REGENCY CENTERS CORP
Form 10-Q
November 06, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-Q

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

For the quarterly period ended September 30, 2017
or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1-12298 (Regency Centers Corporation)
Commission File Number 0-24763 (Regency Centers, L.P.)

REGENCY CENTERS CORPORATION
REGENCY CENTERS, L.P.
(Exact name of registrant as specified in its charter)

FLORIDA (REGENCY CENTERS CORPORATION)	59-3191743
DELAWARE (REGENCY CENTERS, L.P)	59-3429602
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Independent Drive, Suite 114 Jacksonville, Florida 32202	(904) 598-7000
(Address of principal executive offices) (zip code)	(Registrant's telephone number, including area code)

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.

Regency Centers Corporation YES x NO o Regency Centers, L.P. YES x NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Regency Centers Corporation YES x NO o Regency Centers, L.P. YES x NO o

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

Regency Centers Corporation:

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

Regency Centers, L.P.:

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

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.

Regency Centers Corporation	YES o	NO o		Regency Centers, L.P.	YES o	NO o

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

Regency Centers Corporation	YES o	NO x		Regency Centers, L.P.	YES o	NO x

The number of shares outstanding of the Regency Centers Corporation’s common stock was 170,110,464 as of November 2, 2017.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarter ended September 30, 2017, of Regency Centers Corporation and Regency Centers, L.P. Unless stated otherwise or the context otherwise requires, references to “Regency Centers Corporation” or the “Parent Company” mean Regency Centers Corporation and its controlled subsidiaries; and references to “Regency Centers, L.P.” or the “Operating Partnership” mean Regency Centers, L.P. and its controlled subsidiaries. The term “the Company”,"Regency Centers" or “Regency” means the Parent Company and the Operating Partnership, collectively.

The Parent Company is a real estate investment trust (“REIT”) and the general partner of the Operating Partnership. The Operating Partnership's capital includes general and limited common Partnership Units (“Units”). As of September 30, 2017, the Parent Company owned approximately 99.8% of the Units in the Operating Partnership. The remaining limited Units are owned by investors. As the sole general partner of the Operating Partnership, the Parent Company has exclusive control of the Operating Partnership's day-to-day management.

The Company believes combining the quarterly reports on Form 10-Q of the Parent Company and the Operating Partnership into this single report provides the following benefits:

- Enhances investors' understanding of the Parent Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- Eliminates duplicative disclosure and provides a more streamlined and readable presentation; and
- Creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

Management operates the Parent Company and the Operating Partnership as one business. The management of the Parent Company consists of the same individuals as the management of the Operating Partnership. These individuals are officers of the Parent Company and employees of the Operating Partnership.

The Company believes it is important to understand the key differences between the Parent Company and the Operating Partnership in the context of how the Parent Company and the Operating Partnership operate as a consolidated company. The Parent Company is a REIT, whose only material asset is its ownership of partnership interests of the Operating Partnership. As a result, the Parent Company does not conduct business itself, other than acting as the sole general partner of the Operating Partnership, issuing public equity from time to time and guaranteeing certain debt of the Operating Partnership. Except for the $500 million of unsecured public and private placement debt assumed with the Equity One merger on March 1, 2017, the Parent Company does not have any other indebtedness, but guarantees all of the unsecured debt of the Operating Partnership. The Operating Partnership is also the co-issuer and guarantees the debt of the Parent Company. The Operating Partnership holds all the assets of the Company and retains the ownership interests in the Company's joint ventures. Except for net proceeds from public equity issuances by the Parent Company, which are contributed to the Operating Partnership in exchange for partnership units, the Operating Partnership generates all remaining capital required by the Company's business. These sources include the Operating Partnership's operations, its direct or indirect incurrence of indebtedness, and the issuance of partnership units.

Stockholders' equity, partners' capital, and noncontrolling interests are the main areas of difference between the consolidated financial statements of the Parent Company and those of the Operating Partnership. The Operating Partnership's capital includes general and limited common Partnership Units. The limited partners' units in the Operating Partnership owned by third parties are accounted for in partners' capital in the Operating Partnership's financial statements and outside of stockholders' equity in noncontrolling interests in the Parent Company's financial statements.

In order to highlight the differences between the Parent Company and the Operating Partnership, there are sections in this report that separately discuss the Parent Company and the Operating Partnership, including separate financial statements, controls and procedures sections, and separate Exhibit 31 and 32 certifications. In the sections that combine disclosure for the Parent Company and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company.

As general partner with control of the Operating Partnership, the Parent Company consolidates the Operating Partnership for financial reporting purposes, and the Parent Company does not have assets other than its investment in the Operating Partnership. Although the Parent Company is the issuer of the combined $500 million of unsecured public and private notes, the Operating Partnership is a co-issuer and guarantor of these notes. Therefore, while stockholders' equity and partners' capital differ as discussed above, the assets and liabilities of the Parent Company and the Operating Partnership are the same on their respective financial statements.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

REGENCY CENTERS CORPORATION
Consolidated Balance Sheets
September 30, 2017 and December 31, 2016
(in thousands, except share data)

	2017 (unaudited)	2016
Assets		
Real estate investments at cost:		
Land	$4,578,145	1,660,424
Buildings and improvements	5,834,405	3,092,197
Properties in development	433,707	180,878
	10,846,257	4,933,499
Less: accumulated depreciation	1,281,510	1,124,391
	9,564,747	3,809,108
Properties held for sale	27,802	—
Investments in real estate partnerships	380,930	296,699
Net real estate investments	9,973,479	4,105,807
Cash and cash equivalents	23,543	13,256
Restricted cash	7,098	4,623
Tenant and other receivables, net of allowance for doubtful accounts and straight-line rent reserves of $12,279 and $9,021 at September 30, 2017 and December 31, 2016, respectively	143,153	111,722
Deferred leasing costs, less accumulated amortization of $91,213 and $83,529 at September 30, 2017 and December 31, 2016, respectively	71,826	69,000
Acquired lease intangible assets, less accumulated amortization of $123,662 and $56,695 at September 30, 2017 and December 31, 2016, respectively	508,868	118,831
Other assets	390,778	65,667
Total assets	$11,118,745	4,488,906
Liabilities and Equity		
Liabilities:		
Notes payable	$2,943,986	1,363,925
Unsecured credit facilities	578,144	278,495
Accounts payable and other liabilities	276,363	138,936
Acquired lease intangible liabilities, less accumulated amortization of $49,968 and $23,538 at September 30, 2017 and December 31, 2016, respectively	637,217	54,180
Tenants’ security, escrow deposits and prepaid rent	46,351	28,868
Total liabilities	4,482,061	1,864,404
Commitments and contingencies	—	—
Equity:		
Stockholders’ equity:		
Preferred stock, $0.01 par value per share, 30,000,000 shares authorized; 13,000,000 Series 6 and 7 shares issued and outstanding at December 31, 2016, with liquidation preferences of $25 per share	—	325,000
Common stock, $0.01 par value per share, 220,000,000 and 150,000,000 shares authorized; 170,109,043 and 104,497,286 shares issued at September 30, 2017 and December 31, 2016, respectively	1,701	1,045
	(18,048)	(17,062)

Treasury stock at cost, 362,764 and 347,903 shares held at September 30, 2017 and December 31, 2016, respectively		
Additional paid in capital	7,779,103	3,294,923
Accumulated other comprehensive loss	(14,141)	(18,346)
Distributions in excess of net income	(1,153,153)	(994,259)
Total stockholders' equity	6,595,462	2,591,301
Noncontrolling interests:		
Exchangeable operating partnership units, aggregate redemption value of $21,708 and $10,630 at September 30, 2017 and December 31, 2016, respectively	10,906	(1,967)
Limited partners' interests in consolidated partnerships	30,316	35,168
Total noncontrolling interests	41,222	33,201
Total equity	6,636,684	2,624,502
Total liabilities and equity	$11,118,745	4,488,906

See accompanying notes to consolidated financial statements.

