

NYSE: **REXR**

# Rexford Industrial Realty

Earnings Presentation 4Q 2024



[www.rexfordindustrial.com](http://www.rexfordindustrial.com)



20851 CURRIER ROAD, WALNUT

# Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. We caution investors that any forward-looking statements presented herein are based on management’s beliefs and assumptions and information currently available to management. Such statements are subject to risks, uncertainties and assumptions and may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. These risks and uncertainties include, without limitation: general risks affecting the real estate industry (including, without limitation, the market value of our properties, the inability to enter into or renew leases at favorable rates, portfolio occupancy varying from our expectations, dependence on tenants’ financial condition, and competition from other developers, owners and operators of real estate); risks associated with the disruption of credit markets or a global economic slowdown; risks associated with the potential loss of key personnel (most importantly, members of senior management); risks associated with our failure to maintain our status as a REIT under the Internal Revenue Code of 1986, as amended; possible adverse changes in tax and environmental laws; and potential liability for uninsured losses and environmental contamination. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. The risks described above are not exhaustive and additional factors could adversely affect our business and financial performance, including those discussed in our annual report on Form 10-K, for the year ended December 31, 2023, and subsequent filings with the Securities and Exchange Commission. We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in our estimates and beliefs and in the estimates prepared by independent parties. Past performance is no guarantee of future results. This Presentation includes certain financial measures not presented in accordance with generally accepted accounting principles in the United States (“GAAP”), which are used by management as a supplemental measure, have certain limitations, and should not be construed as alternatives to financial measures determined in accordance with GAAP. The non-GAAP measures as defined by us may not be comparable to similar non-GAAP financial measures presented by other companies. Our presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that our future results will be unaffected by other unusual or non-recurring items. A reconciliation to the most directly comparable GAAP measures is provided in the Appendix to this presentation. Further, we do not provide a reconciliation for non-GAAP estimates on a forward-looking basis, where we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and/or amount of various items that would impact net income, which is the most directly comparable forward-looking GAAP financial measure. This includes, for example, acquisition costs and other non-core items that have not yet occurred, are out of our control and/or cannot be reasonably predicted. For the same reasons, we are unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

Unless otherwise indicated, all Rexford Industrial financial information is as of or for the quarter ended December 31, 2024.

Endnotes can be found in the [Appendix](#) and are linked throughout the presentation.



# REXR

NYSE

## 51M

Square Feet

## 425

Industrial Properties

## \$13B

Entity Value<sup>1</sup>

## BBB+

S&P<sup>2</sup>

## BBB+

Fitch<sup>2</sup>

## Baa2

Moody's<sup>2</sup>

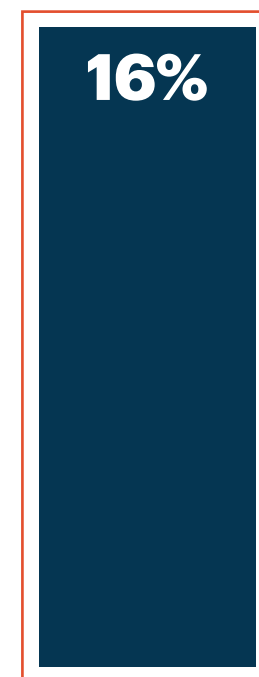
# 100%

## Prime Infill Southern California

## Proven Performance

### FFO Per Share Growth

(5-Year CAGR)<sup>3</sup>



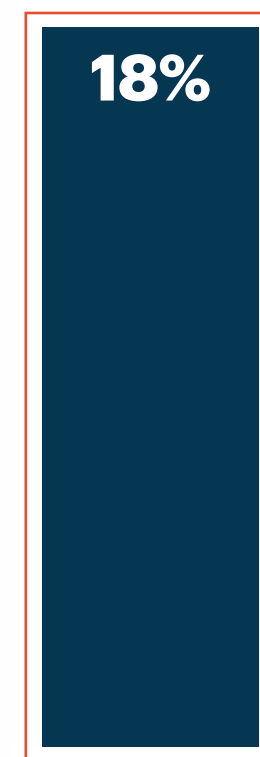
**REXR**

10%

Peer Average

### Dividend Per Share Growth

(5-Year CAGR)<sup>4</sup>



**REXR**

11%

Peer Average

# Key Messages

**1**

## **Substantial Embedded NOI Growth**

Projected incremental NOI of \$280 million, equal to 40% growth, embedded within in-place portfolio.

**2**

## **Low-Leverage Balance Sheet, Disciplined Capital Allocation**

4.6x Net Debt/EBITDA with \$1.5 billion in liquidity enables judicious capital allocation to maximize shareholder value.

