

**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):

October 24, 2019

American Assets Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-35030
(Commission
File No.)

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

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

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

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

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

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

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

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

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On October 29, 2019, American Assets Trust, Inc. (the "Company") issued a press release regarding its financial results for the quarter ending September 30, 2019. Also on October 29, 2019, the Company made available on the "Investors" page of its website at www.americanassetstrust.com certain supplemental information concerning the Company's financial results and operations for the quarter ending September 30, 2019. Copies of the press release and supplemental information are attached hereto as Exhibits 99.1 and 99.2, respectively.

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

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

On October 24, 2019, the Board of Directors of the Company appointed Adam Wyll to the position of Executive Vice President - Chief Operating Officer. Mr. Wyll also serves as the Company's General Counsel and Secretary. Mr. Wyll has served as the Company's Senior Vice President, General Counsel and Secretary since the Company's initial public offering in January 2011. Mr. Wyll holds a doctorate of jurisprudence degree from the University of Texas at Austin, School of Law and bachelor of business administration degree in finance from the University of Texas at Austin, School of Business.

Item 7.01 Regulation FD Disclosure.

As discussed in Item 2.02 above, the Company issued a press release regarding its financial results for the quarter ending September 30, 2019 and made available on its website certain supplement 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 October 29, 2019.
99.2**	American Assets Trust, Inc. Supplemental Information for the quarter ended October 29, 2019.

** 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

October 29, 2019



American Assets Trust, Inc. Reports Third Quarter 2019 Financial Results

Net income available to common stockholders of \$12.9 million and \$32.9 million for the three and nine months ended September 30, 2019, respectively, or \$0.22 and \$0.63 per diluted share, respectively
Funds From Operations per diluted share increased 8% and 1% year-over-year for the three and nine months ended September 30, 2019, respectively, or \$0.57 and \$1.63 per diluted share, respectively
Same-store cash NOI increased 1.6% and decreased 1.0% year-over-year for the three and nine months ended September 30, 2019, respectively. Excluding lease termination fees, same-store cash NOI increased 0.6% and 1.0% year-over-year for the three and nine months ended September 30, 2019, respectively

SAN DIEGO, California - 10/29/2019 - American Assets Trust, Inc. (NYSE: AAT) (the "company") today reported financial results for its third quarter ended September 30, 2019.

Third Quarter Highlights

- Net income available to common stockholders of \$12.9 million and \$32.9 million for the three and nine months ended September 30, 2019, respectively, or \$0.22 and \$0.63 per diluted share, respectively
- Funds From Operations increased 8% and 1% year-over-year to \$0.57 and \$1.63 per diluted share for the three and nine months ended September 30, 2019, respectively, compared to the same periods in 2018
- Same-store cash NOI increased 1.6% and decreased 1.0% year-over-year for the three and nine months ended September 30, 2019, respectively, compared to the same periods in 2018
- Increasing quarterly dividend 7% to \$0.30 per share of common stock in the fourth quarter of 2019 compared to the third quarter of 2019
- Introducing 2020 annual guidance midpoint of \$2.42 with a range of \$2.38 to \$2.46 of FFO per diluted share, a 9% increase over the revised 2019 annual guidance midpoint; excluding 2019 lease termination fees, the increase is 13% over the revised 2019 annual guidance midpoint
- 2020 same-store cash NOI estimated to increase approximately 9% over the 2019 full year same-store cash NOI forecast based on an approximately 4.0% same-store cash NOI increase in retail, an approximately 14.0% same-store cash NOI increase in office and an approximately 3.5% same-store cash NOI increase in multifamily
- Leased approximately 71,000 comparable office square feet at an average straight-line basis and cash-basis contractual rent increase of 29% and 12%, respectively, during the three months ended September 30, 2019
- Leased approximately 30,000 comparable retail square feet at an average straight-line basis and cash-basis contractual rent increase of 9% and 3%, respectively, during the three months ended September 30, 2019
- Closed a privately placed debt offering of \$150 million of eleven-year senior guaranteed notes, due July 30, 2030, with a fixed interest rate of 3.91% and an effective interest rate of 3.88% net of settlement of a treasury lock contract

Financial Results

Net income attributable to common stockholders was \$12.9 million, or \$0.22 per basic and diluted share for the three months ended September 30, 2019 compared to \$10.4 million, or \$0.22 per basic and diluted share for the three months ended September 30, 2018. For the nine months ended September 30, 2019, net income attributable to common stockholders was \$32.9 million, or \$0.63 per basic and diluted share compared to \$13.0 million, or \$0.28 per basic and diluted share, for the nine months ended September 30, 2018. The year-over-year increase is primarily due to a decrease in depreciation expense at Waikele Center attributed to the redevelopment of the former Kmart space, an increase in lease termination fees at Carmel Mountain Plaza attributed to the termination of our former ground lease, and an increase in annualized base rents at The Landmark at One Market, City Center Bellevue, and Lloyd District Portfolio.

During the third quarter of 2019, the company generated funds from operations ("FFO") for common stockholders of \$43.0 million, or \$0.57 per diluted share, compared to \$34.1 million, or \$0.53 per diluted share, for the third quarter of 2018. For the nine months ended September 30, 2019, the company generated FFO for common stockholders of \$112.5 million, or \$1.63 per diluted share, compared to \$103.8 million, or \$1.62 per diluted share, for the nine months ended September 30, 2018. The increase in FFO from the corresponding periods in 2018 was primarily due to the increase in annualized base rents at The Landmark at One Market, City Center Bellevue, and Lloyd District Portfolio, an increase in lease termination fees at Carmel Mountain Plaza attributed to the termination of our former ground lease, and the acquisition of La Jolla Commons on June 20, 2019 partially offset by the expiration of the Kmart lease at Waikele Center on June 30, 2018.

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.

Leasing

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

	September 30, 2019	June 30, 2019	September 30, 2018
Total Portfolio			
Retail	98.0%	97.5%	98.5%
Office	94.7%	93.7%	91.4%
Multifamily	90.5%	92.6%	92.3%
Mixed-Use:			
Retail	98.0%	98.2%	95.9%
Hotel	92.1%	91.7%	93.6%
Same-Store Portfolio			
Retail ⁽¹⁾	97.7%	97.1%	98.3%
Office ⁽²⁾	95.5%	95.0%	93.5%
Multifamily	90.5%	92.6%	92.3%

(1) Same-store retail leased percentages exclude Waikele Center, due to significant redevelopment activity.

(2) Same-store office leased percentages includes the 830 building at Lloyd District Portfolio which was placed into operations on August 1, 2019 after renovating the building. Same-store office leased percentages excludes Torrey Point, which was placed into operations and became available for occupancy in August 2018 and La Jolla Commons, which was acquired on June 20, 2019. Torrey Point and La Jolla Commons will be included in same-store office leased percentages commencing in the fourth quarter of 2019 and third quarter of 2020, respectively.

During the third quarter of 2019, the company signed 43 leases for approximately 133,300 square feet of retail and office space, as well as 610 multifamily apartment leases. Renewals accounted for 89% of the comparable retail leases, 64% of the comparable office leases and 52% of the residential leases.

Retail and Office

On a comparable space basis (i.e. leases for which there was a former tenant) during the third quarter 2019 and trailing four quarters ended September 30, 2019, 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.	Straight-Line Basis % Change Over Prior Rent
Retail	Q3 2019	19	30,000	2.8%	\$59.44	\$57.81	9.3%
	Last 4 Quarters	61	181,000	3.7%	\$46.40	\$44.73	10.6%
Office	Q3 2019	14	71,000	12.0%	\$51.95	\$46.40	29.2%
	Last 4 Quarters	47	494,000	45.5%	\$73.75	\$50.70	69.3%

Multifamily

The average monthly base rent per leased unit for same-store properties for the third quarter of 2019 was \$2,073 compared to an average monthly base rent per leased unit of \$2,053 for the third quarter of 2018, an increase of approximately 1%.

Same-Store Cash Net Operating Income

For the three and nine months ended September 30, 2019, same-store cash NOI increased 1.6% and decreased 1.0%, respectively, compared to the three and nine months ended September 30, 2018. The same-store cash NOI by segment was as follows (in thousands):

	Three Months Ended ⁽²⁾ September 30,			Nine Months Ended ⁽²⁾ September 30,		
	2019	2018	Change	2019	2018	Change
Cash Basis:						
Retail ⁽¹⁾	\$ 15,221	\$ 16,024	(5.0) %	\$ 44,878	\$ 46,677	(3.9) %
Office ⁽¹⁾	19,132	17,307	10.5	56,027	55,995	0.1
Multifamily	7,367	7,741	(4.8)	23,353	22,848	2.2
Mixed-Use	—	—	—	—	—	—
Same-store Cash NOI ⁽³⁾	\$ 41,720	\$ 41,072	1.6 %	\$ 124,258	\$ 125,520	(1.0) %

(1) Same-store cash NOI for the three and nine months ended September 30, 2018 includes cash lease termination fees received of \$0.3 million and \$3.3 million, respectively. However, the lease termination fees for 2019 recognized at Carmel Mountain Plaza during the first quarter 2019 were non-cash lease termination fees. Excluding lease termination fees for the three and nine months ended September 30, 2019, Office same-store cash NOI would have 6.5% and 3.7%, respectively.

(2) Same-store portfolio excludes (i) Waikēle Center due to significant redevelopment activity; (ii) Torrey Point, which was placed into operations and became available for occupancy in August 2018; (iii) La Jolla Commons, which was acquired on June 20, 2019; (iv) Waikiki Beach Walk - Embassy Suites™ and Waikiki Beach Walk - Retail, due to significant spalling repair activity; and (v) land held for development.

(3) Excluding lease termination fees for the three and nine months ended September 30, 2019, same-store cash NOI would have been 0.6% and 1.0%, respectively.

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

Balance Sheet and Liquidity

At September 30, 2019, the company had gross real estate assets of \$3.2 billion and liquidity of \$465.6 million, comprised of cash and cash equivalents of \$115.6 million and \$350.0 million of availability on its line of credit.

For the quarter ended September 30, 2019, we issued 234,814 shares of common stock through our at-the-market equity program at a weighted average price per share of \$47.23, resulting in net proceeds of \$10.9 million. We intend to use the proceeds primarily to fund development activities at Lloyd District Portfolio, Waialeale Center and La Jolla Commons.

Dividends

The company declared dividends on its shares of common stock of \$0.28 per share for the third quarter of 2019. The dividends were paid on September 26, 2019.

In addition, the company has declared a dividend on its common stock of \$0.30 per share for the fourth quarter of 2019, which is a 7% increase over the prior quarterly dividend per share. The dividend will be paid on December 26, 2019 to stockholders of record on December 12, 2019.

Guidance

The company tightened its guidance range for full year 2019 FFO per diluted share of \$2.20 to \$2.24 per share from the prior guidance of \$2.18 to \$2.26 per share.

Additionally, the company is introducing its guidance for full year 2019 FFO per diluted share of \$2.38 to \$2.46 per share, an increase of 9% from the revised 2019 annual guidance midpoint; excluding 2019 lease termination fees, the increase is 13% over the revised 2019 annual guidance midpoint. The company's guidance excludes any impact from future acquisitions, dispositions, equity issuances or repurchases, future debt financings or repayments. Management will discuss the company's guidance in more detail on tomorrow's earnings call.

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 third quarter of 2019 on Wednesday, October 30, 2019 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 2047236. A telephonic replay of the conference call will be available beginning at 2:00 p.m. PT on Wednesday, October 30, 2019 through Wednesday, November 6, 2019. To access the replay, dial 1-855-859-2056 and use the pass code 2047236. A live on-demand audio webcast of the conference call will be available on the company's website at www.americanassetstrust.com. A replay of the call will also be available on the company's website.

