

WEINGARTEN REALTY INVESTORS /TX/
Form 10-K
February 26, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
(Mark One)

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

For the fiscal year ended December 31, 2013

OR

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

For the transition period from _____ to _____

Commission file number 1-9876

Weingarten Realty Investors

(Exact name of registrant as specified in its charter)

TEXAS

74-1464203

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

2600 Citadel Plaza Drive

P.O. Box 924133

Houston, Texas

77292-4133

(Address of principal executive offices)

(Zip Code)

(713) 866-6000

(Registrant's telephone number, including area code)

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

Title of Each Class

Name of Each Exchange on Which Registered

Common Shares of Beneficial Interest, \$0.03 par value

New York Stock Exchange

Series F Cumulative Redeemable Preferred Shares, \$0.03 par value

New York Stock Exchange

8.1% Notes due 2019

New York Stock Exchange

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.

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.

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.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

YES NO

The aggregate market value of the common shares of beneficial interest held by non-affiliates on June 30, 2013 (based upon the most recent closing sale price on the New York Stock Exchange as of such date of \$30.77) was \$3.4 billion. As of January 31, 2014, there were 121,950,270 common shares of beneficial interest outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement relating to its Annual Meeting of Shareholders to be held on April 24, 2014 have been incorporated by reference to Part III of this Form 10-K.

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Forward-Looking Statements

This annual report on Form 10-K, together with other statements and information publicly disseminated by us, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with those safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project,” or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect actual results, performances or achievements. Factors which may cause actual results to differ materially from current expectations include, but are not limited to, (i) disruptions in financial markets, (ii) general economic and local real estate conditions, (iii) the inability of major tenants to continue paying their rent obligations due to bankruptcy, insolvency or general downturn in their business, (iv) financing risks, such as the inability to obtain equity, debt, or other sources of financing on favorable terms, (v) changes in governmental laws and regulations, (vi) the level and volatility of interest rates, (vii) the availability of suitable acquisition opportunities, (viii) the ability to dispose properties, (ix) changes in expected development activity, (x) increases in operating costs, (xi) tax matters, including failure to qualify as a real estate investment trust, and (xii) investments through real estate joint ventures and partnerships, which involve risks not present in investments in which we are the sole investor. Accordingly, there is no assurance that our expectations will be realized. For further discussion of the factors that could materially affect the outcome of our forward-looking statements and our future results and financial condition, see “Item 1A. Risk Factors.”

PART I

ITEM 1. Business

General Development of Business. Weingarten Realty Investors is a real estate investment trust (“REIT”) organized under the Texas Business Organizations Code. We, and our predecessor entity, began the ownership and development of shopping centers and other commercial real estate in 1948. Our primary business is leasing space to tenants in the shopping centers we own or lease. We also provide property management services for which we charge fees to either joint ventures where we are partners or other outside owners.

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Item 7 and the Consolidated Financial Statements and Notes thereto included in Item 8 of this Annual Report on Form 10-K for the year ended December 31, 2013, for information on certain recent developments of the Company.

Financial Information about Segments. We are in the business of owning, managing and developing retail shopping centers. As each of our centers has similar characteristics and amenities, our operations have been aggregated into one reportable segment. See the Consolidated Financial Statements and Notes thereto included in Item 8 of this Annual Report on Form 10-K for further information regarding reportable segments.

Narrative Description of Business. At December 31, 2013, we owned or operated under long-term leases, either directly or through our interest in real estate joint ventures or partnerships, a total of 268 developed income-producing properties and two properties under various stages of construction and development, which are located in 21 states spanning the country from coast to coast. The portfolio of properties contains approximately 49.9 million square feet of gross leasable area that is either owned by us or others.

We also owned interests in 35 parcels of land held for development that totaled approximately 26.4 million square feet.

At December 31, 2013, we employed 316 full-time persons; our principal executive offices are located at 2600 Citadel Plaza Drive, Houston, Texas 77008; and our phone number is (713) 866-6000. We also have 10 regional offices located in various parts of the United States (“U.S.”).

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Investment and Operating Strategy. Our goal is to remain a leader in owning and operating top-tier neighborhood and community shopping centers in certain markets of the U.S. We expect to achieve this goal by strategically focusing on core operating fundamentals through our decentralized operating platform built on local expertise in leasing and property management, selective redevelopment of the existing portfolio of properties, disciplined growth from strategic acquisitions and new developments, and disposition of assets that no longer meet our ownership criteria. Proceeds from dispositions may be recycled by repaying debt, purchasing new assets or reinvesting in currently owned assets or for other corporate purposes. We remain committed to maintaining a conservatively leveraged balance sheet, a well-staggered debt maturity schedule and strong credit agency ratings.

We may either purchase or lease income-producing properties in the future, and may also participate with other entities in property ownership through partnerships, joint ventures or similar types of co-ownership.

We may invest in mortgages; however, we have traditionally invested in first mortgages to real estate joint ventures or partnerships in which we own an equity interest or to obtain control over a real estate asset that we desire to own. We may also invest in securities of other issuers for the purpose, among others, of exercising control over such entities, subject to the gross income and asset tests necessary for REIT qualification.

In acquiring and developing properties, we attempt to accumulate enough properties in a geographic area to allow for the establishment of a regional office, which enables us to obtain in-depth knowledge of the market from a leasing perspective and to have easy access to the property and our tenants from a management viewpoint.

We expect to continue our focus on the future growth of the portfolio in neighborhood and community shopping centers in markets where we currently operate and may expand to other markets throughout the U.S. Our markets of interest reflect high income and job growth, as well as high barriers-to-entry. Our attention is also focused on high quality, supermarket-anchored and necessity-based centers.

Diversification from both a geographic and tenancy perspective is a critical component of our operating strategy. We continue to seek opportunities outside the Texas market, where approximately 28.2% of the building square footage of our properties is located, up from 28.1% in 2012. With respect to tenant diversification, our two largest tenants, The Kroger Co. and TJX Companies, Inc., accounted for 3.8% and 2.5%, respectively, of our total rental revenues for the year ended December 31, 2013. No other tenant accounted for more than 1.9% of our total rental revenues. Our anchor tenants are supermarkets, value-oriented apparel/discount stores and other retailers or service providers who generally sell basic necessity-type goods and services. We believe the stability of our anchor tenants, combined with convenient locations, attractive and well-maintained properties, high quality retailers and a strong tenant mix, should ensure the long-term success of our merchants and the viability of our portfolio.

Strategically, we strive to finance our growth and working capital needs in a conservative manner, including managing our debt maturities. Our senior debt credit ratings were BBB from Standard & Poors and Baa2 from Moody's Investor Services with both projecting a stable outlook as of December 31, 2013 and 2012. We intend to maintain a conservative approach to managing our balance sheet, which, in turn, gives us many options for raising debt or equity capital when needed. At December 31, 2013 and 2012, our ratio of earnings to combined fixed charges and preferred dividends as defined by the Securities and Exchange Commission ("SEC"), not based on funds from operations, was 2.10 to 1 and 1.59 to 1, respectively. Our debt to total assets before depreciation ratio was 43.5% and 42.2% at December 31, 2013 and 2012, respectively.

Our policies with respect to the investment and operating strategies discussed above are periodically reviewed by our Board of Trust Managers and may be modified without a vote of our shareholders.

Location of Properties. Our properties are located in 21 states, primarily throughout the southern half of the country. As of December 31, 2013, we have 270 properties (including two properties under development) that were owned or operated under long-term leases, either directly or through our interests in real estate joint ventures or partnerships.

Total revenues less operating expenses and real estate taxes from continuing operations ("net operating income from continuing operations") generated by our properties located in Houston and its surrounding areas was 19.1% of total net operating income from continuing operations for the year ended December 31, 2013, and an additional 8.4% of net operating income from continuing operations is generated from properties that are located in other parts of Texas. We also have 35 parcels of land held for development, nine of which are located in Houston and its surrounding areas and 11 of which are located in other parts of Texas. Because our investments in Houston and its surrounding areas, as well

as in other parts of Texas, the Houston and Texas economies affect, to a large degree, our business and operations.

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Competition. We compete with numerous other developers and real estate companies (both public and private), financial institutions and other investors engaged in the development, acquisition and operation of shopping centers in our trade areas. This results in competition for the acquisition of both existing income-producing properties and prime development sites. Competition for these acquisitions may also increase as credit availability improves resulting in additional pricing pressure.

We also compete for tenants to occupy the space that is developed, acquired and managed by our competitors. The principal competitive factors in attracting tenants in our market areas are location, price, anchor tenants and maintenance of properties. We believe our key competitive advantages include the favorable locations of our properties, knowledge of markets and customer bases, our ability to provide a retailer with multiple locations with quality anchor tenants and the practice of continuous maintenance and renovation of our properties.

Qualification as a Real Estate Investment Trust. As of December 31, 2013, we met the qualification requirements of a REIT under the Internal Revenue Code, as amended. As a result, we will not be subject to federal income tax to the extent it meets certain requirements of the Internal Revenue Code, with the exception of our taxable REIT subsidiary.

Materials Available on Our Website. Copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to those reports, as well as Reports on Forms 3, 4, 5 and SC 13G regarding our officers, trust managers or 10% beneficial owners, filed or furnished pursuant to Section 13(a), 15(d) or 16(a) of the Securities Exchange Act of 1934 are available free of charge through our website (www.weingarten.com) as soon as reasonably practicable after we electronically file the material with, or furnish it to, the SEC. We have also made available on our website copies of our Audit Committee Charter, Management Development and Executive Compensation Committee Charter, Governance and Nominating Committee Charter, Code of Conduct and Ethics, Code of Ethical Conduct for Officers and Senior Financial Associates and Governance Policies. In the event of any changes to these charters, codes or policies, changed copies will also be made available on our website. You may also read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549 or the SEC's Internet site at www.sec.gov. Materials on our website are not part of our Annual Report on Form 10-K.

Financial Information. Additional financial information concerning us is included in the Consolidated Financial Statements located in Item 8 herein.

ITEM 1A. Risk Factors

The risks described below could materially and adversely affect our shareholders and our results of operations, financial condition, liquidity and cash flows. In addition to these risks, our operations may also be affected by additional factors not presently known or that we currently consider immaterial to our operations.

Disruptions in the financial markets could affect our liquidity and have other adverse effects on us and the market price of our common shares of beneficial interest.

The U.S. and global equity and credit markets have experienced and may in the future experience significant price volatility, dislocations and liquidity disruptions, which could cause market prices of many stocks to fluctuate substantially and the spreads on prospective debt financings to widen considerably. These circumstances could materially impact liquidity in the financial markets, making terms for certain financings less attractive, and in certain cases result in the unavailability of certain types of financing. Uncertainties in the equity and credit markets may negatively impact our ability to access additional financing at reasonable terms or at all, which may negatively affect our ability to complete dispositions, form joint ventures or refinance our debt. A prolonged downturn in the equity or credit markets could cause us to seek alternative sources of potentially less attractive financing, and require us to adjust our business plan accordingly. In addition, these factors may make it more difficult for us to sell properties or adversely affect the price we receive for properties that we do sell, as prospective buyers may experience increased costs of financing or difficulties in obtaining financing. These events in the equity and credit markets may make it more difficult or costly for us to raise capital through the issuance of our common shares of beneficial interest ("common shares") or preferred shares. These disruptions in the financial markets also may have a material adverse effect on the market value of our common shares and preferred shares and other adverse effects on us or the economy generally. There can be no assurances that government responses to the disruptions in the financial markets will

continue to restore consumer confidence, maintain stabilized markets or continue to provide the availability of equity or credit financing.

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Among the market conditions that may affect the value of our common shares and preferred shares and access to the capital markets are the following:

- The attractiveness of REIT securities as compared to other securities, including securities issued by other real estate companies, fixed income equity securities and debt securities;
- Changes in revenues or earnings estimates or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other REITs;
- The degree of interest held by institutional investors;
- The market's perception of the quality of our assets and our growth potential;
- The ability of our tenants to pay rent to us and meet their other obligations to us under current lease terms;
- Our ability to re-lease space as leases expire;
- Our ability to refinance our indebtedness as it matures;
- Actual or anticipated quarterly fluctuations in our operating results and financial condition;
- Any changes in our distribution policy;
- Any future issuances of equity securities;
- Strategic actions by us or our competitors, such as acquisitions or restructurings;
- General market conditions and, in particular, developments related to market conditions for the real estate industry; and
- Domestic and international economic and political factors unrelated to our performance.

The volatility in the stock market can create price and volume fluctuations that may not necessarily be comparable to operating performance.

The economic performance and value of our shopping centers depend on many factors, each of which could have an adverse impact on our cash flows and operating results.

The economic performance and value of our properties can be affected by many factors, including the following:

- Changes in the national, regional and local economic climate;
- Changes in environmental regulatory requirements including, but not limited to, legislation on global warming;
- Local conditions such as an oversupply of space or a reduction in demand for real estate in the area;
- The attractiveness of the properties to tenants;
- Competition from other available space;
- Competition for our tenants from Internet sales;
- Our ability to provide adequate management services and to maintain our properties;
- Increased operating costs, if these costs cannot be passed through to tenants;
- The cost of periodically renovating, repairing and releasing spaces;
- The consequences of any armed conflict involving, or terrorist attack against, the U.S.;
- Our ability to secure adequate insurance;
- Fluctuations in interest rates;
- Changes in real estate taxes and other expenses; and
- Availability of financing on acceptable terms or at all.

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Our properties consist primarily of neighborhood and community shopping centers and, therefore, our performance is linked to general economic conditions in the market for retail space. The market for retail space has been and may continue to be adversely affected by weakness in the national, regional and local economies where our properties are located, the adverse financial condition of some large retail companies, the ongoing consolidation in the retail sector, the excess amount of retail space in a number of markets and increasing consumer purchases through the Internet. To the extent that any of these conditions occur, they are likely to affect market rents for retail space. In addition, we may face challenges in the management and maintenance of the properties or encounter increased operating costs, such as real estate taxes, insurance and utilities, which may make our properties unattractive to tenants.

We have a high concentration of properties in the state of Texas, and adverse economic or other conditions in that area could have a material adverse effect on us.

We are particularly susceptible to adverse economic or other conditions in the state of Texas, including increased unemployment, industry slowdowns, business layoffs or downsizing, decrease consumer confidence, relocations of businesses, changes in demographics, increases in real estate and other taxes, increase regulations and natural disasters, any of which could have a material adverse effect on us.

Our acquisition activities may not produce the cash flows that we expect and may be limited by competitive pressures or other factors.

We intend to acquire existing commercial properties to the extent that suitable acquisitions can be made on advantageous terms. Acquisitions of commercial properties involve risks such as:

- Our estimates on expected occupancy and rental rates may differ from actual conditions;
- Our estimates of the costs of any redevelopment or repositioning of acquired properties may prove to be inaccurate;
- We may be unable to operate successfully in new markets where acquired properties are located, due to a lack of market knowledge or understanding of local economies;
- We may be unable to successfully integrate new properties into our existing operations; or
- We may have difficulty obtaining financing on acceptable terms or paying the operating expenses and debt service associated with acquired properties prior to sufficient occupancy.

In addition, we may not be in a position or have the opportunity in the future to make suitable property acquisitions on advantageous terms due to competition for such properties with others engaged in real estate investment. Our inability to successfully acquire new properties may have an adverse effect on our results of operations.

Turmoil in capital markets could adversely impact acquisition activities and pricing of real estate assets.

