REFINITIV

DELTA REPORT

10-Q

KITE REALTY GROUP, L.P.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1189
CHANGES	416
DELETIONS	458
ADDITIONS	315

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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023 March 31, 2024

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:	**001-32268**	**Kite Realty Group Trust**
Commission File Number:	**333-202666-01**	**Kite Realty Group, L.P.**

KITE REALTY GROUP TRUST

KITE REALTY GROUP, L.P.

(Exact name of registrant as specified in its charter)

Maryland	**Kite Realty Group Trust**	**11-3715772**
Delaware	**Kite Realty Group, L.P.**	**20-1453863**
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)

30 S. Meridian Street, Suite 1100, Indianapolis, Indiana 46204
(Address of principal executive offices) (Zip Code)

(317) 577-5600
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, $0.01 par value per share	KRG	New York Stock Exchange

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.

Kite Realty Group Trust	Yes	☒	No	o	Kite Realty Group, L.P.	Yes	☒	No	o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files).

Kite Realty Group Trust	Yes	☒	No	o	Kite Realty Group, L.P.	Yes	☒	No	o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Kite Realty Group Trust:

Large accelerated filer	x	Accelerated filer	o	Non-accelerated filer	o	Smaller reporting company	☐
						Emerging growth company	☐

Kite Realty Group, L.P.:

Large accelerated filer	o	Accelerated filer	o	Non-accelerated filer	x	Smaller reporting company	☐
						Emerging growth company	☐

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

Kite Realty Group Trust	o	Kite Realty Group, L.P.	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Kite Realty Group Trust	Yes	☐	No	x	Kite Realty Group, L.P.	Yes	☐	No	x

The number of Common Shares outstanding as of October 31, 2023 May 1, 2024 was 219,387,345 219,603,862 ($0.01 par value).

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the period ended September 30, 2023 March 31, 2024 of Kite Realty Group Trust, Kite Realty Group, L.P. and its subsidiaries. Unless stated otherwise or the context otherwise requires, references to "Kite Realty Group Trust" or the "Parent Company" mean Kite Realty Group Trust, and references to the "Operating Partnership" mean Kite Realty Group, L.P. and its consolidated subsidiaries. The terms "Company," "we," "us," and "our" refer to the Parent Company and the Operating Partnership, collectively, and those entities owned or controlled by the Parent Company and/or the Operating Partnership.

The Operating Partnership is engaged in the ownership, operation, acquisition, development and redevelopment of high-quality, open-air shopping centers and mixed-use assets that are primarily grocery-anchored and located in high-growth Sun Belt markets and select strategic gateway markets in the United States, and the Parent Company conducts substantially all of its activities through the Operating Partnership and its wholly owned subsidiaries. The Parent Company is the sole general partner of the Operating Partnership and, as of September 30, 2023 March 31, 2024, owned approximately 98.5% 98.3% of the common partnership interests in the Operating Partnership ("General Partner Units"). The remaining 1.5% 1.7% of the common partnership interests ("Limited Partner Units" and, together with the General Partner Units, the "Common Units") are owned by the limited partners.

We believe combining the quarterly reports on Form 10-Q of the Parent Company and the Operating Partnership into this single report benefits investors by:

- enhancing investors' understanding of the Parent Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminating duplicative disclosure and providing a more streamlined and readable presentation of information as a substantial portion of the Company's disclosure applies to both the Parent Company and the Operating Partnership; and
- creating time and cost efficiencies through the preparation of one combined report instead of two separate reports.

We believe it is important to understand the few differences between the Parent Company and the Operating Partnership in the context of how we operate as an interrelated consolidated company. The Parent Company has no material assets or liabilities other than its investment in the Operating Partnership. The Parent Company issues public equity from time to time but does not have any indebtedness as all debt is incurred by the Operating Partnership. In addition, the Parent Company currently does not nor does it intend to guarantee any debt of the Operating Partnership. The Operating Partnership has numerous wholly owned subsidiaries, and it also owns interests in certain joint ventures. These subsidiaries and joint ventures own and operate retail shopping centers and other real estate assets. The Operating Partnership is structured as a partnership with no publicly traded equity. Except for net proceeds from equity issuances by the Parent Company, which are contributed to the Operating Partnership in exchange for General Partner Units, the Operating Partnership generates the capital required by the business through its operations, its incurrence of indebtedness, and the issuance of Limited Partner Units to third parties.

Shareholders' equity and partners' capital are the main areas of difference between the consolidated financial statements of the Parent Company and those of the Operating Partnership. In order to highlight this and other differences between the Parent Company and the Operating Partnership, there are separate sections in this report, as applicable, that separately discuss the Parent Company and the Operating Partnership, including separate financial statements and separate Exhibit 31 and 32 certifications. In the sections that combine disclosure of the Parent Company and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the collective Company.

KITE REALTY GROUP TRUST AND KITE REALTY GROUP, L.P. AND SUBSIDIARIES

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2023 MARCH 31, 2024

TABLE OF CONTENTS

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

KITE REALTY GROUP TRUST
Consolidated Balance Sheets
(Unaudited)
($ in thousands, except share and per share data)

		September 30, 2023	December 31, 2022		
March 31, 2024				March 31, 2024	December 31, 2023
Assets:	**Assets:**			**Assets:**	
Investment properties, at cost	Investment properties, at cost	$7,708,408	$7,732,573		
Less: accumulated depreciation	Less: accumulated depreciation	(1,311,064)	(1,161,148)		

Net investment properties	Net investment properties	6,397,344	6,571,425
Cash and cash equivalents	Cash and cash equivalents	52,317	115,799
Tenant and other receivables, including accrued straight-line rent of $53,432 and $44,460, respectively		113,069	101,301
Cash and cash equivalents			
Cash and cash equivalents			
Tenant and other receivables, including accrued straight-line rent of $58,492 and $55,482, respectively			
Restricted cash and escrow deposits	Restricted cash and escrow deposits	5,997	6,171
Deferred costs, net	Deferred costs, net	324,649	409,828
Short-term deposits			
Prepaid and other assets	Prepaid and other assets	134,615	127,044
Investments in unconsolidated subsidiaries	Investments in unconsolidated subsidiaries	10,197	10,414
Assets associated with investment property held for sale		14,309	—
Total assets			
Total assets			
Total assets	**Total assets**	$7,052,497	$7,341,982
Liabilities and Equity:	**Liabilities and Equity:**		
Liabilities and Equity:			
Liabilities and Equity:			
Liabilities:	Liabilities:		
Mortgage and other indebtedness, net			
Mortgage and other indebtedness, net			
Mortgage and other indebtedness, net	Mortgage and other indebtedness, net	$2,868,828	$3,010,299
Accounts payable and accrued expenses	Accounts payable and accrued expenses	198,454	207,792
Deferred revenue and other liabilities	Deferred revenue and other liabilities	279,960	298,039

Liabilities associated with investment property held for sale		586	—
Total liabilities			
Total liabilities			
Total liabilities	Total liabilities	3,347,828	3,516,130
Commitments and contingencies			
Commitments and contingencies			
Commitments and contingencies	Commitments and contingencies		
Limited Partners' interests in the Operating Partnership	Limited Partners' interests in the Operating Partnership	67,000	53,967
Equity:	Equity:		
Common shares, $0.01 par value, 490,000,000 shares authorized, 219,387,345 and 219,185,658 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively		2,194	2,192
Equity:			
Equity:			
Common shares, $0.01 par value, 490,000,000 shares authorized, 219,603,862 and 219,448,429 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively			
Additional paid-in capital	Additional paid-in capital	4,891,105	4,897,736
Accumulated other comprehensive income	Accumulated other comprehensive income	68,195	74,344
Accumulated deficit	Accumulated deficit	(1,326,200)	(1,207,757)
Total shareholders' equity	Total shareholders' equity	3,635,294	3,766,515
Noncontrolling interests	Noncontrolling interests	2,375	5,370
Total equity	**Total equity**	3,637,669	3,771,885
Total liabilities and equity	**Total liabilities and equity**	$7,052,497	$7,341,982

The accompanying notes are an integral part of these consolidated financial statements.

KITE REALTY GROUP TRUST

Consolidated Statements of Operations and Comprehensive Income

(Unaudited)

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

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	**2022**	**2023**	**2022**
Revenue:	**Revenue:**				
Revenue:					
Revenue:					
Rental income					
Rental income					
Rental income	Rental income	$ 203,990	$ 195,675	$ 612,889	$ 582,772
Other property-related revenue	Other property-related revenue	2,172	3,013	5,971	7,932
Other property-related revenue					
Other property-related revenue					
Fee income	Fee income	1,057	1,623	3,868	6,603
Fee income					
Fee income					
Total revenue					
Total revenue					
Total revenue	**Total revenue**	207,219	200,311	622,728	597,307
Expenses:	**Expenses:**				
Expenses:					
Expenses:					
Property operating					
Property operating					
Property operating	Property operating	27,644	25,507	82,190	77,558
Real estate taxes	Real estate taxes	26,453	25,703	80,333	80,445
Real estate taxes					
Real estate taxes					
General, administrative and other	General, administrative and other	13,917	14,859	41,800	41,977
Merger and acquisition costs		—	108	—	1,006
General, administrative and other					
General, administrative and other					
Depreciation and amortization	Depreciation and amortization	105,930	115,831	323,463	357,096
Impairment charges		477	—	477	—
Depreciation and amortization					
Depreciation and amortization					
Total expenses	**Total expenses**	174,421	182,008	528,263	558,082
(Loss) gain on sales of operating properties, net		(5,972)	—	22,468	27,126
Total expenses					
Total expenses					
Loss on sales of operating properties, net					
Loss on sales of operating properties, net					

Loss on sales of operating properties, net					
Operating income					
Operating income					
Operating income	Operating income	26,826	18,303	116,933	66,351
Other (expense) income:	**Other (expense) income:**				
Other (expense) income:					
Other (expense) income:					
Interest expense	Interest expense	(25,484)	(26,226)	(78,114)	(77,449)
Income tax (expense) benefit of taxable REIT subsidiary		(68)	—	(84)	259
Interest expense					
Interest expense					
Income tax (expense) benefit of taxable REIT subsidiaries					
Income tax (expense) benefit of taxable REIT subsidiaries					
Income tax (expense) benefit of taxable REIT subsidiaries					
Equity in (loss) earnings of unconsolidated subsidiaries		(47)	144	(173)	(56)
Other income (expense), net		950	58	1,657	(207)
Net income (loss)		2,177	(7,721)	40,219	(11,102)
Equity in loss of unconsolidated subsidiaries					
Equity in loss of unconsolidated subsidiaries					
Equity in loss of unconsolidated subsidiaries					
Gain on sale of unconsolidated property, net					
Gain on sale of unconsolidated property, net					
Gain on sale of unconsolidated property, net					
Other income, net					
Other income, net					
Other income, net					
Net income					
Net income					
Net income					
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	(107)	(116)	(700)	(408)
Net income (loss) attributable to common shareholders		$ 2,070	$ (7,837)	$ 39,519	$ (11,510)
Net income attributable to noncontrolling interests					
Net income attributable to noncontrolling interests					
Net income attributable to common shareholders					
Net income attributable to common shareholders					
Net income attributable to common shareholders					

Net income (loss) per common share – basic and diluted		$ 0.01	$ (0.04)	$ 0.18	$ (0.05)
Net income per common share – basic and diluted					
Net income per common share – basic and diluted					
Net income per common share – basic and diluted					
Weighted average common shares outstanding – basic					
Weighted average common shares outstanding – basic					
Weighted average common shares outstanding – basic	Weighted average common shares outstanding – basic	219,381,248	219,103,669	219,323,570	219,053,320
Weighted average common shares outstanding – diluted	Weighted average common shares outstanding – diluted	219,976,080	219,103,669	219,809,543	219,053,320
Weighted average common shares outstanding – diluted					
Weighted average common shares outstanding – diluted					
Net income (loss)		$ 2,177	$ (7,721)	$ 40,219	$ (11,102)
Net income					
Net income					
Net income					
Change in fair value of derivatives	Change in fair value of derivatives	(3,040)	33,131	(6,043)	89,628
Total comprehensive (loss) income		(863)	25,410	34,176	78,526
Change in fair value of derivatives					
Change in fair value of derivatives					
Total comprehensive income (loss)					
Total comprehensive income (loss)					
Total comprehensive income (loss)					
Comprehensive income attributable to noncontrolling interests	Comprehensive income attributable to noncontrolling interests	(195)	(511)	(806)	(1,441)
Comprehensive (loss) income attributable to the Company		$ (1,058)	$ 24,899	$ 33,370	$ 77,085
Comprehensive income attributable to noncontrolling interests					
Comprehensive income attributable to noncontrolling interests					
Comprehensive income (loss) attributable to the Company					
Comprehensive income (loss) attributable to the Company					
Comprehensive income (loss) attributable to the Company					

The accompanying notes are an integral part of these consolidated financial statements.

KITE REALTY GROUP TRUST
Consolidated Statements of Shareholders' Equity
(Unaudited)
(in thousands, except share data)

		Common Shares		Additional	Accumulated Other	Accumulated	
		Shares	Amount	Paid-in Capital	Comprehensive Income (Loss)	Deficit	Total
Balance at December 31, 2022		219,185,658	$ 2,192	$ 4,897,736	$ 74,344	$ (1,207,757)	$ 3,766,515
Stock compensation activity		140,240	1	2,134	—	—	2,135
Other comprehensive loss		—	—	—	(11,557)	—	(11,557)
Distributions to common shareholders		—	—	—	—	(52,659)	(52,659)
Net income attributable to common shareholders		—	—	—	—	5,391	5,391
Adjustment to redeemable noncontrolling interests		—	—	(3,821)	—	—	(3,821)
Balance at March 31, 2023		219,325,898	$ 2,193	$ 4,896,049	$ 62,787	$ (1,255,025)	$ 3,706,004
Balance at December 31, 2023							
Balance at December 31, 2023							
Balance at December 31, 2023							
Stock compensation activity	Stock compensation activity	48,377	1	2,959	—	—	2,960
Other comprehensive income	Other comprehensive income	—	—	—	8,536	—	8,536
Distributions to common shareholders	Distributions to common shareholders	—	—	—	—	(52,650)	(52,650)
Net income attributable to common shareholders	Net income attributable to common shareholders	—	—	—	—	32,058	32,058
Adjustment to redeemable noncontrolling interests	Adjustment to redeemable noncontrolling interests	—	—	(4,101)	—	—	(4,101)
Balance at June 30, 2023		219,374,275	$ 2,194	$ 4,894,907	$ 71,323	$ (1,275,617)	$ 3,692,807
Stock compensation activity		(91)	—	2,968	—	—	2,968
Other comprehensive loss		—	—	—	(3,128)	—	(3,128)
Distributions to common shareholders		—	—	—	—	(52,653)	(52,653)
Net income attributable to common shareholders		—	—	—	—	2,070	2,070
Exchange of redeemable noncontrolling interests for common shares		13,161	—	301	—	—	301
Adjustment to redeemable noncontrolling interests	Adjustment to redeemable noncontrolling interests	—	—	(7,071)	—	—	(7,071)
Balance at September 30, 2023		219,387,345	$ 2,194	$ 4,891,105	$ 68,195	$ (1,326,200)	$ 3,635,294
Adjustment to redeemable noncontrolling interests							

Common Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total

Balance at March 31, 2024							
Balance at December 31, 2021		218,949,569	$ 2,189	$ 4,898,673	$ (15,902)	$ (962,913)	$ 3,922,047
Balance at December 31, 2022							
Stock compensation activity	Stock compensation activity	93,334	1	1,821	—	—	1,822
Other comprehensive income		—	—	—	38,713	—	38,713
Distributions to common shareholders		—	—	—	—	(41,600)	(41,600)
Net loss attributable to common shareholders		—	—	—	—	(16,804)	(16,804)
Adjustment to redeemable noncontrolling interests		—	—	(5,597)	—	—	(5,597)
Balance at March 31, 2022		219,042,903	$ 2,190	$ 4,894,897	$ 22,811	$ (1,021,317)	$ 3,898,581
Stock compensation activity		58,095	1	2,850	—	—	2,851
Other comprehensive income		—	—	—	17,146	—	17,146
Other comprehensive loss							
Distributions to common shareholders	Distributions to common shareholders	—	—	—	—	(43,808)	(43,808)
Net income attributable to common shareholders	Net income attributable to common shareholders	—	—	—	—	13,131	13,131
Adjustment to redeemable noncontrolling interests	Adjustment to redeemable noncontrolling interests	—	—	3,239	—	—	3,239
Balance at June 30, 2022		219,100,998	$ 2,191	$ 4,900,986	$ 39,957	$ (1,051,994)	$ 3,891,140
Stock compensation activity		(2,604)	—	2,881	—	—	2,881
Other comprehensive income		—	—	—	32,736	—	32,736
Distributions to common shareholders		—	—	—	—	(46,014)	(46,014)
Net loss attributable to common shareholders		—	—	—	—	(7,837)	(7,837)
Adjustment to redeemable noncontrolling interests							
Adjustment to redeemable noncontrolling interests							
Balance at March 31, 2023							
Adjustment to redeemable noncontrolling interests		—	—	(94)	—	—	(94)
Balance at September 30, 2022		219,098,394	$ 2,191	$ 4,903,773	$ 72,693	$ (1,105,845)	$ 3,872,812

The accompanying notes are an integral part of these consolidated financial statements.

KITE REALTY GROUP TRUST
Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

Nine Months Ended September 30,	**Three Months Ended March 31,**

		2023	2022		2024	2023
Cash flows from operating activities:	**Cash flows from operating activities:**			**Cash flows from operating activities:**		
Net income (loss)		$ 40,219	$ (11,102)			
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Net income						
Adjustments to reconcile net income to net cash provided by operating activities:				Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	Depreciation and amortization	326,148	359,265			
Gain on sales of operating properties, net		(22,468)	(27,126)			
Impairment charges		477	—			
Loss on sales of operating properties, net						
Gain on sale of unconsolidated property, net						
Straight-line rent						
Straight-line rent						
Straight-line rent	Straight-line rent	(9,723)	(12,653)			
Compensation expense for equity awards	Compensation expense for equity awards	7,763	8,209			
Amortization of debt fair value adjustments	Amortization of debt fair value adjustments	(10,027)	(10,204)			
Amortization of in-place lease liabilities	Amortization of in-place lease liabilities	(9,228)	(3,143)			
Changes in assets and liabilities:	Changes in assets and liabilities:			Changes in assets and liabilities:		
Tenant receivables	Tenant receivables	(2,104)	(7,021)			
Deferred costs and other assets	Deferred costs and other assets	(26,727)	(15,691)			
Accounts payable, accrued expenses, deferred revenue and other liabilities	Accounts payable, accrued expenses, deferred revenue and other liabilities	(3,153)	(18,105)			

Net cash provided by operating activities	Net cash provided by operating activities	291,177	262,429
Cash flows from investing activities:	**Cash flows from investing activities:**		
Acquisitions of interests in properties		(78,273)	(100,142)
Cash flows from investing activities:			
Cash flows from investing activities:			
Capital expenditures			
Capital expenditures			
Capital expenditures	Capital expenditures	(98,694)	(106,536)
Net proceeds from sales of land	Net proceeds from sales of land	917	3,680
Net proceeds from sales of operating properties		123,944	65,408
Investment in short-term deposits			
Investment in short-term deposits			
Investment in short-term deposits	Investment in short-term deposits	—	125,000
Small business loan repayments	Small business loan repayments	341	513
Change in construction payables	Change in construction payables	(3,718)	(2,636)
Distribution from unconsolidated joint venture	Distribution from unconsolidated joint venture	—	1,144
Capital contribution to unconsolidated joint venture		—	(125)
Net cash used in investing activities			
Net cash used in investing activities			
Net cash used in investing activities	Net cash used in investing activities	(55,483)	(13,694)
Cash flows from financing activities:			
Cash flows from financing activities:			
Cash flows from financing activities:	**Cash flows from financing activities:**		

Proceeds from issuance of common shares, net	Proceeds from issuance of common shares, net	64	20
Repurchases of common shares upon the vesting of restricted shares	Repurchases of common shares upon the vesting of restricted shares	(767)	(1,144)
Debt and equity issuance costs	Debt and equity issuance costs	(377)	(4,922)
Loan proceeds	Loan proceeds	332,095	445,000
Loan payments	Loan payments	(467,149)	(558,151)
Distributions paid – common shareholders	Distributions paid – common shareholders	(157,893)	(131,422)
Distributions paid – common shareholders			
Distributions paid – common shareholders			
Distributions paid – redeemable noncontrolling interests	Distributions paid – redeemable noncontrolling interests	(2,127)	(1,972)
Distributions to noncontrolling interests	Distributions to noncontrolling interests	(3,196)	—
Net cash used in financing activities		(299,350)	(252,591)
Net cash provided by (used in) financing activities			
Net change in cash, cash equivalents and restricted cash			
Net change in cash, cash equivalents and restricted cash			
Net change in cash, cash equivalents and restricted cash	Net change in cash, cash equivalents and restricted cash	(63,656)	(3,856)
Cash, cash equivalents and restricted cash, beginning of period	Cash, cash equivalents and restricted cash, beginning of period	121,970	100,363
Cash, cash equivalents and restricted cash, end of period	Cash, cash equivalents and restricted cash, end of period	$ 58,314	$ 96,507
Non-cash investing and financing activities			

Exchange of redeemable noncontrolling interests for common shares	$ 301	$ —

The accompanying notes are an integral part of these consolidated financial statements.