Supplemental Information

Supplemental financial information regarding the company's third quarter 2019 results may be found on the "Investors" page of the company's website at www.americanassetstrust.com. This supplemental information provides additional detail on items such as property occupancy, financial performance by property and debt maturity schedules.

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

	September 30, 2019	December 31, 2018
	(unaudited)	
Assets		
Real estate, at cost		
Operating real estate	\$ 3,082,598	\$ 2,549,571
Construction in progress	73,340	71,228
Held for development	547	9,392
	<u>3,156,485</u>	<u>2,630,191</u>
Accumulated depreciation	(642,188)	(590,338)
Net real estate	2,514,297	2,039,853
Cash and cash equivalents	115,568	47,956
Restricted cash	10,494	9,316
Accounts receivable, net	9,561	9,289
Deferred rent receivables, net	47,361	39,815
Other assets, net	91,677	52,021
Total assets	<u>\$ 2,788,958</u>	<u>\$ 2,198,250</u>
Liabilities and equity		
Liabilities:		
Secured notes payable, net	\$ 162,159	\$ 182,572
Unsecured notes payable, net	1,195,525	1,045,863
Unsecured line of credit, net	—	62,337
Accounts payable and accrued expenses	63,205	46,616
Security deposits payable	7,855	8,844
Other liabilities and deferred credits, net	61,990	49,547
Total liabilities	<u>1,490,734</u>	<u>1,395,779</u>
Commitments and contingencies		
Equity:		
American Assets Trust, Inc. stockholders' equity		
Common stock, \$0.01 par value, 490,000,000 shares authorized, 59,956,972 and 47,335,409 shares issued and outstanding at September 30, 2019 and December 31, 2018, respectively	599	474
Additional paid-in capital	1,450,816	920,661
Accumulated dividends in excess of net income	(139,307)	(128,778)
Accumulated other comprehensive income	5,162	10,620
Total American Assets Trust, Inc. stockholders' equity	<u>1,317,270</u>	<u>802,977</u>
Noncontrolling interests	(19,046)	(506)
Total equity	<u>1,298,224</u>	<u>802,471</u>
Total liabilities and equity	<u>\$ 2,788,958</u>	<u>\$ 2,198,250</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenue:				
Rental income	\$ 93,147	\$ 78,079	\$ 249,634	\$ 231,172
Other property income	5,215	4,428	18,160	17,090
Total revenue	98,362	82,507	267,794	248,262
Expenses:				
Rental expenses	23,989	21,383	66,611	62,685
Real estate taxes	10,942	8,787	29,263	25,961
General and administrative	6,479	5,176	18,495	16,139
Depreciation and amortization	26,568	19,886	69,733	86,033
Total operating expenses	67,978	55,232	184,102	190,818
Operating income	30,384	27,275	83,692	57,444
Interest expense	(13,734)	(12,879)	(40,212)	(39,387)
Gain on sale of real estate	—	—	633	—
Other income (expense), net	(131)	(125)	(410)	(64)
Net income	16,519	14,271	43,703	17,993
Net income attributable to restricted shares	(92)	(71)	(277)	(215)
Net income attributable to unitholders in the Operating Partnership	(3,565)	(3,806)	(10,553)	(4,765)
Net income attributable to American Assets Trust, Inc. stockholders	\$ 12,862	\$ 10,394	\$ 32,873	\$ 13,013
Net income per share				
Basic income attributable to common stockholders per share	\$ 0.22	\$ 0.22	\$ 0.63	\$ 0.28
Weighted average shares of common stock outstanding - basic	59,441,887	46,959,752	52,239,668	46,945,095
Diluted income attributable to common stockholders per share	\$ 0.22	\$ 0.22	\$ 0.63	\$ 0.28
Weighted average shares of common stock outstanding - diluted	75,832,435	64,137,360	69,010,772	64,133,584
Dividends declared per common share	\$ 0.28	\$ 0.27	\$ 0.84	\$ 0.81

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 September 30, 2019	Nine Months Ended September 30, 2019
Funds From Operations (FFO)		
Net income	\$ 16,519	\$ 43,703
Depreciation and amortization of real estate assets	26,568	69,733
Gain on sale of real estate	—	(633)
FFO, as defined by NAREIT	\$ 43,087	\$ 112,803
Less: Nonforfeitable dividends on restricted stock awards	(88)	(273)
FFO attributable to common stock and units	\$ 42,999	\$ 112,530
FFO per diluted share/unit	\$ 0.57	\$ 1.63
Weighted average number of common shares and units, diluted	75,833,650	69,012,122

Reconciliation of Same-Store Cash NOI to Net Income

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

	Three Months Ended ⁽¹⁾ September 30,		Nine Months Ended ⁽¹⁾ September 30,	
	2019	2018	2019	2018
	\$		\$	\$
Same-store cash NOI	41,720	41,072	124,258	125,520
Non-same-store cash NOI	14,488	9,041	31,599	29,677
Tenant improvement reimbursements ⁽²⁾	1,054	263	7,949	4,220
Cash NOI	\$ 57,262	\$ 50,376	\$ 163,806	\$ 159,417
Non-cash revenue and other operating expenses ⁽³⁾	6,169	1,961	8,114	199
General and administrative	(6,479)	(5,176)	(18,495)	(16,139)
Depreciation and amortization	(26,568)	(19,886)	(69,733)	(86,033)
Interest expense	(13,734)	(12,879)	(40,212)	(39,387)
Gain on sale of real estate	—	—	633	—
Other income (expense), net	(131)	(125)	(410)	(64)
Net income	\$ 16,519	\$ 14,271	\$ 43,703	\$ 17,993

Number of properties included in same-store analysis

24 24 24 23

(1) Same-store portfolio includes the 830 building at Lloyd District Portfolio which was placed into operations on August 1, 2019 after renovating the building. Same-store portfolio excludes (i) Waikale Center, due to significant redevelopment activity; (ii) Torrey Point, which was placed into operations and became available for occupancy in August 2018; (iii) La Jolla Commons, which was acquired on June 20, 2019; (iv) Waikiki Beach Walk - Embassy Suites™ and Waikiki Beach Walk - Retail, due to significant spalling repair activity and (v) land held for development.

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

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

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

Use of Non-GAAP Information

Funds from Operations

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

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

Cash Net Operating Income

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

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

About American Assets Trust, Inc.

American Assets Trust, Inc. is a full service, vertically integrated and self-administered real estate investment trust, 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, Texas and Hawaii. The company's retail portfolio comprises approximately 3.1 million rentable square feet, and its office portfolio comprises approximately 3.4 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 2,112 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 annual report on Form 10-K filed on February 15, 2019, 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

THIRD QUARTER 2019

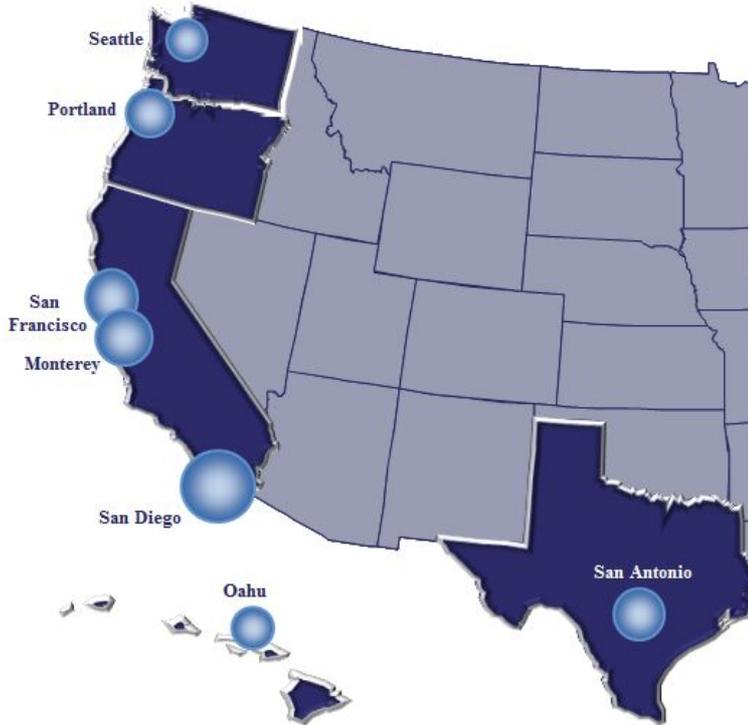
Supplemental Information



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

AMERICAN
ASSETS
TRUST 

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



Market	Retail	Office	Multifamily	Mixed-Use	
	Square Feet	Square Feet	Units	Square Feet	Suites
San Diego	1,322,012	1,545,777	1,455 ⁽¹⁾	—	—
San Francisco	35,156	516,985	—	—	—
Oahu	429,718	—	—	96,707	369
Monterey	673,572	—	—	—	—
San Antonio	588,970	—	—	—	—
Portland	44,153	875,639	657	—	—
Seattle	—	497,472	—	—	—
Total	3,093,581	3,435,873	2,112	96,707	369

	Square Feet	%	NOI % ⁽²⁾
Retail	3.1 million	48%	28%
Office	3.4 million	52%	49%
Totals	6.5 million		

Note: Circled areas represent all markets in which American Assets Trust, Inc. currently owns and operates its real estate properties. 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 September 30, 2019.

(1) Includes 122 RV spaces.

(2) Percentage of Net Operating Income (NOI) calculated for the three months ended September 30, 2019. Reconciliation of NOI to net income is included in the Glossary of Terms.

THIRD QUARTER 2019 SUPPLEMENTAL INFORMATION	
1. FINANCIAL HIGHLIGHTS	
Consolidated Balance Sheets	5
Consolidated Statements of Operations	6
Funds From Operations (FFO), FFO As Adjusted & Funds Available for Distribution	7
Corporate Guidance	9
Same-Store Net Operating Income (NOI)	10
Same-Store Cash NOI Comparison excluding Redevelopment	12
Same-Store Cash NOI Comparison with Redevelopment	13
Cash NOI By Region	14
Cash NOI Breakdown	15
Property Revenue and Operating Expenses	16
Segment Capital Expenditures	18
Summary of Outstanding Debt	19
Market Capitalization	20
Summary of Development Opportunities	21
2. PORTFOLIO DATA	
Property Report	23
Retail Leasing Summary	26
Office Leasing Summary	27
Multifamily Leasing Summary	28
Mixed-Use Leasing Summary	30
Lease Expirations	31
Portfolio Leased Statistics	33
Top Tenants - Retail	34
Top Tenants - Office	35
3. APPENDIX	
Glossary of Terms	37

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 Annual Report on Form 10-K filed on February 15, 2019 and other risks described in documents subsequently filed by us from time to time with the Securities and Exchange Commission.

