REGENCY CENTERS CORP
Form 10-K
February 27, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-K
x 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 1-12298 (Regency Centers Corporation)
Commission File Number 0-24763 (Regency Centers, L.P.)

REGENCY CENTERS CORPORATION
REGENCY CENTERS, L.P.
(Exact name of registrant as specified in its charter)

FLORIDA (REGENCY CENTERS CORPORATION)	59-3191743
DELAWARE (REGENCY CENTERS, L.P.)	59-3429602
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Independent Drive, Suite 114 Jacksonville, Florida 32202	(904) 598-7000
(Address of principal executive offices) (zip code)	(Registrant's telephone number, including area code)

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

Title of each class	Name of each exchange on which registered
Common Stock, $.01 par value	New York Stock Exchange
6.625% Series 6 Cumulative Redeemable Preferred Stock, $.01 par value	New York Stock Exchange
6.000% Series 7 Cumulative Redeemable Preferred Stock, $.01 par value	New York Stock Exchange

Regency Centers, L.P.

Title of each class	Name of each exchange on which registered
None	N/A

Securities registered pursuant to Section 12(g) of the Act:
Regency Centers Corporation: None
Regency Centers, L.P.: Units of Partnership Interest
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Regency Centers Corporation YES x NO o Regency Centers, L.P. YES x 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
Regency Centers Corporation YES o NO x Regency Centers, L.P. YES o NO x
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.

Regency Centers Corporation	YES x NO o	Regency Centers, L.P.	YES x NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, 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).

Regency Centers Corporation YES x NO o Regency Centers, L.P. YES x 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.

Regency Centers Corporation x Regency Centers, L.P. x

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 the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Regency Centers Corporation:

Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	o

Regency Centers, L.P.:

Large accelerated filer	o	Accelerated filer	x
Non-accelerated filer	o	Smaller reporting company	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Regency Centers Corporation YES o NO x Regency Centers, L.P. YES o NO x

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrants' most recently completed second fiscal quarter.

Regency Centers Corporation $8.2 billion Regency Centers, L.P. N/A

The number of shares outstanding of the Regency Centers Corporation’s voting common stock was 104,704,642 as of February 24, 2017.

Documents Incorporated by Reference

Portions of Regency Centers Corporation's proxy statement in connection with its 2017 Annual Meeting of Stockholders are incorporated by reference in Part III.

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2016 of Regency Centers Corporation and Regency Centers, L.P. Unless stated otherwise or the context otherwise requires, references to “Regency Centers Corporation” or the “Parent Company” mean Regency Centers Corporation and its controlled subsidiaries; and references to “Regency Centers, L.P.” or the “Operating Partnership” mean Regency Centers, L.P. and its controlled subsidiaries. The term “the Company”, "Regency Centers" or “Regency” means the Parent Company and the Operating Partnership, collectively.

The Parent Company is a real estate investment trust (“REIT”) and the general partner of the Operating Partnership. The Operating Partnership's capital includes general and limited common Partnership Units (“Units”). As of December 31, 2016, the Parent Company owned all of the Preferred Units of the Operating Partnership and approximately 99.9% of the Units in the Operating Partnership. The remaining limited Units are owned by investors. As the sole general partner of the Operating Partnership, the Parent Company has exclusive control of the Operating Partnership's day-to-day management.

The Company believes combining the annual reports on Form 10-K of the Parent Company and the Operating Partnership into this single report provides the following benefits:

- Enhances investors' understanding of the Parent Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- Eliminates duplicative disclosure and provides a more streamlined and readable presentation; and
- Creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

Management operates the Parent Company and the Operating Partnership as one business. The management of the Parent Company consists of the same individuals as the management of the Operating Partnership. These individuals are officers of the Parent Company and employees of the Operating Partnership.

The Company believes it is important to understand the few differences between the Parent Company and the Operating Partnership in the context of how the Parent Company and the Operating Partnership operate as a consolidated company. The Parent Company is a REIT, whose only material asset is its ownership of partnership interests of the Operating Partnership. As a result, the Parent Company does not conduct business itself, other than acting as the sole general partner of the Operating Partnership, issuing public equity from time to time and guaranteeing certain debt of the Operating Partnership. The Parent Company does not hold any indebtedness, but guarantees all of the unsecured public debt of the Operating Partnership. The Operating Partnership holds all the assets of the Company and retains the ownership interests in the Company's joint ventures. Except for net proceeds from public equity issuances by the Parent Company, which are contributed to the Operating Partnership in exchange for partnership units, the Operating Partnership generates all remaining capital required by the Company's business. These sources include the Operating Partnership's operations, its direct or indirect incurrence of indebtedness, and the issuance of partnership units.

Stockholders' equity, partners' capital, and noncontrolling interests are the main areas of difference between the consolidated financial statements of the Parent Company and those of the Operating Partnership. The Operating Partnership's capital includes general and limited common Partnership Units, and Preferred Units owned by the Parent Company. The limited partners' units in the Operating Partnership owned by third parties are accounted for in partners' capital in the Operating Partnership's financial statements and outside of stockholders' equity in noncontrolling interests in the Parent Company's financial statements. The Preferred Units owned by the Parent Company are eliminated in consolidation in the accompanying consolidated financial statements of the Parent Company and are classified as preferred units of general partner in the accompanying consolidated financial statements of the Operating Partnership.

In order to highlight the differences between the Parent Company and the Operating Partnership, there are sections in this report that separately discuss the Parent Company and the Operating Partnership, including separate financial statements, controls and procedures sections, and separate Exhibit 31 and 32 certifications. In the sections that combine disclosure for the Parent Company and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company.

As general partner with control of the Operating Partnership, the Parent Company consolidates the Operating Partnership for financial reporting purposes, and the Parent Company does not have assets other than its investment in the Operating Partnership. Therefore, while stockholders' equity and partners' capital differ as discussed above, the assets and liabilities of the Parent Company and the Operating Partnership are the same on their respective financial statements.

TABLE OF CONTENTS

Forward-Looking Statements

In addition to historical information, information in this Form 10-K contains forward-looking statements as defined under federal securities laws. These forward-looking statements include statements about anticipated changes in our revenues, the size of our development and redevelopment program, earnings per share and unit, returns and portfolio value, and expectations about our liquidity. These statements are based on current expectations, estimates and projections about the real estate industry and markets in which the Company operates, and management's beliefs and assumptions. Forward-looking statements are not guarantees of future performance and involve certain known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Known risks and uncertainties are described further in the Item 1A. Risk Factors below. The following discussion should be read in conjunction with the accompanying Consolidated Financial Statements and Notes thereto of Regency Centers Corporation and Regency Centers, L.P. appearing elsewhere herein. We do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or uncertainties after the date hereof or to reflect the occurrence of uncertain events.

Pending Merger with Equity One, Inc.

On November 14, 2016, Regency Centers Corporation entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Equity One, Inc. (“Equity One”), pursuant to which, subject to the satisfaction or waiver of certain conditions, Equity One will merge with and into the Regency Centers Corporation, with Regency Centers Corporation being the surviving corporation (the “Merger”). The combined company will retain the Regency name and continue to trade under the ticker symbol “REG” on the New York Stock Exchange (the “NYSE”).
On the terms and subject to the conditions set forth in the Merger Agreement, which has been unanimously approved by the boards of directors of Regency Centers Corporation and Equity One, at the effective time of the Merger (the “Effective Time”), each share of the common stock, par value $0.01 per share, of Equity One issued and outstanding immediately prior to the Effective Time (other than shares of Equity One owned directly by Equity One or the Regency Centers Corporation and in each case not held on behalf of third parties) will be converted into the right to receive 0.45 of a newly issued share of the common stock of Regency Centers Corporation.
The closing of the Merger is subject to certain conditions, including the requisite approvals from the stockholders of each of Regency Centers Corporation and Equity One (which approvals were received at special meetings of the stockholders of each company held on February 24, 2017), the receipt of certain tax opinions by Regency Centers Corporation and Equity One, and other customary closing conditions. The Merger is expected to close on March 1, 2017. However, the Company cannot predict with certainty when, or if, the Merger will be completed because completion of the Merger is subject to conditions beyond the control of the Company.
For more information about the Merger, the Merger Agreement and related agreements, see note 16 of the Notes to the Consolidated Financial Statements in Item 8 herein.

PART I
Item 1. Business

Regency Centers began its operations as a publicly-traded REIT in 1993, and, as of December 31, 2016, owns direct or partial interests in 307 shopping centers, the majority of which are grocery-anchored community and neighborhood centers. Our centers are located in the top markets of 25 states and the District of Columbia, and contain 37.8 million square feet ("SF") of gross leasable area ("GLA"). Our pro-rata share of this GLA is 28.7 million square feet. All of our operating, investing, and financing activities are performed through the Operating Partnership, our wholly-owned subsidiaries, and through our co-investment partnerships.
Our mission is to be the preeminent national grocery-anchored shopping center owner and developer through:
- First-rate performance of our exceptionally merchandised and located national portfolio;

- Value-enhancing services from an accomplished team of professionals in the business; and
- Creation of superior growth in shareholder value.

Our strategy is:

- Sustain average annual 3% same property NOI growth from a high-quality, growing portfolio of thriving community and neighborhood shopping centers;
- Develop new, and redevelop existing, high quality shopping centers at attractive returns on investment from a disciplined development program;

1

- Maintain our balance sheet to provide financial flexibility, to cost effectively fund uses of capital, and to weather economic downturns; and
- Engage a talented and dedicated team with high standards of integrity that operates efficiently and is recognized as a leader in the real estate industry.

We expect to execute our strategy as follows:

Sustain average annual 3% same property NOI growth from a high-quality, growing portfolio of thriving community and neighborhood shopping centers:

- Own and develop centers that are located at key corners in our nation's most attractive metro areas;
- Target trade areas characterized by their strong demographics and consumer buying power, and draw shoppers to our centers with highly productive anchor tenants;
- Attract the best national, regional and local retailers and restaurants;
- Pursue initiatives that reinforce the underlying quality of our portfolio and maximize long-term growth such as "Fresh Look®," an operating philosophy that guides our merchandising and place-making programs;
- Fortify future NOI growth by rigorously reviewing our portfolio to identify and sell operating properties that no longer meet our investment standards; and
- Opportunistically upgrade our portfolio by acquiring high quality shopping centers with meaningful upside in NOI growth funded from the sale of operating properties that no longer meet our investment standards.

Develop new, and redevelop existing, high quality shopping centers at attractive returns on investment from a disciplined development program:

- Maintain and grow our existing presence in our key markets with in-house expertise and anchor relationships;
- Develop shopping centers located in desirable infill markets for long-term ownership;
- Anchor developments with dominant, national and regional chains and high volume specialty grocers;
- Create additional value through redevelopment of existing centers; and
- Fund our development program primarily from the sale of operating properties that no longer meet our investment criteria.

Cost-effectively enhance our balance sheet to reduce our cost of capital, provide financial flexibility and weather economic downturns:

- Prudently access our multiple sources of debt and equity through the capital markets and co-investment partnerships;
- Fund development and acquisitions from free cash flows, selling operating properties that no longer meet our investment standards, and accessing favorably priced equity;
- Further reduce leverage through organic growth in earnings and, when appropriate, accessing the capital markets;
- Rigorously manage our line of credit and maintain substantial uncommitted capacity;
- Maintain a large pool of unencumbered assets and excellent relationships with mortgage lenders; and
- Maintain a well laddered debt maturity profile.

Engage a talented and dedicated team that operates efficiently and is recognized as a leader in the real estate industry with respect to development and operating capabilities, customer relationships, operating and technology systems, and environmental sustainability:

- Reflect our values by executing and successfully meeting our commitments to our people and our communities, a tradition we have embraced for over 50 years;
- Foster a values-based culture, offering a comprehensive benefits package and an engaging workplace environment;
- Uphold unwavering standards of honesty and integrity and build our reputation by maintaining the highest ethical principles;
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- Offer a challenging, safe and dynamic work environment and support the professional development and personal life of each employee;
- Encourage employees to achieve their personal health goals through a robust wellness program focused on education, awareness and prevention; and
- Contribute to the betterment of our communities by supporting philanthropic programs with employee contribution matching and paid volunteer time.

