

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

July 30, 2024



American Assets Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-35030
(Commission
File No.)

27-3338708
(I.R.S. Employer
Identification No.)

3420 Carmel Mountain Road, Suite 100
San Diego, California 92121
(Address of principal executive offices and Zip Code)

(858) 350-2600
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Name of Registrant</u>	<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
American Assets Trust, Inc.	Common Stock, par value \$0.01 per share	AAT	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On July 30, 2024, American Assets Trust, Inc. (the “Company”) issued a press release regarding its financial results for the quarter ending June 30, 2024. Also on July 30, 2024, the Company made available on the "Investors" page of its website at www.americanassetstrust.com certain supplemental information concerning the Company’s financial results and operations for the quarter ending June 30, 2024. Copies of the press release and supplemental information are attached hereto as Exhibits 99.1 and 99.2, respectively.

Exhibits 99.1 and 99.2, are being furnished pursuant to Item 2.02 and shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On July 25, 2024, Ernest S. Rady, Chairman of the Board of Directors (the “Board”) and Chief Executive Officer of the Company, gave notice of his intention to transition from Chief Executive Officer to Executive Chairman effective as of January 1, 2025. In connection with Mr. Rady’s transition to Executive Chairman, the Company and Mr. Rady anticipate entering into an amended and restated employment agreement.

On July 25, 2024, the Board appointed Adam Wyll, the Company’s President and Chief Operating Officer, to fill the role of Chief Executive Officer at the Company effective January 1, 2025. Mr. Wyll’s position as President of the Company will remain unchanged. The full biography and other information with respect to Mr. Wyll required by Item 5.02(c) of Form 8-K are included in the Company’s proxy statement on Schedule 14A for the 2024 annual meeting of stockholders filed with the Securities and Exchange Commission on April 5, 2024 under the heading “Executive Officers,” and such biography is incorporated herein by reference. In connection with Mr. Wyll’s appointment as President and Chief Executive Officer, the Company and Mr. Wyll anticipate entering into an amended and restated employment agreement.

Item 7.01 Regulation FD Disclosure.

As discussed in Item 2.02 above, the Company issued a press release regarding its financial results for the quarter ending June 30, 2024 and made available on its website certain supplemental information relating thereto.

The information being furnished pursuant to Item 7.01 and shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

The following exhibits are filed herewith:

<u>Exhibit Number</u>	<u>Exhibit Description</u>
99.1**	Press release issued by American Assets Trust, Inc. on July 30, 2024.
99.2**	American Assets Trust, Inc. Supplemental Information for the quarter ended June 30, 2024.
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document).

** Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

American Assets Trust, Inc.

By: /s/ Robert F. Barton

Robert F. Barton

Executive Vice President, CFO

July 30, 2024



American Assets Trust, Inc. Reports Second Quarter 2024 Financial Results

Net income available to common stockholders of \$11.9 million and \$31.2 million for the three and six months ended June 30, 2024, respectively, or \$0.20 and \$0.52 per diluted share, respectively.

Funds from Operations ("FFO") per diluted share increased 2% and 6% year-over-year for the three and six months ended June 30, 2024, respectively, or \$0.60 and \$1.32 per diluted share, respectively.

Increased 2024 FFO per diluted share guidance to a range of \$2.48 to \$2.54 with a midpoint of \$2.51, a 9.6% increase over prior guidance.

CEO Succession Planning - Ernest Rady to transition to Executive Chairman and Adam Wyll to transition to Chief Executive Officer, effective January 1, 2025.

SAN DIEGO, California - 7/30/2024 - American Assets Trust, Inc. (NYSE: AAT) (the "company") today reported financial results for its second quarter ended June 30, 2024.

Second Quarter Highlights

- Net income available to common stockholders of \$11.9 million and \$31.2 million for the three and six months ended June 30, 2024, respectively, or \$0.20 and \$0.52 per diluted share, respectively.
- FFO increased 2% and 6% year-over-year to \$0.60 and \$1.32 per diluted share for the three and six months ended June 30, 2024, respectively, compared to the same periods in 2023.
- Same-store cash Net Operating Income ("NOI") increased 2.1% and 1.8% year-over-year for the three and six months ended June 30, 2024, respectively, compared to the same periods in 2023. However, excluding a write-off of \$0.5 million in the first quarter for non-recurring costs incurred in prior periods relating to construction in progress for then-prospective construction within our retail segment, same-store cash NOI increased 2.2% year-over-year for the six months ended June 30, 2024 compared to the same period in 2023.
- Increased 2024 FFO per diluted share guidance to a range of \$2.48 to \$2.54 with a midpoint of \$2.51, a 9.6% increase over the prior 2024 guidance midpoint of \$2.29.
- Leased approximately 53,000 comparable office square feet at an average straight-line basis and cash-basis contractual rent increase of 15% and 5%, respectively, during the second quarter.
- Leased approximately 64,000 comparable retail square feet at an average straight-line basis and cash-basis contractual rent increase of 34% and 6%, respectively, during the second quarter.

Financial Results

(Unaudited, amounts in thousands, except per share data)

	Three Months Ended June 30		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income attributable to American Assets Trust, Inc. stockholders	\$ 11,904	\$ 11,983	\$ 31,164	\$ 28,119
Basic and diluted income attributable to common stockholders per share	\$ 0.20	\$ 0.20	\$ 0.52	\$ 0.47
FFO attributable to common stock and common units	\$ 46,113	\$ 45,034	\$ 100,761	\$ 95,414
FFO per diluted share and unit	\$ 0.60	\$ 0.59	\$ 1.32	\$ 1.25

Net income attributable to common stockholders increased \$3.0 million for the six months ended June 30, 2024 compared to the same period in 2023, primarily due to (i) a \$10 million settlement payment received during the first quarter relating to building specifications for one of the existing buildings at our office project in University Town Center (San Diego), (ii) a \$1.4 million net increase in our multifamily segment primarily due to an overall increase in average monthly base rent and an increase in occupancy and (iii) a \$0.6 million net increase in our retail segment due to new tenant leases signed, scheduled rent increases and an increase in cost recoveries. These increases were offset by (i) a \$6.3 million net settlement payment received on January 3, 2023 related to certain building systems at our Hassalo on Eighth property, (ii) a \$1.0 million net decrease in our office segment due to lower occupancy and reduced annualized base rents within our Lloyd Portfolio, (iii) \$0.5 million in non-recurring costs incurred in prior periods relating to construction in progress for then-prospective construction within our retail segment and (iv) higher net interest expense of approximately \$0.4 million primarily due to the \$225 million Amended and Restated Term Loan Agreement, partially offset by an increase in capitalized interest related to our development projects.

FFO increased \$1.1 million for the three months ended June 30, 2024 compared to the same period in 2023, primarily due to an increase in our multifamily segment due to higher occupancy and average monthly base rent and an increase in other income due to interest and investment income attributed to higher yield on our average cash balance during the period. These increases were offset by a decrease in our office segment due to lower occupancy and base rents within our Lloyd Portfolio.

FFO is a non-GAAP supplemental earnings measure which the company considers meaningful in measuring its operating performance. A reconciliation of net income to FFO is attached to this press release.

Leasing

The portfolio leased status as of the end of the indicated quarter was as follows:

	June 30, 2024	March 31, 2024	June 30, 2023
Total Portfolio			
Office	86.6%	86.4%	87.4%
Retail	94.5%	94.4%	94.6%
Multifamily	90.0%	92.8%	85.9%
Mixed-Use:			
Retail	95.7%	95.4%	94.6%
Hotel	88.1%	89.8%	83.2%
Same-Store Portfolio			
Office ⁽¹⁾	88.8%	88.6%	89.6%
Retail	94.5%	94.4%	94.6%
Multifamily	90.0%	92.8%	85.9%
Mixed-Use:			
Retail	95.7%	95.4%	94.6%
Hotel	88.1%	89.8%	83.2%

(1) Same-store office leased percentages exclude One Beach Street due to significant redevelopment activity and land held for development.

During the second quarter of 2024, the company signed 37 leases for approximately 164,700 square feet of office and retail space, as well as 395 multifamily apartment leases. Renewals accounted for 83% of the comparable office leases, 94% of the comparable retail leases, and 61% of the residential leases.

Office and Retail

The annualized base rent per leased square foot as of the end of the indicated quarter was as follows:

		3rd Quarter 2023	4th Quarter 2023	1st Quarter 2024	2nd Quarter 2024
Office	Weighted Average Portfolio	\$55.54	\$56.27	\$55.72	\$55.48
Retail	Weighted Average Portfolio	\$26.34	\$26.44	\$26.65	\$26.85

On a comparable basis (i.e., leases for which there was a former tenant) our office and retail leasing spreads as of the end of the indicated quarter are shown below:

		3rd Quarter 2023	4th Quarter 2023	1st Quarter 2024	2nd Quarter 2024
Office	Cash Basis % Change Over Prior Rent	7.0%	22.4%	7.9%	5.2%
	Straight-Line Basis % Change Over Prior Rent	13.5%	30.1%	10.9%	14.5%
Retail	Cash Basis % Change Over Prior Rent	8.2%	6.8%	1.9%	5.8%
	Straight-Line Basis % Change Over Prior Rent	18.7%	12.8%	22.3%	34.4%

On a comparable basis (i.e., leases for which there was a former tenant) during the second quarter of 2024 and trailing four quarters ended June 30, 2024, our office and retail leasing spreads are shown below:

		Number of Leases Signed	Comparable Leased Sq. Ft.	Average Cash Basis % Change Over Prior Rent	Average Cash Contractual Rent Per Sq. Ft.	Prior Average Cash Contractual Rent Per Sq. Ft.	Straight-Line Basis % Change Over Prior Rent
Office	Q2 2024	12	53,000	5.2%	\$46.77	\$44.46	14.5%
	Last 4 Quarters	38	219,000	8.4%	\$55.98	\$51.66	14.2%
Retail	Q2 2024	16	64,000	5.8%	\$46.81	\$44.25	34.4%
	Last 4 Quarters	85	408,000	5.6%	\$36.22	\$34.12	21.4%

Multifamily

The average monthly base rent per leased unit as of the end of the indicated quarter was as follows:

	3rd Quarter 2023	4th Quarter 2023	1st Quarter 2024	2nd Quarter 2024
Average Monthly Base Rent per Leased Unit	\$ 2,667	\$ 2,619	\$ 2,685	\$ 2,711

Same-Store Cash Net Operating Income

For the three and six months ended June 30, 2024, same-store cash NOI increased 2.1% and 1.8%, respectively, compared to the three and six months ended June 30, 2023. The same-store cash NOI by segment was as follows (in thousands):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Cash Basis:						
Office	\$ 35,730	\$ 35,778	(0.1) %	\$ 69,244	\$ 69,294	(0.1) %
Retail	18,684	18,108	3.2	36,365	35,806	1.6
Multifamily	9,240	8,438	9.5	18,753	17,493	7.2
Mixed-Use	6,000	5,870	2.2	12,066	11,365	6.2
Same-store Cash NOI ⁽¹⁾	\$ 69,654	\$ 68,194	2.1 %	\$ 136,428	\$ 133,958	1.8 %

(1) Same-store office portfolio excludes One Beach Street due to significant redevelopment activity and land held for development.

Same-Store Cash Net Operating Income - Excluding Construction in Progress Write-off

During the first quarter of 2024, the company wrote off \$0.5 million in non-recurring costs incurred in prior periods relating to construction in progress for then-prospective construction within our retail segment. Excluding such non-recurring costs, same-store cash NOI increased 2.2% for the six months ended June 30, 2024, and same-store cash NOI by segment was as follows (in thousands):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Cash Basis						
Office	\$ 35,730	\$ 35,778	(0.1) %	\$ 69,244	\$ 69,294	(0.1) %
Retail	18,684	18,108	3.2	36,888	35,806	3.0
Multifamily	9,240	8,438	9.5	18,753	17,493	7.2
Mixed-Use	6,000	5,870	2.2	12,066	11,365	6.2
Same-store Cash NOI - Excluding Construction in Progress Write-off	\$ 69,654	\$ 68,194	2.1 %	\$ 136,951	\$ 133,958	2.2 %

Office same-store cash NOI slightly decreased for the three and six months ended June 30, 2024, compared to the three and six months ended June 30, 2023, primarily due to lower occupancy and annualized base rents at Lloyd Portfolio.

Same-store cash NOI is a non-GAAP supplemental earnings measure which the company considers meaningful in measuring its operating performance. A reconciliation of same-store cash NOI to net income is attached to this press release.

Balance Sheet and Liquidity

At June 30, 2024, the company had gross real estate assets of \$3.8 billion and liquidity of \$514.9 million, comprised of cash and cash equivalents of \$114.9 million and \$400.0 million of availability on its line of credit. At June 30, 2024, the company had only 1 out of 31 assets encumbered by a mortgage.

On July 18, 2024, we borrowed \$100 million on our unsecured revolving line of credit to repay the entirety of our 3.78% Senior Guaranteed Notes, Series F, upon their maturity on July 19, 2024.

Dividends

The company declared dividends on its shares of common stock of \$0.335 per share for the second quarter of 2024. The dividends were paid on June 20, 2024.

In addition, the company has declared a dividend on its common stock of \$0.335 per share for the third quarter of 2024. The dividend will be paid in cash on September 19, 2024 to stockholders of record on September 5, 2024.

Guidance

The company increased its 2024 FFO per diluted share guidance to a range of \$2.48 to \$2.54 per share, an increase of 9.6% at midpoint from the prior 2024 FFO per diluted share guidance range of \$2.24 to \$2.34 per share. The increased guidance is partially attributable to an \$11 million lease termination fee received from a tenant that will be recognized by the company in the third quarter of 2024.

Management will discuss the company's revised guidance in more detail during tomorrow's earnings call. Except as discussed during the call, the company's revised guidance excludes any impact from future acquisitions, dispositions, equity issuances or repurchases, debt financing or repayments. The foregoing estimates are forward-looking and reflect management's view of current and future market conditions, including certain assumptions with respect to leasing activity, rental rates, occupancy levels, interest rates, credit spreads and the amount and timing of acquisition and development activities. The company's actual results may differ materially from these estimates.

CEO Succession

On July 25, 2024, Ernest S. Rady, the company's Chairman and CEO, gave notice of his intention to transition from CEO to Executive Chairman, effective as of January 1, 2025.

In connection with Mr. Rady's transition, the company's board of directors has appointed Adam Wyll, the company's President and COO, to the role of President and CEO effective on January 1, 2025. Mr. Wyll joined the company's predecessor in 2004 and has held multiple positions on the company's executive management team, including President and COO since 2021 and Executive Vice President and COO from 2019 to 2021. Mr. Wyll has over twenty years of experience in commercial real estate, acquisitions and dispositions, structured finance, leasing, and corporate and securities matters.

"I am pleased to announce the appointment of Adam as the new CEO in January 2025. Adam has demonstrated exceptional leadership, a strong commitment to our mission and a deep understanding of our industry, at all levels of our organization. I am confident Adam will continue to build on our solid foundation and guide the company towards a bright future. In my role as Executive Chairman, I look forward to continue leading our board meetings and strategy. I am in good health and have no plans to retire for the foreseeable future," said Ernest Rady.

Conference Call

The company will hold a conference call to discuss the results for the second quarter of 2024 on Wednesday, July 31, 2024 at 8:00 a.m. Pacific Time ("PT"). To participate in the event by telephone, please dial 1-833-816-1162 and ask to join the American Assets Trust, Inc. conference call. A live on-demand audio webcast of the conference call will be available on the company's website at www.americanassetstrust.com. A replay of the call will also be available on the company's website.

Supplemental Information

Supplemental financial information regarding the company's second quarter 2024 results may be found on the "Financial Reporting" tab of the "Investors" page of the company's website at www.americanassetstrust.com. This supplemental information provides additional detail on items such as property occupancy, financial performance by property and debt maturity schedules.