FINANCIAL HIGHLIGHTS

CONSOLIDATED BALANCE SHEETS



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

	<u>September 30, 2019</u> (unaudited)	<u>December 31, 2018</u> (audited)
ASSETS		
Real estate, at cost		
Operating real estate	\$ 3,082,598	\$ 2,549,571
Construction in progress	73,340	71,228
Held for development	547	9,392
	<u>3,156,485</u>	<u>2,630,191</u>
Accumulated depreciation	(642,188)	(590,338)
Net real estate	2,514,297	2,039,853
Cash and cash equivalents	115,568	47,956
Restricted cash	10,494	9,316
Accounts receivable, net	9,561	9,289
Deferred rent receivable, net	47,361	39,815
Other assets, net	91,677	52,021
TOTAL ASSETS	<u>\$ 2,788,958</u>	<u>\$ 2,198,250</u>
LIABILITIES AND EQUITY		
LIABILITIES:		
Secured notes payable, net	\$ 162,159	\$ 182,572
Unsecured notes payable, net	1,195,525	1,045,863
Unsecured line of credit, net	—	62,337
Accounts payable and accrued expenses	63,205	46,616
Security deposits payable	7,855	8,844
Other liabilities and deferred credits, net	61,990	49,547
Total liabilities	<u>1,490,734</u>	<u>1,395,779</u>
Commitments and contingencies		
EQUITY:		
American Assets Trust, Inc. stockholders' equity		
Common stock, \$0.01 par value, 490,000,000 shares authorized, 59,956,972 and 47,335,409 shares issued and outstanding at September 30, 2019 and December 31, 2018, respectively	599	474
Additional paid in capital	1,450,816	920,661
Accumulated dividends in excess of net income	(139,307)	(128,778)
Accumulated other comprehensive income	5,162	10,620
Total American Assets Trust, Inc. stockholders' equity	<u>1,317,270</u>	<u>802,977</u>
Noncontrolling interests	(19,046)	(506)
Total equity	<u>1,298,224</u>	<u>802,471</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 2,788,958</u>	<u>\$ 2,198,250</u>

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2019	2018	2019	2018
REVENUE:				
Rental income	\$ 93,147	\$ 78,079	\$ 249,634	\$ 231,172
Other property income	5,215	4,428	18,160	17,090
Total revenue	98,362	82,507	267,794	248,262
EXPENSES:				
Rental expenses	23,989	21,383	66,611	62,685
Real estate taxes	10,942	8,787	29,263	25,961
General and administrative	6,479	5,176	18,495	16,139
Depreciation and amortization	26,568	19,886	69,733	86,033
Total operating expenses	67,978	55,232	184,102	190,818
OPERATING INCOME				
	30,384	27,275	83,692	57,444
Interest expense	(13,734)	(12,879)	(40,212)	(39,387)
Gain on sale of real estate	—	—	633	—
Other (expense) income, net	(131)	(125)	(410)	(64)
NET INCOME				
	16,519	14,271	43,703	17,993
Net income attributable to restricted shares	(92)	(71)	(277)	(215)
Net income attributable to unitholders in the Operating Partnership	(3,565)	(3,806)	(10,553)	(4,765)
NET INCOME ATTRIBUTABLE TO AMERICAN ASSETS TRUST, INC. STOCKHOLDERS				
	\$ 12,862	\$ 10,394	\$ 32,873	\$ 13,013
EARNINGS PER COMMON SHARE				
Basic income from operations attributable to common stockholders per share	\$ 0.22	\$ 0.22	\$ 0.63	\$ 0.28
Weighted average shares of common stock outstanding - basic	59,441,887	46,959,752	52,239,668	46,945,095
Diluted income from continuing operations attributable to common stockholders per share	\$ 0.22	\$ 0.22	\$ 0.63	\$ 0.28
Weighted average shares of common stock outstanding - diluted	75,832,435	64,137,360	69,010,772	64,133,584

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Funds from Operations (FFO) ⁽¹⁾				
Net income	\$ 16,519	\$ 14,271	\$ 43,703	\$ 17,993
Depreciation and amortization of real estate assets	26,568	19,886	69,733	86,033
Gain on sale of real estate	—	—	(633)	—
FFO, as defined by NAREIT	43,087	34,157	112,803	104,026
Less: Nonforfeitable dividends on restricted stock awards	(88)	(70)	(273)	(211)
FFO attributable to common stock and common units	<u>\$ 42,999</u>	<u>\$ 34,087</u>	<u>\$ 112,530</u>	<u>\$ 103,815</u>
FFO per diluted share/unit	<u>\$ 0.57</u>	<u>\$ 0.53</u>	<u>\$ 1.63</u>	<u>\$ 1.62</u>
Weighted average number of common shares and common units, diluted ⁽²⁾	<u>75,833,650</u>	<u>64,137,727</u>	<u>69,012,122</u>	<u>64,133,629</u>
Funds Available for Distribution (FAD) ⁽¹⁾	<u>\$ 14,724</u>	<u>\$ 22,849</u>	<u>\$ 40,804</u>	<u>\$ 75,301</u>
Dividends				
Dividends declared and paid	\$ 21,353	\$ 17,388	\$ 57,667	\$ 52,164
Dividends declared and paid per share/unit	\$ 0.28	\$ 0.27	\$ 0.84	\$ 0.81

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Funds Available for Distribution (FAD) ⁽¹⁾				
FFO	\$ 43,087	\$ 34,157	\$ 112,803	\$ 104,026
Adjustments:				
Tenant improvements, leasing commissions and maintenance capital expenditures	(23,608)	(10,363)	(68,067)	(31,661)
Net effect of straight-line rents ⁽³⁾	(5,140)	(1,169)	(1,091)	2,034
Amortization of net above (below) market rents ⁽⁴⁾	(1,062)	(782)	(2,781)	(2,221)
Net effect of other lease assets ⁽⁵⁾	33	(9)	(4,242)	(11)
Amortization of debt issuance costs and debt fair value adjustment	372	359	1,096	1,165
Non-cash compensation expense	1,130	726	3,359	2,180
Nonforfeitable dividends on restricted stock awards	(88)	(70)	(273)	(211)
FAD	\$ 14,724	\$ 22,849	\$ 40,804	\$ 75,301

Summary of Capital Expenditures

Tenant improvements and leasing commissions	\$ 14,518	\$ 6,391	\$ 40,237	\$ 18,139
Maintenance capital expenditures	9,090	3,972	27,830	13,522
	\$ 23,608	\$ 10,363	\$ 68,067	\$ 31,661

Notes:

(1) See Glossary of Terms.

(2) For the three and nine months ended September 30, 2019 and 2018, 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 Carmel Mountain Plaza and straight-line rent expense for our leases at the Annex at the Landmark at One Market.

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

	Prior 2019 Guidance Range ^{(1) (2)}		Revised 2019 Guidance Range ⁽²⁾	
Funds from Operations (FFO):				
Net income	\$ 56,151	\$ 61,287	\$ 59,647	\$ 62,476
Depreciation and amortization of real estate assets	84,191	84,191	96,301	96,301
FFO, as defined by NAREIT	140,342	145,478	155,948	158,777
Less: Nonforfeitable dividends on restricted stock awards	(377)	(377)	(377)	(377)
FFO attributable to common stock and units	\$ 139,965	\$ 145,101	\$ 155,571	\$ 158,400
Weighted average number of common shares and units, diluted	64,203,832	64,203,832	70,776,971	70,776,971
FFO per diluted share, updated	\$ 2.18	\$ 2.26	\$ 2.20	\$ 2.24

	2020 Guidance Range ⁽²⁾	
Funds from Operations (FFO):		
Net income	\$ 79,330	\$ 85,414
Depreciation and amortization of real estate assets	102,050	102,050
FFO, as defined by NAREIT	181,380	187,464
Less: Nonforfeitable dividends on incentive stock awards	(396)	(396)
FFO attributable to common stock and units	\$ 180,984	\$ 187,068
Weighted average number of common shares and units, diluted	76,043,952	76,043,952
FFO per diluted share, updated	\$ 2.38	\$ 2.46

Notes:

(1) Prior 2019 Guidance Range as reported in the company's Fourth Quarter 2018 Amended and Restated Supplemental Information.

(2) The company's guidance excludes any impact from future acquisitions, dispositions, equity issuances or repurchases, future debt financings or repayments.

These 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 and the amount and timing of acquisition and development activities. Our actual results may differ materially from these estimates.

SAME-STORE NET OPERATING INCOME (NOI)

(Unaudited, amounts in thousands)

	Three Months Ended September 30, 2019				
	Retail	Office	Multifamily	Mixed-Use	Total
Real estate rental revenue					
Same-store	\$ 21,933	\$ 32,832	\$ 12,655	\$ —	\$ 67,420
Non-same store ⁽¹⁾	3,915	9,978	—	17,049	30,942
Total	25,848	42,810	12,655	17,049	98,362
Real estate expenses					
Same-store	6,228	8,686	5,367	—	20,281
Non-same store ⁽¹⁾	1,578	2,941	—	10,131	14,650
Total	7,806	11,627	5,367	10,131	34,931
Net Operating Income (NOI)					
Same-store	15,705	24,146	7,288	—	47,139
Non-same store ⁽¹⁾	2,337	7,037	—	6,918	16,292
Total	\$ 18,042	\$ 31,183	\$ 7,288	\$ 6,918	\$ 63,431
Same-store NOI	\$ 15,705	\$ 24,146	\$ 7,288	\$ —	\$ 47,139
Net effect of straight-line rents ⁽²⁾	(131)	(3,531)	79	—	(3,583)
Amortization of net above (below) market rents ⁽³⁾	(353)	(456)	—	—	(809)
Net effect of other lease intangibles ⁽⁴⁾	—	27	—	—	27
Tenant improvement reimbursements ⁽⁵⁾	—	(1,054)	—	—	(1,054)
Same-store cash NOI ⁽⁵⁾	\$ 15,221	\$ 19,132	\$ 7,367	\$ —	\$ 41,720

Notes:

- (1) Same-store and non-same store classifications are determined based on properties held on September 30, 2019 and 2018. See Glossary of Terms.
- (2) Represents the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances.
- (3) Represents the adjustment related to the acquisition of buildings with above (below) market rents.
- (4) Represents adjustments related to amortization of lease incentives paid to tenants, amortization of lease intangibles and straight-line rent expense for our leases at the Annex at the Landmark at One Market.
- (5) Tenant improvement reimbursements are excluded from same-store cash NOI to provide a more accurate measure of operating performance.

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

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

(Amounts in thousands)

	Nine Months Ended September 30, 2019				
	Retail	Office	Multifamily	Mixed-Use	Total
Real estate rental revenue					
Same-store	\$ 69,456	\$ 88,899	\$ 38,451	\$ —	\$ 196,806
Non-same store ⁽¹⁾	11,700	11,917	—	47,371	70,988
Total	81,156	100,816	38,451	47,371	267,794
Real estate expenses					
Same-store	18,025	25,224	15,323	—	58,572
Non-same store ⁽¹⁾	4,666	4,161	—	28,475	37,302
Total	22,691	29,385	15,323	28,475	95,874
Net Operating Income (NOI)					
Same-store	51,431	63,675	23,128	—	138,234
Non-same store ⁽¹⁾	7,034	7,756	—	18,896	33,686
Total	\$ 58,465	\$ 71,431	\$ 23,128	\$ 18,896	\$ 171,920
Same-store NOI	\$ 51,431	\$ 63,675	\$ 23,128	\$ —	\$ 138,234
Net effect of straight-line rents ⁽²⁾	(1,018)	1,378	225	—	585
Amortization of net above (below) market rents ⁽³⁾	(1,112)	(1,239)	—	—	(2,351)
Net effect of other lease assets ⁽⁴⁾	(4,406)	145	—	—	(4,261)
Tenant improvement reimbursements ⁽⁵⁾	(17)	(7,932)	—	—	(7,949)
Same-store cash NOI ⁽⁵⁾	\$ 44,878	\$ 56,027	\$ 23,353	\$ —	\$ 124,258

Notes:

- (1) Same-store and non-same store are determined based on properties held on September 30, 2019 and 2018. 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 Carmel Mountain Plaza and straight-line rent expense for our leases at the Annex at the Landmark at One Market.
- (5) Tenant improvement reimbursements are excluded from Same-store Cash NOI to provide a more accurate measure of operating performance.

