

REGENCY CENTERS CORP
Form 10-Q
August 08, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 June 30, 2017

or

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

For the transition period from to

Commission File Number 1-12298 (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 NO Regency Centers, L.P. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 NO Regency Centers, L.P. 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. (Check one):

Regency Centers Corporation:

Large accelerated filer Accelerated filer Emerging growth company

Non-accelerated filer Smaller reporting company

Regency Centers, L.P.:

Large accelerated filer Accelerated filer Emerging growth company

Non-accelerated filer Smaller reporting 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

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Exchange Act.

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

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 NO Regency Centers, L.P. YES NO

The number of shares outstanding of the Regency Centers Corporation's common stock was 170,104,317 as of August 7, 2017.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarter ended June 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 June 30, 2017, the Parent Company owned all of the Preferred Units of the Operating Partnership and 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, and Preferred Units owned by the Parent Company. 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. The Preferred Units owned by the Parent Company are eliminated in consolidation in the accompanying consolidated financial statements of the Parent Company and are classified as preferred units of the general partner in the accompanying consolidated financial statements of the Operating Partnership.

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

June 30, 2017 and December 31, 2016

(in thousands, except share data)

	2017	2016
	(unaudited)	
Assets		
Real estate investments at cost:		
Land	\$4,690,171	1,660,424
Buildings and improvements	5,779,172	3,092,197
Properties in development	373,962	180,878
	10,843,305	4,933,499
Less: accumulated depreciation	1,225,474	1,124,391
	9,617,831	3,809,108
Properties held for sale	19,600	—
Investments in real estate partnerships	376,800	296,699
Net real estate investments	10,014,231	4,105,807
Cash and cash equivalents	97,266	13,256
Restricted cash	7,435	4,623
Tenant and other receivables, net of allowance for doubtful accounts and straight-line rent reserves of \$10,898 and \$9,021 at June 30, 2017 and December 31, 2016, respectively	125,372	111,722
Deferred leasing costs, less accumulated amortization of \$88,612 and \$83,529 at June 30, 2017 and December 31, 2016, respectively	70,653	69,000
Acquired lease intangible assets, less accumulated amortization of \$98,447 and \$56,695 at June 30, 2017 and December 31, 2016, respectively	540,119	118,831
Trading securities held in trust	29,839	28,588
Other assets	307,429	37,079
Total assets	\$ 11,192,344	4,488,906
Liabilities and Equity		
Liabilities:		
Notes payable	\$2,944,995	1,363,925
Unsecured credit facilities	563,031	278,495
Accounts payable and other liabilities	246,462	138,936
Acquired lease intangible liabilities, less accumulated amortization of \$39,696 and \$23,538 at June 30, 2017 and December 31, 2016, respectively	653,695	54,180
Tenants' security, escrow deposits and prepaid rent	50,126	28,868
Total liabilities	4,458,309	1,864,404
Commitments and contingencies	—	—
Equity:		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share, 30,000,000 shares authorized; 3,000,000 Series 7 shares issued and outstanding at June 30, 2017, and 13,000,000 Series 6 and 7 shares issued and outstanding at December 31, 2016, with liquidation preferences of \$25 per share	75,000	325,000
Common stock, \$0.01 par value per share, 220,000,000 and 150,000,000 shares authorized; 170,102,787 and 104,497,286 shares issued at June 30, 2017 and December 31, 2016, respectively	1,701	1,045

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Treasury stock at cost, 359,784 and 347,903 shares held at June 30, 2017 and December 31, 2016, respectively	(18,105)	(17,062)
Additional paid in capital	7,772,791	3,294,923
Accumulated other comprehensive loss	(16,435)	(18,346)
Distributions in excess of net income	(1,122,666)	(994,259)
Total stockholders' equity	6,692,286	2,591,301
Noncontrolling interests:		
Exchangeable operating partnership units, aggregate redemption value of \$21,918 and \$10,630 at June 30, 2017 and December 31, 2016, respectively	10,955	(1,967)
Limited partners' interests in consolidated partnerships	30,794	35,168
Total noncontrolling interests	41,749	33,201
Total equity	6,734,035	2,624,502
Total liabilities and equity	\$ 11,192,344	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 June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Revenues:				
Minimum rent	\$ 195,992	109,945	\$ 337,232	217,619
Percentage rent	1,456	453	4,362	2,156
Recoveries from tenants and other income	57,256	35,874	102,535	69,362
Management, transaction, and other fees	6,601	6,140	13,307	12,904
Total revenues	261,305	152,412	457,436	302,041
Operating expenses:				
Depreciation and amortization	92,230	40,299	152,284	79,015
Operating and maintenance	36,105	23,709	65,868	46,394
General and administrative	16,746	16,350	34,419	32,649
Real estate taxes	28,871	16,769	50,321	32,639
Other operating expenses (note 2)	6,616	2,440	78,129	4,747
Total operating expenses	180,568	99,567	381,021	195,444
Other expense (income):				
Interest expense, net	35,407	24,401	62,606	48,544
Provision for impairment	—	—	—	1,666
Early extinguishment of debt	12,404	—	12,404	—
Net investment (income) loss, including unrealized (gains) losses of (\$11) and (\$863), and (\$275) and \$892 for the three and six months ended June 30, 2017 and 2016, respectively	(887)	(602)	(1,984)	(446)
Total other expense (income)	46,924	23,799	73,026	49,764
Income from operations before equity in income of investments in real estate partnerships	33,813	29,046	3,389	56,833
Equity in income of investments in real estate partnerships	12,240	11,050	21,583	23,971
Income tax expense of taxable REIT subsidiary	246	—	296	—
Income from operations	45,807	40,096	24,676	80,804
Gain on sale of real estate, net of tax	4,366	548	4,781	13,417
Net income	50,173	40,644	29,457	94,221
Noncontrolling interests:				
Exchangeable operating partnership units	(104)	(64)	(85)	(150)
Limited partners' interests in consolidated partnerships	(576)	(504)	(1,247)	(853)
Income attributable to noncontrolling interests	(680)	(568)	(1,332)	(1,003)
Net income attributable to the Company	49,493	40,076	28,125	93,218
Preferred stock dividends and issuance costs	(1,125)	(5,266)	(12,981)	(10,531)
Net income attributable to common stockholders	\$ 48,368	34,810	\$ 15,144	82,687
Income per common share - basic	\$ 0.28	0.36	\$ 0.10	0.85
Income per common share - diluted	\$ 0.28	0.35	\$ 0.10	0.84

See accompanying notes to consolidated financial statements.

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

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Net income	\$50,173	40,644	\$29,457	94,221
Other comprehensive income:				
Effective portion of change in fair value of derivative instruments:				
Effective portion of change in fair value of derivative instruments	(3,805)	(9,846)	(3,873)	(26,631)
Reclassification adjustment of derivative instruments included in net income	3,071	2,500	5,726	4,952
Unrealized gain on available-for-sale securities	11	73	43	37
Other comprehensive (loss) income	(723)	(7,273)	1,896	(21,642)
Comprehensive income	49,450	33,371	31,353	72,579
Less: comprehensive income (loss) attributable to noncontrolling interests:				
Net income attributable to noncontrolling interests	680	568	1,332	1,003
Other comprehensive (loss) income attributable to noncontrolling interests	(80)	(128)	(15)	(297)
Comprehensive income attributable to noncontrolling interests	600	440	1,317	706
Comprehensive income attributable to the Company	\$48,850	32,931	\$30,036	71,873

See accompanying notes to consolidated financial statements.

REGENCY CENTERS CORPORATION

Consolidated Statements of Equity

For the six months ended June 30, 2017 and 2016

(in thousands, except per share data)

(unaudited)

	Preferred Stock	Common Stock	Treasury Stock	Additional Paid In Capital	Accumulated Other Comprehensive Loss	Distributions in Excess of Comprehensive Net Income	Total Stockholders' Equity	Exchange Operating Partnership Units	Noncontrolling Interests Limited Partnerships	Total Noncontrolling Interests	Total Rolling 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	—	—	—	—	—	93,218	93,218	150	853	1,003	94,221
Other comprehensive loss	—	—	—	—	(21,345)	—	(21,345)	(34)	(263)	(297)	(21,64
Deferred compensation plan, net	—	—	2,815	(2,815)	—	—	—	—	—	—	—
Restricted stock issued, net of amortization	—	2	—	6,802	—	—	6,804	—	—	—	6,804
Common stock redeemed for taxes withheld for stock based compensation, net	—	—	—	(7,876)	—	—	(7,876)	—	—	—	(7,876
Common stock issued under dividend reinvestment plan	—	—	—	547	—	—	547	—	—	—	547
Common stock issued, net of issuance costs	—	21	—	149,767	—	—	149,788	—	—	—	149,78
Contributions from partners	—	—	—	—	—	—	—	—	8,600	8,600	8,600
Distributions to partners	—	—	—	(350)	—	—	(350)	—	(2,394)	(2,394)	(2,744
Cash dividends declared:											
Preferred stock	—	—	—	—	—	(10,531)	(10,531)	—	—	—	(10,53
Common stock/unit	—	—	—	—	—	(97,608)	(97,608)	(154)	—	(154)	(97,76

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(\$1.00 per share)

Balance at June 30, 2016	\$325,000	995	(16,843)	2,888,583	(80,038)	(950,941)	2,166,756	(2,013)	37,282	35,269	2,202,0
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	—	—	—	—	—	28,125	28,125	85	1,247	1,332	29,457
Other comprehensive income	—	—	—	—	1,911	—	1,911	1	(16)	(15)	1,896
Deferred compensation plan, net	—	—	(1,043)	1,044	—	—	1	—	—	—	1
Restricted stock issued, net of amortization	—	2	—	7,169	—	—	7,171	—	—	—	7,171
Common stock redeemed for taxes withheld for stock based compensation, net	—	(1)	—	(18,332)	—	—	(18,333)	—	—	—	(18,333)
Common stock issued under dividend reinvestment plan	—	—	—	607	—	—	607	—	—	—	607
Common stock issued, net of issuance costs	—	654	—	4,470,816	—	—	4,471,470	—	—	—	4,471,4
Restricted stock issued upon Equity One merger	—	1	—	7,950	—	—	7,951	—	—	—	7,951
Redemption of preferred stock	(250,000)	—	—	8,614	—	(8,614)	(250,000)	—	—	—	(250,000)
Contributions from partners	—	—	—	—	—	—	—	13,100	341	13,441	13,441
Distributions to partners	—	—	—	—	—	—	—	—	(5,946)	(5,946)	(5,946)
Cash dividends declared:											
Preferred stock	—	—	—	—	—	(4,367)	(4,367)	—	—	—	(4,367)
Common stock/unit (\$1.04 per share)	—	—	—	—	—	(143,551)	(143,551)	(264)	—	(264)	(143,818)
	\$75,000	1,701	(18,105)	7,772,791	(16,435)	(1,122,666)	6,692,286	10,955	30,794	41,749	6,734,0

Balance at June

30, 2017

See accompanying notes to consolidated financial statements.

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REGENCY CENTERS CORPORATION

Consolidated Statements of Cash Flows

For the six months ended June 30, 2017 and 2016

(in thousands)

(unaudited)

	2017	2016
Cash flows from operating activities:		
Net income	\$29,457	94,221
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	152,284	79,015
Amortization of deferred loan cost and debt premium	4,769	4,831
(Accretion) and amortization of above and below market lease intangibles, net	(11,683)	(1,176)
Stock-based compensation, net of capitalization	13,826	5,189
Equity in income of investments in real estate partnerships	(21,583)	(23,971)
Gain on sale of real estate, net of tax	(4,781)	(13,417)
Provision for impairment	—	1,666
Early extinguishment of debt	12,404	—
Distribution of earnings from operations of investments in real estate partnerships	26,271	26,159
Deferred compensation expense	1,948	429
Realized and unrealized (gain) loss on investments	(1,951)	(446)
Changes in assets and liabilities:		
Restricted cash	(1,228)	(31)
Accounts receivable, net	10,639	1,143
Straight-line rent receivables, net	(8,887)	(3,071)
Deferred leasing costs	(6,701)	(5,386)
Other assets	3,617	(1,718)
Accounts payable and other liabilities	(23,850)	(9,447)
Tenants' security, escrow deposits and prepaid rent	1,291	(2,693)
Net cash provided by operating activities	175,842	151,297
Cash flows from investing activities:		
Acquisition of operating real estate	(345)	(297,448)
Advance deposits paid on acquisition of operating real estate	(100)	(1,500)
Acquisition of Equity One, net of cash acquired of \$72,534	(648,957)	—
Real estate development and capital improvements	(161,574)	(75,320)
Proceeds from sale of real estate investments	15,344	36,751
Issuance of notes receivable	(2,837)	—
Investments in real estate partnerships	(3,064)	(3,823)
Distributions received from investments in real estate partnerships	30,612	25,746
Dividends on investment securities	128	137
Acquisition of securities	(9,853)	(46,306)
Proceeds from sale of securities	10,877	45,739
Net cash used in investing activities	(769,769)	(316,024)
Cash flows from financing activities:		
Net proceeds from common stock issuance	—	149,788
Repurchase of common shares in conjunction with equity award plans	(18,998)	(7,984)
Proceeds from sale of treasury stock	76	904
Redemption of preferred stock and partnership units	(250,000)	—
Distributions to limited partners in consolidated partnerships, net	(5,891)	(2,214)
Distributions to exchangeable operating partnership unit holders	(264)	(154)

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Dividends paid to common stockholders	(142,944)	(97,061)
Dividends paid to preferred stockholders	(4,366)	(10,531)
Proceeds from issuance of fixed rate unsecured notes, net	953,115	—
Proceeds from unsecured credit facilities	905,000	295,000
Repayment of unsecured credit facilities	(620,000)	(150,000)
Proceeds from notes payable	124,088	20,000
Repayment of notes payable	(232,839)	(41,584)
Scheduled principal payments	(4,789)	(3,062)
Payment of loan costs	(11,832)	(292)
Early redemption costs	(12,419)	—
Net cash provided by financing activities	677,937	152,810
Net increase (decrease) in cash and cash equivalents	84,010	(11,917)
Cash and cash equivalents at beginning of the period	13,256	36,856
Cash and cash equivalents at end of the period	\$97,266	24,939

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REGENCY CENTERS CORPORATION

Consolidated Statements of Cash Flows

For the six months ended June 30, 2017, and 2016

(in thousands)

(unaudited)

	2017	2016
Supplemental disclosure of cash flow information:		
Cash paid for interest (net of capitalized interest of \$3,290 and \$1,766 in 2017 and 2016, respectively)	\$43,643	44,153
Cash received for income tax refunds, net of payments	\$899	—
Supplemental disclosure of non-cash transactions:		
Exchangeable operating partnership units issued for acquisition of real estate	\$13,100	—
Real estate under capital lease obligation	\$6,000	—
Common stock issued under dividend reinvestment plan	\$607	547
Stock-based compensation capitalized	\$1,624	1,723
Contributions from limited partners in consolidated partnerships, net	\$286	8,420
Common stock issued for dividend reinvestment in trust	\$366	384
Contribution of stock awards into trust	\$1,372	1,488
Distribution of stock held in trust	\$640	4,060
Change in fair value of securities available-for-sale	\$43	37
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)	—
See accompanying notes to consolidated financial statements.		