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REGENCY CENTERS CORPORATION
Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Revenues:				
Minimum rent	$195,393	111,886	$532,625	329,506
Percentage rent	1,147	495	5,509	2,651
Recoveries from tenants and other income	59,554	34,532	162,089	103,894
Management, transaction, and other fees	6,047	5,855	19,353	18,759
Total revenues	262,141	152,768	719,576	454,810
Operating expenses:				
Depreciation and amortization	91,474	40,705	243,757	119,721
Operating and maintenance	38,020	23,373	103,888	69,767
General and administrative	15,199	16,046	49,618	48,695
Real estate taxes	29,315	17,058	79,636	49,697
Other operating expenses (note 2)	3,195	1,046	81,621	5,795
Total operating expenses	177,203	98,228	558,520	293,675
Other expense (income):				
Interest expense, net	34,679	21,945	97,285	70,489
Provision for impairment	—	—	—	1,666
Early extinguishment of debt	—	13,943	12,404	13,943
Net investment (income) loss, including unrealized (gains) losses of ($842) and ($383), and ($1,705) and ($888) for the three and nine months ended September 30, 2017 and 2016, respectively	(971)	(821)	(2,955)	(1,268)
Loss on derivative instruments	—	40,586	—	40,586
Total other expense (income)	33,708	75,653	106,734	125,416
Income from operations before equity in income of investments in real estate partnerships	51,230	(21,113)	54,322	35,719
Equity in income of investments in real estate partnerships	12,221	22,647	33,804	46,618
Income from operations	63,451	1,534	88,126	82,337
Gain on sale of real estate, net of tax	131	9,580	4,913	22,997
Net income	63,582	11,114	93,039	105,334
Noncontrolling interests:				
Exchangeable operating partnership units	(132)	(16)	(217)	(165)
Limited partners' interests in consolidated partnerships	(637)	(527)	(1,884)	(1,380)
Income attributable to noncontrolling interests	(769)	(543)	(2,101)	(1,545)
Net income attributable to the Company	62,813	10,571	90,938	103,789
Preferred stock dividends and issuance costs	(3,147)	(5,266)	(16,128)	(15,797)
Net income attributable to common stockholders	$59,666	5,305	$74,810	87,992
Income per common share - basic	$0.35	0.05	$0.48	0.88
Income per common share - diluted	$0.35	0.05	$0.48	0.88

See accompanying notes to consolidated financial statements.

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REGENCY CENTERS CORPORATION
Consolidated Statements of Comprehensive Income
(in thousands)
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Net income	$63,582	11,114	$93,039	105,334
Other comprehensive income:				
Effective portion of change in fair value of derivative instruments:				
Effective portion of change in fair value of derivative instruments	(39)	1,294	(3,911)	(25,338)
Reclassification adjustment of derivative instruments included in net income	2,329	43,111	8,054	48,063
Unrealized gain on available-for-sale securities	8	53	51	90
Other comprehensive income	2,298	44,458	4,194	22,815
Comprehensive income	65,880	55,572	97,233	128,149
Less: comprehensive income (loss) attributable to noncontrolling interests:				
Net income attributable to noncontrolling interests	769	543	2,101	1,545
Other comprehensive income (loss) attributable to noncontrolling interests	5	158	(11)	(139)
Comprehensive income attributable to noncontrolling interests	774	701	2,090	1,406
Comprehensive income attributable to the Company	$65,106	54,871	$95,143	126,743

See accompanying notes to consolidated financial statements.

REGENCY CENTERS CORPORATION
Consolidated Statements of Equity
For the nine months ended September 30, 2017 and 2016
(in thousands, except per share data)
(unaudited)

								Noncontrolling Interests			
	Preferred Stock	Common Stock	Treasury Stock	Additional Paid In Capital	Accumulated Other Comprehensive Loss	Distributions in Excess of Net Income	Total Stockholders' Equity	Exchangeable Operating Partnership Units	Limited Partners' Interest in Consolidated Partnerships	Total Noncontrolling Interests	Total Equity
Balance at December 31, 2015	$325,000	972	(19,658)	2,742,508	(58,693)	(936,020)	2,054,109	(1,975)	30,486	28,511	2,082,6
Net income	—	—	—	—	—	103,789	103,789	165	1,380	1,545	105,33
Other comprehensive loss	—	—	—	—	22,954	—	22,954	33	(172)	(139)	22,815
Deferred compensation plan, net	—	—	2,776	(2,776)	—	—	—	—	—	—	—
Restricted stock issued, net of amortization	—	2	—	9,965	—	—	9,967	—	—	—	9,967
Common stock redeemed for taxes withheld for stock based compensation, net	—	—	—	(7,835)	—	—	(7,835)	—	—	—	(7,835
Common stock issued under dividend reinvestment plan	—	—	—	804	—	—	804	—	—	—	804
Common stock issued, net of issuance costs	—	71	—	549,474	—	—	549,545	—	—	—	549,54
Contributions from partners	—	—	—	—	—	—	—	—	8,675	8,675	8,675
Distributions to partners	—	—	—	(538)	—	—	(538)	—	(5,224)	(5,224)	(5,762
Cash dividends declared:											
Preferred stock	—	—	—	—	—	(15,797)	(15,797)	—	—	—	(15,79
Common stock/unit	—	—	—	—	—	(149,853)	(149,853)	(229)	—	(229)	(150,0

($1.50 per share)											
Balance at September 30, 2016	$325,000	1,045	(16,882)	3,291,602	(35,739)	(997,881)	2,567,145	(2,006)	35,145	33,139	2,600,2
Balance at December 31, 2016	$325,000	1,045	(17,062)	3,294,923	(18,346)	(994,259)	2,591,301	(1,967)	35,168	33,201	2,624,5
Net income	—	—	—	—	—	90,938	90,938	217	1,884	2,101	93,039
Other comprehensive income	—	—	—	—	4,205	—	4,205	6	(17)	(11)	4,194
Deferred compensation plan, net	—	—	(986)	977	—	—	(9)	—	—	—	(9
Restricted stock issued, net of amortization	—	2	—	10,918	—	—	10,920	—	—	—	10,920
Common stock redeemed for taxes withheld for stock based compensation, net	—	(1)	—	(18,431)	—	—	(18,432)	—	—	—	(18,43
Common stock issued under dividend reinvestment plan	—	—	—	908	—	—	908	—	—	—	908
Common stock issued, net of issuance costs	—	654	—	4,470,759	—	—	4,471,413	—	—	—	4,471,4
Restricted stock issued upon Equity One merger	—	1	—	7,950	—	—	7,951	—	—	—	7,951
Redemption of preferred stock	(325,000)	—	—	11,099	—	(11,099)	(325,000)	—	—	—	(325,0
Contributions from partners	—	—	—	—	—	—	—	13,100	367	13,467	13,467
Distributions to partners	—	—	—	—	—	—	—	—	(7,086)	(7,086)	(7,086
Cash dividends declared:											
Preferred stock	—	—	—	—	—	(5,029)	(5,029)	—	—	—	(5,029
Common stock/unit ($1.57 per share)	—	—	—	—	—	(233,704)	(233,704)	(450)	—	(450)	(234,1

Balance at September 30, 2017	$—	1,701	(18,048)	7,779,103	(14,141)	(1,153,153)	6,595,462	10,906	30,316	41,222	6,636,6

See accompanying notes to consolidated financial statements.

