woodbridge Center	Woodbridge, NJ	100	%	1,632,795	616,121	94.3	%	Boscov's, JCPenney, Lord & Taylor, Macy's, Sears
		Total Consolidated Retail Properties			85,347,492	37,116,797			
Unconsolidated Retail Properties									
87	218 W. 57th Street	New York, NY	50	%	35,304	35,304	—	%	
88	530 Fifth Avenue	New York, NY	50	%	61,753	61,753	100.0	%	Fossil, Desigual, Chase Bank
89	685 Fifth Avenue	New York, NY	50	%	109,795	24,180	100.0	%	Coach, Stuart Weitzman
90	730 Fifth Avenue	New York, NY	50	%	101,786	69,114	100.0	%	Bulgari, Mikimoto, Piaget, Zenga
91	85 Fifth Avenue	New York, NY	50	%	12,946	12,946	100.0	%	Anthropologie
92	Ala Moana Center (1)	Honolulu, HI	63	%	2,661,037	1,269,106	89.9	%	Macy's, Neiman Marcus, Bloomingdale's, Nordstrom
93	Alderwood	Lynnwood, WA	50	%	1,323,275	578,370	98.7	%	JCPenney, Macy's, Nordstrom, Sears
94	Altamonte Mall	Altamonte Springs, FL	50	%	1,146,873	468,325	98.8	%	Dillard's, JCPenney, Macy's, Sears
95	Bayside Marketplace (1)	Miami, FL	51	%	206,543	205,440	97.9	%	
96	Bridgewater Commons	Bridgewater, NJ	35	%	1,008,101	414,651	99.4	%	Bloomingdale's, Lord & Taylor, Macy's
97	Carolina Place	Pineville, NC	50	%	1,161,421	387,919	97.5	%	Belk, Dillard's, JCPenney, Sears
98	Christiana Mall (1)	Newark, DE	50	%	1,266,862	625,550	100.0	%	JCPenney, Macy's, Nordstrom, Target
99	Clackamas Town Center	Happy Valley, OR	50	%	1,410,227	635,385	100.0	%	JCPenney, Macy's, Macy's Home Store, Nordstrom, Sears
100	Fashion Show	Las Vegas, NV	50	%	1,878,386	845,098	99.5	%	Dillard's, Macy's, Macy's Men's, Neiman Marcus, Nordstrom, Saks Fifth Avenue
101	First Colony Mall	Sugar Land, TX	50	%	1,178,256	559,208	98.6	%	Dillard's, Dillard's Men's & Home, JCPenney, Macy's
102	Florence Mall	Florence, KY	50	%	940,516	388,109	89.9	%	JCPenney, Macy's, Macy's Home Store, Sears
103	Galleria at Tyler (1)	Riverside, CA	50	%	1,025,314	557,106	97.1	%	JCPenney, Macy's, Nordstrom
104	Glendale Galleria (1)	Glendale, CA	50	%	1,476,567	506,397	99.3	%	Bloomingdale's, JCPenney, Macy's, Target
105	Kenwood Towne Centre	Cincinnati, OH	50	%	1,160,622	519,301	100.0	%	Dillard's, Macy's, Nordstrom

	(1)								
106	Miami Design District (2)	Miami, FL	15	%	768,549	692,712	87.8	%	Bulgari, Fendi, Hermes, Louis Vuitton, Prada, Valentino
107	Mizner Park (1)	Boca Raton, FL	47	%	514,024	170,867	96.1	%	Lord & Taylor
108	Natick Mall	Natick, MA	50	%	1,695,588	942,496	98.1	%	Lord & Taylor, Macy's, Sears, Neiman Marcus, Nordstrom
109	Neshaminy Mall	Bensalem, PA	50	%	1,013,820	379,639	92.7	%	Boscov's, Macy's, Sears
110	Northbrook Court	Northbrook, IL	50	%	1,014,457	478,180	87.6	%	Lord & Taylor, Macy's, Neiman Marcus

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Property Count	Property Name	Location	GGP Ownership		Total GLA	Mall and Freestanding GLA	Retail Percentage Leased		Anchors
111	Oakbrook Center	Oak Brook, IL	48	%	2,445,549	1,139,741	98.8	%	Lord & Taylor, Macy's, Neiman Marcus, Nordstrom, Sears
112	Otay Ranch Town Center	Chula Vista, CA	50	%	652,595	512,595	99.2	%	Macy's
113	Park Meadows	Lone Tree, CO	35	%	1,576,935	753,935	97.4	%	Dillard's, JCPenney, Macy's, Nordstrom
114	Perimeter Mall	Atlanta, GA	50	%	1,563,892	510,618	95.8	%	Dillard's, Macy's, Nordstrom, Von Maur
115	Pinnacle Hills Promenade	Rogers, AR	50	%	999,954	355,945	95.8	%	Dillard's, JCPenney
116	Plaza Frontenac	St. Louis, MO	55	%	485,231	224,518	98.5	%	Neiman Marcus, Saks Fifth Avenue
117	Saint Louis Galleria	St. Louis, MO	74	%	1,175,423	461,371	98.2	%	Dillard's, Macy's, Nordstrom
118	Stonebriar Centre	Frisco, TX	50	%	1,703,332	838,140	98.6	%	Dillard's, JCPenney, Macy's, Nordstrom, Sears
119	The Grand Canal Shoppes (1)	Las Vegas, NV	50	%	764,726	645,895	99.7	%	Barneys New York
120	The Shops at Bravern	Bellevue, WA	40	%	266,853	142,216	92.4	%	Neiman Marcus
121	The Shoppes at River Crossing	Macon, GA	50	%	738,317	405,098	99.2	%	Belk, Dillard's
122	Towson Town Center	Towson, MD	35	%	1,025,100	605,971	96.4	%	Macy's, Nordstrom
123	One Union Square	San Francisco, CA	50	%	41,715	22,208	100.0	%	Bulgari
124	Shops at Merrick Park (1)	Coral Gables, FL	55	%	846,146	414,883	99.3	%	Neiman Marcus, Nordstrom
125	Water Tower Place	Chicago, IL	47	%	790,222	405,285	99.3	%	Macy's
126	Whaler's Village	Lahaina, HI	50	%	106,993	104,436	99.0	%	
127	Willowbrook Mall	Houston, TX	50	%	1,522,800	538,428	99.1	%	Dillard's, JCPenney, Macy's, Macy's Men's, Sears
		Total Unconsolidated Retail Properties			39,877,805	18,908,439			
		Total Retail Properties			125,225,296	56,025,236			

OTHER RETAIL PROPERTIES

Property Count	Property Name	Location	GGP Ownership	Total GLA	Mall and Freestanding	Retail Percentage	Anchors

					GLA	Leased	
128	Shopping Leblon	Rio de Janeiro, Brazil	35 %	256,045	256,045	99.5	%
		Total Other Retail		256,045	256,045		

(1)A portion of the property is subject to a ground lease.
(2)Investment is accounted for using the cost method of accounting for financial reporting purposes.

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MORTGAGES, NOTES AND OTHER DEBT

The following table sets forth certain information regarding the mortgages and other indebtedness encumbering our consolidated properties and our Unconsolidated Real Estate Affiliates, as well as our unsecured corporate debt (dollars in thousands).

Name	GGP Ownership	Proportionate Balance (1)	Maturity Year (2)	Proportionate Balloon Pmt at Maturity	Interest Rate	Parent Recourse as of 12/31/2016 (3)
Fixed Rate						
Consolidated Property Level						
Four Seasons Town Centre	100%	$ 74,253	2017	$ 72,532	5.60%	No
The Gallery at Harborplace - Other	100%	3,277	2018	190	6.05%	No
Hulen Mall	100%	123,004	2018	118,702	4.25%	No
Governor's Square	100%	68,631	2019	66,488	6.69%	No
Oak View Mall	100%	76,866	2019	74,467	6.69%	No
Coronado Center	100%	189,756	2019	180,278	3.50%	No
Park City Center	100%	180,978	2019	172,224	5.34%	No
Fashion Place	100%	226,730	2020	226,730	3.64%	No
Mall St. Matthews	100%	184,677	2020	170,305	2.72%	No
Town East Mall	100%	160,270	2020	160,270	3.57%	No
Tucson Mall	100%	246,000	2020	246,000	4.01%	No
Visalia Mall	100%	74,000	2020	74,000	3.71%	No
Tysons Galleria	100%	306,347	2020	282,081	4.06%	No
The Mall In Columbia	100%	342,190	2020	316,928	3.95%	No
Northridge Fashion Center	100%	228,930	2021	207,503	5.10%	No
Deerbrook Mall	100%	140,825	2021	127,934	5.25%	No
White Marsh Mall	100%	190,000	2021	190,000	3.66%	No
Park Place	100%	182,984	2021	165,815	5.18%	No
Providence Place	94%	331,591	2021	302,577	5.65%	No
Fox River Mall	100%	172,125	2021	156,373	5.46%	No
Oxmoor Center	94%	82,426	2021	74,781	5.37%	No
Rivertown Crossings	100%	155,529	2021	141,356	5.52%	No
Westlake Center - Land	100%	2,437	2021	2,437	12.90%	Yes - Full
Bellis Fair	100%	86,660	2022	77,060	5.23%	No
The Shoppes at Buckland Hills	100%	120,811	2022	107,820	5.19%	No
The Gallery at Harborplace	100%	76,483	2022	68,096	5.24%	No
The Streets at South Point	94%	234,583	2022	207,909	4.36%	No
Spokane Valley Mall	100%	58,370	2022	51,312	4.65%	No
Greenwood Mall	100%	63,000	2022	57,469	4.19%	No
North Star Mall	100%	312,840	2022	270,113	3.93%	No
Coral Ridge Mall	100%	108,358	2022	98,394	5.71%	No
The Oaks Mall	100%	129,444	2022	112,842	4.55%	No
Westroads Mall	100%	146,206	2022	127,455	4.55%	No
Coastland Center	100%	119,960	2022	102,621	3.76%	No
Pecanland Mall	100%	87,233	2023	75,750	3.88%	No
Crossroads Center (MN)	100%	99,265	2023	83,026	3.25%	No
Cumberland Mall	100%	160,000	2023	160,000	3.67%	No
The Woodlands	100%	245,567	2023	207,057	5.04%	No

Meadows Mall	100%	150,756	2023	118,726	3.96%	No
Oglethorpe Mall	100%	150,000	2023	136,166	3.90%	No
Prince Kuhio Plaza	100%	42,305	2023	35,974	4.10%	No
Augusta Mall	100%	170,000	2023	170,000	4.36%	No
Staten Island Mall	100%	248,164	2023	206,942	4.77%	No
Stonestown Galleria	100%	180,000	2023	164,720	4.39%	No
Boise Towne Square	100%	127,727	2023	106,372	4.79%	No
The Crossroads (MI)	100%	95,074	2023	80,833	4.42%	No

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Name	GGP Ownership	Proportionate Balance (1)	Maturity Year (2)	Proportionate Balloon Pmt at Maturity	Interest Rate	Parent Recourse as of 12/31/2016 (3)
Jordan Creek Town Center	100%	209,355	2024	177,448	4.37%	No
Woodbridge Center	100%	250,000	2024	220,726	4.80%	No
The Maine Mall	100%	235,000	2024	235,000	4.66%	No
Baybrook Mall	100%	245,777	2024	212,423	5.52%	No
The Parks Mall at Arlington	100%	245,815	2024	212,687	5.57%	No
Beachwood Place	100%	220,000	2025	184,350	3.94%	No
Pembroke Lakes Mall	100%	260,000	2025	260,000	3.56%	No
Valley Plaza Mall	100%	240,000	2025	206,847	3.75%	No
Willowbrook Mall	100%	360,000	2025	360,000	3.55%	No
Boise Towne Plaza	100%	19,557	2025	16,006	4.13%	No
Paramus Park	100%	120,000	2025	120,000	4.07%	No
Glenbrook Square	100%	162,000	2025	137,791	4.27%	No
Peachtree Mall	100%	79,379	2025	59,269	3.94%	No
North Point Mall	100%	250,000	2026	218,205	4.54%	No
The Shops at La Cantera	75%	262,500	2027	262,500	3.6%	No
Providence Place - Other	94%	33,014	2028	2,247	7.75%	No
Consolidated Property Level		10,149,029		9,242,127	4.44%	
Unconsolidated Property Level						
The Shops at Bravern	40%	$ 20,394	2017	$ 20,273	3.86%	No
Plaza Frontenac	55%	28,600	2018	28,600	3.04%	No
Saint Louis Galleria	74%	158,262	2018	158,262	3.44%	No
The Grand Canal Shoppes	50%	313,125	2019	313,125	4.24%	No
First Colony Mall	50%	89,180	2019	84,321	4.50%	No
Natick Mall	50%	220,824	2019	209,699	4.6%	No
Oakbrook Center	48%	202,725	2020	202,725	3.66%	No
Christiana Mall	50%	115,472	2020	108,697	5.1%	No
Water Tower Place	47%	178,765	2020	171,026	4.35%	No
Kenwood Towne Centre	70%	149,756	2020	137,191	5.37%	No
Fashion Show - Other	50%	1,910	2021	788	6.06%	Yes - Full
Whaler's Village	50%	40,000	2021	40,000	5.42%	No
Shops at Merrick Park	55%	93,785	2021	85,797	5.73%	No
Willowbrook Mall (TX)	50%	98,103	2021	88,965	5.13%	No
Northbrook Court	50%	63,145	2021	56,811	4.25%	No
Ala Moana Center	63%	875,000	2022	875,000	4.23%	No
Florence Mall	50%	45,000	2022	45,000	4.15%	No
Clackamas Town Center	50%	108,000	2022	108,000	4.18%	No
Bridgewater Commons	35%	105,000	2022	105,000	3.34%	No
The Shoppes at River Crossing	50%	38,675	2023	35,026	3.75%	No
Carolina Place	50%	86,744	2023	75,542	3.84%	No
Union Square Portfolio	50%	25,000	2023	25,000	5.12%	No
Galleria at Tyler	50%	91,740	2023	76,716	5.05%	No
Park Meadows	35%	126,000	2023	112,734	4.60%	No
Fashion Show	50%	417,500	2024	417,500	4.03%	No
Stonebriar Centre	50%	140,000	2024	120,886	4.05%	No

Pinnacle Hills Promenade	50%	59,019	2025	48,805	4.13%	No
Altamonte Mall	50%	80,000	2025	69,045	3.72%	No
Alderwood	50%	172,483	2025	138,693	3.48%	No
Towson Town Center	35%	113,761	2025	97,713	3.82%	No
Perimeter Mall	50%	137,500	2026	137,500	3.96%	No
Glendale Galleria	50%	215,000	2026	190,451	4.06%	No
Unconsolidated Property Level		4,610,468		4,384,891	4.23%	
Total Fixed Rate Debt		14,759,497		13,627,018	4.37%	

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Name	GGP Ownership	Proportionate Balance (1)	Maturity Year (2)	Proportionate Balloon Pmt at Maturity	Interest Rate	Parent Recourse as of 12/31/2016 (3)
Variable Rate						
Consolidated Property Level						
Columbia Mall	100%	$ 100,000	2018	$ 100,000	Libor + 175 bps	Yes - Full
Market Place Shopping Center	100%	113,425	2018	113,425	Libor + 240 bps	No
Lynnhaven Mall	100%	235,000	2019	235,000	Libor + 185 bps	No
830 N. Michigan	100%	85,000	2019	85,000	Libor + 160 bps	No
Westlake Center	100%	42,500	2019	42,500	Libor + 230 bps	No
200 Lafayette	100%	33,000	2019	33,000	Libor + 250 bps	No
Brass Mill Center (4)	100%	66,779	2021	62,884	Libor + 175 bps	Yes - Partial
Columbiana Centre (4)	100%	124,871	2021	117,588	Libor + 175 bps	Yes - Partial
Eastridge (WY) (4)	100%	43,433	2021	40,900	Libor + 175 bps	Yes - Partial
Grand Teton Mall (4)	100%	45,605	2021	42,945	Libor + 175 bps	Yes - Partial
Mayfair (4)	100%	349,095	2021	328,736	Libor + 175 bps	Yes - Partial
Mondawmin Mall (4)	100%	85,526	2021	80,539	Libor + 175 bps	Yes - Partial
North Town Mall (4)	100%	86,866	2021	81,801	Libor + 175 bps	Yes - Partial
Oakwood (4)	100%	71,231	2021	67,077	Libor + 175 bps	Yes - Partial
Oakwood Center (4)	100%	87,138	2021	82,056	Libor + 175 bps	Yes - Partial
Pioneer Place (4)	100%	127,585	2021	120,145	Libor + 175 bps	Yes - Partial
Red Cliffs Mall (4)	100%	31,310	2021	29,484	Libor + 175 bps	Yes - Partial
River Hills Mall (4)	100%	71,272	2021	67,116	Libor + 175 bps	Yes - Partial
Sooner Mall (4)	100%	72,149	2021	67,942	Libor + 175 bps	Yes - Partial
Southwest Plaza (4)	100%	115,967	2021	109,204	Libor + 175 bps	Yes - Partial
The Shops at Fallen Timbers (4)	100%	21,174	2021	19,939		Yes - Partial

Consolidated Property Level		2,008,926		1,927,281	Libor + 175 bps 2.45%	
Unconsolidated Property Level						
Ala Moana Construction Loan (5)	63%	$ 257,916	2019	$ 257,916	Libor + 190 bps	Yes - Partial
685 Fifth Avenue	50%	170,000	2019	170,000	Libor + 275 bps	No
Miami Design District	15%	76,392	2019	76,392	Libor + 250 bps	No
530 Fifth Avenue Senior	50%	95,000	2019	94,526	Libor + 325 bps	No
Bayside Marketplace	51%	127,500	2020	127,500	Libor + 205 bps	No
Baybrook LPC Construction Loan (6)	53%	52,271	2020	52,271	Libor + 200 bps	Yes - Partial
730 Fifth Avenue (7)	37%	457,750	2020	457,750	Libor + 263 bps	No
Park Lane Construction Loan (8)	50%	64,839	2020	64,839	Libor + 325 bps	Yes - Partial
85 Fifth Avenue	50%	30,000	2021	30,000	Libor + 275 bps	No
Unconsolidated Property Level		1,331,668		1,331,194	3.45%	
Consolidated Corporate						
Junior Subordinated Notes Due 2036	100%	$ 206,200	2036	$ 206,200	Libor + 145 bps	Yes - Full
Consolidated Corporate		206,200		206,200	2.34%	
Total Variable Rate Debt		3,546,794		3,464,675	2.82%	
Total (9)		18,306,291		17,091,693	4.07%	

(1) Proportionate share (see Item 7) for Consolidated Properties presented exclusive of non-controlling interests. See reconciliation to our consolidated mortgages, notes and loans payable below.
(2) Assumes that all maturity extensions are exercised.
(3) Total recourse to GGP or its subsidiaries of approximately $1.3 billion, excluding the corporate revolver.

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(4) Properties provide mortgage collateral as guarantors for $1.4 billion corporate borrowing and are cross collateralized.
(5) Reflects the amount drawn as of December 31, 2016 on the $430.0 million construction loan ($268.8 million at share).
(6) Reflects the amount drawn as of December 31, 2016 on the $126.0 million construction loan ($66.8 million at share).
(7) Per the joint venture agreement approximately $915 million of the total property debt is associated with the retail units and approximately $335 million is associated with the upper units. GGP owns a 50% equity interest in the retail units, and as a result GPP's pro rata share of the property debt is approximately $458 million or 37%.
(8) Reflects the amount drawn as of December 31, 2016 on the $460.0 million construction loan ($230.0 million at share).
(9) Reflects amortization for the period subsequent to December 31, 2016.

Below is a reconciliation of our proportionate share of mortgages, notes and loans payable (from above) to our consolidated mortgages, notes and loans payable per our Consolidated Balance Sheet as of December 31, 2016 (dollars in thousands).

Total Maturities and Amortization, from above	$18,306,291
Our share of Unconsolidated Real Estate Affiliates	(5,942,136)
Total Consolidated Maturities and Amortization	12,364,155
Noncontrolling interests in consolidated real estate affiliates	181,775
Market rate adjustments, net	27,837
Deferred financing costs, net	(40,050)
Debt transferred to special servicer	144,451
Partner share of Riverchase	(54,063)
Debt related to solar projects	12,513
Junior Subordinated Notes Due 2036	(206,200)
Mortgages, Notes and Loans Payable	$12,430,418

Lease Expiration Schedule

The following table indicates various lease expiration information related to our retail properties owned as of December 31, 2016. The table excludes expirations and rental revenue from temporary tenants and tenants that pay percent-in-lieu rent. See "Note 2—Summary of Significant Accounting Policies" for our accounting policies for revenue recognition from our tenant leases and "Note 10—Rentals Under Operating Leases" for the future minimum rentals of our operating leases for the consolidated properties.

Year	Number of Expiring Leases	Expiring GLA at 100%	Percent of Total	Expiring Rent	Expiring Rent ($psf)
		(in thousands)		(in thousands)	
Specialty Leasing	893	1,849	3.5%	$40,049	$ 21.65
2017	2,182	6,858	12.9%	385,516	56.21
2018	1,625	5,621	10.6%	344,118	61.22
2019	1,434	5,773	10.9%	326,324	56.52
2020	1,124	4,130	7.8%	246,501	59.69
2021	1,254	4,686	8.8%	298,262	63.65
2022	863	3,379	6.4%	229,971	68.06
2023	944	3,712	7.0%	279,314	75.25
2024	853	4,069	7.7%	305,320	75.04
Subsequent	2,190	12,997	24.5%	885,207	68.11
Total	13,362	53,073	100.0%	$3,340,583	$ 62.94

Vacant Space	647	1,553
Mall and Freestanding GLA	14,009	54,626

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ITEM 3. LEGAL PROCEEDINGS

Other than certain cases as described below and in Note 19, neither the Company nor any of the Unconsolidated Real Estate Affiliates is currently involved in any material pending legal proceedings nor, to our knowledge, is any material legal proceeding currently threatened against the Company or any of the Unconsolidated Real Estate Affiliates.

Urban Litigation

In October 2004, certain limited partners (the "Urban Plaintiffs") of Urban Shopping Centers, L.P. ("Urban") filed a lawsuit against Urban's general partner, Head Acquisition, L.P. ("Head"), as well as The Rouse Company, LP, Simon Property Group, Inc., Westfield America, Inc., and various of their affiliates, including Head's general partners (collectively, the "Urban Defendants"), in Circuit Court in Cook County, Illinois. GGP, GGP Operating Partnership, LP ("GGPOP") and other affiliates were later included as Urban Defendants. The lawsuit alleged, among other things, that the Urban Defendants breached the Urban partnership agreement, unjustly enriched themselves through misappropriation of partnership opportunities, failed to grow the partnership, breached their fiduciary duties, and tortiously interfered with several contractual relationships. The Urban Plaintiffs sought relief in the form of unspecified monetary damages and equitable relief requiring, among other things, the Urban Defendants, including the predecessor entity to GGP ("GGP, Inc.") and its affiliates, to engage in certain future transactions through Urban. On May 19, 2014 the Company settled the litigation and recorded a loss of $17.9 million, which is included in General and administrative expense in our Consolidated Statements of Operations and Comprehensive Income. The Company invested $60.0 million in Urban and contributed, at fair value, a 5.6% interest in three assets in exchange for preferred equity interests. The Company has no obligation to engage in future activity through Urban other than transactions associated with currently existing partnership assets.

Tax Indemnification Liability

Pursuant to various agreements made during GGP's emergence from bankruptcy in 2010, GGP previously indemnified Howard Hughes Corporation ("HHC") from and against 93.75% of any and all losses, claims, damages, liabilities and reasonable expenses to which HHC and its subsidiaries become subject, in each case solely to the extent directly attributable to Master Planned Communities ("MPC") taxes in an amount up to $303.8 million. Under certain circumstances, we agreed to be responsible for interest or penalties attributable to such MPC taxes in excess of the $303.8 million. The IRS disagreed with the method used to report gains for income tax purposes that are the subject of the MPC taxes. As a result of this disagreement, The Howard Hughes Company, LLC and Howard Hughes Properties, Inc. filed petitions in the United States Tax Court on May 6, 2011, contesting this liability for the 2007 and 2008 years and a trial was held in early November 2012. The United States Tax Court rendered its opinion on June 2, 2014, in favor of the IRS. On September 15, 2014, the United States Tax Court formally entered its decision awarding the IRS $144.1 million in taxes for 2007 and 2008. On December 12, 2014, we reached an agreement with HHC for settlement, which included the transfer of six office properties with a historical cost of $106.8 million and an agreed-upon value of $130.0 million and cash of $138.0 million in full settlement of the $322.0 million tax indemnification liability ($303.8 million plus applicable interest). As a result of the settlement, GGP recognized a gain on extinguishment of tax indemnification liability of approximately $77.2 million included in discontinued operations on the Consolidated Statements of Operations and Comprehensive Income for the year ended December 31, 2014.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

See Note 13 for information regarding shares of our common stock that may be issued under our equity compensation plans as of December 31, 2016 and Note 11 for information regarding redemptions of the common units of GGP Operating Partnership, L.P. held by limited partners (the "Common Units") for common stock.

The following line graph sets forth the cumulative total returns on a $100 investment in each of our Common Stock, S&P 500 and the FTSE National Association of REIT—Equity REITs from inception through December 31, 2016.

Total Return Performance

Inception to December 2016

As Of		November 9, 2010	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016
GGP Inc.	Cum $	100	115	115	160	166	238	236	226
	Return %		15.12	14.79	59.73	65.52	138.10	136.45	125.75
FTSE NAREIT Equity REIT Index	Cum $	100	102	111	131	134	174	180	195
	Return %		2.32	10.80	30.81	34.04	74.44	80.01	95.35
S&P 500 Index	Cum $	100	104	106	123	163	185	188	210
	Return %		3.96	6.15	23.14	63.02	85.34	87.90	110.37

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The following table summarizes the quarterly high and low sales prices on the NYSE for 2016 and 2015.

Quarter Ended	Stock Price High	Stock Price Low
2016		
December 31	$27.43	$23.89
September 30	32.10	27.29
June 30	29.92	26.02
March 31	30.30	24.43
2015		
December 31	$29.56	$24.52
September 30	28.44	24.22
June 30	30.53	25.59
March 31	31.70	28.12

The following table summarizes distributions per share of our common stock.

Declaration Date	Record Date	Payment Date	Dividend Per Share
2016			
December 13	December 27	January 27, 2017	$ 0.26
October 31	December 15	January 6, 2017	0.22
August 1	October 14	October 31, 2016	0.20
May 2	July 15	July 29, 2016	0.19
February 1	April 15	April 29, 2016	0.19
2015			
November 2	December 15	January 4, 2016	$ 0.19
September 1	October 15	October 30, 2015	0.18
May 21	July 15	July 31, 2015	0.17
February 19	April 15	April 30, 2015	0.17

Recent Sales of Unregistered Securities and Repurchase of Shares

The following table provides information with respect to the stock repurchases made by GGP during the year ended December 31, 2016:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number or Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
November 2016	1,260,490	$ 24.50	1,260,490	$477,112,174
December 2016	627,261	$ 24.40	627,261	$461,804,631
Total	1,887,751	$ 24.47	1,887,751	

(1) The Company's stock repurchase program, approved by our Board of Directors on August 8, 2011, authorizes the purchase of up to $250 million of the Company's common stock. On August 18, 2015, our Board of Directors approved an increase of $500 million to the Company's existing share repurchase program.

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ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data which should be read in conjunction with the Consolidated Financial Statements and the related Notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in this Annual Report.

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
	(Dollars in thousands, except per share amounts)				
OPERATING DATA (1)					
Total revenues	$2,346,446	$2,403,906	$2,535,559	$2,486,017	$2,426,301
Total expenses	1,546,193	1,480,013	1,594,046	1,645,601	1,644,998
Income (loss) from continuing operations	1,308,273	1,393,596	398,011	328,821	(426,985)
Net income (loss) available to common stockholders	1,272,432	1,358,624	649,914	288,450	(481,233)
Basic earnings (loss) per share:					
Continuing operations	1.44	1.54	0.42	$0.32	$(0.47)
Discontinued operations	—	—	0.32	(0.01)	(0.05)
Total basic earnings (loss) per share	$1.44	$1.54	$0.74	$0.31	$(0.52)
Diluted earnings (loss) per share:					
Continuing operations	1.34	1.43	0.39	$0.32	$(0.47)
Discontinued operations	—	—	0.30	(0.01)	(0.05)
Total diluted earnings (loss) per share	$1.34	$1.43	$0.69	$0.31	$(0.52)
Dividends declared per share	$1.06	$0.71	$0.63	$0.51	$0.42
COMPANY NOI(2)	$2,356,069	$2,194,948	$2,003,437	$1,921,017	$1,819,882
COMPANY EBITDA(3)	$2,221,115	$2,031,445	$1,825,621	$1,734,915	$1,735,613
FUNDS FROM OPERATIONS ("FFO")(4)	$1,500,848	$1,299,454	$1,320,197	$1,030,852	$521,080
COMPANY FFO(4)	$1,471,250	$1,376,806	$1,255,651	$1,148,233	$986,041
CASH FLOW DATA(5)					
Operating activities	$1,132,845	$1,064,888	$949,724	$889,531	$807,103
Investing activities	$549,991	$(312,755)	$(677,925)	$116,860	$(221,452)
Financing activities	$(1,564,974)	$(767,709)	$(476,599)	$(1,103,935)	$(533,708)

	As of December 31, 2016	2015	2014	2013	2012
BALANCE SHEET DATA					
Investment in real estate assets—cost	$23,278,210	$23,791,086	$25,582,072	$25,405,973	$26,327,729
Total assets	22,732,746	24,073,555	25,281,631	25,708,408	27,238,173
Total debt (6)	12,636,618	14,422,360	16,150,387	15,824,742	16,128,834
Redeemable preferred noncontrolling interests	144,060	157,903	164,031	131,881	136,008
Redeemable common noncontrolling interests	118,667	129,724	135,265	97,021	132,211
Stockholders' equity	8,635,764	8,270,043	7,605,919	8,103,121	7,621,698

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(1) For all periods presented, the operating data related to continuing operations do not include the effects of amounts reported in discontinued operations. For the years ended December 31, 2016 and 2015, the definition of discontinued operations changed based on updated accounting guidance. See Note 4 for further discussion of discontinued operations.

(2) Company NOI (as defined below) is presented at our proportionate share and does not represent income from operations as defined by GAAP.

(3) Company EBITDA (as defined below) is presented at our proportionate share and is a supplemental measure of operating performance and does not represent income from operations as defined by GAAP.

(4) FFO and Company FFO (as defined below) are presented at our proportionate share and do not represent cash flows from operations as defined by GAAP.

