

**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):
February 14, 2017

American Assets Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

11455 El Camino Real, Suite 200
San Diego, California 92130
(Address of principal executive offices)

001-35030
(Commission
File No.)

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

92130
(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))

Item 2.02 Results of Operations and Financial Condition.

On February 14, 2017, American Assets Trust, Inc. (the “Company”) issued a press release regarding its financial results for the quarter and fiscal year ending December 31, 2016. Also on February 14, 2017, the Company made available on its website at www.americanassetstrust.com certain supplemental information concerning the Company’s financial results and operations for the quarter and fiscal year ending December 31, 2016. 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 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 and fiscal year ending December 31, 2016 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 February 14, 2017.
99.2**	American Assets Trust, Inc. Supplemental Information for the year ended December 31, 2016.

** 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

February 14, 2017

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Description</u>
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99.2	American Assets Trust, Inc. Supplemental Information for the year ended December 31, 2016.



American Assets Trust, Inc. Reports Fourth Quarter and Year-End 2016 Financial Results

Net income available to common stockholders of \$8.9 million and \$32.6 million, respectively, for the three months and year ended December 31, 2016, or \$0.19 and \$0.72 per diluted share, respectively
FFO per share increases 7% and 5% year-over-year for the three months and year ended December 31, 2016, respectively
Same-Store Cash NOI increases 0.3% and 5% year-over-year for the three months and year ended December 31, 2016, respectively

SAN DIEGO, California - 2/14/17 - American Assets Trust, Inc. (NYSE: AAT) (the "company") today reported financial results for its fourth quarter and year ended December 31, 2016.

Financial Results and Recent Developments

- **Net income available to common stockholders of \$8.9 million and \$32.6 million, respectively, for the three months and year ended December 31, 2016, or \$0.19 and \$0.72 per diluted share, respectively**
- **Funds From Operations increased 7% and 5% year-over-year to \$0.48 and \$1.85 per diluted share for the three months and year ended December 31, 2016 compared to the same periods in 2015, respectively**
- **Same-store cash NOI increased 0.3% and 5%, respectively, for the three months and year ended December 31, 2016 compared to the same periods in 2015**
- **Same-store GAAP NOI increased 1% and 3%, respectively, for the three months and year ended December 31, 2016 compared to the same periods in 2015**
- **Leased approximately 103,400 comparable office square feet at an average cash-basis and GAAP-basis contractual rent increase of 15% and 32%, respectively, during the three months ended December 31, 2016**
- **Leased approximately 28,600 comparable retail square feet at an average cash-basis and GAAP-basis contractual rent increase of 4% and 18%, respectively, during the three months ended December 31, 2016**

Net income attributable to common stockholders was \$8.9 million, or \$0.19 per basic and diluted share for the three months ended December 31, 2016 compared to \$8.2 million, or \$0.18 per basic and diluted share for the three months ended December 31, 2015. The increase in net income attributable to common stockholders from the corresponding period in 2015 was primarily due to the the completion of Hassalo on Eighth - Multifamily, which was completed during the third and fourth quarters of 2015. For the year ended December 31, 2016, net income attributable to common stockholders was \$32.6 million, or \$0.72 per basic and diluted share, compared to net income attributable to common stockholders of \$38.5 million, or \$0.87 and \$0.86 per basic and diluted share for the year ended December 31, 2015. The decrease in net income attributable to common stockholders from the corresponding periods in 2015 was primarily due to the gain on sale of Rancho Carmel Plaza during the third quarter of 2015 and an increase in depreciation and amortization expense and interest expense during the year ended December 31, 2016 attributed to the completion of Hassalo on Eighth - Multifamily, which was completed during the third and fourth quarters of 2015.

During the fourth quarter of 2016, the company generated funds from operations ("FFO") for common stockholders of \$30.5 million, or \$0.48 per diluted share, compared to \$28.4 million, or \$0.45 per diluted share, for the quarter ended December 31, 2015. For the year ended December 31, 2016, the company generated FFO for common stockholders of \$116.8 million, or \$1.85 per diluted share, compared to \$110.0 million, or \$1.76 per diluted share, for the year ended December 31, 2015. The increase in FFO from the corresponding periods in 2015 was primarily

due to additional operating income from Hassalo on Eighth and growth in same-store net operating income from our office portfolio.

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

Portfolio Results

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

	December 31, 2016	September 30, 2016	December 31, 2015
Total Portfolio			
Retail ⁽¹⁾	96.6%	97.0%	98.6%
Office ⁽²⁾	90.1%	89.9%	92.4%
Multifamily ⁽³⁾	90.3%	91.7%	73.4%
Mixed-Use:			
Retail	98.7%	98.8%	100.0%
Hotel	89.8%	90.3%	89.6%
Same-Store Portfolio			
Retail ⁽¹⁾	96.9%	97.3%	98.6%
Office ⁽²⁾	97.3%	97.8%	98.1%
Multifamily ⁽³⁾	93.6%	94.9%	95.6%
Mixed-Use:			
Retail	98.7%	98.8%	100.0%
Hotel	89.8%	90.3%	89.6%

(1) Total retail leased percentage at December 31, 2016 and September 30, 2016 includes the retail components of Hassalo on Eighth. The Elwood, Velomor and Aster Tower buildings were placed in operations in April 2016, July 2016 and October 2016, respectively. Same-store retail leased percentages exclude Hassalo on Eighth.

(2) Total office leased percentage includes Torrey Reserve Campus and Lloyd District Portfolio. Same-store office leased percentages exclude Torrey Reserve Campus and Lloyd District Portfolio due to significant redevelopment activity during the period.

(3) Total multifamily leased percentage includes Hassalo on Eighth, which became available for occupancy in July and October of 2015. Same-store multifamily leased percentages exclude Hassalo on Eighth.

During the fourth quarter of 2016, the company signed 32 leases for approximately 156,900 square feet of retail and office space, as well as 320 multifamily apartment leases. Renewals accounted for 71.4% of the comparable retail leases, 54.5% of the comparable office leases and 56.6% of the residential leases.

Retail and Office

On a comparable space basis (i.e. leases for which there was a former tenant) during the fourth quarter of 2016 and trailing four quarters ending December 31, 2016, our retail and office 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.	GAAP Straight-Line Basis % Change Over Prior Rent
Retail	Q4 2016	14	28,600	4.3%	\$44.50	\$42.67	17.5%
	Last 4 Quarters	66	259,100	6.6%	\$36.09	\$33.88	12.3%
Office	Q4 2016	11	103,400	14.9%	\$38.81	\$33.78	31.8%
	Last 4 Quarters	50	216,800	12.0%	\$39.96	\$35.69	24.2%

Multifamily

As of December 31, 2016, Hassalo on Eighth was approximately 86% leased with average monthly base rent per leased unit of \$1,655.

As of February 13, 2017, we have in-place leases for 168 of the Velomor building's 177 units, or approximately 95%; 310 of Aster Tower's 337 units, or approximately 92%; and 134 of the Elwood building's 143 units, or approximately 94%. In total, as of February 13, 2017, we have in-place leases for 612 units of 657 units at Hassalo on Eighth, or approximately 93%.

At December 31, 2016, the average monthly base rent per leased unit for same-store properties was \$1,751 compared to an average monthly base rent per leased unit of \$1,637 at December 31, 2015, an increase of approximately 7%.

Same-Store Property Operating Income

For the three months and year ended December 31, 2016, same-store property operating income increased 0.7% and 2.6%, respectively, on a GAAP basis compared to the corresponding periods in 2015. For the three months and year ended December 31, 2016, same-store property operating income increased 0.3% and 5.1%, respectively, on a cash basis compared to the corresponding periods in 2015. The same-store property operating income by segment was as follows (in thousands):

	Three Months Ended ⁽¹⁾ December 31,			Year Ended ⁽¹⁾ December 31,			Change
	2016	2015	Change	2016	2015	Change	
GAAP Basis:							
Retail	\$ 18,756	\$ 18,864	(0.6) %	\$ 72,825	\$ 72,836	— %	
Office	13,473	12,916	4.3	52,485	50,924	3.1	
Multifamily	3,089	2,993	3.2	12,683	11,549	9.8	
Mixed-Use	6,139	6,407	(4.2)	26,004	24,565	5.9	
	<u>\$ 41,457</u>	<u>\$ 41,180</u>	<u>0.7 %</u>	<u>\$ 163,997</u>	<u>\$ 159,874</u>	<u>2.6 %</u>	
Cash Basis:							
Retail	\$ 17,869	\$ 18,706	(4.5) %	\$ 72,094	\$ 71,764	0.5 %	
Office	12,965	11,763	10.2	51,405	46,034	11.7	
Multifamily	3,089	2,993	3.2	12,683	11,549	9.8	
Mixed-Use	6,166	6,491	(5.0)	25,949	24,981	3.9	
	<u>\$ 40,089</u>	<u>\$ 39,953</u>	<u>0.3 %</u>	<u>\$ 162,131</u>	<u>\$ 154,328</u>	<u>5.1 %</u>	

(1) Same-store portfolio excludes (i) Torrey Reserve Campus and Lloyd District Portfolio due to significant redevelopment activity during the period; (ii) Rancho Carmel Plaza as it was sold on August 6, 2015; (iii) Hassalo on Eighth - Multifamily, which became available for occupancy in July and October of 2015; (iv) Hassalo on Eighth - Retail, which was placed in operations in April, July and October of 2016; and (v) land held for development.

On a same-store cash basis, retail property operating income decreased for the three months ended December 31, 2016 compared to the same period in 2015 primarily due to a decrease in the percentage leased and annualized base rent at Waialele Center attributable to the Sports Authority bankruptcy.

On a same-store cash basis, office property operating income increased for the three months and year ended December 31, 2016 compared to the same periods in 2015 primarily due to higher annualized base rents, specifically at The Landmark at One Market.

On a same-store basis, multifamily property operating income increased for the three months and year ended December 31, 2016 compared to the corresponding periods in 2015 primarily due to an increase in average monthly base rent during 2016.

On a same-store basis, mixed-use property operating income decreased for the three months ended December 31, 2016 compared to the corresponding period in 2015 due to a decrease in revenue per available room at the hotel portion of our mixed-use property during the period attributed to room renovations completed during the period. On a same-store basis, mixed-use property operating income increased for the year ended December 31, 2016 compared to the corresponding period in 2015 primarily due to higher revenue per available room at the hotel portion of our mixed-use property.

Development

Our development efforts at Torrey Point are ongoing with plans including two Class A office buildings of approximately 88,000 square feet in the aggregate, with panoramic unobstructed views of the Torrey Pines State Park Beach, Torrey Reserve and the Pacific Ocean. Projected costs of the development at Torrey Point remain approximately \$56 million, of which approximately \$32 million has been incurred to date. We expect to incur the remaining costs for development of Torrey Point in 2017. We expect the Torrey Point development to be stabilized in 2018 with an estimated stabilized cash yield of approximately 7% to 8%.