KITE REALTY GROUP, L.P. AND SUBSIDIARIES
Consolidated Balance Sheets
(Unaudited)
(in thousands, except unit data)

		September 30, 2023	**December 31, 2022**		
March 31, 2024				**March 31, 2024**	**December 31, 2023**
Assets:	**Assets:**				
Investment properties, at cost					
Investment properties, at cost					
Investment properties, at cost	Investment properties, at cost	$7,708,408	$7,732,573		
Less: accumulated depreciation	Less: accumulated depreciation	(1,311,064)	(1,161,148)		
Net investment properties	Net investment properties	6,397,344	6,571,425		
Cash and cash equivalents	Cash and cash equivalents	52,317	115,799		
Tenant and other receivables, including accrued straight-line rent of $53,432 and $44,460, respectively		113,069	101,301		
Cash and cash equivalents					
Cash and cash equivalents					
Tenant and other receivables, including accrued straight-line rent of $58,492 and $55,482, respectively					
Restricted cash and escrow deposits	Restricted cash and escrow deposits	5,997	6,171		
Deferred costs, net	Deferred costs, net	324,649	409,828		
Short-term deposits					
Prepaid and other assets	Prepaid and other assets	134,615	127,044		
Investments in unconsolidated subsidiaries	Investments in unconsolidated subsidiaries	10,197	10,414		
Assets associated with investment property held for sale		14,309	—		
Total assets					

Total assets			
Total assets	**Total assets**	$7,052,497	$7,341,982
Liabilities and Equity:	**Liabilities and Equity:**		
Liabilities and Equity:			
Liabilities and Equity:			
Liabilities:	Liabilities:		
Liabilities:			
Liabilities:			
Mortgage and other indebtedness, net			
Mortgage and other indebtedness, net			
Mortgage and other indebtedness, net	Mortgage and other indebtedness, net	$2,868,828	$3,010,299
Accounts payable and accrued expenses	Accounts payable and accrued expenses	198,454	207,792
Deferred revenue and other liabilities	Deferred revenue and other liabilities	279,960	298,039
Liabilities associated with investment property held for sale		586	—
Total liabilities			
Total liabilities			
Total liabilities	**Total liabilities**	3,347,828	3,516,130
Commitments and contingencies			
Commitments and contingencies			
Commitments and contingencies	Commitments and contingencies		
Limited Partners' interests in the Operating Partnership	Limited Partners' interests in the Operating Partnership	67,000	53,967
Partners' Equity:	Partners' Equity:		
Common equity, 219,387,345 and 219,185,658 units issued and outstanding at September 30, 2023 and December 31, 2022, respectively		3,567,099	3,692,171
Partners' Equity:			
Partners' Equity:			
Common equity, 219,603,862 and 219,448,429 units issued and outstanding at March 31, 2024 and December 31, 2023, respectively			
Common equity, 219,603,862 and 219,448,429 units issued and outstanding at March 31, 2024 and December 31, 2023, respectively			

Common equity, 219,603,862 and 219,448,429 units issued and outstanding at March 31, 2024 and December 31, 2023, respectively			
Accumulated other comprehensive income	Accumulated other comprehensive income	68,195	74,344
Total Partners' equity	Total Partners' equity	3,635,294	3,766,515
Noncontrolling interests	Noncontrolling interests	2,375	5,370
Total equity	**Total equity**	3,637,669	3,771,885
Total liabilities and equity	**Total liabilities and equity**	$7,052,497	$7,341,982

The accompanying notes are an integral part of these consolidated financial statements.

KITE REALTY GROUP, L.P. AND SUBSIDIARIES
Consolidated Statements of Operations and Comprehensive Income
(Unaudited)
(in thousands, except unit and per unit data)

		Three Months Ended September 30,		**Nine Months Ended September 30,**	
		2023	**2022**	**2023**	**2022**
Revenue:	**Revenue:**				
Revenue:					
Revenue:					
Rental income					
Rental income					
Rental income	Rental income	$ 203,990	$ 195,675	$ 612,889	$ 582,772
Other property-related revenue	Other property-related revenue	2,172	3,013	5,971	7,932
Other property-related revenue					
Other property-related revenue					
Fee income	Fee income	1,057	1,623	3,868	6,603
Fee income					
Fee income					
Total revenue					
Total revenue					
Total revenue	**Total revenue**	207,219	200,311	622,728	597,307
Expenses:	**Expenses:**				
Expenses:					
Expenses:					
Property operating					
Property operating					
Property operating	Property operating	27,644	25,507	82,190	77,558
Real estate taxes	Real estate taxes	26,453	25,703	80,333	80,445
Real estate taxes					
Real estate taxes					
General, administrative and other	General, administrative and other	13,917	14,859	41,800	41,977

Merger and acquisition costs		—	108	—	1,006
General, administrative and other					
General, administrative and other					
Depreciation and amortization	Depreciation and amortization	105,930	115,831	323,463	357,096
Impairment charges		477	—	477	—
Depreciation and amortization					
Depreciation and amortization					
Total expenses	**Total expenses**	174,421	182,008	528,263	558,082
(Loss) gain on sales of operating properties, net		(5,972)	—	22,468	27,126
Total expenses					
Total expenses					
Loss on sales of operating properties, net					
Loss on sales of operating properties, net					
Loss on sales of operating properties, net					
Operating income					
Operating income					
Operating income	Operating income	26,826	18,303	116,933	66,351
Other (expense) income:	**Other (expense) income:**				
Other (expense) income:					
Other (expense) income:					
Interest expense	Interest expense	(25,484)	(26,226)	(78,114)	(77,449)
Income tax (expense) benefit of taxable REIT subsidiary		(68)	—	(84)	259
Interest expense					
Interest expense					
Income tax (expense) benefit of taxable REIT subsidiaries					
Income tax (expense) benefit of taxable REIT subsidiaries					
Income tax (expense) benefit of taxable REIT subsidiaries					
Equity in (loss) earnings of unconsolidated subsidiaries		(47)	144	(173)	(56)
Other income (expense), net		950	58	1,657	(207)
Net income (loss)		2,177	(7,721)	40,219	(11,102)
Equity in loss of unconsolidated subsidiaries					
Equity in loss of unconsolidated subsidiaries					
Equity in loss of unconsolidated subsidiaries					
Gain on sale of unconsolidated property, net					
Gain on sale of unconsolidated property, net					
Gain on sale of unconsolidated property, net					
Other income, net					
Other income, net					
Other income, net					
Net income					
Net income					
Net income					

Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests		(67)		(209)		(201)		(535)
Net income (loss) attributable to common unitholders		$	2,110	$	(7,930)	$	40,018	$	(11,637)
Net income attributable to noncontrolling interests									
Net income attributable to noncontrolling interests									
Net income attributable to common unitholders									
Net income attributable to common unitholders									
Net income attributable to common unitholders									
Allocation of net income (loss):									
Allocation of net income:									
Allocation of net income:									
Allocation of net income:									
Limited Partners									
Limited Partners									
Limited Partners	Limited Partners	$	40	$	(93)	$	499	$	(127)
Parent Company	Parent Company		2,070		(7,837)		39,519		(11,510)
Parent Company									
Parent Company									
		$							
		$							
		$							
Net income per common unit – basic and diluted									
Net income per common unit – basic and diluted									
Net income per common unit – basic and diluted									
		$	2,110	$	(7,930)	$	40,018	$	(11,637)
Net income (loss) per common unit – basic and diluted		$	0.01	$	(0.04)	$	0.18	$	(0.05)
Weighted average common units outstanding – basic									
Weighted average common units outstanding – basic									
Weighted average common units outstanding – basic	Weighted average common units outstanding – basic		222,649,706		222,059,366		222,409,769		221,791,428
Weighted average common units outstanding – diluted	Weighted average common units outstanding – diluted		223,244,538		222,059,366		222,895,742		221,791,428
Weighted average common units outstanding – diluted									
Weighted average common units outstanding – diluted									
Net income (loss)		$	2,177	$	(7,721)	$	40,219	$	(11,102)
Net income									

Net income					
Net income					
Change in fair value of derivatives	Change in fair value of derivatives	(3,040)	33,131	(6,043)	89,628
Total comprehensive (loss) income		(863)	25,410	34,176	78,526
Change in fair value of derivatives					
Change in fair value of derivatives					
Total comprehensive income (loss)					
Total comprehensive income (loss)					
Total comprehensive income (loss)					
Comprehensive income attributable to noncontrolling interests	Comprehensive income attributable to noncontrolling interests	(67)	(209)	(201)	(535)
Comprehensive (loss) income attributable to common unitholders		$ (930)	$ 25,201	$ 33,975	$ 77,991
Comprehensive income attributable to noncontrolling interests					
Comprehensive income attributable to noncontrolling interests					
Comprehensive income (loss) attributable to common unitholders					
Comprehensive income (loss) attributable to common unitholders					
Comprehensive income (loss) attributable to common unitholders					

The accompanying notes are an integral part of these consolidated financial statements.

KITE REALTY GROUP, L.P. AND SUBSIDIARIES
Consolidated Statements of Partners' Equity
(Unaudited)
(in thousands)

	General Partner			General Partner	Total
	Common Equity	Accumulated Other Comprehensive Income (Loss)	Total		
Balance at December 31, 2022	$3,692,171	$ 74,344	$3,766,515		
Stock compensation activity	2,135	—	2,135		
Other comprehensive loss attributable to Parent Company	—	(11,557)	(11,557)		
Distributions to Parent Company	(52,659)	—	(52,659)		
Net income attributable to Parent Company	5,391	—	5,391		
Adjustment to redeemable noncontrolling interests	(3,821)	—	(3,821)		
Balance at March 31, 2023	$3,643,217	$ 62,787	$3,706,004		
Balance at December 31, 2023					
Balance at December 31, 2023					
Balance at December 31, 2023					

Stock compensation activity	Stock compensation activity	2,960	—	2,960
Other comprehensive income attributable to Parent Company	Other comprehensive income attributable to Parent Company	—	8,536	8,536
Distributions to Parent Company	Distributions to Parent Company	(52,650)	—	(52,650)
Net income attributable to Parent Company	Net income attributable to Parent Company	32,058	—	32,058
Adjustment to redeemable noncontrolling interests	Adjustment to redeemable noncontrolling interests	(4,101)	—	(4,101)
Balance at June 30, 2023		$3,621,484	$ 71,323	$3,692,807
Stock compensation activity		2,968	—	2,968
Other comprehensive loss attributable to Parent Company		—	(3,128)	(3,128)
Distributions to Parent Company		(52,653)	—	(52,653)
Net income attributable to Parent Company		2,070	—	2,070
Conversion of Limited Partner Units to shares of the Parent Company		301	—	301
Adjustment to redeemable noncontrolling interests	Adjustment to redeemable noncontrolling interests	(7,071)	—	(7,071)
Balance at September 30, 2023		$3,567,099	$ 68,195	$3,635,294
Adjustment to redeemable noncontrolling interests				
Balance at March 31, 2024				

Balance at December 31, 2021	$	3,937,949	$	(15,902)	$	3,922,047
Balance at December 31, 2022						
Stock compensation activity / Stock compensation activity		1,822		—		1,822
Other comprehensive income attributable to Parent Company		—		38,713		38,713
Distributions to Parent Company		(41,600)		—		(41,600)
Net loss attributable to Parent Company		(16,804)		—		(16,804)
Adjustment to redeemable noncontrolling interests		(5,597)		—		(5,597)
Balance at March 31, 2022	$	3,875,770	$	22,811	$	3,898,581
Stock compensation activity		2,851		—		2,851
Other comprehensive income attributable to Parent Company		—		17,146		17,146

Other comprehensive loss attributable to Parent Company				
Distributions to Parent Company	Distributions to Parent Company	(43,808)	—	(43,808)
Net income attributable to Parent Company	Net income attributable to Parent Company	13,131	—	13,131
Adjustment to redeemable noncontrolling interests	Adjustment to redeemable noncontrolling interests	3,239	—	3,239
Balance at June 30, 2022		$ 3,851,183	$ 39,957	$ 3,891,140
Stock compensation activity		2,881	—	2,881
Other comprehensive income attributable to Parent Company		—	32,736	32,736
Distributions to Parent Company		(46,014)	—	(46,014)
Net loss attributable to Parent Company		(7,837)	—	(7,837)
Adjustment to redeemable noncontrolling interests				
Adjustment to redeemable noncontrolling interests				
Balance at March 31, 2023				
Adjustment to redeemable noncontrolling interests		(94)	—	(94)
Balance at September 30, 2022		$ 3,800,119	$ 72,693	$ 3,872,812

The accompanying notes are an integral part of these consolidated financial statements.

KITE REALTY GROUP, L.P. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

		Nine Months Ended September 30,			Three Months Ended March 31,	
		2023	**2022**		**2024**	**2023**
Cash flows from operating activities:	**Cash flows from operating activities:**			**Cash flows from operating activities:**		
Net income (loss)		$ 40,219	$ (11,102)			
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Net income						
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation and amortization	Depreciation and amortization	326,148	359,265			
Gain on sales of operating properties, net		(22,468)	(27,126)			
Impairment charges		477	—			
Depreciation and amortization						
Depreciation and amortization						

Loss on sales of operating properties, net			
Gain on sale of unconsolidated property, net			
Straight-line rent			
Straight-line rent			
Straight-line rent	Straight-line rent	(9,723)	(12,653)
Compensation expense for equity awards	Compensation expense for equity awards	7,763	8,209
Amortization of debt fair value adjustments	Amortization of debt fair value adjustments	(10,027)	(10,204)
Amortization of in-place lease liabilities	Amortization of in-place lease liabilities	(9,228)	(3,143)
Changes in assets and liabilities:	Changes in assets and liabilities:		
Tenant receivables	Tenant receivables	(2,104)	(7,021)
Tenant receivables			
Tenant receivables			
Deferred costs and other assets	Deferred costs and other assets	(26,727)	(15,691)
Accounts payable, accrued expenses, deferred revenue and other liabilities	Accounts payable, accrued expenses, deferred revenue and other liabilities	(3,153)	(18,105)
Net cash provided by operating activities	Net cash provided by operating activities	291,177	262,429
Cash flows from investing activities:	**Cash flows from investing activities:**		
Acquisition of interests in properties		(78,273)	(100,142)
Cash flows from investing activities:			
Cash flows from investing activities:			
Capital expenditures			
Capital expenditures			
Capital expenditures	Capital expenditures	(98,694)	(106,536)
Net proceeds from sales of land	Net proceeds from sales of land	917	3,680

Net proceeds from sales of operating properties		123,944	65,408
Investment in short-term deposits			
Investment in short-term deposits			
Investment in short-term deposits	Investment in short-term deposits	—	125,000
Small business loan repayments	Small business loan repayments	341	513
Change in construction payables	Change in construction payables	(3,718)	(2,636)
Distribution from unconsolidated joint venture	Distribution from unconsolidated joint venture	—	1,144
Capital contribution to unconsolidated joint venture		—	(125)
Net cash used in investing activities			
Net cash used in investing activities			
Net cash used in investing activities	Net cash used in investing activities	(55,483)	(13,694)
Cash flows from financing activities:			
Cash flows from financing activities:			
Cash flows from financing activities:	**Cash flows from financing activities:**		
Contributions from the General Partner	Contributions from the General Partner	64	20
Repurchases of common shares upon the vesting of restricted shares	Repurchases of common shares upon the vesting of restricted shares	(767)	(1,144)
Debt and equity issuance costs	Debt and equity issuance costs	(377)	(4,922)
Loan proceeds	Loan proceeds	332,095	445,000
Loan payments	Loan payments	(467,149)	(558,151)
Distributions paid – common unitholders	Distributions paid – common unitholders	(157,893)	(131,422)
Distributions paid – common unitholders			

Distributions paid – common unitholders			
Distributions paid – redeemable noncontrolling interests	Distributions paid – redeemable noncontrolling interests	(2,127)	(1,972)
Distributions to noncontrolling interests	Distributions to noncontrolling interests	(3,196)	—
Net cash used in financing activities		(299,350)	(252,591)
Net cash provided by (used in) financing activities			
Net change in cash, cash equivalents and restricted cash			
Net change in cash, cash equivalents and restricted cash			
Net change in cash, cash equivalents and restricted cash	Net change in cash, cash equivalents and restricted cash	(63,656)	(3,856)
Cash, cash equivalents and restricted cash, beginning of period	Cash, cash equivalents and restricted cash, beginning of period	121,970	100,363
Cash, cash equivalents and restricted cash, end of period	Cash, cash equivalents and restricted cash, end of period	$ 58,314	$ 96,507
Non-cash investing and financing activities			
Conversion of Limited Partner Units to shares of the Parent Company		$ 301	$ —

The accompanying notes are an integral part of these consolidated financial statements.

KITE REALTY GROUP TRUST AND KITE REALTY GROUP, L.P. AND SUBSIDIARIES

Notes to Consolidated Financial Statements
September 30, 2023 March 31, 2024
(Unaudited)

($ in thousands, except share, per share, unit and per unit amounts and where indicated in millions or billions)

NOTE 1. ORGANIZATION AND BASIS OF PRESENTATION

Kite Realty Group Trust (the “Parent Company”), through its majority-owned subsidiary, Kite Realty Group, L.P. (the “Operating Partnership”), owns interests in various operating subsidiaries and joint ventures engaged in the ownership, operation, acquisition, development and redevelopment of high-quality, open-air shopping centers and mixed-use assets that are primarily grocery-anchored and located in high-growth Sun Belt markets and select strategic gateway markets in the United States. The terms “Company,” “we,” “us,” and “our” refer to the Parent Company and the Operating Partnership, collectively, and those entities owned or controlled by the Parent Company and/or the Operating Partnership.

The Operating Partnership was formed on August 16, 2004, when the Parent Company contributed properties and the net proceeds from an initial public offering (“IPO”) of shares of its common stock to the Operating Partnership. The Parent Company was organized in Maryland in 2004 to succeed in the development, acquisition, construction and real estate businesses of its predecessor. We believe the Company qualifies as a real estate investment trust (“REIT”) under provisions sections 856-860 of the Internal Revenue Code of 1986, as amended.

The Parent Company is the sole general partner of the Operating Partnership and, as of September 30, 2023 March 31, 2024, owned approximately 98.5% 98.3% of the common partnership interests in the Operating Partnership (“General Partner Units”). The remaining 1.5% 1.7% of the common partnership interests (“Limited Partner Units” and, together with the General Partner Units, the “Common Units”) were owned by the limited partners. As the sole general partner of the Operating Partnership, the Parent Company has full, exclusive and complete responsibility and discretion in the day-to-day management and control of the Operating Partnership. The Parent Company and the Operating Partnership are operated as one enterprise. The management of the Parent Company consists of the same members as the management of the Operating Partnership. As the sole general partner with control of the Operating Partnership, the Parent Company consolidates the Operating Partnership for financial reporting purposes, and the Parent Company does not have any significant assets other than its investment in the Operating Partnership.

The accompanying unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) may have been condensed or omitted pursuant to such rules and regulations, although management believes that the disclosures are adequate to make the presentation not misleading. The unaudited consolidated financial statements as of September 30, 2023 March 31, 2024 and for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 include all adjustments, consisting of normal recurring adjustments, necessary in the opinion of management to present fairly the financial information set forth therein. The unaudited consolidated financial statements in this Form 10-Q should be read in conjunction with the audited consolidated financial statements and related notes thereto included in the combined Annual Report on Form 10-K of the Parent Company and the Operating Partnership for the year ended December 31, 2022 December 31, 2023.

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reported period. Actual results could differ from these estimates. The results of operations for the interim periods are not necessarily indicative of the results that may be expected on an annual basis.

As of September 30, 2023 March 31, 2024, the Company’s portfolio consisted of the following:

		Properties	Square Footage
Properties		Properties	Square Footage
Operating retail properties(1)	Operating retail properties(1)	180	28,290,147
Office properties	Office properties	1	287,291
Development and redevelopment projects:	Development and redevelopment projects:		
Carillon medical office building	Carillon medical office building	1	126,000
The Corner (IN)		1	24,000
Carillon medical office building			
Carillon medical office building			
The Corner – IN(2)			
Hamilton Crossing Centre	Hamilton Crossing Centre	1	92,283
Edwards Multiplex – Ontario	Edwards Multiplex – Ontario	1	124,614

(1) Included within operating retail properties are 10 properties that contain an office component. Excludes one operating retail property classified as held for sale as of September 30, 2023. Of the 180 operating retail properties, 177 are consolidated in within these financial statements and the remaining three are accounted for under the equity method.