REGENCY CENTERS, L.P.

Consolidated Balance Sheets

June 30, 2017 and December 31, 2016

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Other assets	307,429	37,079
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Unsecured credit facilities	563,031	278,495
Accounts payable and other liabilities	246,462	138,936
Acquired lease intangible liabilities, less accumulated amortization of \$39,696 and \$23,538 at June 30, 2017 and December 31, 2016, respectively	653,695	54,180
Tenants' security, escrow deposits and prepaid rent	50,126	28,868
Total liabilities	4,458,309	1,864,404
Commitments and contingencies	—	—
Capital:		
Partners' capital:		
Preferred units of general partner, \$0.01 par value per unit, 3,000,000 and 13,000,000 units issued and outstanding at June 30, 2017 and December 31, 2016, respectively, liquidation preference of \$25 per unit	75,000	325,000
General partner; 170,102,787 and 104,497,286 units outstanding at June 30, 2017 and December 31, 2016, respectively	6,633,721	2,284,647
Limited partners; 349,902 and 154,170 units outstanding at June 30, 2017 and December 31, 2016, respectively	10,955	(1,967)
Accumulated other comprehensive loss	(16,435)	(18,346)
Total partners' capital	6,703,241	2,589,334
Noncontrolling interests:		

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Limited partners' interests in consolidated partnerships	30,794	35,168
Total noncontrolling interests	30,794	35,168
Total capital	6,734,035	2,624,502
Total liabilities and capital	\$ 11,192,344	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 June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Revenues:				
Minimum rent	\$ 195,992	109,945	\$ 337,232	217,619
Percentage rent	1,456	453	4,362	2,156
Recoveries from tenants and other income	57,256	35,874	102,535	69,362
Management, transaction, and other fees	6,601	6,140	13,307	12,904
Total revenues	261,305	152,412	457,436	302,041
Operating expenses:				
Depreciation and amortization	92,230	40,299	152,284	79,015
Operating and maintenance	36,105	23,709	65,868	46,394
General and administrative	16,746	16,350	34,419	32,649
Real estate taxes	28,871	16,769	50,321	32,639
Other operating expenses (note 2)	6,616	2,440	78,129	4,747
Total operating expenses	180,568	99,567	381,021	195,444
Other expense (income):				
Interest expense, net	35,407	24,401	62,606	48,544
Provision for impairment	—	—	—	1,666
Early extinguishment of debt	12,404	—	12,404	—
Net investment (income) loss, including unrealized (gains) losses of (\$11) and (\$863), and (\$275) and \$892 for the three and six months ended June 30, 2017 and 2016, respectively	(887)	(602)	(1,984)	(446)
Total other expense (income)	46,924	23,799	73,026	49,764
Income from operations before equity in income of investments in real estate partnerships	33,813	29,046	3,389	56,833
Equity in income of investments in real estate partnerships	12,240	11,050	21,583	23,971
Income tax expense of taxable REIT subsidiary	246	—	296	—
Income from operations	45,807	40,096	24,676	80,804
Gain on sale of real estate, net of tax	4,366	548	4,781	13,417
Net income	50,173	40,644	29,457	94,221
Limited partners' interests in consolidated partnerships	(576)	(504)	(1,247)	(853)
Net income attributable to the Partnership	49,597	40,140	28,210	93,368
Preferred unit distributions and issuance costs	(1,125)	(5,266)	(12,981)	(10,531)
Net income attributable to common unit holders	\$ 48,472	34,874	\$ 15,229	82,837
Income per common unit - basic	\$ 0.28	0.36	\$ 0.10	0.85
Income per common unit - diluted	\$ 0.28	0.35	\$ 0.10	0.84
See accompanying notes to consolidated financial statements.				

REGENCY CENTERS, L.P.

Consolidated Statements of Comprehensive Income

(in thousands)

(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Net income	\$50,173	40,644	\$29,457	94,221
Other comprehensive income:				
Effective portion of change in fair value of derivative instruments:				
Effective portion of change in fair value of derivative instruments	(3,805)	(9,846)	(3,873)	(26,631)
Reclassification adjustment of derivative instruments included in net income	3,071	2,500	5,726	4,952
Unrealized gain on available-for-sale securities	11	73	43	37
Other comprehensive (loss) income	(723)	(7,273)	1,896	(21,642)
Comprehensive income	49,450	33,371	31,353	72,579
Less: comprehensive income (loss) attributable to noncontrolling interests:				
Net income attributable to noncontrolling interests	576	504	1,247	853
Other comprehensive income (loss) attributable to noncontrolling interests	79	(117)	(16)	(263)
Comprehensive income attributable to noncontrolling interests	655	387	1,231	590
Comprehensive income attributable to the Partnership	\$48,795	32,984	\$30,122	71,989

See accompanying notes to consolidated financial statements.

REGENCY CENTERS, L.P.

Consolidated Statements of Capital

For the six months ended June 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	93,218	150	—	93,368	853	94,221
Other comprehensive loss	—	(34)	(21,345)	(21,379)	(263)	(21,642)
Contributions from partners	—	—	—	—	8,600	8,600
Distributions to partners	(97,958)	(154)	—	(98,112)	(2,394)	(100,506)
Preferred unit distributions	(10,531)	—	—	(10,531)	—	(10,531)
Restricted units issued as a result of amortization of restricted stock issued by Parent Company	6,804	—	—	6,804	—	6,804
Common units redeemed as a result of common stock redeemed by Parent Company, net of issuances	142,459	—	—	142,459	—	142,459
Balance at June 30, 2016	2,246,794	(2,013)	(80,038)	2,164,743	37,282	2,202,025
Balance at December 31, 2016	2,609,647	(1,967)	(18,346)	2,589,334	35,168	2,624,502
Net income	28,125	85	—	28,210	1,247	29,457
Other comprehensive income	—	1	1,911	1,912	(16)	1,896
Deferred compensation plan, net	1	—	—	1	—	1
Contributions from partners	—	13,100	—	13,100	341	13,441
Distributions to partners	(143,551)	(264)	—	(143,815)	(5,946)	(149,761)
Preferred unit distributions	(4,367)	—	—	(4,367)	—	(4,367)
Restricted units issued as a result of restricted stock issued by Parent Company, net of amortization	7,171	—	—	7,171	—	7,171
Preferred stock redemptions	(250,000)	—	—	(250,000)	—	(250,000)
Common units issued as a result of common stock issued by Parent Company, net of repurchases	4,453,744	—	—	4,453,744	—	4,453,744
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 June 30, 2017	\$6,708,721	10,955	(16,435)	6,703,241	30,794	6,734,035

See accompanying notes to consolidated financial statements.

REGENCY CENTERS, L.P.

Consolidated Statements of Cash Flows

For the six months ended June 30, 2017 and 2016

(in thousands)

(unaudited)

	2017	2016
Cash flows from operating activities:		
Net income	\$29,457	94,221
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	152,284	79,015
Amortization of deferred loan cost and debt premium	4,769	4,831
(Accretion) and amortization of above and below market lease intangibles, net	(11,683)	(1,176)
Stock-based compensation, net of capitalization	13,826	5,189
Equity in income of investments in real estate partnerships	(21,583)	(23,971)
Gain on sale of real estate, net of tax	(4,781)	(13,417)
Provision for impairment	—	1,666
Early extinguishment of debt	12,404	—
Distribution of earnings from operations of investments in real estate partnerships	26,271	26,159
Deferred compensation expense	1,948	429
Realized and unrealized (gain) loss on investments	(1,951)	(446)
Changes in assets and liabilities:		
Restricted cash	(1,228)	(31)
Accounts receivable, net	10,639	1,143
Straight-line rent receivables, net	(8,887)	(3,071)
Deferred leasing costs	(6,701)	(5,386)
Other assets	3,617	(1,718)
Accounts payable and other liabilities	(23,850)	(9,447)
Tenants' security, escrow deposits and prepaid rent	1,291	(2,693)
Net cash provided by operating activities	175,842	151,297
Cash flows from investing activities:		
Acquisition of operating real estate	(345)	(297,448)
Advance deposits paid on acquisition of operating real estate	(100)	(1,500)
Acquisition of Equity One, net of cash acquired of \$72,534	(648,957)	—
Real estate development and capital improvements	(161,574)	(75,320)
Proceeds from sale of real estate investments	15,344	36,751
Issuance of notes receivable	(2,837)	—
Investments in real estate partnerships	(3,064)	(3,823)
Distributions received from investments in real estate partnerships	30,612	25,746
Dividends on investment securities	128	137
Acquisition of securities	(9,853)	(46,306)
Proceeds from sale of securities	10,877	45,739
Net cash used in investing activities	(769,769)	(316,024)
Cash flows from financing activities:		
Net proceeds from common units issued as a result of common stock issued by Parent Company	—	149,788
Repurchase of common shares in conjunction with equity award plans	(18,998)	(7,984)
Proceeds from sale of treasury stock	76	904
Redemption of preferred partnership units	(250,000)	—
Distributions (to) from limited partners in consolidated partnerships, net	(5,891)	(2,214)

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Distributions to partners	(143,208)	(97,215)
Distributions to preferred unit holders	(4,366)	(10,531)
Proceeds from issuance of fixed rate unsecured notes, net	953,115	—
Proceeds from unsecured credit facilities	905,000	295,000
Repayment of unsecured credit facilities	(620,000)	(150,000)
Proceeds from notes payable	124,088	20,000
Repayment of notes payable	(232,839)	(41,584)
Scheduled principal payments	(4,789)	(3,062)
Payment of loan costs	(11,832)	(292)
Early redemption costs	(12,419)	—
Net cash provided by financing activities	677,937	152,810
Net increase (decrease) in cash and cash equivalents	84,010	(11,917)
Cash and cash equivalents at beginning of the period	13,256	36,856
Cash and cash equivalents at end of the period	\$97,266	24,939

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REGENCY CENTERS, L.P.

Consolidated Statements of Cash Flows

For the six months ended June 30, 2017, and 2016

(in thousands)

(unaudited)

	2017	2016
Supplemental disclosure of cash flow information:		
Cash paid for interest (net of capitalized interest of \$3,290 and \$1,766 in 2017 and 2016, respectively)	\$43,643	44,153
Cash received for income tax refunds, net of payments	\$899	—
Supplemental disclosure of non-cash transactions:		
Limited partner units issued in exchange for acquisition of real estate	\$13,100	—
Real estate under capital lease obligation	\$6,000	—
Common stock issued by Parent Company for dividend reinvestment plan	\$607	547
Stock-based compensation capitalized	\$1,624	1,723
Contributions from limited partners in consolidated partnerships, net	\$286	8,420
Common stock issued for dividend reinvestment in trust	\$366	384
Contribution of stock awards into trust	\$1,372	1,488
Distribution of stock held in trust	\$640	4,060
Change in fair value of securities available-for-sale	\$43	37
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)	—
See accompanying notes to consolidated financial statements.		

REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.

Notes to Consolidated Financial Statements

June 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 Equity One merger, 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, Inc. ("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 common stock to effect the merger.

As of June 30, 2017, the Parent Company, the Operating Partnership, and their controlled subsidiaries on a consolidated basis (the "Company" or "Regency") owned 313 retail shopping centers and held partial interests in an additional 115 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 a fair statement of 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 or 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 June 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 variable interest entity, 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 or developments not meeting its long-term investment objectives. The proceeds from sales are reinvested into higher quality retail shopping centers, through

REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.

Notes to Consolidated Financial Statements

June 30, 2017

acquisitions or new developments, which management believes will generate sustainable revenue growth and attractive returns. It 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 June 30, 2017, Regency has an ownership interest in 126 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 majority of 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.

REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.

Notes to Consolidated Financial Statements

June 30, 2017

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.

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 these partnerships are restricted to the use of the partnerships and cannot be used by general creditors of the Company. And similarly, the obligations of these partnerships can only be settled by the assets of these 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)	June 30, December 31,	
	2017	2016
Assets		
Real estate assets, net	\$92,341	\$86,440
Cash and cash equivalents	2,957	3,444
Liabilities		
Notes payable	9,774	8,175
Equity		
Limited partners' interests in consolidated partnerships	17,691	17,565

REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.

