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, 2025

or

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number 001-41779

HOWARD HUGHES HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware	**93-1869991**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

9950 Woodloch Forest Drive, Suite 1100, The Woodlands, Texas 77380
(Address of principal executive offices, including zip code)

(281) 719-6100
(Registrant's telephone number, including area code)

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

Title of each class	**Trading Symbol**	**Name of each exchange on which registered:**
Common stock, par value $0.01 per share	HHH	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.

☒ Yes ☐ No

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).

☒ Yes ☐ No

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.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	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. ☐

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

☐ Yes ☒ No

The number of shares of common stock, $0.01 par value, outstanding as of November 3, 2025, was 59,390,960.

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PART I

Item 1. Condensed Consolidated Financial Statements (Unaudited)

HOWARD HUGHES HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

thousands except par values and share amounts	September 30, 2025	December 31, 2024
ASSETS		
Master Planned Communities assets	**$ 2,570,383**	$ 2,511,662
Buildings and equipment	**3,902,350**	3,841,872
Less: accumulated depreciation	**(1,052,355)**	(949,533)
Land	**304,147**	302,446
Developments	**1,858,555**	1,341,029
Net investment in real estate	**7,583,080**	7,047,476
Investments in unconsolidated ventures	**165,117**	169,566
Cash and cash equivalents	**1,456,934**	596,083
Restricted cash	**516,870**	402,420
Accounts receivable, net	**125,018**	105,185
Municipal Utility District (MUD) receivables, net	**429,377**	463,799
Deferred expenses, net	**161,921**	139,350
Operating lease right-of-use assets	**5,382**	5,806
Other assets, net	**252,420**	281,551
Total assets	**$ 10,696,119**	$ 9,211,236
LIABILITIES		
Mortgages, notes, and loans payable, net	**$ 5,287,369**	$ 5,127,469
Operating lease obligations	**5,253**	5,456
Deferred tax liabilities, net	**170,530**	142,100
Accounts payable and other liabilities	**1,398,367**	1,094,437
Total liabilities	**6,861,519**	6,369,462
Commitments and Contingencies (see Note 11)		
EQUITY		
Preferred stock: $0.01 par value; 50,000,000 shares authorized, none issued	**—**	—
Common stock: $0.01 par value; 150,000,000 shares authorized, 65,908,654 issued, and 59,387,488 outstanding as of September 30, 2025, and 56,610,009 shares issued, and 50,116,150 outstanding as of December 31, 2024	**659**	566
Additional paid-in capital	**4,455,012**	3,576,274
Retained earnings (accumulated deficit)	**(68,096)**	(185,993)
Accumulated other comprehensive income (loss)	**(1,416)**	1,968
Treasury stock, at cost, 6,521,166 shares as of September 30, 2025, and 6,493,859 shares as of December 31, 2024	**(618,568)**	(616,589)
Total stockholders' equity	**3,767,591**	2,776,226
Noncontrolling interests	**67,009**	65,548
Total equity	**3,834,600**	2,841,774
Total liabilities and equity	**$ 10,696,119**	$ 9,211,236

See Notes to Condensed Consolidated Financial Statements.

HOWARD HUGHES HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

thousands except per share amounts	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
REVENUES				
Condominium rights and unit sales	**$ 142**	$ 3	**$ 677**	$ 26
Master Planned Communities land sales	**248,467**	198,239	**445,150**	385,444
Rental revenue	**111,377**	108,613	**330,882**	315,461
Other land, rental, and property revenues	**14,237**	10,700	**34,297**	31,105
Builder price participation	**16,012**	9,592	**39,437**	35,063
Total revenues	**390,235**	327,147	**850,443**	767,099
EXPENSES				
Condominium rights and unit cost of sales	**59**	11,833	**1,112**	15,694
Master Planned Communities cost of sales	**78,280**	72,582	**148,672**	143,254
Operating costs	**45,940**	50,841	**147,247**	149,412
Rental property real estate taxes	**15,630**	14,484	**46,294**	43,799
Provision for (recovery of) doubtful accounts	**(345)**	190	**41**	327
General and administrative	**28,281**	24,862	**85,269**	68,930
Depreciation and amortization	**46,381**	44,088	**135,845**	134,833
Other	**3,332**	3,582	**12,402**	11,268
Total expenses	**217,558**	222,462	**576,882**	567,517
OTHER				
Gain (loss) on sale or disposal of real estate and other assets, net	**14,449**	3,165	**29,834**	7,959
Other income (loss), net	**2,445**	90,489	**1,963**	91,870
Total other	**16,894**	93,654	**31,797**	99,829
Operating income (loss)	**189,571**	198,339	**305,358**	299,411
Interest income	**15,287**	5,341	**31,736**	19,270
Interest expense	**(43,856)**	(43,802)	**(128,644)**	(122,597)
Gain (loss) on extinguishment of debt	**(173)**	—	**(480)**	(198)
Gain (loss) on sale of MUD receivables	**—**	(51,525)	**(48,197)**	(51,525)
Equity in earnings (losses) from unconsolidated ventures	**(2,529)**	(1,630)	**(3,096)**	(4,230)
Income (loss) from continuing operations before income taxes	**158,300**	106,723	**156,677**	140,131
Income tax expense (benefit)	**38,898**	10,195	**38,513**	17,236
Net income (loss) from continuing operations	**119,402**	96,528	**118,164**	122,895
Net income (loss) from discontinued operations, net of taxes	**—**	(24,031)	**—**	(81,807)
Net income (loss)	**119,402**	72,497	**118,164**	41,088
Net (income) loss attributable to noncontrolling interests	**106**	273	**(267)**	297
Net income (loss) attributable to common stockholders	**$ 119,508**	$ 72,770	**$ 117,897**	$ 41,385
Basic income (loss) per share — continuing operations	**$ 2.03**	$ 1.95	**$ 2.16**	$ 2.48
Basic income (loss) per share — discontinued operations	**$ —**	$ (0.48)	**$ —**	$ (1.65)
Basic income (loss) per share attributable to common stockholders	**$ 2.03**	$ 1.46	**$ 2.16**	$ 0.83
Diluted income (loss) per share — continuing operations	**$ 2.02**	$ 1.95	**$ 2.15**	$ 2.48
Diluted income (loss) per share — discontinued operations	**$ —**	$ (0.48)	**$ —**	$ (1.65)
Diluted income (loss) per share attributable to common stockholders	**$ 2.02**	$ 1.46	**$ 2.15**	$ 0.83

See Notes to Condensed Consolidated Financial Statements.

HOWARD HUGHES HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
thousands	**2025**	2024	**2025**	2024
Net income (loss)	**$ 119,402**	$ 72,497	**$ 118,164**	$ 41,088
Other comprehensive income (loss):				
Interest rate caps and swaps (a)	**(692)**	(5,310)	**(3,384)**	(2,647)
Other comprehensive income (loss)	**(692)**	(5,310)	**(3,384)**	(2,647)
Comprehensive income (loss)	**118,710**	67,187	**114,780**	38,441
Comprehensive (income) loss attributable to noncontrolling interests	**106**	273	**(267)**	297
Comprehensive income (loss) attributable to common stockholders	**$ 118,816**	$ 67,460	**$ 114,513**	$ 38,738

(a) Amounts are shown net of tax benefit of $0.2 million for the three months ended September 30, 2025, $1.1 million for the nine months ended September 30, 2025, $1.6 million for the three months ended September 30, 2024, and $0.8 million for the nine months ended September 30, 2024.

See Notes to Condensed Consolidated Financial Statements.

HOWARD HUGHES HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

thousands except shares	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at June 30, 2025	65,883,495	$ 659	$ 4,450,854	$ (187,604)	$ (724)	(6,520,274)	$ (618,507)	$ 3,644,678	$ 66,966	$ 3,711,644
Net income (loss)	—	—	—	119,508	—	—	—	119,508	(106)	119,402
Interest rate swaps, net of tax expense (benefit) of $(218)	—	—	—	—	(692)	—	—	(692)	—	(692)
Teravalis noncontrolling interest	—	—	—	—	—	—	—	—	149	149
Issuance of common shares, net	—	—	(122)	—	—	—	—	(122)	—	(122)
Stock plan activity	25,159	—	4,280	—	—	(892)	(61)	4,219	—	4,219
Balance at September 30, 2025	65,908,654	$ 659	$ 4,455,012	$ (68,096)	$ (1,416)	(6,521,166)	$ (618,568)	$ 3,767,591	$ 67,009	$ 3,834,600
Balance at June 30, 2024	56,709,660	$ 567	$ 3,996,126	$ (415,081)	$ 3,935	(6,473,238)	$ (614,974)	$ 2,970,573	$ 66,146	$ 3,036,719
Net income (loss)	—	—	—	72,770	—	—	—	72,770	(273)	72,497
Interest rate swaps, net of tax expense (benefit) of $(1,569)	—	—	—	—	(5,310)	—	—	(5,310)	—	(5,310)
Teravalis noncontrolling interest	—	—	—	—	—	—	—	—	54	54
Distribution of Seaport Entertainment Group Inc. to stockholders	—	—	(428,229)	—	—	—	—	(428,229)	—	(428,229)
Stock plan activity	(103,963)	(1)	4,590	—	—	(89)	(7)	4,582	—	4,582
Balance at September 30, 2024	56,605,697	$ 566	$ 3,572,487	$ (342,311)	$ (1,375)	(6,473,327)	$ (614,981)	$ 2,614,386	$ 65,927	$ 2,680,313
Balance at December 31, 2024	56,610,009	$ 566	$ 3,576,274	$ (185,993)	$ 1,968	(6,493,859)	$ (616,589)	$ 2,776,226	$ 65,548	$ 2,841,774
Net income (loss)	—	—	—	117,897	—	—	—	117,897	267	118,164
Interest rate swaps, net of tax expense (benefit) of $(1,084)	—	—	—	—	(3,384)	—	—	(3,384)	—	(3,384)
Deconsolidation of Associations of Unit Owners	—	—	—	—	—	—	—	—	979	979
Teravalis noncontrolling interest	—	—	—	—	—	—	—	—	215	215
Issuance of common shares, net	9,000,000	90	862,699	—	—	—	—	862,789	—	862,789
Stock plan activity	298,645	3	16,039	—	—	(27,307)	(1,979)	14,063	—	14,063
Balance at September 30, 2025	65,908,654	$ 659	$ 4,455,012	$ (68,096)	$ (1,416)	(6,521,166)	$ (618,568)	$ 3,767,591	$ 67,009	$ 3,834,600
Balance at December 31, 2023	56,495,791	$ 565	$ 3,988,496	$ (383,696)	$ 1,272	(6,457,777)	$ (613,766)	$ 2,992,871	$ 66,053	$ 3,058,924
Net income (loss)	—	—	—	41,385	—	—	—	41,385	(297)	41,088
Interest rate swaps, net of tax expense (benefit) of $(784)	—	—	—	—	(2,647)	—	—	(2,647)	—	(2,647)
Teravalis noncontrolling interest	—	—	—	—	—	—	—	—	171	171
Distribution of Seaport Entertainment Group Inc. to stockholders	—	—	(428,229)	—	—	—	—	(428,229)	—	(428,229)
Stock plan activity	109,906	1	12,220	—	—	(15,550)	(1,215)	11,006	—	11,006
Balance at September 30, 2024	56,605,697	$ 566	$ 3,572,487	$ (342,311)	$ (1,375)	(6,473,327)	$ (614,981)	$ 2,614,386	$ 65,927	$ 2,680,313

See Notes to Condensed Consolidated Financial Statements.

HOWARD HUGHES HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

thousands	Nine Months Ended September 30, 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	**$ 118,164**	$ 41,088
Net income (loss) from discontinued operations, net of taxes	**—**	(81,807)
Net income (loss) from continuing operations	**118,164**	122,895
Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities:		
Depreciation	**121,419**	120,404
Amortization	**14,572**	14,403
Amortization of deferred financing costs	**9,330**	9,122
Amortization of intangibles other than in-place leases	**90**	90
Straight-line rent amortization	**(5,058)**	(4,389)
Deferred income taxes	**29,513**	28,466
Restricted stock and stock option amortization	**15,998**	12,221
Net gain on sale of properties	**(29,834)**	(7,959)
Loss on sale of MUD receivables	**48,197**	51,525
Proceeds from sale of MUD receivables	**180,043**	176,680
(Gain) loss on extinguishment of debt	**480**	198
Equity in (earnings) losses from unconsolidated ventures, net of distributions	**8,928**	9,403
Provision for (recovery of) doubtful accounts	**2,087**	(1,017)
Master Planned Communities development expenditures	**(325,854)**	(284,984)
Master Planned Communities cost of sales	**146,087**	133,257
Condominium development expenditures	**(397,767)**	(453,896)
Condominium rights and units cost of sales	**1,112**	15,694
Net Changes:		
Accounts receivable, net	**(33,056)**	(2,827)
Other assets, net	**(1,911)**	(9,811)
Condominium deposits, net	**201,543**	220,776
Deferred expenses, net	**(33,433)**	(25,015)
Accounts payable and other liabilities	**31,457**	(14,244)
Cash provided by (used in) operating activities of continuing operations	**102,107**	110,992
Cash provided by (used in) operating activities of discontinued operations	**—**	(51,495)
Cash provided by (used in) operating activities	**102,107**	59,497
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment expenditures	**(1,156)**	(927)
Operating property improvements	**(33,086)**	(27,997)
Property development and redevelopment	**(128,465)**	(182,548)
Acquisition of assets	**(16,356)**	(18,456)
Proceeds from sales of properties, net	**12,336**	17,175
Reimbursements under tax increment financings and grants	**6,583**	8,258
Disbursement of loan to tenant	**(1,250)**	—
Proceeds from repayment of loan to tenant	**31**	—
Distributions from unconsolidated ventures	**2,322**	1,275
Investments in unconsolidated ventures, net	**(3,017)**	(3,500)
Net parent investment in discontinued operations	**—**	(169,825)
Cash provided by (used in) investing activities of continuing operations	**(162,058)**	(376,545)
Cash provided by (used in) investing activities of discontinued operations	**—**	130,246
Cash provided by (used in) investing activities	**(162,058)**	(246,299)

HOWARD HUGHES HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

thousands	Nine Months Ended September 30, 2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from mortgages, notes, and loans payable	**600,590**	476,748
Principal payments on mortgages, notes, and loans payable	**(442,362)**	(323,252)
Proceeds from issuance of common stock, net	**862,789**	—
Debt extinguishment costs	**(204)**	—
Special Improvement District bond funds released from (held in) escrow	**23,900**	16,793
Deferred financing costs and bond issuance costs	**(6,263)**	(1,085)
Taxes paid on stock options exercised and restricted stock vested	**(3,437)**	(2,157)
Stock options exercised	**24**	—
Sale of preferred stock in Seaport Entertainment Group Inc. subsidiary	**—**	9,850
Contributions from Teravalis noncontrolling interest owner	**215**	171
Cash provided by (used in) financing activities of continuing operations	**1,035,252**	177,068
Cash provided by (used in) financing activities of discontinued operations	**—**	(122,597)
Cash provided by (used in) financing activities	**1,035,252**	54,471
Net change in cash, cash equivalents, and restricted cash	**975,301**	(132,331)
Cash, cash equivalents, and restricted cash at beginning of period	**998,503**	1,053,057
Cash, cash equivalents, and restricted cash at end of period	**1,973,804**	920,726
Less: Cash, cash equivalents, and restricted cash of discontinued operations at end of period	**—**	—
Cash, cash equivalents, and restricted cash of continuing operations at end of period	**$ 1,973,804**	$ 920,726
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Cash and cash equivalents	**$ 1,456,934**	$ 400,728
Restricted cash	**516,870**	519,998
Cash, cash equivalents, and restricted cash of continuing operations at end of period	**$ 1,973,804**	$ 920,726
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION — CONTINUING OPERATIONS		
Interest paid, net	**$ 236,950**	$ 251,528
Interest capitalized	**109,881**	114,694
Income taxes paid (refunded), net	**10,233**	3,958
NON-CASH TRANSACTIONS — CONTINUING OPERATIONS		
Consideration from sale of properties	**$ 41,125**	$ —
Special Improvement District bond transfers associated with land sales	**2,586**	9,997
Capitalized stock compensation	**2,332**	3,093
Accrued property improvements, developments, and redevelopments	**6,013**	(4,143)
Initial recognition of operating lease right-of-use asset	**—**	766
Initial recognition of operating lease obligation	**—**	766
NON-CASH TRANSACTIONS — DISCONTINUED OPERATIONS		
Distribution of Seaport Entertainment Group Inc. to stockholders	**$ —**	$ 361,210

See Notes to Condensed Consolidated Financial Statements.

1. Presentation of Financial Statements and Significant Accounting Policies

General These unaudited Condensed Consolidated Financial Statements have been prepared by Howard Hughes Holdings Inc. (HHH or the Company) in accordance with accounting principles generally accepted in the United States of America (GAAP). References to HHH, the Company, we, us, and our refer to Howard Hughes Holdings Inc. and its consolidated subsidiaries, which includes The Howard Hughes Corporation (HHC), unless otherwise specifically stated. References to HHC or Howard Hughes Communities refer to The Howard Hughes Corporation and its consolidated subsidiaries, unless otherwise specifically stated.

In accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X as issued by the Securities and Exchange Commission (the SEC), these Condensed Consolidated Financial Statements do not include all of the information and disclosures required by GAAP for complete financial statements. Readers of this quarterly report on Form 10-Q (Quarterly Report) should refer to the Howard Hughes Holdings Inc. audited Consolidated Financial Statements, which are included in its annual report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 26, 2025 (the Annual Report). In the opinion of management, all normal recurring adjustments necessary for a fair presentation of the financial position, results of operations, comprehensive income, cash flows, and equity for the interim periods have been included. The results for the three and nine months ended September 30, 2025, are not necessarily indicative of the results that may be expected for the year ending December 31, 2025, and future fiscal years.

Principles of Consolidation and Basis of Presentation The Condensed Consolidated Financial Statements include the accounts of Howard Hughes Holdings Inc. and its subsidiaries after elimination of intercompany balances and transactions. The Company also consolidates certain variable interest entities (VIEs) in accordance with Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 810 *Consolidation*. The outside equity interests in certain entities controlled by the Company are reflected in the Condensed Consolidated Financial Statements as noncontrolling interests.

On July 31, 2024, the spinoff of Seaport Entertainment Group Inc. and its subsidiaries (Seaport Entertainment or SEG) was completed (the Spinoff). As the Spinoff represents a strategic shift in the Company's operations, the results of SEG are presented as discontinued operations in the Condensed Consolidated Statements of Operations and the Condensed Consolidated Statements of Cash Flows and, as such, have been excluded from both continuing operations and segment results for all periods presented. The Condensed Consolidated Statements of Comprehensive Income (Loss), and Equity are presented on a consolidated basis for both continuing operations and discontinued operations. The disclosures presented in the notes to the unaudited Condensed Consolidated Financial Statements are presented on a continuing operations basis unless otherwise noted. See Note 3 - *Discontinued Operations* for additional information.