Volatility in the capital markets could impact the availability of debt financing due to numerous factors, including the tightening of underwriting standards by lenders and credit rating agencies. These factors directly affect a lender's ability to provide debt financing as well as increase the cost of available debt financing. As a result, we may not be able to obtain favorable debt financing in the future or at all. This may result in future acquisitions generating lower overall economic returns, which may adversely affect our results of operations and distributions to shareholders.

Furthermore, any turmoil in the capital markets could adversely impact the overall amount of capital available to invest in real estate, which may result in price or value decreases of real estate assets.

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Our real estate assets may be subject to impairment charges.

Periodically, we assess whether there are any indicators that the value of our real estate assets, including any capitalized costs and any identifiable intangible assets, may be impaired. A property's value is impaired only if the estimate of the aggregate future undiscounted cash flows without interest charges to be generated by the property are less than the carrying value of the property. In estimating cash flows, we consider factors such as expected future operating income, trends and prospects, the effects of demand, competition and other factors. If we are evaluating the potential sale of an asset or development alternatives, the undiscounted future cash flows consider the most likely course of action at the balance sheet date based on current plans, intended holding periods and available market information. Determining whether a property is impaired and, if impaired, the amount of write-down to fair value requires a significant amount of judgment by management and is based on the best information available to management at the time of evaluation. If market conditions deteriorate or management's plans for certain properties change, additional write-downs could be required in the future and any future impairment could have a material adverse effect on our results of operations in the period in which the charge is taken.

Reduction of rental income would adversely affect our profitability, our ability to meet our debt obligations and our ability to make distributions to our shareholders.

The substantial majority of our income is derived from rental income from real property. As a result, our performance depends on our ability to collect rent from tenants. Our income and funds for distribution would be negatively affected if a significant number of our tenants, or any of our major tenants (as discussed in more detail below):

- Delay lease commencements;
- Decline to extend or renew leases upon expiration;
- Fail to make rental payments when due; or
- Close stores or declare bankruptcy.

Any of these actions could result in the termination of the tenants' lease and the loss of rental income attributable to the terminated leases. In addition, lease terminations by an anchor tenant or a failure by that anchor tenant to occupy the premises could also result in lease terminations or reductions in rent by other tenants in the same shopping centers under the terms of some leases. In these events, we cannot be sure that any tenant whose lease expires will renew that lease or that we will be able to re-lease space on economically advantageous terms. Furthermore, certain costs remain fixed even though a property may not be fully occupied. The loss of rental revenues from a number of our tenants and our inability to replace such tenants, particularly in the case of a substantial tenant with leases in multiple locations, may adversely affect our profitability, our ability to meet debt and other financial obligations and our ability to make distributions to the shareholders.

Adverse effects on the success and stability of our anchor tenants, could lead to reductions of rental income.

Our rental income could be adversely affected in the event of a downturn in the business, or the bankruptcy or insolvency of any anchor store or anchor tenant. Anchor tenants generally occupy large amounts of square footage, pay a significant portion of the total rents at a property and contribute to the success of other tenants by drawing significant numbers of customers to a property. The closing of one or more anchor stores at a property could adversely affect that property and result in lease terminations or reductions in rent from other tenants, whose leases may permit termination or rent reduction in those circumstances or whose own operations may suffer as a result. Furthermore, tenant demand for certain of our anchor spaces may decrease, and as a result, we may see an increase in vacancy and/or a decrease in rents for those spaces, which could have a negative impact to our rental income.

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We face significant competition in the leasing market, which may decrease or prevent increases in the occupancy and rental rates of our properties.

We compete with numerous developers, owners and operators of retail properties, many of which own properties similar to, and in the same market sectors as, our properties. If our competitors offer space at rental rates below current market rates, or below the rental rates we currently charge our tenants, we may lose existing or potential tenants, or we may be forced to reduce rental rates in order to attract new tenants and retain existing tenants when their leases expire.

Also, if our competitors develop additional retail properties in locations near our properties, there may be increased competition for customer traffic and creditworthiness tenants, which may result in fewer tenants or decreased cash flows from tenants, or both, and may require us to make capital improvements to properties that we would not have otherwise made. Our tenants also face increasing competition from other forms of marketing of goods, such as direct mail and Internet marketing. As a result, our financial condition and our ability to make distributions to our shareholders may be adversely affected.

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

A tenant that files for bankruptcy protection may not continue to pay us rent. A bankruptcy filing by or relating to one of our tenants or a lease guarantor would bar all efforts by us to collect pre-bankruptcy debts from the tenant or the lease guarantor, or their property, unless the bankruptcy court permits us to do so. A tenant or lease guarantor bankruptcy could delay our efforts to collect past due balances under the relevant leases and could ultimately preclude collection of these sums. If a lease is rejected by a tenant in bankruptcy, we would have only a general unsecured claim for damages. As a result, it is likely that we would recover substantially less than the full value of any unsecured claims it holds, if at all.

Our development and construction activities could adversely affect our operating results.

We intend to continue the selective development and construction of retail properties in accordance with our development and underwriting policies as opportunities arise. Our development and construction activities include risks that:

• We may abandon development opportunities after expending resources to determine feasibility;

• Construction costs of a project may exceed our original estimates;

• Occupancy rates and rents at a newly completed property may not be sufficient to make the property profitable;

• Rental rates could be less than projected;

• Project completion may be delayed because of a number of factors, including weather, labor disruptions, construction delays or delays in receipt of zoning or other regulatory approvals, adverse economic conditions, acts of terror or other acts of violence, or acts of God (such as fires, earthquakes or floods);

• Financing may not be available to us on favorable terms for development of a property; and

• We may not complete construction and lease-up on schedule, resulting in increased debt service expense and construction costs.

Additionally, the time frame required for development, construction and lease-up of these properties means that we may have to wait years for a significant cash return. If any of the above events occur, the development of properties may hinder our growth and have an adverse effect on our results of operations, including additional impairment charges. Also, new development activities, regardless of whether or not they are ultimately successful, typically require substantial time and attention from management.

There is a lack of operating history with respect to any recent acquisitions and development of properties, and we may not succeed in the integration or management of additional properties.

These properties may have characteristics or deficiencies currently unknown to us that affect their value or revenue potential. It is also possible that the operating performance of these properties may decline under our management. As we acquire additional properties, we will be subject to risks associated with managing new properties, including lease-up and tenant retention. In addition, our ability to manage our growth effectively will require us to successfully integrate any new acquisitions into our existing management structure. We may not succeed with this integration or effectively manage additional properties. Also, newly acquired properties may not perform as expected.

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Real estate property investments are illiquid, and therefore, we may not be able to dispose of properties when desirable or on favorable terms.

Real estate property investments generally cannot be disposed of quickly. In addition, the Internal Revenue Code imposes restrictions on the ability of a REIT to dispose of properties that are not applicable to other types of real estate companies. Our ability to dispose of properties on advantageous terms depends on factors beyond our control, including competition from other sellers and the availability of attractive financing for potential buyers of our properties, and we cannot predict the various market conditions affecting real estate investments that will exist at any particular time in the future. Therefore, we may not be able to quickly vary our portfolio in response to economic or other conditions promptly or on favorable terms, which could cause us to incur extended losses and reduce our cash flows and adversely affect distributions to shareholders.

As part of our capital recycling program, we intend to sell our non-core assets and may not be able to recover our investments, which may result in losses to us.

There can be no assurance that we will be able to recover the current carrying amount of all of our owned and partially owned non-core properties and investments in the future. Our failure to do so would require us to recognize impairment charges in the period in which we reached that conclusion, which could adversely affect our business, financial condition, operating results and cash flows.

Our cash flows and operating results could be adversely affected by required payments of debt or related interest and other risks of our debt financing.

We are generally subject to risks associated with debt financing. These risks include:

• Our cash flow may not satisfy required payments of principal and interest;

• We may not be able to refinance existing indebtedness on our properties as necessary or the terms of the refinancing may be less favorable to us than the terms of existing debt;

• Required debt payments are not reduced if the economic performance of any property declines;

• Debt service obligations could reduce funds available for distribution to our shareholders and funds available for capital investment;

• Any default on our indebtedness could result in acceleration of those obligations and possible loss of property to foreclosure; and

• The risk that necessary capital expenditures for purposes such as re-leasing space cannot be financed on favorable terms.

If a property is mortgaged to secure payment of indebtedness and we cannot make the mortgage payments, we may have to surrender the property to the lender with a consequent loss of any prospective income and equity value from such property. Any of these risks can place strains on our cash flows, reduce our ability to grow and adversely affect our results of operations.

Credit ratings may not reflect all the risks of an investment in our debt or preferred shares and rating changes could adversely effect our revolving credit facility.

Our credit ratings are an assessment by rating agencies of our ability to pay our debts and preferred dividends when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of our debt and preferred shares. Credit ratings may be revised or withdrawn at any time by the rating agency at its sole discretion. Additionally, our revolving credit facility fees are based on our credit ratings. We do not undertake any obligation to maintain the ratings or to advise holders of our debt or preferred shares of any change in ratings. Each agency's rating should be evaluated independently of any other agency's rating.

There can be no assurance that we will be able to maintain our current credit ratings. Adverse changes in our credit ratings could impair our ability to obtain additional debt and equity financing on favorable terms, if at all, and could significantly reduce the market price of our publicly-traded securities.

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Rising interest rates could adversely affect our cash flows and adversely affect the market price of our debt and preferred shares.

We have indebtedness with interest rates that vary depending on market indices. Also, our credit facilities bear interest at variable rates. We may incur variable-rate debt in the future. Increases in interest rates on variable-rate debt would increase our interest expense, which would negatively affect net income and cash available for payment of our debt obligations and distributions to shareholders. In addition, an increase in interest rates could adversely affect the market value of our outstanding debt and preferred shares, as well as increase the cost of refinancing and the issuance of new debt or securities.

Our financial condition could be adversely affected by financial covenants.

Our credit facilities and public debt indentures under which our indebtedness is, or may be, issued contain certain financial and operating covenants, including, among other things, certain coverage ratios, as well as limitations on our ability to incur secured and unsecured indebtedness, restrictions on our ability to sell all or substantially all of our assets and engage in mergers and consolidations and certain acquisitions. These covenants could limit our ability to obtain additional funds needed to address cash shortfalls or pursue growth opportunities or transactions that would provide substantial return to our shareholders. In addition, a breach of these covenants could cause a default under or accelerate some or all of our indebtedness, which could have a material adverse effect on our financial condition. Property ownership through real estate partnerships and joint ventures could limit our control of those investments and reduce our expected return.

Real estate partnership or joint venture investments may involve risks not otherwise present for investments made solely by us, including the possibility that our partner or co-venturer might become bankrupt, that our partner or co-venturer might at any time have different interests or goals than us, and that our partner or co-venturer may take action contrary to our instructions, requests, policies or objectives. Other risks of joint venture investments could include impasse on decisions, such as a sale or refinance, because neither our partner or co-venturer nor we would have full control over the partnership or joint venture. These factors could limit the return that we receive from those investments or cause our cash flows to be lower than our estimates.

Volatility in market and economic conditions may impact our partners' ability to perform in accordance with our real estate joint venture and partnership agreements resulting in a change in control or the liquidation plans of its underlying properties.

Changes in control of our investments could result if any reconsideration events occur, such as amendments to our real estate joint venture and partnership agreements, changes in debt guarantees or changes in ownership due to required capital contributions. Any changes in control will result in the revaluation of our investments to fair value, which could lead to an impairment. We are unable to predict whether, or to what extent, a change in control may result or the impact of adverse market and economic conditions may have to our partners.

If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income tax as a regular corporation and could have significant tax liability.

We intend to operate in a manner that allows us to qualify as a REIT for U.S. federal income tax purposes. However, REIT qualification requires us to satisfy numerous requirements (some on an annual or quarterly basis) established under highly technical and complex provisions of the Internal Revenue Code, for which there are a limited number of judicial or administrative interpretations. Our status as a REIT requires an analysis of various factual matters and circumstances that are not entirely within our control. Accordingly, it is not certain we will be able to qualify and remain qualified as a REIT for U.S. federal income tax purposes. Even a technical or inadvertent violation of the REIT requirements could jeopardize our REIT qualification. Furthermore, Congress or the Internal Revenue Service ("IRS") might change the tax laws or regulations and the courts might issue new rulings, in each case potentially having retroactive effect that could make it more difficult or impossible for us to qualify as a REIT. If we fail to qualify as a REIT in any tax year, then:

- We would be taxed as a regular domestic corporation, which, among other things, means that we would be unable to deduct distributions to our shareholders in computing our taxable income and would be subject to U.S. federal income tax on our taxable income at regular corporate rates;
-

Any resulting tax liability could be substantial and would reduce the amount of cash available for distribution to shareholders, and could force us to liquidate assets or take other actions that could have a detrimental effect on our operating results; and

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Unless we were entitled to relief under applicable statutory provisions, we would be disqualified from treatment as a REIT for the four taxable years following the year during which we lost our qualification, and our cash available for distribution to our shareholders would, therefore, be reduced for each of the years in which we do not qualify as a REIT.

Even if we remain qualified as a REIT, we may face other tax liabilities that reduce our cash flow. We may also be subject to certain U.S. federal, state and local taxes on our income and property either directly or at the level of our subsidiaries. Any of these taxes would decrease cash available for distribution to our shareholders.

Compliance with REIT requirements may negatively affect our operating decisions.

To maintain our status as a REIT for U.S. federal income tax purposes, we must meet certain requirements, on an ongoing basis, including requirements regarding our sources of income, the nature and diversification of our assets, the amounts we distribute to our shareholders and the ownership of our common shares. We may also be required to make distributions to our shareholders when we do not have funds readily available for distribution or at times when our funds are otherwise needed to fund capital expenditures.

As a REIT, we must distribute at least 90% of our annual net taxable income (excluding net capital gains) to our shareholders. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our net taxable income, we will be subject to U.S. federal corporate income tax on our undistributed taxable income. From time to time, we may generate taxable income greater than our income for financial reporting purposes, or our net taxable income may be greater than our cash flow available for distribution to our shareholders. If we do not have other funds available in these situations, we could be required to borrow funds, sell a portion of our securities at unfavorable prices or find other sources of funds in order to meet the REIT distribution requirements.

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

Effective January 1, 2013, the maximum U.S. federal income tax rate for qualified dividends paid to individual U.S. shareholders is 20%. Unlike dividends received from a corporation that is not a REIT, our distributions to individual shareholders generally are not eligible for the reduced rates and are, consequently, taxed at ordinary income rates.

Our common shares dividend policy may change in the future.

The timing, amount and composition of any future dividends to our common shareholders will be at the sole discretion of our Board of Trust Managers and will depend upon a variety of factors as to which no assurance can be given. Our ability to make dividends to our common shareholders depends, in part, upon our operating results, overall financial condition, the performance of our portfolio (including occupancy levels and rental rates), our capital requirements, access to capital, our ability to qualify for taxation as a REIT and general business and market conditions. Any change in our dividend policy could have an adverse effect on the market price of our common shares.

Our declaration of trust contains certain limitations associated with share ownership.

