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

FORM 10-K
(Mark One)
ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013
OR
¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission file number 1-9876
Weingarten Realty Investors
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| TEXAS | 74-1464203 |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| 2600 Citadel Plaza Drive<br>P.O. Box 924133<br>Houston, Texas | 77292-4133 |
| (Address of principal executive offices) | (Zip Code) |

(713) 866-6000
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

| Title of Each Class | Name of Each Exchange on Which Registered |
|---|---|
| Common Shares of Beneficial Interest, $0.03 par value | New York Stock Exchange |
| Series F Cumulative Redeemable Preferred Shares, $0.03 par value | New York Stock Exchange |
| 8.1% Notes due 2019 | New York Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act: None
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
YES ý NO ¨
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
YES ¨ NO ý
Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ý NO ¨
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
YES ý NO ¨

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

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

| | |
|---|---|
| Large accelerated filer ý | Accelerated filer ¨ |
| Non-accelerated filer ¨<br>(Do not check if a smaller reporting company) | Smaller reporting company ¨ |

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES ¨ NO ý

The aggregate market value of the common shares of beneficial interest held by non-affiliates on June 30, 2013 (based upon the most recent closing sale price on the New York Stock Exchange as of such date of $30.77) was $3.4 billion.

As of January 31, 2014, there were 121,950,270 common shares of beneficial interest outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

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

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Forward-Looking Statements

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

# PART I

## ITEM 1. Business

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Location of Properties. Our properties are located in 21 states, primarily throughout the southern half of the country. As of December 31, 2013, we have 270 properties (including two properties under development) that were owned or operated under long-term leases, either directly or through our interests in real estate joint ventures or partnerships. Total revenues less operating expenses and real estate taxes from continuing operations ("net operating income from continuing operations") generated by our properties located in Houston and its surrounding areas was 19.1% of total net operating income from continuing operations for the year ended December 31, 2013, and an additional 8.4% of net operating income from continuing operations is generated from properties that are located in other parts of Texas. We also have 35 parcels of land held for development, nine of which are located in Houston and its surrounding areas and 11 of which are located in other parts of Texas. Because our investments in Houston and its surrounding areas, as well as in other parts of Texas, the Houston and Texas economies affect, to a large degree, our business and operations.

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

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

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

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

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

## ITEM 1A. Risk Factors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Our real estate assets may be subject to impairment charges.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- We may abandon development opportunities after expending resources to determine feasibility;
- Construction costs of a project may exceed our original estimates;
- Occupancy rates and rents at a newly completed property may not be sufficient to make the property profitable;
- Rental rates could be less than projected;
- Project completion may be delayed because of a number of factors, including weather, labor disruptions, construction delays or delays in receipt of zoning or other regulatory approvals, adverse economic conditions, acts of terror or other acts of violence, or acts of God (such as fires, earthquakes or floods);
- Financing may not be available to us on favorable terms for development of a property; and
- We may not complete construction and lease-up on schedule, resulting in increased debt service expense and construction costs.

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

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

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

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

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

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

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

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

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

- Our cash flow may not satisfy required payments of principal and interest;
- We may not be able to refinance existing indebtedness on our properties as necessary or the terms of the refinancing may be less favorable to us than the terms of existing debt;
- Required debt payments are not reduced if the economic performance of any property declines;
- Debt service obligations could reduce funds available for distribution to our shareholders and funds available for capital investment;
- Any default on our indebtedness could result in acceleration of those obligations and possible loss of property to foreclosure; and
- The risk that necessary capital expenditures for purposes such as re-leasing space cannot be financed on favorable terms.

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

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

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

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

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

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

Our financial condition could be adversely affected by financial covenants.

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

Property ownership through real estate partnerships and joint ventures could limit our control of those investments and reduce our expected return.

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

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

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

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

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

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

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

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

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

Compliance with REIT requirements may negatively affect our operating decisions.

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

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

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

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

Our common shares dividend policy may change in the future.

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

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

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

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There may be future dilution of our common shares.

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

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

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

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

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

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

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

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

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

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

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

We may be subject to liability under environmental laws, ordinances and regulations.

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

Natural disasters and severe weather conditions could have an adverse effect on our cash flow and operating results.

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

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

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

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

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

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ITEM 1B. Unresolved Staff Comments
None.

