

SIMON PROPERTY GROUP INC /DE/
Form 10-K
February 22, 2019
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10 K

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

For the fiscal year ended December 31, 2018

SIMON PROPERTY GROUP, INC.

SIMON PROPERTY GROUP, L.P.

(Exact name of registrant as specified in its charter)

Delaware (Simon Property Group, Inc.)	001 14469 (Simon Property Group, Inc.)	04 6268599 (Simon Property Group, Inc.)
Delaware (Simon Property Group, L.P.)	001-36110 (Simon Property Group, L.P.)	34-1755769 (Simon Property Group, L.P.)
(State of incorporation or organization)	(Commission File No.)	(I.R.S. Employer Identification No.)

225 West Washington Street
Indianapolis, Indiana 46204
(Address of principal executive offices) (ZIP Code)

(317) 636 1600
(Registrant's telephone number, including area code)

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

	Title of each class	Name of each exchange on which registered
Simon Property Group, Inc.	Common stock, \$0.0001 par value	New York Stock Exchange
Simon Property Group, Inc.	83/8% Series J Cumulative Redeemable Preferred Stock, \$0.0001 par value	New York Stock Exchange
Simon Property Group, L.P.	2.375% Senior Unsecured Notes due 2020	New York Stock Exchange

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Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well known seasoned issuer (as defined in Rule 405 of the Securities Act).

Simon Property Group, Inc. Yes No Simon Property Group, L.P. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Simon Property Group, Inc. Yes No Simon Property Group, L.P. Yes No

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.

Simon Property Group, Inc. Yes No Simon Property Group, L.P. Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted 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 such files).

Simon Property Group, Inc. Yes No Simon Property Group, L.P. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K 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.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act (check one):

Simon Property Group, Inc.:
Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Emerging growth company

Simon Property Group, L.P.:
Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Emerging growth company

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

Simon Property Group, Inc. Simon Property Group, L.P.

Indicate by check mark whether the Registrant is a shell company (as defined in rule 12 b of the Act).

Simon Property Group, Inc. Yes No Simon Property Group, L.P. Yes No

The aggregate market value of shares of common stock held by non affiliates of Simon Property Group, Inc. was approximately \$52,260 million based on the closing sale price on the New York Stock Exchange for such stock on June 30, 2018.

As of January 31, 2019, Simon Property Group, Inc. had 308,961,608 and 8,000 shares of common stock and Class B common stock outstanding, respectively.

Simon Property Group, L.P. had no publicly-traded voting equity as of June 30, 2018. Simon Property Group, L.P. has no common stock outstanding.

Documents Incorporated By Reference

Portions of Simon Property Group, Inc.'s Proxy Statement in connection with its 2019 Annual Meeting of Stockholders are incorporated by reference in Part III.

Table of Contents

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the annual period ended December 31, 2018 of Simon Property Group, Inc., a Delaware corporation, and Simon Property Group, L.P., a Delaware limited partnership. Unless stated otherwise or the context otherwise requires, references to “Simon” mean Simon Property Group, Inc. and references to the “Operating Partnership” mean Simon Property Group, L.P. References to “we,” “us” and “our” mean collectively Simon, the Operating Partnership and those entities/subsidiaries owned or controlled by Simon and/or the Operating Partnership.

Simon is a real estate investment trust, or REIT, under the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. We are structured as an umbrella partnership REIT under which substantially all of our business is conducted through the Operating Partnership, Simon’s majority owned partnership subsidiary, for which Simon is the general partner. As of December 31, 2018, Simon owned an approximate 86.8% ownership interest in the Operating Partnership, with the remaining 13.2% ownership interest owned by limited partners. As the sole general partner of the Operating Partnership, Simon has exclusive control of the Operating Partnership’s day to day management.

We operate Simon and the Operating Partnership as one business. The management of Simon consists of the same members as the management of the Operating Partnership. As general partner with control of the Operating Partnership, Simon consolidates the Operating Partnership for financial reporting purposes, and Simon has no material assets or liabilities other than its investment in the Operating Partnership. Therefore, the assets and liabilities of Simon and the Operating Partnership are the same on their respective financial statements.

We believe that combining the annual reports on Form 10-K of Simon and the Operating Partnership into this single report provides the following benefits:

- enhances investors’ understanding of Simon 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 presentation since substantially all of the disclosure in this report applies to both Simon and the Operating Partnership; and
- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

We believe it is important for investors to understand the few differences between Simon and the Operating Partnership in the context of how we operate as a consolidated company. The primary difference is that Simon itself does not conduct business, other than acting as the general partner of the Operating Partnership and issuing equity or equity related instruments from time to time. In addition, Simon itself does not incur any indebtedness, as all debt is incurred by the Operating Partnership or entities/subsidiaries owned or controlled by the Operating Partnership.

The Operating Partnership holds, directly or indirectly, substantially all of our assets, including our ownership interests in our joint ventures. The Operating Partnership conducts substantially all of our business and is structured as a partnership with no publicly traded equity. Except for the net proceeds from equity issuances by Simon, which are contributed to the capital of the Operating Partnership in exchange for, in the case of common stock issuances by Simon, common units of partnership interest in the Operating Partnership, or units, or, in the case of preferred stock issuances by Simon, preferred units of partnership interest in the Operating Partnership, or preferred units, the Operating Partnership, directly or indirectly, generates the capital required by our business through its operations, the incurrence of indebtedness, proceeds received from the disposition of certain properties and joint ventures and the issuance of units or preferred units to third parties.

The presentation of stockholders’ equity, partners’ equity and noncontrolling interests are the main areas of difference between the consolidated financial statements of Simon and those of the Operating Partnership. The differences between stockholders’ equity and partners’ equity result from differences in the equity issued at the Simon and

Operating Partnership levels. The units held by limited partners in the Operating Partnership are accounted for as partners' equity in the Operating Partnership's financial statements and as noncontrolling interests in Simon's financial statements. The noncontrolling interests in the Operating Partnership's financial statements include the interests of unaffiliated partners in various consolidated partnerships. The noncontrolling interests in Simon's financial statements include the same noncontrolling interests at the Operating Partnership level and, as previously stated, the units held by limited partners of the Operating Partnership. Although classified differently, total equity of Simon and the Operating Partnership is the same.

To help investors understand the differences between Simon and the Operating Partnership, this report provides:

- separate consolidated financial statements for Simon and the Operating Partnership;

2

Table of Contents

- a single set of notes to such consolidated financial statements that includes separate discussions of noncontrolling interests and stockholders' equity or partners' equity, accumulated other comprehensive income (loss) and per share and per unit data, as applicable;
- a combined Management's Discussion and Analysis of Financial Condition and Results of Operations section that also includes discrete information related to each entity; and
- separate Part II, Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities sections related to each entity.

This report also includes separate Part II, Item 9A. Controls and Procedures sections and separate Exhibits 31 and 32 certifications for each of Simon and the Operating Partnership in order to establish that the requisite certifications have been made and that Simon and the Operating Partnership are each compliant with Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 and 18 U.S.C. §1350. The separate discussions of Simon and the Operating Partnership in this report should be read in conjunction with each other to understand our results on a consolidated basis and how management operates our business.

In order to highlight the differences between Simon and the Operating Partnership, the separate sections in this report for Simon and the Operating Partnership specifically refer to Simon and the Operating Partnership. In the sections that combine disclosure of Simon and the Operating Partnership, this report refers to actions or holdings of Simon and the Operating Partnership as being "our" actions or holdings. Although the Operating Partnership is generally the entity that directly or indirectly enters into contracts and joint ventures, holds assets and incurs debt, we believe that references to "we," "us" or "our" in this context is appropriate because the business is one enterprise and we operate substantially all of our business through the Operating Partnership.

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Annual Report on Form 10 K

December 31, 2018

TABLE OF CONTENTS

Item No.		Page No.
<u>Part I</u>		
<u>1.</u>	<u>Business</u>	5
<u>1A.</u>	<u>Risk Factors</u>	11
<u>1B.</u>	<u>Unresolved Staff Comments</u>	21
<u>2.</u>	<u>Properties</u>	22
<u>3.</u>	<u>Legal Proceedings</u>	49
<u>4.</u>	<u>Mine Safety Disclosures</u>	49
<u>Part II</u>		
<u>5.</u>	<u>Market for the Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities</u>	50
<u>6.</u>	<u>Selected Financial Data</u>	52
<u>7.</u>	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	54
<u>7A.</u>	<u>Qualitative and Quantitative Disclosure About Market Risk</u>	73
<u>8.</u>	<u>Financial Statements and Supplementary Data</u>	74
<u>9.</u>	<u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	125
<u>9A.</u>	<u>Controls and Procedures</u>	125
<u>9B.</u>	<u>Other Information</u>	127
<u>Part III</u>		
<u>10.</u>	<u>Directors, Executive Officers and Corporate Governance</u>	127
<u>11.</u>	<u>Executive Compensation</u>	127
<u>12.</u>	<u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	127
<u>13.</u>	<u>Certain Relationships and Related Transactions and Director Independence</u>	127
<u>14.</u>	<u>Principal Accountant Fees and Services</u>	127
<u>Part IV</u>		
<u>15.</u>	<u>Exhibits, and Financial Statement Schedules</u>	128
<u>16.</u>	<u>Form 10-K Summary</u>	128
	<u>Signatures</u>	134

Table of Contents

Part I

Item 1. Business

Simon Property Group, Inc. is a Delaware corporation that operates as a self-administered and self-managed real estate investment trust, or REIT, under the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. REITs will generally not be liable for U.S. federal corporate income taxes as long as they distribute not less than 100% of their REIT taxable income. Simon Property Group, L.P. is our majority-owned Delaware partnership subsidiary that owns all of our real estate properties and other assets. Unless stated otherwise or the context otherwise requires, references to "Simon" mean Simon Property Group, Inc. and references to the "Operating Partnership" mean Simon Property Group, L.P. References to "we," "us" and "our" mean collectively Simon, the Operating Partnership and those entities/subsidiaries owned or controlled by Simon and/or the Operating Partnership. According to the Operating Partnership's partnership agreement, the Operating Partnership is required to pay all expenses of Simon.

We own, develop and manage premier shopping, dining, entertainment and mixed-use destinations, which consist primarily of malls, Premium Outlets®, and The Mills®. As of December 31, 2018, we owned or held an interest in 206 income producing properties in the United States, which consisted of 107 malls, 69 Premium Outlets, 14 Mills, four lifestyle centers, and 12 other retail properties in 37 states and Puerto Rico. In addition, we have redevelopment and expansion projects, including the addition of anchors, big box tenants, and restaurants, underway at several properties in the United States, Canada, Europe and Asia. Internationally, as of December 31, 2018, we had ownership interests in nine Premium Outlets in Japan, four Premium Outlets in South Korea, three Premium Outlets in Canada, two Premium Outlets in Malaysia, and one Premium Outlet in Mexico. We also own an interest in eight Designer Outlet properties in Europe, of which six properties are consolidated, and one Designer Outlet property in Canada. Of the eight properties in Europe, two are located in Italy, two are located in the Netherlands and one each is located in Austria, Germany, France and the United Kingdom. We also have three international outlet properties under development. As of December 31, 2018, we also owned a 21.3% equity stake in Klépierre SA, or Klépierre, a publicly traded, Paris based real estate company, which owns, or has an interest in, shopping centers located in 16 countries in Europe.

For a description of our operational strategies and developments in our business during 2018, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Form 10 K.

Other Policies

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

Investment Policies

While we emphasize equity real estate investments, we may also provide secured financing to or invest in equity or debt securities of other entities engaged in real estate activities or securities of other issuers consistent with Simon's qualification as a REIT. However, any of these investments would be subject to the percentage ownership limitations and gross income tests necessary for REIT qualification. These REIT limitations mean that Simon cannot make an investment that would cause its real estate assets to be less than 75% of its total assets. Simon must also derive at least 75% of its gross income directly or indirectly from investments relating to real property or mortgages on real property, including "rents from real property," dividends from other REITs and, in certain circumstances, interest from certain types of temporary investments. In addition, Simon must also derive at least 95% of its gross income from such real property investments, and from dividends, interest and gains from the sale or dispositions of stock or securities or

from other combinations of the foregoing.

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

5

Table of Contents

Financing Policies

Because Simon's REIT qualification requires us to distribute at least 90% of its REIT taxable income, we regularly access the debt markets to raise the funds necessary to finance acquisitions, develop and redevelop properties, and refinance maturing debt. We must comply with the covenants contained in our financing agreements that limit our ratio of debt to total assets or market value, as defined. For example, the Operating Partnership's lines of credit and the indentures for the Operating Partnership's debt securities contain covenants that restrict the total amount of debt of the Operating Partnership to 65%, or 60% in relation to certain debt, of total assets, as defined under the related agreements, and secured debt to 50% of total assets. In addition, these agreements contain other covenants requiring compliance with financial ratios. Furthermore, the amount of debt that we may incur is limited as a practical matter by our desire to maintain acceptable ratings for the debt securities of the Operating Partnership. We strive to maintain investment grade ratings at all times for various business reasons, including their effect on our ability to access attractive capital, but we cannot assure you that we will be able to do so in the future.

If Simon's Board of Directors determines to seek additional capital, we may raise such capital by offering equity or incurring debt, creating joint ventures with existing ownership interests in properties, entering into joint venture arrangements for new development projects, retaining cash flows or a combination of these methods. If Simon's Board of Directors determines to raise equity capital, it may, without stockholder approval, issue additional shares of common stock or other capital stock. Simon's Board of Directors may issue a number of shares up to the amount of our authorized capital or may issue units in any manner and on such terms and for such consideration as it deems appropriate. We may also raise additional capital by issuing common units of partnership interest in the Operating Partnership, or units. Such securities also may include additional classes of Simon's preferred stock or preferred units of partnership interest in the Operating Partnership, or preferred units, which may be convertible into common stock or units, as the case may be. Existing stockholders and unitholders have no preemptive right to purchase shares or units in any subsequent issuances of securities by us. Any issuance of equity could dilute a stockholder's investment in Simon or a limited partner's investment in the Operating Partnership.

We expect most future borrowings will be made through the Operating Partnership or its subsidiaries. We might, however, incur borrowings through other entities that would be reloaned to the Operating Partnership. Borrowings may be in the form of bank borrowings, publicly and privately placed debt instruments, or purchase money obligations to the sellers of properties. Any such indebtedness may be secured or unsecured. Any such indebtedness may also have full or limited recourse to the borrower or be cross collateralized with other debt, or may be fully or partially guaranteed by the Operating Partnership. We issue unsecured debt securities through the Operating Partnership, but we may issue other debt securities which may be convertible into common or preferred stock or be accompanied by warrants to purchase common or preferred stock. We also may sell or securitize our lease receivables. Although we may borrow to fund the payment of dividends, we currently have no expectation that we will regularly do so.

The Operating Partnership has a \$4.0 billion unsecured revolving credit facility, or Credit Facility. The Credit Facility's initial borrowing capacity of \$4.0 billion may be increased to \$5.0 billion during its term. The initial maturity date of the Credit Facility is June 30, 2021 and can be extended for an additional year to June 30, 2022 at our sole option, subject to our continued compliance with the terms thereof. The base interest rate on the Credit Facility is LIBOR plus 77.5 basis points, with an additional facility fee of 10 basis points. The Operating Partnership also has a \$3.5 billion supplemental unsecured revolving credit facility, or Supplemental Facility, and together with the Credit Facility, the Credit Facilities. On February 15, 2018, the Operating Partnership amended and extended the Supplemental Facility. The Supplemental Facility's initial borrowing capacity of \$3.5 billion may be increased to \$4.5 billion during its term. The initial maturity date of the Supplemental Facility was extended to June 30, 2022 and can be extended for an additional year to June 30, 2023 at our sole option, subject to our continued compliance with the terms thereof. The base interest rate on the Supplemental Facility was reduced to LIBOR plus 77.5 basis points from LIBOR plus 80 basis points, with an additional facility fee of 10 basis points. The Credit Facilities provide for

borrowings denominated in U.S. dollars, Euro, Yen, Sterling, Canadian dollars and Australian dollars.

The Operating Partnership also has available a global unsecured commercial paper note program, or Commercial Paper program. On November 14, 2018, the Operating Partnership increased the maximum aggregate program size of its Commercial Paper program from \$1.0 billion to \$2.0 billion, or the non U.S. dollar equivalent thereof. The Operating Partnership may issue unsecured commercial paper notes, denominated in U.S. dollars, Euro and other currencies. Notes issued in non U.S. currencies may be issued by one or more subsidiaries of the Operating Partnership and are guaranteed by the Operating Partnership. Notes are sold under customary terms in the U.S. and Euro commercial paper note markets and rank (either by themselves or as a result of the guarantee described above) pari passu with the Operating Partnership's other unsecured senior indebtedness. The Commercial Paper program is supported by the Credit Facilities and, if

6

Table of Contents

necessary or appropriate, we may make one or more draws under either Credit Facility to pay amounts outstanding from time to time on the Commercial Paper program.

We may also finance our business through the following:

- issuance of shares of common stock or preferred stock or warrants to purchase the same;
- issuance of additional units;
- issuance of preferred units;
- issuance of other securities, including unsecured notes and mortgage debt;
- draws on our Credit Facilities;
- borrowings under the Commercial Paper program; or
- sale or exchange of ownership interests in properties.

The Operating Partnership may also issue units to contributors of properties or other partnership interests which may permit the contributor to defer tax gain recognition under the Internal Revenue Code.

We do not have a policy limiting the number or amount of mortgages that may be placed on any particular property. Mortgage financing instruments, however, typically limit additional indebtedness on such properties. Additionally, the Credit Facilities, our unsecured note indentures and other contracts may limit our ability to borrow and contain limits on mortgage indebtedness we may incur as well as certain financial covenants we must maintain.

Typically, we invest in or form special purpose entities to assist us in obtaining secured permanent financing at attractive terms. Permanent financing may be structured as a mortgage loan on a single property, or on a group of properties, and generally requires us to provide a mortgage lien on the property or properties in favor of an institutional third party, as a joint venture with a third party, or as a securitized financing. For securitized financings, we create special purpose entities to own the properties. These special purpose entities, which are common in the real estate industry, are structured so that they would not be consolidated in a bankruptcy proceeding involving a parent company. We decide upon the structure of the financing based upon the best terms then available to us and whether the proposed financing is consistent with our other business objectives. For accounting purposes, we include the outstanding securitized debt of special purpose entities owning consolidated properties as part of our consolidated indebtedness.

Conflict of Interest Policies

We maintain policies and have entered into agreements designed to reduce or eliminate potential conflicts of interest. Simon has adopted governance principles governing the function, conduct, selection, orientation and duties of its subsidiaries and Simon's Board of Directors and the Company, as well as written charters for each of the standing Committees of Simon's Board of Directors. In addition, Simon's Board of Directors has a Code of Business Conduct and Ethics, which applies to all of its officers, directors, and employees and those of its subsidiaries. At least a majority of the members of Simon's Board of Directors must qualify, and do qualify, as independent under the listing standards of the New York Stock Exchange, or NYSE, and cannot be affiliated with the Simon family, who are significant stockholders in Simon and/or unitholders in the Operating Partnership. In addition, the Audit and Compensation Committees of Simon's Board of Directors are comprised entirely of independent members who meet the additional independence and financial expert requirements of the NYSE. Any transaction between us and the Simon family, including property acquisitions, service and property management agreements and retail space leases, must be approved by a majority of Simon's non-affiliated directors.

The sale by the Operating Partnership of any property that it owns may have an adverse tax impact on the Simon family or other limited partners of the Operating Partnership. In order to avoid any conflict of interest, the Simon charter requires that at least three-fourths of Simon's independent directors must authorize and require the Operating

Partnership to sell any property it owns. Any such sale is subject to applicable agreements with third parties. Noncompetition agreements executed by David Simon, Simon's Chairman, Chief Executive Officer and President and Herbert Simon, Simon's Chairman Emeritus, as well as David Simon's employment agreement, contain covenants limiting their ability to participate in certain shopping center activities.

7

Table of Contents

Policies With Respect To Certain Other Activities

We intend to make investments which are consistent with Simon's qualification as a REIT, unless Simon's Board of Directors determines that it is no longer in Simon's best interests to so qualify as a REIT. Simon's Board of Directors may make such a determination because of changing circumstances or changes in the REIT requirements. Simon has authority to issue shares of its capital stock or other securities in exchange for property. We also have authority to repurchase or otherwise reacquire Simon's shares, the Operating Partnership's units, or any other securities. On February 13, 2017, Simon's Board of Directors authorized a two-year extension of the previously authorized \$2.0 billion common stock repurchase plan, or the Repurchase Program, through March 31, 2019 and on February 11, 2019, Simon's Board of Directors authorized a new common stock repurchase plan. Under the new program, the Company may purchase up to \$2.0 billion of its common stock during the two-year period ending February 11, 2021. Under the Repurchase Program, Simon may repurchase the shares in the open market, or in privately negotiated transactions. At December 31, 2018, we had remaining authority to repurchase \$640.6 million of common stock. Simon may also issue shares of its common stock, or pay cash at its option, to holders of units in future periods upon exercise of such holders' rights under the partnership agreement of the Operating Partnership. Our policy prohibits us from making any loans to the directors or executive officers of Simon for any purpose. We may make loans to the joint ventures in which we participate. Additionally, we may make or buy interests in loans secured by real estate properties owned by others or make investments in companies that own real estate assets.

Competition

The retail real estate industry is dynamic and competitive. We compete with numerous merchandise distribution channels, including malls, outlet centers, community/lifestyle centers, and other shopping centers in the United States and abroad. We also compete with internet retailing sites and catalogs which provide retailers with distribution options beyond existing brick and mortar retail properties. The existence of competitive alternatives could have a material adverse effect on our ability to lease space and on the level of rents we can obtain. This results in competition for both the tenants to occupy the properties that we develop and manage as well as for the acquisition of prime sites (including land for development and operating properties). We believe that there are numerous factors that make our properties highly desirable to retailers, including:

- the quality, location and diversity of our properties;
- our management and operational expertise;
- our extensive experience and relationships with retailers, lenders and suppliers; and
- our marketing initiatives and consumer focused strategic corporate alliances.

Certain Activities

During the past three years, we have:

- issued 5,614,062 shares of Simon common stock upon the exchange of units in the Operating Partnership;
- issued 191,740 restricted shares of Simon common stock and 586,720 long term incentive performance units, or LTIP units, net of forfeitures, under The Simon Property Group 1998 Stock Incentive Plan, as amended, or the 1998 Plan;
- purchased 6,153,021 shares of Simon common stock in the open market for \$1.02 billion pursuant to our Repurchase Program;
- issued 475,183 units in the Operating Partnership in exchange for the remaining interest in a former joint venture property;
- redeemed 454,704 units in the Operating Partnership at an average price of \$179.25 per unit in cash;
- amended the Supplemental Facility in April 2016 to increase our borrowing capacity, and amended and extended the Supplemental Facility in February 2018 to further increase our borrowing capacity, extend its term and reduce its

base interest rate;

- amended and extended the Credit Facility in March 2017 to extend its term and reduce its base interest rate;

8

Table of Contents

- borrowed a maximum amount of \$423.1 million under the Credit Facilities; the outstanding amount of borrowings under the Credit Facility as of December 31, 2018 was \$125.0 million and no borrowings were outstanding under the Supplemental Facility;
- increased the borrowing capacity of the Commercial Paper program from \$1.0 billion to \$2.0 billion in November 2018; the outstanding amount of Commercial Paper notes as of December 31, 2018 was \$758.7 million; and
- provided annual reports containing financial statements audited by our independent registered public accounting firm and quarterly reports containing unaudited financial statements to our security holders.

Employees

At December 31, 2018, we and our affiliates employed approximately 5,000 persons at various properties and offices throughout the United States, of which approximately 1,700 were part time. Approximately 1,000 of these employees were located at our corporate headquarters in Indianapolis, Indiana.

Corporate Headquarters

Our corporate headquarters are located at 225 West Washington Street, Indianapolis, Indiana 46204, and our telephone number is (317) 636 1600.

Available Information

Simon is a large accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended, or the Exchange Act) and is required, pursuant to Item 101 of Regulation S-K, to provide certain information regarding our website and the availability of certain documents filed with or furnished to the Securities and Exchange Commission, or the SEC. Our Internet website address is www.simon.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available or may be accessed free of charge through the “About Simon/Investor Relations” section of our Internet website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our Internet website and the information contained therein or connected thereto are not, and are not intended to be, incorporated into this Annual Report on Form 10-K.

The following corporate governance documents are also available through the “About Simon/Investor Relations/Governance” section of our Internet website or may be obtained in print form by request of our Investor Relations Department: Governance Principles, Code of Business Conduct and Ethics, Audit Committee Charter, Compensation Committee Charter, and Governance and Nominating Committee Charter.

In addition, we intend to disclose on our Internet website any amendments to, or waivers from, our Code of Business Conduct and Ethics that are required to be publicly disclosed pursuant to rules of the SEC and the NYSE.

Executive Officers

The following table sets forth certain information with respect to Simon’s executive officers as of February 22, 2019.

Name	Age	Position
David Simon	57	Chairman of the Board, Chief Executive Officer and President
John Rulli	62	President of Malls and Chief Administrative Officer
Steven E. Fivel	58	General Counsel and Secretary
Brian J. McDade	39	Executive Vice President, Chief Financial Officer and Treasurer
Alexander L. W. Snyder	49	Assistant General Counsel and Assistant Secretary

Adam J. Reuille

44

Senior Vice President and Chief Accounting Officer

The executive officers of Simon serve at the pleasure of Simon's Board of Directors, except for David Simon who is subject to an employment agreement which may call for certain payments upon termination.

Mr. Simon has served as the Chairman of Simon's Board of Directors since 2007, Chief Executive Officer of Simon or its predecessor since 1995 and assumed the position of President in 2019. Mr. Simon has also been a director of Simon or its predecessor since its incorporation in 1993. Mr. Simon was the President of Simon's predecessor from 1993 to 1996. From 1988 to 1990, Mr. Simon was Vice President of Wasserstein Perella & Company. From 1985 to 1988, he was an Associate at First Boston Corp. He is the son of the late Melvin Simon and the nephew of Herbert Simon.

9

Table of Contents

Mr. Rulli serves as Simon's President of Malls and Chief Administrative Officer. Mr. Rulli joined Melvin Simon & Associates, Inc., or MSA, in 1988 and held various positions with MSA and Simon thereafter. Mr. Rulli became Chief Administrative Officer in 2007 and was promoted to Senior Executive Vice President in 2011. Mr. Rulli was promoted to President of Malls in 2017.

Mr. Fivel serves as Simon's General Counsel and Secretary. Prior to rejoining Simon in 2011 as Assistant General Counsel and Assistant Secretary, Mr. Fivel served as Executive Vice President, General Counsel and Secretary of Brightpoint, Inc. Mr. Fivel was previously employed by MSA from 1988 until 1993 and then by Simon from 1993 to 1996. Mr. Fivel was promoted to General Counsel and Secretary in 2017.

Mr. McDade serves as Simon's Executive Vice President, Chief Financial Officer and Treasurer. Mr. McDade joined Simon in 2007 as the Director of Capital Markets and was promoted to Senior Vice President of Capital Markets in 2013. Mr. McDade became Treasurer in 2014 and was promoted to Executive Vice President and Chief Financial Officer in 2018.

Mr. Snyder serves as Simon's Assistant General Counsel and Assistant Secretary. Mr. Snyder joined Simon in 2016 as Senior Deputy General Counsel. Immediately prior to joining Simon, Mr. Snyder was Managing Partner of the Crimson Fulcrum Strategic Institute. Mr. Snyder previously served as Executive Vice President, General Counsel and Corporate Secretary for Beechcraft Corporation as well as Chief Counsel Mergers & Acquisitions for Koch Industries, Inc. Mr. Snyder was promoted to Assistant General Counsel and Assistant Secretary in 2017.

Mr. Reuille serves as Simon's Senior Vice President and Chief Accounting Officer and prior to that as Simon's Vice President and Corporate Controller. Mr. Reuille joined Simon in 2009 and was promoted to Senior Vice President and Chief Accounting Officer in 2018.

Table of Contents

Item 1A. Risk Factors

The following factors, among others, could cause our actual results to differ materially from those expressed or implied in forward looking statements made in this Annual Report on Form 10-K and presented elsewhere by our management from time to time. These factors may have a material adverse effect on our business, financial condition, liquidity, results of operations, funds from operations, or FFO, and prospects, which we refer to herein as a material adverse effect on us or as materially and adversely affecting us, and you should carefully consider them. Additional risks and uncertainties not presently known to us or which are currently not believed to be material may also affect our actual results. We may update these factors in our future periodic reports.

Risks Relating to Retail Operations

Conditions that adversely affect the general retail environment could materially and adversely affect us.

Our concentration in the retail real estate market – our primary source of revenue is retail tenants – means that we could be materially and adversely affected by conditions that materially and adversely affect the retail environment generally, including, without limitation:

- levels of consumer spending, changes in consumer confidence, income levels, and fluctuations in seasonal spending in the United States and internationally;
- consumer perceptions of the safety, convenience and attractiveness of our properties;
- the impact on our retail tenants and demand for retail space at our properties from the increasing use of the Internet by retailers and consumers;
- the creditworthiness of our retail tenants and the availability of new creditworthy tenants and the related impact on our occupancy levels and rental revenues;
- local real estate conditions, such as an oversupply of, or reduction in demand for, retail space or retail goods, decreases in rental rates and declines in real estate values;
- the willingness of retailers to lease space in our properties at attractive rents, or at all;
- changes in economic conditions, which can result from global events such as international trade disputes, a foreign debt crisis, foreign currency volatility, natural disasters, war, civil unrest and terrorism, as well as from domestic issues, such as government policies and regulations, tariffs, energy prices, market dynamics, rising interest rates and limited growth in consumer income;
- increased operating costs and capital expenditures, whether from redevelopments, replacing tenants or otherwise; and
- changes in applicable laws and regulations, including tax, environmental, safety and zoning.

Some of our properties depend on anchor stores or other large nationally recognized tenants to attract shoppers and we could be materially and adversely affected by the loss of one or more of these anchors or tenants.

Our properties are typically anchored by department stores and other large nationally recognized tenants. Certain of our anchors and other tenants have ceased their operations, downsized their brick-and-mortar presence or failed to comply with their contractual obligations to us and others.

For example, among department stores and other national retailers — often referred to as “big box” stores — corporate merger activity typically results in the closure of duplicate or geographically overlapping store locations. Further, sustained adverse pressure on the results of our department stores and other national retailers may have a similarly sustained adverse impact upon our own results. Certain department stores and other national retailers have experienced, and may continue to experience for the foreseeable future (given current macroeconomic uncertainty and less-than-desirable levels of consumer confidence), considerable decreases in customer traffic in their retail stores, increased competition from alternative retail options such as those accessible via the Internet and other forms of

pressure on their business models. As pressure on these department stores and other national retailers increases, their ability to maintain their stores, meet their obligations both to us and to their external lenders and suppliers, withstand takeover attempts or avoid bankruptcy and/or liquidation may be impaired and result in closures of their stores or their seeking of a lease

11

Table of Contents

modification with us. Any lease modification could be unfavorable to us as the lessor and could decrease current or future effective rents or expense recovery charges. Other tenants may be entitled to modify the economic or other terms of, or terminate, their existing leases with us in the event of such closures.