Notes to Consolidated Financial Statements

June 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 six months ended June 30, 2016.
Not yet adopted:			
ASU 2017-01 January 2017, Business Combinations (Topic 805): Clarifying the Definition of a Business	The amendments in this update provide 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	The Company expects this standard to change the treatment of individual operating properties from being considered a business to being considered an asset. This change will result in acquisition costs being capitalized as part of the asset acquisition, whereas current treatment has them recognized in earnings in the period incurred. The Company will adopt this standard effective July 1, 2017.
ASU 2016-01, January 2016, Financial Instruments—Overall (Subtopic 825-10):	The standard amends the guidance to classify equity securities with readily-determinable fair values into different categories and requires equity	January 2018	The Company does not expect the adoption and implementation of this standard to have a material impact on its results of

<p>Recognition and Measurement of Financial Assets and Financial Liabilities</p>	<p>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.</p>	<p>operations, financial condition or cash flows.</p>
<p>ASU 2016-15, August 2016, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments</p>	<p>The standard will make 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.</p>	<p>January 2018</p>
<p>ASU 2016-18, November 2016, Statement of Cash Flows (Topic 230): Restricted Cash</p>	<p>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. Early adoption is permitted on a retrospective basis.</p>	<p>January 2018</p>
		<p>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.</p>
		<p>The Company is evaluating the alternative methods of adoption and does not expect the adoption to have a material impact on its Statements of Cash Flows.</p>

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

Standard	Description	Date of adoption	Effect on the financial statements or other significant matters
Revenue from Contracts with Customers (Topic 606):	The standard will replace existing revenue recognition standards and significantly expand the disclosure requirements for revenue arrangements.	January 2018	The Company is completing its evaluation of the new ASU's as applied to its revenue streams and contracts within the scope of Topic 606. The Company currently does not expect the adoption of these new ASU's to result in a material change to its revenue recognition policies or practices, including timing or presentation.
ASU 2014-09, May 2014, Revenue from Contracts with Customers (Topic 606)	It may be adopted either retrospectively or on a modified retrospective basis to new contracts and existing contracts with remaining performance obligations as of the effective date.		
ASU 2016-08, March 2016, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations			The Company is evaluating the adoption method to apply.
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			
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

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

Standard	Description	Date of adoption	Effect on the financial statements or other significant matters
ASU 2016-02, February 2016, Leases (Topic 842)	<p>The standard 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 initial direct leasing costs, which no longer considers fixed internal leasing salaries as capitalizable costs.</p> <p>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.</p>	January 2019	<p>The Company is evaluating the impact this standard will have on its financial statements and related disclosures.</p> <p>Upon adoption, the Company will recognize right of use assets and corresponding lease obligations for its office and ground leases.</p> <p>Capitalization of internal leasing salaries 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.</p> <p>Historic capitalization of internal leasing salaries was \$5.0 million and \$10.5 million during the six months ended June 30, 2017 and the year ended December 31, 2016, respectively.</p> <p>Historic capitalization of legal costs was \$0.5 million and \$0.7 million during the six months ended June 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.</p>

<p>ASU 2016-13, June 2016, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments</p>	<p>The amendments in this update replace 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.</p>	<p>January 2020</p>	<p>The Company is evaluating the alternative methods of adoption and the impact it will have on its financial statements and related disclosures.</p>
	<p>This ASU applies to how the Company determines its allowance for doubtful accounts on tenant receivables.</p>		
	<p>This amendment in this update 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.</p>	<p>January 2020</p>	<p>The Company is evaluating the impact of early adoption and the effect this ASU will have on its financial statements and related disclosures.</p>

REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.

Notes to Consolidated Financial Statements

June 30, 2017

2. Real Estate Investments

Acquisitions

The following table details the shopping centers acquired or land acquired or leased for development:

(in thousands)

Six months ended June 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	—	—	—
					\$36,050	—	—	—

⁽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.

(in thousands)

Six months ended June 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
Total property acquisitions					\$315,794	—	25,599	18,602

⁽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 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 shares being issued to effect the merger.

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Notes to Consolidated Financial Statements

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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 six months ended June 30, 2017:

(in thousands)	June 30, 2017	
	Three months ended	Six months ended
Increase in total revenues	\$100,864	135,813
Increase in net income attributable to common stockholders	23,695	29,464

The Company incurred \$4.7 million and \$74.4 million of merger-related transaction costs during the three and six months ended June 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.

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

(in thousands)	Preliminary Purchase Price Allocation
Land	\$3,019,448
Building and improvements	2,651,506
Properties in development	70,179
Properties held for sale	19,600
Investments in unconsolidated real estate partnerships	103,566
Real estate assets	5,864,299
Cash, accounts receivable and other assets	112,271
Intangible assets	463,882
Goodwill	246,619
Total assets acquired	6,687,071
Notes payable	757,399
Accounts payable, accrued expenses, and other liabilities	120,616
Lease intangible liabilities	615,951
Total liabilities assumed	1,493,966
Total purchase price	\$5,193,105

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 included estimating an "as-if vacant" fair value of the physical property, which includes land, building, and improvements and also determined 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 resulted 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 its entirety, are not yet complete as of the date of this filing. Once the purchase price and allocation are complete, an adjustment to the purchase price or allocation may occur.

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. 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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REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.

Notes to Consolidated Financial Statements

June 30, 2017

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	10.0
Above-market leases	8.9
Below-market ground leases	52.3
Liabilities:	
Acquired lease intangible liabilities	22.6

Pro forma Information

The following unaudited pro forma financial data includes the incremental revenues, operating expenses, depreciation and amortization, and costs of the Equity One acquisition as if it had occurred on January 1, 2016:

(in thousands, except per share data)	Pro forma (Unaudited)			
	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Total revenues	\$261,314	251,107	526,488	501,149
Income (loss) from operations	⁽¹⁾ 56,435	42,409	123,832	(9,029)
Net income (loss) attributable to common stockholders	⁽¹⁾ 54,624	36,596	109,434	(20,416)
Income (loss) per common share - basic	\$0.32	0.22	0.64	(0.13)
Income (loss) per common share - diluted	0.32	0.22	0.64	(0.12)

⁽¹⁾ The pro forma earnings for the three and six months ended June 30, 2017, were adjusted to exclude \$4.7 million and \$97.3 million of merger costs, respectively, while 2016 pro forma earnings were adjusted to include all merger costs during the first quarter of 2016.

The pro forma financial data is not necessarily indicative of what the actual results of operations would have been assuming the transaction had been completed as set forth above, nor does it purport to represent the results of operations for future periods.

3. Property Dispositions

Dispositions

The following table provides a summary of shopping centers and land parcels disposed of:

(in thousands)	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2017	2016	2017	2016
Net proceeds from sale of real estate investments	\$13,481	\$4,384	\$15,230	\$38,705 ⁽¹⁾
Gain on sale of real estate, net of tax	\$4,366	\$548	\$4,781	\$13,417
Provision for impairment of real estate sold	\$—	\$—	\$—	\$(1,666)
Number of operating properties sold	1	1	1	4
Number of land parcels sold	5	5	7	10
Percent interest sold	100	% 100	% 100	% 100 %

⁽¹⁾ Includes cash deposits received in the previous year.

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4. Notes Payable and Unsecured Credit Facilities

The Company's outstanding debt consisted of the following:

(in thousands)	Weighted Average Contractual Rate	Weighted Average Effective Rate	June 30, 2017	December 31, 2016
Notes payable:				
Fixed rate mortgage loans	4.9%	4.2%	\$ 500,447	384,786
Variable rate mortgage loans	2.4%	2.6%	119,085	(1) 86,969
Fixed rate unsecured public and private debt	4.2%	4.7%	2,325,463	892,170
Total notes payable			2,944,995	1,363,925
Unsecured credit facilities:				
Line of Credit (the "Line") (2)	1.9%	2.0%	—	15,000
Term loans	2.4%	2.5%	563,031	263,495
Total unsecured credit facilities			563,031	278,495
Total debt outstanding			\$ 3,508,026	1,642,420

(1) Includes five mortgages, whose interest rates vary on LIBOR based formulas. Three of these variable rate loans have interest rate swaps in place to fix the interest rates at a range of 2.8% to 4.07%

(2) Weighted average effective and contractual rate for the Line is calculated based on a fully drawn Line balance.

During January 2017, the Company issued \$650.0 million of senior unsecured public notes as follows:

\$300.0 million of 4.4% senior unsecured public notes due in 2047, which priced at 99.110%. The Company used the net proceeds to redeem all of the outstanding shares of its \$250 million 6.625% Series 6 preferred stock on February 16, 2017 and to pay down the balance of the Line.

\$350.0 million of 3.6% senior unsecured public notes due in 2027, which priced at 99.741%. The Company used the net proceeds to repay a \$250.0 million Equity One term loan upon the effective date of the merger and to pay merger related transaction costs.

During June 2017, the Company issued an additional \$300.0 million under the same terms as the January offering noted above as follows:

\$125.0 million of 4.4% senior unsecured public notes due in 2047, which priced at 100.784%, whose proceeds will be used to redeem all of the outstanding shares of its \$75.0 million 6.000% Series 7 preferred stock on August 23, 2017, with the balance used to pay down the Line.

\$175.0 million of 3.6% senior unsecured public notes due in 2027, which priced at 100.379%, with proceeds used to retire \$112.0 million of mortgage loans with interest rates ranging from 7.0% to 7.8% on various properties, with the balance used to pay down the Line.

The Company completed the following additional debt transactions in connection with the Equity One merger:

Increased the size of its Line commitment to \$1.0 billion with an accordion feature permitting the Company to request an increase in the facility of up to an additional \$500 million.

Completed a \$300 million unsecured term loan that matures on December 2, 2020 with the option to prepay at par anytime prior to maturity without penalty. The interest rate on the term loan is equal to LIBOR plus a ratings based margin; however, the Company entered into interest rate swaps to fix the interest rate on the the entire \$300 million with a weighted average interest rate of 1.824% (see note 5). The proceeds of the term loan were used to repay a \$300 million Equity One term loan that came due as a result of the merger.

Assumed \$300 million of senior unsecured public notes with an interest rate of 3.75% maturing in 2022.

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Assumed \$200 million of the senior unsecured private placement notes issued in two \$100 million tranches with interest rates of 3.81% and 3.91%, respectively, maturing in 2026.

Assumed \$226.3 million of fixed rate mortgage loans with interest rates ranging from 3.76% to 7.94%, and assumed a \$27.8 million variable rate mortgage loan whose interest rate varies with LIBOR.

The public and private unsecured notes assumed from Equity One have covenants that are similar to the Company's existing debt covenants described in Regency's latest Form 10-K.

As of June 30, 2017, scheduled principal payments and maturities on notes payable and unsecured credit facilities were as follows:

Scheduled Principal Payments and Maturities by Year:	June 30, 2017			Total
	Scheduled Principal Payments	Mortgage Loan Maturities	Unsecured Maturities ⁽¹⁾	
2017	\$5,372	—	—	5,372
2018	10,641	139,976	—	150,617
2019	10,948	13,216	—	24,164
2020	11,122	51,580	450,000	512,702
2021	11,426	38,998	250,000	300,424
Beyond 5 Years	48,674	266,182	2,215,000	2,529,856
Unamortized debt premium/(discount) and issuance costs	—	11,397	(26,506)	(15,109)
Total	\$98,183	521,349	2,888,494	3,508,026

⁽¹⁾ Includes unsecured public debt and unsecured credit facilities.

The Company has \$140.0 million of mortgage loans maturing through 2018, which it currently intends to refinance if held with a co-investment partner or pay off if wholly owned. The Company has sufficient capacity on its Line to repay this maturing debt, all of which is in the form of non-recourse mortgage loans.

The Company was in compliance as of June 30, 2017 with the financial and other covenants under its unsecured public and private placement debt and unsecured credit facilities.

Subsequent Event

Subsequent to June 30, 2017, the Company successfully solicited consents from over 96% of the holders of its \$300.0 million aggregate principal amount of 3.75% senior unsecured public notes to amend certain provisions of the indenture governing the notes which terminated guarantees provided by certain subsidiaries of the Operating Partnership. The amendments to the indenture became effective on July 28, 2017, upon payment of the consent fee of \$1.50 per \$1,000 principal amount of the unsecured public notes for which consents were delivered.

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Notes to Consolidated Financial Statements

June 30, 2017

5. Derivative Financial Instruments

The following table summarizes the terms and fair values of the Company's derivative financial instruments, as well as their classification on the Consolidated Balance Sheets:

(in thousands)					Fair Value	
Effective Date	Maturity Date	Notional Amount	Bank Pays Variable Rate of	Regency Pays Fixed Rate of	June 30, 2017	Assets (Liabilities) ⁽¹⁾ December 31, 2016
6/2/17	6/2/27	\$ 37,500	1 Month LIBOR with Floor	2.366%	\$(497)	(580)
4/3/17	12/2/20	300,000	1 Month LIBOR with Floor	1.824%	(1,167)	—
8/1/16	1/5/22	265,000	1 Month LIBOR with Floor	1.053%	8,979	9,889
4/7/16	4/1/23	20,000	1 Month LIBOR	1.303%	641	720
12/1/16	11/1/23	33,000	1 Month LIBOR	1.490%	879	1,013
Total derivative financial instruments					\$8,835	11,042

(1) Derivative in an asset position are included within Other assets in the accompanying Consolidated Balance Sheets, while those in a liability position are included within Accounts payable and other liabilities.

These derivative financial instruments are all interest rate swaps, which are designated and qualify as cash flow hedges. The Company does not use derivatives for trading or speculative purposes and, as of June 30, 2017, does not have any derivatives that are not designated as hedges. The Company has master netting agreements; however, the Company does not have multiple derivatives subject to a single master netting agreement with the same counterparties. Therefore, none are offset in the accompanying Consolidated Balance Sheets.