Our development opportunities are subject to market conditions and actual results may vary.

Balance Sheet and Liquidity

At December 31, 2016, the company had gross real estate assets of \$2.3 billion and liquidity of \$274.8 million, comprised of cash and cash equivalents of \$44.8 million and \$230.0 million of availability on its line of credit.

For the year ended December 31, 2016, we issued 219,480 shares of common stock through our at-the-market ("ATM") equity program at a weighted average price per share of \$45.50, resulting in net proceeds of \$9.6 million. We intend to use the net proceeds primarily to fund our development activities at Torrey Point and to repay existing indebtedness. As of December 31, 2016, we had the capacity to issue up to an additional \$206.6 million in shares of common stock under our ATM equity program.

On January 13, 2017, we locked rates on a prospective \$250 million private placement of senior unsecured notes (the "Series D Notes"). The Series D Notes will be unsecured, will pay a fixed interest rate of 4.29% and will be due on or about March 1, 2027. The Series D Notes are expected to be issued on or about March 1, 2017, subject to customary closing conditions set forth in a Note Purchase Agreement that we expect to enter into on or about March 1, 2017. Net of the settlement of the forward-starting interest rate swaps entered into in 2016, the fixed interest rate in accordance with GAAP for the Series D Notes is expected to be approximately 3.73% per annum, through maturity.

Dividends

The company declared dividends on its shares of common stock of \$0.26 per share for the fourth quarter of 2016. The dividends were paid on December 22, 2016.

In addition, the company has declared a dividend on its common stock of \$0.26 per share for the quarter ending March 31, 2017. The dividend will be paid on March 30, 2017 to stockholders of record on March 16, 2017.

Guidance

The company reaffirms its guidance for full year 2017 FFO per diluted share range of \$1.98 to \$2.06 per share, an increase of approximately 9% from full year 2016 FFO per diluted share of \$1.85 per share. The company's guidance excludes any impact from future acquisitions, dispositions, equity issuances or repurchases, future debt financings or repayments. The company will discuss key assumptions regarding the guidance on tomorrow's conference call, as described below.

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.

Conference Call

The company will hold a conference call to discuss the results for the fourth quarter of 2016 on Wednesday, February 15, 2017 at 8:00 a.m. Pacific Time ("PT"). To participate in the event by telephone, please dial 1-877-868-5513 and use the pass code 52760444. A telephonic replay of the conference call will be available beginning at 2:00 p.m. PT on Wednesday, February 15, 2017 through Saturday, February 18, 2017. To access the replay, dial 1-855-859-2056 and use the pass code 52760444. A live on-demand audio webcast of the conference call will be available on the company's website at www.americanassettrust.com. A replay of the call will also be available on the company's website.

Supplemental Information

Supplemental financial information regarding the company's fourth quarter and year end 2016 results may be found in the "Investor Relations" section of the company's website at www.americanassettrust.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)

	December 31, 2016	December 31, 2015
Assets		
Real estate, at cost		
Operating real estate	\$ 2,241,061	\$ 2,163,444
Construction in progress	50,498	73,121
Held for development	9,447	9,463
	<u>2,301,006</u>	<u>2,246,028</u>
Accumulated depreciation	(469,460)	(411,166)
Net real estate	1,831,546	1,834,862
Cash and cash equivalents	44,801	39,925
Restricted cash	9,950	11,623
Accounts receivable, net	9,330	7,518
Deferred rent receivables, net	38,452	38,422
Other assets, net	52,854	41,939
Total assets	<u>\$ 1,986,933</u>	<u>\$ 1,974,289</u>
Liabilities and equity		
Liabilities:		
Secured notes payable, net	\$ 445,180	\$ 579,000
Unsecured notes payable, net	596,350	446,613
Unsecured line of credit	20,000	30,000
Accounts payable and accrued expenses	32,401	31,821
Security deposits payable	6,114	5,956
Other liabilities and deferred credits, net	48,337	51,972
Total liabilities	<u>1,148,382</u>	<u>1,145,362</u>
Commitments and contingencies		
Equity:		
American Assets Trust, Inc. stockholders' equity		
Common stock, \$0.01 par value, 490,000,000 shares authorized, 45,732,109 and 45,407,719 shares issued and outstanding at December 31, 2016 and December 31, 2015, respectively	457	454
Additional paid-in capital	874,597	863,432
Accumulated dividends in excess of net income	(77,296)	(64,066)
Accumulated other comprehensive income (loss)	11,798	(258)
Total American Assets Trust, Inc. stockholders' equity	<u>809,556</u>	<u>799,562</u>
Noncontrolling interests	28,995	29,365
Total equity	<u>838,551</u>	<u>828,927</u>
Total liabilities and equity	<u>\$ 1,986,933</u>	<u>\$ 1,974,289</u>

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

	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Revenue:				
Rental income	\$ 72,180	\$ 68,111	\$ 279,498	\$ 261,887
Other property income	4,382	3,419	15,590	13,736
Total revenue	76,562	71,530	295,088	275,623
Expenses:				
Rental expenses	20,919	20,377	79,553	73,187
Real estate taxes	7,932	6,109	28,378	24,819
General and administrative	4,441	3,913	17,897	20,074
Depreciation and amortization	18,160	17,238	71,319	63,392
Total operating expenses	51,452	47,637	197,147	181,472
Operating income	25,110	23,893	97,941	94,151
Interest expense	(12,788)	(13,010)	(51,936)	(47,260)
Gain on sale of real estate	—	—	—	7,121
Other income (expense), net	86	343	(368)	(97)
Net income	12,408	11,226	45,637	53,915
Net income attributable to restricted shares	(61)	(53)	(189)	(168)
Net income attributable to unitholders in the Operating Partnership	(3,486)	(2,961)	(12,863)	(15,238)
Net income attributable to American Assets Trust, Inc. stockholders	\$ 8,861	\$ 8,212	\$ 32,585	\$ 38,509
Net income per share				
Basic income attributable to common stockholders per share	\$ 0.19	\$ 0.18	\$ 0.72	\$ 0.87
Weighted average shares of common stock outstanding - basic	45,480,870	45,219,849	45,332,471	44,439,112
Diluted income attributable to common stockholders per share	\$ 0.19	\$ 0.18	\$ 0.72	\$ 0.86
Weighted average shares of common stock outstanding - diluted	63,369,692	63,119,365	63,228,159	62,339,163
Dividends declared per common share	\$ 0.26	\$ 0.25	\$ 1.01	\$ 0.9475

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 December 31, 2016	Year Ended December 31, 2016
Funds From Operations (FFO)		
Net income	\$ 12,408	\$ 45,637
Depreciation and amortization of real estate assets	18,160	71,319
FFO, as defined by NAREIT	\$ 30,568	\$ 116,956
Less: Nonforfeitable dividends on incentive stock awards	(59)	(183)
FFO attributable to common stock and units	\$ 30,509	\$ 116,773
FFO per diluted share/unit	\$ 0.48	\$ 1.85
Weighted average number of common shares and units, diluted	63,372,367	63,230,829

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

Use of Non-GAAP Information

The company calculates FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts, or NAREIT. FFO represents net income (loss) (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.

About American Assets Trust, Inc.

American Assets Trust, Inc. (the "company") is a full service, vertically integrated and self-administered real estate investment trust, or REIT, headquartered in San Diego, California. The company has over 50 years of experience in acquiring, improving, developing and managing premier retail, office 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, Oregon, Washington and Hawaii. The company's retail portfolio comprises approximately 3.1 million rentable square feet, and its office portfolio comprises approximately 2.7 million square feet. In addition, the company owns one mixed-use property (including approximately 97,000 rentable square feet of retail space and a 369-room all-suite hotel) and 1,579 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. 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

FOURTH QUARTER 2016

Supplemental Information



Investor and Media Contact
American Assets Trust
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	Retail	Office	Multifamily	Mixed-Use	
	Square Feet	Square Feet	Units	Square Feet	Suites
San Diego	1,195,690	727,683	922 ⁽¹⁾	—	—
San Francisco	35,156	516,985	—	—	—
Oahu	549,308	—	—	96,707	369
Monterey	675,486	—	—	—	—
San Antonio	589,362	—	—	—	—
Portland	44,153	942,311	657	—	—
Seattle	—	494,658	—	—	—
Total	3,089,155	2,681,637	1,579	96,707	369

Note: Circled areas represent all markets in which American Assets Trust, Inc. (the "Company") currently owns and operates its real estate assets. Size of circle denotes approximation of square feet / units. 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 December 31, 2016.

(1) Includes 122 RV spaces.

	Square Feet	%
Retail	3.1 million	53%
Office	2.7 million	47%
Totals	5.8 million	

FOURTH QUARTER 2016 SUPPLEMENTAL INFORMATION**1. FINANCIAL HIGHLIGHTS**

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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; our failure to generate sufficient cash flows to service our outstanding indebtedness; defaults on, early terminations of or non-renewal of leases by tenants, including significant tenants; difficulties in identifying properties to acquire and completing acquisitions; difficulties in completing dispositions; our failure to successfully operate acquired properties and operations; our inability to develop or redevelop our properties due to market conditions; fluctuations in interest rates and increased operating costs; risks related to joint venture arrangements; our failure to obtain necessary outside financing; on-going litigation; general economic conditions; financial market fluctuations; risks that affect the general retail, office, multifamily and mixed-use environment; the competitive environment in which we operate; decreased rental rates or increased vacancy rates; 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 us 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)

December 31, 2016

December 31, 2015

ASSETS			
Real estate, at cost			
Operating real estate	\$	2,241,061	\$ 2,163,444
Construction in progress		50,498	73,121
Held for development		9,447	9,463
		<u>2,301,006</u>	<u>2,246,028</u>
Accumulated depreciation		(469,460)	(411,166)
Net real estate		1,831,546	1,834,862
Cash and cash equivalents		44,801	39,925
Restricted cash		9,950	11,623
Accounts receivable, net		9,330	7,518
Deferred rent receivable, net		38,452	38,422
Other assets, net		52,854	41,939
TOTAL ASSETS	\$	<u>1,986,933</u>	\$ <u>1,974,289</u>
LIABILITIES AND EQUITY			
LIABILITIES:			
Secured notes payable, net	\$	445,180	\$ 579,000
Unsecured notes payable, net		596,350	446,613
Unsecured line of credit		20,000	30,000
Accounts payable and accrued expenses		32,401	31,821
Security deposits payable		6,114	5,956
Other liabilities and deferred credits, net		48,337	51,972
Total liabilities		<u>1,148,382</u>	<u>1,145,362</u>
Commitments and contingencies			
EQUITY:			
American Assets Trust, Inc. stockholders' equity			
Common stock, \$0.01 par value, 490,000,000 shares authorized, 45,732,109 and 45,407,719 shares issued and outstanding at December 31, 2016 and December 31, 2015, respectively		457	454
Additional paid in capital		874,597	863,432
Accumulated dividends in excess of net income		(77,296)	(64,066)
Accumulated other comprehensive income (loss)		11,798	(258)
Total American Assets Trust, Inc. stockholders' equity		<u>809,556</u>	<u>799,562</u>
Noncontrolling interests		28,995	29,365
Total equity		<u>838,551</u>	<u>828,927</u>
TOTAL LIABILITIES AND EQUITY	\$	<u>1,986,933</u>	\$ <u>1,974,289</u>

CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
REVENUE:				
Rental income	\$ 72,180	\$ 68,111	\$ 279,498	\$ 261,887
Other property income	4,382	3,419	15,590	13,736
Total revenue	76,562	71,530	295,088	275,623
EXPENSES:				
Rental expenses	20,919	20,377	79,553	73,187
Real estate taxes	7,932	6,109	28,378	24,819
General and administrative	4,441	3,913	17,897	20,074
Depreciation and amortization	18,160	17,238	71,319	63,392
Total operating expenses	51,452	47,637	197,147	181,472
OPERATING INCOME	25,110	23,893	97,941	94,151
Interest expense	(12,788)	(13,010)	(51,936)	(47,260)
Gain on sale of real estate	—	—	—	7,121
Other income (expense), net	86	343	(368)	(97)
NET INCOME	12,408	11,226	45,637	53,915
Net income attributable to restricted shares	(61)	(53)	(189)	(168)
Net income attributable to unitholders in the Operating Partnership	(3,486)	(2,961)	(12,863)	(15,238)
NET INCOME ATTRIBUTABLE TO AMERICAN ASSETS TRUST, INC. STOCKHOLDERS	\$ 8,861	\$ 8,212	\$ 32,585	\$ 38,509
EARNINGS PER COMMON SHARE				
Basic income attributable to common stockholders per share	\$ 0.19	\$ 0.18	\$ 0.72	\$ 0.87
Weighted average shares of common stock outstanding - basic	45,480,870	45,219,849	45,332,471	44,439,112
Diluted income attributable to common stockholders per share	\$ 0.19	\$ 0.18	\$ 0.72	\$ 0.86
Weighted average shares of common stock outstanding - diluted	63,369,692	63,119,365	63,228,159	62,339,163

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

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

	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Funds from Operations (FFO) ⁽¹⁾				
Net income	\$ 12,408	\$ 11,226	\$ 45,637	\$ 53,915
Depreciation and amortization of real estate assets	18,160	17,238	71,319	63,392
Gain on sale of real estate	—	—	—	(7,121)
FFO, as defined by NAREIT	30,568	28,464	116,956	110,186
Less: Nonforfeitable dividends on incentive stock awards	(59)	(51)	(183)	(159)
FFO attributable to common stock and common units	<u>\$ 30,509</u>	<u>\$ 28,413</u>	<u>\$ 116,773</u>	<u>\$ 110,027</u>
FFO per diluted share/unit	<u>\$ 0.48</u>	<u>\$ 0.45</u>	<u>\$ 1.85</u>	<u>\$ 1.76</u>
Weighted average number of common shares and common units, diluted ⁽²⁾	<u>63,372,367</u>	<u>63,123,114</u>	<u>63,230,829</u>	<u>62,342,953</u>
Funds Available for Distribution (FAD) ⁽¹⁾	<u>\$ 20,421</u>	<u>\$ 21,665</u>	<u>\$ 86,269</u>	<u>\$ 80,469</u>
Dividends				
Dividends declared and paid	\$ 16,541	\$ 15,827	\$ 64,077	\$ 59,412
Dividends declared and paid per share/unit	\$ 0.2600	\$ 0.2500	\$ 1.0100	\$ 0.9475

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

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

	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Funds Available for Distribution (FAD) ⁽¹⁾				
FFO	\$ 30,568	\$ 28,464	\$ 116,956	\$ 110,186
Adjustments:				
Tenant improvements, leasing commissions and maintenance capital expenditures	(10,494)	(7,171)	(35,057)	(30,957)
Net effect of straight-line rents ⁽³⁾	(46)	(724)	552	(2,926)
Amortization of net above (below) market rents ⁽⁴⁾	(919)	(745)	(3,471)	(2,919)
Net effect of other lease assets ⁽⁵⁾	(307)	98	585	153
Amortization of debt issuance costs and debt fair value adjustment	1,119	1,054	4,473	4,214
Non-cash compensation expense	559	740	2,414	2,877
Nonforfeitable dividends on incentive stock awards	(59)	(51)	(183)	(159)
FAD	\$ 20,421	\$ 21,665	\$ 86,269	\$ 80,469

Summary of Capital Expenditures

Tenant improvements and leasing commissions	\$ 5,779	\$ 3,997	\$ 17,618	\$ 18,888
Maintenance capital expenditures	4,715	3,174	17,439	12,069
	\$ 10,494	\$ 7,171	\$ 35,057	\$ 30,957

Notes:

(1) See Glossary of Terms.

(2) For the three months and year ended December 31, 2016 and 2015, 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, lease termination fees at City Center Bellevue, and straight-line rent expense for our leases of the Annex at The Landmark at One Market and retail space at Waikiki Beach Walk - Retail.

SAME-STORE PORTFOLIO NET OPERATING INCOME (NOI)

(Amounts in thousands)

	Three Months Ended December 31, 2016				
	Retail	Office	Multifamily	Mixed-Use	Total
Real estate rental revenue					
Same-store portfolio	\$ 26,378	\$ 19,294	\$ 4,879	\$ 15,277	\$ 65,828
Non-same store portfolio ⁽¹⁾	288	7,544	2,902	—	10,734
Total	26,666	26,838	7,781	15,277	76,562
Real estate expenses					
Same-store portfolio	7,622	5,821	1,790	9,138	24,371
Non-same store portfolio ⁽¹⁾	109	2,623	1,748	—	4,480
Total	7,731	8,444	3,538	9,138	28,851
Net Operating Income (NOI), GAAP basis					
Same-store portfolio	18,756	13,473	3,089	6,139	41,457
Non-same store portfolio ⁽¹⁾	179	4,921	1,154	—	6,254
Total	\$ 18,935	\$ 18,394	\$ 4,243	\$ 6,139	\$ 47,711
Same-store portfolio NOI, GAAP basis	\$ 18,756	\$ 13,473	\$ 3,089	\$ 6,139	\$ 41,457
Net effect of straight-line rents ⁽²⁾	(599)	519	—	37	(43)
Amortization of net above (below) market rents ⁽³⁾	(288)	(660)	—	27	(921)
Net effect of other lease assets ⁽⁴⁾	—	(367)	—	(37)	(404)
Same-store portfolio NOI, cash basis	\$ 17,869	\$ 12,965	\$ 3,089	\$ 6,166	\$ 40,089

Notes:

- (1) Same-store portfolio and non-same store portfolio are determined based on properties held on December 31, 2016 and 2015. 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, lease termination fees at City Center Bellevue, and straight-line rent expense for our leases of the Annex at The Landmark at One Market and retail space at Waikiki Beach Walk - Retail.

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

(Amounts in thousands)

	Year Ended December 31, 2016				
	Retail	Office	Multifamily	Mixed-Use	Total
Real estate rental revenue					
Same-store portfolio	\$ 100,446	\$ 73,775	\$ 19,354	\$ 61,664	\$ 255,239
Non-same store portfolio ⁽¹⁾	536	29,479	9,834	—	39,849
Total	100,982	103,254	29,188	61,664	295,088
Real estate expenses					
Same-store portfolio	27,621	21,290	6,671	35,660	91,242
Non-same store portfolio ⁽¹⁾	313	10,549	5,827	—	16,689
Total	27,934	31,839	12,498	35,660	107,931
Net Operating Income (NOI), GAAP basis					
Same-store portfolio	72,825	52,485	12,683	26,004	163,997
Non-same store portfolio ⁽¹⁾	223	18,930	4,007	—	23,160
Total	\$ 73,048	\$ 71,415	\$ 16,690	\$ 26,004	\$ 187,157
Same-store portfolio NOI, GAAP basis	\$ 72,825	\$ 52,485	\$ 12,683	\$ 26,004	\$ 163,997
Net effect of straight-line rents ⁽²⁾	510	987	—	(38)	1,459
Amortization of net above (below) market rents ⁽³⁾	(1,241)	(2,413)	—	131	(3,523)
Net effect of other lease assets ⁽⁴⁾	—	346	—	(148)	198
Same-store portfolio NOI, cash basis	\$ 72,094	\$ 51,405	\$ 12,683	\$ 25,949	\$ 162,131

Notes:

- (1) Same-store portfolio and non-same store portfolio are determined based on properties held on December 31, 2016 and 2015. 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, lease termination fees at City Center Bellevue, and straight-line rent expense for our leases of the Annex at The Landmark at One Market and retail space at Waikiki Beach Walk - Retail.

SAME-STORE PORTFOLIO NOI COMPARISON EXCLUDING REDEVELOPMENT

(Amounts in thousands)

	Three Months Ended			Year Ended		
	December 31,			December 31,		
	2016	2015	Change	2016	2015	Change
Cash Basis:						
Retail	\$ 17,869	\$ 18,706	(4.5)%	\$ 72,094	\$ 71,764	0.5 %
Office	12,965	11,763	10.2	51,405	46,034	11.7
Multifamily	3,089	2,993	3.2	12,683	11,549	9.8
Mixed-Use	6,166	6,491	(5.0)	25,949	24,981	3.9
	<u>\$ 40,089</u>	<u>\$ 39,953</u>	<u>0.3 %</u>	<u>\$ 162,131</u>	<u>\$ 154,328</u>	<u>5.1 %</u>
GAAP Basis:						
Retail	\$ 18,756	\$ 18,864	(0.6)%	\$ 72,825	\$ 72,836	— %
Office	13,473	12,916	4.3	52,485	50,924	3.1
Multifamily	3,089	2,993	3.2	12,683	11,549	9.8
Mixed-Use	6,139	6,407	(4.2)	26,004	24,565	5.9
	<u>\$ 41,457</u>	<u>\$ 41,180</u>	<u>0.7 %</u>	<u>\$ 163,997</u>	<u>\$ 159,874</u>	<u>2.6 %</u>

SAME-STORE PORTFOLIO NOI COMPARISON WITH REDEVELOPMENT

(Amounts in thousands)