If a department store or large nationally recognized tenant were to close its stores at our properties, we may experience difficulty and delay and incur significant expense in re-tenanting the space, as well as in leasing spaces in areas adjacent to the vacant store, at attractive rates, or at all. Additionally, department store or tenant closures may result in decreased customer traffic, which could lead to decreased sales at our properties. If the sales of stores operating in our properties were to decline significantly due to the closing of anchor stores or other national retailers, adverse economic conditions, or other reasons, tenants may be unable to pay their minimum rents or expense recovery charges. In the event of any default by a tenant, we may not be able to fully recover, and/or may experience delays and costs in enforcing our rights as landlord to recover, amounts due to us under the terms of our leases with such parties.

We face potential adverse effects from tenant bankruptcies.

Bankruptcy filings by retailers can occur regularly in the course of our operations. If a tenant files for bankruptcy, the tenant may have the right to reject and terminate one or more of its leases with us, and we cannot be sure that it will affirm one or more of its leases and continue to make rental payments to us in a timely manner. A bankruptcy filing by, or relating to, one of our tenants would generally prohibit us from evicting this tenant, and bar all efforts by us to collect pre-bankruptcy debts from that tenant, or from their property, unless we receive an order permitting us to do so from the bankruptcy court. In addition, we cannot evict a tenant solely because of its bankruptcy. If a lease is assumed by the tenant in bankruptcy, all pre-bankruptcy balances due under the lease must be paid to us in full. If a lease is rejected, the unsecured claim we hold against a bankrupt tenant might be paid only to the extent that funds are available and only in the same percentage as is paid to all other holders of unsecured claims, and there are restrictions under bankruptcy laws that limit the amount of the claim we can make if a lease is rejected. As a result, it is likely that we would recover substantially less than the full value of any unsecured claims we hold. In addition, we may make lease modifications either pre- or post-bankruptcy for certain tenants undergoing significant financial distress in order for them to continue as a going concern. Furthermore, we may be required to incur significant expense in re-tenanting the space formerly leased to the bankrupt tenant. We continually seek to re-lease vacant spaces resulting from tenant terminations. The bankruptcy of a tenant, particularly an anchor tenant or a national tenant with multiple locations, may require a substantial redevelopment of their space, the success of which cannot be assured, and may make the re-tenanting of their space difficult and costly, and it also may be more difficult to lease the remainder of the space at the affected property. Future tenant bankruptcies may strain our resources and impact our ability to successfully execute our re-leasing strategy and could materially and adversely affect us.

We face a wide range of competition that could affect our ability to operate profitably.

Our properties compete with other retail properties and other forms of retailing such as e-commerce websites. Competition may come from malls, outlet centers, community/lifestyle centers, and other shopping centers, both existing as well as future development and redevelopment/expansion projects, as well as e-commerce. The presence of competitive alternatives affects our ability to lease space and puts downward pressure on the rents we can charge our tenants. New construction, redevelopments and expansions at competing sites could also negatively affect our properties.

We also compete with other major real estate investors and developers for attractive investment opportunities and prime development sites. Competition for the acquisition of existing properties and development sites may result in increased purchase prices and may adversely affect our ability to make attractive investments on favorable terms, or at all. In addition, we compete with other retail property companies for tenants and qualified management.

Excess space at our properties could materially and adversely affect us.

Certain of our properties have had excess space available for prospective tenants, and those properties may continue to experience, and other properties may commence experiencing, such oversupply in the future. Among other causes, (1) there has been an increased number of bankruptcies of anchor stores and other national retailers, as well as store closures, and (2) there has been lower demand from retail tenants for space, due to certain retailers increasing their use of e-commerce websites to distribute their merchandise. As a result of the increased bargaining power of creditworthy retail tenants, there is downward pressure on our rental rates and occupancy levels, and this increased bargaining power may also result in us having to increase our spend on tenant improvements and potentially make other lease modifications, any of which, in the aggregate, could materially and adversely affect us.

Table of Contents

We may not be able to lease newly developed properties and renew leases and relet space at existing properties.

We may not be able to lease new properties to an appropriate mix of tenants that generates optimal customer traffic. Also, when leases for our existing properties expire, the premises may not be relet or the terms of reletting, including the cost of allowances and concessions to tenants, may be less favorable than the current lease terms. If we elect to pursue a “mixed use” redevelopment we expose ourselves to risks associated with each non-retail use (eg. office, residential, hotel and entertainment). To the extent that our leasing goals are not achieved, we could be materially and adversely affected.

Risks Relating to Real Estate Investments and Operations

Our international activities may subject us to different or greater risk from those associated with our domestic operations.

As of December 31, 2018, we held interests in consolidated and joint venture properties that operate in Austria, Canada, France, Italy, Germany, Japan, Malaysia, Mexico, the Netherlands, South Korea, and the United Kingdom. We also have an equity stake in Klépierre, a publicly traded European real estate company, which operates in 16 countries in Europe. Accordingly, our operating results and the value of our international operations may be impacted by any unhedged movements in the foreign currencies in which those operations transact and in which our net investment in the international operation is held. We may pursue additional investment, development and redevelopment/expansion opportunities outside the United States. International investment, ownership, development and redevelopment/expansion activities carry risks that are different from those we face with our domestic properties and operations. These risks include, but are not limited to:

- adverse effects of changes in exchange rates for foreign currencies;
- changes in foreign political and economic environments, regionally, nationally, and locally;
- impact from international trade disputes and the associated impact on our tenants’ supply chain and consumer spending levels;
- challenges of complying with a wide variety of foreign laws, including corporate governance, operations, taxes and litigation;
- differing lending practices;
- differences in cultures;
- changes in applicable laws and regulations in the United States that affect international operations;
- changes in applicable laws and regulations in these foreign jurisdictions;
 - difficulties in managing international operations; and
- obstacles to the repatriation of earnings and cash.

Our international activities represented approximately 5.1% of consolidated net income and 10.0% of our net operating income, or NOI, for the year ended December 31, 2018. To the extent that we expand our international activities, the above risks could increase in significance, which in turn could have a material adverse effect on us.

We face risks associated with the acquisition, development, redevelopment and expansion of properties.

We regularly acquire and develop new properties and redevelop and expand existing properties, and these activities are subject to various risks. We may not be successful in pursuing acquisition, development or redevelopment/expansion opportunities. In addition, newly acquired, developed or redeveloped/expanded properties may not perform as well as expected, impacting our anticipated return on investment. We are subject to other risks in connection with any acquisition, development and redevelopment/expansion activities, including the following:

- acquisition or construction costs of a project may be higher than projected, potentially making the project unfeasible or unprofitable;
- development, redevelopment or expansions may take considerably longer than expected, delaying the commencement and amount of income from the property;
- we may not be able to obtain financing or to refinance loans on favorable terms, or at all;

Table of Contents

- we may be unable to obtain zoning, occupancy or other governmental approvals;
- occupancy rates and rents may not meet our projections and the project may not be accretive; and
- we may need the consent of third parties such as department stores, anchor tenants, mortgage lenders and joint venture partners, and those consents may be withheld.

If a development or redevelopment/expansion project is unsuccessful, either because it is not meeting our expectations when operational or was not completed according to the project planning, we could lose our investment in the project. Further, if we guarantee the property's financing, our loss could exceed our investment in the project.

In the event that these risks were realized at the same time at multiple properties, we could be materially and adversely affected.

Real estate investments are relatively illiquid.

Our properties represent a substantial portion of our total consolidated assets. These investments are relatively illiquid. As a result, our ability to sell one or more of our properties or investments in real estate in response to any changes in economic, industry, or other conditions may be limited. The real estate market is affected by many factors, such as general economic conditions, availability and terms of financing, interest rates and other factors, including supply and demand for space, that are beyond our control. If we want to sell a property, we cannot assure you that we will be able to dispose of it in the desired time period or at all or that the sales price of a property will be attractive at the relevant time or exceed the carrying value of our investment. Moreover, if a property is mortgaged, we may not be able to obtain a release of the lien on that property without the payment of the associated debt and/or a substantial prepayment penalty, which could restrict our ability to dispose of the property, even though the sale might otherwise be desirable.

Risks Relating to Debt and the Financial Markets

We have a substantial debt burden that could affect our future operations.

As of December 31, 2018, our consolidated mortgages and unsecured indebtedness, excluding related premium, discount and debt issuance costs, totaled \$23.4 billion. As a result of this indebtedness, we are required to use a substantial portion of our cash flows for debt service, including selected repayment at scheduled maturities, which limits our ability to use those cash flows to fund the growth of our business. We are also subject to the risks normally associated with debt financing, including the risk that our cash flows from operations will be insufficient to meet required debt service or that we will be able to refinance such indebtedness on acceptable terms, or at all. Our debt service costs generally will not be reduced if developments at the applicable property, such as the entry of new competitors or the loss of major tenants, cause a reduction in the income from the property. Our indebtedness could also have other adverse consequences on us, including reducing our access to capital or increasing our vulnerability to general adverse economic, industry and market conditions. In addition, if a property is mortgaged to secure payment of indebtedness and income from such property is insufficient to pay that indebtedness, the property could be foreclosed upon by the mortgagee resulting in a loss of income and a decline in our total asset value. If any of the foregoing occurs, we could be materially and adversely affected.

The agreements that govern our indebtedness contain various covenants that impose restrictions on us that might affect our ability to operate freely.

We have a variety of unsecured debt, including the Credit Facilities, senior unsecured notes and commercial paper, and secured property level debt. Certain of the agreements that govern our indebtedness contain covenants, including, among other things, limitations on our ability to incur secured and unsecured indebtedness, sell all or substantially all of our assets and engage in mergers and certain acquisitions. In addition, certain of the agreements that govern our indebtedness contain financial covenants that require us to maintain certain financial ratios, including certain coverage

ratios. These covenants may restrict our ability to pursue certain business initiatives or certain transactions that might otherwise be advantageous to us. In addition, our ability to comply with these provisions might be affected by events beyond our control. Failure to comply with any of our financing covenants could result in an event of default, which, if not cured or waived, could accelerate the related indebtedness as well as other of our indebtedness, which could have a material adverse effect on us.

Table of Contents

Disruption in the capital and credit markets may adversely affect our ability to access external financings for our growth and ongoing debt service requirements.

We depend on external financings, principally debt financings, to fund the growth of our business and to ensure that we can meet ongoing maturities of our outstanding debt. Our access to financing depends on the willingness of lending institutions and other debt investors to grant credit to us and conditions in the capital markets in general. An economic recession may cause extreme volatility and disruption in the capital and credit markets. We rely upon the Credit Facilities as sources of funding for numerous transactions. Our access to these funds is dependent upon the ability of each of the participants to the Credit Facilities to meet their funding commitments to us. When markets are volatile, access to capital and credit markets could be disrupted over an extended period of time and one or more financial institutions may not have the available capital to meet their previous commitments to us. The failure of one or more participants to the Credit Facilities to meet their funding commitments to us could have a material adverse effect on us, including as a result of making it difficult to obtain the financing we may need for future growth and/or meeting our debt service requirements. We cannot assure you that we will be able to obtain the financing we need for the future growth of our business or to meet our debt service requirements, or that a sufficient amount of financing will be available to us on favorable terms, or at all.

Adverse changes in our credit rating could affect our borrowing capacity and borrowing terms.

The Operating Partnership's outstanding senior unsecured notes, Credit Facilities, the Commercial Paper program, and Simon's preferred stock are periodically rated by nationally recognized credit rating agencies. The credit ratings are based on our operating performance, liquidity and leverage ratios, financial condition and prospects, and other factors viewed by the credit rating agencies as relevant to us and our industry and the economic outlook in general. Our credit rating can affect the amount of capital we can access, as well as the terms of any financing we obtain. Since we depend primarily on debt financing to fund the growth of our business, an adverse change in our credit rating, including actual changes and changes in outlook, or even the initiation of a review of our credit rating that could result in an adverse change, could have a material adverse effect on us.

An increase in interest rates would increase our interest costs on variable rate debt and could adversely impact our ability to refinance existing debt on attractive terms, or at all; our hedging interest rate protection arrangements may not effectively limit our interest rate risk.

As of December 31, 2018, we had approximately \$844 million of outstanding consolidated indebtedness that bears interest at variable rates, and we may incur more variable rate indebtedness in the future. If interest rates increase, then so would the interest costs on our unhedged variable rate debt, which could adversely affect our cash flows and our ability to pay principal and interest on our debt and our ability to make distributions to our stockholders. Further, rising interest rates could limit our ability to refinance existing debt when it matures or significantly increase our future interest expense.

We selectively manage our exposure to interest rate risk by a combination of interest rate protection agreements to effectively fix or cap all or a portion of our variable rate debt. In addition, we refinance fixed rate debt at times when we believe rates and other terms are appropriate. Our efforts to manage these exposures may not be successful.

Our use of interest rate hedging arrangements to manage risk associated with interest rate volatility may expose us to additional risks, including a risk that a counterparty to a hedging arrangement may fail to honor its obligations or that we could be required to fund our contractual payment obligations under such arrangements in relatively large amounts or on short notice. Developing an effective interest rate risk strategy is complex and no strategy can completely insulate us from risks associated with interest rate fluctuations. There can be no assurance that our hedging activities will have the desired beneficial impact on our results of operations, liquidity and financial condition. Termination of

these hedging agreements typically involves costs, such as transaction fees or breakage costs.

Risks Relating to Income Taxes

Simon and certain subsidiaries of the Operating Partnership have elected to be taxed as REITs in the United States and certain international operations also are structured to be taxed in a manner similar to the REIT structure. The failure to maintain Simon's or these subsidiaries' qualifications as REITs or changes in local tax laws or regulations in certain of our international operations could result in adverse tax consequences.

We are subject to certain income-based taxes, both domestically and internationally, and other taxes, including state and local taxes, franchise taxes, and withholding taxes on dividends from certain of our international investments. We

Table of Contents

currently follow local tax laws and regulations in various domestic and international jurisdictions. Should these laws or regulations change, the amount of taxes we pay may increase accordingly.

In the United States, Simon and certain subsidiaries of the Operating Partnership have elected to be taxed as REITs under Sections 856 through 860 of the Internal Revenue Code. We believe Simon and these subsidiaries have been organized and operated in a manner which allows them to qualify for taxation as REITs under the Internal Revenue Code. We intend to continue to operate in this manner. However, qualification and taxation as REITs depend upon the ability of Simon and these subsidiaries to satisfy several requirements (some of which are outside our control), including tests related to our annual operating results, asset diversification, distribution levels and diversity of stock ownership. The various REIT qualification tests required by the Internal Revenue Code are highly technical and complex. Accordingly, there can be no assurance that Simon or any of these subsidiaries has operated in accordance with these requirements or will continue to operate in a manner so as to qualify or remain qualified as a REIT.

If Simon or any of these subsidiaries fail to comply with those provisions, Simon or any such subsidiary may be subject to monetary penalties or ultimately to possible disqualification as REITs. If such events occur, and if available relief provisions do not apply:

- Simon or any such subsidiary will not be allowed a deduction for distributions to stockholders in computing taxable income;
- Simon or any such subsidiary will be subject to corporate-level income tax on taxable income at the corporate rate; and
- unless entitled to relief under relevant statutory provisions, Simon or any such subsidiary will also be disqualified from treatment as a REIT for the four taxable years following the year during which qualification was lost.

Any such corporate tax liability could be substantial and would reduce the amount of cash available for, among other things, our operations and distributions to stockholders. In addition, if Simon fails to qualify as a REIT, it will not be required to make distributions to our stockholders. Moreover, a failure by any subsidiary of the Operating Partnership that has elected to be taxed as a REIT to qualify as a REIT would also cause Simon to fail to qualify as a REIT, and the same adverse consequences would apply to it and its stockholders. Failure by Simon or any of these subsidiaries to qualify as a REIT also could impair our ability to expand our business and raise capital, which could materially and adversely affect us.

The tax imposed on REITs engaging in “prohibited transactions” may limit our ability to engage in transactions which would be treated as sales for U.S. federal income tax purposes.

A REIT’s net income from prohibited transactions is subject to a 100% penalty tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business. Although we do not intend to hold any properties that would be characterized as held for sale to customers in the ordinary course of our business, unless a sale or disposition qualifies under certain statutory safe harbors, such characterization is a factual determination and no guarantee can be given that the Internal Revenue Service, or the IRS, would agree with our characterization of our properties or that we will always be able to make use of the available safe harbors.

REIT distribution requirements could adversely affect our liquidity and our ability to execute our business plan.

In order for Simon and certain subsidiaries of the Operating Partnership to qualify to be taxed as REITs, and assuming that certain other requirements are also satisfied, Simon and each such subsidiary generally must distribute at least 90% of their respective REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, to their respective equity holders each year. To this point, Simon and each such subsidiary have historically distributed at least 100% of taxable income and thereby avoided income tax altogether. To

the extent that Simon or any such subsidiary satisfies this distribution requirement and qualifies for taxation as a REIT, but distributes less than 100% of its REIT taxable income, Simon or any such subsidiary will be subject to U.S. federal corporate income tax on its undistributed net taxable income and could be subject to a 4% nondeductible excise tax if the actual amount that is distributed to equity holders in a calendar year is less than “the required minimum distribution amount” specified under U.S. federal income tax laws. We intend to make distributions to the equity holders of Simon and the aforementioned subsidiaries of the Operating Partnership to comply with the REIT requirements of the Internal Revenue Code.

From time to time, Simon and the aforementioned subsidiaries of the Operating Partnership might generate taxable income greater than their respective cash flow as a result of differences in timing between the recognition of taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the creation of reserves, or required debt

Table of Contents

or amortization payments. If Simon and these subsidiaries do not have other funds available in these situations, Simon and these subsidiaries could be required to access capital on unfavorable terms (the receipt of which cannot be assured), sell assets at disadvantageous prices, distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt, or make taxable distributions of capital stock or debt securities to make distributions sufficient to enable them to pay out enough of their respective REIT taxable income to satisfy the REIT distribution requirement and avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase costs or reduce our equity. Further, amounts distributed will not be available to fund the growth of our business. Thus, compliance with the REIT requirements may adversely affect our liquidity and our ability to execute our business plan.

Complying with REIT requirements might cause us to forego otherwise attractive acquisition opportunities or liquidate otherwise attractive investments.

To qualify to be taxed as REITs for U.S. federal income tax purposes, Simon and certain subsidiaries of the Operating Partnership must ensure that, at the end of each calendar quarter, at least 75% of the value of their respective assets consist of cash, cash items, government securities and “real estate assets” (as defined in the Internal Revenue Code), including certain mortgage loans and securities. The remainder of their respective investments (other than government securities, qualified real estate assets and securities issued by a taxable REIT subsidiary, or TRS) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer.

Additionally, in general, no more than 5% of the value of Simon’s and these subsidiaries’ total assets (other than government securities, qualified real estate assets and securities issued by a TRS) can consist of the securities of any one issuer, and no more than 20% of the value of their respective total assets can be represented by securities of one or more TRSs. If Simon or any of these subsidiaries fails to comply with these requirements at the end of any calendar quarter, Simon or any such subsidiary must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing its REIT qualification and suffering adverse tax consequences. As a result, we might be required to liquidate or forego otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to equity holders.

In addition to the asset tests set forth above, to qualify to be taxed as REITs, Simon and these subsidiaries must continually satisfy tests concerning, among other things, the sources of their respective income, the amounts they distribute to equity holders and the ownership of their respective shares. We might be unable to pursue investments that would be otherwise advantageous to us in order to satisfy the source-of-income or asset-diversification requirements for qualifying as REITs. Thus, compliance with the REIT requirements may hinder our ability to make certain attractive investments.

Partnership tax audit rules could have a material adverse effect on us.

The Bipartisan Budget Act of 2015 changes the rules applicable to U.S. federal income tax audits of partnerships. Under the rules, among other changes and subject to certain exceptions, any audit adjustment to items of income, gain, loss, deduction, or credit of a partnership (and any partner’s distributive share thereof) is determined, and taxes, interest, or penalties attributable thereto could be assessed and collected, at the partnership level. Absent available elections, it is possible that a partnership in which we directly or indirectly invest, could be required to pay additional taxes, interest and penalties as a result of an audit adjustment, and we, as a direct or indirect partner of these partnerships, could be required to bear the economic burden of those taxes, interest, and penalties even though Simon and certain subsidiaries of the Operating Partnership, as REITs, may not otherwise have been required to pay additional corporate-level taxes had they owned the assets of the partnership directly. The partnership tax audit rules apply to the Operating Partnership and its subsidiaries that are classified as partnerships for U.S. federal income tax

purposes. The changes created by these rules are sweeping and, accordingly, there can be no assurance that these rules will not have a material adverse effect on us.

Legislative, administrative, regulatory or other actions affecting REITs, including positions taken by the IRS, could have a material adverse effect on us and our investors.

The rules dealing with U.S. 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, or the Treasury. Changes to the tax laws or interpretations thereof by the IRS and the Treasury, with or without retroactive application, could materially and adversely affect us and our investors. New legislation (including the recently enacted Tax Cuts and Jobs Act, or the TCJA, and any technical corrections legislation), Treasury regulations, administrative interpretations or court decisions could significantly and negatively affect the ability of Simon and certain subsidiaries of the Operating Partnership to qualify to be taxed as REITs and/or the U.S. federal income tax consequences to us and our investors of such qualification.

Table of Contents

The TCJA has significantly changed the U.S. federal income taxation of U.S. businesses and their owners, including REITs and their stockholders. A change made by the TCJA that could affect us and our stockholders is that it generally limits the deduction for net business interest expense in excess of 30% of a business's adjusted taxable income except for taxpayers that engage in certain real estate businesses and elect out of this rule (provided that such electing taxpayers must use an alternative depreciation system for certain property).

Risks Relating to Joint Ventures

We have limited control with respect to some properties that are partially owned or managed by third parties, which may adversely affect our ability to sell or refinance them.

As of December 31, 2018, we owned interests in 99 income-producing properties with other parties. Of those, 18 properties are included in our consolidated financial statements. We account for the other 81 properties, or the joint venture properties, as well as our investments in Klépierre (a publicly traded, Paris-based real estate company), Aéropostale, Authentic Brands Group, LLC, or ABG, and HBS Global Properties, or HBS, using the equity method of accounting. We serve as general partner or property manager for 57 of these 81 joint venture properties; however, certain major decisions, such as approving the operating budget and selling, refinancing, and redeveloping the properties, require the consent of the other owners. Of the joint venture properties for which we do not serve as general partner or property manager, 20 are in our international joint ventures. These international properties are managed locally by joint ventures in which we share control of the properties with our partner. The other owners have participating rights that we consider substantive for purposes of determining control over the joint venture properties' assets. The remaining joint venture properties, Klépierre, and our joint ventures with Aéropostale, ABG, and HBS, are managed by third parties.

These investments, and other future similar investments, could involve risks that would not be present were a third party not involved, including the possibility that partners or other owners might become bankrupt, suffer a deterioration in their creditworthiness, or fail to fund their share of required capital contributions. Partners or other owners could have economic or other business interests or goals that are inconsistent with our own business interests or goals, and could be in a position to take actions contrary to our policies or objectives.

These investments, and other future similar investments, also have the potential risk of creating impasses on decisions, such as a sale or financing, because neither we nor our partner or other owner has full control over the partnership or joint venture. Disputes between us and partners or other owners might result in litigation or arbitration that could increase our expenses and prevent Simon's officers and/or directors from focusing their time and efforts on our business. Consequently, actions by, or disputes with, partners or other owners might result in subjecting properties owned by the partnership or joint venture to additional risk. In addition, we risk the possibility of being liable for the actions of our partners or other owners.

The Operating Partnership guarantees debt or otherwise provides support for a number of joint venture properties.

Joint venture debt is the liability of the joint venture and is typically secured by a mortgage on the joint venture property, which is non-recourse to us. Nevertheless, the joint venture's failure to satisfy its debt obligations could result in the loss of our investment therein. As of December 31, 2018, the Operating Partnership guaranteed joint venture related mortgage indebtedness of \$216.1 million (of which we have a right of recovery from our joint venture partners of \$10.8 million). A default by a joint venture under its debt obligations would expose us to liability under a guaranty. We may elect to fund cash needs of a joint venture through equity contributions (generally on a basis proportionate to our ownership interests), advances or partner loans, although such fundings are not typically required contractually or otherwise.

Risks Relating to Environmental Matters

As owners of real estate, we can face liabilities for environmental contamination.

U.S. federal, state and local laws and regulations relating to the protection of the environment may require us, as a current or previous owner or operator of real property, to investigate and clean up hazardous or toxic substances or petroleum product releases at a property or at impacted neighboring properties. These laws often impose liability regardless of whether the property owner or operator knew of, or was responsible for, the presence of hazardous or toxic substances. These laws and regulations may require the abatement or removal of asbestos containing materials in the event of damage, demolition or renovation, reconstruction or expansion of a property and also govern emissions of and exposure to asbestos fibers in the air. Those laws and regulations also govern the installation, maintenance and removal of underground storage

Table of Contents

tanks used to store waste oils or other petroleum products. Many of our properties contain, or at one time contained, asbestos containing materials or underground storage tanks (primarily related to auto service center establishments or emergency electrical generation equipment). We may be subject to regulatory action and may also be held liable to third parties for personal injury or property damage incurred by the parties in connection with any such laws and regulations or hazardous or toxic substances. The costs of investigation, removal or remediation of hazardous or toxic substances, and related liabilities, may be substantial and could materially and adversely affect us. The presence of hazardous or toxic substances, or the failure to remediate the related contamination, may also adversely affect our ability to sell, lease or redevelop a property or to borrow money using a property as collateral.

Our efforts to identify environmental liabilities may not be successful.

Although we believe that our portfolio is in substantial compliance with U.S. federal, state and local environmental laws and regulations regarding hazardous or toxic substances, this belief is based on limited testing. Nearly all of our properties have been subjected to Phase I or similar environmental audits. These environmental audits have not revealed, nor are we aware of, any environmental liability that we believe is reasonably likely to have a material adverse effect on us. However, we cannot assure you that:

- previous environmental studies with respect to the portfolio reveal all potential environmental liabilities;
- any previous owner, occupant or tenant of a property did not create any material environmental condition not known to us;
- the current environmental condition of the portfolio will not be affected by tenants and occupants, by the condition of nearby properties, or by other unrelated third parties; or
- future uses or conditions (including, without limitation, changes in applicable environmental laws and regulations or the interpretation thereof) will not result in environmental liabilities.

We face risks associated with climate change.

To the extent climate change causes changes in weather patterns, our properties in certain markets could experience increases in storm intensity and rising sea levels. Over time, these conditions could result in volatile or decreased demand for retail space at certain of our properties or, in extreme cases, our inability to operate the properties at all. Climate change may also have indirect effects on our business by increasing the cost of (or making unavailable) insurance on favorable terms, or at all, increasing the cost of energy at our properties or requiring us to spend funds to repair and protect our properties against such risks. Moreover, compliance with new laws or regulations related to climate change, including compliance with “green” building codes, may require us to make improvements to our existing properties or increase taxes and fees assessed on us or our properties.

Other Factors Affecting Our Business

Some of our potential losses may not be covered by insurance.

We maintain insurance coverage with third-party carriers who provide a portion of the coverage for specific layers of potential losses, including commercial general liability, fire, flood, extended coverage and rental loss insurance on all of our properties in the United States. The initial portion of coverage not provided by third-party carriers is either insured through our wholly-owned captive insurance company or other financial arrangements controlled by us. A third party carrier has, in turn, agreed to provide, if required, evidence of coverage for this layer of losses under the terms and conditions of the carrier’s policy. A similar policy either written through our captive insurance company or other financial arrangements controlled by us also provides initial coverage for property insurance and certain windstorm risks at the properties located in coastal windstorm locations.

There are some types of losses, including lease and other contract claims, which generally are not insured or are subject to large deductibles. If an uninsured loss or a loss in excess of insured limits occurs, we could lose all or a portion of the capital we have invested in a property, as well as the anticipated future revenue it could generate but may remain obligated for any mortgage debt or other financial obligation related to the property.

We currently maintain insurance coverage against acts of terrorism on all of our properties in the United States on an “all risk” basis in the amount of up to \$1 billion. Despite the existence of this insurance coverage, any threatened or actual terrorist attacks where we operate could materially and adversely affect us.

Table of Contents

We face risks associated with security breaches through cyber attacks, cyber intrusions or otherwise, as well as other significant disruptions of our information technology (IT) networks and related systems.

Our IT networks and related systems are essential to the operation of our business and our ability to perform day-to-day operations and, in some cases, may be critical to the operations of certain of our tenants. We face risks associated with security breaches, whether through cyber-attacks or cyber intrusions over the Internet, malware, computer viruses, hardware or software corruption or failure or poor product or vendor/developer selection (including a failure of security controls incorporated into or applied to such hardware or software), service provider error or failure, intentional or unintentional actions by employees (including the failure to follow our security protocols), and other significant disruptions of our IT networks and related systems. Although we make efforts to maintain the security and integrity of these types of IT 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. Even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk.

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

Our success depends, in part, on our ability to attract and retain talented employees, and the loss of any one of our key personnel could adversely impact our business.

The success of our business depends, in part, on the leadership and performance of our executive management team and key employees, and our ability to attract, retain and motivate talented employees could significantly impact our future performance. Competition for these individuals is intense, and we cannot assure you that we will retain our executive management team and other key employees or that we will be able to attract and retain other highly qualified individuals for these positions in the future. Losing any one or more of these persons could have a material adverse effect on us.

Provisions in Simon's charter and by laws and in the Operating Partnership's partnership agreement could prevent a change of control.

Simon's charter contains a general restriction on the accumulation of shares in excess of 8% of its capital stock. The charter permits the members of the Simon family and related persons to own up to 18% of Simon's capital stock. Ownership is determined by the lower of the number of outstanding shares, voting power or value controlled. Simon's Board of Directors may, by majority vote, permit exceptions to those levels in circumstances where Simon's Board of Directors determines that Simon's ability to qualify as a REIT will not be jeopardized. These restrictions on ownership may have the effect of delaying, deferring or preventing a transaction or a change in control that might otherwise be in the best interest of Simon's stockholders or the Operating Partnership's unitholders or preferred unitholders. Other provisions of Simon's charter and by-laws could have the effect of delaying or preventing a change of control even if some of Simon's stockholders or the Operating Partnership's unitholders or preferred unitholders deem such a change to be in their best interests. These include provisions preventing holders of Simon's common stock from acting by

written consent and requiring that up to four directors in the aggregate may be elected by holders of Class B common stock. In addition, certain provisions of the Operating Partnership's partnership agreement could have the effect of delaying or preventing a change of control. These include a provision requiring the consent of a majority in interest of units in order for Simon, as general partner of the Operating Partnership, to, among other matters, engage in a merger transaction or sell all or substantially all of its assets.

The United Kingdom's pending departure from the European Union could have a material adverse effect on us.