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REGENCY CENTERS CORPORATION
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2017 and 2016
(in thousands)
(unaudited)

	2017	2016
Cash flows from operating activities:		
Net income	$93,039	105,334
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	243,757	119,721
Amortization of deferred loan cost and debt premium	7,144	7,242
(Accretion) and amortization of above and below market lease intangibles, net	(18,784)	(2,296)
Stock-based compensation, net of capitalization	16,836	7,554
Equity in income of investments in real estate partnerships	(33,804)	(46,618)
Gain on sale of real estate, net of tax	(4,913)	(22,997)
Provision for impairment	—	1,666
Early extinguishment of debt	12,404	13,943
Distribution of earnings from operations of investments in real estate partnerships	40,817	39,765
Loss on derivative instruments	51	—
Deferred compensation expense	2,885	1,249
Realized and unrealized (gain) loss on investments	(2,878)	(1,268)
Changes in assets and liabilities:		
Restricted cash	(1,569)	(84)
Accounts receivable, net	2,574	3,715
Straight-line rent receivables, net	(13,901)	(4,894)
Deferred leasing costs	(10,294)	(7,841)
Other assets	8,075	(59)
Accounts payable and other liabilities	4,908	12,607
Tenants' security, escrow deposits and prepaid rent	(2,490)	(1,406)
Net cash provided by operating activities	343,857	225,333
Cash flows from investing activities:		
Acquisition of operating real estate	(2,109)	(333,220)
Advance deposits paid on acquisition of operating real estate	(350)	1,250
Acquisition of Equity One, net of cash acquired of $72,534	(648,763)	—
Real estate development and capital improvements	(241,834)	(146,773)
Proceeds from sale of real estate investments	15,397	83,675
Issuance of notes receivable	(3,460)	—
Investments in real estate partnerships	(12,296)	(13,127)
Distributions received from investments in real estate partnerships	36,603	52,536
Dividends on investment securities	200	189
Acquisition of securities	(14,011)	(53,290)
Proceeds from sale of securities	11,974	54,176
Net cash used in investing activities	(858,649)	(354,584)
Cash flows from financing activities:		
Net proceeds from common stock issuance	—	549,545
Repurchase of common shares in conjunction with equity award plans	(19,251)	(8,013)
Proceeds from sale of treasury stock	100	957
Redemption of preferred stock and partnership units	(325,000)	—
Distributions to limited partners in consolidated partnerships, net	(7,031)	(3,126)

Distributions to exchangeable operating partnership unit holders	(450)	(229)
Dividends paid to common stockholders	(232,796)	(149,049)
Dividends paid to preferred stockholders	(5,029)	(15,797)
Repayment of fixed rate unsecured notes	—	(300,000)
Proceeds from issuance of fixed rate unsecured notes, net	953,115	—
Proceeds from unsecured credit facilities	950,000	395,000
Repayment of unsecured credit facilities	(650,000)	(295,000)
Proceeds from notes payable	126,999	20,223
Repayment of notes payable	(232,839)	(41,584)
Scheduled principal payments	(7,452)	(4,462)
Payment of loan costs	(12,868)	(1,954)
Early redemption costs	(12,419)	(13,214)
Net cash provided by financing activities	525,079	133,297
Net increase in cash and cash equivalents	10,287	4,046
Cash and cash equivalents at beginning of the period	13,256	36,856
Cash and cash equivalents at end of the period	$23,543	40,902

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REGENCY CENTERS CORPORATION
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2017, and 2016
(in thousands)
(unaudited)

	2017	2016
Supplemental disclosure of cash flow information:		
Cash paid for interest (net of capitalized interest of $5,778 and $2,622 in 2017 and 2016, respectively)	$73,273	54,904
Cash received for income tax refunds, net of payments	$670	—
Supplemental disclosure of non-cash transactions:		
Exchangeable operating partnership units issued for acquisition of real estate	$13,100	—
Common stock issued under dividend reinvestment plan	$908	804
Stock-based compensation capitalized	$2,459	2,561
Contributions from limited partners in consolidated partnerships, net	$311	8,674
Common stock issued for dividend reinvestment in trust	$557	556
Contribution of stock awards into trust	$1,372	1,513
Distribution of stock held in trust	$677	4,096
Change in fair value of securities available-for-sale	$51	90
Equity One Merger:		
Notes payable assumed in Equity One merger, at fair value	$757,399	—
Common stock exchanged for Equity One shares	$(4,471,808)	—
Deconsolidation of previously consolidated partnership:		
Real estate, net	$—	14,075
Investments in real estate partnerships	$—	(3,355)
Notes payable	$—	(9,415)
Other assets and liabilities	$—	640
Limited partners' interest in consolidated partnerships	$—	(2,099)

See accompanying notes to consolidated financial statements.

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REGENCY CENTERS, L.P.
Consolidated Balance Sheets
September 30, 2017 and December 31, 2016
(in thousands, except unit data)

	2017	2016
Assets	(unaudited)	
Real estate investments at cost:		
Land	$4,578,145	1,660,424
Buildings and improvements	5,834,405	3,092,197
Properties in development	433,707	180,878
	10,846,257	4,933,499
Less: accumulated depreciation	1,281,510	1,124,391
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Acquired lease intangible assets, less accumulated amortization of $123,662 and $56,695 at September 30, 2017 and December 31, 2016, respectively	508,868	118,831
Trading securities held in trust	—	—
Other assets	390,778	65,667
Total assets	$11,118,745	4,488,906
Liabilities and Capital		
Liabilities:		
Notes payable	$2,943,986	1,363,925
Unsecured credit facilities	578,144	278,495
Accounts payable and other liabilities	276,363	138,936
Acquired lease intangible liabilities, less accumulated amortization of $49,968 and $23,538 at September 30, 2017 and December 31, 2016, respectively	637,217	54,180
Tenants' security, escrow deposits and prepaid rent	46,351	28,868
Total liabilities	4,482,061	1,864,404
Commitments and contingencies	—	—
Capital:		
Partners' capital:		
Preferred units of general partner, $0.01 par value per unit, 13,000,000 units issued and outstanding at December 31, 2016, liquidation preference of $25 per unit	—	325,000
General partner; 170,109,043 and 104,497,286 units outstanding at September 30, 2017 and December 31, 2016, respectively	6,609,603	2,284,647
Limited partners; 349,902 and 154,170 units outstanding at September 30, 2017 and December 31, 2016, respectively	10,906	(1,967)
Accumulated other comprehensive loss	(14,141)	(18,346)
Total partners' capital	6,606,368	2,589,334
Noncontrolling interests:		
Limited partners' interests in consolidated partnerships	30,316	35,168

Total noncontrolling interests	30,316	35,168
Total capital	6,636,684	2,624,502
Total liabilities and capital	$11,118,745	4,488,906

See accompanying notes to consolidated financial statements.