Management has evaluated for disclosure or recognition all material events occurring subsequent to the date of the Condensed Consolidated Financial Statements up to the date and time this Quarterly Report was filed.

Restricted Cash Restricted cash reflects amounts segregated in escrow accounts in the name of the Company, primarily related to escrowed condominium deposits by buyers and other amounts related to taxes, insurance, and legally restricted security deposits and leasing costs.

Accounts Receivable, net Accounts receivable, net includes straight-line rent receivables, tenant receivables, related-party receivables, and other receivables. On a quarterly basis, management reviews the lease-related receivables, including straight-line rent receivables and tenant receivables, for collectability. This analysis includes a review of past due accounts and considers factors such as the credit quality of tenants, current economic conditions, and changes in customer payment trends. When full collection of a lease-related receivable or future lease payment is deemed to be not probable, a reserve for the receivable balance is charged against rental revenue and future rental revenue is recognized on a cash basis. The Company also records reserves for estimated losses if the estimated loss amount is probable and can be reasonably estimated.

Related-party receivables are primarily due from the Floreo joint venture. This balance includes reimbursable overhead costs incurred by the Company on behalf of Floreo and a $6.0 million guaranty fee associated with the increased borrowing capacity of Floreo's bond financing in the first quarter of 2025. See Note 4 - *Investments in Unconsolidated Ventures* for additional information on the Floreo joint venture and Note 11 - *Commitments and Contingencies* for additional information on the guaranty fee.

Other receivables are primarily related to short-term trade receivables. The Company is exposed to credit losses through the sale of goods and services to customers and assesses its exposure to credit loss related to these receivables on a quarterly basis based on historical collection experience and future expectations by portfolio. The Company records an allowance for credit losses if the estimated loss amount is probable.

The following table represents the components of Accounts receivable, net of amounts considered uncollectible, in the accompanying Condensed Consolidated Balance Sheets:

thousands	**September 30, 2025**	December 31, 2024
Straight-line rent receivables	**$ 95,860**	$ 91,050
Tenant receivables	**5,061**	1,638
Related-party receivables	**16,836**	6,908
Other receivables	**7,261**	5,589
Accounts receivable, net (a)	**$ 125,018**	$ 105,185

(a) As of September 30, 2025, the total reserve balance for amounts considered uncollectible was $7.1 million, comprised of $7.0 million attributable to lease-related receivables and $0.1 million attributable to the allowance for credit losses related to other accounts receivables. As of December 31, 2024, the total reserve balance was $8.2 million, comprised of $8.1 million attributable to lease-related receivables and $0.1 million attributable to the allowance for credit losses related to other accounts receivables.

The following table summarizes the impacts of the collectability reserves in the accompanying Condensed Consolidated Statements of Operations:

thousands	**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
Statements of Operations Location	**2025**	2024	**2025**	2024
Rental revenue	**$ 494**	$ (426)	**$ 1,983**	$ (1,200)
Provision for (recovery of) doubtful accounts	**(345)**	190	**41**	327
Total (income) expense impact	**$ 149**	$ (236)	**$ 2,024**	$ (873)

MUD Receivables Sales In September 2024, the Company entered into a transaction in which it transferred the reimbursement rights for $186.0 million of existing MUD receivables and $9.3 million of related accrued interest, as well as $40.0 million of anticipated future MUD receivables, for total cash consideration of $176.7 million. Using the relative fair value method, $146.7 million of the cash consideration was allocated to the sale of the existing MUD receivables and $30.0 million was allocated to the sale of the anticipated future MUD receivables. As a result of the sale, the Company derecognized the existing MUD receivables and related accrued interest, resulting in a loss on sale of $51.5 million in the Condensed Consolidated Statements of Operations in the third quarter of 2024. Due to an adjustment to the allocation between projects, a slight reduction in the loss was recognized in the fourth quarter of 2024, and the final impact of this sale was a loss of $48.7 million.

In May 2025, the Company entered into a transaction in which it transferred the reimbursement rights to $147.0 million of existing MUD receivables and $14.1 million of related accrued interest, as well as $95.9 million of anticipated future MUD receivables, for total cash consideration of $180.0 million. Using the relative fair value method, $112.8 million of the cash consideration was allocated to the sale of the existing MUD receivables and $67.2 million was allocated to the sale of the anticipated future MUD receivables. As a result of the sale, the Company derecognized the existing MUD receivables and related accrued interest, resulting in a loss on sale of $48.2 million in the Condensed Consolidated Statements of Operations.

For both transactions, the Company is required to complete future development activities. As such, liabilities associated with the future development spend were recorded at amortized cost in Accounts payable and other liabilities on the Condensed Consolidated Balance Sheets. The associated discounts, which represent the differences between the total future development spend and the allocated cash proceeds, are being amortized into interest expense over the expected development period using the effective interest method. As of September 30, 2025, the total remaining liability was $68.9 million and the total unamortized discount was $18.1 million. Interest expense related to the discount amortization was $7.2 million for the three months ended September 30, 2025, and $16.4 million for the nine months ended September 30, 2025.

Use of Estimates The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. The estimates and assumptions include, but are not limited to, capitalization of development costs, provision for income taxes, recoverable amounts of receivables and deferred tax assets, initial valuations of tangible and intangible assets acquired, and the related useful lives of assets upon which depreciation and amortization is based. Estimates and assumptions have also been made with respect to future revenues and costs, and the fair value of warrants, debt, and options granted. Master Planned Communities (MPC) cost of sales estimates are highly judgmental as they are sensitive to cost escalation, sales price escalation, and lot absorption, which are subject to judgment and affected by expectations about future market or economic conditions. Additionally, the future cash flow estimates and fair values used for impairment analysis are highly judgmental and reflect current and projected trends in rental, occupancy, pricing, development costs, sales pace, capitalization rates, selling costs, and estimated holding periods for the applicable assets. Both MPC cost of sale estimates and estimates used in impairment analysis are affected by expectations about future market or economic conditions. Actual results could differ from these and other estimates.

Consolidated Variable Interest Entities

Teravalis At September 30, 2025, and December 31, 2024, the Company owned an 88.0% interest in Teravalis, the Company's newest large-scale master planned community in the West Valley of Phoenix, Arizona, and a third party owned the remaining 12.0%. Teravalis was determined to be a VIE, and as the Company has the power to direct the activities that most significantly impact its economic performance, the Company is considered the primary beneficiary and consolidates Teravalis.

Under the terms of the LLC agreement, cash distributions and the recognition of income-producing activities will be pro rata based on economic ownership interest. As of September 30, 2025, the Company's Condensed Consolidated Balance Sheets included $543.1 million of MPC assets and $65.2 million of Noncontrolling interest related to Teravalis. As of December 31, 2024, the Company's Condensed Consolidated Balance Sheets included $542.1 million of MPC assets and $65.1 million of Noncontrolling interest related to Teravalis.

'Ilima The Company entered into a joint venture agreement with Discovery Land Company (Discovery) to form Block E Ward Village ('Ilima) for the purpose of developing, constructing, and operating a residential condominium tower in Ward Village. 'Ilima was determined to be a VIE, and as the Company has the power to direct the activities that most significantly impact its economic performance, the Company is considered the primary beneficiary and consolidates 'Ilima. Pre-sales for 'Ilima commenced in June 2025. The Company currently funds 100% of the predevelopment activity.

Once pre-sales targets are met and construction financing is obtained, the Company will contribute land and Discovery will contribute to up $5.0 million. All other necessary capital contributions will be funded by the Company. After completion of the condominium tower and closing of condominium sales, cash distributions and the recognition of income-producing activities will be pro rata based on ownership interest. At September 30, 2025, and December 31, 2024, the Company owned approximately 100% of this venture.

The Company's Condensed Consolidated Balance Sheets included the following amounts related to 'Ilima.

thousands	**September 30, 2025**	December 31, 2024
Buildings and equipment	**$ 6,670**	$ 698
Less: accumulated depreciation	**(718)**	(19)
Developments	**14,758**	7,747
Net investment in real estate	**20,710**	8,426
Cash and cash equivalents	**22,685**	271
Restricted cash	**72,432**	—
Accounts receivable, net	**24**	—
Deferred expenses, net	**11,841**	—
Other assets, net	**165**	—
Total assets	**$ 127,857**	$ 8,697
Accounts payable and other liabilities	**$ 90,706**	$ 159
Total liabilities	**$ 90,706**	$ 159

Noncontrolling Interests As of September 30, 2025, and December 31, 2024, noncontrolling interests were primarily related to the 12.0% noncontrolling interest in Teravalis.

Financing Receivable Credit Losses The Company is exposed to credit losses through the sale of goods and services to the Company's customers. Receivables held by the Company primarily relate to short-term trade receivables, discussed above, and financing receivables, which include MUD receivables, Special Improvement District (SID) bonds, Tax Increment Financing (TIF) receivables, net investments in lease receivables, and notes receivable. The Company assesses its exposure to credit loss based on historical collection experience and future expectations by portfolio segment. Historical collection experience is evaluated on a quarterly basis by the Company.

The amortized cost basis of financing receivables, consisting primarily of MUD receivables, totaled $515.0 million as of September 30, 2025, and $569.1 million as of December 31, 2024. The MUD receivable balance included accrued interest of $48.8 million as of September 30, 2025, and $44.0 million as of December 31, 2024. There was no material activity in the allowance for credit losses for financing receivables for the three and nine months ended September 30, 2025 and 2024.

Financing receivables are considered to be past due once they are 30 days contractually past due under the terms of the agreement. The Company does not have significant receivables that are past due or on nonaccrual status. There have been no significant write-offs or recoveries of amounts previously written off during the current period for financing receivables.

2. Pershing Square Transaction

On May 5, 2025, the Company entered into a Share Purchase Agreement (Purchase Agreement), by and between the Company and Pershing Square Holdco, L.P. (PS Holdco), pursuant to which the Company sold to PS Holdco 9,000,000 newly issued shares of the Company's common stock at a purchase price of $100 per share, for an aggregate purchase price of $900 million (the Pershing Square Transaction). In connection with the Purchase Agreement, the Company also entered into several other agreements, dated May 5, 2025, with PS Holdco and Pershing Square Capital Management, L.P. (together, Pershing Square), including a Services Agreement, a Shareholder Agreement, a Standstill Agreement, and a Registration Rights Agreement.

As of September 30, 2025, Pershing Square beneficially owned approximately 46.9% of the Company's outstanding shares of common stock. The Company expects to use the proceeds from the transaction to acquire or make investments in operating companies as part of the Company's new strategy of becoming a diversified holding company.

Transaction Costs The Company incurred $38.3 million in costs directly attributable to the Pershing Square Transaction. As required by the Purchase Agreement, these transaction costs included the reimbursement of $25.0 million of reasonable and documented expenses incurred by Pershing Square in connection with the negotiation and execution of the transaction. These reimbursement costs were treated as a reduction of the proceeds and recorded directly in Additional paid-in capital on the Condensed Consolidated Balance Sheets. The remaining $13.3 million of costs were incurred directly by the Company and included $12.2 million of costs attributable to the sale of common stock recognized in Additional paid-in capital and $1.1 million of costs which were expensed as incurred as General and administrative expenses in the Condensed Consolidated Statements of Operations.

Services Agreement Pursuant to the terms of the Services Agreement, Pershing Square will support the Company's new diversified holding company strategy by providing services to the Company, such as (i) investment advisory services, (ii) making recommendations with respect to hedging, balance sheet optimization and capital allocation, (iii) executing transactions, (iv) assisting the Company with business and corporate development functions, (v) making voting recommendations for the Company's investments, (vi) assisting with and advising on fundraising, (vii) monitoring operations of the Company and its investments, subject to the day-to-day authority and responsibility of management of the Company, (viii) providing recommendations for persons to serve as designees or deputies of the Chief Investment Officer, (ix) engaging and supervising third-party service providers, (x) making dividend payment recommendations, and (xi) providing other services as may be agreed upon. The Services Agreement will have an initial ten-year term and will have successive renewal terms of ten years.

The Company will pay Pershing Square a quarterly base advisory fee of $3.75 million and a quarterly variable advisory fee equal to 0.375% of the excess value of the quarter-end stock price of the Company's common stock minus the reference price of $66.15, multiplied by the existing share count as of the transaction date, which will not increase with the issuance of new shares of common stock. The base fee and the reference share price are subject to annual adjustment based on the Core Personal Consumption Expenditures (PCE) Price Index. The total advisory fee recognized in General and administrative expenses in the Condensed Consolidated Statements of Operations was $7.1 million for the three months ended September 30, 2025, and $10.0 million for the nine months ended September 30, 2025. As of September 30, 2025, the Condensed Consolidated Balance Sheets reflect accounts payable of $3.4 million due to Pershing Square with respect to the advisory fees.

3. Discontinued Operations

On July 31, 2024, the Spinoff of SEG was completed. The Spinoff included all assets previously included in the Company's Seaport segment and the Las Vegas Aviators and the Las Vegas Ballpark, which were previously included in the Operating Assets segment. As the Spinoff represents a strategic shift in the Company's operations, the results of SEG are included as discontinued operations for all periods presented.

The following table presents key components of Net income (loss) from discontinued operations, net of taxes:

thousands	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024
Total revenues	$ 12,251	$ 60,846
Total operating expenses	18,019	88,381
General and administrative (a)	15,801	32,870
Depreciation and amortization	2,586	16,717
Other income (loss), net	32	(67)
Interest income (expense), net	(1,658)	(7,414)
Gain (loss) on extinguishment of debt	(1,563)	(1,563)
Equity in earnings (losses) from unconsolidated ventures	(2,129)	(18,960)
Net income (loss) from discontinued operations before income taxes	(29,473)	(105,126)
Income tax expense (benefit)	(5,442)	(23,319)
Net income (loss) from discontinued operations, net of taxes	$ (24,031)	$ (81,807)

(a) General and administrative expenses relate to costs incurred during the year to complete the spinoff of Seaport Entertainment.

Continuing Involvement with SEG In connection with the Spinoff, HHH entered into several agreements with Seaport Entertainment that governed the execution of the transaction and the relationship of the parties following the Spinoff including a Separation and Distribution Agreement, Transition Services Agreement, Tax Matters Agreement, Employee Matters Agreement, Guaranty Agreement, and various other agreements. All agreements expired on August 1, 2025, and as such, HHH has no continuing obligations to or from SEG under these agreements.

Seaport Entertainment Guaranty Following the execution of the Spinoff, HHH continues to provide a full backstop guaranty for SEG's outstanding mortgage related to its 250 Water Street property (Water Street Property). See Note 11 - *Commitments and Contingencies* for additional information.

4. Investments in Unconsolidated Ventures

In the ordinary course of business, the Company enters into partnerships and ventures with an emphasis on investments associated with the development and operation of real estate assets. As of September 30, 2025, the Company does not consolidate the investments below as it does not have a controlling financial interest in these investments. As such, the Company primarily reports its interests in accordance with the equity method. As of September 30, 2025, these ventures had debt totaling $416.4 million, with the Company's proportionate share of this debt totaling $206.8 million. All of this indebtedness is without recourse to the Company, with the exception of the collateral maintenance obligation for Floreo. See Note 11 - *Commitments and Contingencies* for additional information related to the Company's collateral maintenance obligation.

Investments in unconsolidated ventures consist of the following:

	Ownership Interest (a)		Carrying Value		Share of Earnings/Dividends			
					Three Months Ended September 30,		Nine Months Ended September 30,	
thousands except percentages	**September 30, 2025**	December 31, 2024	**September 30, 2025**	December 31, 2024	**2025**	2024	**2025**	2024
Equity Method Investments								
Operating Assets:								
Operating equity investments (b)	**Various**	Various	**$ 10,135**	$ 7,036	**$ 135**	$ (2,110)	**$ (1,152)**	$ 802
Master Planned Communities:								
The Summit (c)	**50 %**	50 %	**30,355**	37,409	**(2,085)**	(547)	**(7,055)**	(11,142)
Floreo (d)	**50 %**	50 %	**60,063**	60,788	**(636)**	908	**(725)**	2,675
Strategic Developments:								
West End Alexandria (c)	**58 %**	58 %	**60,744**	60,513	**57**	114	**231**	178
Other	**50 %**	50 %	**41**	41	**—**	5	**—**	15
			161,338	165,787	**(2,529)**	(1,630)	**(8,701)**	(7,472)
Other investments (e)			**3,779**	3,779	**—**	—	**5,605**	3,242
Investments in unconsolidated ventures			**$ 165,117**	$ 169,566	**$ (2,529)**	$ (1,630)	**$ (3,096)**	$ (4,230)

(a) Ownership interests presented reflect the Company's stated ownership interest or if applicable, the Company's final profit-sharing interest after receipt of any preferred returns based on the venture's distribution priorities.
(b) Two of the operating equity investments were in a combined deficit position of $21.8 million at September 30, 2025, and $18.0 million at December 31, 2024, and presented in Accounts payable and other liabilities on the Condensed Consolidated Balance Sheets.
(c) For these equity method investments, various provisions in the venture operating agreements regarding distributions of cash flow based on capital account balances, allocations of profits and losses, and preferred returns may result in the Company's economic interest differing from its stated interest or final profit-sharing interest. For these investments, the Company recognizes income or loss based on the venture's distribution priorities, which could fluctuate over time and may be different from its stated ownership or final profit-sharing interest.
(d) Classified as a VIE; however, the Company is not the primary beneficiary and accounts for its investment in accordance with the equity method. Refer to discussion below for additional information.
(e) Other investments represent investments not accounted for under the equity method. There were no impairments, or upward or downward adjustments to the carrying amounts of these securities either during current year or cumulatively.

The Summit In 2015, the Company formed DLV/HHPI Summerlin, LLC (The Summit) with Discovery to develop a custom home community in Summerlin.

Phase I The Company contributed land with a carrying value of $13.4 million and transferred SID bonds related to such land with a carrying value of $1.3 million to The Summit at the agreed upon capital contribution value of $125.4 million, or $226,000 per acre, and has no further capital obligations. Discovery is required to fund up to a maximum of $30.0 million of cash as their capital contribution, of which $3.8 million has been contributed as of September 30, 2025. The Company has received its preferred return distributions and recognizes its share of income or loss for Phase I based on its final profit-sharing interest.

Phase II In July 2022, the Company contributed an additional 54 acres to The Summit (Phase II land) with a fair value of $21.5 million. The Company recognized an incremental equity method investment at fair value and recognized a gain of $13.5 million recorded in Equity in earnings (losses) from unconsolidated ventures. This gain is the result of marking the cost basis of the land contributed to its estimated fair value at the time of contribution. The Phase II land is adjacent to the existing Summit development and includes approximately 28 custom home sites. The first lot sales closed in the first quarter of 2023. The Company recognizes its share of income or loss for Phase II based on the joint venture's distribution priorities in the amended Summit LLC agreement, which could fluctuate over time. Upon receipt of the Company's preferred returns, distributions and recognition of income or loss will be allocated to the Company based on its final profit-sharing interest.