Following a national referendum in June 2016, the United Kingdom formally notified the European Council on March 29, 2017 of its intention to withdraw from the European Union ("EU") (commonly referred to as "Brexit"). The timing of the proposed exit is currently scheduled for March 29, 2019, with a transition period running through December 2020. A

20

Table of Contents

withdrawal plan was presented to the UK parliament in January 2019 and rejected, creating further uncertainty in negotiations and the process of withdrawal. The terms governing the future relationship between the United Kingdom and the EU, as well as the legal and economic consequences of those terms, remain unclear. This continues to create political and economic uncertainty, which has affected, and may continue to affect, market and macro-economic conditions in both the United Kingdom and EU economies. In particular, there may be ongoing and increased volatility in financial and foreign exchange markets in the United Kingdom and EU, including a fall in gross domestic product and volatility in the value of Pounds Sterling. Further, financial and other markets may suffer losses as a result of any other countries determining to withdraw from the EU or from any future significant changes to the EU's structure and/or regulations.

We currently hold, and may acquire additional, equity interests in properties located in the United Kingdom and Europe, as well as other investments that are denominated in Pounds Sterling and Euro. In addition, our Operating Partnership and its subsidiaries have issued, and may issue in the future, senior unsecured notes denominated in Euro. Any of the effects of Brexit described above, and others we cannot anticipate, could have a material adverse effect on us, including the value of our properties and investments and our potential growth in Europe, as well as on our tenants' businesses, and could amplify the currency risks faced by us.

Item 1B. Unresolved Staff Comments

None.

Table of Contents

Item 2. Properties

United States Properties

Our U.S. properties primarily consist of malls, Premium Outlets, The Mills, lifestyle centers and other retail properties. These properties contain an aggregate of approximately 181.1 million square feet of gross leasable area, or GLA.

Malls typically contain at least one department store anchor or a combination of anchors and big box retailers with a wide variety of smaller stores connecting the anchors. Additional stores are usually located along the perimeter of the parking area. Our 107 malls are generally enclosed centers and range in size from approximately 260,000 to 2.7 million square feet of GLA.

Premium Outlets generally contain a wide variety of designer and manufacturer stores located in open air centers. Our 69 Premium Outlets range in size from approximately 150,000 to 900,000 square feet of GLA. The Premium Outlets are generally located within a close proximity to major metropolitan areas and/or tourist destinations.

The 14 properties in The Mills generally range in size from 1.2 million to 2.3 million square feet of GLA and are located in major metropolitan areas. They have a combination of traditional mall, outlet center, and big box retailers and entertainment uses.

We also have interests in four lifestyle centers and 12 other retail properties. The lifestyle centers range in size from 170,000 to 930,000 square feet of GLA. The other retail properties range in size from approximately 160,000 to 850,000 square feet of GLA and are considered non core to our business model.

As of December 31, 2018, approximately 95.9% of the owned GLA in malls and Premium Outlets was leased and approximately 97.6% of the owned GLA for The Mills was leased.

We wholly own 135 of our properties, effectively control 12 properties in which we have a joint venture interest, and hold the remaining 59 properties through unconsolidated joint venture interests. We are the managing or co managing general partner or member of 202 properties in the United States. Certain of our joint venture properties are subject to various rights of first refusal, buy sell provisions, put and call rights, or other sale or marketing rights for partners which are customary in real estate partnership agreements and the industry. We and our partners in these joint ventures may initiate these provisions (subject to any applicable lock up or similar restrictions) which may result in either the sale of our interest or the use of available cash or borrowings, or the use of Operating Partnership units, to acquire the joint venture interest from our partner.

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

U.S. Properties

The following property table summarizes certain data for our malls, Premium Outlets, The Mills, lifestyle centers and other retail properties located in the United States, including Puerto Rico, as of December 31, 2018.

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease) (3)	Legal Ownership	Year Built or Acquired	Occupancy (5)	Total GLA	Selected Retailers and Uses
Apple Blossom Mall	VA	Winchester	Fee	49.1	% Acquired 1999 (4)	93.7	% 472,802	Belk, JCPenney, Sears, AMC Cinemas
Auburn Mall	MA	Auburn	Fee	56.4	% Acquired 1999 (4)	98.4	% 583,739	Macy's, Sears, Reliant Meridian Group
Aventura Mall (1)	FL	Miami Beach (Miami)	Fee	33.3	% Built 1983 (4)	97.3	% 2,079,715	Bloomingdale's, Macy's (8), JCPenney, Nordstrom, Equinox Fitness Clubs, AMC Theatres
Avenues, The	FL	Jacksonville	Fee	25.0	% Built 1990 (4) (2)	96.9	% 1,111,812	Belk, Dillard's, JCPenney, Sears, Forever 21
Barton Creek Square	TX	Austin	Fee	100.0	% Built 1981	95.3	% 1,430,122	Nordstrom, Macy's, Dillard's (8), JCPenney, AMC Theatres
Battlefield Mall	MO	Springfield	Fee and Ground Lease (2056)	100.0	% Built 1970	92.1	% 1,202,116	Macy's, Dillard's (8), JCPenney, Sears
Bay Park Square	WI	Green Bay	Fee	100.0	% Built 1980	87.6	% 724,373	Kohl's, ShopKo, Marcus Cinemas

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Brea Mall	CA	Brea (Los Angeles)	Fee	100.0	%	Acquired 1998	97.0	%	1,319,599	16 Nordstrom Macy's (8) JCPenney,
Briarwood Mall	MI	Ann Arbor	Fee	50.0	%	Acquired (4) 2007	98.6	%	978,672	Macy's, JCPenney, Maur, Hilt Garden Inn (15), Town Place Suite Marriott (1
Brickell City Centre	FL	Miami	Fee	25.0	%	Built 2016 (4)	81.7	%	476,799	Saks Fifth Avenue, Cinemex, EAST Mia Hotel (15), Centrale
Broadway Square	TX	Tyler	Fee	100.0	%	Acquired 1994	98.2	%	626,926	Dillard's, JCPenney,
Burlington Mall	MA	Burlington (Boston)	Fee and Ground Lease (2026) (7)	100.0	%	Acquired 1998	97.0	%	1,264,825	Macy's, Lo Taylor, Nordstrom Crate & Ba Primark, Arhaus Furniture
Cape Cod Mall	MA	Hyannis	Fee and Ground Leases (2029-2073) (7)	56.4	%	Acquired (4) 1999	95.0	%	723,605	Macy's (8) Best Buy, Marshalls, Barnes & Noble, Reg Cinema, T (6)
Castleton Square	IN	Indianapolis	Fee	100.0	%	Built 1972	96.0	%	1,381,533	Macy's, Vo Maur, JCPenney, Dick's Spo Goods, AM Theatres
Cielo Vista Mall	TX	El Paso	Fee and Ground Lease (2027) (7)	100.0	%	Built 1974	97.8	%	1,245,359	Macy's, Dillard's (8) JCPenney, Sears, Cinemark Theatres
Coconut Point	FL	Estero	Fee	50.0	%	Built 2006 (4)	90.6	%	1,205,436	Dillard's, Barnes & Noble, Bec Bath & Beyond, B Buy, DSW

College Mall	IN	Bloomington	Fee and Ground Lease (2048) (7)	100.0	%	Built 1965	88.7	%	610,256	Office Max, PetSmart, T.J. Maxx, Hollywood Theatres, S Target, Michael's, Wine & M Tuesday Morning, H Place Coco Point (15), TownePlac Suites by Marriott (1 Macy's, Ta Dick's Spo Goods, Be Bath & Beyond, U Fresh Thyr
Columbia Center	WA	Kennewick	Fee	100.0	%	Acquired 1987	97.4	%	762,585	Macy's (8) JCPenney, Barnes & Noble, DS Home Good Dick's Spo Goods (6)
Copley Place	MA	Boston	Fee	94.4	%	Acquired (11) 2002	93.6	%	1,259,063	Neiman Marcus, Barneys N York, Bost Marriott C Place (15), Westin Co Place (15)
Coral Square	FL	Coral Springs (Miami)	Fee	97.2	%	Built 1984	99.4	%	943,873	Macy's (8) JCPenney, Sears, Koh
Cordova Mall	FL	Pensacola	Fee	100.0	%	Acquired 1998	98.1	%	929,685	Dillard's, B Best Buy, Bath & Beyond, C Plus World Market, R Dick's Spo Goods
Crystal Mall	CT	Waterford	Fee	78.2	%	Acquired (4) 1998	85.5	%	782,995	Macy's, JCPenney, Bath & Beyond,

Dadeland Mall	FL	Miami	Fee	50.0	% (4)	Acquired 1997	99.2	%	1,497,002	Christmas Shops Saks Fifth Avenue, Nordstrom Macy's (8) JCPenney, Hotel by Marriott (6)
Del Amo Fashion Center	CA	Torrance (Los Angeles)	Fee	50.0	% (4)	Acquired 2007	94.4	%	2,517,765	Nordstrom Macy's (8) JCPenney, Sears, Marshalls, Barnes & Noble, JoA Fabrics, Al Theatres, D Sporting Goods, Da Buster's
Domain, The	TX	Austin	Fee	100.0	%	Built 2006	91.8	%	1,234,252	Neiman Marcus, Macy's, Dillard's, D Sporting Goods, iPic Theaters, Arhaus Furniture, Punch Bow Social, We Austin at T Domain, (1
Dover Mall	DE	Dover	Fee and Ground Lease (2041) (7)	68.1	% (4)	Acquired 2007	85.3	%	927,414	Macy's, JCPenney, Boscov's, A Cinemas, Dick's Spo Goods
Emerald Square	MA	North Attleboro (Providence, RI)	Fee	56.4	% (4)	Acquired 1999	87.4	%	1,022,295	Macy's (8) JCPenney, Sears
Empire Mall	SD	Sioux Falls	Fee and Ground Lease (2033) (7)	100.0	%	Acquired 1998	94.3	%	1,124,235	Macy's, JCPenney, Gordmans, Hy-Vee, D Sporting G

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease) (3)	Legal Ownership	Year Built or Acquired	Occupancy (5)	Total GLA	Selected Landmark Retailers and Uses
Brickell City Centre, The	FL	Miami	Fee	50.0	% Acquired (4) 2007	98.8	% 839,967	Bloomingdale's (13), Macy's, Regal Cinemas, The Fresh Market
Fashion Centre at Pentagon City, The	VA	Arlington (Washington, DC)	Fee	42.5	% Built 1989 (4)	99.6	% 1,037,360	Nordstrom, Macy's, The Ritz-Carlton (15)
Fashion Mall at Keystone, The	IN	Indianapolis	Fee and Ground Lease (2067) (7)	100.0	% Acquired 1997	97.5	% 716,555	Saks Fifth Avenue, Crate & Barrel, Nordstrom, Keystone Cinema
Fashion Valley	CA	San Diego	Fee	50.0	% Acquired (4) 2001	98.3	% 1,727,070	Neiman Marcus, Bloomingdale's, Nordstrom, Macy's, JCPenney, Theatres, Forever 21
Firewheel Town Center	TX	Garland (Dallas)	Fee	100.0	% Built 2005	97.7	% 995,806	Dillard's, Macy's, Barnes & Noble, Dollar General, Cost Plus World Market, AMC Theatres, Darden Sporting Goods, Fairfield Inn, Marriott (14)
Florida Mall, The	FL	Orlando	Fee	50.0	% Built 1986 (4)	99.4	% 1,717,740	Macy's, Dillard's,

Forum Shops at Caesars Palace, The Galleria, The	NV TX	Las Vegas Houston	Ground Lease (2050) Fee	100.0 50.4	% %	Built 1992 Acquired (4) 2002	95.8 96.8	% %	663,877 2,016,838	JCPenney, Sears, H&M Forever 21, Zara, American Girl, Dick's Sporting Goods, Crayola Experience, Florida Hotels and Conference Center (16) Caesars Palace Las Vegas and Casino Saks Fifth Avenue, Ne Marcus, Nordstrom, Macy's, The Westin Galleria (15), The Oaks (15), Time Tennis
Greenwood Park Mall	IN	Greenwood (Indianapolis)	Fee	100.0	%	Acquired 1979	99.2	%	1,260,340	Macy's, Von Maur, JCPenney, Dick's Sporting Goods, Bar & Noble, R Cinema
Waywood Mall	SC	Greenville	Fee and Ground Lease (2067) (7)	100.0	%	Acquired 1998	97.6	%	1,237,411	Macy's, Dillard's, JCPenney, Sears, Belk
Ingram Park Mall	TX	San Antonio	Fee	100.0	%	Built 1979	96.7	%	1,118,942	Dillard's, Macy's, JCPenney, Bealls
King of Prussia	PA	King of Prussia (Philadelphia)	Fee	100.0	%	Acquired 2003	97.6	%	2,667,143	Neiman Marcus, Bloomingdale's, Nordstrom, & Taylor, Macy's, Arl Furniture, Dick's Sporting Goods, Primark
Ma Plaza Mall	TX	McAllen	Fee and Ground Lease (2040) (7)	100.0	%	Built 1976	98.2	%	1,273,019	Macy's (8), Dillard's, JCPenney
Markelene Mall	TX	Cedar Park (Austin)	Fee	100.0	%	Built 1995	95.2	%	1,099,420	Dillard's (8), Macy's,

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High Valley Mall	PA	Whitehall	Fee	50.0	% Acquired (4) 2003	98.3	%	1,166,990	JCPenney, Theatres
Lenox Square	GA	Atlanta	Fee	100.0	% Acquired 1998	96.6	%	1,526,475	Macy's, JCPenney, Boscov's, Barnes & N
Livingston Mall	NJ	Livingston (New York)	Fee	100.0	% Acquired 1998	93.7	%	968,820	Neiman Ma Bloomingda Macy's, JW Marriott (15
Mall at Rockingham Park, The	NH	Salem (Boston)	Fee	28.2	% Acquired (4) 1999	97.7	%	1,024,159	Macy's, Lor Taylor, Sea Barnes & N
Mall at Tuttle Crossing, The	OH	Dublin (Columbus)	Fee	50.0	% Acquired (4) 2007	95.4	%	1,123,248	JCPenney, Scene 75 (6
Mall of Georgia	GA	Buford (Atlanta)	Fee	100.0	% Built 1999	98.4	%	1,845,186	Dillard's, Macy's, JCPenney, Dick's Spor Goods, Bar & Noble, Havertys Furniture, F Cinema, Vc Maur
Mall of New Hampshire, The	NH	Manchester	Fee and Ground Lease (2019-2027) (7)	56.4	% Acquired (4) 1999	96.7	%	798,881	Macy's, JCPenney, Buy
McCain Mall	AR	N. Little Rock	Fee	100.0	% Built 1973	93.1	%	793,630	Dillard's, JCPenney, Sears, Rega Cinema
Meadowood Mall	NV	Reno	Fee	50.0	% Acquired (4) 2007	98.9	%	901,357	Macy's (8), JCPenney, Dick's Spor Goods, Cru Fitness (6), Round 1 (6)
Menlo Park Mall	NJ	Edison (New York)	Fee	100.0	% Acquired 1997	96.2	%	1,332,132	Nordstrom, Macy's, Bar & Noble, A Dine-In The
	FL	Miami	Fee	47.8	Built 1982	97.5	%	1,082,486	

Miami International Mall					% (4)					Macy's (8), JCPenney, Kohl's
Midland Park Mall	TX	Midland	Fee	100.0	%	Built 1980	98.8	%	635,788	Dillard's (8), JCPenney (6), JCPenney Bealls, Ross
Miller Hill Mall	MN	Duluth	Fee	100.0	%	Built 1973	97.4	%	831,511	JCPenney, Barnes & Noble, DSW, Dick Sporting Goods, Essentia Health (6)
Montgomery Mall	PA	North Wales (Philadelphia)	Fee	79.4	%	Acquired 2003	86.8	%	1,100,773	Macy's, JCPenney, Sears, Dick Sporting Goods, Wegmans
North East Mall	TX	Hurst (Dallas)	Fee	100.0	%	Built 1971	99.0	%	1,667,833	Nordstrom, Dillard's, Macy's, JCPenney, Sears, Dick Sporting Goods, Rave Theater
Northgate	WA	Seattle	Fee	100.0	%	Acquired 1987	95.6	%	1,045,451	Nordstrom, Macy's (13), JCPenney (13), Barnes & Noble, Bed Bath & Beyond, DSW, Nordstrom
Northshore Mall	MA	Peabody (Boston)	Fee	56.4	%	Acquired (4) 1999	95.3	%	1,385,195	JCPenney, Nordstrom, Macy's (8), Barnes & Noble, Shaw's Grocery, The Container Store, Tesla Sales and Service (6), Time Athletic (6)

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if	Legal	Year Built or	Occupancy (5)	Total GLA	Selected La
an County	NJ	Toms River (New York)	Lease) (3) Fee	Ownership 100.0	% Acquired 1998	91.5	% 791,125	Retailers an
nd Square	IL	Orland Park (Chicago)	Fee	100.0	% Acquired 1997	98.0	% 1,230,171	Macy's, Bo JCPenney, Fitness (6), HomeSense
ord Valley	PA	Langhorne (Philadelphia)	Fee	85.5	% Acquired 2003	94.0	% 1,338,569	Macy's, JCP United Arti Theatre
n Square	OK	Oklahoma City	Ground Lease (2060)	94.5	% Acquired 2002	99.1	% 1,083,937	Macy's, Dil (8), JCPenn AMC Thea Container S
asant Lane	NH	Nashua	-	—	% Acquired (12) 2002	97.5	% 979,427	JCPenney, Target, Mac Dick's Spor Goods
ops Plaza	GA	Atlanta	Fee	100.0	% Acquired 1998	99.4	% 832,175	Saks Fifth A Nordstrom, Theatres, A Furniture, I Discovery C AC Hotel b Marriott, Li Fitness (6), Hotel and Restaurant
a Carolina	PR	Carolina (San Juan)	Fee	100.0	% Acquired 2004	85.0	% 1,158,555	JCPenney, Tiendas Ca Econo, Bes T.J. Maxx, Caribbean C
n Lake Mall	LA	Lake Charles		100.0	% Built 1972	98.6	% 842,640	

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			Fee and Ground Lease (2040) (7)							
aker Bridge	NJ	Lawrenceville	Fee	50.0	%	Acquired (4) 2003	96.2	%	1,081,469	Dillard's, JCPenney, Cinemark T Kohl's, Dic Sporting Go T.J. Maxx/Hom
akaway nsquare	NJ	Rockaway (New York)	Fee	100.0	%	Acquired 1998	95.7	%	1,246,313	Macy's, Lor Taylor, JCP
sevelt Field	NY	Garden City (New York)	Fee and Ground Lease (2090) (7)	100.0	%	Acquired 1998	96.2	%	2,372,053	Sears Bloomingd Nordstrom, JCPenney, Sporting G AMC Entertainm XSport Fitr Neiman Ma Residence I Marriott (6
s Park Mall	PA	Pittsburgh	Fee	100.0	%	Built 1986	98.7	%	1,236,523	JCPenney, Nordstrom, Bean, Macy Crate & Ba Macy's, For
a Rosa	CA	Santa Rosa	Fee	100.0	%	Acquired 1998	97.3	%	692,087	
os at stnut Hill,	MA	Chestnut Hill (Boston)	Fee	94.4	%	Acquired 2002	94.1	%	470,067	Bloomingd
os at urfork, The	TX	Fort Worth	Fee	45.0	%	Built 2017 (4)	86.0	%	548,426	Neiman Ma Arhaus Fur AMC Thea Pinstripes
os at stals, The	NV	Las Vegas	Fee	50.0	%	Acquired (4) 2016	97.3	%	260,165	Aria Resort Casino (15)
os at uuet, The	NY	Nanuet	Fee	100.0	%	Redeveloped 2013	94.8	%	757,928	Macy's (13) Fairway Ma Regal Cine Hour Fitnes Home (6)
os at sion Viejo,	CA	Mission Viejo (Los Angeles)	Fee	51.0	%	Built 1979 (4)	96.7	%	1,254,716	Nordstrom, (8), Forever
os at erside, The	NJ	Hackensack (New York)	Fee	100.0	%	Acquired 2007	95.9	%	654,488	Bloomingd Barnes & N Arhaus Fur AMC Thea
h Haven	NY	Lake Grove (New York)	Fee	25.0	%	Acquired (4) 1995	94.8	%	1,302,412	Macy's (8), JCPenney,

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Simon Pond	MA	Marlborough (Boston)	Fee	56.4	%	Acquired (4) 1999	96.3	%	886,596	Dick's Spor Goods, Bar Noble, L.L. Macy's, JCI Sears, Rega Cinema
h Hills ge	PA	Pittsburgh	Fee	100.0	%	Acquired 1997	99.4	%	1,128,832	Macy's (8), & Noble, A Cinemas, D Sporting G Target, DS'
h Shore a	MA	Braintree (Boston)	Fee	100.0	%	Acquired 1998	97.4	%	1,587,963	Macy's, Lon Taylor, Sea Nordstrom, Primark
hdale ter	MN	Edina (Minneapolis)	Fee	100.0	%	Acquired 2007	89.8	%	1,053,828	Macy's, AM Theatres, D Buster's, Restoration Hardware (C Time Athle Life Time Work/Sport Homewood by Hilton, (
hPark	NC	Charlotte	Fee and Ground Lease (2040) (9)	100.0	%	Acquired 2002	100.0	%	1,678,376	Neiman Ma Nordstrom, Dillard's, B Dick's Spor Goods, Cra Barrel, The Container S Reid's Fine & Wine Ba (16)
hridge l	WI	Greendale (Milwaukee)	Fee	100.0	%	Acquired 2007	94.2	%	1,220,791	JCPenney, Marcus Cin Dick's Spor Goods, Rou Macy's, Tar
ngfield l (1)	PA	Springfield (Philadelphia)	Fee	50.0	%	Acquired (4) 2005	95.0	%	609,910	
are One l	MA	Saugus (Boston)	Fee	56.4	%	Acquired (4) 1999	97.9	%	930,279	Macy's, Sea Buy, T.J. M More, Dick Sporting G
Charles ne Center	MD	Waldorf (Washington, DC)	Fee	100.0	%	Built 1990	93.6	%	979,937	Macy's (8), JCPenney, Kohl's, Dic Sporting G AMC Thea

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease) (3)	Legal Ownership	Year Built or Acquired	Occupancy (5)	Total GLA
Johns Town Center	FL	Jacksonville	Fee	50.0	% Acquired Built 2005 (4)	98.9	% 1,392,198
Menlo Park Shopping Center	CA	Palo Alto (San Jose)	Ground Lease (2054)	94.4	% Acquired (11) 2003	99.3	% 1,341,792
Meridian Shopping Center	CA	Pleasanton (San Francisco)	Fee	49.9	% Acquired (4) 2007	98.1	% 1,300,380
Northgate Mall	OH	Akron	Fee	100.0	% Built 1965	92.9	% 776,922
Westfield Mall	WA	Tacoma (Seattle)	Fee	100.0	% Acquired 1987	96.8	% 1,319,607
	IN	Lafayette	Fee	100.0	% Built 1973	94.7	% 831,563

Selected
Retailers
Uses
Nordstrom
Dillard's
Furniture
Sporting
Barnes &
Homewor
Suites by
(15),
Target, A
Furniture
Store, Ro
Staples,
JoAnn F
PetsMart
Neiman
Blooming
Nordstrom
Macy's (C
Crate and
Barrel, T
Contain
Macy's (C
Nordstrom
JCPenne
Arhaus
Furniture
Dillard's
Macy's
Nordstrom
Macy's,
JCPenne
Dick's Sp
Goods

pecanoe ll									Macy's, JCPenne Kohl's, D Sporting
own Center at ca Raton	FL	Boca Raton (Miami)	Fee	100.0	%	Acquired 1998	97.1	% 1,778,818	Saks Fift Avenue, Marcus, Bloomin Nordstro Macy's, C Barrel, T Contain Joseph's Market (
own Center at bb	GA	Kennesaw (Atlanta)	Fee	100.0	%	Acquired 1998	97.8	% 1,281,739	Belk, Ma (8), JCP Sears
owne East quare	KS	Wichita	Fee	100.0	%	Built 1975	97.6	% 1,145,360	Dillard's Maur, JC
asure Coast quare	FL	Jensen Beach	Fee	100.0	%	Built 1987	91.6	% 851,079	Macy's, Dillard's JCPenne Regal Ci
rone Square	FL	St. Petersburg (Tampa)	Fee	100.0	%	Built 1972	96.4	% 960,215	Macy's, Dillard's JCPenne DSW, C Luxury Theatres Sporting Lucky's PetSmar
iversity Park ll	IN	Mishawaka	Fee	100.0	%	Built 1979	95.9	% 918,932	Macy's, JCPenne Sears, B Noble
lt Whitman ops	NY	Huntington Station (New York)	Fee and Ground Lease (2032) (7)	100.0	%	Acquired 1998	99.3	% 1,084,827	Saks Fift Avenue, Bloomin Lord & T Macy's
est Town ll	TN	Knoxville	Ground Lease (2042)	50.0	%	Acquired (4) 1991	99.0	% 1,338,790	Belk (8), Dillard's JCPenne Cinebarr Theatre
estchester, e	NY	White Plains (New York)	Fee	40.0	%	Acquired (4) 1997	93.2	% 809,098	Neiman Nordstro Crate an
ite Oaks ll	IL	Springfield	Fee	80.7	%	Built 1977	91.9	% 925,504	Macy's, Sporting

Welfchase lleria	TN	Memphis	Fee	94.5	%	Acquired 2002	97.5	%	1,151,615	LA Fitne Michael' Macy's, Dillard's JCPenne Malco T Courtyar Marriott
oodfield Mall	IL	Schaumburg (Chicago)	Fee	50.0	%	Acquired (4) 2012	98.9	%	2,150,333	Nordstro Macy's, Taylor, JCPenne Sears, A Furniture 257
oodland Hills ll	OK	Tulsa	Fee	94.5	%	Acquired 2002	97.6	%	1,091,888	Macy's, Dillard's JCPenne Holiday Express Courtyar Marriott
tal Mall A									120,700,674 (17)	

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease) (3)	Legal Ownership	Year Built Or Acquired	Occupancy (5)	Total GLA	Selected Tenants
Albertville Premium Outlets	MN	Albertville (Minneapolis)	Fee	100.0	% Acquired 2004	84.8	% 429,551	Calvin Klein, Gap Outlet, Ka New York, Lu Michael Kors, Polo Ralph La Tommy Hilfiger North Face, Un Armour
Premium Outlets	TX	Allen (Dallas)	Fee	100.0	% Acquired 2004	96.5	% 544,769	Adidas, Calvin Coach, Colum Sportswear, G Giorgio Arman J.Crew, Kate S New York, Mi Kors, Nike, Po Lauren, Staybr Suites (14), Th Face, Tommy I Tory Burch
Aurora Farms Premium Outlets	OH	Aurora (Cleveland)	Fee	100.0	% Acquired 2004	96.5	% 271,711	Calvin Klein, G Gap Outlet, Ka New York, Mi Kors, Nike, Po Lauren, Saks F Avenue Off 5th North Face, To Hilfiger, Under
Birch Run Premium Outlets	MI	Birch Run (Detroit)	Fee	100.0	% Acquired 2010	93.8	% 606,452	Adidas, Calvin Coach, J.Crew Spade New Yo Michael Kors, Polo Ralph La Pottery

Camarillo Premium Centers	CA	Camarillo (Los Angeles)	Fee	100.0	% Acquired 2004	98.5	% 675,510
Carlsbad Premium Centers	CA	Carlsbad (San Diego)	Fee	100.0	% Acquired 2004	96.1	% 289,367
Smithfield Premium Centers	NC	Smithfield (Raleigh)	Fee	100.0	% Acquired 2004	94.9	% 438,822
Charlotte Premium Centers	NC	Charlotte	Fee	50.0	% Built 2014 (4)	98.5	% 398,686
Aurora Premium Centers	IL	Aurora (Chicago)	Fee	100.0	% Built 2004	94.6	% 687,362
Monroe Premium Centers	OH	Monroe (Cincinnati)	Fee	100.0	% Built 2009	97.8	% 398,752

Barn/Williams Outlet, Tommy The North Face Armour Adidas, Calvin Coach, Columbia Sportswear, Gi Armani, Kate S New York, Lu Michael Kors, Marcus Last C Polo Ralph La Saks Fifth Ave 5th, The North Tommy Hilfiger Burch, Under Adidas, Barney York Warehouse Calvin Klein, C Crate & Barrel Outlet, Kate Sp New York, Michael Nike, Polo Ralph Lauren, Tory B Under Armour Adidas, Coach Outlet, J.Crew Polo Ralph La Tommy Hilfiger Armour Adidas, Coach Outlet, Guess, Spade New Yo Michael Kors, Saks Fifth Ave 5th, Tommy H Under Armour Adidas, Arc'ter Armani Outlet, Klein, Coach, G Sportswear, G J.Crew, Kate S New York, Mi Kors, Nike, Po Lauren, Restor Hardware, Sak Avenue Off 5th Armour, Versa Adidas, Calvin Coach, Gap Ou J.Crew, Kate S

Clarksburg Premium Assets	MD	Clarksburg (Washington, DC)	Fee	66.0	% Built 2016 (4)	89.5	%	390,126
Clinton Premium Assets	CT	Clinton	Fee	100.0	% Acquired 2004	97.3	%	276,101
Thornton Premium Assets	CO	Thornton (Denver)	Fee	100.0	% Built 2018	82.5	%	328,090
North Hills Premium Assets	CA	Cabazon (Palm Springs)	Fee	100.0	% Acquired 2004	98.0	%	655,325

New York, Michael Kors, Nike, Polo Lauren, Saks Fifth Avenue Off 5th, North Face, Tommy Hilfiger, Under Armour, Armani Outlet, Armani Exchange, Adidas, Calvin Klein, Coach, Eredip, Ermenegildo Zegna, Express, Johnnie Rockets, Kate Spade, New York, Michael Kors, Nike, Polo Lauren, Saks Fifth Avenue Off 5th, Salvatore Ferragamo, Thomas Pink, Tommy Hilfiger, Tory Burch, Under Armour, Adidas, Calvin Klein, Coach, Gap Outlet, J.Crew, Kate Spade, New York, Michael Kors, Nike, Polo Lauren, Saks Fifth Avenue Off 5th, Tommy Hilfiger, Under Armour, Vineyard Vines, Agent Provocateur, Alexander McQueen, Armani Outlet, Balenciaga, Bottega Veneta, Brioni, Brunello Cucinelli, Burberry, Coach, Ermenegildo Zegna, Fendi, Gucci, Jil Sander, Choo, Loro Piana, Jacobs, Moncler, Mulberry, Neiman Marcus

Edinburgh Premium Stores	IN	Edinburgh (Indianapolis)	Fee	100.0	% Acquired 2004	97.7	% 377,979
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Marcus Last C
 Polo Ralph La
 Prada, Roberto
 Saint Laurent
 Saks Fifth Ave
 5th, Salvatore
 Ferragamo, Stu
 Weitzman, Tom
 Valentino
 Adidas, Calvin
 Coach, Colum
 Sportswear, Ga
 Guess, J.Crew,
 Spade New Yo
 Michael Kors,
 Polo Ralph La
 Tommy Hilfig
 Armour