Financial Information
American Assets Trust, Inc.
Consolidated Balance Sheets
(In Thousands, Except Share Data)

	June 30, 2024 <i>(unaudited)</i>	December 31, 2023
Assets		
Real estate, at cost		
Operating real estate	\$ 3,524,459	\$ 3,502,251
Construction in progress	244,995	239,030
Held for development	487	487
	<u>3,769,941</u>	<u>3,741,768</u>
Accumulated depreciation	(1,087,473)	(1,036,453)
Real estate, net	2,682,468	2,705,315
Cash and cash equivalents	114,880	82,888
Accounts receivable, net	7,557	7,624
Deferred rent receivables, net	90,103	89,210
Other assets, net	97,924	99,644
Total assets	<u>\$ 2,992,932</u>	<u>\$ 2,984,681</u>
Liabilities and equity		
Liabilities:		
Secured notes payable, net	\$ 74,714	\$ 74,669
Unsecured notes payable, net	1,616,259	1,614,958
Accounts payable and accrued expenses	70,222	61,312
Security deposits payable	8,951	8,880
Other liabilities and deferred credits, net	77,130	71,187
Total liabilities	<u>1,847,276</u>	<u>1,831,006</u>
Commitments and contingencies		
Equity:		
American Assets Trust, Inc. stockholders' equity		
Common stock, \$0.01 par value, 490,000,000 shares authorized, 60,901,583 and 60,895,786 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	609	609
Additional paid-in capital	1,472,569	1,469,206
Accumulated dividends in excess of net income	(289,486)	(280,239)
Accumulated other comprehensive income	8,557	8,282
Total American Assets Trust, Inc. stockholders' equity	<u>1,192,249</u>	<u>1,197,858</u>
Noncontrolling interests	(46,593)	(44,183)
Total equity	<u>1,145,656</u>	<u>1,153,675</u>
Total liabilities and equity	<u>\$ 2,992,932</u>	<u>\$ 2,984,681</u>

American Assets Trust, Inc.
Unaudited Consolidated Statements of Operations
(In Thousands, Except Shares and Per Share Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue:				
Rental income	\$ 105,094	\$ 103,901	\$ 210,115	\$ 206,611
Other property income	5,796	5,820	11,470	10,864
Total revenue	<u>110,890</u>	<u>109,721</u>	<u>221,585</u>	<u>217,475</u>
Expenses:				
Rental expenses	29,505	28,711	59,346	56,216
Real estate taxes	10,843	11,086	22,089	22,718
General and administrative	8,737	8,609	17,579	17,608
Depreciation and amortization	31,011	29,823	61,228	59,724
Total operating expenses	<u>80,096</u>	<u>78,229</u>	<u>160,242</u>	<u>156,266</u>
Operating income	<u>30,794</u>	<u>31,492</u>	<u>61,343</u>	<u>61,209</u>
Interest expense, net	(16,289)	(16,368)	(32,544)	(32,097)
Other income, net	789	273	11,118	6,951
Net income	<u>15,294</u>	<u>15,397</u>	<u>39,917</u>	<u>36,063</u>
Net income attributable to restricted shares	(195)	(190)	(391)	(379)
Net income attributable to unitholders in the Operating Partnership	(3,195)	(3,224)	(8,362)	(7,565)
Net income attributable to American Assets Trust, Inc. stockholders	<u>\$ 11,904</u>	<u>\$ 11,983</u>	<u>\$ 31,164</u>	<u>\$ 28,119</u>
Net income per share				
Basic income attributable to common stockholders per share	<u>\$ 0.20</u>	<u>\$ 0.20</u>	<u>\$ 0.52</u>	<u>\$ 0.47</u>
Weighted average shares of common stock outstanding - basic	<u>60,312,878</u>	<u>60,146,210</u>	<u>60,311,399</u>	<u>60,145,414</u>
Diluted income attributable to common stockholders per share	<u>\$ 0.20</u>	<u>\$ 0.20</u>	<u>\$ 0.52</u>	<u>\$ 0.47</u>
Weighted average shares of common stock outstanding - diluted	<u>76,494,415</u>	<u>76,327,747</u>	<u>76,492,936</u>	<u>76,326,951</u>
Dividends declared per common share	<u>\$ 0.335</u>	<u>\$ 0.330</u>	<u>\$ 0.670</u>	<u>\$ 0.660</u>

Reconciliation of Net Income to Funds From Operations

The company's FFO attributable to common stockholders and operating partnership unitholders and reconciliation to net income is as follows (in thousands except shares and per share data, unaudited):

	Three Months Ended		Six Months Ended	
	June 30, 2024		June 30, 2024	
Funds From Operations (FFO)				
Net income	\$	15,294	\$	39,917
Depreciation and amortization of real estate assets		31,011		61,228
FFO, as defined by NAREIT	\$	46,305	\$	101,145
Less: Nonforfeitable dividends on restricted stock awards		(192)		(384)
FFO attributable to common stock and units	\$	46,113	\$	100,761
FFO per diluted share/unit	\$	0.60	\$	1.32
Weighted average number of common shares and units, diluted		76,495,008		76,493,569

Reconciliation of Same-Store Cash NOI to Net Income

The company's reconciliation of Same-Store Cash NOI to Net Income is as follows (in thousands, unaudited):

	Three Months Ended				Six Months Ended			
	June 30,				June 30,			
	2024		2023		2024		2023	
Same-store cash NOI - Excluding construction in progress write-off	\$	69,654	\$	68,194	\$	136,951	\$	133,958
Construction in progress write-off ⁽¹⁾		—		—		(523)		—
Same-store cash NOI ⁽²⁾		69,654		68,194		136,428		133,958
Non-same-store cash NOI		(397)		(258)		(692)		(495)
Tenant improvement reimbursements ⁽³⁾		183		197		318		338
Cash NOI	\$	69,440	\$	68,133	\$	136,054	\$	133,801
Non-cash revenue and other operating expenses ⁽⁴⁾		1,102		1,791		4,096		4,740
General and administrative		(8,737)		(8,609)		(17,579)		(17,608)
Depreciation and amortization		(31,011)		(29,823)		(61,228)		(59,724)
Interest expense, net		(16,289)		(16,368)		(32,544)		(32,097)
Other income, net		789		273		11,118		6,951
Net income	\$	15,294	\$	15,397	\$	39,917	\$	36,063
Number of properties included in same-store analysis		30		30		30		29

(1) During the first quarter of 2024, the company wrote off \$0.5 million in non-recurring costs incurred in prior periods relating to construction in progress for then-prospective construction within our retail segment.

(2) Same-store office portfolio excludes One Beach Street due to significant redevelopment activity and land held for development.

(3) Tenant improvement reimbursements are excluded from same-store cash NOI to provide a more accurate measure of operating performance.

(4) Represents adjustments related to the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances, the amortization of above (below) market rents, the amortization of lease incentives paid to tenants, the amortization of other lease intangibles, and straight-line rent expense for our lease of the Annex at The Landmark at One Market.

Reported results are preliminary and not final until the filing of the company's Form 10-Q with the Securities and Exchange Commission and, therefore, remain subject to adjustment.

Use of Non-GAAP Information

Funds from Operations

The company calculates FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO represents net income (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, impairment losses, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures.

FFO is a supplemental non-GAAP financial measure. Management uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring the company's operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year-over-year, captures trends in occupancy rates, rental rates and operating costs. The company also believes that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare the company's operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of the company's properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of the company's properties, all of which have real economic effects and could materially impact the company's results from operations, the utility of FFO as a measure of the company's performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the NAREIT definition as the company does, and, accordingly, the company's FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of the company's performance. FFO should not be used as a measure of the company's liquidity, nor is it indicative of funds available to fund the company's cash needs, including the company's ability to pay dividends or service indebtedness. FFO also should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP.

Cash Net Operating Income

The company uses NOI internally to evaluate and compare the operating performance of the company's properties. The company believes cash NOI provides useful information to investors regarding the company's financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level, and when compared across periods, can be used to determine trends in earnings of the company's properties as this measure is not affected by (1) the non-cash revenue and expense recognition items, (2) the cost of funds of the property owner, (3) the impact of depreciation and amortization expenses as well as gains or losses from the sale of operating real estate assets that are included in net income computed in accordance with GAAP or (4) general and administrative expenses and other gains and losses that are specific to the property owner. The company believes the exclusion of these items from net income is useful because the resulting measure captures the actual revenue generated and actual expenses incurred in operating the company's properties as well as trends in occupancy rates, rental rates and operating costs. Cash NOI is a measure of the operating performance of the company's properties but does not measure the company's performance as a whole. Cash NOI is therefore not a substitute for net income as computed in accordance with GAAP.

Cash NOI is a non-GAAP financial measure of performance. The company defines cash NOI as operating revenues (rental income, tenant reimbursements, lease termination fees, ground lease rental income and other property income) less property and related expenses (property expenses, ground lease expense, property marketing costs, real estate taxes and insurance), adjusted for non-cash revenue and operating expense items such as straight-line rent, amortization of lease intangibles, amortization of lease incentives and other adjustments. Cash NOI also excludes general and administrative expenses, depreciation and amortization, interest expense, other nonproperty income and losses, acquisition-related expense, gains and losses from property dispositions, extraordinary items, tenant improvements, and leasing commissions. Other REITs may use different methodologies for calculating cash NOI, and accordingly, the company's cash NOI may not be comparable to the cash NOIs of other REITs.

About American Assets Trust, Inc.

American Assets Trust, Inc. is a full service, vertically integrated and self-administered real estate investment trust ("REIT"), headquartered in San Diego, California. The company has over 55 years of experience in acquiring, improving, developing and managing premier office, retail, and residential properties throughout the United States in some of the nation's most dynamic, high-barrier-to-entry markets primarily in Southern California, Northern California, Washington, Oregon, Texas and Hawaii. The company's office portfolio comprises approximately 4.1 million rentable square feet, and its retail portfolio comprises approximately 3.1 million rentable square feet. In addition, the company owns one mixed-use property (including approximately 94,000 rentable square feet of retail space and a 369-room all-suite hotel) and 2,110 multifamily units. In 2011, the company was formed to succeed to the real estate business of American Assets, Inc., a privately held corporation founded in 1967 and, as such, has significant experience, long-standing relationships and extensive knowledge of its core markets, submarkets and asset classes. For additional information, please visit www.americanassetstrust.com.

Forward Looking Statements

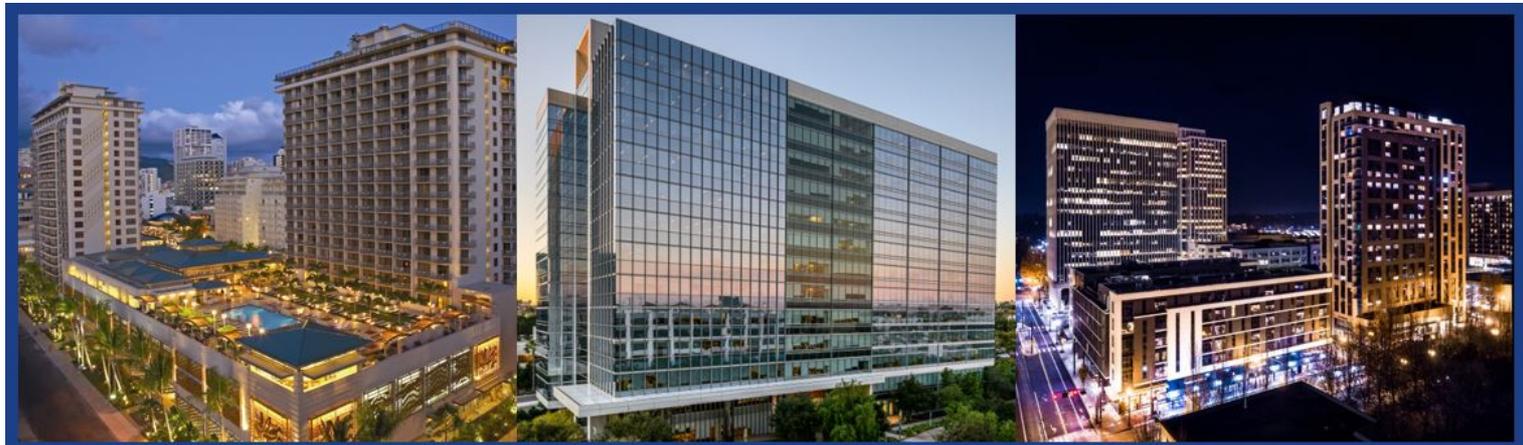
This press release may contain forward-looking statements within the meaning of the federal securities laws, which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: adverse economic or real estate developments in our markets; defaults on, early terminations of or non-renewal of leases by tenants, including significant tenants; decreased rental rates or increased vacancy rates; our failure to generate sufficient cash flows to service our outstanding indebtedness; fluctuations in interest rates and increased operating costs; our failure to obtain necessary outside financing; our inability to develop or redevelop our properties due to market conditions; investment returns from our developed properties may be less than anticipated; general economic conditions; financial market fluctuations; risks that affect the general office, retail, multifamily and mixed-use environment; the competitive environment in which we operate; system failures or security incidents through cyber attacks; the impact of epidemics, pandemics, or other outbreaks of illness, disease or virus (such as the outbreak of COVID-19 and its variants) and the actions taken by government authorities and others related thereto, including the ability of our company, our properties and our tenants to operate; difficulties in identifying properties to acquire and completing acquisitions; our failure to successfully operate acquired properties and operations; risks related to joint venture arrangements; on-going and/or potential litigation; difficulties in completing dispositions; conflicts of interests with our officers or directors; lack or insufficient amounts of insurance; environmental uncertainties and risks related to adverse weather conditions and natural disasters; other factors affecting the real estate industry generally; limitations imposed on our business and our ability to satisfy complex rules in order for American Assets Trust, Inc. to continue to qualify as a REIT, for U.S. federal income tax purposes; and changes in governmental regulations or interpretations thereof, such as real estate and zoning laws and increases in real property tax rates and taxation of REITs. While forward-looking statements reflect the company's good faith beliefs, assumptions and expectations, they are not guarantees of future performance. For a further discussion of these and other factors that could cause the company's future results to differ materially from any forward-looking statements, see the section entitled "Risk Factors" in the company's most recent annual report on Form 10-K, and other risks described in documents subsequently filed by the company from time to time with the Securities and Exchange Commission. The company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes.

Source: American Assets Trust, Inc.**Investor and Media Contact:**

American Assets Trust
Robert F. Barton
Executive Vice President and Chief Financial Officer
858-350-2607

SECOND QUARTER 2024

Supplemental Information



Investor and Media Contact
American Assets Trust, Inc.
Robert F. Barton
Executive Vice President and Chief Financial Officer
858-350-2607

AMERICAN
ASSETS
TRUST 

**American Assets Trust, Inc.'s Portfolio is concentrated in high-barrier-to-entry markets
with favorable supply/demand characteristics**



Market	Office	Retail	Multifamily	Mixed-Use	
	Square Feet	Square Feet	Units	Square Feet	Suites
San Diego	1,590,552	1,322,200	1,453 ⁽¹⁾	—	—
Bellevue	1,032,683	—	—	—	—
Portland	912,592	44,236	657	—	—
Monterey	—	673,155	—	—	—
San Antonio	—	588,148	—	—	—
San Francisco	522,696	35,159	—	—	—
Oahu	—	429,718	—	93,925	369
Total	4,058,523	3,092,616	2,110	93,925	369

Note: Circled areas represent all markets in which American Assets Trust, Inc. currently owns and operates its real estate properties. Net rentable square footage may be adjusted from the prior periods to reflect re-measurement of leased space at the properties.

Data is as of June 30, 2024.

(1) Includes 120 RV spaces.

(2) Percentage of Net Operating Income (NOI) calculated for the three months ended June 30, 2024. NOI is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. Reconciliations of NOI to net income are included in the Glossary of Terms.