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ITEM 2. Properties

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

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

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

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| Center and Location | | Building Total | Land Total |
|---|---|---|---|
| Jess Ranch Phase III, Bear Valley Road at Jess Ranch Parkway, Apple Valley | | 194,342 | 700,431 |
| Marshalls Plaza, McHenry at Sylvan Ave., Modesto | | 85,952 | 218,000 |
| Menifee Town Center, Antelope Rd. at Newport Rd., Menifee | | 248,734 | 658,000 |
| Prospectors Plaza, Missouri Flat Rd. at US Hwy. 50, Placerville | | 252,521 | 866,684 |
| Rancho San Marcos Village, San Marcos Blvd. at Rancho Santa Fe Rd., San Marcos | | 132,689 | 541,000 |
| San Marcos Plaza, San Marcos Blvd. at Rancho Santa Fe Rd., San Marcos | | 81,086 | 116,000 |
| Shasta Crossroads (II), Churn Creek Rd and State Hwy 44, Redding | (1)(3) | 90,663 | 252,783 |
| Shasta Crossroads, Churn Creek Rd. at Dana Dr., Redding | | 176,866 | 520,000 |
| Silver Creek Plaza, E. Capital Expressway at Silver Creek Blvd., San Jose | | 197,925 | 573,000 |
| Southampton Center, IH-780 at Southampton Rd., Benecia | | 162,426 | 596,000 |
| Stoneridge Town Centre, Highway 60 at Nason St., Moreno Valley | (1)(3) | 434,450 | 1,104,246 |
| Stony Point Plaza, Stony Point Rd. at Hwy. 12, Santa Rosa | | 200,011 | 619,000 |
| Summerhill Plaza, Antelope Rd. at Lichen Dr., Sacramento | | 128,835 | 704,000 |
| Valley, Franklin Blvd. and Mack Rd., Sacramento | | 107,005 | 580,000 |
| Westminster Center, Westminster Blvd. at Golden West St., Westminster | | 425,437 | 1,739,000 |
| California, Total | | 5,278,315 | 16,721,865 |
| Colorado | | | |
| Aurora City Place, E. Alameda at I225, Aurora | (1)(3) | 542,956 | 2,260,000 |
| Cherry Creek, E. Alameda Ave. at S. Colorado Blvd., Glendale | | 272,671 | 330,795 |
| CityCenter Englewood, S. Santa Fe at Hampden Ave., Englewood | (1)(3) | 359,213 | 452,941 |
| Crossing at Stonegate, Jordon Rd. at Lincoln Ave., Parker | (1)(3) | 109,058 | 870,588 |
| Edgewater Marketplace, Sheridan Blvd. at 17th Ave., Edgewater | | 270,553 | 538,576 |
| Green Valley Ranch Towne Center, Tower Rd. at 48th Ave., Denver | (1)(3) | 114,947 | 276,000 |
| Lowry Town Center, 2nd Ave. at Lowry Ave., Denver | (1)(3) | 129,398 | 246,000 |
| River Point at Sheridan, Highway 85 and Highway 285, Sheridan | | 519,020 | 3,556,487 |
| Thorncreek Crossing, Washington St. at 120th St., Thornton | (1)(3) | 386,127 | 1,156,863 |
| Westminster Plaza, North Federal Blvd. at 72nd Ave., Westminster | (1) | 111,113 | 636,000 |
| Colorado, Total | | 2,815,056 | 10,324,250 |
| Florida | | | |
| Alafaya Square, Alafaya Trail, Oviedo | (1)(3) | 176,486 | 915,000 |
| Argyle Village, Blanding at Argyle Forest Blvd., Jacksonville | | 312,432 | 1,329,000 |
| Atlantic North, Kernan Blvd. at Atlantic Blvd., Jacksonville | (1)(3) | 112,685 | 326,061 |
| Atlantic West, Kernan Blvd. at Atlantic Blvd., Jacksonville | (1)(3) | 180,578 | 584,304 |
| Boca Lyons, Glades Rd. at Lyons Rd., Boca Raton | | 117,515 | 545,000 |
| Clermont Landing, U.S. 27 & Steve's Road, Clermont | (1)(3) | 338,956 | 2,039,915 |
| Colonial Landing, East Colonial Dr. at Maguire Boulevard, Orlando | (1) | 259,024 | 980,000 |
| Colonial Plaza, E. Colonial Dr. at Primrose Dr., Orlando | | 498,794 | 2,009,000 |
| Countryside Centre, US Highway 19 at Countryside Boulevard, Clearwater | | 248,253 | 906,440 |
| East Lake Woodlands, East Lake Road and Tampa Road, Palm Harbor | (1)(3) | 143,693 | 730,000 |
| Embassy Lakes, Sheraton St. at Hiatus Rd., Cooper City | | 179,937 | 618,000 |
| Epic Village - St. Augustine, SR 207 at Rolling Hills Dr, St. Augustine | (1) | 64,180 | 773,626 |
| Flamingo Pines, Pines Blvd. at Flamingo Rd., Pembroke Pines | (1)(3) | 148,840 | 707,075 |
| Flamingo Pines, Pines Blvd. at Flamingo Rd., Pembroke Pines | | 266,761 | 739,925 |
| Hollywood Hills Plaza, Hollywood Blvd. at North Park Rd., Hollywood | (1)(3) | 408,509 | 1,429,000 |
| Indian Harbour Place, East Eau Gallie Blvd., Indian Harbour Beach | (1)(3) | 163,521 | 636,000 |