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REGENCY CENTERS, L.P.
Consolidated Statements of Operations
(in thousands, except per unit data)
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Revenues:				
Minimum rent	$195,393	111,886	$532,625	329,506
Percentage rent	1,147	495	5,509	2,651
Recoveries from tenants and other income	59,554	34,532	162,089	103,894
Management, transaction, and other fees	6,047	5,855	19,353	18,759
Total revenues	262,141	152,768	719,576	454,810
Operating expenses:				
Depreciation and amortization	91,474	40,705	243,757	119,721
Operating and maintenance	38,020	23,373	103,888	69,767
General and administrative	15,199	16,046	49,618	48,695
Real estate taxes	29,315	17,058	79,636	49,697
Other operating expenses (note 2)	3,195	1,046	81,621	5,795
Total operating expenses	177,203	98,228	558,520	293,675
Other expense (income):				
Interest expense, net	34,679	21,945	97,285	70,489
Provision for impairment	—	—	—	1,666
Early extinguishment of debt	—	13,943	12,404	13,943
Net investment (income) loss, including unrealized (gains) losses of ($842) and ($383), and ($1,705) and ($888) for the three and nine months ended September 30, 2017 and 2016, respectively	(971)	(821)	(2,955)	(1,268)
Loss on derivative instruments	—	40,586	—	40,586
Total other expense (income)	33,708	75,653	106,734	125,416
Income from operations before equity in income of investments in real estate partnerships	51,230	(21,113)	54,322	35,719
Equity in income of investments in real estate partnerships	12,221	22,647	33,804	46,618
Income from operations	63,451	1,534	88,126	82,337
Gain on sale of real estate, net of tax	131	9,580	4,913	22,997
Net income	63,582	11,114	93,039	105,334
Limited partners' interests in consolidated partnerships	(637)	(527)	(1,884)	(1,380)
Net income attributable to the Partnership	62,945	10,587	91,155	103,954
Preferred unit distributions and issuance costs	(3,147)	(5,266)	(16,128)	(15,797)
Net income attributable to common unit holders	$59,798	5,321	$75,027	88,157
Income per common unit - basic	$0.35	0.05	$0.48	0.88
Income per common unit - diluted	$0.35	0.05	$0.48	0.88

See accompanying notes to consolidated financial statements.

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REGENCY CENTERS, L.P.
Consolidated Statements of Comprehensive Income
(in thousands)
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Net income	$63,582	11,114	$93,039	105,334
Other comprehensive income:				
Effective portion of change in fair value of derivative instruments:				
Effective portion of change in fair value of derivative instruments	(39)	1,294	(3,911)	(25,338)
Reclassification adjustment of derivative instruments included in net income	2,329	43,111	8,054	48,063
Unrealized gain on available-for-sale securities	8	53	51	90
Other comprehensive income	2,298	44,458	4,194	22,815
Comprehensive income	65,880	55,572	97,233	128,149
Less: comprehensive income (loss) attributable to noncontrolling interests:				
Net income attributable to noncontrolling interests	637	527	1,884	1,380
Other comprehensive income (loss) attributable to noncontrolling interests	—	91	(17)	(172)
Comprehensive income attributable to noncontrolling interests	637	618	1,867	1,208
Comprehensive income attributable to the Partnership	$65,243	54,954	$95,366	126,941

See accompanying notes to consolidated financial statements.

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REGENCY CENTERS, L.P.
Consolidated Statements of Capital
For the nine months ended September 30, 2017 and 2016
(in thousands)
(unaudited)

	General Partner Preferred and Common Units	Limited Partners	Accumulated Other Comprehensive Loss	Total Partners' Capital	Noncontrolling Interests in Limited Partners' Interest in Consolidated Partnerships	Total Capital
Balance at December 31, 2015	$2,112,802	(1,975)	(58,693)	2,052,134	30,486	2,082,620
Net income	103,789	165	—	103,954	1,380	105,334
Other comprehensive loss	—	33	22,954	22,987	(172)	22,815
Contributions from partners	—	—	—	—	8,675	8,675
Distributions to partners	(150,391)	(229)	—	(150,620)	(5,224)	(155,844)
Preferred unit distributions	(15,797)	—	—	(15,797)	—	(15,797)
Restricted units issued as a result of amortization of restricted stock issued by Parent Company	9,967	—	—	9,967	—	9,967
Common units redeemed as a result of common stock redeemed by Parent Company, net of issuances	542,514	—	—	542,514	—	542,514
Balance at September 30, 2016	2,602,884	(2,006)	(35,739)	2,565,139	35,145	2,600,284
Balance at December 31, 2016	2,609,647	(1,967)	(18,346)	2,589,334	35,168	2,624,502
Net income	90,938	217	—	91,155	1,884	93,039
Other comprehensive income	—	6	4,205	4,211	(17)	4,194
Deferred compensation plan, net	(9)	—	—	(9)	—	(9)
Contributions from partners	—	13,100	—	13,100	367	13,467
Distributions to partners	(233,704)	(450)	—	(234,154)	(7,086)	(241,240)
Preferred unit distributions	(5,029)	—	—	(5,029)	—	(5,029)
Restricted units issued as a result of restricted stock issued by Parent Company, net of amortization	10,920	—	—	10,920	—	10,920
Preferred stock redemptions	(325,000)	—	—	(325,000)	—	(325,000)
Common units issued as a result of common stock issued by Parent Company, net of repurchases	4,453,889	—	—	4,453,889	—	4,453,889
Restricted units issued as a result of restricted stock issued by Parent Company upon Equity One merger	7,951	—	—	7,951	—	7,951
Balance at September 30, 2017	$6,609,603	10,906	(14,141)	6,606,368	30,316	6,636,684

See accompanying notes to consolidated financial statements.