	Three Months Ended			Year Ended		
	December 31,			December 31,		
	2016	2015	Change	2016	2015	Change
Cash Basis:						
Retail	\$ 17,869	\$ 18,706	(4.5)%	\$ 72,094	\$ 71,764	0.5 %
Office	17,925	16,016	11.9	70,228	64,008	9.7
Multifamily	3,089	2,993	3.2	12,683	11,549	9.8
Mixed-Use	6,166	6,491	(5.0)	25,949	24,981	3.9
	<u>\$ 45,049</u>	<u>\$ 44,206</u>	<u>1.9 %</u>	<u>\$ 180,954</u>	<u>\$ 172,302</u>	<u>5.0 %</u>
GAAP Basis:						
Retail	\$ 18,756	\$ 18,864	(0.6)%	\$ 72,825	\$ 72,836	— %
Office	18,397	17,198	7.0	71,427	68,816	3.8
Multifamily	3,089	2,993	3.2	12,683	11,549	9.8
Mixed-Use	6,139	6,407	(4.2)	26,004	24,565	5.9
	<u>\$ 46,381</u>	<u>\$ 45,462</u>	<u>2.0 %</u>	<u>\$ 182,939</u>	<u>\$ 177,766</u>	<u>2.9 %</u>

(Amounts in thousands)

	Three Months Ended December 31, 2016				
	Retail	Office	Multifamily	Mixed-Use	Total
Southern California					
NOI, GAAP basis (1)	\$ 7,607	\$ 4,381	\$ 3,089	\$ —	\$ 15,077
Net effect of straight-line rents (2)	(229)	(6)	—	—	(235)
Amortization of net above (below) market rents (3)	(198)	—	—	—	(198)
Net effect of other lease assets (4)	—	92	—	—	92
NOI, cash basis	7,180	4,467	3,089	—	14,736
Northern California					
NOI, GAAP basis (1)	2,857	4,839	—	—	7,696
Net effect of straight-line rents (2)	8	341	—	—	349
Amortization of net above (below) market rents (3)	(97)	(194)	—	—	(291)
Net effect of other lease assets (4)	—	174	—	—	174
NOI, cash basis	2,768	5,160	—	—	7,928
Hawaii					
NOI, GAAP basis (1)	4,715	—	—	6,139	10,854
Net effect of straight-line rents (2)	(351)	—	—	37	(314)
Amortization of net above (below) market rents (3)	83	—	—	27	110
Net effect of other lease assets (4)	—	—	—	(37)	(37)
NOI, cash basis	4,447	—	—	6,166	10,613
Oregon					
NOI, GAAP basis (1)	203	4,522	1,154	—	5,879
Net effect of straight-line rents (2)	(97)	(48)	158	—	13
Amortization of net above (below) market rents (3)	—	(93)	—	—	(93)
Net effect of other lease assets (4)	—	6	—	—	6
NOI, cash basis	106	4,387	1,312	—	5,805
Texas					
NOI, GAAP basis (1)	3,553	—	—	—	3,553
Net effect of straight-line rents (2)	(27)	—	—	—	(27)
Amortization of net above (below) market rents (3)	(76)	—	—	—	(76)
NOI, cash basis	3,450	—	—	—	3,450
Washington					
NOI, GAAP basis (1)	—	4,652	—	—	4,652
Net effect of straight-line rents (2)	—	168	—	—	168
Amortization of net above (below) market rents (3)	—	(371)	—	—	(371)
Net effect of other lease assets (4)	—	(542)	—	—	(542)
NOI, cash basis	—	3,907	—	—	3,907
Total					
NOI, GAAP basis (1)	18,935	18,394	4,243	6,139	47,711
Net effect of straight-line rents (2)	(696)	455	158	37	(46)
Amortization of net above (below) market rents (3)	(288)	(658)	—	27	(919)
Net effect of other lease assets (4)	—	(270)	—	(37)	(307)
NOI, cash basis	\$ 17,951	\$ 17,921	\$ 4,401	\$ 6,166	\$ 46,439

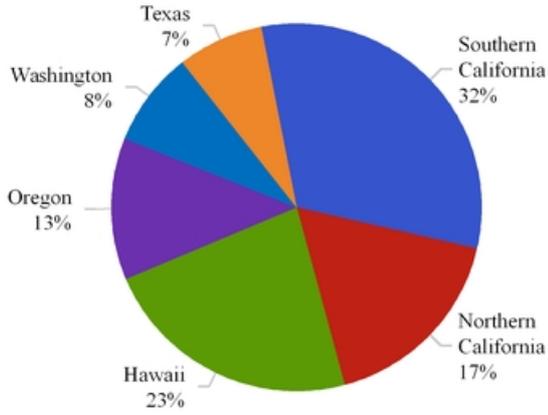
Notes:

- (1) 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, lease termination fees at City Center Bellevue, and straight-line rent expense for our leases of the Annex at The Landmark at One Market and retail space at Waikiki Beach Walk - Retail.

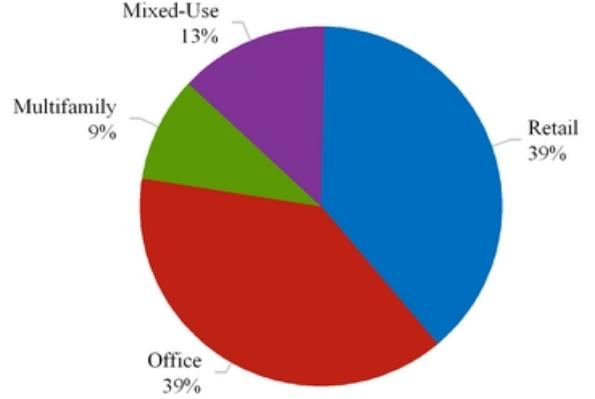
Three Months Ended December 31, 2016

Portfolio NOI, Cash Basis Breakdown

Portfolio Diversification by Geographic Region

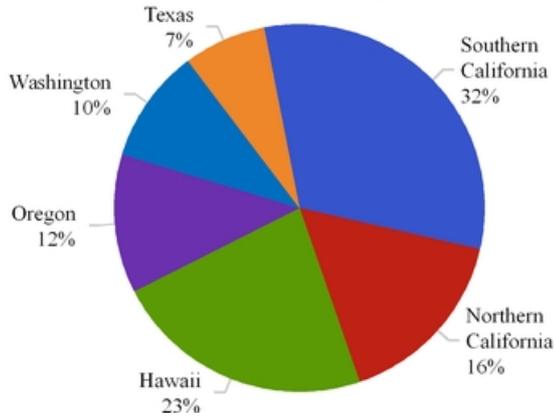


Portfolio Diversification by Segment

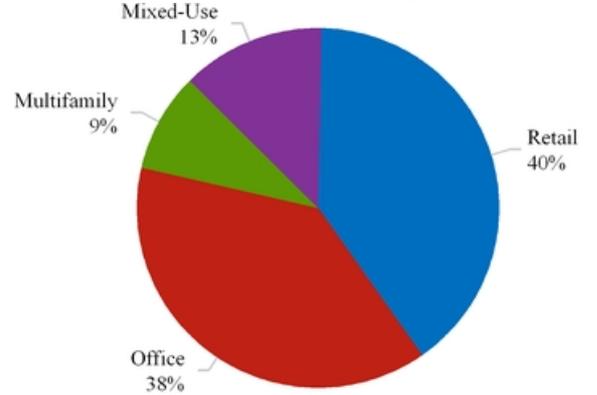


Portfolio NOI, GAAP Basis Breakdown

Portfolio Diversification by Geographic Region



Portfolio Diversification by Segment



PROPERTY REVENUE AND OPERATING EXPENSES

(Amounts in thousands)

Property	Three Months Ended December 31, 2016			
	Base Rent ⁽¹⁾	Additional Property Income ⁽²⁾	Billed Expense Reimbursements ⁽³⁾	Property Operating Expenses ⁽⁴⁾
Retail Portfolio				
Carmel Country Plaza	\$ 908	\$ 21	\$ 229	\$ (215)
Carmel Mountain Plaza	2,966	42	833	(941)
South Bay Marketplace	575	73	211	(219)
Lomas Santa Fe Plaza	1,352	21	351	(469)
Solana Beach Towne Centre	1,498	15	527	(562)
Del Monte Center	2,375	554	1,099	(1,554)
Geary Marketplace	299	1	155	(161)
The Shops at Kalakaua	480	25	43	(75)
Waialele Center	4,028	366	1,219	(1,639)
Alamo Quarry Market	3,474	267	2,026	(2,317)
Hassalo on Eighth - Retail ⁽⁵⁾	138	44	42	(80)
Subtotal Retail Portfolio	\$ 18,093	\$ 1,429	\$ 6,735	\$ (8,232)
Office Portfolio				
Torrey Reserve Campus ⁽⁶⁾	\$ 4,555	\$ 51	\$ 242	\$ (1,298)
Solana Beach Corporate Centre	1,872	2	37	(507)
The Landmark at One Market	6,003	29	439	(2,162)
One Beach Street	1,003	1	337	(490)
First & Main	2,908	224	348	(860)
Lloyd District Portfolio ⁽⁶⁾	2,596	492	45	(1,323)
City Center Bellevue	4,350	695 ⁽⁷⁾	494	(1,628)
Subtotal Office Portfolio	\$ 23,287	\$ 1,494	\$ 1,942	\$ (8,268)
Multifamily Portfolio				
Loma Palisades	\$ 3,027	\$ 201	\$ —	\$ (1,199)
Imperial Beach Gardens	851	68	—	(296)
Mariner's Point	407	27	—	(126)
Santa Fe Park RV Resort	273	24	—	(168)
Hassalo on Eighth - Multifamily ⁽⁵⁾	2,840	305	—	(1,749)
Subtotal Multifamily Portfolio	\$ 7,398	\$ 625	\$ —	\$ (3,538)

PROPERTY REVENUE AND OPERATING EXPENSES (CONTINUED)

(Amounts in thousands)

Property	Three Months Ended December 31, 2016			
	Base Rent ⁽¹⁾	Additional Property Income ⁽²⁾	Billed Expense Reimbursements ⁽³⁾	Property Operating Expenses ⁽⁴⁾
Mixed-Use Portfolio				
Waikiki Beach Walk - Retail	\$ 2,707	\$ 1,520	\$ 1,103	\$ (1,780)
Waikiki Beach Walk - Embassy Suites™	9,327	673	—	(7,384)
Subtotal Mixed-Use Portfolio	\$ 12,034	\$ 2,193	\$ 1,103	\$ (9,164)
Total	\$ 60,812	\$ 5,741	\$ 9,780	\$ (29,202)

Notes:

- (1) Base rent for our retail and office portfolio and the retail portion of our mixed-use portfolio represents base rent for the three months ended December 31, 2016 (before abatements) and excludes the impact of straight-line rent and above (below) market rent adjustments. Total abatements for our retail and office portfolio were approximately \$50 and \$529, respectively, for the three months ended December 31, 2016. There were no abatements for the retail portion of our mixed-use portfolio for the three months ended December 31, 2016. 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 \$84 of abatements for our multifamily portfolio for the three months ended December 31, 2016. For Waikiki Beach Walk - Embassy Suites™, base rent is equal to the actual room revenue for the three months ended December 31, 2016.
- (2) Represents additional property-related income for the three months ended December 31, 2016, 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 December 31, 2016.
- (4) Represents property operating expenses for the three months ended December 31, 2016. Property operating expenses includes all rental expenses, except non cash rent expense and the provision for bad debt recorded for deferred rent receivables.
- (5) The Hassalo on Eighth property is comprised of the following three multifamily buildings (each with a ground floor retail component): Velomor, Aster Tower and Elwood. The Aster Tower and Elwood multifamily buildings were placed into operations in October 2015 and the Velomor multifamily building was placed into operations in July 2015. The retail component of the Elwood building was placed into operations in April 2016, the retail component of the Velomor building was placed into operations in July 2016, and the retail component of the Aster Tower building was placed into operations in October 2016.
- (6) Base rent shown includes amounts related to American Assets Trust, L.P.'s leases at Torrey Reserve Campus and Lloyd District Portfolio. This intercompany rent is eliminated in the consolidated statement of operations. The base rent and abatements were both \$251 for the three months ended December 31, 2016.
- (7) Excluded lease termination fees not yet received as of December 31, 2016.