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

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| Center and Location | | Building Total | Land Total |
|---|---|---|---|
| Palms of Carrollwood, N. Dale Maybry Dr. at Fletcher Ave., Tampa | | 167,887 | 679,536 |
| Pembroke Commons, University at Pines Blvd., Pembroke Pines | (1)(3) | 324,731 | 1,394,000 |
| Phillips Crossing, Interstate 4 and Sand Lake Road, Orlando | | 145,644 | 697,000 |
| Phillips Landing, Turkey Lake Rd., Orlando | | 286,033 | 311,000 |
| Pineapple Commons, Us Highway 1 and Britt Rd., Stuart | (1)(3) | 264,468 | 762,736 |
| Publix at Laguna Isles, Sheridan St. at SW 196th Ave., Pembroke Pines | | 69,475 | 400,000 |
| Quesada Commons, Quesada Ave. and Toledo Blade Blvd., Port Charlotte | (1)(3) | 58,890 | 312,000 |
| Sea Ranch Centre, Pine Avenue & SR A-1-A, Sea Ranch Lakes | | 98,874 | 311,890 |
| Shoppes at Paradise Isle, 34940 Emerald Coast Pkwy., Destin | (1)(3) | 171,669 | 764,000 |
| Shoppes at Parkland, Hillsboro Blvd. at State Rd. #7, Parkland | (1) | 167,308 | 905,000 |
| Shoppes of Port Charlotte, Toledo Blade Blvd. and Tamiami Trail, Port Charlotte | (1)(3) | 3,921 | 176,720 |
| Shoppes of Port Charlotte, Toledo Blade Blvd. and Tamiami Trail, Port Charlotte | (1)(3) | 41,011 | 276,000 |
| Sunrise West Shopping Center, West Commercial Dr. and NW 91st Ave., Sunrise | (1)(3) | 76,321 | 540,000 |
| Sunset 19, US Hwy. 19 at Sunset Pointe Rd., Clearwater | | 275,910 | 1,078,000 |
| Tamiami Trail Shops, S.W. 8th St. at S.W. 137th Ave., Miami | (1)(3) | 132,564 | 515,000 |
| The Marketplace at Dr. Phillips, Dr. Phillips Boulevard and Sand Lake Road, Orlando | (1)(3) | 326,090 | 1,495,000 |
| The Shoppes at South Semoran, Semoran Blvd. at Pershing Ave., Orlando | | 101,611 | 451,282 |
| TJ Maxx Plaza, 117th Avenue at Sunset Blvd., Kendall | | 161,429 | 540,000 |
| University Palms, Alafaya Trail at McCullough Rd., Oviedo | (1) | 105,127 | 522,000 |
| Vizcaya Square, Nob Hill Rd. at Cleary Blvd., Plantation | | 110,081 | 521,000 |
| Whole Foods @ Carrollwood, Northdale Blvd. at North Dale Mabry, Tampa | | 36,900 | 275,735 |
| Winter Park Corners, Aloma Ave. at Lakemont Ave., Winter Park | | 102,382 | 400,000 |
| Florida, Total | | 8,737,123 | 35,308,359 |
| Georgia | | | |
| Brookwood Marketplace, Peachtree Pkwy. at Mathis Airport Rd., Suwannee | | 397,295 | 1,459,000 |
| Brookwood Square, East-West Connector at Austell Rd., Austell | | 177,903 | 971,000 |
| Brownsville Commons, Brownsville Rd. and Hiram-Lithia Springs Rd., Powder Springs | | 81,886 | 205,000 |
| Camp Creek Marketplace II, Camp Creek Pkwy. and Carmla Dr., Atlanta | | 228,003 | 724,000 |
| Cherokee Plaza, Peachtree Road and Colonial Drive, Atlanta | (1) | 102,864 | 336,000 |
| Dacula Marketplace, Fence Rd. at Dacula Rd., Dacula | | 116,943 | 279,220 |
| Dallas Commons, US Hwy. 278 and Nathan Dean Blvd., Dallas | | 95,262 | 244,000 |
| Grayson Commons, Grayson Hwy. at Rosebud Rd., Grayson | | 76,611 | 507,383 |
| Lakeside Marketplace, Cobb Pkwy. (US Hwy. 41), Acworth | | 332,889 | 736,000 |
| Mansell Crossing, North Point Parkway at Mansell Rd, Alpharetta | (1)(3) | 102,931 | 582,833 |
| Perimeter Village, Ashford-Dunwoody Rd, Atlanta | | 373,621 | 1,803,820 |
| Publix at Princeton Lakes, Carmia Dr. and Camp Creek Dr., Atlanta | (1)(3) | 72,207 | 336,000 |
| Reynolds Crossing, Steve Reynolds and Old North Cross Rd., Duluth | | 115,983 | 407,000 |
| Roswell Corners, Woodstock Rd. at Hardscrabble Rd., Roswell | | 318,369 | 733,101 |
| Roswell Crossing, King Rd and W. Crossville Rd., Roswell | | 201,979 | 1,011,093 |
| Sandy Plains Exchange, Sandy Plains at Scufflegrit, Marietta | (1) | 72,784 | 452,000 |
| Thompson Bridge Commons, Thompson Bridge Rd. at Mt. Vernon Rd., Gainesville | (1) | 95,587 | 540,000 |