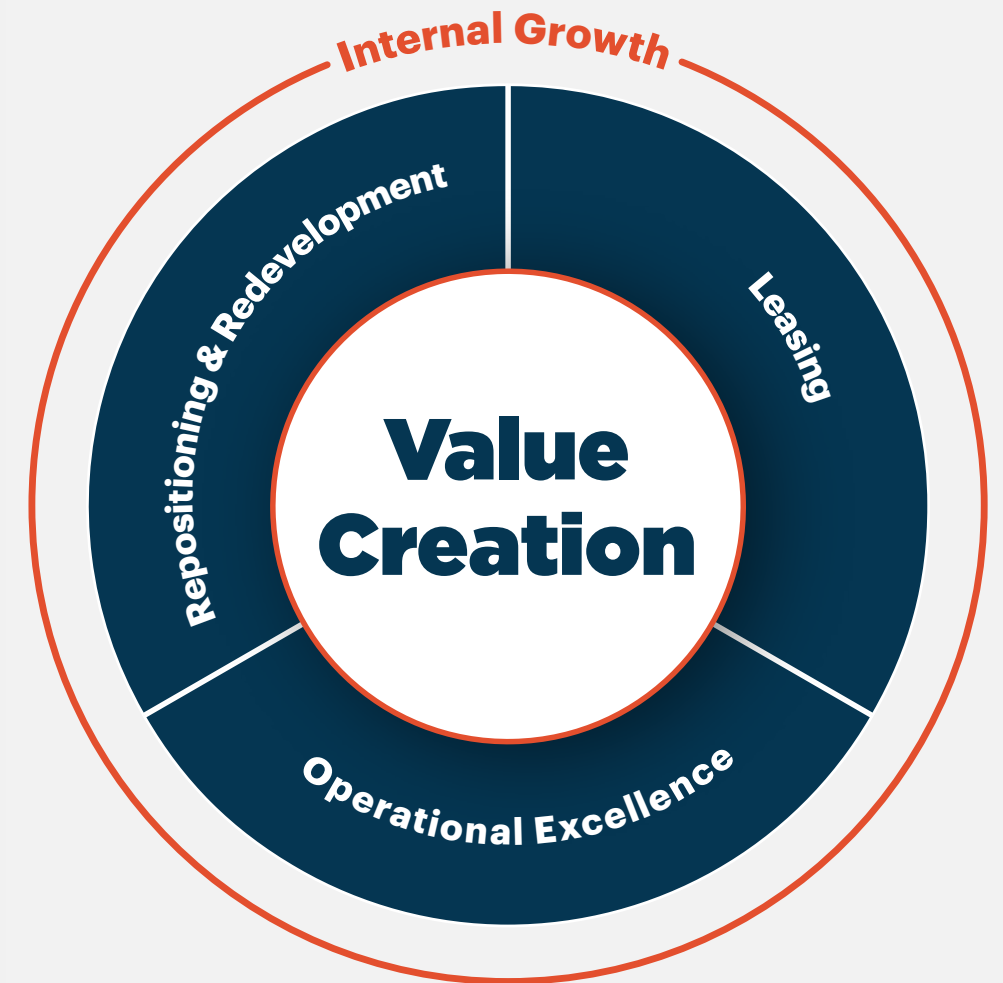
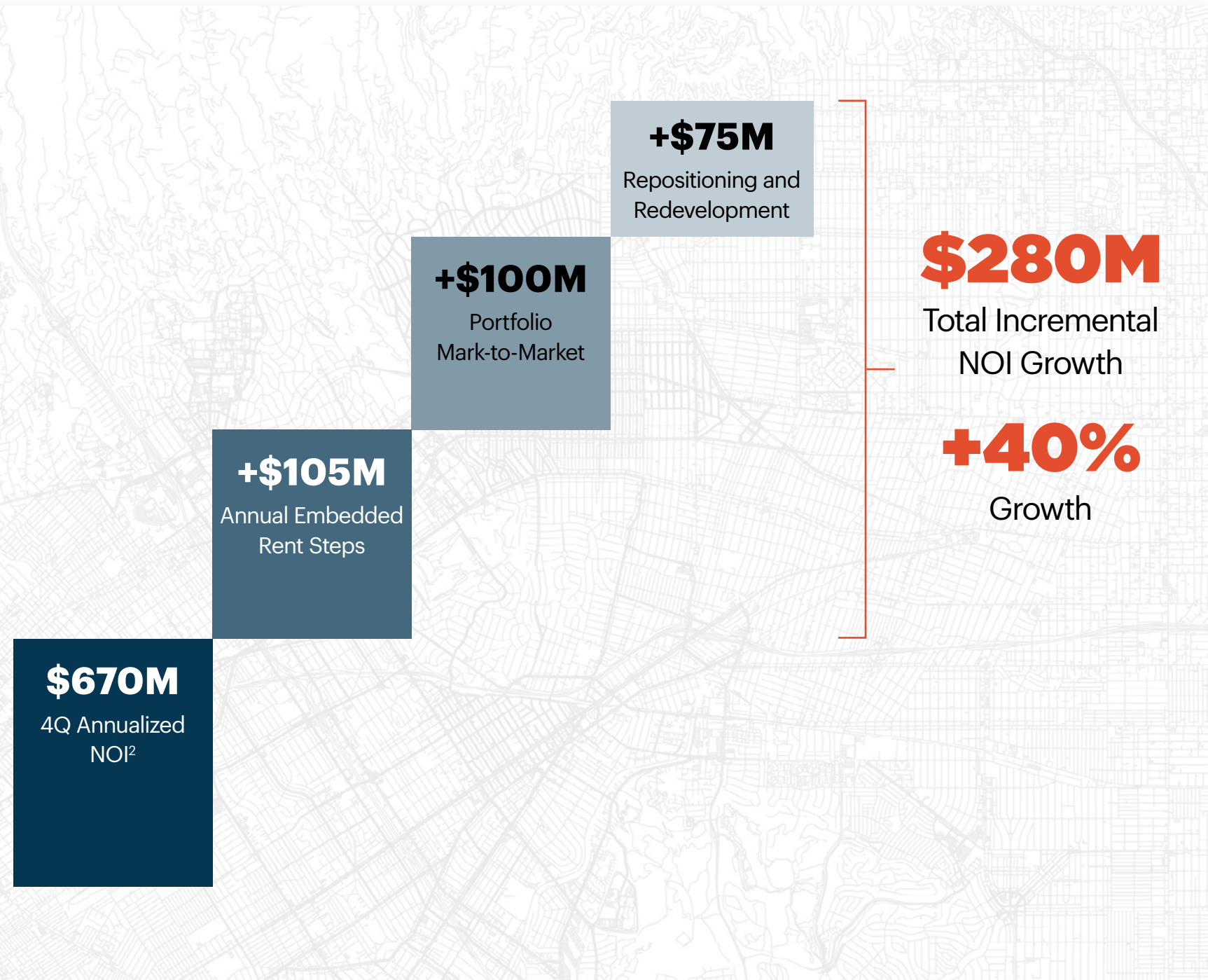
**3**