Environmental Sustainability

We believe being an industry leader in sustainability is in the best interest of our tenants, investors, employees, and the communities in which we operate. We are committed to reducing our environmental impact, including energy and water use, greenhouse gas emissions, and waste. We believe this commitment is not only the right thing to do, but also assists the Company in achieving key strategic objectives in operations and development. We are committed to transparency with regard to our sustainability performance, risks and opportunities, and will continue to increase disclosure using industry accepted reporting frameworks. We currently have a Green Star rating from the Global Real Estate Sustainability Benchmark, or GRESB, for the second consecutive year. More information about our sustainability strategy, goals, performance, and formal disclosures are available on our website at www.regencycenters.com.

Competition

We are amongst the largest owners of shopping centers in the nation based on revenues, number of properties, GLA, and market capitalization. There are numerous companies and individuals engaged in the ownership, development, acquisition, and operation of shopping centers that compete with us in our targeted markets, including grocery store chains that also anchor some of our shopping centers. This results in competition for attracting anchor tenants, as well as the acquisition of existing shopping centers and new development sites. We believe that our competitive advantages are driven by:

- our locations within our market areas;
- the design and high quality of our shopping centers;
- the strong demographics surrounding our shopping centers;
- our relationships with our anchor tenants and our side-shop and out-parcel retailers;
- our practice of maintaining and renovating our shopping centers; and
- our ability to source and develop new shopping centers.

Employees

Our corporate headquarters are located at One Independent Drive, Suite 114, Jacksonville, Florida. We presently maintain 18 market offices nationwide, including our corporate headquarters, where we conduct management, leasing, construction, and investment activities. We have 371 employees and we believe that our relations with our employees are good.

Compliance with Governmental Regulations

Under various federal, state and local laws, ordinances and regulations, we may be liable for the cost to remove or remediate certain hazardous or toxic substances at our shopping centers. These laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence of the hazardous or toxic substances. The cost of required remediation and the owner's liability for remediation could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate such substances, may adversely affect our ability to sell or lease the property or borrow using the property as collateral. Although we have a number of properties that could require or are currently undergoing varying levels of environmental remediation, known environmental remediation is not currently expected to have a material financial impact on us due to insurance programs designed to mitigate the cost of remediation, various state-regulated programs that shift the responsibility and cost to the state, and existing accrued liabilities for remediation.

Executive Officers

Our executive officers are appointed each year by our Board of Directors. Each of our executive officers has been employed by us for more than five years.

Name	Age	Title	Executive Officer in Position Shown Since
Martin E. Stein, Jr.	64	Chairman and Chief Executive Officer	1993
Lisa Palmer	49	President and Chief Financial Officer	2016 (1)
Dan M. Chandler, III	49	Executive Vice President of Development	2016 (2)
James D. Thompson	61	Executive Vice President of Operations	2016 (3)

(1) Ms. Palmer assumed the responsibilities of President, effective January 1, 2016 in addition to her responsibilities as Chief Financial Officer, which she has held since January 2013. Prior to that, Ms. Palmer served as Senior Vice President of Capital Markets since 2003 and has been with the Company since 1996.
(2) Mr. Chandler assumed the role of Executive Vice President of Development on January 1, 2016 and previously served as our Managing Director - West since 2009. Prior to that, Mr. Chandler served as a Managing Director from 2006 to 2007, Senior President of Investments from 2002 to 2006, and Vice President of Investments from 1997 to 2002.
(3) Mr. Thompson assumed the role of Executive Vice President of Operations on January 1, 2016 and previously served as our Managing Director - East since our initial public offering in 1993. Prior to that time, Mr. Thompson served as Executive Vice President of our predecessor real estate division beginning in 1981.

Company Website Access and SEC Filings

Our website may be accessed at www.regencycenters.com. All of our filings with the Securities and Exchange Commission can be accessed free of charge through our website promptly after filing; however, in the event that the website is inaccessible, we will provide paper copies of our most recent annual report on Form 10-K, the most recent quarterly report on Form 10-Q, current reports filed or furnished on Form 8-K, and all related amendments, excluding exhibits, free of charge upon request. These filings are also accessible on the SEC's website at www.sec.gov.

General Information

Our registrar and stock transfer agent is Broadridge Corporate Issuer Solutions, Inc. (“Broadridge”), Philadelphia, PA. We offer a dividend reinvestment plan (“DRIP”) that enables our stockholders to reinvest dividends automatically, as well as to make voluntary cash payments toward the purchase of additional shares. For more information, contact Broadridge toll free at (855) 449-0975 or our Shareholder Relations Department at (904) 598-7000.

Our independent registered public accounting firm is KPMG LLP, Jacksonville, Florida. Our legal counsel is Foley & Lardner LLP, Jacksonville, Florida.

Annual Meeting

Our annual meeting will be held at The River Club, Florida Room 2, One Independent Dr., Jacksonville, Florida, at 10:30 a.m. on Thursday, April 27, 2017.

Defined Terms

We use certain non-GAAP performance measures, in addition to the required GAAP presentations, as we believe these measures improve the understanding of the Company's operational results. We manage our entire real estate portfolio without regard to ownership structure, although certain decisions impacting properties owned through partnerships require partner approval. Therefore, we believe presenting our pro-rata share of certain operating metrics regardless of ownership structure, along with other non-GAAP measures, makes comparisons of other REITs' operating results to the Company's more meaningful. We continually evaluate the usefulness, relevance, limitations, and calculation of our reported non-GAAP performance measures to determine how best to provide relevant information to the public, and thus such reported measures could change.

The following terms, as defined, are commonly used by management and the investing public to understand and evaluate our operational results:

- Same Property information is provided for operating properties that were owned and operated for the entirety of both calendar year periods being compared and excludes Non-Same Properties and Properties in Development.

- A Non-Same Property is a property acquired, sold, or a development completion during either calendar year period being compared. Corporate activities, including the captive insurance company, are part of Non-Same Property.

- Property In Development includes land or properties in various stages of development and redevelopment including active pre-development activities.

- Development Completion is a project in development that is deemed complete upon the earliest of: (i) 90% of total estimated net development costs have been incurred and percent leased equals or exceeds 95%, or (ii) the project features at least two years of anchor operations, or (iii) three years have passed since the start of construction. Once deemed complete, the property is termed an Operating Property.

- Pro-Rata information includes 100% of our consolidated properties plus our ownership interest in our unconsolidated real estate investment partnerships.

The pro-rata information is prepared on a basis consistent with the comparable consolidated amounts and is intended to more accurately reflect our proportionate economic interest in the operating results of properties in our portfolio. We do not control the unconsolidated investment partnerships, and the pro-rata presentations of the assets and liabilities, and revenues and expenses do not represent our legal claim to such items. The partners are entitled to profit or loss allocations and distributions of cash flows according to the operating agreements, which provide for such allocations according to their invested capital. Our share of invested capital establishes the ownership interests we use to prepare our pro-rata share.

The presentation of pro-rata information has limitations which include, but are not limited to, the following:

- The amounts shown on the individual line items were derived by applying our overall economic ownership interest percentage determined when applying the equity method of accounting or allocating noncontrolling interests, and do not necessarily represent our legal claim to the assets and liabilities, or the revenues and expenses; and

- Other companies in our industry may calculate their pro-rata interest differently, limiting the usefulness as a comparative measure.

Because of these limitations, the pro-rata financial information should not be considered independently or as a substitute for our financial statements as reported under GAAP. We compensate for these limitations by relying primarily on our GAAP financial statements, using the pro-rata information as a supplement.

- Core EBITDA is defined as earnings before interest, taxes, depreciation and amortization, real estate gains and losses, and development and acquisition pursuit costs.

- Fixed Charge Coverage Ratio is defined as Core EBITDA divided by the sum of the gross interest and scheduled mortgage principal paid to our lenders plus dividends paid to our preferred stockholders.

- Net Operating Income ("NOI") is the sum of minimum rent, percentage rent and recoveries from tenants and other income, less operating and maintenance, real estate taxes, and provision for doubtful accounts. NOI excludes straight-

5

line rental income and expense, above and below market rent amortization and other fees. The Company also provides disclosure of NOI excluding termination fees, which excludes both termination fee income and expenses.

NAREIT Funds from Operations ("NAREIT FFO") is a commonly used measure of REIT performance, which the National Association of Real Estate Investment Trusts ("NAREIT") defines as net income, computed in accordance with GAAP, excluding gains and losses from sales of depreciable property, net of tax, excluding operating real estate impairments, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. We compute NAREIT FFO for all periods presented in accordance with NAREIT's definition. Many companies use different depreciable lives and methods, and real estate values historically fluctuate with market conditions. Since NAREIT FFO excludes depreciation and amortization and gains and losses from depreciable property dispositions, and impairments, it provides a performance measure that, when compared year over year, reflects the impact on operations from trends in occupancy rates, rental rates, operating costs, acquisition and development activities, and financing costs. This provides a perspective of our financial performance not immediately apparent from net income determined in accordance with GAAP. Thus, NAREIT FFO is a supplemental non-GAAP financial measure of our operating performance, which does not represent cash generated from operating activities in accordance with GAAP; and, therefore, should not be considered a substitute measure of cash flows from operations.

Core FFO is an additional performance measure used by Regency as the computation of NAREIT FFO includes certain non-cash and non-comparable items that affect the Company's period-over-period performance. Core FFO excludes from NAREIT FFO, but is not limited to: (a) transaction related gains, income or expense; (b) impairments on land; (c) gains or losses from the early extinguishment of debt; and (d) other non-core amounts as they occur. The Company provides a reconciliation of NAREIT FFO to Core FFO.

Item 1A. Risk Factors

Risks Relating to the Merger

The Merger may not be completed on the terms or timeline currently contemplated, or at all.

Although Regency Centers' stockholders and Equity One's stockholders approved the Merger in separate stockholder meetings on February 24, 2017, the completion of the merger is subject to certain conditions, including: (1) approval for listing on the NYSE of the common stock of Regency Centers to be issued in connection with the merger; (2) the registration statement for our shares being issued pursuant to the merger not being the subject of any stop order or proceeding seeking a stop order; (3) no injunction or law prohibiting the merger; (4) accuracy of each party's representations, subject in most cases to materiality or material adverse effect qualifications; (5) material compliance with each party's covenants; and (6) receipt by each of Equity One and Regency Centers of an opinion to the effect that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code and of an opinion that each of Equity One and Regency Centers qualify as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"). Neither Equity One nor Regency Centers can provide assurances that the merger will be consummated on the terms or timeline currently contemplated, or at all.

The exchange ratio is fixed and will not be adjusted in the event of any change in either our or Equity One's stock prices.

At the effective time of the Merger, each share of Equity One common stock (other than any shares owned directly by Regency Centers or Equity One and in each case not held on behalf of third parties) outstanding immediately prior to the effective time of the merger will be converted into the right to receive 0.45 of a newly issued share of our common stock, with cash paid in lieu of fractional shares. The exchange ratio is fixed in the merger agreement and will not be adjusted for changes in the market price of either our common stock or Equity One common stock. Changes in the price of our common stock prior to the merger will affect the market value of the merger consideration that Equity One stockholders will receive on the closing of the merger. Stock price changes may result from a variety of factors (many of which are beyond the control of Regency Centers and Equity One), including the following factors:

- changes in the respective businesses, operations, assets, liabilities and prospects of either company;
- changes in market assessments of the business, operations, financial position and prospects of either company;
- market assessments of the likelihood that the merger will be completed;
- interest rates, general market and economic conditions and other factors generally affecting the price of our common stock and Equity One common stock;
- federal, state and local legislation, governmental regulation and legal developments in the businesses in which we and Equity One operate; and
- other factors beyond the control of Regency Centers or Equity One, including those described under this "Risk Factors" heading.