(5) Cash flow data only represents GGP's consolidated cash flows as defined by GAAP and as such, operating cash flow does not include the cash received from our Unconsolidated Real Estate Affiliates, except to the extent of contributions to or distributions from our Unconsolidated Real Estate Affiliates.

(6) We elected to early adopt accounting guidance requiring companies to present debt issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of that debt liability on the balance sheet. This resulted in the reclassification of unamortized capitalized loan fees from deferred expenses to a direct reduction of the Company’s total debt for all periods presented.

Non-GAAP Financial Measures

The Company presents NOI, EBITDA and FFO as they are financial measures widely used in the REIT industry. Refer to Item 7 for definitions and reconciliations.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

All references to numbered Notes are to specific footnotes to our Consolidated Financial Statements included in this Annual Report and whose descriptions are incorporated into the applicable response by reference. The following discussion should be read in conjunction with such Consolidated Financial Statements and related Notes. Capitalized terms used, but not defined, in this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") have the same meanings as in such Notes.

Overview—Introduction

Our primary business is owning and operating best-in-class retail properties that provide an outstanding environment and experience for our communities, retailers, employees, consumers and shareholders. We are an S&P 500 real estate company with a property portfolio predominantly comprised of Class A retail properties (defined primarily by sales per square foot) and urban retail properties. Our retail properties are the core centers of retail, dining, and entertainment within their trade areas and, therefore, represent hubs of such activity. As of December 31, 2016, we own, either entirely or with joint venture partners, 127 retail properties located throughout the United States, comprising approximately 125 million square feet of GLA.

We provide management and other services to substantially all of our properties, including properties which we own through joint venture arrangements and which are unconsolidated for GAAP purposes. Our management operating philosophies and strategies are the same whether the properties are consolidated or unconsolidated.

We seek to increase long-term Company NOI and Company EBITDA (as defined below) growth through proactive management and leasing of our properties. We also recycle capital through strategic dispositions in order to opportunistically invest in high quality retail properties, as well as control operating expenses. We believe that the most significant operating factor affecting incremental cash flow and Company EBITDA growth is increased rents earned from tenants at our properties. This growth is primarily achieved by:

1) contractual rent increases;
2) occupancy growth;
3) positive leasing spreads;
4) value creation from redevelopment projects;
5) managing operating expenses; and
6) strategic acquisitions and dispositions that recycle capital.

Overview

Net income attributable to GGP Inc. decreased 6.3% from $1.4 billion for the year ended December 31, 2015 to $1.3 billion for the year ended December 31, 2016. Our Company NOI (as defined below) increased 7.3% from $2.2 billion for the year ended December 31, 2015 to $2.4 billion for the year ended December 31, 2016. Operating income decreased 13.4% from $923.9 million for the year ended December 31, 2015 to $800.3 million for the year ended December 31, 2016. Our Company EBITDA (as defined below) increased 9.3% from $2.0 billion for the year ended December 31, 2015 to $2.2 billion for the year ended December 31, 2016. Our Company FFO (as defined below) increased 6.9% from $1.4 billion for the year ended December 31, 2015 to $1.5 billion for the year ended December 31, 2016.

See Non-GAAP Supplemental Financial Measures below for a discussion of Company NOI, Company EBITDA, and Company FFO, along with a reconciliation to the comparable GAAP measures, Operating income and Net income attributable to GGP Inc.

During 2016 we completed transactions and achieved operational goals in order to promote our long-term strategy to enhance the quality of our overall portfolio as follows (figures shown represent our proportionate share):

- sold interests in eight properties for total gross proceeds at share of $604.3 million, which resulted in a net gain of $132.1 million (Note 3);
- sold a 50% interest in Fashion Show located in Las Vegas, Nevada to a joint venture partner for a gross sales price of $1.25 billion, which resulted in a gain of $634.9 million (Note 3);
- acquired interests in five properties for a total gross purchase price at share of $278.3 million including anchor boxes that will provide opportunities for redevelopment (Note 3); and

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- acquired the remaining 50% interest in Riverchase Galleria in Hoover, Alabama for a gross purchase price of $143.5 million including the assumption of our venture partner's $110.3 million share of property level debt (Note 3).

Operating Metrics

The following table summarizes selected operating metrics for our portfolio.

	December 31, 2016 (1)	December 31, 2015 (1)
In-Place Rents per square foot (3)		
Consolidated Retail Properties	$ 64.76	$ 63.75
Unconsolidated Retail Properties	98.19	94.36
Total Retail Properties	$ 76.38	$ 74.29
Percentage Leased		
Consolidated Retail Properties	97.3 %	96.9 %
Unconsolidated Retail Properties	97.0 %	97.6 %
Total Retail Properties	97.2 %	97.1 %

	December 31, 2016	December 31, 2015	December 31, 2016 (2)	December 31, 2015 (2)
Tenant Sales Volume (All Less Anchors) (1) (4)				
Consolidated Retail Properties	$ 11,998	$ 12,001	$ 11,998	$ 12,001
Unconsolidated Retail Properties	9,124	9,289	8,495	8,316
Total Retail Properties	$ 21,122	$ 21,290	$ 20,493	$ 20,317
Tenant Sales per square foot (1) (4)				
Consolidated Retail Properties	$ 507	$ 512	$ 507	$ 512
Unconsolidated Retail Properties	722	762	690	693
Total Retail Properties	$ 581	$ 597	$ 569	$ 572

(1) Metrics exclude properties acquired in the years ended December 31, 2016 and 2015 and certain other retail properties.

(2) Metrics exclude Christiana Mall.

(3) Rent is presented on a cash basis and consists of base minimum rent and common area costs.

(4) Tenant Sales Volume (All Less Anchors) is presented as total sales volume in millions of dollars and Tenant Sales <10,000 square feet is presented as sales per square foot in dollars.

Lease Spread Metrics

The following table summarizes signed leases that were scheduled or expected to commence in 2016 and 2017 compared to expiring leases in the same suite, for leases where the downtime between new and previous tenant was less than 24 months, the occupied space between the previous tenant and new tenant did not change by more than 10,000 square feet and the new lease is at least a year.

	Number of Leases	Square Feet	Term/Years	Initial Rent Per Square Foot (1)	Expiring Rent Per Square Foot (2)	Initial Rent Spread	% Change
Commencement 2016	1,708	4,983,206	6.8	$ 67.32	$ 61.14	$ 6.18	10.1 %
Commencement 2017	505	1,812,706	6.7	$ 55.35	$ 51.08	$ 4.27	8.4 %

(1) Represents initial annual rent over the lease consisting of base minimum rent and common area maintenance.
(2) Represents expiring rent at end of lease consisting of base minimum rent and common area maintenance.

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Year Ended December 31, 2016 and 2015

The following table is a breakout of the components of minimum rents:

	Year Ended December 31,			
	2016	2015	$ Change	% Change
	(Dollars in thousands)			
Components of Minimum rents:				
Base minimum rents	$1,455,452	$1,495,083	$(39,631)	(2.7)%
Lease termination income	16,024	13,782	2,242	16.3
Straight-line rent	11,867	27,811	(15,944)	(57.3)
Above and below-market tenant leases, net	(33,639)	(55,062)	21,423	(38.9)
Total Minimum rents	$1,449,704	$1,481,614	$(31,910)	(2.2)%

Base minimum rents decreased by $39.6 million primarily due to the sale of an interest in Ala Moana Center during the first quarter of 2015 and the sale of an interest in Fashion Show during the third quarter of 2016. This resulted in $45.6 million less base minimum rents during 2016 compared to 2015 as the properties are now accounted for as Unconsolidated Real Estate Affiliates (defined in Note 1). The resulting increase in base minimum rents is a result of rents from new developments, an increase in occupancy and contractual rent steps between 2015 and 2016.

Tenant recoveries decreased $21.5 million primarily due to the sale of an interest in Ala Moana Center during the first quarter of 2015 and the sale of an interest in Fashion Show during the third quarter of 2016. This resulted in $21.5 million less tenant recoveries during 2016 compared to 2015 as the properties are now accounted for as Unconsolidated Real Estate Affiliates. In addition, the sale of two operating properties during the first quarter of 2016 resulted in a $8.2 million decrease in tenant recoveries. The resulting increase in tenant recoveries is primarily due to higher real estate tax recoveries of $11.1 million during 2016.

Management fees and other corporate revenues increased $9.2 million primarily due to the divestiture of our investment in Seritage Growth Properties stock, which resulted in a $13.1 million gain in 2016 (Notes 2 and 5). In addition, the joint venture formed at Fashion Show during 2016 resulted in $2.5 million in management fees. This was partially offset by a $6.0 million fee related to the residential condominium joint venture at Ala Moana Center during 2015.

Other revenue decreased $11.8 million primarily due to the recognition of gains on the sale of air rights at Ala Moana Center. In 2015, gains of $25.0 million were recognized, and in 2016, $13.1 million of previously deferred gains were recognized.

Real estate taxes increased $6.8 million primarily due an increase in taxes at retail properties located in Texas, partially offset by the sale of an interest in Ala Moana Center during the first quarter of 2015 and the sale of an interest in Fashion Show during the third quarter of 2016. The sales resulted in $2.8 million less real estate taxes during 2016 compared to 2015 as the properties are now accounted for as Unconsolidated Real Estate Affiliates. In addition, the sale of two operating properties during the first quarter of 2016 resulted in a $2.1 million decrease in real estate taxes.

Property maintenance costs decreased $5.0 million primarily due to the sale of an interest in Ala Moana Center during the first quarter of 2015 and the sale of an interest in Fashion Show during the third quarter of 2016. This resulted in $1.1 million less property maintenance costs during 2016 compared to 2015 as the properties are now accounted for as Unconsolidated Real Estate Affiliates. In addition, the sale of two operating properties during the first quarter of 2016 resulted in a $1.1 million decrease in property maintenance costs. The additional decrease is primarily due to continued efforts to manage operating expenses.

Marketing costs decreased $8.8 million primarily due to a strategic change that resulted in a net reduction in spending.

Other property operating costs decreased $20.2 million primarily due to the sale of an interest in Ala Moana Center during the first quarter of 2015 and the sale of an interest in Fashion Show during the third quarter of 2016. This resulted in $9.0 million less other property operating costs during 2016 compared to 2015 as the properties are now accounted for as Unconsolidated Real Estate Affiliates. In addition, the sale of two operating properties during the first quarter of 2016 resulted in a $6.5 million decrease in other property operating costs. The additional decrease is primarily due to continued efforts to manage operating expenses.

Provision for loan loss of $29.6 million relates to the settlement of the Rique note receivable during 2016 (Note 15).

Property management and other costs decreased $23.0 million primarily due to lower compensation and benefits.

General and administrative increased $5.3 million primarily due to an increase in transaction costs related to acquisitions and an increase in compensation expense (Note 13).

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There were provisions for impairment of $73.0 million in 2016 and $8.6 million in 2015 (Notes 2 and 5).
Depreciation and amortization increased by $17.1 million primarily due to the acceleration of depreciation on anchor buildings that we demolished at two operating properties during 2016.
Interest and dividend income increased $10.7 million primarily due to interest on notes receivable entered into during 2015 with our joint venture partners at Miami Design District Associates and 730 Fifth Avenue. The increase was partially offset by a decrease in interest income related to the note receivable with Rique that was settled during 2016 (Note 15).
Interest expense decreased by $36.5 million primarily due to the sale of an interest in Ala Moana Center during the first quarter of 2015 and the sale of an interest in Fashion Show during the third quarter of 2016. This resulted in a decrease of $22.9 million in interest expense during 2016 compared to 2015 as the properties are now accounted for as Unconsolidated Real Estate Affiliates. In addition, the sale of two operating properties during the first quarter of 2016 resulted in a $9.9 million decrease in interest expense.
The gain on foreign currency is related to the impact of changes in the exchange rate on a note receivable denominated in Brazilian Reais and received in conjunction with the sale of Aliansce in the third quarter of 2013. The note receivable was settled during 2016 (Note 15). The proceeds from the sale are held in Brazilian Reais as of December 31, 2016.

The gain from changes in control of investment properties and other of $722.9 million in 2016 primarily relates to the sale of an interest in Fashion Show, the acquisition of the remaining interest in Riverchase Galleria, the sale of our interests in five operating properties, and additional development related to our sale of Ala Moana Center in 2015. The gain from changes in control of investment properties and other of $634.4 million in 2015 relates to the sale of an interest in Ala Moana Center and the sale of the office portion of 200 Lafayette (Note 3).

Provision for income taxes of $0.9 million in 2016 primarily relates to taxes on condominiums offset by benefits related to solar investment tax credits. Benefit from income taxes of $38.3 million in 2015 primarily relates to the impact of changes in the exchange rate on the note receivable denominated in Reais and the reversal of liabilities due to the expiration of the statute of limitations.

Equity in income of Unconsolidated Real Estate Affiliates increased by $158.2 million primarily due to income recognition on condominiums during 2016 (Note 6), a gain on the extinguishment of debt at Riverchase Galleria during the fourth quarter of 2016, the contribution of Ala Moana Center into an unconsolidated joint venture during 2015, the contribution of Fashion Show into an unconsolidated joint venture during the third quarter of 2016, and an increase in income related to the Crown Building located at 730 Fifth Avenue, which was acquired during the second quarter of 2015 (Note 3).

Unconsolidated Real Estate Affiliates - gain on investment in 2016 is primarily related to the sale of our interests in three operating properties and additional gain recognition as development progressed related to the sale of the additional 12.5% interest in Ala Moana Center during the second quarter of 2015 (Note 3). Unconsolidated Real Estate Affiliates - gain on investment during 2015 is primarily related to the sale of our interests in two operating properties and the sale of the additional 12.5% interest in Ala Moana Center during the second quarter of 2015 including additional gain recognition as development progressed (Note 3).
Year Ended December 31, 2015 and 2014
The following table is a breakout of the components of minimum rents:

	Year Ended December 31,			
	2015	2014	$ Change	% Change
	(Dollars in thousands)			
Components of Minimum rents:				

Base minimum rents	$1,495,083	$1,591,137	$(96,054)	(6.0)%
Lease termination income	13,782	10,589	3,193	30.2
Straight-line rent	27,811	48,254	(20,443)	(42.4)
Above and below-market tenant leases, net	(55,062)	(66,285)	11,223	(16.9)
Total Minimum rents	$1,481,614	$1,583,695	$(102,081)	(6.4)%

Base minimum rents decreased by $96.1 million primarily due to our sale of an interest in Ala Moana Center during the first quarter of 2015 and our sale of an interest in Bayside Marketplace during the fourth quarter of 2014. This resulted in $118.8 million less base minimum rents in 2015 compared to 2014 as the properties are now accounted for as Unconsolidated Real Estate Affiliates.

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The resulting increase in base minimum rents is a result of an increase in occupancy and contractual rent steps between December 31, 2015 and December 31, 2014.
Tenant recoveries decreased $49.9 million primarily due to our sale of an interest in Ala Moana Center during the first quarter of 2015 and our sale of an interest in Bayside Marketplace during the fourth quarter of 2014. This resulted in $61.5 million less tenant recoveries in 2015 compared to 2014 as the properties are now accounted for as Unconsolidated Real Estate Affiliates. The offsetting increase in tenant recoveries is primarily due to higher real estate tax recoveries of approximately $13.2 million in 2015.
Overage rents decreased $7.6 million primarily due to our sale of an interest in Ala Moana Center during the first quarter of 2015 and our sale of an interest in Bayside Marketplace during the fourth quarter of 2014. This resulted in $9.9 million less overage rents in 2015 compared to 2014 as the properties are now accounted for as Unconsolidated Real Estate Affiliates. The offsetting increase is a result of an increase in tenant sales between December 31, 2015 and December 31, 2014 at multiple properties.
Management fees and other corporate revenues increased $15.7 million primarily due to $6.3 million in fees related to the residential condominium joint venture at Ala Moana, $5.0 million in management fees related to the new Ala Moana Center and Bayside Marketplace joint ventures, and $1.3 million in financing fees earned at 730 Fifth Avenue in 2015.
Other revenue increased $12.2 million primarily due to the sale of air rights at Ala Moana Center which resulted in a $25.0 million gain on sale in 2015. This increase was partially offset by our sale of an interest in Ala Moana Center during the first quarter of 2015 and our sale of an interest in Bayside Marketplace during the fourth quarter of 2014. The sales resulted in $11.3 million less other revenue in 2015 compared to 2014 as the properties are now accounted for as Unconsolidated Real Estate Affiliates.
Real estate taxes decreased $5.1 million primarily due to our sale of an interest in Ala Moana Center during the first quarter of 2015 and our sale of an interest in Bayside Marketplace during the fourth quarter of 2014. This resulted in $11.4 million less real estate taxes in 2015 compared to 2014 as the properties are now accounted for as Unconsolidated Real Estate Affiliates. The offsetting increase in real estate taxes was a result of increased real estate taxes across the portfolio.
Property maintenance costs decreased $6.9 million primarily due to our sale of an interest in Ala Moana Center during the first quarter of 2015 and our sale of an interest in Bayside Marketplace during the fourth quarter of 2014. This resulted in $4.8 million less property maintenance costs in 2015 compared to 2014 as the properties are now accounted for as Unconsolidated Real Estate Affiliates. The remainder of the decrease is due to continued efforts to control operating expenses.
Other property operating costs decreased $30.8 million primarily due to our sale of an interest in Ala Moana Center during the first quarter of 2015 and our sale of an interest in Bayside Marketplace during the fourth quarter of 2014. This resulted in $28.7 million less other property operating costs in 2015 compared to 2014 as the properties are now accounted for as Unconsolidated Real Estate Affiliates.
Property management and other costs increased $6.5 million primarily due to a reduction of the self-insurance obligations in 2014.
General and administrative decreased $13.6 million primarily due to a $17.9 million loss from the settlement of litigation in the second quarter of 2014 (Note 19).
There were provisions for impairment of $8.6 million in 2015 and $5.3 million in 2014 (Notes 2 and 5).
Depreciation and amortization decreased by $64.7 million primarily due to our sale of an interest in Ala Moana Center during the first quarter of 2015 and our sale of an interest in Bayside Marketplace during the fourth quarter of 2014. This resulted in $56.1 million less depreciation and amortization in 2015 compared to 2014 as the properties are now accounted for as Unconsolidated Real Estate Affiliates.
Interest and dividend income increased $20.6 million primarily due to interest on notes receivable from our joint venture partners that were issued during 2015 (Note 15).
Interest expense decreased by $91.6 million primarily due to our sale of an interest in Ala Moana Center during the first quarter of 2015 and our sale of an interest in Bayside Marketplace during the fourth quarter of 2014. This resulted in $45.8 million less interest expense in 2015 compared to 2014 as the properties are now accounted for as

Unconsolidated Real Estate Affiliates. In addition, there was a $15.3 million decrease due to mortgage notes on four properties that were refinanced in 2014 and 2015 at lower interest rates, a $15.2 million decrease due to mortgage notes that were paid down during the first quarter of 2015, and interest on the corporate loan secured by fourteen properties decreased by $8.2 million due to a 2014 amendment that reduced the interest rate.

The loss on foreign currency is related to a note receivable denominated in Brazilian Reais, and received in conjunction with the sale of Aliansce in the third quarter of 2013 (Note 15).

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The gain from changes in control of investment properties and other of $634.4 million in 2015 is primarily due to our sale of an interest in Ala Moana Center. Also, the gain on the sale of the office portion of 200 Lafayette is included in the amount (Note 3). The gain from change in control of investment properties of $91.2 million in 2014 is due to the sale of an interest in Bayside Marketplace (Note 3).

(Provision for) benefit from income taxes increased by $45.6 million primarily due to a $9.9 million adjustment for the impact of changes in the exchange rate on the note receivable denominated in Brazilian Reais, a $8.5 million tax benefit on the sale of air rights at Ala Moana in 2015, a $7.1 million reversal of FIN 48 liabilities in 2015 due to the expiration of the statute of limitations, a $6.4 million adjustment related to an internal property sale, and a $4.2 million benefit related to solar investment tax credits in 2015.

Equity in income of Unconsolidated Real Estate Affiliates increased by $21.8 million primarily due to our sale of an interest in Ala Moana Center which caused the property to go from consolidated to unconsolidated, resulting in $32.7 million in additional equity in income of Unconsolidated Real Estate Affiliates. This was partially offset by our acquisition of 730 Fifth which decreased equity in income of Unconsolidated Real Estate Affiliates by $13.8 million primarily due to increased depreciation and amortization and interest expense.

Unconsolidated Real Estate Affiliates - gain on investment is primarily related to the sale of the additional 12.5% interest in Ala Moana Center during the second quarter of 2015 and the sale of our interest in a joint venture in the third quarter of 2015 (Note 3).

Liquidity and Capital Resources

Our primary source of cash is from the ownership and management of our properties and strategic dispositions. We may generate cash from refinancings or borrowings under our revolving credit facility. Our primary uses of cash include payment of operating expenses, debt service, reinvestment in and redevelopment of properties, tenant allowances, dividends, and acquisitions.

We anticipate maintaining financial flexibility by managing our future maturities, amortization of debt, and minimizing cross collateralizations and corporate guarantees. We believe that we currently have sufficient liquidity to satisfy all of our commitments in the form of $474.8 million of consolidated unrestricted cash and $1.1 billion of available credit under our credit facility as of December 31, 2016, as well as anticipated cash provided by operations.

Our key financing objectives include:

- to obtain property-secured debt with laddered maturities;
- to strategically leverage unencumbered retail properties; and
- to minimize the amount of debt that is cross collateralized and/or recourse to us.

We may raise capital through public or private issuances of debt securities, preferred stock, common stock, common units of the Operating Partnerships (as defined in Note 1) or other capital raising activities.

During the year ended December 31, 2016, we paid down $294.4 million of consolidated mortgage notes at two properties. The prior loans had a weighted-average term-to-maturity of 1.2 years and a weighted-average interest rate of 5.3%. In conjunction with the pay down of the loans, we paid $5.4 million in transaction costs.

As of December 31, 2016, we had $2.2 billion of debt pre-payable without penalty. We may pursue opportunities to refinance this debt at lower interest rates and longer maturities.

As of December 31, 2016, our proportionate share of total debt aggregated $18.4 billion. Our total debt includes our consolidated debt of $12.6 billion and our share of Unconsolidated Real Estate Affiliates debt of $5.8 billion. Of our proportionate share of total debt, $1.3 billion is recourse to the Company or its subsidiaries due to guarantees or other security provisions for the benefit of the note holder.

The amount of debt due in the next three years represents 16.5% of our total debt at maturity. The maximum amount due in any one of the next ten years is no more than $3.0 billion or approximately 17.3% of our total debt at maturity.

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The following table illustrates the scheduled payments for our proportionate share of total debt as of December 31, 2016. The $206.2 million of Junior Subordinated Notes are due in 2036, but we may redeem them any time after April 30, 2011 (Note 7).

	Consolidated	Unconsolidated
	(Dollars in thousands)	
2017	$218,776	$ 20,439
2018	338,744	186,728
2019	913,225	1,141,742
2020	1,528,387	1,304,529
2021	2,899,120	329,027
Subsequent	6,738,366	2,825,870
	$12,636,618	$ 5,808,335

We believe we will be able to extend the maturity date, repay under our available line of credit or refinance the consolidated debt that is scheduled to mature in 2017. We also believe that the joint ventures will be able to refinance the debt of our Unconsolidated Real Estate Affiliates upon maturity; however there can be no assurance that we will be able to refinance or restructure such debt on acceptable terms or otherwise, or that joint venture operations or contributions by us and/or our partners will be sufficient to repay such loans.

Acquisitions and Joint Venture Activity

From time-to-time we may acquire whole or partial interests in high-quality retail properties or make strategic dispositions.

During the year ended December 31, 2016, the following transactions (at our proportionate share) occurred:

- sold interests in eight properties for total gross proceeds at share of $604.3 million, which resulted in a net gain of $132.1 million (Note 3);
- sold a 50% interest in Fashion Show located in Las Vegas, Nevada to a joint venture partner for a gross sales price of $1.25 billion, which resulted in a gain of $634.9 million (Note 3);
- acquired interests in five properties for a total gross purchase price at share of $278.3 million including anchor boxes that will provide opportunities for redevelopment (Note 3); and
- acquired the remaining 50% interest in Riverchase Galleria in Hoover, Alabama for a gross purchase price of $143.5 million including the assumption of our venture partner's $110.3 million share of property level debt (Note 3).

Warrants and Brookfield Ownership

Brookfield owns or manages on behalf of third parties all of the Company's outstanding Warrants (Note 9) which are exercisable into approximately 62 million common shares of the Company at a weighted-average exercise price of $8.48 per share, assuming net share settlement. The strike price and common shares issuable under the Warrants will adjust for dividends declared by the Company.

As of August 19, 2016, Brookfield’s potential ownership of the Company (assuming full share settlement of the Warrants) was 34.6%, which is stated in their Form 13D filed on the same date. If Brookfield held or managed this same ownership through the maturity date of the Warrants, assuming: (a) GGP’s common stock price increased $10 per share and (b) the Warrants were adjusted for the impact of regular dividends, we estimate that their ownership would be 34.5% under net share settlement, and 38.5% under full share settlement.

Developments and Redevelopments

We are currently redeveloping several consolidated and unconsolidated properties primarily to convert large-scale anchor boxes into smaller leasable areas and to create new in-line retail space and new restaurant venues. The execution of these redevelopment projects within our portfolio was identified as providing compelling risk-adjusted returns on investment.

We have identified approximately $1.3 billion of income producing development and redevelopment projects within our portfolio, over 80% of which is being invested into Class A malls. We plan to fund these developments and redevelopments with available cash flow, construction financing, proceeds from debt refinancings and net proceeds from asset sales. We continue to evaluate a

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number of other redevelopment projects to further enhance the quality of our assets. We currently expect to achieve returns that average 7-9% for all projects (cash on cost, first year stabilized). Expected returns are based on the completion of current and future redevelopment projects, and the success of the leasing and asset management plans in place for each project. Expected returns are subject to a number of variables, risks, and uncertainties including those disclosed within Item 1A of our Annual Report. We also refer the reader to our disclosure related to forward-looking statements, below. The following table illustrates our planned redevelopments:

Property	Description	GGP's Total Projected Share of Cost	GGP's Investment to Date (1)	Expected Return on Investment (2)	Stabilized Year
Major Development Summary (in millions, at share unless otherwise noted)					
Under Construction					
Staten Island Mall Staten Island, NY	Expansion	$ 231	$ 28	7-9%	2019
Other Projects	Redevelopment projects at various properties	394	236	6-8%	2017-2018
	Total Projects Under Construction	$ 625	$ 264		
Projects in Pipeline					
New Mall Development Norwalk, CT	Ground up development	$ 285	$ 51	8-10%	2020
Other Projects	Redevelopment projects at various properties	368	70	8-9%	TBD
	Total Projects in Pipeline	$ 653	$ 121		

(1) Projected costs and investments to date exclude capitalized interest and internal overhead.
(2) Return on investment represents first year stabilized cash on cost return, based upon budgeted assumptions. Actual costs may vary.

Our investment in these projects for the year ended December 31, 2016 increased from December 31, 2015 in conjunction with the applicable development plan and as projects near completion. The continued progression of redevelopment projects resulted in increases to GGP's investment to date.

Capital Expenditures, Capitalized Interest and Overhead (at share)

The following table illustrates our capital expenditures, capitalized interest, and internal costs associated with leasing and development overhead, which primarily relate to ordinary capital projects at our operating properties. In addition, we incurred tenant allowances and capitalized leasing costs for our operating properties as outlined below. Capitalized interest is based upon qualified expenditures and interest rates; capitalized leasing and development costs are based upon time expended on these activities. These costs are amortized over lives which are consistent with the related asset.

Year Ended
December 31,

	2016	2015
	(Dollars in thousands)	
Capital expenditures	$164,615	$185,075
Tenant allowances	156,254	148,082
Capitalized interest and capitalized overhead	58,662	65,212
Total	$379,531	$398,369

Capital expenditures are primarily driven by regular expenditures to improve and maintain the quality of our properties.

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Common Stock Dividends

Our Board of Directors declared common stock dividends during 2016 and 2015 as follows:

Declaration Date	Record Date	Payment Date	Dividend Per Share
2016			
December 13	December 27	January 27, 2017	$ 0.26
October 31	December 15	January 6, 2017	0.22
August 1	October 14	October 31, 2016	0.20
May 2	July 15	July 29, 2016	0.19
February 1	April 15	April 29, 2016	0.19
2015			
November 2	December 15	January 4, 2016	$ 0.19
September 1	October 15	October 30, 2015	0.18
May 21	July 15	July 31, 2015	0.17
February 19	April 15	April 30, 2015	0.17

Preferred Stock Dividends

Our Board of Directors declared preferred stock dividends during 2016 and 2015 as follows:

Declaration Date	Record Date	Payment Date	Dividend Per Share
2016			
October 31	December 15	January 3, 2017	$ 0.3984
August 1	September 15	October 3, 2016	0.3984
May 2	June 15	July 1, 2016	0.3984
February 1	March 15	April 1, 2016	0.3984
2015			
November 2	December 15	January 4, 2016	$ 0.3984
September 1	September 15	October 1, 2015	0.3984
May 21	June 15	July 1, 2015	0.3984
February 19	March 16	April 1, 2015	0.3984

Summary of Cash Flows

Cash Flows from Operating Activities

Net cash provided by operating activities was $1,132.8 million for the year ended December 31, 2016, $1,064.9 million for the year ended December 31, 2015, and $949.7 million for the year ended December 31, 2014. Significant components of net cash provided by operating activities include:

2016 Activity

- increase in distributions received from Unconsolidated Real Estate Affiliates;
- decrease in marketing expenses due to operational efficiencies; and
- decrease in interest costs primarily a result of prior year refinancing of mortgage notes.

2015 Activity

- increase in management fees and other corporate revenue due to new joint ventures;
- increase in distributions received from Unconsolidated Real Estate Affiliates;
- increase in income related to notes receivable from joint venture partners; and

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- decrease in interest costs primarily a result of refinancing of mortgage notes, pay downs of mortgage notes in Q1 2015, and reduction in corporate loan interest rate due to 2014 amendment.

2014 Activity

- increase in base minimum rents and related collections due to overall increase in permanent occupancy partially offset by
- extinguishment of the tax indemnification liability.

Cash Flows from Investing Activities

Net cash provided by (used in) investing activities was $550.0 million for the year ended December 31, 2016, $(312.8) million for the year ended December 31, 2015, and $(677.9) million for the year ended December 31, 2014. Significant components of net cash provided by (used in) investing activities include:

2016 Activity

- proceeds from the sale of joint venture interests and real estate assets of $1.7 billion (Note 3);
- sale of marketable securities for $46.4 million; partially offset by
- contributions to Unconsolidated Real Estate Affiliates, net of distributions of $(53.1) million;
- development of real estate and property improvements of $(547.4) million; and
- acquisition of real estate and real estate interests of $(577.8) million.