To maintain our status as a REIT, our declaration of trust prohibits any individual from owning more than 9.8% of our outstanding common shares. This restriction is likely to discourage third parties from acquiring control without the consent of our Board of Trust Managers, even if a change in control were in the best interests of our shareholders. Also, our declaration of trust requires the approval of the holders of 80% of our outstanding common shares and the approval by not less than 50% of the outstanding common shares not owned by any related person (a person owning more than 50% of our common shares) to consummate a business transaction such as a merger. There are certain exceptions to this requirement; however, the 80% approval requirement could make it difficult for us to consummate a business transaction even if it is in the best interest of our shareholders.

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There may be future dilution of our common shares.

Our declaration of trust authorizes our Board of Trust Managers to, among other things, issue additional common or preferred shares or securities convertible or exchangeable into equity securities, without shareholder approval. We may issue such additional equity or convertible securities to raise additional capital. The issuance of any additional common or preferred shares or convertible securities could be substantially dilutive to holders of our common shares. Moreover, to the extent that we issue restricted shares, options, or warrants to purchase our common shares in the future and those options or warrants are exercised or the restricted shares vest, our shareholders may experience further dilution. Holders of our common shares have no preemptive rights that entitle them to purchase a pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in increased dilution to our shareholders.

We may issue debt and equity securities or securities convertible into equity securities, any of which may be senior to our common shares as to distributions and in liquidation, which could negatively affect the value of our common shares.

In the future, we may attempt to increase our capital resources by entering into unsecured or secured debt or debt-like financings, or by issuing additional debt or equity securities, which could include issuances of medium-term notes, senior notes, subordinated notes, secured debt, guarantees, preferred shares, hybrid securities, or securities convertible into or exchangeable for equity securities. In the event of our liquidation, our lenders and holders of our debt and preferred securities would receive distributions of our available assets before distributions to the holders of our common shares. Because any decision to incur debt and issue securities in future offerings may be influenced by market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, or nature of our future financings. Further, market conditions could require us to accept less favorable terms for the issuance of our securities in the future.

Loss of our key personnel could adversely affect the value of our common shares and operations.

We are dependent on the efforts of our key executive personnel. Although we believe qualified replacements could be found for these key executives, the loss of their services could adversely affect the value of our common shares and operations.

Changes in accounting standards may adversely impact our reported financial condition and results of operations.

The Financial Accounting Standards Board (“FASB”), in conjunction with the SEC, has several key projects on their agenda that could impact how we currently account for our material transactions, including lease accounting and other convergence projects with the International Accounting Standards Board. We believe that these and other potential proposals could have varying degrees of impact on us ranging from minimal to material. At this time, we are unable to predict with certainty which, if any, proposals may be passed or what level of impact any such proposal could have on us.

Compliance with the Americans with Disabilities Act and fire, safety and other regulations may require us to make unintended expenditures that adversely affect our cash flows.

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

shareholders.

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An uninsured loss or a loss that exceeds the policies on our properties could subject us to lost capital or revenue on those properties.

Under the terms and conditions of the leases currently in force on our properties, tenants generally are required to indemnify and hold us harmless from liabilities resulting from injury to persons, air, water, land or property, on or off the premises, due to activities conducted on the properties, except for claims arising from our negligence or intentional misconduct or that of our agents. Tenants are generally required, at the tenant's expense, to obtain and keep in full force during the term of the lease, liability and tenant's property damage insurance policies. We have obtained comprehensive liability, casualty, property, flood and rental loss insurance policies on our properties. All of these policies may involve substantial deductibles and certain exclusions. In addition, we cannot assure the shareholders that the tenants will properly maintain their insurance policies or have the ability to pay the deductibles. Should a loss occur that is uninsured or in an amount exceeding the combined aggregate limits for the policies noted above, or in the event of a loss that is subject to a substantial deductible under an insurance policy, we could lose all or part of our capital invested in, and anticipated revenue from, one or more of the properties, which could have a material adverse effect on our operating results and financial condition, as well as our ability to make distributions to the shareholders. We may be subject to liability under environmental laws, ordinances and regulations.

Under various federal, state and local laws, ordinances and regulations, we may be considered an owner or operator of real property or have arranged for the disposal or treatment of hazardous or toxic substances. As a result, we may become liable for the costs of disposal or treatment of hazardous or toxic substances released on or in our property. We may also be liable for certain other potential costs that could relate to hazardous or toxic substances (including governmental fines and injuries to persons and property). We may incur such liability whether or not we knew of, or were responsible for, the presence of such hazardous or toxic substances.

Natural disasters and severe weather conditions could have an adverse effect on our cash flow and operating results. Changing weather patterns and climatic conditions, such as global warming, may have added to the unpredictability and frequency of natural disasters in some parts of the world and created additional uncertainty as to future trends and exposures. Our operations are located in many areas that are subject to natural disasters and severe weather conditions such as hurricanes, tornadoes, earthquakes, droughts, floods and fires. The occurrence of natural disasters or severe weather conditions can delay new development projects, increase investment costs to repair or replace damaged properties, increase future property insurance costs, and negatively impact the tenant demand for lease space. If insurance is unavailable to us or is unavailable on acceptable terms, or if our insurance is not adequate to cover business interruption or losses from these events, our earnings, liquidity or capital resources could be adversely affected.

Our business and operations would suffer in the event of system failures.

Despite the implementation of security measures and the existence of a disaster recovery plan for our internal information technology systems, our systems are vulnerable to damages from any number of sources, including computer viruses, unauthorized access, energy blackouts, natural disasters, terrorism, war and telecommunication failures. Any system failure or accident that causes interruptions in our operations could result in a material disruption to our business. We may also incur additional costs to remedy damages caused by such disruptions.

We face risks relating to cybersecurity attacks, loss of confidential information and other business disruptions.

Our business is at risk from and may be impacted by cybersecurity attacks, including attempts to gain unauthorized access to our confidential data and other electronic security breaches. Such cybersecurity attacks can range from individual attempts to gain unauthorized access to our information technology systems to more sophisticated security threats. While we employ a number of measures to prevent, detect and mitigate these threats including a defense in depth strategy of malware detection, password protection, backup servers and monthly penetration testing, there is no guarantee such efforts will be successful in preventing a cybersecurity attack. As our reliance on technology has increased, so have the risks posed to our systems, both internal and those we have outsourced. Cybersecurity incidents could compromise the confidential information of our tenants, employees and third-party vendors and disrupt and affect the efficiency of our business operations.

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ITEM 1B. Unresolved Staff Comments

None.

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ITEM 2. Properties

At December 31, 2013, our real estate properties consisted of 270 locations in 21 states. A complete listing of these properties, including the name, location, building area and land area, is as follows (in square feet):

Center and Location	Building Total	Land Total
Operating Centers		
Arizona		
Arcadia Biltmore Plaza, Campbell Ave. at North 36th St., Phoenix	21,122	74,000
Arrowhead Festival S.C., 75th Ave. at W. Bell Rd., Glendale	194,309	157,000
Broadway Marketplace, Broadway at Rural, Tempe	87,379	347,000
Camelback Village Square, Camelback at 7th Avenue, Phoenix	242,715	543,000
Desert Village, Pinnacle Peak Rd at Pima Rd, Scottsdale	107,071	595,901
Entrada de Oro, Magee Road and Oracle Road, Tucson	109,075	572,000
Fountain Plaza, 77th St. at McDowell, Scottsdale	305,588	445,000
Laveen Village Market, Baseline Rd. at 51st St., Phoenix	318,805	372,274
Madera Village, Tanque Verde Rd. and Catalina Hwy., Tucson	106,858	419,000
Mohave Crossroads, Bullhead Parkway at State Route 95, Bullhead City	395,477	990,867
Monte Vista Village Center, Baseline Rd. at Ellsworth Rd., Mesa	108,551	353,000
Oracle Crossings, Oracle Highway and Magee Road, Tucson	261,194	1,307,000
Oracle Wetmore, Wetmore Road and Oracle Highway, Tucson	343,237	711,162
Palmilla Center, Dysart Rd. at McDowell Rd., Avondale	178,219	264,000
Pueblo Anozira, McClintock Dr. at Guadalupe Rd., Tempe	157,607	769,000
Raintree Ranch, Ray Rd. at Price Rd., Chandler	133,020	714,813
Rancho Encanto, 35th Avenue at Greenway Rd., Phoenix	72,170	246,440
Red Mountain Gateway, Power Rd. at McKellips Rd., Mesa	199,012	353,000
Scottsdale Horizon, Frank Lloyd Wright Blvd. and Thompson Peak Parkway, Scottsdale	148,383	61,000
Shoppes at Bears Path, Tanque Verde Rd. and Bear Canyon Rd., Tucson	66,131	362,000
Squaw Peak Plaza, 16th Street at Glendale Ave., Phoenix	60,728	220,000
The Shoppes at Parkwood Ranch, Southern Avenue and Signal Butte Road, Mesa	106,738	569,966
Valley Plaza, S. McClintock at E. Southern, Tempe	153,880	570,000
Arizona, Total	3,877,269	11,017,423
Arkansas		
Markham Square, W. Markham at John Barrow, Little Rock	124,284	514,000
Markham West, 11400 W. Markham, Little Rock	178,500	769,000
Westgate, Cantrell at Bryant, Little Rock	52,626	206,000
Arkansas, Total	355,410	1,489,000
California		
580 Market Place, E. Castro Valley at Hwy. I-580, Castro Valley	100,097	444,000
8000 Sunset Strip Shopping Center, Sunset Blvd. and Crescent Heights Blvd., Los Angeles	172,596	89,298
Arcade Square, Watt Ave. at Whitney Ave., Sacramento	76,497	234,000
Buena Vista Marketplace, Huntington Dr. at Buena Vista St., Duarte	115,340	322,000
Centerwood Plaza, Lakewood Blvd. at Alondra Dr., Bellflower	90,776	333,000
Chino Hills Marketplace, Chino Hills Pkwy. at Pipeline Ave., Chino Hills	310,921	1,187,000
Creskaside Center, Alamo Dr. at Nut Creek Rd., Vacaville	114,445	400,000
Discovery Plaza, W. El Camino Ave. at Truxel Rd., Sacramento	93,398	417,000
El Camino Promenade, El Camino Real at Via Molena, Encinitas	129,676	451,000

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Freedom Centre, Freedom Blvd. At Airport Blvd., Watsonville	150,865	543,000
Fremont Gateway Plaza, Paseo Padre Pkwy. at Walnut Ave., Fremont	361,701	650,000
Greenhouse Marketplace, Lewelling Blvd. at Washington Ave., San Leandro	236,832	578,000
Hallmark Town Center, W. Cleveland Ave. at Stephanie Ln., Madera	98,359	365,000
Jess Ranch Marketplace, Bear Valley Rd. at Jess Ranch Pkwy., Apple Valley	307,870	920,423

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Center and Location		Building Total	Land Total
Jess Ranch Phase III, Bear Valley Road at Jess Ranch Parkway, Apple Valley		194,342	700,431
Marshalls Plaza, McHenry at Sylvan Ave., Modesto		85,952	218,000
Menifee Town Center, Antelope Rd. at Newport Rd., Menifee		248,734	658,000
Prospectors Plaza, Missouri Flat Rd. at US Hwy. 50, Placerville		252,521	866,684
Rancho San Marcos Village, San Marcos Blvd. at Rancho Santa Fe Rd., San Marcos		132,689	541,000
San Marcos Plaza, San Marcos Blvd. at Rancho Santa Fe Rd., San Marcos		81,086	116,000
Shasta Crossroads (II), Churn Creek Rd and State Hwy 44, Redding	(1)(3)	90,663	252,783
Shasta Crossroads, Churn Creek Rd. at Dana Dr., Redding		176,866	520,000
Silver Creek Plaza, E. Capital Expressway at Silver Creek Blvd., San Jose		197,925	573,000
Southampton Center, IH-780 at Southampton Rd., Benecia		162,426	596,000
Stoneridge Town Centre, Highway 60 at Nason St., Moreno Valley	(1)(3)	434,450	1,104,246
Stony Point Plaza, Stony Point Rd. at Hwy. 12, Santa Rosa		200,011	619,000
Summerhill Plaza, Antelope Rd. at Lichen Dr., Sacramento Valley, Franklin Blvd. and Mack Rd., Sacramento		128,835	704,000
Westminster Center, Westminster Blvd. at Golden West St., Westminster California, Total		425,437	1,739,000
Colorado		5,278,315	16,721,865
Aurora City Place, E. Alameda at I225, Aurora	(1)(3)	542,956	2,260,000
Cherry Creek, E. Alameda Ave. at S. Colorado Blvd., Glendale		272,671	330,795
CityCenter Englewood, S. Santa Fe at Hampden Ave., Englewood	(1)(3)	359,213	452,941
Crossing at Stonegate, Jordon Rd. at Lincoln Ave., Parker	(1)(3)	109,058	870,588
Edgewater Marketplace, Sheridan Blvd. at 17th Ave., Edgewater		270,553	538,576
Green Valley Ranch Towne Center, Tower Rd. at 48th Ave., Denver	(1)(3)	114,947	276,000
Lowry Town Center, 2nd Ave. at Lowry Ave., Denver	(1)(3)	129,398	246,000
River Point at Sheridan, Highway 85 and Highway 285, Sheridan		519,020	3,556,487
Thorncreek Crossing, Washington St. at 120th St., Thornton	(1)(3)	386,127	1,156,863
Westminster Plaza, North Federal Blvd. at 72nd Ave., Westminster Colorado, Total	(1)	111,113	636,000
Florida		2,815,056	10,324,250
Alafaya Square, Alafaya Trail, Oviedo	(1)(3)	176,486	915,000
Argyle Village, Blanding at Argyle Forest Blvd., Jacksonville		312,432	1,329,000
Atlantic North, Kernan Blvd. at Atlantic Blvd., Jacksonville	(1)(3)	112,685	326,061
Atlantic West, Kernan Blvd. at Atlantic Blvd., Jacksonville	(1)(3)	180,578	584,304
Boca Lyons, Glades Rd. at Lyons Rd., Boca Raton		117,515	545,000
Clermont Landing, U.S. 27 & Steve's Road, Clermont	(1)(3)	338,956	2,039,915
Colonial Landing, East Colonial Dr. at Maguire Boulevard, Orlando	(1)	259,024	980,000
Colonial Plaza, E. Colonial Dr. at Primrose Dr., Orlando		498,794	2,009,000
Countryside Centre, US Highway 19 at Countryside Boulevard, Clearwater		248,253	906,440
East Lake Woodlands, East Lake Road and Tampa Road, Palm Harbor	(1)(3)	143,693	730,000
Embassy Lakes, Sheraton St. at Hiatus Rd., Cooper City		179,937	618,000
Epic Village - St. Augustine, SR 207 at Rolling Hills Dr, St. Augustine	(1)	64,180	773,626
Flamingo Pines, Pines Blvd. at Flamingo Rd., Pembroke Pines	(1)(3)	148,840	707,075
Flamingo Pines, Pines Blvd. at Flamingo Rd., Pembroke Pines		266,761	739,925
Hollywood Hills Plaza, Hollywood Blvd. at North Park Rd., Hollywood	(1)(3)	408,509	1,429,000
Indian Harbour Place, East Eau Gallie Blvd., Indian Harbour Beach	(1)(3)	163,521	636,000