(2) This property is held in an unconsolidated joint venture in which the Company has a 50% ownership interest.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Components of Investment Properties

The following table summarizes the composition of the Company’s investment properties as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 *(in thousands)*:

	Balance as of

		September 30, 2023	December 31, 2022		
	Balance as of			Balance as of	
	March 31, 2024			March 31, 2024	December 31, 2023
Land, buildings and improvements	Land, buildings and improvements	$7,643,839	$7,656,765		
Construction in progress	Construction in progress	64,569	75,808		
Investment properties, at cost	Investment properties, at cost	$7,708,408	$7,732,573		

Components of Rental Income including Allowance for Uncollectible Accounts

Rental income related to the Company's operating leases is comprised of the following for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 *(in thousands)*:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Fixed contractual lease payments – operating leases					
Fixed contractual lease payments – operating leases					
Fixed contractual lease payments – operating leases	Fixed contractual lease payments – operating leases	$ 159,491	$ 155,399	$ 478,215	$ 457,875
Variable lease payments – operating leases	Variable lease payments – operating leases	38,100	36,636	117,730	112,725
Variable lease payments – operating leases					
Variable lease payments – operating leases					
Bad debt reserve					
Bad debt reserve					
Bad debt reserve	Bad debt reserve	(219)	(1,882)	(2,007)	(3,624)
Straight-line rent adjustments	Straight-line rent adjustments	3,132	4,328	9,900	12,951
Straight-line rent adjustments					
Straight-line rent adjustments					
Straight-line rent reserve for uncollectibility					
Straight-line rent reserve for uncollectibility					
Straight-line rent reserve for uncollectibility	Straight-line rent reserve for uncollectibility	(367)	(34)	(177)	(298)
Amortization of in-place lease liabilities, net	Amortization of in-place lease liabilities, net	3,853	1,228	9,228	3,143

Amortization of in-place lease liabilities, net					
Amortization of in-place lease liabilities, net					
Rental income	Rental income	$ 203,990	$ 195,675	$ 612,889	$ 582,772
Rental income					
Rental income					

The Company makes estimates as to the collectability of its accounts receivable. In making these estimates, the Company reviews a variety of qualitative and quantitative data and considers such facts factors as the credit quality of our customer, historical write-off experience and current economic trends, to make a subjective determination. An allowance for uncollectible accounts, including future credit losses of the accrued straight-line rent receivables, is maintained for estimated losses resulting from the inability of certain tenants to meet contractual obligations under their lease agreements.

Short-Term Deposits

As of March 31, 2024, the Company has $265.0 million in short-term deposits invested at Goldman Sachs Bank USA and KeyBank National Association, which will be used to satisfy all 2024 debt maturities. The deposit balance approximates fair value and earns interest at a weighted average rate of 5.34% with a final maturity date of July 22, 2024. During the three months ended March 31, 2024, the Company earned $2.9 million of interest income on the deposits, which is recorded within “Other income, net” in the accompanying consolidated statements of operations and comprehensive income.

Consolidation and Investments in Joint Ventures

The accompanying financial statements are presented on a consolidated basis and include all accounts of the Parent Company, the Operating Partnership, the taxable REIT subsidiaries (“TRSs”) of the Operating Partnership, subsidiaries of the Operating Partnership that are controlled and any variable interest entities (“VIEs”) in which the Operating Partnership is the primary beneficiary. As of September 30, 2023 March 31, 2024, we owned investments in two consolidated joint ventures that were VIEs in which the partners did not have substantive participating rights and we were the primary beneficiary. As of September 30, 2023 March 31, 2024,

these consolidated VIEs had mortgage debt of $112.7 million totaling $111.5 million, which were was secured by assets of the VIEs totaling $217.6 $218.1 million. The Operating Partnership guarantees the mortgage debt of these VIEs.

The Operating Partnership is considered a VIE as the limited partners do not hold kick-out rights or substantive participating rights. The Parent Company consolidates the Operating Partnership as it is the primary beneficiary.

As of March 31, 2024, the Company also owned investments in four unconsolidated joint ventures accounted for under the equity method, which are not considered VIEs. On January 31, 2024, the joint venture that owned Glendale Center Apartments, of which we have an 11.5% ownership interest, sold the 267-unit property to a third party, resulting in a gain on sale of $20.2 million. The Company recognized its share of the gain on sale of unconsolidated property of $2.3 million during the three months ended March 31, 2024. In addition, the Company received a $1.6 million distribution upon the disposition of the property. The Company maintains an investment in the joint venture, which is in the process of winding up its activities and distributing remaining net assets. Glendale Center Apartments is adjacent to our Glendale Town Center operating retail property in the Indianapolis MSA.

Income Taxes and REIT Compliance

Parent Company

The Parent Company has been organized and operated, and intends to continue to operate, in a manner that will enable it to maintain its qualification as a REIT for U.S. federal income tax purposes. As a result, it generally will not be subject to U.S. federal income tax on the earnings that it distributes to the extent it distributes its “REIT taxable income” (determined before the deduction for dividends paid and excluding net capital gains) to shareholders of the Parent Company and meets certain other requirements on a recurring basis. To the extent that it satisfies this distribution requirement but distributes less than 100% of its taxable income, it will be subject to U.S. federal income tax on its undistributed REIT taxable income at regular corporate income tax rates. REITs are subject to a number of organizational and operational requirements. If the Parent Company fails to qualify as a REIT in any taxable year, it will be subject to U.S. federal income tax on its taxable income at regular corporate income tax rates for a period of four years following the year in which qualification is lost. Additionally, we may also be subject to certain taxes enacted by the Inflation Reduction Act of 2022 that are applicable to non-REIT corporations, including the nondeductible 1% excise tax on certain stock repurchases. We may also be subject to certain U.S. federal, state and local taxes on our income and property and to U.S. federal income and excise taxes on our undistributed taxable income even if the Parent Company does qualify as a REIT. The Operating Partnership intends to continue to make distributions to the Parent Company in amounts sufficient to assist the Parent Company in adhering to REIT requirements and maintaining its REIT status.

We have elected to treat Kite Realty Holdings, LLC as a TRS of the Operating Partnership. In addition, in connection with the merger with Retail Properties of America, Inc. (“RPAI”) in October 2021, we assumed RPAI’s existing TRS, and IWR Protective Corporation as a TRS of TRSs with respect to the Operating Partnership REIT, and we may elect to treat other subsidiaries as TRSs in the future. This election enables us to receive income and provide services that would otherwise be impermissible for a REIT. Deferred tax assets and liabilities are established for temporary differences between the financial reporting bases and the tax bases of assets and liabilities at the tax rates expected to be in effect when the temporary differences reverse. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

Operating Partnership

The allocated share of income and loss, other than the operations of our TRSs, is included in the income tax returns of the Operating Partnership’s partners. Accordingly, the only U.S. federal income taxes included in the accompanying consolidated financial statements are in connection with the TRSs.

Noncontrolling Interests

We report the non-redeemable noncontrolling interests in subsidiaries as equity, and the amount of consolidated net income attributable to these noncontrolling interests is set forth separately in the accompanying consolidated financial statements. The following table summarizes the non-redeemable noncontrolling interests in consolidated properties for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 *(in thousands)*:

		Nine Months Ended September 30,			
		2023	2022		
	Three Months Ended March 31,			Three Months Ended March 31,	
	2024			2024	2023
Noncontrolling interests balance as of January 1,	Noncontrolling interests balance as of January 1,	$5,370	$5,146		
Net income allocable to noncontrolling interests, excluding redeemable noncontrolling interests	Net income allocable to noncontrolling interests, excluding redeemable noncontrolling interests	201	139		
Distributions to noncontrolling interests	Distributions to noncontrolling interests	(3,196)	—		
Noncontrolling interests balance as of September 30,		$2,375	$5,285		
Noncontrolling interests balance as of March 31,					

Noncontrolling Interests – Joint Venture

Prior to the October 2021 merger with RPAI, Retail Properties of America, Inc. (“RPAI”), RPAI entered into a joint venture related to the development, ownership and operation of the multifamily rental portion of the expansion project at One Loudoun Downtown – Pads G & H. The Company owns 90% of the joint venture.

During the nine months ended September 30, 2023, the Company originated a 10-year $95.1 million mortgage payable at a fixed interest rate of 5.36% secured by the joint venture project. In conjunction with the loan origination, the joint venture’s construction loan was repaid. Under terms defined in the joint venture agreement, after construction completion and stabilization of the development project (as defined in the joint venture agreement), the Company has the ability to call, and the joint venture partner has the ability to put to the Company, subject to certain conditions, the joint venture partner’s interest in the joint venture at fair value. As of September 30, 2023 March 31, 2024, these conditions for exercising the put and call options have been met but neither the Company nor the joint venture partner has exercised their respective options.

The joint venture is considered a VIE primarily because the Company’s joint venture partner does not have substantive kick-out rights or substantive participating rights. The Company is considered the primary beneficiary as it has a controlling financial interest in the joint venture. As such, the Company has consolidated this joint venture and presented the joint venture partner’s interests as noncontrolling interests.

Redeemable Noncontrolling Interests – Limited Partners

Limited Partner Units are redeemable noncontrolling interests in the Operating Partnership. We classify redeemable noncontrolling interests in the Operating Partnership in the accompanying consolidated balance sheets outside of permanent equity because we may be required to pay cash to holders of Limited Partner Units upon redemption of their interests in the Operating Partnership or deliver registered shares upon their conversion. The carrying amount of the redeemable noncontrolling interests in the Operating Partnership is reflected at the greater of historical book value or redemption value with a corresponding adjustment to additional paid-in capital. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the redemption value of the redeemable noncontrolling interests in the Operating Partnership exceeded the historical book value, and the balances were accordingly adjusted to redemption value.

We allocate net operating results of the Operating Partnership after noncontrolling interests in the consolidated properties based on the partners’ respective weighted average ownership interest. We adjust the redeemable noncontrolling interests in the Operating Partnership at the end of each reporting period to reflect their interests in the Operating Partnership or redemption value. This adjustment is reflected in our shareholders’ and Parent Company’s equity. For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, the weighted average interests of the Parent Company and the limited partners in the Operating Partnership were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022

Parent Company's weighted average interest in Operating Partnership	98.5 %	98.7 %	98.6 %	98.8 %
Limited partners' weighted average interests in Operating Partnership	1.5 %	1.3 %	1.4 %	1.2 %

	Three Months Ended March 31,	
	2024	2023
Parent Company's weighted average interest in the Operating Partnership	98.4 %	98.7 %
Limited partners' weighted average interests in the Operating Partnership	1.6 %	1.3 %

As of September 30, 2023 March 31, 2024, the Parent Company's interest and the limited partners' redeemable noncontrolling ownership interests in the Operating Partnership were 98.5% 98.3% and 1.5% 1.7%. As of December 31, 2022 December 31, 2023, the Parent Company's interest and the limited partners' redeemable noncontrolling ownership interests in the Operating Partnership were 98.7% 98.4% and 1.3% 1.6%.

Concurrent with the Parent Company's initial public offering IPO and related formation transactions, certain individuals received Limited Partner Units of the Operating Partnership in exchange for their interests in certain properties. The limited partners have the right to redeem Limited Partner Units for cash or, at the Parent Company's election, common shares of the Parent Company in an amount equal to the market value of an equivalent number of common shares of the Parent Company at the time of redemption. Such common shares must be registered, which is not fully in the Parent Company's control. Therefore, the limited partners' interest is not reflected in within permanent equity. The Parent Company also has the right to redeem the Limited Partner Units directly from the limited partner in exchange for either cash in the amount specified above or a number of its common shares equal to the number of Limited Partner Units being redeemed.

There were 3,434,881 3,707,004 and 2,870,697 3,512,868 Limited Partner Units outstanding as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The increase in Limited Partner Units outstanding from December 31, 2022 December 31, 2023 is due to non-cash compensation awards granted to our executive officers in the form of Limited Partner Units and the exercise of previously granted Appreciation Only Long-Term Incentive Plan ("AO LTIP") Units in exchange for Limited Partner Units.

Redeemable Noncontrolling Interests – Subsidiaries

Prior to the merger with Inland Diversified Real Estate Trust, Inc. ("Inland Diversified") in 2014, Inland Diversified formed joint ventures with the previous owners of certain properties and issued Class B units in three joint ventures that indirectly own those properties. As of September 30, 2022, the Class B units related to one of these joint ventures that owned Crossing at Killingly Commons, our multi-tenant retail property in Dayville, Connecticut, were outstanding and accounted for as noncontrolling interests in the remaining venture. In October 2022, the remaining Class B units became redeemable at the partner's election and the fulfillment of certain redemption criteria for cash or Limited Partner Units in the Operating Partnership. In October 2022, we received notice from our joint venture partner of its exercise of their right to redeem the remaining Class B units for cash in the amount of $9.7 million, which redemption was funded using cash on October 3, 2022. Prior to the redemption, the Class B units did not have a maturity date and were not mandatorily redeemable unless either party had elected for the units to be redeemed. Prior to the redemption, we consolidated this joint venture because we controlled the decision-making and our joint venture partner had limited protective rights.

Prior to the redemption, we classified the redeemable noncontrolling interests related to the remaining Class B units in the accompanying consolidated balance sheets outside of permanent equity because, under certain circumstances, we could have been required to pay cash to the Class B unitholders in this subsidiary upon redemption of their interests. The carrying amount of these redeemable noncontrolling interests is required to be reflected at the greater of initial book value or redemption value with a corresponding adjustment to additional paid-in capital. As of September 30, 2022, the redemption amounts of these interests did not exceed their fair value nor did they exceed the initial book value.

The redeemable noncontrolling interests in the Operating Partnership and subsidiaries for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 were as follows *(in thousands)*:

		Nine Months Ended September 30,	
		2023	2022
	Three Months Ended March 31,		
	2024	Three Months Ended March 31, 2024	2023
Redeemable noncontrolling interests balance as of January 1,	Redeemable noncontrolling interests balance as of January 1,	$ 53,967	$ 55,173
Net income allocable to redeemable noncontrolling interests	Net income allocable to redeemable noncontrolling interests	499	269

Distributions declared to redeemable noncontrolling interests	Distributions declared to redeemable noncontrolling interests	(2,281)	(1,972)
Other, net including adjustments to redemption value	Other, net including adjustments to redemption value	14,815	3,484
Total limited partners' interests in the Operating Partnership and other redeemable noncontrolling interests balance as of September 30,		$ 67,000	$ 56,954
Total limited partners' interests in the Operating Partnership balance as of March 31,			
Limited partners' interests in the Operating Partnership		$ 67,000	$ 46,884
Other redeemable noncontrolling interests in certain subsidiaries		—	10,070
Total limited partners' interests in the Operating Partnership and other redeemable noncontrolling interests balance as of September 30,		$ 67,000	$ 56,954

Fair Value Measurements

We follow the framework established under Financial Accounting Standards Board ASC Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, for measuring fair value of non-financial assets and liabilities that are not required or permitted to be measured at fair value on a recurring basis but only in certain circumstances, such as a business combination or upon determination of an impairment.

Assets and liabilities recorded at fair value on in the accompanying consolidated balance sheets are categorized based on the inputs to the valuation techniques as follows:

- Level 1 fair value inputs are quoted prices in active markets for identical instruments to which we have access.
- Level 2 fair value inputs are inputs other than quoted prices included in Level 1 that are observable for similar instruments, either directly or indirectly, and appropriately consider counterparty creditworthiness in the valuation.
- Level 3 fair value inputs reflect our best estimate of inputs and assumptions market participants would use in pricing an instrument at the measurement date. The inputs are unobservable in the market and significant to the valuation estimate.

In instances where the determination of the fair value measurement is based on upon inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Effects of Accounting Pronouncements

Any recently In March 2024, the SEC issued accounting standards or pronouncements have been excluded as they are either not relevant to a final rule, *The Enhancement and Standardization of Climate-Related Disclosures for Investors.* This final rule is effective for the Company for the fiscal year beginning in 2025 and requires companies to annually disclose, among other things, (i) climate-related risks that have had or are not expected reasonably likely to have a material impact on the Company's consolidated Company, including on its strategy, results of operations, or financial statements.

NOTE 3. ACQUISITIONS

The Company closed condition, (ii) activities to mitigate or adapt to such risks, including a quantitative and qualitative description of material expenditures incurred and impacts on estimates and assumptions, (iii) information about oversight by a company's board of directors of climate-related risks and management's role in managing material climate-related risks; and (iv) information on any climate-related targets or goals that are material to the following asset acquisition during company's business, results of operations, or financial condition. In addition, the nine months ended September 30, 2023 *(dollars in thousands)*:

Date	Property Name	Metropolitan Statistical Area ("MSA")	Property Type	Square Footage	Acquisition Price
September 22, 2023	Prestonwood Place	Dallas	Multi-tenant retail	155,975	$ 81,000

The Company closed final rule requires (i) disclosure of Scope 1 and/or Scope 2 greenhouse gas ("GHG") emissions on a phased-in basis when those emissions are material, (ii) the following asset acquisitions during the nine months ended September 30, 2022 *(dollars in thousands)*:

Date	Property Name	MSA	Property Type	Square Footage	Acquisition Price
February 16, 2022	Pebble Marketplace	Las Vegas	Multi-tenant retail	85,796	$ 44,100
April 13, 2022	MacArthur Crossing	Dallas	Two-tenant building	56,077	21,920
July 15, 2022	Palms Plaza	Miami	Multi-tenant retail	68,976	35,750
				210,849	$ 101,770

The above acquisitions were funded using a combination filing of available cash on hand and proceeds from the Company's unsecured revolving line of credit. Substantially all of the purchase price was allocated to investment properties.

NOTE 4. DISPOSITIONS AND IMPAIRMENT CHARGES

The Company closed on the following dispositions during the nine months ended September 30, 2023 *(dollars in thousands)*:

Date	Property Name	MSA	Property Type	Square Footage	Sales Price	Gain (Loss)
May 8, 2023	Kingwood Commons	Houston	Multi-tenant retail	158,172	$ 27,350	$ 4,736
June 8, 2023	Pan Am Plaza & Garage	Indianapolis	Land & garage	—	52,025	23,635
September 11, 2023	Reisterstown Road Plaza	Dallas	Multi-tenant retail	376,683	48,250	(5,903)
				534,855	$ 127,625	$ 22,468

The Company closed on the following dispositions during the nine months ended September 30, 2022 *(dollars in thousands)*:

Date	Property Name	MSA	Property Type	Square Footage	Sales Price	Gain
January 26, 2022	Hamilton Crossing Centre	Indianapolis	Redevelopment(1)	—	$ 6,900	$ 3,168
June 16, 2022	Plaza Del Lago	Chicago	Multi-tenant retail(2)	100,016	58,650	23,958
				100,016	$ 65,550	$ 27,126

(1) We sold a portion of the redevelopment at Hamilton Crossing Centre. an attestation

(2) Plaza Del Lago also contains 8,800 square feet of residential space comprised of 18 multifamily rental units.

As of September 30, 2023, report covering the Company had entered into a contract to sell Eastside, a 43,640 square foot multi-tenant retail property located in the Dallas MSA. This property qualified for held-for-sale accounting treatment upon meeting all applicable GAAP criteria during the quarter ended September 30, 2023, at which time depreciation and amortization ceased. In addition, the assets and liabilities associated with this property are separately classified as held for sale in the accompanying consolidated balance sheet as of September 30, 2023. No properties qualified for held-for-sale accounting treatment as of December 31, 2022.

As of September 30, 2023, in conjunction with classifying Eastside as held for sale, the Company recorded the asset at the lower of cost or fair value less estimated costs to sell, which was approximately $14.1 million. The estimated fair value of Eastside was based upon the expected sales price from an executed sales contract and determined to be a Level 3 input within the fair value hierarchy. As a result, we recorded a $0.5 million impairment charge during the three months ended September 30, 2023. Eastside was sold on October 24, 2023 for a gross sales price of $14.4 million.

The following table presents the assets and liabilities associated with the investment property, Eastside, classified as held for sale as of September 30, 2023 *(in thousands)*:

		September 30, 2023
Assets		
Investment properties, at cost	$	15,016
Less: accumulated depreciation		(1,218)
Net investment properties		13,798
Tenant and other receivables		100
Deferred costs, net		411
Assets associated with investment property held for sale	$	14,309
Liabilities		
Accounts payable and accrued expenses	$	398
Deferred revenue and other liabilities		188
Liabilities associated with investment property held for sale	$	586

There were no discontinued operations for the nine months ended September 30, 2023 and 2022 as none disclosure of the dispositions represented Scope 1 and/or Scope 2 emissions on a strategic shift that has had, or phased-in basis, and (iii) disclosure of the financial statement effects of severe weather events and other natural conditions. In April 2024, the SEC announced a stay of these climate disclosure rules pending judicial review. The Company will have, a material effect on our operations or financial results. continue to evaluate the impact of this final rule until it becomes effective.