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is recorded in Accumulated other comprehensive income (loss) ("AOCI") and subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings within Interest expense, in the accompanying Consolidated Statements of Operations.

The following table represents the effect of the derivative financial instruments on the accompanying consolidated financial statements:

Derivatives in FASB ASC Topic 815 Cash Flow Hedging Relationships:	Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion)		Location and Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)
	Three months ended June 30, 2017	Three months ended June 30, 2016	
(in thousands)	2017	2016	2017 2016
Interest rate swaps	\$ (3,805)	(9,846)	Interest expense \$(3,071) (2,500)

Derivatives in FASB ASC Topic 815 Cash Flow Hedging Relationships:	Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion)	Location and Amount of Gain (Loss) Reclassified from Accumulated
--	---	--

	Six months ended June		OCI into Income	Six months	
	30,		(Effective Portion)	ended June 30,	
(in thousands)	2017	2016		2017	2016
Interest rate swaps	\$ (3,873)	(26,631)	Interest expense	\$ (5,726)	(4,952)

As of June 30, 2017, the Company expects \$9.8 million of net deferred losses on derivative instruments in Accumulated other comprehensive loss, including the Company's share from its Investments in real estate partnerships, to be reclassified into earnings during the next 12 months. Included in the reclassification is \$8.4 million which is related to previously settled swaps on the Company's ten year fixed rate unsecured loans.

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6. Fair Value Measurements

(a) Disclosure of Fair Value of Financial Instruments

All financial instruments of the Company are reflected in the accompanying Consolidated Balance Sheets at amounts which, in management's estimation, reasonably approximate their fair values, except for the following:

(in thousands)	June 30, 2017		December 31, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Notes receivable	\$ 13,332	13,223	\$ 10,481	10,380
Financial liabilities:				
Notes payable	\$ 2,944,995	\$ 2,988,426	\$ 1,363,925	1,435,000
Unsecured credit facilities	\$ 563,031	\$ 565,000	\$ 278,495	279,700

The above fair values represent management's estimate of the amounts that would be received from selling those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants as of June 30, 2017 and December 31, 2016, respectively. These fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Company's own judgments about the assumptions that market participants would use in pricing the asset or liability.

The Company develops its judgments based on the best information available at the measurement date, including expected cash flows, appropriate risk-adjusted discount rates, and available observable and unobservable inputs. Service providers involved in fair value measurements are evaluated for competency and qualifications on an ongoing basis. As considerable judgment is often necessary to estimate the fair value of these financial instruments, the fair values presented above are not necessarily indicative of amounts that will be realized upon disposition of the financial instruments.

The following methods and assumptions were used to estimate the fair value of these financial instruments:

Notes Receivable

The fair value of the Company's Notes receivable is estimated by calculating the present value of future contractual cash flows discounted at interest rates available for notes of the same terms and maturities, adjusted for counter-party specific credit risk. The fair value of Notes receivable was determined primarily using Level 3 inputs of the fair value hierarchy, which considered counter-party credit risk and collateral risk of the underlying property securing the note receivable.

Notes Payable

The fair value of the Company's unsecured debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the unsecured debt was determined using Level 2 inputs of the fair value hierarchy.

The fair value of the Company's mortgage notes payable is estimated by discounting future cash flows of each instrument at rates that reflect the current market rates available to the Company for debt of the same terms and maturities. Fixed rate loans assumed in connection with real estate acquisitions are recorded in the accompanying consolidated financial statements at fair value at the time the property is acquired. The fair value of the mortgage notes payable was determined using Level 2 inputs of the fair value hierarchy.

Unsecured Credit Facilities

The fair value of the Company's Unsecured credit facilities is estimated based on the interest rates currently offered to the Company by financial institutions. The fair value of the credit facilities was determined using Level 2 inputs of the fair value hierarchy.

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The following interest rate ranges were used by the Company to estimate the fair value of its financial instruments:

	June 30, 2017		December 31, 2016	
	Low	High	Low	High
Notes receivable	7.3%	7.3%	7.2%	7.2%
Notes payable	3.1%	4.1%	2.9%	3.9%
Unsecured credit facilities	2.0%	2.0%	1.5%	1.6%

(b) Fair Value Measurements

The following financial instruments are measured at fair value on a recurring basis:

Trading Securities Held in Trust

The Company has investments in marketable securities, which are assets of the non-qualified deferred compensation plan ("NQDCP"), that are classified as trading securities held in trust on the accompanying Consolidated Balance Sheets. The fair value of the Trading securities held in trust was determined using quoted prices in active markets, which are considered Level 1 inputs of the fair value hierarchy. Changes in the value of trading securities are recorded within net investment (income) loss from deferred compensation plan in the accompanying Consolidated Statements of Operations.

Available-for-Sale Securities

Available-for-sale securities consist of investments in certificates of deposit and corporate bonds, and are recorded at fair value using matrix pricing methods to estimate fair value, which are considered Level 2 inputs of the fair value hierarchy. Unrealized gains or losses on these securities are recognized through Other comprehensive income.

Interest Rate Derivatives

The fair value of the Company's interest rate derivatives is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by the Company and its counterparties. The Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of its interest rate swaps. As a result, the Company determined that its interest rate swaps valuation in its entirety is classified in Level 2 of the fair value hierarchy.

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June 30, 2017

The following tables present the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis:

		Fair Value Measurements as of June 30, 2017			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
(in thousands)	Balance	(Level 1)	(Level 2)	(Level 3)	
Assets:					
Trading securities held in trust	\$29,839	29,839	—	—	
Available-for-sale securities	7,009	—	7,009	—	
Interest rate derivatives	10,499	—	10,499	—	
Total	\$47,347	29,839	17,508	—	
Liabilities:					
Interest rate derivatives	\$(1,664)	—	(1,664)	—	

		Fair Value Measurements as of December 31, 2016			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
(in thousands)	Balance	(Level 1)	(Level 2)	(Level 3)	
Assets:					
Trading securities held in trust	\$28,588	28,588	—	—	
Available-for-sale securities	7,420	—	7,420	—	
Interest rate derivatives	11,622	—	11,622	—	
Total	\$47,630	28,588	19,042	—	
Liabilities:					
Interest rate derivatives	\$(580)	—	(580)	—	

7. Equity and Capital

Preferred Stock of the Parent Company

Redemption:

The Parent Company redeemed all of the issued and outstanding shares of its \$250 million 6.625% Series 6 cumulative redeemable preferred stock on February 16, 2017. The redemption price of \$25.21 per share included accrued and unpaid dividends, resulting in an aggregate amount being paid of \$252.0 million. The funds used to redeem the Series 6 preferred stock were provided by the \$300 million 30 year senior unsecured debt offering completed in January 2017, as discussed in note 4.

Subsequent Event:

On July 13, 2017, the Company announced that it will redeem all of the issued and outstanding shares of its \$75 million 6% Series 7 cumulative redeemable preferred stock on August 23, 2017. The redemption price of \$25.22 per

share includes accrued and unpaid dividends resulting in an aggregate amount to be paid of \$75.7 million. The Company intends to use proceeds from its senior unsecured notes issued in June 2017 to fund the redemption, as discussed in note 4.

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Common Stock of the Parent Company

Issuances:

At the Market ("ATM") Program

The Company's ATM equity offering program authorizes the Parent Company to sell up to \$500 million of common stock at prices determined by the market at the time of sale. As of June 30, 2017, \$500 million of common stock remained available for issuance under this ATM equity program.

There were no shares issued under the ATM equity program during the three months ended June 30, 2017 or 2016, or during the six months ended June 30, 2017. The following table presents the shares that were issued under the ATM equity program during the six months ended June 30, 2016:

	Six months ended June 30, 2016
(dollar amounts are in thousands, except price per share data)	
Shares issued ⁽¹⁾	182,787
Weighted average price per share	\$68.85
Gross proceeds	\$12,584
Commissions	\$157

⁽¹⁾ Reflects shares traded in December and settled in January.

Forward Equity Offering

In March 2016, the Parent Company entered into a forward sale agreement (the "Forward Equity Offering") to issue 3.10 million shares of its common stock at an offering price of \$75.25 per share before any underwriting discount and offering expenses.

In June 2016, the Parent Company partially settled its forward equity offering by delivering 1.85 million shares of newly issued common stock thereby receiving \$137.5 million of net proceeds which were used to repay the Line. The remaining 1.25 million shares must be settled under the forward sale agreement prior to December 27, 2017.

Equity One merger

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 that they owned immediately prior to the effective time of the Merger resulting in approximately 65.5 million shares being issued to effect the merger.

Common Units of the Operating Partnership

Issuances:

Common units were issued to the Parent Company in relation to the Parent Company's issuance of common stock, as discussed above.

In April 2017, the Operating Partnership issued 195,732 limited partner units, valued at \$13.1 million, as partial purchase price consideration for the acquisition of land to be developed.

REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.

Notes to Consolidated Financial Statements

June 30, 2017

Accumulated Other Comprehensive Loss ("AOCI")

The following tables present changes in the balances of each component of AOCI:

(in thousands)	Controlling Interest			Noncontrolling Interest			Total
	Cash Flow Hedges	Unrealized gain (loss) on Available-For-Sale Securities	AOCI	Cash Flow Hedges	Unrealized gain (loss) on Available-For-Sale Securities	AOCI	
Balance as of December 31, 2015	\$(58,650)	(43)	(58,693)	(785)	—	(785)	(59,478)
Other comprehensive income before reclassifications	(26,256)	37	(26,219)	(375)	—	(375)	(26,594)
Amounts reclassified from accumulated other comprehensive income	4,874	—	4,874	78	—	78	4,952
Current period other comprehensive income, net	(21,382)	37	(21,345)	(297)	—	(297)	(21,642)
Balance as of June 30, 2016	\$(80,032)	(6)	(80,038)	(1,082)	—	(1,082)	(81,120)

(in thousands)	Controlling Interest			Noncontrolling Interest			Total
	Cash Flow Hedges	Unrealized gain (loss) on Available-For-Sale Securities	AOCI	Cash Flow Hedges	Unrealized gain (loss) on Available-For-Sale Securities	AOCI	
Balance as of December 31, 2016	\$(18,327)	(19)	(18,346)	(301)	—	(301)	(18,647)
Other comprehensive income before reclassifications	(3,770)	43	(3,727)	(103)	—	(103)	(3,830)
Amounts reclassified from accumulated other comprehensive income	5,638	—	5,638	88	—	88	5,726
Current period other comprehensive income, net	1,868	43	1,911	(15)	—	(15)	1,896
Balance as of June 30, 2017	\$(16,459)	24	(16,435)	(316)	—	(316)	(16,751)

The following represents amounts reclassified out of AOCI into income:

AOCI Component	Amount Reclassified from AOCI into income				Affected Line Item(s) Where Net Income is Presented
	Three months ended June 30, 2017	Six months ended June 30, 2016	Three months ended June 30, 2017	Six months ended June 30, 2016	
(in thousands)	2017	2016	2017	2016	
Interest rate swaps	\$3,071	2,500	\$5,726	4,952	Interest expense and Loss on derivative instruments

8. Stock-Based Compensation

During six months ended June 30, 2017, the Company granted 231,065 shares of restricted stock with a weighted-average grant-date fair value of \$71.93 per share. The Company records stock-based compensation expense within General and administrative expenses in the accompanying Consolidated Statements of Operations.

9. Non-Qualified Deferred Compensation Plan ("NQDCP")

The Company maintains a NQDCP which allows select employees and directors to defer part or all of their cash bonus, director fees, and vested restricted stock awards. All contributions into the participants' accounts are fully vested upon contribution to the NQDCP and are deposited in a Rabbi trust.

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Notes to Consolidated Financial Statements

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The following table reflects the balances of the assets held in the Rabbi trust and related participant account obligations in the accompanying Consolidated Balance Sheets, excluding Regency stock:

(in thousands)	June 30, December 31,	
	2017	2016
Assets:		
Trading securities held in trust	\$29,839	28,588
Liabilities:		
Accounts payable and other liabilities	\$29,511	28,214

10. Earnings per Share and Unit

Parent Company Earnings per Share

The following summarizes the calculation of basic and diluted earnings per share:

(in thousands, except per share data)	Three months		Six months	
	ended June 30,	ended June 30,	ended June 30,	ended June 30,
	2017	2016	2017	2016
Numerator:				
Income from operations attributable to common stockholders - basic	\$48,368	34,810	\$15,144	82,687
Income from operations attributable to common stockholders - diluted	\$48,368	34,810	\$15,144	82,687
Denominator:				
Weighted average common shares outstanding for basic EPS	170,088	97,657	148,610	97,588
Weighted average common shares outstanding for diluted EPS ⁽¹⁾	170,420	98,218	148,930	98,075
Income per common share – basic	\$0.28	0.36	\$0.10	0.85
Income per common share – diluted	\$0.28	0.35	\$0.10	0.84

⁽¹⁾ Includes the dilutive impact of unvested restricted stock and shares issuable under the forward equity offering using the treasury stock method.

Income allocated to noncontrolling interests of the Operating Partnership has been excluded from the numerator and exchangeable Operating Partnership units have been omitted from the denominator for the purpose of computing diluted earnings per share since the effect of including these amounts in the numerator and denominator would have no impact. Weighted average exchangeable Operating Partnership units outstanding for the six months ended June 30, 2017 and 2016 were 238,987 and 154,170, respectively.