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease) (3)	Legal Ownership	Year Built Or Acquired	Occupancy (5)	Total GLA	Selected Tenants
Ellenton premium outlets	FL	Ellenton (Tampa)	Fee	100.0	% Acquired 2010	96.0	% 476,884	Adidas, Ca Klein, Coa J.Crew, Ka Spade New York, Mich Kors, Nike Polo Ralph Lauren, Sa Fifth Aven Off 5th, U Armour
Folsom premium outlets	CA	Folsom (Sacramento)	Fee	100.0	% Acquired 2004	95.0	% 297,548	Adidas, Ba Republic, Calvin Kle Coach, Ga Outlet, Kat Spade New York, Mich Kors, Nike Tommy Hilfiger, U Armour
Gilroy premium outlets	CA	Gilroy (San Jose)	Fee	100.0	% Acquired 2004	88.3	% 578,222	Adidas, Ca Klein, Coa Columbia Sportswear J.Crew, Ka Spade New York, Lululemon Michael K Nike, Polo Ralph Lau Saks Fifth Avenue O The North

Blackwood premium outlets	NJ	Blackwood (Philadelphia)	Fee	50.0	% Built 2015 (4)	86.9	% 369,686
Grand Prairie premium outlets	TX	Grand Prairie (Dallas)	Fee	100.0	% Built 2012	92.9	% 416,322
Grove City premium outlets	PA	Grove City (Pittsburgh)	Fee	100.0	% Acquired 2010	93.9	% 530,771

Tommy Hilfiger
Adidas, Ba
Republic,
Brooks
Brothers,
Calvin Kle
Columbia
Sportswear
Gap Outlet
Guess, Lev
Crew, Loft
Outlet, Mic
Kors, Nike
Polo Ralph
Lauren,
Skechers,
Tommy
Hilfiger, U
Armour
Banana
Republic,
Blooming
The Outlet
Store, Calv
Klein, Coa
Columbia
Sportswear
Kate Spade
New York
J.Crew,
Michael K
Nike, Saks
Avenue O
Tommy
Bahama,
Tommy
Hilfiger, U
Armour
Adidas, AR
Taylor, Ba
Republic,
Brooks
Brothers,
Calvin Kle
Coach, Ga
Outlet, Gu
J.Crew, Ka
Spade New
York, Mich
Kors, Nike

Gulfport premium outlets	MS	Gulfport	Ground Lease (2059)	100.0	% Acquired 2010	94.2	% 300,033	Polo Ralph Lauren, The North Face, Tommy Hilfiger, U Armour, Banana Republic, Chico's, Co Gap Outlet, H&M, J.C. Kate Spade New York, Michael K Nike, Polo Ralph Lauren, Tommy Hilfiger, U Armour
Hagerstown premium outlets	MD	Hagerstown (Baltimore/	Fee	100.0	% Acquired 2010	87.3	% 485,161	Adidas, American Outfitters, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Columbia Sportswear, Gap Outlet, Guess, J.C. Kate Spade New York, Outlet, New Balance, N The North Tommy Hilfiger, U Armour
Houston premium outlets	TX	Cypress (Houston)	Fee	100.0	% Built 2008	99.6	% 542,077	Ann Taylor, A/X Arma Exchange, Banana Republic, Brooks Brothers, Burberry, Calvin Klein, Coach, Fur Gap Outlet

Jackson premium outlets	NJ	Jackson (New York)	Fee	100.0	% Acquired 2004	97.0	% 285,696	Giorgio Armani, Holiday Inn Express (1), Kate Spade New York, Lululemon, Michael Kors, Nike, Polo Ralph Lauren, Saks Fifth Avenue Outlet, Tommy Hilfiger, T. Burch, Adidas, American Outfitters, Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Gap Outlet, J.Crew, Loft Outlet, Kate Spade New York, Michael Kors, Nike, Polo Ralph Lauren, Tommy Hilfiger, U
Jersey Shore premium outlets	NJ	Tinton Falls (New York)	Fee	100.0	% Built 2008	96.6	% 434,428	Armour, Adidas, American Outfitters, Taylor, Banana Republic, Burberry, Brooks Brothers, Calvin Klein, Coach, Columbia Sportswear, J.Crew, Kate Spade New York, Michael Kors, Nike, Polo Ralph Lauren, Tommy Hilfiger, U

Johnson Creek premium outlets	WI	Johnson Creek	Fee	100.0	% Acquired 2004	92.1	% 277,672
Kittery premium outlets	ME	Kittery	Fee and Ground Lease (2049) (7)	100.0	% Acquired 2004	86.5	% 259,221
Las Americas premium outlets	CA	San Diego	Fee	100.0	% Acquired 2007	97.2	% 554,107

Armour
 Adidas, Ba
 Republic,
 Calvin Kle
 Gap Outlet
 Loft Outlet
 Nike, Polo
 Ralph Laur
 Tommy
 Hilfiger, U
 Armour
 Ann Taylo
 Banana
 Republic,
 Calvin Kle
 Coach,
 Columbia
 Sportswear
 Gap Outlet
 J.Crew, Ka
 Spade New
 York, Nike
 Polo Ralph
 Lauren,
 Swarovski
 Tommy
 Hilfiger
 Adidas, Ba
 Republic,
 Calvin Kle
 Coach,
 Columbia
 Sportswear
 Gap Outlet
 Giorgio
 Armani, G
 Kate Spade
 New York,
 Lacoste,
 Michael K
 Nike, Polo
 Ralph Laur
 The North
 Tommy
 Hilfiger, U
 Armour

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease) (3) Fee	Legal Ownership	Year Built Or Acquired	Occupancy (5)	Total GLA	Selected Tenants
Las Vegas North Premium Outlets	NV	Las Vegas		100.0	Built 2003	99.4	676,324	All Saints, A Outlet, A/X Armani Exc Banana Rep Burberry, C CH Carolina Herrera, Cheesecake Factory, Co David Yurm Dolce & Gal Etro, Jimmy John Varvat Lululemon, Spade New Marc Jacobs Neiman Mar Last Call, M Kors, Nike, Ralph Laure Roberto Cav Saks Fifth A Off 5th, Salv Ferragamo, Shack, Tory Adidas, Ann Taylor, Ban Republic, B Brothers, Ca Klein, Coach Columbia Sportswear, Outlet, Gues Kate Spade York, Micha Kors, Nike,
Las Vegas North Premium Outlets	NV	Las Vegas		100.0	Acquired 2004	98.7	535,661	

Lee Premium Outlets	MA	Lee	Fee	100.0	% Acquired 2010	93.8	%	224,846	Ralph Lauren, Tommy Hilf Under Armou Ann Taylor, Banana Rep Brooks Brot Calvin Klein Coach, J.Cre Loft Outlet, Michael Kor Nike, Polo R Lauren, Ske Tommy Hilf Under Armou
Leesburg Corner Premium Outlets	VA	Leesburg (Washington, DC)	Fee	100.0	% Acquired 2004	98.9	%	478,225	Adidas, Ann Taylor, Arm Outlet, A/X Armani Exc Brooks Brot Burberry, C Kate Spade York, Lulule Michael Kor Nike, Polo R Lauren, Restoration Hardware, T Burch, Unde Armour, Vir Vines, Williams-So
Highhouse Face Premium Outlets	IN	Michigan City (Chicago, IL)	Fee	100.0	% Acquired 2004	86.3	%	454,782	Adidas, Ann Taylor, Ban Republic, C Klein, Coach Outlet, Gues J.Crew, Kate Spade New Michael Kor Nike, Polo R Lauren, The Face, Tomm Hilfiger, Un Armour
Merrimack Premium Outlets	NH	Merrimack	Fee	100.0	% Built 2012	98.9	%	408,902	Ann Taylor, Banana Rep Barbour, Bloomingda The Outlet S Brooks Brot Calvin Klein

									Coach, J.Crew, Kate Spade New York, Michael Kors, Nike, Ralph Lauren, Saks Fifth Avenue, Off 5th, Tommy Hilfiger, Tory Burch, Under Armour, Vineyard Vines
Napa Premium Outlets	CA	Napa	Fee	100.0	% Acquired 2004	94.0	%	179,354	Adidas, Banana Republic, Brooks Brothers, Calvin Klein, Coach Outlet, J.Crew, Michael Kors, Nike, Polo Ralph Lauren, Tommy Hilfiger
Norfolk Premium Outlets	VA	Norfolk	Fee	65.0	% Built 2017 (4)	87.8	%	332,086	A/X Armani Exchange, Banana Republic, Calvin Klein, Coach Columbia Sportswear, Coach Outlet, H&M, Kate Spade New York, Michael Kors, Nike, Ralph Lauren, North Face, Tommy Hilfiger, Tory Burch, Under Armour
North Bend Premium Outlets	WA	North Bend (Seattle)	Fee	100.0	% Acquired 2004	93.6	%	223,560	Banana Republic, Coach, Gap Outlet, Levi's, Michael Kors, Nike, Skechers, Under Armour
North Georgia Premium Outlets	GA	Dawsonville (Atlanta)	Fee	100.0	% Acquired 2004	91.6	%	540,721	Ann Taylor, Armani Outlet, Banana Republic, Brooks Brothers, Burberry, Calvin Klein, Coach Columbia Sportswear, J.Crew, Kate Spade New York

Orlando International Premium Outlets	FL	Orlando	Fee	100.0	% Acquired 2010	97.8	% 773,823	Lululemon, Michael Kors, Nike, Polo Bread, Lauren, Pott, Barn, Saks Fifth Avenue Off, The North Face, Tommy Hilf, Tory Burch, Williams-Scott, Adidas, Arm, Outlet, Calv, Klein, Coach, Invicta, Gan, Havaianas, H&M, J.Crew, Karl Lagerfe, Kate Spade, York, Michael Kors, Nike, Bread, Polo Lauren, Saks, Avenue Off, The North Face, Tommy Hilf, Tory Burch, Under Arm
Orlando International Premium Outlets	FL	Orlando	Fee	100.0	% Acquired 2004	99.6	% 656,895	Adidas, All, Armani Outl, Bally, Botte, Veneta, Brun, Cucinelli, Burberry, Ca, Klein, Carol, Herrera, Coa, Ermenegildo, Zegna, Jimm, Choo, John, Varvatos, K, Spade New, Lacoste, Lululemon, Michael Kors, Nike, Prada, Ralph Laure, Roberto Cav, Saks Fifth A, Off 5th, Salv, Ferragamo, Heuer, The l, Face, Tod's,

Petaluma Village Premium Outlets	CA	Petaluma (San Francisco)	Fee	100.0	% Acquired 2004	97.6	%	201,704
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Tommy Hilf
Tory Burch,
Under Armou
Adidas, Am
Taylor, Ban
Republic, Br
Brothers, Co
Gap Outlet,
Spade New
Michael Kor
Nike, Saks F
Avenue Off
Tommy Hilf

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease) (3)	Legal Ownership	Year Built Or Acquired	Occupancy (5)	Total GLA	Selected Tenants
Philadelphia Premium Outlets	PA	Limerick (Philadelphia)	Fee	100.0 %	Built 2007	92.8 %	549,153	Adidas, A Taylor, Ba Republic, Brooks Brothers, C Klein, Coa Gap Outle Guess, J.C Loft Outle Michael K Nike, Polo Ralph Lau Restoratio Hardware, North Fac Tommy Hilfiger, T Burch, Un Armour Adidas, Ba Republic, Brooks Brothers, C Klein, Coa Columbia Sportswea Gap Facto Store, Gue Kate Spad New York Michael K Nike, Saks Avenue O Tommy Bahama, Tommy
Phoenix Premium Outlets	AZ	Chandler (Phoenix)	Ground Lease (2077)	100.0 %	Built 2013	94.2 %	356,504	Adidas, Ba Republic, Brooks Brothers, C Klein, Coa Columbia Sportswea Gap Facto Store, Gue Kate Spad New York Michael K Nike, Saks Avenue O Tommy Bahama, Tommy

Pismo Beach Premium Outlets	CA	Pismo Beach	Fee	100.0	% Acquired 2010	98.0	% 147,430
Pleasant Prairie Premium Outlets	WI	Pleasant Prairie (Chicago, IL/Milwaukee)	Fee	100.0	% Acquired 2010	97.3	% 402,613
San Juan Premium Outlets	PR	Barceloneta	Fee	100.0	% Acquired 2010	86.2	% 350,047
Queenstown Premium Outlets	MD	Queenstown (Baltimore)	Fee	100.0	% Acquired 2010	96.6	% 289,594

Hilfiger, U
 Armour
 Calvin Kle
 Coach, Gu
 Levi's, Nil
 Polo Ralpl
 Lauren,
 Skechers,
 Tommy
 Hilfiger, V
 Heusen
 Adidas, A
 Taylor, Ba
 Republic,
 Calvin Kle
 Coach, Ga
 Outlet, Ka
 Spade Nev
 York, J.Cr
 Lacoste, L
 Outlet, Mi
 Kors, Nike
 Polo Ralpl
 Lauren, St
 John, The
 Face, Tom
 Hilfiger, U
 Armour
 Adidas, A
 Taylor, Ca
 Klein, Dis
 Store Outl
 Gap Outle
 Lacoste, L
 Outlet, Mi
 Kors, Nike
 Polo Ralpl
 Lauren, Pu
 Tommy H
 Adidas, Ba
 Republic,
 Brooks
 Brothers, C
 Klein, Coa
 Columbia
 Sportswea
 Gap Outle
 J.Crew, Ka
 Spade Nev
 York, Lof
 Outlet, Mi

o Grande alley premium outlets	TX	Mercedes (McAllen)	Fee	100.0	%	Built 2006	90.1	%	603,929
ound Rock premium outlets	TX	Round Rock (Austin)	Fee	100.0	%	Built 2006	97.2	%	488,698
an Francisco premium outlets	CA	Livermore (San Francisco)	Fee and Ground Lease (2021) (9)	100.0	%	Built 2012	97.5	%	696,886

Kors, Nike
 Polo Ralph
 Lauren, St
 John, Tom
 Bahama, U
 Armour
 Adidas, A
 Taylor, Ar
 Outlet, A/
 Armani
 Exchange,
 Banana
 Republic,
 Calvin Kle
 Coach, Ga
 Outlet, H&
 Kate Spad
 New York
 Levi's, Lo
 Outlet, Mi
 Kors, Nike
 Polo Ralph
 Lauren, To
 Hilfiger, U
 Armour
 Adidas, A
 Taylor, Ba
 Republic,
 Brooks
 Brothers, C
 Klein, Coa
 Gap Outle
 J.Crew, K
 Spade Nev
 York, Loft
 Outlet, Mi
 Kors, Nike
 Polo Ralph
 Lauren, To
 Hilfiger, U
 Armour
 All Saints,
 Armani
 Exchange,
 Bloomin
 The Outle
 Store, Bot
 Veneta,
 Brunello
 Cucinelli,
 Burberry,

San Marcos Premium Outlets	TX	San Marcos (Austin/San Antonio)	Fee	100.0	% Acquired 2010	96.6	% 730,847
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Carolina
Herrera, C
Ermenegil
Zegna, Etr
Furla, Gucc
H&M, Jim
Choo, Joh
Varvatos,
Spade Nev
York, Lac
Longcham
MaxMara,
Michael K
Nike, Pol
Ralph Lau
Prada, Rog
Vivier, Sai
Fifth Aven
Off 5th,
Salvatore
Ferragamo
North Fac
Tod's, Tor
Burch, Un
Armour,
Versace, Z
et Voltaire
Armani Or
Banana
Republic,
Burberry,
Carolina
Herrera, D
Von
Furstenber
Etro, Gucc
Crew, Jim
Choo, Joh
Rockets, K
Spade Nev
York, Lac
Lululemon
Neiman M
Last Call,
Michael K
Pandora, F
Ralph Lau
Pottery Ba
Prada,
Restoratio
Hardware,

Seattle Premium Outlets	WA	Tulalip (Seattle)	Ground Lease (2079)	100.0	% Built 2005	98.7	% 554,831	Fifth Avenue, Off 5th, Salvatore Ferragamo, North Face, Tommy Bahama, Tommy Burch, Vineyard Vines, Adidas, A&P, Taylor, Arc'teryx, Armani, Banana Republic, Burberry, Calvin Klein, Coach, Columbia Sportswear, Kate Spade, New York, Lululemon, Michael Kors, Nike, Polo, Ralph Lauren, St. John, North Face, Tommy Bahama, Tommy Hilfinger, Tommy Burch, Under Armour
Liver Sands Premium Outlets	FL	Destin	Fee	50.0	% Acquired (4) 2012	91.8	% 450,954	Adidas, A&P, Taylor, Banana Republic, Brooks Brothers, Coach, Columbia Sportswear, J.Crew, Kate Spade, New York, Michael Kors, Nike, Polo Ralph Lauren, Salvatore Ferragamo, Off 5th, Tommy Bahama, North Face

St. Augustine Premium outlets	FL	St. Augustine (Jacksonville)	Fee	100.0	% Acquired 2004	96.9	% 327,691
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Tommy
Hilfiger, U
Armour
Adidas, A
Taylor, Ba
Republic,
Brooks
Brothers, C
Klein, Co
Gap
Outlet, J.C
Kate Spad
New York
Nike, Pol
Ralph Lau
Tommy
Hilfiger, U
Armour

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease) (3)	Legal Ownership	Year Built Or Acquired	Occupancy (5)	Total GLA	Selected Tenants
Louis Premium Outlets	MO	St. Louis (Chesterfield)	Fee	60.0	% Built 2013 (4)	95.6	% 351,497	Adidas, A Taylor, E Brothers. Coach, C Outlet, J. Kate Spa New Yor Levi's, M Kors, Nil Saks Fift Avenue C Tommy Hilfiger, Under A
Tampa Premium Outlets	FL	Lutz (Tampa)	Fee	100.0	% Built 2015	100.0	% 459,485	Adidas, A Outlet, B Republic Restaura Brewhou Brooks Brothers. Calvin K Coach, Columbi Sportswe Gap Outl Crew, Lu Brand, M Kors, Nil Polo Ral Lauren, I Saks 5th Avenue C Tommy Hilfiger, Under A

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anger Outlets - Columbus (1)	OH	Sunbury (Columbus)	Fee	50.0	% Built 2016 (4)	94.1	% 355,255	Banana Republic Brooks Brothers, Coach, K Spade Ne York, Ni Polo Ral Lauren, U Armour
anger Outlets - veston/Houston	TX	Texas City	Fee	50.0	% Built 2012 (4)	95.2	% 352,705	Banana Republic Brooks Brothers, Coach, C Outlet, J Kate Spa New Yor Michael Nike, To Hilfiger
e Crossings Premium Outlets	PA	Tannersville	Fee and Ground Lease (2019) (7)	100.0	% Acquired 2004	98.9	% 411,747	Adidas, A Taylor, E Republic Brooks Brothers, Calvin K Coach, J Johnny Rockets, Spade Ne York, Lo Outlet, M Kors, Ni Polo Ral Lauren, T North Fa Tommy Hilfiger, Armour
esson Premium Outlets	AZ	Marana (Tucson)	Fee	100.0	% Built 2015	91.3	% 363,437	Adidas, I Republic Brooks Brothers, Calvin K Coach, F 21, Gap Godiva, J. Crew, Rockets, Michael

in Cities Premium Outlets	MN	Eagan	Fee	35.0	% Built 2014 (4)	97.2	% 408,930
vacaville Premium Outlets	CA	Vacaville	Fee	100.0	% Acquired 2004	95.4	% 440,263
ikele Premium Outlets	HI	Waipahu (Honolulu)	Fee	100.0	% Acquired 2004	98.7	% 219,289

Nike, Po
Ralph La
Saks 5th
Avenue C
Skechers
Tommy
Hilfiger,
Armour
Adidas, A
Taylor, A
Outlet, B
Republic
Brooks
Brothers,
Calvin K
Coach, C
Outlet, J
Kate Spa
New Yor
Michael
Nike, Po
Ralph La
Robert G
Saks Fift
Avenue C
Talbots,
Armour
Adidas, A
Taylor, B
Republic
Calvin K
Coach,
Columbi
Sportswe
Gap Outl
J.Crew, I
Spade Ne
York, La
Michael
Nike, Po
Ralph La
Skechers
North Fa
Tommy
Hilfiger,
Armour
Adidas, A
Saints, A
Outlet, B
Republic
Barney's

Waterloo Premium Outlets	NY	Waterloo	Fee	100.0	% Acquired 2004	92.4	% 421,200
Williamsburg Premium Outlets	VA	Williamsburg	Fee	100.0	% Acquired 2010	96.2	% 522,450

York, Ca
 Klein, C
 Furla, Ka
 Spade Ne
 York, Mi
 Kors, Po
 Ralph La
 Saks Fift
 Avenue C
 Swarovsk
 Tommy
 Hilfiger,
 Burch
 American
 Outfitter
 Taylor, E
 Republic
 Brooks
 Brothers
 Calvin K
 Chico's,
 Columbi
 Sportsw
 Gap Outl
 H&M, J.
 Levi's, L
 Outlet, M
 Kors, Nil
 Polo Ralp
 Lauren,
 Skechers
 Tommy
 Hilfiger,
 Armour
 Adidas,
 American
 Outfitter
 Taylor, E
 Republic
 Brooks
 Brothers
 Burberry
 Calvin K
 Coach, J
 Kate Spa
 New Yor
 Levi's, L
 Outlet, M
 Kors, Ne
 Balance,
 Pandora,

Woodburn Premium Outlets	OR	Woodburn (Portland)	Fee	100.0	% Acquired 2013	99.2	% 389,821
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Woodbury Common Premium Outlets	NY	Central Valley (New York)	Fee	100.0	% Acquired 2004	96.7	% 899,088
---------------------------------------	----	------------------------------	-----	-------	--------------------	------	-----------

Ralph La
The Nort
Timberla
Tommy
Bahama,
Tommy,
Hilfiger,
Armour
Adidas, A
Taylor, E
Republic
Calvin K
Coach, C
Outlet, J.
Levi's, M
Kors, Nil
North Fa
Polo Ral
Lauren, T
Hilfiger,
Burch, U
Armour
Arc'teryx
Armani G
Balencia
Bottega V
Breitling
Brioni, B
Cucinelli
Burberry
Canali, C
Chloe, C
Dior, Do
Gabbana
Dunhill,
Givenchy
Golden C
Gucci, Ji
Choo, La
Le Pain
Quotidie
Loewe,
Longcha
Loro Pia
Marc Jac
Michael
Moncler,
Mulberry
Oscar de
Renta, P
Ralph La

Prada, Sa
Laurent,
Fifth Ave
Off 5th,
Salvatore
Ferragam
Shake SH
Stuart
Weitzma
Theory, 7
Tom For
Burch,
Valentin
Versace,
Sushi, Ze

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if	Legal	Year Built Or	Occupancy (5)	Total GLA	Selected Tenants
Wrentham Village Premium Outlets	MA	Wrentham (Boston)	Lease) (3) Fee	Ownership 100.0	Acquired % Acquired 2004	97.1 %	660,186	Adidas, All Saints, Ann Taylor, Arm Outlet, Ban Republic, Bloomingda The Outlet Store, Brook Brothers, Burberry, Calvin Klein, Coach, Dav Yurman, J.Crew, Kar Lagerfeld, K Spade New York, Lacos Lululemon, Michael Ko Nike, Polo Ralph Laure Puma, Restoration Hardware, Robert Gra Saks Fifth Avenue Off Salvatore Ferragamo, Theory, Tor Hilfiger, To Burch, Und Armour, Vineyard V
Total U.S. Premium							30,467,844	

Outlets GLA

32

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease) (3)	Legal Ownership	Year Built or Acquired	Occupancy (5)	Total GLA	Selected T
ona Mills	AZ	Tempe (Phoenix)	Fee	100.0	% Acquired 2007	94.5	% 1,236,915	Marshalls, Burlington Factory, R Harkins C IMAX, Se Center, Co Legoland, 21, Rainfo
del Mills	MD	Hanover (Baltimore)	Fee	59.3	% Acquired (4) 2007	99.9	% 1,930,820	Bass Pro S Outdoor W Bed Bath & Beyond, B Burlington Factory, D Buster's, M Times, Mo Saks Fifth Off 5th, O Broadway Warehouse Maxx, Cin Egyptian 2 Theatres, M Live! Casi Forever 21 Hotel (14)
rado Mills	CO	Lakewood (Denver)	Fee	37.5	% Acquired (4) 2007	89.0	% 1,414,037	Forever 21 Jumpstreet Broadway Warehouse Fifth Aven 5th, Super United Art Theatre, B Coat Facto

Concord Mills	NC	Concord (Charlotte)	Fee	59.3	% Acquired (4) 2007	99.5	% 1,362,404
Grapevine	TX	Grapevine (Dallas)	Fee	59.3	% Acquired (4) 2007	99.3	% 1,781,628
Mall	CA	Milpitas (San Jose)	Fee and Ground Lease (2049) (7)	100.0	% Acquired 2007	99.5	% 1,365,957
Lee Mills	IL	Gurnee (Chicago)	Fee	100.0	% Acquired 2007	83.5	% 1,936,699

H&M, Dick's Sporting Goods, Bass Pro Shops, Outdoor World, Burlington, Factory, Dillard's, Buster's, Neiman Marcus, Factory Store, Maxx, Off Broadway, Bed Bath & Beyond, American Theatres, Forever 21, Life Center, Burlington, Factory, M&M's, Saks Fifth Avenue, Off 5th, American Theatres, Ski Sports, Marcus & Millican, Bass Pro Shops, Outdoor World, Legoland, Discovery Channel, Sea Life Center, Ross, H&M, Round 1, Entertainment, Fieldhouse, Rainforest, Neiman Marcus, Last Call, USA, Kohl's, & Buster's, Burlington, Factory, M&M's, Saks Fifth Avenue, Off 5th, Neiman Marcus, Factory Store, Century 21, Bed Bath & Beyond, Dick's Sporting Goods, Bass Pro Shops, Outdoor World, Bed Bath & Beyond/Burton, Baby, Burlington Coat Factory

Mills	TX	Katy (Houston)	Fee	62.5	% Acquired (4) 2007 (2)	97.3	% 1,788,216	Kohl's, Ma Home Good Fifth Aven 5th, Rink S Marcus Ci Value City Furniture, Broadway Warehouse Macy's, FL Decor, Dic Sporting C Tilt/Rink S Sports & F Entertainm Center, Ra Café, The Place Bass Pro S Outdoor W Burlington Factory, M Neiman M Last Call, Fifth Aven 5th, Sun & Sports, AM Theatres, T Ross, H&M Outlet, Ra Café
at Jersey ens, The	NJ	Elizabeth	Fee	100.0	% Acquired 2015	99.8	% 1,303,423	Bed Bath & Beyond, B Coat Facto Century 21 Departmen Cohoes, F 21, Last C Neiman M Loews The Marshalls, Factory St 5th Avenu
rio Mills	CA	Ontario (Riverside)	Fee	50.0	% Acquired (4) 2007	98.8	% 1,421,108	5th, Burlington Factory, N Factory St Marshalls, Fifth Aven 5th, Nords Rack, Dav

Mills	TN	Nashville	Fee	100.0	% Acquired 2007	99.8	% 1,168,641
pts at ge, The	CA	Orange (Los Angeles)	Fee	100.0	% Acquired 2007	100.0	% 866,972
mac Mills	VA	Woodbridge (Washington, DC)	Fee	100.0	% Acquired 2007	99.1	% 1,540,304
grass Mills	FL	Sunrise (Miami)	Fee	100.0	% Acquired 2007	99.2	% 2,273,898

Buster's, C
USA, Sam
Music, AM
Theatres, I
21, Uniqlo
Restoration
Hardware
Skechers
Superstore
Rainforest
Aki-Home
Regal Cine
IMAX, Da
Buster's, S
Ski, Bass I
Shops Out
World, Be
Beyond, S
Avenue O
Madame T
Rainforest
Aquarium
Restaurant
Dave & B
Vans Skate
Lucky Stri
Lanes, Sak
Avenue O
AMC Thea
Neiman M
Last Call,
Nordstrom
Blooming
Outlet Stor
Marshalls,
Maxx, JCB
Burlington
Factory, N
Rack, Saks
Avenue O
Outlet, Co
Warehouse
Theatres,
Blooming
Outlet, Bu
Baby/and
Bed Bath &
Beyond,
BrandsMa
Burlington
Factory, M

Neiman M
Last Call,
Nordstrom
Saks Fifth
Off 5th, S
Target, T.J.
Regal Cine
Blooming
Outlet, Ce
Departmen
Dick's Spo
Goods, Pri
(6), AC H
Marriott (6

Mills
erties GLA

21,391,022

33

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease) (3)	Legal Ownership	Year Built or Acquired	Occupancy (5)	Total GLA	Sele Ten
Property Name Lifestyle Centers BQ Uptown	NM	Albuquerque	Fee	100.0	% Acquired 2011	98.7	% 230,061	Antl App Bar
Hamilton Town Center	IN	Noblesville (Indianapolis)	Fee	50.0	% Built 2008 (4)	93.4	% 672,905	JCP Dich Go Mar & B DSV Han IMA Fare Dill JCP Targ The Jon Mar Mar Dav Bus Sky Antl App Bar
er Park	FL	Panama City Beach	Fee	65.6	% Built 2008 (4)	96.7	% 932,721	
iversity Park llage	TX	Fort Worth	Fee	100.0	% Acquired 2015	99.3	% 169,842	
atal Lifestyle Centers GLA							2,005,529	
her Properties							3,645,297	

her properties MLP	Acquired 2007	2,913,687
tal Other LA		6,558,984 (17)
tal U.S. properties GLA		181,124,053

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

U.S. Properties

FOOTNOTES:

- (1) This property is managed by a third party.
- (2) Our direct and indirect interests in some of the properties held as joint venture interests are subject to preferences on distributions in favor of other partners or us.
- (3) The date listed is the expiration date of the last renewal option available to the operating entity under the ground lease. In a majority of the ground leases, we have a right to purchase the lessor's interest under an option, right of first refusal or other provision. Unless otherwise indicated, each ground lease listed in this column covers at least 50% of its respective property.
- (4) Joint venture properties accounted for under the equity method.
- (5) Malls - Executed leases for all company-owned GLA in mall stores, excluding majors and anchors. Premium Outlets and The Mills - Executed leases for all company-owned GLA (or total center GLA).
- (6) Indicates box, anchor, major or project currently under development/construction or has announced plans for development.
- (7) Indicates ground lease covers less than 50% of the acreage of this property.
- (8) Tenant has multiple locations at this center.
- (9) Indicates ground lease covers outparcel only.
- (10) Tenant has an existing store at this center but will move to a new location.
- (11) We receive substantially all the economic benefit of the property due to a preference or advance.
- (12) We own a mortgage note that encumbers Pheasant Lane Mall that entitles us to 100% of the economics of this property.
- (13) Indicates anchor has announced its intent to close this location.
- (14) Indicates box, anchor, major or project currently under development/construction by a third party.
- (15) Owned by a third party.
- (16) Includes multi-family tenant on-site.
- (17) GLA includes office space. Centers with more than 75,000 square feet of office space are listed below:

Auburn Mall - 85,619 sq. ft.
Circle Centre - 130,635 sq. ft.
Copley Place - 893,670 sq. ft.
Domain, The - 156,240 sq. ft.
Fashion Centre at Pentagon City, The - 169,089 sq. ft.
Oxford Valley Mall - 137,791 sq. ft.
Shops at Clearfork, The - 142,684 sq. ft.