NOTE 5. 3. DEFERRED COSTS AND INTANGIBLES, NET

Deferred costs consist primarily of acquired lease intangible assets, broker fees and capitalized internal commissions incurred in connection with lease originations. Deferred leasing costs, lease intangibles and similar costs are amortized on a straight-line basis over the terms of the related leases. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, deferred costs consisted of the following *(in thousands)*:

		September 30, 2023	December 31, 2022		
	March 31, 2024			March 31, 2024	December 31, 2023
Acquired lease intangible assets	Acquired lease intangible assets	$ 450,740	$ 522,152		
Deferred leasing costs and other	Deferred leasing costs and other	71,754	66,842		
		522,494	588,994		
Less: accumulated amortization	Less: accumulated amortization	(197,434)	(179,166)		
		$ 325,060	$ 409,828		
Less: deferred costs associated with investment property held for sale		(411)	—		
Total		$ 324,649	$ 409,828		
Deferred costs, net					
Deferred costs, net					
Deferred costs, net					

Amortization The amortization of deferred leasing costs, lease intangibles and other is included within “Depreciation and amortization” in the accompanying consolidated statements of operations and comprehensive income. The amortization of above-market lease intangibles is included as a reduction to “Rental income” in the accompanying consolidated statements of operations and comprehensive income. The amounts of such amortization included in the accompanying consolidated statements of operations and comprehensive income are as follows *(in thousands)*:

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022		
	2024			2024	2023
Amortization of deferred leasing costs, lease intangibles and other	Amortization of deferred leasing costs, lease intangibles and other	$ 83,768	$ 117,177		
Amortization of above-market lease intangibles	Amortization of above-market lease intangibles	$ 9,305	$ 10,161		

NOTE 6. 4. DEFERRED REVENUE, INTANGIBLES, NET AND OTHER LIABILITIES

Deferred revenue and other liabilities consist of (i) the unamortized fair value of below-market lease liabilities recorded in connection with purchase accounting, (ii) retainage payables for development and redevelopment projects, (iii) tenant rent payments received in advance of the month in which they are due, and (iv) lease liabilities recorded upon adoption of ASU 2016-02, *Leases (Topic 842)*. The amortization of below-market lease liabilities is recognized as revenue over the remaining life of the leases (including option periods for leases with below-market renewal options) through 2085. Tenant rent payments received in advance are recognized as revenue in the period to which they apply, which is typically the month following their receipt.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, deferred revenue, intangibles, net and other liabilities consisted of the following *(in thousands)*:

		September 30, 2023	December 31, 2022		
	March 31, 2024			March 31, 2024	December 31, 2023
Unamortized in-place lease liabilities	Unamortized in-place lease liabilities	$ 167,390	$ 188,815		
Retainages payable and other	Retainages payable and other	12,005	12,110		
Tenant rents received in advance	Tenant rents received in advance	31,392	29,947		
Lease liabilities	Lease liabilities	69,361	67,167		
		$ 280,148	$ 298,039		
Less: deferred revenue associated with investment property held for sale		(188)	—		
Total		$ 279,960	$ 298,039		
Deferred revenue and other liabilities					
Deferred revenue and other liabilities					
Deferred revenue and other liabilities					

The amortization of below-market lease intangibles is included as a component of “Rental income” in the accompanying consolidated statements of operations and comprehensive income and totaled $18.5 million $5.0 million and $13.3 million $5.9 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

NOTE 7. 5. MORTGAGE AND OTHER INDEBTEDNESS

The following table summarizes the Company’s indebtedness as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 *(in thousands)*:

		September 30, 2023	December 31, 2022		
	March 31, 2024			March 31, 2024	December 31, 2023
Mortgages payable	Mortgages payable	$ 154,567	$ 233,621		
Senior unsecured notes	Senior unsecured notes	1,829,635	1,924,635		
Unsecured term loans	Unsecured term loans	820,000	820,000		
Unsecured revolving line of credit	Unsecured revolving line of credit	39,000	—		
		2,843,202	2,978,256		
	3,151,673				
Unamortized discounts and premiums, net	Unamortized discounts and premiums, net	35,721	44,362		
Unamortized debt issuance costs, net	Unamortized debt issuance costs, net	(10,095)	(12,319)		
Total mortgage and other indebtedness, net	Total mortgage and other indebtedness, net	$2,868,828	$3,010,299		

Consolidated indebtedness, including weighted average interest rates and weighted average maturities as of September 30, 2023 March 31, 2024, considering the impact of interest rate swaps, is summarized below *(dollars in thousands)*:

		Amount Outstanding	Ratio	Weighted Average Interest Rate	Weighted Average Years to Maturity						
	Amount Outstanding						Amount Outstanding		Ratio	Weighted Average Interest Rate	Weighted Average Years to Maturity
Fixed rate debt(1)	Fixed rate debt(1)	$ 2,631,602	93 %	4.01 %	4.2	Fixed rate debt(1)	$2,980,273	95	95 %	4.05 %	4.2
Variable rate debt(2)	Variable rate debt(2)	211,600	7 %	8.58 %	3.1	Variable rate debt(2)	171,400	5	5 %	9.09 %	2.4
Debt discounts, premiums and issuance costs, net	Debt discounts, premiums and issuance costs, net	25,626	N/A	N/A	N/A	Debt discounts, premiums and issuance costs, net	15,840	N/A		N/A	
Total		$ 2,868,828	100 %	4.35 %	4.1						
Mortgage and other indebtedness, net						Mortgage and other indebtedness, net	$3,167,513		100 %	4.33 %	4.1

(1) Fixed rate debt includes the portion of variable rate debt that has been hedged by interest rate swaps. As of September 30, 2023 March 31, 2024, $820.0 million in variable rate debt is hedged to a fixed rate for a weighted average of 1.9 1.4 years.

(2) Variable rate debt includes the portion of fixed rate debt that has been hedged by interest rate swaps. As of September 30, 2023 March 31, 2024, $155.0 million in fixed rate debt is hedged to a floating rate for a weighted average of 1.9 1.4 years.

Mortgages Payable

The following table summarizes the Company's mortgages payable *(dollars in thousands)*:

	September 30, 2023			December 31, 2022		
	Balance	Weighted Average Interest Rate	Weighted Average Years to Maturity	Balance	Weighted Average Interest Rate	Weighted Average Years to Maturity
Fixed rate mortgages payable(1)	$136,967	5.09 %	8.3	$205,328	3.98 %	1.4
Variable rate mortgage payable(2)	17,600	7.54 %	3.8	28,293	5.96 %	0.6
Total mortgages payable	$154,567			$233,621		

	March 31, 2024			December 31		
	Balance	Weighted Average Interest Rate	Weighted Average Years to Maturity	Balance	Weighted Average Interest Rate	
Fixed rate mortgages payable(1)	$135,638	5.09 5.09 %	7.8	$136,306	5.09 5.09 %	8
Variable rate mortgage payable(2)	16,400	7.50 7.50 %	2.3	17,000	7.59 7.59 %	2

(1) The fixed rate mortgages had interest rates ranging from 3.75% to 5.73% as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

(2) During the three months ended September 30, 2023, the The interest rate on the variable rate mortgage increased to is based on Bloomberg Short Term Bank Yield Index ("BSBY") plus 215 basis points from BSBY plus 160 basis points in conjunction with the July 2023 amendment of the loan agreement. points. The one-month BSBY rate was 5.39% 5.35% and 4.36% 5.44% as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

Mortgages payable, which are secured by certain real estate and, in some cases, by guarantees from the Operating Partnership, are generally due in monthly installments of principal and interest and mature over various terms through 2033. During the nine three months ended September 30, 2023 March 31, 2024, we (i) originated a 10-year $95.1 million mortgage payable at a fixed interest rate of 5.36% secured by the multifamily rental portion of the expansion project at One Loudoun Downtown – Pads G & H, (ii) amended the loan agreement on the variable rate mortgage secured by Delray Marketplace to extend the maturity date to August 4, 2026, with a one-year extension option, and made a $9.9 million paydown of the principal balance using available cash on hand, (iii) repaid mortgages payable totaling $161.5 million that had a weighted average fixed interest rate of 3.85%, and (iv) made scheduled principal payments of $2.7 million $1.3 million related to amortizing loans.

Unsecured Notes

The following table summarizes the Company's senior unsecured notes and exchangeable senior notes *(dollars in thousands)*:

		September 30, 2023		December 31, 2022	
	Maturity Date	Balance	Interest Rate	Balance	Interest Rate
Senior notes – 4.23% due 2023	September 10, 2023	$ —	— %	$ 95,000	4.23 %
Senior notes – 4.58% due 2024	June 30, 2024	149,635	4.58 %	149,635	4.58 %

		March 31, 2024		D	
	Maturity Date	Balance	Interest Rate	Balance	Inter
Senior notes – 4.58% due 2024	June 30, 2024	$149,635	4.58 4.58 %	$ 149,635	4.58 4.58 %

Senior notes – 4.00% due 2025	Senior notes – 4.00% due 2025	March 15, 2025	350,000	4.00 %	350,000	4.00 %	Senior notes – 4.00% due 2025	March 15, 2025	350,000	4.00	4.00 %	350,000	4.00	4.00 %
Senior notes – SOFR + 3.65% due 2025(1)	Senior notes – SOFR + 3.65% due 2025(1)	September 10, 2025	80,000	9.17 %	80,000	8.41 %	Senior notes – SOFR + 3.65% due 2025(1)	September 10, 2025	80,000	9.21	9.21 %	80,000	9.27	9.27 %
Senior notes – 4.08% due 2026	Senior notes – 4.08% due 2026	September 30, 2026	100,000	4.08 %	100,000	4.08 %	Senior notes – 4.08% due 2026	September 30, 2026	100,000	4.08	4.08 %	100,000	4.08	4.08 %
Senior notes – 4.00% due 2026	Senior notes – 4.00% due 2026	October 1, 2026	300,000	4.00 %	300,000	4.00 %	Senior notes – 4.00% due 2026	October 1, 2026	300,000	4.00	4.00 %	300,000	4.00	4.00 %
Senior exchangeable notes – 0.75% due 2027	Senior exchangeable notes – 0.75% due 2027	April 1, 2027	175,000	0.75 %	175,000	0.75 %	Senior exchangeable notes – 0.75% due 2027	April 1, 2027	175,000	0.75	0.75 %	175,000	0.75	0.75 %
Senior notes – SOFR + 3.75% due 2027(2)	Senior notes – SOFR + 3.75% due 2027(2)	September 10, 2027	75,000	9.27 %	75,000	8.51 %	Senior notes – SOFR + 3.75% due 2027(2)	September 10, 2027	75,000	9.31	9.31 %	75,000	9.37	9.37 %
Senior notes – 4.24% due 2028	Senior notes – 4.24% due 2028	December 28, 2028	100,000	4.24 %	100,000	4.24 %	Senior notes – 4.24% due 2028	December 28, 2028	100,000	4.24	4.24 %	100,000	4.24	4.24 %
Senior notes – 4.82% due 2029	Senior notes – 4.82% due 2029	June 28, 2029	100,000	4.82 %	100,000	4.82 %	Senior notes – 4.82% due 2029	June 28, 2029	100,000	4.82	4.82 %	100,000	4.82	4.82 %
Senior notes – 4.75% due 2030	Senior notes – 4.75% due 2030	September 15, 2030	400,000	4.75 %	400,000	4.75 %	Senior notes – 4.75% due 2030	September 15, 2030	400,000	4.75	4.75 %	400,000	4.75	4.75 %
Senior notes – 5.50% due 2034(3)							Senior notes – 5.50% due 2034(3)	March 1, 2034	350,000	4.60 %		—		— %
Total senior unsecured notes	Total senior unsecured notes		$1,829,635		$1,924,635									

(1) On July 1, 2023, the fallback rate in the derivative agreement went into effect. As of September 30, 2023, $80,000 $80,000 of 4.47% senior unsecured notes due 2025 has been swapped to a variable rate of three-month Secured Overnight Financing Rate ("SOFR") plus 3.65% through September 10, 2025. As of December 31, 2022, $80,000 of 4.47% senior unsecured notes had been swapped to a variable rate of three-month London Interbank Offered Rate ("LIBOR") plus 3.65%.

(2) On July 1, 2023, the fallback rate in the derivative agreement went into effect. As of September 30, 2023, $75,000 $75,000 of 4.57% senior unsecured notes due 2027 has been swapped to a variable rate of three-month SOFR plus 3.75% through September 10, 2025. As of December 31, 2022, $75,000 of 4.57% senior unsecured notes had been swapped to a variable

(3) The coupon rate of three-month LIBOR plus 3.75% the Notes Due 2034 (defined below) is 5.50%; however, due to hedging activities, the Company's interest rate is 4.60%.

During the three months ended September 30, 2023 March 31, 2024, the Company repaid the $95.0 completed a public offering of $350.0 million in aggregate principal balance amount of the 4.23% 5.50% senior unsecured notes due 2023 using available cash 2034 ("Notes Due 2034"). The Notes Due 2034 were priced at 98.670% of the principal amount to yield 5.673% to maturity and will mature on hand. March 1, 2034, unless earlier redeemed. The proceeds will be used to satisfy the $269.6 million of debt maturities due in 2024 and for general corporate purposes.

Unsecured Term Loans and Revolving Line of Credit

The following table summarizes the Company's term loans and revolving line of credit *(dollars in thousands)*:

		September 30, 2023		December 31, 2022	
	Maturity Date	**Balance**	**Interest Rate**	**Balance**	**Interest Rate**

		March 31, 2024		**December 31, 2023**	
Maturity Date	**Maturity Date**	**Balance**	**Interest Rate**	**Balance**	**Interest Rate**

Unsecured term loan due 2024 – fixed rate(1)	Unsecured term loan due 2024 – fixed rate(1)	July 17, 2024	$120,000	2.68 %	$120,000	2.68 %	Unsecured term loan due 2024 – fixed rate(1)	July 17, 2024	$120,000	2.68	2.68 %	$ 120,000	2.68	2.68 %
Unsecured term loan due 2025 – fixed rate(2)	Unsecured term loan due 2025 – fixed rate(2)	October 24, 2025	250,000	5.09 %	250,000	5.09 %	Unsecured term loan due 2025 – fixed rate(2)	October 24, 2025	250,000	5.09	5.09 %	250,000	5.09	5.09 %
Unsecured term loan due 2026 – fixed rate(3)	Unsecured term loan due 2026 – fixed rate(3)	July 17, 2026	150,000	2.73 %	150,000	2.73 %	Unsecured term loan due 2026 – fixed rate(3)	July 17, 2026	150,000	2.73	2.73 %	150,000	2.73	2.73 %
Unsecured term loan due 2029 – fixed rate(4)	Unsecured term loan due 2029 – fixed rate(4)	July 29, 2029	300,000	4.05 %	300,000	4.05 %	Unsecured term loan due 2029 – fixed rate(4)	July 29, 2029	300,000	3.82	3.82 %	300,000	3.82	3.82 %
Total unsecured term loans	Total unsecured term loans		$820,000		$820,000									
Unsecured credit facility revolving line of credit – variable rate(5)	Unsecured credit facility revolving line of credit – variable rate(5)	January 8, 2026	$ 39,000	6.51 %	$ —	5.56 %								
Unsecured credit facility revolving line of credit – variable rate(5)														
Unsecured credit facility revolving line of credit – variable rate(5)								January 8, 2026	$ —		6.49 %	$—		6.58 %

(1) $120,000 of SOFR-based variable rate debt has been swapped to a fixed rate of 1.58% plus a credit spread based on a ratings grid ranging from 0.80% to 1.65% through July 17, 2024. The applicable credit spread was 1.10% as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

(2) $250,000 of SOFR-based variable rate debt has been swapped to a fixed rate of 5.09% through October 24, 2025. The maturity date of the term loan may be extended for up to three additional periods of one year each at the Operating Partnership's option, subject to certain conditions.

(3) $150,000 of SOFR-based variable rate debt has been swapped to a fixed rate of 1.68% plus a credit spread based on a ratings grid ranging from 0.75% to 1.60% through July 17, 2026. The applicable credit spread was 1.05% as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

(4) $300,000 of SOFR-based variable rate debt has been swapped to a fixed rate of 2.70% 2.47% plus a credit spread based on a ratings grid ranging from 1.15% to 2.20% through November 22, 2023 August 1, 2025. The applicable credit spread was 1.35% as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

(5) The revolving line of credit has two six-month extension options that the Company can exercise, at its election, subject to (i) customary representations and warranties, including, but not limited to, the absence of an event of default as defined in the unsecured credit agreement and (ii) payment of an extension fee equal to 0.075% of the revolving line of credit capacity.

Unsecured Revolving Credit Facility

In July 2022, the Operating Partnership, as borrower, and the Company entered into the Second Amendment (the "Second Amendment") to the Sixth Amended and Restated Credit Agreement, dated as of July 8, 2021 (as amended, the "Credit Agreement") with a syndicate of financial institutions to provide for an unsecured revolving credit facility aggregating $1.1 billion (the "Revolving Facility") and a seven-year $300.0 million unsecured term loan (the "$300M Term Loan"). Under the Second Amendment, the Operating Partnership has the option, subject to certain customary conditions, to increase the Revolving Facility and/or incur additional term loans in an aggregate amount for all such increases and additional loans of up to $600.0 million, for a total facility amount of up to $2.0 billion. The Revolving Facility has a scheduled maturity date of January 8, 2026, which maturity date may be extended for up to two additional periods of six months at the Operating Partnership's option, subject to certain conditions.

Borrowings under the Revolving Facility bear interest at a rate per annum equal to SOFR plus a margin based on the Operating Partnership's leverage ratio or credit rating, respectively, plus a facility fee based on the Operating Partnership's leverage ratio or credit rating, respectively. The SOFR rate is also subject to an additional 0.10% spread adjustment as specified in the Second Amendment. The Revolving Facility is currently priced on the leverage-based pricing grid. In accordance with the Credit Agreement, the credit spread set forth in the leverage grid resets quarterly based on the Company's leverage, as calculated at the previous quarter end. The Company may irrevocably elect to convert to the ratings-based pricing grid at any time. As of September 30, 2023 March 31, 2024, making such an election would have resulted in a lower interest rate; however, the Company had not made the election to convert to the ratings-based pricing grid. The Credit Agreement includes a sustainability metric based on targeted greenhouse gas emission reductions, which results in a reduction of the otherwise applicable interest rate margin by one basis point upon achievement of targets set forth therein.

The following table summarizes the key terms of the Revolving Facility as of September 30, 2023 March 31, 2024 *(dollars in thousands)*:

Credit Agreement	Maturity Date	Extension Option	Extension Fee	Leverage-Based Pricing Credit Spread	Leverage-Based Pricing Facility Fee	Investment Grade Pricing Credit Spread	Investment Grade Pricing Facility Fee	SOFR Adjustment
$1,100,000 unsecured revolving line of credit	1/8/2026	2 six-month	0.075%	1.05%–1.50%	0.15%–0.30%	0.725%–1.40%	0.125%–0.30%	0.10%

The Operating Partnership's ability to borrow under the Credit Agreement is subject to ongoing compliance by the Operating Partnership and its subsidiaries with various restrictive covenants, including with respect to liens, transactions with affiliates, dividends, mergers and asset sales. In addition, the Credit Agreement requires that the Operating Partnership satisfy certain financial covenants, including (i) a maximum leverage ratio; (ii) a minimum fixed charge coverage ratio; (iii) a maximum secured indebtedness ratio; (iv) a maximum unsecured leverage ratio; and (v) a minimum unencumbered interest coverage ratio. As of September 30, 2023 March 31, 2024, we were in compliance with all such covenants.

~~As of September 30, 2023, we had letters of credit outstanding totaling $0.3 million, against which no amounts were advanced as of September 30, 2023.~~

Unsecured Term Loans

As of September 30, 2023 March 31, 2024, the Operating Partnership has the following unsecured term loans: (i) a $120.0 million unsecured term loan due July 2024 (the "$120M Term Loan"), (ii) a $250.0 million unsecured term loan due October 2025 (the "$250M Term Loan"), (iii) a $150.0 million unsecured term loan due July 2026 (the "$150M Term Loan"), and (iv) the $300M Term Loan that matures in July 2029, each of which bears interest at a rate of SOFR plus a credit spread. The $120M Term Loan, $150M Term Loan and $300M Term Loan are each priced on a ratings-based pricing grid while the $250M Term Loan is priced on a leverage-based pricing grid. The agreements related to the $150M Term Loan and $300M Term Loan include a sustainability metric based on targeted greenhouse gas emission reductions, which results in a reduction of the otherwise applicable interest rate margin by one basis point upon achievement of targets set forth in each agreement.

The following table summarizes the key terms of the unsecured term loans as of September 30, 2023 March 31, 2024 *(dollars in thousands)*:

Unsecured Term Loans	Maturity Date	Leverage-Based Pricing Credit Spread	Investment Grade Pricing Credit Spread	SOFR Adjustment
$120,000 unsecured term loan due 2024	7/17/2024	1.20% – 1.70%	0.80% – 1.65%	0.10%
$250,000 unsecured term loan due 2025	10/24/2025(1)	2.00% – 2.55%	2.00% – 2.50%	0.10%
$150,000 unsecured term loan due 2026	7/17/2026	1.20% – 1.70%	0.75% – 1.60%	0.10%
$300,000 unsecured term loan due 2029	7/29/2029	N/A	1.15% – 2.20%	0.10%

(1) The maturity date may be extended for up to three additional periods of one year each at the Operating Partnership's option, subject to certain conditions.

Under the agreement related to the $120M Term Loan and the $150M Term Loan, the Operating Partnership has the option to increase each of the term loans to $250.0 million upon the Operating Partnership's request, subject to certain conditions, including obtaining commitments from any one or more lenders, whether or not currently party to the term loan agreement, to provide such increased amounts. The Operating Partnership is permitted to prepay each of the $120M Term Loan and $150M Term Loan, in whole or in part, at any time without being subject to a prepayment fee.

The Operating Partnership has the option to increase the $250M Term Loan to $300.0 million, subject to certain conditions including obtaining commitments from any one or more lenders, whether or not currently party to the term loan agreement, to provide such increased amounts. The Operating Partnership is permitted to prepay the $250M Term Loan in whole or in part, at any time, subject to a prepayment fee if prepaid on or before October 25, 2023.

The Operating Partnership is permitted to prepay the $300M Term Loan in whole or in part, at any time, subject to a prepayment fee if prepaid on or before July 29, 2024.

The unsecured term loan agreements contain representations, financial and other affirmative and negative covenants and events of default that are substantially similar to those contained in the Credit Agreement. The unsecured term loan agreements all rank pari passu with the Operating Partnership's Revolving Facility and other unsecured indebtedness of the Operating Partnership.