## **2025 Outlook**

Projecting moderate growth against the backdrop of challenging, near-term market conditions.



# Substantial Embedded Cash NOI Growth<sup>1</sup>



# Disciplined Approach to Capital Allocation

## Capital Allocation Principles

Earnings Accretive

NAV Accretive

Balance Sheet Accretive

## Projected 2025 Sources and Uses (\$M)

(as of 2/5/2025 unless otherwise indicated)

Sources		Uses	
Cash on hand (as of 12/31/2024)	\$56	2025 Repositioning and Redevelopment Spend	\$275
Forward equity proceeds to be settled in 1Q25	\$401	Acquisitions (Under Contract or Accepted Offer) <sup>1</sup>	\$0
Dispositions (Under Contract or Accepted Offer) <sup>1</sup>	\$105	<b>Excess Liquidity</b>	<b>\$1,282</b>
Revolving Credit Facility	\$995		
<b>Total Projected Sources</b>	<b>\$1,557</b>	<b>Total Projected Uses</b>	<b>\$1,557</b>

# 2025 Outlook<sup>1</sup>

2025 Guidance	2024 Results	2025 Guidance
Net Income Attributable to Common Stockholders per diluted share	\$1.20	\$1.21 – \$1.25
Company share of Core FFO per Diluted Share	\$2.34	\$2.37 – \$2.41
Same Property Portfolio NOI Growth - Net Effective	4.1%	0.75% – 1.25%
Same Property Portfolio NOI Growth - Cash	7.1%	2.25% – 2.75%
Average Same Property Portfolio Occupancy (Full Year) <sup>2</sup>	96.6%	95.5% – 96.0%
General and Administrative Expenses <sup>3</sup>	\$82.2M	+/- \$82.0M
Net Interest Expense	\$98.6M	\$110.5M – \$111.5M

# 2025 Guidance Rollforward<sup>1</sup>

Earnings Components	Range (\$ per share)		Notes
<b>2024 Core FFO per Diluted Share</b>	<b>\$2.34</b>	<b>\$2.34</b>	
Same Property Portfolio NOI Growth	0.02	0.03	FY 2025 SP NOI Growth (Net Effective) Guidance range of 0.75%–1.25%
Repositioning/Redevelopment NOI	0.06	0.08	Incremental NOI impacted by projected two month increase in lease-up timing
2024 Acquisitions	0.13	0.13	Incremental NOI from \$1.5B of acquisitions closed in 2024
Net General and Administrative Expenses <sup>2</sup>	–	–	Represents no growth over prior year
Net Interest Expense	(0.06)	(0.05)	Higher interest expense due to 2024 convertible bond issuance
Equity Funding <sup>3</sup>	(0.14)	(0.14)	Incremental impact of equity issuance
Other Items	0.02	0.02	Higher interest income
<b>2025 Core FFO per Diluted Share Guidance</b>	<b>\$2.37</b>	<b>\$2.41</b>	
<b>Core FFO Annual Growth per Diluted Share</b>	<b>1%</b>	<b>3%</b>	