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International Drive Value Center, International Dr. and Touchstone Dr., Orlando	(1)(3)	185,365	985,000
Kernan Village, Kernan Blvd. at Atlantic Blvd., Jacksonville	(1)(3)	288,780	615,114
Lake Washington Crossing, Wickham Rd. at Lake Washington Rd., Melbourne	(1)(3)	118,698	580,000
Largo Mall, Ulmerton Rd. at Seminole Ave., Largo		575,114	1,888,000
Marketplace at Seminole Towne Center, Central Florida Greenway and Rinehart Rd., Sanford		484,048	1,743,000
Northridge, E. Commercial Blvd. at Dixie Hwy., Oakland Park	(1)(3)	236,628	901,000

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Center and Location		Building Total	Land Total
Palms of Carrollwood, N. Dale Mabry Dr. at Fletcher Ave., Tampa		167,887	679,536
Pembroke Commons, University at Pines Blvd., Pembroke Pines	(1)(3)	324,731	1,394,000
Phillips Crossing, Interstate 4 and Sand Lake Road, Orlando		145,644	697,000
Phillips Landing, Turkey Lake Rd., Orlando		286,033	311,000
Pineapple Commons, Us Highway 1 and Britt Rd., Stuart	(1)(3)	264,468	762,736
Publix at Laguna Isles, Sheridan St. at SW 196th Ave., Pembroke Pines		69,475	400,000
Quesada Commons, Quesada Ave. and Toledo Blade Blvd., Port Charlotte	(1)(3)	58,890	312,000
Sea Ranch Centre, Pine Avenue & SR A-1-A, Sea Ranch Lakes		98,874	311,890
Shoppes at Paradise Isle, 34940 Emerald Coast Pkwy., Destin	(1)(3)	171,669	764,000
Shoppes at Parkland, Hillsboro Blvd. at State Rd. #7, Parkland	(1)	167,308	905,000
Shoppes of Port Charlotte, Toledo Blade Blvd. and Tamiami Trail, Port Charlotte	(1)(3)	3,921	176,720
Shoppes of Port Charlotte, Toledo Blade Blvd. and Tamiami Trail, Port Charlotte	(1)(3)	41,011	276,000
Sunrise West Shopping Center, West Commercial Dr. and NW 91st Ave., Sunrise	(1)(3)	76,321	540,000
Sunset 19, US Hwy. 19 at Sunset Pointe Rd., Clearwater		275,910	1,078,000
Tamiami Trail Shops, S.W. 8th St. at S.W. 137th Ave., Miami	(1)(3)	132,564	515,000
The Marketplace at Dr. Phillips, Dr. Phillips Boulevard and Sand Lake Road, Orlando	(1)(3)	326,090	1,495,000
The Shoppes at South Semoran, Semoran Blvd. at Pershing Ave., Orlando		101,611	451,282
TJ Maxx Plaza, 117th Avenue at Sunset Blvd., Kendall		161,429	540,000
University Palms, Alafaya Trail at McCullough Rd., Oviedo	(1)	105,127	522,000
Vizcaya Square, Nob Hill Rd. at Cleary Blvd., Plantation		110,081	521,000
Whole Foods @ Carrollwood, Northdale Blvd. at North Dale Mabry, Tampa		36,900	275,735
Winter Park Corners, Aloma Ave. at Lakemont Ave., Winter Park Florida, Total		8,737,123	35,308,359
Georgia			
Brookwood Marketplace, Peachtree Pkwy. at Mathis Airport Rd., Suwannee		397,295	1,459,000
Brookwood Square, East-West Connector at Austell Rd., Austell		177,903	971,000
Brownsville Commons, Brownsville Rd. and Hiram-Lithia Springs Rd., Powder Springs		81,886	205,000
Camp Creek Marketplace II, Camp Creek Pkwy. and Carmla Dr., Atlanta		228,003	724,000
Cherokee Plaza, Peachtree Road and Colonial Drive, Atlanta	(1)	102,864	336,000
Dacula Marketplace, Fence Rd. at Dacula Rd., Dacula		116,943	279,220
Dallas Commons, US Hwy. 278 and Nathan Dean Blvd., Dallas		95,262	244,000
Grayson Commons, Grayson Hwy. at Rosebud Rd., Grayson		76,611	507,383
Lakeside Marketplace, Cobb Pkwy. (US Hwy. 41), Acworth		332,889	736,000
Mansell Crossing, North Point Parkway at Mansell Rd, Alpharetta	(1)(3)	102,931	582,833
Perimeter Village, Ashford-Dunwoody Rd, Atlanta		373,621	1,803,820
Publix at Princeton Lakes, Carmia Dr. and Camp Creek Dr., Atlanta	(1)(3)	72,207	336,000
Reynolds Crossing, Steve Reynolds and Old North Cross Rd., Duluth		115,983	407,000
Roswell Corners, Woodstock Rd. at Hardscrabble Rd., Roswell		318,369	733,101
Roswell Crossing, King Rd and W. Crossville Rd., Roswell		201,979	1,011,093
Sandy Plains Exchange, Sandy Plains at Scufflegrit, Marietta	(1)	72,784	452,000
Thompson Bridge Commons, Thompson Bridge Rd. at Mt. Vernon Rd., Gainesville	(1)	95,587	540,000

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Georgia, Total	2,963,117	11,327,450
Kentucky		
Festival at Jefferson Court, Outer Loop at Jefferson Blvd., Louisville	218,396	1,153,000
Millpond Center, Boston at Man O' War, Lexington	151,498	773,000
Regency Shopping Centre, Nicholasville Rd. & West Lowry Ln., Lexington	188,782	590,000
Tates Creek, Bates Creek at Man O' War, Lexington	203,532	586,384
Kentucky, Total	762,208	3,102,384
Louisiana		
14/Park Plaza, Hwy. 14 at General Doolittle, Lake Charles	172,068	535,000
Danville Plaza, Louisville at 19th, Monroe	136,368	539,000

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Center and Location		Building Total	Land Total
K-Mart Plaza, Ryan St., Lake Charles	(1)(3)	232,390	126,000
Manhattan Place, Manhattan Blvd. at Gretna Blvd., Harvey		276,615	718,339
Southgate, Ryan at Eddy, Lake Charles		156,838	511,000
Town & Country Plaza, U.S. Hwy. 190 West, Hammond		226,142	656,021
University Place, 70th St. at Youree Dr., Shreveport		381,253	1,114,265
Westwood Village, W. Congress at Bertrand, Lafayette		138,034	942,000
Louisiana, Total		1,719,708	5,141,625
Maryland			
Pike Center, Rockville Pike and Bou Ave., Rockville		81,336	292,462
Maryland, Total		81,336	292,462
Missouri			
Ballwin Plaza, Manchester Rd. at Vlasis Dr., Ballwin		200,915	653,000
Western Plaza, Hwy 141 at Hwy. 30, Fenton	(1)(3)	56,734	654,000
Missouri, Total		257,649	1,307,000
Nevada			
Best in the West, Rainbow at Lake Mead Rd., Las Vegas		428,067	1,516,000
Charleston Commons, Charleston and Nellis, Las Vegas		362,273	1,314,791
College Park S.C., E. Lake Mead Blvd. at Civic Ctr. Dr., North Las Vegas		195,367	721,000
Eastern Horizon, Eastern Ave. at Horizon Ridge Pkwy., Henderson		209,727	478,000
Francisco Centre, E. Desert Inn Rd. at S. Eastern Ave., Las Vegas		148,815	639,000
Paradise Marketplace, Flamingo Rd. at Sandhill, Las Vegas		148,572	323,556
Rainbow Plaza, Phase I, Rainbow Blvd. at Charleston Blvd., Las Vegas		136,339	514,518
Rainbow Plaza, Rainbow Blvd. at Charleston Blvd., Las Vegas		273,916	1,033,482
Rancho Towne & Country, Rainbow Blvd. at Charleston Blvd., Las Vegas		139,847	350,000
Tropicana Beltway, Tropicana Beltway at Fort Apache Rd., Las Vegas		617,821	1,466,000
Tropicana Marketplace, Tropicana at Jones Blvd., Las Vegas		142,643	309,912
Westland Fair North, Charleston Blvd. at Decatur Blvd., Las Vegas		602,904	1,008,451
Nevada, Total		3,406,291	9,674,710
New Mexico			
Eastdale, Candelaria Rd. at Eubank Blvd., Albuquerque		119,088	601,000
North Towne Plaza, Academy Rd. at Wyoming Blvd., Albuquerque		142,106	607,000
New Mexico, Total		261,194	1,208,000
North Carolina			
Avent Ferry, Avent Ferry Rd. at Gorman St., Raleigh		111,622	669,000
Bull City Market, Broad St. at West Main St., Durham		40,875	112,000
Capital Square, Capital Blvd. at Huntleigh Dr., Cary		143,063	607,000
Chatham Crossing, US 15/501 at Plaza Dr., Chapel Hill	(1)(3)	96,155	424,000
Falls Pointe, Neuce Rd. at Durant Rd., Raleigh		198,553	659,000
Galleria, Galleria Boulevard and Sardis Road, Charlotte		328,276	799,000
Harrison Pointe, Harrison Ave. at Maynard Rd., Cary		130,758	1,222,382
Heritage Station, Forestville Rd. at Rogers Rd., Wake Forest	(1)	77,669	341,035
High House Crossing, NC Hwy. 55 at Green Level W. Rd., Cary		90,155	606,000
Hope Valley Commons, Highway 751 and Highway 54, Durham		81,371	1,247,123
Leesville Town Centre, Leesville Rd. at Leesville Church Rd., Raleigh		114,396	904,000
Northwoods Market, Maynard Rd. at Harrison Ave., Cary		77,802	431,000
Parkway Pointe, Cory Parkway at S. R. 1011, Cary		80,061	461,000
Six Forks Station, Six Forks Rd. at Strickland Rd., Raleigh		468,178	1,843,000

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Stonehenge Market, Creedmoor Rd. at Bridgeport Dr., Raleigh	188,449	669,000
Surf City Crossing, Highway 17 and Highway 210, Surf City	63,016	434,311
Waterford Village, U.S. Hwy. 17 & U.S. Hwy. 74/76, Leland	89,715	1,426,594

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Center and Location		Building Total	Land Total
Whitehall Commons, NWC of Hwy. 49 at I-485, Charlotte		444,561	360,000
North Carolina, Total		2,824,675	13,215,445
Oklahoma			
Town and Country, Reno Ave. at North Air Depot, Midwest City		128,231	540,000
Oklahoma, Total		128,231	540,000
Oregon			
Clackamas Square, SE 82nd Avenue and SE Causey Avenue, Portland	(1)(3)	140,227	215,000
Oak Grove Market Center, SE Mcloughlin Blvd. & Oak Grove Ave., Portland		97,177	292,288
Raleigh Hills Plaza, SW Beaverton-Hillsdale Hwy and SW Scholls Ferry Road, Portland	(1)(3)	39,520	165,000
Oregon, Total		276,924	672,288
South Carolina			
Fresh Market Shoppes, 890 William Hilton Head Pkwy., Hilton Head	(1)(3)	86,746	436,000
South Carolina, Total		86,746	436,000
Tennessee			
Bartlett Towne Center, Bartlett Blvd. at Stage Rd., Bartlett		192,624	774,000
Commons at Dexter Lake Phase II, Dexter at N. Germantown, Memphis	(1)	66,838	272,792
Commons at Dexter Lake, Dexter at N. Germantown, Memphis	(1)	178,558	740,208
Highland Square, Summer at Highland, Memphis		14,490	84,000
Mendenhall Commons, South Mendenahall Rd. and Sanderlin Ave., Memphis	(1)	88,108	250,000
Ridgeway Trace, Poplar Avenue and Ridgeway Road, Memphis		307,727	222,553
Tennessee, Total		848,345	2,343,553
Texas			
10/Federal, I-10 at Federal, Houston	(1)	132,472	474,000
1919 North Loop West, Hacket Drive at West Loop 610 North, Houston		138,058	157,000
Alabama-Shepherd, S. Shepherd at W. Alabama, Houston		56,969	176,000
Angelina Village, Hwy. 59 at Loop 287, Lufkin		248,199	1,835,000
Bell Plaza, 45th Ave. at Bell St., Amarillo	(1)	130,631	682,000
Bellaire Boulevard, Bellaire at S. Rice, Houston	(1)	41,273	137,000
Blalock Market at I-10, I-10 at Blalock, Houston		97,277	321,000
Boswell Towne Center, Highway 287 at Bailey Boswell Rd., Saginaw		88,008	137,000
Braeswood Square, N. Braeswood at Chimney Rock, Houston		104,686	422,000
Broadway , Broadway at 59th St., Galveston	(1)	74,604	220,000
Broadway, S. Broadway at W. 9th St., Tyler		60,400	259,000
Centre at Post Oak, Westheimer at Post Oak Blvd., Houston		183,940	505,000
Champions Village, F.M. 1960 at Champions Forest Dr., Houston	(1)	392,967	1,391,000
Citadel Plaza, Citadel Plaza Dr., Houston		121,000	170,931
Crossroads, I-10 at N. Main, Vidor		115,798	484,000
Cullen Plaza, Cullen at Wilmington, Houston	(1)	84,517	318,000
Cypress Pointe, F.M. 1960 at Cypress Station, Houston		283,381	737,000
Cypress Station, F.M. 1960 at I-45, Houston		140,924	618,000
Fiesta Trails, I-10 at DeZavala Rd., San Antonio		482,370	1,589,000
Fiesta Village, Quitman at Fulton, Houston	(1)	30,249	80,000
Galveston Place, Central City Blvd. at 61st St., Galveston		210,537	828,000
Gateway Station, I-35W and McAlister Rd., Burleson	(1)	68,360	344,286

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Glenbrook Square, Telephone Road, Houston	(1)	77,890	320,000
Griggs Road, Griggs at Cullen, Houston	(1)	80,116	382,000
Harrisburg Plaza, Harrisburg at Wayside, Houston	(1)	93,438	334,000
HEB - Dairy Ashford & Memorial, Dairy Ashford and Memorial Drive, Houston		36,874	118,740
Heights Plaza, 20th St. at Yale, Houston		71,277	228,000
Humblewood Shopping Plaza, Eastex Fwy. at F.M. 1960, Houston		279,226	784,000
I-45/Telephone Rd. Center, I-45 at Maxwell Street, Houston	(1)	171,599	658,586