Debt Issuance Costs

Debt issuance costs are amortized over the terms of the respective loan agreements. The following amounts of amortization of debt issuance costs are included as a component of "Interest expense" in the accompanying consolidated statements of operations and comprehensive income *(in thousands)*:

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Amortization of debt issuance costs	$ 2,685	$ 2,169

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Amortization of debt issuance costs	$ 929	$ 888

Debt Discounts and Premiums

Debt discounts and premiums, including the related value of interest rate swaps that were assumed in the October 2021 merger with RPAI, are amortized over the terms of the respective loan agreements. The following amounts of amortization are included as a component of “Interest expense” in the accompanying consolidated statements of operations and comprehensive income *(in thousands)*:

	Three Months Ended March 31,	
	2024	2023
Amortization of debt discounts, premiums and hedge instruments	$ 3,756	$ 5,003

In addition, the estimated amounts of reduction to interest expense as of March 31, 2024 for each of the next five years and thereafter related to the amortization of debt discounts, premiums and assumed hedge instruments, assuming these instruments are held to maturity, are as follows *(in thousands)*:

April 2024 through December 2024	$ 9,955
2025	7,807
2026	6,152
2027	5,235
2028	5,225
Thereafter	5,411
Total unamortized debt discounts, premiums and hedge instruments	$ 39,785

The following table reconciles total unamortized debt discounts, premiums and hedge instruments as of March 31, 2024 to the balance of unamortized discounts and premiums, net *(in thousands)*:

Unamortized discounts and premiums on mortgages payable, senior unsecured notes and unsecured term loans	$ 37,274
Unamortized hedge instruments	2,511
Total unamortized debt discounts, premiums and hedge instruments	39,785
Unamortized hedge instruments (included in accumulated other comprehensive income)	(2,511)
Fair value of variable interest rate swaps	(9,207)
Unamortized discounts and premiums, net	$ 28,067

Fair Value of Fixed and Variable Rate Debt

As of September 30, 2023 March 31, 2024, the estimated fair value of fixed rate debt was $1.8 billion $2.2 billion compared to the book value of $2.0 $2.3 billion. The fair value was estimated using Level 2 and 3 inputs with cash flows discounted at current borrowing rates for similar instruments, which ranged from 6.22% 5.75% to 8.20% 7.11%. As of September 30, 2023 March 31, 2024, the estimated fair value of variable rate debt was $880.2 million $839.9 million compared to the book value of $876.6 million $836.4 million. The fair value was estimated using Level 2 and 3 inputs with cash flows discounted at current borrowing rates for similar instruments, which ranged from 6.47% 6.48% to 7.42% 7.33%.

NOTE 8. 6. DERIVATIVE INSTRUMENTS, HEDGING ACTIVITIES AND OTHER COMPREHENSIVE INCOME

In order to manage potential future variable interest rate risk, we enter into interest rate derivative agreements from time to time. We do not use interest rate derivative agreements for trading or speculative purposes. The agreements with each of our derivative counterparties provide that in the event of default on any of our indebtedness, we could also be declared in default on our derivative obligations.

The following table summarizes the terms and fair values of the Company’s derivative financial instruments that were designated and qualified as part of a hedging relationship as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 *(dollars in thousands)*:

								Fair Value Assets (Liabilities)(1)										
								Fair Value Assets (Liabilities)(1)										
Type of Hedge	Type of Hedge	Number of Instruments	Aggregate Notional	Reference Rate	Interest Rate	Effective Date	Maturity Date	September 30, 2023	December 31, 2022	Type of Hedge	Number of Instruments	Aggregate Notional	Reference Rate	Interest Rate	Effective Date	Maturity Date	March 31, 2024	December 31, 2023
Cash Flow	Cash Flow	Four	$ 250,000	SOFR	2.99 %	12/1/2022	10/24/2025	$ 9,158	$ 7,134									
Cash Flow	Cash Flow	Two	100,000	SOFR	2.66 %	8/1/2022	8/1/2025	4,012	3,616									

Cash Flow	Cash Flow	Two	200,000	SOFR	2.72 %	8/3/2022	11/22/2023	750	3,663
Cash Flow	Cash Flow	Three	120,000	SOFR	1.58 %	8/15/2022	7/17/2024	3,557	5,461
Cash Flow	Cash Flow	Three	150,000	SOFR	1.68 %	8/15/2022	7/17/2026	11,491	10,896
			$ 820,000					$ 28,968	$ 30,770
			$						
Fair Value(2)	Fair Value(2)	Two	$ 155,000	SOFR	SOFR + 3.70%	4/23/2021	9/10/2025	$ (12,791)	$ (14,177)
Fair Value(2)									
Fair Value(2)									
Forward-Starting Cash Flow		Two	$ 200,000	SOFR	2.37 %	11/22/2023	8/1/2025	$ 8,187	$ 4,370
Forward-Starting Cash Flow(3)									
Forward-Starting Cash Flow(3)									
Forward-Starting Cash Flow(3)									

(1) Derivatives in an asset position are included within “Prepaid and other assets” and derivatives in a liability position are included within “Accounts payable and accrued expenses” in the accompanying consolidated balance sheets.

(2) On July 1, 2023, the fallback rate in the derivative agreements went into effect. The derivative agreements swap a blended fixed rate of 4.52% for a blended floating rate of three-month SOFR plus 3.70% .

(3) The forward-starting interest rate swaps were terminated in conjunction with the issuance of the Notes Due 2034.

In December 2023, we entered into three forward-starting interest rate swap agreements with notional amounts totaling $150.0 million that swap a floating rate of compound SOFR for a fixed rate of 3.44% with an effective date of June 28, 2024 and a maturity date of June 28, 2034. These interest rate swaps fixed the interest rate on a portion of the Notes Due 2034, which were issued in January 2024, and were subsequently terminated upon issuance of the Notes Due 2034. We received $0.7 million upon termination, which is included as a component of September 30, 2023 “Accumulated other comprehensive income” in the accompanying consolidated balance sheets and three-month LIBOR plus 3.70% is being reclassified as a reduction to interest expense over the term of December 31, 2022. the debt.

In October 2022, we terminated two forward-starting interest rate swaps with notional amounts totaling $150.0 million and a maturity date of June 1, 2032 and received $30.9 million upon termination. This settlement is included as a component of “Accumulated other comprehensive income” in the accompanying consolidated balance sheets and is being reclassified to earnings over time as the hedged items are recognized in earnings. During the nine months year ended September 30, 2023 December 31, 2023, we accelerated the reclassification of $3.1 million in accumulated other comprehensive income as a reduction to interest expense as a result of a portion of the hedged forecasted transaction becoming probable not to occur. We currently expect that In January 2024, we completed a public offering of the debt issuance will occur during 2023. Notes Due 2034. The remaining balance in accumulated other comprehensive income is being reclassified as a reduction to interest expense over the term of the debt.

These interest rate derivative agreements are the only assets or liabilities that we record at fair value on a recurring basis. The valuation of these assets and liabilities is determined using widely accepted techniques including discounted cash flow analysis. These techniques consider the contractual terms of the derivatives (including the period to maturity) and use observable market-based inputs such as interest rate curves and implied volatilities. We also incorporate credit valuation adjustments into the fair value measurements to reflect nonperformance risk on both our part and that of the respective counterparties.

We have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, although the credit valuation adjustments associated with our derivatives use Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by us and our counterparties. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and determined that the credit valuation adjustments were not significant to the overall valuation of our derivatives. As a result, we have determined that our derivative valuations were classified within Level 2 of the fair value hierarchy.

Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified to earnings over time as the hedged items are recognized in earnings. Approximately $5.5 million $4.9 million and $13.2 million was reclassified as an increase to earnings during the three and nine months ended September 30, 2023, respectively. Approximately $1.2 million and $8.6 million $4.2 million was reclassified as a decrease reduction to earnings interest expense during the three and nine months ended September 30, 2022, March 31, 2024 and 2023, respectively. As interest payments on our derivatives are made over the next 12 months, we estimate the decrease to interest expense to be approximately $28.4 million $22.5 million, assuming the current SOFR curve.

Unrealized gains and losses on our interest rate derivative agreements are the only components of the change in accumulated other comprehensive income.

NOTE 9. 7. SHAREHOLDERS’ EQUITY

Distributions

Our Board of Trustees declared a cash distribution of $0.24 $0.25 per common share and Common Unit for the third first quarter of 2023. 2024. This distribution was paid on October 13, 2023 April 12, 2024 to common shareholders and Common Unit holders common unitholders of record as of October 6, 2023 April 5, 2024.

For the nine three months ended September 30, 2023 March 31, 2023, we declared a cash distributions totaling $0.72 distribution of $0.24 per common share and Common Unit.

For the three and nine months ended September 30, 2022, we declared cash distributions of $0.22 and $0.63, respectively, per common share and Common Unit.

At-The-Market Offering Program

In February 2021, the Company and the Operating Partnership entered into an Equity Distribution Agreement (the "Equity Distribution Agreement") with each of BofA Securities, Inc., Citigroup Global Markets Inc., KeyBanc Capital Markets Inc. and Raymond James & Associates, Inc., pursuant to which the Company may sell, from time to time, up to an aggregate sales price of $150.0 million of its common shares of beneficial interest, $0.01 par value per share, under an at-the-market offering program (the "ATM Program"). In November 2021, the Company and the Operating Partnership amended the Equity Distribution Agreement to reflect their filing of a shelf registration statement on November 16, 2021 with the SEC. The Operating Partnership intends to use the net proceeds, if any, to repay borrowings under its Revolving Facility and other indebtedness and for working capital and other general corporate purposes. The Operating Partnership may also use the net proceeds for acquisitions of operating properties and the development or redevelopment of properties, although there are currently no understandings, commitments or agreements to do so. As of September 30, 2023 March 31, 2024, the Company has not sold any common shares under the ATM Program.

Share Repurchase Program

The Company has an existing share repurchase program under which it may repurchase, from time to time, up to a maximum of $300.0 million of its common shares (the "Share Repurchase Program"). The Company intends to fund any future repurchases under the Share Repurchase Program with cash on hand or availability under the Revolving Facility, subject to any applicable restrictions. The timing of share repurchases and the number of common shares to be repurchased under the Share Repurchase Program will depend upon prevailing market conditions, regulatory requirements and other factors. In February 2023, 2024, the Company extended the Share Repurchase Program for an additional year so it will now terminate on February 28, 2024 to February 28, 2025, if not terminated or extended prior to that date. As of September 30, 2023 March 31, 2024, the Company has not repurchased any shares under the Share Repurchase Program.

NOTE 10. 8. EARNINGS PER SHARE OR UNIT

Basic earnings per share or unit is calculated based on the weighted average number of common shares or shares/units outstanding during the period. Diluted earnings per share or share/unit is calculated based on the weighted average number of common shares or shares/units outstanding during the period combined with the incremental average common shares or shares/units that would have been outstanding assuming the conversion of all potentially dilutive common shares or shares/units into common shares or shares/units as of the earliest date possible.

Potentially dilutive securities include (i) outstanding options to acquire common shares; (ii) Limited Partner Units, which may be exchanged for either cash or common shares at the Parent Company's option and under certain circumstances; (iii) AO LTIP Units; and (iv) deferred common share units, which may be credited to the personal accounts of non-employee trustees in lieu of compensation paid in cash or the issuance of common shares to such trustees. Limited Partner Units have been omitted from the Parent Company's denominator for the purpose of computing diluted earnings per share since the effect of including those amounts in the denominator would have no dilutive impact. Weighted average Limited Partner Units outstanding were 3.3 3.6 million and 3.1 million 3.0 million for the three and nine months ended September 30, 2023, March 31, 2024 and 3.0 million and 2.7 million for the three and nine months ended September 30, 2022, 2023, respectively.

Due to the net loss allocable to common shareholders and Common Unit holders for the three and nine months ended September 30, 2022, no securities had a dilutive impact for those periods.

NOTE 11. 9. COMMITMENTS AND CONTINGENCIES

Other Commitments and Contingencies

We are obligated under various completion guarantees with certain lenders and lease agreements with tenants to complete all or portions of a development project and tenant-specific space currently under construction. We believe we currently have sufficient financing in place to fund these projects and expect to do so primarily through free cash flow or borrowings on the Revolving Facility.

In 2017, we provided a repayment guaranty on a $33.8 million construction loan associated with the development of the Embassy Suites at the University of Notre Dame, consistent with our 35% ownership interest. Our portion of the repayment guaranty is limited to $5.9 million, and the guaranty's term is through July 1, 2024, the maturity date of the construction loan. As of September 30, 2023 March 31, 2024, the outstanding loan balance was $32.9 million $32.5 million, of which our share was $11.5 million $11.4 million. The loan is secured by the hotel.

In 2021, we provided repayment and completion guaranties on loans totaling $66.2 million associated with the development of The Corner mixed-use project in the Indianapolis MSA. As of September 30, 2023 March 31, 2024, the outstanding balance of the loans was $52.4 million $65.6 million, of which our share was $26.2 million $32.8 million.

As of September 30, 2023, we had outstanding letters of credit totaling $0.3 million with no amounts advanced against these instruments.

Legal Proceedings

We are not subject to any material litigation nor, to management's knowledge, is any material litigation currently threatened against us. We are parties to routine litigation, claims, and administrative proceedings arising in the ordinary course of business. Management believes that such matters will not have a material adverse impact on our consolidated financial condition, results of operations or cash flows taken as a whole.

NOTE 12. RELATED PARTY TRANSACTIONS

On August 7, 2023, a wholly owned subsidiary of the Company (“KRG Development”) assigned to Pan Am Development Partners, LLC (“Assignee”) certain rights and obligations related to the development of a hotel on the Pan Am Plaza site across from the Indiana Convention Center in Indianapolis, IN, including certain future development rights and a right of first offer involving the project (collectively, the “Project Rights and Obligations”). Assignee is a wholly owned subsidiary of Circle Block Investors, LLC, the parent company that owns the Conrad Indianapolis hotel, of which Mr. Alvin E. Kite, our Chairman Emeritus and the father of Mr. John A. Kite, is the majority owner, and Mr. John A. Kite, our Chief Executive Officer and Chairman of the Board, and Mr. Thomas K. McGowan, our President and Chief Operating Officer, are minority owners. In connection with the transaction, Assignee assumed all Project Rights and Obligations from and after August 7, 2023 and agreed to pay KRG Development an assignment fee of up to $3.5 million (the “Assignment Fee”), which is due and payable upon the completion of certain development activities that are expected to occur in 2024. In connection with the transactions, Mr. Kite and Mr. McGowan expressly acknowledged and agreed that they remain subject to their executive employment agreements with the Company, including, without limitation, the obligation of each executive to devote substantially all his business time and effort to the performance of his duties for the Company. Assignee will engage a team of full-time professionals to perform the Project Rights and Obligations. The transaction was approved by a special transaction committee of the independent trustees of the Company (the “Transaction Committee”) as well as the Company’s independent trustees. The Transaction Committee engaged a third-party financial advisor to assist it in determining the net value of the Project Rights and Obligations and establishing the Assignment Fee.

NOTE 13. 10. SUBSEQUENT EVENTS

Subsequent In connection with the preparation of our financial statements, we have evaluated events and transactions that occurred subsequent to September 30, 2023, we closed March 31, 2024 for recognition and/or disclosure purposes. Based on this evaluation, there were no subsequent events from March 31, 2024 through the disposition of Eastside, a 43,640 square foot multi-tenant retail property in date the Dallas MSA, which was classified as held for sale as of September 30, 2023, for a gross sales price of $14.4 million and no gain or loss on sale due to previously recognized impairment charges. A portion of the proceeds was used to repay amounts outstanding on the Revolving Facility. financial statements were issued.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the accompanying historical financial statements and related notes thereto. In this discussion, unless the context suggests otherwise, references to “our Company,” “we,” “us,” and “our” mean Kite Realty Group Trust and its direct and indirect subsidiaries, including Kite Realty Group, L.P.

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, 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 and Section 21E of the Securities Exchange Act of 1934. Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, performance, transactions or achievements, financial or otherwise, may differ materially from the results, performance, transactions or achievements, financial or otherwise, expressed or implied by the forward-looking statements.

Risks, uncertainties and other factors that might cause such differences, some of which could be material, include but are not limited to:

- national and local economic, business, banking, real estate and other market conditions, particularly in connection with low or negative growth in the U.S. economy as well as economic uncertainty (including a potential economic slowdown or recession, rising interest rates, inflation, unemployment, or limited growth in consumer income or spending);
- financing risks, including the availability of, and costs associated with, sources of liquidity;
- our ability to refinance, or extend the maturity dates of, our indebtedness;
- the level and volatility of interest rates;
- the financial stability of our tenants;
- the competitive environment in which we operate, including potential oversupplies of, and or a reduction in demand for, rental space;
- acquisition, disposition, development and joint venture risks;
- property ownership and management risks, including the relative illiquidity of real estate investments, and expenses, vacancies or the inability to rent space on favorable terms or at all;
- our ability to maintain our status as a real estate investment trust (“REIT”) for U.S. federal income tax purposes;
- potential environmental and other liabilities;
- impairment in the value of real estate property we own;
- the attractiveness of our properties to tenants, the actual and perceived impact of e-commerce on the value of shopping center assets, and changing demographics and customer traffic patterns;
- business continuity disruptions and a deterioration in our tenants’ ability to operate in affected areas or delays in the supply of products or services to us or our tenants from vendors that are needed to operate efficiently, causing costs to rise sharply and inventory to fall;
- risks related to our current geographical concentration of properties in the states of Texas, Florida, Maryland, and North Carolina and the metropolitan statistical areas (“MSAs”) of New York, Atlanta, Seattle, Chicago, and North Carolina; Washington, D.C.;

- civil unrest, acts of violence, terrorism or war, acts of God, climate change, epidemics, pandemics, (including the ongoing pandemic of the novel coronavirus ("COVID-19")), natural disasters and severe weather conditions, including such events that may result in underinsured or uninsured losses or other increased costs and expenses;
- changes in laws and government regulations including governmental orders affecting the use of our properties or the ability of our tenants to operate, and the costs of complying with such changed laws and government regulations;
- possible short-term or long-term changes in consumer behavior due to COVID-19 and the fear of future pandemics;
- our ability to satisfy environmental, social or governance standards set by various constituencies;
- insurance costs and coverage; coverage, especially in Florida and Texas coastal areas;
- risks associated with cybersecurity attacks and the loss of confidential information and other business disruptions;
- other factors affecting the real estate industry generally; and
- other risks identified in this Quarterly Report on Form 10-Q and, from time to time, in other reports we file with the Securities and Exchange Commission (the "SEC") or in other documents that we publicly disseminate, including, in particular, the section titled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023.

We undertake no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

Our Business and Properties

Kite Realty Group Trust is a publicly held REIT that, through its majority-owned subsidiary, Kite Realty Group, L.P., owns interests in various operating subsidiaries and joint ventures engaged in the ownership, operation, acquisition, development, and redevelopment of high-quality, open-air shopping centers and mixed-use assets that are primarily grocery-anchored and located in high-growth Sun Belt and select strategic gateway markets in the United States. We derive our revenue primarily from the collection of contractual rents and reimbursement payments from tenants under existing lease agreements at each of our properties. Therefore, our operating results depend materially on, among other things, the ability of our tenants to make required lease payments, the health and resilience of the U.S. retail sector, interest rate volatility, stability in the banking sector, job growth, the real estate market, and overall economic conditions.

As of September 30, 2023 March 31, 2024, we owned interests in 180 operating retail properties totaling approximately 28.3 million 28.1 million square feet excluding one operating retail property classified as held for sale, and one office property with 0.3 million square feet. Of the 180 operating retail properties, 10 contain an office component. We also owned two development projects under construction as of this date and an additional two properties with future redevelopment opportunities.

Inflation

Prior We believe inflationary concerns could negatively impact consumer confidence and spending and our tenants' sales and overall health. This could, in turn, continue to 2021, inflation was relatively low put downward pricing pressure on rents that we are able to charge to new or renewing tenants, such that future rent spreads and, had a minimal impact on in some cases, our operating and financial performance; however, inflation increased significantly over the past two years and remained elevated with a slow downtrend. Most percentage rents, could be adversely impacted. Many of our leases contain provisions designed to mitigate the adverse impact of inflation, including stated annual rent increases and requirements for tenants to pay a share of operating expenses, including common area maintenance, real estate taxes, insurance or other operating expenses related to the maintenance of our properties, with escalation clauses in certain most leases. Most Over the last year, we have made significant improvements converting leases to include higher fixed-rent bumps while also including CPI-based, anti-gouging protection for tenants. However, the stated rent increases or limits on such tenant's obligation to pay its share of our leases operating expenses could be lower than the increase in inflation at any given time. Inflation may also include clauses increase labor or other general and administrative expenses that allow us to collect additional rent based on a percentage of tenants' gross sales over stated thresholds, which sales generally increase as prices rise. In addition, we believe that rental rates in many of our leases are below current market rates for comparable space and that upon renewal or re-leasing, such rates may cannot be increased to be in line with current rates, which may offset certain inflationary expense pressures. Due to the high inflation environment, the U.S. Federal Reserve aggressively raised short-term interest rates to slow the economy down, which has caused our borrowing costs to rise. We continually evaluate our exposure to interest rate fluctuations and enter into interest rate protection agreements to mitigate the impact of changes in interest rates on our variable rate debt. However, because we cannot predict with any level of certainty what future actions the U.S. Federal Reserve will take to combat the high inflationary environment, we cannot estimate the ultimate impact it will have on our operating and financial performance. easily reduced.

Historically, economic indicators such as GDP growth, consumer confidence and employment have been correlated with demand for certain of our tenants' products and services. If an economic recession returns, it could, among other impacts, (i) increase the number of our tenants that are unable to meet their lease obligations to us and could (ii) limit the demand for space in our properties from new tenants.

Operating Activity

During the third first quarter of 2023, 2024, we executed new and renewal leases on 214 185 individual spaces totaling 1,398,695 968,681 square feet (14.2% (12.8% cash leasing spread on 165 130 comparable leases). New leases were signed on 67 38 individual spaces for 226,593 175,087 square feet of gross leasable area ("GLA") (36.0% (48.1% cash leasing spread on 33 19 comparable leases), while non-option renewal leases were signed on 83 93 individual spaces for 329,048 330,966 square feet of GLA (17.8% (12.2% cash leasing spread on 68 57 comparable leases) and option renewals were signed on 64 54 individual spaces for 843,054 462,628 square feet of GLA (8.3% (5.3% cash leasing spread). Excluding option renewals, the The blended cash spreads for comparable new and non-option renewal leases were 24.0% 23.3%. Comparable new and renewal leases are defined as those for which the space was occupied by a tenant within the last 12 months.