Our stockholders may be diluted by the merger.

The merger may dilute the ownership position of our stockholders. Upon completion of the merger, our legacy stockholders will own approximately 62% of the issued and outstanding shares of our common stock, and legacy Equity One stockholders will own approximately 38% of the issued and outstanding shares of our common stock. Consequently, our stockholders may have less influence over our management and policies after the effective time of the merger than they currently exercise over our management and policies.

Failure to complete the merger could adversely affect our stock price and our future business and financial results.

If the merger is not completed, our ongoing businesses may be adversely affected and we will be subject to numerous risks, including the following:

- upon termination of the merger agreement under specified circumstances, Equity One may be required to pay Regency Centers a termination fee of $150 million and we may be required to pay Equity One a termination fee of $240 million;
- we are paying substantial costs relating to the merger, such as legal, accounting, financial advisor, filing, printing and mailing fees and integration preparation costs that have already been incurred or will continue to be incurred until the closing of the merger;
- our management focusing on the merger instead of on pursuing other opportunities that could be beneficial to Regency Centers without realizing any of the benefits of having the merger completed; and
- reputational harm due to the adverse perception of any failure to successfully complete the merger.

If the merger is not completed, we cannot assure our stockholders that these risks will not materialize or will not materially affect the business, financial results and our stock prices.

The merger agreement contains provisions that could discourage a potential competing acquirer of Regency Centers or could result in any competing proposal being at a lower price than it might otherwise be.

The merger agreement contains provisions that, subject to limited exceptions, restrict the ability of each of Regency Centers and Equity One to initiate, solicit, propose, knowingly encourage or facilitate competing third-party proposals to effect, among other things, a merger, reorganization, share exchange, consolidation or the sale of 15% or more of the stock or consolidated net revenues, net income or total assets of Regency Centers or Equity One. In addition, either Regency Centers or Equity One generally has an opportunity to offer to modify the terms of the merger agreement in response to certain competing superior proposals that may be made to the other party before the boards of directors of Regency Centers or Equity One, as the case may be, may withdraw or modify its recommendation in response to such superior proposal or terminate the merger agreement to enter into such superior proposal. In some circumstances, one of the parties will be required to pay a substantial termination fee to the other party.
These provisions could discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of Regency Centers from considering or proposing such an acquisition, even if it were prepared to pay consideration with a higher per share cash or market value than that market value proposed to be received or realized in the merger, or might result in a potential competing acquirer proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances under the merger agreement.

The pendency of the merger could adversely affect the business and operations of Regency Centers and Equity One.

In connection with the pending merger, some of our and Equity One’s tenants or vendors may delay or defer decisions, which could adversely affect the revenues, earnings, funds from operations, cash flows and expenses of Regency Centers and Equity One, regardless of whether the merger is completed. Similarly, current and prospective employees of Regency Centers and Equity One may experience uncertainty about their future roles with Regency Centers following the merger, which may materially adversely affect our and Equity One’s ability to attract and retain key personnel during the pendency of the merger. In addition, due to interim operating covenants in the merger agreement, we and Equity One may be unable (without the other party’s prior written consent), during the pendency of the merger, to pursue strategic transactions, undertake significant capital projects, undertake certain significant financing transactions and otherwise pursue other actions, even if such actions would prove beneficial.

Risks Relating to Regency Centers after Completion of the Merger

We expect to incur substantial expenses related to the merger.

We expect to incur substantial expenses in completing the merger and integrating the business, operations, networks, systems, technologies, policies and procedures of Regency Centers and Equity One. There are a large number of processes that must be integrated in the merger, including leasing, billing, management information, purchasing, accounting and finance, sales, payroll and benefits, fixed asset, lease administration and regulatory compliance. While we and Equity One have assumed that a certain level of transaction and integration expenses would be incurred, there are a number of factors beyond our control that could affect the total amount or the timing of integration expenses.

Following the merger, we may be unable to integrate the business of Equity One successfully or realize the anticipated synergies and related benefits of the merger or do so within the anticipated time frame.

The merger involves the combination of two companies which currently operate as independent public companies. We will be required to devote significant management attention and resources to integrating the business practices and operations of Equity One. Potential difficulties we may encounter in the integration process include the following:

- the inability to successfully combine the businesses of Regency Centers and Equity One in a manner that permits Regency Centers to achieve the cost savings anticipated to result from the merger, which would result in some anticipated benefits of the merger not being realized in the time frame currently anticipated, or at all;
- the inability to successfully realize the anticipated value from some of Equity One’s assets, particularly from the redevelopment projects;
- lost sales and tenants as a result of certain tenants of either of Regency Centers or Equity One deciding not to continue to do business with Regency Centers;
- the complexities associated with integrating personnel from the two companies;
- the additional complexities of combining two companies with different histories, cultures, markets, strategies and customer bases;

- the failure by Regency Centers to retain key employees of either of the two companies;
- potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the merger; and
- performance shortfalls at one or both of the two companies as a result of the diversion of management's attention caused by completing the merger and integrating the companies' operations.

For all these reasons, you should be aware that it is possible that the integration process could result in the distraction of our management, the disruption of our ongoing business or inconsistencies in our services, standards, controls, procedures and policies, any of which could adversely affect the ability of Regency Centers to maintain relationships with tenants, vendors and employees or to achieve the anticipated benefits of the merger, or could otherwise adversely affect our business and financial results.

Following the merger, we may be unable to retain key employees.

Our success after the merger will depend in part upon our ability to retain key Regency and Equity One employees. Key employees may depart either before or after the merger because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with Regency Centers following the merger. Accordingly, no assurance can be given that we will be able to retain key employees to the same extent as in the past.

Our future operating results will suffer if we do not effectively manage our operations following the merger.

Following the merger, we may continue to expand our operations through additional acquisitions, development opportunities and other strategic transactions, some of which involve complex challenges. Our future success will depend, in part, upon our ability to manage our expansion opportunities, which may pose substantial challenges for Regency Centers to integrate new operations into our existing business in an efficient and timely manner, and to successfully monitor our operations, costs, regulatory compliance and service quality, and to maintain other necessary internal controls. We cannot assure you that our expansion or acquisition opportunities will be successful, or that we will realize our expected operating efficiencies, cost savings, revenue enhancements, synergies or other benefits.

The trading price of shares of our common stock following the merger may be affected by factors different from those affecting the price of shares of our common stock before the merger.

If the merger is completed, legacy Regency stockholders will become holders of approximately 62% of the outstanding shares of our common stock and legacy Equity One stockholders will become holders of approximately 38% of the outstanding shares of Equity One common stock. The results of our operations and the trading price of our common stock after the merger may be affected by factors different from those currently affecting our results of operations and the trading prices of our common stock. For example, some institutional investors which currently own both Equity One and our common stock may elect to decrease their ownership in the merged company by selling our common stock. Accordingly, the historical trading prices and financial results of Regency Centers and Equity One may not be indicative of these matters for Regency Centers after the merger.

Following the merger, we will have a substantial amount of indebtedness and may need to incur more in the future.

We have substantial indebtedness and, in connection with the merger, will incur additional indebtedness. The incurrence of new indebtedness could have adverse consequences on our business following the merger, such as:

- requiring Regency Centers to use a substantial portion of our cash flow from operations to service our indebtedness, which would reduce the available cash flow to fund working capital, capital expenditures, development projects, and other general corporate purposes and reduce cash for distributions;

- limiting our ability to obtain additional financing to fund our working capital needs, acquisitions, capital expenditures, or other debt service requirements or for other purposes;
- increasing our costs of incurring additional debt;
- increasing our exposure to floating interest rates;
- limiting our ability to compete with other companies that are not as highly leveraged, as we may be less capable of responding to adverse economic and industry conditions;
- restricting Regency Centers from making strategic acquisitions, developing properties, or exploiting business opportunities;
- restricting the way in which we conduct our business because of financial and operating covenants in the agreements governing our existing and future indebtedness;
- exposing Regency Centers to potential events of default (if not cured or waived) under covenants contained in our debt instruments that could have a material adverse effect on our business, financial condition, and operating results;

- increasing our vulnerability to a downturn in general economic conditions; and
- limiting our ability to react to changing market conditions in its industry.

The impact of any of these potential adverse consequences could have a material adverse effect on our results of operations, financial condition, and liquidity.

At the effective time of the merger, the Gazit Parties will become significant stockholders of Regency Centers and may have interests that are different from, or are in addition to, Regency Centers or our other stockholders in the future.

At the effective time of the merger, Mr. Chaim Katzman and Gazit-Globe, Ltd. and certain of its affiliated entities ("the Gazit Parties") will own approximately 13% of outstanding shares of our common stock, based on their ownership of approximately 34% of the Equity One common stock as of November 14, 2016. This concentration of ownership in one group of stockholders could potentially be disadvantageous to the interests of our other stockholders. For example, if the Gazit Parties were to sell or otherwise transfer all or a large percentage of their holdings, our stock price could decline, and we could find it more expensive to raise capital, if needed, through the sale of additional equity securities.
Under the governance agreement, we are required to nominate Mr. Katzman to our board of directors and solicit votes for his election for so long as the Gazit Parties beneficially own 7% or more of our common stock outstanding as of immediately after the effective time of the merger. The governance agreement also provides that in the event of Mr. Katzman's death, disability, resignation or removal, or failure of Mr. Katzman to be re-elected, the Gazit Parties will have the right to designate another person to be appointed to our board of directors, which person must be reasonably acceptable to our board of directors.
The Gazit Parties have interests that may be different from, or in addition to, the interests of our other stockholders in material respects. For example, the Gazit Parties may have an interest in directly or indirectly pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their other equity investments, even though such transactions might involve risks to Regency Centers. The Gazit Parties may, from time to time in the future, acquire interests in businesses that directly or indirectly compete with our business. They may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to Regency Centers. For more information, see "Agreements with the Gazit Parties-Governance Agreement."

Counterparties to certain agreements with Regency Centers or Equity One may exercise contractual rights under such agreements in connection with the merger.

We and Equity One are each party to certain agreements that give the counterparty certain rights following a "change in control," including in some cases the right to terminate such agreements. Under some such agreements, for example certain debt obligations, the merger may constitute a change in control and therefore the counterparty may exercise certain rights under the agreement upon the closing of the merger. Any such counterparty may request modifications of its respective agreements as a condition to granting a waiver or consent under its agreement. There is no assurance that such counterparties will not exercise their rights under the agreements, including termination rights where available, that the exercise of any such rights will not result in a material adverse effect or that any modifications of such agreements will not result in a material adverse effect.

Risk Factors Related to Our Industry and Real Estate Investments

A shift in retail shopping from brick and mortar stores to e-commerce may have an adverse impact on our revenues and cash flow.

Many retailers operating brick and mortar stores have made e-commerce sales a vital piece of their business. Although many of the retailers in our shopping centers either provide services or sell groceries, such that their customer base does not have a tendency toward online shopping, the shift to e-commerce sales may adversely impact our retail tenants' sales causing those retailers to adjust the size or number of retail locations in the future. This shift could adversely impact our occupancy and rental rates, which would impact our revenues and cash flows.

Downturns in the retail industry likely will have a direct adverse impact on our revenues and cash flow.