(3) Does not include mixed-use retail.

	Square Feet	%	NOI % ⁽²⁾
Office	4.1 million	57%	52%
Retail ⁽³⁾	3.1 million	43%	26%
Totals	7.2 million		

SECOND QUARTER 2024 SUPPLEMENTAL INFORMATION

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This Supplemental Information contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act). Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: adverse economic or real estate developments in our markets; defaults on, early terminations of or non-renewal of leases by tenants, including significant tenants; decreased rental rates or increased vacancy rates; our failure to generate sufficient cash flows to service our outstanding indebtedness; fluctuations in interest rates and increased operating costs; our failure to obtain necessary outside financing; our inability to develop or redevelop our properties due to market conditions; investment returns from our developed properties may be less than anticipated; general economic conditions; financial market fluctuations; risks that affect the general office, retail, multifamily and mixed-use environment; the competitive environment in which we operate; system failures or security incidents through cyber attacks; the impact of epidemics, pandemics, or other outbreaks of illness, disease or virus (such as the outbreak of COVID-19 and its variants) and the actions taken by government authorities and others related thereto, including the ability of our company, our properties and our tenants to operate; difficulties in identifying properties to acquire and completing acquisitions; our failure to successfully operate acquired properties and operations; risks related to joint venture arrangements; on-going and/or potential litigation; difficulties in completing dispositions; conflicts of interests with our officers or directors; lack of insufficient amounts of insurance; environmental uncertainties and risks related to adverse weather conditions and natural disasters; other factors affecting the real estate industry generally; limitations imposed on our business and our ability to satisfy complex rules in order for American Assets Trust, Inc. to continue to qualify as a REIT, for U.S. federal income tax purposes; and changes in governmental regulations or interpretations thereof, such as real estate and zoning laws and increases in real property tax rates and taxation of REITs.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, or new information, data or methods, future events or other changes. For a further discussion of these and other factors that could impact our future results, refer to our most recent Annual Report on Form 10-K and other risks described in documents subsequently filed by us from time to time with the Securities and Exchange Commission.

FINANCIAL HIGHLIGHTS

CONSOLIDATED BALANCE SHEETS

(Amounts in thousands, except shares and per share data)

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
ASSETS	(unaudited)	
Real estate, at cost		
Operating real estate	\$ 3,524,459	\$ 3,502,251
Construction in progress	244,995	239,030
Held for development	487	487
	<u>3,769,941</u>	<u>3,741,768</u>
Accumulated depreciation	(1,087,473)	(1,036,453)
Net real estate	2,682,468	2,705,315
Cash and cash equivalents	114,880	82,888
Accounts receivable, net	7,557	7,624
Deferred rent receivable, net	90,103	89,210
Other assets, net	97,924	99,644
TOTAL ASSETS	<u>\$ 2,992,932</u>	<u>\$ 2,984,681</u>
LIABILITIES AND EQUITY		
LIABILITIES:		
Secured notes payable, net	\$ 74,714	\$ 74,669
Unsecured notes payable, net	1,616,259	1,614,958
Accounts payable and accrued expenses	70,222	61,312
Security deposits payable	8,951	8,880
Other liabilities and deferred credits, net	77,130	71,187
Total liabilities	<u>1,847,276</u>	<u>1,831,006</u>
Commitments and contingencies		
EQUITY:		
American Assets Trust, Inc. stockholders' equity		
Common stock, \$0.01 par value, 490,000,000 shares authorized, 60,901,583 and 60,895,786 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	609	609
Additional paid in capital	1,472,569	1,469,206
Accumulated dividends in excess of net income	(289,486)	(280,239)
Accumulated other comprehensive income	8,557	8,282
Total American Assets Trust, Inc. stockholders' equity	<u>1,192,249</u>	<u>1,197,858</u>
Noncontrolling interests	(46,593)	(44,183)
Total equity	<u>1,145,656</u>	<u>1,153,675</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 2,992,932</u>	<u>\$ 2,984,681</u>

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, amounts in thousands, except shares and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
REVENUE:				
Rental income	\$ 105,094	\$ 103,901	\$ 210,115	\$ 206,611
Other property income	5,796	5,820	11,470	10,864
Total revenue	110,890	109,721	221,585	217,475
EXPENSES:				
Rental expenses	29,505	28,711	59,346	56,216
Real estate taxes	10,843	11,086	22,089	22,718
General and administrative	8,737	8,609	17,579	17,608
Depreciation and amortization	31,011	29,823	61,228	59,724
Total operating expenses	80,096	78,229	160,242	156,266
OPERATING INCOME	30,794	31,492	61,343	61,209
Interest expense, net	(16,289)	(16,368)	(32,544)	(32,097)
Other income, net	789	273	11,118	6,951
NET INCOME	15,294	15,397	39,917	36,063
Net income attributable to restricted shares	(195)	(190)	(391)	(379)
Net income attributable to unitholders in the Operating Partnership	(3,195)	(3,224)	(8,362)	(7,565)
NET INCOME ATTRIBUTABLE TO AMERICAN ASSETS TRUST, INC. STOCKHOLDERS	\$ 11,904	\$ 11,983	\$ 31,164	\$ 28,119
EARNINGS PER COMMON SHARE				
Basic income from operations attributable to common stockholders per share	\$ 0.20	\$ 0.20	\$ 0.52	\$ 0.47
Weighted average shares of common stock outstanding - basic	60,312,878	60,146,210	60,311,399	60,145,414
Diluted income from continuing operations attributable to common stockholders per share	\$ 0.20	\$ 0.20	\$ 0.52	\$ 0.47
Weighted average shares of common stock outstanding - diluted	76,494,415	76,327,747	76,492,936	76,326,951

FUNDS FROM OPERATIONS, FFO AS ADJUSTED & FUNDS AVAILABLE FOR DISTRIBUTION

(Unaudited, amounts in thousands, except shares and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Funds from Operations (FFO) ⁽¹⁾				
Net income	\$ 15,294	\$ 15,397	\$ 39,917	\$ 36,063
Depreciation and amortization of real estate assets	31,011	29,823	61,228	59,724
FFO, as defined by NAREIT	46,305	45,220	101,145	95,787
Less: Nonforfeitable dividends on restricted stock awards	(192)	(186)	(384)	(373)
FFO attributable to common stock and common units	\$ 46,113	\$ 45,034	\$ 100,761	\$ 95,414
FFO per diluted share/unit	\$ 0.60	\$ 0.59	\$ 1.32	\$ 1.25
Weighted average number of common shares and common units, diluted ⁽²⁾	76,495,008	76,328,181	76,493,569	76,328,678
Funds Available for Distribution (FAD) ⁽¹⁾	\$ 34,812	\$ 30,926	\$ 78,967	\$ 68,158
Dividends				
Dividends declared and paid	\$ 25,823	\$ 25,379	\$ 51,644	\$ 50,756
Dividends declared and paid per share/unit	\$ 0.335	\$ 0.330	\$ 0.670	\$ 0.660

FFO and FAD are non-GAAP supplemental earnings measures which we consider meaningful in measuring our operating performance.

FUNDS FROM OPERATIONS, FFO AS ADJUSTED & FUNDS AVAILABLE FOR DISTRIBUTION (CONTINUED)

(Unaudited, amounts in thousands, except shares and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Funds Available for Distribution (FAD) ⁽¹⁾				
FFO	\$ 46,305	\$ 45,220	\$ 101,145	\$ 95,787
Adjustments:				
Tenant improvements, leasing commissions and maintenance capital expenditures	(12,780)	(15,260)	(22,731)	(28,378)
Net effect of straight-line rents ⁽³⁾	(364)	(1,065)	(2,663)	(3,284)
Amortization of net above (below) market rents ⁽⁴⁾	(688)	(794)	(1,431)	(1,578)
Net effect of other lease assets ⁽⁵⁾	(50)	67	(2)	121
Amortization of debt issuance costs and debt fair value adjustment	835	834	1,670	1,718
Non-cash compensation expense	1,746	2,110	3,363	4,145
Nonforfeitable dividends on restricted stock awards	(192)	(186)	(384)	(373)
FAD	\$ 34,812	\$ 30,926	\$ 78,967	\$ 68,158
Summary of Capital Expenditures				
Tenant improvements and leasing commissions	\$ 7,030	\$ 7,623	\$ 12,414	\$ 13,627
Maintenance capital expenditures	5,750	7,637	10,317	14,751
	\$ 12,780	\$ 15,260	\$ 22,731	\$ 28,378

Notes:

- (1) See Glossary of Terms.
- (2) For the three and six months ended June 30, 2024 and 2023, the weighted average common shares and common units used to compute FFO per diluted share/unit include operating partnership common units and unvested restricted stock awards that are subject to time vesting. The shares/units used to compute FFO per diluted share/unit include additional shares/units which were excluded from the computation of diluted EPS, as they were anti-dilutive for the periods presented.
- (3) Represents the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances.
- (4) Represents the adjustment related to the acquisition of buildings with above (below) market rents.
- (5) Represents adjustments related to amortization of lease incentives paid to tenants, amortization of lease intangibles, and straight-line rent expense for our leases at the Annex at The Landmark at One Market.

FFO and FAD are non-GAAP supplemental earnings measures which we consider meaningful in measuring our operating performance.

(Amounts in thousands, except share and per share data)

	Prior 2024 Guidance Range ⁽¹⁾⁽²⁾		Revised 2024 Guidance Range ⁽²⁾	
Funds from Operations (FFO):				
Net income	\$ 57,667	\$ 65,320	\$ 73,385	\$ 77,976
Depreciation and amortization of real estate assets	114,520	114,520	117,147	117,147
FFO, as defined by NAREIT	172,187	179,840	190,532	195,123
Less: Nonforfeitable dividends on restricted stock awards	(770)	(770)	(768)	(768)
FFO attributable to common stock and units	\$ 171,417	\$ 179,070	\$ 189,764	\$ 194,355
Weighted average number of common shares and units, diluted	76,525,480	76,525,480	76,517,580	76,517,580
FFO per diluted share, updated	\$ 2.24	\$ 2.34	\$ 2.48	\$ 2.54

Notes:

- (1) The Prior 2024 Guidance Range as reported in the company's First Quarter 2024 Supplemental Information.
- (2) Management will discuss the company's revised guidance in more detail during tomorrow's earnings call. Except as discussed during the call, the company's revised guidance excludes any impact from future acquisitions, dispositions, equity issuances or repurchases, debt financing or repayments.

FFO is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance.

The foregoing estimates are forward-looking and reflect management's view of current and future market conditions, including certain assumptions with respect to leasing activity, rental rates, occupancy levels, interest rates, credit spreads and the amount and timing of acquisition and development activities. The company's actual results may differ materially from these estimates.

SAME-STORE NET OPERATING INCOME (NOI)

(Unaudited, amounts in thousands)

	Three Months Ended June 30, 2024 ⁽¹⁾				
	Office	Retail	Multifamily	Mixed-Use	Total
Real estate rental revenue					
Same-store	\$ 51,304	\$ 26,475	\$ 16,391	\$ 16,714	\$ 110,884
Non-same store	6	—	—	—	6
Total	51,310	26,475	16,391	16,714	110,890
Real estate expenses					
Same-store	14,542	7,820	6,825	10,758	39,945
Non-same store	403	—	—	—	403
Total	14,945	7,820	6,825	10,758	40,348
Net Operating Income (NOI)					
Same-store	36,762	18,655	9,566	5,956	70,939
Non-same store	(397)	—	—	—	(397)
Total	\$ 36,365	\$ 18,655	\$ 9,566	\$ 5,956	\$ 70,542
Same-store NOI	\$ 36,762	\$ 18,655	\$ 9,566	\$ 5,956	\$ 70,939
Net effect of straight-line rents ⁽²⁾	(308)	226	(326)	44	(364)
Amortization of net above (below) market rents ⁽³⁾	(479)	(209)	—	—	(688)
Net effect of other lease assets ⁽⁴⁾	(63)	13	—	—	(50)
Tenant improvement reimbursements ⁽⁵⁾	(182)	(1)	—	—	(183)
Same-store cash NOI ⁽⁵⁾	\$ 35,730	\$ 18,684	\$ 9,240	\$ 6,000	\$ 69,654

Notes:

- (1) Same-store and non-same store classifications are determined based on properties held on June 30, 2024 and 2023. See Glossary of Terms.
- (2) Represents the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances.
- (3) Represents the adjustment related to the acquisition of buildings with above (below) market rents.
- (4) Represents adjustments related to amortization of lease incentives paid to tenants, amortization of lease intangibles and straight-line rent expense for our leases at the Annex at The Landmark at One Market.
- (5) Tenant improvement reimbursements are excluded from same-store cash NOI to provide a more accurate measure of operating performance.

NOI and same-store cash NOI are non-GAAP supplemental earnings measures which we consider meaningful in measuring our operating performance. Reconciliations of NOI and same-store cash NOI to net income are included in the Glossary of Terms.

SAME-STORE NET OPERATING INCOME (NOI) (CONTINUED)

(Unaudited, amounts in thousands)

	Six Months Ended June 30, 2024 ⁽¹⁾				
	Office	Retail	Multifamily	Mixed-Use	Total
Real estate rental revenue					
Same-store	\$ 102,979	\$ 52,501	\$ 32,690	\$ 33,402	\$ 221,572
Non-same store	13	—	—	—	13
Total	102,992	52,501	32,690	33,402	221,585
Real estate expenses					
Same-store	29,232	16,121	13,806	21,571	80,730
Non-same store	705	—	—	—	705
Total	29,937	16,121	13,806	21,571	81,435
Net Operating Income (NOI)					
Same-store	73,747	36,380	18,884	11,831	140,842
Non-same store	(692)	—	—	—	(692)
Total	\$ 73,055	\$ 36,380	\$ 18,884	\$ 11,831	\$ 140,150
Same-store NOI	\$ 73,747	\$ 36,380	\$ 18,884	\$ 11,831	\$ 140,842
Net effect of straight-line rents ⁽²⁾	(3,197)	430	(131)	235	(2,663)
Amortization of net above (below) market rents ⁽³⁾	(962)	(469)	—	—	(1,431)
Net effect of other lease assets ⁽⁴⁾	(28)	26	—	—	(2)
Tenant improvement reimbursements ⁽⁵⁾	(316)	(2)	—	—	(318)
Same-store cash NOI ⁽⁵⁾	\$ 69,244	\$ 36,365	\$ 18,753	\$ 12,066	\$ 136,428
Same-store cash NOI - Excluding Construction in Progress Write-off ⁽⁶⁾	\$ 69,244	\$ 36,888	\$ 18,753	\$ 12,066	\$ 136,951

Notes:

- (1) Same-store and non-same store classifications are determined based on properties held on June 30, 2024 and 2023. See Glossary of Terms.
- (2) Represents the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances.
- (3) Represents the adjustment related to the acquisition of buildings with above (below) market rents.
- (4) Represents adjustments related to amortization of lease incentives paid to tenants, amortization of lease intangibles, and straight-line rent expense for our leases at the Annex at The Landmark at One Market.
- (5) Tenant improvement reimbursements are excluded from Same-store Cash NOI to provide a more accurate measure of operating performance.
- (6) During the first quarter of 2024, the company wrote off \$0.5 million in non-recurring costs incurred in prior periods relating to construction in progress for then-prospective construction within our retail segment.

NOI and same-store cash NOI are non-GAAP supplemental earnings measures which we consider meaningful in measuring our operating performance. Reconciliations of NOI and same-store cash NOI to net income are included in the Glossary of Terms.