Floreo In the fourth quarter of 2021, simultaneous with the Teravalis land acquisition, the Company closed on the acquisition of a 50% interest in Trillium Development Holding Company, LLC (Floreo) for $59.0 million and entered into a Limited Liability Company Agreement (LLC Agreement) with JDM Partners and El Dorado Holdings to develop Floreo, the first village within the new Teravalis MPC, on 3,029 acres of land in the greater Phoenix, Arizona area. The first land sales closed in the first quarter of 2024.

In October 2022, Floreo closed on a $165.0 million bond financing. In February 2025, the borrowing capacity on the bond was increased to $365.0 million. Outstanding borrowings as of September 30, 2025, were $225.0 million. The Company provided a guaranty on this financing in the form of a collateral maintenance obligation and received an initial guaranty fee of $5.0 million and will receive an additional guaranty fee of $6.0 million associated with the increased borrowing capacity. The financing and related guaranty provided by the Company triggered a reconsideration event and as of December 31, 2022, Floreo was classified as a VIE. Due to rights held by other members, the Company does not have a controlling financial interest in Floreo and is not the primary beneficiary. As of September 30, 2025, the Company's maximum exposure to loss on this investment is limited to the $60.1 million aggregate carrying value as the Company has not made any other firm commitments to fund amounts on behalf of this VIE, and cash collateral that the Company may be obligated to post related to its collateral maintenance obligation. See Note 11 - *Commitments and Contingencies* for additional information related to the Company's collateral maintenance obligation.

West End Alexandria In the fourth quarter of 2021, the Company entered into an Asset Contribution Agreement with Landmark Land Holdings, LLC (West End Alexandria) to redevelop a 52-acre site previously known as Landmark Mall. Other equity owners include Foulger-Pratt Development, LLC (Foulger-Pratt) and Seritage SRC Finance (Seritage). The Company conveyed its 33-acre Landmark Mall property with an agreed upon fair value of $56.0 million and Seritage conveyed an additional 19 acres of land with an agreed upon fair value of $30.0 million to West End Alexandria in exchange for equity interests. Additionally, Foulger-Pratt agreed to contribute $10.0 million to West End Alexandria. Also in the fourth quarter of 2021, West End Alexandria executed a Purchase and Sale Agreement with the City of Alexandria to sell approximately 11 acres to the City of Alexandria. The City will lease this land to Inova Health Care Services for construction of a new hospital.

Development plans for the remaining 41-acre property include approximately four million square feet of residential, retail, commercial, and entertainment offerings integrated into a cohesive neighborhood with a central plaza, a network of parks, and public transportation. Foulger-Pratt will manage construction of the development. Demolition was completed in 2023, with completion of infrastructure work expected in 2026.

The Company does not have the ability to control the activities that most impact the economic performance of the venture as Foulger-Pratt is the managing member and manages all development activities. As such, the Company accounts for its ownership interest in accordance with the equity method.

5. Acquisitions and Dispositions

Acquisitions

Strategic Developments In May 2025, the Company acquired the 7 Waterway office property and the adjacent parking garage for $16.3 million in an asset acquisition. The approximately 186,369 square-foot office property is located in The Woodlands.

Operating Assets In June 2024, the Company acquired the 6 Waterway office property and the adjacent parking garage for $19.2 million in an asset acquisition. The approximately 141,763 square-foot office property is located in The Woodlands.

Dispositions Gains and losses on asset dispositions are recorded to Gain (loss) on sale or disposal of real estate and other assets, net in the Condensed Consolidated Statements of Operations, unless otherwise noted.

Strategic Developments The Grogan's Mill Library and Community Center was developed in connection with a land swap agreement entered into with Montgomery County, Texas. In July 2025, upon completion of construction, the Company transferred the Grogan's Mill Library and Community Center to Montgomery County in exchange for a land parcel on the Waterway in The Woodlands (Town Green), resulting in a gain of $10.1 million. Town Green was measured at fair value and is held in the strategic segment for future development. See Note 9 - *Fair Value* for additional information.

Operating Assets In September 2025, the Company completed the sale of two land parcels, which included a 6,890 square foot retail space, in Ward Village for total proceeds of $6.0 million, resulting in a gain of $4.4 million.

In January 2025, the Company completed the sale of two land parcels, which included a 13,870 square foot retail space, in Ward Village for total consideration of $12.2 million, resulting in a gain of $10.0 million.

During 2024, the Company completed the sale of four non-core ground leases in The Woodlands, for total proceeds of $9.6 million, resulting in a gain of $6.7 million.

In December 2024, the Company completed the sale of Lakeland Village Center at Bridgeland, a 67,947-square-foot retail property in Bridgeland, for $28.0 million, resulting in a gain of $11.4 million.

In February 2024, the Company completed the sale of Creekside Park Medical Plaza, a 32,689 square-foot medical office building in The Woodlands, for $14.0 million, resulting in a gain of $4.8 million.

6. Impairment

The Company reviews its long-lived assets for potential impairment indicators when events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment or disposal of long-lived assets in accordance with ASC 360, *Property, Plant, and Equipment,* requires that if impairment indicators exist and expected undiscounted cash flows generated by the asset over an anticipated holding period are less than its carrying amount, an impairment provision should be recorded to write down the carrying amount of the asset to its fair value. The impairment analysis does not consider the timing of future cash flows and whether the asset is expected to earn an above- or below-market rate of return. No impairment charges were recorded in continuing operations during the three and nine months ended September 30, 2025 and 2024.

The Company periodically evaluates strategic alternatives with respect to each property and may revise the strategy from time to time, including the intent to hold the asset on a long-term basis or the timing of potential asset dispositions. For example, the Company may decide to sell property that is held for use, and the sale price may be less than the carrying amount. As a result, changes in strategy could result in impairment charges in future periods.

The Company evaluates each investment in an unconsolidated venture discussed in Note 4 - *Investments in Unconsolidated Ventures* periodically for recoverability and valuation declines that are other-than-temporary. If the decrease in value of an investment is deemed to be other-than-temporary, the investment is reduced to its estimated fair value. No impairment charges were recorded in continuing operations during the three and nine months ended September 30, 2025 and 2024.

7. Other Assets and Liabilities

Other Assets, Net The following table summarizes the significant components of Other assets, net:

thousands	**September 30, 2025**	December 31, 2024
Special Improvement District receivable, net	**$ 76,358**	$ 97,432
Security, escrow, and other deposits	**60,150**	66,348
In-place leases, net	**29,679**	32,995
Other	**28,574**	28,433
Prepaid expenses	**28,168**	22,791
Tenant incentives and other receivables, net	**13,970**	12,567
Intangibles, net	**3,238**	3,359
Notes receivable, net	**3,234**	870
Interest rate derivative assets	**3,045**	9,082
TIF receivable, net	**2,846**	4,340
Net investment in lease receivable	**2,788**	2,809
Condominium inventory	**370**	525
Other assets, net	**$ 252,420**	$ 281,551

Accounts Payable and Other Liabilities The following table summarizes the significant components of Accounts payable and other liabilities:

thousands	September 30, 2025	December 31, 2024
Condominium deposit liabilities	**$ 661,231**	$ 459,683
Construction payables	**295,714**	252,619
Deferred income	**184,391**	125,784
MUD sale liability	**68,898**	19,468
Tenant and other deposits	**41,972**	47,112
Accrued real estate taxes	**41,077**	29,284
Accounts payable and accrued expenses	**30,017**	48,317
Other	**25,798**	28,188
Accrued interest	**25,195**	51,828
Accrued payroll and other employee liabilities	**23,527**	32,154
Interest rate derivative liabilities	**547**	—
Accounts payable and other liabilities	**$ 1,398,367**	$ 1,094,437

8. Mortgages, Notes, and Loans Payable, Net

Mortgages, Notes, and Loans Payable, Net All mortgages, notes, and loans payable of HHH are held by HHC and its subsidiaries.

thousands	September 30, 2025	December 31, 2024
Fixed-rate debt		
Senior unsecured notes	**$ 2,050,000**	$ 2,050,000
Secured mortgages payable	**1,719,396**	1,635,750
Special Improvement District bonds	**79,288**	83,779
Variable-rate debt (a)		
Secured Bridgeland Notes	**85,000**	283,000
Secured mortgages payable	**1,390,396**	1,115,908
Unamortized deferred financing costs (b)	**(36,711)**	(40,968)
Mortgages, notes, and loans payable, net	**$ 5,287,369**	$ 5,127,469

(a) The Company has entered into derivative instruments to manage the variable interest rate exposure. See Note 10 - *Derivative Instruments and Hedging Activities* for additional information.
(b) Deferred financing costs are amortized to interest expense over the initial contractual term of the respective financing agreements using the effective interest method (or other methods which approximate the effective interest method).

As of September 30, 2025, land, buildings and equipment, developments, and other collateral with a net book value of $5.0 billion have been pledged as collateral for the Company's mortgages, notes, and loans payable.

Senior Unsecured Notes During 2020 and 2021, the Company issued $2.1 billion of aggregate principal of senior unsecured notes. These notes have fixed rates of interest that are payable semi-annually and are interest only until maturity. These debt obligations are redeemable prior to the maturity date subject to a "make-whole" premium which decreases annually until 2026 at which time the redemption make-whole premium is no longer applicable. The following table summarizes the Company's senior unsecured notes by issuance date:

$ in thousands	Principal	Maturity Date	Interest Rate
August 2020	$ 750,000	August 2028	5.375%
February 2021	650,000	February 2029	4.125%
February 2021	650,000	February 2031	4.375%
Senior unsecured notes	$ 2,050,000		

Secured Mortgages Payable The Company's outstanding mortgages are collateralized by certain of the Company's real estate assets. Certain of the Company's loans contain provisions that grant the lender a security interest in the operating cash flow of the property that represents the collateral for the loan. Certain mortgage notes may be prepaid subject to a prepayment penalty equal to a yield maintenance premium, defeasance, or a percentage of the loan balance. Construction loans related to the Company's development properties are generally variable-rate, interest-only, and have maturities of five years or less. Debt obligations related to the Company's operating properties generally require monthly installments of principal and interest. The Company's secured mortgages mature over various terms through September 2052.

The following table summarizes the Company's Secured mortgages payable:

	September 30, 2025				December 31, 2024			
$ in thousands	**Principal**	**Range of Interest Rates**	**Weighted-average Interest Rate**	**Weighted-average Years to Maturity**	**Principal**	**Range of Interest Rates**	**Weighted-average Interest Rate**	**Weighted-average Years to Maturity**
Fixed rate (a)	**$ 1,719,396**	**3.13% - 8.67%**	**4.89 %**	**5.3**	$ 1,635,750	3.13% - 8.67%	4.74 %	5.8
Variable rate (b)	**1,390,396**	**6.11% - 9.25%**	**7.54 %**	**1.1**	1,115,908	6.43% - 9.42%	7.67 %	1.7
Secured mortgages payable	**$ 3,109,792**	**3.13% - 9.25%**	**6.07 %**	**3.4**	$ 2,751,658	3.13% - 9.42%	5.93 %	4.1

(a) Interest rates presented are based upon the coupon rates of the Company's fixed-rate debt obligations.
(b) Interest rates presented are based on the applicable reference interest rates as of September 30, 2025, and December 31, 2024, excluding the effects of interest rate derivatives.

The Company has entered into derivative instruments to manage its variable interest rate exposure. The weighted-average interest rate of the Company's variable-rate mortgages payable, inclusive of interest rate derivatives, was 7.26% as of September 30, 2025, and 7.02% as of December 31, 2024. See Note 10 - *Derivative Instruments and Hedging Activities* for additional information.

During 2025, the Company's mortgage activity included draws on existing mortgages of $484.5 million, refinancings of $114.2 million, and repayments of $98.7 million. As of September 30, 2025, the Company's secured mortgage loans had $772.4 million of undrawn lender commitment available to be drawn for property development, subject to certain restrictions.

Special Improvement District Bonds The Summerlin MPC uses SID bonds to finance certain common infrastructure improvements. These bonds are issued by the municipalities and are secured by the assessments on the land. The majority of proceeds from each bond issued is held in a construction escrow and disbursed to the Company as infrastructure projects are completed, inspected by the municipalities, and approved for reimbursement. Accordingly, the SID bonds have been classified as debt, and the Summerlin MPC pays the debt service on the bonds semi-annually. As Summerlin sells land, the buyers assume a proportionate share of the bond obligation at closing, and the residential sales contracts provide for the reimbursement of the principal amounts that the Company previously paid with respect to such proportionate share of the bond. These bonds bear interest at fixed rates ranging from 4.13% to 6.05% with maturities ranging from 2025 to 2054 as of September 30, 2025, and December 31, 2024. During the nine months ended September 30, 2025, obligations of $2.6 million were assumed by buyers and no SID bonds were issued.

Secured Bridgeland Notes The Company's $600.0 million secured notes mature in 2029 and are secured by MUD receivables and land in Bridgeland. The loan requires a 10% fully refundable deposit on the outstanding balance and has an interest rate of 6.59%. In the second quarter of 2025, $198.0 million was repaid primarily using the proceeds from the sale of MUD receivables, bringing outstanding borrowings to $85.0 million as of September 30, 2025.

Debt Compliance On certain of its debt obligations, the Company has the option to exercise extension options, subject to certain terms, which may include minimum debt service coverage, minimum occupancy levels or condominium sales levels, as applicable, and other performance criteria. In certain cases, due to property performance not meeting identified covenants, the Company may be required to pay down a portion of the loan to exercise the extension option.

As of September 30, 2025, the Company was not in compliance with certain property-level debt covenants. As a result, the excess net cash flow after debt service from the underlying properties became restricted. While the restricted cash could not be used for general corporate purposes, it could be used to fund operations of the underlying assets and did not have a material impact on the Company's liquidity or its ability to operate these assets.

9. Fair Value

ASC 820, *Fair Value Measurement*, emphasizes that fair value is a market-based measurement that should be determined using assumptions market participants would use in pricing an asset or liability. The standard establishes a hierarchical disclosure framework that prioritizes and ranks the level of market price observability used in measuring assets or liabilities at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the asset or liability. Assets or liabilities with readily available active quoted prices, or for which fair value can be measured from actively quoted prices, generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The following table presents the fair value measurement hierarchy levels required under ASC 820 for the Company's assets that are measured at fair value on a recurring basis. The Company does not have any liabilities that are measured at a fair value on a recurring basis for the periods presented.

	September 30, 2025 Fair Value Measurements Using				December 31, 2024 Fair Value Measurements Using			
thousands	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate derivative assets	**$ 3,045**	**$ —**	**$ 3,045**	**$ —**	$ 9,082	$ —	$ 9,082	$ —
Interest rate derivative liabilities	**547**	**—**	**547**	**—**	—	—	—	—

The fair values of interest rate derivatives are determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of future interest rates derived from observable market interest rate curves.

The estimated fair values of the Company's financial instruments that are not measured at fair value on a recurring basis are as follows:

		September 30, 2025		December 31, 2024	
thousands	**Fair Value Hierarchy**	**Carrying Amount**	**Estimated Fair Value**	Carrying Amount	Estimated Fair Value
Assets:					
Cash, cash equivalents, and restricted cash (a)	Level 1	**$ 1,973,804**	**$ 1,973,804**	$ 998,503	$ 998,503
Accounts receivable, net (b)	Level 3	**125,018**	**125,018**	105,185	105,185
Notes receivable, net (c)	Level 3	**3,234**	**3,234**	870	870
Liabilities:					
Fixed-rate debt (d)	Level 2	**3,848,684**	**3,694,920**	3,769,529	3,495,298
Variable-rate debt (d)	Level 2	**1,475,396**	**1,475,396**	1,398,908	1,398,908

(a) Cash, cash equivalents, and restricted cash include demand deposits, money market mutual funds, and U.S. Treasury bills with original maturities of 90 days or less.
(b) Accounts receivable, net is shown net of an allowance of $7.1 million at September 30, 2025, and $8.2 million at December 31, 2024. Refer to Note 1 - *Presentation of Financial Statements and Significant Accounting Policies* for additional information on the allowance.
(c) Notes receivable, net is shown net of an immaterial allowance at September 30, 2025, and December 31, 2024.
(d) Excludes related unamortized financing costs.

The carrying amounts of Cash, cash equivalents, and restricted cash; Accounts receivable, net; and Notes receivable, net approximate fair value because of the short-term maturity of these instruments.

The fair value of the Company's Senior unsecured notes, included in fixed-rate debt in the table above, is based upon the trade price closest to the end of the period presented. The fair value of other fixed-rate debt in the table above was estimated based on a discounted future cash payment model, which includes risk premiums and risk-free rates derived from the Secured Overnight Financing Rate (SOFR) or U.S. Treasury obligation interest rates as of September 30, 2025. Refer to Note 8 - *Mortgages, Notes, and Loans Payable, Net* for additional information. The discount rates reflect the Company's judgment as to what the approximate current lending rates for loans or groups of loans with similar maturities and credit quality would be if credit markets were operating efficiently and assuming that the debt is outstanding through maturity.

The carrying amounts for the Company's variable-rate debt approximate fair value given that the interest rates are variable and adjust with current market rates for instruments with similar risks and maturities.

The below table includes a non-financial asset received as consideration in a land swap transaction and measured at fair value on a non-recurring basis:

			Fair Value Measurements Using		
thousands	Segment	Total Fair Value Measurement	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Town Green (a)	Strategic Developments	$ 28,900	$ —	$ —	$ 28,900

(a) The fair value was determined based on an independent property appraisal using market-participant assumptions as of June 2025. Refer to Note 5 - *Acquisitions and Dispositions* for additional information.

10. Derivative Instruments and Hedging Activities

The Company is exposed to interest rate risk related to its variable interest rate debt, and it manages this risk by utilizing interest rate derivatives. The Company uses interest rate swaps, collars, and caps to add stability to interest costs by reducing the Company's exposure to interest rate movements. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company's fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Interest rate collars designated as cash flow hedges involve the receipt of variable amounts from a counterparty if interest rates rise above an established ceiling rate and payment of variable amounts to a counterparty if interest rates fall below an established floor rate, in exchange for an upfront premium. No payments or receipts are exchanged on interest rate collar contracts unless interest rates rise above or fall below the established ceiling and floor rates. Interest rate caps designated as cash flow hedges involve the receipt of variable amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for an upfront premium. Certain of the Company's interest rate caps are not currently designated as hedges, and therefore, any gains or losses are recognized in current-period earnings within Interest expense in the Condensed Consolidated Statements of Operations. These derivatives are recorded on a gross basis at fair value on the Condensed Consolidated Balance Sheets.

Assessments of hedge effectiveness are performed quarterly using regression analysis. The change in the fair value of derivatives designated and qualifying as cash flow hedges is recorded in Accumulated other comprehensive income (loss) (AOCI) and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings within the same income statement line item being hedged. Derivatives accounted for as cash flow hedges are classified in the same category in the Condensed Consolidated Statements of Cash Flows as the items being hedged. Gains and losses from derivative financial instruments are reported in Cash provided by (used in) operating activities within the Condensed Consolidated Statements of Cash Flows.