Our properties consist primarily of grocery-anchored shopping centers. Our performance therefore is generally linked to economic conditions in the market for retail space. The market for retail space could be adversely affected by any of the following:

- weakness in the national, regional and local economies, which could adversely impact consumer spending and retail sales and in turn tenant demand for space and lead to increased store closings;
- adverse financial conditions for grocery and retail anchors;
- continued consolidation in the retail sector;

- excess amount of retail space in our markets;
- reduction in the demand by tenants to occupy our shopping centers as a result of reduced consumer demand for certain retail categories;
- the growth of super-centers and warehouse club retailers, such as those operated by Wal-Mart and Costco, and their adverse effect on traditional grocery chains;
- the impact of changing energy costs on consumers and its consequential effect on retail spending; and
- consequences of any armed conflict involving, or terrorist attack against, the United States.

To the extent that any of these conditions occur, they are likely to impact market rents for retail space, occupancy in the operating portfolio, our ability to sell, acquire or develop properties, and our cash available for distributions to stock and unit holders.

Our revenues and cash flow could be adversely affected if economic or market conditions deteriorate where our properties are geographically concentrated, which may impede our ability to generate sufficient income to pay expenses and maintain our properties.

The economic conditions in markets in which our properties are concentrated greatly influence our financial performance. During the year ended December 31, 2016, our properties in California, Florida, and Texas accounted for 31.0%, 12.1%, and 10.3%, respectively, of our net operating income from Consolidated Properties plus our pro-rata share from Unconsolidated Properties ("pro-rata basis"). Our revenues and cash available to pay expenses, maintain our properties, and for distributions to stock and unit holders could be adversely affected by this geographic concentration if market conditions, such as supply of or demand for retail space, deteriorate in California, Florida, or Texas relative to other geographic areas.

Our success depends on the success and continued presence of our “anchor” tenants.

Anchor tenants (those occupying 10,000 square feet or more) occupy large amounts of square footage, pay a significant portion of the total rents at a property and contribute to the success of other tenants by drawing significant numbers of customers to a property. We derive significant revenues from anchor tenants such as Kroger, Publix, and Albertsons/Safeway, who accounted for 4.7%, 3.1%, and 2.7%, respectively, of our total annualized base rent on a pro-rata basis, for the year ended December 31, 2016. Our net income could be adversely affected by the loss of revenues in the event a significant tenant:

- becomes bankrupt or insolvent;
- experiences a downturn in its business;
- materially defaults on its leases;
- does not renew its leases as they expire; or
- renews at lower rental rates.

Some anchors have the right to vacate and prevent re-tenanting by paying rent for the balance of the lease term. Vacated anchor space, including space owned by the anchor, can reduce rental revenues generated by the shopping center because of the loss of the departed anchor tenant's customer drawing power. If a significant tenant vacates a property, co-tenancy clauses in select centers may allow other tenants to modify or terminate their rent or lease obligations. Co-tenancy clauses have several variants: they may allow a tenant to postpone a store opening if certain other tenants fail to open their stores; they may allow a tenant to close its store prior to lease expiration if another tenant closes its store prior to lease expiration; or more commonly, they may allow a tenant to pay reduced levels of rent until a certain number of tenants open their stores within the same shopping center.

11

A significant percentage of our revenues are derived from smaller shop tenants and our net income could be adversely impacted if our smaller shop tenants are not successful.

A significant percentage of our revenues are derived from smaller shop tenants (those occupying less than 10,000 square feet). Smaller shop tenants may be more vulnerable to negative economic conditions as they have more limited resources than larger tenants. Such tenants continue to face increasing competition from non-store retailers and growing e-commerce. In addition, some of these retailers may seek to reduce their store sizes as they increasingly rely on alternative distribution channels, including e-commerce, and adjust their square footage needs accordingly. The types of smaller shop tenants vary from retail shops to service providers. If we are unable to attract the right type or mix of smaller shop tenants into our centers, our net income could be adversely impacted.

At December 31, 2016, shop space represents approximately 38% of our GLA and is leased at average base rents of $31 PSF. A one-percent decline in our shop space occupancy could result in a reduction to minimum rent of approximately $8.6 million.

We may be unable to collect balances due from tenants in bankruptcy.

Although minimum rent is supported by long-term lease contracts, tenants who file bankruptcy have the legal right to reject any or all of their leases and close related stores. In the event that a tenant with a significant number of leases in our shopping centers files bankruptcy and rejects its leases, we could experience a significant reduction in our revenues and may not be able to collect all pre-petition amounts owed by that party.

Our real estate assets may be subject to impairment charges.

Our long-lived assets, primarily real estate held for investment, are carried at cost unless circumstances indicate that the carrying value of the assets may not be recoverable. We evaluate whether there are any indicators, including property operating performance and general market conditions, such that the value of the real estate properties (including any related amortizable intangible assets or liabilities) may not be recoverable. Through the evaluation, we compare the current carrying value of the asset to the estimated undiscounted cash flows that are directly associated with the use and ultimate disposition of the asset. Our estimated cash flows are based on several key assumptions, including rental rates, costs of tenant improvements, leasing commissions, anticipated holding periods, and assumptions regarding the residual value upon disposition, including the exit capitalization rate. These key assumptions are subjective in nature and could differ materially from actual results. Changes in our disposition strategy or changes in the marketplace may alter the holding period of an asset or asset group, which may result in an impairment loss and such loss could be material to the Company's financial condition or operating performance. To the extent that the carrying value of the asset exceeds the estimated undiscounted cash flows, an impairment loss is recognized equal to the excess of carrying value over fair value.

The fair value of real estate assets is subjective and is determined through comparable sales information and other market data if available, or through use of an income approach such as the direct capitalization method or the traditional discounted cash flow approach. Such cash flow projections take into account expected future operating income, trends and prospects, as well as the effects of demand, competition and other relevant criteria, and therefore are subject to management judgment. Changes in those factors could impact the determination of fair value. In estimating the fair value of undeveloped land, we generally use market data and comparable sales information.

These subjective assessments have a direct impact on our net income because recording an impairment charge results in an immediate negative adjustment to net income. There can be no assurance that we will not take additional charges in the future related to the impairment of our assets. Any future impairment could have a material adverse effect on our net income in the period in which the charge is taken.

Adverse global market and economic conditions could cause us to recognize impairment charges or otherwise harm our performance.

We are unable to predict the timing, severity, and length of adverse market and economic conditions. Adverse market and economic conditions may impede our ability to generate sufficient operating cash flow to pay expenses, maintain properties, pay distributions to our stock and unit holders, and refinance debt. During adverse periods, there may be significant uncertainty in the valuation of our properties and investments that could result in a substantial decrease in their value. No assurance can be given that we would be able to recover the current carrying amount of all of our properties and investments in the future. Our failure to do so would require us to recognize impairment charges for the period in which we reached that conclusion, which could materially and adversely affect us and the market price of our common stock.

Unsuccessful development activities or a slowdown in development activities could have a direct impact on our revenues, revenue growth, and/or net income.

We actively pursue development opportunities. Development activities require various government and other approvals for entitlements and any delay in such approvals may significantly delay the development process. We may not recover our investment in development projects for which approvals are not received. We incur other risks associated with development activities, including:

- the risk that we may be unable to lease developments to full occupancy on a timely basis;
- the risk that occupancy rates and rents of a completed project will not be sufficient to make the project profitable;
- the risk that development costs of a project may exceed original estimates, possibly making the project unprofitable;
- the risk that delays in the development and construction process could increase costs;
- the risk that we may abandon development opportunities and lose our investment in such opportunities;
- the risk that the size of our development pipeline will strain our capacity to complete the developments within the targeted timelines and at the expected returns on invested capital;
- changes in the level of future development and redevelopment activity could have an adverse impact on operating results by reducing the amount of capitalizable internal costs for development projects; and
- the lack of cash flow during the construction period.

If we expand into new markets, we may not be successful, which could adversely affect our financial condition, results of operations and cash flows.

If opportunities arise, we may acquire properties in new markets. Each of the risks applicable to our ability to acquire and integrate successfully and operate properties in our current markets is also applicable in new markets. In addition, we may not possess the same level of familiarity with the dynamics and market conditions of the new markets we may enter, which could adversely affect the results of our expansion into those markets, and we may be unable to achieve our desired return on our investments in new markets. If we are unsuccessful in expanding into new markets, it could adversely affect our financial condition, results of operations and cash flows.

Our acquisition activities may not produce the returns that we expect.

Our investment strategy includes investing in high-quality shopping centers that are leased to market-dominant grocers, category-leading anchors, specialty retailers, or restaurants located in areas with high barriers to entry and above average household incomes and population densities. The acquisition of properties and/or companies entails risks that include, but are not limited to, the following, any of which could adversely affect our results of operations and our ability to meet our obligations:

- properties we acquire may fail to achieve the occupancy or rental rates we project, within the time frames we estimate, which may result in the properties' failure to achieve the returns we projected;
- our pre-acquisition evaluation of the physical condition of each new investment may not detect certain defects or identify necessary repairs until after the property is acquired, which could significantly increase our total acquisition costs or decrease cash flow from the property;
- our investigation of a company, property or building prior to our acquisition, and any representations we may receive from such seller, may fail to reveal various liabilities, which could reduce the cash flow from the acquisition or increase our acquisition costs;
- our estimate of the costs to improve, reposition or redevelop a property may prove to be too low, or the time we estimate to complete the improvement, repositioning or redevelopment may be too short, either of which could result in the property failing to achieve the returns we have projected, either temporarily or for a longer time;

- we may not recover our costs from an unsuccessful acquisition;
- our acquisition activities may distract our management and generate significant costs; and
- we may not be able to integrate an acquisition into our existing operations successfully.

We may experience difficulty or delay in renewing leases or re-leasing space.

We derive most of our revenue from rent received from our tenants. We are subject to the risks that, upon expiration or termination of leases, leases for space in our properties may not be renewed, space may not be re-leased, or the terms of renewal or re-lease, including the cost of required renovations or concessions to tenants, may be less favorable than current lease terms. As a result, our results of operations and our net income could be adversely impacted.

We may be unable to sell properties when appropriate because real estate investments are illiquid.

Real estate investments generally cannot be sold quickly. Our inability to respond promptly to unfavorable changes in the performance of our investments could have an adverse effect on our ability to meet our obligations and make distributions to our stock and unit holders.

Certain of the properties in our portfolio are subject to ground leases; if we are found to be in breach of a ground lease or are unable to renew a ground lease, we could be materially and adversely affected.

We have 24 properties, in our portfolio of 307 properties, that are either completely or partially on land subject to ground leases with third parties. Accordingly, we only own long-term leasehold or similar interest in those properties. If we are found to be in breach of a ground lease, we could lose our interest in the improvements and the right to operate the property that is subject to the ground lease. In addition, unless we can purchase a fee interest in the underlying land or extend the terms of these leases before or at their expiration, as to which no assurance can be given, we will lose our interest in the improvements and the right to operate such properties. The existing lease terms, including renewal options, were taken into consideration when making our investment decisions. The purchase price and subsequent improvements are being depreciated over the shorter of the remaining life of the ground leases or the useful life of the underlying assets. If we were to lose the right to operate a property due to a breach or not exercising renewal options of the ground lease, we would be unable to derive income from such property, which would impair the value of our investments, and materially and adversely affect our financial condition, results of operations and cash flows.

Geographic concentration of our properties makes our business vulnerable to natural disasters, severe weather conditions and climate change, which could have an adverse effect on our cash flow and operating results.

A significant portion of our property gross leasable area is located in areas that are susceptible to earthquakes, tropical storms, hurricanes, tornadoes, wildfires, sea-level rise, and other natural disasters and impacts of climate change. As of December 31, 2016, approximately 23.3%, 15.3%, and 11.4% of our property gross leasable area, on a pro-rata basis, was located in California, Florida, and Texas, respectively. Intense weather conditions during the last decade have caused our cost of property insurance to increase significantly. We recognize that the frequency and / or intensity of extreme weather events, sea-level rise, and other climatic changes may continue to increase, and as a result, our exposure to these events could increase. These weather conditions may also disrupt our business and the business of our tenants, which could affect the ability of some tenants to pay rent and may reduce the willingness of residents to remain in or move to the affected area. Therefore, as a result of the geographic concentration of our properties, we face risks, including higher costs, such as uninsured property losses and higher insurance premiums, and disruptions to our business and the businesses of our tenants.