SAME-STORE CASH NOI COMPARISON EXCLUDING REDEVELOPMENT

(Unaudited, amounts in thousands)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Cash Basis:						
Office	\$ 35,730	\$ 35,778	(0.1)%	\$ 69,244	\$ 69,294	(0.1)%
Retail	18,684	18,108	3.2	36,365	35,806	1.6
Multifamily	9,240	8,438	9.5	18,753	17,493	7.2
Mixed-Use	6,000	5,870	2.2	12,066	11,365	6.2
Same-store Cash NOI ⁽¹⁾	<u>\$ 69,654</u>	<u>\$ 68,194</u>	<u>2.1 %</u>	<u>\$ 136,428</u>	<u>\$ 133,958</u>	<u>1.8 %</u>

In the first quarter of 2024, the company wrote off \$0.5 million in non-recurring costs incurred in prior periods relating to construction in progress for then-prospective construction within our retail segment. Excluding such non-recurring costs, same-store cash NOI by segment was as follows:

(Unaudited, amounts in thousands)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Cash Basis:						
Office	\$ 35,730	\$ 35,778	(0.1)%	\$ 69,244	\$ 69,294	(0.1)%
Retail	18,684	18,108	3.2	36,888	35,806	3.0
Multifamily	9,240	8,438	9.5	18,753	17,493	7.2
Mixed-Use	6,000	5,870	2.2	12,066	11,365	6.2
Same-store Cash NOI - Excluding Construction in Progress Write-off	<u>\$ 69,654</u>	<u>\$ 68,194</u>	<u>2.1 %</u>	<u>\$ 136,951</u>	<u>\$ 133,958</u>	<u>2.2 %</u>

Notes:

(1) See Glossary of Terms.

Same-store cash NOI is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. A reconciliation of same-store cash NOI to net income is included in the Glossary of Terms.

SAME-STORE CASH NOI COMPARISON WITH REDEVELOPMENT

(Unaudited, amounts in thousands)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Cash Basis:						
Office	\$ 35,603	\$ 35,656	(0.1)%	\$ 69,018	\$ 69,058	(0.1)%
Retail	18,684	18,108	3.2	36,365	35,806	1.6
Multifamily	9,240	8,438	9.5	18,753	17,493	7.2
Mixed-Use	6,000	5,870	2.2	12,066	11,365	6.2
Same-store Cash NOI with Redevelopment ⁽¹⁾	<u>\$ 69,527</u>	<u>\$ 68,072</u>	<u>2.1 %</u>	<u>\$ 136,202</u>	<u>\$ 133,722</u>	<u>1.9 %</u>

In the first quarter of 2024, the company wrote off \$0.5 million in non-recurring costs incurred in prior periods relating to construction in progress for then-prospective construction within our retail segment. Excluding such non-recurring costs, same-store cash NOI with redevelopment by segment was as follows:

(Unaudited, amounts in thousands)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Cash Basis:						
Office	\$ 35,603	\$ 35,656	(0.1)%	\$ 69,018	\$ 69,058	(0.1)%
Retail	18,684	18,108	3.2	36,888	35,806	3.0
Multifamily	9,240	8,438	9.5	18,753	17,493	7.2
Mixed-Use	6,000	5,870	2.2	12,066	11,365	6.2
Same-store Cash NOI with Redevelopment - Excluding Construction in Progress Write-off	<u>\$ 69,527</u>	<u>\$ 68,072</u>	<u>2.1 %</u>	<u>\$ 136,725</u>	<u>\$ 133,722</u>	<u>2.2 %</u>

Notes:

(1) See Glossary of Terms.

Same-store cash NOI with redevelopment is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. A reconciliation of same-store cash NOI with redevelopment to net income is included in the Glossary of Terms.

CASH NOI BY REGION

(Unaudited, amounts in thousands)

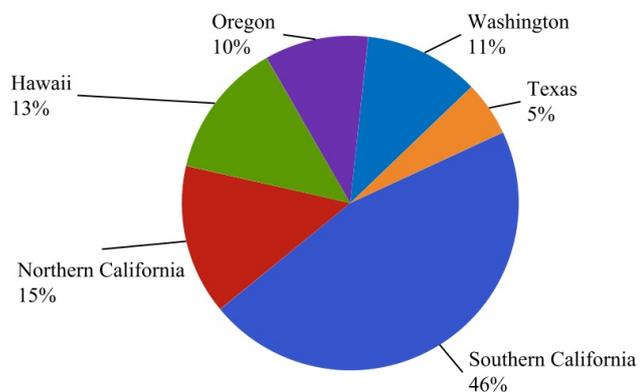
	Three Months Ended June 30, 2024				
	Office	Retail	Multifamily	Mixed-Use	Total
Cash Basis:					
Southern California	\$ 15,286	\$ 8,995	\$ 7,719	\$ —	\$ 32,000
Northern California	7,212	2,771	—	—	9,983
Hawaii	—	3,142	—	6,000	9,142
Oregon	5,322	113	1,521	—	6,956
Texas	—	3,664	—	—	3,664
Washington	7,695	—	—	—	7,695
Total Cash NOI	<u>\$ 35,515</u>	<u>\$ 18,685</u>	<u>\$ 9,240</u>	<u>\$ 6,000</u>	<u>\$ 69,440</u>

Cash NOI is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. A reconciliation of cash NOI to net income is included in the Glossary of Terms.

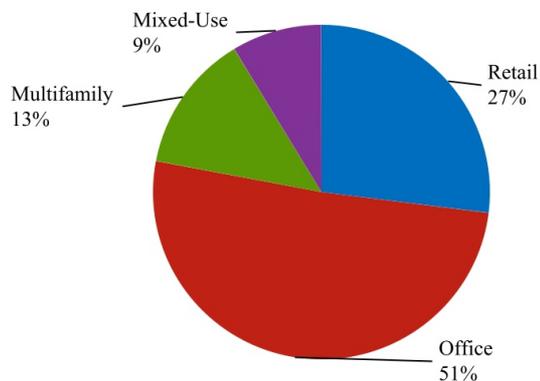
Three Months Ended June 30, 2024

Cash NOI Breakdown

Portfolio Diversification by Geographic Region



Portfolio Diversification by Segment



Cash NOI is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. A reconciliation of cash NOI to net income is included in the Glossary of Terms.

PROPERTY REVENUE AND OPERATING EXPENSES

(Unaudited, amounts in thousands)

Three Months Ended June 30, 2024

Property	Base Rent ⁽¹⁾	Additional Property Income ⁽²⁾	Billed Expense Reimbursements ⁽³⁾	Property Operating Expenses ⁽⁴⁾	Rental Adjustments ⁽⁵⁾	Cash NOI ⁽⁶⁾
Office Portfolio						
La Jolla Commons	\$ 9,048	\$ 341	\$ 1,996	\$ (2,627)	\$ (264)	\$ 8,494
Torrey Reserve Campus ⁽⁷⁾	6,396	249	371	(1,852)	(385)	4,779
Torrey Point	1,467	110	10	(386)	(328)	873
Solana Crossing	1,985	13	115	(631)	(182)	1,300
The Landmark at One Market	10,264	75	337	(3,338)	—	7,338
One Beach Street	—	—	—	(126)	—	(126)
First & Main	2,772	223	666	(1,093)	101	2,669
Lloyd Portfolio ⁽⁷⁾	3,775	344	151	(1,500)	(7)	2,763
City Center Bellevue	6,350	522	140	(1,686)	(180)	5,146
Eastgate Office Park	1,183	22	502	(666)	—	1,041
Corporate Campus East III	1,135	58	502	(517)	(147)	1,031
Bel-Spring 520	511	11	227	(261)	(11)	477
Subtotal Office Portfolio	\$ 44,886	\$ 1,968	\$ 5,017	\$ (14,683)	\$ (1,403)	\$ 35,785
Retail Portfolio						
Carmel Country Plaza	\$ 994	\$ 27	\$ 242	\$ (281)	\$ (34)	\$ 948
Carmel Mountain Plaza	3,587	43	947	(959)	(19)	3,599
South Bay Marketplace	615	35	228	(234)	—	644
Gateway Marketplace	612	30	170	(204)	(12)	596
Lomas Santa Fe Plaza	1,667	16	312	(483)	1	1,513
Solana Beach Towne Centre	1,720	19	566	(610)	—	1,695
Del Monte Center	2,470	344	923	(1,246)	—	2,491
Geary Marketplace	282	—	133	(135)	—	280
The Shops at Kalakaua	263	15	49	(93)	—	234
Waialele Center	3,235	410	884	(1,619)	(2)	2,908
Alamo Quarry Market	3,765	244	1,381	(1,729)	3	3,664
Hassalo on Eighth - Retail	260	26	52	(225)	—	113
Subtotal Retail Portfolio	\$ 19,470	\$ 1,209	\$ 5,887	\$ (7,818)	\$ (63)	\$ 18,685

PROPERTY REVENUE AND OPERATING EXPENSES (CONTINUED)

(Unaudited, amounts in thousands)

Property	Three Months Ended June 30, 2024					
	Base Rent ⁽¹⁾	Additional Property Income ⁽²⁾	Billed Expense Reimbursements ⁽³⁾	Property Operating Expenses ⁽⁴⁾	Rental Adjustments ⁽⁵⁾	Cash NOI ⁽⁶⁾
Multifamily Portfolio						
Loma Palisades	\$ 4,361	\$ 234	\$ —	\$ (1,695)	\$ (29)	\$ 2,871
Imperial Beach Gardens	1,203	70	—	(495)	(3)	775
Mariner's Point	581	37	—	(244)	—	374
Santa Fe Park RV Resort	505	43	—	(286)	—	262
Pacific Ridge Apartments	5,976	283	—	(2,291)	(531)	3,437
Hassalo on Eighth - Multifamily	2,945	418	—	(1,816)	(26)	1,521
Subtotal Multifamily Portfolio	\$ 15,571	\$ 1,085	\$ —	\$ (6,827)	\$ (589)	\$ 9,240
Mixed-Use Portfolio						
Waikiki Beach Walk - Retail	\$ 2,333	\$ 1,191	\$ 858	\$ (1,750)	\$ (23)	\$ 2,609
Waikiki Beach Walk - Embassy Suites™	10,637	1,763	—	(9,009)	—	3,391
Subtotal Mixed-Use Portfolio	\$ 12,970	\$ 2,954	\$ 858	\$ (10,759)	\$ (23)	\$ 6,000
Subtotal Development Properties	\$ —	\$ 6	\$ —	\$ (276)	\$ —	\$ (270)
Total	\$ 92,897	\$ 7,222	\$ 11,762	\$ (40,363)	\$ (2,078)	\$ 69,440

Cash NOI is a non-GAAP supplemental earnings measure which the company considers meaningful in measuring its operating performance. A reconciliation of total cash NOI to net income is included in the Glossary of Terms.

Notes:

- (1) Base rent for our office and retail portfolio and the retail portion of our mixed-use portfolio represents base rent for the three months ended June 30, 2024 (before deferrals, abatements, and tenant improvement reimbursements) and excludes the impact of straight-line rent and above (below) market rent adjustments. Total abatements for our office portfolio were approximately \$1.6 million for the three months ended June 30, 2024. Total abatements for our retail portfolio were \$0.1 million for the three months ended June 30, 2024. The abatements for our mixed-use portfolio were minimal for the three months ended June 30, 2024. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses. Multifamily portfolio base rent represents base rent (including parking, before abatements) less vacancy allowance and employee rent credits and includes additional rents (additional rents include insufficient notice penalties, month-to-month charges and pet rent). There were \$0.6 million of abatements for our multifamily portfolio for the three months ended June 30, 2024. For Waikiki Beach Walk - Embassy Suites™, base rent is equal to the actual room revenue for the three months ended June 30, 2024. Total tenant improvement reimbursements for our office portfolio, retail portfolio and the retail portion of our mixed-use portfolio were approximately \$0.2 million in the aggregate for the three months ended June 30, 2024. A reconciliation of base rent to rental income is shown below:

Base Rent	\$	92,897
Billed Expense Reimbursement		11,762
Percentage Rent		793
Straight-line rent components		364
Other Rental Income*		(722)
Rental Income	\$	105,094

- * Other rental income includes rent abatement, rent deferral, above market rent, below market rent, lease incentives, tenant improvement reimbursement, storage rent and other miscellaneous rental income.

- (2) Represents additional property-related income for the three months ended June 30, 2024, which includes: (i) percentage rent, (ii) other rent (such as storage rent, license fees and association fees) and (iii) other property income (such as late fees, default fees, lease termination fees, parking revenue, the reimbursement of general excise taxes, laundry income and food and beverage sales).

- (3) Represents billed tenant expense reimbursements for the three months ended June 30, 2024.
- (4) Represents property operating expenses for the three months ended June 30, 2024. Property operating expenses includes all rental expenses, except non cash rent expense.
- (5) Represents various rental adjustments related to base rent (deferrals, abatements, and tenant improvement reimbursements).
- (6) See Glossary of Terms.
- (7) Base rent shown includes amounts related to American Assets Trust, L.P.'s corporate leases at Torrey Point and Lloyd Portfolio. This intercompany rent is eliminated in the consolidated statement of operations. The base rent and abatement were both \$0.4 million for the three months ended June 30, 2024.

SEGMENT CAPITAL EXPENDITURES

(Unaudited, amounts in thousands)

Segment	Three Months Ended June 30, 2024					
	Tenant Improvements and Leasing Commissions	Maintenance Capital Expenditures	Total Tenant Improvements, Leasing Commissions and Maintenance Capital Expenditures	Redevelopment and Expansions	New Development	Total Capital Expenditures
Office Portfolio	\$ 4,720	\$ 3,611	\$ 8,331	\$ 772	\$ 3,580	\$ 12,683
Retail Portfolio	2,129	476	2,605	—	—	2,605
Multifamily Portfolio	—	1,478	1,478	—	—	1,478
Mixed-Use Portfolio	181	185	366	—	—	366
Total	\$ 7,030	\$ 5,750	\$ 12,780	\$ 772	\$ 3,580	\$ 17,132

Segment	Six Months Ended June 30, 2024					
	Tenant Improvements and Leasing Commissions	Maintenance Capital Expenditures	Total Tenant Improvements, Leasing Commissions and Maintenance Capital Expenditures	Redevelopment and Expansions	New Development	Total Capital Expenditures
Office Portfolio	\$ 8,460	\$ 5,516	\$ 13,976	\$ 1,675	\$ 6,018	\$ 21,669
Retail Portfolio	3,603	1,781	5,384	—	—	5,384
Multifamily Portfolio	—	2,678	2,678	—	—	2,678
Mixed-Use Portfolio	351	342	693	—	—	693
Total	\$ 12,414	\$ 10,317	\$ 22,731	\$ 1,675	\$ 6,018	\$ 30,424

SUMMARY OF OUTSTANDING DEBT

(Unaudited, amounts in thousands)

Debt	Amount Outstanding at June 30, 2024	Interest Rate	Annual Debt Service ⁽¹⁾	Maturity Date
City Center Bellevue	75,000	5.08 %	3,863	October 1, 2027
Secured Notes Payable / Weighted Average ⁽²⁾	\$ 75,000	5.08 %	\$ 3,863	
Term Loan A ⁽³⁾	\$ 100,000	2.70 %	\$ 2,700	January 5, 2027
Term Loan B ⁽⁴⁾	150,000	5.57 %	154,899	January 5, 2025
Term Loan C ⁽⁵⁾	75,000	5.57 %	77,449	January 5, 2025
Series F Notes ⁽⁶⁾	100,000	3.85 %	101,764	July 19, 2024
Series B Notes	100,000	4.45 %	103,350	February 2, 2025
Series C Notes	100,000	4.50 %	104,138	April 1, 2025
Series D Notes ⁽⁷⁾	250,000	3.87 %	10,725	March 1, 2027
Series E Notes ⁽⁸⁾	100,000	4.18 %	4,240	May 23, 2029
Series G Notes ⁽⁹⁾	150,000	3.88 %	5,865	July 30, 2030
3.375% Senior Notes ⁽¹⁰⁾	500,000	3.38 %	16,875	February 1, 2031
Unsecured Notes Payable / Weighted Average ⁽¹¹⁾	\$ 1,625,000	3.97 %	\$ 582,005	
Unsecured Line of Credit ⁽¹²⁾	\$ —			