REGENCY CENTERS, L.P.
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2017 and 2016
(in thousands)
(unaudited)

	2017	2016
Cash flows from operating activities:		
Net income	$93,039	105,334
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	243,757	119,721
Amortization of deferred loan cost and debt premium	7,144	7,242
(Accretion) and amortization of above and below market lease intangibles, net	(18,784)	(2,296)
Stock-based compensation, net of capitalization	16,836	7,554
Equity in income of investments in real estate partnerships	(33,804)	(46,618)
Gain on sale of real estate, net of tax	(4,913)	(22,997)
Provision for impairment	—	1,666
Early extinguishment of debt	12,404	13,943
Distribution of earnings from operations of investments in real estate partnerships	40,817	39,765
Loss on derivative instruments	51	—
Deferred compensation expense	2,885	1,249
Realized and unrealized (gain) loss on investments	(2,878)	(1,268)
Changes in assets and liabilities:		
Restricted cash	(1,569)	(84)
Accounts receivable, net	2,574	3,715
Straight-line rent receivables, net	(13,901)	(4,894)
Deferred leasing costs	(10,294)	(7,841)
Other assets	8,075	(59)
Accounts payable and other liabilities	4,908	12,607
Tenants’ security, escrow deposits and prepaid rent	(2,490)	(1,406)
Net cash provided by operating activities	343,857	225,333
Cash flows from investing activities:		
Acquisition of operating real estate	(2,109)	(333,220)
Advance deposits paid on acquisition of operating real estate	(350)	1,250
Acquisition of Equity One, net of cash acquired of $72,534	(648,763)	—
Real estate development and capital improvements	(241,834)	(146,773)
Proceeds from sale of real estate investments	15,397	83,675
Issuance of notes receivable	(3,460)	—
Investments in real estate partnerships	(12,296)	(13,127)
Distributions received from investments in real estate partnerships	36,603	52,536
Dividends on investment securities	200	189
Acquisition of securities	(14,011)	(53,290)
Proceeds from sale of securities	11,974	54,176
Net cash used in investing activities	(858,649)	(354,584)
Cash flows from financing activities:		
Net proceeds from common units issued as a result of common stock issued by Parent Company	—	549,545
Repurchase of common shares in conjunction with equity award plans	(19,251)	(8,013)
Proceeds from sale of treasury stock	100	957
Redemption of preferred partnership units	(325,000)	—

Distributions (to) from limited partners in consolidated partnerships, net	(7,031)	(3,126)
Distributions to partners	(233,246)	(149,278)
Distributions to preferred unit holders	(5,029)	(15,797)
Repayment of fixed rate unsecured notes	—	(300,000)
Proceeds from issuance of fixed rate unsecured notes, net	953,115	—
Proceeds from unsecured credit facilities	950,000	395,000
Repayment of unsecured credit facilities	(650,000)	(295,000)
Proceeds from notes payable	126,999	20,223
Repayment of notes payable	(232,839)	(41,584)
Scheduled principal payments	(7,452)	(4,462)
Payment of loan costs	(12,868)	(1,954)
Early redemption costs	(12,419)	(13,214)
Net cash provided by financing activities	525,079	133,297
Net increase in cash and cash equivalents	10,287	4,046
Cash and cash equivalents at beginning of the period	13,256	36,856
Cash and cash equivalents at end of the period	$23,543	40,902

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REGENCY CENTERS, L.P.
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2017, and 2016
(in thousands)
(unaudited)

	2017	2016
Supplemental disclosure of cash flow information:		
Cash paid for interest (net of capitalized interest of $5,778 and $2,622 in 2017 and 2016, respectively)	$73,273	54,904
Cash received for income tax refunds, net of payments	$670	—
Supplemental disclosure of non-cash transactions:		
Limited partner units issued in exchange for acquisition of real estate	$13,100	—
Common stock issued by Parent Company for dividend reinvestment plan	$908	804
Stock-based compensation capitalized	$2,459	2,561
Contributions from limited partners in consolidated partnerships, net	$311	8,674
Common stock issued for dividend reinvestment in trust	$557	556
Contribution of stock awards into trust	$1,372	1,513
Distribution of stock held in trust	$677	4,096
Change in fair value of securities available-for-sale	$51	90
Equity One Merger:		
Notes payable assumed in Equity One merger, at fair value	$757,399	—
General partner units issued to Parent Company for common stock exchanged for Equity One shares	$(4,471,808)	—
Deconsolidation of previously consolidated partnership:		
Real estate, net	$—	14,075
Investments in real estate partnerships	$—	(3,355)
Notes payable	$—	(9,415)
Other assets and liabilities	$—	640
Limited partners' interest in consolidated partnerships	$—	(2,099)

See accompanying notes to consolidated financial statements.

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REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.
Notes to Unaudited Consolidated Financial Statements
September 30, 2017

1. Organization and Significant Accounting Policies

General

Regency Centers Corporation (the “Parent Company”) began its operations as a Real Estate Investment Trust (“REIT”) in 1993 and is the general partner of Regency Centers, L.P. (the “Operating Partnership”). The Parent Company engages in the ownership, management, leasing, acquisition, and development of retail shopping centers through the Operating Partnership. The Parent Company has no other assets other than through its investment in the Operating Partnership, and its only liabilities are the unsecured notes assumed from the merger with Equity One, Inc. ("Equity One"), which are co-issued and guaranteed by the Operating Partnership. The Parent Company guarantees all of the unsecured debt of the Operating Partnership.

On March 1, 2017, Regency completed its merger with Equity One, whereby Equity One merged with and into Regency, with Regency continuing as the surviving public company. Under the terms of the Merger Agreement, each Equity One stockholder received 0.45 of a newly issued share of Regency common stock for each share of Equity One common stock owned immediately prior to the effective time of the merger, resulting in the issuance of approximately 65.5 million shares of Regency common stock to effect the merger.

As of September 30, 2017, the Parent Company, the Operating Partnership, and their controlled subsidiaries on a consolidated basis owned 313 retail shopping centers and held partial interests in an additional 114 retail shopping centers through unconsolidated investments in real estate partnerships (also referred to as "joint ventures" or "investment partnerships").

The consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to fairly state the results for the interim periods presented. These adjustments are considered to be of a normal recurring nature.

Consolidation

The Company consolidates properties that are wholly owned and properties where it owns less than 100%, but which it controls. Control is determined using an evaluation based on accounting standards related to the consolidation of voting interest entities and variable interest entities ("VIEs"). For joint ventures that are determined to be a VIE, the Company consolidates the entity where it is deemed to be the primary beneficiary. Determination of the primary beneficiary is based on whether an entity has (1) the power to direct the activities of the VIE that most significantly impact the entity's economic performance, and (2) the obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE. The Company's determination of the primary beneficiary considers all relationships between it and the VIE, including management agreements and other contractual arrangements.

Ownership of the Operating Partnership

The Operating Partnership’s capital includes general and limited common Partnership Units. As of September 30, 2017, the Parent Company owned approximately 99.8% of the outstanding common Partnership Units of the Operating Partnership with the remaining limited Partnership Units held by third parties (“Exchangeable operating partnership units” or “EOP units”). The Parent Company serves as general partner of the Operating Partnership. The EOP unit holders have limited rights over the Operating Partnership such that they do not have the power to direct the activities of the Operating Partnership. As such, the Operating Partnership is considered a VIE, and the Parent Company, which consolidates it, is the primary beneficiary. The Parent Company’s only investment is the Operating Partnership. Net income and distributions of the Operating Partnership are allocable to the general and limited common Partnership Units in accordance with their ownership percentages.