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

SAME-STORE CASH NOI COMPARISON EXCLUDING REDEVELOPMENT

(Unaudited, amounts in thousands)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
Cash Basis:						
Retail	\$ 15,221	\$ 16,024	(5.0)%	\$ 44,878	\$ 46,677	(3.9)%
Office	19,132	17,307	10.5	56,027	55,995	0.1
Multifamily	7,367	7,741	(4.8)	23,353	22,848	2.2
Mixed-Use	—	—	—	—	—	—
Same-store Cash NOI ⁽¹⁾⁽²⁾	<u>\$ 41,720</u>	<u>\$ 41,072</u>	<u>1.6 %</u>	<u>\$ 124,258</u>	<u>\$ 125,520</u>	<u>(1.0)%</u>

Notes:

- (1) Excluding lease termination fees, for the three and nine months ended September 30, 2019 and 2018, same-store cash NOI would be 0.6% and 1.0%, respectively.
 (2) See Glossary of Terms.

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

SAME-STORE CASH NOI COMPARISON WITH REDEVELOPMENT

(Unaudited, amounts in thousands)

	Three Months Ended			Nine Months Ended		
	September 30,			September 30,		
	2019	2018	Change	2019	2018	Change
Cash Basis:						
Retail	\$ 17,484	\$ 18,357	(4.8)%	\$ 51,534	\$ 56,667	(9.1)%
Office	19,101	17,263	10.6	55,663	55,692	(0.1)
Multifamily	7,367	7,741	(4.8)	23,353	22,848	2.2
Mixed-Use	—	—	—	—	—	—
Same-store Cash NOI with Redevelopment ⁽¹⁾⁽²⁾	\$ 43,952	\$ 43,361	1.4 %	\$ 130,550	\$ 135,207	(3.4)%

Notes:

(1) Excluding lease termination fees, for the three and nine months ended September 30, 2019 and 2018, same-store cash NOI with redevelopment would be 0.3% and (1.6)%, respectively.

(2) See Glossary of Terms.

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

CASH NOI BY REGION

(Unaudited, amounts in thousands)

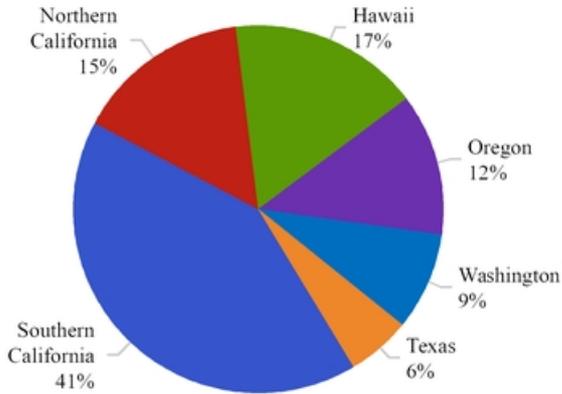
	Three Months Ended September 30, 2019				
	Retail	Office	Multifamily	Mixed-Use	Total
Cash Basis:					
Southern California	8,471	9,651	5,640	—	23,762
Northern California	2,848	5,785	—	—	8,633
Hawaii	2,698	—	—	6,804	9,502
Oregon	238	5,225	1,727	—	7,190
Texas	3,231	—	—	—	3,231
Washington	—	4,944	—	—	4,944
Total Cash NOI	<u>\$ 17,486</u>	<u>\$ 25,605</u>	<u>\$ 7,367</u>	<u>\$ 6,804</u>	<u>\$ 57,262</u>

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

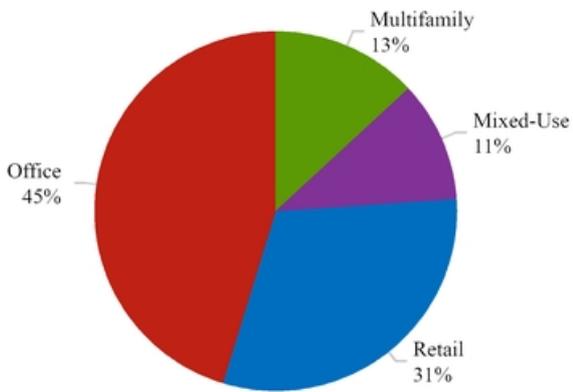
Three Months Ended September 30, 2019

Cash NOI Breakdown

Portfolio Diversification by Geographic Region



Portfolio Diversification by Segment



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

PROPERTY REVENUE AND OPERATING EXPENSES

(Unaudited, amounts in thousands)

Three Months Ended September 30, 2019

Property	Base Rent ⁽¹⁾	Additional Property Income ⁽²⁾	Billed Expense Reimbursements ⁽³⁾	Property Operating Expenses ⁽⁴⁾	Rental Adjustments ⁽⁵⁾	Cash NOI ⁽⁶⁾
Retail Portfolio						
Carmel Country Plaza	\$ 959	\$ 26	\$ 219	\$ (196)	\$ —	\$ 1,008
Carmel Mountain Plaza	3,527	45	853	(939)	—	3,486
South Bay Marketplace	574	1	181	(186)	—	570
Gateway Marketplace	579	2	168	(219)	—	530
Lomas Santa Fe Plaza	1,507	9	352	(446)	—	1,422
Solana Beach Towne Centre	1,488	19	538	(586)	(4)	1,455
Del Monte Center	2,675	244	927	(1,284)	—	2,562
Geary Marketplace	289	—	153	(156)	—	286
The Shops at Kalakaua	470	24	65	(125)	—	434
Waialele Center	2,761	303	779	(1,579)	—	2,264
Alamo Quarry Market	3,496	60	1,662	(1,987)	—	3,231
Hassalo on Eighth - Retail	245	49	45	(101)	—	238
Subtotal Retail Portfolio	\$ 18,570	\$ 782	\$ 5,942	\$ (7,804)	\$ (4)	\$ 17,486
Office Portfolio						
La Jolla Commons ⁽⁷⁾	\$ 6,017	\$ 216	\$ 2,182	\$ (2,679)	\$ (390)	\$ 5,346
Torrey Reserve Campus ⁽⁸⁾	4,889	53	278	(1,511)	(934)	2,775
Torrey Point	512	67	—	(310)	(159)	110
Solana Crossing ⁽⁸⁾	1,912	5	75	(541)	(28)	1,423
The Landmark at One Market	7,393	68	156	(2,349)	(352)	4,916
One Beach Street	1,099	—	113	(343)	—	869
First & Main	2,822	199	496	(926)	—	2,591
Lloyd District Portfolio ⁽⁸⁾	3,046	531	86	(1,287)	369	2,745
City Center Bellevue	4,996	1,483	237	(1,567)	(205)	4,944
Subtotal Office Portfolio	\$ 32,686	\$ 2,622	\$ 3,623	\$ (11,513)	\$ (1,699)	\$ 25,719

PROPERTY REVENUE AND OPERATING EXPENSES (CONTINUED)

(Unaudited, amounts in thousands)

Property	Three Months Ended September 30, 2019					
	Base Rent ⁽¹⁾	Additional Property Income ⁽²⁾	Billed Expense Reimbursements ⁽³⁾	Property Operating Expenses ⁽⁴⁾	Rental Adjustments ⁽⁵⁾	Cash NOI ⁽⁶⁾
Multifamily Portfolio						
Loma Palisades	\$ 3,224	\$ 246	\$ —	\$ (1,302)	\$ (7)	\$ 2,161
Imperial Beach Gardens	895	72	—	(353)	(19)	595
Mariner's Point	428	30	—	(174)	(7)	277
Santa Fe Park RV Resort	429	15	—	(205)	—	239
Pacific Ridge Apartments	3,999	176	—	(1,778)	(29)	2,368
Hassalo on Eighth - Multifamily	2,964	394	—	(1,555)	(76)	1,727
Subtotal Multifamily Portfolio	\$ 11,939	\$ 933	\$ —	\$ (5,367)	\$ (138)	\$ 7,367
Mixed-Use Portfolio						
Waikiki Beach Walk - Retail	\$ 2,720	\$ 1,130	\$ 1,037	\$ (1,857)	\$ —	\$ 3,030
Waikiki Beach Walk - Embassy Suites™	11,255	794	—	(8,275)	—	3,774
Subtotal Mixed-Use Portfolio	\$ 13,975	\$ 1,924	\$ 1,037	\$ (10,132)	\$ —	\$ 6,804
Subtotal Development Properties	\$ —	\$ —	\$ —	\$ (114)	\$ —	\$ (114)
Total	\$ 77,170	\$ 6,261	\$ 10,602	\$ (34,930)	\$ (1,841)	\$ 57,262

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

Notes:

- (1) Base rent for our retail and office portfolio and the retail portion of our mixed-use portfolio represents base rent for the three months ended September 30, 2019 (before abatements and tenant improvement reimbursements) and excludes the impact of straight-line rent and above (below) market rent adjustments. Total abatements for our retail and office portfolio were approximately \$4 and \$2,759, respectively, for the three months ended September 30, 2019. There were no abatements for the retail portion of our mixed-use portfolio for the three months ended September 30, 2019. 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 \$138 of abatements for our multifamily portfolio for the three months ended September 30, 2019. For Waikiki Beach Walk - Embassy Suites™, base rent is equal to the actual room revenue for the three months ended September 30, 2019. Total tenant improvement reimbursements for our retail and office portfolio were approximately \$0 and \$1,060, respectively, for the three months ended September 30, 2019. There were no tenant improvement reimbursements for the retail portion of our mixed-use portfolio for the three months ended September 30, 2019.
- (2) Represents additional property-related income for the three months ended September 30, 2019, 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 September 30, 2019.
- (4) Represents property operating expenses for the three months ended September 30, 2019. Property operating expenses includes all rental expenses, except non cash rent expense and the provision for bad debt recorded for deferred rent receivables.
- (5) Represents various rental adjustments related to base rent (abatements and tenant improvement reimbursements).
- (6) See Glossary of Terms.
- (7) La Jolla Commons, consisting of approximately 724,000 square feet in two office towers, was acquired by us on June 20, 2019.
- (8) Base rent shown includes amounts related to American Assets Trust, L.P.'s corporate leases at Torrey Reserve Campus, Solana Crossing and Lloyd District Portfolio. This intercompany rent is eliminated in the consolidated statement of operations. The base rent and abatements were both \$313 for the three months ended September 30, 2019.

SEGMENT CAPITAL EXPENDITURES

(Unaudited, amounts in thousands)

Three Months Ended September 30, 2019

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	\$ 1,154	\$ 4,136	\$ 5,290	\$ —	\$ —	\$ 5,290
Office Portfolio	13,333	2,843	16,176	245	127	16,548
Multifamily Portfolio	—	1,297	1,297	—	—	1,297
Mixed-Use Portfolio	31	814	845	—	—	845
Total	\$ 14,518	\$ 9,090	\$ 23,608	\$ 245	\$ 127	\$ 23,980

Nine Months Ended September 30, 2019

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	\$ 2,561	\$ 13,876	\$ 16,437	\$ 294	\$ —	\$ 16,731
Office Portfolio	37,533	6,836	44,369	5,953	127	50,449
Multifamily Portfolio	—	2,753	2,753	—	—	2,753
Mixed-Use Portfolio	143	4,365	4,508	—	—	4,508
Total	\$ 40,237	\$ 27,830	\$ 68,067	\$ 6,247	\$ 127	\$ 74,441

SUMMARY OF OUTSTANDING DEBT

(Unaudited, amounts in thousands)

Debt	Amount		Annual Debt Service ⁽¹⁾	Maturity Date
	Outstanding at September 30, 2019	Interest Rate		
Torrey Reserve - VCI, VCII, VCIII	6,534	6.36%	6,848	June 1, 2020
Solana Crossing I-II	10,330	5.91%	10,791	June 1, 2020
Solana Beach Towne Centre	34,434	5.91%	35,969	June 1, 2020
City Center Bellevue ⁽²⁾	111,000	3.98%	4,491	November 1, 2022
Secured Notes Payable / Weighted Average ⁽³⁾	\$ 162,298	4.61%	\$ 58,099	
Term Loan A ⁽⁴⁾	\$ 100,000	4.13%	\$ 4,199	January 9, 2021
Series A Notes ⁽⁵⁾	150,000	3.88%	6,060	October 31, 2021
Term Loan B ⁽⁶⁾	100,000	2.75%	2,756	March 1, 2023
Term Loan C ⁽⁷⁾	50,000	2.74%	1,374	March 1, 2023
Series F Notes ⁽⁸⁾	100,000	3.85%	3,780	July 19, 2024
Series B Notes	100,000	4.45%	4,450	February 2, 2025
Series C Notes	100,000	4.50%	4,500	April 1, 2025
Series D Notes ⁽⁹⁾	250,000	3.87%	10,725	March 1, 2027
Series E Notes ⁽¹⁰⁾	100,000	4.18%	4,240	May 23, 2029
Series G Notes ⁽¹¹⁾	150,000	3.88%	5,865	July 30, 2030
Unsecured Notes Payable / Weighted Average ⁽¹²⁾	\$ 1,200,000	3.88%	\$ 47,949	
Unsecured Line of Credit ⁽¹³⁾	\$ —	3.55%		

Notes:

(1) Includes interest and principal payments due over the next twelve months.