An uninsured loss or a loss that exceeds the insurance coverage on our properties could subject us to loss of capital or revenue on those properties.

We carry comprehensive liability, fire, flood, extended coverage, rental loss, and environmental insurance for our properties with policy specifications and insured limits customarily carried for similar properties. We believe that the insurance carried on our properties is adequate and consistent with industry standards. There are, however, some types of losses, such as losses from hurricanes, terrorism, wars or earthquakes, for which the insurance levels carried may not be sufficient to fully cover catastrophic losses impacting multiple properties. In addition, tenants generally are required to indemnify and hold us harmless from liabilities resulting from injury to persons or damage to personal or real property, on or off the premises, due to activities conducted by tenants or their agents on the properties (including without limitation any environmental contamination), and at the tenant's expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies. However, our tenants may not properly maintain their insurance policies or have the ability to pay the deductibles associated with such policies. Should a loss occur that is uninsured or in an amount exceeding the combined aggregate limits for the policies noted above, or in the event of a loss that is subject to a substantial deductible under an insurance policy, we could lose all or part of our capital invested in, and anticipated revenue from, such properties, which could have a material adverse effect on our operating results and financial condition, as well as our ability to make distributions to stock and unit holders.

Loss of our key personnel could adversely affect our business and operations.

We depend on the efforts of our key executive personnel. Although we have developed a succession plan and believe qualified replacements could be found for our key executives, the loss of their services could adversely affect our business and operations.

We face competition from numerous sources, including other REITs and other real estate owners.

The ownership of shopping centers is highly fragmented. We face competition from other REITs and well capitalized institutional investors, as well as from numerous small owners in the acquisition, ownership, and leasing of shopping centers. We also compete to develop shopping centers with other REITs engaged in development activities as well as with local, regional, and national real estate developers. This competition may:

- reduce the number of properties available for acquisition or development;
- increase the cost of properties available for acquisition or development;
- hinder our ability to attract and retain tenants, leading to increased vacancy rates and/or reduced rents; and
- adversely affect our ability to minimize our expenses of operation.

If we cannot successfully compete in our targeted markets, our cash flow, and therefore distributions to stock and unit holders, may be adversely affected.

Costs of environmental remediation could reduce our cash flow available for distribution to stock and unit holders.

Under various federal, state and local laws, an owner or manager of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on the property. These laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence of hazardous or toxic substances. The cost of any required remediation could exceed the value of the property and/or the aggregate assets of the owner or the responsible party. The presence of, or the failure to properly remediate, hazardous or toxic substances may adversely affect our ability to sell or lease a contaminated property or to use the property as collateral for a loan. Any of these developments could reduce cash flow and our ability to make distributions to stock and unit holders.

Compliance with the Americans with Disabilities Act and fire, safety and other regulations may require us to make unintended expenditures.

All of our properties are required to comply with the Americans with Disabilities Act (“ADA”), which generally requires that buildings be made accessible to people with disabilities. Compliance with ADA requirements could require removal of access barriers, and noncompliance could result in imposition of fines by the U.S. government or an award of damages to private litigants, or both. While the tenants to whom we lease properties are obligated by law to comply with the ADA provisions, and typically under tenant leases are obligated to cover costs associated with compliance, if required changes involve greater expenditures than anticipated, or if the changes must be made on a more accelerated basis than anticipated, the ability of these tenants to cover costs could be adversely affected. In addition, we are required to operate the properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental entities and become applicable to the properties. We may be required to make substantial capital expenditures to comply with these requirements, and these expenditures could have a material adverse effect on our ability to meet our financial obligations and make distributions to our stock and unit holders.

If we do not maintain the security of tenant-related information, we could incur substantial costs and become subject to litigation.

We receive certain information about our tenants that depends upon secure transmissions of confidential information over public networks, including information permitting cashless payments. A compromise of our security systems that results in information being obtained by unauthorized persons could result in litigation against us or the imposition of penalties and require us to expend significant resources related to our information security systems. Such disruptions could adversely affect our operations, results of operations, financial condition and liquidity.

We rely extensively on computer systems to process transactions and manage our business; cyber security attacks and other disruptions could harm our ability to run our business.

We face risks associated with security breaches, whether through (i) cyber attacks or cyber intrusions, (ii) malware or computer viruses and (iii) people with access or who gain access to our systems, and other significant disruptions of our computer networks and related systems. The risk of a security breach or disruption, particularly through cyber attack or cyber intrusion, has increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Our computer networks and related systems are essential to the operation of our business and our ability to perform day-to-day operations. Although we make efforts to maintain the security and integrity of our computer networks and related systems, and we have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. A security breach or other disruption involving our computer networks and related systems could significantly disrupt the proper functioning of our networks and systems and, as a result, disrupt our operations, which could have a material adverse effect on our liquidity, financial condition and results of operations.

Risk Factors Related to Our Co-investment Partnerships and Acquisition Structure

We do not have voting control over our joint venture investments, so we are unable to ensure that our objectives will be pursued.

We have invested substantial capital as a partner in a number of joint venture investments for the acquisition or development of properties. These investments involve risks not present in a wholly-owned project as we do not have voting control over the ventures, although we do have approval rights over major decisions. The other partner may (i) have interests or goals that are inconsistent with our interests or goals or (ii) otherwise impede our objectives. The other partner also may become insolvent or bankrupt. These factors could limit the return that we receive from such investments or cause our cash flows to be lower than our estimates.

The termination of our co-investment partnerships could adversely affect our cash flow, operating results, and our ability to make distributions to stock and unit holders.

If co-investment partnerships owning a significant number of properties were dissolved for any reason, we would lose the asset and property management fees from these co-investment partnerships, which could adversely affect our operating results and our cash available for distribution to stock and unit holders.

Risk Factors Related to Funding Strategies and Capital Structure

Higher market capitalization rates for our properties could adversely impact our ability to sell properties and fund developments and acquisitions, and could dilute earnings.

As part of our funding strategy, we sell operating properties that no longer meet our investment standards or those with a limited future growth profile. These sales proceeds are used to fund the construction of new developments, redevelopments and acquisitions. An increase in market capitalization rates could cause a reduction in the value of centers identified for sale, which would have an adverse impact on the amount of cash generated. In order to meet the cash requirements of our development program, we may be required to sell more properties than initially planned, which could have a negative impact on our earnings. Additionally, the sale of properties resulting in significant tax gains could require higher distributions to our stockholders or payment of additional income taxes in order to maintain our REIT status. It would be our intent to utilize 1031 exchanges to mitigate taxable income, however there can be no assurance that we will identify properties that meet our investment objectives for acquisitions.

We depend on external sources of capital, which may not be available in the future on favorable terms or at all.

To qualify as a REIT, the Parent Company must, among other things, distribute to its stockholders each year at least 90% of its REIT taxable income (excluding any net capital gains). Because of these distribution requirements, we may not be able to fund all future capital needs with income from operations. We therefore will have to rely on third-party sources of capital, which may or may not be available on favorable terms or at all. Our access to third-party sources of capital depends on a number of things, including the market's perception of our growth potential and our current and potential future earnings. Our access to debt depends on our credit rating, the willingness of creditors to lend to us and conditions in the capital markets. In addition to finding creditors willing to lend to us, we are dependent upon our joint venture partners to contribute their pro rata share of any amount needed to repay or refinance existing debt when lenders reduce the amount of debt our joint ventures are eligible to refinance.

In addition, our existing debt arrangements also impose covenants that limit our flexibility in obtaining other financing. Additional equity offerings may result in substantial dilution of stockholders' interests and additional debt financing may substantially increase our degree of leverage.

Without access to external sources of capital, we would be required to pay outstanding debt with our operating cash flows and proceeds from property sales. Our operating cash flows may not be sufficient to pay our outstanding debt as it comes due and real estate investments generally cannot be sold quickly at a return we believe is appropriate. If we are required to deleverage our business with operating cash flows and proceeds from property sales, we may be forced to reduce the amount of, or eliminate altogether, our distributions to stock and unit holders or refrain from making investments in our business.

Our debt financing may adversely affect our business and financial condition.

Our ability to make scheduled payments or to refinance our indebtedness will depend primarily on our future performance, which to a certain extent is subject to economic, financial, competitive and other factors beyond our control. In addition, we do not expect to generate sufficient funds from operations to make balloon principal payments on our debt when due. If we are unable to refinance our debt on acceptable terms, we may be forced (i) to dispose of properties, which might result in losses, or (ii) to obtain financing at unfavorable terms, either of which could reduce the cash flow available for distributions to stock and unit holders. If we cannot make required mortgage payments, the mortgagee could foreclose on the property securing the mortgage.

Covenants in our debt agreements may restrict our operating activities and adversely affect our financial condition.

Our unsecured notes, unsecured term loan, and unsecured line of credit contain customary covenants, including compliance with financial ratios, such as ratio of total debt to gross asset value and fixed charge coverage ratio. Fixed charge coverage ratio is defined as earnings before interest, taxes, depreciation and amortization ("EBITDA") divided by the sum of interest expense and scheduled mortgage principal paid to our lenders plus dividends paid to our preferred stockholders. Our debt arrangements also restrict our ability to enter into a transaction that would result in a change of control. These covenants may limit our operational flexibility and our acquisition activities. Moreover, if we breach any of the covenants in our debt agreements, and do not cure the breach within the applicable cure period, our lenders could require us to repay the debt immediately, even in the absence of a payment default. Many of our debt arrangements, including our unsecured notes, unsecured term loan, and unsecured line of credit are cross-defaulted, which means that the lenders under those debt arrangements can put us in default and require immediate repayment of their debt if we breach and fail to cure a default under certain of our other material debt obligations. As a result, any default under our debt covenants could have an adverse effect on our financial condition, our results of operations, our ability to meet our obligations, and the market value of our stock.

Increases in interest rates would cause our borrowing costs to rise and negatively impact our results of operations.

Although a significant amount of our outstanding debt has fixed interest rates, we do borrow funds at variable interest rates under our credit facilities. As of December 31, 2016, 1.3% of our outstanding debt was variable rate debt. Increases in interest rates would increase our interest expense on any variable rate debt to the extent we have not hedged our exposure to changes in interest rates. In addition, increases in interest rates will affect the terms under which we refinance our existing debt as it matures, to the extent we have not hedged our exposure to changes in interest rates. This would reduce our future earnings and cash flows, which could adversely affect our ability to service our debt and meet our other obligations and also could reduce the amount we are able to distribute to our stock and unit holders.

Hedging activity may expose us to risks, including the risks that a counterparty will not perform and that the hedge will not yield the economic benefits we anticipate, which could adversely affect us.

From time to time, we manage our exposure to interest rate volatility by using interest rate hedging arrangements that involve risk, such as the risk that counterparties may fail to honor their obligations under these arrangements, and that these arrangements may not be effective in reducing our exposure to interest rate changes. There can be no assurance that our hedging arrangements will qualify for hedge accounting or that our hedging activities will have the desired beneficial impact on our results of operations. Should we desire to terminate a hedging agreement, there could be significant costs and cash requirements involved to fulfill our obligations under the hedging agreement. Failure to hedge effectively against interest rate changes may adversely affect our results of operations.

We may acquire properties or portfolios of properties through tax-deferred contribution transactions, which could result in stockholder dilution and limit our ability to sell such assets.

We may acquire properties or portfolios of properties through tax deferred contribution transactions in exchange for partnership interests in our operating partnership, which may result in stockholder dilution. This acquisition structure may have the effect of, among other things, reducing the amount of tax depreciation we could deduct over the tax life of the acquired properties, and may require that we agree to protect the contributors' ability to defer recognition of taxable gain through restrictions on our ability to dispose of the acquired properties and/or the allocation of partnership debt to the contributors to maintain their tax bases. These restrictions could limit our ability to sell an asset at a time, or on terms, that would be favorable absent such restrictions.