Segment Reporting

The Company's business is investing in retail shopping centers through direct ownership or through joint ventures. The Company actively manages its portfolio of retail shopping centers and may from time to time make decisions to sell lower performing properties not meeting its long-term investment objectives. The proceeds from sales are reinvested into higher quality retail shopping centers, through acquisitions or new developments, which management believes will generate sustainable revenue growth and attractive returns. It

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REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.
Notes to Unaudited Consolidated Financial Statements
September 30, 2017

is management's intent that all retail shopping centers will be owned or developed for investment purposes. The Company's revenues and net income are generated from the operation of its investment portfolio. The Company also earns fees for services provided to manage and lease retail shopping centers owned through joint ventures.
The Company's portfolio is located throughout the United States. Management does not distinguish or group its operations on a geographical basis for purposes of allocating resources or capital. The Company reviews operating and financial data for each property on an individual basis; therefore, the Company defines an operating segment as its individual properties. The individual properties have been aggregated into one reportable segment based upon their similarities with regard to both the nature and economics of the centers, tenants and operational processes, as well as long-term average financial performance.

Goodwill

Goodwill, which is included within Other assets in the accompanying Consolidated Balance Sheets, represents the excess of the purchase price consideration for the Equity One merger over the fair value of the assets acquired and liabilities assumed, and reflects expected synergies from combining Regency's and Equity One's operations. The Company accounts for goodwill in accordance with the Intangibles - Goodwill and Other Topic of the FASB ASC, and allocates its goodwill to the reporting units, which have been determined to be at the individual property level. The Company will perform an impairment evaluation of its goodwill at least annually, in November of each year. The goodwill impairment evaluation may be completed through a qualitative or quantitative approach.
Under a qualitative approach, the impairment review for goodwill consists of an assessment of whether it is more-likely-than-not that the property’s fair value is less than its carrying value. If a qualitative approach indicates it is more likely-than-not that the estimated carrying value of a property exceeds its fair value, or if the Company chooses to bypass the qualitative approach for any property, the Company will perform the quantitative approach described below.
The first step of the quantitative approach consists of estimating the fair value of each property using discounted projected future cash flows and comparing those estimated fair values with the carrying values, which include the allocated goodwill. If the estimated fair value is less than the carrying value, a second step is performed to compute the amount of the impairment, if any, by determining an implied fair value of goodwill. The determination of each property’s implied fair value of goodwill requires allocation of the estimated fair value of the property to its assets and liabilities. Any unallocated fair value represents the implied fair value of goodwill which is compared to its corresponding carrying value.

Real Estate Partnerships

As of September 30, 2017, Regency has an ownership interest in 125 properties through partnerships, of which 11 are consolidated. Our partners in these ventures include institutional investors, other real estate developers and/or operators, and individual parties who help Regency source transactions for development and investment (the "Partners" or "limited partners"). Regency has a variable interest in these entities through its equity interests. As managing member, Regency maintains the books and records and typically provides leasing and property management to the partnerships. The partners’ level of involvement varies from protective decisions (debt, bankruptcy, selling primary asset(s) of business) to involvement in approving leases, operating budgets, and capital budgets.

- Those partnerships for which the Partners only have protective rights are considered VIEs under ASC 810, Consolidation. Regency is the primary beneficiary of these VIEs as Regency has power over these partnerships and they operate primarily for the benefit of Regency. As such, Regency consolidates these entities and reports the limited partners’ interest as noncontrolling interests.

The operations of the VIEs are funded with cash flows generated by the properties, or in the case of developments, with capital contributions or third party construction loans. Regency does not provide financial support to the VIEs beyond the terms stipulated in the partnership operating agreements.

- Those partnerships for which the partners are involved in the day to day decisions and do not have any other aspects that would cause them to be considered VIEs, are evaluated for consolidation using the voting interest model.

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REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.
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Those partnerships in which Regency has a controlling financial interest are consolidated and the limited partners' ownership interest and share of net income is recorded as noncontrolling interest.

Those partnerships in which Regency does not have a controlling financial interest are accounted for using the equity method, and its ownership interest is recognized through single-line presentation as Investments in real estate partnerships in the Consolidated Balance Sheet, and Equity in income of investments in real estate partnerships in the Consolidated Statements of Operations. Cash distributions of earnings from operations of investments in real estate partnerships are presented in cash flows provided by operating activities in the accompanying Consolidated Statements of Cash Flows. Cash distributions from the sale of a property or loan proceeds received from the placement of debt on a property included in investments in real estate partnerships are presented in cash flows provided by investing activities in the accompanying Consolidated Statements of Cash Flows. The net difference in the carrying amount of investments in real estate partnerships and the underlying equity in net assets is either (1) accreted to income and recorded in Equity in income of investments in real estate partnerships in the accompanying Consolidated Statements of Operations over the expected useful lives of the properties and other intangible assets, which range in lives from 10 to 40 years, or (2) recognized upon sale of the underlying asset(s) or settlement of underlying liabilities, or (3) recognized at liquidation if the joint venture agreement includes a unilateral right to elect to dissolve the real estate partnership and, upon such an election, receive a distribution in-kind.

The assets of the partnerships are restricted to the use of the partnerships and cannot be used as security by general creditors of the Company. And similarly, the obligations of the partnerships can only be settled by the assets of the partnerships.

The major classes of assets, liabilities, and non-controlling equity interests held by the Company's VIEs, exclusive of the Operating Partnership as a whole, are as follows:

(in thousands)	September 30, 2017	December 31, 2016
Assets		
Real estate assets, net	$ 93,821	86,440
Cash and cash equivalents	4,053	3,444
Liabilities		
Notes payable	12,691	8,175
Equity		
Limited partners' interests in consolidated partnerships	17,604	17,565

REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.
Notes to Unaudited Consolidated Financial Statements
September 30, 2017

Recent Accounting Pronouncements

The following table provides a brief description of recent accounting pronouncements and expected impact on our financial statements:

Standard	Description	Date of adoption	Effect on the financial statements or other significant matters
Recently adopted:			
ASU 2016-09, March 2016, Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting	This ASU affects entities that issue share-based payment awards to their employees. The ASU is designed to simplify several aspects of accounting for share-based payment award transactions including income tax consequences, classification of awards as either equity or liabilities, an option to recognize stock compensation forfeitures as they occur, and changes to classification on the statement of cash flows.	January 2017	The adoption of this standard resulted in the reclassification of income taxes withheld on share-based awards out of operating activities into financing activities on the Statement of Cash Flows. As retrospective application was required for this component of the ASU, \$8.0 million was reclassified on the Statements of Cash Flows for the nine months ended September 30, 2016.
ASU 2017-01 January 2017, Business Combinations (Topic 805): Clarifying the Definition of a Business	This ASU amends and provides a screen to determine when an integrated set of assets and activities, collectively referred to as a "set", is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. If the screen is not met, the amendments in this update (1) require that to be considered a business, a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output and (2) remove the evaluation of whether a market participant could replace missing elements. The amendments provide a framework to assist entities in evaluating whether both an input and a substantive process are present. Early adoption is permitted.	July 2017	This standard changed the treatment of individual operating properties from being considered a business to being considered an asset. This change results in acquisition costs being capitalized as part of asset acquisitions, whereas previous treatment had them recognized in earnings in the period incurred. The Company adopted this standard effective July 1, 2017.
Not yet adopted:			

ASU 2017-04, January 2017, Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment	This ASU simplifies how an entity tests goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. Instead, under this update, the Company will perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. The Company would then recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to that reporting unit.	October 2017	The Company plans to early adopt this ASU on October 1, 2017. The adoption of this ASU will not have a material impact on the Company's financial statements and related disclosures.