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Operating Partnership Earnings per Unit

The following summarizes the calculation of basic and diluted earnings per unit:

(in thousands, except per share data)	Three months		Six months	
	ended June 30, 2017	2016	ended June 30, 2017	2016
Numerator:				
Income from operations attributable to common unit holders - basic	\$48,472	34,874	\$15,229	82,837
Income from operations attributable to common unit holders - diluted	\$48,472	34,874	\$15,229	82,837
Denominator:				
Weighted average common units outstanding for basic EPU	170,410	97,811	148,849	97,742
Weighted average common units outstanding for diluted EPU ⁽¹⁾	170,742	98,372	149,169	98,229
Income per common unit – basic	\$0.28	0.36	\$0.10	0.85
Income per common unit – diluted	\$0.28	0.35	\$0.10	0.84

⁽¹⁾ Includes the dilutive impact of unvested restricted stock and the forward equity offering using the treasury stock method.

11. Commitments and Contingencies

Litigation

The Company is involved in litigation on a number of matters and is subject to certain claims, which arise in the normal course of business, none of which, in the opinion of management, is expected to have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity. Legal fees are expensed as incurred.

After the announcement of the merger agreement with Equity One on November 14, 2016, a putative class action was filed on behalf of a purported stockholder in the Circuit Court for Duval County, Florida, under the following caption: Robert Garfield on Behalf of Himself and All Others Similarly Situated vs. Regency Centers Corporation, Martin E. Stein, Jr., John C. Schweitzer, Raymond L. Bank, Bryce Blair, C. Ronald Blankenship, J. Dix Druce, Jr., Mary Lou Fiala, David P. O'Connor, and Thomas G. Wattles, No. 16-2017-CA-000688-XXXX-MA, filed February 3, 2017. The class action alleged, among other matters, that the definitive joint proxy statement/prospectus filed by Regency and Equity One with the Securities and Exchange Commission (the "SEC") on January 24, 2017 (the "Joint Proxy Statement/Prospectus") omitted certain material information in connection with the merger. The complainant sought various remedies, including injunctive relief to prevent the consummation of the merger unless certain allegedly material information was disclosed and sought compensatory and rescissory damages in the event the merger was consummated without such disclosures.

On February 17, 2017, the defendants entered into a stipulation of settlement with respect to the class action, pursuant to which the parties agreed, among other things, that Regency would make certain supplemental disclosures. The supplemental disclosures were made by Regency in the Current Report on Form 8-K filed by Regency with the SEC on February 17, 2017. The stipulation of settlement remains subject to court approval.

Environmental

The Company is also subject to numerous environmental laws and regulations as they apply to real estate pertaining to chemicals used by the dry cleaning industry, the existence of asbestos in older shopping centers, and underground petroleum storage tanks. The Company believes that the ultimate disposition of currently known environmental matters will not have a material effect on its financial position, liquidity, or operations. The Company can give no assurance that existing environmental studies with respect to the shopping centers have revealed all potential environmental contaminants or liabilities, that any previous owner, occupant or tenant did not create any material environmental condition not known to it, that the current environmental condition of the shopping centers will not be affected by tenants and occupants, by the condition of nearby properties, or by unrelated third parties, or that changes

REGENCY CENTERS CORPORATION AND REGENCY CENTERS, L.P.

Notes to Consolidated Financial Statements

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in applicable environmental laws and regulations or their interpretation will not result in additional environmental liability to the Company.

Letters of Credit

The Company has the right to issue letters of credit under the Line up to an amount not to exceed \$50.0 million, which reduces the credit availability under the Line. These letters of credit are primarily issued as collateral on behalf of its captive insurance program and to facilitate the construction of development projects. As of June 30, 2017 and December 31, 2016, the Company had \$5.9 million and \$5.8 million, respectively, in letters of credit outstanding.

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

Forward-Looking Statements

In addition to historical information, the following information contains forward-looking statements as defined under federal securities laws. These forward-looking statements include statements about anticipated changes in our revenues, the size of our development and redevelopment program, earnings per share and unit, returns and portfolio value, and expectations about our liquidity. These statements are based on current expectations, estimates and projections about the real estate industry and markets in which the Company operates, and management's beliefs and assumptions. Forward-looking statements are not guarantees of future performance and involve certain known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, our ability to successfully integrate the business of Equity One successfully and realize the anticipated synergies and related benefits of our merger with Equity One, changes in national and local economic conditions, financial difficulties of tenants, competitive market conditions, including timing and pricing of acquisitions and sales of properties and building pads ("out-parcels"), changes in leasing activity and market rents, timing of development starts, meeting development schedules, natural disasters in geographic areas in which we operate, cost of environmental remediation, our inability to exercise voting control over the co-investment partnerships through which we own many of our properties, and technology disruptions. For additional information, see "Risk Factors" included here in and in our Annual Report on Form 10-K for the year ended December 31, 2016. The following discussion should be read in conjunction with the accompanying Consolidated Financial Statements and Notes thereto of Regency Centers Corporation and Regency Centers, L.P. appearing elsewhere herein. We do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or uncertainties after the date hereof or to reflect the occurrence of uncertain events.

Defined Terms

We use certain non-GAAP performance measures, in addition to certain performance metrics determined under GAAP, as we believe these measures improve the understanding of the Company's operational results. We manage our entire real estate portfolio without regard to ownership structure, although certain decisions impacting properties owned through partnerships require partner approval. Therefore, we believe presenting our pro-rata share of certain operating metrics regardless of ownership structure, along with other non-GAAP measures, makes comparisons of other REITs' operating results to the Company's more meaningful. We continually evaluate 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.

The following terms, as defined, are commonly used by management and the investing public to understand and evaluate our operational results:

• Same Property information is provided for retail operating properties that were owned and operated for the entirety of both calendar year periods being compared and excludes Non-Same Properties and Properties in Development.

▲ Non-Same Property is a property acquired, sold, or a development completion during either calendar year period being compared. Non-retail properties and corporate activities, including activities of our captive insurance company,

are part of Non-Same Property.

• Property In Development includes land or properties in various stages of development and redevelopment including active pre-development activities.

• Development Completion is a project in development that is deemed complete upon the earliest of: (i) 90% of total estimated net development costs have been incurred and percent leased equals or exceeds 95%, or (ii) the project

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features at least two years of anchor operations, or (iii) three years have passed since the start of construction. Once deemed complete, the property is termed a retail operating property.

Pro-Rata information includes 100% of our consolidated properties plus our economic share (based on our ownership interest) in our unconsolidated real estate investment partnerships.

The pro-rata information is prepared on a basis consistent with the comparable consolidated amounts and is intended to more accurately reflect our proportionate economic interest in the operating results of properties in our portfolio.

We do not control the unconsolidated investment partnerships, and the pro-rata presentations of the assets and liabilities, and revenues and expenses do not represent our legal claim to such items. The partners are entitled to profit or loss allocations and distributions of cash flows according to the operating agreements, which provide for such allocations according to their invested capital. Our share of invested capital establishes the ownership interests we use to prepare our pro-rata share.

The presentation of pro-rata information has limitations which include, but are not limited to, the following:

The amounts shown on the individual line items were derived by applying our overall economic ownership interest percentage determined when applying the equity method of accounting or allocating noncontrolling interests, and do not necessarily represent our legal claim to the assets and liabilities, or the revenues and expenses; and

Other companies in our industry may calculate their pro-rata interest differently, limiting the usefulness as a comparative measure.

Because of these limitations, the pro-rata financial information should not be considered independently or as a substitute for our financial statements as reported under GAAP. We compensate for these limitations by relying primarily on our GAAP financial statements, using the pro-rata information as a supplement.

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization, real estate gains and losses, development and acquisition pursuit costs, straight line rental income, and above and below market rent amortization.

Fixed Charge Coverage Ratio is defined as Adjusted EBITDA divided by the sum of the gross interest and scheduled mortgage principal paid to our lenders plus dividends paid to our preferred stockholders.

Net Operating Income ("NOI") is the sum of minimum rent, percentage rent and recoveries from tenants and other income, less operating and maintenance, real estate taxes, and provision for doubtful accounts. NOI excludes straight-line rental income and expense, above and below market rent amortization and other fees. The Company also provides disclosure of NOI excluding termination fees, which excludes both termination fee income and expenses. NAREIT Funds from Operations ("NAREIT FFO") is a commonly used measure of REIT performance, which the National Association of Real Estate Investment Trusts ("NAREIT") defines as net income, computed in accordance with GAAP, excluding gains and losses from sales of depreciable property, net of tax, excluding operating real estate impairments, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. We compute NAREIT FFO for all periods presented in accordance with NAREIT's definition. Many companies use different depreciable lives and methods, and real estate values historically fluctuate with market conditions. Since NAREIT FFO excludes depreciation and amortization and gains and losses from depreciable property dispositions, and impairments, it provides a performance measure that, when compared year over year, reflects the impact on operations from trends in occupancy rates, rental rates, operating costs, acquisition and development activities, and financing costs. This provides a perspective of our financial performance not immediately apparent from net income determined in accordance with GAAP. Thus, NAREIT FFO is a supplemental non-GAAP financial measure of our operating performance, which does not represent cash generated from operating activities in accordance with GAAP; and, therefore, should not be considered a substitute measure of cash flows from operations. The Company provides a reconciliation of Net Income (Loss) Attributable to Common Stockholders to NAREIT FFO.

Core FFO is an additional performance measure used by Regency as the computation of NAREIT FFO includes certain non-cash and non-comparable items that affect the Company's period-over-period performance. Core FFO excludes from NAREIT FFO, but is not limited to: (a) transaction related gains, income or expense; (b) impairments on land; (c) gains or losses from the early extinguishment of debt; and (d) other non-core amounts as they occur. The Company provides a reconciliation of NAREIT FFO to Core FFO.

Overview of Our Strategy

Regency Centers (the "Parent Company") began its operations as a publicly-traded REIT in 1993, and, as of June 30, 2017, had full or partial ownership interests in 428 retail properties primarily anchored by market leading grocery stores. Our properties are principally located in affluent and infill trade areas of the United States and the District of Columbia, and contain 54.2 million square feet ("SF") of gross leasable area ("GLA"). All of our operating, investing, and financing activities are performed through our Operating Partnership, Regency Centers, L.P., our wholly-owned subsidiaries, and through our co-investment partnerships; however, \$500 million of unsecured public and private placement debt is held by the Parent Company, which it assumed through the merger with Equity One.

As of June 30, 2017, the Parent Company owns approximately 99.8% of the outstanding common partnership units of the Operating Partnership and has

Our mission is to be the preeminent national shopping center owner, operator and developer. Our strategy is to: Own and manage an unequalled portfolio of high-quality neighborhood and community shopping centers anchored by market leading grocers and located in affluent suburban and near urban trade areas in the country's most desirable metro areas. This combination produces highly desirable and attractive centers with best-in-class retailers. These centers command higher rental and occupancy rates resulting in excellent prospects to grow net operating income (NOI);

• Maintain an industry leading and disciplined development platform to deliver exceptional retail centers at higher margins as compared to acquisitions;

• Support our business activities with a strong balance sheet; and

• Engage a talented, dedicated team of employees, who are guided by Regency's special culture and aligned with shareholder interests.

Key goals to achieve our strategy are to:

• Sustain superior same property NOI growth compared to our shopping center peers;

• Develop and redevelop high quality shopping centers at attractive returns on investment;

• Maintain a conservative balance sheet providing financial flexibility to cost effectively fund investment opportunities and debt maturities on a favorable basis, and to weather economic downturns;

• Attract and motivate an exceptional team of employees who operate efficiently and are recognized as industry leaders;

• Generate reliable growth in earnings per share, funds from operations per share, and most importantly total shareholder returns that consistently rank among the leading shopping center REITS.

Executing on our Strategy

During the six months ended June 30, 2017:

We had Net income attributable to common stockholders of \$15.1 million, net of \$74.4 million of merger costs, as compared to \$82.7 million during the six months ended 2016.

We completed the merger with Equity One on March 1, 2017 and acquired 121 properties for \$5.2 billion, further enhancing the quality of our operating portfolio of retail shopping centers.

We sustained superior same property NOI growth compared to the average of our shopping center peers:

• We achieved pro-rata same property NOI growth, excluding termination fees, of 3.5% as compared to the same period in the prior year on the newly combined portfolio.

• We executed 843 leasing transactions in our shopping centers representing 2.9 million pro-rata SF of new and renewal leasing, with trailing twelve month rent spreads of 9.1% on comparable retail operating property spaces.

• At June 30, 2017, our total property portfolio was 95.0% leased, while our same property portfolio was 95.9% leased.

We developed and redeveloped high quality shopping centers at attractive returns on investment:

• We started three new developments representing a total investment of \$158.5 million upon completion, with projected weighted average returns on investment of 7.1%.

Including these new projects, a total of 29 properties were in the process of development or redevelopment, representing a combined investment upon completion of \$624 million.

We maintained a conservative balance sheet providing financial flexibility to cost effectively fund investment opportunities and debt maturities:

In January 2017, we issued \$300.0 million of 4.4% senior unsecured notes due February 1, 2047, the proceeds of which were used to redeem all of the \$250.0 million 6.625% Series 6 preferred stock and reduce the balance of the Line.

On March 1, 2017 in conjunction with the merger with Equity One, we increased the commitment amount of our line of credit (the "Line") to \$1.0 billion.

In June 2017, we issued an additional \$125.0 million of 4.4% senior unsecured notes due February 1, 2047, the proceeds of which will be used to redeem the \$75.0 million of 6.0% Series 7 preferred stock on August 23, 2017, and to repay the Line balance.

Also in June 2017, the Company issued an additional \$175.0 million of 3.6% senior unsecured public notes due in 2027, with proceeds used to retire \$112.0 million of mortgage loans with interest rates ranging from 7.0% to 7.8% on various properties, with the balance used to pay down our Line.