# 4Q and Full Year 2024 Highlights



# Financial Highlights<sup>1</sup>

## 4Q 2024

**15.8%**

Consolidated  
Portfolio NOI Growth

**18.0%**

Consolidated Portfolio  
Cash NOI Growth

**2.2%**

Same Property  
GAAP NOI Growth

**5.3%**

Same Property  
Cash NOI Growth

**\$0.58**

Core FFO/Sh

**3.6%**

Core FFO/Sh Growth

## Full Year 2024

**17.3%**

Consolidated  
Portfolio NOI Growth

**19.5%**

Consolidated Portfolio  
Cash NOI Growth

**4.1%**

Same Property  
GAAP NOI Growth

**7.1%**

Same Property  
Cash NOI Growth

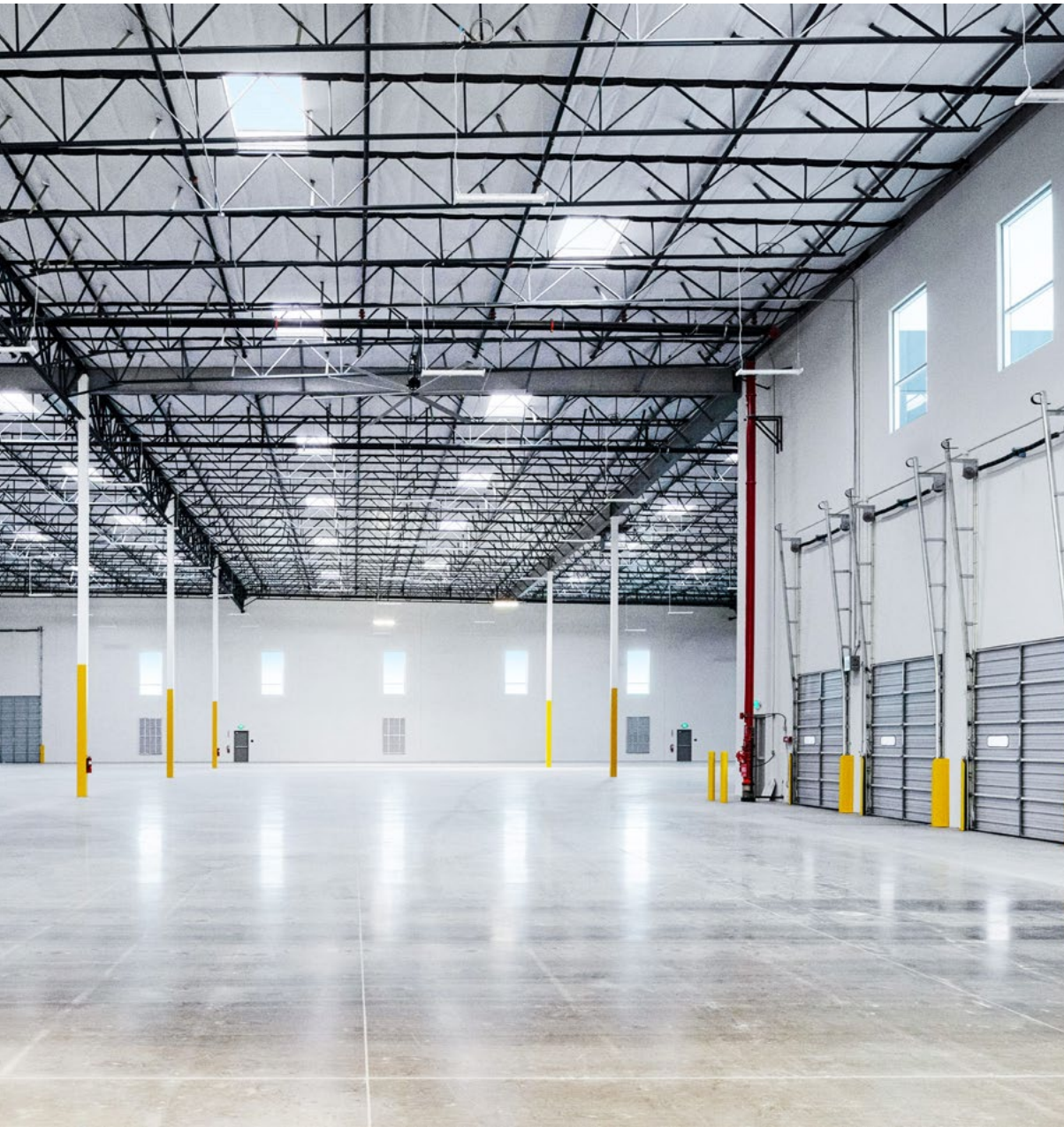
**\$2.34**

Core FFO/Sh

**6.8%**

Core FFO/Sh Growth

# Operational Highlights



## 4Q 2024

**1.0M SF**

Leasing Volume

**41%**

Cash Leasing Spreads

**55%**

Net Effective Leasing Spreads

**3.9%**

Average Embedded Rent Steps

**95.7%**

Avg Same Property Occupancy

## Full Year 2024

**8.1M SF**

Leasing Volume

**39%**

Cash Leasing Spreads<sup>1</sup>

**55%**

Net Effective Leasing Spreads<sup>1</sup>

**4.0%**

Average Embedded Rent Steps

**96.6%**

Avg Same Property Occupancy

# Strategic Capital Allocation

Repositioning & Redevelopment Stabilizations



## 4Q 2024

3

Stabilized Projects<sup>1</sup>

376,000

Square Feet

\$123.5M

Total Investment

6.2%

Achieved Unlevered Stabilized Yield<sup>2</sup>

## Full Year 2024

10

Stabilized Projects<sup>1</sup>

826,000

Square Feet

\$288.6M

Total Investment

7.5%

Achieved Unlevered Stabilized Yield<sup>2</sup>

# Strategic Capital Allocation

## Acquisitions & Dispositions



### 4Q 2024

#### Acquisitions

2

Properties

579,000

Square Feet

\$207.3M

Total Purchase Price

4.9%

Unlevered Initial Yield

### Full Year 2024

#### Acquisitions

\$0 of acquisitions under contract or accepted offer as of 2/5/2025<sup>2</sup>

56

Properties

4.6M

Square Feet

\$1.5B

Total Purchase Price

5.0%

Unlevered Initial Yield

5.6%

Projected Unlevered Stabilized Yield<sup>1</sup>

#### Dispositions

\$105M of dispositions under contract or accepted offer as of 2/5/2025<sup>2</sup>

5

Dispositions

170,000

Square Feet

\$44.3M

Total Sales Price

12.8%

Unlevered IRR

# Market Rent Growth & Mark-to-Market Reconciliation<sup>1</sup>

## Market Rent Growth for Rexford Portfolio<sup>2</sup>

	Quarter-over-Quarter 3Q 2024 to 4Q 2024	Year-over-Year 4Q 2023 to 4Q 2024
Greater L.A.	-1.5%	-8.0%
Orange County	-2.0%	-6.0%
Inland Empire West	-3.0%	-14.0%
San Diego	–	-3.0%
<b>Total Infill SoCal</b>	<b>-1.5%</b>	<b>-8.0%</b>

## Mark-to-Market Reconciliation

	Net Effective
<b>Portfolio Mark-to-Market 3Q 2024</b>	<b>31%</b>
Impact of Market Rent Change	-2%
<b>Mark-to-Market at 4Q 2024</b>	<b>29%</b>