Table of Contents

United States Lease Expirations

The following table summarizes lease expiration data for our U.S. malls and Premium Outlets, including Puerto Rico, as of December 31, 2018. The data presented does not consider the impact of renewal options that may be contained in leases.

U.S. MALLS AND PREMIUM OUTLETS LEASE EXPIRATIONS (1)

Year	Number of Leases Expiring	Square Feet	Avg. Base Minimum Rent PSF at 12/31/18	Percentage of Gross Annual Rental Revenues (2)	
Inline Stores and Freestanding					
Month to Month Leases	530	1,407,824	\$ 61.88	1.6	%
2019	2,413	8,503,453	\$ 51.65	7.7	%
2020	2,368	8,085,250	\$ 50.87	7.2	%
2021	2,125	8,109,158	\$ 49.99	7.2	%
2022	2,043	8,120,171	\$ 50.11	7.3	%
2023	2,328	8,685,716	\$ 56.79	8.7	%
2024	1,673	6,678,649	\$ 58.56	6.9	%
2025	1,450	5,502,091	\$ 65.09	6.4	%
2026	1,283	4,573,797	\$ 63.39	5.1	%
2027	1,031	3,849,512	\$ 62.90	4.3	%
2028	866	3,653,830	\$ 56.94	3.7	%
2029 and Thereafter	447	2,797,024	\$ 46.42	2.4	%
Specialty Leasing Agreements w/ terms in excess of 12 months					
Anchors	1,536	3,964,360	\$ 19.41	1.4	%
2019	9	1,004,555	\$ 3.80	0.1	%
2020	22	3,137,784	\$ 4.39	0.3	%
2021	12	1,422,205	\$ 4.74	0.1	%
2022	14	1,915,691	\$ 6.37	0.2	%
2023	18	2,468,058	\$ 6.55	0.3	%
2024	20	1,465,647	\$ 9.63	0.3	%
2025	15	1,404,556	\$ 9.35	0.2	%
2026	5	633,170	\$ 4.97	0.1	%
2027	6	920,224	\$ 4.16	0.1	%
2028	9	857,119	\$ 7.43	0.1	%
2029 and Thereafter	17	2,013,617	\$ 6.17	0.2	%

(1) Does not consider the impact of renewal options that may be contained in leases.

(2) Annual rental revenues represent domestic 2018 consolidated and joint venture combined base rental revenue.

Table of Contents

International Properties

Our ownership interests in properties outside the United States are primarily owned through joint venture arrangements. With the exception of our Premium Outlets in Canada, all of our international properties are managed by related parties.

European Investments

At December 31, 2018, we owned 63,924,148 shares, or approximately 21.3%, of Klépierre, which had a quoted market price of \$30.86 per share. Klépierre is a publicly traded, Paris-based real estate company, which owns, or has an interest in shopping centers located in 16 countries.

As of December 31, 2018, we had a controlling interest in a European investee with interests in nine Designer Outlet properties. Eight of the outlet properties are located in Europe and one outlet property is located in Canada. Of the eight properties in Europe, two are in Italy, two are in the Netherlands, and one each is in Austria, Germany, France and the United Kingdom. As of December 31, 2018, our legal percentage ownership interests in these entities ranged from 45% to 94%.

We own a 14.6% interest in Value Retail PLC and affiliated entities, which own and operate nine luxury outlets throughout Europe. We also have a minority direct ownership in three of those outlets.

Other International Investments

We hold a 40% interest in nine operating joint venture properties in Japan, a 50% interest in four operating joint venture properties in South Korea, a 50% interest in one operating joint venture property in Mexico, a 50% interest in two operating joint venture properties in Malaysia, and a 50% interest in three operating joint venture properties in Canada. The nine Japanese Premium Outlets operate in various cities throughout Japan and comprise over 3.3 million square feet of GLA and were 99.7% leased as of December 31, 2018.

The following property tables summarize certain data for our international properties as of December 31, 2018 and do not include our equity investment in Klépierre or our investment in Value Retail PLC and affiliated entities.

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

International Properties

COUNTRY/Property Name	City (Metropolitan area)	Ownership Interest	SPG Effective Ownership	Year Built	Total Gross Leasable Area (1)	Selected Tenants
JAPAN Ami Premium Outlets	Ami (Tokyo)	Fee	40.0	% 2009	315,000	Adidas, Beams, Coach, Ga Outlet, Ka Spade New York, McGregor Michael Kors, Pol Ralph Lauren, Puma, TaylorMa Tommy Hilfiger
Gotemba Premium Outlets	Gotemba City (Tokyo)	Fee	40.0	% 2000	481,500	Adidas, Armani, Balenciag Bally, Beams, Bottega Veneta, Burberry, Coach, DC & Gabban Dunhill, C Outlet, Gucci, Jill Stuart, Lo Piana, Michael Kors,

Kobe-Sanda Premium Outlets	Hyougo-ken (Osaka)	Ground Lease (2026)	40.0	% 2007	441,000	Moncler, Nike, Polo Ralph Lauren, Prada/Miu Miu, Salvatore Ferragamo, Tod's, United Arrows, Adidas, Armani, Bally, Beams, Coach, Dolce & Gabbana, Gap Outlet, Gucci, Ka Spade New York, Michael Jacobs, Michael Kors, Nike Polo Ralph Lauren, Prada/Miu Miu, Salvatore Ferragamo, Tod's, Tommy Hilfiger, United Arrows, Valentino
Rinku Premium Outlets	Izumisano (Osaka)	Ground Lease (2031)	40.0	% 2000	416,500	Adidas, Armani, Bally, Beams, Coach, Dolce & Gabbana, Dunhill, Eddie Bauer, Furla, Gap Outlet, Ka Spade New York, Lan Collection, Michael Kors, Nike Olive des

Sano Premium Outlets	Sano (Tokyo)	Fee	40.0	%	2003	390,800
Sendai-Izumi Premium Outlets	Izumi Park Town (Sendai)	Ground Lease (2027)	40.0	%	2008	164,200
Shisui Premium Outlets (2)	Shisui (Chiba), Japan	Ground Lease (2033)	40.0	%	Phase 2 - 2013	434,600

Olive, Pol
 Ralph
 Lauren,
 Salvatore
 Ferragamo
 TaylorMa
 Tommy
 Hilfiger,
 United
 Arrows
 Adidas,
 Armani,
 Beams,
 Coach,
 Dunhill,
 Eddie Bau
 Etro, Furla
 Gap Outle
 Gucci, Ka
 Spade New
 York,
 Michael
 Kors, Niko
 Polo Ralph
 Lauren,
 Prada/Miu
 Miu,
 TaylorMa
 Adidas,
 Beams,
 Coach, Po
 Ralph
 Lauren,
 Tasaki,
 United
 Arrows
 Adidas,
 Beams,
 Citizen,
 Coach,
 Dunhill,
 Furla, Gap
 Kate Spad
 New York
 Marmot,
 Michael
 Kors, Niko
 Polo Ralph
 Lauren,
 Samsonite
 Tommy

					Phase 3 - 2018		Hilfiger, United Arrows
Toki Premium Outlets	Toki (Nagoya)	Ground Lease (2033)	40.0	%	2005	367,700	Adidas, Beams, Coach, Fu Gap Outle Kate Spad New York Nike, Oliv des Olive, Polo Ralp Lauren, Puma, Timberlan Tommy Hilfiger, United Arrows
Tosu Premium Outlets	Fukuoka (Kyushu)	Fee	40.0	%	2004	290,400	Adidas, Armani, Beams, B Coach, D & Gabban Furla, Gap Outlet, Ka Spade New York, Michael Kors, Nik Olive des Olive, Pol Ralph Lauren, Puma, Tommy Hilfiger, United Arrows
Subtotal Japan						3,301,700	

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

International Properties

COUNTRY/Property Name	City (Metropolitan area)	Ownership Interest	SPG Effective Ownership	Year Built	Total Gross Leasable Area (1)	Selected Tenants
MEXICO Punta Norte Premium Outlets	Mexico City	Fee	50.0	% 2004	333,000	Adidas, Calvin Klein, CH Carolina Herrera, Coach, Dolce & Gabbana, Kate Spa New Yor Nautica, Nike, Palacio Outlet, Salvatore Ferragam Zegna
Subtotal Mexico					333,000	
SOUTH KOREA Yeoju Premium Outlets	Yeoju (Seoul)	Fee	50.0	% 2007	551,600	Adidas, Armani, Burberry, Chloe, Coach, Fendi, Gucci, Michael Kors, Nik Polo Ralp Lauren, Salvatore Ferragam Tod's, Valentino

Paju Premium Outlets	Paju (Seoul)	Ground Lease (2040)	50.0	%	2011	442,900
Busan Premium Outlets	Busan	Fee	50.0	%	2013	360,200
Siehung Premium Outlets	Siehung	Fee	50.0	%	2017	444,400
Subtotal South Korea						1,799,100
MALAYSIA						
Johor Premium Outlets	Johor (Singapore)	Fee	50.0	%	Phase 2 - 2011	309,400

Vivienne Westwood, Armani, Bean Pole, Calvin Klein, Coach, Jil Stuart, Lanvin, Collection, Marc Jacobs, Michael Kors, Nike, Polo Ralph Lauren, Tory Burch, Vivienne Westwood, Adidas, Armani, Bean Pole, Calvin Klein, Coach, Michael Kors, Nike, Polo Ralph Lauren, Tommy Hilfiger, Adidas, Armani, Bean Pole, Calvin Klein, Coach, Michael Kors, Nike, Polo Ralph Lauren, Salvatore Ferragamo, The North Face, Adidas, Armani, Calvin

							Klein, Coach, DKNY, Furla, Gu Guess, Michael Kors, Nik Polo Ralp Lauren, Puma, Salvatore Ferragam Timberla Tommy Hilfiger, Tory Bur Zegna
Genting Highlands Premium Outlets	Kuala Lumpur	Fee	50.0	%	Phase 3 - 2018 2017	277,500	Adidas, Coach, Furla, Ka Spade Ne York, Michael Kors, Pac Polo Ralp Lauren, Puma
Subtotal Malaysia						586,900	
CANADA							
Toronto Premium Outlets (2)	Toronto (Ontario)	Fee	50.0	%	Phase 3 - 2013	500,400	Adidas, Armani, Burberry, Calvin Klein, Coach, Eddie Ba Gap, Gu Kate Spa New Yor Michael Kors, Nik Polo Ralp Lauren, S Fifth Avenue, Tommy Hilfiger, Tory Bur

					Phase 4 - 2018		
Premium Outlets Montreal	Montreal (Quebec)	Fee	50.0	%	2014	366,500	Adidas, Calvin Klein, Coach, G Michael Kors, Nik Polo Ralp Lauren, Salvatore Ferragam Tommy Hilfiger
Premium Outlet Collection Edmonton International Airport	Edmonton (Alberta)	Ground Lease (2072)	50.0	%	2018	424,000	
Subtotal Canada						1,290,900	
TOTAL INTERNATIONAL PREMIUM OUTLETS						7,311,600	

Table of Contents

Simon Property Group, Inc.

Simon Property Group, L.P.

Property Table

International Properties

COUNTRY/Property Name	City (Metropolitan area)	Ownership Interest	SPG Effective Ownership	Year Built	Total Gross Leasable Area (1)	Selected Tenants
INTERNATIONAL DESIGNER OUTLETS						
AUSTRIA						
1. Parndorf Designer Outlet	Vienna	Fee	90.0	% Phase 3 — 2005	118,000	Adidas, Armani, Bally, Burberry, Calvin Klein, Coach, Dolce & Gabbana, Furla, Geox, Gucci, Michael Kors, Moncler, Polo Ralph Lauren, Porsche Design, Prada, Zegna
Phases 3 & 4 Subtotal Austria				Phase 4 — 2011	118,000	
ITALY						
2. La Reggia Designer Outlet	Marcianise (Naples)	Fee	90.0	% Phase 1 — 2010	288,000	Adidas, Armani, Calvin Klein, Liu Jo, Michael Kors, Nike, Pinko, Polo Ralph Lauren, Puma, Roberto Cavalli, Timberland, Tommy Hilfiger, Versace
Phases 1 & 2				Phase 2a — 2010 Phase 2b — 2011		
3. Noventa Di Piave Designer	Venice	Fee	90.0	% Phase 1 — 2008	324,000	Armani, Bally, Bottega Veneta, Brioni, Burberry,

								Calvin Klein, Fendi, Furla, Gucci, Loro Piana, Michael Kors, Nike, Paul Smith, Pinko, Polo Ralph Lauren, Prada, Salvatore Ferragamo, Sergio Rossi, Tommy Hilfiger, Valentino, Versace, Zegna
	Outlet Phases 1, 2, 3, & 4					Phase 2 — 2010		
						Phase 3 — 2012 Phase 4a - 2016	612,000	
	Subtotal Italy							
	NETHERLANDS							
4.	Roermond Designer Outlet Phases 2 & 3	Roermond	Fee	90.0	%	Phase 2 — 2005	173,000	Armani, Bally, Burberry, Calvin Klein, Coach, Furla, Gucci, Michael Kors, Moncler, Mulberry, Polo Ralph Lauren, Prada, Swarovski, Tod's, Tommy Hilfiger, UGG, Zegna
						Phase 3 — 2011		
5.	Roermond Designer Outlet Phase 4	Roermond	Fee	46.1	%	2017	125,000	Adidas, Karl Lagerfeld, Liu Jo, Longchamp, Tag Heuer, Tom Tailor, Woolrich
6.	Rosada Designer Outlet	Roosendaal	Fee	94.0	%	2017	247,500	Adidas, Calvin Klein, Esprit, Guess, Nike, Puma, S. Oliver
	Subtotal Netherlands						545,500	
	UNITED KINGDOM							
7.	Ashford Designer Outlet	Kent	Fee	45.0	%	2000	183,000	Adidas, Bose, Calvin Klein, Clarks, Fossil, French Connection, Gap,

							Guess, Nike, Polo Ralph Lauren, Superdry, Tommy Hilfiger
	Subtotal England					183,000	
	CANADA						
8.	Vancouver Designer Outlets	Vancouver	Ground Lease (2072)	45.0	% 2015	242,000	Armani, Calvin Klein, Coach, Gap, Kate Spade New York, Michael Kors, Nike, Polo Ralph Lauren, Tommy Hilfiger
	Subtotal Canada					242,000	
	GERMANY						
9.	Ochtrup Designer Outlets	Ochtrup	Fee	70.5	% 2016	191,500	Adidas, Lindt, Nike, Puma, Samsonite, Schiesser, Seidensticker, Steiff, Tom Tailor, Vero Moda, Watch Station
	Subtotal Germany					191,500	
	FRANCE						
10.	Provence Designer Outlet	Miramas	Fee	90.0	% 2017	269,000	Armani, Furla, Guess, Michael Kors, Nike, Polo Ralph Lauren, Puma, Timberland, Tommy Hilfiger
	Subtotal France					269,000	
	Total International Designer Outlets					2,161,000	

FOOTNOTES:

- (1) All gross leasable area listed in square feet.
- (2) Property is undergoing an expansion.
- (3) Indicates tenant is under development/construction or has announced plans for development.

Table of Contents

Land

We have direct or indirect ownership interests in approximately 370 acres of land held in the United States and Canada for future development.

Sustainability

We incorporate sustainable thinking into many of the areas of our business; from how we plan, develop, and operate our properties, to how we do business with our customers, engage with our communities, and create a productive and positive work environment for our employees. Our sustainability framework focuses on four key areas: Properties, Customers, Communities, and Employees.

We leverage sustainability to achieve cost efficiencies in our operations. By implementing a range of energy management practices and continuous energy monitoring and reporting, we have reduced our energy consumption at comparable properties every year since 2003. As a result, excluding new developments, we have reduced the electricity usage over which we have direct control by 363 million kWhs since 2003. This represents a 37% reduction in electricity usage across a portfolio of comparable properties.

Our reduction in greenhouse gas emissions resulting from our energy management efforts in the same time period is 261,169 metric tons of CO₂e. This figure includes emission streams that have been consistently tracked since 2003 including scope 1, scope 2, and for scope 3 only employee commuting and business travel. Additional emission streams, such as emissions generated from solid waste management, use of refrigerants and tenants' plug-load consumptions, were included in Simon's sustainability disclosure since 2013 and are reported in Simon's annual sustainability report published in accordance with the guidelines of the Global Reporting Initiatives (GRI), the most widely used international standard for sustainability reporting.

Simon's sustainability performance was once again recognized by international organizations. In 2018, Simon was awarded a score of A- by CDP in the climate change questionnaire, which identifies the company as a sustainability leader for driving significant reduction in emissions, implementing strategies to manage climate related risks and opportunities as well as setting company-wide sustainability goals. Simon was also awarded a Green Star ranking - the designation awarded for leadership in sustainability performance by the Global Real Estate Sustainability Benchmark (GRESB).

Mortgages and Unsecured Debt

The following table sets forth certain information regarding the mortgages encumbering our properties, and the properties held by our domestic and international joint venture arrangements, and also our unsecured corporate debt. Substantially all of the mortgage and property related debt is nonrecourse to us.

Table of Contents

Mortgage and Unsecured Debt

As of December 31, 2018

(Dollars in thousands)

Property Name	Interest Rate	Face Amount	Annual Debt Service (1)	Maturity Date
Consolidated Indebtedness:				
Secured Indebtedness:				
Arizona Mills	5.76 %	\$ 152,911	\$ 12,268	07/01/20
Battlefield Mall	3.95 %	117,500	7,118	09/01/22
Birch Run Premium Outlets	4.21 %	123,000	5,177 (2)	02/06/26
Calhoun Outlet Marketplace	4.17 %	18,670 (19)	1,140	06/01/26
Carolina Premium Outlets	3.36 %	44,169	2,675	12/01/22
Domain, The	5.44 %	184,739	14,085	08/01/21
Ellenton Premium Outlets	4.30 %	178,000	7,651 (2)	12/01/25
Empire Mall	4.31 %	190,000	8,197 (2)	12/01/25
Florida Keys Outlet Marketplace	4.17 %	17,000	709 (2)	12/01/25
Gaffney Outlet Marketplace	4.17 %	30,159 (19)	1,841	06/01/26
Grand Prairie Premium Outlets	3.66 %	114,013	6,596	04/01/23
Grove City Premium Outlets	4.31 %	140,000	6,032 (2)	12/01/25
Gulfport Premium Outlets	4.35 %	50,000	2,174 (2)	12/01/25
Gurnee Mills	3.99 %	264,582	15,736	10/01/26
Hagerstown Premium Outlets	4.26 %	75,951	4,550	02/06/26
Ingram Park Mall	5.38 %	128,060	9,746	06/01/21
La Reggia Designer Outlet Phases 1 & 2	2.25 % (25)	148,133 (30)	7,780	02/15/22
Lee Premium Outlets	4.17 %	51,701 (19)	3,157	06/01/26
Merrimack Premium Outlets	3.78 %	121,753	7,247	07/01/23
Midland Park Mall	4.35 %	75,464	5,078	09/06/22
Mills at Jersey Gardens, The	3.83 %	350,000	13,405 (2)	11/01/20
Montgomery Mall	4.57 %	100,000	4,570 (2)	05/01/24
Noventa Di Piave Designer Outlet Phases 1, 2, 3, 4	2.00 %	297,566 (30)	5,942 (2)	07/25/25
Opry Mills	4.09 %	375,000	15,345 (2)	07/01/26
Outlets at Orange, The	4.22 %	215,000	9,067 (2)	04/01/24
Oxford Valley Mall	4.77 %	61,076	4,456	12/07/20
Parndorf Designer Outlet	1.90 %	105,293 (30)	2,001 (2)	05/25/22
Penn Square Mall	3.84 %	310,000	11,910 (2)	01/01/26
Pismo Beach Premium Outlets	3.33 %	35,360 (20)	1,953	09/06/26
Plaza Carolina	3.60 % (1)	225,000	8,106 (2)	07/27/21
Pleasant Prairie Premium Outlets	4.00 %	145,000	5,793 (2)	09/01/27
Potomac Mills	3.46 %	416,000	14,383 (2)	11/01/26
Provence Designer Outlet	2.50 % (33)	93,019 (30)	2,325 (2)	07/27/22 (3)
Puerto Rico Premium Outlets	3.60 % (1)	160,000	5,764 (2)	07/26/21
Queenstown Premium Outlets	3.33 %	62,119 (20)	3,430	09/06/26

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Roermond Designer Outlet	1.88 %		263,232 (30)	4,943 (2)	12/18/21
Rosada Designer Outlets	1.85 %	(24)	66,523 (30)	2,947	02/25/24 (3)
Shops at Chestnut Hill, The	4.69 %		120,000	5,624 (2)	11/01/23
Shops at Riverside, The	3.37 %		130,000	4,382 (2)	02/01/23
Southdale Center	3.84 %		144,514	8,713	04/01/23
Southridge Mall	3.85 %		116,968	7,036	06/06/23
Summit Mall	3.31 %		85,000	2,817 (2)	10/01/26

42

Table of Contents

Mortgage and Unsecured Debt

As of December 31, 2018

(Dollars in thousands)

Property Name	Interest Rate	Face Amount	Annual Debt Service (1)	Maturity Date
The Crossings Premium Outlets	3.41 %	108,225	6,131	12/01/22
Town Center at Cobb	4.76 %	185,305	12,530	05/01/22
University Park Village	3.85 %	55,000	2,118 (2)	05/01/28
White Oaks Mall	5.25 % (28)	49,500	3,367	06/01/23 (3)
Williamsburg Premium Outlets	4.23 %	185,000	7,824 (2)	02/06/26
Wolfchase Galleria	4.15 %	159,157	9,620	11/01/26
Total Consolidated Secured Indebtedness		\$ 6,844,662		
Unsecured Indebtedness:				
Simon Property Group, L.P.				
Global Commercial Paper - USD	2.49 % (16)	\$ 758,681	\$ 18,891 (2)	02/20/19 (16)
Credit Facility - USD	3.28 % (15)	125,000	4,100 (2)	06/30/22 (3)
Unsecured Notes - 22C	6.75 %	600,000	40,500 (14)	02/01/40
Unsecured Notes - 23A	3.16 % (18)	900,000	28,478 (14)	03/01/21
Unsecured Notes - 24B	4.13 %	700,000	28,875 (14)	12/01/21
Unsecured Notes - 25B	3.38 %	600,000	20,250 (14)	03/15/22
Unsecured Notes - 25C	4.75 %	550,000	26,125 (14)	03/15/42
Unsecured Notes - 26B	2.75 %	500,000	13,750 (14)	02/01/23
Unsecured Notes - 27A	2.20 %	600,000 (34)	13,200 (14)	02/01/19
Unsecured Notes - 27B	3.75 %	600,000	22,500 (14)	02/01/24
Unsecured Notes - 28A	3.38 %	900,000	30,375 (14)	10/01/24
Unsecured Notes - 28B	4.25 %	400,000	17,000 (14)	10/01/44
Unsecured Notes - 29A	2.50 %	500,000	12,500 (14)	09/01/20
Unsecured Notes - 29B	3.50 %	600,000	21,000 (14)	09/01/25
Unsecured Notes - 30A	2.50 %	550,000	13,750 (14)	07/15/21
Unsecured Notes - 30B	3.30 %	800,000	26,400 (14)	01/15/26
Unsecured Notes - 31A	2.35 %	550,000	12,925 (14)	01/30/22
Unsecured Notes - 31B	3.25 %	750,000	24,375 (14)	11/30/26
Unsecured Notes - 31C	4.25 %	550,000	23,375 (14)	11/30/46
Unsecured Notes - 32A	2.63 %	600,000	15,750 (14)	06/15/22
Unsecured Notes - 32B	3.38 %	750,000	25,313 (14)	06/15/27
Unsecured Notes - 33A	2.75 %	600,000	16,500 (14)	06/01/23
Unsecured Notes - 33B	3.38 %	750,000	25,313 (14)	12/01/27
Unsecured Notes - Euro 1	2.38 %	858,368 (8)	20,386 (6)	10/02/20
Unsecured Notes - Euro 2	1.38 %	858,368 (13)	11,803 (6)	11/18/22
Unsecured Notes - Euro 3	1.25 %	572,245 (10)	7,153 (6)	05/13/25
Total Consolidated Unsecured Indebtedness		\$ 16,522,662		
		\$ 23,367,324		

Total Consolidated Indebtedness at Face Amounts		
Premium on Indebtedness	11,822	
Discount on Indebtedness	(44,691)	
Debt Issuance Costs	(96,175)	
Other Debt Obligations	67,255	(35)
Total Consolidated Indebtedness	\$ 23,305,535	
Our Share of Consolidated Indebtedness	\$ 23,139,977	

43

Table of Contents

Mortgage and Unsecured Debt

As of December 31, 2018

(Dollars in thousands)

Property Name	Interest Rate	Face Amount	Annual Debt Service (1)	Maturity Date
Joint Venture Indebtedness:				
Secured Indebtedness:				
Ami Premium Outlets	1.72 %	\$ 48,495 (26)	\$ 8,441	09/25/23
Arundel Mills	4.29 %	385,000	16,509 (2)	02/06/24
Ashford Designer Outlet	2.94 % (27)	81,890 (21)	2,410 (2)	02/22/22
Auburn Mall	6.02 %	37,043	3,027	09/01/20
Aventura Mall	4.12 %	1,750,000	72,122 (2)	07/01/28
Avenues, The	3.60 %	110,000	3,960 (2)	02/06/23
Bangkok Premium Outlets	1.90 %	27,746 (11)	527 (2)	03/05/19
Briarwood Mall	3.29 %	165,000	5,432 (2)	09/01/26
Busan Premium Outlets	3.40 %	101,897 (17)	3,460 (2)	06/20/22
Cape Cod Mall	5.75 %	88,612	7,003	03/06/21
Charlotte Premium Outlets	4.27 %	100,000	4,270 (2)	07/01/28
Circle Centre	5.25 % (1)	65,000	6,189	12/06/24
Clarksburg Premium Outlets	3.95 %	160,000	6,320 (2)	01/01/28
Coconut Point	3.95 %	189,468	10,823	10/01/26
Colorado Mills - 1	4.28 %	133,607	5,718	11/01/24
Colorado Mills - 2	5.04 %	26,086	1,811	07/01/21
Concord Mills	3.84 %	235,000	9,015 (2)	11/01/22
Crystal Mall	4.46 %	87,782	5,749	06/06/22
Dadeland Mall	4.50 %	410,211	27,361	12/05/21
Del Amo Fashion Center	3.66 %	585,000	21,396 (2)	06/01/27
Domain Westin	4.12 %	66,036	4,069	09/01/25
Dover Mall	5.57 %	83,664	6,455	08/06/21
Emerald Square Mall	4.71 %	102,672	7,165	08/11/22
Falls, The	3.45 %	150,000	5,175 (2)	09/01/26
Fashion Centre Pentagon Office	5.11 %	40,000	2,043 (2)	07/01/21
Fashion Centre Pentagon Retail	4.87 %	410,000	19,957 (2)	07/01/21
Fashion Valley	4.30 %	431,673	28,208	01/04/21
Florida Mall, The	5.25 %	321,848	24,849	09/05/20
Galleria, The	3.55 %	1,200,000	42,598 (2)	03/01/25
Genting Highland Premium Outlets	5.27 % (7)	31,776 (9)	1,675 (2)	02/14/24
Gloucester Premium Outlets	4.00 % (1)	86,000	3,442 (2)	03/01/23 (3)
Grapevine Mills	3.83 %	268,000	10,272 (2)	10/01/24
Hamilton Town Center	4.81 %	79,218	5,293	04/01/22
Johor Premium Outlets	5.02 % (7)	2,007 (9)	6,725	11/01/19
Katy Mills	3.49 %	140,000	4,886 (2)	12/06/22
Kobe-Sanda Premium Outlets	0.44 % (12)	30,215 (26)	1,729	01/31/23

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Lehigh Valley Mall	4.06 %	196,328	12,325	11/01/27
Liberty Tree Mall	3.41 %	30,984	1,866	05/06/23
Malaga Designer Outlet	2.75 % (22)	10,529	290 (2)	02/09/23
Mall at Rockingham Park, The	4.04 %	262,000	10,585 (2)	06/01/26
Mall at Tuttle Crossing, The	3.56 %	118,871	6,789	05/01/23
Mall of New Hampshire, The	4.11 %	150,000	6,162 (2)	07/01/25

44

Table of Contents

Mortgage and Unsecured Debt

As of December 31, 2018

(Dollars in thousands)

Property Name	Interest Rate		Face Amount		Annual Debt Service (1)	Maturity Date
Meadowood Mall	5.82	%	112,370		8,818	11/06/21
Miami International Mall	4.42	%	160,000		7,072 (2)	02/06/24
Northshore Mall	3.30	%	243,154		14,453	07/05/23
Ochtrup Designer Outlet	2.49	% (27)	45,539 (30)		2,787	06/30/21
Ontario Mills	4.25	%	304,854		20,661	03/05/22
Paju Premium Outlets	3.56	%	57,908 (17)		18,203	07/13/23
Phipps Plaza Hotel	4.50	% (1)	21,262		1,221	12/17/19
Phipps Plaza Residential	4.25	% (1)	38,274		1,628 (2)	10/16/19
Premium Outlet Collection Edmonton IA	3.60	% (4)	96,094 (5)		3,457 (2)	11/10/21 (3)
Premium Outlets Montréal	3.10	%	88,033 (5)		2,729 (2)	06/01/24
Quaker Bridge Mall	4.50	%	180,000		8,100 (2)	05/01/26
Querétaro Premium Outlets	11.29	% (23)	18,932 (32)		2,137 (2)	12/20/33
Rinku Premium Outlets	0.33	% (12)	9,090 (26)		30 (2)	07/31/22
Roermond 4 Designer Outlet	1.30	% (36)	192,274 (30)		2,500 (2)	08/17/25
Roosevelt Field Hotel	5.60	% (1)	1,206		68 (2)	01/12/23
Sano Premium Outlets	0.31	%	41,358 (26)		1,637 (2)	02/28/25
Shisui Premium Outlets Phase 1	0.31	% (12)	25,451 (26)		5,048 (2)	05/31/23
Shisui Premium Outlets Phase 2	0.38	%	45,448 (26)		173 (2)	05/29/22
Shisui Premium Outlets Phase 3	0.31	% (12)	23,633 (26)		73 (2)	11/30/23
Shops at Clearfork, The	4.25	% (1)	176,358		7,500 (2)	03/18/21 (3)
Shops at Crystals, The	3.74	%	550,000		20,592 (2)	07/01/26
Shops at Mission Viejo, The	3.61	%	295,000		10,650 (2)	02/01/23
Siheung Premium Outlets	3.28	%	134,667 (17)		4,417 (2)	03/15/23
Silver Sands Premium Outlets	3.93	%	100,000		3,930 (2)	06/01/22
Smith Haven Mall	3.70	% (1)	180,000		6,665 (2)	05/29/20
Solomon Pond Mall	4.01	%	97,350		6,309	11/01/22
Southdale Hotel	4.50	%	16,696		752 (2)	06/01/22
Southdale Residential	4.46	%	39,541		2,530	10/15/35
Springfield Mall	4.45	%	61,625		3,928	10/06/25
Square One Mall	5.47	%	89,563		6,793	01/06/22
St. Johns Town Center	3.82	%	350,000		13,367 (2)	09/11/24
St. Louis Premium Outlets	4.06	%	95,000		3,858 (2)	10/06/24
Stoneridge Shopping Center	3.50	%	330,000		11,550 (2)	09/05/26
Tanger Outlets Columbus	4.15	% (1)	85,000		3,530 (2)	11/28/21 (3)
Tanger Outlets - Galveston/Houston	4.15	% (1)	80,000		3,322 (2)	07/01/22
Toki Premium Outlets - Fixed	0.38	%	27,269 (26)		102 (2)	11/29/19
Toki Premium Outlets - Variable	0.92	% (12)	5,656 (26)		52 (2)	05/31/20
Toronto Premium Outlets	3.13	%	124,714 (5)		3,899 (2)	06/01/22