(2) Interest only.

(3) The Secured Notes Payable total does not include debt issuance costs, net of \$0.1 million.

(4) Term Loan A has a stated maturity of January 9, 2021, subject to our option to extend Term Loan A up to three times, with each such extension for a one-year period. Term Loan A accrues interest at a variable rate, which we fixed as part of an interest rate swap for an effective interest rate of 4.13%, subject to adjustments based on our consolidated leverage ratio.

(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 effective interest rate for the Series A Notes is approximately 3.88% per annum, through maturity.

(6) 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 2.75%, subject to adjustments based on our consolidated leverage ratio.

(7) 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 2.74%, subject to adjustments based on our consolidated leverage ratio.

(8) \$100 million of 3.78% Senior Guaranteed Notes, Series F, due July 19, 2024. Net of the settlement of the treasury lock contract, the effective interest rate for the Series F Notes is approximately 3.85%, through maturity.

(9) \$250 million of 4.29% Senior Guaranteed Notes, Series D, due March 1, 2027. Net of the settlement of the forward-starting interest rate swap, the effective interest rate for the Series D Notes is approximately 3.87% per annum, through maturity.

(10) \$100 million of 4.24% Senior Guaranteed Notes, Series E, due May 23, 2029. Net of the settlement of the treasury lock contract, the effective interest rate for the Series E Notes is approximately 4.18%, through maturity.

(11) \$150 million of 3.91% Senior Guaranteed Notes, Series G, due July 30, 2030. Net of the settlement of the treasury lock contract, the effective interest rate for the Series G Notes is approximately 3.88% through maturity.

(12) The Unsecured Notes Payable total does not include debt issuance costs, net of \$4.5 million.

(13) The unsecured revolving line of credit (the "Revolver Loan") has a capacity of \$350 million plus an accordion feature that may allow us to increase the availability thereunder up to an additional \$350 million, subject to meeting specified requirements and obtaining additional commitments from lenders. The Revolver Loan matures on January 9, 2022, subject to our option to extend the Revolver Loan up to two times, with each such extension for a six-month period. The Revolver Loan currently accrues interest at LIBOR, plus a spread which ranges from 1.05%-1.50%, based on our consolidated leverage ratio. The Revolver Loan total does not include debt issuance costs, net of \$1.4 million.

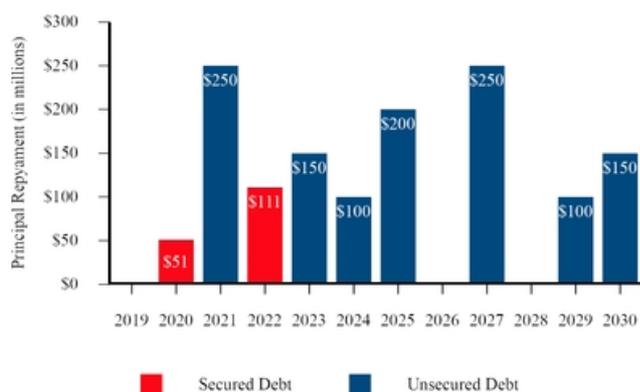
(Unaudited, amounts in thousands, except per share data)

Market data	September 30, 2019
Common shares outstanding	59,957
Common units outstanding	16,390
Common shares and common units outstanding	76,347
Market price per common share	\$ 46.74
Equity market capitalization	\$ 3,568,459
Total debt	\$ 1,362,298
Total market capitalization	\$ 4,930,757
Less: Cash on hand	\$ (115,568)
Total enterprise value	\$ 4,815,189
Total unencumbered assets, gross	\$ 3,013,670
Total debt/Total capitalization	27.6%
Total debt/Total enterprise value	28.3%
Net debt/Total enterprise value ⁽¹⁾	25.9%
Total unencumbered assets, gross/Unsecured debt	251.1%
Total debt/Adjusted EBITDA ⁽²⁾⁽³⁾	6.0x
Net debt/Adjusted EBITDA ⁽¹⁾⁽²⁾⁽³⁾	5.5x
Interest coverage ratio ⁽⁴⁾	4.3x
Fixed charge coverage ratio ⁽⁴⁾	4.3x

Notes:

- (1) Net debt is equal to total debt less cash on hand.
- (2) See Glossary of Terms for discussion of EBITDA and Adjusted EBITDA.
- (3) As used here, Adjusted EBITDA represents the actual for the three months ended September 30, 2019, annualized.
- (4) Calculated as Adjusted EBITDA divided by interest on borrowed funds, including capitalized interest and excluding debt fair value adjustments and loan fee amortization.

Debt Maturity Schedule as of September 30, 2019



Weighted Average Fixed Interest Rate

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Weighted Average Fixed Interest Rate	—%	6.0%	4.0%	4.0%	2.7%	3.8%	4.5%	—%	3.9%	—%	4.2%	3.9%

Total Weighted Average Fixed Interest Rate: 4.0%

Weighted Average Term to Maturity: 5.4 years

Credit Ratings

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

SUMMARY OF DEVELOPMENT OPPORTUNITIES

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

Development Projects

Property	Location	Start Date	Completion Date	Estimated Stabilized Yield (1)	Rentable Square Feet	Percent Leased	Estimated Stabilization Date (2)	Project Costs (in thousands) (3)	
								Cost Incurred to Date	Total Estimated Investment
Office Property:									
Torrey Point	San Diego, CA	2015	July 31, 2017	6.75% - 7.75%	90,000	56.3%	2019	\$43,946	\$55,800

Development/Redevelopment Pipeline

Property	Property Type	Location	Estimated Rentable Square Feet	Multifamily Units	Opportunity
Solana Crossing (Building 5)	Retail	Solana Beach, CA	10,000	N/A	Development of 10,000 square foot retail building
Lomas Santa Fe Plaza	Retail	Solana Beach, CA	45,000	N/A	Development of 45,000 square foot retail building
La Jolla Commons	Office	San Diego, CA	214,000	N/A	Development of 214,000 square foot fully entitled office, hotel, or office/hotel tower
Lloyd District Portfolio - multiple phases (4)	Mixed Use	Portland, OR	TBD	TBD	
Phase 2A - Oregon Square			33,000	N/A	Remodel and repurpose a 33,000 square feet office building into flexible creative office space
Phase 2B - Oregon Square			TBD	TBD	Development of mixed-use residential tower and build-to-suit office tower

Notes:

- (1) The estimated stabilized yield is calculated based on total estimated project costs, as defined above, when the project has reached stabilized occupancy.
- (2) Based on management's estimation of stabilized occupancy (90%).
- (3) Project costs exclude capitalized interest cost which is calculated in accordance with Accounting Standards Codification 835-20-50-1.
- (4) The Lloyd 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 is expected to include a high density, transit oriented, mixed-use urban village, with the potential to be in excess of approximately three million square feet. The 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 September 30, 2019

Retail and Office Portfolios

Property	Location	Year Built/ Renovated	Number of Buildings	Net Rentable		Percentage Leased ⁽²⁾	Annualized Base Rent ⁽³⁾	Annualized 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%	\$ 3,925,544	\$53.13			Sharp Healthcare, San Diego County Credit Union
Carmel Mountain Plaza ⁽⁷⁾	San Diego, CA	1994/2014	15	528,416	97.9	14,294,273	27.63	At Home		Dick's Sporting Goods, Saks Fifth Avenue Off 5th
South Bay Marketplace ⁽⁷⁾	San Diego, CA	1997	9	132,877	100.0	2,425,412	18.25			Ross Dress for Less, Grocery Outlet
Gateway Marketplace	San Diego, CA	1997/2016	3	127,861	98.7	2,410,321	19.10	Hobby Lobby		Smart & Final, Aldi
Lomas Santa Fe Plaza	Solana Beach, CA	1972/1997	9	208,030	97.2	6,034,790	29.84			Vons, Home Goods
Solana Beach Towne Centre	Solana Beach, CA	1973/2000/2004	12	246,730	97.7	5,973,805	24.78			Dixieline Probuild, Marshalls
Del Monte Center ⁽⁷⁾	Monterey, CA	1967/1984/2006	16	673,572	99.1	12,019,165	18.01	Macy's		Century Theatres, Whole Foods Market
Geary Marketplace	Walnut Creek, CA	2012	3	35,156	100.0	1,156,909	32.91			Sprouts Farmer Market, Freebirds Wild Burrito
The Shops at Kalakaua	Honolulu, HI	1971/2006	3	11,671	100.0	1,878,736	160.97			Hawaii Beachware & Fashion, Diesel U.S.A. Inc.
Waikele Center	Waipahu, HI	1993/2008	9	418,047	100.0	11,152,168	26.68	Lowe's		UFC Gym, Old Navy
Alamo Quarry Market ⁽⁷⁾	San Antonio, TX	1997/1999	16	588,970	97.2	14,282,766	24.95	Regal Cinemas		Bed Bath & Beyond, Whole Foods Market
Hassalo on Eighth	Portland, OR	2015	3	44,153	76.6	982,796	29.06			Providence Health & Services, Green Zebra Grocery
Subtotal/Weighted Average Retail Portfolio			107	3,093,581	98.0%	\$ 76,536,685	\$25.25			
Office Properties										
La Jolla Commons	San Diego, CA	2008/2014	2	723,992	96.6%	\$ 35,846,001	\$51.25			
Torrey Reserve Campus	San Diego, CA	1996-2000/2014-2016	14	516,676	87.8%	20,687,517	45.60			
Torrey Point	San Diego, CA	2017	2	92,614	56.3	2,188,314	41.97			
Solana Crossing	Solana Beach, CA	1982/2005	4	212,495	92.0	7,818,604	39.99			
The Landmark at One Market ⁽⁸⁾	San Francisco, CA	1917/2000	1	419,371	100.0	29,574,142	70.52			
One Beach Street	San Francisco, CA	1924/1972/1987/1992	1	97,614	100.0	4,396,596	45.04			
First & Main	Portland, OR	2010	1	360,641	98.7	11,288,425	31.71			
Lloyd District Portfolio	Portland, OR	1940-2015	2	514,998	94.9	12,170,712	24.90			
City Center Bellevue	Bellevue, WA	1987	1	497,472	98.6	20,748,495	42.30			
Subtotal/Weighted Average Office Portfolio			28	3,435,873	94.7%	\$ 144,718,806	\$44.48			
Total/Weighted Average Retail and Office Portfolio			135	6,529,454	96.2%	\$ 221,255,491	\$35.22			