Less: 4Q Leasing (Conversion of MTM)	-2%
Less: Portfolio Vacates	-2%
Less: 4Q Acquisitions	0%
<b>Estimated Mark-to-Market at 4Q 2024, net</b>	<b>25%</b>

Source: Rexford internal portfolio metrics. Infill SoCal refers to Greater Los Angeles, Inland Empire-West, Orange County, and San Diego. Excludes Inland Empire-East

# Appendix

Endnotes

Non-GAAP Reconciliations

Definitions



# Endnotes

## SLIDE 3

1. Calculated as the market value of fully diluted common shares (including common shares outstanding, Operating Partnership units, unvested shares of restricted stock, and vested and unvested LTIP units and performance units) as of 12/31/2024, plus liquidation value of preferred equity and total debt at balance sheet carrying value as of 12/31/2024.
2. This credit rating may not reflect the potential impact of risks relating to the Company's securities. Credit ratings are not recommendations to buy, sell or hold any security. The Company does not undertake any obligation to maintain the ratings or to advise of any change in ratings.
3. 5-year CAGR calculated for REXR using FFO/share growth as of 12/31/2024. Peer group includes PLD, EGP, FR, STAG and TRNO. 4Q24 based on actuals for REXR and PLD and consensus estimates as of 2/5/2025 for other peers. Estimates represent analyst projections and are not indicative of company estimates and/or guidance. FFO is a non-GAAP financial measure. For a description of FFO and a calculation of these ratios, please see Non-GAAP Reconciliations and Definitions on the following pages.
4. 5-year CAGR calculated using dividends from 2020 to 2024, including most recent dividend declared on an annualized basis.

## SLIDE 5

1. Potential NOI Includes projected impact of estimated (a) Mark-to-Market: Re-leasing at projected re-leasing spreads, not including repositioning properties; (b) Repositioning/Redevelopment: Stabilization of properties and spaces undergoing repositioning and redevelopment; and (c) Annual Embedded Rent Steps: 3.7% total portfolio on average. Assumes no future rent growth, acquisitions or changes in consolidated portfolio. The Company does not provide a reconciliation for its projected internal cash NOI Growth to net income available to common stockholders, the most directly comparable forward looking GAAP financial measure, due to the inherent variability in timing and/or amount of various items that could impact net income available to common stockholders, including, for example, gains/ losses on debt extinguishment, impairments and other items that are outside the control of the Company.
2. Based on the annualized sum of 4Q24 cash NOI of \$167.5M.