The Company is exposed to credit risk in the event of non-performance by its derivative counterparties. To mitigate its credit risk, the Company reviews the creditworthiness of counterparties and enters into agreements with those that are considered credit-worthy, such as large financial institutions with favorable credit ratings. There were no derivative counterparty defaults as of September 30, 2025, or December 31, 2024.

If the derivative contracts are terminated prior to their maturity, the amounts previously recorded in AOCI are recognized in earnings over the period that the hedged transaction impacts earnings. The Company recorded an immaterial reduction in interest expense in 2024 and 2025 related to the amortization of terminated swaps.

Amounts reported in AOCI related to derivatives are reclassified to Interest expense as interest payments are made on the Company's variable-rate debt. Over the next 12 months, the Company estimates that $1.9 million of net gain will be reclassified to Interest expense including amounts related to the amortization of terminated swaps.

The following table summarizes certain terms of the Company's derivative contracts. The Company reports derivative assets in Other assets, net and derivative liabilities in Accounts payable and other liabilities.

					Fair Value Asset (Liability)	
thousands	Notional Amount	Fixed Interest Rate (a)	Effective Date	Maturity Date	September 30, 2025	December 31, 2024
Derivative instruments not designated as hedging instruments: (b)						
Interest rate collar	$ 219,080	2.00% - 4.50%	6/1/2023	6/1/2025	**$ —**	$ 35
Interest rate collar	234,364	2.00% - 4.50%	6/1/2023	6/1/2025	**—**	34
Interest rate cap (c)	75,000	2.50 %	10/12/2021	9/29/2025	**—**	919
Interest rate cap	59,500	2.50 %	10/12/2021	9/29/2025	**—**	729
Interest rate cap	250,000	4.50 %	6/17/2025	7/1/2026	**5**	—
Interest rate cap	66,706	6.00 %	6/20/2024	7/15/2026	**—**	30
Interest rate cap	8,320	6.00 %	6/20/2024	7/15/2026	**—**	4
Interest rate cap	100,614	5.25 %	12/2/2024	12/15/2026	**4**	297
Derivative instruments designated as hedging instruments:						
Interest rate cap	127,000	3.50 %	11/7/2024	11/7/2025	**71**	725
Interest rate cap	72,581	5.00 %	12/22/2022	12/21/2025	**—**	15
Interest rate swap	79,690	3.97 %	5/1/2025	4/15/2026	**(23)**	—
Interest rate swap	32,400	3.98 %	7/10/2025	8/1/2026	**(92)**	—
Interest rate swap	175,000	3.69 %	1/3/2023	1/1/2027	**(432)**	1,062
Interest rate swap	40,800	1.68 %	3/1/2022	2/18/2027	**1,034**	1,979
Interest rate swap	34,023	4.89 %	11/1/2019	1/1/2032	**1,931**	3,253
Total fair value derivative assets					**$ 3,045**	$ 9,082
Total fair value derivative liabilities					**(547)**	—
Total fair value derivative asset (liability), net					**$ 2,498**	$ 9,082

(a) These rates represent the swap rate and cap strike rate on the Company's interest rate swaps, caps, and collars.
(b) Interest related to these contracts was $0.1 million expense for the three months ended September 30, 2025, $0.4 million income for the nine months ended September 30, 2025, $2.1 million expense for the three months ended September 30, 2024, and $1.0 million income for the nine months ended September 30, 2024.
(c) The Company voluntarily terminated this interest rate cap in the second quarter of 2025.

The tables below present the effect of the Company's derivative financial instruments in the Condensed Consolidated Statements of Operations:

	Amount of Gain (Loss) Recognized in AOCI on Derivatives			
Derivatives in Cash Flow Hedging Relationships	Three Months Ended September 30,		Nine Months Ended September 30,	
thousands	**2025**	2024	**2025**	2024
Interest rate derivatives	**$ 146**	$ (4,116)	**$ (1,065)**	$ 950

	Amount of Gain (Loss) Reclassified from AOCI into Statements of Operations			
Location of Gain (Loss) Reclassified from AOCI into Statements of Operations	Three Months Ended September 30,		Nine Months Ended September 30,	
thousands	**2025**	2024	**2025**	2024
Interest expense	**$ 838**	$ 1,194	**$ 2,319**	$ 3,597

Credit-risk-related Contingent Features The Company has agreements at the property level with certain derivative counterparties that contain a provision where if the Company defaults on the related property-level indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default on its related derivative obligations. The fair value of derivatives in a net liability position related to these agreements was $0.4 million as of September 30, 2025.

11. Commitments and Contingencies

Litigation In the normal course of business, from time to time, the Company is involved in legal proceedings relating to the ownership and operations of its properties. In management's opinion, the liabilities, if any, that may ultimately result from normal course of business legal actions are not expected to have a material effect on the Company's consolidated financial position, results of operations, or liquidity.

Columbia The Company is currently developing certain property it owns in the Merriweather District (formerly Downtown Columbia), which is subject to certain recorded documents, covenants, and restrictions (the Covenants). Under the Covenants, HHH is the master developer of the Merriweather District. In 2017, IMH Columbia, LLC (IMH) purchased the site of a former Sheraton Hotel (the Hotel Lot) subject to the Covenants. IMH has made demands that HHH accede to IMH's development plans for the Hotel Lot and HHH has exercised its right under the Covenants to object to IMH's plans for the Hotel Lot. IMH filed a complaint seeking (1) a declaration that HHH gave its consent, under the Covenants, to IMH's proposed changes in use and onsite parking, or that the limitations under the Covenants are obsolete and unenforceable, (2) damages reimbursing the costs and expenses IMH claims to have incurred in reliance on HHH's alleged consent to IMH's proposed development, (3) damages related to the expectation of lost profits, which IMH alleged were caused by HHH breaching the Covenants by prohibiting IMH from proceeding with its proposed development, and (4) declarations finding that HHH breached the shared parking related Covenants relating to HHH's own property. The jury trial concluded in April 2024, and the jury found partially in favor of IMH and awarded damages of $17.0 million, which will accrue post-judgment interest of 10% annually from the date of the final judgment. The Company has appealed the judgment, and the Court of Appeals heard oral arguments in September 2025. The Company will continue to defend the matter as it believes that these claims are without merit and that it has substantial legal and factual defenses to the claims and allegations contained in the complaint.

Timarron Park On June 14, 2018, the Company was served with a petition involving approximately 500 individuals or entities who claim that their properties, located in the Timarron Park neighborhood of The Woodlands, were damaged by flood waters that resulted from the unprecedented rainfall that occurred throughout Harris County and surrounding areas during Hurricane Harvey in August 2017. The complaint was filed in State Court in Harris County of the State of Texas. In general, the plaintiffs allege negligence in the development of Timarron Park and violations of Texas' Deceptive Trade Practices Act and name as defendants The Howard Hughes Corporation, The Woodlands Land Development Company, and two unaffiliated parties involved in the planning and engineering of Timarron Park. The plaintiffs are seeking restitution for damages to their properties and diminution of their property values. On August 9, 2022, the Court granted the Company's summary judgment motions and dismissed the plaintiffs' claims. The plaintiffs filed a motion for a new trial, which was denied. Plaintiffs appealed. In November 2024, a three-judge panel of the Court of Appeals affirmed the trial court's judgment in the Company's favor. Plaintiffs have filed a motion for rehearing, which is currently pending before the Court of Appeals. The Company will continue to defend the matter as it believes that these claims are without merit and that it has substantial legal and factual defenses to the claims and allegations contained in the complaint. Based upon the present status of this matter, the Company does not believe it is probable that a loss will be incurred. Accordingly, the Company has not recorded a charge as a result of this action.

Kō'ula In January 2025, the Association of Unit Owners of Kō'ula filed two complaints against the Company and the general contractor, with one complaint alleging multiple code violations and construction defects (Defect Action) and the other claiming that the Company understated operating costs and disproportionately allocated common expenses to the detriment of unit owners (Budget Action). The Company's insurance carrier has agreed to defend the Defect Action, while coverage for the Budget Action was denied. The Company filed a motion to consolidate both complaints, which was granted in June 2025, with the court's order regarding the same was entered in September 2025. The Company has not accrued any amount related to this claim as the damage is undetermined and no estimate can be made at this time.

Letters of Credit and Surety Bonds As of September 30, 2025, the Company had outstanding letters of credit totaling $4.1 million and surety bonds totaling $376.6 million. As of December 31, 2024, the Company had outstanding letters of credit totaling $3.9 million and surety bonds totaling $353.8 million. These letters of credit and surety bonds were issued primarily in connection with insurance requirements, special real estate assessments, and construction obligations.

Operating Leases The Company leases land or buildings at certain properties from third parties, which are recorded in Operating lease right-of-use assets and Operating lease obligations on the Condensed Consolidated Balance Sheets. See Note 16 - *Leases* for further discussion.

Guaranty Agreements The Company evaluates the likelihood of future performance under the below guarantees and, as of September 30, 2025, and December 31, 2024, there were no events requiring financial performance under these guarantees.

Seaport Entertainment Guaranty Immediately prior to the Spinoff, 250 Seaport District, LLC (SEG Borrower), then a subsidiary of HHH, refinanced the existing mortgage loan related to the Water Street Property. This included the repayment of the existing mortgage loan payable with a carrying value of $113.4 million and the incurrence of $61.3 million in new mortgage indebtedness (SEG Term Loan). As part of the refinancing, SEG Borrower also entered into a total return swap with a third-party lender to provide credit support for the SEG Term Loan, which was supported by a guaranty provided by a separate subsidiary of HHH (HHH Guarantor). The SEG Term Loan and related total return swap were included in the liabilities transferred to Seaport Entertainment upon completion of the Spinoff. As a result, following the Spinoff, HHH Guarantor now provides a full backstop guaranty for the SEG Term Loan.

The SEG Term Loan agreement is scheduled to mature on July 1, 2029. Collateral for the loan includes the Water Street Property which was transferred to SEG upon completion of the Spinoff. Under the terms of SEG's loan agreement, the Loan-to-Value (LTV) ratio must not exceed certain thresholds. In the event the LTV ratio exceeds the applicable threshold, SEG must pay down the loan to an amount that would result in an LTV ratio under the applicable threshold. In the event SEG fails to make any necessary payments when due, HHH Guarantor is required to make all payments in full.

In consideration of HHH Guarantor providing such guaranty, SEG pays the Company an annualized guaranty fee equal to 2.0% of the total outstanding principal, paid monthly. The Company's maximum exposure under this guaranty is equal to the outstanding principal and interest balance at the end of each period. Given the value of the Water Street Property collateral, the Company does not expect to have to perform under this guaranty.

In August 2025, SEG announced that it had entered into an agreement for the sale of 250 Water Street and expects to close on the sale before the end of 2025. However, the sale of 250 Water Street is subject to certain closing conditions, which are not currently satisfied. Accordingly, there can be no assurances that the sale of 250 Water Street will be completed on the terms or timing disclosed by SEG. If SEG completes the sale, the backstop guaranty will be dissolved.

Floreo Guaranty In October 2022, Floreo, the Company's 50%-owned joint venture in Teravalis, closed on a $165 million bond financing with a maturity date of October 1, 2027. In February 2025, the borrowing capacity on the bond was increased to $365.0 million and the maturity was extended to December 1, 2029. Outstanding borrowings as of September 30, 2025, were $225.0 million. A wholly owned subsidiary of the Company (HHC Subsidiary) provided a guaranty for the bond in the form of a collateral maintenance commitment under which it will post refundable cash collateral if the LTV ratio exceeds 50%. A separate wholly owned subsidiary of the Company also provided a backstop guaranty requiring the payment of cash collateral in the event HHC Subsidiary fails to make necessary payments when due. In February 2025, in connection with the increase of the borrowing capacity, the potential cash collateral commitment associated with this guaranty increased from $50.0 million to $100.0 million. The cash collateral becomes nonrefundable if Floreo defaults on the bond obligation.

The Company received a fee of $5.0 million in exchange for providing the initial guaranty and will receive an additional guaranty fee of $6.0 million associated with the increased borrowing capacity. This deferred income was recorded in Accounts payable and other liabilities on the Condensed Consolidated Balance Sheets as of September 30, 2025, and December 31, 2024, and will be recognized in Other income (loss), net in a manner that corresponds to the bond repayment by Floreo. The Company's maximum exposure under this guaranty is equal to the cash collateral that the Company may be obligated to post. As of September 30, 2025, the Company has not posted any cash collateral. Given the existence of other collateral including the undeveloped land owned by Floreo, the entity's extensive and discretionary development plan, and its eligibility for reimbursement of a significant part of the development costs from the Community Facility District in Arizona, the Company does not expect to have to post collateral.

Merriweather District (formerly Downtown Columbia) To the extent that increases in taxes do not cover debt service payments on the Redevelopment District TIF bonds issued by Howard County, Maryland, the Company's wholly owned subsidiary is obligated to pay special taxes. Management has concluded that, as of September 30, 2025, any obligations to pay special taxes are not probable.

Ward Village As part of the Company's development permits with the Hawai'i Community Development Authority for the condominium towers at Ward Village, the Company entered into a guaranty whereby it is required to reserve 20% of the residential units for local residents who meet certain maximum income and net worth requirements. This guaranty, which is triggered once the necessary permits are granted and construction commences, was satisfied for Waiea, Anaha, and Ae`o, with the opening of Ke Kilohana, which is a workforce tower fully earmarked to fulfill this obligation for the first four towers. The reserved units for 'A'ali'i tower are included in the 'A'ali'i tower. Units for Kō'ula, Victoria Place, The Park Ward Village, and Kalae will be satisfied with the construction of Ulana Ward Village, which is a second workforce tower fully earmarked to fulfill the remaining reserved housing guaranty in the community. Construction on Ulana Ward Village began in early 2023, and was completed in November 2025.

12. Income Taxes

	Three Months Ended September 30,		Nine Months Ended September 30,	
thousands except percentages	**2025**	2024	**2025**	2024
Income tax expense (benefit)	**$ 38,898**	$ 10,195	**$ 38,513**	$ 17,236
Income (loss) from continuing operations before income taxes	**158,300**	106,723	**156,677**	140,131
Effective tax rate	**24.6 %**	9.6 %	**24.6 %**	12.3 %

The Company's tax provision for interim periods is determined using an estimate of its annual current and deferred effective tax rates, adjusted for discrete items. The Company's effective tax rate is typically impacted by non-deductible executive compensation and other permanent differences as well as state income taxes, which cause the Company's effective tax rate to deviate from the federal statutory rate. For the three and nine months ended September 30, 2024, the effective tax rate was also impacted by a partial release of valuation allowances on the Company's deferred tax assets as well as a net increase in expense related to the revaluation of deferred tax assets and liabilities as a result of the spinoff of Seaport Entertainment Group Inc. in the third quarter of 2024.

13. Accumulated Other Comprehensive Income (Loss)

The following tables summarize changes in AOCI, all of which are presented net of tax:

thousands		
Balance at June 30, 2025	$	(724)
Derivative instruments:		
Other comprehensive income (loss) before reclassifications		146
(Gain) loss reclassified to net income		(838)
Net current-period other comprehensive income (loss)		(692)
Balance at September 30, 2025	$	(1,416)

Balance at June 30, 2024	$	3,935
Derivative instruments:		
Other comprehensive income (loss) before reclassifications		(4,116)
(Gain) loss reclassified to net income		(1,194)
Net current-period other comprehensive income (loss)		(5,310)
Balance at September 30, 2024	$	(1,375)

thousands		
Balance at December 31, 2024	$	1,968
Derivative instruments:		
Other comprehensive income (loss) before reclassifications		(1,065)
(Gain) loss reclassified to net income		(2,319)
Net current-period other comprehensive Income (loss)		(3,384)
Balance at September 30, 2025	$	(1,416)

Balance at December 31, 2023	$	1,272
Derivative instruments:		
Other comprehensive income (loss) before reclassifications		950
(Gain) loss reclassified to net income		(3,597)
Net current-period other comprehensive income (loss)		(2,647)
Balance at September 30, 2024	$	(1,375)

The following table summarizes the amounts reclassified out of AOCI:

Accumulated Other Comprehensive Income (Loss) Components	**Amounts reclassified from Accumulated other comprehensive income (loss)**				**Affected line items in the Statements of Operations**
	Three Months Ended September 30,		**Nine Months Ended September 30,**		
thousands	**2025**	2024	**2025**	2024	
(Gains) losses on cash flow hedges	**$ (1,103)**	$ (1,548)	**$ (3,053)**	$ (4,662)	Interest expense
Income tax expense (benefit)	**265**	354	**734**	1,065	Income tax expense (benefit)
Total reclassifications of (income) loss, net of tax	**$ (838)**	$ (1,194)	**$ (2,319)**	$ (3,597)	

14. Earnings Per Share

Basic earnings (loss) per share (EPS) is computed by dividing net income (loss) available to common stockholders by the weighted-average number of common shares outstanding. Diluted EPS is computed after adjusting the numerator and denominator of the basic EPS computation for the effects of all potentially dilutive common shares. The dilutive effect of options and non-vested stock issued under stock-based compensation plans is computed using the treasury stock method.

Information related to the Company's EPS calculations is summarized as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
thousands except per share amounts	**2025**	2024	**2025**	2024
Net income (loss)				
Net income (loss) from continuing operations	**$ 119,402**	$ 96,528	**$ 118,164**	$ 122,895
Net (income) loss attributable to noncontrolling interests	**106**	273	**(267)**	297
Net income (loss) from continuing operations attributable to common stockholders	**119,508**	96,801	**117,897**	123,192
Net income (loss) from discontinued operations	**—**	(24,031)	**—**	(81,807)
Net income (loss) attributable to common stockholders	**$ 119,508**	$ 72,770	**$ 117,897**	$ 41,385
Shares				
Weighted-average common shares outstanding — basic	**58,829**	49,697	**54,674**	49,682
Restricted stock and stock options	**294**	65	**279**	38
Weighted-average common shares outstanding — diluted	**59,123**	49,762	**54,953**	49,720
Net income (loss) per common share				
Basic income (loss) per share — continuing operations	**$ 2.03**	$ 1.95	**$ 2.16**	$ 2.48
Basic income (loss) per share — discontinued operations	**$ —**	$ (0.48)	**$ —**	$ (1.65)
Basic income (loss) per share attributable to common stockholders	**$ 2.03**	$ 1.46	**$ 2.16**	$ 0.83
Diluted income (loss) per share — continuing operations	**$ 2.02**	$ 1.95	**$ 2.15**	$ 2.48
Diluted income (loss) per share — discontinued operations	**$ —**	$ (0.48)	**$ —**	$ (1.65)
Diluted income (loss) per share attributable to common stockholders	**$ 2.02**	$ 1.46	**$ 2.15**	$ 0.83
Anti-dilutive shares excluded from diluted EPS				
Restricted stock and stock options	**143**	255	**146**	270

Common Stock Repurchases In March 2022, the Board authorized a share repurchase program pursuant to which the Company may, from time to time, purchase up to $250.0 million of its common stock through open-market transactions. In 2022, the Company repurchased approximately $235.0 million of common stock. The date and time of any additional repurchases will depend upon market conditions and the program may be suspended or discontinued at any time.