2015 Activity

- development of real estate and property improvements of $(694.6) million;
- acquisition of marketable securities for $(33.3) million;
- acquisition of real estate and real estate interests of $(384.3) million; and
- loans to venture partners of $(328.8) million (Note 3); partially offset by
- proceeds from the sale of joint venture interests and real estate assets of $1.2 billion (Note 3).

2014 Activity

- development of real estate and property improvements of $(624.8) million;
- distributions received from our Unconsolidated Real Estate Affiliates in excess of income $387.2 million;
- contributions of $(537.4) million to form seven new joint ventures and loans to venture partners of $(137.1) million (Note 3); partially offset by
- proceeds from the disposition of one retail property and three other assets and the contribution of one property to a joint venture for $361.2 million (Note 3).

Cash Flows from Financing Activities

Net cash used in financing activities was $1,565.0 million for the year ended December 31, 2016, $767.7 million for the year ended December 31, 2015, and $476.6 million for the year ended December 31, 2014. Significant components of net cash used in financing activities include:

2016 Activity

- acquisition of 1.4 million shares of our common stock for $(34.0) million;
- cash distributions paid to common and preferred stockholders of $(680.7) and $(15.9) million, respectively; and
- principal payments on mortgages, notes and loans payable, net of proceeds from refinancing or issuance of $(834.7) million.

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2015 Activity

- acquisition of 4.3 million shares of our common stock for $(109.6) million;
- cash distributions paid to common and preferred stockholders of $(610.6) and $(15.9) million, respectively; and
- distributions to noncontrolling interests in consolidated real estate affiliates of $(55.1) million.

2014 Activity

- acquisition of 27.6 million shares of our common stock for $(555.8) million; and
- cash distributions paid to common stockholders of $(534.2) million; partially offset by
- proceeds from the refinancing or issuance of mortgages, notes, and loans payable, net of principal payments $641.4 million.

Seasonality

Although we have a year-long temporary leasing program, occupancies for short-term tenants and, therefore, rental income recognized, are higher during the fourth quarter of the year. In addition, the majority of our tenants have December or January lease years for purposes of calculating annual overage rent amounts. Accordingly, overage rent thresholds are most commonly achieved in the fourth quarter. As a result, revenue production is generally highest in the fourth quarter of each year.

Critical Accounting Policies

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the financial statements and disclosures. Some of these estimates and assumptions require application of difficult, subjective, and/or complex judgment about the effect of matters that are inherently uncertain and that may change in subsequent periods. We are required to make such estimates and assumptions when applying the following accounting policies:

Acquisitions of Operating Properties (Note 3)

Acquisitions of properties are accounted for utilizing the acquisition method of accounting and, accordingly, the results of operations of acquired properties were included in the results of operations from the respective dates of acquisition. Estimates of future cash flows and other valuation techniques are used to allocate the purchase price of acquired property between land, buildings and improvements, equipment, debt liabilities assumed and identifiable intangible assets and liabilities such as amounts related to in-place tenant leases, acquired above and below-market tenant and ground leases and tenant relationships. No significant value had been ascribed to the tenant relationships. The fair values of tangible assets are determined on an "if vacant" basis. The "if vacant" fair value is allocated to land, where applicable, buildings, equipment and tenant improvements based on comparable sales and other relevant information with respect to the property. Specifically, the "if vacant" value of the buildings and equipment was calculated using a cost approach utilizing published guidelines for current replacement cost or actual construction costs for similar, recently developed properties; and an income approach. Assumptions used in the income approach to the value of buildings include: capitalization and discount rates, lease-up time, market rents, make ready costs, land value, and site improvement value.

The estimated fair value of in-place tenant leases includes lease origination costs (the costs we would have incurred to lease the property to the current occupancy level of the property) and the lost revenues during the period necessary to lease-up from vacant to the current occupancy level. Such estimates include the fair value of leasing commissions, legal costs and tenant coordination costs that would be incurred to lease the property to this occupancy level. Additionally, we evaluate the time period over which such occupancy level would be achieved and include an estimate of the net operating costs (primarily real estate taxes, insurance and utilities) incurred during the lease-up period, which generally ranges up to one year. The fair value of acquired in-place tenant leases is included in the balance of buildings and equipment and amortized over the remaining lease term for each tenant.

Identifiable intangible assets and liabilities are calculated for above-market and below-market tenant and ground leases where we are either the lessor or the lessee. The difference between the contractual rental rates and our estimate of market rental rates is measured over a period equal to the remaining noncancelable term of the leases, including significantly below-market renewal options for which exercise of the renewal option appears to be reasonably assured. The remaining term of leases with renewal options at terms significantly below market reflect the assumed exercise of such below-market renewal options and assume the amortization period would coincide with the extended lease term.

The above-market tenant leases and below-market ground leases are included in prepaid expenses and other assets (Note 16); the below-market tenant leases, above-market ground leases and

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above-market headquarters office lease are included in accounts payable and accrued expenses (Note 17) in our Consolidated Balance Sheets.

Investments in Unconsolidated Real Estate Affiliates (Note 6)

We account for investments in joint ventures where we own a non-controlling joint interest using the equity method. To determine the method of accounting for partially owned joint ventures, we evaluate the characteristics of associated entities and determine whether an entity is a variable interest entity ("VIE") and, if so, determine which party is primary beneficiary by analyzing whether we have both the power to direct the entity's significant economic activities and the obligation to absorb potentially significant losses or receive potentially significant benefits. Significant judgments and assumptions inherent in this analysis include the nature of the entity's operations, future cash flow projections, the entity's financing and capital structure, and contractual relationship and terms. We consolidate a VIE when we have determined that we are the primary beneficiary. Primary risks associated with our VIEs include the potential of funding the entities' debt obligations or making additional contributions to fund the entities' operations.

Partially owned, non-variable interest joint ventures over which we have controlling financial interest are consolidated in our consolidated financial statements. In determining if we have a controlling financial interest, we consider factors such as ownership interest, authority to make decisions, kick-out rights and substantive participating rights. Partially owned joint ventures where we do not have a controlling financial interest, but have the ability to exercise significant influence, are accounted for using the equity method.

We continually analyze and assess reconsideration events, including changes in the factors mentioned above, to determine if the consolidation treatment remains appropriate. Decisions regarding consolidation of partially owned entities frequently require significant judgment by our management. Errors in the assessment of consolidation could result in material changes to our consolidated financial statements.

Revenue Recognition and Related Matters

Minimum rent revenues are recognized on a straight-line basis over the terms of the related operating leases. Minimum rent revenues also include lease termination income collected from tenants to allow the tenant to vacate their space prior to their scheduled termination dates, as well as, accretion related to above and below-market tenant leases on acquired properties and properties that were fair valued at emergence from bankruptcy.

In leasing tenant space, we may provide funding to the lessee through a tenant allowance. In accounting for a tenant allowance, we determine whether the allowance represents funding for the construction of leasehold improvements and evaluate the ownership of such improvements. If we are considered the owner of the leasehold improvements for accounting purposes, we capitalize the amount of the tenant allowance and depreciate it over the shorter of the useful life of the leasehold improvements or the related lease term. If the tenant allowance represents a payment for a purpose other than funding leasehold improvements, or in the event we are not considered the owner of the improvements for accounting purposes, the allowance is considered to be a lease incentive and is recognized over the lease term as a reduction of rental revenue on a straight-line basis.

Overage rent is paid by a tenant when the tenant's sales exceed an agreed upon minimum amount and is recognized on an accrual basis once tenant sales exceed contractual tenant lease thresholds and is calculated by multiplying the sales in excess of the minimum amount by a percentage defined in the lease. Recoveries from tenants are established in the leases or computed based upon a formula related to real estate taxes, insurance and other property operating expenses and are generally recognized as revenues in the period the related costs are incurred.

Real estate sales are recognized whenever (1) a sale is consummated, (2) the buyer has demonstrated an adequate commitment to pay for the property, (3) our receivable is not subject to future subordination, and (4) we have transferred to the buyer the risks and rewards of ownership and do not have continuing involvement. Unless all conditions are met, recognition of all or a portion of the profit shall be postponed.

We provide an allowance for doubtful accounts against the portion of accounts receivable, including straight-line rents, which is estimated to be uncollectible. Such allowances are reviewed periodically based upon our recovery history.

Impairment

Operating properties

We regularly review our consolidated properties for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment indicators are assessed separately for each property and include, but are not limited to, significant decreases in real estate property net operating income, significant decreases in occupancy percentage, debt maturities, management's intent with respect to the properties and prevailing market conditions.

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If an indicator of potential impairment exists, the property is tested for recoverability by comparing its carrying amount to the estimated future undiscounted cash flows. The expected cash flows of a property are dependent on estimates and other factors subject to change, including (1) changes in the national, regional, global, and/or local economic climates, (2) competition from other shopping centers, stores, clubs, mailings, and the internet, (3) increases in operating costs and future required capital expenditures, (4) bankruptcy and/or other changes in the condition of third parties, including anchors and tenants, (5) expected holding period, (6) availability of and cost of financing, and (7) fair values including consideration of capitalization rates, discount rates, and comparable selling prices. These factors could cause our expected future cash flows from a retail property to change, and, as a result, an impairment could be considered to have occurred.

Although the carrying amount may exceed the estimated fair value of certain properties, a real estate asset is only considered to be impaired when its carrying amount cannot be recovered through estimated future undiscounted cash flows. To the extent an impairment provision is determined to be necessary, the excess of the carrying amount of the property over its estimated fair value is expensed to operations. In addition, the impairment provision is allocated proportionately to adjust the carrying amount of the asset group. The adjusted carrying amount, which represents the new cost basis of the property, is depreciated over the remaining useful life of the property.

Although we may market a property for sale, there can be no assurance that the transaction will be complete until the sale is finalized. However, GAAP requires us to utilize the Company's expected holding period of our properties when assessing recoverability. If we cannot recover the carrying value of these properties within the planned holding period, we will estimate the fair values of the assets and record impairment charges for properties when the estimated fair value is less than their carrying value.

Impairment indicators for pre-development costs, which are typically costs incurred during the beginning stages of a potential development and construction in progress, are assessed by project and include, but are not limited to, significant changes in the Company's plans with respect to the project, significant changes in projected completion dates, tenant demand, anticipated revenues or cash flows, development costs, market factors and sustainability of development projects.

Impairment charges are recorded in the Consolidated Statements of Operations and Comprehensive Income when the carrying value of a property is not recoverable and it exceeds the estimated fair value of the property, which can occur in accounting periods preceding disposition and / or in the period of disposition.

Investment in Unconsolidated Real Estate Affiliates

A series of operating losses of an investee or other factors may indicate that an other-than-temporary decline in value of our investment in an Unconsolidated Real Estate Affiliate has occurred. The investment in each of the Unconsolidated Real Estate Affiliates is evaluated for valuation declines below the carrying amount. Accordingly, in addition to the property-specific impairment analysis that we perform for such joint ventures (as part of our operating property impairment process described above), we also considered whether there were other-than-temporary declines with respect to the carrying values of our Unconsolidated Real Estate Affiliates.

General

Impairment charges could be taken in the future if economic conditions change or if the plans regarding our assets change. Therefore, we can provide no assurance that material impairment charges with respect to our assets, including operating properties, construction in progress and investments in Unconsolidated Real Estate Affiliates, will not occur in future periods. We will continue to monitor circumstances and events in future periods to determine whether impairments are warranted.

Capitalization of Development Costs

Construction and improvement costs incurred in connection with the development of new properties or the redevelopment of existing properties are capitalized. During development, we typically obtain land or land options, zoning and regulatory approvals, anchor commitments, and financing arrangements. This process may take several years during which we may incur significant costs. We capitalize all development costs once it is considered probable that a project will reach a successful conclusion. In the event a development is no longer deemed to be probable of occurring, the capitalized costs are expensed. Determination of when a development project is substantially complete and held available for occupancy and capitalization must cease also involves a degree of judgment. Real estate taxes, interest costs, and internal costs associated with leasing and development overhead incurred during construction periods are capitalized.

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Contractual Cash Obligations and Commitments

The following table aggregates our subsequent contractual cash obligations and commitments as of December 31, 2016:

	2017	2018	2019	2020	2021	Subsequent/ Other	Total
			(Dollars in thousands)				
Long-term debt-principal (1)	$361,382	$496,106	$1,055,619	$1,643,312	$2,837,024	$6,036,896	$12,430,339
Interest payments (2)	511,055	511,993	474,540	433,035	312,937	636,678	2,880,238
Retained debt-principal	1,711	1,808	1,909	81,042	—	—	86,470
Ground lease payments	6,726	6,698	6,790	6,972	7,025	241,348	275,559
Corporate leases	6,802	6,813	6,854	6,858	6,863	7,228	41,418
Purchase obligations (3)	144,498	—	—	—	—	—	144,498
Junior Subordinated Notes (4)	—	—	—	—	—	206,200	206,200
Total	$1,032,174	$1,023,418	$1,545,712	$2,171,219	$3,163,849	$7,128,350	$16,064,722

(1) Excludes $27.8 million of non-cash debt market rate adjustments, $40.1 million of deferred financing costs, and $12.5 million of debt related to solar projects.

(2) Based on rates as of December 31, 2016. Variable rates are based on a LIBOR rate of 0.77%. Excludes interest payments related to debt market rate adjustments.

(3) Reflects accrued and incurred construction costs payable. Routine trade payables have been excluded.

(4) The $206.2 million of Junior Subordinated Notes are due in 2036, but may be redeemed by us any time after April 30, 2011. As we do not expect to redeem the notes prior to maturity, they are included in consolidated debt maturing subsequent to 2021.

Other long term liabilities related to ongoing real estate taxes have not been included in the table as such am,ounts depend upon future applicable real estate tax rates. Real estate tax expense was $229.6 million in 2016, $222.9 million in 2015 and $228.0 million in 2014.

In the normal course of business, from time to time, we are involved in legal proceedings relating to the ownership and operations of our properties (reference is made to Item 3 above, which description is incorporated into this response).

We lease land or buildings from third parties. The land leases generally provide the right of first refusal in the event of a proposed sale of the property by the owner. Rental payments are expensed as incurred and have, to the extent applicable, been straight-lined over the term of the lease. The following is a summary of our contractual rental expense, which is included in other property operating costs in our Consolidated Statements of Operations and Comprehensive Income:

	Year Ended December 31,		
	2016	2015	2014
	(Dollars in thousands)		
Contractual rent expense, including participation rent	$8,589	$8,546	$13,605
Contractual rent expense, including participation rent and excluding amortization of above and below-market ground leases and straight-line rent	6,278	6,183	9,036

REIT Requirements

In order to remain qualified as a REIT for Federal income tax purposes, we must distribute at least 90% of our taxable ordinary income to stockholders. We are also subject to federal income tax to the extent we distribute less than 100% of our REIT taxable income, including capital gains. See Note 8 for more detail on our ability to remain qualified as a REIT.

Recently Issued Accounting Pronouncements
Refer to Note 2 of the Consolidated Financial Statements for recently issued accounting pronouncements.

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Subsequent Events
Refer to Note 21 of the Consolidated Financial Statements for subsequent events.
Non-GAAP Supplemental Financial Measures and Definitions
Proportionate or At Share Basis

The following Non-GAAP supplemental financial measures are all presented on a proportionate basis. The proportionate financial information presents the consolidated and unconsolidated properties at the Company's ownership percentage or "at share". This form of presentation offers insights into the financial performance and condition of the Company as a whole, given the significance of the Company's unconsolidated property operations that are owned through investments accounted for under GAAP using the equity method.

The proportionate financial information is not, and is not intended to be, a presentation in accordance with GAAP. The non-GAAP proportionate financial information reflects our proportionate economic ownership of each asset in our property portfolio that we do not wholly own. The amounts shown in the columns labeled "Consolidated Properties at Share" reflect the Company's Consolidated Properties at our proportionate share (excluding noncontrolling interests and unconsolidated properties). The amounts in the column labeled "Unconsolidated Properties" were derived on a property-by-property basis by including our share of each line item from each individual entity. This provides visibility into our share of the operations of our joint ventures.

We do not control the unconsolidated joint ventures and the presentations of the assets and liabilities and revenues and expenses do not represent our legal claim to such items. The operating agreements of the unconsolidated joint ventures generally provide that partners may receive cash distributions (1) to the extent there is available cash from operations, (2) upon a capital event, such as a refinancing or sale or (3) upon liquidation of the venture. The amount of cash each partner receives is based upon specific provisions of each operating agreement and varies depending on factors including the amount of capital contributed by each partner and whether any contributions are entitled to priority distributions. Upon liquidation of the joint venture and after all liabilities, priority distributions and initial equity contributions have been repaid, the partners generally would be entitled to any residual cash remaining based on their respective legal ownership percentages.

We provide Non-GAAP proportionate financial information because we believe it assists investors and analysts in estimating our economic interest in our unconsolidated joint ventures when read in conjunction with the Company's reported results under GAAP. Other companies in our industry may calculate their proportionate interest differently than we do, limiting the usefulness as a comparative measure. Because of these limitations, the Non-GAAP proportionate financial information should not be considered in isolation or as a substitute for our financial statements as reported under GAAP.

Net Operating Income ("NOI") and Company NOI

The Company defines NOI as proportionate income from operations and after operating expenses have been deducted, but prior to deducting financing, property management, administrative and income tax expenses. NOI excludes management fees and other corporate revenue and reductions in ownership as a result of sales or other transactions. The Company considers NOI a helpful supplemental measure of its operating performance because it is a direct measure of the actual results of our properties. Because NOI excludes reductions in ownership as a result of sales or other transactions, management fees and other corporate revenue, general and administrative and property management expenses, interest expense, retail investment property impairment or non-recoverable development costs, depreciation and amortization, gains and losses from property dispositions, allocations to noncontrolling interests, provision for income taxes, preferred stock dividends, and extraordinary items, it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating commercial real estate properties and the impact on operations from trends in occupancy rates, rental rates and operating costs.

The Company also considers Company NOI to be a helpful supplemental measure of its operating performance because it excludes from NOI items such as straight-line rent, and amortization of intangibles resulting from acquisition accounting and other capital contribution or restructuring events. However, due to the exclusions noted, Company NOI should only be used as an alternative measure of the Company's financial performance.

We present Company NOI, Company EBITDA (as defined below) and Company FFO (as defined below); as we believe certain investors and other users of our financial information use these measures of the Company's historical operating performance.

Adjustments to NOI, EBITDA and FFO, including debt extinguishment costs, market rate adjustments on debt, straight-line rent, intangible asset and liability amortization, real estate tax stabilization, gains and losses on foreign currency and other items that are not a result of normal operations, assist management and investors in distinguishing whether increases or decreases in revenues and/or expenses are due to growth or decline of operations at the properties or from other factors. In addition, the Company's

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leases include step rents that increase over the term of the lease to compensate the Company for anticipated increases in market rentals over time. The Company's leases do not include significant front loading or back loading of payments or significant rent-free periods. Therefore, we find it useful to evaluate rent on a contractual basis as it allows for comparison of existing rental rates to market rental rates. Management has historically made these adjustments in evaluating our performance, in our annual budget process and for our compensation programs.
Other REITs may use different methodologies for calculating NOI and Company NOI, and accordingly, the Company's Company NOI may not be comparable to other REITs. As a result of the elimination of corporate-level costs and expenses and depreciation and amortization, the Company NOI we present does not represent our total revenues, expenses, operating profit or net income and should not be used to evaluate our performance as a whole. Management compensates for these limitations by separately considering the impact of these excluded items, to the extent they are material, to operating decisions or assessments of our operating performance. Our consolidated GAAP statements of operations include such amounts, all of which should be considered by investors when evaluating our performance.

Earnings Before Interest Expense, Income Tax, Depreciation, and Amortization ("EBITDA") and Company EBITDA

The Company defines EBITDA as NOI less certain property management and administrative expenses, net of management fees and other corporate revenues. EBITDA is a commonly used measure of performance in many industries, but may not be comparable to measures calculated by other companies. Management believes EBITDA provides useful information to investors regarding our results of operations because it helps us and our investors evaluate the ongoing operating performance of our properties after removing the impact of our capital structure (primarily interest expense) and our asset base (primarily depreciation and amortization). Management also believes the use of EBITDA facilitates comparisons between us and other equity REITs, retail property owners who are not REITs and other capital-intensive companies. Management uses Company EBITDA to evaluate property-level results and as one measure in determining the value of acquisitions and dispositions and, like FFO and Same Store NOI (discussed below), it is widely used by management in the annual budget process and for compensation programs. Please see adjustments discussion above for the purpose and use of the adjustments included in Company EBITDA. EBITDA and Company EBITDA, as presented, may not be comparable to similar measures calculated by other companies. This information should not be considered as an alternative to net income, operating profit, cash from operations or any other operating performance measure calculated in accordance with GAAP.

Funds From Operations ("FFO") and Company FFO

The Company determines FFO based upon the definition set forth by National Association of Real Estate Investment Trusts ("NAREIT"). The Company determines FFO to be its share of consolidated net income (loss) computed in accordance with GAAP, excluding real estate related depreciation and amortization, excluding gains and losses from extraordinary items, excluding cumulative effects of accounting changes, excluding gains and losses from the sales of, or any impairment charges related to, previously depreciated operating properties, plus the allocable portion of FFO of unconsolidated joint ventures based upon the Company's economic ownership interest, and all determined on a consistent basis in accordance with GAAP. As with the Company's presentation of NOI, FFO has been reflected on a proportionate basis.

The Company considers FFO a helpful supplemental measure of the operating performance for equity REITs and a complement to GAAP measures because it is a recognized measure of performance by the real estate industry. FFO facilitates an understanding of the operating performance of the Company's properties between periods because it does not give effect to real estate depreciation and amortization since these amounts are computed to allocate the cost of a property over its useful life. Since values for well-maintained real estate assets have historically increased or decreased based upon prevailing market conditions, the Company believes that FFO provides investors with a clearer view of the Company's operating performance.

We calculate FFO in accordance with standards established by NAREIT, which may not be comparable to measures calculated by other companies who do not use the NAREIT definition of FFO or do not calculate FFO in accordance with NAREIT guidance. In addition, although FFO is a useful measure when comparing our results to other REITs, it may not be helpful to investors when comparing us to non-REITs. As with the presentation of Company NOI and Company EBITDA, we also consider Company FFO, which is not in accordance with NAREIT guidance and may not be comparable to measures calculated by other REITs, to be a helpful supplemental measure of our operating performance. Please see adjustments discussion above for the purpose and use of the adjustments included in Company FFO.

FFO and Company FFO do not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to net income determined in accordance with GAAP as a measure of operating performance, and is not an alternative to cash flows as a measure of liquidity or indicative of funds available to fund our cash needs. In addition, Company FFO per diluted share does not measure, and should not be used as a measure of, amounts that accrue directly to stockholders' benefit.

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Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures

The Company presents NOI, EBITDA and FFO as they are financial measures widely used in the REIT industry. In order to provide a better understanding of the relationship between the Company's non-GAAP financial measures of NOI, Company NOI, EBITDA, Company EBITDA, FFO and Company FFO, reconciliations have been provided as follows: a reconciliation of GAAP operating income to NOI and Company NOI, a reconciliation of GAAP net income attributable to GGP to EBITDA and Company EBITDA, and a reconciliation of GAAP net income attributable to GGP to FFO and Company FFO. None of the Company's non-GAAP financial measures represents cash flow from operating activities in accordance with GAAP, none should be considered as an alternative to GAAP net income (loss) attributable to GGP and none are necessarily indicative of cash flow. In addition, the Company has presented such financial measures on a consolidated and unconsolidated basis (at the Company's proportionate share) as the Company believes that given the significance of the Company's operations that are owned through investments accounted for by the equity method of accounting, the detail of the operations of the Company's unconsolidated properties provides important insights into the income and FFO produced by such investments.
The following table reconciles GAAP Operating Income to Company NOI (dollars in thousands) for the year ended December 31, 2016 and 2015:

	Year Ended December 31,	
	2016	2015
Operating Income	$800,253	$923,893
Loss (gain) on sales of investment properties	1,017	(499)
Depreciation and amortization	660,746	643,689
Provision for loan loss	29,615	—
Provision for impairment	73,039	8,604
General and administrative	55,745	50,405
Property management and other costs	138,602	161,556
Management fees and other corporate revenues	(95,814)	(86,595)
Consolidated Properties	1,663,203	1,701,053
Noncontrolling interest in NOI of Consolidated Properties	(15,425)	(18,525)
NOI of sold interests	(42,747)	(103,021)
Unconsolidated Properties	725,479	578,841
Proportionate NOI	2,330,510	2,158,348
Company adjustments:		
Minimum rents	15,609	26,556
Real estate taxes	5,958	5,958
Property operating expenses	3,992	4,086
Company NOI	$2,356,069	$2,194,948

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The following table reconciles GAAP Net income attributable to GGP to Company EBITDA for the year ended December 31, 2016 and 2015:

	Year Ended December 31,	
	2016	2015
Net Income Attributable to GGP Inc.	$1,288,367	$1,374,561
Allocation to noncontrolling interests	19,906	19,035
Loss (gain) on sales of investment properties	1,017	(499)
Gains from changes in control of investment properties and other	(722,904)	(634,367)
Unconsolidated Real Estate Affiliates - gain on investment	(51,555)	(327,017)
Equity in income of Unconsolidated Real Estate Affiliates	(231,615)	(73,390)
Provision for loan loss	29,615	—
Provision for impairment	73,039	8,604
Provision for (benefit from) income taxes	901	(38,334)
Loss (gain) on foreign currency	(14,087)	44,984
Interest expense	571,200	607,675
Interest and dividend income	(59,960)	(49,254)
Depreciation and amortization	660,746	643,689
Consolidated Properties	1,564,670	1,575,687
Noncontrolling interest in EBITDA of Consolidated Properties	(14,808)	(17,805)
EBITDA of sold interests	(42,461)	(102,327)
Unconsolidated Properties	688,155	539,290
Proportionate EBITDA	2,195,556	1,994,845
Company adjustments:		
Minimum rents	15,609	26,556
Real estate taxes	5,958	5,958
Property operating expenses	3,992	4,086
Company EBITDA	$2,221,115	$2,031,445

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The following table reconciles GAAP net income attributable to GGP to Company FFO for the years ended December 31, 2016 and 2015:

	Year Ended December 31, 2016	2015
Net Income Attributable to GGP Inc.	$1,288,367	$1,374,561
Redeemable noncontrolling interests	9,971	7,839
Provision for impairment excluded from FFO	73,039	8,604
Noncontrolling interests in depreciation of Consolidated Properties	(6,036)	(7,754)
Unconsolidated Real Estate Affiliates - gain on investment	(51,555)	(327,017)
Loss on sales of investment properties	1,016	2,687
Preferred stock dividends	(15,935)	(15,937)
Gains from changes in control of investment properties and other	(722,904)	(634,367)
Depreciation and amortization of capitalized real estate costs - Consolidated Properties	645,129	632,328
Depreciation and amortization of capitalized real estate costs - Unconsolidated Properties	279,756	258,510
FFO (1)	1,500,848	1,299,454
Company adjustments:		
Minimum rents	15,609	26,556
Property operating expenses	5,958	5,958
Property management and other costs	3,992	4,086
Investment income, net	(818)	(818)
Market rate adjustments	(3,247)	(1,724)
Gain on extinguishment of debt	(54,138)	—
Write-off of mark-to-market adjustments on extinguished debt	(2,290)	7,229
Provision for loan loss	22,095	—
Loss (gain) on foreign currency	(14,087)	44,984
Provision for income taxes	(1,857)	(16,551)
FFO from sold interests	(815)	7,632
Company FFO	$1,471,250	$1,376,806

(1) FFO as defined by the National Association of Real Estate Investment Trusts.

Forward-Looking Statements

Certain statements made in this section or elsewhere in this report may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company believes the expectations reflected in any forward-looking statement are based on reasonable assumption, it can give no assurance that its expectations will be attained, and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks, uncertainties and other factors. Such factors include, but are not limited to, the Company's ability to refinance, extend, restructure or repay near and intermediate term debt, its indebtedness, its ability to raise capital through equity issuances, asset sales or the incurrence of new debt, retail and credit market conditions, impairments, its liquidity demands and economic conditions. The Company discusses these and other risks and uncertainties in its annual and quarterly periodic reports filed with the Securities and Exchange Commission. The Company may update that discussion in its periodic reports, but otherwise takes no duty or obligation to update or revise these forward-looking statements, whether as a result of new information, future developments, or otherwise.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to market risk associated with changes in interest rates both in terms of variable-rate debt and the price of new fixed-rate debt upon maturity of existing debt and for acquisitions. As of December 31, 2016, we had consolidated debt of $12.4 billion, including $2.0 billion of variable-rate debt. A 25 basis point movement in the interest rate on the $2.0 billion of variable-rate debt would result in a $5.0 million annualized increase or decrease in consolidated interest expense and operating cash flows.

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In addition, we are subject to interest rate exposure as a result of variable-rate debt collateralized by the Unconsolidated Properties. Our share (based on our respective equity ownership interests in the Unconsolidated Real Estate Affiliates) of such variable-rate debt was $1.3 billion at December 31, 2016. A similar 25 basis point annualized movement in the interest rate on the variable-rate debt of the Unconsolidated Real Estate Affiliates would result in a $3.3 million annualized increase or decrease in our equity in the income (loss) of Unconsolidated Real Estate Affiliates.

We are subject to foreign currency exchange rate risk related to a $84.9 million in cash denominated in Brazilian Reais. During the year ended December 31, 2016, we recognized a $14.1 million net gain on foreign currency on our Consolidated Statement of Operations and Comprehensive Income, $2.1 million of which was a loss related to the cash denominated in Brazilian Reais. We also recognized a $16.2 million gain on foreign currency related to our note receivable denominated in Brazilian Reais that settled during the third quarter of 2016 (Note 15). As of December 31, 2016, a 10% increase in the value of the Brazilian Real would result in a $9.4 million gain on foreign currency, and a 10% decrease in the value of the Brazilian Real would result in a $7.7 million loss on foreign currency.

For additional information concerning our debt, and management's estimation process to arrive at a fair value of our debt as required by GAAP, reference is made to Item 7, Liquidity and Capital Resources and Notes 5 and 7. At December 31, 2016, the fair value of our consolidated debt has been estimated for this purpose to be $392.3 million higher than the carrying amount of $12.4 billion.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Reference is made to the Consolidated Financial Statements and Consolidated Financial Statement Schedule beginning on page F-1 for the required information.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934, as amended, (the "Exchange Act")). Based on that evaluation, the CEO and the CFO have concluded that our disclosure controls and procedures are effective.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed under the supervision of our principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and preparation of our financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America.