Results of Operations

The comparability of results of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 is affected by our development, redevelopment, and operating property acquisition and disposition activities during these periods. Therefore, we believe it is most useful to review the comparisons of our results of operations for these periods in conjunction with the discussion of our activities during those periods, which is set forth below.

Acquisitions

The following operating properties were property was acquired at various times during the period from January 1, 2022 January 1, 2023 through September 30, 2023 March 31, 2024:

Property Name	Metropolitan Statistical Area ("MSA") MSA	Acquisition Date	GLA
Pebble Marketplace	Las Vegas, NV	February 16, 2022	85,796
MacArthur Crossing two-tenant building	Dallas, TX	April 13, 2022	56,077
Palms Plaza	Miami, FL	July 15, 2022	68,976
Prestonwood Place	Dallas, TX	September 22, 2023	155,975

Dispositions

The following operating and other properties were sold during the period from January 1, 2022 January 1, 2023 through September 30, 2023 March 31, 2024:

Property Name	MSA	Disposition Date	GLA
Plaza Del Lago(1)	Chicago, IL	June 16, 2022	100,016
Lincoln Plaza – Lowe's(2)	Worcester, MA	October 27, 2022	—
Kingwood Commons	Houston, TX	May 8, 2023	158,172
Pan Am Plaza & Garage	Indianapolis, IN	June 8, 2023	—
Reisterstown Road Plaza	Baltimore, MD	September 11, 2023	376,683
Eastside	Dallas, TX	October 24, 2023	43,640

(1) Plaza Del Lago also contains 8,800 square feet of residential space comprised of 18 multifamily rental units.

(2) We sold the ground lease interest in one tenant at an existing multi-tenant operating retail property. The total number of properties in our portfolio was not affected by this transaction.

In addition, during the three months ended March 31, 2024, the joint venture that owned Glendale Center Apartments, of which we have an 11.5% ownership interest, sold the 267-unit property to the above dispositions, Eastside, a 43,640 square foot third party. Glendale Center Apartments is adjacent to our Glendale Town Center operating retail property located in the Dallas MSA, is classified as held for sale as of September 30, 2023 and was sold on October 24, 2023.

Indianapolis MSA.

Development and Redevelopment Projects

The following properties were under active development or redevelopment at various times during the period from January 1, 2022 January 1, 2023 through September 30, 2023 March 31, 2024 and removed from our operating portfolio:

Project Name	MSA	Transition to Development or Redevelopment(1)	Transition to Operating Portfolio	GLA
Active Projects				
Carillon MOB(2)	Washington, D.C.	October 2021	Pending	126,000
The Corner – IN(2)	Indianapolis, IN	December 2015	Pending	24,000
Future Opportunities				
Hamilton Crossing Centre(2)(3)	Indianapolis, IN	June 2014	Pending	92,283
The Corner Edwards Multiplex – Ontario(2)	Indianapolis, IN Los Angeles, CA	December 2015 March 2023	Pending	24,000 124,614
Eddy Street Commons – Phase III Completed Projects	South Bend, IN	September 2020	March 2022	18,600
The Landing at Tradition – Phase II	Port St. Lucie, FL	September 2021	June 2023	39,900
Carillon MOB(2)	Washington, D.C.	October 2021	Pending	126,000
Circle East	Baltimore, MD	October 2021	September 2022	82,000
One Loudoun Downtown – Residential and Pads G&H Commercial	Washington, D.C.	October 2021	Residential: June 2022 Commercial: December 2022	67,000
Shoppes at Quarterfield	Baltimore, MD	October 2021	June 2022	58,000
Edwards Multiplex – Ontario(2)	Los Angeles, CA	March 2023	Pending	124,614

(1) Transition date represents the date the property was transferred from our operating portfolio into redevelopment status. For legacy Retail Properties of America, Inc. ("RPAI") projects, the transition date represents the later of the date of the closing of the merger (October 2021) and the date the project was transferred into redevelopment status.

(2) This property has been identified as a redevelopment property and is not included in the operating portfolio or the same property pool. The redevelopment projects at Hamilton Crossing Centre and The Corner – IN will include the creation of a mixed-used development.

(3) A portion Approximately half of the Hamilton Crossing Centre redevelopment site was sold in January 2022. 2022 to Republic Airways, Inc. In addition to the sale, the Company entered into a development and construction management agreement for the development of a corporate campus for Republic Airways. Phase I of the corporate campus was completed in 2023.

Comparison of Operating Results for the Three Months Ended September 30, 2023 March 31, 2024 to the Three Months Ended September 30, 2022 March 31, 2023

The following table reflects changes in the components of our consolidated statements of operations for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 *(in thousands)*:

		Three Months Ended September 30, 2023	2022	Change
	Three Months Ended March 31, 2024	2024	2024	2023 Change
Revenue:	**Revenue:**			**Revenue:**
Rental income	Rental income	$203,990	$195,675	$8,315
Other property-related revenue	Other property-related revenue	2,172	3,013	(841)
Fee income	Fee income	1,057	1,623	(566)
Total revenue	**Total revenue**	207,219	200,311	6,908
Expenses:	**Expenses:**			
Expenses:				
Expenses:				
Property operating	Property operating	27,644	25,507	2,137

Real estate taxes	Real estate taxes	26,453	25,703	750
General, administrative and other	General, administrative and other	13,917	14,859	(942)
Merger and acquisition costs		—	108	(108)
Depreciation and amortization	Depreciation and amortization	105,930	115,831	(9,901)
Impairment charges		477	—	477
Depreciation and amortization				
Depreciation and amortization				
Total expenses				
Total expenses				
Total expenses	**Total expenses**	174,421	182,008	(7,587)
Loss on sales of operating properties, net	Loss on sales of operating properties, net	(5,972)	—	(5,972)
Loss on sales of operating properties, net				
Loss on sales of operating properties, net				
Operating income				
Operating income				
Operating income	Operating income	26,826	18,303	8,523
Other (expense) income:	**Other (expense) income:**			
Interest expense	Interest expense	(25,484)	(26,226)	742
Income tax expense of taxable REIT subsidiary		(68)	—	(68)
Interest expense				
Interest expense				
Income tax (expense) benefit of taxable REIT subsidiaries				
Equity in (loss) earnings of unconsolidated subsidiaries		(47)	144	(191)
Equity in loss of unconsolidated subsidiaries				
Equity in loss of unconsolidated subsidiaries				
Equity in loss of unconsolidated subsidiaries				
Gain on sale of unconsolidated property, net				
Other income, net	Other income, net	950	58	892
Net income (loss)		2,177	(7,721)	9,898

Net income				
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	(107)	(116)	9
Net income (loss) attributable to common shareholders		$ 2,070	$ (7,837)	$ 9,907
Net income attributable to common shareholders				

Property operating expense to total revenue ratio	13.3 %	12.7 %
Property operating expense to total revenue ratio	13.5 %	13.2 %

Rental income (including tenant reimbursements) increased $8.3 million $2.8 million, or 4.2% 1.4%, due to the following *(in thousands)*:

	Net change three months ended Three Months Ended September 30, 2022 March 31, 2023 to 2023 2024
Properties or components of properties sold or held for sale during 2022 2023 and/or 2023 2024	$ (1,709) (3,629)
Properties under redevelopment or acquired during 2022 2023 and/or 2023 2024	1,304 2,691
Properties fully operational during 2022 2023 and 2023 2024 and other	8,720 3,688
Total	$ 8,315 2,750

The net increase of $8.7 million $3.7 million in rental income for properties that were fully operational during 2022 2023 and 2023 2024 is primarily due to increases (i) an increase in the following: (i) base minimum rent lease termination income of $3.6 million $1.5 million, (ii) a decrease in bad debt expense of $1.1 million, (iii) an increase in tenant reimbursements of $0.7 million due to higher recoverable common area maintenance expenses, and

(iv) an increase in ancillary income of $2.3 million, and (iii) overage rent of $0.2 million due to improved tenant performance, along with lower bad debt expense of $1.7 million $0.4 million. The occupancy of the fully operational properties decreased from 91.9% 92.6% for the three months ended September 30, 2022 March 31, 2023 to 91.6% 90.9% for the three months ended September 30, 2023 March 31, 2024.

Other property-related revenue primarily consists of parking revenues, gains on the sale of land and other miscellaneous activity. This revenue decreased by $0.8 million $0.6 million primarily as a result of lower gains on sales of undepreciated assets recognized during the three months ended September 30, 2023 and a decrease in parking revenue of $0.4 million due to the sale of Pam Am Plaza Garage in June 2023.

2023 along with a decrease in miscellaneous income of $0.2 million.

We recorded fee income of $1.1 million $0.3 million and $1.6 million $1.8 million during the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, from property management and development services provided to third parties and unconsolidated joint ventures. The decrease in fee income is primarily related to a decrease in development fees earned related to the development of a corporate campus for Republic Airways at Hamilton Crossing Centre.

Property operating expenses increased $2.1 million $0.8 million, or 8.4% 2.8%, due to the following *(in thousands)*:

	Net change three months ended Three Months Ended September 30, 2022 March 31, 2023 to 2023 2024
Properties or components of properties sold or held for sale during 2022 2023 and/or 2023 2024	$ (658) (1,328)
Properties under redevelopment or acquired during 2022 2023 and/or 2023 2024	64 273
Properties fully operational during 2022 2023 and 2023 2024 and other	2,731 1,822
Total	$ 2,137 767

The net increase of $2.7 million $1.8 million in property operating expenses for properties that were fully operational during 2022 2023 and 2023 2024 is primarily due to increases in the following: (i) $2.0 million in non-recoverable operating expenses, (ii) $0.2 million $0.7 million in landscaping and repairs and maintenance expense, expenses, (ii)

$0.6 million in insurance, (iii) $0.3 million in non-recoverable operating expenses, and (iii) (iv) $0.2 million in utilities. security expenses. As a percentage of revenue, property operating expenses increased from 12.7% 13.2% to 13.3% 13.5% due to an increase in expenses in 2023. 2024.

Real estate taxes increased $0.8 million decreased $0.6 million, or 2.9% 2.4%, due to the following *(in thousands)*:

		Net change three months ended Three Months Ended September 30, 2022 March 31, 2023 to 2023 2024
Properties or components of properties sold or held for sale during 2022 2023 and/or 2023 2024	$	(187) (541)
Properties under redevelopment or acquired during 2022 2023 and/or 2023 2024		331 301
Properties fully operational during 2022 2023 and 2023 2024 and other		606 (409)
Total	$	750 (649)

The net increase decrease of $0.6 million $0.4 million in real estate taxes for properties that were fully operational during 2022 2023 and 2023 2024 is primarily due to higher capitalized real estate tax assessments expenses related to signed anchor leases at certain properties in the portfolio in 2023. 2024. The majority of real estate tax expense is recoverable from tenants and such recovery is reflected within rental "Rental income" in the accompanying consolidated statements of operations and comprehensive income.

General, administrative and other expenses decreased $0.9 million $0.6 million, or 6.3% 4.5%, primarily due to a decrease in payroll costs due to lower incremental head count and the timing of backfills, partially offset by an increase in executive transportation expenses.

The Company did not incur any significant merger and acquisition costs related to the merger with RPAI during the three months ended September 30, 2023 and 2022. count.

Depreciation and amortization expense decreased $9.9 million $7.7 million, or 8.5% 7.1%, due to the following *(in thousands)*:

		Net change three months ended Three Months Ended September 30, 2022 March 31, 2023 to 2023 2024
Properties or components of properties sold or held for sale during 2022 2023 and/or 2023 2024	$	(1,811) (2,510)
Properties under redevelopment or acquired during 2022 2023 and/or 2023 2024		976 1,722
Properties fully operational during 2022 2023 and 2023 2024 and other		(9,066) (6,904)
Total	$	(9,901) (7,692)

The net decrease of $9.1 $6.9 million in depreciation and amortization at properties that were fully operational during 2022 2023 and 2023 2024 is primarily due to the timing of placing assets in service and writing-off tenant-related assets as a result of tenant move-outs.

Based on the results of our evaluations for impairment, we recorded a $0.5 million impairment charge during the three months ended September 30, 2023 on Eastside, a retail operating property located in the Dallas MSA that qualified for held-for-sale accounting treatment as of September 30, 2023. No impairment charges were recorded during the three months ended September 30, 2022.

We recorded a net loss on sales of operating properties of $6.0 million for the three months ended September 30, 2023 on the sale of Reisterstown Road Plaza. We did not sell any properties during the three months ended September 30, 2022.

Interest expense decreased $0.7 million, or 2.8%, primarily due to favorable interest rate swaps, partially offset by higher interest costs related to our variable rate debt.

Comparison of Operating Results for the Nine Months Ended September 30, 2023 to the Nine Months Ended September 30, 2022

The following table reflects changes in the components of our consolidated statements of operations for the nine months ended September 30, 2023 and 2022 *(in thousands)*:

	Nine Months Ended September 30,		
	2023	2022	Change
Revenue:			
Rental income	$ 612,889	$ 582,772	$ 30,117
Other property-related revenue	5,971	7,932	(1,961)
Fee income	3,868	6,603	(2,735)
Total revenue	622,728	597,307	25,421
Expenses:			
Property operating	82,190	77,558	4,632
Real estate taxes	80,333	80,445	(112)

General, administrative and other	41,800	41,977	(177)
Merger and acquisition costs	—	1,006	(1,006)
Depreciation and amortization	323,463	357,096	(33,633)
Impairment charges	477	—	477
Total expenses	528,263	558,082	(29,819)
Gain on sales of operating properties, net	22,468	27,126	(4,658)
Operating income	116,933	66,351	50,582
Other (expense) income:			
Interest expense	(78,114)	(77,449)	(665)
Income tax (expense) benefit of taxable REIT subsidiary	(84)	259	(343)
Equity in loss of unconsolidated subsidiaries	(173)	(56)	(117)
Other income (expense), net	1,657	(207)	1,864
Net income (loss)	40,219	(11,102)	51,321
Net income attributable to noncontrolling interests	(700)	(408)	(292)
Net income (loss) attributable to common shareholders	$ 39,519	$ (11,510)	$ 51,029
Property operating expense to total revenue ratio	13.2 %	13.0 %	

Rental income (including tenant reimbursements) increased $30.1 million, or 5.2%, due to the following *(in thousands)*:

	Net change nine months ended September 30, 2022 to 2023
Properties or components of properties sold or held for sale during 2022 and/or 2023	$ (3,779)
Properties under redevelopment or acquired during 2022 and/or 2023	9,170
Properties fully operational during 2022 and 2023 and other	24,726
Total	$ 30,117

The net increase of $24.7 million in rental income for properties that were fully operational during 2022 and 2023 is primarily due to increases in the following: (i) base minimum rent of $13.5 million due to an increase in occupancy, (ii) tenant reimbursements of $4.9 million due to higher recoverable common area maintenance expenses, (iii) overage rent of $1.8 million due to improved tenant performance, and (iv) lease termination income of $1.7 million, move-outs along with a decrease in bad debt expense of $1.2 million. These variances were partially offset by a decrease in ancillary income of $0.4 million.

Other property-related revenue primarily consists of parking revenues, gains on the sale of land and other miscellaneous activity. This revenue decreased by $2.0 million primarily as a result of lower gains on sales of undepreciated assets recognized during the nine months ended September 30, 2023 and a decrease in parking revenue due to the sale of Pam Am Plaza Garage in June 2023.

We recorded fee income of $3.9 million and $6.6 million during the nine months ended September 30, 2023 and 2022, respectively, from property management and development services provided to third parties and unconsolidated joint ventures. The decrease in fee income is primarily related to a decrease in development fees earned related to the development of a corporate campus for Republic Airways at Hamilton Crossing Centre.

Property operating expenses increased $4.6 million, or 6.0%, due to the following *(in thousands)*:

	Net change nine months ended September 30, 2022 to 2023
Properties or components of properties sold or held for sale during 2022 and/or 2023	$ (1,218)
Properties under redevelopment or acquired during 2022 and/or 2023	1,030
Properties fully operational during 2022 and 2023 and other	4,820
Total	$ 4,632

The net increase of $4.8 million in property operating expenses for properties that were fully operational during 2022 and 2023 is primarily due to increases of $2.8 million in non-recoverable operating expenses, $1.3 million in landscaping and repairs and maintenance expense, and $0.3 million in utilities, partially offset by a $0.3 million decrease in insurance expense. As a percentage of revenue, property operating expenses increased from 13.0% to 13.2% due to an increase in expenses in 2023.

Real estate taxes decreased $0.1 million, or 0.1%, due to the following *(in thousands)*:

		Net change nine months ended September 30, 2022 to 2023
Properties or components of properties sold or held for sale during 2022 and/or 2023	$	(1,313)
Properties under redevelopment or acquired during 2022 and/or 2023		1,255
Properties fully operational during 2022 and 2023 and other		(54)
Total	$	(112)

The net decrease of $0.1 million in real estate taxes for properties that were fully operational during 2022 and 2023 is primarily due to a decrease in real estate tax assessments at certain properties in the portfolio in 2023, partially offset by lower real estate tax refunds received in 2023. The majority of real estate tax expense is recoverable from tenants and such recovery is reflected within rental income.

General, administrative and other expenses decreased $0.2 million, or 0.4%, primarily due to lower incremental head count and the timing of backfills, partially offset by an increase in executive transportation expenses.

The Company did not incur any significant merger and acquisition costs related to the merger with RPAI during the nine months ended September 30, 2023. The Company incurred $1.0 million of merger and acquisition costs during the nine months ended September 30, 2022, primarily consisting of professional fees and technology costs.

Depreciation and amortization expense decreased $33.6 million, or 9.4%, due to the following *(in thousands)*:

		Net change nine months ended September 30, 2022 to 2023
Properties or components of properties sold or held for sale during 2022 and/or 2023	$	(6,925)
Properties under redevelopment or acquired during 2022 and/or 2023		4,023
Properties fully operational during 2022 and 2023 and other		(30,731)
Total	$	(33,633)

The net decrease of $30.7 million in depreciation and amortization at properties that were fully operational during 2022 and 2023 is primarily due to certain assets with shorter useful lives acquired in the October 2021 merger with RPAI that became fully depreciated during the prior year.

Based on the results of our evaluations for impairment, we recorded a $0.5 million impairment charge during the nine months ended September 30, 2023 on Eastside, a retail operating property located in the Dallas MSA that qualified for held-for-sale accounting treatment as of September 30, 2023. No impairment charges were recorded during the nine months ended September 30, 2022.

We recorded a net gain on sales of operating properties of $22.5 million for the nine months ended September 30, 2023 on the sale of Kingwood Commons, the undeveloped land and related parking garage at Pan Am Plaza, and Reisterstown Road Plaza compared to a net gain of $27.1 million on the sale of Plaza Del Lago and a portion of Hamilton Crossing Centre for the nine months ended September 30, 2022.

Interest expense increased $0.7 million $4.9 million, or 0.9% 19.4%, primarily due to higher interest costs related to our variable rate debt, including borrowings on the $1.1 billion January 2024 public offering of $350.0 million in aggregate principal amount of 5.50% senior unsecured revolving credit facility (the "Revolving Facility" notes due 2034 ("Notes Due 2034") that were used to repay mortgages payable at maturity, , partially offset by favorable interest rate swaps.

The $2.3 million gain on sale of unconsolidated property represents our share of the gain on the sale of Glendale Center Apartments during the three months ended March 31, 2024. No such gain was recorded during the three months ended March 31, 2023.

Other income, net increased $3.2 million primarily due to interest income earned on the proceeds from the Notes Due 2034.

Net Operating Income and Same Property Net Operating Income

We use property net operating income ("NOI"), a non-GAAP financial measure, to evaluate the performance of our properties. We define NOI as income from our real estate, including lease termination fees received from tenants, less our property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions and certain corporate level expenses, including merger and acquisition costs. We believe that NOI is helpful to investors as a measure of our operating performance because it excludes various items included in net income that do not relate to or are not indicative of our operating performance, such as depreciation and amortization, interest expense, and impairment, if any.

We also use same property NOI ("Same Property NOI"), a non-GAAP financial measure, to evaluate the performance of our properties. Same Property NOI is net income excluding properties that have not been owned for the full periods presented. Same Property NOI also excludes (i) net gains from outlot sales, (ii) straight-line rent revenue, (iii) lease termination income in excess of lost rent, (iv) amortization of lease intangibles, and (v) significant prior period expense recoveries and adjustments, if any. When we receive payments in excess of any accounts receivable for terminating a lease, Same Property NOI will include such excess payments as monthly rent until the earlier of the expiration of 12 months or the start date of a replacement tenant. We believe that Same Property NOI is helpful to investors as a measure of our operating performance because it includes only the NOI of properties that have been owned for the full periods presented. We believe such presentation eliminates disparities in net income due to the acquisition or disposition of properties during the particular periods presented, and thus provides a more consistent metric for the comparison of our properties. Same Property NOI includes the results of properties that have been owned for the entire current and prior year reporting periods.

NOI and Same Property NOI should not, however, be considered as alternatives to net income (calculated in accordance with GAAP) as indicators of our financial performance. Our computation of NOI and Same Property NOI may differ from the methodology used by other REITs and, therefore, may not be comparable to such other REITs.