Risk Factors Related to the Market Price for Our Debt and Equity Securities

Changes in economic and market conditions could adversely affect the market price of our securities.

The market price of our debt and equity securities may fluctuate significantly in response to many factors, many of which are out of our control, including:

- actual or anticipated variations in our operating results;
- changes in our funds from operations or earnings estimates;
- publication of research reports about us or the real estate industry in general and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other REIT's;
- the ability of our tenants to pay rent and meet their other obligations to us under current lease terms and our ability to re-lease space as leases expire;
- increases in market interest rates that drive purchasers of our stock to demand a higher dividend yield;
- changes in market valuations of similar companies;
- adverse market reaction to any additional debt we incur in the future;
- any future issuances of equity securities;
- additions or departures of key management personnel;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- actions by institutional stockholders;
- changes in our dividend payments;
- potential tax law changes on REITs;
- speculation in the press or investment community; and
- general market and economic conditions.

These factors may cause the market price of our securities to decline, regardless of our financial condition, results of operations, business or prospects. It is impossible to ensure that the market price of our securities, including our common stock, will not fall in the future. A decrease in the market price of our common stock could reduce our ability to raise additional equity in the public markets. Selling common stock at a decreased market price would have a dilutive impact on existing stockholders.

There is no assurance that we will continue to pay dividends at historical rates.

Our ability to continue to pay dividends at historical rates or to increase our dividend rate will depend on a number of factors, including, among others, the following:

- our financial condition and results of future operations;
- the terms of our loan covenants; and
- our ability to acquire, finance, develop or redevelop and lease additional properties at attractive rates.

If we do not maintain or periodically increase the dividend on our common stock, it could have an adverse effect on the market price of our common stock and other securities.

Changes in accounting standards may adversely impact our financial results.

The Financial Accounting Standards Board ("FASB"), in conjunction with the SEC, has several key projects recently completed or on their agenda that could impact how we currently account for our material transactions, including lease accounting and other convergence projects with the International Accounting Standards Board. The largest projects, Revenue from Contracts with Customers and Leases, have been issued and will be adopted by the Company by their effective dates, as further described in note 1. We do not currently expect the adoption of the Revenue from Contracts with Customers standard to have a material impact, but are still completing our evaluation. The Leases standard is expected to have an impact, specifically to require all of our operating leases for office, ground and equipment leases to be recorded on the balance sheet. Additionally, a material change is expected as it relates to accounting for initial direct costs to obtain a lease with a tenant. Previously capitalizable internal leasing salaries will no longer be capitalizable under the new standard.

Risk Factors Related to Federal Income Tax Laws

If the Parent Company fails to qualify as a REIT for federal income tax purposes, it would be subject to federal income tax at regular corporate rates.

We believe that the Parent Company qualifies for taxation as a REIT for federal income tax purposes, and we plan to operate so that we can continue to meet the requirements for taxation as a REIT. If the Parent Company continues to qualify as a REIT, it generally will not be subject to federal income tax on income that we distribute to our stockholders. Many REIT requirements, however, are highly technical and complex. The determination that the Parent Company is a REIT requires an analysis of various factual matters and circumstances, some of which may not be totally within our control and some of which involve questions of interpretation. For example, to qualify as a REIT, at least 95% of our gross income must come from specific passive sources, like rent, that are itemized in the REIT tax laws. There can be no assurance that the Internal Revenue Service ("IRS") or a court would agree with the positions we have taken in interpreting the REIT requirements. We are also required to distribute to our stockholders at least 90% of our REIT taxable income, excluding capital gains. The fact that we hold many of our assets through co-investment partnerships and their subsidiaries further complicates the application of the REIT requirements. Furthermore, Congress and the IRS might make changes to the tax laws and regulations, and the courts might issue new rulings, that make it more difficult, or impossible, for the Parent Company to remain qualified as a REIT.

Also, unless the IRS granted relief under certain statutory provisions, the Parent Company would remain disqualified as a REIT for four years following the year it first failed to qualify. If the Parent Company failed to qualify as a REIT (currently and/or with respect to any tax years for which the statute of limitations has not expired), we would have to pay significant income taxes, reducing cash available to pay dividends, which would likely have a significant adverse effect on the value of our securities. In addition, we would no longer be required to pay any dividends to stockholders. Although we believe that the Parent Company qualifies as a REIT, we cannot assure you that the Parent Company will continue to qualify or remain qualified as a REIT for tax purposes.

Even if the Parent Company qualifies as a REIT for federal income tax purposes, we are required to pay certain federal, state and local taxes on our income and property. For example, if we have net income from "prohibited transactions," that income will be subject to a 100% tax. In general, prohibited transactions include sales or other dispositions of property held primarily for sale to customers in the ordinary course of business. The determination as to whether a particular sale is a prohibited transaction depends on the facts and circumstances related to that sale. While we have undertaken a significant number of asset sales in recent years, we do not believe that those sales should be considered prohibited transactions, but there can be no assurance that the IRS would not contend otherwise.

Dividends paid by REITs generally do not qualify for reduced tax rates.

Subject to limited exceptions, dividends paid by REITs (other than distributions designated as capital gain dividends or returns of capital) are not eligible for reduced rates for qualified dividends paid by "C" corporations and are taxable at ordinary income tax rates. The more favorable rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including the shares of our capital stock.

Foreign stockholders may be subject to U.S. federal income tax on gain recognized on a disposition of our common stock if we do not qualify as a "domestically controlled" REIT.

A foreign person disposing of a U.S. real property interest, including shares of a U.S. corporation whose assets consist principally of U.S. real property interests is generally subject to U.S. federal income tax on any gain recognized on the disposition. This tax does not apply, however, to the disposition of stock in a REIT if the REIT is "domestically controlled." In general, we will be a domestically controlled REIT if at all times during the five-year period ending on the applicable stockholder's disposition of our stock, less than 50% in value of our stock was held directly or indirectly by non-U.S. persons. If we were to fail to qualify as a domestically controlled REIT, gain recognized by a foreign stockholder on a disposition of our common stock would be subject to U.S. federal income tax unless our common stock was traded on an established securities market and the foreign stockholder did not at any time during a specified testing period directly or indirectly own more than 10% of our outstanding common stock.

Legislative or other actions affecting REITs could have a negative effect on us.

The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of the Treasury. Changes to the tax laws, with or without retroactive application, could adversely affect our investors or us. We cannot predict how changes in the tax laws might affect our investors or us. New legislation, Treasury Regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT or the federal income tax consequences of such qualification, or the federal income tax consequences of an investment in us. Also, the law relating to the tax treatment of other entities, or an investment in other entities, could change, making an investment in such other entities more attractive relative to an investment in a REIT.

Complying with REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code limit our ability to hedge our liabilities. Generally, income from a hedging transaction that constitutes “qualifying income” for purposes of the 75% or 95% gross income tests applicable to REITs, does not constitute “gross income” for purposes of the 75% or 95% gross income tests, provided that we properly identify the hedging transaction pursuant to the applicable sections of the Code and Treasury Regulations. To the extent that we enter into other types of hedging transactions, or fail to make the proper tax identifications, the income from those transactions is likely to be treated as non-qualifying income for purposes of both gross income tests. As a result of these rules, we may need to limit our use of otherwise advantageous hedging techniques or implement those hedges through a taxable REIT subsidiary, or TRS.

Risk Factors Related to Our Ownership Limitations and the Florida Business Corporation Act

Restrictions on the ownership of the Parent Company's capital stock to preserve its REIT status could delay or prevent a change in control.

Ownership of more than 7% by value of our outstanding capital stock is prohibited, with certain exceptions, by the Parent Company's articles of incorporation, for the purpose of maintaining its qualification as a REIT. This 7% limitation may discourage a change in control and may also (i) deter tender offers for our capital stock, which offers may be attractive to our stockholders, or (ii) limit the opportunity for our stockholders to receive a premium for their capital stock that might otherwise exist if an investor attempted to assemble a block in excess of 7% of our outstanding capital stock or to affect a change in control.

The issuance of the Parent Company's capital stock could delay or prevent a change in control.

The Parent Company's articles of incorporation authorize our Board of Directors to issue up to 30,000,000 shares of preferred stock and 10,000,000 shares of special common stock and to establish the preferences and rights of any shares issued. The issuance of preferred stock or special common stock could have the effect of delaying or preventing a change in control. The provisions of the Florida Business Corporation Act regarding affiliated transactions could also deter potential acquisitions by preventing the acquiring party from consummating a merger or other extraordinary corporate transaction without the approval of our disinterested stockholders.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The following table is a list of the shopping centers, summarized by state and in order of largest holdings, presented for Consolidated Properties (excludes properties owned by unconsolidated co-investment partnerships):

	December 31, 2016				December 31, 2015			
Location	Number of Properties	GLA (in thousands)	Percent of Total GLA	Percent Leased	Number of Properties	GLA (in thousands)	Percent of Total GLA	Percent Leased
California	43	5,734	24.0 %	97.7 %	42	5,619	24.1 %	95.6 %
Florida	37	4,167	17.4 %	93.6 %	39	4,214	18.1 %	94.7 %
Texas	23	3,014	12.6 %	96.0 %	22	2,716	11.7 %	97.6 %
Georgia	15	1,395	5.8 %	93.8 %	15	1,392	6.0 %	92.9 %
Colorado	14	1,146	4.8 %	93.8 %	15	1,266	5.4 %	91.3 %
North Carolina	10	895	3.8 %	96.2 %	10	895	3.8 %	95.8 %
Ohio	8	1,184	4.9 %	98.4 %	8	1,164	5.0 %	98.6 %
Virginia	7	1,233	5.2 %	87.5 %	6	841	3.6 %	96.2 %
Oregon	7	741	3.1 %	93.3 %	7	742	3.2 %	87.9 %
Washington	6	672	2.8 %	99.3 %	5	606	2.6 %	98.7 %
Illinois	5	817	3.4 %	98.7 %	5	817	3.5 %	98.2 %
Missouri	4	408	1.7 %	99.5 %	4	408	1.8 %	100.0%
Massachusetts	3	516	2.2 %	95.5 %	3	516	2.2 %	96.1 %
Tennessee	3	317	1.3 %	96.3 %	3	317	1.4 %	96.1 %
Connecticut	3	316	1.3 %	94.7 %	3	315	1.4 %	96.3 %
Pennsylvania	3	317	1.3 %	94.7 %	3	311	1.3 %	98.4 %
Indiana	1	254	1.1 %	97.9 %	3	281	1.2 %	93.8 %
Arizona	1	36	0.1 %	60.4 %	2	274	1.2 %	92.7 %
Delaware	1	232	1.0 %	93.6 %	1	232	1.0 %	90.1 %
Maryland	1	117	0.5 %	97.9 %	1	113	0.5 %	96.1 %
Michigan	1	97	0.4 %	97.1 %	1	97	0.4 %	95.7 %
New York	1	105	0.4 %	—%	—	—	—%	—%
New Jersey	1	218	0.9 %	65.9 %	—	—	—%	—%
Alabama	—	—	—%	—%	1	85	0.4 %	95.0 %
South Carolina	—	—	—%	—%	1	59	0.2 %	100.0%
Total	198	23,931	100.0%	94.8%	200	23,280	100.0%	95.4%

Certain Consolidated Properties are encumbered by mortgage loans of $467.1 million, excluding debt premiums and discounts, as of December 31, 2016.

The weighted average annual effective rent for the consolidated portfolio of properties, net of tenant concessions, is $19.70 and $18.95 per square foot ("PSF") as of December 31, 2016 and 2015, respectively.