As of December 31, 2016, we conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework utilizing the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in "Internal Control—Integrated Framework (2013)." Based on this assessment, management believes that, as of December 31, 2016, the Company maintained effective internal controls over financial reporting. Deloitte & Touche LLP, the independent registered public accounting firm who audited our consolidated financial statements contained in this Form 10-K, has issued a report on our internal control over financial reporting, which is included herein.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
GGP Inc.
Chicago, Illinois

We have audited the internal control over financial reporting of GGP Inc. (formerly General Growth Properties, Inc.) and subsidiaries (the "Company") as of December 31, 2016, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2016 of the Company and our report dated February 22, 2017 expressed an unqualified opinion on those consolidated financial statements and financial statement schedule.

/s/ Deloitte & Touche LLP
Chicago, Illinois
February 22, 2017

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ITEM 9B. OTHER INFORMATION

Not applicable.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information which appears under the captions "Proposal 1—Election of Directors," "Executive Officers," "Corporate Governance-Committees of the Board of Directors-Audit Committee" and "—Nominating & Governance Committee," "Additional Information Stockholder Proposals and Nomination of Directors at the 2018 Annual Meeting of Stockholders," and "Section 16(a) Beneficial Ownership Reporting Compliance" in our proxy statement for our 2017 Annual Meeting of Stockholders is incorporated by reference into this Item 10.

We have a Code of Conduct which applies to all of our employees, officers and directors, including our Chairman, Chief Executive Officer and Chief Financial Officer. The Code of Conduct is available on the Corporate Governance page of our website at www.ggp.com and we will provide a copy of the Code of Conduct without charge to any person who requests it in writing to: GGP Inc., 110 N. Wacker Dr., Chicago, IL 60606, Attn: Investor Relations. We will post on our website amendments to or waivers of our Code of Ethics for executive officers, in accordance with applicable laws and regulations.

Our Chief Executive Officer and Chief Financial Officer have signed certificates under Sections 302 and 906 of the Sarbanes-Oxley Act, which are filed as Exhibits 31.1 and 31.2 and 32.1 and 32.2, respectively, to this Annual Report. In addition, our Chief Executive Officer submitted his most recent annual certification to the NYSE pursuant to Section 303.A 12(a) of the NYSE listing standards on June 1, 2016, in which he indicated that he was not aware of any violations of NYSE corporate governance listing standards.

ITEM 11. EXECUTIVE COMPENSATION

The information which appears under the caption "Executive Compensation" in our proxy statement for our 2017 Annual Meeting of Stockholders is incorporated by reference into this Item 11; provided, however, that the Report of the Compensation Committee of the Board of Directors on Executive Compensation shall not be incorporated by reference herein, in any of our previous filings under the Securities Act of 1933, as amended, or the Exchange Act, or in any of our future filings.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information which appears under the caption "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" in our proxy statement for our 2016 Annual Meeting of Stockholders is incorporated by reference into this Item 12.

The following table sets forth certain information with respect to shares of our common stock that may be issued under our equity compensation plans as of December 31, 2016.

Plan Category	(a) Number of securities to be Issued upon Exercise of Outstanding Options and Rights	(b) Weighted Average Exercise Price of Outstanding Options Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))	
Equity compensation plans approved by security holders	17,427,941	18.89	14,575,130	(1)
Equity compensation plans not approved by security holders	n/a	n/a	n/a	
	17,427,941	18.89	14,575,130	

(1) Reflects shares of common stock, restricted stock and LTIPs available for issuance under the Equity Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information which appears under the captions "Corporate Governance-Director Independence," and "Certain Relationships and Related Party Transactions" in our proxy statement for our 2016 Annual Meeting of Stockholders is incorporated by reference into this Item 13.

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ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information which appears under the captions "Proposal 2-Ratification of Selection of Independent Registered Public Accounting Firm-Auditor Fees and Services" and "Audit Committee's Pre-Approval Policies and Procedures" in our proxy statement for our 2016 Annual Meeting of Stockholders is incorporated by reference into this Item 14.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Consolidated Financial Statements and Consolidated Financial Statement Schedule.

The consolidated financial statements and consolidated financial statement schedule listed in the accompanying Index to Consolidated Financial Statements and Consolidated Financial Statement Schedule are filed as part of this Annual Report.

(b) Exhibits.

See Exhibit Index on page S-1.

(c) Separate financial statements.

Not applicable.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GGP INC.

/s/ SANDEEP MATHRANI
Sandeep Mathrani
Chief Executive Officer February 22, 2017

We, the undersigned officers and directors of GGP Inc., hereby severally constitute Sandeep Mathrani and Michael B. Berman, and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, any and all amendments, to this Annual Report on Form 10-K and generally to do all such things in our name and behalf in such capacities to enable GGP Inc. to comply with the applicable provisions of the Securities Exchange Act of 1934, and we hereby ratify and confirm our signatures as they may be signed by our said attorneys, or any of them, to any and all such amendments.
Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ SANDEEP MATHRANI Sandeep Mathrani	Director and Chief Executive Officer (Principal Executive Officer)	February 22, 2017
/s/ MICHAEL B. BERMAN Michael B. Berman	Chief Financial Officer (Principal Financial Officer)	February 22, 2017
/s/ TARA L. MARSZEWSKI Tara L. Marszewski	Chief Accounting Officer (Principal Accounting Officer)	February 22, 2017
/s/ RICHARD B. CLARK Richard B. Clark	Director	February 22, 2017
/s/ MARY LOU FIALA Mary Lou Fiala	Director	February 22, 2017

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Signature	Title	Date
/s/ J. BRUCE FLATT J. Bruce Flatt	Director	February 22, 2017
/s/ JOHN K. HALEY John K. Haley	Director	February 22, 2017
/s/ DANIEL B. HURWITZ Daniel B. Hurwitz	Director	February 22, 2017
/s/ BRIAN W. KINGSTON Brian W. Kingston	Director	February 22, 2017
/s/ DAVID J. NEITHERCUT David J. Neithercut	Director	February 22, 2017
/s/ MARK R. PATTERSON Mark R. Patterson	Director	February 22, 2017

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GGP INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND CONSOLIDATED FINANCIAL STATEMENT SCHEDULE

The following consolidated financial statements and consolidated financial statement schedule are included in Item 8 of this Annual Report on Form 10-K:

All other schedules are omitted since the required information is either not present in any amounts, is not present in amounts sufficient to require submission of the schedule or because the information required is included in the consolidated financial statements and related notes.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
GGP Inc.
Chicago, Illinois

We have audited the accompanying consolidated balance sheets of GGP Inc. (formerly General Growth Properties, Inc.) and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations and comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the consolidated financial statement schedule of the Company listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of GGP Inc. and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 4 to the consolidated financial statements, during 2015 the Company changed its method of accounting for and disclosure of discontinued operations due to the adoption of Accounting Standards Update 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity."

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2016, based on the criteria established in Internal Control- Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 22, 2017 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP
Chicago, Illinois
February 22, 2017

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GGP INC.
(Dollars in thousands, except per share amounts)
CONSOLIDATED BALANCE SHEETS

	December 31, 2016	December 31, 2015
Assets:		
Investment in real estate:		
Land	$3,066,019	$3,596,354
Buildings and equipment	16,091,582	16,379,789
Less accumulated depreciation	(2,737,286)	(2,452,127)
Construction in progress	251,616	308,903
Net property and equipment	16,671,931	17,832,919
Investment in Unconsolidated Real Estate Affiliates	3,868,993	3,506,040
Net investment in real estate	20,540,924	21,338,959
Cash and cash equivalents	474,757	356,895
Accounts receivable, net	322,196	336,572
Notes receivable, net	678,496	641,445
Deferred expenses, net	209,852	214,578
Prepaid expenses and other assets	506,521	968,873
Assets held for disposition	—	216,233
Total assets	$22,732,746	$24,073,555
Liabilities:		
Mortgages, notes and loans payable	$12,430,418	$14,216,160
Investment in Unconsolidated Real Estate Affiliates	39,506	38,488
Accounts payable and accrued expenses	655,362	784,493
Dividend payable	433,961	172,070
Deferred tax liabilities	3,843	1,289
Junior subordinated notes	206,200	206,200
Liabilities held for disposition	—	58,934
Total liabilities	13,769,290	15,477,634
Redeemable noncontrolling interests:		
Preferred	144,060	157,903
Common	118,667	129,724
Total redeemable noncontrolling interests	262,727	287,627
Commitments and Contingencies	—	—
Equity:		
Common stock: 11,000,000,000 shares authorized, $0.01 par value, 968,153,526 issued, 884,097,680 outstanding as of December 31, 2016, and 966,096,656 issued and 882,397,202 outstanding as of December 31, 2015	9,407	9,386
Preferred Stock:		
500,000,000 shares authorized, $.01 par value, 10,000,000 shares issued and outstanding as of December 31, 2016 and December 31, 2015	242,042	242,042
Additional paid-in capital	11,417,597	11,362,369
Retained earnings (accumulated deficit)	(1,824,866)	(2,141,549)
Accumulated other comprehensive loss	(70,456)	(72,804)
Common stock in treasury, at cost, 56,596,651 shares as of December 31, 2016 and 56,240,259 shares as of December 31, 2015	(1,137,960)	(1,129,401)
Total stockholders' equity	8,635,764	8,270,043

Noncontrolling interests in consolidated real estate affiliates	33,583	24,712
Noncontrolling interests related to long-term incentive plan common units	31,382	13,539
Total equity	8,700,729	8,308,294
Total liabilities and equity	$22,732,746	$24,073,555

The accompanying notes are an integral part of these consolidated financial statements.

GGP INC.
(Dollars in thousands, except per share amounts)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Year Ended December 31,		
	2016	2015	2014
Revenues:			
Minimum rents	$1,449,704	$1,481,614	$1,583,695
Tenant recoveries	668,081	689,536	739,411
Overage rents	42,534	44,024	51,611
Management fees and other corporate revenues	95,814	86,595	70,887
Other	90,313	102,137	89,955
Total revenues	2,346,446	2,403,906	2,535,559
Expenses:			
Real estate taxes	229,635	222,883	227,992
Property maintenance costs	55,027	60,040	66,897
Marketing	13,155	21,958	24,654
Other property operating costs	282,591	302,797	333,620
Provision for doubtful accounts	8,038	8,081	8,055
Provision for loan loss	29,615	—	—
Property management and other costs	138,602	161,556	155,093
General and administrative	55,745	50,405	64,051
Provision for impairment	73,039	8,604	5,278
Depreciation and amortization	660,746	643,689	708,406
Total expenses	1,546,193	1,480,013	1,594,046
Operating income	800,253	923,893	941,513
Interest and dividend income	59,960	49,254	28,613
Interest expense	(571,200)	(607,675)	(699,285)
Gain (loss) on foreign currency	14,087	(44,984)	(18,048)
Gains from changes in control of investment properties and other, net	722,904	634,367	91,193
Income before income taxes, equity in income of Unconsolidated Real Estate Affiliates, discontinued operations and allocation to noncontrolling interests	1,026,004	954,855	343,986
(Provision for) benefit from income taxes	(901)	38,334	(7,253)
Equity in income of Unconsolidated Real Estate Affiliates	231,615	73,390	51,568
Unconsolidated Real Estate Affiliates - gain on investment	51,555	327,017	9,710
Income from continuing operations	1,308,273	1,393,596	398,011
Discontinued operations:			
Income from discontinued operations, including gains on dispositions	—	—	137,989
Gain on extinguishment of tax indemnification liability	—	—	77,215
Gain on extinguishment of debt	—	—	66,679
Discontinued operations, net	—	—	281,883
Net income	1,308,273	1,393,596	679,894
Allocation to noncontrolling interests	(19,906)	(19,035)	(14,044)
Net income attributable to GGP Inc.	1,288,367	1,374,561	665,850
Preferred Stock dividends	(15,935)	(15,937)	(15,936)
Net income attributable to common stockholders	$1,272,432	$1,358,624	$649,914

GGP INC.
(Dollars in thousands, except per share amounts)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (Continued)

Basic Earnings (Loss) Per Share:			
Continuing operations	$1.44	$1.54	$0.42
Discontinued operations	—	—	0.32
Total basic earnings per share	$1.44	$1.54	$0.74
Diluted Earnings (Loss) Per Share:			
Continuing operations	$1.34	$1.43	$0.39
Discontinued operations	—	—	0.30
Total diluted earnings per share	$1.34	$1.43	$0.69
Comprehensive Income (Loss), Net:			
Net income	$1,308,273	$1,393,596	$679,894
Other comprehensive income (loss):			
Foreign currency translation	14,319	(33,292)	(13,604)
Reclassification adjustment for realized gains on available-for-sale securities included in net income	(11,978)	11,978	—
Net unrealized gains (losses) on other financial instruments	5	30	(54)
Other comprehensive (loss) income	2,346	(21,284)	(13,658)
Comprehensive income	1,310,619	1,372,312	666,236
Comprehensive income allocated to noncontrolling interests	(19,904)	(18,802)	(13,966)
Comprehensive income attributable to GGP Inc.	1,290,715	1,353,510	652,270
Preferred stock dividends	(15,935)	(15,937)	(15,936)
Comprehensive income, net, attributable to common stockholders	$1,274,780	$1,337,573	$636,334

The accompanying notes are an integral part of these consolidated financial statements.

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GGP INC.
(Dollars in thousands, except per share amounts)
CONSOLIDATED STATEMENTS OF EQUITY

	Common Stock	Preferred Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Common Stock in Treasury	Noncontrolling Interests in Consolidated Real Estate Affiliates and Long Term Incentive Plan Common Units	Total Equity
	(Dollars in thousands, except for share amounts)							
Balance at January 1, 2014	$9,395	$242,042	$11,372,443	$(2,915,723)	$(38,173)	$(566,863)	$82,142	$8,185,263
Net income				665,850			1,851	667,701
Distributions to noncontrolling interests in consolidated Real Estate Affiliates							(4,392)	(4,392)
Restricted stock grants, net of forfeitures (16,112 common shares)	—		2,496					2,496
Employee stock purchase program (138,446 common shares)	1		2,951					2,952
Stock option exercise, net of forfeitures (1,164,945 common shares)	12		40,714					40,726
Treasury stock purchases (27,624,282 common shares)						(555,801)		(555,801)
Cash dividends reinvested (DRIP) in stock (22,186 common	1		505					506

shares)								
Other comprehensive loss					(13,580)			(13,580)
Cash distributions declared ($0.63 per share)				(556,931)				(556,931)
Cash distributions on Preferred Stock				(15,936)				(15,936)
Fair value adjustment for noncontrolling interest in certain properties			3,169					3,169
Fair value adjustment for noncontrolling interest in GGPOP and other			(70,653)					(70,653)
Balance at December 31, 2014	$9,409	$242,042	$11,351,625	$(2,822,740)	$(51,753)	$(1,122,664)	$79,601	$7,685,520

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GGP INC.
(Dollars in thousands, except per share amounts)
CONSOLIDATED STATEMENTS OF EQUITY (Continued)

	Common Stock	Preferred Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Common Stock in Treasury	Noncontrolling Interests in Consolidated Real Estate Affiliates and Long Term Incentive Plan Common Units	Total Equity
	(Dollars in thousands, except for share amounts)							
Balance at January 1, 2015	$9,409	$242,042	$11,351,625	$(2,822,740)	$(51,753)	$(1,122,664)	$79,601	$7,685,520
Net income				1,374,561			2,685	1,377,246
Distributions to noncontrolling interests in consolidated Real Estate Affiliates							(55,050)	(55,050)
Long Term Incentive Plan Common Unit grants, net (1,645,901 LTIP Units)							11,015	11,015
Restricted stock grants, net of forfeitures (216,640 common shares)	2		3,438					3,440
Employee stock purchase program (137,247 common shares)	1		3,249					3,250
Stock option exercise, net of forfeitures (1,432,250 common shares)	14		42,602					42,616
Cancellation of repurchased	(40)		(52,871)	(49,922)		102,833		—

common shares (4,053,620 common shares)								
Treasury stock purchases (4,324,489 common shares)						(109,570)		(109,570)
Cash dividends reinvested (DRIP) in stock (23,542 common shares)			487					487
Other comprehensive loss					(21,051)			(21,051)
Cash distributions declared ($0.71 per share)				(627,511)				(627,511)
Cash distributions on Preferred Stock				(15,937)				(15,937)
Fair value adjustment for noncontrolling interest in Operating Partnership			13,839					13,839
Balance at December 31, 2015	$9,386	$242,042	$11,362,369	$(2,141,549)	$(72,804)	$(1,129,401)	$38,251	$8,308,294

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GGP INC.
(Dollars in thousands, except per share amounts)
CONSOLIDATED STATEMENTS OF EQUITY (Continued)

	Common Stock	Preferred Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Common Stock in Treasury	Noncontrolling Interests in Consolidated Real Estate Affiliates and Long Term Incentive Plan Common Units	Total Equity
	(Dollars in thousands, except for share amounts)							
Balance at January 1, 2016	$9,386	$242,042	$11,362,369	$(2,141,549)	$(72,804)	$(1,129,401)	$38,251	$8,308,294
Net income				1,288,367			4,175	1,292,542
Distributions to noncontrolling interests in consolidated Real Estate Affiliates							(3,358)	(3,358)
Acquisition/disposition of partner's noncontrolling interests in consolidated Real Estate Affiliates			(18,416)				(2,970)	(21,386)
Contributions to noncontrolling interest in consolidated Real Estate Affiliates							13,943	13,943
Long Term Incentive Plan Common Unit grants, net (61,358 LTIP Units)			104	(950)			14,924	14,078
Restricted stock grants, net (342,037 common shares)	3		3,317					3,320
Employee stock purchase program (126,825 common shares)	—		4,206					4,206
Stock option exercise, net of forfeitures	31		58,374					58,405

(2,886,986 common shares)								
Cancellation of repurchased common shares (1,260,490 common shares)	(15)		(19,846)	(17,805)		37,666		—
OP Unit Conversion to Common Stock (200,000 common shares)	2		5,425					5,427
Treasury stock purchases (1,887,751 common shares)						(46,225)		(46,225)
Cash dividends reinvested (DRIP) in stock (32,381 common shares)			889	(215)				674
Other comprehensive income					14,242			14,242
Amounts reclassified from Accumulated Other Comprehensive Income					(11,894)			(11,894)
Cash distributions declared ($1.06 per share)				(936,779)				(936,779)
Cash distributions on Preferred Stock				(15,935)				(15,935)
Fair value adjustment for noncontrolling interest in Operating Partnership			21,175					21,175
Balance at December 31, 2016	$9,407	$242,042	$11,417,597	$(1,824,866)	$(70,456)	$(1,137,960)	$64,965	$8,700,729

The accompanying notes are an integral part of these consolidated financial statements.

GGP INC.
(Dollars in thousands, except per share amounts)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2016	2015	2014
Cash Flows provided by Operating Activities:			
Net income	$1,308,273	$1,393,596	$679,894
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in income of Unconsolidated Real Estate Affiliates	(231,615)	(73,390)	(51,568)
Distributions received from Unconsolidated Real Estate Affiliates	120,674	87,138	46,463
Provision for doubtful accounts	8,038	8,081	8,151
Depreciation and amortization	660,746	643,689	718,064
Amortization/write-off of deferred finance costs	11,876	11,607	13,621
Accretion/write-off of debt market rate adjustments	(5,184)	13,171	13,442
Amortization of intangibles other than in-place leases	41,154	62,106	76,615
Straight-line rent amortization	(11,867)	(27,809)	(48,935)
Deferred income taxes	15,353	(42,136)	(5,615)
Litigation loss	—	—	17,854
Gain on dispositions, net	(37,526)	(30,669)	(131,849)
Unconsolidated Real Estate Affiliates—gain on investment, net	(51,555)	(327,017)	(9,710)
Gains from changes in control of investment properties and other	(722,904)	(634,367)	(91,193)
Loss (gain) on extinguishment of debt	5,403	—	(66,679)
Provisions for impairment	73,039	8,604	5,278
Provisions for loan loss	29,615	—	—
(Gain) loss on foreign currency	(14,087)	44,984	18,048
Cash paid for extinguishment of tax indemnification liability	—	—	(138,000)
Gain on extinguishment of tax indemnification liability	—	—	(77,215)
Net changes:			
Accounts and notes receivable, net	(37,489)	(30,116)	(19,613)
Prepaid expenses and other assets	(4,092)	(24,381)	(28,966)
Deferred expenses, net	(27,888)	(42,708)	(24,234)
Restricted cash	(3,306)	(3,698)	(1,070)
Accounts payable and accrued expenses	(27,924)	(4,858)	21,703
Other, net	34,111	33,061	25,238
Net cash provided by operating activities	1,132,845	1,064,888	949,724
Cash Flows provided by (used in) Investing Activities:			
Acquisition of real estate and property additions	(577,845)	(384,270)	(537,357)
Development of real estate and property improvements	(547,447)	(694,621)	(624,829)
Distributions received from Unconsolidated Real Estate Affiliates in excess of income	82,800	145,461	387,234
Loans to joint venture partners	(59,769)	(328,819)	(137,070)
Proceeds from repayment of loans to joint venture partners	13,042	—	—
Proceeds from sales of investment properties and Unconsolidated Real Estate Affiliates	1,699,466	1,155,765	361,183
Contributions to Unconsolidated Real Estate Affiliates	(135,906)	(173,704)	(130,500)
Sale (acquisition) of marketable securities	46,408	(33,300)	—
Decrease in restricted cash	28,580	733	3,414
Other, net	662	—	—

Net cash provided by (used in) investing activities	549,991	(312,755)	(677,925)
Cash Flows used in Financing Activities:			
Proceeds from refinancing/issuance of mortgages, notes and loans payable	908,479	1,837,440	2,401,407
Principal payments on mortgages, notes and loans payable	(1,743,216)	(1,831,624)	(1,760,032)
Deferred finance costs	(13,771)	(7,095)	(21,264)
Treasury stock purchases	(34,021)	(109,570)	(555,801)
Cash distributions paid to common stockholders	(680,712)	(610,554)	(534,151)
Cash distributions to noncontrolling interests in consolidated real estate affiliates	(24,445)	(55,050)	(4,392)
Cash distributions reinvested (DRIP) in common stock	889	658	506
Cash distributions paid to preferred stockholders	(15,935)	(15,937)	(15,936)
Cash distributions and redemptions paid to holders of common units	(5,545)	(950)	(718)
Other, net	43,303	24,973	13,782
Net cash used in financing activities	(1,564,974)	(767,709)	(476,599)
Net change in cash and cash equivalents	117,862	(15,576)	(204,800)
Cash and cash equivalents at beginning of year	356,895	372,471	577,271
Cash and cash equivalents at end of year	$474,757	$356,895	$372,471

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GGP INC.
(Dollars in thousands, except per share amounts)
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	Year Ended December 31,		
	2016	2015	2014
Supplemental Disclosure of Cash Flow Information:			
Interest paid	$567,137	$602,495	$688,297
Interest capitalized	5,257	12,752	16,665
Income taxes paid	4,150	14,286	10,202
Accrued capital expenditures included in accounts payable and accrued expenses	115,077	158,027	198,471
Settlement of Tax indemnification liability:			
Assets	—	—	106,743
Liability extinguished	—	—	(321,958)
Non-Cash Sale of Retail Property			
Assets	—	—	21,426
Liabilities and equity	—	—	(21,426)
Sale of Bayside Marketplace, Ala Moana Center and Fashion Show (Refer to Note 3)			
Acquisition of Riverchase Galleria (Refer to Note 3)			

The accompanying notes are an integral part of these consolidated financial statements.

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GGP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)

NOTE 1 ORGANIZATION

GGP Inc. ("GGP" or the "Company"), a Delaware corporation, was organized in July 2010 and is a self-administered and self-managed real estate investment trust, referred to as a "REIT". On January 17, 2017, General Growth Properties, Inc. announced that effective January 27, 2017, the Company changed its name from General Growth Properties, Inc. to GGP Inc. In these notes, the terms "we," "us" and "our" refer to GGP and its subsidiaries.

GGP, through its subsidiaries and affiliates, is an owner and operator of retail properties. As of December 31, 2016, we are the owner, either entirely or with joint venture partners of 127 retail properties.

Substantially all of our business is conducted through GGP Operating Partnership, LP ("GGPOP"), GGP Nimbus, LP ("GGPN") and GGP Limited Partnership ("GGPLP", and together with GGPN and GGPOP, the "Operating Partnerships"), subsidiaries of GGP. The Operating Partnerships own an interest in the properties that are part of the consolidated financial statements of GGP. As of December 31, 2016, GGP held approximately a 99% common equity ownership (without giving effect to the potential conversion of the Preferred Units and LTIP Units as defined below) of the Operating Partnerships, while the remaining 1% was held by limited partners and certain previous contributors of properties to the Operating Partnerships or their predecessors.

GGPOP is the general partner of, and owns a 1.5% equity interest in GGPN and GGPLP. GGPOP has common units of limited partnership ("Common Units"), which are redeemable for cash or, at our option, shares of GGP common stock. It also has preferred units of limited partnership interest ("Preferred Units"), of which, certain Preferred Units can be converted into Common Units and then redeemed for cash or, at our option, shares of GGP common stock (Note 11). GGPOP has full value long term incentive plan units and appreciation only long term incentive plan units (collectively "LTIP Units"), which are redeemable for cash or, at our option, shares of GGP common stock (Note 13).

In addition to holding ownership interests in various joint ventures, the Operating Partnerships generally conduct their operations through General Growth Management, Inc. ("GGMI"), General Growth Services, Inc. ("GGSI") and GGPLP REIT Services, LLC ("GGPRS"). GGMI and GGSI are taxable REIT subsidiaries ("TRS"s), which provide management, leasing, tenant coordination, business development, marketing, strategic partnership and other services for a majority of our Unconsolidated Real Estate Affiliates (defined below) and for substantially all of our Consolidated Properties, as defined below. GGSI also serves as a contractor to GGMI for these services. GGPRS generally provides financial, accounting, tax, legal, development, and other services to our Consolidated Properties.

We refer to our ownership interests in properties in which we own a majority or controlling interest and are consolidated under accounting principles generally accepted in the United States of America ("GAAP") as the "Consolidated Properties." We also own interests in certain properties through joint venture entities in which we own a noncontrolling interest ("Unconsolidated Real Estate Affiliates") and we refer to those properties as the "Unconsolidated Properties".

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Basis of Presentation

The accompanying consolidated financial statements include the accounts of GGP, our subsidiaries and joint ventures in which we have a controlling interest. For consolidated joint ventures, the noncontrolling partner's share of the assets, liabilities and operations of the joint ventures (generally computed as the joint venture partner's ownership percentage) is included in noncontrolling interests in consolidated real estate affiliates as permanent equity of the Company. Intercompany balances and transactions have been eliminated. Noncontrolling interests are included on our Consolidated Balance Sheets related to the Common, Preferred, and LTIP Units of GGPOP and are presented either as redeemable noncontrolling interests or as noncontrolling interests in our permanent equity. Each of the Operating Partnerships are variable interest entities as the limited partners do not have substantive kick-out rights or substantive participating rights. However, as the Company holds a majority voting interest in the Operating Partnerships, it qualifies for the exemption from providing certain of the disclosure requirements associated with variable interest entities.

We operate in a single reportable segment which includes the operation, development and management of retail and other rental properties, primarily regional malls. Our portfolio is targeted to a range of market sizes and consumer tastes. Each of our operating properties is considered a separate operating segment, as each property earns revenues and incurs expenses, individual operating results are reviewed and discrete financial information is available. The Company's chief operating decision maker is comprised of a team of several members of executive management who use Company NOI in assessing segment operating performance. We do not distinguish or group our consolidated operations based on geography, size or type for purposes of making property operating decisions. Our operating properties have similar economic characteristics and provide similar products and services to our tenants. There are no individual operating segments that are greater than 10% of combined revenue, Company NOI, or combined assets. Company NOI excludes certain non-cash and non-comparable items such as straight-line rent and intangible asset and liability amortization, which are a result of our emergence, acquisition accounting and other capital contribution or restructuring events. Further, all material operations are within the United States and no customer or tenant comprises more than 10% of consolidated revenues. As a result, the Company’s operating properties are aggregated into a single reportable segment.

(Dollars in thousands, except per share amounts)

Reclassifications

For the year ended December 31, 2015, loans to our joint venture partners of $613.0 million were reclassified from accounts and notes receivable, net to notes receivable, net. In addition, accrued interest related to the loans to our joint ventures of $28.4 million were reclassified from prepaid expenses and other assets to notes receivable, net. The reclassification is to conform the prior period to the current year presentation and is intended to disaggregate the components of our receivables by type. It is a change from one acceptable presentation to another acceptable presentation.

Properties

Real estate assets are stated at cost less any provisions for impairments. Expenditures for significant betterments and improvements are capitalized. Maintenance and repairs are charged to expense when incurred. Construction and improvement costs incurred in connection with the development of new properties or the redevelopment of existing properties are capitalized. Real estate taxes, interest costs, and internal costs associated with leasing and development overhead incurred during construction periods are capitalized. Capitalization is based on qualified expenditures and interest rates. Capitalized real estate taxes, interest costs, and internal costs associated with leasing and development overhead are amortized over lives which are consistent with the related assets.

Pre-development costs, which generally include legal and professional fees and other third-party costs directly related to the construction assets, are capitalized as part of the property being developed. In the event a development is no longer deemed to be probable of occurring, the capitalized costs are expensed (see also our impairment policies in this note below).

We periodically review the estimated useful lives of our properties, and may adjust them as necessary. The estimated useful lives of our properties range from 10-45 years.

Depreciation or amortization expense is computed using the straight-line method based upon the following estimated useful lives:

	Years
Buildings and improvements	10 - 45
Equipment and fixtures	3 - 20
Tenant improvements	Shorter of useful life or applicable lease term

Acquisitions of Operating Properties (Note 3)

Acquisitions of properties are accounted for utilizing the acquisition method of accounting and, accordingly, the results of operations of acquired properties have been included in the results of operations from the respective dates of acquisition. Estimates of future cash flows and other valuation techniques are used to allocate the purchase price of acquired property between land, buildings and improvements, equipment, assumed debt liabilities and identifiable intangible assets and liabilities such as amounts related to in-place tenant leases, acquired above and below-market tenant and ground leases, and tenant relationships.