When evaluating the properties that are included in the same property pool, we have established specific criteria for determining the inclusion of properties acquired or those recently under development. An acquired property is included in the same property pool when there is a full quarter of operations in both years subsequent to the acquisition date. Development and redevelopment properties are included in the same property pool four full quarters after the properties have been transferred to the operating portfolio. A redevelopment property is first excluded from the same property pool when the execution of a redevelopment plan is likely and we (a) begin recapturing space from tenants or (b) the contemplated plan significantly impacts the operations of the property.

For the three and nine months ended September 30, 2023 March 31, 2024, the same property pool excludes the following:

- properties acquired or placed in service during 2022 2023 and 2023; 2024;
- the multifamily rental units and commercial portion at One Loudoun Downtown – Pads G & H;
- Shoppes at Quarterfield, Circle East and The Landing at Tradition – Phase II, which were was reclassified from active redevelopment into our operating portfolio in June 2022, September 2022 and June 2023, respectively; 2023;
- two our active development and redevelopment projects; projects at Carillon medical office building and The Corner – IN;
- Hamilton Crossing Centre and Edwards Multiplex – Ontario, which was were reclassified from our operating portfolio into redevelopment in June 2014 and March 2023; 2023, respectively;
- properties sold or classified as held for sale during 2022 2023 and 2023; 2024; and
- office properties.

The following table presents Same Property NOI and a reconciliation to net income (loss) attributable to common shareholders for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 *(dollars in thousands)*:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change	2023	2022	Change
Number of properties in same property pool for the period(1)	175	175		175	175	

	Three Months Ended March 31,		
	2024	2023	Change
Number of properties in same property pool for the period(1)	179	179	

Leased percentage at period end(2)	Leased percentage at period end(2)	93.5 %	94.7 %		93.5 %	94.7 %	
Leased percentage at period end(2)							
Leased percentage at period end(2)							
Economic occupancy percentage at period end(2)							
Economic occupancy percentage at period end(2)							
Economic occupancy percentage at period end(2)	Economic occupancy percentage at period end(2)	91.3 %	91.8 %		91.3 %	91.8 %	
Economic occupancy percentage(3)	Economic occupancy percentage(3)	91.6 %	91.9 %		92.2 %	91.5 %	
Economic occupancy percentage(3)							
Economic occupancy percentage(3)							
Same Property NOI							
Same Property NOI							
Same Property NOI	**Same Property NOI**	$ 139,256	$ 133,061	4.7 %	$ 415,170	$ 393,475	5.5 %

Reconciliation of Same Property NOI to most directly comparable GAAP measure:	*Reconciliation of Same Property NOI to most directly comparable GAAP measure:*						
Reconciliation of Same Property NOI to most directly comparable GAAP measure:							
Reconciliation of Same Property NOI to most directly comparable GAAP measure:							
Net operating income – same properties							
Net operating income – same properties							
Net operating income – same properties	Net operating income – same properties	$ 139,256	$ 133,061		$ 415,170	$ 393,475	
Net operating income – non-same activity(4)	Net operating income – non-same activity(4)	12,809	14,417		41,167	39,226	
Net operating income – non-same activity(4)							
Net operating income – non-same activity(4)							
Total property NOI							
Total property NOI							
Total property NOI	**Total property NOI**	152,065	147,478	3.1 %	456,337	432,701	5.5 %
Other income, net	Other income, net	1,892	1,825		5,268	6,599	
Other income, net							
Other income, net							
General, administrative and other	General, administrative and other	(13,917)	(14,859)		(41,800)	(41,977)	
Merger and acquisition costs		—	(108)		—	(1,006)	
General, administrative and other							
General, administrative and other							
Impairment charges		(477)	—		(477)	—	
Depreciation and amortization							
Depreciation and amortization							
Depreciation and amortization	Depreciation and amortization	(105,930)	(115,831)		(323,463)	(357,096)	
Interest expense	Interest expense	(25,484)	(26,226)		(78,114)	(77,449)	
(Loss) gain on sales of operating properties, net		(5,972)	—		22,468	27,126	
Interest expense							
Interest expense							
Loss on sales of operating properties, net							
Loss on sales of operating properties, net							
Loss on sales of operating properties, net							
Gain on sale of unconsolidated property, net							

Gain on sale of unconsolidated property, net					
Gain on sale of unconsolidated property, net					
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	(107)	(116)	(700)	(408)
Net income (loss) attributable to common shareholders		$ 2,070	$ (7,837)	$ 39,519	$ (11,510)
Net income attributable to noncontrolling interests					
Net income attributable to noncontrolling interests					
Net income attributable to common shareholders					
Net income attributable to common shareholders					
Net income attributable to common shareholders					

(1) Same Property NOI excludes the following: (i) properties acquired or placed in service during 2022 2023 and 2023; 2024; (ii) the multifamily rental units and commercial portion at One Loudoun Downtown – Pads G & H; (iii) Shoppes at Quarterfield, Circle East and The Landing at Tradition – Phase II, which were was reclassified from active redevelopment into our operating portfolio in June 2022, September 2022 and June 2023, respectively; (iv) two 2023; (iii) our active development and redevelopment projects; (v) projects at Carillon medical office building and The Corner – IN; (iv) Hamilton Crossing Centre and Edwards Multiplex – Ontario, which was were reclassified from our operating portfolio into redevelopment in June 2014 and March 2023; (vi) 2023, respectively; (v) properties sold or classified as held for sale during 2022 2023 and 2023; 2024; and (vii) (vi) office properties.

(2) Decrease in leased and economic occupancy percentages is primarily attributable to the Bed Bath & Beyond Inc. bankruptcy.

(3) Excludes leases that are signed but for which tenants have not yet commenced the payment of cash rent; calculated as a weighted average based on the timing of cash rent commencement and expiration during the period.

(4) Includes non-cash activity across the portfolio as well as NOI from properties not included in the same property pool, including properties sold during both periods.

Our Same Property NOI increased 4.7% 1.8% for the three months ended September 30, 2023 March 31, 2024 compared to the same period of the prior year primarily due to higher base rent driven by positive new and renewal leasing spreads, contractual rent growth an increase in overage rent, and lower bad debt expense.

Funds From Operations

Funds From Operations ("FFO") is a widely used performance measure for real estate companies and is provided here as a supplemental measure of our operating performance. We calculate FFO, a non-GAAP financial measure, in accordance with the best practices described in the April 2002 National Policy Bulletin of the National Association of Real Estate Investment Trusts ("NAREIT"), as restated in 2018. The NAREIT white paper defines FFO as net income (calculated in accordance with GAAP),

excluding (i) depreciation and amortization related to real estate, (ii) gains and losses from the sale of certain real estate assets, (iii) gains and losses from change in control, and (iv) impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity.

Considering the nature of our business as a real estate owner and operator, the Company believes that FFO is helpful to investors in measuring our operational performance because it excludes various items included in net income that do not relate to or are not indicative of our operating performance, such as gains or losses from sales of depreciated property and depreciation and amortization, which can make periodic and peer analyses of operating performance more difficult. FFO (a) should not be considered as an alternative to net income (calculated in accordance with GAAP) for the purpose of measuring our financial performance, (b) is not an alternative to cash flows from operating activities (calculated in accordance with GAAP) as a measure of our liquidity, and (c) is not indicative of funds available to satisfy our cash needs, including our ability to make distributions. Our computation of FFO may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently than we do.

From time to time, the Company may report or provide guidance with respect to "FFO, as adjusted," which removes the impact of certain non-recurring and non-operating transactions or other items the Company does not consider to be representative of its core operating results including, without limitation, (i) gains or losses associated with the early extinguishment of debt, (ii) gains or losses associated with litigation involving the Company that is not in the normal course of business, (iii) merger and acquisition costs, (iv) the impact on earnings from employee severance, (v) the excess of redemption value over carrying value of preferred stock redemption, and (vi) in 2022, the impact of prior period bad debt or the collection of accounts receivable previously written off ("prior period collection impact") due to the recovery from the COVID-19 pandemic, which are not otherwise adjusted in the Company's calculation of FFO.

Our calculations of FFO and reconciliation to net income and FFO, as adjusted, for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (unaudited) are as follows *(dollars in thousands)*:

	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,
	2024

	2024
	2024
Net income	
Net income	
Net income	
Less: net income attributable to noncontrolling interests in properties	
Less: net income attributable to noncontrolling interests in properties	
Less: net income attributable to noncontrolling interests in properties	
Add: loss on sales of operating properties, net	
Add: loss on sales of operating properties, net	
Add: loss on sales of operating properties, net	
Less: gain on sale of unconsolidated property, net	
Less: gain on sale of unconsolidated property, net	
Less: gain on sale of unconsolidated property, net	
Add: depreciation and amortization of consolidated and unconsolidated entities, net of noncontrolling interests	
Add: depreciation and amortization of consolidated and unconsolidated entities, net of noncontrolling interests	
Add: depreciation and amortization of consolidated and unconsolidated entities, net of noncontrolling interests	
FFO of the Operating Partnership(1)	
FFO of the Operating Partnership(1)	
FFO of the Operating Partnership(1)	
Less: Limited Partners' interests in FFO	
Less: Limited Partners' interests in FFO	
Less: Limited Partners' interests in FFO	
FFO attributable to common shareholders(1)	
FFO attributable to common shareholders(1)	
FFO attributable to common shareholders(1)	
FFO per share of the Operating Partnership – diluted	

FFO per share of the Operating Partnership – diluted

FFO per share of the Operating Partnership – diluted

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss)	$ 2,177	$ (7,721)	$ 40,219	$ (11,102)
Less: net income attributable to noncontrolling interests in properties	(67)	(209)	(201)	(535)
Less: loss (gain) on sales of operating properties, net	5,972	—	(22,468)	(27,126)
Add: impairment charges	477	—	477	—
Add: depreciation and amortization of consolidated and unconsolidated entities, net of noncontrolling interests	106,171	116,186	324,216	358,161
FFO of the Operating Partnership(1)	114,730	108,256	342,243	319,398
Less: Limited Partners' interests in FFO	(1,685)	(1,437)	(4,739)	(3,932)
FFO attributable to common shareholders(1)	$ 113,045	$ 106,819	$ 337,504	$ 315,466
FFO per share of the Operating Partnership – diluted	$ 0.51	$ 0.49	$ 1.54	$ 1.44
FFO of the Operating Partnership(1)	$ 114,730	$ 108,256	$ 342,243	$ 319,398
Add: merger and acquisition costs	—	108	—	1,006
Less: prior period collection impact	—	(691)	—	(2,745)
FFO, as adjusted, of the Operating Partnership	$ 114,730	$ 107,673	$ 342,243	$ 317,659
FFO, as adjusted, per share of the Operating Partnership – diluted	$ 0.51	$ 0.48	$ 1.54	$ 1.43

(1) "FFO of the Operating Partnership" measures 100% of the operating performance of the Operating Partnership's real estate properties. "FFO attributable to common shareholders" reflects a reduction for the redeemable noncontrolling weighted average diluted interest in the Operating Partnership.

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA")

We define EBITDA, a non-GAAP financial measure, as net income before interest expense, income tax expense of the taxable REIT subsidiary, subsidiaries, and depreciation and amortization. For informational purposes, we also provide Adjusted EBITDA, which we define as EBITDA less (i) Adjusted EBITDA from unconsolidated entities, as adjusted, (ii) gains on sales of operating properties or impairment charges, (iii) merger and acquisition costs, (iv) other income and expense, (v) noncontrolling interest Adjusted EBITDA, and (vi) other non-recurring activity or items impacting comparability from period to period. Annualized Adjusted

EBITDA is Adjusted EBITDA for the most recent quarter multiplied by four. Net Debt to Adjusted EBITDA is our share of net debt divided by Annualized Adjusted EBITDA. EBITDA, Adjusted EBITDA, Annualized Adjusted EBITDA and Net Debt to Adjusted EBITDA, as calculated by us, are not comparable to EBITDA and EBITDA-related measures reported by other REITs that do not define EBITDA and EBITDA-related measures exactly as we do. EBITDA, Adjusted EBITDA and Annualized Adjusted EBITDA do not represent cash generated from operating activities in accordance with GAAP and should not be considered alternatives to net income as an indicator of performance or as alternatives to cash flows from operating activities as an indicator of liquidity.

Considering the nature of our business as a real estate owner and operator, we believe that EBITDA, Adjusted EBITDA and the ratio of Net Debt to Adjusted EBITDA are helpful to investors in measuring our operational performance because they exclude various items included in net income that do not relate to or are not indicative of our operating performance, such as gains or losses from sales of depreciated property and depreciation and amortization, which can make periodic and peer analyses of operating performance more difficult. For informational purposes, we also provide Annualized Adjusted EBITDA, adjusted as described above. We believe this supplemental information provides a meaningful measure of our operating performance. We believe presenting EBITDA and the related measures in this manner allows investors and other interested parties to form a more meaningful assessment of our operating results.

The following table presents a reconciliation of our EBITDA, Adjusted EBITDA and Annualized Adjusted EBITDA to net income (the most directly comparable GAAP measure) and a calculation of Net Debt to Adjusted EBITDA *(in thousands)*:

		Three Months Ended
		September 30, 2023 March 31, 2024
Net income	$	2,177 14,436
Depreciation and amortization		105,930 100,379
Interest expense		25,484 30,364
Income tax expense of taxable REIT subsidiary subsidiaries		68 158
EBITDA		133,659 145,337
Unconsolidated Adjusted EBITDA		591 369
Impairment charges Gain on sale of unconsolidated property, net		477 (2,325)
Loss on sales of operating properties, net		5,972 236
Other income and expense, net		(903) (3,208)
Noncontrolling interests		(197) (196)
Adjusted EBITDA	139,599 $	140,213
Annualized Adjusted EBITDA(1)	$	558,394 560,852
Company share of Net Debt:		
Mortgage and other indebtedness, net	$	2,868,828 3,167,513
Plus: Company share of unconsolidated joint venture debt		51,738 54,573
Less: Partner share of consolidated joint venture debt(2)		(9,861) (9,837)
Less: cash, cash equivalents, and restricted cash		(61,410)
Less: debt discounts, premiums and issuance costs, net		(25,626) (15,840)
Company's consolidated debt and share of unconsolidated debt		3,196,409
Less: cash, cash equivalents, restricted cash and short-term deposits		(356,712)
Company share of Net Debt	$	2,823,669 2,839,697
Net Debt to Adjusted EBITDA		5.1x

(1) Represents Adjusted EBITDA for the three months ended September 30, 2023 March 31, 2024 (as shown in the table above) multiplied by four.

(2) Partner share of consolidated joint venture debt is calculated based upon the partner's pro rata ownership of the joint venture, multiplied by the related secured debt balance.

Liquidity and Capital Resources

Overview

Our primary finance and capital strategy is to maintain a strong balance sheet with sufficient flexibility to fund our operating and investment activities in a cost-effective manner. We consider a number of factors when evaluating our level of indebtedness and making decisions regarding additional borrowings or equity offerings, including the interest or dividend rate, the maturity date and the Company's debt maturity ladder, the impact of financial metrics such as overall Company leverage levels and coverage ratios, and the Company's ability to generate cash flow to cover debt service. We will continue to continuously monitor the capital markets and may consider raising additional capital through the issuance of our common or preferred shares, unsecured debt securities, or other securities.

As of September 30, 2023 March 31, 2024, we had approximately $52.3 million $83.6 million in cash and cash equivalents on hand, $6.0 million $5.4 million in restricted cash and escrow deposits, $265.0 million of short-term deposits, and $1.1 billion of remaining availability under the Revolving Facility and no compared to $269.6 million of debt maturities until June maturing in the second through fourth quarters of 2024. During the nine three months ended September 30, 2023 March 31, 2024, we originated completed a 10-year $95.1 million mortgage payable at a fixed interest rate of 5.36% secured by the multifamily rental portion public offering of the expansion project at One Loudoun Downtown – Pads G & H and repaid Notes Due 2034, the $95.0 million principal balance proceeds of the 4.23% senior unsecured notes due 2023 using available cash on hand. which are currently invested in short-term deposits that will be used to satisfy all 2024 debt maturities. We believe we will have adequate liquidity over the next 12 months and beyond to operate our business and meet our cash requirements.

We derive the majority of our revenue from tenants who lease space from us under existing lease agreements at each of our properties. Therefore, our ability to generate cash from operations is dependent upon the rents that we are able to charge and collect from our tenants. While we believe that the nature of the properties in which we typically invest—primarily neighborhood and community shopping centers—provides a relatively stable revenue flow, an economic downturn, instability in the banking sector, tenant bankruptcies, inflation, labor shortages, supply chain constraints, and/or increasing energy prices and interest rates, among other events, could adversely affect the ability of some of our tenants to meet their lease obligations.

Our Principal Capital Resources

For a discussion of cash generated from operations, see "Cash Flows" beginning on page 42. 37. In addition to cash generated from operations, our other principal capital resources are discussed below.

Over the last several years, we have made substantial progress in enhancing our liquidity position and reducing our leverage and borrowing costs. We continue to focus on a balanced approach to growth and staggering debt maturities in order to retain our financial flexibility.

As of September 30, 2023 March 31, 2024, we had approximately $1.1 billion available under the Revolving Facility for future borrowings. We also had $52.3 million $348.6 million in cash, and cash equivalents and short-term deposits as of September 30, 2023 March 31, 2024.

We were in compliance with all applicable financial covenants under the Revolving Facility, unsecured term loans and senior unsecured notes as of September 30, 2023 March 31, 2024.

In November 2021, the Company filed with the SEC a shelf registration statement on Form S-3, which is effective for a term of three years, relating to the offer and sale, from time to time, of an indeterminate amount of equity and debt securities. Equity securities may be offered and sold by the Parent Company, and the net proceeds of any such offerings would be contributed to the Operating Partnership in exchange for additional General Partner Units. Debt securities may be offered and sold by the Operating Partnership with the Operating Partnership receiving the proceeds. From time to time, we may issue securities under this shelf registration statement for general corporate purposes, which may include acquisitions of additional properties, repayment of outstanding indebtedness, capital expenditures, the expansion, redevelopment, and/or improvement of properties in our portfolio, working capital and other general purposes.

In February 2021, the Company and the Operating Partnership entered into an Equity Distribution Agreement (the “Equity Distribution Agreement”) with each of BofA Securities, Inc., Citigroup Global Markets Inc., KeyBanc Capital Markets Inc. and Raymond James & Associates, Inc., pursuant to which the Company may sell, from time to time, up to an aggregate sales price of $150.0 million of its common shares of beneficial interest, $0.01 par value per share under an at-the-market offering program (the “ATM Program”). In November 2021, the Company and the Operating Partnership amended the Equity Distribution Agreement to reflect their filing of a shelf registration statement on November 16, 2021 with the SEC. The Operating Partnership intends to use the net proceeds, if any, to repay borrowings under the Revolving Facility and other indebtedness and for working capital and other general corporate purposes. The Operating Partnership may also use the net proceeds for acquisitions of operating properties and the development or redevelopment of properties, although there are currently no understandings, commitments or agreements to do so. As of September 30, 2023 March 31, 2024, the Company has not sold any common shares under the ATM Program.

In the future, we will continue to monitor the capital markets and may consider raising additional capital through the issuance of our common shares, preferred shares or other securities. We may also raise capital by disposing of properties, land parcels or other assets that are no longer core components of our growth strategy. The sale price may differ from our carrying value at the time of sale.

Our Principal Liquidity Needs

Short-Term Liquidity Needs

Near-Term Debt Maturities. As of September 30, 2023 March 31, 2024, we had no secured debt, excluding scheduled monthly principal payments, and $269.6 million $619.6 million of unsecured debt scheduled to mature prior to September 30, 2024 March 31, 2025. We believe we have sufficient liquidity to repay these obligations with proceeds from the Notes Due 2034, additional available cash on hand, and borrowings on the Revolving Facility.

Other Short-Term Liquidity Needs. The requirements for qualifying as a REIT and for a tax deduction for some or all of the dividends paid to shareholders necessitate that we distribute at least 90% of our taxable income on an annual basis. Such requirements cause us to have substantial liquidity needs over both the short and long term. Our short-term liquidity needs consist primarily of funds necessary to pay operating expenses associated with our operating properties, scheduled interest and

principal payments on our debt of approximately $30.0 million $90.0 million and $1.3 million $3.9 million, respectively, for the remainder of 2023, 2024, expected dividend payments to our common shareholders and Common Unit holders, common unitholders, and recurring capital expenditures.

In July 2023, February 2024, our Board of Trustees declared a cash distribution of $0.24 $0.25 per common share and Common Unit for the third first quarter of 2023. 2024. This distribution was paid on October 13, 2023 April 12, 2024 to common shareholders and Common Unit holders common unitholders of record as of October 6, 2023 April 5, 2024. Future distributions, if any, are at the discretion of the Board of Trustees, who will continue to evaluate our sources and uses of capital, liquidity position, operating fundamentals, maintenance of our REIT qualification and other factors they may deem relevant. We believe we have sufficient liquidity to pay any dividend from available cash on hand and borrowings on the Revolving Facility.