## SLIDE 6

1. These transactions are subject to customary due diligence and closing conditions; as such, there is no guarantee the Company will close on these transactions.

## SLIDE 7

1. The Company's 2025 guidance reflects management's view of current and future market conditions, including current expectations with respect to rental rates and occupancy levels. Our guidance does not include any assumptions for additional acquisitions, dispositions and related balance sheet activities that have not closed. To the extent actual results differ from the Company's current expectations, its results may differ materially from the guidance set forth here.
2. Our 2025 Same Property Portfolio is a subset of our consolidated portfolio and includes properties that were wholly owned by us for the period from 1/1/2024 through 2/5/2025 and excludes properties that were or will be classified as repositioning/redevelopment (current and future) or lease-up during 2024 and 2025 (unless otherwise noted). As of 1/1/2025, our 2025 Same Property Portfolio consisted of 290 properties totaling 38.2 million rentable square feet representing approximately 81% of 4Q 2024 consolidated portfolio NOI. For the full year 2024, average Same Property Portfolio occupancy was 96.8% for the 2025 Same Property Portfolio.
3. 2025 General and Administrative expense guidance includes estimated non-cash equity compensation expense of \$37.4 million. Non-cash equity compensation includes restricted stock, time-based LTIP units and performance units that are tied to the Company's overall performance and may or may not be realized based on actual results. The current G&A guidance range contemplates the impact of performance based compensation based on the Company achieving the low or high end of its Core FFO guidance range.

## SLIDE 8

1. The Company's 2025 guidance reflects management's view of current and future market conditions, including current expectations with respect to rental rates and occupancy levels. Our guidance does not include any assumptions for additional acquisitions, dispositions and related balance sheet activities that have not closed. To the extent actual results differ from the Company's current expectations, its results may differ materially from the guidance set forth here.
2. 2025 General and Administrative expense guidance includes estimated non-cash equity compensation expense of \$37.4 million. Non-cash equity compensation includes performance-based units that are tied to the Company's overall performance and may or may not be realized based on actual results.
3. As of 12/31/2024, 224.9 million shares were outstanding, excluding restricted shares, compared to the weighted average diluted shares outstanding of 218.5 million in 2024. "Equity Funding" includes the full year impact related to equity issuance in 2024 and 2025 year-to-date, plus estimated funding for 2025 in-process and pipeline repositioning and redevelopment projects disclosed on pages 26-30 in our in our supplemental.

## SLIDE 10

1. NOI and Core FFO are Non-GAAP financial measures. Please refer to the Non-GAAP reconciliations and definitions on the following pages of this presentation for descriptions and reconciliations of NOI and Core FFO.

## SLIDE 11

1. Excludes the 1.1 million square foot lease extension with Tireco, Inc. at 10545 Production Avenue. The original Tireco, Inc. lease expiration date was January 2025 and included a fixed rate renewal option. During the first quarter of 2024, the lease was extended through January 2027 at the current in-place rent and includes a 4% contractual rent increase in 2026 and two months of rent abatement. This lease extension was excluded for comparability purposes, in order to allow investors to make investment decisions based on our quarterly leasing statistics as compared to our prior periods. Including the Tireco, Inc. lease, the GAAP Rent Change and Cash Rent Change for the Full Year 2024 were 39% and 29%, respectively.

## SLIDE 12

1. Includes one stabilized industrial outdoor storage site totaling 3.7 acres.
2. Projected Unlevered Stabilized Yield is a Non-GAAP financial measure. Please refer to the Non-GAAP reconciliations and definitions on the following pages this presentation for a description of stabilized yield.

## SLIDE 13

1. Projected Unlevered Stabilized Yield is a Non-GAAP financial measure. Please refer to the Non-GAAP reconciliations and definitions on the following pages this presentation for a description of stabilized yield.
2. These transactions are subject to customary due diligence and closing conditions; as such, there is no guarantee the Company will close on these transactions.

## SLIDE 14

1. Market rent growth is the percentage change in the current market rate versus the prior period market rate. Mark-to-market is the percentage change in the current market rate versus the current in-place lease rate.
2. Total Infill SoCal percentages represent weighted averages for the market.

# Non-GAAP Reconciliations

Net Operating Income (\$ in '000s)		
	Qtr ended 12/31/24	Qtr ended 12/31/23
Net Income (Loss)	\$ 64,910	\$ 67,321
Add:		
General and administrative	21,940	19,988
Depreciation & amortization	71,832	65,839
Other expenses	34	316
Interest expense	28,173	14,570
Loss on extinguishment of debt	–	–
Subtract:		
Management, leasing, and development services	167	163
Interest income	2,991	2,353
Gain/(Loss) on sale of real estate	–	6,868
<b>Net Operating Income (NOI)</b>	<b>\$ 183,731</b>	<b>\$ 158,650</b>
Fair value lease revenue	(6,159)	(8,119)
Straight line rent adjustment	(10,057)	(8,514)
<b>Cash NOI</b>	<b>\$ 167,515</b>	<b>\$ 142,017</b>
Pro forma effect of acquisitions	2,884	1,294
Pro forma effect of dispositions	–	(89)
Pro forma effect of uncommenced leases	323	1,436
Pro forma effect of properties/space under repositioning	26,391	23,485
<b>Pro Forma Cash NOI</b>	<b>\$ 197,113</b>	<b>\$ 168,143</b>