The fair values of tangible assets are determined on an "if vacant" basis. The "if vacant" fair value is allocated to land, where applicable, buildings, equipment and tenant improvements based on comparable sales and other relevant information with respect to the property. Specifically, the "if vacant" value of the buildings and equipment was calculated using a cost approach utilizing published guidelines for current replacement cost or actual construction costs for similar, recently developed properties; and an

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GGP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

income approach. Assumptions used in the income approach to the value of buildings include: capitalization and discount rates, lease-up time, market rents, make ready costs, land value, and site improvement value.
The estimated fair value of in-place tenant leases includes lease origination costs (the costs we would have incurred to lease the property to the current occupancy level of the property) and the lost revenues during the period necessary to lease-up from vacant to the current occupancy level. Such estimates include the fair value of leasing commissions, legal costs and tenant coordination costs that would be incurred to lease the property to this occupancy level. Additionally, we evaluate the time period over which such occupancy level would be achieved and include an estimate of the net operating costs (primarily real estate taxes, insurance and utilities) incurred during the lease-up period, which generally ranges up to one year. The fair value of acquired in-place tenant leases is included in the balance of buildings and equipment and amortized over the remaining lease term for each tenant.
Identifiable intangible assets and liabilities are calculated for above-market and below-market tenant and ground leases where we are either the lessor or the lessee. The difference between the contractual rental rates and our estimate of market rental rates is measured over a period equal to the remaining non-cancelable term of the leases, including significantly below-market renewal options for which exercise of the renewal option appears to be reasonably assured. The remaining term of leases with renewal options at terms significantly below market reflect the assumed exercise of such below-market renewal options and assume the amortization period would coincide with the extended lease term.
The gross asset balances of the in-place value of tenant leases are included in buildings and equipment in our Consolidated Balance Sheets.

	Gross Asset	Accumulated Amortization	Net Carrying Amount
As of December 31, 2016			
Tenant leases:			
In-place value	$306,094	$(214,111)	$91,983
As of December 31, 2015			
Tenant leases:			
In-place value	$409,637	$(264,616)	$145,021

The above-market tenant leases and below-market ground leases are included in prepaid expenses and other assets (Note 16); the below-market tenant leases, above-market ground leases and above-market headquarters office lease are included in accounts payable and accrued expenses (Note 17) in our Consolidated Balance Sheets.
Amortization/accretion of all intangibles, including the intangibles in Note 16 and Note 17, had the following effects on our income from continuing operations:

	Year Ended December 31,		
	2016	2015	2014
Amortization/accretion effect on continuing operations	$(86,979)	$(137,462)	$(196,792)

Future amortization/accretion of these intangibles is estimated to decrease results from continuing operations as follows:

Year	Amount
2017	$63,350
2018	41,509
2019	25,996
2020	18,858
2021	13,445

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Marketable Securities

Marketable securities are comprised of equity securities that are classified as available-for-sale. Available-for-sale securities are presented in prepaid expenses and other assets on our Consolidated Balance Sheets at fair value. Unrealized gains and losses resulting from the mark-to-market of these securities are included in other comprehensive income. Realized gains and losses are recognized in earnings only upon the sale of the securities and are recorded based on the weighted average cost of such securities. During the year ended December 31, 2016, we recognized gains of $13.1 million in management fees and other corporate revenues on the Consolidated Statements of Operations and Comprehensive Income from the sale of Seritage Growth Properties stock.

Investments in Unconsolidated Real Estate Affiliates (Note 6)

We account for investments in joint ventures where we own a non-controlling joint interest using either the equity method or the cost method. If we have significant influence but not control over the investment, we utilize the equity method. If we have neither control nor significant influence, we utilize the cost method. Under the equity method, the cost of our investment is adjusted for our share of the earnings of such Unconsolidated Real Estate Affiliates from the date of acquisition, increased by our contributions and reduced by distributions received. Under the cost method, the cost of our investment is not adjusted for our share of the earnings of such Unconsolidated Real Estate Affiliates from the date of acquisition and distributions are treated as earnings when received.

To determine the method of accounting for partially owned joint ventures, we evaluate the characteristics of associated entities and determine whether an entity is a variable interest entity ("VIE"). A limited partnership or other similar entity is considered a VIE unless a simple majority of limited partners (excluding limited partners that are under common control with the general partner) have substantive kick-out rights or participating rights. Recent accounting guidance amended the following: (i) modified the evaluation of whether limited partnerships and similar legal entities are variable interest entities ("VIEs") or voting interest entities, (ii) eliminated the presumption that a general partner should consolidate a limited partnership, (iii) affected the consolidation analysis of reporting entities that are involved with VIEs, and (iv) provided a scope exception for certain entities. If an entity is determined to be a VIE, we determine which party is the primary beneficiary by analyzing whether we have both the power to direct the entity's significant economic activities and the obligation to absorb potentially significant losses or receive potentially significant benefits. Significant judgments and assumptions inherent in this analysis include the nature of the entity's operations, future cash flow projections, the entity's financing and capital structure, and contractual relationship and terms. The adoption of the recent consolidation guidance did not materially impact our consolidated financial statements.

Primary risks associated with our VIEs include the potential of funding the entities' debt obligations or making additional contributions to fund the entities' operations.

Generally, the operating agreements with respect to our Unconsolidated Real Estate Affiliates provide that assets, liabilities and funding obligations are shared in accordance with our ownership percentages. Therefore, we generally also share in the profit and losses, cash flows and other matters relating to our Unconsolidated Real Estate Affiliates in accordance with our respective ownership percentages. Except for Retained Debt (as described in Note 6), differences between the carrying amount of our investment in the Unconsolidated Real Estate Affiliates and our share of the underlying equity of our Unconsolidated Real Estate Affiliates are typically amortized over lives ranging from 5 to 45 years. When cumulative distributions exceed our investment in the joint venture, the investment is reported as a liability in our consolidated financial statements. The liability is limited to our maximum potential obligation to fund contractual obligations, including recourse related to certain debt obligations.

Partially owned, non-variable interest joint ventures over which we have controlling financial interest are consolidated in our consolidated financial statements. In determining if we have a controlling financial interest, we consider factors such as ownership interest, authority to make decisions, kick-out rights and substantive participating rights. Partially owned joint ventures where we do not have a controlling financial interest, but have the ability to exercise significant

influence, are accounted for using the equity method.
To the extent that we contribute assets to a joint venture accounted for using the equity method, our investment in the joint venture is recorded at our cost basis in the assets that were contributed to the joint venture. We will recognize gains and losses on the contribution of our real estate to joint ventures, relating solely to the outside partner's interest, to the extent the buyer is independent of the Company, the collection of the sales price is reasonably assured, and we will not be required to support the operations of the property or its related obligations to an extent greater than our proportionate interest.
The combined summarized financial information of unconsolidated joint ventures is disclosed in Note 6 to the Consolidated Financial Statements.

(Dollars in thousands, except per share amounts)

We continually analyze and assess reconsideration events, including changes in the factors mentioned above, to determine if the consolidation treatment remains appropriate. Decisions regarding consolidation of partially owned entities frequently require significant judgment by our management.

Cash and Cash Equivalents

Highly-liquid investments with initial maturities of three months or less are classified as cash equivalents, excluding amounts restricted by certain lender and other agreements.

Leases

Our leases, in which we are the lessor or lessee, are substantially all accounted for as operating leases. Leases in which we are the lessor that transfer substantially all the risks and benefits of ownership to tenants are considered finance leases and the present values of the minimum lease payments and the estimated residual values of the leased properties, if any, are accounted for as receivables. Leases in which we are the lessee that transfer substantially all the risks and benefits of ownership to us are considered capital leases and the present values of the minimum lease payments are accounted for as assets and liabilities.

Tenant improvements, either paid directly or in the form of construction allowances paid to tenants, are capitalized as buildings and equipment and depreciated over the shorter of the useful life or the applicable lease term.

In leasing tenant space, we may provide funding to the lessee through a tenant allowance. In accounting for a tenant allowance, we determine whether the allowance represents funding for the construction of leasehold improvements and evaluate the ownership of such improvements. If we are considered the owner of the leasehold improvements, we capitalize the amount of the tenant allowance and depreciate it over the shorter of the useful life of the leasehold improvements or the related lease term. If the tenant allowance represents a payment for a purpose other than funding leasehold improvements, or in the event we are not considered the owner of the leasehold improvements, the allowance is capitalized to deferred expenses and considered to be a lease incentive and is recognized over the lease term as a reduction of rental revenue on a straight-line basis.

Deferred Expenses

Deferred expenses primarily consist of leasing commissions and related costs and are amortized using the straight-line method over the life of the leases.

Revenue Recognition and Related Matters

Minimum rents are recognized on a straight-line basis over the terms of the related operating leases, including the effect of any free rent periods. Minimum rents also include lease termination income collected from tenants to allow for the tenant to vacate their space prior to their scheduled termination dates, as well as accretion related to above-market and below-market tenant leases on acquired properties and properties that were recorded at fair value at the emergence from bankruptcy. The following is a summary of amortization of straight-line rent, net amortization/accretion related to above-market and below-market tenant leases and termination income, which is included in minimum rents:

	Year Ended December 31,		
	2016	2015	2014
Amortization of straight-line rent	$11,867	$27,809	$48,254
Net amortization/accretion of above and below-market tenant leases	(33,639)	(55,062)	(66,258)
Lease termination income	16,021	13,786	10,590

The following is a summary of straight-line rent receivables, which are included in accounts receivable, net in our Consolidated Balance Sheets and are reduced for allowances and amounts doubtful of collection:

	December 31, 2016	December 31, 2015
Straight-line rent receivables, net	$ 226,226	$ 234,862

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(Dollars in thousands, except per share amounts)

Overage rent is paid by a tenant when the tenant's sales exceed an agreed upon minimum amount and is recognized on an accrual basis once tenant sales exceed contractual tenant lease thresholds and is calculated by multiplying the sales in excess of the minimum amount by a percentage defined in the lease.

Tenant recoveries are established in the leases or computed based upon a formula related to real estate taxes, insurance and other property operating expenses and are generally recognized as revenues in the period the related costs are incurred.

Real estate sales are recognized whenever (1) a sale is consummated, (2) the buyer has demonstrated an adequate commitment to pay for the property, (3) our receivable is not subject to future subordination, and (4) we have transferred to the buyer the risks and rewards of ownership and do not have continuing involvement. Unless all conditions are met, recognition of all or a portion of the profit shall be postponed.

We provide an allowance for doubtful accounts against the portion of accounts receivable, net including straight-line rents, which is estimated to be uncollectible. Such allowances are reviewed periodically based upon our recovery experience. The following table summarizes the changes in allowance for doubtful accounts:

	2016	2015	2014
Balance as of January 1,	$14,654	$15,621	$17,892
Provision for doubtful accounts (1)	10,534	11,833	10,934
Provisions for doubtful accounts in discontinued operations	—	—	602
Write-offs	(7,305)	(12,800)	(13,807)
Balance as of December 31,	$17,883	$14,654	$15,621

(1) Excludes recoveries of $2.4 million, $2.1 million and $2.7 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Management Fees and Other Corporate Revenues

Management fees and other corporate revenues primarily represent management and leasing fees, development fees, financing fees, and fees for other ancillary services performed for the benefit of certain of the Unconsolidated Real Estate Affiliates. Management fees are reported at 100% of the revenue earned from the joint venture in management fees and other corporate revenues on our Consolidated Statements of Operations and Comprehensive Income. Our share of the management fee expense incurred by the Unconsolidated Real Estate Affiliates is reported within equity in income of Unconsolidated Real Estate Affiliates on our Consolidated Statements of Operations and Comprehensive Income and in property management and other costs in the Condensed Combined Statements of Income in Note 6. The following table summarizes the management fees from affiliates and our share of the management fee expense:

	Year Ended December 31,		
	2016	2015	2014
Management fees from affiliates (1)	$82,742	$86,595	$70,887
Management fee expense	(33,049)	(30,723)	(26,972)
Net management fees from affiliates	$49,693	$55,872	$43,915

(1) Excludes a $13.1 million gain recognized in management fees and other corporate revenues on the divestiture of our investment in Seritage Growth Properties during the year ended December 31, 2016.

Income Taxes (Note 8)

We expect to distribute 100% of our taxable capital gains and taxable ordinary income to shareholders annually. If, with respect to any taxable year, we fail to maintain our qualification as a REIT and cannot correct such failure, we would not be allowed to deduct distributions to shareholders in computing our taxable income and federal income tax. If any of our REIT subsidiaries fail to qualify as a REIT, such failure could result in our loss of REIT status. If we lose our REIT status, corporate level income tax would apply to our taxable income at regular corporate rates, or we may be subject to applicable alternative minimum tax. As a

result, the amount available for distribution to holders of equity securities that would otherwise receive dividends would be reduced for the year or years involved, and we would no longer be required to make distributions. In addition, unless we were entitled to relief under the relevant statutory provisions, we would be disqualified from treatment as a REIT for four subsequent taxable years.

Deferred income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns and are recorded primarily by certain of our taxable REIT subsidiaries. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred income taxes also reflect the impact of operating loss and tax credit carryforwards. A valuation allowance is provided if we believe it is more likely than not that all or some portion of the deferred tax asset will not be realized. An increase or decrease in the valuation allowance that results from a change in circumstances, and which causes a change in our judgment about the realizability of the related deferred tax asset, is included in the current tax provision. In 2010, GGP experienced a change in control, pursuant to Section 382 of the Internal Revenue Code that could limit the benefit of deferred tax assets. In addition, we recognize and report interest and penalties, if necessary, related to uncertain tax positions within our provision for income tax expense.

We earn investment tax credits related to solar projects at certain properties. We use the flow through method of accounting for investment tax credits. Under this method, investment tax credits are recognized as a reduction to income tax expense in the year they are earned.

Impairment

Operating properties

We regularly review our consolidated properties for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment indicators are assessed separately for each property and include, but are not limited to, significant decreases in real estate property net operating income, significant decreases in occupancy percentage, debt maturities, management's intent with respect to the properties and prevailing market conditions.

If an indicator of potential impairment exists, the property is tested for recoverability by comparing its carrying amount to the estimated future undiscounted cash flows. Although the carrying amount may exceed the estimated fair value of certain properties, a real estate asset is only considered to be impaired when its carrying amount cannot be recovered through estimated future undiscounted cash flows. To the extent an impairment provision is determined to be necessary, the excess of the carrying amount of the property over its estimated fair value is expensed to operations. In addition, the impairment provision is allocated proportionately to adjust the carrying amount of the asset group. The adjusted carrying amount, which represents the new cost basis of the property, is depreciated over the remaining useful life of the property.

Although we may market a property for sale, there can be no assurance that the transaction will be complete until the sale is finalized. However, GAAP requires us to utilize the Company's expected holding period of our properties when assessing recoverability. If we cannot recover the carrying value of these properties within the planned holding period, we will estimate the fair values of the assets and record impairment charges for properties when the estimated fair value is less than their carrying value.

Impairment indicators for pre-development costs, which are typically costs incurred during the beginning stages of a potential development and construction in progress, are assessed by project and include, but are not limited to, significant changes in the Company's plans with respect to the project, significant changes in projected completion dates, tenant demand, anticipated revenues or cash flows, development costs, market factors and sustainability of development projects.

Impairment charges are recorded in the Consolidated Statements of Operations and Comprehensive Income when the carrying value of a property is not recoverable and it exceeds the estimated fair value of the property, which can occur in accounting periods preceding disposition and / or in the period of disposition.

Changes in economic and operating conditions that occur subsequent to our review of recoverability of our properties could impact the assumptions used in that assessment and could result in future impairment if assumptions regarding those properties differ from actual results.

During the year ended December 31, 2016, we recorded a $73.0 million impairment charge on our Consolidated Statements of Operations and Comprehensive Income. The impairment charge related to three operating properties. We received bona fide purchase offers for two properties which were less than their respective carrying values. The other property had non-recourse debt maturing during 2016 that exceeded the fair value of the operating property. This property was transferred to a special servicer in 2016.

During the year ended December 31, 2015, we recorded an $8.6 million impairment charge on our Consolidated Statements of Operations and Comprehensive Income. This impairment charge related to one operating property and was recorded because the estimated fair value of the property, based on a bona-fide purchase offer, was less than the carrying value of the property.

During the year ended December 31, 2014, we recorded a $5.3 million impairment charge on our Consolidated Statements of Operations and Comprehensive Income. This impairment charge related to one operating property and was recorded because the estimated fair value of the property, based on a bona-fide purchase offer was less than the carrying value of the property.

Investment in Unconsolidated Real Estate Affiliates

A series of operating losses of an investee or other factors may indicate that an other-than-temporary decline in value of our investment in an Unconsolidated Real Estate Affiliate has occurred. The investment in each of the Unconsolidated Real Estate Affiliates is evaluated for valuation declines below the carrying amount. Accordingly, in addition to the property-specific impairment analysis that we performed for such joint ventures (as part of our operating property impairment process described above), we also considered whether there were other-than-temporary declines with respect to the carrying values of our Unconsolidated Real Estate Affiliates.

An impairment of $3.2 million related to our investments in Unconsolidated Real Estate Affiliates was recognized for the year ended December 31, 2015. This impairment charge related to one operating property and was recorded because the estimated fair value of the property, based on a bona-fide purchase offer, was less than the carrying value of the property. No impairments related to our investments in Unconsolidated Real Estate Affiliates were recognized for the years ended December 31, 2016 and 2014.

Changes in economic and operating conditions that occur subsequent to our review of recoverability of our investments in Unconsolidated Real Estate Affiliates could impact the assumptions used in that assessment and could result in future impairment if assumptions regarding those investments differ from actual results.

Property Management and Other and General and Administrative Costs

Property management and other costs represent regional and home office costs and include items such as corporate payroll, rent for office space, supplies and professional fees, which represent corporate overhead costs not generated at the properties. General and administrative costs represent the costs to run the public company and include payroll and other costs for executives, audit fees, professional fees and administrative fees related to the public company.

Fair Value Measurements (Note 5)

The accounting principles for fair value measurements establish a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1—defined as observable inputs such as quoted prices for identical assets or liabilities in active markets;
- Level 2—defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and
- Level 3—defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The impairment section above includes a discussion of all impairments recognized during the years ended December 31, 2016, 2015 and 2014, which were based on Level 2 and Level 3 inputs. Note 5 includes a discussion of properties measured at fair value on a non-recurring basis using Level 2 and Level 3 inputs and the fair value of debt, which is estimated on a recurring basis using Level 2 and Level 3 inputs. Note 5 also includes a discussion of available-for-sale securities measured at fair value on a recurring basis using Level 1 inputs. Note 11 includes a discussion of certain redeemable noncontrolling interests that are measured at fair value using Level 1 inputs.

Concentrations of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash and cash equivalents. We are exposed to credit risk with respect to cash held at various financial institutions and access to our credit facility. Our credit risk exposure with regard to our cash and the $1.5 billion, including the uncommitted accordion feature, available under our credit facility is spread among a diversified group of investment grade financial institutions. We had no amount and $315.0 million outstanding under our credit facility as of December 31, 2016 and 2015, respectively.

Recently Issued Accounting Pronouncements

Effective January 1, 2018, companies will be required to apply a five-step model in accounting for revenue. The core principle of the revenue model is that a company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Lease contracts will be excluded from this revenue recognition criteria; however, the sale of real estate will be required to follow the new model. Expanded quantitative and qualitative disclosures regarding revenue recognition will be required for contracts that are subject to this pronouncement. The Company has completed a preliminary review of the potential impact of this pronouncement to determine specific areas that will be affected by the adoption of this standard. Once the new guidance setting forth principles for the recognition, measurement, presentation and disclosure of leases (discussed below) goes into effect, the new revenue standard may apply to executory costs and other components of revenue due under leases that are deemed to be non-lease components (such as common area maintenance and provision of utilities), even when the revenue for such activities is not separately stipulated in the lease. In that case, then revenue from these items previously recognized on a straight-line basis under current lease guidance would be recognized under the new revenue guidance as the related services are delivered. As a result, while the total revenue recognized over time would not differ under the new guidance, the recognition pattern would be different. The new standard can be adopted either retrospectively to each prior reporting period presented or as a cumulative effect adjustment as of the date of adoption. The company is currently evaluating the adoption method that will be used for the implementation.

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02 which will require organizations that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. Under ASU 2016-02, a lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. Lessor accounting remains substantially similar to current GAAP. In addition, disclosures of leasing activities are to be expanded to include qualitative along with specific quantitative information. For public entities, ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. ASU 2016-02 mandates a modified retrospective transition method. The Company is evaluating the potential impact of this pronouncement on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-07 which eliminates the requirement for retrospective application of equity method accounting when an investment previously accounted for by another method initially qualifies for the equity method. This standard is effective for all entities for fiscal years beginning after December 15, 2016 with earlier application permitted. The Company does not expect the adoption of this standard to materially impact its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13 which changes the model for the measurement of credit losses on financial instruments. Specifically, the amendments in the ASU replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The amendments in this ASU will be effective January 1, 2020 with early adoption permitted on January 1, 2019. The Company is evaluating the potential impact of this pronouncement on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15 which provides guidance on the statement of cash flows presentation of certain transactions where diversity in practice exists. The effective date will be the first quarter of fiscal year 2019, with early adoption permitted. The ASU will be adopted using a retrospective transition approach. The Company is evaluating the potential impact of this pronouncement on its Consolidated Statements of Cash Flows.

In November 2016, the FASB issued ASU No. 2016-18 which requires that a statement of cash flows explain the change during the reporting period in the total of cash and cash equivalents and restricted cash or restricted cash equivalents. This standard is effective for public entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The Company is evaluating the potential impact of this pronouncement on its Consolidated Statements of Cash Flows.

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GGP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

In January 2017, the FASB issued ASU No. 2017-01 which clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill and consolidation. Public entities should apply the amendments in this standard to annual periods beginning after December 15, 2017, including interim periods within those periods. The Company is adopting this pronouncement early in the first fiscal quarter of 2017. The adoption of this standard will result in less real estate acquisitions qualifying as businesses and, accordingly, acquisition costs for those acquisitions that are not businesses will be capitalized rather than expensed.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. For example, estimates and assumptions have been made with respect to fair values of assets and liabilities for purposes of applying the acquisition method of accounting, the useful lives of assets, capitalization of development and leasing costs, provision for income taxes, recoverable amounts of receivables and deferred taxes, provision for loan loss, initial valuations and related amortization periods of deferred costs and intangibles, particularly with respect to acquisitions, impairment of long-lived assets, litigation related accruals and disclosures and fair value of debt. Actual results could differ from these and other estimates.

NOTE 3 ACQUISITIONS, SALES AND JOINT VENTURE ACTIVITY

On December 1, 2016, we entered into an agreement with a qualified intermediary to acquire 605 N. Michigan Avenue located in Chicago, Illinois. The Company loaned the qualified intermediary $140.0 million to acquire the property as replacement property in a reverse 1031 exchange pursuant to the applicable Internal Revenue Service policy. 605 N. Michigan Avenue was deemed to be a variable interest entity for which the Company was deemed to be the primary beneficiary as it has the ability to direct the activities of the entity that most significantly impact its economic performance and has all of the risks and rewards of ownership. Accordingly, the Company has consolidated 605 N. Michigan Avenue. The purchase price allocation was completed using a preliminary estimate of the net assets acquired.

On November 1, 2016, Riverchase Galleria (located in Hoover, Alabama) redeemed the 50% interest of our joint venture partner for a gross purchase price of $143.5 million including the assumption of our joint venture partner's $110.3 million share of property level debt. Concurrently, the 50% interest was acquired by our joint venture through certain capital contributions. Our overall ownership in Riverchase Galleria is 75.5%.

The table below summarizes the loss calculation ($ in millions):

Loss from a Change of Control in Riverchase Galleria	
Cash paid to acquire our joint venture partner's interest	$33.8
Less: proportionate share of previous investment in Riverchase Galleria	(78.0)
Losses from changes in control of investment properties	$(44.2)

The following table summarizes the allocation of the purchase price to the net assets acquired at the date of acquisition. These allocations were based on the relative fair values of the assets acquired and liabilities assumed. The purchase price allocation was completed using a preliminary estimate of the net assets and liabilities acquired and is show below ($ in millions):

Allocation of the Riverchase Purchase Price

Investment in real estate, including intangible assets and liabilities	$274.3
Fair value of debt (1)	(220.7)
Net working capital (2)	12.7
Net assets acquired	$66.3

(1) Debt represents an intercompany loan between Riverchase Galleria and GGP and eliminates in consolidation.
(2) Includes tax increment financing (TIF) associated with the city of Hoover, Alabama.

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On October 28, 2016, we acquired four Macy's boxes, including the box at Tysons Galleria, at various properties for $45.7 million for the purpose of re-tenanting and repositioning space. Subsequently on December 8, 2016, we acquired an additional Macy's box at Stonestown Galleria for $40.7 million.
On September 15, 2016, joint ventures we formed with Simon Property Group and Authentic Brands Group LLC acquired Aeropostale for $80.0 million in total cash which included cash for working capital requirements of the retail business. In connection with the transaction, our total investment was $20.4 million of cash contributed to the ventures for an effective ownership of approximately 26% in the two joint ventures. Aeropostale is a tenant at certain of our properties for which we receive rental income included in minimum rents on the Consolidated Statements of Operations and Comprehensive Income.
On August 1, 2016, we closed on the sale of Rogue Valley Mall located in Medford, Oregon for a sales price of $61.5 million. The transaction netted proceeds of approximately $6.4 million and resulted in a loss of $1.0 million recognized in gain from changes in control of investment properties and other for the year ended December 31, 2016.

On July 29, 2016, we reached an agreement on the sale of a 50% interest in Fashion Show located in Las Vegas, Nevada to TIAA-CREF Global Investments, LLC ("TIAACREF") for a sales price of $1.25 billion. We closed on the sale of the initial 49% and received proceeds of approximately $813.9 million on July 29, 2016, and we received the remaining $16.6 million for the closing of the final 1% interest on October 4, 2016. This transaction resulted in a gain on sale of $634.9 million recognized in gain from changes in control of investment properties and other for the year ended December 31, 2016.

The table below summarizes the gain calculation ($ in millions):

Cash received from joint venture partner	$830.5
Less: Proportionate share of previous investment in Fashion Show	(195.6)
Gain from change in control of investment property	$634.9

On July 21, 2016, we closed on the sale of Newgate Mall located in Ogden, Utah for a sales price of $69.5 million. The transaction netted proceeds of approximately $8.4 million and resulted in a loss of $1.4 million recognized in gain from changes in control of investment properties and other for the year ended December 31, 2016.

On June 30, 2016, we closed on the acquisition of a property through a joint venture located at 218 West 57th Street in New York City for $81.5 million. In connection with the acquisition, we provided a $53.0 million mortgage loan to the joint venture that bears interest at LIBOR plus 3.4%, subject to terms and conditions in the loan agreement, and matures on June 30, 2019, with two one year extension options. We own a 50% interest in the joint venture and our share of equity at closing was $15.1 million including prorated working capital. We also provided our joint venture partner with a $7.3 million loan upon closing.

On June 30, 2016, we closed on the sale of our 49.8% interest in One Stockton Partners, LLC in San Francisco, California to our joint venture partner for $49.8 million. In connection with the sale, $16.3 million in mortgage debt was assumed. This transaction netted proceeds of approximately $33.5 million and resulted in a gain of $22.7 million recognized in Unconsolidated Real Estate Affiliates - gain on investment on our Consolidated Statements of Operations and Comprehensive Income for the year ended December 31, 2016. In addition to the sale, the joint venture partner made an $8.0 million repayment of a note receivable.

On June 28, 2016, we closed on the sale of the office building and parking garage at Pioneer Place in Portland, Oregon for $121.8 million. This transaction netted proceeds of approximately $116.0 million and resulted in a gain on sale of $35.2 million recognized in gain from changes in control of investment properties and other for the year ended December 31, 2016.

On February 2, 2016, we closed on the acquisition of our joint venture partner's 25% interest in Spokane Valley Mall in Spokane, Washington for $37.5 million. This transaction resulted in a reduction of additional paid-in capital of $18.4 million due to the acquisition of our partner's noncontrolling interest.

On January 29, 2016 we closed on the sale of our 75% interest in Provo Towne Center in Provo, Utah to our joint venture partner for $37.5 million. Mortgage debt of $31.1 million was repaid upon closing. This transaction netted proceeds of approximately

$2.8 million and resulted in a loss of $6.7 million recognized in gain from changes in control of investment properties and other for the year ended December 31, 2016.

On January 29, 2016, we closed on the sale of our 10% interest in 522 Fifth Avenue in New York City to our joint venture partner for $25.0 million, inclusive of the repayment of previously existing notes receivable from our joint venture partner. We received proceeds of $10.0 million upon closing and proceeds of $5.4 million on December 15, 2016. The remaining $9.0 million will be collected on April 3, 2017. This transaction resulted in a gain on sale of $11.0 million recognized in Unconsolidated Real Estate Affiliates - gain on investment for the year ended December 31, 2016.

On January 15, 2016, we closed on the sale of Eastridge Mall in San Jose, California for $225.0 million. This transaction netted proceeds of approximately $216.3 million and resulted in a gain on sale of $71.7 million recognized in gain from changes in control of investment properties and other for the year ended December 31, 2016.

On January 8, 2016, we closed on the sale of our 50% interest in Owings Mills Mall in Owings Mills, Maryland to our joint venture partner for $11.6 million. This transaction netted proceeds of approximately $11.6 million and resulted in a gain on sale of $0.6 million recognized in Unconsolidated Real Estate Affiliates - gain on investment for the year ended December 31, 2016.

On November 6, 2015, we acquired an additional 2.5% direct interest in Miami Design District Associates, LLC ("MDDA") located in Miami, Florida for a gross purchase price of $40.0 million. We also own a 2.5% interest in MDDA through a joint venture and a 10% interest in MDDA through a consolidated subsidiary. The total investment of 15% is considered a cost method investment and is included in investment in Unconsolidated Real Estate Affiliates on the Consolidated Balance Sheets.

On September 24, 2015, we sold our interest in a joint venture that owns Lake Mead & Buffalo, which resulted in our recognition of a gain of $3.1 million. The $3.1 million is recognized within Unconsolidated Real Estate Affiliates - gain on investment on our Consolidated Statements of Operations and Comprehensive Income.

On April 27, 2015, we sold the office portion of 200 Lafayette in New York City for $124.5 million. In connection with the transaction, debt of $67.0 million was repaid. The transaction netted proceeds of approximately $49.4 million and resulted in a gain on sale of $11.9 million recognized in gain from changes in control of investment properties and other on our Consolidated Statements of Operations and Comprehensive Income for the year ended December 31, 2015.

On April 17, 2015, we closed on the acquisition of the Crown Building located at 730 Fifth Avenue in New York City through a joint venture partner. The Crown Building was acquired for $1.78 billion, which was funded with $1.25 billion of secured debt. We own an effective 50% interest in the retail portion of the property. GGP and Jeff Sutton own, redevelop, lease and manage the retail portion of the property which is $1.30 billion of the purchase price. We own no effective interest in the office portion of the property. Vladislav Doronin's Capital Group and Michael Shvo own, redevelop, lease and manage the office tower which was $475.0 million of the purchase price. The office tower will be redeveloped into luxury residential condominiums. At acquisition, our share of the retail property purchase price was $650.0 million and our share of the equity was $208.5 million. In connection with the acquisition, we provided $204.3 million in loans to our joint venture partners (Note 15).