As of September 30, 2019

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	91.4%	\$ 12,754,848	\$ 2,122
Imperial Beach Gardens	Imperial Beach, CA	1959/2008	26	160	90.6	3,575,256	\$ 2,055
Mariner's Point	Imperial Beach, CA	1986	8	88	93.2	1,768,140	\$ 1,797
Santa Fe Park RV Resort ⁽⁹⁾	San Diego, CA	1971/2007-2008	1	126	72.2	1,229,112	\$ 1,126
Pacific Ridge Apartments	San Diego, CA	2013	3	533	93.1	16,521,048	\$ 2,774
Hassalo on Eighth - Velomor	Portland, OR	2015	1	177	90.4	3,110,592	\$ 1,620
Hassalo on Eighth - Aster Tower	Portland, OR	2015	1	337	90.8	6,150,696	\$ 1,675
Hassalo on Eighth - Elwood	Portland, OR	2015	1	143	90.9	2,454,264	\$ 1,573
Total/Weighted Average Multifamily Portfolio			121	2,112	90.5%	\$ 47,563,956	\$ 2,074

Mixed-Use Portfolio

Retail Portion	Location	Year Built/ Renovated	Number of Buildings	Net Rentable		Percentage Leased ⁽²⁾	Annualized Base Rent ⁽³⁾	Annualized Base		Other Principal Retail Tenants ⁽⁶⁾
				Square Feet ⁽¹⁾	Square Foot ⁽⁴⁾			Rent per Leased Square Foot ⁽⁴⁾	Retail Anchor Tenant(s) ⁽⁵⁾	
Waikiki Beach Walk - Retail	Honolulu, HI	2006	3	96,707	98.0%	\$ 10,773,409	\$ 113.68		Yard House, Roy's	

Hotel Portion	Location	Year Built/ Renovated	Number of Buildings	Units	Average Occupancy ⁽¹⁰⁾	Average Daily Rate ⁽¹⁰⁾	Annualized
							Revenue per Available Room ⁽¹⁰⁾
Waikiki Beach Walk - Embassy Suites™	Honolulu, HI	2008/2014	2	369	92.9%	\$ 356.80	\$ 331.59

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 September 30, 2019, including leases which may not have commenced as of September 30, 2019. Percentage leased for our multifamily properties includes total units rented as of September 30, 2019.
- Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended September 30, 2019 by 12. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses. The foregoing notwithstanding, the annualized base rent for La Jolla Commons has been adjusted for this presentation to reflect that the contractual triple net leases were instead structured as modified gross leases, by adding the contractual annualized triple net base rent of \$24,012,554 to our estimate of annual triple net operating expenses of \$11,833,447 for an estimated annualized base rent on a modified gross lease basis of \$35,846,001 for La Jolla Commons.
- Annualized base rent per leased square foot is calculated by dividing annualized base rent, by square footage under lease as of September 30, 2019. Annualized base rent per leased unit is calculated by dividing annualized base rent by units under lease as of September 30, 2019. The foregoing notwithstanding, the annualized base rent per leased square foot for La Jolla Commons has been adjusted for this presentation to reflect that the contractual triple net leases were instead structured as modified gross leases. See footnote 3 for further explanation.
- 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	5	17,607	\$ 780,964
South Bay Marketplace	1	2,824	\$ 102,276
Del Monte Center	1	212,500	\$ 96,000
Alamo Quarry Market	4	31,994	\$ 509,880

- 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.
- 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 September 30, 2019, the highest average monthly occupancy rate for this property was 95%, occurring in August 2019. The number of units at the Santa Fe Park RV Resort includes 122 RV spaces and four apartments.
- Average occupancy represents the percentage of available units that were sold during the three months ended September 30, 2019, 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 September 30, 2019 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 September 30, 2019 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 September 30, 2019

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.
3rd Quarter 2019	19	100%	30,019	\$59.44	\$57.81	\$ 48,980	2.8 %	9.3 %	3.5	\$ 108,000	\$3.60
2nd Quarter 2019	10	100%	37,843	\$31.71	\$30.75	\$ 36,300	3.1 %	12.5 %	7.4	\$ 267,740	\$7.08
1st Quarter 2019	13	100%	48,376	\$49.14	\$46.49	\$ 127,861	5.7 %	15.2 %	5.4	\$ 617,060	\$12.76
4th Quarter 2018	19	100%	65,046	\$46.90	\$45.52	\$ 89,535	3.0 %	7.3 %	4.0	\$ 471,790	\$7.25
Total 12 months	61	100%	181,284	\$46.40	\$44.73	\$ 302,676	3.7 %	10.6 %	5.0	\$ 1,464,590	\$8.08

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.
3rd Quarter 2019	2	11%	4,094	\$88.85	\$80.99	\$ 32,185	9.7 %	5.3 %	5.0	\$ 96,500	\$23.57
2nd Quarter 2019	2	20%	16,900	\$14.44	\$15.40	\$ (16,172)	(6.2)%	(2.9)%	9.5	\$ 222,740	\$13.18
1st Quarter 2019	1	8%	2,441	\$52.00	\$54.97	\$ (7,247)	(5.4)%	15.0 %	10.1	\$ 294,100	\$120.48
4th Quarter 2018	3	16%	2,956	\$139.03	\$123.55	\$ 45,742	12.5 %	18.3 %	5.2	\$ 20,840	\$7.05
Total 12 months	8	13%	26,391	\$43.41	\$41.35	\$ 54,508	5.0 %	8.8 %	8.4	\$ 634,180	\$24.03

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.
3rd Quarter 2019	17	89%	25,925	\$54.79	\$54.14	\$ 16,795	1.2 %	10.2 %	3.2	\$ 11,500	\$0.44
2nd Quarter 2019	8	80%	20,943	\$45.64	\$43.13	\$ 52,472	5.8 %	17.3 %	5.8	\$ 45,000	\$2.15
1st Quarter 2019	12	92%	45,935	\$48.98	\$46.04	\$ 135,108	6.4 %	15.2 %	5.2	\$ 322,960	\$7.03
4th Quarter 2018	16	84%	62,090	\$42.51	\$41.81	\$ 43,793	1.7 %	5.8 %	4.0	\$ 450,950	\$7.26
Total 12 months	53	87%	154,893	\$46.91	\$45.31	\$ 248,168	3.5 %	10.9 %	4.5	\$ 830,410	\$5.36

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.
3rd Quarter 2019	22	34,850	\$56.63	3.7	\$ 355,825	\$10.21
2nd Quarter 2019	13	46,609	\$32.27	7.8	\$ 730,310	\$15.67
1st Quarter 2019	17	159,746	\$26.17	8.6	\$ 3,252,580	\$20.36
4th Quarter 2018	21	72,031	\$45.89	4.6	\$ 925,440	\$12.85
Total 12 months	73	313,236	\$35.00	7.0	\$ 5,264,155	\$16.81

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 September 30,
2019

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.
3rd Quarter 2019	14	100%	70,907	\$51.95	\$46.40	\$ 393,387	12.0%	29.2%	6.1	\$ 3,237,139	\$45.65
2nd Quarter 2019	16	100%	86,779	\$51.70	\$44.00	\$ 668,474	17.5%	26.7%	5.8	\$ 3,659,392	\$42.17
1st Quarter 2019	6	100%	37,541	\$49.46	\$47.48	\$ 74,466	4.2%	14.6%	6.5	\$ 1,457,995	\$38.84
4th Quarter 2018	11	100%	298,303	\$88.41	\$54.08	\$ 10,241,129	63.5%	95.5%	9.8	\$ 29,601,802	\$99.23
Total 12 months	47	100%	493,530	\$73.75	\$50.70	\$ 11,377,456	45.5%	69.3%	8.3	\$ 37,956,328	\$76.91

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.
3rd Quarter 2019	5	36%	43,678	\$56.18	\$48.18	\$ 349,643	16.6%	33.8%	7.0	\$ 2,420,924	\$55.43
2nd Quarter 2019	6	38%	45,570	\$54.27	\$44.20	\$ 458,844	22.8%	30.9%	6.5	\$ 3,379,047	\$74.15
1st Quarter 2019	1	17%	7,506	\$48.60	\$45.61	\$ 22,479	6.6%	23.2%	7.4	\$ 562,950	\$75.00
4th Quarter 2018	8	73%	284,679	\$90.10	\$54.66	\$ 10,089,839	64.8%	97.8%	10.0	\$ 28,993,536	\$101.85
Total 12 months	20	43%	381,433	\$81.12	\$52.49	\$ 10,920,805	54.5%	81.9%	9.2	\$ 35,356,457	\$92.70

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.
3rd Quarter 2019	9	64%	27,229	\$45.16	\$43.56	\$ 43,744	3.7%	20.4%	4.7	\$ 816,215	\$29.98
2nd Quarter 2019	10	63%	41,209	\$48.87	\$43.78	\$ 209,630	11.6%	21.7%	5.0	\$ 280,345	\$6.80
1st Quarter 2019	5	83%	30,035	\$49.68	\$47.95	\$ 51,987	3.6%	12.7%	6.2	\$ 895,045	\$29.80
4th Quarter 2018	3	27%	13,624	\$53.05	\$41.94	\$ 151,290	26.5%	39.6%	5.6	\$ 608,266	\$44.65
Total 12 months	27	57%	112,097	\$48.69	\$44.62	\$ 456,651	9.1%	20.9%	5.3	\$ 2,599,871	\$23.19

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.
3rd Quarter 2019	21	98,410	\$51.36	6.1	\$ 5,263,390	\$53.48
2nd Quarter 2019	23	197,661	\$47.92	8.0	\$ 14,827,884	\$75.02
1st Quarter 2019	12	70,228	\$47.06	6.3	\$ 3,549,809	\$50.55
4th Quarter 2018	15	312,673	\$86.55	9.5	\$ 30,333,733	\$97.01
Total 12 months	71	678,972	\$66.12	8.2	\$ 53,974,816	\$79.49

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

MULTIFAMILY LEASING SUMMARY

As of September 30, 2019

Lease Summary - Loma Palisades

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
3rd Quarter 2019	501	91.4%	\$12,754,848	\$2,122
2nd Quarter 2019	528	96.4%	\$13,918,368	\$2,196
1st Quarter 2019	526	96.0%	\$13,277,760	\$2,103
4th Quarter 2018	517	94.3%	\$13,393,860	\$2,160

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⁾
3rd Quarter 2019	145	90.6%	\$3,575,256	\$2,055
2nd Quarter 2019	150	93.8%	\$3,653,532	\$2,029
1st Quarter 2019	149	93.1%	\$3,594,420	\$2,011
4th Quarter 2018	145	90.6%	\$3,507,960	\$2,017

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⁾
3rd Quarter 2019	82	93.2%	\$1,768,140	\$1,797
2nd Quarter 2019	84	95.5%	\$1,808,868	\$1,794
1st Quarter 2019	84	95.5%	\$1,720,920	\$1,706
4th Quarter 2018	80	90.9%	\$1,707,156	\$1,778

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⁾
3rd Quarter 2019	91	72.2%	\$1,229,112	\$1,126
2nd Quarter 2019	110	87.3%	\$1,867,584	\$1,415
1st Quarter 2019	99	78.6%	\$1,398,636	\$1,177
4th Quarter 2018	111	88.1%	\$1,230,864	\$924

Lease Summary - Pacific Ridge Apartments

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
3rd Quarter 2019	496	93.1%	\$16,521,048	\$2,774
2nd Quarter 2019	471	88.4%	\$15,804,348	\$2,795
1st Quarter 2019	515	96.6%	\$17,057,604	\$2,761
4th Quarter 2018	512	96.1%	\$16,747,488	\$2,725

MULTIFAMILY LEASING SUMMARY (CONTINUED)