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

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

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

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

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

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

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

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

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

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

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Property Listing Summary
as of December 31, 2013

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

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

Footnotes for detail property listing:

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

(2) Denotes property currently under development.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ITEM 3. Legal Proceedings

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

ITEM 4. Mine Safety Disclosures

Not applicable.

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PART II

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

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

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

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

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

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Performance Graph

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

Comparison of Five Year Cumulative Return

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

Fiscal year ending December 31.

Source: SNL Financial LC

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

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

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ITEM 6. Selected Financial Data

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

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

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

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

(2) See Item 7 for the National Association of Real Estate Investment Trusts definition of funds from operations.

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ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

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

Executive Overview

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

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

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

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

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

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

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

As we are generally selling lower tier, non-core assets, potential buyers looking to finance such acquisitions may find access to capital an issue; especially if long-term rates rise. Even with these conditions, we believe we can continue to successfully execute our capital recycling plan; although a number of factors, including weaknesses in the secured lending markets or a downturn in the economy, could impact our ability to execute this plan.

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

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

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

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

Operational Metrics

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

| | December 31, | | | |
|---|---|---|---|---|
| | 2013 | | 2012 | |
| Anchor (space of 10,000 square feet or greater) | 98.5 | % | 97.1 | % |
| Non-Anchor (small shop) | 89.0 | % | 88.2 | % |
| Total Occupancy | 94.8 | % | 93.6 | % |

| | Three Months Ended December 31, 2013 | | Twelve Months Ended December 31, 2013 | |
|---|---|---|---|---|
| SPNOI Growth (1) | 3.0 | % | 4.2 | % |

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

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

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

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

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

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

New Development

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

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

Acquisitions and Joint Ventures

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

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Dispositions

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

Summary of Critical Accounting Policies

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

Property

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

Real Estate Joint Ventures and Partnerships

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

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

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

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

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Impairment

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

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

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

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

Our investments in tax increment revenue bonds are reviewed for impairment, including the evaluation of changes in events or circumstances that may indicate that the carrying amount of the investment may not be recoverable. Realization is dependent on a number of factors, including investment performance, market conditions and payment structure. We will record an impairment charge if we determine that a decline in the value of the investment below its carrying amount is other than temporary, recovery of its cost basis is uncertain, and/or it is uncertain if the investment will be held to maturity. A considerable amount of judgment by our management is used in this evaluation, which may produce incorrect estimates that could be material to our consolidated financial statements.