On April 1, 2015, we closed on the acquisition of property through a joint venture located at 85 Fifth Avenue in New York City for $86.0 million. The acquisition was funded with $60.0 million of secured debt. We own a 50% interest in the joint venture and our share of the equity was $14.0 million. In connection with the acquisition, we provided a $7.0 million loan to our joint venture partner (Note 15).

On March 31, 2015, we acquired a 50% interest in a joint venture with Sears Holdings Corporation that owns anchor pads and in-place leases at 12 stores located at our properties for approximately $165.0 million. Subsequently, Sears Holdings Corporation sold its investment in the joint venture to Seritage Growth Properties, which was an affiliated company. On December 14, 2015, GGP entered into agreements with two of its joint ventures to assign interest in 4 of the 12 anchor pads to the joint ventures. For the assignment and transfer of the assigned interests, GGP received net consideration of $74.0 million.

On January 29, 2015, we sold our 50% interest in a joint venture that owns Trails Village in Las Vegas, Nevada for $27.6 million. In connection with the sale, mortgage debt of $5.75 million was repaid. The transaction netted proceeds of approximately $22.0 million and resulted in a gain of $12.0 million recognized in Unconsolidated Real Estate Affiliates - gain on investment on our Consolidated Statements of Operations and Comprehensive Income.

On February 27, 2015, we sold a 25% interest in Ala Moana Center in Honolulu, Hawaii for net proceeds of $907.0 million. We received $670.0 million at closing and received the remaining proceeds of $237.0 million upon completion of the redevelopment and expansion in the fourth quarter of 2016. Subsequently on April 10, 2015, we sold an additional 12.5% interest in Ala Moana Center for net proceeds of $453.5 million to another joint venture partner. We received $335.0 million at closing and received the remaining proceeds of $118.5 million upon completion of the redevelopment and expansion in the fourth quarter of 2016. As a result, our joint venture partners own a combined 37.5% economic interest in the joint venture.

Upon sale of the 25% interest in Ala Moana Center and in accordance with applicable accounting standards for real estate sales with future development required, we recognized a $584.4 million gain on change in control of investment properties and other as of the closing date calculated on the percentage of the basis (real estate asset carrying value of Ala Moana Center and development costs incurred to date) as compared to the total estimated costs expected to be incurred through completion of the development. During the year ended December 31, 2016, we recognized an additional $34.4 million gain on change of control of investment properties and other using the percentage of completion method for the construction completed from the closing date on February 27, 2015 through December 31, 2016.

Upon sale of the 12.5% interest in Ala Moana Center and in accordance with applicable accounting standards for real estate sales with future development required, we recognized a $295.9 million gain in Unconsolidated Real Estate Affiliates - gain on investment as of the closing date calculated on the percentage of the basis (real estate asset carrying value of Ala Moana Center and development costs incurred to date) as compared to the total estimated costs expected to be incurred through completion of the development. During the year ended December 31, 2016, we recognized an additional $17.2 million gain in Unconsolidated Real Estate Affiliates - gain on investment using the percentage of completion method for the construction completed from the closing date on April 10, 2015 through December 31, 2016. The construction is complete and the full gain was recognized as of December 31, 2016.

We account for the 62.5% interest in the joint venture that owns Ala Moana Center under the equity method of accounting (Note 6) because we share control over major decisions with the joint venture partners which resulted in the partners obtaining substantive participating rights. Ala Moana Center was previously wholly owned by GGP and accounted for on a consolidated basis.

The table below summarizes the gain calculation ($ in millions) for the 25% and 12.5% interests sold:

Gain on Sale of Interests in Ala Moana Center	25.0%	12.5%
Total proceeds (net of transaction costs of $6.8 million and $2.5 million, respectively)	$900.2	$451.0
Joint venture partner share of debt	462.5	231.3
Total consideration	1,362.7	682.3
Less: JV partner proportionate share of investment in Ala Moana Center and estimated development costs	(705.9)	(353.8)
Total gain from changes in control of investment properties and other	656.8	—
Total Unconsolidated Real Estate Affiliates - gain on investment	—	328.5
Gain attributable to JV partner proportionate share of investment in Ala Moana Center at closing	584.4	295.9
Gain attributable to post-sale development activities through December 31, 2015	38.0	15.4
Gain attributable to post-sale development activities for the year ended December 31, 2016	34.4	17.2

(Dollars in thousands, except per share amounts)

NOTE 4 DISCONTINUED OPERATIONS AND HELD FOR DISPOSITION

In the first quarter of 2015, the Company adopted ASU No. 2014-08, "Reporting Discontinued operations and Disclosures of Disposals of Components of an Entity" issued by the Financial Accounting Standards Board. ASU No. 2014-08 changes the definition of a discontinued operation to include only those disposals of components of an entity that represent a strategic shift that has (or will have) a major effect on an entity's operations and financial results (e.g., a disposal of a major geographical area, a major line of business, a major equity method investment or other major parts of an entity). The Company’s adoption of ASU No. 2014-08 resulted in a change in how the Company would record operating results and gains on sales of real estate. Any future sale that does not meet the updated definition of discontinued operations would not be reflected within discontinued operations in the Company’s Consolidated Statements of Operations and Comprehensive Income.

During 2014, one property, which was previously transferred to a special servicer, was sold in a lender-directed sale in full satisfaction of the debt. This resulted in a gain on extinguishment of debt of $66.7 million and a reduction of property-level debt of $79.0 million. We transferred six office properties and cash aggregating total consideration of $268.0 million in full settlement of our $322.0 million tax indemnification liability (Note 19). Additionally, we sold three operating properties for $278.6 million, which resulted in a gain of $125.2 million. We used the net proceeds from these transactions to repay debt of $127.0 million.

The Company did not have any dispositions during the years ended December 31, 2016 and 2015 that qualified for discontinued operations presentation subsequent to its adoption of ASU No. 2014-08. The following table summarizes the operations of the properties included in discontinued operations for the year ended 2014.

	2014
Retail and other revenue	$27,276
Total revenues	27,276
Retail and other operating expenses	17,515
Total expenses	17,515
Operating income	9,761
Interest expense, net	(2,188)
Gains on dispositions	130,416
Net income from operations	137,989
Gain on extinguishment of debt	66,679
Gain on extinguishment of tax indemnification liability	77,215
Net income from discontinued operations	$281,883

As of December 31, 2015, non-refundable deposits were received from the buyers on two properties. Therefore, the two properties were considered held for disposition as of December 31, 2015. Total assets held for disposition were $216.2 million, which included $204.4 million of net investment in real estate, and total liabilities held for disposition were $58.9 million, which included $42.6 million of mortgages, notes and loans payable.

(Dollars in thousands, except per share amounts)

NOTE 5 FAIR VALUE

Nonrecurring Fair Value Measurements

We estimate fair value relating to impairment assessments based upon discounted cash flow and direct capitalization models that include all projected cash inflows and outflows over a specific holding period, or the negotiated sales price, if applicable. Such projected cash flows are comprised of contractual rental revenues and forecasted rental revenues and expenses based upon market conditions and expectations for growth. Capitalization rates and discount rates utilized in these models are based on a reasonable range of current market rates for each property analyzed. Based upon these inputs, we determined that our valuations of properties using a discounted cash flow or a direct capitalization model were classified within Level 3 of the fair value hierarchy. For our properties for which the estimated fair value was based on negotiated sales prices, we determined that our valuation was classified within Level 2 of the fair value hierarchy.

The following table summarizes certain of our assets that are measured at fair value on a nonrecurring basis as a result of impairment charges recorded as of December 31, 2016 and 2015.

	Total Fair Value Measurement	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Provisions for Impairment
Year Ended December 31, 2016					
Investments in real estate (1)	$ 219,165	$ —	$ 131,000	$ 88,165	$ (73,039)
Year Ended December 31, 2015					
Investments in real estate (1)	$ 61,500	$ —	$ 61,500	$ —	$ (8,604)

(1) Refer to Note 2 for more information regarding impairment. Investments in real estate includes consolidated properties and Unconsolidated Real Estate Affiliates.

Unobservable Quantitative Input	Range
Discount rates	9.0% to 11.0%
Terminal capitalization rates	16.0% to 17.0%

Disclosure of Fair Value of Financial Instruments

The fair values of our financial instruments approximate their carrying amount in our consolidated financial statements except for debt. Management's estimates of fair value are presented below for our debt as of December 31, 2016 and 2015.

	December 31, 2016		December 31, 2015	
	Carrying Amount (1)	Estimated Fair Value	Carrying Amount (2)	Estimated Fair Value
Fixed-rate debt	$10,441,166	$10,832,272	$11,921,302	$12,247,451
Variable-rate debt	1,989,252	1,990,458	2,294,858	2,304,551
	$12,430,418	$12,822,730	$14,216,160	$14,552,002

(1) Includes net $27.8 million of market rate adjustments and $40.1 million of deferred financing costs.
(2) Includes net $33.0 million of market rate adjustments and $40.2 million of deferred financing costs.

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(Dollars in thousands, except per share amounts)

The fair value of our Junior Subordinated Notes approximates their carrying amount as of December 31, 2016 and 2015. We estimated the fair value of mortgages, notes and other loans payable using Level 2 and Level 3 inputs based on recent financing transactions, estimates of the fair value of the property that serves as collateral for such debt, historical risk premiums for loans of comparable quality, current London Interbank Offered Rate ("LIBOR"), U.S. treasury obligation interest rates and on the discounted estimated future cash payments to be made on such debt. The discount rates estimated reflect our judgment as to what the approximate current lending rates for loans or groups of loans with similar maturities and assume that the debt is outstanding through maturity. We have utilized market information as available or present value techniques to estimate the amounts required to be disclosed. Since such amounts are estimates that are based on limited available market information for similar transactions and do not acknowledge transfer or other repayment restrictions that may exist in specific loans, it is unlikely that the estimated fair value of any such debt could be realized by immediate settlement of the obligation.

Recurring Fair Value of Marketable Securities

Marketable securities are measured at fair value on our Consolidated Balance Sheets using Level 1 inputs and included in prepaid expenses and other assets. The fair values are shown below.

	December 31, 2015		
	Fair Value	Cost Basis	Unrealized Gain
Marketable securities:			
Seritage Growth Properties	$45,278	$33,300	$ 11,978

During the year ended December 31, 2016 we divested the entire investment in Seritage Growth Properties, recognized a gain of $13.1 million in management fees and other corporate revenues, and reclassified $12.0 million out of other comprehensive income (loss).

(Dollars in thousands, except per share amounts)

NOTE 6 UNCONSOLIDATED REAL ESTATE AFFILIATES

Following is summarized financial information for all of our real estate related Unconsolidated Real Estate Affiliates accounted for using the equity method and a reconciliation to our total investment in Unconsolidated Real Estate Affiliates, inclusive of investments accounted for using the cost method (Note 2).

	December 31, 2016	December 31, 2015
Condensed Combined Balance Sheets—Unconsolidated Real Estate Affiliates (1)		
Assets:		
Land	$2,664,736	$1,949,577
Buildings and equipment	13,555,059	12,344,045
Less accumulated depreciation	(3,538,776)	(3,131,659)
Construction in progress	284,198	828,521
Net property and equipment	12,965,217	11,990,484
Investments in unconsolidated joint ventures	503,305	421,778
Net investment in real estate	13,468,522	12,412,262
Cash and cash equivalents	455,862	426,470
Accounts receivable, net	655,655	258,589
Notes receivable, net	8,912	9,093
Deferred expenses, net	321,095	239,262
Prepaid expenses and other assets	327,645	463,030
Total assets	$15,237,691	$13,808,706
Liabilities and Owners' Equity:		
Mortgages, notes and loans payable	$10,476,935	$9,812,378
Accounts payable, accrued expenses and other liabilities	595,570	740,388
Cumulative effect of foreign currency translation ("CFCT")	(50,851)	(67,224)
Owners' equity, excluding CFCT	4,216,037	3,323,164
Total liabilities and owners' equity	$15,237,691	$13,808,706
Investment in Unconsolidated Real Estate Affiliates, Net:		
Owners' equity	$4,165,186	$3,255,940
Less: joint venture partners' equity	(2,095,166)	(1,518,581)
Plus: excess investment/basis differences	1,590,821	1,550,193
Investment in Unconsolidated Real Estate Affiliates, net (equity method)	3,660,841	3,287,552
Investment in Unconsolidated Real Estate Affiliates, net (cost method)	180,000	180,000
Elimination of consolidated real estate investment interest through joint venture	(27,500)	—
Retail investment, net	16,146	—
Investment in Unconsolidated Real Estate Affiliates, net	$3,829,487	$3,467,552
Reconciliation—Investment in Unconsolidated Real Estate Affiliates:		
Asset—Investment in Unconsolidated Real Estate Affiliates	$3,868,993	$3,506,040
Liability—Investment in Unconsolidated Real Estate Affiliates	(39,506)	(38,488)
Investment in Unconsolidated Real Estate Affiliates, net	$3,829,487	$3,467,552

(1) The Condensed Combined Balance Sheets - Unconsolidated Real Estate Affiliates include Fashion Show as of December 31, 2016 as the property was contributed into a joint venture during the third quarter of 2016.

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GGP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Condensed Combined Statements of Income—Unconsolidated Real Estate Affiliates (1)			
Revenues:			
Minimum rents	$1,106,691	$1,011,393	$827,436
Tenant recoveries	473,357	443,905	355,188
Overage rents	39,298	38,282	30,915
Condominium sales	520,360	—	—
Other	52,511	52,027	39,804
Total revenues	2,192,217	1,545,607	1,253,343
Expenses:			
Real estate taxes	124,355	129,593	110,665
Property maintenance costs	41,132	41,619	39,105
Marketing	22,368	19,348	14,626
Other property operating costs	214,071	214,417	172,547
Condominium cost of sales	379,401	—	—
Provision for doubtful accounts	13,665	5,427	3,052
Property management and other costs (2)	71,499	64,084	57,980
General and administrative	3,198	10,245	9,250
Depreciation and amortization	466,715	408,537	325,787
Total expenses	1,336,404	893,270	733,012
Operating income	855,813	652,337	520,331
Interest income	9,505	7,070	5,909
Interest expense	(318,628)	(395,114)	(315,339)
Provision for income taxes	(1,278)	(996)	(1,497)
Equity in loss of unconsolidated joint ventures	(45,057)	(28,513)	(194)
Income from continuing operations	500,355	234,784	209,210
Net income from disposed investment	—	—	1,415
Allocation to noncontrolling interests	(128)	(64)	(58)
Net income attributable to the ventures	$500,227	$234,720	$210,567
Equity In Income of Unconsolidated Real Estate Affiliates:			
Net income attributable to the ventures	$500,227	$234,720	$210,567
Joint venture partners' share of income	(235,544)	(112,582)	(114,263)
Elimination of loss from consolidated real estate investment with interest owned through joint venture	1,266	—	—
Loss on retail investment	4,264	—	—
Amortization of capital or basis differences (3)	(38,598)	(48,748)	(44,736)
Equity in income of Unconsolidated Real Estate Affiliates	$231,615	$73,390	$51,568

(1) The Condensed Combined Statements of Income - Unconsolidated Real Estate Affiliates include income from Ala Moana Center subsequent to the formation of the joint venture on February 27, 2015 and income from Fashion Show subsequent to the formation of the joint venture on July 29, 2016.

(2) Includes management fees charged to the unconsolidated joint ventures by GGMI and GGSI.

(3) Includes a $3.2 million impairment charge related to our investment in a single property venture during the year ended December 31, 2015 (Note 2).

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GGP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

The Unconsolidated Real Estate Affiliates represent our investments in real estate joint ventures that are not consolidated. We hold interests in 25 domestic joint ventures, comprising 41 U.S. retail properties and one joint venture in Brazil. Generally, we share in the profits and losses, cash flows and other matters relating to our investments in Unconsolidated Real Estate Affiliates in accordance with our respective ownership percentages. We manage most of the properties owned by these joint ventures. We account for investments in joint ventures where we own a non-controlling joint interest using either the equity method or the cost method. If we have significant influence but not control over the investment, we utilize the equity method. If we have neither control nor significant influence, we utilize the cost method. If we control the joint venture, we account for the venture as a consolidated investment.
On March 7, 2014, we formed a joint venture, AMX Partners, LLC ("AMX"), with Kahikolu Partners, LLC (“MKB”) for the purpose of constructing a luxury residential condominium tower on a site located within the Ala Moana Shopping Center. In conjunction with the closing of AMX, GGP agreed to sell the air rights above the parking podium to AMX for $50.0 million. GGP received a $50.0 million payment during the year ended December 31, 2015. AMX commenced recognizing revenues and cost of sales from the sale of condominiums using the percentage of completion method during the twelve months ended December 31, 2016.

In accordance with GAAP, sales of condominiums have been recognized using the percentage of completion method. Under this method, revenue is recognized when (1) construction is beyond a preliminary stage, (2) buyers are unable to receive refunds of down-payments except in the event of non-delivery, (3) a substantial percentage of the condominiums are under firm contracts, (4) collection of the sales price is reasonably assured and (5) sales proceeds and costs can be reasonably estimated. The revenue from condominium sales is calculated based on the percentage of completion, as determined by the construction contract costs incurred to date in relation to the total estimated construction costs.

On March 24, 2016, Kenwood Towne Centre in Cincinnati, Ohio (property included in a joint venture of which we are 50% owner) acquired fee title to a portion of the property previously held under ground lease for a gross purchase price of $43.0 million.

On September 15, 2016, joint ventures we formed with Simon Property Group and Authentic Brands Group LLC acquired Aeropostale (Note 3), which is presented as a retail investment above.
On November 1, 2016, we acquired the other 50% interest in Riverchase Galleria through affiliates in a joint venture for a sales price of $143.5 million including the assumption of our venture partner's $110.3 million share of property level debt for the 50% interest. We now account for Riverchase Galleria as a consolidated property.

To the extent that the Company contributes assets to a joint venture accounted for using the equity method, the Company’s investment in the joint venture is recorded at the Company’s cost basis in the assets that were contributed to the joint venture. The Company will recognize gains and losses on the contribution of its real estate to joint ventures, relating solely to the outside partner’s interest, to the extent the buyer is independent of the Company, the collection of the sales price is reasonably assured, and the Company will not be required to support the operations of the property or its related obligations to an extent greater than its proportionate interest.
Unconsolidated Mortgages, Notes and Loans Payable and Retained Debt
Our proportionate share of the mortgages, notes and loans payable of the unconsolidated joint ventures was $5.4 billion as of December 31, 2016 and $5.1 billion as of December 31, 2015, including Retained Debt (as defined below). There can be no assurance that the Unconsolidated Properties will be able to refinance or restructure such debt on acceptable terms or otherwise, or that joint venture operations or contributions by us and/or our partners will be sufficient to repay such loans.

We have debt obligations in excess of our pro rata share of the debt for one of our Unconsolidated Real Estate Affiliates ("Retained Debt"). This Retained Debt represents distributed debt proceeds of the Unconsolidated Real Estate Affiliates in excess of our pro rata share of the non-recourse mortgage indebtedness. The proceeds of the Retained Debt which were distributed to us are included as a reduction in our investment in Unconsolidated Real Estate Affiliates. We had retained debt of $86.5 million at one property as of December 31, 2016, and $87.9 million as of December 31, 2015. We are obligated to contribute funds on an ongoing basis, as needed, to our Unconsolidated Real Estate Affiliates in amounts sufficient to pay debt service on such Retained Debt. If we do not contribute such funds, our distributions from such Unconsolidated Real Estate Affiliates, or our interest in, could be reduced to the extent of such deficiencies. As of December 31, 2016, we do not anticipate an inability to perform on our obligations with respect to Retained Debt.

(Dollars in thousands, except per share amounts)

NOTE 7 MORTGAGES, NOTES AND LOANS PAYABLE

Mortgages, notes and loans payable and the weighted-average interest rates are summarized as follows:

	December 31, 2016 (1)	Weighted-Average Interest Rate(2)		December 31, 2015 (3)	Weighted-Average Interest Rate(2)	
Fixed-rate debt:						
Collateralized mortgages, notes and loans payable (4)	$10,441,166	4.44	%	$11,921,302	4.43	%
Total fixed-rate debt	10,441,166	4.44	%	11,921,302	4.43	%
Variable-rate debt:						
Collateralized mortgages, notes and loans payable (4)	1,997,978	2.45	%	1,991,022	2.08	%
Revolving credit facility	(8,726)	—		303,836	1.89	%
Total variable-rate debt	1,989,252	2.45	%	2,294,858	2.05	%
Total Mortgages, notes and loans payable	$12,430,418	4.12	%	$14,216,160	4.05	%
Junior Subordinated Notes	$206,200	2.34	%	$206,200	1.77	%

(1) Includes net $27.8 million of market rate adjustments and $40.1 million of deferred financing costs.
(2) Represents the weighted-average interest rates on our principal balances, excluding the effects of deferred finance costs.
(3) Includes net $33.0 million of market rate adjustments and $40.2 million of deferred financing costs.
(4) $1.4 billion of the variable-rate balance is cross-collateralized.

Collateralized Mortgages, Notes and Loans Payable

As of December 31, 2016, $16.6 billion of land, buildings and equipment (before accumulated depreciation) and construction in progress have been pledged as collateral for our mortgages, notes and loans payable. Certain of these consolidated secured loans, representing $1.4 billion of debt, are cross-collateralized with other properties. Although a majority of the $12.4 billion of fixed and variable rate collateralized mortgages, notes and loans payable are non-recourse, $819.0 million of such mortgages, notes and loans payable are recourse to the Company as guarantees on secured financings. In addition, certain mortgage loans contain other credit enhancement provisions which have been provided by GGP. Certain mortgages, notes and loans payable may be prepaid but are generally subject to a prepayment penalty equal to a yield-maintenance premium, defeasance or a percentage of the loan balance.

During the year ended December 31, 2016, we paid down $294.4 million of consolidated mortgage notes at two properties. The prior loans had a weighted-average term-to-maturity of 1.2 years and a weighted-average interest rate of 5.3%. In conjunction with the pay down of the loans, we paid $5.4 million in transaction costs that are included in interest expense.

On April 25, 2016, we amended our $1.4 billion loan secured by cross-collateralized mortgages on 15 properties. The interest rate remained consistent at LIBOR plus 1.75%, however, we were able to decrease the recourse from 100% to 50% and extend the term for three years. The loan now matures April 25, 2019, with two one year extension options.

During the year ended December 31, 2015, we refinanced consolidated mortgage notes totaling $710.0 million at four properties and generated net proceeds of $240.9 million. The prior loans totaling $469.1 million had a weighted-average term-to-maturity of 1.3 years, and a weighted-average interest rate of 5.6%. The new loans have a weighted-average term-to-maturity of 11.0 years, and a weighted-average interest rate of 3.8%. In addition, we paid down $594.3 million of consolidated mortgage notes at five properties. The prior loans had a weighted-average term-to-maturity of 1.5 years and a weighted-average interest rate of 5.3%. We also obtained new mortgage notes totaling $250.0 million on two properties with a weighted-average term-to-maturity of 10.0 years and a weighted-average interest rate of 4.3%.

(Dollars in thousands, except per share amounts)

Corporate and Other Unsecured Loans

We have certain unsecured debt obligations, the terms of which are described below:

	December 31, 2016 (1)	Weighted-Average Interest Rate	December 31, 2015 (2)	Weighted-Average Interest Rate
Unsecured debt:				
Revolving credit facility	—	—	315,000	1.89 %
Total unsecured debt	$	——	$315,000	1.89 %

(1) Excludes deferred financing costs of $8.7 million that decrease the total amount that appears outstanding in our Consolidated Balance Sheets.

(2) Excludes deferred financing costs of $11.2 million that decrease the total amount that appears outstanding in our Consolidated Balance Sheets.

Our revolving credit facility (the "Facility") as amended on October 30, 2015, provides for revolving loans of up to $1.1 billion. The Facility has an uncommitted accordion feature for a total facility of up to $1.5 billion. The Facility is scheduled to mature in October 2020 and is unsecured. Borrowings under the Facility bear interest at a rate equal to LIBOR plus 130 to 190 basis points or at a base rate plus 30 to 90 basis points, which is determined by the Company's leverage level. The Facility contains certain restrictive covenants which limit material changes in the nature of our business conducted, including, but not limited to, mergers, dissolutions or liquidations, dispositions of assets, liens, incurrence of additional indebtedness, dividends, transactions with affiliates, prepayment of subordinated debt, negative pledges and changes in fiscal periods. In addition, we are required not to exceed a maximum net debt-to-value ratio, a maximum leverage ratio and a minimum net cash interest coverage ratio; we are not aware of any instances of non-compliance with such covenants as of December 31, 2016. No amount was outstanding on the Facility, as of December 31, 2016.

Junior Subordinated Notes

GGP Capital Trust I, a Delaware statutory trust (the "Trust") and a wholly-owned subsidiary of GGPN, completed a private placement of $200.0 million of trust preferred securities ("TRUPS") in 2006. The Trust also issued $6.2 million of Common Securities to GGPN. The Trust used the proceeds from the sale of the TRUPS and Common Securities to purchase $206.2 million of floating rate Junior Subordinated Notes of GGPN due 2036. Distributions on the TRUPS are equal to LIBOR plus 1.45%. Distributions are cumulative and accrue from the date of original issuance. The TRUPS mature on April 30, 2036, but may be redeemed beginning on April 30, 2011 if the Trust exercises its right to redeem a like amount of Junior Subordinated Notes. The Junior Subordinated Notes bear interest at LIBOR plus 1.45% and are fully recourse to the Company. We have recorded the Junior Subordinated Notes as a liability and our common equity interest in the Trust as prepaid expenses and other assets in our Consolidated Balance Sheets as of December 31, 2016 and December 31, 2015.

Letters of Credit and Surety Bonds

We had outstanding letters of credit and surety bonds of $57.8 million as of December 31, 2016 and $76.1 million as of December 31, 2015. These letters of credit and bonds were issued primarily in connection with insurance requirements, special real estate assessments and construction obligations.

We are not aware of any instances of non-compliance with our financial covenants related to our mortgages, notes and loans payable as of December 31, 2016, with the exception of one mortgage loan where a special servicer is currently managing the operations of the property securing the mortgage loan.

(Dollars in thousands, except per share amounts)

NOTE 8 INCOME TAXES

We have elected to be taxed as a REIT under the Internal Revenue Code. We intend to maintain REIT status. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement to distribute at least 90% of our taxable ordinary income. In addition, the Company is required to meet certain asset and income tests.

As a REIT, we will generally not be subject to corporate level Federal income tax on taxable income we distribute currently to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to Federal income taxes at regular corporate rates (including any applicable alternative minimum tax) and may not be able to qualify as a REIT for four subsequent taxable years. Even if we qualify for taxation as a REIT, we may be subject to certain state and local taxes on our income or property, and to Federal income and excise taxes on our undistributed taxable income and capital gains. We are currently statutorily open to audit by the Internal Revenue Service for the years ended December 31, 2013 through 2016 and are statutorily open to audit by state taxing authorities for the years ended December 31, 2012 through 2016.

The provision for (benefit from) income taxes for the years ended December 31, 2016, 2015, and 2014 are as follows:

	December 31, 2016	December 31, 2015	December 31, 2014
Current	$ 804	$ 3,134	$ 13,994
Deferred	97	(41,468)	(6,741)
Total	$ 901	$ (38,334)	$ 7,253

Realization of a deferred tax benefit is dependent upon generating sufficient taxable income in future periods. Our TRS net operating loss carryforwards of $42.5 million are currently scheduled to expire in subsequent years through 2036.

Each TRS and certain REIT entities subject to state income taxes are tax paying components for purposes of classifying deferred tax assets and liabilities. Net deferred tax assets (liabilities) are summarized as follows:

	December 31, 2016	December 31, 2015	December 31, 2014
Total deferred tax assets	$ 22,090	$ 34,870	$ 19,347
Valuation allowance	(15,147)	(15,127)	(15,127)
Net deferred tax assets	6,943	19,743	4,220
Total deferred tax liabilities	(3,843)	(1,289)	(21,240)
Net deferred tax assets (liabilities)	$ 3,100	$ 18,454	$ (17,020)

Due to the uncertainty of the realization of certain tax carryforwards, we have established valuation allowances on those deferred tax assets that we do not reasonably expect to realize. Deferred tax assets that we believe have only a remote possibility of realization have not been recorded.

The tax effects of temporary differences and carryforwards included in the net deferred tax assets (liabilities) as of December 31, 2016, December 31, 2015 and December 31, 2014 are summarized as follows:

	December 31, 2016	December 31, 2015	December 31, 2014
Operating loss and tax credit carryforwards	$ 42,496	$ 18,541	$ 15,699
Other TRS property, primarily differences in basis of assets and liabilities	(24,249)	15,040	(17,592)
Valuation allowance	(15,147)	(15,127)	(15,127)
Net deferred tax assets (liabilities)	$ 3,100	$ 18,454	$ (17,020)

We have no unrecognized tax benefits recorded pursuant to uncertain tax positions as of December 31, 2016 and December 31, 2015. The $6.1 million as of December 31, 2014, excluding interest, was recognized in 2015 upon the expiration of the statute of limitations.

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NOTE 9 WARRANTS

Brookfield owns 73,930,000 warrants (the “Warrants”) to purchase common stock of GGP with an initial weighted average exercise price of $10.70. Each Warrant was fully vested upon issuance, has a term of seven years and expires on November 9, 2017. Below is a summary of Warrants that were originally issued and are still outstanding.

Warrant Holder	Number of Warrants	Initial Exercise Price
Brookfield - A	57,500,000	$ 10.75
Brookfield - B	16,430,000	10.50
	73,930,000	

The exercise prices of the Warrants are subject to adjustment for future dividends, stock dividends, distribution of assets, stock splits or reverse splits of our common stock or certain other events. In accordance with the agreement, these calculations adjust both the exercise price and the number of shares issuable for the 73,930,000 Warrants. During 2015 and 2016, the number of shares issuable upon exercise of the outstanding Warrants changed as follows:

Record Date	Issuable Shares	Exercise Price Brookfield - A	Exercise Price Brookfield - B
April 15, 2015	87,856,714	$9.05	$ 8.84
July 15, 2015	88,433,357	8.99	8.78
October 15, 2015	89,039,571	8.93	8.72
December 15, 2015	89,697,535	8.86	8.66
April 15, 2016	90,288,964	8.80	8.60
July 15, 2016	90,865,607	8.75	8.54
October 14, 2016	91,553,142	8.68	8.48
December 15, 2016	92,344,178	8.61	8.41
December 27, 2016	93,268,285	8.52	8.32

Brookfield has the option for 57,500,000 Warrants to either full share settle (i.e. deliver cash for the exercise price of the Warrants in the amount of approximately $618 million in exchange for approximately 72.5 million shares of common stock) or net share settle. The remaining 16,430,000 Warrants owned or managed by Brookfield must be net share settled. As of December 31, 2016, the Warrants are exercisable into approximately 62 million common shares of the Company, at a weighted-average exercise price of approximately $8.48 per share. Due to their ownership of Warrants, Brookfield’s potential ownership of the Company may change as a result of payments of dividends and changes in our stock price.