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Center and Location		Building Total	Land Total
Independence Plaza, McPherson Rd and Bob Bullock Loop, Laredo		335,202	1,802,513
Kirby Strip Center, Kirby Dr, Houston		10,005	37,897
Lake Pointe Market Center, Dalrock Rd. at Lakeview Pkwy., Rowlett		121,689	218,158
Las Tiendas Plaza, Expressway 83 at McColl Rd., McAllen	(1)(3)	500,067	910,000
Lawndale, Lawndale at 75th St., Houston	(1)	52,127	177,000
League City Plaza, I-45 at F.M. 518, League City	(1)	126,990	680,000
Little York Plaza, Little York at E. Hardy, Houston	(1)	113,878	483,000
Lyons Avenue, Lyons at Shotwell, Houston	(1)	67,629	178,000
Market at Nolana, Nolana Ave. and 29th St., McAllen	(1)(3)	243,821	181,300
Market at Sharyland Place, U.S. Expressway 83 and Shary Rd., Mission	(1)(3)	301,174	543,000
Market at Town Center, Town Center Blvd., Sugar Land		388,865	1,733,000
Market at Westchase, Westheimer at Wilcrest, Houston		84,084	318,000
Moore Plaza, S. Padre Island Dr. at Staples, Corpus Christi		599,622	1,491,000
Mueller Regional Retail Center, I-35 & E 51st St., Austin		351,070	1,467,101
North Creek Plaza, Del Mar Blvd. at Hwy. I-35, Laredo		481,764	1,251,000
North Park Plaza, Eastex Fwy. at Dowlen, Beaumont	(1)(3)	279,530	636,000
North Towne Plaza, U.S. 77 and 83 at SHFM 802, Brownsville		153,000	303,715
North Triangle , I-45 at F.M. 1960, Houston		16,060	113,000
Northbrook Center, Northwest Fwy. at W. 34th, Houston		173,288	655,000
Northcross, N. 10th St. at Nolana Loop, McAllen	(1)(3)	74,865	218,000
Oak Forest, W. 43rd at Oak Forest, Houston		151,324	541,000
Oak Park Village, Nacogdoches at New Braunfels, San Antonio	(1)	64,287	221,000
Old Navy Building, 1815 10th St., McAllen	(1)(3)	15,000	62,000
Overton Park Plaza, SW Loop 820/Interstate 20 at South Hulen St., Ft. Worth		458,788	1,636,000
Palmer Plaza, F.M. 1764 at 34th St., Texas City		195,231	367,000
Parliament Square II, W. Ave. at Blanco, San Antonio		54,541	220,919
Parliament Square, W. Ave. at Blanco, San Antonio		64,950	263,081
Phelan West, Phelan at 23rd St., Beaumont	(1)(3)	82,221	88,509
Plantation Centre, Del Mar Blvd. at McPherson Rd., Laredo		143,015	596,000
Preston Shepard Place, Preston Rd. at Park Blvd., Plano	(1)(3)	363,337	1,359,072
Randall's/Kings Crossing, Kingwood Dr. at Lake Houston Pkwy., Houston	(1)	126,397	624,000
Richmond Square, Richmond Ave. at W. Loop 610, Houston		92,356	326,315
River Oaks East, W. Gray at Woodhead, Houston		71,265	206,000
River Oaks West, W. Gray at S. Shepherd, Houston		248,663	609,000
Rose-Rich, U.S. Hwy. 90A at Lane Dr., Rosenberg		102,641	386,000
Sharyland Towne Crossing, Shary Rd. at Hwy. 83, Mission	(1)(3)	484,949	2,008,000
Shoppes at Memorial Villages, I-10 & Wirt Road, Houston		187,541	516,768
Shops at Three Corners, S. Main at Old Spanish Trail, Houston	(1)	272,350	1,007,143
South 10th St. HEB, S. 10th St. at Houston St., McAllen	(1)(3)	103,702	368,000
Southgate, W. Fuqua at Hiram Clark, Houston	(1)	125,260	533,000
Spring Plaza, Hammerly at Campbell, Houston	(1)	55,056	202,000
Starr Plaza, U.S. Hwy. 83 at Bridge St., Rio Grande City	(1)(3)	176,693	742,000
Stella Link, Stella Link at S. Braeswood, Houston		70,087	423,588
Thousand Oaks, Thousand Oaks Dr. at Jones Maltsberger Rd., San Antonio	(1)	162,322	730,000
Valley View, West Ave. at Blanco Rd., San Antonio		91,544	341,000
Village Arcade, University at Kirby, Houston		57,281	276,503

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Village Arcade-Phase II, University at Kirby, Houston		28,371	60,099
Village Arcade-Phase III, University at Kirby, Houston		107,134	231,156
Village Plaza at Bunker Hill, Bunker Hill Rd at Interstate 10, Houston	(1)(3)	495,204	1,921,649
Westchase Center, Westheimer at Wilcrest, Houston		331,624	754,000
Westhill Village, Westheimer at Hillcroft, Houston		130,041	479,000

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Center and Location		Building Total	Land Total
Westwood Center, Culebra Road and Westwood Loop, San Antonio		77,679	691,328
Texas, Total		13,762,624	46,898,357
Utah			
DDS Office Building, S. 300 West at Paxton Ave., Salt Lake City		27,300	86,249
Taylorville Town Center, West 4700 South at Redwood Rd., Taylorville		130,214	399,000
West Jordan Town Center, West 7000 South at S. Redwood Rd., West Jordan		304,899	814,000
Utah, Total		462,413	1,299,249
Washington			
Meridian Town Center, Meridian Avenue East and 132nd Street East, Puyallup	(1)(3)	143,012	535,000
Mukilteo Speedway Center, Mukilteo Speedway, Lincoln Way, and Highway 99, Lynnwood	(1)(3)	90,273	355,000
Promenade 23, S. Jackson St. at 23rd Ave., Seattle		96,660	258,746
Queen Anne Marketplace, Mercer Street and 1st Avenue North, Seattle	(1)(3)	81,385	—
Rainer Square Plaza, Rainer Avenue South and South Charleston Street, Seattle	(1)(3)	110,803	345,000
South Hill Center, 43rd Avenue Southwest and Meridian Street South, Puyallup	(1)(3)	134,010	515,000
Washington, Total		656,143	2,008,746
New Development Centers			
Texas			
Tomball Marketplace, FM 2920 and Future 249, Tomball	(2)	295,786	1,712,609
Texas, Total		295,786	1,712,609
Virginia			
Hilltop Village, Telegraph Rd. at Beulah Rd., Alexandria	(1)(2)	—	1,437,480
Virginia, Total		—	1,437,480
Unimproved Land			
Arizona			
Bullhead Parkway at State Route 95, Bullhead City			312,761
Lon Adams Rd at Tangerine Farms Rd, Marana			422,532
Southern Avenue and Signal Butte Road, Mesa			63,162
Arizona, Total			798,455
Colorado			
Highway 85 and Highway 285, Sheridan			713,513
Colorado, Total			713,513
Florida			
SR 207 at Rolling Hills Dr, St. Augustine			228,254
State Road 100 & Belle Terre Parkway, Palm Coast			292,288
Young Pines and Curry Ford Rd, Orange County			82,764
Florida, Total			603,306
Georgia			
NWC South Fulton Pkwy. @ Hwy. 92, Union City			3,554,496
Georgia, Total			3,554,496
Louisiana			
Ambassador Caffery at W. Congress, Lafayette			34,848
Louisiana, Total			34,848

Nevada	
SWC Highway 215 at Decatur, Las Vegas	639,896
Nevada, Total	639,896
North Carolina	
Creedmoor (Highway 50) and Crabtree Valley Avenue, Raleigh	510,959
Highway 17 and Highway 210, Surf City	2,024,233
U.S. Highway 1 at Caveness Farms Rd., Wake Forest	1,637,420

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Center and Location	Building Total	Land Total
U.S. Hwy. 17 & U.S. Hwy. 74/76, Leland North Carolina, Total		549,727 4,722,339
Tennessee		
Poplar Avenue and Ridgeway Road, Memphis Tennessee, Total		53,579 53,579
Texas		
9th Ave. at 25th St., Port Arthur		243,065
Bissonnet at Wilcrest, Houston		40,946
Citadel Plaza at 610 North Loop, Houston		137,214
East Orem, Houston		121,968
FM 1957 (Potranco Road) and FM 211, San Antonio		8,655,372
FM 2920 and Highway 249, Tomball		459,776
Gattis School Rd at A.W. Grimes Blvd., Round Rock		57,499
Highway 3 at Highway 1765, Texas City		200,812
I-30 & Horne Street, Ft. Worth		58,370
Kirkwood at Dashwood Drive, Houston		321,908
Leslie Rd. at Bandera Rd., Helotes		74,052
Mesa Road at Tidwell, Houston		105,501
Nolana Ave. and 29th St., McAllen		163,350
Northwest Freeway at Gessner, Houston		117,612
Rock Prairie Rd. at Hwy. 6, College Station		394,218
SH 151 and Ingram Rd, San Antonio		252,692
Shary Rd. at North Hwy. 83, Mission		1,560,319
U.S. 77 and 83 at SHFM 802, Brownsville		914,723
US Hwy. 281 at Wilderness Oaks, San Antonio		1,269,774
West Little York at Interstate 45, Houston		161,172
Texas, Total		15,310,343

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as of December 31, 2013

ALL PROPERTIES BY STATE	Number of Properties	Building Total	Land Total
Arizona	23	3,877,269	11,815,878
Arkansas	3	355,410	1,489,000
California	29	5,278,315	16,721,865
Colorado	10	2,815,056	11,037,763
Florida	43	8,737,123	35,911,665
Georgia	17	2,963,117	14,881,946
Kentucky	4	762,208	3,102,384
Louisiana	8	1,719,708	5,176,473
Maryland	1	81,336	292,462
Missouri	2	257,649	1,307,000
Nevada	11	3,406,291	10,314,606
New Mexico	2	261,194	1,208,000
North Carolina	18	2,824,675	17,937,784
Oklahoma	1	128,231	540,000
Oregon	3	276,924	672,288
South Carolina	1	86,746	436,000
Tennessee	5	848,345	2,397,132
Texas	79	14,058,410	63,921,309
Utah	3	462,413	1,299,249
Virginia	1	—	1,437,480
Washington	6	656,143	2,008,746
Total	270	49,856,563	203,909,030
Total Operating Properties	268	49,560,777	174,328,166
Total New Development	2	295,786	3,150,089
Total Unimproved Land			26,430,775

Total square footage includes 545,897 square feet of building area and 12,731,795 square feet of land leased from others.

Footnotes for detail property listing:

(1) Denotes property is held by a real estate joint venture or partnership; however, the building and land square feet figures include our partners' ownership interest in the property.

(2) Denotes property currently under development.

(3) Denotes properties that are not consolidated under generally accepted accounting principles.

NOTE: Square feet are reflective of area available to be leased. Certain listed properties may have additional square feet that are not owned by us.

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At December 31, 2013, we owned or operated under long-term leases, either directly or through our interest in real estate joint ventures or partnerships, a total of 268 developed income-producing centers and two centers under various stages of construction and development, which are located in 21 states spanning the country from coast to coast.

During 2013, we acquired three centers located in Florida and Texas and a 51% owned unconsolidated real estate joint venture acquired a real estate asset in Washington. In addition to this ongoing acquisition activity, we completed two additional transactions with joint venture partners in which we acquired our partner's 50% unconsolidated joint venture interest in a California property, and we received cash, real property and our partner's interest in two consolidated joint ventures in exchange for our interest in two unconsolidated joint ventures and the payment of a note receivable. In all, our share of the gross purchase price for these transactions totaled approximately \$247.5 million.

During 2013, we sold an interest in four unconsolidated real estate joint ventures, 20 centers and other property and five real estate assets through our interests in unconsolidated real estate joint ventures and partnerships. Of the 20 centers disposed, nine were located in Texas, three each in North Carolina and Florida; two in New Mexico and one each in California, Nevada and Tennessee. Our share of aggregate gross sales proceeds from these transactions totaled \$285.1 million.

Operating Centers. In 2013, no single center accounted for more than 3.1% of our total assets or 2.2% of revenues. The five largest centers, in the aggregate, represented approximately 9.5% of our revenues for the year ended December 31, 2013; otherwise, none of the remaining centers accounted for more than 1.6% of our revenues during the same period.

The majority of our centers are owned directly by us (subject in some cases to mortgages), although our interests in some centers are held indirectly through interests in real estate joint ventures or under long-term leases. In our opinion, our centers are well maintained and in good repair, suitable for their intended uses, and adequately covered by insurance.

We participate in 43 real estate joint ventures or partnerships that hold an interest in 103 of our centers. Our ownership interest ranges from 15% to 99%; we are normally the managing or operating partner and receive a fee for acting in this capacity.

We may use a DownREIT operating partnership structure in the acquisition of some real estate centers. In these transactions, a fair value purchase price is agreed upon between us, as general partner of the DownREIT, and the seller where the seller receives operating partnership units in exchange for some or all of its ownership interest in the center. Each operating partnership unit is the equivalent of one of our common shares. These units generally give our partners the right to put their limited partnership units to us on or after the first anniversary of the entity's formation. We may acquire these limited partnership units for either cash or a fixed number of our common shares at our discretion.

As of December 31, 2013, the weighted average occupancy rate for our centers was 94.9% compared to 93.7% as of December 31, 2012. The average effective annual rental per square foot was approximately \$15.66 in 2013, \$15.14 in 2012, \$13.79 in 2011, \$13.60 in 2010 and \$13.31 in 2009 for our centers.

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As of December 31, 2013, lease expirations for the next 10 years, assuming tenants do not exercise renewal options, are as follows:

Year	Number of Expiring Leases	Square Feet of Expiring Leases (000's)	Percentage of Leaseable Square Feet	Annual Net Rent of Expiring Leases		Percentage of Total Annual Net Rent	
				Total (000's)	Per Square Foot		
2014	625	2,551	5.12	% \$38,448	\$15.07	9.91	%
2015	814	3,611	7.24	% 53,111	14.71	13.68	%
2016	815	3,816	7.65	% 60,274	15.80	15.53	%
2017	594	3,263	6.54	% 53,622	16.43	13.82	%
2018	596	3,695	7.41	% 53,616	14.51	13.81	%
2019	188	1,961	3.93	% 25,342	12.92	6.53	%
2020	99	1,236	2.48	% 16,506	13.35	4.25	%
2021	108	1,338	2.68	% 18,405	13.76	4.74	%
2022	97	1,164	2.33	% 17,385	14.94	4.48	%
2023	88	799	1.60	% 12,785	16.00	3.29	%

Our centers are primarily neighborhood and community shopping centers that typically range in size from 50,000 to 650,000 square feet of building area, as distinguished from large regional enclosed malls and small strip centers, which generally contain 5,000 to 25,000 square feet. None of the centers have climatized common areas, but are designed to allow retail customers to park their automobiles in close proximity to any retailer in the center. Our centers are customarily constructed of masonry, steel and glass, and all have lighted, paved parking areas, which are typically landscaped with berms, trees and shrubs. They are generally located at major intersections in close proximity to neighborhoods that have existing populations sufficient to support retail activities of the types conducted in our centers.

We actively embrace various initiatives that support the future of environmentally friendly shopping centers. Our primary areas of focus include energy efficiency, waste recycling, water conservation and construction/development best practices. We recognize there are economic, environmental and social implications associated with the full range of our sustainability efforts, and that a commitment to incorporating sustainable practices will add long-term value to our centers.

We have approximately 6,300 separate leases with 4,200 different tenants. Included among our top revenue-producing tenants are: The Kroger Co., TJX Companies, Inc., Ross Stores, Inc., H-E-B, Safeway Inc., Office Depot, Inc., PetSmart, Inc., Bed, Bath & Beyond Inc., Home Depot, Inc., Best Buy, Inc., The Sports Authority, Inc. and Whole Foods Market, Inc. The diversity of our tenant base is also evidenced by the fact that our largest tenant, The Kroger Co., accounted for only 3.8% of rental revenues during 2013.

Our center leases have lease terms generally ranging from three to five years for tenant space under 5,000 square feet and from 10 to 25 years for tenant space over 10,000 square feet. Leases with primary lease terms in excess of 10 years, generally for anchor and out-parcels, frequently contain renewal options which allow the tenant to extend the term of the lease for one or more additional periods, with each of these periods generally being of a shorter duration than the primary lease term. The rental rates paid during a renewal period are generally based upon the rental rate for the primary term; sometimes adjusted for inflation, market conditions or an amount of the tenant's sales during the primary term.