Notes:

- (1) Includes interest and principal payments due over the next twelve months.
- (2) The Secured Notes Payable total does not include debt issuance costs, net of \$0.3 million.
- (3) Term Loan A has a stated maturity of January 5, 2027, with no further extension options. Term Loan A accrues interest at a variable rate, which we fixed as part of an interest rate swap for an effective interest rate of 2.70%, subject to adjustments based on our consolidated leverage ratio.
- (4) On January 5, 2023, the fully-drawn borrowings on Term Loan B were increased from \$100 million to \$150 million and the maturity date was extended from March 1, 2023 to January 5, 2025, with one, twelve-month extension option. Prior thereto, we entered into forward starting interest rate swaps that are intended to fix the interest rate on the \$150 million Term Loan B at approximately 5.47% for the first year of the extended term loan and 5.57% for the second year of the extended term loan, subject to adjustments based on our consolidated leverage ratio.
- (5) On January 5, 2023, the fully-drawn borrowings on Term Loan C were increased from \$50 million to \$75 million and the maturity date was extended from March 1, 2023 to January 5, 2025, with one, twelve-month extension option. Prior thereto, we entered into forward starting interest rate swaps that are intended to fix the interest rate on the \$75 million Term Loan C at approximately 5.47% for the first year of the extended term loan and 5.57% for the second year of the extended term loan, subject to adjustments based on our consolidated leverage ratio.
- (6) \$100 million of 3.78% Senior Guaranteed Notes, Series F, due July 19, 2024. Net of the settlement of the treasury lock contract, the effective interest rate for the Series F Notes is approximately 3.85%, through maturity. On July 18, 2024, we borrowed \$100 million on our Revolver Loan to repay the entirety of our Series F Notes upon their maturity on July 19, 2024.
- (7) \$250 million of 4.29% Senior Guaranteed Notes, Series D, due March 1, 2027. Net of the settlement of the forward-starting interest rate swap, the effective interest rate for the Series D Notes is approximately 3.87% per annum, through maturity.
- (8) \$100 million of 4.24% Senior Guaranteed Notes, Series E, due May 23, 2029. Net of the settlement of the treasury lock contract, the effective interest rate for the Series E Notes is approximately 4.18%, through maturity.
- (9) \$150 million of 3.91% Senior Guaranteed Notes, Series G, due July 30, 2030. Net of the settlement of the treasury lock contract, the effective interest rate for the Series G Notes is approximately 3.88% through maturity.
- (10) \$500 million of 3.375% Senior Notes due February 1, 2031. Net of debt issuance discount, the effective interest rate for the 3.375% Notes is approximately 3.502% through maturity.
- (11) The Unsecured Notes Payable total does not include debt issuance costs and discounts, net of \$8.7 million.
- (12) The unsecured revolving line of credit (the "Revolver Loan") has a capacity of \$400 million plus an accordion feature that may allow us to increase the availability thereunder up to an additional \$400 million, subject to meeting specified requirements and obtaining additional commitments from lenders. The Revolver Loan matures on January 5, 2026, subject to our option to extend the Revolver Loan up to two times, with each such extension for a six-month period. The Revolver Loan currently accrues interest at SOFR, plus the applicable SOFR adjustment and a spread which ranges from 1.05%-1.50%, based on our consolidated leverage ratio. The Revolver Loan total does not include debt issuance costs, net of \$1.0 million.

(Unaudited, amounts in thousands, except per share data)

Market data	June 30, 2024
Common shares outstanding	60,902
Common units outstanding	16,182
Common shares and common units outstanding	77,084
Market price per common share	\$ 22.38
Equity market capitalization	\$ 1,725,140
Total debt	\$ 1,700,000
Total market capitalization	\$ 3,425,140
Less: Cash on hand	\$ (114,880)
Total enterprise value	\$ 3,310,260
Total unencumbered assets, gross	\$ 3,790,419
Total debt/Total capitalization	49.6 %
Total debt/Total enterprise value	51.4 %
Net debt/Total enterprise value ⁽¹⁾	47.9 %
Total unencumbered assets, gross/Unsecured debt	233.3 %

Credit Ratings		
Rating Agency	Rating	Outlook
Fitch	BBB	Stable
Moody's	Baa3	Stable
Standard & Poors	BBB-	Stable

	Quarter Annualized	Trailing 12 Months
Total debt/Adjusted EBITDA ⁽²⁾⁽³⁾	6.9 x	6.7 x
Net debt/Adjusted EBITDA ⁽¹⁾⁽²⁾⁽³⁾	6.4 x	6.3 x
Interest coverage ratio ⁽⁴⁾	3.6 x	3.6 x
Fixed charge coverage ratio ⁽⁴⁾	3.6 x	3.6 x

Debt Covenants (3.375% Senior Notes) ⁽⁵⁾	Covenant	June 30, 2024
Aggregate Debt Test	< 60%	43.8%
Debt Service Test	> 1.5x	3.8
Secured Debt Test	< 40%	1.9%
Maintenance of Total Unencumbered Assets	> 150%	222.4%

Debt Maturity Schedule as of June 30, 2024



Weighted Average Fixed Interest Rate	2024	2025	2026	2027	2028	2029	2030	2031
	3.8 %	5.1 %	— %	3.8 %	— %	4.2 %	3.9 %	3.4 %

Total Weighted Average Fixed Interest Rate: 4.0%

Weighted Average Term to Maturity (in years): 3.6

Notes:

- (1) Net debt is equal to total debt less cash on hand.
- (2) See Glossary of Terms for discussion of EBITDA and Adjusted EBITDA.
- (3) As used here, Adjusted EBITDA represents the actual for the three months ended June 30, 2024, annualized.
- (4) Calculated as Adjusted EBITDA divided by interest on borrowed funds, including capitalized interest and excluding debt fair value adjustments and loan fee amortization.
- (5) The debt covenant headings set forth in this table are utilized, and the covenants themselves are detailed, in the documents governing the 3.375% Senior Notes.

Adjusted EBITDA is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. Reconciliations of Adjusted EBITDA to net income are in the Glossary of Terms.

Our portfolio has numerous potential opportunities to create future shareholder value. These opportunities could be subject to government approvals, lender consents, tenant consents, market conditions, availability of debt and/or equity financing, etc. Many of these opportunities are in their preliminary stages and may not ultimately come to fruition. This schedule will update as we modify various assumptions and markets conditions change. Square footages and units set forth below are estimates only and ultimately may differ materially from actual square footages and units.

Development/Redevelopment Projects								Project Costs (in thousands) ⁽³⁾	
Property	Location	Start Date	Completion Date	Estimated Stabilized Yield ⁽¹⁾	Rentable Square Feet	Percent Leased	Estimated Stabilization Date ⁽²⁾	Cost Incurred to Date	Total Estimated Investment
Office Property:									
La Jolla Commons	University Town Center, San Diego, CA	April 2021	March 2024	6.5% - 7.5%	213,000	6.8%	2025/2026	\$123,343	\$175,000
One Beach Street	San Francisco, CA	February 2021	July 2023	TBD	102,000	—%	2025/2026	\$33,968	\$42,800

Development/Redevelopment Pipeline						
Property	Property Type	Location	Estimated Rentable Square Feet	Multifamily Units	Opportunity	
Waikale Center	Retail	Honolulu, HI	90,000	N/A	Development of 90,000 square feet retail building (former KMart Space)	
Lomas Santa Fe Plaza	Retail	Solana Beach, CA		TBD	Development of multifamily units	
Lloyd Portfolio - multiple phases ⁽⁴⁾	Mixed Use	Portland, OR				
Phase 2B - Oregon Square			385,000	N/A	Development of high density, transit oriented, mixed-use urban village	

Notes:

- (1) The estimated stabilized yield is calculated based on total estimated project costs, as defined above, when the project has reached stabilized occupancy.
- (2) Based on management's estimation of stabilized occupancy (90%).
- (3) Project costs exclude capitalized interest cost which is calculated in accordance with Accounting Standards Codification 835-20-50-1.
- (4) The Lloyd Portfolio was acquired in 2011, consisting of approximately 600,000 rentable square feet on more than 16 acres located in the Lloyd District of Portland, Oregon. The portion of the property that has been designated for additional development is expected to include a high density, transit oriented, mixed-use urban village, with the potential to be in excess of approximately three million square feet. The zoning for such development opportunity allows a 12:1 Floor Area Ratio with a 250 foot height limit and provides for retail, office and/or multifamily development. Additional development plans are in the early stages and will continue to progress as demand and economic conditions allow.

PORTFOLIO DATA

As of June 30, 2024

Office and Retail Portfolios

Property	Location	Year Built/ Renovated	Number of Buildings	Net Rentable Square Feet ⁽¹⁾	Percentage Leased ⁽²⁾	Annualized Base Rent ⁽³⁾	Annualized Base Rent per Leased Square Foot ⁽⁴⁾	Retail Anchor Tenant(s) ⁽⁵⁾	Other Principal Retail Tenants ⁽⁶⁾
Office Properties									
La Jolla Commons ⁽⁷⁾	San Diego, CA	2008/2014	2	724,654	99.1%	\$ 47,055,399	\$65.52		
Torrey Reserve Campus	San Diego, CA	1996-2000/2014-2016/2021	14	547,035	87.8	25,603,133	53.31		
Torrey Point	San Diego, CA	2017	2	94,854	100.0	5,873,674	61.92		
Solana Crossing	Solana Beach, CA	1982/2005	4	224,009	78.3	8,354,190	47.63		
The Landmark at One Market	San Francisco, CA	1917/2000	1	422,426	98.5	40,871,858	98.23		
One Beach Street	San Francisco, CA	1924/1972/1987/1992	1	100,270	—	—	—		
First & Main	Portland, OR	2010	1	362,633	95.0	11,101,686	32.23		
Lloyd Portfolio	Portland, OR	1940-2015	3	549,959	85.4	14,546,760	30.97		
City Center Bellevue	Bellevue, WA	1987	1	498,606	93.1	25,368,842	54.65		
Eastgate Office Park	Bellevue, WA	1985	4	281,204	55.5	6,733,335	43.14		
Corporate Campus East III	Bellevue, WA	1986	4	159,578	85.2	6,599,997	48.54		
Bel-Spring 520	Bellevue, WA	1983	2	93,295	66.2	2,880,243	46.64		
Subtotal/Weighted Average Office Portfolio ⁽⁹⁾			39	4,058,523	86.6%	\$ 194,989,117	\$55.48		
Retail Properties									
Carmel Country Plaza	San Diego, CA	1991	9	78,098	91.8%	\$ 4,005,356	\$55.87		Sharp Healthcare, San Diego County Credit Union
Carmel Mountain Plaza ⁽¹⁰⁾	San Diego, CA	1994/2014	15	528,416	98.7	14,535,363	27.87	At Home Stores	Dick's Sporting Goods, Sprouts Farmers Market, Nordstrom Rack, Total Wine
South Bay Marketplace ⁽¹⁰⁾	San Diego, CA	1997	9	132,877	97.8	2,461,339	18.94		Ross Dress for Less, Grocery Outlet
Gateway Marketplace	San Diego, CA	1997/2016	3	127,861	98.7	2,529,040	20.04	Hobby Lobby	Smart & Final, Aldi
Lomas Santa Fe Plaza	Solana Beach, CA	1972/1997	9	208,297	98.5	6,639,285	32.36		Vons, Home Goods
Solana Beach Towne Centre	Solana Beach, CA	1973/2000/2004	12	246,651	97.2	6,949,775	28.99		Dixieline Probuild, Marshalls
Del Monte Center ⁽¹⁰⁾	Monterey, CA	1967/1984/2006	16	673,155	82.5	9,977,517	17.97	Macy's	Century Theatres, Whole Foods Market, H&M, Apple, Sephora, Williams-Sonoma
Geary Marketplace	Walnut Creek, CA	2012	3	35,159	96.7	1,233,779	36.29		Sprouts Farmers Market
The Shops at Kalakaua	Honolulu, HI	1971/2006	3	11,671	100.0	1,170,000	100.25		Hawaii Beachware & Fashion, Diesel U.S.A. Inc.
Waikale Center	Waipahu, HI	1993/2008	9	418,047	99.7	12,860,054	30.85	Lowe's, Safeway	UFC Gym, OfficeMax, Old Navy
Alamo Quarry Market ⁽¹⁰⁾	San Antonio, TX	1997/1999	16	588,148	98.8	15,143,705	26.06	Regal Cinemas	Whole Foods Market, Nordstrom Rack, Williams-Sonoma, Sephora, Home Goods
Hassalo on Eighth	Portland, OR	2015	3	44,236	65.5	975,687	33.67		Providence Health & Services, Sola Salons
Subtotal/Weighted Average Retail Portfolio ⁽⁹⁾			107	3,092,616	94.5%	\$ 78,480,900	\$26.85		
Total/Weighted Average Office and Retail Portfolio ⁽⁹⁾			146	7,151,139	90.0%	\$ 273,470,017	\$42.49		

As of June 30, 2024

Property	Location	Year Built/ Renovated	Number of Buildings	Units	Percentage Leased ⁽²⁾	Annualized Base Rent ⁽³⁾	Average Monthly Base Rent per Leased Unit ⁽⁴⁾
Loma Palisades	San Diego, CA	1958/2001 - 2008/2021	80	548	94.0%	\$ 17,819,220	\$ 2,883
Imperial Beach Gardens	Imperial Beach, CA	1959/2008	26	160	93.1	4,860,036	\$ 2,719
Mariner's Point	Imperial Beach, CA	1986	8	88	93.2	2,336,928	\$ 2,374
Santa Fe Park RV Resort ⁽¹¹⁾	San Diego, CA	1971/2007-2008	1	124	86.3	2,396,616	\$ 1,866
Pacific Ridge Apartments	San Diego, CA	2013	3	533	83.9	22,531,920	\$ 4,199
Hassalo on Eighth - Velomor	Portland, OR	2015	1	177	91.5	3,159,456	\$ 1,626
Hassalo on Eighth - Aster Tower	Portland, OR	2015	1	337	92.0	6,298,320	\$ 1,693
Hassalo on Eighth - Elwood	Portland, OR	2015	1	143	89.5	2,384,304	\$ 1,552
Total/Weighted Average Multifamily Portfolio			121	2,110	90.0%	\$ 61,786,800	\$ 2,711

Mixed-Use Portfolio

Retail Portion	Location	Year Built/ Renovated	Number of Buildings	Net Rentable Square Feet ⁽¹⁾	Percentage Leased ⁽²⁾	Annualized Base Rent ⁽³⁾	Annualized Base Rent per Leased Square Foot ⁽⁴⁾	Retail Anchor Tenant(s) ⁽⁵⁾	Other Principal Retail Tenants ⁽⁶⁾
Waikiki Beach Walk - Retail	Honolulu, HI	2006	3	93,925	95.7 %	\$ 10,212,397	\$ 113.61		Yard House, Roy's

Hotel Portion	Location	Year Built/ Renovated	Number of Buildings	Units	Average Occupancy ⁽¹²⁾	Average Daily Rate ⁽¹²⁾	Revenue per Available Room ⁽¹²⁾
Waikiki Beach Walk - Embassy Suites™	Honolulu, HI	2008/2014/2020	2	369	86.4 %	\$ 367	\$ 317

Notes:

- The net rentable square feet for each of our retail properties and the retail portion of our mixed-use property is the sum of (1) the square footages of existing leases, plus (2) for available space, the field-verified square footage. The net rentable square feet for each of our office properties is the sum of (1) the square footages of existing leases, plus (2) for available space, management's estimate of net rentable square feet based, in part, on past leases. The net rentable square feet included in such office leases is generally determined consistently with the Building Owners and Managers Association, 2010 measurement guidelines. Net rentable square footage may be adjusted from the prior periods to reflect re-measurement of leased space at the properties.
- Percentage leased for each of our retail and office properties and the retail portion of the mixed-use property includes square footage under leases as of June 30, 2024, including leases which may not have commenced as of June 30, 2024. Percentage leased for our multifamily properties includes total units rented and occupied as of June 30, 2024.
- Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) under commenced leases for the month ended June 30, 2024 by 12. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses. The foregoing notwithstanding:
 - The annualized base rent for La Jolla Commons has been adjusted for this presentation to reflect that the contractual triple net leases were instead structured as modified gross leases, by adding the contractual annualized triple net base rent of \$36,384,623 to our estimate of annual triple net operating expenses of \$10,670,775 for an estimated annualized base rent on a modified gross lease basis of \$47,055,398 for La Jolla Commons.
 - The annualized base rent for Eastgate Office Park has been adjusted for this presentation to reflect that the contractual triple net leases were instead structured as modified gross leases, by adding the contractual annualized triple net base rent of \$4,743,841 to our estimate of annual triple net operating expenses of \$1,989,495 for an estimated annualized base rent on a modified gross lease basis of \$6,733,336 for Eastgate Office Park.
 - The annualized base rent for Corporate Campus East III has been adjusted for this presentation to reflect that the contractual triple net leases were instead structured as modified gross leases, by adding the contractual annualized triple net base rent of \$4,585,219 to our estimate of annual triple net operating expenses of \$2,014,778 for an estimated annualized base rent on a modified gross lease basis of \$6,599,997 for Corporate Campus East III.
 - The annualized base rent for Bel-Spring 520 has been adjusted for this presentation to reflect that the contractual triple net leases were instead structured as modified gross leases, by adding the contractual annualized triple net base rent of \$2,013,036 to our estimate of annual triple net operating expenses of \$867,207 for an estimated annualized base rent on a modified gross lease basis of \$2,880,243 for Bel-Spring 520.
- Annualized base rent per leased square foot is calculated by dividing annualized base rent, by square footage under lease as of June 30, 2024. Annualized base rent per leased unit is calculated by dividing annualized base rent by units under lease as of June 30, 2024. The foregoing notwithstanding, the annualized base rent per leased square foot for La Jolla Commons, Eastgate Office Park, Corporate Campus East III and Bel-Spring 520 has been adjusted for this presentation to reflect that the contractual triple net leases were instead structured as modified gross leases. See footnote 3 for further explanation.