At June 30, 2017, our annualized net debt-to-adjusted EBITDA ratio on a pro-rata basis was 5.1x versus 4.5x at December 31, 2016.

Equity One Merger

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 approximately 65.5 million shares being issued to effect the merger. 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 representing 16.0 million SF of GLA, 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 through June 30, 2017.

Shopping Center Portfolio

The following table summarizes general information related to the Consolidated Properties in our shopping center portfolio:

(GLA in thousands)	June 30, 2017	December 31, 2016
Number of Properties	313	198
Properties in Development	8	6
GLA	39,075	23,931
% Leased – Operating and Development	94.8%	94.8%
% Leased – Operating	95.5%	96.0%
Weighted average annual effective rent per square foot ("PSF"), net of tenant concessions.	\$20.61	\$19.70

The following table summarizes general information related to the Unconsolidated Properties owned in co-investment partnerships in our shopping center portfolio:

(GLA in thousands)	June 30, 2017	December 31, 2016
Number of Properties	115	109
GLA	15,087	13,899
% Leased – Operating	96.2%	96.3%
Weighted average annual effective rent PSF, net of tenant concessions	\$20.20	\$19.25

For the purpose of the following disclosures of occupancy and leasing activity, "anchor space" is considered space greater than or equal to 10,000 SF and "shop space" is less than 10,000 SF. The following table summarizes pro-rata occupancy rates of our combined Consolidated and Unconsolidated shopping center portfolio:

	June 30, 2017	December 31, 2016
% Leased – Operating	95.7%	96.0%
Anchor space	97.8%	97.8%
Shop space	92.1%	93.1%

The decline in shop space percent leased is due to the merger with Equity One, which has lower shop space occupancy than Regency.

The following table summarizes leasing activity, including our pro-rata share of activity within the portfolio of our co-investment partnerships:

Six months ended June 30, 2017

	Leasing Transactions ^(1,3)	SF (in thousands)	Base Rent PSF ⁽²⁾	Tenant Improvements PSF ⁽²⁾	Leasing Commissions PSF ⁽²⁾
Anchor Leases					
New	18	488	\$ 18.85	\$ 5.47	\$ 3.11
Renewal	36	1007	\$ 16.28	\$ —	\$ 0.68
Total Anchor Leases ⁽¹⁾	54	1,495	\$ 17.12	\$ 1.79	\$ 1.47
Shop Space					
New	245	416	\$ 31.17	\$ 12.59	\$ 12.01
Renewal	544	942	\$ 31.31	\$ 1.00	\$ 2.85
Total Shop Space Leases ⁽¹⁾	789	1,358	\$ 31.27	\$ 4.55	\$ 5.65
Total Leases	843	2,853	\$ 23.85	\$ 3.10	\$ 3.46

Six months ended June 30, 2016

	Leasing Transactions ⁽¹⁾	SF (in thousands)	Base Rent PSF ⁽²⁾	Tenant Improvements PSF ⁽²⁾	Leasing Commissions PSF ⁽²⁾
Anchor Leases					
New	8	235	\$ 12.76	\$ 5.64	\$ 3.07
Renewal	36	885	\$ 12.12	\$ 0.51	\$ 1.43
Total Anchor Leases ⁽¹⁾	44	1,120	\$ 12.25	\$ 1.59	\$ 1.77
Shop Space					
New	209	376	\$ 28.85	\$ 13.00	\$ 13.16
Renewal	455	704	\$ 30.57	\$ 1.78	\$ 3.88
Total Shop Space Leases ⁽¹⁾	664	1,080	\$ 29.97	\$ 5.68	\$ 7.11
Total Leases	708	2,200	\$ 20.95	\$ 3.60	\$ 4.39

⁽¹⁾ Number of leasing transactions reported at 100%; all other statistics reported at pro-rata share.

(2) Totals for base rent, tenant improvements, and leasing commissions reflect the weighted average PSF.

(3) For the period ending June 30, 2017, amounts include leasing activity of properties acquired from Equity One beginning March 1, 2017.

Total average base rent on signed shop space leases during 2017 was \$31.27 and exceeds the average annual base rent of all shop space leases due to expire during the remainder of 2017 of \$28.48 PSF, by 8.9%.

Significant Tenants and Concentrations of Risk

We seek to reduce our operating and leasing risks through geographic diversification and by avoiding dependence on any single property, market, or tenant. The following table summarizes our most significant tenants, based on their percentage of annualized base rent:

	June 30, 2017		
Grocery Anchor	Number of Stores	Percentage of Company-owned GLA ⁽¹⁾	Percentage of Annualized Base Rent ⁽¹⁾
Kroger	60	6.7%	3.2%
Publix	68	6.1%	3.1%
Albertsons/Safeway	46	4.0%	2.8%
TJX Companies	56	3.2%	2.3%
Whole Foods	26	2.1%	2.2%

⁽¹⁾ Includes Regency's pro-rata share of Unconsolidated Properties and excludes those owned by anchors.

Bankruptcies and Credit Concerns

Our management team devotes significant time to researching and monitoring retail trends, consumer preferences, customer shopping behaviors, changes in retail delivery methods, and changing demographics in order to anticipate the challenges and opportunities impacting the retail industry. Certain segments of the retail industry face reductions in sales and increased bankruptcies amid stronger competition from e-commerce. A greater shift to e-commerce, large-scale retail business failures, unemployment, and tight credit markets could negatively impact consumer spending and have an adverse effect on our results of operations. We seek to mitigate these potential impacts through tenant diversification, re-tenanting weaker tenants with stronger operators, anchoring our centers with market leading grocery stores that drive foot traffic, and maintaining a presence in affluent suburbs and dense infill trade areas. As a result of our research and findings, we may reduce new leasing, suspend leasing, or curtail allowances for construction of leasehold improvements within a certain retail category or to a specific retailer in order to reduce our risk from bankruptcies and store closings.

We closely monitor the operating performance and rent collections of tenants in our shopping centers as well as those retailers experiencing significant changes to their business models as a result of reduced customer traffic in their stores and increased competition from e-commerce sales. Retailers who are unable to withstand these and other business pressures may approach us to modify their lease agreement or file for bankruptcy. Although base rent is supported by long-term lease contracts, tenants who file bankruptcy generally have the legal right to reject any or all of their leases and close related stores. In the event that a tenant with a significant number of leases in our shopping centers files bankruptcy and cancels its leases, we could experience a significant reduction in our revenues. Currently, no tenant represents more than 5% of our annual base rent on a pro-rata basis.

Of the current bankruptcies impacting our portfolio, none of the individual retailers exceed 0.1% of our annual base rent on a pro-rata basis.

Results from Operations

Comparison of the three months ended June 30, 2017 to 2016:

Results from operations for the three months ended June 30, 2017, reflect the results of our merger with Equity One on March 1, 2017.

Our revenues increased as summarized in the following table:

(in thousands)	Three months ended June 30,		
	2017	2016	Change
Minimum rent	\$ 195,992	109,945	86,047
Percentage rent	1,456	453	1,003
Recoveries from tenants	53,504	32,414	21,090
Other income	3,752	3,460	292
Management, transaction, and other fees	6,601	6,140	461
Total revenues	\$261,305	152,412	108,893

Minimum rent increased as follows:

\$1.6 million increase from rent commencing at development properties;

\$1.8 million increase from new acquisitions of operating properties;

\$4.8 million increase in minimum rent from same properties reflecting a \$3.5 million increase from rental rate growth on new and renewal leases, and a \$1.3 million increase from straight line rent related to a 2016 charge for expected early terminations; and

\$79.3 million increase from properties acquired through the Equity One merger;

reduced by \$1.5 million from the sale of operating properties.

Percentage rent increased \$1.0 million primarily as a result of properties acquired through the Equity One merger.

Recoveries from tenants represent reimbursements to us for tenants' pro-rata share of the operating, maintenance, and real estate tax expenses that we incur to operate our shopping centers. Recoveries from tenants increased as follows:

\$373,000 increase from rent commencing at development properties;

\$615,000 increase from new acquisitions of operating properties;

\$833,000 increase from same properties associated with higher recoverable costs and improvements in recovery rates; and

\$19.7 million increase from properties acquired through the Equity One merger;

reduced by \$457,000 from the sale of operating properties.

Management, transaction, and other fees increased \$461,000 primarily from investments in real estate partnerships acquired through the Equity One merger.

Changes in our operating expenses are summarized in the following table:

(in thousands)	Three months ended June 30,		
	2017	2016	Change
Depreciation and amortization	\$92,230	40,299	51,931
Operating and maintenance	36,105	23,709	12,396
General and administrative	16,746	16,350	396
Real estate taxes	28,871	16,769	12,102
Other operating expenses	6,616	2,440	4,176
Total operating expenses	\$180,568	99,567	81,001

Depreciation and amortization costs increased as follows:

- \$736,000 increase as we began depreciating costs at development properties where tenant spaces were completed and became available for occupancy;

- \$823,000 increase from new acquisitions of operating properties and corporate assets;

- \$1.0 million increase from same properties attributable to recent capital improvements and redevelopments; and

- \$49.8 million increase from properties acquired through the Equity One merger;

- reduced by \$388,000 from the sale of operating properties.

Operating and maintenance costs increased as follows:

- \$420,000 increase from operations commencing at development properties;

- \$444,000 increase from same properties primarily attributable to recoverable costs; and

- \$11.9 million increase from properties acquired through the Equity One merger and other new acquisitions of operating properties;

- reduced by \$321,000 from the sale of operating properties.

Real estate taxes increased as follows:

- \$530,000 increase from new acquisitions of operating properties and development properties where capitalization ceased as tenant spaces became available for occupancy;

- \$265,000 increase from same properties from increased tax assessments; and

- \$11.5 million increase from properties acquired through the Equity One merger;

- reduced by \$201,000 from sold properties.

Other operating expenses increased as follows:

- \$5.3 million increase from properties acquired through the Equity One merger, primarily the \$4.7 million of merger costs;

- reduced by \$1.1 million primarily due to acquisition costs incurred in the second quarter of 2016 for the acquisition of Market Common Clarendon.

The following table presents the components of other expense (income):

(in thousands)	Three months ended June 30,		
	2017	2016	Change
Interest expense, net			
Interest on notes payable	\$31,302	21,819	9,483
Interest on unsecured credit facilities	4,313	1,357	2,956
Capitalized interest	(2,033)	(793)	(1,240)
Hedge expense	2,102	2,269	(167)
Interest income	(277)	(251)	(26)
Interest expense, net	35,407	24,401	11,006
Early extinguishment of debt	12,404	—	12,404
Net investment (income) loss	(887)	(602)	(285)
(Income) loss on derivative instruments	—	—	—
Total other expense (income)	\$46,924	23,799	23,125

The \$11.0 million increase in total interest expense is due to:

\$9.5 million increase in interest on notes payable due to:

\$7.4 million of additional interest on notes payable assumed with the Equity One merger; and

\$6.5 million increase from issuances of \$650 million of new unsecured debt;

offset by \$4.4 million decrease due to the early redemption of our \$300 million notes in the third quarter of 2016;

- \$3.0 million increase in interest on unsecured credit facilities related to higher average balances including a new \$300 million term loan which closed on March 1, 2017;

offset by \$1.2 million decrease from higher capitalization of interest based on the size and progress of development and redevelopment projects in process.

During the three months ended June 30, 2017, we prepaid nine mortgages with a portion of the proceeds from our latest unsecured public debt offering, and recognized \$12.4 million of debt extinguishment costs.

Our equity in income of investments in real estate partnerships increased as follows:

(in thousands)	Regency's Ownership	Three months ended June 30,		
		2017	2016	Change
GRI - Regency, LLC (GRIR)	40.00%	\$6,805	6,341	464
New York Common Retirement Fund (NYC)	30.00%	169	—	169
Columbia Regency Retail Partners, LLC (Columbia I)	20.00%	2,743	1,881	862
Columbia Regency Partners II, LLC (Columbia II)	20.00%	365	1,393	(1,028)
Cameron Village, LLC (Cameron)	30.00%	204	173	31
RegCal, LLC (RegCal)	25.00%	329	250	79
US Regency Retail I, LLC (USAA)	20.01%	285	242	43
Other investments in real estate partnerships	20.00% - 50.00%	1,340	770	570
Total equity in income of investments in real estate partnerships		\$12,240	11,050	1,190

The \$1.2 million increase in our equity in income of investments in real estate partnerships is largely attributed to:

• GRIR had a reduction in depreciation expense related to fully depreciated assets;

• Columbia I and Other investments in real estate partnerships had an increase in 2017 gains on sale of real estate;

Columbia II had a decrease in the gains on sale of real estate as compared to 2016 sales.

The following represents the remaining components that comprised net income attributable to the common stockholders and unit holders:

(in thousands)	Three months ended June 30,		
	2017	2016	Change
Income from operations	\$45,807	40,096	5,711
Gain on sale of real estate, net of tax	4,366	548	3,818
Income attributable to noncontrolling interests	(680)	(568)	(112)
Preferred stock dividends and issuance costs	(1,125)	(5,266)	4,141
Net income attributable to common stockholders	\$48,368	34,810	13,558
Net income attributable to exchangeable operating partnership units	104	64	40
Net income attributable to common unit holders	\$48,472	34,874	13,598

During the three months ended June 30, 2017, we sold one operating property and five land parcels for gains totaling \$4.4 million, as compared to gains of \$0.5 million from the sale of one operating property and five land parcels during the three months ended June 30, 2016.

Preferred stock dividends decreased \$4.1 million due to the redemption of our \$250 million 6.625% Series 6 Preferred Stock in February 2017.

Comparison of the six months ended June 30, 2017 to 2016:

Results from operations for the six months ended June 30, 2017, reflect the results of our merger with Equity One on March 1, 2017.