15. Revenues

Revenues from contracts with customers (excluding lease-related revenues) are recognized when control of the promised goods or services is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Revenue and cost of sales for condominium units sold are not recognized until the construction is complete, the sale closes, and the title to the property has transferred to the buyer (point in time). Additionally, certain real estate selling costs, such as the costs related to the Company's condominium model units, are either expensed immediately or capitalized as property and equipment and depreciated over their estimated useful life.

The following presents the Company's revenues disaggregated by revenue source:

	Three Months Ended September 30,		Nine Months Ended September 30,	
thousands	**2025**	2024	**2025**	2024
Revenues from contracts with customers				
Recognized at a point in time:				
Condominium rights and unit sales	**$ 142**	$ 3	**$ 677**	$ 26
Master Planned Communities land sales	**248,467**	198,239	**445,150**	385,444
Builder price participation	**16,012**	9,592	**39,437**	35,063
Total	**264,621**	207,834	**485,264**	420,533
Recognized at a point in time or over time:				
Other land, rental, and property revenues	**14,237**	10,700	**34,297**	31,105
Rental and lease-related revenues				
Rental revenue	**111,377**	108,613	**330,882**	315,461
Total revenues	**$ 390,235**	$ 327,147	**$ 850,443**	$ 767,099

Contract Assets and Liabilities Contract assets are the Company's right to consideration in exchange for goods or services that have been transferred to a customer, excluding any amounts presented as a receivable. Contract liabilities are the Company's obligation to transfer goods or services to a customer for which the Company has received consideration.

There were no contract assets for the periods presented. The contract liabilities primarily relate to escrowed condominium deposits, MPC land sales deposits, and deferred MPC land sales related to unsatisfied land improvements. The beginning and ending balances of contract liabilities and significant activity during the periods presented are as follows:

thousands	
Balance at December 31, 2024	$ 584,536
Consideration earned during the period	(73,901)
Consideration received during the period	308,900
Balance at September 30, 2025	$ 819,535
Balance at December 31, 2023	$ 575,621
Consideration earned during the period	(79,388)
Consideration received during the period	328,893
Balance at September 30, 2024	$ 825,126

Remaining Unsatisfied Performance Obligations The Company's remaining unsatisfied performance obligations represent a measure of the total dollar value of work to be performed on contracts executed and in progress. These performance obligations primarily relate to the completion of condominium construction and transfer of control to a buyer, as well as the completion of contracted MPC land sales and related land improvements. These obligations are associated with contracts that generally are non-cancelable by the customer after 30 days for all Ward Village condominiums and after 6 days for The Ritz-Carlton Residences; however, purchasers of condominium units have the right to cancel the contract should the Company elect not to construct the condominium unit within a certain period of time or materially change the design of the condominium unit. The aggregate amount of the transaction price allocated to the Company's remaining unsatisfied performance obligations as of September 30, 2025, was $4.5 billion. The Company expects to recognize this amount as revenue over the following periods:

thousands	Less than 1 year	1-2 years	3 years and thereafter
Total remaining unsatisfied performance obligations	$ 1,279,933	$ 434,183	$ 2,786,837

The Company's remaining performance obligations are adjusted to reflect any known project cancellations, revisions to project scope and cost, and deferrals, as appropriate. These amounts exclude estimated amounts of variable consideration which are constrained, such as builder price participation.

16. Leases

The Company has lease agreements with lease and non-lease components and has elected to aggregate these components into a single component for all classes of underlying assets. Certain of the Company's lease agreements include non-lease components such as fixed common area maintenance charges.

Lessee Arrangements The Company determines whether an arrangement is a lease at inception. Operating leases are included in Operating lease right-of-use assets and Operating lease obligations on the Condensed Consolidated Balance Sheets. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of future minimum lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses an estimate of the incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future lease payments. The Operating lease right-of-use asset also includes any lease payments made, less any lease incentives and initial direct costs incurred. The Company does not have any finance leases.

The Company's lessee agreements consist of operating leases primarily for ground leases and other real estate. The Company's leases have remaining lease terms of approximately 1 year to approximately 24 years, excluding extension options. The Company considers its strategic plan and the life of associated agreements in determining when options to extend or terminate lease terms are reasonably certain of being exercised. Leases with an initial term of 12 months or less are not recorded on the Condensed Consolidated Balance Sheets; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. Certain of the Company's lease agreements include variable lease payments based on a percentage of income generated through subleases, changes in price indices and market rates, and other costs arising from operating, maintenance, and taxes. The Company's lease agreements do not contain residual value guarantees or restrictive covenants. The Company leases certain buildings constructed on its ground leases to third parties.

The Company's leased assets and liabilities are as follows:

thousands	**September 30, 2025**	December 31, 2024
Operating lease right-of-use assets	**$ 5,382**	$ 5,806
Operating lease obligations	**5,253**	5,456

Future minimum lease payments as of September 30, 2025, are as follows:

thousands	**Operating Leases**
Remainder of 2025	$ 480
2026	956
2027	898
2028	616
2029	622
Thereafter	5,681
Total lease payments	9,253
Less: imputed interest	(4,000)
Present value of lease liabilities	$ 5,253

Other information related to the Company's lessee agreements is as follows:

Supplemental Condensed Consolidated Statements of Cash Flows Information	**Nine Months Ended September 30,**	
thousands	**2025**	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows on operating leases	**$ 513**	$ 649

Other Information	September 30, 2025	September 30, 2024
Weighted-average remaining lease term (years)		
Operating leases	**16.5**	16.4
Weighted-average discount rate		
Operating leases	**7.2 %**	7.1 %

Lessor Arrangements The Company receives rental income from the leasing of retail, office, multifamily, and other space under operating leases, as well as certain variable tenant recoveries. Operating leases for retail, office, and other properties are with a variety of tenants and have a remaining average term of approximately five years. Lease terms generally vary among tenants and may include early termination options, extension options, and fixed rental rate increases or rental rate increases based on an index. Multifamily leases generally have a term of 12 months or less. Minimum rent revenues related to operating leases are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
thousands	**2025**	2024	**2025**	2024
Total minimum rent payments	**$ 62,312**	$ 59,985	**$ 184,318**	$ 174,390

Total future minimum rents associated with operating leases are as follows as of September 30, 2025:

thousands	Total Minimum Rent
Remainder of 2025	$ 61,724
2026	248,596
2027	243,524
2028	222,154
2029	201,917
Thereafter	781,994
Total	$ 1,759,909

Minimum rent revenues are recognized on a straight-line basis over the terms of the related leases when collectability is reasonably assured and the tenant has taken possession of, or controls, the physical use of the leased asset. Percentage rent in lieu of fixed minimum rent is recognized as sales are reported from tenants. Minimum rent revenues reported in the Condensed Consolidated Statements of Operations also include amortization related to above-market and below-market tenant leases on acquired properties.

17. Segments

The Company has three business segments, Operating Assets, MPC, and Strategic Developments, which are organized based on the different products and services that each segment offers, and are separately managed as each requires different operating strategies or management expertise reflective of management's operating philosophies and methods. The Company's segments or assets within such segments could change in the future as development of certain properties commences or other operational or management changes occur. All operations are within the United States.

Activity within each of the Company's reportable segments is as follows:

- ***Operating Assets*** – consists of developed or acquired retail, office, and multifamily properties along with other real estate investments. These properties are currently generating rental revenues and may be redeveloped, repositioned, or sold to improve segment performance or to recycle capital.

- ***MPC*** – consists of the development and sale of land in large-scale, long-term community development projects in and around Las Vegas, Nevada; Houston, Texas; and Phoenix, Arizona. Revenues are primarily generated through the sale of residential and commercial land to homebuilders and developers.

- ***Strategic Developments*** – consists of residential condominium and commercial property projects currently under development and all other properties held for development which have no substantial operations. Revenues are primarily generated from the sale of condominium units.

The Chief Operating Decision Maker (CODM), which is the Company's Chief Executive Officer, may use different operating measures to assess operating results and allocate resources among the three segments, however the measure that is most consistent with the amounts included in the Condensed Consolidated Financial Statements is earnings before taxes (EBT). EBT, as it relates to each business segment, includes the revenues and expenses of each segment, as shown below. EBT excludes corporate expenses and other items that are not allocable to the segments. The CODM utilizes EBT to evaluate the current financial performance and project the future financial performance of each segment to determine the allocation of capital resources. This measure is also used to evaluate the need for operational adjustments, such as adjustments to prices, cost structures, and product mix necessary to achieve profitability targets.

Segment operating results are as follows:

thousands	Operating Assets Segment	MPC Segment	Strategic Developments Segment
Three Months Ended September 30, 2025			
Total revenues	$ 117,182	$ 271,575	$ 1,460
Condominium rights and unit cost of sales	—	—	(59)
Master Planned Communities cost of sales	—	(78,280)	—
Operating costs	(37,052)	(4,892)	(3,944)
Rental property real estate taxes	(15,006)	—	(624)
(Provision for) recovery of doubtful accounts	345	—	—
Segment operating income (loss)	65,469	188,403	(3,167)
Depreciation and amortization	(43,411)	(110)	(1,988)
Interest income (expense), net	(34,006)	19,414	4,311
Other income (loss), net	363	19	2,066
Equity in earnings (losses) from unconsolidated ventures	135	(2,721)	57
Gain (loss) on sale or disposal of real estate and other assets, net	4,385	—	10,064
Gain (loss) on extinguishment of debt	(173)	—	—
Segment EBT	$ (7,238)	$ 205,005	$ 11,343
Three Months Ended September 30, 2024			
Total revenues	$ 114,019	$ 212,607	$ 505
Condominium rights and unit cost of sales	—	—	(11,833)
Master Planned Communities cost of sales	—	(72,582)	—
Operating costs	(34,918)	(11,950)	(3,973)
Rental property real estate taxes	(13,879)	—	(605)
(Provision for) recovery of doubtful accounts	(190)	—	—
Segment operating income (loss)	65,032	128,075	(15,906)
Depreciation and amortization	(42,252)	(109)	(960)
Interest income (expense), net	(36,661)	16,425	4,353
Other income (loss), net	(54)	—	90,089
Equity in earnings (losses) from unconsolidated ventures	(2,109)	361	118
Gain (loss) on sale or disposal of real estate and other assets, net	3,165	—	—
Segment EBT	$ (12,879)	$ 144,752	$ 77,694

thousands	Operating Assets Segment	MPC Segment	Strategic Developments Segment
Nine Months Ended September 30, 2025			
Total revenues	$ 347,630	$ 499,730	$ 3,028
Condominium rights and unit cost of sales	—	—	(1,112)
Master Planned Communities cost of sales	—	(148,672)	—
Operating costs	(105,449)	(30,399)	(11,280)
Rental property real estate taxes	(44,507)	—	(1,787)
(Provision for) recovery of doubtful accounts	(41)	—	—
Segment operating income (loss)	197,633	320,659	(11,151)
Depreciation and amortization	(128,839)	(309)	(4,222)
Interest income (expense), net	(102,397)	54,307	13,590
Other income (loss), net	801	54	936
Equity in earnings (losses) from unconsolidated ventures	4,453	(7,780)	231
Gain (loss) on sale or disposal of real estate and other assets, net	14,363	3,750	11,721
Gain (loss) on extinguishment of debt	(480)	—	—
Segment EBT	$ (14,466)	$ 370,681	$ 11,105
Nine Months Ended September 30, 2024			
Total revenues	$ 331,779	$ 433,663	$ 1,607
Condominium rights and unit cost of sales	—	—	(15,694)
Master Planned Communities cost of sales	—	(143,254)	—
Operating costs	(100,518)	(37,210)	(11,684)
Rental property real estate taxes	(41,906)	—	(1,893)
(Provision for) recovery of doubtful accounts	(327)	—	—
Segment operating income (loss)	189,028	253,199	(27,664)
Depreciation and amortization	(125,903)	(327)	(6,257)
Interest income (expense), net	(103,768)	47,839	12,971
Other income (loss), net	896	—	90,075
Equity in earnings (losses) from unconsolidated ventures	4,044	(8,467)	193
Gain (loss) on sale or disposal of real estate and other assets, net	7,959	—	—
Gain (loss) on extinguishment of debt	(198)	—	—
Segment EBT	$ (27,942)	$ 292,244	$ 69,318

The following represents the reconciliation of segment EBT to Net income (loss) attributable to common stockholders in the Condensed Consolidated Statements of Operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
thousands	**2025**	**2024**	**2025**	**2024**
Operating Assets EBT	**$ (7,238)**	$ (12,879)	**$ (14,466)**	$ (27,942)
MPC EBT	**205,005**	144,752	**370,681**	292,244
Strategic Developments EBT	**11,343**	77,694	**11,105**	69,318
General and administrative expense	**(28,281)**	(24,862)	**(85,269)**	(68,930)
Gain (loss) on sale of MUD receivables	**—**	(51,525)	**(48,197)**	(51,525)
Corporate interest expense, net	**(18,288)**	(22,578)	**(62,408)**	(60,369)
Corporate income, expenses, and other items	**(4,241)**	(3,879)	**(14,769)**	(12,665)
Net income (loss) from continuing operations before income tax	**$ 158,300**	$ 106,723	**$ 156,677**	$ 140,131

The following represents the reconciliation of segment revenue to Total revenue in the Condensed Consolidated Statements of Operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
thousands	**2025**	**2024**	**2025**	**2024**
Operating Assets revenue	**$ 117,182**	$ 114,019	**$ 347,630**	$ 331,779
MPC revenue	**271,575**	212,607	**499,730**	433,663
Strategic Developments revenue	**1,460**	505	**3,028**	1,607
Corporate income	**18**	16	**55**	50
Total revenues	**$ 390,235**	$ 327,147	**$ 850,443**	$ 767,099

The assets by segment and the reconciliation of total segment assets to Total assets on the Condensed Consolidated Balance Sheets are summarized as follows:

thousands	**September 30, 2025**	December 31, 2024
Operating Assets	**$ 3,516,354**	$ 3,548,162
Master Planned Communities	**3,378,423**	3,373,827
Strategic Developments	**2,506,349**	1,836,791
Corporate	**1,294,993**	452,456
Total assets	**$ 10,696,119**	$ 9,211,236

The following represents capital expenditures by segment:

	Nine Months Ended September 30,	
thousands	**2025**	**2024**
Operating Assets	**$ 30,036**	$ 42,712
Master Planned Communities	**118**	189
Strategic Developments	**153,794**	179,479

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis by management should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and Notes included in this Quarterly Report on Form 10-Q and with the audited Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 26, 2025. All references to numbered Notes are to specific notes to our unaudited Condensed Consolidated Financial Statements included in this Quarterly Report. Capitalized terms used, but not defined, in this MD&A have the same meanings as in such Notes.

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FORWARD-LOOKING INFORMATION

Certain statements contained in or incorporated by reference into this Quarterly Report, including, without limitation, those related to our future operations constitute "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 (Exchange Act). All statements other than statements of historical fact included in this Quarterly Report are forward-looking statements and may include words such as "anticipate," "believe," "estimate," "expect," "forecast," "intend," "likely," "may," "plan," "project," "realize," "should," "transform," "will," "would," and other statements of similar expression.

These forward-looking statements involve known and unknown risks, uncertainties, and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any predictions of future results, performance or achievements that we express or imply in this Quarterly Report or in the information incorporated herein by reference.

Forward-looking statements include:

- statements regarding the expected changes to our strategy following the transactions with Pershing Square
- accelerated growth in our core Master Planned Communities assets
- expected performance of our stabilized, income-producing properties, and the performance and stabilization timing of properties that we have recently placed into service or are under construction
- forecasts of our future economic performance
- expected capital required for our operations and development opportunities for our properties
- impact of technology on our operations and business
- expected performance of our segments
- expected commencement and completion for property developments and timing of sales or rentals of certain properties
- estimates of our future liquidity, development opportunities, development spending and management plans; and
- descriptions of assumptions underlying or relating to any of the foregoing

These statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance and achievements to materially differ from any future results, performance and achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include:

- our ability to realize the anticipated benefits of the transactions with Pershing Square and our new strategy
- our ability to identify and consummate transactions as part of our new strategy of becoming a diversified holding company
- risks inherent in acquiring or making investments in operating companies, especially companies in industries unrelated to our existing real estate business
- our ability to realize the anticipated benefits of the spinoff of Seaport Entertainment Group Inc. that we completed in 2024
- macroeconomic conditions such as volatility in capital markets, unstable economic and political conditions within the U.S. and foreign jurisdictions, geopolitical conflicts, and a prolonged recession in the national economy, including any adverse business or economic conditions in the homebuilding, condominium-development, retail, and office sectors
- changes in trade policies, including tariffs or duties on construction or homebuilding materials, potential retaliatory actions by other countries, and related impacts on market conditions and business activity
- our inability to obtain operating and development capital for our properties, including our inability to obtain or refinance debt capital from lenders and the capital markets
- interest rate volatility and inflation
- the availability of debt and equity capital
- our ability to compete effectively, including the potential impact of heightened competition for tenants and potential decreases in occupancy at our properties
- general inflation, including core and wage inflation; commodity and energy price and currency volatility; as well as monetary, fiscal and policy interventions in anticipation of our reaction to such events, including increases in interest rates
- mismatch of supply and demand, including interruptions of supply lines
- extreme weather conditions or climate change, including natural disasters, that may cause property damage or interrupt business
- the impact of water and electricity shortages

- contamination of our property by hazardous or toxic substances
- terrorist activity, acts of violence, or breaches of our or our vendors' data security
- losses that are not insured or exceed the applicable insurance limits
- our ability to lease new or redeveloped space
- our ability to obtain the necessary governmental permits for the development of our properties and necessary regulatory approvals pursuant to an extensive entitlement process involving multiple and overlapping regulatory jurisdictions, which often require discretionary action by local governments
- increased construction costs exceeding our original estimates, delays or overruns, claims for construction defects, or other factors affecting our ability to develop, redevelop or construct our properties
- regulation of the portion of our business that is dedicated to the formation and sale of condominiums, including regulatory filings to state agencies, additional entitlement processes, and requirements to transfer control to a condominium association's board of directors in certain situations, as well as potential defaults by purchasers on their obligations to purchase condominiums
- fluctuations in regional and local economies, the impact of changes in interest rates on residential housing and condominium markets, local real estate conditions, tenant rental rates, and competition from competing retail properties and the internet
- inherent risks related to disruption of information technology networks and related systems, including cyber security attacks
- our ability to attract and retain key personnel
- our ability to collect rent and attract tenants
- our indebtedness, including our $750,000,000 5.375% senior unsecured notes due 2028, $650,000,000 4.125% senior unsecured notes due 2029 and $650,000,000 4.375% senior unsecured notes due 2031, contain restrictions that may limit our ability to operate our business
- our directors' involvement or interests in other businesses, including real estate activities and investments
- our inability to control certain of our properties due to the joint ownership of such property and our inability to successfully attract desirable strategic partners
- our dependence on the operations and funds of our subsidiaries, including The Howard Hughes Corporation
- catastrophic events or geopolitical conditions, such as international armed conflicts, or the occurrence of epidemics or pandemics; and
- other risks and uncertainties described herein, as well as those risks and uncertainties discussed from time to time in our other reports and other public filings with the SEC

Although we presently believe that the plans, expectations, and anticipated results expressed in or suggested by the forward-looking statements contained in or incorporated by reference into this Quarterly Report are reasonable, all forward-looking statements are inherently subjective, uncertain, and subject to change, as they involve substantial risks and uncertainties, including those beyond our control. New factors emerge from time to time, and it is not possible for us to predict the nature, or assess the potential impact, of each new factor on our business. Given these uncertainties, we caution you not to place undue reliance on these forward-looking statements. We undertake no obligation to update or revise any of our forward-looking statements for events or circumstances that arise after the statement is made, except as otherwise may be required by law.