- (5) Retail anchor tenants are defined as retail tenants leasing 50,000 square feet or more.
- (6) Other principal retail tenants, excluding anchor tenants.
- (7) Data for La Jolla Commons does not include La Jolla Commons - Tower III, which remains under development. However, as of June 30, 2024, 14,074 out of 206,231 rentable square feet, or 6.8%, of La Jolla Commons - Tower III has been leased.
- (8) This property contains 422,426 net rentable square feet consisting of The Landmark at One Market (378,206 net rentable square feet) as well as a separate long-term leasehold interest in approximately 44,220 net rentable square feet of space located in an adjacent six-story leasehold known as the Annex. We currently lease the Annex from an affiliate of the Paramount Group pursuant to a long-term master lease effective through June 30, 2026, which we have the option to extend until 2031 pursuant to one five-year extension option.
- (9) Lease data for signed but not commenced leases as of June 30, 2024 is in the following table:

	Leased Square Feet Under Signed But Not Commenced Leases		Annualized Base Rent per	Pro Forma Annualized Base Rent per
	(a)	Base Rent (b)	Leased Square Foot (b)	Leased Square Foot (c)
Office Portfolio	107,452	\$ 5,102,388	\$ 47.49	\$ 56.90
Retail Portfolio	41,840	\$ 765,156	\$ 18.29	\$ 27.12
Total Retail and Office Portfolio	149,292	\$ 5,867,544	\$ 39.30	\$ 43.39

- (a) Office portfolio leases signed but not commenced of 76,609, 12,155, and 18,688 square feet are expected to commence during the third and fourth quarters of 2024, and second quarter of 2025, respectively. Retail portfolio leases signed but not commenced of 30,437, 9,815, and 1,588 square feet are expected to commence during the third and fourth quarters of 2024, and first quarter of 2025, respectively.
- (b) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements) for signed but not commenced leases as of June 30, 2024 by 12. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses. Annualized base rent per leased square foot is calculated by dividing annualized base rent, by square footage for signed by not commenced leases.
- (c) Pro forma annualized base rent is calculated by dividing annualized base rent for commenced leases and for signed but not commenced leases as of June 30, 2024, by square footage under lease as of June 30, 2024.
- (10) Net rentable square feet at certain of our retail properties includes pad sites leased pursuant to the ground leases in the following table:

Property	Number of Ground Leases	Square Footage Leased Pursuant to Ground Leases	Aggregate Annualized Base Rent
Carmel Mountain Plaza	5	17,607	\$ 1,000,226
South Bay Marketplace	1	2,824	\$ 114,552
Del Monte Center	1	212,500	\$ 96,000
Alamo Quarry Market	3	20,694	\$ 423,455

- (11) The Santa Fe Park RV Resort is subject to seasonal variation, with higher rates of occupancy occurring during the summer months. During the 12 months ended June 30, 2024, the highest average monthly occupancy rate for this property was 93.5%, occurring in August 2023. The number of units at the Santa Fe Park RV Resort includes 120 RV spaces and four apartments.
- (12) Average occupancy represents the percentage of available units that were sold during the three months ended June 30, 2024, and is calculated by dividing the number of units sold by the product of the total number of units and the total number of days in the period. Average daily rate represents the average rate paid for the units sold and is calculated by dividing the total room revenue (i.e., excluding food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services) for the three months ended June 30, 2024 by the number of units sold. Revenue per available room, or RevPAR, represents the total unit revenue per total available units for the three months ended June 30, 2024 and is calculated by multiplying average occupancy by the average daily rate. RevPAR does not include food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services.

OFFICE LEASING SUMMARY

As of June 30, 2024

Total Lease Summary - Comparable ⁽¹⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2024	12	100%	52,618	\$46.77	\$44.46	\$ 121,777	5.2 %	14.5 %	4.5	\$ 946,908	\$18.00
1st Quarter 2024	12	100%	80,434	\$59.57	\$55.23	\$ 349,604	7.9 %	10.9 %	7.0	\$ 3,513,436	\$43.68
4th Quarter 2023	7	100%	22,837	\$55.00	\$44.93	\$ 229,839	22.4 %	30.1 %	3.8	\$ 444,742	\$19.47
3rd Quarter 2023	7	100%	62,963	\$59.45	\$55.57	\$ 244,588	7.0 %	13.5 %	7.6	\$ 4,785,515	\$76.01
Total 12 months	38	100%	218,852	\$55.98	\$51.66	\$ 945,808	8.4 %	14.2 %	6.2	\$ 9,690,601	\$44.28

New Lease Summary - Comparable ⁽¹⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2024	2	17%	20,978	\$36.79	\$35.33	\$ 30,579	4.1 %	26.4 %	7.3	\$ 728,096	\$34.71
1st Quarter 2024	3	25%	22,658	\$53.80	\$47.27	\$ 148,025	13.8 %	19.4 %	5.3	\$ 866,025	\$38.22
4th Quarter 2023	2	29%	6,664	\$62.90	\$34.13	\$ 191,701	84.3 %	85.0 %	3.9	\$ 61,542	\$9.23
3rd Quarter 2023	2	29%	27,388	\$61.46	\$56.00	\$ 149,586	9.8 %	12.7 %	9.3	\$ 2,813,360	\$102.72
Total 12 months	9	24%	77,688	\$52.69	\$46.00	\$ 519,891	14.5 %	22.1 %	7.1	\$ 4,469,023	\$57.52

Renewal Lease Summary - Comparable ⁽¹⁾⁽⁵⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2024	10	83%	31,640	\$53.40	\$50.51	\$ 91,198	5.7 %	9.7 %	2.7	\$ 218,812	\$6.92
1st Quarter 2024	9	75%	57,776	\$61.84	\$58.35	\$ 201,579	6.0 %	8.3 %	7.7	\$ 2,647,411	\$45.82
4th Quarter 2023	5	71%	16,173	\$51.75	\$49.39	\$ 38,138	4.8 %	13.6 %	3.7	\$ 383,200	\$23.69
3rd Quarter 2023	5	71%	35,575	\$57.90	\$55.23	\$ 95,002	4.8 %	14.2 %	6.4	\$ 1,972,155	\$55.44
Total 12 months	29	76%	141,164	\$57.80	\$54.78	\$ 425,917	5.5 %	10.5 %	5.8	\$ 5,221,578	\$36.99

Total Lease Summary - Comparable and Non-Comparable

Quarter	Number of Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2024	18	96,042	\$51.46	4.1	\$ 1,980,356	\$20.62
1st Quarter 2024	18	124,605	\$55.47	7.6	\$ 8,106,666	\$65.06
4th Quarter 2023	11	35,110	\$53.17	3.8	\$ 4,944,742	\$140.84
3rd Quarter 2023	10	87,081	\$58.77	7.9	\$ 7,764,240	\$89.16
Total 12 months	57	342,838	\$54.95	6.3	\$ 22,796,004	\$66.49

Notes:

- (1) Comparable leases represent those leases signed on spaces for which there was a previous lease.
- (2) Contractual rent represents contractual minimum rent under the new lease for the first twelve months of the term.
- (3) Prior rent represents the minimum rent paid under the previous lease in the final twelve months of the term.
- (4) Weighted average is calculated on the basis of square footage.
- (5) Includes renewals at fixed contractual rates specified in the lease.

RETAIL LEASING SUMMARY

As of June 30, 2024

Total Lease Summary - Comparable ⁽¹⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2024	16	100%	64,127	\$46.81	\$44.25	\$ 164,181	5.8 %	34.4 %	3.1	\$ 290,000	\$4.52
1st Quarter 2024	26	100%	103,311	\$38.03	\$37.30	\$ 75,109	1.9 %	22.3 %	4.7	\$ 358,355	\$3.47
4th Quarter 2023	18	100%	108,260	\$31.29	\$29.31	\$ 214,362	6.8 %	12.8 %	5.2	\$ 80,000	\$0.74
3rd Quarter 2023	25	100%	131,839	\$33.70	\$30.65	\$ 329,613	8.2 %	18.7 %	6.6	\$ 2,208,260	\$16.75
Total 12 months	85	100%	407,537	\$36.22	\$34.12	\$ 783,265	5.6 %	21.4 %	5.2	\$ 2,936,615	\$7.21

New Lease Summary - Comparable ⁽¹⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2024	1	6%	1,064	\$204.00	\$166.28	\$ 40,134	22.7 %	— % ⁽⁶⁾	3.1	\$ 20,000	\$18.80
1st Quarter 2024	2	8%	4,783	\$39.25	\$28.78	\$ 50,073	36.4 %	— % ⁽⁶⁾	6.4	\$ 196,780	\$41.14
4th Quarter 2023	1	6%	1,036	\$174.00	\$92.66	\$ 84,264	87.8 %	— % ⁽⁶⁾	5.0	\$ 65,000	\$62.74
3rd Quarter 2023	—	—%	—	—	—	\$ —	— %	— % ⁽⁶⁾	—	\$ —	—
Total 12 months	4	5%	6,883	\$85.00	\$59.65	\$ 174,471	42.5 %	— % ⁽⁶⁾	5.7	\$ 281,780	\$40.94

Renewal Lease Summary - Comparable ⁽¹⁾⁽⁵⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2024	15	94%	63,063	\$44.15	\$42.19	\$ 124,047	4.7 %	17.9 %	3.1	\$ 270,000	\$4.28
1st Quarter 2024	24	92%	98,528	\$37.97	\$37.72	\$ 25,036	0.7 %	15.7 %	4.6	\$ 161,575	\$1.64
4th Quarter 2023	17	94%	107,224	\$29.91	\$28.70	\$ 130,098	4.2 %	12.8 %	5.2	\$ 15,000	\$0.14
3rd Quarter 2023	25	100%	131,839	\$33.70	\$30.65	\$ 329,613	8.2 %	18.7 %	6.6	\$ 2,208,260	\$16.75
Total 12 months	81	95%	400,654	\$35.38	\$33.68	\$ 608,794	4.5 %	16.6 %	5.2	\$ 2,654,835	\$6.63

Total Lease Summary - Comparable and Non-Comparable ⁽¹⁾

Quarter	Number of Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2024	19	68,735	\$48.20	3.1	\$ 490,000	\$7.13
1st Quarter 2024	30	109,414	\$39.61	4.8	\$ 687,274	\$6.28
4th Quarter 2023	21	112,065	\$31.80	5.1	\$ 305,000	\$2.72
3rd Quarter 2023	28	135,535	\$34.30	6.6	\$ 2,446,835	\$18.05
Total 12 months	98	425,749	\$37.25	5.2	\$ 3,929,109	\$9.23

Notes:

- (1) Comparable leases represent those leases signed on spaces for which there was a previous lease, including leases signed for the retail portion of our mixed-use property.
- (2) Contractual rent represents contractual minimum rent under the new lease for the first twelve months of the term.
- (3) Prior rent represents the minimum rent paid under the previous lease in the final twelve months of the term.
- (4) Weighted average is calculated on the basis of square footage.
- (5) Includes renewals at fixed contractual rates specified in the lease.
- (6) Prior tenants' rent was modified to cash-basis, therefore there is no straight-line rent for comparison.

MULTIFAMILY LEASING SUMMARY

As of June 30, 2024

Lease Summary - Loma Palisades

Quarter	Number of Leased Units ⁽¹⁾	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2024	515	94.0%	\$17,819,220	\$2,883
1st Quarter 2024	521	95.1%	\$17,678,568	\$2,827
4th Quarter 2023	519	94.7%	\$17,026,908	\$2,734
3rd Quarter 2023	511	93.3%	\$17,009,628	\$2,772

Lease Summary - Imperial Beach Gardens

Quarter	Number of Leased Units ⁽¹⁾	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2024	149	93.1%	\$4,860,036	\$2,719
1st Quarter 2024	150	93.8%	\$4,698,120	\$2,609
4th Quarter 2023	148	92.5%	\$4,703,988	\$2,649
3rd Quarter 2023	152	95.0%	\$4,808,556	\$2,636

Lease Summary - Mariner's Point

Quarter	Number of Leased Units ⁽¹⁾	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2024	82	93.2%	\$2,336,928	\$2,374
1st Quarter 2024	80	90.9%	\$2,300,556	\$2,397
4th Quarter 2023	77	87.5%	\$2,288,280	\$2,476
3rd Quarter 2023	83	94.3%	\$2,309,616	\$2,319

Lease Summary - Santa Fe Park RV Resort

Quarter	Number of Leased Units ⁽¹⁾	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2024	107	86.3%	\$2,396,616	\$1,866
1st Quarter 2024	96	77.4%	\$1,895,376	\$1,646
4th Quarter 2023	105	84.7%	\$1,521,684	\$1,207
3rd Quarter 2023	96	77.4%	\$1,699,872	\$1,476

Lease Summary - Pacific Ridge Apartments

Quarter	Number of Leased Units ⁽¹⁾	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2024	447	83.9%	\$22,531,920	\$4,199
1st Quarter 2024	509	95.5%	\$24,624,852	\$4,031
4th Quarter 2023	501	94.0%	\$23,798,100	\$3,958
3rd Quarter 2023	474	88.9%	\$23,238,756	\$4,087

MULTIFAMILY LEASING SUMMARY (CONTINUED)

As of June 30, 2024

Lease Summary - Hassalo on Eighth - Velomor

Quarter	Number of Leased Units ⁽¹⁾	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2024	162	91.5%	\$3,159,456	\$1,626
1st Quarter 2024	168	94.9%	\$3,229,860	\$1,602
4th Quarter 2023	170	96.1%	\$3,329,628	\$1,631
3rd Quarter 2023	154	87.0%	\$3,003,696	\$1,625

Lease Summary - Hassalo on Eighth - Aster Tower

Quarter	Number of Leased Units ⁽¹⁾	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2024	310	92.0%	\$6,298,320	\$1,693
1st Quarter 2024	302	89.6%	\$6,185,772	\$1,707
4th Quarter 2023	298	88.4%	\$6,036,279	\$1,689
3rd Quarter 2023	292	86.7%	\$5,938,488	\$1,694

Lease Summary - Hassalo on Eighth - Elwood

Quarter	Number of Leased Units ⁽¹⁾	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2024	128	89.5%	\$2,384,304	\$1,552
1st Quarter 2024	133	93.0%	\$2,485,632	\$1,558
4th Quarter 2023	130	90.9%	\$2,507,436	\$1,607
3rd Quarter 2023	126	88.1%	\$2,427,120	\$1,605

Total Multifamily Lease Summary

Quarter	Number of Leased Units ⁽¹⁾	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
2nd Quarter 2024	1,900	90.0%	\$61,786,800	\$2,711
1st Quarter 2024	1,959	92.8%	\$63,098,736	\$2,685
4th Quarter 2023	1,948	92.3%	\$61,212,303	\$2,619
3rd Quarter 2023	1,888	89.5%	\$60,435,732	\$2,667

Notes:

- (1) Number of leased units and percentage leased for our multifamily properties includes total units rented and occupied as of each respective quarter end date.
- (2) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) as of each respective quarter end date.
- (3) Annualized base rent per leased unit is calculated by dividing annualized base rent, by units under lease as of each respective quarter end date.