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Most of our leases provide for the monthly payment in advance of fixed minimum rentals, the tenants' pro rata share of real estate taxes, insurance (including fire and extended coverage, rent insurance and liability insurance) and common area maintenance for the center (based on estimates of the costs for these items). Some of the lease agreements with major or national tenants contain modifications of these basic provisions, such as placing a maximum contribution on their pro rata share of recoverable charges, in view of the financial condition, stability or desirability of those tenants. Certain leases also provide for the payment of additional rentals based on a percentage of the tenants' sales. Utilities are generally paid directly by tenants except where common metering exists with respect to a center. In this case, we make payments for the utilities, and the tenants reimburse us on a monthly basis. Generally, our leases only permit the tenant to assign or sublease its space with our prior written consent, which we agree not to unreasonably withhold. Our major and national tenants, however, generally have greater assignment and sublease rights that may not require our consent. Where a tenant is granted the right to assign its space, the lease agreement generally provides that the original lessee will remain liable for the payment of the lease obligations under that lease agreement. Most of our leases require the tenant to use its space for the purpose designated in its lease agreement and to operate its business on a continuous basis.

In the ordinary course of business, we have tenants who cease making payments under their leases or who file for bankruptcy protection. We are unable to predict or forecast the timing of store closings or unexpected vacancies. While we believe the effect of this will not have a material impact on our financial position, results of operations or liquidity due to the significant diversification of our tenant base, the uncertainty in the economy and commercial credit markets could have a negative impact on us.

New Development Centers. At December 31, 2013, we had two properties in various stages of development and have funded \$71.5 million to date on these projects. We estimate our aggregate net investment upon completion to be \$97.5 million. These properties are projected to have an average stabilized return on investment of approximately 8.0% when completed. Upon completion, the square footage to be added to the portfolio and the estimated cost per square footage of these two properties are as follows:

Estimated Year of Completion	Square Feet (000's)	Estimated Cost per Square Foot
2014	165	\$201.25
2015	265	242.22

Unimproved Land. At December 31, 2013, we owned, either directly or through our interest in real estate joint ventures or partnerships, 35 parcels of unimproved land consisting of approximately 26.4 million square feet. These land parcels include approximately 1.6 million square feet of land adjacent to certain of our existing operating centers, which may be used for expansion of these centers, as well as approximately 24.8 million square feet of land, which may be used for new development. Almost all of the unimproved land is served by roads and utilities and are suitable for development as centers and other retail space, and we intend to emphasize the development of these parcels for such purpose. We have approximately \$116.9 million in land held for development.

ITEM 3. Legal Proceedings

We are involved in various matters of litigation arising in the normal course of business. While we are unable to predict with certainty the amounts involved, our management and legal counsel believe that when such litigation is resolved, our resulting liability, if any, will not have a material impact on our consolidated financial statements.

ITEM 4. Mine Safety Disclosures

Not applicable.

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PART II

ITEM 5. Market for Registrant's Common Shares of Beneficial Interest, Related Shareholder Matters and Issuer Purchases of Equity Securities

Our common shares are listed and traded on the New York Stock Exchange under the symbol "WRI." As of January 31, 2014, the number of holders of record of our common shares was 2,236. The closing high and low sale prices per common share as reported on the New York Stock Exchange, and dividends per share paid for the fiscal quarters indicated were as follows:

	High	Low	Dividends
2013:			
Fourth	\$32.44	\$27.42	\$.305
Third	32.69	27.54	.305
Second	35.84	28.79	.305
First	31.55	27.35	.305
2012:			
Fourth	\$28.19	\$25.81	\$.290
Third	28.85	25.88	.290
Second	27.53	24.36	.290
First	26.45	21.56	.290

The following table summarizes the equity compensation plans under which our common shares may be issued as of December 31, 2013:

Plan category	Number of shares to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of shares remaining available for future issuance
Equity compensation plans approved by shareholders	3,543,746	\$29.16	1,676,028
Equity compensation plans not approved by shareholders	—	—	—
Total	3,543,746	\$29.16	1,676,028

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Performance Graph

The graph below provides an indicator of cumulative total shareholder returns for us as compared with the S&P 500 Stock Index and the FTSE NAREIT Equity Shopping Centers Index, weighted by market value at each measurement point. The graph assumes that on December 31, 2008, \$100 was invested in our common shares and that all dividends were reinvested by the shareholder.

Comparison of Five Year Cumulative Return

*\$100 invested on December 31, 2008 in stock or index, including reinvestment of dividends.

Fiscal year ending December 31.

Source: SNL Financial LC

	2009	2010	2011	2012	2013
Weingarten Realty Investors	\$105.16	\$132.60	\$127.53	\$163.51	\$174.51
S&P 500 Index	126.46	145.51	148.59	172.37	228.19
FTSE NAREIT Equity Shopping Centers Index	98.34	128.61	127.67	159.62	167.58

There can be no assurance that our share performance will continue into the future with the same or similar trends depicted in the graph above. We do not make or endorse any predications as to future share performance.

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ITEM 6. Selected Financial Data

The following table sets forth our selected consolidated financial data and should be read in conjunction with “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the Consolidated Financial Statements and accompanying Notes in “Item 8. Financial Statements and Supplementary Data” and the financial schedules included elsewhere in this Form 10-K.

	(Amounts in thousands, except per share amounts)				
	Year Ended December 31,				
	2013	2012	2011	2010	2009
Operating Data: ⁽¹⁾					
Revenues (primarily real estate rentals)	\$497,725	\$456,904	\$432,616	\$423,218	\$439,610
Depreciation and Amortization	149,493	129,500	119,933	114,184	112,259
Impairment Loss	2,579	9,585	49,671	33,317	34,983
Operating Income	163,400	146,680	105,385	119,980	132,986
Interest Expense, net	97,444	106,800	130,478	135,664	146,139
Gain on Sale and Acquisition of Real Estate Joint Venture and Partnership Interests	33,670	14,203	—	—	—
Equity in Earnings (Losses) of Real Estate Joint Ventures and Partnerships, net	35,112	(1,558)	) 7,834	12,889	5,548
Gain on Acquisition	—	1,869	—	—	—
(Loss) Gain on Redemption of Convertible Senior Unsecured Notes	—	—	—	(135)	) 25,311
(Provision) Benefit for Income Taxes	(7,051)	) 70	(2)	) 291	(5,871)
Income (Loss) from Continuing Operations	135,372	60,511	(12,202)	) 7,179	27,104
Gain on Sale of Property	762	1,004	1,304	2,005	24,494
Net Income	265,156	152,421	16,739	51,238	175,276
Net Income Adjusted for Noncontrolling Interests	220,262	146,640	15,621	46,206	171,102
Net Income (Loss) Attributable to Common Shareholders	\$184,145	\$109,210	\$(19,855)	) \$10,730	\$135,626
Per Share Data - Basic:					
Income (Loss) from Continuing Operations Attributable to Common Shareholders	\$0.78	\$0.16	\$(0.38)	) \$(0.25)	) \$0.14
Net Income (Loss) Attributable to Common Shareholders	\$1.52	\$0.90	\$(0.17)	) \$0.09	\$1.24
Weighted Average Number of Shares	121,269	120,696	120,331	119,935	109,546
Per Share Data - Diluted:					
Income (Loss) from Continuing Operations Attributable to Common Shareholders	\$0.77	\$0.16	\$(0.38)	) \$(0.25)	) \$0.14
Net Income (Loss) Attributable to Common Shareholders	\$1.50	\$0.90	\$(0.17)	) \$0.09	\$1.23
Weighted Average Number of Shares - Diluted	122,460	121,705	120,331	119,935	110,178
Balance Sheet Data:					
Property (at cost)	\$4,289,276	\$4,399,850	\$4,688,526	\$4,777,794	\$4,658,396
Total Assets	4,223,929	4,184,784	4,588,226	4,807,855	4,890,385
Debt, net	\$2,299,844	\$2,204,030	\$2,531,837	\$2,589,448	\$2,531,847
Other Data:					

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Cash Flows from Operating Activities	\$233,992	\$227,330	\$214,731	\$214,625	\$244,316
Cash Flows from Investing Activities	134,654	370,308	(3,745)	(121,421)	191,872
Cash Flows from Financing Activities	(296,674)	(591,676)	(221,203)	(222,929)	(341,550)
Cash Dividends per Common Share	1.22	1.16	1.10	1.04	1.28
Funds from Operations - Basic ⁽²⁾	\$222,732	\$222,128	\$173,325	\$187,008	\$204,634

For all periods presented, the operating data related to continuing operations and gain on sale of property do not (1) include the effects of amounts reported in discontinued operations, and certain business combination transactions have occurred. See Note 15 and 23 to our consolidated financial statements in Item 8 for additional information. (2) See Item 7 for the National Association of Real Estate Investment Trusts definition of funds from operations.

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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 and the comparative summary of selected financial data appearing elsewhere in this report. Historical results and trends which might appear should not be taken as indicative of future operations. Our results of operations and financial condition, as reflected in the accompanying consolidated financial statements and related footnotes, are subject to management's evaluation and interpretation of business conditions, retailer performance, changing capital market conditions and other factors which could affect the ongoing viability of our tenants.

Executive Overview

Weingarten Realty Investors is a REIT organized under the Texas Business Organizations Code. We, and our predecessor entity, began the ownership and development of shopping centers and other commercial real estate in 1948. Our primary business is leasing space to tenants in the shopping centers we own or lease. We also provide property management services for which we charge fees to either joint ventures where we are partners or other outside owners.

We operate a portfolio of rental properties, primarily neighborhood and community shopping centers, totaling approximately 49.9 million square feet of gross leasable area, that is either owned by us or others. We have a diversified tenant base with our largest tenant comprising only 3.8% of total rental revenues during 2013.

At December 31, 2013, we owned or operated under long-term leases, either directly or through our interest in real estate joint ventures or partnerships, a total of 268 developed income-producing properties and two properties under various stages of construction and development, which are located in 21 states spanning the country from coast to coast.

We also owned interests in 35 parcels of land held for development that totaled approximately 26.4 million square feet at December 31, 2013.

We had approximately 6,300 leases with 4,200 different tenants at December 31, 2013. Leases for our properties range from less than a year for smaller spaces to over 25 years for larger tenants. Rental revenues generally include minimum lease payments, which often increase over the lease term, reimbursements of property operating expenses, including real estate taxes, and additional rent payments based on a percentage of the tenants' sales. Our anchor tenants are supermarkets, value-oriented apparel/discount stores and other retailers or service providers who generally sell basic necessity-type goods and services. We believe the stability of our anchor tenants, combined with convenient locations, attractive and well-maintained properties, high quality retailers and a strong tenant mix, should ensure the long-term success of our merchants and the viability of our portfolio.

Our goal is to remain a leader in owning and operating top-tier neighborhood and community shopping centers in certain markets of the United States. This year we focused on three strategic initiatives: (1) recycling capital to improve our portfolio, (2) maintaining a strong, flexible consolidated balance sheet and well-managed debt maturity schedule and (3) improving operating performance. We believe these initiatives have kept our portfolio of properties in the forefront of being among the strongest in our sector. For 2014, these strategies will continue to be in effect as we continue to transition the portfolio.

Under our capital recycling plan, we continue to dispose of non-core operating properties, which provides capital for growth opportunities and strengthens our operating fundamentals. During 2013, we successfully disposed of real estate assets with our share of aggregate gross sales proceeds totaling \$285.1 million, both directly or through our interest in real estate joint ventures or partnerships. This program is ongoing, and we expect to complete dispositions in the range of \$300 million to \$400 million in 2014. We have approximately \$110.1 million of dispositions currently under contracts or letters of intent; however, there are no assurances that these transactions will close. Subsequent to year end, we sold two centers with gross proceeds totaling \$55.6 million. Also, we received notice in December 2013 from the holder of one of our ground leases in Texas of their intent to exercise their purchase option under the ground lease. This transaction is expected to close in the second half of 2014 and will result in the disposition of three properties.

As we are generally selling lower tier, non-core assets, potential buyers looking to finance such acquisitions may find access to capital an issue; especially if long-term rates rise. Even with these conditions, we believe we can continue to

successfully execute our capital recycling plan; although a number of factors, including weaknesses in the secured lending markets or a downturn in the economy, could impact our ability to execute this plan.

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We continue to actively seek acquisitions and new development opportunities to grow our operations. During 2013, we have closed on acquisitions, including our pro rata share of interests in unconsolidated real estate joint ventures and purchased interests in both consolidated and unconsolidated real estate joint ventures, totaling \$247.5 million. Despite substantial competition for quality opportunities and the uncertainty of long-term rates, we will continue to identify select acquisition properties that meet our return hurdles and to actively evaluate other opportunities as they enter the market. For 2014, we expect to invest in acquisitions and new developments in the range of \$200 million to \$300 million. In 2014, we will continue to focus our attention on identifying new development projects as another source of growth.

Subsequent to December 31, 2013, we completed the dissolution of a consolidated real estate joint venture, in which we had a 30% ownership interest. This venture owned a portfolio of 13 centers of which four are located in Texas, three each in Georgia and Tennessee, two in Florida and one in North Carolina. The transaction was completed through the distribution of five centers to us and eight centers to our partner.

We strive to maintain a strong, conservative capital structure which provides ready access to a variety of attractive long and short-term capital sources. We carefully balance lower cost short-term financing with long-term liabilities associated with acquired or developed long-term assets. During 2013, we issued \$300 million of 3.5% and \$250 million of 4.45% senior unsecured notes maturing in 2023 and 2024, respectively. We also paid off all amounts outstanding under our revolving credit facility, redeemed \$75 million of our 6.75% Series D Cumulative Redeemable Preferred Shares and \$200 million of our 6.5% Series F Cumulative Redeemable Preferred Shares and paid down \$173.6 million of fixed-rate medium term notes. In anticipation of potential volatility and uncertainty in the capital markets, \$250 million of 4.45% senior unsecured notes were issued in October to essentially pre-fund our January 2014 debt maturities totaling \$285 million.

In 2013, we amended and extended our \$500 million unsecured revolving credit facility. The amendment reduces the borrowing margin and facility fee, which are priced off a grid that is tied to our senior unsecured credit ratings, by 10 and five basis points, respectively. In addition, the unsecured revolving credit facility's maturity date has been extended to 2017 with options to extend up to an additional year. These transactions continue to strengthen our consolidated balance sheet and further enhance our access to various sources of capital, while reducing our cost of capital. While the availability of capital has improved over the past few years, there can be no assurance that favorable pricing and availability will not deteriorate in the future.

Operational Metrics

In assessing the performance of our centers, management carefully monitors various operating metrics of the portfolio. Below are performance metrics associated with our signed occupancy, same property net operating income ("SPNOI") growth and leasing activity on a pro rata basis.

	December 31,		
	2013	2012	
Anchor (space of 10,000 square feet or greater)	98.5	% 97.1	%
Non-Anchor (small shop)	89.0	% 88.2	%
Total Occupancy	94.8	% 93.6	%
	Three Months Ended	Twelve Months Ended	
	December 31, 2013	December 31, 2013	
SPNOI Growth ⁽¹⁾	3.0	% 4.2	%

(1) See Non-GAAP Financial Measures for a definition of the measurement of SPNOI and a reconciliation to operating income within this section of Item 7.