SEGMENT CAPITAL EXPENDITURES

(Amounts in thousands)

Three Months Ended December 31, 2016

Segment	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
Retail Portfolio	\$ 271	\$ 1,134	\$ 1,405	\$ —	\$ 99	\$ 1,504
Office Portfolio	5,504	2,475	7,979	—	5,221	13,200
Multifamily Portfolio	—	431	431	—	—	431
Mixed-Use Portfolio	4	675	679	—	—	679
Total	\$ 5,779	\$ 4,715	\$ 10,494	\$ —	\$ 5,320	\$ 15,814

Year Ended December 31, 2016

Segment	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
Retail Portfolio	\$ 2,589	\$ 2,733	\$ 5,322	\$ —	\$ 8,049	\$ 13,371
Office Portfolio	14,911	12,202	27,113	243	19,120	46,476
Multifamily Portfolio	—	1,727	1,727	—	736	2,463
Mixed-Use Portfolio	118	777	895	—	—	895
Total	\$ 17,618	\$ 17,439	\$ 35,057	\$ 243	\$ 27,905	\$ 63,205

SUMMARY OF OUTSTANDING DEBT

(Amounts in thousands)

Debt	Amount Outstanding at December 31, 2016	Interest Rate	Annual Debt Service ⁽¹⁾	Maturity Date	Balance at Maturity
Waikiki Beach Walk - Retail ⁽²⁾	130,310	5.39%	134,444	July 1, 2017	130,310
Solana Beach Corporate Centre III-IV ⁽³⁾	35,440	6.39%	36,962	August 1, 2017	35,136
Loma Palisades ⁽²⁾	73,744	6.09%	4,553	July 1, 2018	73,744
One Beach Street ⁽²⁾	21,900	3.94%	875	April 1, 2019	21,900
Torrey Reserve - North Court ⁽³⁾	20,399	7.22%	1,836	June 1, 2019	19,443
Torrey Reserve - VCI, VCII, VCIII ⁽³⁾	6,884	6.36%	560	June 1, 2020	6,439
Solana Beach Corporate Centre I-II ⁽³⁾	10,927	5.91%	855	June 1, 2020	10,169
Solana Beach Towne Centre ⁽³⁾	36,424	5.91%	2,849	June 1, 2020	33,898
City Center Bellevue ⁽²⁾	111,000	3.98%	4,479	November 1, 2022	111,000
Secured Notes Payable / Weighted Average ⁽⁴⁾	\$ 447,028	5.32%	\$ 187,413		\$ 442,039
Series A Notes ⁽⁵⁾	\$ 150,000	3.88%	\$ 6,060	October 31, 2021	\$ 150,000
Series B Notes	100,000	4.45%	4,450	February 2, 2025	100,000
Series C Notes	100,000	4.50%	4,500	April 1, 2025	100,000
Term Loan A ⁽⁶⁾	100,000	3.08%	3,125	January 9, 2019	100,000
Term Loan B ⁽⁷⁾	100,000	3.15%	3,149	March 1, 2023	100,000
Term Loan C ⁽⁸⁾	50,000	3.14%	1,571	March 1, 2023	50,000
Unsecured Notes Payable / Weighted Average ⁽⁹⁾	\$ 600,000	3.76%	\$ 22,855		\$ 600,000
Unsecured Line of Credit ⁽¹⁰⁾	\$ 20,000	2.10%			

Notes:

- (1) Includes principal balance of outstanding debt for Waikiki Beach Walk - Retail and Solana Beach Corporate Center III-IV, as such debt is due within the next twelve (12) months.
- (2) Interest only.
- (3) Principal payments based on a 30-year amortization schedule.
- (4) The Secured Notes Payable total does not include the unamortized fair value adjustment of \$1.3 million and debt issuance costs, net of \$0.5 million.
- (5) \$150 million of 4.04% Senior Guaranteed Notes, Series A, due October 31, 2021. Net of the settlement of the forward-starting interest rate swap, the fixed interest rate in accordance with GAAP for the Series A Notes is approximately 3.88% per annum, through maturity.
- (6) Term Loan A has a maturity date of January 9, 2018 and we have one 12-month option remaining to extend its maturity to 2019, which we intend to exercise. Term Loan A accrues interest at a variable rate, which we fixed as part of an interest rate swap for an all-in interest rate of 3.08%, subject to adjustments based on our consolidated leverage ratio.
- (7) Term Loan B matures on March 1, 2023. Term Loan B accrues interest at a variable rate, which we fixed as part of an interest rate swap for an all-in interest rate of 3.15%, subject to adjustments based on our consolidated leverage ratio.
- (8) Term Loan C matures on March 1, 2023. Term Loan C accrues interest at a variable rate, which we fixed as part of an interest rate swap for an all-in interest rate of 3.14%, subject to adjustments based on our consolidated leverage ratio.
- (9) The Unsecured Notes Payable total does not include debt issuance costs, net of \$3.7 million.
- (10) The unsecured revolving line of credit (the "Revolver Loan") has a capacity of \$250 million plus an accordion feature that may allow us to increase the availability thereunder up to an additional \$250 million, subject to meeting specified requirements and obtaining additional commitments from lenders. The Revolver Loan initially matures on January 9, 2018 and we have two six-month options to extend its maturity to January 9, 2019. The Revolver Loan currently accrues interest at LIBOR, plus a spread which ranges from 1.35%-1.95%, based on our consolidated leverage ratio.

(Amounts in thousands, except per share data)

Market data	December 31, 2016
Common shares outstanding	45,732
Common units outstanding	17,889
Common shares and common units outstanding	63,621
Market price per common share	\$ 43.08
Equity market capitalization	\$ 2,740,793
Total debt	\$ 1,067,028
Total market capitalization	\$ 3,807,821
Less: Cash on hand	\$ (44,801)
Total enterprise value	\$ 3,763,020
Total assets, gross	\$ 2,456,393
Total unencumbered assets, gross	\$ 1,709,775

Total debt/Total capitalization	28.0%
Total debt/Total enterprise value	28.4%
Net debt/Total enterprise value ⁽¹⁾	27.2%
Total debt/Total assets, gross	43.4%
Net debt/Total assets, gross ⁽¹⁾	41.6%
Total unencumbered assets, gross/Unsecured debt	275.8%
Total debt/EBITDA ⁽²⁾⁽³⁾	6.2x
Net debt/EBITDA ⁽¹⁾⁽²⁾⁽³⁾	5.9x
Interest coverage ratio ⁽⁴⁾	3.7x
Fixed charge coverage ratio ⁽⁴⁾	3.7x

Notes:

(1) Net debt is equal to total debt less cash on hand.

(2) See Glossary of Terms for discussion of EBITDA.

(3) As used here, EBITDA represents the actual for the three months ended December 31, 2016 annualized.

(4) Calculated as EBITDA divided by interest on borrowed funds, including capitalized interest and excluding debt fair value adjustments and loan fee amortization.

(5) Assumes the exercise of the one 12-month option remaining to extend the maturity of the unsecured term loan to January 2019.

Debt Maturity Schedule as of December 31, 2016



Weighted Average Fixed Interest Rate	2017	2018	2019	2020	2021	2022	2023	2024	2025
Weighted Average Fixed Interest Rate	5.6%	6.1%	3.8%	6.0%	3.9%	4.0%	3.1%	—%	4.5%

Total Weighted Average Fixed Interest Rate: 4.4%

Weighted Average Term to Maturity: 4.4 years

Credit Ratings

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

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.

In-Process Development Projects

Property	Location	Start Date	Estimated Completion Date	Estimated Stabilization Date ⁽¹⁾	Estimated Rentable Square Feet	Project Costs (in thousands) ⁽²⁾		Total Estimated Investment	Estimated Stabilized Yield ⁽³⁾
						Three Months Ended December 31, 2016	Cost Incurred to Date		
Office Property:									
Torrey Point	San Diego, CA	2015	2017	2018	88,000	\$5,592	\$32,123	\$55,800	7% - 8%

Development/Redevelopment Pipeline

Property	Property Type	Location	Estimated Rentable Square Feet	Multifamily Units
Solana Beach Corporate Centre (Building 5)	Retail	Solana Beach, CA	10,000	N/A
Lomas Santa Fe Plaza	Retail	Solana Beach, CA	45,000	N/A
Solana Beach - Highway 101 ⁽⁴⁾	Mixed Use	Solana Beach, CA	48,000	36
Lloyd District Portfolio - multiple phases ⁽⁵⁾	Mixed Use	Portland, OR	TBD	TBD

Notes:

- (1) Based on management's estimation of stabilized occupancy (90%).
- (2) For all properties, project costs exclude capitalized interest cost which is calculated in accordance with Accounting Standards Codification 835-20-50-1.
- (3) The estimated stabilized yield is calculated based on total estimated project costs, as defined above, when the project has reached stabilized occupancy.
- (4) Represents commercial portion of development opportunity for Solana Beach - Highway 101. A third party has been granted an option to acquire this property exercisable on or prior to August 22, 2018 at a price ranging from \$9.0 million to \$9.45 million in consideration for a non-refundable \$0.6 million option payment.
- (5) The Lloyd District 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 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 entitlement 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 December 31, 2016