As of June 30, 2024

Lease Summary - Retail Portion

Quarter	Number of Leased Square Feet	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Annualized Base Rent per Leased Square Foot ⁽³⁾
2nd Quarter 2024	89,908	95.7%	\$10,212,397	\$114
1st Quarter 2024	89,558	95.4%	\$9,645,825	\$108
4th Quarter 2023	89,329	95.1%	\$9,545,747	\$107
3rd Quarter 2023	89,329	95.1%	\$9,542,378	\$107

Lease Summary - Hotel Portion

Quarter	Number of Leased Units	Average Occupancy ⁽⁴⁾	Average Daily Rate ⁽⁴⁾	Annualized Revenue per Available Room ⁽⁴⁾
2nd Quarter 2024	319	86.4%	\$367	\$317
1st Quarter 2024	331	89.8%	\$356	\$320
4th Quarter 2023	314	85.2%	\$362	\$309
3rd Quarter 2023	330	89.3%	\$392	\$350

Notes:

- (1) Percentage leased for mixed-use property includes square footage under leases as of June 30, 2024, including leases which may not have commenced as of June 30, 2024.
- (2) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended June 30, 2024 by 12. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.
- (3) Annualized base rent per leased square foot is calculated by dividing annualized base rent, by square footage under lease as of June 30, 2024.
- (4) Average occupancy represents the percentage of available units that were sold during the three months ended June 30, 2024, and is calculated by dividing the number of units sold by the product of the total number of units and the total number of days in the period. Average daily rate represents the average rate paid for the units sold and is calculated by dividing the total room revenue (i.e., excluding food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services) for each respective quarter period by the number of units sold. Revenue per available room, or RevPAR, represents the total unit revenue per total available units for each respective quarter period and is calculated by multiplying average occupancy by the average daily rate. RevPAR does not include food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services.

LEASE EXPIRATIONS

As of June 30, 2024

Assumes no exercise of lease options

Year	Office				Retail				Mixed-Use (Retail Portion Only)				Total		
	Expiring Sq. Ft.	% of Office Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Retail Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Mixed-Use Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾
Month to Month	76,882	1.9 %	1.1 %	\$0.72	32,811	1.1 %	0.5 %	\$42.39	3,808	4.1 %	0.1 %	\$75.99	113,501	1.6 %	\$15.29
2024	198,823	4.9	2.7	\$44.31	53,704	1.7	0.7	\$43.53	1,943	2.1	—	\$110.79	254,470	3.5	\$44.65
2025	329,502	8.1	4.5	\$39.65	307,029	9.9	4.2	\$30.05	24,856	26.5	0.3	\$88.31	661,387	9.1	\$37.02
2026	361,002	8.9	5.0	\$45.51	266,547	8.6	3.7	\$35.30	6,588	7.0	0.1	\$173.00	634,137	8.8	\$42.54
2027	425,363	10.5	5.9	\$55.25	474,988	15.4	6.6	\$30.26	5,678	6.0	0.1	\$152.22	906,029	12.5	\$42.76
2028	476,261	11.7	6.6	\$56.17	757,853	24.5	10.5	\$19.17	14,408	15.3	0.2	\$130.26	1,248,522	17.2	\$34.57
2029	846,989	20.9	11.7	\$66.26	420,553	13.6	5.8	\$25.60	11,938	12.7	0.2	\$130.99	1,279,480	17.7	\$53.50
2030	286,032	7.0	3.9	\$42.45	45,928	1.5	0.6	\$39.08	—	—	—	—	331,960	4.6	\$41.98
2031	165,998	4.1	2.3	\$45.83	159,482	5.2	2.2	\$26.54	14,965	15.9	0.2	\$116.65	340,445	4.7	\$39.91
2032	9,863	0.2	0.1	\$130.05	146,772	4.7	2.0	\$29.06	—	—	—	—	156,635	2.2	\$35.42
2033	60,445	1.5	0.8	\$63.52	58,977	1.9	0.8	\$37.36	5,374	5.7	0.1	\$60.00	124,796	1.7	\$51.01
Thereafter	171,669	4.2	2.4	\$57.32	155,485	5.0	2.1	\$25.45	—	—	—	—	327,154	4.5	\$42.17
Signed Leases Not Commenced	107,452	2.6	1.5	—	41,840	1.4	0.6	—	350	0.4	—	—	149,642	2.1	—
Available	542,242	13.4	7.5	—	170,647	5.5	2.4	—	4,017	4.3	0.1	—	716,906	10.2	—
Total ⁽²⁾	4,058,523	100.0 %	56.0 %	\$44.21	3,092,616	100.0 %	42.7 %	\$25.38	93,925	100.0 %	1.3 %	\$108.73	7,245,064	100.0 %	\$37.01

Assumes all lease options are exercised

Year	Office				Retail				Mixed-Use (Retail Portion Only)				Total		
	Expiring Sq. Ft.	% of Office Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Retail Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Mixed-Use Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾
Month to Month	76,882	1.9 %	1.1 %	\$0.72	32,811	1.1 %	0.5 %	\$42.39	3,808	4.1 %	0.1 %	\$75.99	113,501	1.6 %	\$15.29
2024	105,990	2.6	1.5	\$50.07	45,760	1.5	0.6	\$43.53	1,943	2.1	—	\$110.79	153,693	2.1	\$48.89
2025	123,752	3.0	1.7	\$46.51	133,985	4.3	1.8	\$30.22	24,856	26.5	0.3	\$88.31	282,593	3.9	\$42.46
2026	78,918	1.9	1.1	\$38.46	86,345	2.8	1.2	\$42.82	6,588	7.0	0.1	\$173.00	171,851	2.4	\$45.81
2027	102,734	2.5	1.4	\$46.38	194,505	6.3	2.7	\$32.33	5,678	6.0	0.1	\$152.22	302,917	4.2	\$39.34
2028	102,147	2.5	1.4	\$44.84	142,430	4.6	2.0	\$30.79	14,408	15.3	0.2	\$130.26	258,985	3.6	\$41.87
2029	146,972	3.6	2.0	\$46.61	115,175	3.7	1.6	\$30.81	11,938	12.7	0.2	\$130.99	274,085	3.8	\$43.65
2030	218,453	5.4	3.0	\$34.74	64,390	2.1	0.9	\$35.07	—	—	—	—	282,843	3.9	\$34.82
2031	236,920	5.8	3.3	\$51.76	48,771	1.6	0.7	\$56.08	14,965	15.9	0.2	\$116.65	300,656	4.1	\$55.69
2032	297,853	7.3	4.1	\$53.93	195,242	6.3	2.7	\$28.08	—	—	—	—	493,095	6.8	\$43.69
2033	311,572	7.7	4.3	\$60.87	202,140	6.5	2.8	\$23.07	5,374	5.7	0.1	\$60.00	519,086	7.2	\$46.14
Thereafter	1,606,636	39.6	22.2	\$58.64	1,618,575	52.3	22.3	\$23.47	—	—	—	—	3,225,211	44.5	\$40.99
Signed Leases Not Commenced	107,452	2.6	1.5	—	41,840	1.4	0.6	—	350	0.4	—	—	149,642	2.1	—
Available	542,242	13.4	7.5	—	170,647	5.5	2.4	—	4,017	4.3	0.1	—	716,906	9.9	—
Total ⁽²⁾	4,058,523	100.0 %	56.0 %	\$44.21	3,092,616	100.0 %	42.7 %	\$25.38	93,925	100.0 %	1.3 %	\$108.73	7,245,064	100.0 %	\$37.01

As of June 30, 2024

Notes:

- (1) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent for leases expiring during the applicable period, by (ii) square footage under such expiring leases. Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended June 30, 2024 for the leases expiring during the applicable period by (ii) 12 months.
- (2) Individual items may not add up to total due to rounding.

Type	At June 30, 2024			At June 30, 2023		
	Size	Leased ⁽¹⁾	Leased %	Size	Leased ⁽¹⁾	Leased %
Overall Portfolio⁽²⁾ Statistics						
Office Properties (square feet)	4,058,523	3,516,281	86.6 %	4,050,264	3,539,137	87.4 %
Retail Properties (square feet)	3,092,616	2,921,969	94.5 %	3,092,616	2,924,701	94.6 %
Multifamily Properties (units)	2,110	1,900	90.0 %	2,110	1,813	85.9 %
Mixed-Use Properties (square feet)	93,925	89,908	95.7 %	93,925	88,856	94.6 %
Mixed-Use Properties (units)	369	325 ⁽³⁾	88.1 %	369	307 ⁽³⁾	83.2 %
Same-Store⁽²⁾ Statistics						
Office Properties (square feet) ⁽⁴⁾	3,958,253	3,516,281	88.8 %	3,949,994	3,539,137	89.6 %
Retail Properties (square feet)	3,092,616	2,921,969	94.5 %	3,092,616	2,924,701	94.6 %
Multifamily Properties (units)	2,110	1,900	90.0 %	2,110	1,813	85.9 %
Mixed-Use Properties (square feet)	93,925	89,908	95.7 %	93,925	88,856	94.6 %
Mixed-Use Properties (units)	369	325 ⁽³⁾	88.1 %	369	307 ⁽³⁾	83.2 %

Notes:

- (1) Leased square feet includes square feet under lease as of each date, including leases which may not have commenced as of that date. Leased units for our multifamily properties include total units rented and occupied as of that date.
- (2) See Glossary of Terms.
- (3) Represents average occupancy for the six months ended June 30, 2024 and 2023.
- (4) Same-store office leased percentages exclude One Beach Street due to significant redevelopment activity and land held for development.

As of June 30, 2024

Tenant	Property	Lease Expiration	Total Leased Square Feet	Rentable Square Feet as a Percentage of Total Office	Rentable Square Feet as a Percentage of Total	Annualized Base Rent	Annualized Base Rent as a Percentage of Total Office	Annualized Base Rent as a Percentage of Total
1 Google LLC	The Landmark at One Market	12/31/2029	253,198	6.2 %	3.5 %	\$ 27,117,548	13.9 %	9.6 %
2 LPL Holdings, Inc.	La Jolla Commons	4/30/2029	421,001	10.4	5.8	20,467,738	10.5	7.2
3 Autodesk, Inc. (1)	The Landmark at One Market	12/31/2027 12/31/2028	138,615	3.4	1.9	13,330,960	6.8	4.7
4 Smartsheet, Inc. (2)	City Center Bellevue	12/31/2026 4/30/2029	123,041	3.0	1.7	7,076,134	3.6	2.5
5 Illumina, Inc.	La Jolla Commons	10/31/2027	73,176	1.8	1.0	4,770,535	2.4	1.7
6 VMware, Inc.	City Center Bellevue	3/31/2028	75,000	1.8	1.0	4,641,670	2.4	1.6
7 Clearesult Operating, LLC	First & Main	4/30/2025	83,160	2.0	1.1	3,588,009	1.8	1.3
8 Industrious (3)	City Center Bellevue	4/30/2033 3/31/2034	55,256	1.4	0.8	3,205,289	1.6	1.1
9 State of Oregon: Department of Environmental Quality	Lloyd Portfolio	10/31/2031	87,787	2.2	1.2	3,023,074	1.6	1.1
10 Top technology tenant (4)	La Jolla Commons	8/31/2030	40,800	1.0	0.6	2,521,440	1.3	0.9
Top 10 Office Tenants Total			1,351,034	33.2 %	18.6 %	\$ 89,742,397	45.9 %	31.7 %

Notes:

- (1) For Autodesk, Inc., 45,795 and 92,820 of leased square feet have a lease expiration of December 31, 2027 and 2028, respectively.
(2) For Smartsheet, Inc., 73,669 and 49,372 of leased square feet have a lease expiration of December 31, 2026 and April 30, 2029, respectively.
(3) For Industrious, 18,090 and 37,166 of leased square feet have a lease expiration of April 30, 2033 and March 31, 2034, respectively.
(4) Name withheld per tenant's request.

As of June 30, 2024

Tenant	Property(ies)	Lease Expiration	Total Leased Square Feet	Rentable Square Feet as a Percentage of Total Retail	Rentable Square Feet as a Percentage of Total	Annualized Base Rent	Annualized Base Rent as a Percentage of Total Retail	Annualized Base Rent as a Percentage of Total
1 Lowe's	Waialele Center	5/31/2028	155,000	5.0 %	2.1 %	\$ 4,092,000	5.2 %	1.4 %
2 Sprouts Farmers Market (1)	Carmel Mountain Plaza, Solana Beach Towne Centre, Geary Marketplace	3/31/2025 6/30/2029 9/30/2032	71,431	2.3	1.0	2,121,187	2.7	0.7
3 Marshalls (2)	Solana Beach Towne Centre, Carmel Mountain Plaza	1/31/2025 1/31/2029	68,055	2.2	0.9	1,822,561	2.3	0.6
4 Nordstrom Rack (3)	Carmel Mountain Plaza, Alamo Quarry Market	9/30/2027 10/31/2027	69,047	2.2	1.0	1,804,269	2.3	0.6
5 Vons	Lomas Santa Fe Plaza	12/31/2027	49,895	1.6	0.7	1,609,086	2.1	0.6
6 At Home Stores	Carmel Mountain Plaza	7/31/2029	107,870	3.5	1.5	1,384,552	1.8	0.5
7 Old Navy (4)	Alamo Quarry Market, Southbay Marketplace, Waialele Center	9/30/2027 4/30/2028 7/31/2030	52,936	1.7	0.7	1,274,461	1.6	0.4
8 Safeway	Waialele Center	1/31/2040	50,050	1.6	0.7	1,201,200	1.5	0.4
9 Michaels (5)	Alamo Quarry Market, Carmel Mountain Plaza	2/29/2028 1/31/2029	46,850	1.5	0.6	1,124,218	1.4	0.4
10 Ross	Southbay Marketplace, Carmel Mountain Plaza	1/31/2028 1/31/2029	51,125	1.7	0.7	1,115,244	1.4	0.4
Top 10 Retail Tenants Total			722,259	23.3 %	9.9 %	\$ 17,548,778	22.3 %	6.0 %

Notes:

- (1) For Sprouts Farmers Market, 30,973, 14,986 and 25,472 of leased square feet have a lease expiration of March 31, 2025 (Carmel Mountain Plaza), June 30, 2029 (Solana Beach Towne Centre) and September 30, 2032 (Geary Marketplace), respectively.
- (2) For Marshalls, (a) on July 16, 2024, we entered into an extension of 39,295 of leased square footage which is now set to expire on January 31, 2035 (Solana Beach Towne Centre) and (b) 28,760 of leased square feet is set to expire on January 31, 2029 (Carmel Mountain Plaza).
- (3) For Nordstrom Rack, 39,047 and 30,000 of leased square feet have a lease expiration of September 30, 2027 (Carmel Mountain Plaza) and October 31, 2027 (Alamo Quarry Market), respectively.
- (4) For Old Navy, 15,021, 20,000 and 17,915 of leased square feet have a lease expiration of September 30, 2027 (Alamo Quarry Market), April 30, 2028 (Southbay Marketplace) and July 31, 2030 (Waialele Center), respectively.
- (5) For Michaels, 23,881 and 22,969 of leased square feet have a lease expiration of February 29, 2028 (Alamo Quarry Market) and January 31, 2029 (Carmel Mountain Plaza), respectively.