NOTE 10 RENTALS UNDER OPERATING LEASES

We receive rental income from the leasing of retail and other space under operating leases. The minimum future rentals based on operating leases of our Consolidated Properties as of December 31, 2016 are as follows:

Year	Amount
2017	$1,380,855
2018	1,245,426
2019	1,087,327
2020	959,824
2021	832,388
Subsequent	2,525,038

$8,030,858

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Minimum future rentals exclude amounts which are payable by certain tenants based upon a percentage of their gross sales or as reimbursement of operating expenses and amortization of above and below-market tenant leases. Such operating leases are with a variety of tenants, the majority of which are national and regional retail chains and local retailers, and consequently, our credit risk is concentrated in the retail industry.

NOTE 11 EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS

Allocation to Noncontrolling Interests

Noncontrolling interests consists of the redeemable interests related to our common and preferred Operating Partnership units and the noncontrolling interest in our consolidated joint ventures. The following table reflects the activity included in the allocation to noncontrolling interests.

	Year Ended December 31,		
	2016	2015	2014
Distributions to preferred Operating Partnership units	$(8,680)	$(8,884)	$(8,965)
Net income allocation to noncontrolling interests in operating partnership from continuing operations (common units)	(7,051)	(7,466)	(3,228)
Net income allocation to noncontrolling interests in operating partnership from continuing operations (LTIP units)	(2,920)	(2,524)	—
Net income allocated to noncontrolling interest in consolidated real estate affiliates	(1,255)	(161)	(1,851)
Allocation to noncontrolling interests	(19,906)	(19,035)	(14,044)
Other comprehensive loss (income) allocated to noncontrolling interests	2	233	78
Comprehensive income allocated to noncontrolling interests	$(19,904)	$(18,802)	$(13,966)

Redeemable Noncontrolling Interests

The minority interest related to the Common and Preferred Units of the Operating Partnership are presented as redeemable noncontrolling interests in our Consolidated Balance Sheets since it is possible we could be required, under certain events outside of our control, to redeem the securities for cash by the holders of the securities.

The Common and Preferred Units of the Operating Partnership are recorded at the greater of the carrying amount adjusted for the noncontrolling interest's share of the allocation of income or loss (and its share of other comprehensive income or loss) and dividends or their fair value as of each measurement date. The excess of the fair value over the carrying amount from period to period is recorded within additional paid-in capital in our Consolidated Balance Sheets. Allocation to noncontrolling interests is presented as an adjustment to net income to arrive at net income attributable to GGP.

The common redeemable noncontrolling interests have been recorded at fair value for all periods presented. One tranche of preferred redeemable noncontrolling interests has been recorded at fair value, while the other tranches of preferred redeemable noncontrolling interests have been recorded at carrying value.

Generally, the holders of the Common Units share in any distributions by the Operating Partnership with our common stockholders. However, the Operating Partnership agreement permits distributions solely to GGP if such distributions were required to allow GGP to comply with the REIT distribution requirements or to avoid the imposition of excise tax. Under certain circumstances, the conversion rate for each Common Unit is required to be adjusted to give effect to stock distributions. If the holders had requested redemption of the Common Units as of December 31, 2016, the aggregate amount of cash we would have paid would have been $118.7 million.

The Operating Partnership issued Convertible Preferred Units that are convertible into Common Units of the Operating Partnership at the rates below (subject to adjustment). The holder may convert the Convertible Preferred Units into Common Units of the Operating Partnership at any time, subject to certain restrictions. The Common Units are convertible into common stock at a one-to-one ratio at the current stock price.

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	Number of Common Units for each Preferred Unit	Number of Contractual Convertible Preferred Units Outstanding as of December 31, 2016	Converted Basis to Common Units Outstanding as of December 31, 2016	Conversion Price	Redemption Value
Series B (1)	3.00000	1,184,417	3,694,536	$ 16.66670	92,290
Series D	1.50821	532,750	835,447	33.15188	26,637
Series E	1.29836	502,658	678,583	38.51000	25,133
					$ 144,060

(1) The conversion price of Series B preferred units is lower than the GGP December 31, 2016 closing common stock price of $24.98. Therefore, a common stock price of $24.98 is used to calculate the Series B redemption value.

The following table reflects the activity of the redeemable noncontrolling interests for the years ended December 31, 2016, 2015, and 2014.

Balance at January 1, 2014	$ 228,902
Net income	3,228
Distributions	(3,059)
Redemption of operating partnership units	(350)
Other comprehensive income	(78)
Fair value adjustment for noncontrolling interests in Operating Partnership	70,653
Balance at December 31, 2014	$ 299,296
Balance at January 1, 2015	299,296
Net income	7,466
Distributions	(4,258)
Redemption of operating partnership units	(805)
Other comprehensive income	(233)
Fair value adjustment for noncontrolling interests in Operating Partnership	(13,839)
Balance at December 31, 2015	$ 287,627
Balance at January 1, 2016	$ 287,627
Net income	7,051
Distributions	(5,449)
Redemption of operating partnership units	(2,120)
Preferred Unit Redemption to Common Stock	(3,205)
Other comprehensive income	(2)
Fair value adjustment for noncontrolling interests in Operating Partnership	(21,175)
Balance at December 31, 2016	$ 262,727

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Common Stock Dividend and Purchase of Common Stock

Our Board of Directors declared common stock dividends during 2016 and 2015 as follows:

Declaration Date	Record Date	Payment Date	Dividend Per Share
2016			
December 13	December 27	January 27, 2017	$ 0.26
October 31	December 15	January 6, 2017	0.22
August 1	October 14	October 31, 2016	0.20
May 2	July 15	July 29, 2016	0.19
February 1	April 15	April 29, 2016	0.19
2015			
November 2	December 15	January 4, 2016	$ 0.19
September 1	October 15	October 30, 2015	0.18
May 21	July 15	July 31, 2015	0.17
February 19	April 15	April 30, 2015	0.17

Distributions paid on our common stock and their tax status, as sent to our shareholders, is presented in the following table. The tax status of GGP distributions in 2016, 2015, and 2014 may not be indicative of future periods.

	Year Ended December 31,		
	2016	2015	2014
Ordinary income	$0.685	$0.752	$0.499
Capital gain distributions	0.300	—	0.034
Distributions per share	$0.985	$0.752	$0.533

Our Dividend Reinvestment Plan ("DRIP") provides eligible holders of GGP's common stock with a convenient method of increasing their investment in the Company by reinvesting all or a portion of cash dividends in additional shares of common stock. Eligible stockholders who enroll in the DRIP on or before the fourth business day preceding the record date for a dividend payment will be able to have that dividend reinvested. As a result of the DRIP elections, 32,381 shares were issued during the year ended December 31, 2016 and 23,542 shares were issued during the year ended December 31, 2015.

Preferred Stock

On February 13, 2013, we issued, in a public offering, 10,000,000 shares of 6.375% Series A Cumulative Perpetual Preferred Stock (the "Preferred Stock") at a price of $25.00 per share, resulting in net proceeds of $242.0 million after issuance costs. The Preferred Stock is recorded net of issuance costs within equity on our Consolidated Balance Sheets, and accrues a quarterly dividend at an annual rate of 6.375%. The dividend is paid in arrears in preference to dividends on our common stock, and reduces net income available to common stockholders, and therefore, earnings per share.

The Preferred Stock does not have a stated maturity date but we may redeem the Preferred Stock after February 12, 2018, for $25.00 per share plus all accrued and unpaid dividends. We may redeem the Preferred Stock prior to February 12, 2018, in limited circumstances that preserve ownership limits and/or our status as a REIT, as well as during certain circumstances surrounding a change of control. Upon certain circumstances surrounding a change of control, holders of Preferred Stock may elect to convert each share of their Preferred Stock into a number of shares of GGP common stock equivalent to $25.00 plus accrued and unpaid dividends, but not to exceed a cap of 2.4679 common shares (subject to certain adjustments related to GGP common share splits, subdivisions, or combinations).

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Our Board of Directors declared preferred stock dividends during 2016 and 2015 as follows:

Declaration Date	Record Date	Payment Date	Dividend Per Share
2016			
October 31	December 15	January 3, 2017	$ 0.3984
August 1	September 15	October 3, 2016	0.3984
May 2	June 15	July 1, 2016	0.3984
February 1	March 15	April 1, 2016	0.3984
2015			
November 2	December 15	January 4, 2016	$ 0.3984
September 1	September 15	October 1, 2015	0.3984
May 21	June 15	July 1, 2015	0.3984
February 19	March 16	April 1, 2015	0.3984

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NOTE 12 EARNINGS PER SHARE

Basic earnings per share ("EPS") is computed by dividing net income available to common stockholders by the weighted-average number of common shares outstanding. Diluted EPS is computed after adjusting the numerator and denominator of the basic EPS computation for the effects of all potentially dilutive common shares. The dilutive effect of the Warrants and the dilutive effect of options and their equivalents (including fixed awards and nonvested stock issued under stock-based compensation plans), are computed using the "treasury" method.

Information related to our EPS calculations is summarized as follows:

	Year Ended December 31,		
	2016	2015	2014
Numerators—Basic:			
Income from continuing operations	$1,308,273	$1,393,596	$398,011
Preferred Stock dividend	(15,935)	(15,937)	(15,936)
Allocation to noncontrolling interests	(19,906)	(19,035)	(12,935)
Income from continuing operations—net of noncontrolling interests	1,272,432	1,358,624	369,140
Discontinued operations	—	—	281,883
Allocation to noncontrolling interests	—	—	(1,109)
Discontinued operations—net of noncontrolling interests	—	—	280,774
Net income	1,308,273	1,393,596	679,894
Preferred Stock dividend	(15,935)	(15,937)	(15,936)
Allocation to noncontrolling interests	(19,906)	(19,035)	(14,044)
Net income attributable to common stockholders	$1,272,432	$1,358,624	$649,914
Numerators—Diluted:			
Income from continuing operations—net of noncontrolling interests	$1,272,432	$1,358,624	$369,140
Diluted income from continuing operations	$1,272,432	$1,358,624	$369,140
Net income attributable to common stockholders	$1,272,432	$1,358,624	$649,914
Diluted net income attributable to common stockholders	$1,272,432	$1,358,624	$649,914
Denominators:			
Weighted-average number of common shares outstanding—basic	884,029	884,676	887,031
Effect of dilutive securities	68,304	66,386	57,690
Weighted-average number of common shares outstanding—diluted	952,333	951,062	944,721
Anti-dilutive Securities:			
Effect of Preferred Units	5,209	5,415	5,505
Effect of Common Units	4,782	4,783	4,833
Effect of LTIP Units	1,767	1,609	—
	11,758	11,807	10,338

Options were dilutive for the years ended December 31, 2016, 2015 and 2014 and are included in the denominator of EPS. Warrants were dilutive for the years ended December 31, 2016, 2015 and 2014 and are included in the denominator of EPS.

Outstanding Common Units and LTIP Units have also been excluded from the diluted earnings per share calculation because including such units would also require that the share of GGPOP income attributable to such Common Units be added back to net income therefore resulting in no effect on EPS. Outstanding Preferred Units have been excluded from the diluted EPS calculation for all periods presented because including the Preferred Units would also require that the Preferred Units dividend be added back to the net income, resulting in anti-dilution.

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On February 10, 2014, GGPOP repurchased 27,624,282 shares of GGP’s common stock for $555.8 million. These shares are presented as common stock in treasury, at cost, on our Consolidated Balance Sheets. Accordingly, these shares have been excluded from the calculation of EPS.

On May 1, 2014, the shares of GGP common stock owned by GGPOP were contributed to GGPN, and as a result of these transactions, GGPN owns an aggregate of 83,428,585 shares of GGP common stock as of December 31, 2014, of which 55,969,390, with an aggregate cost of $1.1 billion, are shown as treasury stock and 27,459,195 are shown as issued, but not outstanding on our Consolidated Balance Sheets.

During the year ended December 31, 2015 GGP repurchased 4,324,489 shares of its common stock for $109.5 million. Of the shares repurchased, 270,869 had not been canceled as of December 31, 2015. As a result, these shares are presented as common stock in treasury, at cost on our Consolidated Balance Sheets. Accordingly, these shares have been excluded from the calculation of EPS.

During the year ended December 31, 2016 GGP repurchased 1,887,751 shares of its common stock for $46.2 million. Of the shares repurchased, 627,261 had not been canceled as of December 31, 2016. As a result, these shares are presented as common stock in treasury, at cost on our Consolidated Balance Sheets. Accordingly, these shares have been excluded from the calculation of EPS.

NOTE 13 STOCK-BASED COMPENSATION PLANS

Incentive Stock Plans

The GGP Inc. 2010 Equity Plan (the "Equity Plan") reserved for issuance of 4% of outstanding shares on a fully diluted basis. The Equity Plan provides for grants of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, other stock-based awards and performance-based compensation (collectively, "the Awards"). Directors, officers and other employees of GGP's and its subsidiaries and affiliates are eligible for Awards. The Equity Plan is not subject to the Employee Retirement Income Security Act of 1974, as amended. No participant may be granted more than 4,000,000 shares, or the equivalent dollar value of such shares, in any year. Options granted under the Equity Plan will be designated as either nonqualified stock options or incentive stock options. An option granted as an incentive stock option will, to the extent it fails to qualify as an incentive stock option, be treated as a nonqualified option. The exercise price of an option may not be less than the fair value of a share of GGP's common stock on the date of grant. The term of each option will be determined prior to the date of grant, but may not exceed 10 years.

Stock Options

Stock options under the Equity Plan generally vest in 25% increments annually from one year from the grant date (subject to certain exceptions in the case of retirement). Options under certain previous equity plans were replaced under the Equity Plan with options, fully vested, in GGP common stock.

The following tables summarize stock option activity for the Equity Plan for GGP for the years ended December 31, 2016, 2015 and 2014:

	2016		2015		2014	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price (2)	Shares	Weighted Average Exercise Price (2)
Stock options Outstanding at January 1,	18,162,700	$ 17.34	19,744,224	$ 17.18	21,565,281	$ 17.11
Granted (1)	247,592	20.81	267,253	28.86	50,000	22.41

Exercised	(2,886,986)	14.45	(1,374,512)	16.54	(1,164,945)	15.33
Forfeited	(230,509)	19.94	(460,588)	19.78	(662,820)	18.71
Expired	(15,608)	17.73	(13,677)	17.17	(43,292)	14.43
Stock options Outstanding at December 31,	15,277,189	$ 17.90	18,162,700	$ 17.34	19,744,224	$ 17.18

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1) Included in 2016 grants are 156,331 units related to additional grants required as a result of antidilution provisions triggered by our 2016 distribution of a special dividend declared on December 13, 2016 (Note 11).
2) Changes to prior year weighted average exercise price is due to adjustment of the strike price for the special dividend issued in 2016.

	Stock Options Outstanding			Stock Options Exercisable		
Range of Exercise Prices	Shares	Weighted Average Remaining Contractual Term (in years)	Weighted Average Exercise Price	Shares	Weighted Average Remaining Contractual Term (in years)	Weighted Average Exercise Price
$8.00 - $12.00	1,010,350	3.82	$ 9.60	1,010,350	3.82	$ 9.60
$13.00 - $17.00	4,076,567	4.48	14.53	4,076,567	4.48	14.53
$18.00 - $23.00	9,878,353	6.50	19.83	6,352,711	6.57	19.93
$24.00 - $30.00	311,919	8.22	27.96	57,756	7.31	28.86
Total	15,277,189	5.82	$ 17.90	11,497,384	4.59	$ 17.15
Intrinsic value ($24.98 stock price as of December 31, 2016)	$ 108,163			$ 90,025		

The weighted-average fair value of stock options as of the grant date, excluding 156,331 of special dividend shares granted during 2016 as a result of antidilution provisions that were triggered by a special dividend distribution, was $4.52 for stock options granted during the year ended December 31, 2016 and $5.84 for stock options granted during the year ended December 31, 2015. The intrinsic value of stock options exercised during the year was $42.1 million, $22.9 million, and $18.2 million for the year ended December 31, 2016, December 31, 2015, and December 31, 2014, respectively.

Restricted Stock

Pursuant to the Equity Plan, GGP made restricted stock grants to certain employees and non-employee directors. The vesting terms of these grants are specific to the individual grant. The vesting terms varied in that a portion of the shares vested either immediately or on the first anniversary and the remainder vested in the equal annual amounts over the next two to five years. Participating employees were required to remain employed for vesting to occur (subject to certain exceptions in the case of retirement). Shares that did not vest were forfeited. Dividends are paid on restricted stock and are not returnable, even if the underlying stock does not ultimately vest.

The following table summarizes restricted stock activity for the respective grant year ended December 31, 2016, December 31, 2015 and December 31, 2014:

	2016		2015		2014	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Nonvested restricted stock grants outstanding as of beginning of period	206,219	$ 29.16	104,142	$ 14.79	1,242,924	$ 13.99

Granted	329,326	26.20	253,886	29.12	34,100	20.04
Vested	(71,570)	28.48	(114,563)	16.75	(1,154,894)	14.08
Canceled	(10,379)	27.28	(37,246)	26.86	(17,988)	14.73
Nonvested restricted stock grants outstanding as of end of period	453,596	$ 27.16	206,219	$ 29.16	104,142	$ 14.79

The weighted average remaining contractual term of nonvested awards as of December 31, 2016 was 2.7 years. The fair value of shares vested during the year was $2.0 million, $3.0 million, and $29.5 million for the year ended December 31, 2016, December 31, 2015, and December 31, 2014, respectively.

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LTIP Units

Pursuant to the Equity Plan, GGP made LTIP Unit grants to certain employees and non-employee directors. The vesting terms of these grants are specific to the individual grant. A portion of the shares vest either immediately or on the first anniversary and the remainder vest in equal annual amounts over the next two to four years. Participating employees are required to remain employed for vesting to occur (subject to certain exceptions in the case of retirement).

The following table summarizes LTIP Unit activity for the Equity Plan for GGP for the years ended December 31, 2016 and December 31, 2015:

	2016		2015	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value (2)
LTIP Units Outstanding at January 1,	1,724,747	$ 29.32	—	$ —
Granted (1)	2,089,917	25.84	1,758,396	29.32
Exercised	—	—	—	—
Forfeited	(38,862)	28.95	(33,649)	29.04
Expired	—	—	—	—
LTIP Units Outstanding at December 31,	3,775,802	$ 27.40	1,724,747	$ 29.32

1) Included in 2016 grants are 19,064 units related to additional grants required as a result of antidilution provisions triggered by our 2016 distribution of a special dividend declared on December 13, 2016 (Note 11).

2) Changes to prior year weighted average grant date fair value is due to adjustment of the strike price for the special dividend issued in 2016.

Performance Equity Compensation

Pursuant to the Equity Plan, GGP and GGP Inc. made performance restricted stock and LTIP Unit (“equity performance instruments”) grants to certain employees. These grants are subject to certain performance vesting conditions based on Relative TSR of the Equity REIT Index, Relative TSR of the Retail REIT Index, TSR growth of the company, and FFO Growth of the company. The equity performance instruments are considered earned based on meeting these performance vesting conditions, which are each weighted 25% and vest at the end of the three-year performance period. The LTIP Units receive dividends at a ratio of 10% cash and 90% as a dividend reinvestment which is subject to the performance vesting conditions and three-year performance period.

The following table summarizes performance restricted stock and LTIP Unit activity for the respective grant year ended December 31, 2016:

	2016	
	Shares	Weighted Average Grant Date Fair Value
Nonvested performance grants outstanding as of beginning of period	—	$ —
Granted	593,200	26.07
Vested	—	—
Canceled	—	—
Nonvested performance grants outstanding as of end of period	593,200	$ 26.07

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Other Required Disclosures

Historical data, such as the past performance of our common stock and the length of service by employees, is used to estimate expected life of the stock options, restricted stock, and LTIP Units and represents the period of time the options or grants are expected to be outstanding. The weighted average estimated values of options granted were based on the following assumptions:

	Year Ended December 31,		
	2016	2015	2014
Risk-free interest rate(*)	1.52 %	1.75 %	2.20 %
Dividend yield(*)	3.07 %	2.33 %	2.70 %
Expected volatility	25.00%	25.00%	30.00%
Expected life (in years)	6.25	6.25	6.25

(*) Weighted average

Compensation expense related to stock-based compensation plans is summarized in the following table:

	Year Ended December 31,		
	2016	2015	2014
Stock options—Property management and other costs	$5,833	$7,103	$7,468
Stock options—General and administrative	10,448	11,006	15,074
Restricted stock—Property management and other costs	2,860	2,853	1,683
Restricted stock—General and administrative	635	603	1,013
LTIP Units - Property management and other costs	1,346	1,046	—
LTIP Units - General and administrative	14,804	10,002	—
Total	$35,926	$32,613	$25,238

Unrecognized compensation expense as of December 31, 2016 is as follows:

Year	Amount
2017	$32,196
2018	20,867
2019	10,604
2020	714
	$64,381

These amounts may be impacted by future grants, changes in forfeiture estimates or vesting terms, and actual forfeiture rates which differ from estimated forfeitures.

GGP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

NOTE 14 ACCOUNTS RECEIVABLE

The following table summarizes the significant components of accounts receivable, net.

	December 31, 2016	December 31, 2015
Trade receivables	$ 107,107	$ 109,401
Short-term tenant receivables	1,414	1,321
Straight-line rent receivable	227,859	236,589
Other accounts receivable	3,699	3,916
Total accounts receivable	340,079	351,227
Provision for doubtful accounts	(17,883)	(14,655)
Total accounts receivable, net	$ 322,196	$ 336,572

NOTE 15 NOTES RECEIVABLE

The following table summarizes the significant components of notes receivable, net.

	December 31, 2016	December 31, 2015
Notes receivable	665,289	636,737
Accrued interest	13,207	16,046
Total notes receivable	678,496	652,783
Discount allowance	—	(11,338)
Total notes receivable, net	678,496	641,445

On November 11, 2015, we entered into a promissory note with our joint venture partner, Ashkenazy Holding Co., LLC ("AHC"), in which we lent $57.6 million that bears interest at 8% per annum. The note is collateralized by AHC's equity in Miami Design District Associates, which is part of the AACMDD Group, LLC joint venture ("AACMDD"). On November 18, 2016, the maturity date of the note was amended to November 15, 2019. Additionally, AHC may convey the collateral of the note five business days prior to any payment due date within the contract.

On September 17, 2015, we entered into a promissory note with our joint venture partner, AHC, in which we lent $40.4 million that bears interest at 6% per annum. The note is collateralized by AHC's equity in Miami Design District Associates, which is part of AACMDD. On November 18, 2016, the maturity date of the note was amended to September 17, 2019. Additionally, AHC may convey the collateral of the note five business days prior to any payment due date within the contract.

On June 30, 2015, we entered into a promissory note with our joint venture partner MKB (defined in Note 6), in which we would lend MKB up to $80 million for capital calls after an initial contribution of $80 million by MKB and until the joint venture secured construction financing. This loan bears interest at LIBOR plus 6% and is secured by MKB's partnership interest in AMX, which is constructing a luxury residential condominium tower on a site located within the Ala Moana Shopping Center. As of December 31, 2016, there was $16.3 million outstanding on this loan. Construction financing closed during the third quarter of 2015.

Notes receivable includes $204.3 million of notes receivables from our joint venture partners related to the acquisition of 730 Fifth Avenue in New York, New York (Note 3). The first note was issued for $104.3 million, bears interest at 8.0% compounded annually and matures on February 12, 2025. The second note was issued for $100.0 million to the joint venture partner acquiring the office portion of the property and bears interest at 9.0% subject to terms and conditions in the loan agreement and matures on April 17, 2025. As of December 31, 2016, there was $232.9 million outstanding on these loans.

Also included in notes receivable is $125.7 million and $51.7 million due from our joint venture partner related to the acquisition of the properties at 685 Fifth Avenue and 530 Fifth Avenue in New York, New York. The notes receivable bear interest at 7.5% and 9%, respectively. Interest is compounded quarterly with accrued but unpaid interest increasing the loan balance. The notes are collateralized by our partner's ownership interest in the joint ventures. The loans mature on June 27, 2024 and June 18, 2024, respectively.

(Dollars in thousands, except per share amounts)

On July 29, 2016, we settled a note receivable in the net amount of $78.9 million issued to Rique Empreendimentos e Participacoes Ltda. ("Rique") in exchange for approximately 18.3 million shares in Aliansce Shopping Centers, S.A. ("Aliansce"), resulting in an 11.3% ownership in Aliansce. On September 29, 2016, we sold the 18.3 million shares in Aliansce to the Canada Pension Plan Investment Board for a sales price of $84.9 million. The note receivable was issued in conjunction with our sale of Aliansce to Rique and Canada Pension Plan Investment Board on September 30, 2013. The note receivable was denominated in Brazilian Reais, bore interest at an effective interest rate of approximately 14%, was collateralized by shares of common stock in Aliansce, and required annual principal and interest payments over the term. As the note receivable was a collateral dependent loan, we originally estimated the provision for loss based on the fair value of the market price of the Aliansce shares which served as the collateral for the loan. Upon the settlement of the note during 2016, we decreased the provision for loan loss based on the final sales price. During 2016, we recognized a $29.6 million loss on the note recorded in the provision for loan loss on the Consolidated Statements of Operations and Comprehensive Income based on the value of the collateral and included accrued interest of $7.5 million in the provision for loan loss. We recognized the impact of changes in the exchange rate on the note receivable as gain or loss on foreign currency in our Consolidated Statements of Operations and Comprehensive Income.

NOTE 16 PREPAID EXPENSES AND OTHER ASSETS

The following table summarizes the significant components of prepaid expenses and other assets.

	December 31, 2016			December 31, 2015		
	Gross Asset	Accumulated Amortization	Balance	Gross Asset	Accumulated Amortization	Balance
Intangible assets:						
Above-market tenant leases, net	$512,802	$(368,900)	$143,902	$644,728	$(416,181)	$228,547
Below-market ground leases, net	118,994	(12,788)	106,206	119,545	(10,761)	108,784
Real estate tax stabilization agreement, net	111,506	(38,769)	72,737	111,506	(32,458)	79,048
Total intangible assets	$743,302	$(420,457)	$322,845	$875,779	$(459,400)	$416,379
Remaining Prepaid expenses and other assets:						
Security and escrow deposits			59,054			87,818
Prepaid expenses			46,709			43,809
Other non-tenant receivables (1)			34,677			326,391
Deferred tax, net of valuation allowances			6,943			19,743
Marketable securities			—			45,278
Other			36,293			29,455
Total remaining Prepaid expenses and other assets			183,676			552,494
Total Prepaid expenses and other assets			$506,521			$968,873

(1) December 31, 2015 balance includes receivable from our joint venture partners received upon completion of the redevelopment at Ala Moana in the fourth quarter of 2016.

GGP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

NOTE 17 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following table summarizes the significant components of accounts payable and accrued expenses.

	December 31, 2016			December 31, 2015		
	Gross Liability	Accumulated Accretion	Balance	Gross Liability	Accumulated Accretion	Balance
Intangible liabilities:						
Below-market tenant leases, net	$267,048	$(172,210)	$94,838	$356,115	$(203,474)	$152,641
Above-market headquarters office leases, net	15,268	(10,346)	4,922	15,268	(8,604)	6,664
Above-market ground leases, net	9,127	(2,258)	6,869	9,127	(1,890)	7,237
Total intangible liabilities	$291,443	$(184,814)	$106,629	$380,510	$(213,968)	$166,542
Remaining Accounts payable and accrued expenses:						
Accrued interest			47,821			46,129
Accounts payable and accrued expenses			87,485			64,954
Accrued real estate taxes			87,313			80,599
Deferred gains/income			91,720			125,701
Accrued payroll and other employee liabilities			57,721			66,970
Construction payable			115,077			158,027
Tenant and other deposits			15,061			25,296
Insurance reserve liability			14,184			15,780
Capital lease obligations			5,386			11,385
Conditional asset retirement obligation liability			5,327			5,927
Other			21,638			17,183
Total remaining Accounts payable and accrued expenses			548,733			617,951
Total Accounts payable and accrued expenses			$655,362			$784,493

NOTE 18 ACCUMULATED OTHER COMPREHENSIVE LOSS

Components of accumulated other comprehensive loss as of December 31, 2016 and 2015 are as follows:

	December 31, 2016	December 31, 2015
Net unrealized gains on financial instruments	$ 104	$ 100
Foreign currency translation	(70,560)	(84,798)
Unrealized gains on available-for-sale securities	—	11,894
Accumulated other comprehensive loss	$ (70,456)	$ (72,804)

NOTE 19 LITIGATION

In the normal course of business, from time to time, we are involved in legal proceedings relating to the ownership and operations of our properties. In management's opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a material effect on our consolidated financial position, results of operations or liquidity. Neither the Company nor any of the Unconsolidated Real Estate Affiliates is currently involved in any material pending legal proceedings nor, to our knowledge, is any material legal proceeding currently threatened against the Company or any of the Unconsolidated Real Estate Affiliates.

Urban Litigation

In October 2004, certain limited partners (the "Urban Plaintiffs") of Urban Shopping Centers, L.P. ("Urban") filed a lawsuit against Urban's general partner, Head Acquisition, L.P. ("Head"), as well as The Rouse Company, LP, Simon

Property Group, Inc., Westfield America, Inc., and various of their affiliates, including Head's general partners (collectively, the "Urban Defendants"), in Circuit Court in Cook County, Illinois. GGP, GGP Operating Partnership, LP ("GGPOP") and other affiliates were later included as Urban

(Dollars in thousands, except per share amounts)

Defendants. The lawsuit alleged, among other things, that the Urban Defendants breached the Urban partnership agreement, unjustly enriched themselves through misappropriation of partnership opportunities, failed to grow the partnership, breached their fiduciary duties, and tortiously interfered with several contractual relationships. The Urban Plaintiffs sought relief in the form of unspecified monetary damages and equitable relief requiring, among other things, the Urban Defendants, including the predecessor entity to GGP ("GGP, Inc.") and its affiliates, to engage in certain future transactions through Urban. On May 19, 2014 the Company settled the litigation and recorded a loss of $17.9 million, which is included in General and administrative expense in our Consolidated Statements of Operations and Comprehensive Income. The Company invested $60.0 million in Urban and contributed, at fair value, a 5.6% interest in three assets in exchange for preferred equity interests. The Company has no obligation to engage in future activity through Urban other than transactions associated with currently existing partnership assets.