Our revenues increased as summarized in the following table:

(in thousands)	Six months ended June 30,		
	2017	2016	Change
Minimum rent	\$337,232	217,619	119,613
Percentage rent	4,362	2,156	2,206
Recoveries from tenants	95,328	63,240	32,088
Other income	7,207	6,122	1,085
Management, transaction, and other fees	13,307	12,904	403
Total revenues	\$457,436	302,041	155,395

Minimum rent increased as follows:

\$3.5 million increase from rent commencing at development properties;

\$5.6 million increase from new acquisitions of operating properties;

\$8.0 million increase in minimum rent from same properties reflecting a \$5.9 million increase from rental rate growth on new and renewal leases, and a \$1.8 million increase from straight line rent related to a 2016 charge for expected early terminations; and

\$105.7 million increase from properties acquired through the Equity One merger;

reduced by \$3.1 million from the sale of operating properties.

Percentage rent increased \$2.2 million primarily as a result of properties acquired through the Equity One merger.

Recoveries from tenants represent reimbursements to us for tenants' pro-rata share of the operating, maintenance, and real estate tax expenses that we incur to operate our shopping centers. Recoveries from tenants increased as follows:

\$829,000 increase from rent commencing at development properties;
 \$1.8 million increase from new acquisitions of operating properties;
 \$3.7 million increase from same properties associated with higher recoverable costs; and
 \$26.9 million increase from properties acquired through the Equity One merger;
 reduced by \$1.1 million from the sale of operating properties.

Other income, which consists of incidental income earned at our centers, increased \$1.1 million from properties acquired through the Equity One merger.

Management, transaction, and other fees increased \$403,000 primarily from investments in real estate partnerships acquired through the Equity One merger.

Changes in our operating expenses are summarized in the following table:

(in thousands)	Six months ended		
	June 30,		
	2017	2016	Change
Depreciation and amortization	\$ 152,284	79,015	73,269
Operating and maintenance	65,868	46,394	19,474
General and administrative	34,419	32,649	1,770
Real estate taxes	50,321	32,639	17,682
Other operating expenses	78,129	4,747	73,382
Total operating expenses	\$ 381,021	195,444	185,577

Depreciation and amortization costs increased as follows:

\$1.5 million increase as we began depreciating costs at development properties where tenant spaces were completed and became available for occupancy;

\$2.9 million increase from new acquisitions of operating properties and corporate assets;

\$2.4 million increase from same properties primarily attributable redevelopments; and

\$67.6 million increase from properties acquired through the Equity One merger;

reduced by \$1.1 million from the sale of operating properties.

Operating and maintenance costs increased as follows:

\$744,000 increase from operations commencing at development properties;

\$933,000 increase from acquisitions of operating properties;

\$1.4 million increase primarily from recoverable costs at same properties; and

\$17.1 million increase from properties acquired through the Equity One merger;

reduced by \$714,000 from the sale of operating properties.

General and administrative expenses increased \$1.8 million from the following:

\$1.5 million change in the value of participant obligations within the deferred compensation plan, and a

\$3.3 million increase in general and administrative costs primarily due to the merger, including staffing and occupancy costs; offset by a

\$3.0 million increase in development overhead capitalization based on the status and size of current development projects.

Real estate taxes increased as follows:

\$280,000 increase from development properties where capitalization ceased as tenant spaces became available for occupancy;

\$1.1 million increase from acquisitions of operating properties;

\$1.3 million increase at same properties from increased tax assessments; and

\$15.4 million increase from properties acquired through the Equity One merger; reduced by \$411,000 from sold properties.

Other operating expenses increased as follows:

\$422,000 increase in corporate expenses for licenses and franchise taxes; and

\$75.3 million increase from properties acquired through the Equity One merger and merger costs;

reduced by \$1.8 million primarily due to acquisition costs incurred in the second quarter of 2016 for the acquisition of Market Common Clarendon; and

reduced by \$515,000 at same properties primarily from a environmental expenses incurred in the second quarter of 2016.

The following table presents the components of other expense (income):

(in thousands)	Six months ended		
	June 30,		
	2017	2016	Change
Interest expense, net			
Interest on notes payable	\$55,915	44,072	11,843
Interest on unsecured credit facilities	6,744	2,273	4,471
Capitalized interest	(3,290)	(1,766)	(1,524)
Hedge expense	4,204	4,499	(295)
Interest income	(967)	(534)	(433)
Interest expense, net	62,606	48,544	14,062
Provision for impairment	—	1,666	(1,666)
Early extinguishment of debt	12,404	—	12,404
Net investment (income) loss	(1,984)	(446)	(1,538)
Total other expense (income)	\$73,026	49,764	23,262

The \$14.1 million increase in total interest expense is due to:

\$11.8 million increase in interest on notes payable due to:

\$9.2 million of additional interest on notes payable assumed with the Equity One merger; and

\$11.2 million increase from issuances of \$650 million of new unsecured debt;

offset by \$8.8 million decrease due to the early redemption of our \$300 million notes in the third quarter of 2016;

\$4.5 million increase in interest on unsecured credit facilities related to higher average balances including a new \$300 million term loan which closed on March 1, 2017;

offset by \$1.5 million decrease from higher capitalization of interest based on the size and progress of development and redevelopment projects in process.

During the six months ended June 30, 2017, we prepaid nine mortgages with a portion of the proceeds from our latest unsecured public debt offering, and recognized \$12.4 million of debt extinguishment costs.

Net investment income increased \$1.5 million, driven by gains within the non-qualified deferred compensation plan during the six months ended June 30, 2017.

Our equity in income of investments in real estate partnerships decreased as follows:

(in thousands)	Ownership	Six months ended June 30,		
		2017	2016	Change
GRI - Regency, LLC (GRIR)	40.00%	\$13,874	17,113	(3,239)
New York Common Retirement Fund (NYC)	30.00%	234	—	234
Columbia Regency Retail Partners, LLC (Columbia I)	20.00%	3,060	2,243	817
Columbia Regency Partners II, LLC (Columbia II)	20.00%	740	1,870	(1,130)
Cameron Village, LLC (Cameron)	30.00%	462	337	125
RegCal, LLC (RegCal)	25.00%	679	479	200
US Regency Retail I, LLC (USAA)	20.01%	652	512	140
Other investments in real estate partnerships	20.00% - 50.00%	1,882	1,417	465
Total equity in income of investments in real estate partnerships		\$21,583	23,971	(2,388)

The \$2.4 million decrease in our equity in income of investments in real estate partnerships is largely attributed to:

• GRIR had a decrease in the gain on sale of real estate as compared to 2016 sales offset by a reduction in depreciation expense from fully depreciated assets;

• Columbia I and Other investments in real estate partnerships had an increase in gain on sale of real estate; and

• Columbia II had a decrease in gains on sale of real estate as compared to 2016 sales of real estate.

The following represents the remaining components that comprise net income attributable to the common stockholders and unit holders:

(in thousands)	Six months ended June 30,		
	2017	2016	Change
Income from operations	\$24,676	80,804	(56,128)
Gain on sale of real estate, net of tax	4,781	13,417	(8,636)
Income attributable to noncontrolling interests	(1,332)	(1,003)	(329)
Preferred stock dividends and issuance costs	(12,981)	(10,531)	(2,450)
Net income attributable to common stockholders	\$15,144	82,687	(67,543)
Net income attributable to exchangeable operating partnership units	85	150	(65)
Net income attributable to common unit holders	\$15,229	82,837	(67,608)

During the six months ended June 30, 2017, we sold one operating properties and seven land parcels resulting in gains of \$4.8 million, compared to gains of \$13.4 million from the sale of four operating properties and ten land parcels during the same period in 2016.

Preferred stock dividends and issuance costs increased \$2.5 million due to the redemption of our \$250 million 6.625% Series 6 Preferred Stock in February 2017 and writing off the original issuance costs.

Supplemental Earnings Information

We use certain non-GAAP performance measures, in addition to certain performance metrics determined under GAAP, as we believe these measures improve the understanding of the Company's operating results. We manage our entire real estate portfolio without regard to ownership structure, although certain decisions impacting properties owned through partnerships require partner approval. Therefore, we believe presenting our pro-rata share of operating results regardless of ownership structure, along with other non-GAAP measures, may assist in comparing the Company's operating results to other REITs'. We continually evaluate 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. See "Defined Terms" at the beginning of this Management's Discussion and Analysis.

Pro-Rata Same Property NOI:

For purposes of evaluating same property NOI on a comparative basis, and in light of the merger with Equity One on March 1, 2017, we are presenting our same property NOI on a pro forma basis as if the merger had occurred January 1, 2016. This perspective allows us to evaluate same property NOI growth over a comparable period. The pro forma same property NOI is not necessarily indicative of what the actual same property NOI and growth would have been if the merger had occurred on January 1, 2016, nor does it purport to represent the same property NOI and growth for future periods.

Our pro-rata same property NOI, as adjusted, excluding termination fees, grew from the following major components:

(in thousands)	Three months ended June 30,			Six months ended June 30,		
	2017	2016	Change	2017	2016	Change
Base rent ⁽¹⁾	\$196,532	190,286	6,246	\$391,113	378,531	12,582
Percentage rent ⁽¹⁾	1,395	1,527	(132)	6,024	6,329	(305)
Recovery revenue ⁽¹⁾	58,894	58,015	879	119,997	115,435	4,562
Other income ⁽¹⁾	2,752	3,962	(1,210)	6,094	7,633	(1,539)
Operating expenses ⁽¹⁾	70,736	70,801	(65)	145,041	141,716	3,325
Pro-rata same property NOI, as adjusted	\$188,837	182,989	5,848	\$378,187	366,212	11,975
Less: Termination fees ⁽¹⁾	24	103	(79)	259	901	(642)
Pro-rata same property NOI, as adjusted, excluding termination fees	\$188,813	182,886	5,927	\$377,928	365,311	12,617
Pro-rata same property NOI growth, as adjusted			3.2 %			3.5 %

⁽¹⁾ Adjusted for Equity One operating results prior to the merger for these periods. For additional information and details about the Equity One operating results included herein, refer to the Same Property NOI Reconciliation at the end of the Supplemental Earnings section.

Base rent increased \$6.2 million and \$12.6 million during the three and six months ended June 30, 2017, respectively, driven by increases in rental rate growth on new and renewal leases and contractual rent steps from anchor leases, minimally offset by a slight decrease in occupancy.

Recovery revenue increased \$4.6 million during the six months ended June 30, 2017, as a result of increases in recoverable costs, as noted below, and improvements in recovery rates.

Other income decreased \$1.2 million and \$1.5 million during the three and six months ended June 30, 2017, due to the timing of lease termination fees, easement sales, and settlements.

Operating expenses increased \$3.3 million during the six months ended June 30, 2017, primarily due to higher real estate taxes.

Same Property Rollforward:

Our same property pool includes the following property count, pro-rata GLA, and changes therein:

(GLA in thousands)	Three months ended June 30,			
	2017		2016	
	Property Count	GLA	Property Count	GLA
Beginning same property count	402	41,120	302	27,057
Disposed properties	(2)	(57)	(4)	(105)
SF adjustments ⁽¹⁾	—	13	—	12
Ending same property count	400	41,076	298	26,964

(GLA in thousands)	Six months ended June 30,			
	2017		2016	
	Property Count	GLA	Property Count	GLA
Beginning same property count	289	26,392	300	26,508
Acquired properties owned for entirety of comparable periods	1	180	6	443
Developments that reached completion by beginning of earliest comparable period presented	2	330	2	342
Disposed properties	(2)	(57)	(10)	(365)
SF adjustments ⁽¹⁾	—	50	—	36
Properties acquired through Equity One merger	110	14,181	—	—
Ending same property count	400	41,076	298	26,964

⁽¹⁾ SF adjustments arise from remeasurements or redevelopments.

NAREIT FFO and Core FFO:

Our reconciliation of net income attributable to common stock and unit holders to NAREIT FFO and Core FFO is as follows:

(in thousands, except share information)	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Reconciliation of Net income to NAREIT FFO				
Net income attributable to common stockholders	\$48,368	34,810	\$15,144	82,687
Adjustments to reconcile to NAREIT FFO: ⁽¹⁾				
Depreciation and amortization (excluding FF&E)	100,144	48,130	167,589	95,545
Provision for impairment to operating properties	—	—	—	659
Gain on sale of operating properties, net of tax	(5,054)	(3,308)	(5,065)	(14,948)
Exchangeable operating partnership units	104	64	85	150
NAREIT FFO attributable to common stock and unit holders	\$143,562	79,696	\$177,753	164,093
Reconciliation of NAREIT FFO to Core FFO				
NAREIT FFO attributable to common stock and unit holders	\$143,562	79,696	\$177,753	164,093
Adjustments to reconcile to Core FFO: ⁽¹⁾				
Development pursuit costs	(74)	395	318	620
Acquisition pursuit and closing costs	110	1,056	137	1,813
Merger related costs	4,676	—	74,408	—
Gain on sale of land	(2,446)	(148)	(2,850)	(7,258)
Provision for impairment to land	—	—	—	512
Loss on derivative instruments and hedge ineffectiveness	(6)	1	(14)	3
Early extinguishment of debt	12,404	14	12,404	14
Preferred redemption charge	—	—	9,369	—
Debt offering interest for merger	—	—	975	—
Core FFO attributable to common stock and unit holders	\$158,226	81,014	\$272,500	159,797

⁽¹⁾ Includes Regency's pro-rata share of unconsolidated investment partnerships, net of pro-rata share attributable to noncontrolling interests.