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	Number of Leases	Square Feet (‘000’s)	Average New Rent per Square Foot (\$)	Average Prior Rent per Square Foot (\$)	Average Cost of Tenant Improvements per Square Foot (\$)	Change in Base Rent on Cash Basis	
Leasing Activity:							
Three Months Ended December 31, 2013							
New leases ⁽¹⁾	60	95	\$24.73	\$21.88	\$15.02	13.1	%
Renewals	212	753	15.75	14.91	0.55	5.7	%
Not comparable spaces	59	217	—	—	—	—	%
Total	331	1,065	\$16.76	\$15.69	\$2.17	6.8	%
Twelve Months Ended December 31, 2013							
New leases ⁽¹⁾	260	623	\$20.91	\$18.55	\$16.01	12.7	%
Renewals	892	3,178	15.58	14.88	0.25	4.7	%
Not comparable spaces	261	902	—	—	—	—	%
Total	1,413	4,703	\$16.46	\$15.49	\$2.84	6.3	%

(1) Average external lease commissions per square foot for the three and twelve months ended December 31, 2013 were \$5.52 and \$4.78, respectively.

The operating metrics of our portfolio strengthened in 2013 as we focused on increasing occupancy and SPNOI. Our portfolio delivered solid operating results with:

- improved occupancy to 94.8%, including an increase of .8% in small shop occupancy over 2012, primarily as a result of our disposition program and lack of new available retail space in the market;
- an increase of 4.2% in SPNOI for the year ended December 31, 2013 over the same period of 2012; and
- rental rate increases of 12.7% for new leases during 2013.

While we will continue to monitor the economy and the effects on our tenants, we believe the significant diversification of our portfolio, both geographically and by tenant base, and the quality of our portfolio will allow us to further increase occupancy levels as we move through 2014, albeit at a lesser rate than the previous year, assuming, among other things, no bankruptcies by multiple national or regional tenants. A reduction in quality retail space available contributed to the increase in overall rental rates on a same-space basis as we completed new leases and renewed existing leases. Leasing volume is anticipated to decline as we have less vacant space available for leasing. While we have achieved strong growth in SPNOI during 2013, maintaining this level of positive operating performance in 2014 is not assured. Our expectation is that SPNOI will average between 2.5% to 3.5% for 2014.

New Development

At December 31, 2013, we had two properties in various stages of construction and development. We have funded \$71.5 million to date on these projects, and we estimate our aggregate net investment upon completion to be \$97.5 million. Overall, the average projected stabilized return on investment for these properties is approximately 8.0% upon completion.

We have approximately \$116.9 million in land held for development at December 31, 2013. While we are experiencing a greater interest from retailers and other market participants in our land held for development, opportunities for economically viable developments remain scarce. We continue to pursue additional development and redevelopment opportunities in multiple markets; however, finding the right opportunities remains very challenging.

Acquisitions and Joint Ventures

Acquisitions are a key component of our long-term growth strategy. The availability of quality acquisition opportunities in the market remains sporadic. Competition for the highest quality core properties in our key growth markets is intense, which has in many cases, driven pricing to pre-recession highs. We remain disciplined in approaching these opportunities, pursuing only those that provide appropriate risk-adjusted returns.

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Dispositions

Dispositions are also a key component of our ongoing management process where we selectively prune properties from our portfolio that no longer meet our geographic or growth targets. Dispositions provide capital, which may be recycled into properties that have high barrier-to-entry locations within high growth metropolitan markets, and thus have higher long-term growth potential. Additionally, proceeds from dispositions may be used to reduce outstanding debt, further deleveraging our consolidated balance sheet. As we have demonstrated in 2013, this transformative initiative will produce a portfolio with higher occupancy rates and stronger revenue growth.

Summary of Critical Accounting Policies

Our discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and contingencies as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. We evaluate our assumptions and estimates on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe the following critical accounting policies require more significant judgments and estimates used in the preparation of our consolidated financial statements.

Property

Acquisitions of properties are accounted for utilizing the acquisition method and, accordingly, the results of operations of an acquired property are included in our results of operations from the date of acquisition. Estimates of fair values are based upon future cash flows and other valuation techniques in accordance with our fair value measurements accounting policy. Fair values are used to record the purchase price of acquired property among land, buildings on an “as if vacant” basis, tenant improvements, other identifiable intangibles and any goodwill or gain on purchase. Other identifiable intangible assets and liabilities include the effect of out-of-market leases, the value of having leases in place (“as is” versus “as if vacant” and absorption costs), out-of-market assumed mortgages and tenant relationships. Depreciation and amortization is computed using the straight-line method, generally over estimated useful lives of 40 years for buildings and over the lease term which includes bargain renewal options for other identifiable intangible assets. The impact of these estimates, including incorrect estimates in connection with acquisition values and estimated useful lives, could result in significant differences related to the purchased assets, liabilities and resulting depreciation or amortization. Acquisition costs are expensed as incurred.

Real Estate Joint Ventures and Partnerships

To determine the method of accounting for partially owned real estate joint ventures and partnerships, management evaluates the characteristics of associated entities and determines whether an entity is a variable interest entity (“VIE”) and, if so, determines which party is the primary beneficiary by analyzing whether we have both the power to direct the entity’s significant economic activities and the obligation to absorb potentially significant losses or receive potentially significant benefits. Significant judgments and assumptions inherent in this analysis include the design of the entity structure, the nature of the entity’s operations, future cash flow projections, the entity’s financing and capital structure, and contractual relationships and terms. We consolidate a VIE when we have determined that we are the primary beneficiary.

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

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

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

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Impairment

Our property is reviewed for impairment if events or changes in circumstances indicate that the carrying amount of the property, including any capitalized costs and any identifiable intangible assets, may not be recoverable.

If such an event occurs, a comparison is made of the current and projected operating cash flows of each such property into the foreseeable future, with consideration of applicable holding periods, on an undiscounted basis to the carrying amount of such property. If we determine the carrying amount is not recoverable, our basis in the property is reduced to its estimated fair value to reflect impairment in the value of the asset. Fair values are determined by management utilizing cash flow models, market capitalization and discount rates, or by obtaining third-party broker or appraisal estimates in accordance with our fair value measurements accounting policy.

We review current economic considerations each reporting period, including the effects of tenant bankruptcies, the suspension of tenant expansion plans for new development projects, declines in real estate values and any changes to plans related to our new development projects including land held for development, to identify properties where we believe market values may be deteriorating. Determining whether a property is impaired and, if impaired, the amount of write-down to fair value requires a significant amount of judgment by management and is based on the best information available to management at the time of evaluation. The evaluations used in these analyses could result in incorrect estimates when determining carrying values that could be material to our consolidated financial statements.

Our investment in partially owned real estate joint ventures and partnerships is reviewed for impairment each reporting period. The ultimate realization is dependent on a number of factors, including the performance of each investment and market conditions. We will record an impairment charge if we determine that a decline in the estimated fair value of an investment below its carrying amount is other than temporary. A considerable amount of judgment by our management is used in this evaluation. Our overall future plans for the investment, our investment partner's financial outlook and our views on current market and economic conditions may have a significant impact on the resulting factors analyzed for these purposes.

Our investments in tax increment revenue bonds are reviewed for impairment, including the evaluation of changes in events or circumstances that may indicate that the carrying amount of the investment may not be recoverable.

Realization is dependent on a number of factors, including investment performance, market conditions and payment structure. We will record an impairment charge if we determine that a decline in the value of the investment below its carrying amount is other than temporary, recovery of its cost basis is uncertain, and/or it is uncertain if the investment will be held to maturity. A considerable amount of judgment by our management is used in this evaluation, which may produce incorrect estimates that could be material to our consolidated financial statements.

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Results of Operations

Comparison of the Year Ended December 31, 2013 to the Year Ended December 31, 2012

The following table is a summary of certain items from our Consolidated Statements of Operations, which we believe represent items that significantly changed during 2013 as compared to the same period in 2012:

	Year Ended December 31,		Change	%	
	2013	2012		Change	% Change
Revenues	\$497,725	\$456,904	\$40,821	8.9	%
Depreciation and amortization	149,493	129,500	19,993	15.4	
Operating expenses	98,380	89,902	8,478	9.4	
Real estate taxes, net	58,502	52,699	5,803	11.0	
Impairment loss	2,579	9,585	(7,006)	(73.1))
General and administrative expenses	25,371	28,538	(3,167)	(11.1))
Interest expense, net	97,444	106,800	(9,356)	(8.8))
Gain on sale and acquisition of real estate joint venture and partnership interests	33,670	14,203	19,467	137.1	
Equity in earnings (losses) of real estate joint ventures and partnerships, net	35,112	(1,558)	36,670	2,353.7	
Gain on acquisition	—	1,869	(1,869)	(100.0))
(Provision) benefit for income taxes	(7,051)	70	(7,121)	10,172.9)

Revenues

The increase in revenues of \$40.8 million is primarily attributable to an increase in net rental revenues of \$40.1 million due primarily to increases in occupancy and rental rates, new development completions of \$2.4 million and acquisitions of \$18.7 million.

Depreciation and Amortization

The increase of \$20.0 million is attributable primarily to acquisitions, new development completions and other capital activities.

Operating Expenses

The increase in operating expenses of \$8.5 million is primarily attributable to acquisitions, which totaled \$2.7 million, an increase in management fees of \$2.2 million primarily attributable to a fair value increase in the assets held in a grantor trust related to our deferred compensation plan of \$1.1 million and slightly higher increases in other operating expenses associated with higher occupancy.

Real Estate Taxes, net

The increase in real estate taxes, net of \$5.8 million is primarily attributable to rate and valuation changes, as well as acquisitions and new development completions.

Impairment Loss

The decrease in impairment loss of \$7.0 million is primarily attributable to the \$6.6 million loss in 2012 associated with an equity interest in an unconsolidated real estate joint venture that owned industrial properties.

General and Administrative Expenses

The decrease in general and administrative expenses of \$3.2 million is primarily attributable to a reduction in personnel due to attrition and property dispositions and a decrease in share-based compensation associated with retirement eligible employees.

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Interest Expense, net

Net interest expense decreased \$9.4 million or 8.8%. The components of net interest expense were as follows (in thousands):

	Year Ended December 31,	
	2013	2012
Gross interest expense	\$110,239	\$112,548
Over-market mortgage adjustment	(10,392)	(2,623)
Capitalized interest	(2,403)	(3,125)
Total	\$97,444	\$106,800

Gross interest expense totaled \$110.2 million in 2013, down \$2.3 million or 2.1% from 2012. The decrease in gross interest expense results primarily from a reduction in interest rates, offset by an increase in the weighted average debt outstanding. In 2013, the weighted average debt outstanding was \$2.2 billion at a weighted average interest rate of 5.06% as compared to \$2.1 billion outstanding at a weighted average interest rate of 5.12% in 2012. The increase in the weighted average debt outstanding results primarily from our net capital activity, including the issuances of unsecured notes, the redemption of preferred shares, acquisition and disposition activity and the pay down of medium-term notes and other notes, while the reduction in the weighted average interest rate is primarily attributable to the refinancing of notes and mortgages with proceeds from dispositions and note issuances. The increase in the over-market mortgage adjustment of \$7.8 million is attributable to the write-off of net above-market mortgage intangibles associated with the early payoff of the related mortgage in both 2013 and 2012.

Gain on Sale and Acquisition of Real Estate Joint Venture and Partnership Interests

The gain in 2013 is attributable to the liquidation of an unconsolidated real estate joint venture that owned industrial properties of \$11.5 million, the acquisition of an unconsolidated real estate joint venture interest totaling \$20.2 million and the sale of an interest in four unconsolidated real estate joint ventures of \$1.9 million, while the gain in 2012 was associated with the sale of an interest in six unconsolidated real estate joint ventures.

Equity in Earnings (Losses) of Real Estate Joint Ventures and Partnerships, net

The increase of \$36.7 million is attributable to the gain on sale from 2013 dispositions, of which our share totaled \$16.0 million and our share of impairment losses recorded in 2012, which totaled \$19.9 million.

Gain on Acquisition

The decrease of \$1.9 million is attributable to the realization upon consolidation associated with the purchase of a 79.6% unconsolidated joint venture interest in 2012.

(Provision) Benefit for Income Taxes

The increase of \$7.1 million is attributable primarily to the gain associated with the purchase of a 50% unconsolidated joint venture interest in our taxable REIT subsidiary.

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Comparison of the Year Ended December 31, 2012 to the Year Ended December 31, 2011

The following table is a summary of certain items from our Consolidated Statements of Operations, which we believe represent items that significantly changed during 2012 as compared to the same period in 2011:

	Year Ended December 31,		Change	% Change	%
	2012	2011			
Revenues	\$456,904	\$432,616	\$24,288	5.6	
Depreciation and amortization	129,500	119,933	9,567	8.0	
Operating expenses	89,902	81,916	7,986	9.7	
Impairment loss	9,585	49,671	(40,086)	(80.7))
Interest expense, net	106,800	130,478	(23,678)	(18.1))
Gain on sale and acquisition of real estate joint venture and partnership interests	14,203	—	14,203	—	
Equity in (losses) earnings of real estate joint ventures and partnerships, net	(1,558)	) 7,834	(9,392)	(119.9))
Gain on acquisition	1,869	—	1,869	—	

Revenues

The increase in revenues of \$24.3 million is primarily attributable to an increase in net rental revenues of \$26.8 million due primarily to increases in occupancy and rental rates, new development completions of \$4.2 million and acquisitions of \$11.8 million. Offsetting this net rental revenue increase is a decrease in other income of \$2.5 million, which was attributable to a decline in miscellaneous revenue.

Depreciation and Amortization

The increase of \$9.6 million is due to new development completions, the acquisition of four shopping centers in 2012 and two shopping centers in 2011 and other capital activities.

Operating Expenses

The increase in operating expenses of \$8.0 million is attributable to an increase in management fees of \$3.2 million, which results primarily from a fair value increase in the assets held in a grantor trust related to our deferred compensation plan; a \$1.2 million increase in acquisition costs and an increase in overall operating expenses, of which acquisitions and new development completions totaled \$1.5 million and \$.5 million, respectively.

Impairment Loss

The impairment loss in 2012 of \$9.6 million is mainly attributable to two properties being marketed for sale during the year, an equity interest in an unconsolidated real estate joint venture that owns industrial properties and the sale of unimproved land parcels. The impairment loss in 2011 of \$49.7 million related primarily to land held for development, properties that were sold or marketed for sale, our equity interest in certain unconsolidated joint ventures and the net credit loss on the exchange of tax increment revenue bonds.

Interest Expense, net

Net interest expense decreased \$23.7 million or 18.1%. The components of net interest expense were as follows (in thousands):

	Year Ended December 31,	
	2012	2011
Gross interest expense	\$112,548	\$133,316
Amortization of convertible bond discount	—	1,334
Over-market mortgage adjustment	(2,623)	(1,843)
Capitalized interest	(3,125)	(2,329)
Total	\$106,800	\$130,478

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Gross interest expense totaled \$112.5 million in 2012, down \$20.8 million or 15.6% from 2011. The decrease in gross interest expense results primarily from a reduction in both interest rates and the weighted average debt outstanding as a result of refinancing notes and mortgages through the revolving credit facility by means of proceeds from the industrial and retail dispositions and the issuance of \$300 million of 3.38% senior unsecured notes maturing in 2022. In 2012, the weighted average debt outstanding was \$2.1 billion at a weighted average interest rate of 5.1% as compared to \$2.4 billion outstanding at a weighted average interest rate of 5.5% in 2011. The amortization of convertible bond discount ceased in July 2011.