Funds from Operations		
	Qtr ended 12/31/24	Qtr ended 12/31/23
Net Income (Loss)	\$ 64,910	\$ 67,321
Add:		
D&A, including amounts in discontinued operations	71,832	65,839
Subtract:		
Gain on sale of real estate	–	6,868
<b>Funds from Operations</b>	<b>\$ 136,742</b>	<b>\$ 126,292</b>
Less: preferred stock dividends	(2,315)	(2,315)
Less: FFO, noncontrolling interests	(5,283)	(4,960)
Less: FFO, participating securities	(624)	(504)
<b>Company Share of FFO</b>	<b>\$129,949</b>	<b>\$ 114,555</b>
<b>Funds from Operations</b>	<b>\$ 136,742</b>	<b>\$ 126,292</b>
Loss on extinguishment of debt	–	–
Interest rate swap amortization	34	59
Acquisition expenses	9	39
Non-capitalizable demolition costs	–	180
Less: preferred stock dividends	\$ (2,315)	\$ (2,315)
Less: FFO, noncontrolling interests	(5,284)	(4,969)
Less: FFO, participating securities	(624)	(505)
<b>Company Share of Core FFO</b>	<b>\$ 128,562</b>	<b>\$ 118,781</b>
Weighted-average shares outstanding - diluted	222,856	210,362
<b>FFO per share - diluted</b>	<b>\$ 0.58</b>	<b>\$ 0.56</b>
<b>Core FFO per share - diluted</b>	<b>\$ 0.58</b>	<b>\$ 0.56</b>
<b>Annualized Impact</b>		
Net Operating Income	\$ 734,924	\$ 634,600
Net effect of pro forma adjustments	\$ 118,392	\$ 104,504
Recurring FFO per share - basic and diluted	\$ 2.32	\$ 2.24

EBITDAre and Adjusted EBITDA (\$ in '000s)		
	Qtr ended 12/31/24	Qtr ended 12/31/23
Net income	\$ 64,910	\$ 67,321
Interest expense	28,173	14,570
Depreciation and amortization	71,832	65,839
Gains on sale of real estate	-	(6,868)
<b>EBITDAre</b>	<b>\$ 164,915</b>	<b>\$140,862</b>
Stock-based compensation amortization	11,539	9,338
Loss on extinguishment of debt	-	-
Acquisition expenses	9	39
Pro forma effect of acquisitions	2,884	1,976
Pro forma effect of dispositions	-	(89)
<b>Adjusted EBITDA</b>	<b>\$ 179,347</b>	<b>\$ 152,126</b>

# Definitions

**Achieved Unlevered Stabilized Yield:** Calculated by dividing annual stabilized Cash NOI by total investment in the case of acquisitions or costs in the case of repositionings and redevelopments. Furthermore, the Achieved Unlevered Stabilized Yield is not calculated in accordance with GAAP and includes estimates of future rents based on executory contracted leases and operating expenses based on our expectations for these properties going forward. Achieved annual stabilized Cash NOI represents management’s calculation of each project’s annual Cash NOI once the property has reached stabilization and initial rental concessions, if any, have elapsed. No assurance can be given that we will receive all contractual rent payments from all of these projects on the terms contained in the leases, or at all, or that estimated future operating expenses will be accurate; actual results may vary materially.

**Cash NOI:** Cash basis NOI is a non-GAAP measure, which we calculate by adding or subtracting from NOI (i) fair value lease revenue and (ii) straight-line rent adjustment. We use Cash NOI, together with NOI, as a supplemental performance measure. Cash NOI should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs. Cash NOI should not be used as a substitute for cash flow from operating activities computed in accordance with GAAP. We use Cash NOI to help evaluate the performance of the Company as a whole, as well as the performance of our Same Property Portfolio.

**Core Funds from Operations (“Core FFO”):** We calculate Core FFO by adjusting FFO for non-comparable items outlined in the reconciliation on page 17. We believe that Core FFO is a useful supplemental measure and that by adjusting for items that are not considered by us to be part of our on-going operating performance, provides a more meaningful and consistent comparison of the Company’s operating and financial performance period-over-period. Because these adjustments have a real economic impact on our financial condition and results from operations, the utility of Core FFO as a measure of our performance is limited. Other REITs may not calculate Core FFO in a consistent manner. Accordingly, our Core FFO may not be comparable to other REITs’ core FFO. Core FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance. “Company Share of Core FFO” reflects Core FFO attributable to common stockholders, which excludes amounts allocable to noncontrolling interests, participating securities and preferred stockholders (which consists of preferred stock dividends, but excludes non-recurring preferred stock redemption charges related to the write-off of original issuance costs which we do not consider reflective of our core revenue or expense streams).