Retail and Office Portfolios

Property	Location	Year Built/ Renovated	Number of Buildings	Net Rentable		Annualized Base Rent per Leased Square Foot ⁽⁴⁾	Retail Anchor Tenant(s) ⁽⁵⁾	Other Principal Retail Tenants ⁽⁶⁾
				Square Feet ⁽¹⁾	Percentage Leased ⁽²⁾			
Retail Properties								
Carmel Country Plaza	San Diego, CA	1991	9	78,098	94.6%	\$ 3,603,752	\$48.78	Sharp Healthcare, San Diego County Credit Union
Carmel Mountain Plaza ⁽⁷⁾	San Diego, CA	1994/2014	15	528,416	98.6	11,900,588	22.84	Sears Dick's Sporting Goods, Saks Fifth Avenue Off 5th
South Bay Marketplace ⁽⁷⁾	San Diego, CA	1997	9	132,877	100.0	2,301,751	17.32	Ross Dress for Less, Grocery Outlet
Lomas Santa Fe Plaza	Solana Beach, CA	1972/1997	9	209,569	93.7	5,314,489	27.06	Vons, Home Goods
Solana Beach Towne Centre	Solana Beach, CA	1973/2000/2004	12	246,730	98.2	6,079,732	25.09	Dixieline Probuild, Marshalls
Del Monte Center ⁽⁷⁾	Monterey, CA	1967/1984/2006	16	675,486	98.1	10,104,639	15.25	Macy's, KLA Monterrey Century Theatres, Macy's Furniture Gallery
Geary Marketplace	Walnut Creek, CA	2012	3	35,156	100.0	1,197,344	34.06	Sprouts Farmer Market, Freebirds Wild Burrito
The Shops at Kalakaua	Honolulu, HI	1971/2006	3	11,671	100.0	1,917,969	164.34	Hawaii Beachware & Fashion, Diesel U.S.A. Inc.
Waikele Center	Waipahu, HI	1993/2008	9	537,637	90.7	16,098,715	33.01	Lowe's, Kmart ⁽¹⁰⁾ UFC Gym, Old Navy
Alamo Quarry Market ⁽⁷⁾	San Antonio, TX	1997/1999	16	589,362	99.9	13,964,184	23.72	Regal Cinemas Bed Bath & Beyond, Whole Foods Market
Hassalo on Eighth ⁽⁸⁾	Portland, OR	2015	3	44,153	76.6	809,337	23.93	Providence Health & Services, Green Zebra Grocery
Subtotal/Weighted Average Retail Portfolio			104	3,089,155	96.6%	\$ 73,292,500	\$24.56	
Office Properties								
Torrey Reserve Campus	San Diego, CA	1996-2000/2014-2016	14	515,192	88.5%	\$ 18,752,967	\$41.13	
Solana Beach Corporate Centre	Solana Beach, CA	1982/2005	4	212,491	93.2	7,390,502	37.32	
The Landmark at One Market ⁽⁹⁾	San Francisco, CA	1917/2000	1	419,371	100.0	24,030,395	57.30	
One Beach Street	San Francisco, CA	1924/1972/1987/1992	1	97,614	100.0	4,040,694	41.39	
First & Main	Portland, OR	2010	1	360,641	98.7	10,947,393	30.76	
Lloyd District Portfolio	Portland, OR	1940-2011/present	6	581,670	72.1	10,862,292	25.90	
City Center Bellevue	Bellevue, WA	1987	1	494,658	95.2	17,406,056	36.96	
Subtotal/Weighted Average Office Portfolio			28	2,681,637	90.1%	\$ 93,430,299	\$38.67	
Total/Weighted Average Retail and Office Portfolio			132	5,770,792	93.6%	\$ 166,722,799	\$30.87	

As of December 31, 2016

Property	Location	Year Built/ Renovated	Number		Percentage Leased ⁽²⁾	Annualized Base Rent ⁽³⁾	Average Monthly
			of Buildings	Units			Base Rent per Leased Unit ⁽⁴⁾
Loma Palisades	San Diego, CA	1958/2001-2008	80	548	95.1%	\$ 11,930,772	\$ 1,908
Imperial Beach Gardens	Imperial Beach, CA	1959/2008	26	160	96.9	3,402,948	\$ 1,829
Mariner's Point	Imperial Beach, CA	1986	8	88	97.7	1,626,312	\$ 1,576
Santa Fe Park RV Resort ⁽¹¹⁾	San Diego, CA	1971/2007-2008	1	126	80.2	1,173,324	\$ 968
Hassalo on Eighth - Velomor ⁽⁸⁾	Portland, OR	2015	1	177	88.1	3,130,644	\$ 1,673
Hassalo on Eighth - Aster Tower ⁽⁸⁾	Portland, OR	2015	1	337	85.2	5,843,700	\$ 1,696
Hassalo on Eighth - Elwood ⁽⁸⁾	Portland, OR	2015	1	143	83.9	2,208,456	\$ 1,534
Total/Weighted Average Multifamily Portfolio			118	1,579	90.3%	\$29,316,156	\$ 1,713

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	Retail	Other Principal Retail Tenants
							Rent per Leased Square Foot ⁽⁴⁾	Anchor Tenant(s) ⁽⁵⁾	⁽⁶⁾
Waikiki Beach Walk - Retail	Honolulu, HI	2006	3	96,707	98.7%	\$ 10,838,934	\$ 113.56		Yard House, Roy's

Hotel Portion	Location	Year Built/ Renovated	Number of Buildings	Units	Average Occupancy ⁽¹²⁾	Average Daily Rate ⁽¹²⁾	Annualized
							Revenue per Available Room ⁽¹²⁾
Waikiki Beach Walk - Embassy Suites™	Honolulu, HI	2008/2014	2	369	88.4%	\$ 310.95	\$ 274.74

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, or BOMA, 1996 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 December 31, 2016, including leases which may not have commenced as of December 31, 2016. Percentage leased for our multifamily properties includes total units rented as of December 31, 2016.
- Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2016 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 under lease as of December 31, 2016. Annualized base rent per leased unit is calculated by dividing annualized base rent by units under lease as of December 31, 2016.
- Retail anchor tenants are defined as retail tenants leasing 50,000 square feet or more.
- Other principal retail tenants are defined as the two tenants leasing the most square footage, excluding anchor tenants.
- 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	6	125,477	\$ 1,193,816
South Bay Marketplace	1	2,824	\$ 91,320
Del Monte Center	2	295,100	\$ 201,291
Alamo Quarry Market	4	31,994	\$ 470,075

- The Hassalo on Eighth property is comprised of the following three multifamily buildings (each with a ground floor retail component): Velomor, Aster Tower and Elwood. The Aster Tower and Elwood multifamily buildings were placed into operations in October 2015 and the Velomor multifamily building was placed into operations in July 2015. The retail component of the Elwood building was placed into operations in April 2016, the retail component of the Velomor building was placed into operations in July 2016 and the retail component of the Aster Tower building was placed into operations in October 2016.
- This property contains 419,371 net rentable square feet consisting of The Landmark at One Market (375,151 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, 2021, which we have the option to extend until 2031 pursuant to two five-year extension options.

- (10) In December 2016, the Kmart store at Waikale Center ceased its operations, but continues to remain fully liable for all of its lease obligations until the lease's scheduled expiration on June 30, 2018.
- (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 December 31, 2016, the highest average monthly occupancy rate for this property was 100%, occurring in August 2016. The number of units at the Santa Fe Park RV Resort includes 122 RV spaces and four apartments.
- (12) Average occupancy represents the percentage of available units that were sold during the three months ended December 31, 2016, 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 December 31, 2016 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 December 31, 2016 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.

RETAIL LEASING SUMMARY

As of December 31, 2016

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.
4th Quarter 2016	14	100%	28,604	\$44.50	\$42.67	\$ 52,501	4.3%	17.5 %	7.3	\$ 555,445	\$19.42
3rd Quarter 2016	21	100%	98,723	\$31.94	\$28.20	\$ 370,189	13.3%	18.2 %	7.2	\$ 1,974,000	\$20.00
2nd Quarter 2016	15	100%	50,733	\$41.90	\$40.05	\$ 94,165	4.6%	5.5 %	4.2	\$ 166,260	\$3.28
1st Quarter 2016	16	100%	81,056	\$34.54	\$33.82	\$ 58,295	2.1%	9.1 %	4.9	\$ 7,000	\$0.09
Total 12 months	66	100%	259,116	\$36.09	\$33.88	\$ 575,150	6.6%	12.3 %	5.9	\$ 2,702,705	\$10.43

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.
4th Quarter 2016	4	29%	3,246	\$80.62	\$77.70	\$ 9,477	3.8%	12.4 %	6.1	\$ 51,745	\$15.94
3rd Quarter 2016	3	14%	47,066	\$24.25	\$19.01	\$ 246,521	27.6%	30.4 %	10.5	\$ 1,974,000	\$41.94
2nd Quarter 2016	3	20%	5,974	\$72.08	\$70.79	\$ 7,706	1.8%	(11.1)%	7.3	\$ 163,260	\$27.33
1st Quarter 2016	—	—%	—	\$0.00	\$0.00	\$ —	—%	—%	—	\$ —	\$0.00
Total 12 months	10	15%	56,286	\$32.58	\$27.89	\$ 263,704	16.8%	15.9 %	9.9	\$ 2,189,005	\$38.89

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.
4th Quarter 2016	10	71%	25,358	\$39.88	\$38.18	\$ 43,024	4.4%	18.9 %	7.5	\$ 503,700	\$19.86
3rd Quarter 2016	18	86%	51,657	\$38.96	\$36.57	\$ 123,668	6.5%	12.3 %	4.1	\$ —	\$0.00
2nd Quarter 2016	12	80%	44,759	\$37.87	\$35.94	\$ 86,459	5.4%	10.2 %	3.8	\$ 3,000	\$0.07
1st Quarter 2016	16	100%	81,056	\$34.54	\$33.82	\$ 58,295	2.1%	9.1 %	4.9	\$ 7,000	\$0.09
Total 12 months	56	85%	202,830	\$37.07	\$35.53	\$ 311,446	4.3%	11.5 %	4.8	\$ 513,700	\$2.53

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.
4th Quarter 2016	16	31,064	\$43.51	7.1	\$ 599,245	\$19.29
3rd Quarter 2016	24	103,348	\$32.02	7.1	\$ 2,188,512	\$21.18
2nd Quarter 2016	17	55,405	\$41.18	4.2	\$ 361,513	\$6.52
1st Quarter 2016	19	99,198	\$33.95	5.8	\$ 1,563,910	\$15.77
Total 12 months	76	289,015	\$35.67	6.1	\$ 4,713,180	\$16.31

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) Excludes renewals at fixed contractual rates specified in the lease.