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Toronto Premium Outlets II	3.50	%	(4)	82,898	(5)	2,899	(2)	05/25/22	(3)
Tosu Premium Outlets	0.38	%	(12)	10,453	(26)	2,081	(2)	07/31/21	
Twin Cities Premium Outlets	4.32	%		115,000		4,968	(2)	11/06/24	
Vancouver Designer Outlet	3.85	%	(4)	83,607	(5)	3,216	(2)	06/19/21	(3)
West Town Mall	4.37	%		210,000		9,177	(2)	07/01/22	
Westchester, The	6.00	%		324,860		26,980		05/05/20	

45

Table of Contents

Mortgage and Unsecured Debt

As of December 31, 2018

(Dollars in thousands)

Property Name	Interest Rate	Face Amount	Annual Debt Service (1)	Maturity Date
Woodfield Mall	4.50 %	412,795	24,162	03/05/24
Yeosu Premium Outlets	3.45 %	74,519	2,570 (2)	09/28/21
Total Joint Venture Secured Indebtedness at Face Value		\$ 14,857,111		
TMLP Indebtedness at Face Value		420,486 (29)		
Total Joint Venture and TMLP Indebtedness at Face Value		\$ 15,277,597		
Premium on Indebtedness		2,225		
Debt Issuance Costs		(44,407)		
Total Joint Venture Indebtedness		\$ 15,235,415		
Our Share of Joint Venture Indebtedness		\$ 7,160,392 (31)		

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- (1) Variable rate loans based on one-month (1M) LIBOR plus interest rate spreads ranging from 77.5 bps to 310 bps. 1M LIBOR as of December 31, 2018 was 2.50%. Requires monthly payment of interest only.
- (2) Requires monthly payment of interest only.
- (3) Includes applicable extension available at the Applicable Borrower's option.
- (4) Variable rate loans based on 1M CDOR plus interest rate spreads ranging from 120 bps to 155 bps. 1M CDOR at December 31, 2018 was 2.30%.
- (5) Amount shown in USD equivalent. CAD equivalent is 648.0 million.
- (6) Requires annual payment of interest only.
- (7) Variable rate loans based on Cost of Fund plus interest rate spreads ranging from 150 bps of 175 bps. Cost of Fund as of December 31, 2018 was 3.43%.
- (8) Amount shown in USD equivalent. Euro equivalent is 750.0 million.
- (9) Amount shown in USD equivalent. Ringgit equivalent is 139.7 million.
- (10) Amount shown in USD equivalent. Euro equivalent is 500.0 million.
- (11) Amount shown in USD equivalent. Baht equivalent is 899.0 million.
- (12) Variable rate loans based on six-month (6M) TIBOR plus interest rate spreads ranging from 17.5 bps to 35 bps. As of December 31, 2018, 6M TIBOR was 0.13%.
- (13) Amount shown in USD equivalent. Euro equivalent is 750.0 million.
- (14) Requires semi-annual payments of interest only.
- (15) \$4.0 Billion Credit Facility. As of December 31, 2018, the Credit Facility - USD Currency bears interest at 1M LIBOR + 77.5 bps, the Credit Facility - Yen Currency bears interest at 1M Yen LIBOR + 77.5 bps and the Credit Facility - Euro Currency bears interest at 1M EURO LIBOR + 77.5 bps. The Credit Facilities provide for different pricing based upon our investment grade rating. No borrowings under the \$3.5 Billion Supplemental Facility were outstanding at December 31, 2018. As of December 31, 2018, \$6.6 billion was available after outstanding borrowings and letters of credit under our Credit Facilities.
- (16) Reflects the weighted average maturity date and weighted average interest rate of all outstanding tranches of commercial paper at December 31, 2018.

- (17) Amount shown in USD equivalent. Won equivalent is 411.0 billion.
- (18) Through a cross currency swap agreement, \$150.0 million was swapped to Euro equivalent 121.6 million at 1.37%. Through an additional cross currency swap agreement, \$200.7 million was swapped to Yen equivalent 22.3 billion at 1.19%, resulting in an interest rate essentially fixed at the all-in rate presented.
- (19) Loans secured by these three properties are cross-collateralized and cross-defaulted.

Table of Contents

Mortgage and Unsecured Debt

As of December 31, 2018

(Dollars in thousands)

- (20) Loans secured by these two properties are cross-collateralized and cross-defaulted.
- (21) Amount shown in USD equivalent. GBP equivalent is 64.3 million.
- (22) Variable rate loan based on three-month (3M) EURIBOR, which is subject to a floor of 0.00%, plus an interest rate spread of 275 bps.
- (23) On January 9, 2019, 198.6 million Pesos of the current outstanding balance was swapped from a variable interest rate of 28 day TIEE plus 2.70% to a fixed interest rate of 8.79% resulting in an all-in interest rate of 9.60%.
- (24) Variable rate loan based on 1M EURIBOR plus an interest rate spread of 185 bps. Through an interest rate floor agreement, 1M EURIBOR is currently fixed at 0.00%.
- (25) Variable rate loan based on 3M EURIBOR plus an interest rate spread of 225 bps. Through an interest rate floor agreement, 3M EURIBOR is currently fixed at 0.00%.
- (26) Amount shown in USD equivalent. Yen equivalent is 29.4 billion
- (27) Associated with this loan is an interest rate swap agreement that effectively fixes the interest rate on this loan at the all-in rate presented.
- (28) Variable rate loan based on 1M LIBOR plus an interest rate spread of 275 bps. In addition, 1M LIBOR is capped at 5.00%.
- (29) Consists of two properties with interest rates ranging from 5.65% to 7.32% and maturities between 2019 and 2021.
- (30) Amount shown in USD equivalent. Euro equivalent is 1.1 billion.
- (31) Our share of total indebtedness includes a pro rata share of the mortgage debt on joint venture properties, including properties owned by TMLP. To the extent total indebtedness is secured by a property, it is non-recourse to us, with the exception of approximately \$216.1 million of payment guarantees provided by the Operating Partnership (of which \$10.8 million is recoverable from our venture partner under the partnership agreement).
- (32) Amount shown in USD equivalent. Peso equivalent is 372.1 million.
- (33) Variable rate loan based on 3M EURIBOR plus an interest rate spread of 250 bps. Through an interest rate floor agreement, 3M EURIBOR is currently fixed at 0.00%. In addition, 3M EURIBOR is capped at 1.00%.
- (34) Notes repaid at maturity on February 1, 2019.
- (35) City of Sunrise Bond Liability (Sawgrass Mills)
- (36) Variable rate loan based on 3M EURIBOR plus an interest rate spread of 130 bps. Through an interest rate floor agreement, 3M EURIBOR is currently fixed at 0.00%. Also, 3M EURIBOR is capped at 1.30%.

Table of Contents

Mortgage and Unsecured Debt

As of December 31, 2018

(Dollars in thousands)

The changes in consolidated mortgages and unsecured indebtedness for the years ended December 31, 2018, 2017 and 2016 are as follows:

	2018	2017	2016
Balance, Beginning of Year	\$ 24,632,463	\$ 22,977,104	\$ 22,416,682
Additions during period:			
New Loan Originations	7,980,569	11,764,046	14,862,637
Loans assumed in acquisitions and consolidation	215,000	42,266	448,559
Net (Discount)/Premium	301	(11,636)	(9,822)
Net Debt Issuance Costs	(6,885)	(34,606)	(34,048)
Deductions during period:			
Loan Retirements	(9,340,861)	(10,466,033)	(14,549,425)
Amortization of Net Discounts/(Premiums)	1,618	1,357	(14,583)
Debt Issuance Cost Amortization	21,445	21,709	21,702
Scheduled Principal Amortization	(54,624)	(46,232)	(62,222)
Foreign Currency Translation	(143,490)	384,488	(102,376)
Balance, Close of Year	\$ 23,305,535	\$ 24,632,463	\$ 22,977,104

Table of Contents

Item 3. Legal Proceedings

We are involved from time to time in various legal and regulatory proceedings that arise in the ordinary course of our business, including, but not limited to, commercial disputes, environmental matters, and litigation in connection with transactions such as acquisitions and divestitures. We believe that our current proceedings will not have a material adverse effect on our financial condition, liquidity or results of operations. We record a liability when a loss is considered probable, and the amount can be reasonably estimated.

Item 4. Mine Safety Disclosures

Not applicable.

49

Table of Contents

Part II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities

Simon

Market Information

Simon's common stock trades on the New York Stock Exchange under the symbol "SPG".

Holdings

The number of holders of record of common stock outstanding was 1,066 as of February 14, 2019. The Class B common stock is subject to two voting trusts as to which Herbert Simon and David Simon are the trustees. Shares of Class B common stock convert automatically into an equal number of shares of common stock upon the occurrence of certain events and can be converted into shares of common stock at the option of the holders.

Dividends

We must pay a minimum amount of dividends to maintain Simon's status as a REIT. Simon's future dividends and future distributions of the Operating Partnership will be determined by Simon's Board of Directors, in its sole discretion, based on actual and projected financial condition, liquidity and results of operations, cash available for dividends and limited partner distributions, cash reserves as deemed necessary for capital and operating expenditures, financing covenants, if any, and the amount required to maintain Simon's status as a REIT.

Common stock cash dividends during 2018 aggregated \$7.90 per share. Common stock cash dividends during 2017 aggregated \$7.15 per share. In the first quarter of 2019, Simon's Board of Directors declared a quarterly cash dividend of \$2.05 per share of common stock payable on February 28, 2019 to stockholders of record on February 14, 2019.

We offer a dividend reinvestment plan that allows Simon's stockholders to acquire additional shares by automatically reinvesting cash dividends. Shares are acquired pursuant to the plan at a price equal to the prevailing market price of such shares, without payment of any brokerage commission or service charge.

Unregistered Sales of Equity Securities

None.

Issuances Under Equity Compensation Plans

For information regarding the securities authorized for issuance under our equity compensation plans, see Item 12 of this Annual Report on Form 10 K.

Table of Contents

Issuer Purchases of Equity Securities

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced programs	Approximate value of shares that may yet be purchased under programs (1)
October 1, 2018 - October 31, 2018	—	\$ —	—	\$ —
November 1, 2018 - November 30, 2018	—	\$ —	—	\$ —
December 1, 2018 - December 31, 2018	286,947	\$ 163.14	286,947	\$ 640,616,226
	286,947	\$ 163.14	286,947	

(1) On February 13, 2017, Simon's Board of Directors authorized a two-year extension of the previously authorized \$2.0 billion Repurchase Program through March 31, 2019 and on February 11, 2019, Simon's Board of Directors authorized a new common stock repurchase plan. Under the new program, the Company may purchase up to \$2.0 billion of its common stock during the two-year period ending February 11, 2021. Under the Repurchase Program, Simon may repurchase the shares in the open market or in privately negotiated transactions. As Simon repurchases shares under this program, the Operating Partnership repurchases an equal number of units from Simon.

The Operating Partnership

Market Information

There is no established trading market for units or preferred units.

Holders

The number of holders of record of units was 246 as of February 14, 2019.

Distributions

The Operating Partnership makes distributions on its units in amounts sufficient to maintain Simon's qualification as a REIT. Simon is required each year to distribute to its stockholders at least 90% of its REIT taxable income after certain adjustments. Future distributions will be determined by Simon's Board of Directors, in its sole discretion, based on actual and projected financial condition, liquidity and results of operations, cash available for distributions, cash reserves as deemed necessary for capital and operating expenditures, financing covenants, if any, and the distributions that may be required to maintain Simon's status as a REIT.

Distributions during 2018 aggregated \$7.90 per unit. Distributions during 2017 aggregated \$7.15 per unit. In the first quarter of 2019, Simon's Board of Directors declared a quarterly cash dividend of \$2.05 per share. The distribution rate on the Operating Partnership's units is equal to the dividend rate on Simon's common stock.

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

During the year ended December 31, 2018 the Operating Partnership redeemed 454,704 units from eight limited partners for \$81.5 million in cash.

51

Table of Contents

Item 6. Selected Financial Data

The following tables set forth selected financial data. The selected financial data should be read in conjunction with the financial statements and notes thereto and with Management's Discussion and Analysis of Financial Condition and Results of Operations. Other data we believe is important in understanding trends in our business is also included in the tables.

	As of or for the Year Ended December 31				
	2018	2017 (1)	2016 (2)	2015 (3)	2014 (4)
	(in thousands, except per share data)				
OPERATING DATA:					
Total consolidated revenue	\$ 5,657,919	\$ 5,538,640	\$ 5,435,229	\$ 5,266,103	\$ 4,870,818
Consolidated income from continuing operations	2,822,343	2,244,903	2,134,706	2,139,375	1,622,165
Consolidated net income	2,822,343	2,244,903	2,134,706	2,139,375	1,651,526
Net income attributable to common stockholders - SPG Inc.	2,436,721	1,944,625	1,835,559	1,824,383	1,405,251
Net income attributable to unitholders - SPG L.P.	2,805,764	2,239,638	2,122,236	2,131,139	1,643,783
BASIC AND DILUTED EARNINGS PER SHARE/UNIT:					
Simon Property Group, Inc.					
Income from continuing operations	\$ 7.87	\$ 6.24	\$ 5.87	\$ 5.88	\$ 4.44
Discontinued operations	—	—	—	—	0.08
Net income attributable to common stockholders	\$ 7.87	\$ 6.24	\$ 5.87	\$ 5.88	\$ 4.52
Basic weighted average shares outstanding	309,627	311,517	312,691	310,103	310,731
Diluted weighted average shares outstanding	309,627	311,517	312,691	310,103	310,731
Dividends per share (5)	\$ 7.90	\$ 7.15	\$ 6.50	\$ 6.05	\$ 5.15
Simon Property Group, L.P.					
Income from continuing operations	\$ 7.87	\$ 6.24	\$ 5.87	\$ 5.88	\$ 4.44
Discontinued operations	—	—	—	—	0.08
Net income attributable to unitholders	\$ 7.87	\$ 6.24	\$ 5.87	\$ 5.88	\$ 4.52
Basic weighted average units outstanding	356,520	358,777	361,527	362,244	363,476
Diluted weighted average units outstanding	356,520	358,777	361,527	362,244	363,476
Distributions per unit (5)	\$ 7.90	\$ 7.15	\$ 6.50	\$ 6.05	\$ 5.15
BALANCE SHEET DATA:					
Cash and cash equivalents	\$ 514,335	\$ 1,482,309	\$ 560,059	\$ 701,134	\$ 612,282
Total assets	30,686,223	32,257,638	31,103,578	30,565,182	29,447,591

Mortgages and other indebtedness	23,305,535	24,632,463	22,977,104	22,416,682	20,768,254
Total equity	3,796,956	4,238,764	4,959,912	5,216,369	5,951,505
OTHER DATA:					
Cash flow provided by (used in):					
Operating activities	\$ 3,750,796	\$ 3,593,788	\$ 3,372,694	\$ 3,024,685	\$ 2,730,420
Investing activities	(236,506)	(761,467)	(969,026)	(1,462,720)	(897,266)
Financing activities	(4,482,264)	(1,910,071)	(2,544,743)	(1,473,113)	(2,937,735)
Simon Property Group, Inc.					
Funds from Operations (FFO) (6)	\$ 4,324,601	\$ 4,020,505	\$ 3,792,951	\$ 3,571,237	\$ 3,235,298
Dilutive FFO allocable to common stockholders					
	\$ 3,755,784	\$ 3,490,910	\$ 3,280,590	\$ 3,057,193	\$ 2,765,819
Diluted FFO per share					
	\$ 12.13	\$ 11.21	\$ 10.49	\$ 9.86	\$ 8.90
Simon Property Group, L.P.					
Funds from Operations (FFO) (6)	\$ 4,324,601	\$ 4,020,505	\$ 3,792,951	\$ 3,571,237	\$ 3,235,298

(1) During the year ended December 31, 2017, we recorded a \$128.6 million loss on extinguishment of debt associated with the early redemption of a series of senior unsecured notes, reducing diluted earnings per share/units and diluted FFO per share by \$0.36.

Table of Contents

- (2) During the year ended December 31, 2016, we recorded a \$136.8 million loss on extinguishment of debt associated with the early redemption of a series of senior unsecured notes, reducing diluted earnings per share/units and diluted FFO per share by \$0.38.
- (3) During the year ended December 31, 2015, we recorded a \$121.0 million loss on extinguishment of debt associated with the early redemption of two series of unsecured senior notes, reducing diluted earnings per share/units and diluted FFO per share by \$0.33. We also recorded a gain on sale of marketable securities of \$80.2 million, increasing diluted earnings per share/unit and diluted FFO per share by \$0.22.
- (4) During the year ended December 31, 2014, we recorded a \$127.6 million loss on extinguishment of debt associated with five unsecured note tender offers and one early unsecured note redemption, reducing diluted earnings per share/unit and diluted FFO per share/unit by \$0.35. We also recorded transaction expenses related to the spin off of Washington Prime Group Inc., or Washington Prime, of \$38.2 million or \$0.10 per share/unit. 2014 FFO includes results for five months of Washington Prime of \$146.2 million or \$0.40 per share.
- (5) Represents dividends per share of Simon common stock/distributions per unit of Operating Partnership units declared per period.
- (6) FFO is a non GAAP financial measure that we believe provides useful information to investors. Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations for a definition and reconciliation of FFO to consolidated net income and, for Simon, FFO per share to net income per share.

Table of Contents

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto that are included in this Annual Report on Form 10 K.

Overview

Simon Property Group, Inc. is a Delaware corporation that operates as a self-administered and self-managed real estate investment trust, or REIT, under the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. REITs will generally not be liable for U.S. federal corporate income taxes as long as they distribute not less than 100% of their REIT taxable income. Simon Property Group, L.P. is our majority-owned Delaware partnership subsidiary that owns all of our real estate properties and other assets. In this discussion, unless stated otherwise or the context otherwise requires, references to "Simon" mean Simon Property Group, Inc. and references to the "Operating Partnership" mean Simon Property Group, L.P. References to "we," "us" and "our" mean collectively Simon, the Operating Partnership and those entities/subsidiaries owned or controlled by Simon and/or the Operating Partnership. According to the Operating Partnership's partnership agreement, the Operating Partnership is required to pay all expenses of Simon.

We own, develop and manage premier shopping, dining, entertainment and mixed-use destinations, which consist primarily of malls, Premium Outlets®, and The Mills®. As of December 31, 2018, we owned or held an interest in 206 income producing properties in the United States, which consisted of 107 malls, 69 Premium Outlets, 14 Mills, four lifestyle centers, and 12 other retail properties in 37 states and Puerto Rico. In addition, we have redevelopment and expansion projects, including the addition of anchors, big box tenants, and restaurants, underway at several properties in the United States, Canada, Europe and Asia. Internationally, as of December 31, 2018, we had ownership interests in nine Premium Outlets in Japan, four Premium Outlets in South Korea, three Premium Outlets in Canada, two Premium Outlets in Malaysia and one Premium Outlet in Mexico. We also own an interest in eight Designer Outlet properties in Europe and one Designer Outlet property in Canada. Of the eight properties in Europe, two are located in Italy, two are located in the Netherlands and one each is located in Austria, Germany, France and the United Kingdom. We also have three international outlet properties under development. As of December 31, 2018, we also owned a 21.3% equity stake in Klépierre SA, or Klépierre, a publicly traded, Paris based real estate company, which owns, or has an interest in, shopping centers located in 16 countries in Europe.

We generate the majority of our revenues from leases with retail, dining, entertainment and other tenants, including:

- base minimum rents,
- overage and percentage rents based on tenants' sales volumes, and
- recoverable expenditures such as property operating, real estate taxes, repair and maintenance, and advertising and promotional expenditures.

Revenues of our management company, after intercompany eliminations, consist primarily of management fees that are typically based upon the revenues of the property being managed.

We invest in real estate properties to maximize total financial return which includes both operating cash flows and capital appreciation. We seek growth in earnings, funds from operations, or FFO, and cash flows by enhancing the profitability and operation of our properties and investments. We seek to accomplish this growth through the following:

- attracting and retaining high quality tenants and utilizing economies of scale to reduce operating expenses,
- expanding and re-tenanting existing highly productive locations at competitive rental rates,
- selectively acquiring or increasing our interests in high quality real estate assets or portfolios of assets,

- generating consumer traffic in our retail properties through marketing initiatives and strategic corporate alliances, and
- selling selective non-core assets.

We also grow by generating supplemental revenues from the following activities:

- establishing our malls as leading market resource providers for retailers and other businesses and consumer-focused corporate alliances, including payment systems (such as handling fees relating to the sales of

Table of Contents

bank issued prepaid cards), national marketing alliances, static and digital media initiatives, business development, sponsorship, and events,

- offering property operating services to our tenants and others, including waste handling and facility services, and the provision of energy services,
- selling or leasing land adjacent to our properties, commonly referred to as “outlots” or “outparcels,” and
- generating interest income on cash deposits and investments in loans, including those made to related entities.

We focus on high quality real estate across the retail real estate spectrum. We expand or redevelop properties to enhance profitability and market share of existing assets when we believe the investment of our capital meets our risk reward criteria. We selectively develop new properties in markets we believe are not adequately served by existing retail outlet properties.

We routinely review and evaluate acquisition opportunities based on their ability to enhance our portfolio. Our international strategy includes partnering with established real estate companies and financing international investments with local currency to minimize foreign exchange risk.

To support our growth, we employ a three fold capital strategy:

- provide the capital necessary to fund growth,
- maintain sufficient flexibility to access capital in many forms, both public and private, and
- manage our overall financial structure in a fashion that preserves our investment grade credit ratings.

We consider FFO, net operating income, or NOI, portfolio NOI and comparable property NOI (NOI for properties owned and operated in both periods under comparison) to be key measures of operating performance that are not specifically defined by accounting principles generally accepted in the United States, or GAAP. We use these measures internally to evaluate the operating performance of our portfolio and provide a basis for comparison with other real estate companies. Reconciliations of these measures to the most comparable GAAP measure are included below in this discussion.

Results Overview

Diluted earnings per share and diluted earnings per unit increased \$1.63 during 2018 to \$7.87 as compared to \$6.24 in 2017. The increase in diluted earnings per share and diluted earnings per unit was primarily attributable to:

- improved operating performance and solid core business fundamentals in 2018 and the impact of our acquisition, development and expansion activity,
- 2018 net gains primarily related to disposition activity of \$288.8 million, or \$0.81 per diluted share/unit,
- a non-cash investment gain of \$35.6 million, or \$0.10 per diluted share/unit, in 2018,
- business interruption insurance proceeds from Puerto Rico of \$17.9 million in 2018, or \$0.05 per diluted share/unit,
- increased income related to distributions from an international investment in 2018 of \$21.9 million, or \$0.06 per diluted share/unit, and
- a charge on early extinguishment of debt of \$128.6 million, or \$0.36 per diluted share/unit, in 2017, partially offset by
- 2017 gains of \$21.5 million, or \$0.06 per diluted share/unit, from the sales of marketable securities,
- an unfavorable \$15.2 million, or \$0.04 per diluted share/unit, non-cash mark-to-market adjustment on an equity investment, and
- our share of an early repayment charge and write-off of deferred debt issuance costs in 2018 related to refinancing at Aventura Mall, of \$12.5 million, or \$0.03 per diluted share/unit.

Solid core business fundamentals during 2018 were primarily driven by strong leasing activity. Portfolio NOI grew by 3.7% in 2018 as compared to 2017. Comparable property NOI grew 2.3% for our portfolio of U.S. Malls, Premium

Table of Contents

Outlets, and The Mills. Total sales per square foot, or psf, increased to \$661 psf at December 31, 2018 from \$628 psf at December 31, 2017 for our U.S. Malls and Premium Outlets. Average base minimum rent for U.S. Malls and Premium Outlets increased 2.0% to \$54.18 psf as of December 31, 2018, from \$53.11 psf as of December 31, 2017. Leasing spreads in our U.S. Malls and Premium Outlets were positive as we were able to lease available square feet at higher rents, resulting in an open/close leasing spread (based on total tenant payments — base minimum rent plus common area maintenance) of \$7.75 psf (\$62.04 openings compared to \$54.29 closings) as of December 31, 2018, representing a 14.3% increase. Ending occupancy for our U.S. Malls and Premium Outlets increased 0.3% to 95.9% as of December 31, 2018, from 95.6% as of December 31, 2017.

Our effective overall borrowing rate at December 31, 2018 on our consolidated indebtedness increased 10 basis points to 3.35% as compared to 3.25% at December 31, 2017. This increase was primarily due to an increase in the effective overall borrowing rate on variable rate debt of 98 basis points (3.17% at December 31, 2018 as compared to 2.19% at December 31, 2017) combined with an increase in the effective overall borrowing rate on fixed rate debt of seven basis points (3.37% at December 31, 2018 as compared to 3.30% at December 31, 2017), partially offset by a decrease in the amount of both fixed and variable rate debt. The weighted average years to maturity of our consolidated indebtedness was 6.4 years and 7.0 years at December 31, 2018 and 2017, respectively.

Our financing activity for the year ended December 31, 2018 and material subsequent events included:

- Repaying our Yen-denominated borrowings of \$201.3 million (U.S. dollar equivalent) on the Operating Partnership's \$4.0 billion unsecured revolving credit facility, or Credit Facility.
- Decreasing our borrowings under the Operating Partnership's global unsecured commercial paper note program, or the Commercial Paper program, by \$219.8 million.
- Redeeming at par \$750.0 million of senior unsecured notes with a fixed interest rate of 1.50% on January 3, 2018.
- Unencumbering a property by repaying an \$86.6 million mortgage loan with an interest rate of 7.79%.
- Refinancing the \$1.2 billion mortgage loan and \$200.8 million construction loan at Aventura Mall, in which we have a 33.3% noncontrolling interest, with a \$1.75 billion mortgage loan at a fixed interest rate of 4.12% that matures on July 1, 2028.
- Refinancing the €110.0 million, 1.68% variable rate mortgage loan maturing in 2020 at Noventa di Piave Designer Outlet, in which we have a 90.0% interest, with a €260.0 million, 2.00% fixed rate mortgage loan that matures in 2025.
- Repaying at maturity \$600.0 million of senior unsecured notes with a fixed interest rate of 2.20% on February 1, 2019.

United States Portfolio Data

The portfolio data discussed in this overview includes the following key operating statistics: ending occupancy, average base minimum rent per square foot, and total sales per square foot for our domestic assets. We include acquired properties in this data beginning in the year of acquisition and remove disposed properties in the year of disposition. For comparative information purposes, we separate the information related to The Mills from our other U.S. operations. We also do not include any information for properties located outside the United States.

Table of Contents

The following table sets forth these key operating statistics for the combined U.S. Malls and Premium Outlets:

- properties that are consolidated in our consolidated financial statements,
- properties we account for under the equity method of accounting as joint ventures, and
- the foregoing two categories of properties on a total portfolio basis.

	2018	% / Basis Point Change (1)		2017	% / Basis Point Change (1)		2016	
U.S. Malls and Premium Outlets:								
Ending Occupancy								
Consolidated	95.9 %	10	bps	95.8 %	-130	bps	97.1 %	
Unconsolidated	95.8 %	70	bps	95.1 %	-70	bps	95.8 %	
Total Portfolio	95.9 %	30	bps	95.6 %	-120	bps	96.8 %	
Average Base Minimum Rent per Square Foot								
Consolidated	\$ 52.51	2.3 %		\$ 51.34	2.8 %		\$ 49.94	
Unconsolidated	\$ 58.59	1.2 %		\$ 57.88	3.0 %		\$ 56.19	
Total Portfolio	\$ 54.18	2.0 %		\$ 53.11	2.9 %		\$ 51.59	
Total Sales per Square Foot								
Consolidated	\$ 641	4.6 %		\$ 613	2.2 %		\$ 600	
Unconsolidated	\$ 719	7.2 %		\$ 671	1.7 %		\$ 660	
Total Portfolio	\$ 661	5.3 %		\$ 628	2.3 %		\$ 614	
The Mills:								
Ending Occupancy	97.6 %	-80	bps	98.4 %	0	bps	98.4 %	
Average Base Minimum Rent per Square Foot								
	\$ 32.63	5.3 %		\$ 30.98	6.6 %		\$ 29.07	
Total Sales per Square Foot	\$ 614	4.6 %		\$ 587	3.8 %		\$ 565	

(1) Percentages may not recalculate due to rounding. Percentage and basis point changes are representative of the change from the comparable prior period.

Ending Occupancy Levels and Average Base Minimum Rent per Square Foot. Ending occupancy is the percentage of gross leasable area, or GLA, which is leased as of the last day of the reporting period. We include all company owned space except for mall anchors, mall majors, mall freestanding and mall outlots in the calculation. Base minimum rent per square foot is the average base minimum rent charge in effect for the reporting period for all tenants that would qualify to be included in ending occupancy.

Total Sales per Square Foot. Total sales include total reported retail tenant sales on a trailing 12 month basis at owned GLA (for mall stores with less than 10,000 square feet) in the malls and The Mills and stores with less than 20,000 square feet in the Premium Outlets. Retail sales at owned GLA affect revenue and profitability levels because sales determine the amount of minimum rent that can be charged, the percentage rent realized, and the recoverable expenses (common area maintenance, real estate taxes, etc.) that tenants can afford to pay.

Current Leasing Activities

During 2018, we signed 900 new leases and 1,183 renewal leases (excluding mall anchors and majors, new development, redevelopment and leases with terms of one year or less) with a fixed minimum rent across our U.S. Malls and Premium Outlets portfolio, comprising approximately 7.1 million square feet, of which 5.3 million square feet related to consolidated properties. During 2017, we signed 849 new leases and 1,302 renewal leases with a fixed minimum rent, comprising approximately 6.7 million square feet, of which 5.0 million square feet related to

consolidated properties. The average annual initial base minimum rent for new leases was \$57.29 per square foot in 2018 and \$58.60 per square foot in 2017 with an average tenant allowance on new leases of \$54.21 per square foot and \$50.53 per square foot, respectively.

57

Table of Contents

Japan Data

The following are selected key operating statistics for our Premium Outlets in Japan. The information used to prepare these statistics has been supplied by the managing venture partner.