Tax Indemnification Liability

Pursuant to various agreements made during GGP's emergence from bankruptcy in 2010, GGP previously indemnified Howard Hughes Corporation ("HHC") from and against 93.75% of any and all losses, claims, damages, liabilities and reasonable expenses to which HHC and its subsidiaries become subject, in each case solely to the extent directly attributable to Master Planned Communities ("MPC") taxes in an amount up to $303.8 million. Under certain circumstances, we agreed to be responsible for interest or penalties attributable to such MPC taxes in excess of the $303.8 million. The IRS disagreed with the method used to report gains for income tax purposes that are the subject of the MPC taxes. As a result of this disagreement, The Howard Hughes Company, LLC and Howard Hughes Properties, Inc. filed petitions in the United States Tax Court on May 6, 2011, contesting this liability for the 2007 and 2008 years and a trial was held in early November 2012. The United States Tax Court rendered its opinion on June 2, 2014, in favor of the IRS. On September 15, 2014, the United States Tax Court formally entered its decision awarding the IRS $144.1 million in taxes for 2007 and 2008. On December 12, 2014, we reached an agreement with HHC for settlement, which included the transfer of six office properties with a historical cost of $106.8 million and an agreed-upon value of $130.0 million and cash of $138.0 million in full settlement of the $322.0 million tax indemnification liability ($303.8 million plus applicable interest). As a result of the settlement, GGP recognized a gain on extinguishment of tax indemnification liability of approximately $77.2 million included in discontinued operations on the Consolidated Statements of Operations and Comprehensive Income for the year ended December 31, 2014.

NOTE 20 COMMITMENTS AND CONTINGENCIES

We lease land or buildings at certain properties from third parties. The leases generally provide us with a right of first refusal in the event of a proposed sale of the property by the landlord. Rental payments are expensed as incurred and have, to the extent applicable, been straight-lined over the term of the lease. The following is a summary of our contractual rental expense as presented in our Consolidated Statements of Operations and Comprehensive Income:

	Year Ended December 31,		
	2016	2015	2014
Contractual rent expense, including participation rent	$ 8,589	$ 8,546	$ 13,605
Contractual rent expense, including participation rent and excluding amortization of above and below-market ground leases and	6,278	6,183	9,036

straight-line rent
See Note 8 and Note 19 for our obligations related to uncertain tax positions and for disclosure of additional contingencies.
The following table summarizes the contractual maturities of our long-term commitments. Long-term debt and ground leases include the related acquisition accounting fair value adjustments:

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GGP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

	2017	2018	2019	2020	2021	Subsequent/ Other	Total
Mortgages, notes and loans payable	$365,549	$500,624	$1,059,628	$1,647,570	$2,841,413	$6,015,634	$12,430,418
Retained debt-principal	1,711	1,808	1,909	81,042	—	—	86,470
Purchase obligations	144,498	—	—	—	—	—	144,498
Ground lease payments	6,726	6,698	6,790	6,972	7,025	241,348	275,559
Junior Subordinated Notes (1)	—	—	—	—	—	206,200	206,200
Total	$518,484	$509,130	$1,068,327	$1,735,584	$2,848,438	$6,463,182	$13,143,145

(1) The $206.2 million of Junior Subordinated Notes are due in 2036, but may be redeemed any time after April 30, 2011. As we do not expect to redeem the notes prior to maturity, they are included in the consolidated debt maturing subsequent to 2021.

NOTE 21 SUBSEQUENT EVENTS

Subsequent to December 31, 2016, no events occurred that require recognition or disclosure in the consolidated financial statements, except as recognized or disclosed previously.

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GGP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollars in thousands, except per share amounts)

NOTE 22 QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Quarterly data for the year ended December 31, 2016 and 2015 is summarized in the table below. In Q4 2015, Q1 2016, Q2 2016 and Q3 2016 they include the impact of provisions for impairment (Note 2). In each quarter of 2015 and 2016 the adjustments include gains from changes in control of investment properties in continuing operations and gains on investment in Unconsolidated Real Estate Affiliates (Note 3).

	2016			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenues	$607,032	$574,586	$554,493	$610,335
Operating income	173,980	216,035	153,417	256,818
Income from continuing operations	195,337	189,901	681,748	241,284
Net income attributable to common shareholders	187,796	181,962	670,194	232,476
Basic Earnings Per Share	0.21	0.21	0.76	0.26
Diluted Earnings Per Share	0.20	0.19	0.70	0.24
Dividends declared per share	0.19	0.19	0.20	0.48
Weighted-average shares outstanding:				
Basic	882,673	883,381	885,092	884,948
Diluted	950,154	952,290	955,856	950,301

	2015			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenues	$594,143	$579,805	$585,324	$644,634
Operating income	202,813	227,378	224,975	268,727
Income from continuing operations	641,750	427,853	127,366	196,627
Net income attributable to common shareholders	630,747	417,956	119,868	190,053
Basic Earnings Per Share	0.71	0.47	0.14	0.22
Diluted Earnings Per Share	0.66	0.44	0.13	0.20
Dividends declared per share	0.17	0.17	0.18	0.19
Weighted-average shares outstanding:				
Basic	885,462	886,218	884,640	882,419
Diluted	954,432	952,597	949,061	948,418

GGP INC.
SCHEDULE III—REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2016
(Dollars in thousands)

			Acquisition Cost(b)		Costs Capitalized Subsequent to Acquisition		Gross Amounts at Which Carried at Close of Period(c)					
Name of Center	Location	Encumbrances(a)	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total	Accumulated Depreciation(d)	Date Acquired	Life Upon Which Latest Statement of Operation is Computed
Apache Mall	Rochester, MN	—	17,738	116,663	8,043	15,111	25,781	131,774	157,555	25,609	November, 2010	(d)
Augusta Mall	Augusta, GA	169,759	25,450	137,376	—	8,620	25,450	145,996	171,446	34,068	November, 2010	(d)
Baybrook Mall	Friendswood, TX	254,814	76,527	288,241	(1,091)	6,842	75,436	295,083	370,519	50,698	November, 2010	(d)
Beachwood Place	Beachwood, OH	219,500	59,156	196,205	1,355	21,769	60,511	217,974	278,485	32,952	November, 2010	(d)
Bellis Fair	Bellingham, WA	86,550	14,122	102,033	—	24,788	14,122	126,821	140,943	24,864	November, 2010	(d)
Boise Towne Square	Boise, ID	146,854	44,182	163,118	—	9,270	44,182	172,388	216,570	31,068	November, 2010	(d)
Brass Mill Center	Waterbury, CT	66,274	31,496	99,107	—	8,165	31,496	107,272	138,768	23,874	November, 2010	(d)
Coastland Center	Naples, FL	119,332	24,470	166,038	—	1,875	24,470	167,913	192,383	29,476	November, 2010	(d)
Columbia Mall	Columbia, MO	—	7,943	107,969	(154)	596	7,789	108,565	116,354	17,808	November, 2010	(d)
Columbiana Centre	Columbia, SC	123,927	22,178	125,061	—	3,236	22,178	128,297	150,475	23,157	November, 2010	(d)
Coral Ridge Mall	Coralville, IA	110,870	20,178	134,515	2,219	3,053	22,397	137,568	159,965	25,853	November, 2010	(d)
Coronado Center	Albuquerque, NM	189,520	28,312	153,526	4,545	47,280	32,857	200,806	233,663	68,219	November, 2010	(d)
Crossroads Center	St. Cloud, MN	99,102	15,499	103,077	—	6,685	15,499	109,762	125,261	18,479	November, 2010	(d)
Cumberland Mall	Atlanta, GA	159,769	36,913	138,795	(309)	13,352	36,604	152,147	188,751	28,945	November, 2010	(d)
Deerbrook Mall	Humble, TX	140,539	36,761	133,448	—	16,123	36,761	149,571	186,332	23,552	November, 2010	(d)
Eastridge Mall	Casper, WY	43,105	5,484	36,756	—	8,370	5,484	45,126	50,610	10,058		(d)

											November, 2010	
Fashion Place	Murray, UT	226,325	24,068	232,456	2,079	38,930	26,147	271,386	297,533	41,419	November, 2010	(d)
Four Seasons Town Centre	Greensboro, NC	74,325	17,259	126,570	—	6,246	17,259	132,816	150,075	37,997	November, 2010	(d)
Fox River Mall	Appleton, WI	171,923	42,259	217,932	—	2,239	42,259	220,171	262,430	36,309	November, 2010	(d)
Glenbrook Square	Fort Wayne, IN	161,731	30,965	147,002	2,444	15,555	33,409	162,557	195,966	28,381	November, 2010	(d)
Governor's Square	Tallahassee, FL	69,307	18,289	123,088	—	10,781	18,289	133,869	152,158	36,206	November, 2010	(d)
Grand Teton Mall	Idaho Falls, ID	45,259	13,066	59,658	(1,026)	(4,462)	12,040	55,196	67,236	16,603	November, 2010	(d)
Greenwood Mall	Bowling Green, KY	62,864	12,459	85,370	(330)	639	12,129	86,009	98,138	20,079	November, 2010	(d)
Hulen Mall	Fort Worth, TX	122,821	8,665	112,252	—	23,546	8,665	135,798	144,463	21,897	November, 2010	(d)
Jordan Creek Town Center	West Des Moines, IA	209,087	54,663	262,608	(226)	1,244	54,437	263,852	318,289	41,863	November, 2010	(d)
Lakeside Mall	Sterling Heights, MI	144,451	36,993	130,460	(15,366)	(66,866)	21,627	63,594	85,221	780	November, 2010	(d)
Lynnhaven Mall	Virginia Beach, VA	234,482	54,628	219,013	(90)	53,302	54,538	272,315	326,853	45,128	November, 2010	(d)
Mall of Louisiana	Baton Rouge, LA	—	88,742	319,097	—	6,599	88,742	325,696	414,438	53,430	November, 2010	(d)
Mall St. Matthews	Louisville, KY	184,482	42,014	155,809	(6,521)	13,178	35,493	168,987	204,480	27,656	November, 2010	(d)
Market Place Shopping Center	Champaign, IL	112,905	21,611	111,515	—	27,193	21,611	138,708	160,319	24,584	November, 2010	(d)
Mayfair Mall	Wauwatosa, WI	346,452	84,473	352,140	(1,950)	41,682	82,523	393,822	476,345	60,926	November, 2010	(d)
Meadows Mall	Las Vegas, NV	150,557	30,275	136,846	—	1,596	30,275	138,442	168,717	23,151	November, 2010	(d)
Mondawmin Mall	Baltimore, MD	84,880	19,707	63,348	—	22,789	19,707	86,137	105,844	14,953	November, 2010	(d)
North Point Mall	San Antonio, TX	249,631	57,900	228,517	—	10,081	57,900	238,598	296,498	40,055	November, 2010	(d)
North Star Mall	Northridge, CA	312,333	91,135	392,422	—	10,800	91,135	403,222	494,357	63,780	November, 2010	(d)
Northridge Fashion Center	Alpharetta, GA	228,724	66,774	238,023	—	32,482	66,774	270,505	337,279	44,731	November, 2010	(d)

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			Acquisition Cost(b)		Costs Capitalized Subsequent to Acquisition		Gross Amounts at Which Carried at Close of Period(c)					
Name of Center	Location	Encumbrances(a)	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total	Accumulated Depreciation(d)	Date Acquired	Life Upon Which Latest Statement of Operation is Computed
NorthTown Mall	Spokane, WA	86,210	12,310	108,857	—	26,233	12,310	135,090	147,400	20,990	November, 2010	(d)
Oak View Mall	Omaha, NE	77,644	20,390	107,216	—	(916)	20,390	106,300	126,690	15,540	November, 2010	(d)
Oakwood Center	Gretna, LA	86,475	21,105	74,228	—	24,481	21,105	98,709	119,814	11,434	November, 2010	(d)
Oakwood Mall	Eau Claire, WI	70,692	13,786	92,114	204	5,098	13,990	97,212	111,202	17,531	November, 2010	(d)
Oglethorpe Mall	Savannah, GA	149,773	27,075	157,100	—	1,223	27,075	158,323	185,398	25,638	November, 2010	(d)
Oxmoor Center	Louisville, KY	87,186	—	117,814	—	11,585	—	129,399	129,399	22,861	November, 2010	(d)
Paramus Park	Paramus, NJ	119,515	31,320	102,054	—	6,783	31,320	108,837	140,157	20,466	November, 2010	(d)
Park City Center	Lancaster, PA	180,831	42,451	195,409	—	2,251	42,451	197,660	240,111	31,052	November, 2010	(d)
Park Place	Tucson, AZ	182,865	61,902	236,019	—	6,726	61,902	242,745	304,647	38,396	November, 2010	(d)
Peachtree Mall	Columbus, GA	78,974	13,855	92,143	942	4,772	14,797	96,915	111,712	16,030	November, 2010	(d)
Pecanland Mall	Monroe, LA	86,997	12,943	73,231	—	10,179	12,943	83,410	96,353	16,976	November, 2010	(d)
Pembroke Lakes Mall	Pembroke Pines, FL	259,115	64,883	254,910	—	(9,318)	64,883	245,592	310,475	40,637	November, 2010	(d)
Pioneer Place	Portland, OR	126,621	—	97,096	—	17,471	—	114,567	114,567	17,180	November, 2010	(d)
Prince Kuhio Plaza	Hilo, HI	42,098	—	52,373	—	11,323	—	63,696	63,696	16,929	November, 2010	(d)
Providence Place	Providence, RI	385,969	—	400,893	—	56,166	—	457,059	457,059	65,855	November, 2010	(d)
Quail Springs Mall	Oklahoma City, OK	67,120	40,523	149,571	—	7,939	40,523	157,510	198,033	13,657	June, 2013	(d)
Red Cliffs Mall	St. George, UT	31,073	6,811	33,930	—	529	6,811	34,459	41,270	10,373	November, 2010	(d)
Ridgedale Center		—	39,495	151,090	(4,089)	87,946	35,406	239,036	274,442	24,425		(d)

	Minnetonka, MN										November, 2010	
Riverchase Galleria	Birmingham, AL	220,665	53,423	271,508	—	—	53,423	271,508	324,931	57,952	November, 2016	(d)
River Hills Mall	Mankato, MN	70,733	16,207	85,608	—	6,325	16,207	91,933	108,140	15,414	November, 2010	(d)
Rivertown Crossings	Grandville, MI	155,287	47,790	181,770	(504)	5,114	47,286	186,884	234,170	31,736	November, 2010	(d)
Sooner Mall	Norman, OK	71,604	9,902	69,570	—	2,757	9,902	72,327	82,229	19,245	November, 2010	(d)
Spokane Valley Mall	Spokane, WA	58,127	16,817	100,209	—	(8,216)	16,817	91,992	108,809	19,237	November, 2010	(d)
Staten Island Mall	Staten Island, NY	252,664	102,237	375,612	—	(3,908)	102,237	371,704	473,941	63,428	November, 2010	(d)
Stonestown Galleria	San Francisco, CA	179,793	65,962	203,043	(1,686)	31,875	64,276	234,918	299,194	32,732	November, 2010	(d)
The Crossroads	Portage, MI	94,846	20,261	95,463	1,110	4,523	21,371	99,986	121,357	15,410	November, 2010	(d)
The Gallery at Harborplace	Baltimore, MD	79,455	15,930	112,117	—	9,170	15,930	121,287	137,217	15,192	November, 2010	(d)
The Maine Mall	South Portland, ME	234,649	36,205	238,067	(1,909)	8,394	34,296	246,461	280,757	46,536	November, 2010	(d)
The Mall in Columbia	Columbia, MD	341,086	124,540	479,171	—	25,155	124,540	504,326	628,866	86,027	November, 2010	(d)
The Oaks Mall	Gainesville, FL	129,191	21,954	173,353	—	(1,792)	21,954	171,561	193,515	25,586	April, 2012	(d)
The Parks at Arlington	Arlington, TX	252,317	19,807	299,708	9	19,691	19,816	319,399	339,215	65,615	November, 2010	(d)
The Shoppes at Buckland	Manchester, CT	120,415	35,180	146,474	(280)	7,470	34,900	153,944	188,844	24,659	November, 2010	(d)
The Shops at Fallen Timbers	Maumee, OH	21,014	3,785	31,771	(535)	(1,721)	3,250	30,050	33,300	10,117	November, 2010	(d)
The Shops at La Cantera	San Antonio, TX	349,275	80,016	350,737	—	25,296	80,016	376,032	456,048	68,816	November, 2010	(d)
The Streets at SouthPoint	Durham, NC	248,150	66,045	242,189	—	125	66,045	242,314	308,359	45,503	November, 2010	(d)
The Woodlands Mall	The Woodlands, TX	245,245	84,889	349,315	2,315	39,644	87,204	388,959	476,163	61,971	November, 2010	(d)
Town East Mall	Mesquite, TX	159,898	9,928	168,555	—	6,135	9,928	174,690	184,618	29,547	November, 2010	(d)
Tucson Mall	Tucson, AZ	245,539	2,071	193,815	—	77,525	2,071	271,340	273,411	41,048	November, 2010	(d)
Tysons Galleria	McLean, VA	305,972	90,317	351,005	(105)	9,920	90,212	360,925	451,137	54,207	November, 2010	(d)
Valley Plaza Mall	Bakersfield, CA	239,793	38,962	211,930	—	1,134	38,962	213,064	252,026	35,868	November, 2010	(d)
Visalia Mall	Visalia, CA	73,936	11,912	80,185	—	2,375	11,912	82,560	94,472	12,449	November, 2010	(d)

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			Acquisition Cost(b)		Costs Capitalized Subsequent to Acquisition		Gross Amounts at Which Carried a Close of Period(c)		
Name of Center	Location	Encumbrances(a)	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total
Westlake Center	Seattle, WA	46,152	19,055	129,295	(14,819)	(78,954)	4,236	50,341	54,577
Westroads Mall	Omaha, NE	145,978	32,776	184,253	—	34,002	32,776	218,255	251,031
White Marsh Mall	Baltimore, MD	189,754	43,880	177,194	4,125	6,113	48,005	183,307	231,312
Willowbrook	Wayne, NJ	359,410	110,660	419,822	—	24,665	110,660	444,487	555,147
Woodbridge Center	Woodbridge, NJ	249,408	67,825	242,744	—	28,357	67,825	271,101	338,926
Office, other and construction in progress (e)		254,648	100,106	361,250	47,936	611,032	148,044	972,281	1,120,32
	Total	$12,636,616	$3,039,642	$14,737,835	$26,375	$1,605,366	$3,066,019	$16,343,198	$19,409

(a) See description of mortgages, notes and other loans payable in Note 7 of Notes to Consolidated Financial Statements. Includes $1.4 billion cross-collateralized loan.
(b) Acquisition for individual properties represents historical cost at the end of the month acquired.
(c) The aggregate cost of land, buildings and improvements of consolidated properties for federal income tax purposes is approximately $15.4 billion.
(d) Depreciation is computed based upon the following estimated useful lives:

	Years
Buildings and improvements	10 - 45
Equipment and fixtures	3 - 20
Tenant improvements	Shorter of useful life or applicable lease term

(e) Office and other retail properties.

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GGP INC.
NOTES TO SCHEDULE III
(Dollars in thousands)

Reconciliation of Real Estate

	2016	2015	2014
(In thousands)			
Balance at beginning of period	$20,285,046	$22,977,310	$22,998,275
Additions	958,651	765,960	703,227
Impairments	(130,619)	—	(5,278)
Dispositions, transfers and write-offs	(1,703,861)	(3,458,224)	(718,914)
Balance at end of period	$19,409,217	$20,285,046	$22,977,310

Reconciliation of Accumulated Depreciation

	2016	2015	2014
(In thousands)			
Balance at beginning of period	$2,452,127	$2,280,845	$1,884,861
Depreciation expense	620,540	607,192	685,006
Dispositions, transfers and write-offs	(335,381)	(435,910)	(289,022)
Balance at end of period	$2,737,286	$2,452,127	$2,280,845

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EXHIBIT INDEX

Exhibit Number	Description	Incorporated by Reference Herein			
		Form	Exhibit	Filing Date	File No.
2*	Third Amended Plan of Reorganization as filed with the United States Bankruptcy Court for the Southern District of New York on October 21, 2010	8-K	2.1	10/27/2010	001-11656
3.1	Amended and Restated Certificate of Incorporation of GGP Inc., dated November 9, 2010	8-K	3.1	11/12/2010	001-34948
3.2	Third Amended and Restated Bylaws of GGP Inc., dated January 27, 2017	8-K	3.2	1/18/2017	001-34948
3.3	Certificate of Designations, Preferences and Rights of 6.375% Series A Cumulative Redeemable Preferred Stock filed with the Delaware Secretary of State on February 11, 2013	8-K	3.1	2/13/2013	001-34948
3.4	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of GGP Inc., dated January 17, 2017	8-K	3.1	1/18/2017	001-34948
4.1*	Rights Agreement dated July 27, 1993, between the Predecessor and certain other parties named therein	10-K	4.2	3/31/2006	001-11656
4.2*	Amendment to Rights Agreement dated as of February 1, 2000, between the Predecessor and certain other parties named therein	8-A12B	4.3	3/3/2010	001-11656
4.3*	Redemption Rights Agreement dated October 23, 1997, among the Predecessor, the Operating Partnership and Peter Leibowits	10-K	4.7	3/31/2006	001-11656
4.4*	Redemption Rights Agreement dated April 2, 1998, among the Operating Partnership, the Predecessor and Southwest Properties Venture	10-K	4.8	3/31/2006	001-11656
4.5*	Redemption Rights Agreement dated July 21, 1998, among the Operating Partnership, the Predecessor, Nashland Associates, and HRE Altamonte, Inc.	10-K	4.9	3/31/2006	001-11656
4.6*	Redemption Rights Agreement (Series B Preferred Units) dated July 10, 2002, by and among the Operating Partnership, the Predecessor and the persons listed on the signature pages thereof	10-K	4.12	2/27/2008	001-11656
4.7*	Redemption Rights Agreement (Common Units) dated November 27, 2002, by and among the Operating Partnership, the Predecessor and JSG, LLC	10-K	4.13	2/27/2009	001-11656
4.8*		10-K/A	4.14	4/30/2010	001-11656

	Redemption Rights Agreement dated December 11, 2003, by and among the Operating Partnership, the Predecessor and Everitt Enterprises, Inc.				
4.9*	Redemption Rights Agreement dated March 5, 2004, by and among the Operating Partnership, the Predecessor and Koury Corporation	10-K	4.15	2/27/2008	001-11656

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Exhibit Number	Description	Incorporated by Reference Herein			
		Form	Exhibit	Filing Date	File No.
4.10*	Registration Rights Agreement dated April 15, 1993, between the Predecessor, Martin Bucksbaum, Matthew Bucksbaum and the other parties named therein	10-K	4.16	2/27/2008	001-11656
10.1	Fourth Amended and Restated Agreement of Limited Partnership of GGP Operating Partnership, LP (f/k/a GGP Limited Partnership) dated May 1, 2014	10-Q	10.2	8/6/2014	001-34948
10.2	First Amendment dated July 1, 2015 to Fourth Amended and Restated Agreement of Limited Partnership of GGP Operating Partnership, LP (f/k/a GGP Limited Partnership) dated May 1, 2014	10-Q	10.1	8/6/2015	001-34948
10.3	Second Amendment dated February 17, 2016, to Fourth Amended and Restated Agreement of Limited Partnership of GGP Operating Partnership, LP	10-K	10.3	2/19/2016	001-34948
10.4	Third Amendment dated December 27, 2016 to Fourth Amended and Restated Agreement of Limited Partnership of GGP Operating Partnership, LP (filed herewith)				
10.5*	Operating Agreement dated November 10, 1999, between the Operating Partnership, NYSCRF, and GGP/Homart II L.L.C.	10-K	10.20	3/31/2006	001-11656
10.6*	Amendment to the Operating Agreement of GGP/Homart II L.L.C. dated November 22, 2002	10-K	10.21	3/31/2006	001-11656
10.7*	Letter Amendment to the Operating Agreement of GGP/Homart II L.L.C. dated January 31, 2003	10-K	10.22	3/31/2006	001-11656
10.8*	Second Amendment to the Operating Agreement of GGP/Homart II L.L.C. dated January 31, 2003	10-K	10.23	3/31/2006	001-11656
10.9*	Third Amendment to the Operating Agreement of GGP/Homart II L.L.C. dated February 8, 2008	10-K	10.25	2/27/2008	001-11656
10.10	Second Amended and Restated Limited Liability Company Agreement of Ala Moana Holding, LLC, dated April 10, 2015	10-Q	10.1	5/1/2015	001-34948
10.11	Summary of Non-Employee Director Compensation Program Revised November 11, 2015	10-K	10.10	2/19/2016	001-34948
10.12*#	GGP Inc. 2010 Equity Incentive Plan adopted October 27, 2010	8-K	4.1	11/1/2010	001-11656
10.13#	First Amendment to GGP Inc. 2010 Equity Incentive Plan adopted November 12, 2013	8-K	10.2	11/18/2013	001-34948

10.14#	Form of Nonqualified Stock Option Award Agreement (Groups B and C) pursuant to the 2010 Equity Incentive Plan	S-11/A	10.26	11/15/2010	333-16811
10.15#	Form of Nonqualified Stock Option Award Agreement (employees) pursuant to the 2010 Equity Incentive Plan	10-K	10.14	2/19/2016	001-34948
10.16#	Form of Restricted Stock Award Agreement (Groups B and C) pursuant to the 2010 Equity Incentive Plan	S-11/A	10.28	11/15/2010	333-16811

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Exhibit Number	Description	Incorporated by Reference Herein			
		Form	Exhibit	Filing Date	File No.
10.17#	Form of Restricted Stock Award Agreement (employees) pursuant to the 2010 Equity Plan	10-K	10.16	2/19/2016	001-34948
10.18#	Form of Performance-vesting Restricted Stock Award Agreement (employees) pursuant to the 2010 Equity Plan	10-K	10.17	2/19/2016	001-34948
10.19#	Form of Appreciation Only LTIP Unit Award Agreement (employees) pursuant to the 2010 Equity Incentive Plan	10-K	10.18	2/19/2016	001-34948
10.20#	Form of Full Value LTIP Unit Award Agreement (employees) pursuant to the 2010 Equity Incentive Plan	10-K	10.19	2/19/2016	001-34948
10.21#	Form of Performance-vesting Full Value LTIP Unit Award Agreement (employees) pursuant to the 2010 Equity Incentive Plan	10-K	10.20	2/19/2016	001-34948
10.22#	Form of Restricted Stock Award Agreement (new directors) pursuant to the 2010 Equity Plan	10-K	10.17	3/2/2015	001-34948
10.23#	Form of Restricted Stock Award Agreement (directors) pursuant to the 2010 Equity Plan	10-K	10.18	3/2/2015	001-34948
10.24#	Form of Full Value LTIP Unit Award Agreement (directors) pursuant to the 2010 Equity Incentive Plan (filed herewith)				
10.25#	Employment Agreement, dated February 12, 2015, by and between the Company and Sandeep Mathrani	8-K	10.1	2/17/2015	001-34948
10.26#	Full Value LTIP Award, dated February 12, 2015, by and between the Company and Sandeep Mathrani	8-K	10.2	2/17/2015	001-34948
10.27	Amended and Restated Cornerstone Investment Agreement, effective as of March 31, 2010, between REP Investments LLC (as predecessor to Brookfield Retail Holdings LLC), an affiliate of Brookfield Asset Management Inc. and the Predecessor	8-K	10.1	11/12/2010	001-34948
10.28	Registration Rights Agreement between affiliates of Brookfield Asset Management, Inc. and GGP Inc., dated November 9, 2010	8-K	10.7	11/12/2010	001-34948
10.29	Amended and Restated Warrant Agreement between GGP Inc. and American Stock Transfer & Trust Company, LLC, relating to the warrants issued to affiliates of Brookfield Asset Management, Inc., The Fairholme Fund, Fairholme Focused Income Fund, Pershing Square, L.P., Pershing Square II, L.P., Pershing Square International, Ltd., Pershing Square International V, Ltd. and Blackstone Real Estate Partners VI L.P. and its permitted assigns,	10-Q	10.1	11/6/2013	001-34948

	October 28, 2013				
10.30	Relationship Agreement between Brookfield Retail Holdings LLC, Brookfield Retail Holdings II LLC, Brookfield Retail Holdings III LLC, Brookfield Retail Holdings IV-A LLC, Brookfield Retail Holdings IV-B LLC, Brookfield Retail Holdings IV-C LLC, Brookfield Retail Holdings IV-D LLC and Brookfield Retail Holdings V LP and GGP Inc., dated November 9, 2010	10-K	10.51	3/8/2011	001-34948

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Exhibit Number	Description	Incorporated by Reference Herein Form	Exhibit	Filing Date	File No.
10.31	Amending Agreement to Relationship Agreement between Brookfield Asset Management Inc. and GGP Inc., dated January 12, 2012	10-K	10.48	2/28/2013	001-34948
10.32	Form of indemnification agreement for directors and executive officers	S-11/A	10.53	11/3/2010	333-16811
10.33	Standstill Agreement between Brookfield Retail Holdings LLC, Brookfield Retail Holdings II LLC, Brookfield Retail Holdings III LLC, Brookfield Retail Holdings IV-A LLC, Brookfield Retail Holdings IV-B LLC, Brookfield Retail Holdings IV-C LLC, Brookfield Retail Holdings IV-D LLC and Brookfield Retail Holdings V LP and GGP Inc., dated November 9, 2010	8-K	10.4	11/12/2010	001-34948
10.34	Fourth Amended and Restated Credit Agreement dated October 30, 2015	8-K	10.1	11/2/2015	001-34948
10.35	Loan Agreement by and among certain subsidiaries of GGP Inc. dated as of April 25, 2016	8-K	99.1	4/29/2016	001-34948
10.36#	Second Amended and Restated Employee Stock Purchase Plan effective May 15, 2014	10-Q	10.3	8/6/2014	001-34948
21.1	List of Subsidiaries of GGP Inc. (filed herewith).				
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm, relating to GGP Inc. (filed herewith).				
24.1	Power of Attorney (included on signature page).				
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).				
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).				
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).				
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).				
101	The following financial information from GGP Inc.'s. Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on February 22, 2017, formatted in XBRL (Extensible Business				

Reporting Language): (1) Consolidated Balance Sheets,
(2) Consolidated Statement of Operations and Comprehensive
Income (Loss), (3) Consolidated Statements of Equity,
(4) Conso1idated Statements of Cash Flows and (5) Notes to
Consolidated Financial Statements.

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* Incorporated by reference to filings by GGP, Inc. (formerly General Growth Properties, Inc. and referred to as "the Predecessor")

Management contracts and compensatory plans or arrangements required to be filed as an exhibit pursuant to Item 15(b) of Form 10-K.