OFFICE LEASING SUMMARY

As of December 31,
2016

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.
4th Quarter 2016	11	100%	103,401	\$38.81	\$33.78	\$ 519,828	14.9%	31.8%	4.6	\$ 1,218,128	\$11.78
3rd Quarter 2016	12	100%	38,822	\$41.43	\$37.79	\$ 141,420	9.6%	16.8%	4.2	\$ 729,389	\$18.79
2nd Quarter 2016	8	100%	22,535	\$39.42	\$35.76	\$ 82,428	10.2%	21.4%	4.2	\$ 221,004	\$9.81
1st Quarter 2016	19	100%	52,050	\$41.38	\$37.87	\$ 182,885	9.3%	17.6%	4.3	\$ 677,219	\$13.01
Total 12 months	50	100%	216,808	\$39.96	\$35.69	\$ 926,561	12.0%	24.2%	4.4	\$ 2,845,740	\$13.13

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.
4th Quarter 2016	5	45%	46,060	\$40.17	\$34.77	\$ 248,871	15.5%	30.7%	3.5	\$ 700,600	\$15.21
3rd Quarter 2016	4	33%	10,953	\$43.51	\$38.64	\$ 53,277	12.6%	13.5%	4.1	\$ 73,700	\$6.73
2nd Quarter 2016	2	25%	5,131	\$34.34	\$33.08	\$ 6,437	3.8%	9.3%	7.4	\$ 144,018	\$28.07
1st Quarter 2016	5	26%	14,680	\$40.22	\$37.29	\$ 43,038	7.9%	19.8%	5.5	\$ 388,840	\$26.49
Total 12 months	16	32%	76,824	\$40.27	\$35.69	\$ 351,623	12.8%	24.3%	4.2	\$ 1,307,158	\$17.02

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.
4th Quarter 2016	6	55%	57,341	\$37.71	\$32.98	\$ 270,957	14.3%	32.8%	5.5	\$ 517,528	\$9.03
3rd Quarter 2016	8	67%	27,869	\$40.61	\$37.45	\$ 88,143	8.4%	18.2%	4.3	\$ 655,689	\$23.53
2nd Quarter 2016	6	75%	17,404	\$40.91	\$36.55	\$ 75,991	11.9%	24.9%	3.2	\$ 76,986	\$4.42
1st Quarter 2016	14	74%	37,370	\$41.84	\$38.10	\$ 139,847	9.8%	16.8%	3.8	\$ 288,379	\$7.72
Total 12 months	34	68%	139,984	\$39.79	\$35.68	\$ 574,938	11.5%	24.1%	4.5	\$ 1,538,582	\$10.99

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.
4th Quarter 2016	16	125,836	\$39.48	5.0	\$ 2,796,553	\$22.22
3rd Quarter 2016	15	47,637	\$42.59	4.8	\$ 1,256,475	\$26.38
2nd Quarter 2016	12	35,320	\$41.15	4.6	\$ 510,132	\$14.44
1st Quarter 2016	25	72,802	\$41.06	4.9	\$ 1,484,597	\$20.39
Total 12 months	68	281,595	\$40.62	4.9	\$ 6,047,757	\$21.47

- 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) Excludes renewals at fixed contractual rates specified in the lease.

As of December 31, 2016

Lease Summary - Loma Palisades

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
4th Quarter 2016	521	95.1%	\$11,930,772	\$1,908
3rd Quarter 2016	536	97.8%	\$12,083,664	\$1,879
2nd Quarter 2016	532	97.1%	\$12,102,696	\$1,895
1st Quarter 2016	538	98.2%	\$12,025,824	\$1,862

Lease Summary - Imperial Beach Gardens

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
4th Quarter 2016	155	96.9%	\$3,402,948	\$1,829
3rd Quarter 2016	156	97.6%	\$3,422,268	\$1,826
2nd Quarter 2016	155	96.9%	\$3,302,964	\$1,775
1st Quarter 2016	154	96.3%	\$3,247,692	\$1,756

Lease Summary - Mariner's Point

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
4th Quarter 2016	86	97.7%	\$1,626,312	\$1,576
3rd Quarter 2016	86	97.7%	\$1,617,708	\$1,568
2nd Quarter 2016	86	97.7%	\$1,520,064	\$1,473
1st Quarter 2016	85	96.6%	\$1,505,940	\$1,476

Lease Summary - Santa Fe Park RV Resort

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
4th Quarter 2016	101	80.2%	\$1,173,324	\$968
3rd Quarter 2016	97	77.0%	\$1,123,284	\$965
2nd Quarter 2016	123	97.6%	\$1,475,328	\$1,000
1st Quarter 2016	112	89.0%	\$1,300,452	\$966

MULTIFAMILY LEASING SUMMARY (CONTINUED)

As of December 31, 2016

Lease Summary - Hassalo on Eighth - Velomor

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
4th Quarter 2016	156	88.1%	\$3,130,644	\$1,673
3rd Quarter 2016	163	92.1%	\$3,211,500	\$1,642
2nd Quarter 2016	167	94.3%	\$3,202,296	\$1,599
1st Quarter 2016	151	85.3%	\$2,717,028	\$1,500

Lease Summary - Hassalo on Eighth - Aster Tower

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
4th Quarter 2016	287	85.2%	\$5,843,700	\$1,696
3rd Quarter 2016	288	85.5%	\$6,294,240	\$1,820
2nd Quarter 2016	286	84.8%	\$4,928,244	\$1,437
1st Quarter 2016	151	44.8%	\$2,450,700	\$1,353

Lease Summary - Hassalo on Eighth - Elwood

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
4th Quarter 2016	120	83.9%	\$2,208,456	\$1,534
3rd Quarter 2016	122	85.3%	\$2,424,792	\$1,657
2nd Quarter 2016	111	77.6%	\$1,936,200	\$1,454
1st Quarter 2016	62	43.4%	\$969,336	\$1,302

Total Multifamily Lease Summary

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
4th Quarter 2016	1,426	90.3%	\$29,316,156	\$1,713
3rd Quarter 2016	1,448	91.7%	\$30,177,456	\$1,737
2nd Quarter 2016	1,460	92.5%	\$28,467,792	\$1,624
1st Quarter 2016	1,253	79.4%	\$24,216,972	\$1,610

Notes:

- (1) Percentage leased for our multifamily properties includes total units rented 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 December 31, 2016

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⁾
4th Quarter 2016	95,450	98.7%	\$10,838,934	\$114
3rd Quarter 2016	95,588	98.8%	\$10,810,032	\$113
2nd Quarter 2016	95,085	98.3%	\$10,785,430	\$113
1st Quarter 2016	94,601	97.8%	\$10,709,209	\$113

Lease Summary - Hotel Portion

Quarter	Number of Leased Units	Average Occupancy ⁽⁴⁾	Average Daily Rate ⁽⁴⁾	Annualized Revenue per Available Room ⁽⁴⁾
4th Quarter 2016	326	88.4%	\$311	\$275
3rd Quarter 2016	346	93.9%	\$357	\$335
2nd Quarter 2016	332	89.9%	\$307	\$276
1st Quarter 2016	321	87.0%	\$322	\$280

Notes:

- (1) Percentage leased for mixed-use property includes square footage under leases as of December 31, 2016, including leases which may not have commenced as of December 31, 2016.
- (2) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2016 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 December 31, 2016.
- (4) Average occupancy represents the percentage of available units that were sold during the three months ended December 31, 2016, 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 December 31,
2016

Assumes no exercise of lease options

Year	Office				Retail				Mixed-Use (Retail Portion Only)				Total		
	Expiring	% of	% of	Annualized	Expiring	% of	% of	Annualized	Expiring	% of	% of	Annualized	Expiring	% of	Annualized
		Office	Total			Retail	Total			Mixed-Use	Total			Total	
Month to Month	16,925	0.6%	0.3%	\$1.61	13,830	0.4%	0.2%	\$38.98	1,782	1.8%	—%	—	32,537	0.6%	\$17.41
2017	337,560	12.6	5.8	\$40.50	297,709	9.6	5.1	\$26.17	15,861	16.4	0.3	\$148.63	651,130	11.1	\$36.58
2018	306,047	11.4	5.2	\$48.96	891,342	28.9	15.2	\$19.99	13,607	14.1	0.2	\$105.22	1,210,996	20.6	\$28.27
2019	333,721 ⁽²⁾	12.4	5.7	\$42.32	350,581	11.3	6.0	\$28.69	19,519	20.2	0.3	\$92.65	703,821	12.0	\$36.93
2020	362,737 ⁽³⁾	13.5	6.2	\$40.71	292,718	9.5	5.0	\$22.17	19,798	20.5	0.3	\$65.20	675,253	11.5	\$33.39
2021	309,204	11.5	5.3	\$42.41	155,707	5.0	2.7	\$42.98	12,383	12.8	0.2	\$235.26	477,294	8.1	\$47.60
2022	83,513	3.1	1.4	\$33.55	237,600	7.7	4.0	\$31.63	12,500	12.9	0.2	\$82.97	333,613	5.7	\$34.03
2023	154,621	5.8	2.6	\$33.87	96,511	3.1	1.6	\$20.75	—	—	—	—	251,132	4.3	\$28.83
2024	142,201	5.3	2.4	\$34.26	241,687	7.8	4.1	\$24.22	—	—	—	—	383,888	6.5	\$27.94
2025	210,320	7.8	3.6	\$29.31	162,586	5.3	2.8	\$22.96	—	—	—	—	372,906	6.4	\$26.54
2026	22,750	0.8	0.4	\$25.59	51,045	1.7	0.9	\$36.13	—	—	—	—	73,795	1.3	\$32.88
Thereafter	108,818	4.1	1.9	\$28.39	136,407	4.4	2.3	\$21.67	—	—	—	—	245,225	4.2	\$24.65
Signed Leases Not Commenced	28,588	1.1	0.5	—	57,880	1.9	1.0	—	—	—	—	—	86,468	1.5	—
Available	264,632	9.9	4.5	—	103,552	3.4	1.8	—	1,257	1.3	—	—	369,441	6.3	—
Total ⁽⁴⁾	<u>2,681,637</u>	<u>100.0%</u>	<u>45.7%</u>	<u>\$34.84</u>	<u>3,089,155</u>	<u>100.0%</u>	<u>52.6%</u>	<u>\$23.73</u>	<u>96,707</u>	<u>100.0%</u>	<u>1.6%</u>	<u>\$112.08</u>	<u>5,867,499</u>	<u>100.0%</u>	<u>\$30.26</u>