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Results of Operations

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

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

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

Revenues

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

Depreciation and Amortization

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

Operating Expenses

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

Real Estate Taxes, net

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

Impairment Loss

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

General and Administrative Expenses

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

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Interest Expense, net

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

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

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

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

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

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

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

Gain on Acquisition

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

(Provision) Benefit for Income Taxes

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

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

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

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

Revenues

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

Depreciation and Amortization

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

Operating Expenses

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

Impairment Loss

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

Interest Expense, net

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

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

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

Gain on Sale of Real Estate Joint Venture and Partnership Interests

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

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

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

Gain on Acquisition

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

Effects of Inflation

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

Economic Conditions

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

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

Capital Resources and Liquidity

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

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

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

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

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

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

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

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

Investing Activities:

Acquisitions

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

Dispositions

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

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

New Development

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

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

Capital Expenditures

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

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

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

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

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

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

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

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Financing Activities:

Debt

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

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

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

For the year ended December 31, 2013, the maximum balance and weighted average balance outstanding under both facilities combined were $265.5 million and $61.6 million, respectively, at a weighted average interest rate of 1.0%.

In March 2013, we issued $300 million of 3.5% senior unsecured notes maturing in 2023. This transaction allowed us to reduce amounts outstanding under our revolving credit facility, which included borrowings used to redeem $75.0 million of our 6.75% Series D Cumulative Redeemable Preferred Shares and $63.0 million of fixed-rate medium term notes.

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

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

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

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

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

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

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

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

Equity

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

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

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

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

Contractual Obligations

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

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

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

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

Related to a development project in Sheridan, Colorado, we have provided a guaranty for the payment of any debt service shortfalls on tax increment revenue bonds issued in connection with the project. The Sheridan Redevelopment Agency ("Agency") issued Series A bonds used for an urban renewal project, of which $73.7 million remain outstanding at December 31, 2013. The bonds are to be repaid with incremental sales and property taxes and a public improvement fee ("PIF") to be assessed on current and future retail sales and, to the extent necessary, any amounts we may have to provide under a guaranty. The incremental taxes and PIF are to remain intact until the earlier of the payment of the bond liability in full or 2040. The debt associated with this guaranty has been recorded in our consolidated financial statements as of December 31, 2013.

## Off Balance Sheet Arrangements

As of December 31, 2013, none of our off balance sheet arrangements had a material effect on our liquidity or availability of, or requirement for, our capital resources. Letters of credit totaling $2.2 million were outstanding under the revolving credit facility at December 31, 2013.

We have entered into several unconsolidated real estate joint ventures and partnerships. Under many of these agreements, we and our joint venture partners are required to fund operating capital upon shortfalls in working capital. We have also committed to fund the capital requirements of new development joint ventures. As operating manager of most of these entities, we have considered these funding requirements in our business plan.

Reconsideration events, including changes in variable interests, could cause us to consolidate these joint ventures and partnerships. We continuously evaluate these events as we become aware of them. Some triggers to be considered are additional contributions required by each partner and each partner's ability to make those contributions. Under certain of these circumstances, we may purchase our partner's interest. Our material unconsolidated real estate joint ventures are with entities which appear sufficiently stable; however, if market conditions were to continue to deteriorate and our partners are unable to meet their commitments, there is a possibility we may have to consolidate these entities. If we were to consolidate all of our unconsolidated real estate joint ventures, we would still be in compliance with our debt covenants.

As of December 31, 2013, one unconsolidated real estate joint ventures was determined to be a VIE through the issuance of a secured loan, since the lender has the ability to make decisions that could have a significant impact on the profitability of the entity. Our maximum risk of loss associated with this VIE was limited to $11.5 million at December 31, 2013.

## Non-GAAP Financial Measures

Certain of our key performance indicators are considered non-GAAP financial measures. Management uses these measures along with our GAAP financial statements in order to evaluate our operating results. We believe these additional measures provide users of our financial information additional comparable indicators of our industry, as well as, our performance.

### Funds from Operations

The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as net income (loss) attributable to common shareholders computed in accordance with GAAP, excluding extraordinary items and gains or losses from sales of operating real estate assets and interests in real estate equity investments, plus depreciation and amortization of operating properties and impairment of depreciable real estate and in substance real estate equity investments, including our share of unconsolidated real estate joint ventures and partnerships. We calculate FFO in a manner consistent with the NAREIT definition.