Gain on Sale of Real Estate Joint Venture and Partnership Interests

The increase of \$14.2 million is attributable to the sale of an interest in six unconsolidated real estate joint ventures during 2012.

Equity in (Losses) Earnings of Real Estate Joint Ventures and Partnerships, net

The decrease of \$9.4 million is attributable to the reduction of earnings from our unconsolidated real estate investments as a result of impairment losses. In 2012, impairment losses totaled \$19.9 million as compared to \$7.0 million in 2011.

Gain on Acquisition

The increase of \$1.9 million is attributable to the realization upon consolidation associated with the purchase of a 79.6% unconsolidated joint venture interest.

Effects of Inflation

We have structured our leases in such a way as to remain largely unaffected should significant inflation occur. Most of the leases contain percentage rent provisions whereby we receive increased rentals based on the tenants' gross sales. Many leases provide for increasing minimum rental rates during the terms of the leases through escalation provisions. In addition, many of our leases are for terms of less than 10 years, allowing us to adjust rental rates to changing market conditions when the leases expire. Most of our leases also require the tenants to pay their proportionate share of operating expenses and real estate taxes. As a result of these lease provisions, increases in operating expenses due to inflation, as well as real estate tax rate increases, generally do not have a significant adverse effect upon our operating results as they are absorbed by our tenants. Under the current economic climate, little to no inflation is occurring.

Economic Conditions

Underlying economic fundamentals indicate the economic recovery is maturing in primary markets and progressing in secondary and tertiary markets. Consumer confidence is rebounding, despite government policy-induced interruptions. Furthermore, personal income and housing prices are continuing to increase in our primary markets. We believe there is a direct correlation between housing wealth and consumption, and we expect rebounding home prices will further strengthen retail fundamentals, including rent growth and net operating income. Our focus on supermarket-anchored shopping centers in densely populated major metropolitan areas positions our portfolio to capitalize on the improving retail landscape.

As strengthening retail fundamentals drive demand for investment in top-tier retail real estate, we continue to dedicate internal resources to identify and evaluate available assets in our markets so that we may purchase the best assets and properties with the strongest upside potential. Also, we continue to see an interest in our non-core assets marketed for disposition, as potential buyers have access to available credit.

Capital Resources and Liquidity

Our primary operating liquidity needs are paying our common and preferred dividends, maintaining and operating our existing properties, paying our debt service costs, excluding debt maturities, and funding capital expenditures. Under our 2014 business plan, cash flows from operating activities are expected to meet these planned capital needs.

The primary sources of capital for funding any debt maturities and acquisitions are our excess cash flow generated by our operating properties; credit facilities; proceeds from both secured and unsecured debt issuances; proceeds from common and preferred equity issuances; and cash generated from the sale of property and the formation of joint ventures. Amounts outstanding under the revolving credit facility are retired as needed with proceeds from the issuance of long-term debt, common and preferred equity, cash generated from the disposition of properties and cash flow generated by our operating properties.

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As of December 31, 2013, we had an available borrowing capacity of \$497.8 million under our revolving credit facility, and our debt maturities for 2014 total \$368.9 million. During 2013, we issued \$300 million of 3.5% and \$250 million of 4.45% senior unsecured notes maturing in 2023 and 2024, respectively. We also paid off all amounts outstanding under our revolving credit facility, redeemed \$75 million of our 6.75% Series D Redeemable Preferred Shares and \$200 million of our 6.5% Series F Cumulative Redeemable Preferred Shares and paid down \$173.6 million of fixed-rate medium term notes. Additionally, we have funds invested in short-term investments and cash and cash equivalents totaling \$141.6 million primarily from the issuance of our 4.45% senior unsecured notes. The issuance of these notes in late 2013 allowed us to effectively pre-fund our January 2014 debt maturities totaling \$285 million in anticipation of potential volatility and uncertainty in the capital markets.

We believe proceeds from our capital recycling program, combined with our available capacity under the credit facilities, will provide adequate liquidity to fund our capital needs, including acquisitions and new development activities. In the event our capital recycling program does not progress as expected, we believe other debt and equity alternatives are available to us. Although external market conditions are not within our control, we do not currently foresee any reasons that would prevent us from entering the capital markets if needed.

During 2013, aggregate gross sales proceeds from our dispositions totaled \$285.1 million. Operating cash flows from discontinued operations are included in net cash from operating activities in our Consolidated Statements of Cash Flows, while proceeds from discontinued operations are included as investing activities. At December 31, 2013, discontinued operations represent 8.3% of our net cash from operating activities, and we would expect future net cash from operating activities to decrease accordingly when compared to prior periods.

We have non-recourse debt secured by acquired or developed properties held in several of our real estate joint ventures and partnerships. Off balance sheet mortgage debt for our unconsolidated real estate joint ventures and partnerships totaled \$453.4 million, of which our pro rata ownership is \$174.3 million at December 31, 2013. Scheduled principal mortgage payments on this debt, excluding non-cash related items totaling \$1.2 million, at 100% are as follows (in millions):

2014	\$106.4
2015	43.7
2016	110.9
2017	56.8
2018	6.3
Thereafter	128.1
Total	\$452.2

We hedge the future cash flows of certain debt transactions, as well as changes in the fair value of our debt instruments, principally through interest rate contracts with major financial institutions. We generally have the right to sell or otherwise dispose of our assets except in certain cases where we are required to obtain our joint venture partners' consent or a third party consent for assets held in special purpose entities, which are 100% owned by us.

Investing Activities:**Acquisitions**

During 2013, we acquired three centers, a 51% interest in a center at an unconsolidated real estate joint venture, and our partner's 50% unconsolidated joint venture interest in a California property. Also, we received cash, real property and our partner's interest in two consolidated joint ventures in exchange for our interest in two unconsolidated joint ventures and the payment of a note receivable. In all, our share of the gross purchase price for these transactions totaled approximately \$247.5 million and generated gains of \$20.2 million, primarily from the remeasurement of our equity interest to fair value.

Dispositions

During 2013, we sold an interest in four unconsolidated real estate joint ventures, 20 centers and other property and five real estate assets through our interests in unconsolidated real estate joint ventures and partnerships. Our share of aggregate gross sales proceeds from these transactions totaled \$285.1 million and generated gains of \$121.9 million. Also, we realized an \$11.5 million gain associated with the liquidation of an unconsolidated real estate joint venture that owned industrial properties.

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Subsequent to December 31, 2013, we completed the dissolution of our consolidated real estate joint venture with Hines Retail REIT (“Hines”), where we owned a 30% interest. This joint venture held a portfolio of 13 centers located in Texas, Tennessee, Georgia, Florida and North Carolina. The transaction was completed through the distribution of five centers to us and eight centers to Hines. The centers distributed to Hines are classified as held for sale at December 31, 2013.

New Development

At December 31, 2013, we had two projects under various stages of construction and development with a total square footage of approximately .6 million, of which we have funded \$71.5 million to date on these projects. Upon completion, we expect our aggregate net investment in these properties to be \$97.5 million.

Our new development projects are financed generally under our revolving credit facility, as it is our practice not to use third party construction financing. Management monitors amounts outstanding under our revolving credit facility and periodically pays down such balances using cash generated from operations, from debt issuances, from common and preferred share issuances and from the disposition of properties.

Capital Expenditures

Capital expenditures for additions to the existing portfolio, acquisitions, tenant improvements, new development and our share of investments in unconsolidated real estate joint ventures and partnerships are as follows (in thousands):

	Year Ended December 31,	
	2013	2012
Acquisitions	\$ 129,719	\$ 204,180
Tenant Improvements	33,259	40,594
New Development	19,264	29,479
Capital Improvements	13,312	13,109
Other	10,092	16,671
Total	\$ 205,646	\$ 304,033

The decrease in capital expenditures is attributable primarily to a decline in acquisition activity in 2013 compared to 2012. The decline in new development is associated with the stabilization of nine properties in 2012, while the decrease in tenant improvements is primarily attributable to the recycling of the portfolio and a decline in costs funded for new tenant leases and renewals over the prior year.

For 2014, we anticipate our acquisitions to total between \$150 million and \$225 million. We anticipate our 2014 tenant improvement expenditures to be consistent with 2013. Our new development investment for 2014 is estimated to be approximately \$50 million to \$75 million. 2014 capital improvement spending is expected to be consistent with 2013 expenditures. Further, we have entered into commitments aggregating \$66.0 million comprised principally of construction contracts which are generally due in 12 to 36 months and anticipated to be funded under our revolving credit facility.

Capital expenditures for additions described above relate to the following cash flows from investing activities as follows(in thousands):

	Year Ended December 31,	
	2013	2012
Acquisition of real estate and land	\$ 105,765	\$ 198,171
Development and capital improvements	76,992	95,743
Real estate joint ventures and partnerships - Investments	22,600	9,792
Notes receivable from real estate joint ventures and partnerships - Advances for capital expenditures	289	327
Total	\$ 205,646	\$ 304,033

Capitalized soft costs, including payroll and other general and administrative costs, interest and real estate taxes, totaled \$9.7 million and \$10.5 million for the year ended December 31, 2013 and 2012, respectively.

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Financing Activities:

Debt

Total debt outstanding was \$2.3 billion at December 31, 2013 and included \$2.1 billion on which interest rates are fixed and \$163.6 million, including the effect of \$116.7 million of interest rate contracts, which bears interest at variable rates. Additionally, of our total debt, \$727.8 million was secured by operating properties while the remaining \$1.6 billion was unsecured.

At December 31, 2013, we have a \$500 million unsecured revolving credit facility which expires in April 2017 and provides borrowing rates that float at a margin over LIBOR plus a facility fee. At December 31, 2013, the borrowing margin and facility fee, which are priced off a grid that is tied to our senior unsecured credit ratings, are 115 and 20 basis points, respectively. The facility also contains a competitive bid feature that will allow us to request bids for up to \$250 million. Additionally, an accordion feature allows us to increase the facility amount up to \$700 million. As of January 31, 2014, we had \$120.0 million outstanding, and the available balance was \$377.8 million, net of \$2.2 million in outstanding letters of credit.

We also have an agreement with a bank for an unsecured and uncommitted overnight facility totaling \$99 million that we maintain for cash management purposes. The facility provides for fixed interest rate loans at a 30-day LIBOR rate plus a borrowing margin based on market liquidity. As of January 31, 2014, we had \$11.0 million outstanding under this facility.

For the year ended December 31, 2013, the maximum balance and weighted average balance outstanding under both facilities combined were \$265.5 million and \$61.6 million, respectively, at a weighted average interest rate of 1.0%. In March 2013, we issued \$300 million of 3.5% senior unsecured notes maturing in 2023. This transaction allowed us to reduce amounts outstanding under our revolving credit facility, which included borrowings used to redeem \$75.0 million of our 6.75% Series D Cumulative Redeemable Preferred Shares and \$63.0 million of fixed-rate medium term notes.

In October 2013, we issued \$250 million of 4.45% senior unsecured notes maturing in 2024. This offering allowed us to repay all amounts outstanding under our revolving credit facility with the balance invested in short-term investments.

Our five most restrictive covenants include debt to assets, secured debt to assets, fixed charge and unencumbered interest coverage and debt yield ratios. We are not aware of any non-compliance with our public debt and revolving credit facility covenants as of December 31, 2013.

Our most restrictive public debt covenant ratios, as defined in our indenture and supplemental indenture agreements, were as follows at December 31, 2013:

Covenant	Restriction	Actual
Debt to Asset Ratio	Less than 60.0%	45.2%
Secured Debt to Asset Ratio	Less than 40.0%	14.3%
Annual Service Charge Ratio	Greater than 1.5	3.1
Unencumbered Asset Test	Greater than 150%	228.4%

At December 31, 2013, we had four interest rate contracts with an aggregate notional amount of \$116.7 million that were designated as fair value hedges and convert fixed interest payments at rates ranging from 4.2% to 7.5% to variable interest payments ranging from .2% to 4.3%.

At December 31, 2013, we had three interest rate contracts with an aggregate notional amount of \$25.8 million that were designated as cash flow hedges. These contracts have maturities through September 2017 and either fix or cap interest rates ranging from 2.3% to 5.0%. We have determined that these contracts are highly effective in offsetting future variable interest cash flows.

During 2013, we settled three forward-starting contracts with an aggregate notional amount of \$150 million hedging future fixed-rate debt issuances. These contracts fixed the 10-year swap rates at 2.4%. In connection with the \$250 million issuance of 4.45% senior unsecured notes maturing in 2024, we received \$6.1 million associated with the settlement of these forward-starting contracts resulting in a \$5.9 million gain in accumulated other comprehensive loss.

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We could be exposed to losses in the event of nonperformance by the counter-parties related to our interest rate contracts; however, management believes such nonperformance is unlikely.

Equity

In February 2014, our Board of Trust Managers approved an increase in our quarterly dividend rate for our common shares from \$.305 to \$.325 per share commencing with the first quarter 2014 distribution. Common and preferred dividends paid totaled \$165.9 million during 2013. Our dividend payout ratio (as calculated as dividends paid on common shares divided by funds from operations (“FFO”) - basic) for the year ended December 31, 2013 approximated 66.8%, which is inclusive of non-cash transactions including the redemption costs on preferred shares, the write-off of net debt costs and other non-cash items.

In March 2013, we redeemed our 6.75% Series D Cumulative Redeemable Preferred Shares with a redemption value of \$75.0 million. The funding of this redemption was under our revolving credit facility.

In June 2013, we redeemed a portion of our 6.5% Series F Cumulative Redeemable Preferred Shares with a redemption value of \$200 million. The funding of this redemption was under our revolving credit facility.

We have an effective universal shelf registration statement which expires in October 2014. We will continue to closely monitor both the debt and equity markets and carefully consider our available financing alternatives, including both public offerings and private placements.

Contractual Obligations

We have debt obligations related to our mortgage loans and unsecured debt, including any draws on our credit facilities. We have shopping centers that are subject to non-cancelable long-term ground leases where a third party owns and has leased the underlying land to us to construct and/or operate a shopping center. In addition, we have non-cancelable operating leases pertaining to office space from which we conduct our business. The table below excludes obligations related to our new development projects because such amounts are not fixed or determinable, and commitments aggregating \$66.0 million comprised principally of construction contracts which are generally due in 12 to 36 months. The following table summarizes our primary contractual obligations as of December 31, 2013 (in thousands):

	2014	2015	2016	2017	2018	Thereafter	Total
Mortgages and Notes Payable ⁽¹⁾							
Unsecured Debt	\$344,063	\$139,055	\$123,264	\$66,300	\$66,300	\$1,171,054	\$1,910,036
Secured Debt	93,024	222,513	201,758	136,425	64,507	151,620	869,847
Lease Payments	3,617	3,261	3,143	2,984	2,966	131,627	147,598
Other Obligations ⁽²⁾	61,526	32,575	50	50	—	—	94,201
Total Contractual Obligations	\$502,230	\$397,404	\$328,215	\$205,759	\$133,773	\$1,454,301	\$3,021,682

(1) Includes principal and interest with interest on variable-rate debt calculated using rates at December 31, 2013, excluding the effect of interest rate swaps. Also, excludes a \$73.7 million debt service guaranty liability.

Other obligations include income and real estate tax payments, commitments associated with our secured debt and (2) other employee payments. Included in 2014, is the estimated contribution to our retirement plan, which meets or exceeds the minimum statutory funding requirements. See Note 19 for additional information.

Related to a development project in Sheridan, Colorado, we have provided a guaranty for the payment of any debt service