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REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.
Notes to Unaudited Consolidated Financial Statements
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Standard	Description	Date of adoption	Effect on the financial statements or other significant matters
ASU 2017-12, August 2017, Targeted Improvements to Accounting for Hedging Activities	This ASU provides updated guidance to better align a company’s financial reporting for hedging activities with the economic objectives of those activities. The transition guidance provides companies with the option of early adopting the new standard using a modified retrospective transition method in any interim period after issuance of the update, or alternatively requires adoption for fiscal years beginning after December 15, 2018. This adoption method will require the Company to recognize the cumulative effect of initially applying the ASU as an adjustment to accumulated other comprehensive income with a corresponding adjustment to the opening balance of retained earnings as of the beginning of the fiscal year that an entity adopts the update.	January 2018	The Company plans to early adopt this ASU on January 1, 2018. While the Company continues to assess all potential impacts of the standard, it currently does not expect the adoption and implementation of this standard to have a material impact on the consolidated financial statements.
ASU 2016-01, January 2016, Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities	This ASU amends the guidance to classify equity securities with readily-determinable fair values into different categories and requires equity securities to be measured at fair value with changes in the fair value recognized through net income. Equity investments accounted for under the equity method are not included in the scope of this amendment. Early adoption of this amendment is not permitted.	January 2018	The Company does not expect the adoption and implementation of this standard to have a material impact on its results of operations, financial condition or cash flows.
ASU 2016-15, August 2016, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments	This ASU makes eight targeted changes to how cash receipts and cash payments are presented and classified in the statement of cash flows. Early adoption is permitted on a retrospective basis.	January 2018	The ASU is consistent with the Company's current treatment and the Company does not expect the adoption and implementation of this standard to have an impact on its cash flow statement.
ASU 2016-18, November 2016, Statement of Cash Flows (Topic 230): Restricted Cash	This ASU requires entities to show the changes in the total of cash, cash equivalents, restricted cash, and restricted cash equivalents in the statement of cash flows. The amendments in this	January 2018	The Company expects the adoption of this ASU to result in a change to the classification and

ASU should be applied using a retrospective transition method to each period presented.	presentation of changes in restricted cash on its cash flow statement, which is not expected to be material. There should be no change to the Company's financial condition or results of operations.

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REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.
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Standard	Description	Date of adoption	Effect on the financial statements or other significant matters
Revenue from Contracts with Customers (Topic 606) and related updates: ASU 2014-09, May 2014, Revenue from Contracts with Customers (Topic 606) ASU 2016-08, March 2016, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations ASU 2016-10, April 2016, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing ASU 2016-12, May 2016, Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients ASU 2016-19, December 2016, Technical Corrections and Improvements	In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers ("Topic 606"). The objective of Topic 606 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede most of the existing revenue guidance, including industry-specific guidance. The core principal of this new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In applying Topic 606, companies will perform a five-step analysis of transactions to determine when and how revenue is recognized. Topic 606 applies to all contracts with customers except those that are within the scope of other topics in the FASB's accounting standards codification. As a result, Topic 606 does not apply to revenue from lease contracts until the adoption of the new leases standard, Topic 842, in January 2019. ASU 2017-05 clarifies that ASC 610-20 applies to all nonfinancial assets (including real estate) for which the counterparty is not a customer and requires an entity to derecognize a nonfinancial asset in a partial sale transaction when it ceases to have a controlling financial interest in the asset and has transferred control of the asset. Once an entity transfers control of the nonfinancial asset, the entity is required to measure any noncontrolling interest it receives or retains at fair value. Under the current guidance, a partial sale is recognized and carryover basis is used for the retained interest resulting in only partial gain recognition by the entity, however, the new guidance	January 2018	The majority of the Company's revenue originates from lease contracts and will be subject to Topic 842 to be adopted in January 2019. Upon the adoption of the new leases standard, certain recoveries from tenants may become subject to the revenue standard, which may have a different recognition pattern or presentation than under current GAAP. Beyond revenue from lease contracts, the Company's other main revenue streams, include: - Management, transaction and other fees from the Company's real estate partnerships, primarily in the form of property management fees, asset management fees, and leasing commission fees. The Company evaluated all partnership fee relationships and does not currently expect any changes in the timing of revenue recognition from these revenue streams. - Sales of real estate assets will be accounted for under Subtopic 610-20, which provides for revenue recognition based on transfer of control. For property sales where Regency has no continuing involvement, there should be no change to the Company's timing of recognition. For property sales in which Regency has continuing involvement, full gain recognition may be required, where gains may have been deferred under existing GAAP. Upon adoption of ASU 2017-05, some of the Company's $33 million of previously deferred gains from property sales to entities in which Regency had continuing involvement will remain deferred and be recognized in the future, while some will be recognized through opening retained

ASU 2016-20, December 2016, Technical Corrections and Improvements to Topic 606 Revenue from Contracts With Customers ASU 2017-05, February 2017, Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets (Subtopic 610-20)	eliminates the use of carryover basis and generally requires the full gain be recognized. The standard allows for either "full retrospective" adoption, meaning the standard is applied to all of the periods presented, or "modified retrospective" adoption, meaning the standard is applied only to the most recent period presented in the financial statements.	earnings. The Company is still analyzing the disclosure requirements and intends to follow the modified retrospective method of adoption, applying the standard to only 2018, and not restating prior periods presented in future financial statements.

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REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.
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Standard	Description	Date of adoption	Effect on the financial statements or other significant matters
ASU 2016-02, February 2016, Leases (Topic 842)	This ASU amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets. It also makes targeted changes to lessor accounting, including a change to the treatment of internal leasing costs and legal costs, which can no longer be capitalized. Early adoption of this standard is permitted to coincide with adoption of ASU 2014-09. The standard requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief.	January 2019	The Company is evaluating the impact this standard will have on its financial statements and related disclosures. Upon adoption, the Company will recognize right of use assets and corresponding lease obligations for its office and ground leases. Capitalization of internal leasing costs and legal costs will no longer be permitted upon the adoption of this standard, which will result in an increase in Total operating expenses in the Consolidated Statements of Operations in the period of adoption and prospectively. Historic capitalization of internal leasing costs was \$7.5 million and \$10.5 million during the nine months ended September 30, 2017 and the year ended December 31, 2016, respectively. Historic capitalization of legal costs was \$0.9 million and \$0.7 million during the nine months ended September 30, 2017 and the year ended December 31, 2016, respectively, including our pro rata share recognized through Equity in income of investments in real estate partnerships.
ASU 2016-13, June 2016, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments	This ASU replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This ASU also applies to how the Company determines its allowance for	January 2020	The Company is evaluating the alternative methods of adoption and the impact it will have on its financial statements and related disclosures.

doubtful accounts on tenant receivables.