Assumes all lease options are exercised

Year	Office				Retail				Mixed-Use (Retail Portion Only)				Total		
	Expiring	% of	% of	Annualized	Expiring	% of	% of	Annualized	Expiring	% of	% of	Annualized	Expiring	% of	Annualized
		Office	Total			Retail	Total			Mixed-Use	Total			Total	
Month to Month	16,925	0.6%	0.3%	\$1.61	13,830	0.4%	0.2%	\$38.98	1,782	1.8%	—%	—	32,537	0.6%	\$17.41
2017	214,579	8.0	3.7	\$39.15	91,898	3.0	1.6	\$33.91	14,821	15.3	0.3	\$144.01	321,298	5.5	\$42.49
2018	74,899	2.8	1.3	\$38.94	51,249	1.7	0.9	\$38.30	13,607	14.1	0.2	\$105.22	139,755	2.4	\$45.16
2019	129,027	4.8	2.2	\$40.23	88,327	2.9	1.5	\$36.32	7,829	8.1	0.1	\$142.35	225,183	3.8	\$42.25
2020	152,534	5.7	2.6	\$37.76	80,776	2.6	1.4	\$27.04	3,476	3.6	0.1	\$196.75	236,786	4.0	\$36.44
2021	127,183	4.7	2.2	\$35.15	90,325	2.9	1.5	\$45.39	12,383	12.8	0.2	\$235.26	229,891	3.9	\$49.95
2022	138,071 ⁽²⁾	5.1	2.4	\$39.12	107,876	3.5	1.8	\$35.37	12,930	13.4	0.2	\$86.38	258,877	4.4	\$39.92
2023	183,604 ⁽³⁾	6.8	3.1	\$45.16	94,743	3.1	1.6	\$34.07	—	—	—	—	278,347	4.7	\$41.39
2024	119,869	4.5	2.0	\$34.76	209,600	6.8	3.6	\$28.79	—	—	—	—	329,469	5.6	\$30.96
2025	150,846	5.6	2.6	\$34.65	99,529	3.2	1.7	\$30.10	—	—	—	—	250,375	4.3	\$32.84
2026	162,574	6.1	2.8	\$36.19	54,013	1.7	0.9	\$39.83	—	—	—	—	216,587	3.7	\$37.10
Thereafter	918,306	34.2	15.7	\$41.05	1,945,557	63.0	33.2	\$20.54	28,622	29.6	0.5	\$50.46	2,892,485	49.3	\$27.35
Signed Leases Not Commenced	28,588	1.1	0.5	—	57,880	1.9	1.0	—	—	—	—	—	86,468	1.5	—
Available	264,632	9.9	4.5	—	103,552	3.4	1.8	—	1,257	1.3	—	—	369,441	6.3	—
Total ⁽⁴⁾	<u>2,681,637</u>	<u>100.0%</u>	<u>45.7%</u>	<u>\$34.84</u>	<u>3,089,155</u>	<u>100.0%</u>	<u>52.6%</u>	<u>\$23.73</u>	<u>96,707</u>	<u>100.0%</u>	<u>1.6%</u>	<u>\$112.08</u>	<u>5,867,499</u>	<u>100.0%</u>	<u>\$30.26</u>

As of December 31, 2016

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 December 31, 2016 for the leases expiring during the applicable period by (ii) 12 months.
- (2) The expirations include 19,697 square feet currently leased by Caradigm USA LLC at City Center Bellevue through December 31, 2016, for which Wargaming (Seattle), Inc has signed an agreement to lease such space beginning January 16, 2017 through October 31, 2019 with option to extend the lease through October 31, 2022.
- (3) The expirations include 18,216 square feet currently leased by Caradigm USA LLC at City Center Bellevue through December 31, 2016, for which Nimbus Development, Inc has signed an agreement to lease such space beginning January 1, 2017 through October 31, 2020 with option to extend the lease through October 31, 2023.
- (4) Individual items may not add up to total due to rounding.

Type	At December 31, 2016			At December 31, 2015		
	Size	Leased ⁽¹⁾	Leased %	Size	Leased ⁽¹⁾	Leased %
Overall Portfolio ⁽²⁾ Statistics						
Retail Properties (square feet)	3,089,155	2,985,603	96.6%	3,045,194	3,003,532	98.6%
Office Properties (square feet)	2,681,637	2,417,005	90.1%	2,658,574	2,457,475	92.4%
Multifamily Properties (units)	1,579	1,426	90.3%	1,579	1,159	73.4%
Mixed-Use Properties (square feet)	96,707	95,450	98.7%	96,707	96,707	100.0%
Mixed-Use Properties (units)	369	331 ⁽³⁾	89.8%	369	331 ⁽³⁾	89.6%
Same-Store⁽²⁾ Statistics						
Retail Properties (square feet)	3,045,002 ⁽⁴⁾	2,951,779	96.9%	3,045,194 ⁽⁴⁾	3,003,532	98.6%
Office Properties (square feet)	1,584,775 ⁽⁵⁾	1,541,932	97.3%	1,584,594 ⁽⁵⁾	1,553,715	98.1%
Multifamily Properties (units)	922 ⁽⁶⁾	863	93.6%	922 ⁽⁶⁾	881	95.6%
Mixed-Use Properties (square feet)	96,707	95,450	98.7%	96,707	96,707	100.0%
Mixed-Use Properties (units)	369	331 ⁽³⁾	89.8%	369	331 ⁽³⁾	89.6%

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 as of that date.
- (2) See Glossary of Terms.
- (3) Represents average occupancy for the year ended December 31, 2016 and 2015.
- (4) The same-store portfolio excludes Hassalo on Eighth - Retail; the retail component of the Elwood building was placed into operations in April 2016, the retail component of the Velomor building was placed into operations in July 2016 and the retail component of the Aster Tower building was placed into operations October 2016.
- (5) The same-store portfolio excludes Torrey Reserve Campus and Lloyd District Portfolio due to significant redevelopment activity.
- (6) The same-store portfolio excludes Hassalo on Eighth multifamily; the Velomor building was placed into operations and available for occupancy in July 2015 and the Aster Tower and Elwood buildings were placed into operations and available for occupancy in October 2015.

TOP TENANTS - RETAIL

As of December 31, 2016

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 Kmart ⁽¹⁾	Waikele Center	6/30/2018	119,590	3.9%	2.0%	\$ 4,544,420	6.2%	2.6%
2 Lowe's	Waikele Center	5/31/2018	155,000	5.0	2.6	4,516,727	6.2	2.5
3 Nordstrom Rack	Carmel Mountain Plaza, Alamo Quarry Market	9/30/2022 10/31/2022	69,047	2.2	1.2	1,990,316	2.7	1.1
4 Sprouts Farmers Market	Solana Beach Towne Centre, Carmel Mountain Plaza, Geary Marketplace	6/30/2019 3/31/2025 9/30/2032	71,431	2.3	1.2	1,919,436	2.6	1.1
5 Old Navy	Alamo Quarry Market, Waikele Center, South Bay Marketplace	9/30/2017 7/31/2020 4/30/2021	59,780	1.9	1.0	*	*	*
6 Marshalls	Carmel Mountain Plaza, Solana Beach Towne Centre	1/31/2019 1/31/2025	68,055	2.2	1.2	1,335,447	1.8	0.8
7 Vons	Lomas Santa Fe Plaza	12/31/2017	49,895	1.6	0.9	1,216,700	1.7	0.7
8 Regal Cinemas	Alamo Quarry Market	3/31/2018	72,447	2.3	1.2	1,122,929	1.5	0.6
9 Gap	Del Monte Center, Waikele Center, Alamo Quarry Market	9/20/2020 2/28/2022 4/30/2024	36,614	1.2	0.6	982,039	1.3	0.6
10 Angelika Film Center	Carmel Mountain Plaza	1/31/2024	34,561	1.1	0.6	958,657	1.3	0.5
Top 10 Retail Tenants Total			736,420	23.7%	12.5%	\$18,586,671	25.3%	10.5%

* Data withheld at tenant's request.

(1) In December 2016, the Kmart store at Waikele Center ceased its operations, but continues to remain fully liable for all of its lease obligations until the lease's scheduled expiration on June 30, 2018.

As of December 31, 2016

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 salesforce.com	The Landmark at One Market	6/30/2019 4/30/2020 5/31/2021	254,118	9.5%	4.3%	\$13,986,276	15.0%	7.9%
2 Autodesk, Inc.	The Landmark at One Market	12/31/2017 12/31/2018	114,664	4.3	2.0	7,969,801	8.5	4.5
3 Veterans Benefits Administration	First & Main	8/31/2020	93,572	3.5	1.6	3,006,453	3.2	1.7
4 Insurance Company of the West	Torrey Reserve Campus	12/31/2016 12/31/2019	69,795	2.6	1.2	2,757,086	3.0	1.6
5 Clearex Operating, LLC	First & Main	4/30/2025	101,848	3.8	1.7	2,578,353	2.8	1.5
6 State of Oregon: Department of Environmental Quality	Lloyd District Portfolio	10/31/2031	87,787	3.3	1.5	2,458,036	2.6	1.4
7 Caradigm USA LLC	City Center Bellevue	12/31/2016 12/31/2021	68,956	2.6	1.2	2,367,259	2.5	1.3
8 Alliant International University	One Beach Street	10/31/2019	64,161	2.4	1.1	2,363,814	2.5	1.3
9 Treasury Call Center	First & Main	8/31/2020	63,648	2.4	1.1	2,184,302	2.3	1.2
10 HDR Engineering, Inc.	City Center Bellevue	12/31/2017	56,024	2.1	1.0	2,100,900	2.2	1.2
Top 10 Office Tenants Total			974,573	36.5%	16.7%	\$41,772,280	44.6%	23.6%

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 months and year ended December 31, 2016 and 2015 is as follows:

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Net income	\$ 12,408	\$ 11,226	\$ 45,637	\$ 53,915
Depreciation and amortization	18,160	17,238	71,319	63,392
Interest expense	12,788	13,010	51,936	47,260
Interest income	(9)	(55)	(72)	(90)
Income tax expense	(77)	(180)	566	295
Gain on sale of real estate	—	—	—	(7,121)
EBITDA	\$ 43,270	\$ 41,239	\$ 169,386	\$ 157,651

Funds From Operations (FFO): FFO is a supplemental measure of real estate companies' operating performances. The National Association of Real Estate Investment Trusts (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		Year Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Reconciliation of NOI to net income				
Total NOI	\$ 47,711	\$ 45,044	\$ 187,157	\$ 177,617
General and administrative	(4,441)	(3,913)	(17,897)	(20,074)
Depreciation and amortization	(18,160)	(17,238)	(71,319)	(63,392)
Interest expense	(12,788)	(13,010)	(51,936)	(47,260)
Gain on sale of real estate	—	—	—	7,121
Other income (expense), net	86	343	(368)	(97)
Net income	12,408	11,226	45,637	53,915
Net income attributable to restricted shares	(61)	(53)	(189)	(168)
Net loss attributable to unitholders in the Operating Partnership	(3,486)	(2,961)	(12,863)	(15,238)
Net income attributable to American Assets Trust, Inc. stockholders	\$ 8,861	\$ 8,212	\$ 32,585	\$ 38,509

Overall Portfolio: Includes all operating properties owned by us as of December 31, 2016.

GLOSSARY OF TERMS (CONTINUED)

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			Comparison of Year Ended		
	December 31, 2016 to 2015			December 31, 2016 to 2015		
	Same-Store	Non Same-Store	Redevelopment Same-Store	Same-Store	Non Same-Store	Redevelopment Same-Store
Retail Properties						
Carmel Country Plaza	X		X	X		X
Carmel Mountain Plaza	X		X	X		X
South Bay 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
Waikale Center	X		X	X		X
Alamo Quarry Market	X		X	X		X
Hassalo on Eighth - Retail		X			X	
Office Properties						
Torrey Reserve Campus		X	X		X	X
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 District Portfolio		X	X		X	X
City Center Bellevue	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
Hassalo on Eighth		X			X	
Mixed-Use Properties						
Waikiki Beach Walk - Retail	X		X	X		X
Waikiki Beach Walk - Embassy Suites™	X		X	X		X
Development Properties						
Sorrento Pointe - Construction in Progress		X			X	
Solana Beach Corporate Centre - Land		X			X	
Solana Beach - Highway 101 - Land		X			X	
Lloyd District Portfolio - Land		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.