As of September 30, 2019

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⁾
3rd Quarter 2019	160	90.4%	\$3,110,592	\$1,620
2nd Quarter 2019	170	96.1%	\$3,240,348	\$1,588
1st Quarter 2019	163	92.1%	\$3,161,508	\$1,616
4th Quarter 2018	165	93.2%	\$3,202,927	\$1,618

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⁾
3rd Quarter 2019	306	90.8%	\$6,150,696	\$1,675
2nd Quarter 2019	317	94.1%	\$6,289,680	\$1,653
1st Quarter 2019	322	95.6%	\$6,355,236	\$1,644
4th Quarter 2018	319	94.7%	\$6,295,668	\$1,644

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⁾
3rd Quarter 2019	130	90.9%	\$2,454,264	\$1,573
2nd Quarter 2019	125	87.4%	\$2,410,944	\$1,608
1st Quarter 2019	125	87.4%	\$2,438,592	\$1,626
4th Quarter 2018	128	89.5%	\$2,443,752	\$1,591

Total Multifamily Lease Summary

Quarter	Number of Leased Units	Percentage leased ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Base Rent per Leased Unit ⁽³⁾
3rd Quarter 2019	1,911	90.5%	\$47,563,956	\$2,074
2nd Quarter 2019	1,955	92.6%	\$48,993,672	\$2,088
1st Quarter 2019	1,983	93.9%	\$49,004,676	\$2,059
4th Quarter 2018	1,977	93.6%	\$48,529,675	\$2,046

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 September 30, 2019

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⁾
3rd Quarter 2019	94,766	98.0%	\$10,773,409	\$114
2nd Quarter 2019	94,934	98.2%	\$11,184,771	\$118
1st Quarter 2019	94,934	98.2%	\$11,073,053	\$117
4th Quarter 2018	92,890	96.1%	\$10,752,372	\$116

Lease Summary - Hotel Portion

Quarter	Number of Leased Units	Average Occupancy ⁽⁴⁾	Average Daily Rate ⁽⁴⁾	Annualized Revenue per Available Room ⁽⁴⁾
3rd Quarter 2019	343	92.9%	\$357	\$332
2nd Quarter 2019	338	91.6%	\$308	\$282
1st Quarter 2019	339	91.8%	\$316	\$290
4th Quarter 2018	337	91.3%	\$315	\$288

Notes:

- (1) Percentage leased for mixed-use property includes square footage under leases as of September 30, 2019, including leases which may not have commenced as of September 30, 2019.
- (2) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended September 30, 2019 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 September 30, 2019.
- (4) Average occupancy represents the percentage of available units that were sold during the three months ended September 30, 2019, 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 September 30,
2019

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	Base Rent		Retail	Total	Base Rent		Mixed-Use	Total	Base Rent		Sq. Ft.	Sq. Ft.
Month to Month	34,445	1.0%	0.5%	\$0.54	21,321	0.7%	0.3%	\$30.38	2,473	2.6%	—%	\$51.51	58,239	0.9%	\$13.63
2019	77,195	2.2	1.2	\$39.36	30,396	1.0	0.5	\$34.62	5,701	5.9	0.1	\$107.81	113,292	1.7	\$41.53
2020	278,190	8.1	4.2	\$36.40	298,898	9.7	4.5	\$27.11	8,603	8.9	0.1	\$84.07	585,691	8.8	\$32.36
2021	247,192	7.2	3.7	\$40.96	189,345	6.1	2.9	\$43.15	21,424	22.2	0.3	\$185.93	457,961	6.9	\$48.65
2022	305,751	8.9	4.6	\$45.20	448,971	14.5	6.8	\$30.80	4,849	5.0	0.1	\$232.85	759,571	11.5	\$37.89
2023	347,487	10.1	5.2	\$51.81	300,812	9.7	4.5	\$24.83	6,432	6.7	0.1	\$76.72	654,731	9.9	\$39.66
2024	173,101	5.0	2.6	\$44.24	445,138	14.4	6.7	\$28.78	8,635	8.9	0.1	\$123.60	626,874	9.5	\$34.36
2025	289,754	8.4	4.4	\$36.98	197,776	6.4	3.0	\$24.06	12,568	13.0	0.2	\$57.00	500,098	7.5	\$32.37
2026	240,861	7.0	3.6	\$41.11	111,439	3.6	1.7	\$27.97	—	—	—	—	352,300	5.3	\$36.95
2027	128,862 ⁽²⁾⁽³⁾	3.8	1.9	\$37.74	120,100	3.9	1.8	\$26.33	13,118	13.6	0.2	\$75.59	262,080	4.0	\$34.41
2028	104,343	3.0	1.6	\$41.78	481,296	15.6	7.3	\$14.62	8,820	9.1	0.1	\$105.10	594,459	9.0	\$20.73
Thereafter	760,689	22.1	11.5	\$52.92	318,849	10.3	4.8	\$20.01	—	—	—	—	1,079,538	16.3	\$43.20
Signed Leases Not Commenced	264,836	7.7	4.0	—	67,449	2.2	1.0	—	2,143	2.2	—	—	334,428	5.0	—
Available	183,167	5.3	2.8	—	61,791	2.0	0.9	—	1,941	2.0	—	—	246,899	3.7	—
Total ⁽⁴⁾	<u>3,435,873</u>	<u>100.0%</u>	51.9%	\$38.68	<u>3,093,581</u>	<u>100.0%</u>	46.7%	\$24.74	<u>96,707</u>	<u>100.0%</u>	1.5%	\$111.4	<u>6,626,161</u>	<u>100.0%</u>	\$33.23

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	Base Rent		Retail	Total	Base Rent		Mixed-Use	Total	Base Rent		Sq. Ft.	Sq. Ft.
Month to Month	34,445	1.0%	0.5%	\$0.54	21,321	0.7%	0.3%	\$30.38	2,473	2.6%	—%	\$51.51	58,239	0.9%	\$13.63
2019	77,195	2.2	1.2	\$39.36	23,489	0.8	0.4	\$33.28	5,701	5.9	0.1	\$107.81	106,385	1.6	\$41.69
2020	134,282	3.9	2.0	\$36.96	181,578	5.9	2.7	\$23.81	2,799	2.9	—	\$101.96	318,659	4.8	\$30.04
2021	105,858	3.1	1.6	\$42.25	107,558	3.5	1.6	\$44.36	21,424	22.2	0.3	\$185.93	234,840	3.5	\$56.32
2022	74,355	2.2	1.1	\$45.10	114,391	3.7	1.7	\$37.47	5,279	5.5	0.1	\$230.38	194,025	2.9	\$45.64
2023	123,758	3.6	1.9	\$42.23	57,533	1.9	0.9	\$37.57	6,432	6.7	0.1	\$76.72	187,723	2.8	\$41.98
2024	40,869	1.2	0.6	\$40.03	195,212	6.3	2.9	\$32.39	3,233	3.3	—	\$198.05	239,314	3.6	\$35.93
2025	169,360	4.9	2.6	\$36.21	111,240	3.6	1.7	\$29.12	1,010	1.0	—	\$251.61	281,610	4.2	\$34.18
2026	139,552	4.1	2.1	\$39.55	96,497	3.1	1.5	\$29.64	—	—	—	—	236,049	3.6	\$35.50
2027	132,241	3.8	2.0	\$35.84	172,059	5.6	2.6	\$29.94	13,118	13.6	0.2	\$75.59	317,418	4.8	\$34.28
2028	150,943	4.4	2.3	\$42.65	219,840	7.1	3.3	\$23.04	1,906	2.0	—	—	372,689	5.6	\$30.86
Thereafter	1,805,012 ⁽²⁾⁽³⁾	52.5	27.2	\$48.39	1,663,623	53.8	25.1	\$22.20	29,248	30.2	0.4	\$74.09	3,497,883	52.8	\$36.15
Signed Leases Not Commenced	264,836	7.7	4.0	—	67,449	2.2	1.0	—	2,143	2.2	—	—	334,428	5.0	—
Available	183,167	5.3	2.8	—	61,791	2.0	0.9	—	1,941	2.0	—	—	246,899	3.7	—
Total ⁽⁴⁾	<u>3,435,873</u>	<u>100.0%</u>	51.9%	\$38.68	<u>3,093,581</u>	<u>100.0%</u>	46.7%	\$24.74	<u>96,707</u>	<u>100.0%</u>	1.5%	\$111.4	<u>6,626,161</u>	<u>100.0%</u>	\$33.23

As of September 30, 2019

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 September 30, 2019 for the leases expiring during the applicable period by (ii) 12 months.
- (2) The expirations include 24,227 square feet leased by several tenants at La Jolla Commons through June 30, 2020, for which an S&P 500 member has signed an agreement to lease such space beginning January 1, 2020 through October 31, 2027 with options to extend the lease through October 31, 2032.
- (3) The expirations include 18,561 square feet leased by Esterline Technologies Corporation at City Center Bellevue through December 31, 2019, for which VMWare, Inc. has signed an agreement to lease such space beginning February 1, 2020 through July 31, 2027 with options to extend the lease through July 31, 2037.
- (4) Individual items may not add up to total due to rounding.

Type	At September 30, 2019			At September 30, 2018		
	Size	Leased ⁽¹⁾	Leased %	Size	Leased ⁽¹⁾	Leased %
Overall Portfolio⁽²⁾ Statistics						
Retail Properties (square feet)	3,093,581	3,031,790	98.0%	3,095,120	3,049,759	98.5%
Office Properties (square feet)	3,435,873	3,252,706	94.7%	2,654,550	2,425,872	91.4%
Multifamily Properties (units)	2,112	1,911	90.5%	2,112	1,950	92.3%
Mixed-Use Properties (square feet)	96,707	94,766	98.0%	96,707	92,767	95.9%
Mixed-Use Properties (units)	369	340 ⁽³⁾	92.1%	369	345 ⁽³⁾	93.6%
Same-Store⁽²⁾ Statistics						
Retail Properties (square feet) ⁽⁴⁾	2,675,534	2,613,743	97.7%	2,677,073	2,631,712	98.3%
Office Properties (square feet) ⁽⁵⁾	2,619,267	2,501,166	95.5%	2,561,936	2,396,019	93.5%
Multifamily Properties (units)	2,112	1,911	90.5%	2,112	1,950	92.3%

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 nine months ended September 30, 2019 and 2018.
- (4) The same-store portfolio excludes Waikale Center due to significant redevelopment activity.
- (5) The same-store portfolio includes the 830 building at Lloyd District Portfolio which was placed into operations on August 1, 2019. The same-store portfolio excludes Torrey Point, as it was placed into operations in August 2018 and La Jolla Commons, which was acquired on June 20, 2019.