Other short-term liquidity needs include expenditures for tenant improvements, external leasing commissions and recurring capital expenditures. During the nine three months ended September 30, 2023 March 31, 2024, we incurred $13.4 million $5.7 million for recurring capital expenditures on operating properties and $65.4 $18.4 million for tenant improvements and external leasing commissions, which includes costs to re-lease anchor space at our operating properties related to tenants open and operating as of September 30, 2023 March 31, 2024 (excluding development and redevelopment properties). We currently anticipate incurring approximately $100 million of additional major tenant improvement costs related to leasing activity for space that is currently vacant at a number of our operating properties over the next 12 to 18 24 months. We believe we have the ability to fund these costs through cash flows from operations or borrowings on the Revolving Facility. In 2023, certain retailers have filed for bankruptcy protection including Bed Bath & Beyond Inc., a tenant that, as of December 31, 2022, occupied 613,000 square feet across 23 locations in our portfolio and generated $8.3 million of annualized base rent. As part of its bankruptcy process, three of the former tenant’s leases were acquired by other retailers and the remaining leases were rejected. Re-leasing costs may be significant for the leases that were rejected, and we could experience a significant reduction in our revenues from those properties over the next 12 to 18 months.

During the nine months ended September 30, 2023, we completed major redevelopment construction activities at The Landing at Tradition – Phase II and placed this project in service. In addition, we began redevelopment activities at Edwards Multiplex – Ontario and reclassified this property from our operating portfolio into redevelopment. As of September 30, 2023 March 31, 2024, we had development projects under construction at the Carillon medical office building at Carillon and The Corner (IN). – IN. Our share of total estimated costs for these two projects is $91.6 million, of which our share of the expected funding requirement is estimated to be $59.7 million. As of September 30, 2023 March 31, 2024, we have incurred $27.1 million $31.9 million of these costs. We anticipate incurring the majority of the remaining costs for these projects over the next 24 12 months and believe we have the ability to fund these projects through cash flows from operations or borrowings on the Revolving Facility.

Share Repurchase Program

The Company has an existing share repurchase program under which it may repurchase, from time to time, up to a maximum of $300.0 million of its common shares (the "Share Repurchase Program"). The Company intends to fund any future repurchases under the Share Repurchase Program with cash on hand or availability under the Revolving Facility, subject to any applicable restrictions. The timing of share repurchases and the number of common shares to be repurchased under the Share Repurchase Program will depend upon prevailing market conditions, regulatory requirements, and other factors. In February 2023, 2024, the Company extended the Share Repurchase Program for an additional year so it will now terminate on February 28, 2024 to February 28, 2025, if not terminated or extended prior to that date. As of September 30, 2023 March 31, 2024, the Company has not repurchased any shares under the Share Repurchase Program.

Long-Term Liquidity Needs

Our long-term liquidity needs consist primarily of funds necessary to pay for any new development projects, redevelopment of existing properties, non-recurring capital expenditures, acquisitions of properties, payment of indebtedness at maturity and obligations under ground leases.

Selective Acquisitions, Developments and Joint Ventures. We may selectively pursue the acquisition, development and redevelopment of other properties, which would require additional capital. It is unlikely that we would have sufficient funds on hand to meet these long-term capital requirements. We requirements; therefore, we would have to satisfy these needs through additional borrowings, sales of common or preferred shares, issuance of Operating Partnership units, cash generated through property dispositions and/or participation in joint venture arrangements. We cannot be certain that we would have access to these sources of capital on satisfactory terms, if at all, to fund our long-term liquidity requirements. We evaluate all future opportunities against pre-established criteria including, but not limited to, location, demographics, expected return, tenant credit quality, tenant relationships, and the amount of existing retail space. Our ability to access the capital markets will depend on a number of factors, including general capital market conditions.

Potential Debt Repurchases. We may from time to time, depending on market conditions and prices, contractual restrictions, our financial liquidity and other factors, seek to repurchase our senior unsecured notes maturing at various dates through September 2030 March 2034 in open-market transactions, by tender offer or otherwise, as market conditions warrant.

Commitments under Ground Leases. We are obligated under 12 ground leases for approximately 98 acres of land as of September 30, 2023 March 31, 2024. Most of these ground leases require fixed annual rent payments and the expiration dates of the remaining

initial terms of these ground leases range from 2025 to 2092. Assuming we exercise all available options to extend the terms of our ground leases, our ground leases will expire between 2043 and 2115.

Capital Expenditures on Consolidated Properties

The following table summarizes cash capital expenditures for our development and redevelopment projects and other capital expenditures for the nine three months ended September 30, 2023 March 31, 2024 *(in thousands)*:

	Nine Three Months Ended September 30, 2023 March 31, 2024
Active development and redevelopment projects	$ 21,110 3,712
Recurring operating capital expenditures (primarily tenant improvements) and other	77,584 24,488
Total	$ 98,694 28,200

We capitalize certain indirect costs such as interest, payroll, and other general and administrative costs related to these development activities. If we had experienced a 10% reduction in development and redevelopment activities without a corresponding decrease in indirect project costs, we would have recorded additional expense of $0.3 million $0.1 million for the nine three months ended September 30, 2023 March 31, 2024.

Debt Maturities

The following table summarizes the scheduled maturities and principal amortization of the Company's indebtedness as of September 30, 2023 March 31, 2024, presented on a calendar year basis *(in thousands)*:

	Secured Debt			
	Scheduled Principal Payments	Term Maturities	Unsecured Debt	Total
2023	$ 1,260	$ —	$ —	$ 1,260

	Secured Debt
	Scheduled Principal Payments
	Scheduled Principal Payments

		Scheduled Principal Payments	Term Maturities	Unsecured Debt	Total
2024	2024	5,121	—	269,635	274,756
2025	2025	5,248	—	680,000	685,248
2026	2026	5,381	—	589,000	594,381
2027	2027	4,720	8,200	250,000	262,920
2028					
Thereafter	Thereafter	31,849	92,788	900,000	1,024,637
		$ 53,579	$ 100,988	$ 2,688,635	$ 2,843,202
Debt discounts, premiums and issuance costs, net	Debt discounts, premiums and issuance costs, net				25,626
Total	Total				$ 2,868,828

Failure to comply with the obligations under our debt agreements, including payment obligations, could cause an event of default under such debt, which, among other things, could result in the loss of title to the assets securing the debt, acceleration of the payment of all principal and interest and/or termination of the agreements, or exposure to the risk of foreclosure. In addition, certain of our variable rate loans contain cross-default provisions whereby a violation by the Company of any financial covenant set forth in the Revolving Facility will constitute an "Event of Default" under the loans, which could allow the lenders to accelerate the amounts due under our debt agreements if we fail to satisfy these financial covenants. See "Item Item 1A. Risk "Risk Factors – Risks Related to Our Operations" in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 for more information related to the risks associated with our indebtedness.

Impact of Changes in Credit Ratings on Our Liquidity

We have received investment grade corporate credit ratings from three nationally recognized credit rating agencies. These ratings did not change as During the three months ended March 31, 2024, we received a credit rating upgrade with a stable outlook from one of September 30, 2023. the rating agencies and a positive credit rating outlook from another rating agency.

In the future, these ratings could change based upon, among other things, the impact that prevailing economic conditions may have on our results of operations and financial condition. Credit rating reductions by one or more rating agencies could also adversely affect our access to funding sources, the cost and other terms of obtaining funding, as well as our overall financial condition, operating results and cash flow.

Cash Flows

As of September 30, 2023 March 31, 2024, we had cash, cash equivalents and restricted cash of $58.3 million $89.0 million. We may be subject to concentrations of credit risk with regard to our cash and cash equivalents. We place our cash and short-term investments with highly rated financial institutions. While we attempt to limit our exposure at any point in time, occasionally such cash and investments may temporarily exceed the Federal Deposit Insurance Corporation ("FDIC") and the Securities Investor Protection Corporation ("SIPC") insurance limits. We also maintain certain compensating balances in several financial institutions in support of borrowings from those institutions. Such compensating balances were not material to the accompanying consolidated balance sheets.

Comparison of the Nine Three Months Ended September 30, 2023 March 31, 2024 to the Nine Three Months Ended September 30, 2022 March 31, 2023

Our cash flow activities are summarized as follows *(in thousands)*:

		Nine Months Ended September 30,				
		2023	2022	Change		
		Three Months Ended March 31,				
		2024				
		2024				
		2024			2023	Change
Net cash provided by operating activities	Net cash provided by operating activities	$ 291,177	$ 262,429	$ 28,748		

Net cash used in investing activities	Net cash used in investing activities	(55,483)	(13,694)	(41,789)
Net cash used in financing activities		(299,350)	(252,591)	(46,759)
Decrease in cash, cash equivalents and restricted cash		(63,656)	(3,856)	(59,800)
Net cash provided by (used in) financing activities				
Increase (decrease) in cash, cash equivalents and restricted cash				
Cash, cash equivalents and restricted cash, at beginning of period	Cash, cash equivalents and restricted cash, at beginning of period	121,970	100,363	
Cash, cash equivalents and restricted cash, at end of period	Cash, cash equivalents and restricted cash, at end of period	$ 58,314	$ 96,507	
Cash, cash equivalents and restricted cash, at end of period				
Cash, cash equivalents and restricted cash, at end of period				

Cash provided by operating activities was $291.2 million $53.6 million for the nine three months ended September 30, 2023 March 31, 2024 and $262.4 $63.6 million for the same period of 2022. 2023. The cash flows were positively negatively impacted from due to the timing of annual insurance premium payments, partially offset by an increase in net operating income.

Cash used in investing activities was $55.5 million $289.3 million for the nine three months ended September 30, 2023 March 31, 2024 and $13.7 million $41.5 million for the same period of 2022. 2023. Highlights of significant cash sources and uses in investing activities are as follows:

- We received net invested $265.0 million of proceeds of $123.9 million from the sale Notes Due 2034 in short-term certificates of Kingwood Commons, the undeveloped land and related parking garage at Pan Am Plaza, and Reisterstown Road Plaza deposit during the nine three months ended September 30, 2023 compared to net proceeds of $65.4 million from the sale of Plaza Del Lago and a portion of Hamilton Crossing Centre during the nine months ended September 30, 2022 March 31, 2024;
- We acquired Prestonwood Place for $78.3 million during the nine months ended September 30, 2023 compared to the acquisitions of Pebble Marketplace, the two-tenant building adjacent to MacArthur Crossing, and Palms Plaza for $100.1 million during the nine months ended September 30, 2022;
- We received the proceeds from a $125.0 million short-term deposit that matured on April 7, 2022 during the nine months ended September 30, 2022; and

- Capital expenditures decreased by $7.8 million $10.9 million primarily related to the timing of capital projects along with a change in construction payables of $3.7 million $0.5 million for the nine three months ended September 30, 2023 March 31, 2024;

- We received net proceeds of $1.8 million from the sale of land at Broadstone Station during the three months ended March 31, 2024. We did not sell any land during the three months ended March 31, 2023; and

- We received a $1.6 million distribution upon the joint venture's disposition of Glendale Center Apartments, of which we own an 11.5% interest, to a third party during the three months ended March 31, 2024.

Cash provided by financing activities was $283.3 million for the three months ended March 31, 2024 compared to cash used in financing activities was $299.4 million for the nine months ended September 30, 2023 and $252.6 million of $91.4 million for the same period of 2022. 2023. Highlights of significant cash sources and uses in financing activities are as follows:

- We received $345.3 million of proceeds from the Notes Due 2034 and borrowed $237.0 million $40.0 million on the Revolving Facility and received proceeds of $95.1 million from the origination of a mortgage payable during the nine three months ended September 30, 2023 March 31, 2024 compared to borrowings of $145.0 million $162.0 million on the Revolving Facility and entering into a seven-year $300.0 million unsecured term loan during the nine three months ended September 30, 2022 March 31, 2023;

- We repaid (i) $198.0 million $40.0 million of borrowings on the Revolving Facility (ii) $174.1 million and $1.3 million of mortgages payable and (iii) the $95.0 million principal balance of the 4.23% senior unsecured notes due 2023 during the nine three months ended September 30, 2023 March 31, 2024 compared to repayments of (i) $200.0 million $37.0 million of borrowings on the Revolving Facility (ii) a $200.0 million unsecured term loan that was scheduled to mature in 2023, and (iii) $158.2 million $162.3 million of mortgages payable during the nine three months ended September 30, 2022 March 31, 2023; and

- We made distributions to common shareholders and holders of common partnership interests in the Operating Partnership of $160.0 million $55.7 million during the nine three months ended September 30, 2023 March 31, 2024 compared to distributions of $133.4 $53.3 million during the nine three months ended September 30, 2022 March 31, 2023.

Critical Accounting Estimates

We based the discussion and analysis of our financial condition and results of operations upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. There were no changes made by management to the critical accounting policies in the three months ended September 30, 2023 March 31, 2024. We discuss the most critical estimates in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 filed with the SEC on February 21, 2023 February 20, 2024.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk Related to Fixed and Variable Rate Debt

As of September 30, 2023 March 31, 2024, we had $2.9 billion $3.2 billion of outstanding consolidated indebtedness (inclusive of net unamortized debt discounts, premiums and issuance costs of $25.6 million $15.8 million). In addition, we were party to various consolidated interest rate hedge agreements totaling $975.0 million with maturities over various terms through 2026. Reflecting the effects of these hedge agreements, our fixed and variable rate debt would have been $2.6 billion (93% $3.0 billion (95%) and $211.6 million (7% $171.4 million (5%), respectively, of our total consolidated indebtedness as of September 30, 2023 March 31, 2024.

As of September 30, 2023 March 31, 2024, we had $269.6 million $619.6 million of fixed rate debt scheduled to mature within the next 12 months. A 100-basis point change in interest rates on this debt as of September 30, 2023 March 31, 2024 would change our annual cash flow by $2.7 million $6.2 million. A 100-basis point change in interest rates on our unhedged variable rate debt as of September 30, 2023 March 31, 2024 would change our annual cash flow by $2.1 million $1.7 million. Based upon the terms of our variable rate debt, we are most vulnerable to a change in short-term Secured Overnight Financing Rate ("SOFR") interest rates.

ITEM 4. CONTROLS AND PROCEDURES

Kite Realty Group Trust

Evaluation of Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Parent Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, the Parent Company's Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There has been no change in the Parent Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) identified in connection with the evaluation required by Rule 13a-15(b) under the Securities Exchange Act of 1934 of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of September 30, 2023 March 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Kite Realty Group, L.P.

Evaluation of Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Operating Partnership's management, including the Chief Executive Officer and Chief Financial Officer of Kite Realty Group Trust (the sole general partner of Kite Realty Group, L.P.), of the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, the Operating Partnership's Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There has been no change in the Operating Partnership's internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) identified in connection with the evaluation required by Rule 13a-15(b)

under the Securities Exchange Act of 1934 of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of September 30, 2023 March 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not subject to any material litigation nor, to management's knowledge, is any material litigation currently threatened against us. We are parties to routine litigation, claims, and administrative proceedings arising in the ordinary course of business. Management believes that such matters will not have a material adverse impact on our consolidated financial condition, results of operations or cash flows taken as a whole.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in response to Part I, "Item Item 1A. Risk "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 filed on February 21, 2023 February 20, 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

During the three months ended September 30, 2023 March 31, 2024, certain of our employees surrendered shares owned by them to satisfy their statutory minimum U.S. federal and state tax obligations associated with the vesting of restricted common shares of beneficial interest issued under the Company's 2013 Equity Incentive Plan, as amended and restated as of May 11, 2022. These shares were repurchased by the Company.

The following table summarizes all of these repurchases during the three months ended September 30, 2023 March 31, 2024:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs(1)
July 1, 2023 to July 31, 2023	1,191	$ 22.35	N/A	$ 300,000,000
August 1, 2023 to August 31, 2023	—	$ —	N/A	$ 300,000,000
September 1, 2023 to September 30, 2023	—	$ —	N/A	$ 300,000,000
Total	1,191	$ 22.35		

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs(1)
January 1, 2024 to January 31, 2024	—	$ —	N/A	$ 300,000,000
February 1, 2024 to February 29, 2024	1,544	$ 21.28	N/A	$ 300,000,000
March 1, 2024 to March 31, 2024	41,301	$ 21.28	N/A	$ 300,000,000
Total	42,845	$ 21.28		

(1) Represents amounts outstanding under the Company's authorized Share Repurchase Program, which was announced in February 2021. In April 2022, the Company's Board of Trustees increased the size of the program from $150.0 million to $300.0 million and in February 2023, 2024, extended the program for an additional year. The program may be suspended or terminated at any time by the Company and will terminate on February 28, 2024 February 28, 2025, if not terminated or extended prior to that date.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Trading Arrangements

During the three months ended September 30, 2023 March 31, 2024, none of our officers or trustees adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

ITEM 6. EXHIBITS

Exhibit No.	Description	Location
3.1	Articles of Amendment and Restatement of Declaration of Trust of the Kite Realty Group Trust, as supplemented and amended	Incorporated by reference to Exhibit 3.1 to the Annual Report on Form 10-K of Kite Realty Group Trust filed with the SEC on February 28, 2022
3.2	Second Third Amended and Restated Bylaws of the Company, as amended Kite Realty Group Trust, effective November 8, 2023	Incorporated by reference to Exhibit 3.2 3.1 to the Annual Current Report on Form 10-K 8-K of Kite Realty Group Trust filed with the SEC on February 28, 2022 November 9, 2023
4.1	Second Supplemental Indenture, dated January 17, 2024, among Kite Realty Group, L.P., as issuer, Kite Realty Group Trust, as possible future guarantor, and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee	Incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of Kite Realty Group Trust filed with the SEC on January 17, 2024
4.2	Form of Global Note representing the 5.500% Senior Notes due 2034 (included in Exhibit 4.1)	Incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of Kite Realty Group Trust filed with the SEC on January 17, 2024
31.1	Certification of principal executive officer of the Parent Company required by Rule 13a-14(a)/15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of principal financial officer of the Parent Company required by Rule 13a-14(a)/15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.3	Certification of principal executive officer of the Operating Partnership required by Rule 13a-14(a)/15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.4	Certification of principal financial officer of the Operating Partnership required by Rule 13a-14(a)/15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification of Chief Executive Officer and Chief Financial Officer of the Parent Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.2	Certification of Chief Executive Officer and Chief Financial Officer of the Operating Partnership pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KITE REALTY GROUP TRUST

Date:	November 2, 2023 May 7, 2024	By:	/s/ JOHN A. KITE
			John A. Kite Chairman and Chief Executive Officer (Principal Executive Officer)
Date:	November 2, 2023 May 7, 2024	By:	/s/ HEATH R. FEAR
			Heath R. Fear Executive Vice President and Chief Financial Officer (Principal Financial Officer)

KITE REALTY GROUP, L.P.

By: Kite Realty Group Trust, its sole general partner

Date:	November 2, 2023 May 7, 2024	By:	/s/ JOHN A. KITE
			John A. Kite Chairman and Chief Executive Officer (Principal Executive Officer)
Date:	November 2, 2023 May 7, 2024	By:	/s/ HEATH R. FEAR
			Heath R. Fear Executive Vice President and Chief Financial Officer (Principal Financial Officer)

EXHIBIT 31.1

KITE REALTY GROUP TRUST

CERTIFICATION

I, John A. Kite, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kite Realty Group Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 7, 2024

By: /s/ JOHN A. KITE

John A. Kite
Chairman and Chief Executive Officer

EXHIBIT 31.2

KITE REALTY GROUP TRUST

CERTIFICATION

I, Heath R. Fear, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kite Realty Group Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 7, 2024

By: /s/ HEATH R. FEAR

Heath R. Fear
Executive Vice President and Chief Financial Officer

EXHIBIT 31.3

KITE REALTY GROUP, L.P.

CERTIFICATION

I, John A. Kite, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kite Realty Group, L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 7, 2024

By: /s/ JOHN A. KITE

John A. Kite
Chief Executive Officer
Kite Realty Group Trust, sole general partner of
Kite Realty Group, L.P.

EXHIBIT 31.4

KITE REALTY GROUP, L.P.

CERTIFICATION

I, Heath R. Fear, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kite Realty Group, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 7, 2024

By: /s/ HEATH R. FEAR

Heath R. Fear
Chief Financial Officer
Kite Realty Group Trust, sole general partner of
Kite Realty Group, L.P.

EXHIBIT 32.1

Certification of Chief Executive Officer and Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350, As Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned, John A. Kite, Chairman and Chief Executive Officer of Kite Realty Group Trust (the "Parent Company"), and Heath R. Fear, Chief Financial Officer of the Parent Company, each hereby certifies based on his knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Quarterly Report on Form 10-Q of the Parent Company for the quarter ended September 30, 2023 March 31, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) The information in the Report fairly presents, in all material respects, the financial condition and results of operations of the Parent Company.

Date: November 2, 2023 May 7, 2024	By: /s/ JOHN A. KITE John A. Kite Chairman and Chief Executive Officer
Date: November 2, 2023 May 7, 2024	By: /s/ HEATH R. FEAR Heath R. Fear Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Parent Company and will be retained by the Parent Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certification of Chief Executive Officer and Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350, As Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned, John A. Kite, Chief Executive Officer of Kite Realty Group Trust in its capacity as the sole general partner of Kite Realty Group, L.P. (the “Operating Partnership”), and Heath R. Fear, Chief Financial Officer of Kite Realty Group Trust in its capacity as the sole general partner of the Operating Partnership, each hereby certifies based on his knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Quarterly Report on Form 10-Q of the Operating Partnership for the quarter ended September 30, 2023 March 31, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) The information in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

Date: November 2, 2023 May 7, 2024	By: /s/ JOHN A. KITE John A. Kite Chief Executive Officer Kite Realty Group Trust, sole general partner of Kite Realty Group, L.P.
Date: November 2, 2023 May 7, 2024	By: /s/ HEATH R. FEAR Heath R. Fear Chief Financial Officer Kite Realty Group Trust, sole general partner of Kite Realty Group, L.P.

A signed original of this written statement required by Section 906 has been provided to the Operating Partnership and will be retained by the Operating Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.