APPENDIX

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA): EBITDA is a non-GAAP measure that means net income or loss plus depreciation and amortization, net interest expense, income taxes, gain or loss on sale of real estate and impairments of real estate, if any. EBITDA is presented because it approximates a key performance measure in our debt covenants, but it should not be considered an alternative measure of operating results or cash flow from operations as determined in accordance with GAAP. The reconciliation of net income to EBITDA for the three and six months ended June 30, 2024 and 2023 is as follows:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Net income	\$ 15,294	\$ 15,397	\$ 39,917	\$ 36,063
Depreciation and amortization	31,011	29,823	61,228	59,724
Interest expense, net	16,289	16,368	32,544	32,097
Interest income	(990)	(460)	(1,579)	(893)
Income tax expense	201	187	461	457
EBITDA	\$ 61,805	\$ 61,315	\$ 132,571	\$ 127,448

Adjusted EBITDA: Adjusted EBITDA is a non-GAAP measure that begins with EBITDA and includes adjustments for certain items that we believe are not representative of ongoing operating performance. Specifically, we include an early extinguishment of debt adjustment and pro forma adjustment to reflect a full period of NOI on the operating properties we acquire during the quarter, to assume all transactions occurred at the beginning of the quarter. We use Adjusted EBITDA as a supplemental performance measure because we believe these items create significant earnings volatility which in turn results in less comparability between reporting periods and less predictability regarding future earnings potential.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
EBITDA	\$ 61,805	\$ 61,315	\$ 132,571	\$ 127,448
Pro forma adjustments	—	—	—	—
Adjusted EBITDA	\$ 61,805	\$ 61,315	\$ 132,571	\$ 127,448

Earnings Before Interest, Taxes, Depreciation, and Amortization for Real Estate (EBITDA_{re}): EBITDA_{re} is a supplemental non-GAAP measure of real estate companies' operating performances. The National Association of Real Estate Investment Trusts (NAREIT) defines EBITDA_{re} as follows: net income or loss, computed in accordance with GAAP plus depreciation and amortization, net interest expense, income taxes, gain or loss on sale of real estate including gain or loss on change of control, impairments of real estate, and adjustments to reflect the entity's share of EBITDA_{re} of unconsolidated affiliates, if any. EBITDA_{re} is presented because it approximates a key performance measure in our debt covenants, but it should not be considered an alternative measure of operating results or cash flow from operations as determined in accordance with GAAP. The reconciliation of net income to EBITDA_{re} for the three and six months ended June 30, 2024 and 2023 is as follows:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Net income	\$ 15,294	\$ 15,397	\$ 39,917	\$ 36,063
Depreciation and amortization	31,011	29,823	61,228	59,724
Interest expense, net	16,289	16,368	32,544	32,097
Interest income	(990)	(460)	(1,579)	(893)
Income tax expense	201	187	461	457
EBITDA _{re}	\$ 61,805	\$ 61,315	\$ 132,571	\$ 127,448

Funds From Operations (FFO): FFO is a supplemental measure of real estate companies' operating performances. NAREIT defines FFO as follows: net income, computed in accordance with GAAP plus depreciation and amortization of real estate assets and excluding extraordinary items, gains and losses on sale of real estate and impairment losses. NAREIT developed FFO as a relative measure of performance and liquidity of an equity REIT in order to recognize that the value of income-producing real estate historically has not depreciated on the basis determined under GAAP. However, FFO does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income); should not be considered an alternative to net income as an indication of our performance; and is not necessarily indicative of cash flow as a measure of liquidity or ability to pay dividends. We consider FFO a meaningful, additional measure of operating performance primarily because it excludes the assumption that the value of real estate assets diminishes predictably over time, and because industry analysts have accepted it as a performance measure. Comparison of our presentation of FFO to similarly titled measures for other REITs may not necessarily be meaningful due to possible differences in the application of the NAREIT definition used by such REITs.

Funds Available for Distribution (FAD): FAD is a supplemental measure of our liquidity. We compute FAD by subtracting from FFO As Adjusted tenant improvements, leasing commissions and maintenance capital expenditures, eliminating the net effect of straight-line rents, amortization of above (below) market rents for acquisition properties, the effects of other lease intangibles, adding noncash amortization of deferred financing costs and debt fair value adjustments, adding noncash compensation expense, and adding (subtracting) unrealized losses (gains) on marketable securities. FAD provides an additional perspective on our ability to fund cash needs and make distributions by adjusting FFO for the impact of certain cash and noncash items, as well as adjusting FFO for recurring capital expenditures and leasing costs. However, other REITs may use different methodologies for calculating FAD and, accordingly, our FAD may not be comparable to other REITs.

Net Operating Income (NOI): We define NOI as operating revenues (rental income, tenant reimbursements, lease termination fees, ground lease rental income and other property income) less property and related expenses (property expenses, ground lease expense, property marketing costs, real estate taxes and insurance). NOI excludes general and administrative expenses, interest expense, depreciation and amortization, acquisition-related expense, other nonproperty income and losses, gains and losses from property dispositions, extraordinary items, tenant improvements and leasing commissions. Other REITs may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to other REITs. Since NOI excludes general and administrative expenses, interest expense, depreciation and amortization, acquisition-related expenses, other nonproperty income and losses, gains and losses from property dispositions, and extraordinary items, it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating commercial real estate and the impact to operations from trends in occupancy rates, rental rates, and operating costs, providing a perspective on operations not immediately apparent from net income. However, NOI should not be viewed as an alternative measure of our financial performance since it does not reflect general and administrative expenses, interest expense, depreciation and amortization costs, other nonproperty income and losses, the level of capital expenditures and leasing costs necessary to maintain the operating performance of the properties, or trends in development and construction activities which are significant economic costs and activities that could materially impact our results from operations.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Reconciliation of NOI to net income				
Total NOI	\$ 70,542	\$ 69,924	\$ 140,150	\$ 138,541
General and administrative	(8,737)	(8,609)	(17,579)	(17,608)
Depreciation and amortization	(31,011)	(29,823)	(61,228)	(59,724)
Operating Income	\$ 30,794	\$ 31,492	\$ 61,343	\$ 61,209
Interest expense, net	(16,289)	(16,368)	(32,544)	(32,097)
Other income, net	789	273	11,118	6,951
Net income	\$ 15,294	\$ 15,397	\$ 39,917	\$ 36,063
Net income attributable to restricted shares	(195)	(190)	(391)	(379)
Net income attributable to unitholders in the Operating Partnership	(3,195)	(3,224)	(8,362)	(7,565)
Net income attributable to American Assets Trust, Inc. stockholders	\$ 11,904	\$ 11,983	\$ 31,164	\$ 28,119

Overall Portfolio: Includes all operating properties owned by us as of June 30, 2024.

Cash NOI: We define cash NOI as operating revenues (rental income, tenant reimbursements, lease termination fees, ground lease rental income and other property income) less property and related expenses (property expenses, ground lease expense, property marketing costs, real estate taxes and insurance), adjusted for non-cash revenue and operating expense items such as straight-line rent, amortization of lease intangibles, amortization of lease incentives and other adjustments. Cash NOI also excludes general and administrative expenses, depreciation and amortization, interest expense, other non-property income and losses, acquisition-related expense, gains and losses from property dispositions, extraordinary items, tenant improvements, and leasing commissions. Other REITs may use different methodologies for calculating cash NOI, and accordingly, our cash NOI may not be comparable to the cash NOIs of other REITs. We believe cash NOI provides useful information to investors regarding the company's financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level, and when compared across periods, can be used to determine trends in earnings of the company's properties as this measure is not affected by (1) the non-cash revenue and expense recognition items, (2) the cost of funds of the property owner, (3) the impact of depreciation and amortization expenses as well as gains or losses from the sale of operating real estate assets that are included in net income computed in accordance with GAAP or (4) general and administrative expenses and other gains and losses that are specific to the property owner. We believe the exclusion of these items from net (loss) income is useful because the resulting measure captures the actual revenue generated and actual expenses incurred in operating the company's properties as well as trends in occupancy rates, rental rates and operating costs. Cash NOI is a measure of the operating performance of the company's properties but does not measure the company's performance as a whole. Cash NOI is therefore not a substitute for net income as computed in accordance with GAAP. A Reconciliation of Total Cash NOI to Operating Income is presented below:

Reconciliation of Total Cash NOI to Net Income	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Total Cash NOI	\$ 69,440	\$ 68,133	\$ 136,054	\$ 133,801
Non-cash revenue and other operating expenses ⁽¹⁾	1,102	1,791	4,096	4,740
General and administrative	(8,737)	(8,609)	(17,579)	(17,608)
Depreciation and amortization	(31,011)	(29,823)	(61,228)	(59,724)
Operating income	\$ 30,794	\$ 31,492	\$ 61,343	\$ 61,209
Interest expense, net	(16,289)	(16,368)	(32,544)	(32,097)
Other income, net	789	273	11,118	6,951
Net income	\$ 15,294	\$ 15,397	\$ 39,917	\$ 36,063

(1) Represents adjustments related to the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances; the amortization of above (below) market rents, the amortization of lease incentives paid to tenants, the amortization of other lease intangibles, and straight-line rent expense for our leases of the Annex at The Landmark at One Market.

Same-Store Cash NOI Comparison with Redevelopment: As noted below in the definition of Same-Store, Non-Same Store and Redevelopment Same-Store, information provided on a redevelopment same-store basis includes the results of properties undergoing significant redevelopment for the entirety or portion of both periods being compared. Redevelopment same-store is considered by management to be an important measure because it assists in eliminating disparities due to the redevelopment of properties during the particular period presented, and thus provides a more consistent performance measure for the comparison of the company's stabilized and redevelopment properties, as applicable. Additionally, redevelopment same-store is considered by management to be an important measure because it assists in evaluating the timing of the start and stabilization of our redevelopment opportunities and the impact that these redevelopments have in enhancing our operating performance. We present Same-Store Cash NOI Comparison with Redevelopment using cash NOI to evaluate and compare the operating performance of the company's properties, as defined above. A reconciliation of Same-Store Cash NOI Comparison with Redevelopment on a cash basis to operating income is presented below:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
Reconciliation of Same-Store Cash NOI Comparison with Redevelopment to Operating Income	2024	2023	2024	2023
Same-store cash NOI - Excluding construction in progress write-off	\$ 69,654	\$ 68,194	\$ 136,951	\$ 133,958
Construction in progress write-off ⁽¹⁾	—	—	(523)	—
Same-Store Cash NOI ⁽²⁾	\$ 69,654	\$ 68,194	\$ 136,428	\$ 133,958
Redevelopment Cash NOI ⁽³⁾	(127)	(122)	(226)	(236)
Same-Store Cash NOI with Redevelopment	69,527	68,072	136,202	133,722
Tenant improvement reimbursements	183	197	318	338
Total Same-Store Cash NOI with Redevelopment	\$ 69,710	\$ 68,269	\$ 136,520	\$ 134,060
Non-Same Store Cash NOI	(270)	(136)	(466)	(259)
Total Cash NOI	\$ 69,440	\$ 68,133	\$ 136,054	\$ 133,801
Non-cash revenue and other operating expenses ⁽⁴⁾	1,102	1,791	4,096	4,740
General and administrative	(8,737)	(8,609)	(17,579)	(17,608)
Depreciation and amortization	(31,011)	(29,823)	(61,228)	(59,724)
Operating income	\$ 30,794	\$ 31,492	\$ 61,343	\$ 61,209
Interest expense, net	(16,289)	(16,368)	(32,544)	(32,097)
Other income, net	789	273	11,118	6,951
Net income	\$ 15,294	\$ 15,397	\$ 39,917	\$ 36,063

- (1) During the first quarter of 2024, the company wrote off \$0.5 million in non-recurring costs incurred in prior periods relating to construction in progress for then-prospective construction within our retail segment.
- (2) Same-store portfolio excludes One Beach Street due to significant redevelopment activity and land held for development.
- (3) Redevelopment property refers to One Beach Street and Lloyd Portfolio - Land.
- (4) Represents adjustments related to the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances; the amortization of above (below) market rents, the amortization of lease incentives paid to tenants, the amortization of other lease intangibles and straight-line rent expense for our leases of the Annex at The Landmark at One Market.

Same-Store Portfolio, Non-Same Store Portfolio and Redevelopment Same-Store: Information provided on a same-store basis includes the results of properties that we owned and operated for the entirety of both periods being compared except for properties for which significant redevelopment or expansion occurred during either of the periods being compared, properties under development, properties classified as held for development and properties classified as discontinued operations. Information provided on a redevelopment same-store basis includes the results of properties undergoing significant redevelopment for the entirety or portion of both periods being compared. The following table shows the properties included in the same-store, non-same store and redevelopment same-store portfolio for the comparative periods presented.

	Comparison of Three Months Ended June 30, 2024 to 2023			Comparison of Six Months Ended June 30, 2024 to 2023		
	Same-Store	Non Same-Store	Redevelopment Same-Store	Same-Store	Non Same-Store	Redevelopment Same-Store
Office Properties						
La Jolla Commons	X		X	X		X
Torrey Reserve Campus	X		X	X		X
Torrey Point	X		X	X		X
Solana Crossing (formerly Solana Beach Corporate Centre)	X		X	X		X
The Landmark at One Market	X		X	X		X
One Beach Street		X	X		X	X
First & Main	X		X	X		X
Lloyd Portfolio	X		X	X		X
City Center Bellevue	X		X	X		X
Eastgate Office Park	X		X	X		X
Corporate Campus East III	X		X	X		X
Bel-Spring 520	X		X	X		X
Retail Properties						
Carmel Country Plaza	X		X	X		X
Carmel Mountain Plaza	X		X	X		X
South Bay Marketplace	X		X	X		X
Gateway Marketplace	X		X	X		X
Lomas Santa Fe Plaza	X		X	X		X
Solana Beach Towne Centre	X		X	X		X
Del Monte Center	X		X	X		X
Geary Marketplace	X		X	X		X
The Shops at Kalakaua	X		X	X		X
Waikēle Center	X		X	X		X
Alamo Quarry Market	X		X	X		X
Hassalo on Eighth - Retail	X		X	X		X
Multifamily Properties						
Loma Palisades	X		X	X		X
Imperial Beach Gardens	X		X	X		X
Mariner's Point	X		X	X		X
Santa Fe Park RV Resort	X		X	X		X
Pacific Ridge Apartments	X		X	X		X
Hassalo on Eighth	X		X	X		X
Mixed-Use Properties						
Waikiki Beach Walk - Retail	X		X	X		X
Waikiki Beach Walk - Embassy Suites™	X		X	X		X
Development Properties						
La Jolla Commons - Land		X			X	
Solana Crossing - Land		X			X	
Lloyd Portfolio - Land		X	X		X	X

Tenant Improvements and Incentives: Represents not only the total dollars committed for the improvement (fit-out) of a space as it relates to a specific lease but may also include base building costs (i.e. expansion, escalators, new entrances, etc.) which are required to make the space leasable. Incentives include amounts paid to tenants as an inducement to sign a lease that do not represent building improvements.