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2. Real Estate Investments
Acquisitions
The following table details the shopping centers acquired or land acquired or leased for development:

(in thousands) Nine months ended September 30, 2017

Date Purchased	Property Name	City/State	Property Type	Ownership	Purchase Price	Debt Assumed, Net of Premiums	Intangible Assets	Intangible Liabilities
3/6/17	The Field at Commonwealth	Chantilly, VA	Development	100%	$9,500	—	—	—
3/8/17	Pinecrest Place [1]	Miami, FL	Development	100%	—	—	—	—
4/13/17	Mellody Farm [2]	Chicago, IL	Development	100%	26,200	—	—	
6/28/17	Concord outparcel [3]	Miami, FL	Operating	100%	350	—	—	—
7/20/17	Aventura Square outparcel [4]	Miami, FL	Operating	100%	1,750	—	90	9
Total property acquisitions					$37,800	—	90	9

[1] The Company leased 10.67 acres for a ground up development.
[2] The Operating Partnership issued 195,732 partnership units valued at $13.1 million as partial consideration for the purchase price.
[3] The Company purchased a 0.67 acre vacant outparcel adjacent to the Company's existing operating Concord Shopping Plaza.
[4] The Company purchased a 0.06 acre outparcel improved with a leased building adjacent to the Company's existing operating Aventura Square.

(in thousands) Nine months ended September 30, 2016

Date Purchased	Property Name	City/State	Property Type	Ownership	Purchase Price	Debt Assumed, Net of Premiums	Intangible Assets	Intangible Liabilities
2/22/16	Garden City Park	Garden City Park, NY	Operating	100%	$17,300	—	10,171	2,940
3/4/16	The Market at Springwoods Village [1]	Houston, TX	Development	53%	$17,994	—	—	—
5/16/16	Market Common Clarendon	Arlington, VA	Operating	100%	$280,500	—	15,428	15,662
7/15/16	Klahanie Shopping Center	Sammamish, WA	Operating	100%	$35,988	—	2,264	539
8/4/16	The Village at Tustin Legacy	Tustin, CA	Development	100%	$18,800	—	—	—
Total property acquisitions					$370,582	—	27,863	19,141

[1] Regency acquired a 53% controlling interest in the Market at Springwoods Village partnership to develop a shopping center on land contributed by the partner. As a result of consolidation, the Company recorded the partner's non-controlling interest of $8.4 million in Limited partners' interests in consolidated partnerships in the accompanying Consolidated Balance Sheets.

Equity One Merger
General
On March 1, 2017, Regency completed its merger with Equity One, a NYSE listed shopping center company, whereby Equity One merged with and into Regency, with Regency continuing as the surviving public company. Under the terms of the Merger Agreement, each Equity One stockholder received 0.45 of a newly issued share of Regency common stock for each share of Equity One common stock owned immediately prior to the effective time of the merger resulting in approximately 65.5 million Regency common shares being issued to effect the merger.

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The following table provides the components that make up the total purchase price for the Equity One merger:

(in thousands, except stock price)	Purchase Price
Shares of common stock issued for merger	65,379
Closing stock price on March 1, 2017	$68.40
Value of common stock issued for merger	$4,471,808
Debt repaid	716,278
Other cash payments	5,019
Total purchase price	$5,193,105

As part of the merger, Regency acquired 121 properties, including 8 properties held through co-investment partnerships. The consolidated net assets and results of operations of Equity One are included in the consolidated financial statements from the closing date, March 1, 2017, going forward and resulted in the following impact to Revenues and Net income attributable to common stockholders for the three and nine months ended September 30, 2017:

	September 30, 2017	
(in thousands)	Three months ended	Nine months ended
Increase in total revenues	$102,437	238,250
Increase in net income attributable to common stockholders	23,517	52,981

The Company incurred $1.2 million and $75.6 million of merger-related transaction costs during the three and nine months ended September 30, 2017, respectively, which are recorded in Other operating expenses in the accompanying Consolidated Statements of Operations. There were no such merger costs incurred during the same periods of 2016.

Provisional Purchase Price Allocation of Merger

The Equity One merger has been accounted for using the acquisition method of accounting in accordance with ASC 805, Business Combinations, which requires, among other things, that the assets acquired and liabilities assumed be recognized at their acquisition date fair values.

The acquired assets and assumed liabilities of an acquired operating property generally include, but are not limited to: land, buildings and improvements, identified tangible and intangible assets and liabilities associated with in-place leases, including tenant improvements, leasing costs, value of above-market and below-market leases, and value of acquired in-place leases. This methodology requires estimating an “as-if vacant” fair value of the physical property, which includes land, building, and improvements and also determining the estimated fair value of identifiable intangible assets and liabilities, considering the following categories: (i) value of in-place leases, and (ii) above and below-market value of in-place leases. The excess of the purchase price consideration over the fair value of assets acquired and liabilities assumed results in goodwill in the business combination, which reflects expected synergies from combining Regency's and Equity One's operations. The goodwill is not expected to be deductible for tax purposes.

The provisional fair market value of the acquired operating properties is based on a valuation prepared by Regency with assistance of a third party valuation specialist. The third party used stabilized NOI and market specific capitalization and discount rates as the primary inputs in determining the fair value of the real estate assets. Management reviewed the inputs used by the third party specialist as well as the allocation of the purchase price to ensure reasonableness and that the procedures were performed in accordance with management's policy. Management and the third party valuation specialist have prepared their provisional fair value estimates for each of the operating properties acquired, but are still in process of reviewing all of the underlying inputs and assumptions; therefore, the purchase price and its allocation, in their entirety, are not yet complete as of the date of this filing but have been updated to reflect management's current best estimates of fair values as of the acquisition date . Once the purchase price and allocation are complete, an additional adjustment to the purchase price or allocation may occur.

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The following table summarizes the current provisional purchase price allocation based on the Company's valuation, including estimates and assumptions of the acquisition date fair value of the tangible and intangible assets acquired and liabilities assumed:

(in thousands)	Provisional Purchase Price Allocation
Land	$2,914,790
Building and improvements	2,699,937
Properties in development	68,744
Properties held for sale	19,600
Investments in unconsolidated real estate partnerships	103,566
Real estate assets	5,806,637
Cash, accounts receivable and other assets	112,271
Intangible assets	460,541
Goodwill	302,303
Total assets acquired	6,681,752
Notes payable	757,399
Accounts payable, accrued expenses, and other liabilities	121,441
Lease intangible liabilities	609,807
Total liabilities assumed	1,488,647
Total purchase price	$5,193,105

During the three months ended September 30, 2017, the Company adjusted the provisional purchase price allocation to reflect current best estimates of fair values of the acquired operating properties, based on the valuation process described above. These adjustments resulted in the following increases (decreases) to earnings during the three months ended September 30, 2017 that would have been recognized in previous periods if the adjustments to provisional amounts were recognized as of the acquisition date:

(in thousands)	Three months ended September 30, 2017
decrease in Minimum rent	$ (567)
decrease in Depreciation and amortization	1,645
decrease in Operating and maintenance	142
Net increase to earnings of provisional purchase price allocation adjustments	$ 1,220

The allocation of the purchase price is based on management’s assessment, which may change in the future as more information becomes available. Subsequent adjustments made to the purchase price allocation upon completion of the Company's fair value assessment process will not exceed one year from the acquisition date. The allocation of the purchase price described above requires a significant amount of judgment and represents management's best estimate of the fair value as of the acquisition date.

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The following table details the provisional weighted average amortization and net accretion periods, in years, of the major classes of intangible assets and intangible liabilities arising from the Equity One merger:

(in years)	Weighted Average Amortization Period
Assets:	
In-place leases	11.0