The following table is a list of the shopping centers, summarized by state and in order of largest holdings, presented for Unconsolidated Properties (includes properties owned by unconsolidated co-investment partnerships):

Location	December 31, 2016				December 31, 2015			
	Number of Properties	GLA (in thousands)	Percent of Total GLA	Percent Leased	Number of Properties	GLA (in thousands)	Percent of Total GLA	Percent Leased
California	20	2,652	19.1%	97.5%	20	2,652	18.0%	98.7%
Virginia	18	2,551	18.3%	95.1%	19	2,645	17.9%	96.9%
Maryland	11	1,182	8.5%	96.1%	13	1,491	10.1%	92.5%
North Carolina	8	1,275	9.2%	95.3%	8	1,275	8.6%	97.6%
Florida	7	729	5.2%	98.4%	8	682	4.6%	97.4%
Texas	7	932	6.7%	98.4%	7	932	6.3%	99.3%
Pennsylvania	6	664	4.8%	91.7%	6	664	4.5%	88.7%
Colorado	5	853	6.1%	95.1%	5	862	5.8%	92.9%
Minnesota	5	674	4.8%	98.6%	5	674	4.6%	98.3%
Washington	5	621	4.6%	95.2%	5	621	4.2%	97.0%
Illinois	4	671	4.8%	95.7%	7	944	6.4%	94.6%
New Jersey	2	158	1.1%	100.0%	2	158	1.1%	95.7%
Indiana	2	139	1.0%	100.0%	2	139	0.9%	100.0%
District of Columbia	2	40	0.3%	100.0%	2	40	0.3%	100.0%
Connecticut	1	186	1.3%	94.8%	1	186	1.3%	98.8%
South Carolina	1	80	0.6%	100.0%	2	162	1.1%	100.0%
New York	1	141	1.0%	100.0%	1	141	1.0%	100.0%
Arizona	1	108	0.8%	89.7%	1	108	0.7%	87.4%
Oregon	1	93	0.7%	94.7%	1	93	0.6%	98.1%
Georgia	1	86	0.6%	98.5%	1	86	0.6%	100.0%
Delaware	1	64	0.5%	92.6%	1	67	0.5%	91.0%
Wisconsin	—	—	—%	—%	1	133	0.9%	92.8%
Total	109	13,899	100.0%	96.3%	118	14,755	100.0%	96.3%

Certain Unconsolidated Properties are encumbered by mortgage loans of $1.3 billion, excluding debt premiums and discounts, as of December 31, 2016.

The weighted average annual effective rent for the unconsolidated portfolio of properties, net of tenant concessions, is $19.25 and $18.81 PSF as of December 31, 2016 and 2015, respectively.

The following table summarizes the largest tenants occupying our shopping centers for Consolidated Properties plus our pro-rata share of Unconsolidated Properties, as of December 31, 2016, based upon a percentage of total annualized base rent (GLA and dollars in thousands):

Tenant	GLA	Percent of Company Owned GLA	Annualized Base Rent	Percent of Annualized Base Rent	Number of Leased Stores	Anchor Owned Stores (1)
Kroger	2,686	9.3%	$26,288	4.7%	54	5
Publix	1,641	5.7%	17,617	3.1%	40	1
Albertsons/Safeway	1,361	4.7%	15,178	2.7%	41	7
Whole Foods	713	2.5%	13,895	2.5%	21	—
TJX Companies	807	2.8%	10,895	1.9%	38	—
CVS	498	1.7%	8,644	1.5%	45	—
PETCO	324	1.1%	7,218	1.3%	41	—
Ahold/Delhaize	460	1.6%	6,301	1.1%	14	—
H.E.B.	344	1.2%	5,762	1.0%	5	—
Trader Joe's	179	0.6%	4,995	0.9%	19	—
Ross Dress For Less	306	1.1%	4,982	0.9%	16	—
Nordstrom Rack	174	0.6%	4,937	0.9%	5	—
Bank of America	88	0.3%	4,580	0.8%	31	—
Target	410	1.4%	4,441	0.8%	5	13
Starbucks	106	0.4%	4,424	0.8%	81	—
Wells Fargo Bank	85	0.3%	4,416	0.8%	41	—
JPMorgan Chase Bank	64	0.2%	3,995	0.7%	25	—
Kohl's	289	1.0%	3,950	0.7%	4	—
Dick's Sporting Goods	267	0.9%	3,441	0.6%	5	—
Panera Bread	97	0.3%	3,359	0.6%	27	—
Sears Holdings	376	1.3%	3,090	0.6%	5	1
Bed Bath & Beyond	175	0.6%	2,940	0.5%	6	—
Subway	85	0.3%	2,927	0.5%	91	—
Massage Envy	89	0.3%	2,808	0.5%	33	—
Rite Aid	171	0.6%	2,807	0.5%	19	—

(1) Stores owned by anchor tenant that are attached to our centers.

Our leases for tenant space under 10,000 square feet generally have terms ranging from three to seven years. Leases greater than 10,000 square feet generally have lease terms in excess of five years, mostly comprised of anchor tenants. Many of the anchor leases contain provisions allowing the tenant the option of extending the term of the lease at expiration. Our leases provide for the monthly payment in advance of fixed minimum rent, the tenant's pro-rata share of real estate taxes, insurance, and common area maintenance (“CAM”) expenses, and reimbursement for utility costs if not directly metered.

23

The following table summarizes pro-rata lease expirations for the next ten years and thereafter, for our Consolidated and Unconsolidated Properties, assuming no tenants renew their leases (GLA and dollars in thousands):

Lease Expiration Year	Number of Tenants with Expiring Leases	Pro-rata Expiring GLA	Percent of Total Company GLA		In Place Minimum Rent Expiring Under Leases [2]	Percent of Minimum Rent [2]		Pro-rata Expiring ABR
(1)	200	158	0.6	%	$ 3,699	0.7	%	$ 23.41
2017	887	2,219	8.2	%	48,215	8.9	%	21.73
2018	975	2,783	10.3	%	59,549	11.0	%	21.40
2019	911	3,229	12.0	%	64,178	11.9	%	19.88
2020	934	3,094	11.5	%	65,686	12.1	%	21.23
2021	911	3,324	12.3	%	68,210	12.6	%	20.52
2022	494	2,645	9.8	%	50,047	9.3	%	18.92
2023	240	1,153	4.3	%	25,352	4.7	%	21.99
2024	253	1,513	5.6	%	30,311	5.6	%	20.03
2025	236	1,191	4.4	%	28,304	5.2	%	23.76
2026	216	1,176	4.4	%	28,639	5.3	%	24.35
Thereafter	441	4,466	16.6	%	68,781	12.7	%	15.40
Total	6,698	26,951	100.0	%	$ 540,971	100.0	%	

(1) Leases currently under month-to-month rent or in process of renewal.
(2) Minimum rent includes current minimum rent and future contractual rent steps, but excludes additional rent such as percentage rent, common area maintenance, real estate taxes and insurance reimbursements.

During 2017, we have a total of 887 leases expiring, representing 2.2 million square feet of GLA. These expiring leases have an average base rent of $21.73 PSF. The average base rent of new leases signed during 2016 was $23.98 PSF. During periods of recession or when occupancy is low, tenants have more bargaining power, which may result in rental rate declines on new or renewal leases. In periods of recovery and/or when occupancy levels are high, landlords have more bargaining power, which generally results in rental rate growth on new and renewal leases. Based on current economic trends and expectations, and pro-rata percent leased of 95.4%, we expect average base rent on new and renewal leases during 2017 to meet or exceed average rental rates on leases expiring in 2017. Exceptions may arise in certain geographic areas or at specific shopping centers based on the local economic situation, competition, location, and size of the space being leased, among other factors. Additionally, significant changes or uncertainties affecting micro- or macroeconomic climates may cause significant changes to our current expectations.

See the following property table and also see Item 7, Management's Discussion and Analysis, for further information about our Consolidated and Unconsolidated Properties.

Property Name	(1) CBSA	State	(2) Owner-ship Interest	Year Acquired	Year Constructed or Last Major Renovation	Mortgages or Encumbrances (in 000's)	Gross Leasable Area (GLA) (in 000's)	(3) Pe Le
Palm Valley Marketplace	Phoenix-Mesa-Scottsdale	AZ	20%	2001	1999	$—	108	89
Shops at Arizona	Phoenix-Mesa-Scottsdale	AZ		2003	2000	—	36	60
4S Commons Town Center	San Diego-Carlsbad-San Marcos	CA	85%	2004	2004	62,500	240	10
Amerige Heights Town Center	Los Angeles-Long Beach-Santa Ana	CA		2000	2000	16,106	89	10
Balboa Mesa Shopping Center	San Diego-Carlsbad-San Marcos	CA		2012	1969	—	207	10
Bayhill Shopping Center	San Francisco-Oakland-Fremont	CA	40%	2005	1990	20,838	122	97
Blossom Valley	San Jose-Sunnyvale-Santa Clara	CA	20%	1999	1990	—	93	98
Brea Marketplace (6)	Los Angeles-Long Beach-Santa Ana	CA	40%	2005	1987	47,167	352	99
Clayton Valley Shopping Center	San Francisco-Oakland-Fremont	CA		2003	2004	—	260	94
Corral Hollow	Stockton	CA	25%	2000	2000	—	167	10
Costa Verde Center	San Diego-Carlsbad-San Marcos	CA		1999	1988	—	179	90
Diablo Plaza	San Francisco-Oakland-Fremont	CA		1999	1982	—	63	10
East Washington Place	Santa Rosa-Petaluma	CA		2011	2011	—	203	10
El Camino Shopping Center	Los Angeles-Long Beach-Santa Ana	CA		1999	1995	—	136	98
El Cerrito Plaza	San Francisco-Oakland-Fremont	CA		2000	2000	37,237	256	97
El Norte Pkwy Plaza	San Diego-Carlsbad-San Marcos	CA		1999	1984	—	91	94

Encina Grande	San Francisco-Oakland-Fremont	CA		1999	1965	—	106	10
Five Points Shopping Center	Santa Barbara-Santa Maria-Goleta	CA	40%	2005	1960	26,604	145	98
Folsom Prairie City Crossing	Sacramento--Arden-Arcade--Roseville	CA		1999	1999	—	90	98
French Valley Village Center	Riverside-San Bernardino-Ontario	CA		2004	2004	—	99	10
Friars Mission Center	San Diego-Carlsbad-San Marcos	CA		1999	1989	—	147	10
Gateway 101	San Francisco-Oakland-Fremont	CA		2008	2008	—	92	10
Gelson's Westlake Market Plaza	Oxnard-Thousand Oaks-Ventura	CA		2002	2002	—	85	10
Golden Hills Promenade	San Luis Obispo-Paso Robles	CA		2006	2006	—	244	98
Granada Village	Los Angeles-Long Beach-Santa Ana	CA	40%	2005	1965	50,000	226	10
Hasley Canyon Village	Los Angeles-Long Beach-Santa Ana	CA	20%	2003	2003	—	66	10
Heritage Plaza (6)	Los Angeles-Long Beach-Santa Ana	CA		1999	1981	—	230	98
Indio Towne Center	Riverside-San Bernardino-Ontario	CA		2006	2010	—	180	92
Jefferson Square	Riverside-San Bernardino-Ontario	CA		2007	2007	—	38	49
Laguna Niguel Plaza	Los Angeles-Long Beach-Santa Ana	CA	40%	2005	1985	—	42	10
Marina Shores	Los Angeles-Long Beach-Santa Ana	CA	20%	2008	2001	10,897	68	10
Mariposa Shopping Center	San Jose-Sunnyvale-Santa Clara	CA	40%	2005	1957	20,140	127	10
Morningside Plaza	Los Angeles-Long Beach-Santa Ana	CA		1999	1996	—	91	98
Navajo Shopping Center	San Diego-Carlsbad-San Marcos	CA	40%	2005	1964	8,215	102	98
Newland Center	Los Angeles-Long Beach-Santa Ana	CA		1999	1985	—	152	99