We believe FFO is a widely recognized measure of REIT operating performance which provides our shareholders with a relevant basis for comparison among other REITs. Management uses FFO as a supplemental internal measure to conduct and evaluate our business because there are certain limitations associated with using GAAP net income by itself as the primary measure of our operating performance. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, management believes that the presentation of operating results for real estate companies that uses historical cost accounting is insufficient by itself. There can be no assurance that FFO presented by us is comparable to similarly titled measures of other REITs.

FFO should not be considered as an alternative to net income or other measurements under GAAP as an indicator of our operating performance or to cash flows from operating, investing or financing activities as a measure of liquidity. FFO does not reflect working capital changes, cash expenditures for capital improvements or principal payments on indebtedness.

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FFO is calculated as follows (in thousands):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012[(1)] | 2011[(1)] |
| Net income (loss) attributable to common shareholders | $184,145 | $109,210 | $(19,855) |
| Depreciation and amortization | 152,075 | 143,783 | 150,668 |
| Depreciation and amortization of unconsolidated real estate joint ventures and partnerships | 17,550 | 20,955 | 22,887 |
| Impairment of operating properties and real estate equity investments | 457 | 15,033 | 28,995 |
| Impairment of operating properties of unconsolidated real estate joint ventures and partnerships | 366 | 19,946 | 7,025 |
| Gain on acquisition including associated real estate equity investment | (20,234) | (1,869) | (4,559) |
| Gain on sale of property and interests in real estate equity investments | (95,675) | (83,683) | (11,846) |
| Gain on sale of property of unconsolidated real estate joint ventures and partnerships | (15,951) | (1,247) | 10 |
| Other | (1) | — | — |
| Funds from operations – basic | 222,732 | 222,128 | 173,325 |
| Income attributable to operating partnership units | 1,780 | 1,721 | 1,670 |
| Funds from operations - diluted | $224,512 | $223,849 | $174,995 |
| | | | |
| Weighted average shares outstanding – basic | 121,269 | 120,696 | 120,331 |
| Effect of dilutive securities: | | | |
| Share options and awards | 1,191 | 1,009 | 894 |
| Operating partnership units | 1,554 | 1,578 | 1,617 |
| Weighted average shares outstanding – diluted[(2)] | 124,014 | 123,283 | 122,842 |
| | | | |
| Funds from operations per share – basic | $1.84 | $1.84 | $1.44 |
| | | | |
| Funds from operations per share – diluted | $1.81 | $1.82 | $1.42 |

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(1) Prior years' results were restated to conform to the current year presentation by applying NAREIT's methodology regarding operating partnership units.

(2) The weighted average common shares used to compute FFO per diluted common share includes operating partnership units that were excluded from the computation of diluted earnings per share. Conversion of these operating partnership units is dilutive in the computation of FFO per diluted common share, but is anti-dilutive for the computation of diluted earnings per share for the periods presented.

Same Property Net Operating Income

We consider SPNOI to be a key indicator of our financial performance as it provides a better indication of the recurring cash return on our properties by excluding certain non-cash revenues and expenses, as well as other infrequent or one-time items. We believe a pro rata basis is the most useful measurement as it provides our proportional share of SPNOI from all owned properties, including our share of SPNOI from unconsolidated joint ventures and partnerships, which cannot be readily determined under GAAP measurements and presentation. Although SPNOI is a widely used measure among REITs, there can be no assurance that SPNOI presented by us is comparable to similarly titled measures of other REITs.

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Properties are included in the SPNOI calculation if they are owned and operated for the entirety of the most recent two fiscal year periods, except for properties for which significant redevelopment or expansion occurred during either of the periods presented, and properties classified as discontinued operations. While there is judgment surrounding changes in designations, we move new development and redevelopment properties once they have stabilized, which is typically upon attainment of 90% occupancy. A rollforward of the properties included in our same property designation is as follows:

| | Three Months Ended December 31, 2013 | Twelve Months Ended December 31, 2013 |
|---|---|---|
| Beginning of the period | 256 | 261 |
| Properties added: | | |
| Acquisitions | — | 7 |
| New Developments | — | 8 |
| Redevelopments | — | 3 |
| Properties removed: | | |
| Dispositions | (4) | (25) |
| Other | — | (2) |
| Redevelopments | — | — |
| End of the period | 252 | 252 |