	December 31, 2018	%/basis point Change	December 31, 2017	%/basis point Change	December 31, 2016
Ending Occupancy	99.7%	-20 bps	99.9%	40 bps	99.5%
Total Sales per Square Foot	¥ 107,265	2.02%	¥ 105,138	5.17%	¥ 99,971
Average Base Minimum Rent per Square Foot	¥ 5,156	1.86%	¥ 5,062	0.48%	¥ 5,038

Critical Accounting Policies

The preparation of financial statements in conformity with U.S. generally accepted accounting principles, or GAAP, requires management to use judgment in the application of accounting policies, including making estimates and assumptions. We base our estimates on historical experience and on various other assumptions believed to be reasonable under the circumstances. These judgments affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied resulting in a different presentation of our financial statements. From time to time, we reevaluate our estimates and assumptions. In the event estimates or assumptions prove to be different from actual results, adjustments are made in subsequent periods to reflect more current information. Below is a discussion of accounting policies that we consider critical in that they may require complex judgment in their application or require estimates about matters that are inherently uncertain. For a summary of our significant accounting policies, see Note 3 of the notes to the consolidated financial statements.

- We, as a lessor, retain substantially all of the risks and benefits of ownership of the investment properties and account for our leases as operating leases. We accrue minimum rents on a straight line basis over the terms of their respective leases. Substantially all of our retail tenants are also required to pay overage rents based on sales over a stated base amount during the lease year. We recognize overage rents only when each tenant's sales exceed its sales threshold.
- We review investment properties for impairment on a property by property basis whenever events or changes in circumstances indicate that the carrying value of investment properties may not be recoverable. These circumstances include, but are not limited to, a decline in a property's cash flows, occupancy or comparable sales per square foot. We measure any impairment of investment property when the estimated undiscounted operating income before depreciation and amortization plus its residual value is less than the carrying value of the property. To the extent impairment has occurred, we charge to income the excess of carrying value of the property over its estimated fair value. We may decide to sell properties that are held for use and the sale prices of these properties may differ from their carrying values. We also review our investments, including investments in unconsolidated entities, if events or circumstances change indicating that the carrying amount of our investments may not be recoverable. We will record an impairment charge if we determine that a decline in the fair value of the investments below carrying value is other than temporary. Changes in economic and operating conditions that occur subsequent to our review of recoverability of investment property and other investments could impact the assumptions used in that assessment and could result in future charges to earnings if assumptions regarding those investments differ from actual results.

- To maintain Simon's status as a REIT, we must distribute at least 90% of REIT taxable income in any given year and meet certain asset and income tests. We monitor our business and transactions that may potentially impact Simon's REIT status. In the unlikely event that we fail to maintain Simon's REIT status, and available relief provisions do not apply, we would be required to pay U.S. federal income taxes at regular corporate income tax rates during the period Simon did not qualify as a REIT. If Simon lost its REIT status, it could not elect to be taxed as a REIT for four taxable years following the year during which qualification was lost unless its failure was due to reasonable cause and certain other conditions were met. As a result, failing to maintain REIT status would result in a significant increase in the income tax expense recorded and paid during those periods.
- We make estimates as part of our valuation of the purchase price of asset acquisitions (including the components of excess investment in joint ventures) to the various components of the acquisition based upon the relative fair

Table of Contents

value of each component. The most significant components of our valuations are typically the determination of relative fair value to the buildings as if vacant, land and market value of in place leases. In the case of the fair value of buildings and fair value of land and other intangibles, our estimates of the values of these components will affect the amount of depreciation or amortization we record over the estimated useful life of the property acquired or the remaining lease term. In the case of the market value of in place leases, we make our best estimates of the tenants' ability to pay rents based upon the tenants' operating performance at the property, including the competitive position of the property in its market as well as sales psf, rents psf, and overall occupancy cost for the tenants in place at the acquisition date. Our assumptions affect the amount of future revenue that we will recognize over the remaining lease term for the acquired in place leases.

- A variety of costs are incurred in the development and leasing of properties. After determination is made to capitalize a cost, it is allocated to the specific component of a project that is benefited. Determination of when a development project is substantially complete and capitalization must cease involves judgment. The costs of land and buildings under development include specifically identifiable costs. The capitalized costs include pre construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. We consider a construction project as substantially completed and held available for occupancy and cease capitalization of costs upon opening.

Results of Operations

In addition to the activity discussed above in the "Results Overview" section, the following acquisitions, dispositions, and openings of consolidated properties affected our consolidated results in the comparative periods:

- On September 27, 2018, we opened Denver Premium Outlets, a 330,000 square foot center in Thornton (Denver), Colorado. We own a 100% interest in this center.
- On September 25, 2018, we acquired the remaining 50% interest in the previously unconsolidated The Outlets at Orange in Los Angeles, California from our joint venture partner.
- During 2018, we disposed of two retail properties.
- On April 21, 2017, through our European investee, we acquired Rosada Designer Outlet, a 247,500 square foot center in Roosendaal, Netherlands. We have a 94% interest in this center.
- On April 13, 2017, through our European investee, we opened Provence Designer Outlet, a 269,000 square foot center in Miramas, France. We have a 90% interest in this new center.
- During 2016, we disposed of three retail properties.
- During the first quarter of 2016, we consolidated two Designer Outlet properties in Europe that had previously been accounted for under the equity method. During the third quarter of 2016, we consolidated two more Designer Outlet properties in Europe, which were previously accounted for under the equity method.

In addition to the activities discussed above and in "Results Overview", the following acquisitions, dispositions, and openings of joint venture properties affected our income from unconsolidated entities in the comparative periods:

- During the fourth quarter of 2018, our interest in the 41 German department store properties owned through our investment in HBS Global Properties, or HBS, was sold, as further discussed in Note 7 of the notes to the consolidated financial statements.
- During 2018, we contributed our interest in the licensing venture of Aéropostale for additional interests in Authentic Brands Group LLC, or ABG. Our noncontrolling interest in ABG is 5.4%.
- On May 2, 2018, we and our partner opened Premium Outlet Collection Edmonton International Airport, a 424,000 square foot shopping center in Edmonton (Alberta), Canada. We have a 50% noncontrolling interest in this new center.
- During 2017, we disposed of our interest in one retail property.
 - On September 14, 2017, we and our partner opened The Shops at Clearfork, a 500,000 square foot center in Fort Worth, Texas. We have a 45% noncontrolling interest in this new center.

Table of Contents

- On June 29, 2017, we and our partner opened Norfolk Premium Outlets, a 332,000 square foot center in Norfolk, Virginia. We have a 65% noncontrolling interest in this new center.
- On June 15, 2017, we and our partner opened Genting Highlands Premium Outlets in Kuala Lumpur, Malaysia. We have a 50% noncontrolling interest in this 278,000 square foot center.
 - On April 6, 2017, we and our partner opened Siheung Premium Outlets, a 444,400 square foot center in Siheung (Seoul), South Korea. We have a 50% noncontrolling interest in this new center.
- During 2016, we disposed of our interests in four retail properties.
- On November 3, 2016, we and our partner opened a 500,000 square foot retail component of Brickell City Centre in Miami, Florida. We have a 25% noncontrolling interest in the retail component of this center.
- On October 27, 2016, we and our partner opened Clarksburg Premium Outlets, a 392,000 square foot outlet center in Clarksburg, Maryland. We have a 66% noncontrolling interest in this new center.
- On September 15, 2016, we were part of a consortium that completed the acquisition of Aéropostale out of bankruptcy. Our noncontrolling interest in the retail operations venture is 49.05%.
- On June 24, 2016, we and our partner opened a 355,000 square foot outlet center in Columbus, Ohio. We have a 50% noncontrolling interest in this new center.
- On April 14, 2016, we acquired a 50% noncontrolling interest in The Shops at Crystals, a 262,000 square foot mall in Las Vegas, Nevada.
- On February 1, 2016, through our European investee, we and our partner acquired a 75% noncontrolling interest in an outlet center in Ochtrup, Germany.

For the purposes of the following comparisons between the years ended December 31, 2018 and 2017 and the years ended December 31, 2017 and 2016, the above transactions are referred to as the property transactions. In the following discussions of our results of operations, “comparable” refers to properties we owned and operated in both years in the year to year comparisons.

During the third quarter of 2017, two of our wholly-owned properties located in Puerto Rico sustained significant damage as a result of Hurricane Maria. For purposes of the below comparisons, these properties are also included in the property transactions due to the fact they were not open for business during the entirety of the periods being compared.

Year Ended December 31, 2018 vs. Year Ended December 31, 2017

Minimum rents increased \$48.5 million during 2018, of which the comparable rents increased \$54.7 million, or 1.6%, primarily attributable to an increase in base minimum rents, offset partially by a \$6.2 million decrease related to the property transactions. Overage rents increased \$14.7 million, or 10.0%, as a result of an increase in tenant sales.

Total other income increased \$73.6 million, primarily due to a \$35.6 million increase related to a non-cash gain associated with our contribution of our interest in the Aéropostale licensing venture for additional interests in ABG, a \$21.9 million increase in income related to distributions from an international investment, a \$17.9 million increase related to business interruption insurance proceeds received in connection with two of our Puerto Rico properties as a result of hurricane damages, a \$13.2 million increase in Simon Brand Venture and gift card revenues and a \$6.5 million increase in net other revenues, partially offset by a \$21.5 million decrease related to the sale of marketable securities during 2017.

Real estate tax expense increased \$17.7 million as a result of higher tax assessments in 2018.

General and administrative expense decreased \$5.4 million due to lower executive compensation.

Other expense decreased \$22.2 million primarily related to a decrease in legal fees and expenses of \$25.1 million and the write off of pre-development costs and other investments in 2017 of \$11.3 million, partially offset by an

unfavorable \$15.2 million non-cash mark-to-market adjustment on an investment in equity securities.

During 2017, we recorded a loss on extinguishment of debt of \$128.6 million as a result of an early redemption of a series of senior unsecured notes.

60

Table of Contents

Income and other taxes increased \$13.6 million as a result of higher tax expense due to higher net income from improved performance on our share of results in the retail operations venture of Aéropostale as compared to 2017, and increased withholding and income taxes related to certain of our international investments.

Income from unconsolidated entities increased \$75.0 million primarily due to the stronger operations of the retail operations venture of Aéropostale and favorable results of operations from our international joint venture investments and our acquisition and development activity, offset partially by our share of an early repayment charge at one of our joint venture properties.

During 2018, we recorded net gains of \$12.5 million related to property insurance recoveries of previously depreciated assets and \$276.3 million primarily related to our disposition of two retail properties, as well as the disposal of our interest in the German department stores owned through our investment in HBS, as further discussed in Note 7 of the notes to the consolidated financial statements. During 2017, we recorded a \$5.0 million gain related to Klépierre's sale of certain assets, partially offset by the disposition of our interest in one unconsolidated retail property that resulted in a loss of \$1.3 million.

Simon's net income attributable to noncontrolling interests increased \$85.3 million due to an increase in the net income of the Operating Partnership.

Year Ended December 31, 2017 vs. Year Ended December 31, 2016

Minimum rents increased \$81.5 million during 2017, of which the property transactions accounted for \$30.2 million of the increase. Comparable rents increased \$51.3 million, or 1.6%, primarily attributable to an increase in base minimum rents as well as incremental revenue from our redevelopment and expansion activity. Overage rent decreased \$14.0 million primarily as a result of an increase in the overage breakpoints as compared to 2016.

Tenant reimbursements increased \$38.1 million, due to a \$10.0 million increase attributable to the property transactions and a \$28.1 million, or 2.0%, increase in the comparable properties due to annual fixed contractual increases related to common area maintenance and real estate tax recoveries.

Management fees and other revenues decreased \$22.6 million related to final fees from Washington Prime Group, Inc. in 2016 and lower development fees as compared to 2016.

Total other income increased \$20.4 million, primarily due to a \$23.0 million increase in lease settlement income, gains on the sales of marketable securities of \$21.5 million, an \$8.4 million increase in Simon Brand Venture and gift card revenues, a \$3.0 million increase in dividend and net other revenue, and a \$2.7 million increase in land and other non-retail real estate sales, partially offset by a \$38.2 million pre-tax gain during 2016 on the sale of our interests in two multi-family residential investments.

Depreciation and amortization expense increased \$22.8 million primarily due to the additional depreciable assets related to the property transactions and our continued redevelopment and expansion activities.

Provision for credit losses increased \$4.0 million as a result of an increase in tenant bankruptcies as compared to 2016.

Home and regional office costs decreased \$23.3 million as a result of expense management and lower personnel expenses, including executive compensation.

General and administrative expenses decreased \$13.1 million due to expense management and lower personnel expenses, including executive compensation.

Other expenses increased \$14.5 million primarily due to an increase in legal fees and expenses.

Interest expense decreased \$48.2 million primarily due to the net impact of our financing activities during 2017 and 2016 and the reduction in our effective overall borrowing rate.

During 2017, we recorded a loss on extinguishment of debt of \$128.6 million as a result of an early redemption of a series of senior unsecured notes. During 2016, we recorded a loss on extinguishment of debt of \$136.8 million as a result of an early redemption of senior unsecured notes.

Income and other taxes decreased \$6.3 million primarily as a result of a taxable gain on the sale of a multi-family residential investment during 2016.

Table of Contents

Income from unconsolidated entities increased \$46.9 million primarily as a result of favorable results of operations from our international joint venture investments, our investment in Aéropostale and our acquisition and development activity.

During 2017, we recorded a \$5.0 million gain related to Klépierre's sale of certain assets, partially offset by the disposition of our interest in one unconsolidated retail property that resulted in a loss of \$1.3 million. During 2016, we recorded a gain related to Klépierre's sale of certain assets, our sale of three consolidated retail properties and disposition of our interests in four unconsolidated retail properties. The aggregate gain on the transactions was \$43.2 million. We also recorded a non-cash remeasurement gain of \$41.4 million related to the change in control of our interest in the European outlet properties as further discussed in Note 7 of the notes to the consolidated financial statements.

Liquidity and Capital Resources

Because we own long lived income producing assets, our financing strategy relies primarily on long term fixed rate debt. Floating rate debt comprised only 3.5% of our total consolidated debt at December 31, 2018. We also enter into interest rate protection agreements from time to time to manage our interest rate risk. We derive most of our liquidity from positive net cash flow from operations and distributions of capital from unconsolidated entities that totaled \$4.2 billion in the aggregate during 2018. The Operating Partnership has a \$4.0 billion Credit Facility, and a \$3.5 billion supplemental unsecured revolving credit facility, or Supplemental Facility, and together with the Credit Facility, the Credit Facilities. The Credit Facilities and the Commercial Paper program provide alternative sources of liquidity as our cash needs vary from time to time. Borrowing capacity under these sources may be increased as discussed further below.

Our balance of cash and cash equivalents decreased \$968.0 million during 2018 to \$514.3 million as of December 31, 2018 as further discussed in "Cash Flows" below.

On December 31, 2018, we had an aggregate available borrowing capacity of approximately \$6.6 billion under the Credit Facilities, net of outstanding borrowings of \$125.0 million, amounts outstanding under the Commercial Paper program of \$758.7 million and letters of credit of \$11.3 million. For the year ended December 31, 2018, the maximum aggregate outstanding balance under the Credit Facilities was \$423.1 million and the weighted average outstanding balance was \$238.1 million. The weighted average interest rate was 1.80% for the year ended December 31, 2018.

Simon has historically had access to public equity markets and the Operating Partnership has historically had access to private and public, short and long-term unsecured debt markets and access to secured debt and private equity from institutional investors at the property level.

Our business model and Simon's status as a REIT require us to regularly access the debt markets to raise funds for acquisition, development and redevelopment activity, and to refinance maturing debt. Simon may also, from time to time, access the equity capital markets to accomplish our business objectives. We believe we have sufficient cash on hand and availability under the Credit Facilities and the Commercial Paper program to address our debt maturities and capital needs through 2019.

Cash Flows

Our net cash flow from operating activities and distributions of capital from unconsolidated entities totaled \$4.2 billion during 2018. In addition, we had net repayments from our debt financing and repayment activities of \$1.1 billion in 2018. These activities are further discussed below under "Financing and Debt." During 2018, we also:

- paid stockholder dividends and unitholder distributions totaling approximately \$2.8 billion and preferred unit distributions totaling \$5.3 million,
- funded consolidated capital expenditures of \$781.9 million (including development and other costs of \$86.8 million, redevelopment and expansion costs of \$418.9 million, and tenant costs and other operational capital expenditures of \$276.2 million),
- funded investments in unconsolidated entities of \$63.4 million,
- received insurance proceeds from third-party carriers for property restoration, remediation, and business interruption from hurricane damages in Puerto Rico of \$56.6 million,
 - received proceeds on the sale of certain assets related to our noncontrolling interest in a joint venture of \$183.2 million, and

Table of Contents

· funded the repurchase of \$354.1 million of Simon's common stock and the redemption of \$81.5 million of the Operating Partnership's units.

In general, we anticipate that cash generated from operations will be sufficient to meet operating expenses, monthly debt service, recurring capital expenditures, and dividends to stockholders and/or distributions to partners necessary to maintain Simon's REIT qualification on a long term basis. In addition, we expect to be able to generate or obtain capital for nonrecurring capital expenditures, such as acquisitions, major building redevelopments and expansions, as well as for scheduled principal maturities on outstanding indebtedness, from:

- excess cash generated from operating performance and working capital reserves,
- borrowings on the Credit Facilities and Commercial Paper program,
- additional secured or unsecured debt financing, or
- additional equity raised in the public or private markets.

We expect to generate positive cash flow from operations in 2019, and we consider these projected cash flows in our sources and uses of cash. These cash flows are principally derived from rents paid by our tenants. A significant deterioration in projected cash flows from operations could cause us to increase our reliance on available funds from the Credit Facilities and Commercial Paper program, curtail planned capital expenditures, or seek other additional sources of financing as discussed above.

Financing and Debt

Unsecured Debt

At December 31, 2018, our unsecured debt consisted of \$15.6 billion of senior unsecured notes of the Operating Partnership, \$125.0 million outstanding under the Credit Facility, and \$758.7 million outstanding under the Commercial Paper program.

On December 31, 2018, we had an aggregate available borrowing capacity of \$6.6 billion under the Credit Facilities. The maximum aggregate outstanding balance under the Credit Facilities during the year ended December 31, 2018 was \$423.1 million and the weighted average outstanding balance was \$238.1 million. Letters of credit of \$11.3 million were outstanding under the Credit Facilities as of December 31, 2018.

The Credit Facility's initial borrowing capacity of \$4.0 billion may be increased to \$5.0 billion during its term and provides for borrowings denominated in U.S. dollars, Euro, Yen, Sterling, Canadian dollars and Australian dollars. Borrowings in currencies other than the U.S. dollar are limited to 95% of the maximum revolving credit amount, as defined. The initial maturity date of the Credit Facility is June 30, 2021 and can be extended for an additional year to June 30, 2022 at our sole option, subject to our continued compliance with the terms thereof. The base interest rate on the Credit Facility is LIBOR plus 77.5 basis points with an additional facility fee of 10 basis points.

On February 15, 2018, the Operating Partnership amended and extended the Supplemental Facility. The Supplemental Facility's initial borrowing capacity of \$3.5 billion may be increased to \$4.5 billion during its term and provides for borrowings denominated in U.S. dollars, Euro, Yen, Sterling, Canadian dollars and Australian dollars. The initial maturity date of the Supplemental Facility was extended to June 30, 2022 and can be extended for an additional year to June 30, 2023 at our sole option, subject to our continued compliance with the terms thereof. The base interest rate on the Supplemental Facility was reduced to LIBOR plus 77.5 basis points from LIBOR plus 80 basis points, with an additional facility fee of 10 basis points.

The Operating Partnership also has available a Commercial Paper program. On November 14, 2018, we amended the Commercial Paper program to increase the initial borrowing capacity of \$1.0 billion to \$2.0 billion, or the non-U.S.

dollar equivalent thereof. The Operating Partnership may issue unsecured commercial paper notes, denominated in U.S. dollars, Euro and other currencies. Notes issued in non-U.S. currencies may be issued by one or more subsidiaries of the Operating Partnership and are guaranteed by the Operating Partnership. Notes will be sold under customary terms in the U.S. and Euro commercial paper note markets and rank (either by themselves or as a result of the guarantee described above) pari passu with the Operating Partnership's other unsecured senior indebtedness. The Commercial Paper program is supported by the Credit Facilities and if necessary or appropriate, we may make one or more draws under either of the Credit Facilities to pay amounts outstanding from time to time on the Commercial Paper program. On December 31, 2018, we had \$758.7 million outstanding under the Commercial Paper program, fully comprised of U.S. dollar denominated notes with a weighted

Table of Contents

average interest rate of 2.49%. These borrowings have a weighted average maturity date of February 20, 2019 and reduce amounts otherwise available under the Credit Facilities.

On January 3, 2018, the Operating Partnership redeemed at par \$750.0 million of senior unsecured notes with a fixed interest rate of 1.50%.

On July 10, 2018, the Operating Partnership repaid Yen-denominated borrowings of \$201.3 million (U.S. dollar equivalent) on the Credit Facility.

On February 1, 2019, the Operating Partnership repaid at maturity \$600.0 million of senior unsecured notes with a fixed interest rate of 2.20%.

Mortgage Debt

Total mortgage indebtedness was \$6.8 billion and \$6.9 billion at December 31, 2018 and 2017, respectively.

During the year ended December 31, 2018, we repaid a mortgage loan of \$86.6 million with an interest rate of 7.79%.

On July 30, 2018, Noventa di Piave Designer Outlet, in which we own a 90% interest, refinanced its €110.0 million, 1.68% variable rate mortgage loan maturing in 2020 with a €260.0 million, 2.00% fixed rate mortgage loan that matures in 2025.

On September 25, 2018, as discussed in Note 7 of the notes to the consolidated financial statements, we acquired the remaining 50% interest in The Outlets at Orange from our joint venture partner, resulting in the consolidation of the existing fixed rate mortgage loan of \$215.0 million. The loan matures on April 1, 2024 and bears interest at 4.22%.

Covenants

Our unsecured debt agreements contain financial covenants and other non financial covenants. If we were to fail to comply with these covenants, after the expiration of the applicable cure periods, the debt maturity could be accelerated or other remedies could be sought by the lender, including adjustments to the applicable interest rate. As of December 31, 2018, we were in compliance with all covenants of our unsecured debt.

At December 31, 2018, our consolidated subsidiaries were the borrowers under 45 non recourse mortgage notes secured by mortgages on 48 properties, including two separate pools of cross defaulted and cross collateralized mortgages encumbering a total of five properties. Under these cross default provisions, a default under any mortgage included in the cross defaulted pool may constitute a default under all mortgages within that pool and may lead to acceleration of the indebtedness due on each property within the pool. Certain of our secured debt instruments contain financial and other non financial covenants which are specific to the properties that serve as collateral for that debt. If the applicable borrower under these non-recourse mortgage notes were to fail to comply with these covenants, the lender could accelerate the debt and enforce its rights against their collateral. At December 31, 2018, the applicable borrowers under these non recourse mortgage notes were in compliance with all covenants where non compliance could individually or in the aggregate, giving effect to applicable cross default provisions, have a material adverse effect on our financial condition, liquidity or results of operations.

Summary of Financing

Our consolidated debt, adjusted to reflect outstanding derivative instruments, and the effective weighted average interest rates as of December 31, 2018 and 2017, consisted of the following (dollars in thousands):

	Adjusted Balance as of December 31, 2018	Effective Weighted Average Interest Rate(1)	Adjusted Balance as of December 31, 2017	Effective Weighted Average Interest Rate(1)
Debt Subject to Fixed Rate	\$ 22,461,191	3.37%	\$ 23,443,152	3.30%
Variable Rate	844,344	3.17%	1,189,311	2.19%
	\$ 23,305,535	3.35%	\$ 24,632,463	3.25%

(1) Effective weighted average interest rate excludes the impact of net discounts and debt issuance costs.

Table of Contents

Contractual Obligations and Off-balance Sheet Arrangements

In regards to long term debt arrangements, the following table summarizes the material aspects of these future obligations on our consolidated indebtedness as of December 31, 2018, and subsequent years thereafter (dollars in thousands) assuming the obligations remain outstanding through initial maturities:

	2019	2020 - 2021	2022 - 2023	After 2023	Total
Long Term Debt (1) (5)	\$ 1,416,309	\$ 5,119,313	\$ 5,465,812	\$ 11,365,890	\$ 23,367,324
Interest Payments (2)	766,903	1,392,182	978,601	2,734,563	5,872,249
Consolidated Capital Expenditure					
Commitments (3)	474,296	—	—	—	474,296
Lease Commitments (4)	32,417	65,089	65,427	947,886	1,110,819

- (1) Represents principal maturities only and, therefore, excludes net discounts and debt issuance costs.
(2) Variable rate interest payments are estimated based on the LIBOR or other applicable rate at December 31, 2018.
(3) Represents contractual commitments for capital projects and services at December 31, 2018. Our share of estimated 2018 development, redevelopment and expansion activity is further discussed below under “Development Activity”.
(4) Represents only the minimum non cancellable lease period, excluding applicable lease extension and renewal options, unless reasonably certain of exercise.
(5) The amount due in 2019 includes \$758.7 million in Global Commercial Paper-USD and \$600.0 million of senior unsecured notes repaid at maturity on February 1, 2019.

Our off balance sheet arrangements consist primarily of our investments in joint ventures which are common in the real estate industry and are described in Note 7 of the notes to the consolidated financial statements. Our joint ventures typically fund their cash needs through secured debt financings obtained by and in the name of the joint venture entity. The joint venture debt is secured by a first mortgage, is without recourse to the joint venture partners, and does not represent a liability of the partners, except to the extent the partners or their affiliates expressly guarantee the joint venture debt. As of December 31, 2018, the Operating Partnership guaranteed joint venture-related mortgage indebtedness of \$216.1 million (of which we have a right of recovery from our venture partners of \$10.8 million as of December 31, 2018). Mortgages guaranteed by the Operating Partnership are secured by the property of the joint venture which could be sold in order to satisfy the outstanding obligation and which has an estimated fair value in excess of the guaranteed amount. We may elect to fund cash needs of a joint venture through equity contributions (generally on a basis proportionate to our ownership interests), advances or partner loans, although such fundings are not required contractually or otherwise.

Hurricane Impacts

As discussed further in Note 11 of the notes to the consolidated financial statements, during the third quarter of 2017, two of our wholly-owned properties located in Puerto Rico experienced property damage and business interruption as a result of the hurricane.

Since the date of the loss, we have received \$56.6 million of insurance proceeds from third-party carriers related to the two properties located in Puerto Rico, of which \$38.7 million was used for property restoration and remediation and to reduce the insurance recovery receivable. In 2018, we recorded \$17.9 million as business interruption proceeds in other income in the accompanying consolidated statements of operations and comprehensive income.

Subsequent Event

Subsequent to December 31, 2018, we settled a lawsuit with our former insurance broker, Aon Risk Services Central Inc., related to the significant flood damage sustained at Opry Mills in May 2010. In accordance with a previous agreement with the prior co-investor in Opry Mills, a portion of the settlement was remitted to the co-investor. Our share of the settlement was approximately \$68.0 million, which was recorded as other income in the first quarter of 2019.

Acquisitions and Dispositions

Buy sell, marketing rights, and other exit mechanisms are common in real estate partnership agreements. Most of our partners are institutional investors who have a history of direct investment in retail real estate. We and our partners in our joint venture properties may initiate these provisions (subject to any applicable lock up or similar restrictions). If we

65

Table of Contents

determine it is in our best interests for us to purchase the joint venture interest and we believe we have adequate liquidity to execute the purchase without hindering our cash flows, then we may initiate these provisions or elect to buy our partner's interest. If we decide to sell any of our joint venture interests, we expect to use the net proceeds to reduce outstanding indebtedness or to reinvest in development, redevelopment, or expansion opportunities.

Acquisitions. On September 25, 2018, we acquired the remaining 50% interest in The Outlets at Orange from our joint venture partner. The Operating Partnership issued 475,183 units, or approximately \$84.1 million, as consideration for the acquisition. The property is subject to a \$215.0 million 4.22% fixed rate mortgage loan.

On April 21, 2017, we and our partner, through our European investee acquired a 100% interest in an outlet center in Roosendaal, Netherlands for cash consideration of \$69.8 million and the assumption of existing mortgage debt of \$40.1 million. In May 2017, the assumed loan was refinanced with a \$69.0 million mortgage loan due in 2024, after available extension options, with an interest rate of EURIBOR plus 1.85%.

In February 2016, this European investee, acquired a noncontrolling 75% ownership interest in an outlet center in Ochtrup, Germany for cash consideration of approximately \$38.3 million. On July 25, 2016, this European investee also acquired the remaining 33% interest in two Italian outlet centers in Naples and Venice as well as the remaining interests in related expansion projects and working capital for cash consideration of approximately \$159.7 million. This resulted in the consolidation of these two properties on the acquisition date, requiring a remeasurement of our previously held equity interest to fair value and the recognition of a non-cash gain of \$29.3 million in earnings during the third quarter of 2016.

On April 14, 2016, we and our joint venture partner completed the acquisition of The Shops at Crystals, a 262,000 square foot luxury shopping center on the Las Vegas Strip, for \$1.1 billion. The transaction was funded with a combination of cash on hand, cash from our partner, and a \$550.0 million 3.74% fixed-rate mortgage loan that will mature on July 1, 2026. We have a 50% noncontrolling interest in this joint venture and manage the day-to-day operations.

Dispositions. We may continue to pursue the disposition of properties that no longer meet our strategic criteria or that are not a primary retail venue within their trade area.

During 2018, we recorded net gains of \$288.8 million primarily related to disposition activity which included the foreclosure of two consolidated retail properties in satisfaction of their \$200.0 million and \$80.0 million non-recourse mortgage loans and, as discussed in Note 7 of the notes to the consolidated financial statements, our interest in the German department store properties owned through our investment in HBS was sold during the fourth quarter of 2018. Also, as discussed further in Note 7 of the notes to the consolidated financial statements, Klépierre disposed of its interests in certain shopping centers resulting in a gain of which our share was \$20.2 million.

During 2017, we disposed of our interests in one unconsolidated retail property. The loss recognized on this transaction was approximately \$1.3 million. As discussed in Note 7 of the notes to the consolidated financial statements, Klépierre disposed of its interests in certain shopping centers, resulting in a gain of which our share was \$5.0 million.

During 2016, we disposed of our interests in two unconsolidated multi-family residential investments, three consolidated retail properties, and four unconsolidated retail properties. Our share of the gross proceeds from these transactions was \$81.8 million. The gain on the consolidated retail properties was \$12.4 million. The gain on the unconsolidated retail properties was \$22.6 million. The aggregate gain of \$36.2 million from the sale of the two unconsolidated multi-family residential investments is included in other income and resulted in an additional \$7.2 million in taxes included in income and other taxes. As discussed in Note 7 of the notes to the consolidated financial

statements, Klépierre disposed of its interest in certain Scandinavian properties during the fourth quarter, resulting in a gain of which our share was \$8.1 million.