The above list of risks and uncertainties is only a summary of some of the most important factors and is not intended to be exhaustive. Additional information regarding risk factors that may affect us is included in our 2024 Annual Report. The risk factors contained in our 2024 Annual Report are updated by us from time to time in Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other filings that we make with the SEC.

OVERVIEW

Description of Business

Our award-winning assets include one of the nation's largest portfolios of MPCs, spanning approximately 101,000 gross acres, as well as operating properties, strategic developments, and other assets across five states. We create some of the most sought-after communities in the country by curating an environment tailored to meet the needs of our residents and tenants. Our unique business model allows us to seek attractive risk-adjusted returns while maintaining a sharp focus on sustainability to ensure our communities are equipped with the resources to last several decades.

We operate through three business segments: Operating Assets, MPCs, and Strategic Developments. We create a continuous value-creation cycle through operational and financial synergies associated with our three business segments. In our MPC segment, we plan, develop, and manage small cities and large-scale, mixed-use communities, in markets with strong long-term growth fundamentals. This business focuses on the horizontal development of residential land. The improved acreage is then sold to homebuilders who build and sell homes to new residents. New homeowners create demand for commercial developments, such as retail, office, and hospitality offerings. We build these commercial properties through Strategic Developments at the appropriate times, which helps mitigate development risk, using the cash flow harvested from the sale of land to homebuilders. Once the commercial developments are completed, the assets transition to Operating Assets, which increases recurring Net Operating Income (NOI), further funding our Strategic Developments. New office, retail, and other commercial amenities make our MPC residential land more appealing to buyers and increase the velocity of land sales at premiums that typically exceed the broader market. This increased demand for residential land generates more cash flow from MPCs, thus continuing the value-creation cycle.

On May 5, 2025, the Company sold 9,000,000 newly issued shares of its common stock to Pershing Square for an aggregate purchase price of $900 million. This represented a significant milestone for the Company, and we continue to evaluate opportunities to deploy this capital. Over time, we expect HHH will be transformed into a premier diversified holding company, with our portfolio of master planned communities at its foundation. Refer to Note 2 - *Pershing Square Transaction* in the Notes to Condensed Consolidated Financial Statements under Item 1 of this Quarterly Report for additional information on the transactions with Pershing Square.

In addition to the required presentations using GAAP, we use certain non-GAAP performance measures, such as NOI and MPC Net Contribution. See the Operating Assets and MPC sections below for the reconciliations of these GAAP to non-GAAP financial measures and statements indicating why management believes these non-GAAP financial measures provide useful information for investors.

Changes for monetary amounts between periods presented are calculated based on the amounts in thousands of dollars stated in our consolidated financial statements, and then rounded to the nearest million. Therefore, certain changes may not recalculate based on the amounts rounded to the nearest million.

Third Quarter 2025 Highlights

Comparison of the three months ended September 30, 2025, to the three months ended September 30, 2024

Total Company

- Net income from continuing operations increased to $119.4 million in the current quarter, compared to $96.5 million in the prior-year period. This increase was primarily driven by increased MPC residential land sales, improved NOI performance from Operating Assets, and the recognition of a loss on MUD sale in the prior-year period, partially offset by the recognition of income in the prior-year period related to the settlement of the construction defect claims at Waiea in Ward Village and an increase in income tax expense.
- We continue to maintain a strong liquidity position with $1.5 billion of cash and cash equivalents, $515.0 million of undrawn capacity on our Secured Bridgeland Notes, $772.4 million of undrawn lender commitments available to be drawn for property development, subject to certain restrictions, and limited near-term debt maturities, all as of September 30, 2025.

Operating Assets

- Operating Assets NOI totaled $65.6 million in the current quarter, a $2.7 million increase compared to $62.8 million in the prior-year period.
- Office NOI increased $2.2 million primarily due to strong leasing activity and abatement expirations at various properties in The Woodlands, Merriweather District, and Summerlin, most notably at 9950 Woodloch Forest, 6100 Merriweather, 1700 Pavilion, and Three Hughes Landing, partially offset by decreases related to rent abatement at certain properties in The Woodlands in 2025.
- Retail NOI increased $1.2 million primarily due to continued lease up at various properties across our portfolio.

MPC

- MPC EBT totaled $205.0 million in the current quarter, a $60.3 million increase compared to $144.8 million in the prior-year period.
- The increase in EBT was primarily due to an increase in superpad acres sold and higher builder price participation in Summerlin.

Strategic Developments

- Strategic Developments EBT decreased $66.4 million to $11.3 million in the current quarter, compared to a $77.7 million in the prior-year period.
- The decrease in EBT was primarily attributable to a decrease in other income related to the receipt of insurance proceeds for the Waiea remediation in the prior-year period, partially offset by a decrease in condominium cost of sales related to the recognition of additional Waiea remediation-related costs in the prior-year period, and an increase in gain on sale of real estate assets due to a land swap in The Woodlands in the current period.
- We contracted 216 units at our predevelopment condominiums at Ward Village during the current quarter, including 136 units at Melia, 72 units at ʻIlima, and 8 units at The Launiu.

RESULTS OF OPERATIONS

Comparison of the nine months ended September 30, 2025, to the nine months ended September 30, 2024

Net income from continuing operations decreased $4.7 million to $118.2 million in the nine months ended September 30, 2025, compared to $122.9 million in the prior-year period.

- Strategic Developments EBT decreased $58.2 million primarily due to a decrease in other income related to the receipt of insurance proceeds for the Waiea remediation in the prior-year period. This decrease was partially offset by a decrease in condominium cost of sales related to the recognition of additional Waiea remediation costs and final settlement costs paid to the Waiea general contractor in the prior-year period and an increase in gain on sale of real estate assets due to a land swap in The Woodlands and the sale of a land parcel near the Merriweather District in the current period.
- Corporate income, expenses, and other items included an increase in net expenses of $38.4 million primarily due to an increase in income tax expense and an increase in general and administrative expenses, primarily related to a strategic reduction in force in the current period and the Pershing Square advisory fee.
- MPC EBT increased $78.4 million, primarily due to higher residential land sales, net of costs from an increase in superpad sales and higher builder price participation in Summerlin in the current year, partially offset by lower residential land sales, net of costs in The Woodlands Hills.
- Operating Assets EBT increased $13.5 million primarily due to an increase in rental revenues, net of operating costs due to increased leasing activity across our portfolio and an increase in gain on sale of real estate.

Refer to the Third Quarter 2025 Highlights section above for information on the variances for the three months ended September 30, 2025.

See segment discussions for more detail about the changes described above.

Operating Assets

Segment EBT Segment EBT for Operating Assets is presented below:

	Three Months Ended September 30,				Nine Months Ended September 30,			
thousands except percentages	**2025**	2024	$ Change	% Change	**2025**	2024	$ Change	% Change
Rental revenue	**$ 111,377**	$ 108,512	$ 2,865	3 %	**$ 330,849**	$ 315,084	$ 15,765	5 %
Other land, rental, and property revenues	**5,805**	5,507	298	5 %	**16,781**	16,695	86	1 %
Total revenues	**117,182**	114,019	3,163	3 %	**347,630**	331,779	15,851	5 %
Operating costs	**(37,052)**	(34,918)	(2,134)	(6) %	**(105,449)**	(100,518)	(4,931)	(5) %
Rental property real estate taxes	**(15,006)**	(13,879)	(1,127)	(8) %	**(44,507)**	(41,906)	(2,601)	(6) %
(Provision for) recovery of doubtful accounts	**345**	(190)	535	NM	**(41)**	(327)	286	87 %
Total operating expenses	**(51,713)**	(48,987)	(2,726)	(6) %	**(149,997)**	(142,751)	(7,246)	(5) %
Segment operating income (loss)	**65,469**	65,032	437	1 %	**197,633**	189,028	8,605	5 %
Depreciation and amortization	**(43,411)**	(42,252)	(1,159)	(3) %	**(128,839)**	(125,903)	(2,936)	(2) %
Interest income (expense), net	**(34,006)**	(36,661)	2,655	7 %	**(102,397)**	(103,768)	1,371	1 %
Other income (loss), net	**363**	(54)	417	NM	**801**	896	(95)	(11) %
Equity in earnings (losses) from unconsolidated ventures	**135**	(2,109)	2,244	106 %	**4,453**	4,044	409	10 %
Gain (loss) on sale or disposal of real estate and other assets, net	**4,385**	3,165	1,220	39 %	**14,363**	7,959	6,404	80 %
Gain (loss) on extinguishment of debt	**(173)**	—	(173)	NM	**(480)**	(198)	(282)	(142) %
Segment EBT	**$ (7,238)**	$ (12,879)	$ 5,641	44 %	**$ (14,466)**	$ (27,942)	$ 13,476	48 %

NM Not meaningful.

For the three months ended September 30, 2025:

Operating Assets segment EBT increased $5.6 million compared to the prior-year period primarily due to the following:
- Interest expense decreased $2.7 million primarily due to changes in our property-level debt portfolio.
- Equity earnings increased $2.2 million primarily due to the change in value of certain derivative instruments.

For the nine months ended September 30, 2025:

Operating Assets segment EBT increased $13.5 million compared to the prior-year period primarily due to the following:
- Rental revenues, net of Operating costs increased $10.8 million primarily due to increased leasing activity across our portfolio.
- Gain on sale of real estate increased $6.4 million primarily due to the sale of four land parcels and retail spaces in Ward Village in 2025, compared to the sale of Creekside Park Medical Plaza and non-core ground leases in The Woodlands in 2024.

Net Operating Income In addition to the required presentations using GAAP, we use certain non-GAAP performance measures, as we believe these measures improve the understanding of our operational results and make comparisons of operating results among peer companies more meaningful. Management continually evaluates the usefulness, relevance, limitations and calculation of our reported non-GAAP performance measures to determine how best to provide relevant information to the public, and thus such reported measures could change.

We define NOI as operating revenues (rental income, tenant recoveries, and other revenue) less operating expenses (real estate taxes, repairs and maintenance, marketing, and other property expenses). NOI excludes straight-line rents and amortization of tenant incentives, net; interest expense, net; ground rent amortization; demolition costs; other income (loss); depreciation and amortization; development-related marketing costs; gain on sale or disposal of real estate and other assets, net; loss on extinguishment of debt; provision for impairment; and equity in earnings from unconsolidated ventures.

We believe that NOI is a useful supplemental measure of the performance of our Operating Assets segment because it provides a performance measure that reflects the revenues and expenses directly associated with owning and operating real estate properties. We use NOI to evaluate our operating performance on a property-by-property basis because NOI allows us to evaluate the impact that property-specific factors such as rental and occupancy rates, tenant mix, and operating costs have on our operating results, gross margins, and investment returns.

A reconciliation of Operating Assets segment EBT to Operating Assets NOI is presented in the table below.

	Three Months Ended September 30,				Nine Months Ended September 30,			
thousands except percentages	**2025**	2024	$ Change	% Change	**2025**	2024	$ Change	% Change
Operating Assets segment EBT	**$ (7,238)**	$ (12,879)	$ 5,641	44 %	**$ (14,466)**	$ (27,942)	$ 13,476	48 %
Add back:								
Depreciation and amortization	**43,411**	42,252	1,159	3 %	**128,839**	125,903	2,936	2 %
Interest (income) expense, net	**34,006**	36,661	(2,655)	(7) %	**102,397**	103,768	(1,371)	(1) %
Equity in (earnings) losses from unconsolidated ventures	**(135)**	2,109	(2,244)	(106) %	**(4,453)**	(4,044)	(409)	(10) %
(Gain) loss on sale or disposal of real estate and other assets, net	**(4,385)**	(3,165)	(1,220)	(39) %	**(14,363)**	(7,959)	(6,404)	(80) %
(Gain) loss on extinguishment of debt	**173**	—	173	NM	**480**	198	282	142 %
Impact of straight-line rent	**(196)**	(2,182)	1,986	91 %	**(1,729)**	(3,005)	1,276	42 %
Other	**(66)**	52	(118)	NM	**(261)**	(375)	114	30 %
Operating Assets NOI	**$ 65,570**	$ 62,848	$ 2,722	4 %	**$ 196,444**	$ 186,544	$ 9,900	5 %

NM Not meaningful.

The table below presents Operating Assets NOI by property type:

	Three Months Ended September 30,				Nine Months Ended September 30,			
thousands except percentages	**2025**	2024	$ Change	% Change	**2025**	2024	$ Change	% Change
Office	**$ 34,030**	$ 31,782	$ 2,248	7 %	**$ 102,092**	$ 95,601	$ 6,491	7 %
Retail	**13,698**	12,530	1,168	9 %	**40,902**	41,136	(234)	(1) %
Multifamily	**16,221**	15,887	334	2 %	**48,856**	43,827	5,029	11 %
Other	**1,621**	2,164	(543)	(25) %	**4,594**	4,694	(100)	(2) %
Dispositions (a)	**—**	485	(485)	(100) %	**—**	1,286	(1,286)	(100) %
Operating Assets NOI	**$ 65,570**	$ 62,848	$ 2,722	4 %	**$ 196,444**	$ 186,544	$ 9,900	5 %

(a) Properties that were sold are shown separately for all periods presented.

For the three months ended September 30, 2025:

Operating Assets NOI increased $2.7 million compared to the prior-year period primarily due to the following:
- Office NOI increased $2.2 million primarily due to strong leasing activity and abatement expirations at various properties in The Woodlands, Merriweather District, and Summerlin, most notably at 9950 Woodloch Forest, 6100 Merriweather, 1700 Pavilion, and Three Hughes Landing, partially offset by decreases related to rent abatement at certain properties in The Woodlands in 2025.
- Retail NOI increased $1.2 million primarily due to continued lease-up at various properties across our portfolio.

For the nine months ended September 30, 2025:

Operating Assets NOI increased $9.9 million compared to the prior-year period primarily due to the following:
- Office NOI increased $6.5 million primarily due to strong leasing activity and abatement expirations at various properties in The Woodlands, Merriweather District, and Summerlin, most notably at 9950 Woodloch Forest, 6100 Merriweather, and 1700 Pavilion, partially offset by decreases related to lower occupancy at certain properties in Merriweather District and The Woodlands, most notably at 3831 Technology Forest, Two Hughes Landing, and Merriweather Row.
- Multifamily NOI increased $5.0 million primarily due to continued lease-up at Tanager Echo in Summerlin, Wingspan in Bridgeland, and Marlow in Merriweather District.

Master Planned Communities

Segment EBT The following table presents segment EBT for MPC:

	Three Months Ended September 30,				Nine Months Ended September 30,			
thousands except percentages	**2025**	2024	$ Change	% Change	**2025**	2024	$ Change	% Change
Master Planned Communities land sales (a)	**$ 248,467**	$ 198,239	$ 50,228	25 %	**$ 445,150**	$ 385,444	$ 59,706	15 %
Other land, rental, and property revenues	**7,096**	4,776	2,320	49 %	**15,143**	13,156	1,987	15 %
Builder price participation (b)	**16,012**	9,592	6,420	67 %	**39,437**	35,063	4,374	12 %
Total revenues	**271,575**	212,607	58,968	28 %	**499,730**	433,663	66,067	15 %
Master Planned Communities cost of sales	**(78,280)**	(72,582)	(5,698)	(8) %	**(148,672)**	(143,254)	(5,418)	(4) %
Operating costs	**(4,892)**	(11,950)	7,058	59 %	**(30,399)**	(37,210)	6,811	18 %
Total operating expenses	**(83,172)**	(84,532)	1,360	2 %	**(179,071)**	(180,464)	1,393	1 %
Segment operating income (loss)	**188,403**	128,075	60,328	47 %	**320,659**	253,199	67,460	27 %
Depreciation and amortization	**(110)**	(109)	(1)	(1) %	**(309)**	(327)	18	6 %
Interest income (expense), net	**19,414**	16,425	2,989	18 %	**54,307**	47,839	6,468	14 %
Other income (loss), net	**19**	—	19	NM	**54**	—	54	NM
Equity in earnings (losses) from unconsolidated ventures	**(2,721)**	361	(3,082)	NM	**(7,780)**	(8,467)	687	8 %
Gain (loss) on sale or disposal of real estate and other assets, net	**—**	—	—	NM	**3,750**	—	3,750	NM
Segment EBT	**$ 205,005**	$ 144,752	$ 60,253	42 %	**$ 370,681**	$ 292,244	$ 78,437	27 %

(a) MPC land sales include deferred revenue from land sales closed in a previous period that met criteria for recognition in the current period and excludes amounts deferred from current period land sales that do not yet meet the recognition criteria.
(b) Builder price participation revenue is earned when a developer that acquired land from us develops and sells a home to an end user at a price higher than a predetermined breakpoint. The excess over the breakpoint is shared between us and the developer at the time of closing on the sale of the home based on a previously agreed-upon percentage. This revenue fluctuates based upon the number and the prices of homes closed that qualify for builder price participation payments.

NM Not meaningful.

The following table presents MPC segment EBT by MPC:

	Three Months Ended September 30,				Nine Months Ended September 30,			
thousands except percentages	**2025**	2024	$ Change	% Change	**2025**	2024	$ Change	% Change
Bridgeland	**$ 24,881**	$ 19,694	$ 5,187	26 %	**$ 63,044**	$ 62,420	$ 624	1 %
Summerlin	**182,879**	120,619	62,260	52 %	**308,203**	222,195	86,008	39 %
Teravalis (a)	**(975)**	667	(1,642)	NM	**(1,709)**	1,802	(3,511)	(195) %
The Woodlands	**(2,663)**	(1,025)	(1,638)	(160) %	**(3,750)**	(5,954)	2,204	37 %
The Woodlands Hills	**883**	4,797	(3,914)	(82) %	**4,893**	11,781	(6,888)	(58) %
Segment EBT	**$ 205,005**	$ 144,752	$ 60,253	42 %	**$ 370,681**	$ 292,244	$ 78,437	27 %
Floreo (b)	**$ (1,273)**	$ 1,815	$ (3,088)	(170) %	**$ (1,451)**	$ 5,350	$ (6,801)	(127) %

(a) As of September 30, 2025, the Company owned an 88.0% interest in and consolidates Teravalis. For additional detail, refer to Note 1 - *Presentation of Financial Statements and Significant Accounting Policies* in the Notes to Condensed Consolidated Financial Statements under Item 1 of this Quarterly Report.
(b) These amounts represent 100% of Floreo EBT. As of September 30, 2025, the Company owned a 50% interest in Floreo. Refer to Note 4 - *Investments in Unconsolidated Ventures* in the Notes to Condensed Consolidated Financial Statements under Item 1 of this Quarterly Report for a description of the joint venture and further discussion.