**EBITDAre and Adjusted EBITDA:** We calculate EBITDAre in accordance with the standards established by the National Association of Real Estate Investment Trusts (“NAREIT”). EBITDAre is calculated as net income (loss) (computed in accordance with GAAP), before interest expense, tax expense, depreciation and amortization, gains (or losses) from sales of depreciable operating property, impairment losses of depreciable property and adjustments to reflect our proportionate share of EBITDAre from our unconsolidated joint venture. We calculate Adjusted EBITDA by adding or subtracting from EBITDAre the following items: (i) non-cash stock based compensation expense, (ii) gain (loss) on extinguishment of debt, (iii) acquisition expenses, (iv) impairments of right of use assets and (v) the pro-forma effects of acquisitions and dispositions. We believe that EBITDAre and Adjusted EBITDA are helpful to investors as a supplemental measure of our operating performance as a real estate company because it is a direct measure of the actual operating results of our industrial properties. We also use these measures in ratios to compare our performance to that of our industry peers. In addition, we believe EBITDAre and Adjusted EBITDA are frequently used by securities analysts, investors and other interested parties in the evaluation of Equity REITs. However, because EBITDAre and Adjusted EBITDA are calculated before recurring cash charges including interest expense and income taxes, and are not adjusted for capital expenditures or other recurring cash requirements of our business, their utility as a measure of our liquidity is limited. Accordingly, EBITDAre and Adjusted EBITDA should not be considered alternatives to cash flow from operating activities (as computed in accordance with GAAP) as a measure of our liquidity. EBITDAre and Adjusted EBITDA should not be considered as alternatives to net income or loss as an indicator of our operating performance. Other Equity REITs may calculate EBITDAre and Adjusted EBITDA differently than we do; accordingly, our EBITDAre and Adjusted EBITDA may not be comparable to such other Equity REITs’ EBITDAre and Adjusted EBITDA. EBITDAre and Adjusted EBITDA should be considered only as supplements to net income (as computed in accordance with GAAP) as a measure of our performance.

**NAREIT Defined Funds from Operations (“FFO”):** We calculate FFO in accordance with the standards established by NAREIT. FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) on sale of real estate assets, gains (or losses) on sale of assets incidental to our business, impairment losses of depreciable operating property or assets incidental to our business, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated joint ventures. Management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization, gains and losses from property dispositions or assets incidental to our business, other than temporary impairments of unconsolidated real estate entities, and impairment on our investment in real estate and other assets incidental to our business, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of performance used by other REITs, FFO may be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. Other equity REITs may not calculate or interpret FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs’ FFO. FFO should not be used as a measure of our liquidity, and is not indicative of funds available for our cash needs, including our ability to pay dividends. FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance. “Company Share of FFO” reflects FFO attributable to common stockholders, which excludes amounts allocable to noncontrolling interests, participating securities and preferred stockholders (which consists of preferred stock dividends and any preferred stock redemption charges related to the write-off of original issuance costs).

**Net Operating Income (“NOI”):** NOI is a non-GAAP measure which includes the revenue and expense directly attributable to our real estate properties. NOI is calculated as total revenue from real estate operations including i) rental income, ii) tenant reimbursements, and iii) other income less property expenses. We use NOI as a supplemental performance measure because, in excluding real estate depreciation and amortization expense, general and administrative expenses, interest expense, gains (or losses) on sale of real estate and other non-operating items, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that NOI will be useful to investors as a basis to compare our operating performance with that of other REITs. However, because NOI excludes depreciation and amortization expense and captures neither the changes in the value of our properties that result from use or market conditions, nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties (all of which have real economic effect and could materially impact our results from operations), the utility of NOI as a measure of our performance is limited. Other equity REITs may not calculate NOI in a similar manner and, accordingly, our NOI may not be comparable to such other REITs’ NOI. Accordingly, NOI should be considered only as a supplement to net income as a measure of our performance. NOI should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs. NOI should not be used as a substitute for cash flow from operating activities in accordance with GAAP. We use NOI to help evaluate the performance of the Company as a whole, as well as the performance of our Same Property Portfolio.

**Projected Unlevered Stabilized Yield:** Calculated by dividing projected annual stabilized Cash NOI by projected total investment in the case of acquisitions or project costs in the case of repositionings and redevelopments. Furthermore, the Projected Unlevered Stabilized Yield is not calculated in accordance with GAAP and includes estimates of future rents and operating expenses based on our expectations for these properties going forward. Projected annual stabilized Cash NOI represents management’s estimate of each project’s annual Cash NOI once the property has reached stabilization and initial rental concessions, if any, have elapsed. No assurance can be given that we will complete any of these projects on the terms currently contemplated, or at all, that the actual cost of any of these projects will not exceed our estimates or that the anticipated stabilized yield(s) of these projects will be achieved; actual results may vary materially from our estimates.