Joint Venture Formation Activity

On September 15, 2016, we and a group of co-investors acquired certain assets and liabilities of Aéropostale, a retailer of apparel and accessories, out of bankruptcy. The interests were acquired through two separate joint ventures, a licensing venture and an operating venture. In April 2018, we contributed our entire interest in the licensing venture in exchange for additional interests in ABG, a brand development, marketing, and entertainment company. As a result, we recognized a \$35.6 million non-cash gain representing the increase in value of our previously held interest in the licensing venture, which is included in other income in the accompanying consolidated statements of operations and comprehensive income. At December 31, 2018, our noncontrolling equity method interests in the operations venture of Aéropostale and in ABG were 45.0% and 5.4%, respectively.

Table of Contents

We have a 50% noncontrolling interest in a joint venture with Seritage Growth Properties, or Seritage, which originally held an interest in ten Sears properties located in our malls. On November 3, 2017, we acquired additional interests in the real estate assets and/or rights to terminate leases related to twelve Sears stores located at our malls (including five stores previously held in our joint venture with Seritage), in order to redevelop these properties. Our cost of this transaction after partner participation was \$149.1 million, which is reflected as investment property.

Development Activity

We routinely incur costs related to construction for significant redevelopment and expansion projects at our properties. Redevelopment and expansion projects, including the addition of anchors, big box tenants, and restaurants are underway at several properties in the United States, Canada, Europe, and Asia.

Our share of the costs of all new development, redevelopment and expansion projects currently under construction is approximately \$1.3 billion. We expect to fund these capital projects with cash flows from operations. Our estimated stabilized return on invested capital typically ranges between 6-10% for all our new development, redevelopment and expansion projects.

Summary of Capital Expenditures. The following table summarizes total capital expenditures on consolidated properties on a cash basis (in millions):

	2018	2017	2016
New Developments	\$ 87	\$ 61	\$ 103
Redevelopments and Expansions	419	474	487
Tenant Allowances	144	127	110
Operational Capital Expenditures	132	70	98
Total	\$ 782	\$ 732	\$ 798

New Domestic Developments, Redevelopments and Expansions

On September 25, 2018, we opened Denver Premium Outlets, a 330,000 square foot center in Thornton (Denver), Colorado. We own a 100% interest in this project. The cost of this project was \$128.6 million.

Table of Contents

International Development Activity

We typically reinvest net cash flow from our international joint ventures to fund future international development activity. We believe this strategy mitigates some of the risk of our initial investment and our exposure to changes in foreign currencies. We have also funded most of our foreign investments with local currency denominated borrowings that act as a natural hedge against fluctuations in exchange rates. Our consolidated net income exposure to changes in the volatility of the Euro, Yen, Won, and other foreign currencies is not material. We expect our share of international development costs for 2019 will be approximately \$180 million, primarily funded through reinvested joint venture cash flow and construction loans.

The following table describes recently completed and new development and expansion projects as well as our share of the estimated total cost as of December 31, 2018 (in millions):

Property	Location	Gross Leasable Area (sqft)	Our Ownership Percentage	Our Share of Projected Net Cost (in Local Currency)	Our Share of Projected Net Cost (in USD)	Projected Opening Date
New Development Projects:						
Premium Outlet Collection - Edmonton International Airport	Edmonton (Alberta), Canada	424,000	50%	CAD 108.2	\$ 79.3	Opened May - 2018
Querétaro Premium Outlets	Querétaro, Mexico	294,000	50%	MXN 441.7	\$ 22.5	Jul. - 2019
Málaga Designer Outlet	Málaga, Spain	191,000	46%	EUR 41.4	\$ 47.4	Jul. - 2019
Cannock Designer Outlet	Cannock (West Midlands), U.K.	197,000	20%	GBP 26.5	\$ 33.7	May - 2020
Expansions:						
Shisui Premium Outlets Phase 3	Shisui (Chiba), Japan	68,000	40%	JPY 1,541	\$ 14.0	Opened Sep. - 2018
Toronto Premium Outlets Phase 2	Toronto (Ontario), Canada	140,000	50%	CAD 66.4	\$ 48.7	Opened Nov. - 2018
Johor Premium Outlets Phase 3	Kulai, Malaysia	45,000	50%	MYR 14.4	\$ 3.5	Opened Dec. - 2018
Vancouver Designer Outlet Phase 2	Richmond (British Columbia), Canada	84,000	46%	CAD 26.9	\$ 19.8	Jul. - 2019
Paju Premium Outlets Phase 3	Gyeonggi Province, South Korea	116,000	50%	KRW 26,905	\$ 24.2	Aug. - 2019

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Ashford Designer Outlet Phase 2	Ashford, U.K	98,000	46%	GBP	43.0	\$ 54.8	Oct. - 2019
Noventa di Piave Designer Outlet Phase 5	Noventa di Piave (Venice), Italy	29,000	92%	EUR	21.4	\$ 24.5	Oct. - 2019
Tosu Premium Outlets Phase 4	Tosu City, Japan	38,000	40%	JPY	964	\$ 8.8	Nov. - 2019
Gotemba Premium Outlets Phase 4	Gotemba, Japan	178,000	40%	JPY	7,476	\$ 68.0	Apr. - 2020

(1) USD equivalent based upon December 31, 2018 foreign currency exchange rates.

Dividends, Distributions and Stock Repurchase Program

Simon paid a common stock dividend of \$2.00 per share in the fourth quarter of 2018 and \$7.90 per share for the year ended December 31, 2018. The Operating Partnership paid distributions per unit for the same amounts. In 2017, Simon paid dividends of \$1.85 and \$7.15 per share for the three and twelve month periods ended December 31, 2017, respectively. The Operating Partnership paid distributions per unit for the same amounts. Simon's Board of Directors declared a quarterly cash dividend for the first quarter of 2019 of \$2.05 per share of common stock payable on February 28, 2019 to stockholders of record on February 14, 2019. The distribution rate on units is equal to the dividend rate on common stock. In order to maintain its status as a REIT, Simon must pay a minimum amount of dividends. Simon's future dividends and the Operating Partnership's future distributions will be determined by Simon's Board of Directors, in its sole discretion, based on actual and projected financial condition, liquidity and results of operations, cash available for dividends and limited partner distributions, cash reserves as deemed necessary for capital and operating expenditures, financing covenants, if any, and the amount required to maintain Simon's status as a REIT.

On April 2, 2015, Simon's Board of Directors authorized Simon to repurchase up to \$2.0 billion of common stock over a twenty-four month period as market conditions warrant, and on February 13, 2017, Simon's Board of Directors authorized a two-year extension of the program through March 31, 2019. Simon may repurchase the shares in the open market or in privately negotiated transactions as market conditions warrant. During the year ended December 31, 2018, Simon repurchased 2,275,194 shares at an average price of \$155.64 per share of its common stock as part of this program.

Table of Contents

During the year ended December 31, 2017, Simon repurchased 2,468,630 shares at an average price of \$164.87 per share as part of this program. At December 31, 2018, we had remaining authority to repurchase approximately \$640.6 million of common stock. As Simon repurchases shares under this program, the Operating Partnership repurchases an equal number of units from Simon.

On February 11, 2019, Simon's Board of Directors authorized a new common stock repurchase plan. Under the new program, the Company may purchase up to \$2.0 billion of its common stock during the two-year period ending February 11, 2021.

Forward Looking Statements

Certain statements made in this section or elsewhere in this Annual Report on Form 10-K may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained, and it is possible that our actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks, uncertainties and other factors. Such factors include, but are not limited to: changes in economic and market conditions that may adversely affect the general retail environment; the potential loss of anchor stores or major tenants; the inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise; decreases in market rental rates; the intensely competitive market environment in the retail industry; the inability to lease newly developed properties and renew leases and relet space at existing properties on favorable terms; risks related to international activities, including, without limitation, the impact, if any, of the United Kingdom's exit from the European Union; changes to applicable laws or regulations or the interpretation thereof; risks associated with the acquisition, development, redevelopment, expansion, leasing and management of properties; general risks related to real estate investments, including the illiquidity of real estate investments; the impact of our substantial indebtedness on our future operations; any disruption in the financial markets that may adversely affect our ability to access capital for growth and satisfy our ongoing debt service requirements; any change in our credit rating; changes in market rates of interest and foreign exchange rates for foreign currencies; changes in the value of our investments in foreign entities; our ability to hedge interest rate and currency risk; our continued ability to maintain our status as a REIT; changes in tax laws or regulations that result in adverse tax consequences; risks relating to our joint venture properties; environmental liabilities; changes in insurance costs, the availability of comprehensive insurance coverage; security breaches that could compromise our information technology or infrastructure; natural disasters; the potential for terrorist activities; and the loss of key management personnel. We discussed these and other risks and uncertainties under the heading "Risk Factors" in Part I, Item 1A of this Annual Report on Form 10-K. We may update that discussion in subsequent other periodic reports, but, except as required by law, we undertake no duty or obligation to update or revise these forward-looking statements, whether as a result of new information, future developments, or otherwise.

Non GAAP Financial Measures

Industry practice is to evaluate real estate properties in part based on performance measures such as FFO, diluted FFO per share, NOI, portfolio NOI and comparable property NOI. We believe that these non GAAP measures are helpful to investors because they are widely recognized measures of the performance of REITs and provide a relevant basis for comparison among REITs. We also use these measures internally to measure the operating performance of our portfolio.

We determine FFO based on the definition set forth by the National Association of Real Estate Investment Trusts, or NAREIT, as consolidated net income computed in accordance with GAAP:

- excluding real estate related depreciation and amortization,

- excluding gains and losses from extraordinary items and cumulative effects of accounting changes,
- excluding gains and losses from the sale, disposal or property insurance recoveries of previously depreciated retail operating properties,
- excluding impairment charges of depreciable real estate,
- plus the allocable portion of FFO of unconsolidated entities accounted for under the equity method of accounting based upon economic ownership interest, and
- all determined on a consistent basis in accordance with GAAP.

Table of Contents

We have adopted NAREIT's clarification of the definition of FFO that requires us to include the effects of nonrecurring items not classified as extraordinary, cumulative effect of accounting changes, or a gain or loss resulting from the sale, disposal or property insurance recoveries of, or any impairment related to, previously depreciated retail operating properties.

We include in FFO gains and losses realized from the sale of land, outlot buildings, equity instruments, and investment holdings of non retail real estate. We also include in FFO the impact of foreign currency exchange gains and losses, legal expenses, transaction expenses and other items required by GAAP.

You should understand that our computations of these non GAAP measures might not be comparable to similar measures reported by other REITs and that these non GAAP measures:

- do not represent cash flow from operations as defined by GAAP,
- should not be considered as alternatives to consolidated net income determined in accordance with GAAP as a measure of operating performance, and
- are not alternatives to cash flows as a measure of liquidity.

Table of Contents

The following schedule reconciles total FFO to consolidated net income and, for Simon, diluted net income per share to diluted FFO per share.

	2018	2017	2016
	(in thousands)		
Funds from Operations (A)	\$ 4,324,601	\$ 4,020,505	\$ 3,792,951
Change in FFO from prior period	7.6 %	6.0 %	6.2 %
Consolidated Net Income	\$ 2,822,343	\$ 2,244,903	\$ 2,134,706
Adjustments to Arrive at FFO:			
Depreciation and amortization from consolidated properties	1,270,888	1,260,865	1,236,476
Our share of depreciation and amortization from unconsolidated entities, including Klépierre and HBS	533,595	540,718	527,976
Gain upon acquisition of controlling interests, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net (B)	(282,211)	(3,647)	(80,154)
Unrealized change in fair value of equity instruments	15,212	—	—
Net income attributable to noncontrolling interest holders in properties	(11,327)	(13)	(7,218)
Noncontrolling interests portion of depreciation and amortization	(18,647)	(17,069)	(13,583)
Preferred distributions and dividends	(5,252)	(5,252)	(5,252)
FFO of the Operating Partnership (A)	\$ 4,324,601	\$ 4,020,505	\$ 3,792,951
FFO allocable to limited partners	568,817	529,595	512,361
Dilutive FFO allocable to common stockholders (A)	\$ 3,755,784	\$ 3,490,910	\$ 3,280,590
Diluted net income per share to diluted FFO per share reconciliation:			
Diluted net income per share	\$ 7.87	\$ 6.24	\$ 5.87
Depreciation and amortization from consolidated properties and our share of depreciation and amortization from unconsolidated entities, including Klépierre and HBS, net of noncontrolling interests portion of depreciation and amortization	5.01	4.98	4.84
Gain upon acquisition of controlling interests, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net (B)	(0.79)	(0.01)	(0.22)
Unrealized change in fair value of equity instruments	0.04	—	—
Diluted FFO per share (A)	\$ 12.13	\$ 11.21	\$ 10.49
Basic and Diluted weighted average shares outstanding	309,627	311,517	312,691
Weighted average limited partnership units outstanding	46,893	47,260	48,836
Basic and Diluted weighted average shares and units outstanding	356,520	358,777	361,527

(A) Includes FFO of the Operating Partnership related to a loss on extinguishment of debt of \$128.6 million and \$136.8 million for the years ended December 31, 2017 and 2016, respectively. Includes Diluted FFO per share/unit related to a loss on extinguishment of debt of \$0.36 and \$0.38 for the years ended December 31, 2017 and 2016, respectively. Includes Diluted FFO allocable to common stockholders related to a loss on extinguishment of debt of \$111.7 million and \$118.3 million for the years ended December 31, 2017 and 2016, respectively.

(B) Includes gain upon acquisition of controlling interests, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net of \$288.8 million and \$84.6 million for the years ended December 31, 2018 and 2016, respectively. Noncontrolling interest portion of the gain was \$6.6 million, or \$0.02 per diluted share/unit, and \$4.4 million, or \$0.01 per diluted share/unit, for the years ended December 31, 2018 and 2016, respectively.

71

Table of Contents

The following schedule reconciles consolidated net income to NOI and sets forth the computations of portfolio NOI and comparable property NOI.

	For the Year Ended December 31,	
	2018	2017
	(in thousands)	
Reconciliation of NOI of consolidated entities:		
Consolidated Net Income	\$ 2,822,343	\$ 2,244,903
Income and other taxes	36,898	23,343
Interest expense	815,923	809,393
Income from unconsolidated entities	(475,250)	(400,270)
Loss on extinguishment of debt	—	128,618
Gain upon acquisition of controlling interests, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	(288,827)	(3,647)
Operating Income Before Other Items	2,911,087	2,802,340
Depreciation and amortization	1,282,454	1,275,452
Home and regional office costs	136,677	135,150
General and administrative	46,543	51,972
NOI of consolidated entities	\$ 4,376,761	\$ 4,264,914
Reconciliation of NOI of unconsolidated entities:		
Net Income	\$ 876,412	\$ 839,226
Interest expense	663,693	593,062
(Gain) loss on sale or disposal of, or recovery on, assets and interests in unconsolidated entities, net	(33,367)	2,239
Operating Income Before Other Items	1,506,738	1,434,527
Depreciation and amortization	652,968	640,286
NOI of unconsolidated entities	\$ 2,159,706	\$ 2,074,813
Add: Our share of NOI from Klépierre, HBS, and other corporate investments	316,155	279,028
Combined NOI	\$ 6,852,622	\$ 6,618,755
Less: Corporate and Other NOI Sources (1)	389,092	386,895
Portfolio NOI	\$ 6,463,530	\$ 6,231,860
Portfolio NOI Growth	3.7	%
Less: Our share of NOI from Klépierre, HBS, and other corporate investments	316,155	279,028
Less: International Properties (2)	506,205	427,184
Less: NOI from New Development, Redevelopment, Expansion and Acquisitions (3)	72,212	79,283
Comparable Property NOI (4)	\$ 5,568,958	\$ 5,446,365
Comparable Property NOI Growth	2.3	%

(1) Includes income components excluded from portfolio NOI and comparable property NOI (domestic lease termination income, interest income, land sale gains, straight line rent, above/below market lease adjustments), gains on sale of equity instruments, unrealized gains and losses on equity instruments, Simon management company revenues, and other assets.

(2) Includes International Premium Outlets (except for Canadian International Premium Outlets included in comparable property NOI), International Designer Outlets and distributions from other international investments.

(3) Includes total property NOI for properties undergoing redevelopment as well as incremental NOI for expansion properties not yet included in comparable properties.

- (4) Includes Malls, Premium Outlets, The Mills and Lifestyle Centers opened and operating as comparable for the period.

72

Table of Contents

Item 7A. Qualitative and Quantitative Disclosures About Market Risk

Our exposure to market risk due to changes in interest rates primarily relates to our long term debt obligations. We manage exposure to interest rate market risk through our risk management strategy by a combination of interest rate protection agreements to effectively fix or cap a portion of variable rate debt. We are also exposed to foreign currency risk on financings of certain foreign operations. Our intent is to offset gains and losses that occur on the underlying exposures, with gains and losses on the derivative contracts hedging these exposures. We do not enter into either interest rate protection or foreign currency rate protection agreements for speculative purposes.

We may enter into treasury lock agreements as part of anticipated issuances of senior notes. Upon completion of the debt issuance, the cost of these instruments is recorded as part of accumulated other comprehensive income (loss) and is amortized to interest expense over the life of the debt agreement.

Our future earnings, cash flows and fair values relating to financial instruments are dependent upon prevalent market rates of interest, primarily LIBOR. Based upon consolidated indebtedness and interest rates at December 31, 2018, a 50 basis point increase in the market rates of interest would decrease future earnings and cash flows by approximately \$4.3 million, and would decrease the fair value of debt by approximately \$620.7 million.

Table of Contents

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

The Stockholders and the Board of Directors of Simon Property Group, Inc.:

Opinion on Internal Control over Financial Reporting

We have audited Simon Property Group, Inc.'s internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the COSO criteria). In our opinion, Simon Property Group, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2018 and 2017, the related consolidated statements of operations and comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes and financial statement schedule listed in the Index at Item 15(a), and our report dated February 22, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Indianapolis, Indiana
February 22, 2019

Table of Contents

Report of Independent Registered Public Accounting Firm

The Stockholders and the Board of Directors of Simon Property Group, Inc.:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Simon Property Group, Inc. (the Company) as of December 31, 2018 and 2017, the related consolidated statements of operations and comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated February 22, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Indianapolis, Indiana
February 22, 2019

Table of Contents

Report of Independent Registered Public Accounting Firm

The Partners of Simon Property Group, L.P. and the Board of Directors of Simon Property Group, Inc.:

Opinion on Internal Control over Financial Reporting

We have audited Simon Property Group, L.P.'s internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the COSO criteria). In our opinion, Simon Property Group, L.P. (the Partnership) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Partnership as of December 31, 2018 and 2017, the related consolidated statements of operations and comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes and financial statement schedule listed in the Index at Item 15(a), and our report dated February 22, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Indianapolis, Indiana

February 22, 2019

Table of Contents

Report of Independent Registered Public Accounting Firm

The Partners of Simon Property Group, L.P. and the Board of Directors of Simon Property Group, Inc.:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Simon Property Group, L.P. (the Partnership) as of December 31, 2018 and 2017, the related consolidated statements of operations and comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2018 and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Partnership's internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated February 22, 2019, expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the Partnership's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Partnership's auditor since 2002.

Indianapolis, Indiana

February 22, 2019

Table of Contents

Simon Property Group, Inc.

Consolidated Balance Sheets

(Dollars in thousands, except share amounts)

	December 31, 2018	December 31, 2017
ASSETS:		
Investment properties, at cost	\$ 37,092,670	\$ 36,393,464
Less - accumulated depreciation	12,884,539	11,935,949
	24,208,131	24,457,515
Cash and cash equivalents	514,335	1,482,309
Tenant receivables and accrued revenue, net	763,815	742,672
Investment in unconsolidated entities, at equity	2,220,414	2,266,483
Investment in Klépierre, at equity	1,769,488	1,934,676
Deferred costs and other assets	1,210,040	1,373,983
Total assets	\$ 30,686,223	\$ 32,257,638
LIABILITIES:		
Mortgages and unsecured indebtedness	\$ 23,305,535	\$ 24,632,463
Accounts payable, accrued expenses, intangibles, and deferred revenues	1,316,861	1,269,190
Cash distributions and losses in unconsolidated entities, at equity	1,536,111	1,406,378
Other liabilities	500,597	520,363
Total liabilities	26,659,104	27,828,394
Commitments and contingencies		
Limited partners' preferred interest in the Operating Partnership and noncontrolling redeemable interests in properties	230,163	190,480
EQUITY:		
Stockholders' Equity		
Capital stock (850,000,000 total shares authorized, \$0.0001 par value, 238,000,000 shares of excess common stock, 100,000,000 authorized shares of preferred stock):		
Series J 83/8% cumulative redeemable preferred stock, 1,000,000 shares authorized, 796,948 issued and outstanding with a liquidation value of \$39,847	42,748	43,077
Common stock, \$0.0001 par value, 511,990,000 shares authorized, 320,411,571 and 320,322,774 issued and outstanding, respectively	32	32
Class B common stock, \$0.0001 par value, 10,000 shares authorized, 8,000 issued and outstanding	—	—
Capital in excess of par value	9,700,418	9,614,748
Accumulated deficit	(4,893,069)	(4,782,173)
Accumulated other comprehensive loss	(126,017)	(110,453)
Common stock held in treasury, at cost, 11,402,103 and 9,163,920 shares, respectively	(1,427,431)	(1,079,063)
Total stockholders' equity	3,296,681	3,686,168
Noncontrolling interests	500,275	552,596
Total equity	3,796,956	4,238,764
Total liabilities and equity	\$ 30,686,223	\$ 32,257,638

The accompanying notes are an integral part of these statements.

78

Table of Contents

Simon Property Group, Inc.

Consolidated Statements of Operations and Comprehensive Income

(Dollars in thousands, except per share amounts)

	For the Year Ended December 31,		
	2018	2017	2016
REVENUE:			
Minimum rent	\$ 3,488,522	\$ 3,440,009	\$ 3,358,498
Overage rent	162,189	147,471	161,508
Tenant reimbursements	1,520,340	1,532,923	1,494,804
Management fees and other revenues	116,286	121,259	143,875
Other income	370,582	296,978	276,544
Total revenue	5,657,919	5,538,640	5,435,229
EXPENSES:			
Property operating	450,636	443,177	432,394
Depreciation and amortization	1,282,454	1,275,452	1,252,673
Real estate taxes	457,740	440,003	439,030
Repairs and maintenance	99,588	96,900	99,723
Advertising and promotion	151,241	150,865	142,801
Provision for credit losses	12,631	11,304	7,319
Home and regional office costs	136,677	135,150	158,406
General and administrative	46,543	51,972	65,082
Other	109,322	131,477	116,973
Total operating expenses	2,746,832	2,736,300	2,714,401
OPERATING INCOME BEFORE OTHER ITEMS	2,911,087	2,802,340	2,720,828
Interest expense	(815,923)	(809,393)	(857,554)
Loss on extinguishment of debt	—	(128,618)	(136,777)
Income and other taxes	(36,898)	(23,343)	(29,678)
Income from unconsolidated entities	475,250	400,270	353,334
Gain upon acquisition of controlling interests, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	288,827	3,647	84,553
CONSOLIDATED NET INCOME	2,822,343	2,244,903	2,134,706
Net income attributable to noncontrolling interests	382,285	296,941	295,810
Preferred dividends	3,337	3,337	3,337
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ 2,436,721	\$ 1,944,625	\$ 1,835,559
BASIC AND DILUTED EARNINGS PER COMMON SHARE:			
Net income attributable to common stockholders	\$ 7.87	\$ 6.24	\$ 5.87
Consolidated Net Income	\$ 2,822,343	\$ 2,244,903	\$ 2,134,706
Unrealized gain (loss) on derivative hedge agreements	21,633	(35,112)	39,472
Net loss (gain) reclassified from accumulated other comprehensive loss into earnings	7,020	(12,122)	149,622
Currency translation adjustments	(47,038)	45,766	(28,646)

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Changes in available-for-sale securities and other	373	5,733	3,192
Comprehensive income	2,804,331	2,249,168	2,298,346
Comprehensive income attributable to noncontrolling interests	379,837	297,534	320,890
Comprehensive income attributable to common stockholders	\$ 2,424,494	\$ 1,951,634	\$ 1,977,456

The accompanying notes are an integral part of these statements.

Table of Contents

Simon Property Group, Inc.

Consolidated Statements of Cash Flows

(Dollars in thousands)

	For the Year		
	Ended December 31,		
	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
Consolidated Net Income	\$ 2,822,343	\$ 2,244,903	\$ 2,134,706
Adjustments to reconcile consolidated net income to net cash provided by operating activities			
Depreciation and amortization	1,349,776	1,357,351	1,327,946
Loss on debt extinguishment	—	128,618	136,777
Gain upon acquisition of controlling interests, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	(288,827)	(3,647)	(84,553)
Pre-development project cost charge	—	—	31,490
Gains on sales of marketable securities	—	(21,541)	—
Unrealized change in fair value of equity instruments	15,212	—	—
Gain on interest in unconsolidated entity (Note 7)	(35,621)	—	—
Straight-line rent	(18,325)	(26,543)	(46,656)
Equity in income of unconsolidated entities	(475,250)	(400,270)	(353,334)
Distributions of income from unconsolidated entities	390,137	374,101	331,627
Changes in assets and liabilities			
Tenant receivables and accrued revenue, net	(17,518)	(26,170)	16,277
Deferred costs and other assets	(75,438)	(132,945)	(43,797)
Accounts payable, accrued expenses, intangibles, deferred revenues and other liabilities	84,307	99,931	(77,789)
Net cash provided by operating activities	3,750,796	3,593,788	3,372,694
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions	(51,060)	(264,488)	(499,976)
Funding of loans to related parties	(4,641)	(71,532)	—
Repayments of loans to related parties	—	—	8,207
Capital expenditures, net	(781,909)	(732,100)	(798,465)
Cash impact from the consolidation of properties	11,276	7,536	59,994
Net proceeds from sale of assets	183,241	19,944	36,558
Investments in unconsolidated entities	(63,397)	(157,173)	(312,160)
Purchase of marketable and non-marketable securities	(21,563)	(25,000)	(38,809)
Proceeds from sales of marketable and non-marketable securities	25,000	56,268	42,600
Insurance proceeds for property restoration	19,083	—	—
Distributions of capital from unconsolidated entities and other	447,464	405,078	533,025
Net cash used in investing activities	(236,506)	(761,467)	(969,026)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from sales of common stock and other, net of transaction costs	(329)	(328)	(328)
	(2,911)	(2,789)	(4,299)

Purchase of shares related to stock grant recipients' tax withholdings			
Redemption of limited partner units	(81,506)	—	—
Purchase of treasury stock	(354,108)	(407,002)	(255,267)
Distributions to noncontrolling interest holders in properties	(76,963)	(11,295)	(9,731)
Contributions from noncontrolling interest holders in properties	161	382	1,507
Preferred distributions of the Operating Partnership	(1,915)	(1,915)	(1,915)
Distributions to stockholders and preferred dividends	(2,449,071)	(2,231,259)	(2,037,542)
Distributions to limited partners	(370,656)	(338,602)	(316,428)
Loss on debt extinguishment	—	(128,618)	(136,777)
Proceeds from issuance of debt, net of transaction costs	7,973,719	11,668,026	14,866,205
Repayments of debt	(9,118,685)	(10,456,671)	(14,650,168)
Net cash used in financing activities	(4,482,264)	(1,910,071)	(2,544,743)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(967,974)	922,250	(141,075)
CASH AND CASH EQUIVALENTS, beginning of period	1,482,309	560,059	701,134
CASH AND CASH EQUIVALENTS, end of period	\$ 514,335	\$ 1,482,309	\$ 560,059

The accompanying notes are an integral part of these statements.

Table of Contents

Simon Property Group, Inc.

Consolidated Statements of Equity

(Dollars in thousands)

	Preferred Stock	Common Stock	Accumulated Comprehensive Income (Loss)	Capital in Excess of Par Value	Accumulated Deficit	Common Stock Held in Treasury	Noncontrolling Interests	Total Equity
Balance at December 31, 2015	\$ 43,733	\$ 31	\$ (252,686)	\$ 9,384,450	\$ (4,266,930)	\$ (437,134)	\$ 744,905	\$ 5,216,369
Exchange of limited partner units 5,020,919 common shares, Note 10)		1		73,755			(73,756)	—
Stock premium amortization	(328)							(328)
Stock incentive program (63,324 common shares, net)				(14,139)		14,139		—
Amortization of stock incentive treasury stock purchase (1,409,197 shares)				12,024		(255,267)		12,024
Long-term incentive performance units							48,324	48,324
Issuance of unit equivalents and other, net (21,041 common shares repurchased)					6,189	(4,300)	1,506	3,395
Adjustment to limited partners' interest from change in ownership in the Operating Partnership				66,996			(66,996)	—
Distributions to common stockholders and limited partners, excluding Operating Partnership					(2,037,542)		(316,428)	(2,353,970)

Preferred interests								
Distribution to other noncontrolling interest partners							(2,765)	(2,765)
Other								
Comprehensive income		138,560					25,080	163,640
Net income, excluding \$1,915 attributable to preferred interests in the Operating Partnership and \$4,301 attributable to noncontrolling redeemable interests in properties					1,838,896		289,594	2,128,490
Balance at December 31, 2016	\$ 43,405	\$ 32	\$ (114,126)	\$ 9,523,086	\$ (4,459,387)	\$ (682,562)	\$ 649,464	\$ 4,959,912
Exchange of limited partner units								
500,411 common shares, Note 10)				6,005			(6,005)	—
Series J preferred stock premium amortization	(328)							(328)
Stock incentive program (76,660 common shares, net)				(13,289)		13,289		—
Amortization of stock incentive				13,911				13,911
Treasury stock purchase (2,468,630 shares)						(407,002)		(407,002)
Long-term incentive performance units							38,305	38,305
Issuance of unit equivalents and other, net (16,161 common shares repurchased)				241	(39,489)	(2,788)	383	(41,653)
Adjustment to limited partners' interest from change in ownership in the Operating Partnership				84,794			(84,794)	—
Distributions to common					(2,231,259)		(338,602)	(2,569,861)

stockholders and limited partners, excluding Operating Partnership preferred interests								
Distribution to other noncontrolling interest partners							(3,851)	(3,851)
Other comprehensive income		3,673					592	4,265
Net income, excluding \$1,915 attributable to preferred interests in the Operating Partnership and a \$2,078 loss attributable to noncontrolling redeemable interests in properties					1,947,962		297,104	2,245,066
Balance at December 31, 2017	\$ 43,077	\$ 32	\$ (110,453)	\$ 9,614,748	\$ (4,782,173)	\$ (1,079,063)	\$ 552,596	\$ 4,238,764
Exchange of limited partner units (92,732 common shares, Note 10)				1,004			(1,004)	—
Issuance of limited partner units (475,183 units)							84,103	84,103
Series J preferred stock premium amortization	(329)							(329)
Stock incentive program (51,756 common shares, net)				(8,651)		8,651		—
Redemption of limited partner units (454,704 units)				(76,555)			(4,951)	(81,506)
Amortization of stock incentive				12,029				12,029
Treasury stock purchase (2,275,194 shares)							(354,108)	(354,108)
Long-term incentive performance units								