We calculate SPNOI using operating income as defined by GAAP excluding property management fees, certain non-cash revenues and expenses such as straight-line rental revenue and the related reversal of such amounts upon early lease termination, depreciation, amortization, impairment losses, general and administrative expenses, acquisition costs and other one-time items such as lease cancellation income, environmental abatement costs and demolition expenses. Consistent with the capital treatment of such costs under GAAP, tenant improvements, leasing commissions and other direct leasing costs are excluded from SPNOI. A reconciliation of operating income to SPNOI is as follows (in thousands):

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Operating Income | $39,694 | $40,912 | $163,400 | $146,680 |
| Less: | | | | |
| Revenue adjustments (1) | 2,281 | 2,429 | 10,322 | 10,938 |
| Add: | | | | |
| Property management fees | 662 | 668 | 3,020 | 2,729 |
| Depreciation and amortization | 40,411 | 34,968 | 149,493 | 129,500 |
| Impairment loss | — | — | 2,579 | 9,585 |
| General and administrative | 6,559 | 7,444 | 25,371 | 28,538 |
| Acquisition costs | 128 | 21 | 498 | 1,494 |
| Other (2) | 190 | 30 | 316 | 613 |
| Net Operating Income | 85,363 | 81,614 | 334,355 | 308,201 |
| Less: NOI related to consolidated entities not defined as same property and noncontrolling interests | (8,482) | (6,835) | (29,497) | (16,146) |
| Add: Pro rata share of properties classified as held for sale | 937 | 872 | 3,743 | 3,541 |
| Add: Pro rata share of unconsolidated entities defined as same property | 10,039 | 9,648 | 39,904 | 38,810 |
| Same Property Net Operating Income | $87,857 | $85,299 | $348,505 | $334,406 |

(1) Revenue adjustments consist primarily of straight-line rentals, lease cancellation income and fee income primarily from real estate joint ventures and partnerships.

(2) Other includes items such as environmental abatement costs and demolition expenses.

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Newly Issued Accounting Pronouncements

In February 2013, the FASB issued Accounting Standards Update (“ASU”) No. 2013-04, "Obligations Resulting From Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date." This ASU requires an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date, as the sum of (1) the amount the reporting entity has agreed to pay in accordance to the arrangement and (2) any additional amounts the reporting entity expects to pay on behalf of its co-obligors. Additional disclosures on the nature and amounts of the obligation will also be required. The provisions of ASU No. 2013-04 are effective for us on January 1, 2014, and are required to be applied retrospectively. We do not expect the adoption of this update to have a material impact on our consolidated financial statements.

In July 2013, the FASB issued ASU No. 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists." This ASU amends current GAAP to require entities to present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, as a reduction to a deferred tax asset for net operating loss or other tax credit carryforwards when settlement is available under the tax law. The provisions of ASU 2013-11 are effective for us on January 1, 2014, and are required to be applied to all unrecognized tax benefits in existence. Retrospective application may be applied to prior reporting periods presented. We do not expect the adoption of this update to have a material impact on our consolidated financial statements.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

We use fixed and floating-rate debt to finance our capital requirements. These transactions expose us to market risk related to changes in interest rates. Derivative financial instruments are used to manage a portion of this risk, primarily interest rate contracts with major financial institutions. These agreements expose us to credit risk in the event of non-performance by the counter-parties. We do not engage in the trading of derivative financial instruments in the normal course of business. At December 31, 2013, we had fixed-rate debt of $2.1 billion and variable-rate debt of $163.6 million, after adjusting for the net effect of $116.7 million notional amount of interest rate contracts. In the event interest rates were to increase 100 basis points and holding all other variables constant, annual net income and cash flows for the following year would decrease by approximately $.2 million associated with our variable-rate debt, including the effect of the interest rate contracts. The effect of the 100 basis points increase would decrease the fair value of our variable-rate and fixed-rate debt by approximately $3.4 million and $107.0 million, respectively.

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ITEM 8. Financial Statements and Supplementary Data
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the Board of Trust Managers and Shareholders of
Weingarten Realty Investors
Houston, Texas
We have audited the accompanying consolidated balance sheets of Weingarten Realty Investors and subsidiaries (the "Company") as of December 31, 2013 and 2012