NM Not meaningful.

For the three months ended September 30, 2025:

MPC segment EBT increased $60.3 million compared to the prior-year period primarily due to the following:

Summerlin EBT increased $62.3 million compared to the prior-year period.
- MPC sales, net of MPC cost of sales increased $52.2 million primarily due to the following activity:
  - increase in superpad acres sold, with 318.3 acres sold at an average price of $780,000 per acre in the third quarter of 2025, compared to 129.2 acres sold at an average price of $1.3 million per acre in the prior-year period
  - increase in custom lots sold, with 0.8 acres sold at an average price of $7.8 million per acre in the third quarter of 2025, compared to no acres sold in the prior-year period
  - decrease due to $14.8 million less revenue recognized out of deferred revenue, net of associated deferred costs in the third quarter of 2025, compared to the prior-year period
  - decrease of $2.6 million in SID bond assumptions, primarily driven by timing differences between the superpad sale closings and the subsequent assumption of SID bonds by buyers
- Builder price participation increased $7.1 million as homes earned higher participation revenue per home, partially offset by fewer homes closing with sales prices above the predetermined breakpoint necessary for participation revenue in the third quarter of 2025, compared to the prior-year period.
- Other land, rental, and property revenues increased $3.6 million primarily due to higher advertising revenue related to superpad acres sold in the third quarter of 2025, compared to the prior-year period.

Bridgeland EBT increased $5.2 million compared to the prior-year period.
- Operating costs decreased $7.5 million primarily due to lower real estate taxes
- Increase of $2.0 million primarily due to higher capitalized interest
- MPC sales, net of MPC cost of sales decreased $3.9 million primarily due to the following activity:
  - decrease in residential acres sold partially offset by an increase in price per acre, with 28.2 acres sold at an average price of $704,000 per acre in the third quarter of 2025, compared to 46.2 acres sold at an average price of $583,000 per acre in the prior-year period
  - decrease due to $0.9 million less revenue recognized out of deferred revenue, net of associated deferred costs in the third quarter of 2025, compared to the prior-year period

The Woodlands Hills EBT decreased $3.9 million compared to the prior-year period.
- MPC sales, net of MPC cost of sales decreased $3.9 million primarily due to the following activity:
  - decrease in residential acres sold partially offset by an increase in price per acre, with 1.6 acres sold at an average price of $486,000 per acre in the third quarter of 2025, compared to 15.3 acres sold at an average price of $466,000 per acre in the prior-year period

Teravalis EBT decreased $1.6 million compared to the prior-year period.
- Equity earnings at Floreo decreased $1.5 million primarily related to no land sales in the third quarter of 2025. Our Floreo joint venture sold a total of 17.6 residential acres at an average price of $762,000 per acre in the prior-year period.

The Woodlands EBT decreased $1.6 million compared to the prior-year period.
- Other land, rental, and property revenues decreased $1.3 million as the prior-year period included a fee received due to change in use of previously sold commercial land, with no similar activity in the third quarter of 2025.

For the nine months ended September 30, 2025:

MPC segment EBT increased $78.4 million compared to the prior-year period primarily due to the following:

Summerlin EBT increased $86.0 million compared to the prior-year period.
- MPC sales, net of MPC cost of sales increased $69.1 million primarily due to the following activity:
  - increase in superpad acres sold, with 412.3 acres sold at an average price of $970,000 per acre in the nine months ended September 30, 2025, compared to 216.5 acres sold at an average price of $1.3 million per acre in the prior-year period
  - increase in custom lots sold, with 2.7 acres sold at an average price of $7.5 million per acre in the nine months ended September 30, 2025, compared to no acres sold in the prior-year period
  - decrease due to $19.5 million less revenue recognized out of deferred revenue, net of associated deferred costs in the nine months ended September 30, 2025, compared to the prior-year period
  - decrease of $7.4 million in SID bond assumptions, primarily driven by timing differences between the superpad sale closings and the subsequent assumption of SID bonds by buyers
- Builder price participation increased $7.4 million as homes earned higher participation revenue per home, partially offset by fewer homes closing with sales prices above the predetermined breakpoint necessary for participation revenue in the nine months ended September 30, 2025, compared to the prior-year period.
- Equity earnings at The Summit increased $4.1 million. This was primarily due to higher losses in the prior-year period related to changes to the development model.
- Other land, rental, and property revenues increased $3.5 million primarily due to higher advertising revenue related to superpad acres sold in the nine months ended September 30, 2025, compared to the prior-year period.
- Increase of $2.4 million primarily due to higher capitalized interest.

The Woodlands EBT increased $2.2 million compared to the prior-year period.
- Gain on sale or disposal of real estate and other assets, net increased $3.7 million due to an eminent domain settlement related to the condemnation of a 9.9-acre parcel of non-saleable land in the nine months ended September 30, 2025, with no similar activity in the prior-year period.
- Other land, rental, and property revenues decreased $1.4 million as the prior-year period included a fee received due to change in use of previously sold commercial land, with no similar activity in the nine months ended September 30, 2025.

Bridgeland EBT increased $0.6 million compared to the prior-year period.
- Operating costs decreased $7.7 million due to lower real estate taxes, primarily from the finalization of prior-year accrual estimates.
- Increase of $3.6 million primarily due to higher capitalized interest, partly offset by lower interest income as a result of a lower principal balance in interest-earning accounts.
- MPC sales, net of MPC cost of sales decreased $8.4 million primarily due to the following activity:
  - decrease due to $3.7 million less revenue recognized out of deferred revenue, net of associated deferred costs in the nine months ended September 30, 2025, compared to the prior-year period
  - decrease in residential acres sold partially offset by an increase in price per acre, with 105.5 acres sold at an average price of $648,000 per acre in the nine months ended September 30, 2025, compared to 136.3 acres sold at an average price of $589,000 per acre in the prior-year period
  - decrease in commercial acres sold, with no acres sold in the nine months ended September 30, 2025, compared to 3.5 acres sold at an average price of $801,000 per acre in the prior-year period
- Builder price participation decreased $2.4 million as fewer homes were closed with sales prices over the predetermined breakpoint necessary for participation revenue in the current period.

The Woodlands Hills EBT decreased $6.9 million compared to the prior-year period.
- MPC sales, net of MPC cost of sales decreased $6.5 million primarily due to the following activity:
  - decrease in residential acres sold partially offset by an increase in price per acre, with 9.1 acres sold at an average price of $490,000 per acre in the nine months ended September 30, 2025, compared to 32.7 acres sold at an average price of $460,000 per acre in the prior-year period

Teravalis EBT decreased $3.5 million compared to the prior-year period.
- Equity earnings at Floreo decreased $3.4 million primarily related to lower land sales in the nine months ended September 30, 2025 compared to the prior-year period. Our Floreo joint venture sold a total of 10.6 residential acres at an average price of $793,000 per acre in the nine months ended September 30, 2025, compared to 81.7 residential acres sold at an average price of $781,000 per acre in the prior-year period.

MPC Net Contribution MPC Net Contribution is a non-GAAP financial measure derived from EBT, adjusted for certain items as discussed below. Management uses this measure because it captures current period performance through the velocity of sales, as well as current period development expenditures based upon demand at our MPCs, which varies depending upon the stage of the MPC's development lifecycle, and the overall economic environment. MPC Net Contribution is defined as MPC segment EBT, plus MPC cost of sales, Depreciation and amortization, and net collections from MUD and SID bonds receivables, reduced by MPC development expenditures, land acquisitions, and Equity in earnings from unconsolidated ventures, net of distributions. MPC Net Contribution is not a GAAP-based operational metric and should not be used to measure operating performance of the MPC assets as a substitute for GAAP measures of such performance nor should it be used as a comparison metric with other comparable businesses.

Below is a reconciliation of segment EBT to MPC Net Contribution:

	Three Months Ended September 30,				Nine Months Ended September 30,			
thousands except percentages	**2025**	2024	$ Change	% Change	**2025**	2024	$ Change	% Change
MPC segment EBT	**$ 205,005**	$ 144,752	$ 60,253	42 %	**$ 370,681**	$ 292,244	$ 78,437	27 %
Plus:								
Master Planned Communities cost of sales	**78,280**	72,582	5,698	8 %	**148,672**	143,254	5,418	4 %
Depreciation and amortization	**110**	109	1	1 %	**309**	327	(18)	(6)%
MUD and SID bonds collections, net (a)	**6,423**	21,063	(14,640)	(70)%	**24,282**	15,482	8,800	57 %
Proceeds from sale of MUD receivables	**—**	176,680	(176,680)	(100)%	**180,043**	176,680	3,363	2 %
Distributions from unconsolidated ventures	**—**	—	—	NM	**—**	281	(281)	(100)%
Less:								
MPC development expenditures	**(141,807)**	(110,122)	(31,685)	(29)%	**(325,854)**	(284,984)	(40,870)	(14)%
Equity in (earnings) losses from unconsolidated ventures	**2,721**	(361)	3,082	NM	**7,780**	8,467	(687)	(8)%
MPC Net Contribution	**$ 150,732**	$ 304,703	$ (153,971)	(51)%	**$ 405,913**	$ 351,751	$ 54,162	15 %

(a) SID collections are shown net of SID transfers to buyers in the respective periods.

NM Not meaningful.

MPC Net Contribution decreased $154.0 million in the three months ended September 30, 2025, compared to the same period in 2024, primarily due to the proceeds from the sale of MUD receivables in the prior-year period, higher MPC development expenditures, and lower MUD and SID bonds collections, net, partially offset by higher MPC land sales. MPC Net Contribution increased $54.2 million in the nine months ended September 30, 2025, compared to the same period in 2024, primarily due to higher MPC land sales and higher MUD and SID bonds collections, net, partially offset by higher MPC development expenditures.

MPC Land Inventory The following table summarizes MPC land inventory activity for the nine months ended September 30, 2025:

thousands	Bridgeland	Summerlin	Teravalis	The Woodlands	The Woodlands Hills	Total MPC
Balance December 31, 2024	$ 509,231	$ 1,153,737	$ 545,381	$ 189,493	$ 113,820	$ 2,511,662
Development expenditures (a)	141,996	162,889	1,061	2,796	17,112	325,854
MPC Cost of sales	(24,486)	(122,504)	—	(44)	(1,638)	(148,672)
MUD reimbursable costs (b)	(130,497)	—	—	(856)	(13,355)	(144,708)
Transfer to Strategic Developments and Operating Assets Segments	(1,459)	—	—	—	—	(1,459)
Other	16,506	9,733	6	(237)	1,698	27,706
Balance September 30, 2025	$ 511,291	$ 1,203,855	$ 546,448	$ 191,152	$ 117,637	$ 2,570,383

(a) Development expenditures are inclusive of capitalized interest and property taxes.
(b) MUD reimbursable costs represent land development expenditures transferred to MUD Receivables.

Strategic Developments

Our Strategic Developments assets generally require substantial future development to maximize their value. Other than our condominium properties, most of the properties and projects in this segment do not generate revenues. Our expenses relating to these assets are primarily related to costs associated with constructing the assets, selling condominiums, marketing costs associated with our Strategic Developments, carrying costs including, but not limited to, property taxes and insurance, and other ongoing costs relating to maintaining the assets in their current condition. If we decide to redevelop or develop a Strategic Developments asset, we expect that with the exception of the residential portion of our condominium projects, upon completion of development, the asset would likely be reclassified to Operating Assets when the asset is placed in service and NOI would become a meaningful measure of its operating performance. All development costs discussed herein are exclusive of land costs.

Segment EBT Segment EBT for Strategic Developments is presented below:

	Three Months Ended September 30,				Nine Months Ended September 30,			
thousands except percentages	**2025**	2024	$ Change	% Change	**2025**	2024	$ Change	% Change
Condominium rights and unit sales	**$ 142**	$ 3	$ 139	NM	**$ 677**	$ 26	$ 651	NM
Rental revenue	**—**	101	(101)	(100) %	**33**	377	(344)	(91) %
Other land, rental, and property revenues	**1,318**	401	917	NM	**2,318**	1,204	1,114	93 %
Total revenues	**1,460**	505	955	189 %	**3,028**	1,607	1,421	88 %
Condominium rights and unit cost of sales	**(59)**	(11,833)	11,774	100 %	**(1,112)**	(15,694)	14,582	93 %
Operating costs	**(3,944)**	(3,973)	29	1 %	**(11,280)**	(11,684)	404	3 %
Rental property real estate taxes	**(624)**	(605)	(19)	(3) %	**(1,787)**	(1,893)	106	6 %
Total operating expenses	**(4,627)**	(16,411)	11,784	72 %	**(14,179)**	(29,271)	15,092	52 %
Segment operating income (loss)	**(3,167)**	(15,906)	12,739	80 %	**(11,151)**	(27,664)	16,513	60 %
Depreciation and amortization	**(1,988)**	(960)	(1,028)	(107) %	**(4,222)**	(6,257)	2,035	33 %
Interest income (expense), net	**4,311**	4,353	(42)	(1) %	**13,590**	12,971	619	5 %
Other income (loss), net	**2,066**	90,089	(88,023)	(98) %	**936**	90,075	(89,139)	(99) %
Equity in earnings (losses) from unconsolidated ventures	**57**	118	(61)	(52) %	**231**	193	38	20 %
Gain (loss) on sale or disposal of real estate and other assets, net	**10,064**	—	10,064	NM	**11,721**	—	11,721	NM
Segment EBT	**$ 11,343**	$ 77,694	$ (66,351)	(85) %	**$ 11,105**	$ 69,318	$ (58,213)	(84) %

NM Not meaningful.

For the three months ended September 30, 2025:

Strategic Developments segment EBT decreased $66.4 million compared to the prior-year period primarily due to the following:

- Other income (loss), net decreased $88.0 million primarily due to the receipt of $90.0 million of insurance proceeds in the prior-year period following the execution of a settlement agreement related to the construction defect claims at Waiea.
- Depreciation expense increased $1.0 million primarily due to additional expense related to the Melia and ʻIlima model units, which were placed in-service in the current quarter.

These decreases to EBT were partially offset by the following:

- Condominium cost of sales includes a decrease of $12.1 million related to the settlement of final costs previously incurred by the Waiea general contractor in the prior-year period.
- Gain on sale of real estate increased $10.1 million due to a land swap in the current period. The Grogan's Mill Library and Community Center was transferred to the local county in exchange for the Town Green land parcel on the Waterway in The Woodlands. Refer to Note 5 - *Acquisitions and Dispositions* in the Notes to Condensed Consolidated Financial Statements under Item 1 of this Quarterly Report for additional details.

For the nine months ended September 30, 2025:

Strategic Developments segment EBT decreased $58.2 million compared to the prior-year period primarily due to the following:

- Other income (loss), net decreased $89.1 million primarily due to the receipt of $90.0 million of insurance proceeds in the prior-year period following the execution of a settlement agreement related to the construction defect claims at Waiea.

This decrease to EBT was partially offset by the following:

- Condominium cost of sales includes a decrease of $15.1 million related to the recognition of additional Waiea remediation costs and settlement of final costs previously incurred by the Waiea general contractor in the prior-year period.
- Gain on sale of real estate increased $11.7 million due to the land swap in The Woodlands discussed above and the sale of a land parcel near the Merriweather District in the current period.
- Depreciation expense decreased $2.0 million primarily due to accelerated depreciation recognized in the second quarter of 2024 for the Kalae model unit, which was decommissioned to allow for the construction of future tower model units, partially offset by increased depreciation associated with placing the Melia and ʻIlima model units in-service in the current period.

Condominiums Condominium revenue is recognized when construction of the condominium tower is complete and unit sales close, leading to variability in revenue recognized between periods.

Completed Condominiums

Ward Village As of September 30, 2025, our seven completed condominiums in Ward Village, Aeʻo, Ke Kilohana, Anaha, Waiea, ʻAʻaliʻi, Kōʻula, and Victoria Place are completely sold.

Condominiums Under Construction

Ward Village As of September 30, 2025, 97% of the units at our three towers under construction, The Park Ward Village, Ulana Ward Village, and Kalae are under contract.

We broke ground on The Park Ward Village in October 2022 and expect to complete construction in 2026. The Park Ward Village will consist of 545 studio, one-, two-, and three-bedroom residences. As of September 30, 2025, we have entered into contracts for 529 units, representing 97% of total units.

We broke ground on Ulana Ward Village in January 2023. Ulana Ward Village, which is 100% pre-sold, will consist of 696 studio, one-, two-, and three-bedroom units. All units are designated as workforce housing units and are being offered to local residents who meet certain maximum income and net worth requirements. Subsequent to quarter end, we completed construction and began executing closings in November 2025.

We broke ground on Kalae in June 2024 and expect to complete construction in 2028. Kalae will consist of 329 one-, two-, and three-bedroom residences. As of September 30, 2025, we have entered into contracts for 307 units, representing 93% of total units.

The Woodlands We broke ground on The Ritz-Carlton Residences in October 2024 and expect to complete construction in 2027. The Ritz-Carlton Residences, The Woodlands will consist of 111 one-, two-, three-, and four-bedroom residences. The development sits on the last available large-scale residential site on Lake Woodlands, spanning roughly eight acres across approximately 1,200 feet of premier lakefront shoreline. As of September 30, 2025, we have entered into contracts for 82 units, representing 74% of total units.

Predevelopment Condominiums

Ward Village We launched public pre-sales for The Launiu in February 2024. The Launiu will consist of 485 studio, one-, two-, and three-bedroom residences. As of September 30, 2025, we have entered into contracts for 332 units, representing 68% of total units. Construction is expected to commence on The Launiu in early 2026.

We launched public pre-sales for Melia in June 2025. Melia will consist of 220 one-, two-, three-, and four-bedroom residences. As of September 30, 2025, we have entered into contracts for 136 units, representing 62% of total units.

We launched public pre-sales for ʻIlima in June 2025. ʻIlima will consist of 148 one-, two-, three-, and four-bedroom residences. As of September 30, 2025, we have entered into contracts for 72 units, representing 49% of total units.