Property Name	(1) CBSA	State	(2) Owner-ship Interest	Year Acquired	Year Constructed or Last Major Renovation	Mortgages or Encumbrances (in 000's)	Gross Leasable Area (GLA) (in 000's)	(3) Pe Le
Oak Shade Town Center	Sacramento--Arden-Arcade--Roseville	CA		2011	1998	8,695	104	99
Oakbrook Plaza	Oxnard-Thousand Oaks-Ventura	CA		1999	1982	—	83	95
Persimmon Place	San Francisco-Oakland-Fremont	CA		2014	2014	—	153	10
Plaza Hermosa	Los Angeles-Long Beach-Santa Ana	CA		1999	1984	13,800	95	10
Pleasant Hill Shopping Center	San Francisco-Oakland-Fremont	CA	40%	2005	1970	50,000	232	10
Point Loma Plaza	San Diego-Carlsbad-San Marcos	CA	40%	2005	1987	25,984	213	82
Powell Street Plaza	San Francisco-Oakland-Fremont	CA		2001	1987	—	166	10
Raley's Supermarket	Sacramento--Arden-Arcade--Roseville	CA	20%	2007	1964	—	63	10
Rancho San Diego Village	San Diego-Carlsbad-San Marcos	CA	40%	2005	1981	22,393	153	93
Rona Plaza	Los Angeles-Long Beach-Santa Ana	CA		1999	1989	—	52	10
San Leandro Plaza	San Francisco-Oakland-Fremont	CA		1999	1982	—	50	10
Seal Beach	Los Angeles-Long Beach-Santa Ana	CA	20%	2002	1966	2,200	97	97
Sequoia Station	San Francisco-Oakland-Fremont	CA		1999	1996	21,100	103	10
Shoppes at Homestead (fka Loehmanns Plaza California)	San Jose-Sunnyvale-Santa Clara	CA		1999	1983	—	113	10
Silverado Plaza	Napa	CA	40%	2005	1974	10,058	85	98
Snell & Branham Plaza	San Jose-Sunnyvale-Santa Clara	CA	40%	2005	1988	13,427	92	10

South Bay Village	Los Angeles-Long Beach-Santa Ana	CA		2012	2012	—	108	10
Strawflower Village	San Francisco-Oakland-Fremont	CA		1999	1985	—	79	94
Tassajara Crossing	San Francisco-Oakland-Fremont	CA		1999	1990	19,800	146	95
The Hub Hillcrest Market (fka Uptown District)	San Diego-Carlsbad-San Marcos	CA		2012	1990	—	149	97
Tustin Legacy (7)	Los Angeles-Long Beach-Santa Ana	CA		2016	2016	—	112	82
Twin Oaks Shopping Center	Los Angeles-Long Beach-Santa Ana	CA	40%	2005	1978	9,924	98	96
Twin Peaks	San Diego-Carlsbad-San Marcos	CA		1999	1988	—	208	96
Valencia Crossroads	Los Angeles-Long Beach-Santa Ana	CA		2002	2003	—	173	10
Village at La Floresta	Los Angeles-Long Beach-Santa Ana	CA		2014	2014	—	87	10
West Park Plaza	San Jose-Sunnyvale-Santa Clara	CA		1999	1996	—	88	10
Westlake Village Plaza and Center	Oxnard-Thousand Oaks-Ventura	CA		1999	1975	—	197	10
Woodman Van Nuys	Los Angeles-Long Beach-Santa Ana	CA		1999	1992	—	108	10
Woodside Central	San Francisco-Oakland-Fremont	CA		1999	1993	—	81	10
Ygnacio Plaza	San Francisco-Oakland-Fremont	CA	40%	2005	1968	27,326	110	10
Applewood Shopping Center	Denver-Aurora	CO	40%	2005	1956	—	372	91
Arapahoe Village	Boulder	CO	40%	2005	1957	13,936	159	95
Belleview Square	Denver-Aurora	CO		2004	1978	—	117	10
Boulevard Center	Denver-Aurora	CO		1999	1986	—	79	94
Buckley Square	Denver-Aurora	CO		1999	1978	—	116	10
Centerplace of Greeley III Phase I	Greeley	CO		2007	2007	—	119	64

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Cherrywood Square	Denver-Aurora	CO	40%	2005	1978	4,302	97	97.8%
Crossroads Commons	Boulder	CO	20%	2001	1986	16,501	143	100.0
Falcon Marketplace	Colorado Springs	CO		2005	2005	—	22	93.8%
Hilltop Village	Denver-Aurora	CO		2002	2003	—	100	91.1%
Kent Place	Denver-Aurora	CO	50%	2011	2011	8,250	48	100.0
Littleton Square	Denver-Aurora	CO		1999	1997	—	99	100.0
Lloyd King Center	Denver-Aurora	CO		1998	1998	—	83	96.9%
Marketplace at Briargate	Colorado Springs	CO		2006	2006	—	29	91.8%
Monument Jackson Creek	Colorado Springs	CO		1998	1999	—	85	100.0
Ralston Square Shopping Center	Denver-Aurora	CO	40%	2005	1977	4,302	83	100.0
Shops at Quail Creek	Denver-Aurora	CO		2008	2008	—	38	96.5%
Stroh Ranch	Denver-Aurora	CO		1998	1998	—	93	98.5%
Woodmen Plaza	Colorado Springs	CO		1998	1998	—	116	94.1%
Black Rock	Bridgeport-Stamford-Norwalk	CT	80%	2014	1996	20,000	98	97.8%
Brick Walk (6)	Bridgeport-Stamford-Norwalk	CT	80%	2014	2007	33,000	124	90.5%
Corbin's Corner	Hartford-West Hartford-East Hartford	CT	40%	2005	1962	39,532	186	94.8%
Fairfield Center (6)	Bridgeport-Stamford-Norwalk	CT	80%	2014	2000	—	94	97.0%
Shops at The Columbia	Washington-Arlington-Alexandria	DC	25%	2006	2006	—	23	100.0
Spring Valley Shopping	Washington-Arlington-Alexandria	DC	40%	2005	1930	12,530	17	100.0

Center								
Pike Creek	Philadelphia-Camden-Wilmington	DE		1998	1981	—	232	93.6%
Shoppes of Graylyn	Philadelphia-Camden-Wilmington	DE	40%	2005	1971	—	64	92.6%
Anastasia Plaza	Jacksonville	FL		1993	1988	—	102	98.4%
Aventura Shopping Center	Miami-Fort Lauderdale-Miami Beach	FL		1994	1974	—	95	84.8%
Berkshire Commons	Naples-Marco Island	FL		1994	1992	7,500	110	96.9%
Bloomingdale Square	Tampa-St. Petersburg-Clearwater	FL		1998	1987	—	268	64.5%
Boynton Lakes Plaza	Miami-Fort Lauderdale-Miami Beach	FL		1997	1993	—	110	94.9%
Brooklyn Station on Riverside (fka Shoppes on Riverside)	Jacksonville	FL		2013	2013	—	50	97.2%
Caligo Crossing	Miami-Fort Lauderdale-Miami Beach	FL		2007	2007	—	11	100.0
Carriage Gate	Tallahassee	FL		1994	1978	—	74	86.6%
Chasewood Plaza	Miami-Fort Lauderdale-Miami Beach	FL		1993	1986	—	151	100.0
Corkscrew Village	Cape Coral-Fort Myers	FL		2007	1997	7,343	82	97.0%
Courtyard Shopping Center	Jacksonville	FL		1993	1987	—	137	100.0
Fleming Island	Jacksonville	FL		1998	2000	—	132	99.3%
Fountain Square	Miami-Fort Lauderdale-Miami Beach	FL		2013	2013	—	177	96.4%
Garden Square	Miami-Fort Lauderdale-Miami Beach	FL		1997	1991	—	90	100.0
Grande Oak	Cape Coral-Fort Myers	FL		2000	2000	—	79	98.2%
Hibernia Pavilion	Jacksonville	FL		2006	2006	—	51	89.6%

Property Name	(1) CBSA	State	(2) Owner-ship Interest	Year Acquired	Year Constructed or Last Major Renovation	Mortgages or Encumbrances (in 000's)	Gross Leasable Area (GLA) (in 000's)	(3) Percent Leased	(4) Average Base Rent (Per Sq Ft)	(. G M T > S
John's Creek Center	Jacksonville	FL	20%	2003	2004	9,000	75	100.0%	14.63	F
Julington Village	Jacksonville	FL	20%	1999	1999	9,500	82	98.0%	15.35	F
Marketplace Shopping Center	Tampa-St. Petersburg-Clearwater	FL		1995	1983	—	90	88.8%	19.53	L
Millhopper Shopping Center	Gainesville	FL		1993	1974	—	76	100.0%	16.47	F
Naples Walk Shopping Center	Naples-Marco Island	FL		2007	1999	—	125	93.9%	15.90	F
Newberry Square	Gainesville	FL		1994	1986	—	181	83.3%	7.12	F K
Nocatee Town Center	Jacksonville	FL		2007	2007	—	107	89.6%	17.80	F
Northgate Square	Tampa-St. Petersburg-Clearwater	FL		2007	1995	—	75	98.2%	14.14	F
Oakleaf Commons	Jacksonville	FL		2006	2006	—	74	90.5%	14.14	F
Ocala Corners (6)	Tallahassee	FL		2000	2000	4,615	87	100.0%	13.74	F
Old St Augustine Plaza	Jacksonville	FL		1996	1990	—	256	100.0%	9.77	F E G F F L
Pebblebrook Plaza	Naples-Marco Island	FL	50%	2000	2000	—	77	100.0%	14.58	F
Pine Tree Plaza	Jacksonville	FL		1997	1999	—	63	90.7%	13.58	F
Plaza Venezia	Orlando	FL	20%	2016	2000	36,500	202	95.1%	25.61	F
Regency Square	Tampa-St. Petersburg-Clearwater	FL		1993	1986	—	352	95.9%	16.74	A T M (

Seminole Shoppes	Jacksonville	FL	50%	2009	2009	9,430	77	100.0%	22.04	(F
Shoppes @ 104	Miami-Fort Lauderdale-Miami Beach	FL		1998	1990	—	108	97.4%	16.98	V
Shoppes at Bartram Park	Jacksonville	FL	50%	2005	2004	—	126	100.0%	19.13	F (
Shops at John's Creek	Jacksonville	FL		2003	2004	—	15	100.0%	20.78	-
Starke (6)	Other	FL		2000	2000	—	13	100.0%	25.56	-
Suncoast Crossing (6)	Tampa-St. Petersburg-Clearwater	FL		2007	2007	—	118	92.0%	6.14	F (
Town Square	Tampa-St. Petersburg-Clearwater	FL		1997	1999	—	44	100.0%	29.32	-
University Commons (6)	Miami-Fort Lauderdale-Miami Beach	FL		2015	2001	37,532	180	100.0%	31.11	V F N F
Village Center	Tampa-St. Petersburg-Clearwater	FL		1995	1993	—	187	99.9%	19.24	F
Welleby Plaza	Miami-Fort Lauderdale-Miami Beach	FL		1996	1982	—	110	91.0%	12.54	F
Wellington Town Square	Miami-Fort Lauderdale-Miami Beach	FL		1996	1982	12,800	107	94.0%	21.84	F
Westchase	Tampa-St. Petersburg-Clearwater	FL		2007	1998	6,623	79	98.5%	15.49	F
Willa Springs	Orlando	FL	20%	2000	2000	—	90	100.0%	19.99	F
Ashford Place	Atlanta-Sandy Springs-Marietta	GA		1997	1993	—	53	100.0%	20.87	-
Briarcliff La Vista	Atlanta-Sandy Springs-Marietta									