TOP TENANTS - RETAIL

As of September 30, 2019

Tenant	Property(ies)	Lease Expiration	Total Leased Square Feet	Rentable Square Feet as a Percentage of Total Retail	Rentable Square Feet as a Percentage of Total	Annualized Base Rent	Annualized Base Rent as a Percentage of Total Retail	Annualized Base Rent as a Percentage of Total
1 Lowe's	Waikele Center	5/31/2028	155,000	5.0%	2.3%	\$ 3,720,000	4.9%	1.7%
2 Nordstrom Rack	Carmel Mountain Plaza, Alamo Quarry Market	9/30/2022 10/31/2022	69,047	2.2	1.0	2,189,648	2.9	1.0
3 Sprouts Farmers Market	Solana Beach Towne Centre, Carmel Mountain Plaza, Geary Marketplace	6/30/2024 3/31/2025 9/30/2032	71,431	2.3	1.1	1,967,339	2.6	0.9
4 Marshalls	Solana Beach Towne Centre, Carmel Mountain Plaza	1/31/2025 1/31/2029	68,055	2.2	1.0	1,421,727	1.9	0.6
5 Vons	Lomas Santa Fe Plaza	12/31/2022	49,895	1.6	0.8	1,399,205	1.8	0.6
6 Old Navy	Waikele Center, South Bay Marketplace, Alamo Quarry Market	7/31/2020 4/30/2021 9/30/2022	59,780	1.9	0.9	*	*	*
7 At Home Stores	Carmel Mountain Plaza	7/31/2029	107,870	3.5	1.6	1,384,552	1.8	0.6
8 Regal Cinemas	Alamo Quarry Market	3/31/2023	72,447	2.3	1.1	1,231,599	1.6	0.6
9 Michaels	Carmel Mountain Plaza Alamo Quarry Market	1/31/2024 2/29/2028	46,850	1.5	0.7	1,072,635	1.4	0.5
10 Saks Fifth Ave OFF 5th	Carmel Mountain Plaza	5/31/2024	40,594	1.3	0.6	1,033,117	1.3	0.5
Top 10 Retail Tenants Total			740,969	23.8%	11.1%	\$15,419,822	20.2%	7.0%

* Data withheld at tenant's request.

As of September 30, 2019

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 LPL Holdings, Inc.	La Jolla Commons	4/30/2029	421,001	12.3%	6.4%	\$17,562,831	13.2%	8.0%
2 Google LLC ⁽¹⁾	The Landmark at One Market	12/31/2029	253,198	7.4	3.8	16,766,202	12.6	7.6
3 Autodesk, Inc.	The Landmark at One Market	12/31/2022 12/31/2023	138,615	4.0	2.1	11,938,530	9.0	5.4
4 Smartsheet, Inc.	City Center Bellevue	12/31/2026	73,669	2.1	1.1	3,450,230	2.6	1.6
5 VMWare, Inc.	City Center Bellevue	11/30/2022 5/31/2025 7/31/2027	91,192	2.7	1.4	3,359,798	2.5	1.5
6 Veterans Benefits Administration	First & Main	8/31/2020	93,572	2.7	1.4	3,006,453	2.3	1.4
7 Clearex Operating, LLC	First & Main	4/30/2025	101,848	3.0	1.5	2,818,324	2.1	1.3
8 State of Oregon: Department of Environmental Quality	Lloyd 700	10/31/2031	87,787	2.6	1.3	2,607,730	2.0	1.2
9 Alliant International University	One Beach	10/31/2019	64,161	1.9	1.0	2,521,879	1.9	1.1
10 Treasury Call Center	First & Main	8/31/2020	63,648	1.9	1.0	2,184,302	1.6	1.0
Top 10 Office Tenants Total			1,388,691	40.6%	21.0%	\$66,216,279	49.8%	30.1%

Notes:

(1) The annualized base rent does not include the base rent from 75,336 square feet as the rent commencement date begins January 1, 2020.

APPENDIX

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA): EBITDA is a non-GAAP measure that means net income or loss plus depreciation and amortization, net interest expense, income taxes, gain or loss on sale of real estate and impairments of real estate, if any. EBITDA is presented because it approximates a key performance measure in our debt covenants, but it should not be considered an alternative measure of operating results or cash flow from operations as determined in accordance with GAAP. The reconciliation of net income to EBITDA for the three and nine months ended September 30, 2019 and 2018 is as follows:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2019	2018	2019	2018
Net income	\$ 16,519	\$ 14,271	\$ 43,703	\$ 17,993
Depreciation and amortization	26,568	19,886	69,733	86,033
Interest expense	13,734	12,879	40,212	39,387
Interest income	(137)	(46)	(299)	(209)
Income tax expense/(benefit)	268	171	709	277
Gain on sale of real estate	—	—	(633)	—
EBITDA	\$ 56,952	\$ 47,161	\$ 153,425	\$ 143,481

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2019	2018	2019	2018
EBITDA	\$ 56,952	\$ 47,161	\$ 153,425	\$ 143,481
Pro forma adjustments	—	—	—	—
Adjusted EBITDA	\$ 56,952	\$ 47,161	\$ 153,425	\$ 143,481

Earnings Before Interest, Taxes, Depreciation, and Amortization for Real Estate (EBITDAre): EBITDAre is a supplemental non-GAAP measure of real estate companies' operating performances. The National Association of Real Estate Investment Trusts (NAREIT) defines EBITDAre as follows: net income or loss, computed in accordance with GAAP plus depreciation and amortization, net interest expense, income taxes, gain or loss on sale of real estate including gain or loss on change of control, impairments of real estate, and adjustments to reflect the entity's share of EBITDAre of unconsolidated affiliates, if any. EBITDAre 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 EBITDAre for the three and nine months ended September 30, 2019 and 2018 is as follows:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2019	2018	2019	2018
Net income	\$ 16,519	\$ 14,271	\$ 43,703	\$ 17,993
Depreciation and amortization	26,568	19,886	69,733	86,033
Interest expense	13,734	12,879	40,212	39,387
Interest income	(137)	(46)	(299)	(209)
Income tax expense/(benefit)	268	171	709	277
Gain on sale of real estate	—	—	(633)	—
EBITDAre	\$ 56,952	\$ 47,161	\$ 153,425	\$ 143,481

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		Nine Months Ended	
	September 30,		September 30,	
	2019	2018	2019	2018
Reconciliation of NOI to net income				
Total NOI	\$ 63,431	\$ 52,337	\$ 171,920	\$ 159,616
General and administrative	(6,479)	(5,176)	(18,495)	(16,139)
Depreciation and amortization	(26,568)	(19,886)	(69,733)	(86,033)
Operating Income	\$ 30,384	\$ 27,275	\$ 83,692	\$ 57,444
Interest expense	(13,734)	(12,879)	(40,212)	(39,387)
Gain on sale of real estate	—	—	633	—
Other income, net	(131)	(125)	(410)	(64)
Net income	\$ 16,519	\$ 14,271	\$ 43,703	\$ 17,993
Net income attributable to restricted shares	(92)	(71)	(277)	(215)
Net income attributable to unitholders in the Operating Partnership	(3,565)	(3,806)	(10,553)	(4,765)
Net income attributable to American Assets Trust, Inc. stockholders	\$ 12,862	\$ 10,394	\$ 32,873	\$ 13,013

Overall Portfolio: Includes all operating properties owned by us as of September 30, 2019.

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

a measure of the operating performance of the company's properties but does not measure the company's performance as a whole. Cash NOI is therefore not a substitute for net income as computed in accordance with GAAP. A Reconciliation of Total Cash NOI to Operating Income is presented below:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2019	2018	2019	2018
Reconciliation of Total Cash NOI to Net Income				
Total Cash NOI	\$ 57,262	\$ 50,376	\$ 163,806	\$ 159,417
Non-cash revenue and other operating expenses ⁽¹⁾	6,169	1,961	8,114	199
General and administrative	(6,479)	(5,176)	(18,495)	(16,139)
Depreciation and amortization	(26,568)	(19,886)	(69,733)	(86,033)
Operating income	\$ 30,384	\$ 27,275	\$ 83,692	\$ 57,444
Interest expense	(13,734)	(12,879)	(40,212)	(39,387)
Gain on sale of real estate	—	—	633	—
Other income, net	(131)	(125)	(410)	(64)
Net income	\$ 16,519	\$ 14,271	\$ 43,703	\$ 17,993

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

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

	Three Months Ended ⁽¹⁾		Nine Months Ended ⁽²⁾	
	September 30,		September 30,	
	2019	2018	2019	2018
Reconciliation of Same-Store Cash NOI Comparison with Redevelopment to Operating Income				
Same-Store Cash NOI	\$ 41,720	\$ 41,072	\$ 124,258	\$ 125,520
Redevelopment Cash NOI ⁽²⁾	2,232	2,289	6,292	9,688
Same-Store Cash NOI with Redevelopment	43,952	43,361	130,550	135,208
Tenant improvement reimbursements	1,054	263	7,949	4,220
Total Same-Store Cash NOI with Redevelopment	\$ 45,006	\$ 43,624	\$ 138,499	\$ 139,428
Non-Same Store Cash NOI	12,256	6,752	25,307	19,989
Total Cash NOI	\$ 57,262	\$ 50,376	\$ 163,806	\$ 159,417
Non-cash revenue and other operating expenses ⁽³⁾	6,169	1,961	8,114	199
General and administrative	(6,479)	(5,176)	(18,495)	(16,139)
Depreciation and amortization	(26,568)	(19,886)	(69,733)	(86,033)
Operating income	\$ 30,384	\$ 27,275	\$ 83,692	\$ 57,444
Interest expense	(13,734)	(12,879)	(40,212)	(39,387)
Gain on sale of real estate	—	—	633	—
Other income, net	(131)	(125)	(410)	(64)
Net income	\$ 16,519	\$ 14,271	\$ 43,703	\$ 17,993

(1) Same-store excludes (i) Waialele Center, due to significant redevelopment activity; (ii) Torrey Point, which was placed into operations and became available for occupancy in August 2018; (iii) La Jolla Commons, which was acquired on June 20, 2019; (iv) Waikiki Beach Walk - Embassy Suites™ and Waikiki Beach Walk - Retail, due to significant spalling repair activity, and (v) land held for development.

GLOSSARY OF TERMS (CONTINUED)

- (2) Redevelopment property refers to Waikēle Center and Lloyd District Portfolio - Land.
- (3) Represents adjustments related to the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances; the amortization of above (below) market rents, the amortization of lease incentives paid to tenants, the amortization of other lease intangibles, lease termination fees at Carmel Mountain Plaza, and straight-line rent expense for our leases of the Annex at The Landmark at One Market.

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 Nine Months Ended		
	September 30, 2019 to 2018			September 30, 2019 to 2018		
	Same-Store	Non Same-Store	Redevelopment Same-Store	Same-Store	Non Same-Store	Redevelopment Same-Store
<u>Retail Properties</u>						
Carmel Country Plaza	X		X	X		X
Carmel Mountain Plaza	X		X	X		X
South Bay Marketplace	X		X	X		X
Gateway Marketplace	X		X	X		X
Lomas Santa Fe Plaza	X		X	X		X
Solana Beach Towne Centre	X		X	X		X
Del Monte Center	X		X	X		X
Geary Marketplace	X		X	X		X
The Shops at Kalakaua	X		X	X		X
Waikēle Center		X	X		X	X
Alamo Quarry Market	X		X	X		X
Hassalo on Eighth - Retail	X		X	X		X
<u>Office Properties</u>						
La Jolla Commons		X			X	
Torrey Reserve Campus	X		X	X		X
Torrey Point		X			X	
Solana Crossing (formerly Solana Beach Corporate Centre)	X		X	X		X
The Landmark at One Market	X		X	X		X
One Beach Street	X		X	X		X
First & Main	X		X	X		X
Lloyd District Portfolio ⁽¹⁾	X		X	X		X
City Center Bellevue	X		X	X		X
<u>Multifamily Properties</u>						
Loma Palisades	X		X	X		X
Imperial Beach Gardens	X		X	X		X
Mariner's Point	X		X	X		X
Santa Fe Park RV Resort	X		X	X		X
Pacific Ridge Apartments	X		X	X		X
Hassalo on Eighth	X		X	X		X
<u>Mixed-Use Properties</u>						
Waikēle Beach Walk - Retail		X			X	
Waikēle Beach Walk - Embassy Suites™		X			X	
<u>Development Properties</u>						
La Jolla Commons - Land		X			X	
Solana Crossing - Land		X			X	
Lloyd District Portfolio - Land		X	X		X	X

(1) Lloyd District Portfolio includes the 830 building which we placed into operations on August 1, 2019 after renovating the building.

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.