The following provides further detail for all condominium projects as of September 30, 2025:

	Location	Units Closed	Units Under Contract	Total Units	Total % of Units Closed or Under Contract	Completion Date
Completed						
Waiea (a)	Honolulu, HI	177	—	177	100 %	Q4 2016
Anaha (a)	Honolulu, HI	317	—	317	100 %	Q4 2017
Ae`o (a)	Honolulu, HI	465	—	465	100 %	Q4 2018
Ke Kilohana (a)	Honolulu, HI	423	—	423	100 %	Q2 2019
ʻAʻaliʻi (a)	Honolulu, HI	750	—	750	100 %	Q4 2021
Kōʻula (b)	Honolulu, HI	565	—	565	100 %	Q3 2022
Victoria Place	Honolulu, HI	349	—	349	100 %	Q4 2024
Under construction						
The Park Ward Village (c)	Honolulu, HI	—	529	545	97 %	2026
Ulana Ward Village (d)	Honolulu, HI	—	694	696	100 %	Q4 2025
Kalae (e)	Honolulu, HI	—	307	329	93 %	2028
The Ritz-Carlton Residences (f)	The Woodlands, TX	—	82	111	74 %	2027
Predevelopment						
The Launiu (g)	Honolulu, HI	—	332	485	68 %	2028
Melia (h)	Honolulu, HI	—	136	220	62 %	2030
ʻIlima (i)	Honolulu, HI	—	72	148	49 %	2030

(a) The retail portions of these projects are 100% leased and have been placed in service.
(b) The retail portion of this project has been placed in service and is 56% leased.
(c) The Park Ward Village will include approximately 26,800 square feet of retail space.
(d) Ulana Ward Village will include approximately 32,100 square feet of retail space.
(e) Kalae will include approximately 2,000 square feet of retail space.
(f) The Ritz-Carlton Residences will include approximately 5,800 square feet of retail space.
(g) The Launiu will include approximately 10,000 square feet of retail space.
(h) Melia will include approximately 6,000 square feet of retail space.
(i) ʻIlima will include approximately 5,000 square feet of retail space.

Corporate Income, Expenses, and Other Items

The following table contains certain corporate-related and other items not related to segment activities and that are not otherwise included within the segment analyses. Variances related to income and expenses included in NOI or EBT are explained within the previous segment discussions. Significant variances for consolidated items not included in NOI or EBT are described below:

	Three Months Ended September 30,				Nine Months Ended September 30,			
thousands except percentages	**2025**	2024	$ Change	% Change	**2025**	2024	$ Change	% Change
General and administrative expenses	**$ (28,281)**	$ (24,862)	$ (3,419)	(14) %	**$ (85,269)**	$ (68,930)	$ (16,339)	(24) %
Gain (loss) on sale of MUD receivables	**—**	(51,525)	51,525	100 %	**(48,197)**	(51,525)	3,328	6 %
Corporate interest expense, net	**(18,288)**	(22,578)	4,290	19 %	**(62,408)**	(60,369)	(2,039)	(3) %
Corporate depreciation and amortization	**(872)**	(767)	(105)	(14) %	**(2,475)**	(2,346)	(129)	(5) %
Income tax (expense) benefit	**(38,898)**	(10,195)	(28,703)	NM	**(38,513)**	(17,236)	(21,277)	(123) %
Other	**(3,369)**	(3,112)	(257)	(8) %	**(12,294)**	(10,319)	(1,975)	(19) %
Total Corporate income, expenses, and other items	**$ (89,708)**	$ (113,039)	$ 23,331	21 %	**$ (249,156)**	$ (210,725)	$ (38,431)	(18) %

NM Not meaningful.

For the three months ended September 30, 2025:

Corporate income, expenses, and other items were favorably impacted compared to the prior-year period by the following:
- Loss on sale of MUD receivables of $51.5 million was recognized in the third quarter of 2024. Refer to Note 1 - *Presentation of Financial Statements and Significant Accounting Policies* in the Notes to Condensed Consolidated Financial Statements under Item 1 of this Quarterly Report for additional information.
- Corporate interest expense, net decreased $4.3 million primarily due to higher interest income generated from the proceeds related to the Pershing Square Transaction in the current period, partially offset by interest expense recognized from the accretion of the liability related to the sale of future MUD receivables.

Corporate income, expenses, and other items were unfavorably impacted compared to the prior-year period by the following:
- Income tax expense increased $28.7 million primarily due to the net impact of the 2024 spinoff of SEG which included a partial release of valuation allowances on the Company's deferred tax assets, partially offset by a net increase in tax expense in 2024 related to the revaluation of deferred tax assets and liabilities. Additionally, there was an increase in Income before income taxes in 2025 as compared to 2024. Refer to Note 12 - *Income Taxes* in the Notes to Condensed Consolidated Financial Statements under Item 1 of this Quarterly Report for additional information.
- General and administrative expenses increased $3.4 million primarily attributable to a $7.1 million increase related to the Pershing Square advisory fees. This increase was partially offset by a decrease in compensation and benefits, including a strategic reduction in force, and other various cost reduction initiatives.

For the nine months ended September 30, 2025:

Corporate income, expenses, and other items were unfavorably impacted compared to the prior-year period by the following:
- Income tax expense increased $21.3 million primarily due to the net impact of the 2024 spinoff of SEG which included a partial release of valuation allowances on the Company's deferred tax assets, partially offset by a net increase in tax expense in 2024 related to the revaluation of deferred tax assets and liabilities. Additionally, there was an increase in Income before income taxes in 2025 as compared to 2024.
- General and administrative expenses increased $16.3 million primarily attributable to $14.2 million of additional expenses incurred in the current period related to a strategic reduction in force and a $10.0 million increase related to the Pershing Square advisory fees. These increases were partially offset by a decrease in compensation and benefits, including a strategic reduction in force, and other cost reduction initiatives.

Corporate income, expenses, and other items were favorably impacted compared to the prior-year period by the following:
- Loss on sale of MUD receivables decreased $3.3 million as a result of a $48.2 million loss recognized in the second quarter of 2025, compared to a loss of $51.5 million in the third quarter of 2024.

Pershing Square Advisory Fees Pershing Square will support the Company's new diversified holding company strategy by providing certain investment and advisory services. The Company will pay Pershing Square a quarterly advisory fee that includes base and variable components. Refer to Note 2 - *Pershing Square Transaction* in the Notes to Condensed Consolidated Financial Statements under Item 1 of this Quarterly Report for additional information on the advisory fee.

The base and variable components of the quarterly advisory fee are detailed below:

thousands	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2025
Base fee	$ 3,750	$ 6,099
Variable fee	3,399	3,939
Total Pershing Square advisory fee	$ 7,149	$ 10,038

LIQUIDITY AND CAPITAL RESOURCES

We continue to maintain a strong balance sheet and endeavor to ensure that we maintain the financial flexibility and liquidity necessary to fund future growth. As of September 30, 2025, we had $1.5 billion of cash and cash equivalents, $515.0 million of undrawn capacity on our Secured Bridgeland Notes, and $772.4 million of undrawn lender commitments available to be drawn for property development, subject to certain restrictions.

Cash Flows

	Nine Months Ended September 30,	
thousands	**2025**	2024
Cash provided by (used in) operating activities of continuing operations	$ 102,107	$ 110,992
Cash provided by (used in) investing activities of continuing operations	(162,058)	(376,545)
Cash provided by (used in) financing activities of continuing operations	1,035,252	177,068
Net cash provided by (used in) discontinued operations	—	(43,846)

Operating Activities Each segment's relative contribution to our cash flows from operating activities will likely vary significantly from year to year given the changing nature of our development focus. Other than our condominium properties, most of the properties and projects in our Strategic Developments segment do not generate revenues, and the cash flows and earnings may vary. Condominium deposits received from contracted units and by other various cash uses related to condominium development and sales activities are a substantial portion of our operating activities. Operating cash is utilized to fund ongoing development expenditures in our Strategic Developments and MPC segments.

The cash flows and earnings from the MPC business may fluctuate more than from our operating assets because the MPC business generates revenues from land sales rather than recurring contractual revenues from operating leases. MPC land sales are a substantial portion of our cash flows from operating activities and are partially offset by development costs associated with the land sales business and acquisitions of land that is intended to ultimately be developed and sold.

Net cash provided by operating activities of continuing operations was $102.1 million in the nine months ended September 30, 2025, and $111.0 million in the nine months ended September 30, 2024. The $8.9 million decrease in net cash provided by operating activities was primarily due to the receipt of an insurance reimbursement for the Waiea remediation in the prior-year period and increased MPC development expenditures, partially offset by an increase in MPC land sales and a decrease in cash used for condominium towers.

Investing Activities Net cash used in investing activities of continuing operations was $162.1 million in the nine months ended September 30, 2025, and $376.5 million in the nine months ended September 30, 2024. The $214.5 million decrease in net cash used in investing activities was primarily due to a decrease in cash used related to the net parent investment in discontinued operations and a decrease in cash used for property development.

Financing Activities Net cash provided by financing activities of continuing operations was $1.0 billion in the nine months ended September 30, 2025, and $177.1 million in the nine months ended September 30, 2024. The $858.2 million increase in cash provided by financing activities was primarily due to $862.8 million of net proceeds related to the Pershing Square Transaction, a $123.8 million increase in proceeds from mortgages, notes, and loans payable, a $7.1 million increase in Special Improvement District bond funds released from escrow, partially offset by an $119.1 million increase in cash used related to principal payments on mortgages, notes, and loans payable.

Short- and Long-Term Liquidity

Short-Term Liquidity In the next 12 months, we expect our primary sources of cash for our portfolio of master planned communities to include cash flow from MPC land sales and condominium closings, cash generated from our operating assets, first mortgage financings secured by our assets, and deposits from condominium sales (which are restricted to funding construction of the related developments). We expect our primary uses of cash for our portfolio of master planned communities to include condominium pre-development and development costs, debt principal payments and debt service costs, MPC land development costs, other strategic developments costs, and general operating costs. We believe that our sources of cash, including existing cash on hand, will provide sufficient liquidity to meet our existing obligations and anticipated ordinary course operating expenses for at least the next 12 months.

The Company is continuing to evaluate opportunities to deploy the $900 million of capital received as part of the Pershing Square Transaction to acquire or make investments in operating companies as part of the Company's new strategy of becoming a diversified holding company.

Long-Term Liquidity The development and redevelopment opportunities in Strategic Developments and Operating Assets are capital intensive and will require significant additional funding, if and when pursued. Any additional funding beyond those sources listed above would be raised with a mix of construction, bridge, and long-term financings, by entering into joint venture arrangements, as well as future equity raises.

We cannot provide assurance that financing arrangements for our properties will be on favorable terms or occur at all, which could have a negative impact on our liquidity and capital resources. In addition, we typically must provide completion guarantees to lenders in connection with their financing for our projects.

Contractual Cash Obligations and Commitments The following table aggregates our contractual cash obligations and commitments as of September 30, 2025:

thousands	Remaining in 2025	2026	2027	2028	2029	Thereafter	Total
Mortgages, notes, and loans payable	$ 76,389	$ 940,917	$ 479,000	$ 859,757	$ 1,072,241	$ 1,895,776	$ 5,324,080
Interest payments (a)	76,567	247,398	203,827	164,851	104,311	225,364	1,022,318
Ground lease commitments	300	300	300	300	300	5,600	7,100
Total	$ 153,256	$ 1,188,615	$ 683,127	$ 1,024,908	$ 1,176,852	$ 2,126,740	$ 6,353,498

(a) Interest is based on the borrowings that are presently outstanding and current floating interest rates.

Debt As of September 30, 2025, the Company had $5.3 billion of outstanding debt and $772.4 million of undrawn lender commitment available to be drawn for property development, subject to certain restrictions. Refer to Note 8 - *Mortgages, Notes, and Loans Payable, Net* in the Notes to Condensed Consolidated Financial Statements under Item 1 of this Quarterly Report for additional detail. Our proportionate share of the debt of our unconsolidated ventures totaled $206.8 million as of September 30, 2025. All of this indebtedness is without recourse to the Company, with the exception of the collateral maintenance obligation for Floreo. See Note 11 - *Commitments and Contingencies* in the Notes to Condensed Consolidated Financial Statements under Item 1 of this Quarterly Report for additional information related to the Company's collateral maintenance obligation.

Debt Compliance As of September 30, 2025, the Company was not in compliance with certain property-level debt covenants, which did not have a material impact on the Company's liquidity or its ability to operate these assets. As a result, the excess net cash flow after debt service from the underlying properties became restricted. While the restricted cash could not be used for general corporate purposes, it could be used to fund operations of the underlying assets.

Net Debt The following table summarizes our net debt on a segment basis as of September 30, 2025. Net debt is defined as Mortgages, notes, and loans payable, net, including our ownership share of debt of our unconsolidated ventures, reduced by liquidity sources to satisfy such obligations such as our ownership share of Cash and cash equivalents and SID, MUD, and TIF receivables. Although net debt is a non-GAAP financial measure, we believe that such information is useful to our investors and other users of our financial statements as net debt and its components are important indicators of our overall liquidity, capital structure, and financial position. However, it should not be used as an alternative to our debt calculated in accordance with GAAP.

thousands	Operating Assets	Master Planned Communities	Strategic Developments	Segment Totals	Non-Segment Amounts	September 30, 2025
Mortgages, notes, and loans payable, net	$ 2,340,464	$ 157,827	$ 752,658	$ 3,250,949	$ 2,036,420	$ 5,287,369
Mortgages, notes, and loans payable of unconsolidated ventures	90,545	116,226	—	206,771	—	206,771
Less:						
Cash and cash equivalents	(23,739)	(116,519)	(31,353)	(171,611)	(1,285,323)	(1,456,934)
Cash and cash equivalents of unconsolidated ventures	(5,404)	(11,306)	(3,484)	(20,194)	—	(20,194)
Special Improvement District receivables	—	(76,358)	—	(76,358)	—	(76,358)
Municipal Utility District receivables, net	—	(429,377)	—	(429,377)	—	(429,377)
TIF receivable	—	—	(2,846)	(2,846)	—	(2,846)
Net Debt	$ 2,401,866	$ (359,507)	$ 714,975	$ 2,757,334	$ 751,097	$ 3,508,431

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are subject to interest rate risk with respect to our variable-rate financings in that increases in interest rates would cause our payments under such financings to increase. With respect to fixed-rate financings, increases in interest rates could make it more difficult to refinance such debt when it becomes due. As properties are placed into service and become stabilized, we typically refinance the variable-rate debt with long-term fixed-rate debt.

The Company uses derivative instruments to manage its interest rate risk, primarily through the use of interest rate swaps, caps, and collars. The Company had $1.5 billion of variable-rate debt outstanding at September 30, 2025, of which $361.9 million was swapped to a fixed rate through the use of interest rate swaps and $625.2 million had interest rate cap contracts in place. Additionally, the interest rate caps and collars are on construction loans and mortgages with undrawn loan commitment of $17.0 million as of September 30, 2025, which will be covered by the interest rate cap and collar contracts upon drawing. Refer to Note 10 - *Derivative Instruments and Hedging Activities* in the Notes to Condensed Consolidated Financial Statements under Item 1 of this Quarterly Report for additional information.

As of September 30, 2025, annual interest costs would increase approximately $4.9 million for every 1.00% increase in floating interest rates. The Company is focused on prudently limiting exposure to potentially higher interest rates based upon market dynamics and general expected financing activity. Generally, a significant portion of our interest expense is capitalized due to the level of assets we currently have under development; therefore, the impact of a change in our interest rate on our Condensed Consolidated Statements of Operations would be less than the total change in interest costs, but we would incur higher cash payments and the development costs of our assets would be higher, resulting in greater depreciation or cost of sales in later years.

Item 4. Controls and Procedures

DISCLOSURE CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) that are designed to provide reasonable assurance that information required to be disclosed in our reports to the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer, principal financial officer, and principal accounting officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by SEC rules, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer, principal financial officer, and principal accounting officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2025, the end of the period covered by this report. Based on the foregoing, our principal executive officer, principal financial officer, and principal accounting officer concluded that our disclosure controls and procedures were effective as of September 30, 2025.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes to our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

Please refer to Note 11 - *Commitments and Contingencies* in the Notes to Condensed Consolidated Financial Statements under Item 1 of this Quarterly Report.

Item 1A. Risk Factors

Other than as set forth below, there are no material changes to the risk factors previously disclosed in our 2024 Annual Report.

Our recent shift in business strategy will create additional and different risks than those we face in our existing real estate business.

On May 6, 2025, we announced a transaction with Pershing Square following which we expect to become a diversified holding company by acquiring controlling stakes in high-quality, durable growth public and private operating companies while continuing to invest in and grow our core real estate development and Master Planned Communities business. In embarking on this changed strategy, we are subject to risks such as being unable to identify and consummate transactions as part of the new strategy, as well as risks inherent in acquiring or making investments in operating companies, especially companies in industries unrelated to our existing real estate business. We may be unable to realize the anticipated benefits of the transactions with Pershing Square and our new strategy, which could adversely impact our financial condition, results of operations, cash flows, the quoted trading price of our securities, and our ability to satisfy our debt service obligations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

PURCHASES OF EQUITY SECURITIES BY THE ISSUER

Common Stock Repurchases

The following sets forth information with respect to repurchases made by the Company of its shares of common stock during the third quarter of 2025:

Period	Total number of shares purchased (a)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs (b)
July 1 - 31, 2025	892	$ 68.23	—	$ 15,009,600
August 1 - 31, 2025	—	$ —	—	$ 15,009,600
September 1 - 30, 2025	—	$ —	—	$ 15,009,600
Total	892	$ 68.23	—	

(a) During the third quarter of 2025, all 892 shares repurchased related to stock received by the Company for the payment of withholding taxes due on employee share issuances under share-based compensation plans.
(b) In March 2022, the Board authorized a share repurchase program pursuant to which the Company may, from time to time, purchase up to $250.0 million of its common stock through open-market transactions. During 2022, the Company repurchased $235.0 million of its common stock.

Item 3. Default Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None of our directors or officers adopted or terminated a 10b5-1 plan or non-10b5-1 trading arrangement during the third quarter of 2025.

Item 6. Exhibits

The following Exhibit Index to this Quarterly Report lists the exhibits furnished as required by Item 601 of Regulation S-K and is incorporated by reference.

Exhibit Number	Description
10.1	Howard Hughes Holdings Inc. 2025 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Howard Hughes Holdings Inc. Current Report on Form 8-K, filed October 7, 2025)
31.1+	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2+	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1++	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
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
101.SCH+	Inline XBRL Taxonomy Extension Schema Document
101.CAL+	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB+	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE+	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF+	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

+ Filed herewith
++ Furnished herewith

Attached as Exhibit 101 to this report are the following documents formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2025 and 2024, (ii) Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2025 and 2024, (iii) the Condensed Consolidated Balance Sheets as of September 30, 2025 and December 31, 2024, (iv) Condensed Consolidated Statements of Equity for the three and nine months ended September 30, 2025 and 2024, (v) the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2025 and 2024, and (vi) the Notes to Condensed Consolidated Financial Statements.

SIGNATURE

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

Howard Hughes Holdings Inc.

By: /s/ Carlos A. Olea
Carlos A. Olea
Chief Financial Officer
November 10, 2025