Same Property NOI Reconciliation:

Our reconciliation of property revenues and property expenses to Same Property NOI, on a pro-rata basis, is as follows:

(in thousands)	Three months ended June 30,			2016		
	2017 Same Property	Other ⁽¹⁾	Total	Same Property	Other ⁽¹⁾	Total
Net income attributable to common stockholders	\$ 121,612	(73,244)	48,368	\$ 65,759	(30,949)	34,810
Less:						
Management, transaction, and other fees	—	6,601	6,601	—	6,140	6,140
Gain on sale of real estate, net of tax	—	4,366	4,366	—	548	548
Other ⁽²⁾	4,461	10,603	15,064	644	2,940	3,584
Plus:						
Depreciation and amortization	37,796	54,434	92,230	37,275	3,024	40,299
General and administrative	—	16,746	16,746	—	16,350	16,350
Other operating expense, excluding provision for doubtful accounts	84	5,613	5,697	300	1,645	1,945
Other expense (income)	21,986	24,938	46,924	6,777	17,022	23,799
Equity in income (loss) of investments in real estate excluded from NOI ⁽³⁾	11,820	557	12,377	11,192	816	12,008
Net income attributable to noncontrolling interests	—	680	680	—	568	568
Preferred stock dividends and issuance costs	—	1,125	1,125	—	5,266	5,266
NOI from Equity One prior to merger ⁽⁴⁾	—	—	—	62,330	—	62,330
Pro-rata NOI, as adjusted	\$ 188,837	9,279	198,116	\$ 182,989	4,114	187,103

(in thousands)	Six months ended June 30,			2016		
	2017 Same Property	Other ⁽¹⁾	Total	Same Property	Other ⁽¹⁾	Total
Net income attributable to common stockholders	\$ 211,295	(196,151)	15,144	\$ 134,846	(52,159)	82,687
Less:						
Management, transaction, and other fees	—	13,307	13,307	—	12,904	12,904
Gain on sale of real estate, net of tax	—	4,781	4,781	—	13,417	13,417
Other ⁽²⁾	7,630	15,632	23,262	2,841	4,651	7,492
Plus:						
Depreciation and amortization	75,444	76,840	152,284	73,519	5,496	79,015
General and administrative	—	34,419	34,419	—	32,649	32,649
Other operating expense, excluding provision for doubtful accounts	365	76,278	76,643	896	2,950	3,846
Other expense (income)	30,062	42,964	73,026	14,322	35,442	49,764
Equity in income (loss) of investments in real estate excluded from NOI ⁽³⁾	25,646	1,064	26,710	19,962	1,835	21,797
Net income attributable to noncontrolling interests	—	1,332	1,332	—	1,003	1,003
Preferred stock dividends and issuance costs	—	12,981	12,981	—	10,531	10,531
NOI from Equity One prior to merger ⁽⁴⁾	43,005	—	43,005	125,508	—	125,508
Pro-rata NOI, as adjusted	\$ 378,187	16,007	394,194	\$ 366,212	6,775	372,987

⁽¹⁾ Includes revenues and expenses attributable to non-same property, sold property, development property, and corporate activities.

(2) Includes straight-line rental income and expense, net of reserves, above and below market rent amortization, other fees, and noncontrolling interest.

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(3) Includes non-NOI expenses incurred at our unconsolidated real estate partnerships, including those separated out above for our consolidated properties.

(4) NOI from Equity One prior to the merger was derived from the accounting records of Equity One without adjustment. Equity One's financial information for the two month period ended February 28, 2017 and the three and six month periods ended June 30, 2016 was subject to a limited internal review by Regency. Following is Same Property NOI detail for the non-ownership periods of Equity One:

(in thousands)	Two Months Ended February 2017	Three Months Ended June 2016	Six Months Ended June 2016
Base rent	\$44,593	\$65,481	129,647
Percentage rent	1,151	643	3,203
Recovery revenue	14,175	20,226	40,980
Other income	615	847	1,819
Operating expenses	17,529	24,867	50,141
Pro-rata same property NOI, as adjusted ⁽¹⁾	\$43,005	\$62,330	125,508
Less: Termination fees	30	18	72
Pro-rata same property NOI, as adjusted, excluding termination fees	\$42,975	\$62,312	125,436

Liquidity and Capital Resources

General

We use cash flows generated from operating, investing, and financing activities to strengthen our balance sheet, finance our development and redevelopment projects, fund our investment activities, and maintain financial flexibility. We continuously monitor the capital markets and evaluate our ability to issue new debt or equity to repay maturing debt or fund our capital commitments.

Except for the \$500 million of unsecured public and private placement debt assumed with the Equity One merger on March 1, 2017, our Parent Company has no capital commitments other than its guarantees of the commitments of our Operating Partnership. All remaining debt is held by our Operating Partnership or by our co-investment partnerships. The Operating Partnership is a co-issuer and a guarantor on the outstanding debt of our Parent Company. The Parent Company will from time to time access the capital markets for the purpose of issuing new equity and will simultaneously contribute all of the offering proceeds to the Operating Partnership in exchange for additional partnership units. Based upon our available sources of capital, our current credit ratings, and the number of high quality, unencumbered properties we own, we believe our available capital resources are sufficient to meet our expected capital needs.

In addition to its \$97.3 million cash balance, the Company has the following additional sources of capital available:

(in thousands)	June 30, 2017
ATM equity program	
Original offering amount	\$ 500,000
Available capacity	\$ 500,000
Forward Equity Offering	
Original offering amount	\$ 233,300
Available equity offering to settle ⁽¹⁾	\$ 94,063
Line of Credit	
Total commitment amount	\$ 1,000,000
Available capacity ⁽²⁾	\$ 994,100
Maturity ⁽³⁾	May 13, 2019

⁽¹⁾ We have 1.25 million shares to settle prior to December 27, 2017 at an offering price of \$75.25 per share before any underwriting discount and offering expenses.

⁽²⁾ Net of letters of credit.

⁽³⁾ The Company has the option to extend the maturity for two additional six-month periods.

We operate our business such that we expect net cash provided by operating activities will provide the necessary funds to pay our distributions to our common and preferred share and unit holders, which were \$147.6 million and \$107.7 million for the six months ended June 30, 2017 and 2016, respectively. Our dividend distribution policy is set by our Board of Directors, who monitors our financial position. Our Board of Directors recently declared our common stock dividend of \$0.53 per share, payable on August 30, 2017. Future dividends will be declared at the discretion of our Board of Directors and will be subject to capital requirements and availability. We plan to continue paying an aggregate amount of distributions to our stock and unit holders that, at a minimum, meet the requirements to continue qualifying as a REIT for Federal income tax purposes.

During the next twelve months, we estimate that we will require approximately \$303.1 million of cash, including \$266.5 million to complete in-process developments and redevelopments, and \$36.5 million to repay maturing debt. If we start new developments, redevelop additional shopping centers, or commit to new acquisitions, our cash requirements will increase. If we refinance maturing debt, our cash requirements will decrease. To meet our cash requirements, we may utilize cash generated from operations, proceeds from the sale of real estate, available borrowings from our Line, and when the capital markets are favorable, proceeds from the sale of equity and the issuance of new long-term debt.

We endeavor to maintain a high percentage of unencumbered assets. At June 30, 2017, 86.5% of our wholly-owned real estate assets were unencumbered. Such assets allow us to access the secured and unsecured debt markets and to maintain availability on the Line. Our annualized coverage ratio, including our pro-rata share of our partnerships, was 4.3 times and 3.3 times for the periods ended June 30, 2017 and December 31, 2016, respectively.

Our Line, term loans, and unsecured notes require that we remain in compliance with various covenants, which are described in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2016. The debt assumed and issued in conjunction with the Equity One merger contain covenants that are consistent with our existing debt covenants. We are in compliance with these covenants at June 30, 2017 and expect to remain in compliance.

Subsequent to June 30, 2017, we successfully solicited consents from over 96% of the holders of our \$300.0 million aggregate principal amount of 3.75% senior unsecured public notes to amend certain provisions of the indenture governing the notes which terminated guarantees provided by certain subsidiaries of the Operating Partnership. The amendments to the indenture became effective on July 28, 2017, upon payment of the consent fee of \$1.50 per \$1,000 principal amount of the unsecured public notes for which consents were delivered.

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Summary of Cash Flow Activity

The following table summarizes net cash flows related to operating, investing, and financing activities of the Company:

(in thousands)	Six months ended		
	June 30,		
	2017	2016	Change
Net cash provided by operating activities	\$ 175,842	151,297	24,545
Net cash used in investing activities	(769,769)	(316,024)	(453,745)
Net cash provided by financing activities	677,937	152,810	525,127
Net increase (decrease) in cash and cash equivalents	\$ 84,010	(11,917)	95,927
Total cash and cash equivalents	\$ 97,266	24,939	72,327

Net cash provided by operating activities:

Net cash provided by operating activities increased \$24.5 million due to:

\$28.3 million increase in cash from operating income; offset by

\$3.9 million net decrease in cash due to timing of cash receipts and payments related to operating activities.

Net cash used in investing activities:

Net cash used in investing activities increased by \$453.7 million as follows:

(in thousands)	Six months ended		
	June 30,		
	2017	2016	Change
Cash flows from investing activities:			
Acquisition of operating real estate	\$(345)	(297,448)	297,103
Advance deposits paid on acquisition of operating real estate	(100)	(1,500)	1,400
Acquisition of Equity One, net of cash acquired of \$72,534	(648,957)	—	(648,957)
Real estate development and capital improvements	(161,574)	(75,320)	(86,254)
Proceeds from sale of real estate investments	15,344	36,751	(21,407)
Issuance of notes receivable	(2,837)	—	(2,837)
Investments in real estate partnerships	(3,064)	(3,823)	759
Distributions received from investments in real estate partnerships	30,612	25,746	4,866
Dividends on investment securities	128	137	(9)
Acquisition of securities	(9,853)	(46,306)	36,453
Proceeds from sale of securities	10,877	45,739	(34,862)
Net cash used in investing activities	\$(769,769)	(316,024)	(453,745)

Significant changes in investing activities include:

• We did not acquire any operating properties, other than those included in the merger, during 2017 compared to \$297.4 million for two operating property in the same period in 2016.

• We issued 65.5 million common shares to the shareholders of Equity One valued at \$4.5 billion in a stock for stock exchange and merged Equity One into the Company on March 1, 2017. As part of the merger, we paid \$649.0 million, net of cash acquired, to repay Equity One credit facilities not assumed with the merger.

• We invested \$86.3 million more in 2017 than the same period in 2016 on real estate development and capital improvements, as further detailed in a table below.

• We received proceeds of \$15.3 million from the sale of seven land parcels and one operating property in 2017, compared to \$36.8 million for four shopping centers and ten land parcels in the same period in 2016.

• We invested \$3.1 million in our real estate partnerships during 2017 to fund our share of redevelopment activity, compared to \$3.8 million for our share of maturing mortgage debt and redevelopment activity during the same period in 2016.

Distributions from our unconsolidated real estate partnerships include return of capital from sales or financing proceeds. The \$30.6 million received in 2017 is driven by the sale of two operating properties and one land parcel plus our share of financing proceeds from encumbering certain operating properties within one partnership. During the same period in 2016, we received \$25.7 million from the sale of six shopping centers within the partnerships. Acquisition of securities and proceeds from sale of securities pertain to equity and debt securities held by our captive insurance company and our deferred compensation plan.

We plan to continue developing and redeveloping shopping centers for long-term investment. We deployed capital of \$161.6 million for the development, redevelopment, and improvement of our real estate properties, comprised of the following:

(in thousands)	Six months ended June 30,		
	2017	2016	Change
Capital expenditures:			
Land acquisitions for development / redevelopment	\$22,748	—	22,748
Building and tenant improvements	19,458	13,068	6,390
Redevelopment costs	65,463	20,529	44,934
Development costs	41,611	32,883	8,728
Capitalized interest	3,290	1,766	1,524
Capitalized direct compensation	9,004	7,074	1,930
Real estate development and capital improvements	\$161,574	75,320	86,254

During 2017 we acquired two land parcels for new development projects.

Redevelopment expenditures are higher in 2017 due to the timing, magnitude, and number of projects currently in process at existing centers and in process projects acquired from Equity One. We intend to continuously improve our portfolio of shopping centers through redevelopment which can include adjacent land acquisition, existing building expansion, new out-parcel building construction, and tenant improvement costs. The size and magnitude of each redevelopment project varies with each redevelopment plan.

Development expenditures are higher in 2017 due to the progress towards completion of our development projects currently in process. At June 30, 2017 and December 31, 2016, we had eight and six development projects, respectively, that were either under construction or in lease up. See the tables below for more details about our development projects.

Interest is capitalized on our development and redevelopment projects and is based on cumulative actual development costs expended. We cease interest capitalization when the property is no longer being developed or is available for occupancy upon substantial completion of tenant improvements, but in no event would we capitalize interest on the project beyond 12 months after the anchor opens for business.

We have a staff of employees who directly support our development and redevelopment programs. Internal compensation costs directly attributable to these activities are capitalized as part of each project. Changes in the level of future development and redevelopment activity could adversely impact results of operations by reducing the amount of internal costs for development and redevelopment projects that may be capitalized. A 10% reduction in development and redevelopment activity without a corresponding reduction in development related compensation costs could result in an additional charge to net income of \$1.6 million per year.

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The following table summarizes our development projects (in thousands, except cost PSF):

Property Name	Market	Start Date	Estimated /Actual Anchor Opening	June 30, 2017		GLA	Cost PSF of GLA (1)
				Estimated Net Development Costs (1)	% of Costs Incurred (1)		
Northgate Marketplace Ph II	Medford, OR	Q4-15	Oct-16	40,700	95%	177	230
The Market at Springwoods Village (2)	Houston, TX	Q1-16	May-17	27,598	62%	89	310
The Village at Tustin Legacy	Los Angeles, CA	Q3-16	Oct-17	37,822	69%	112	338
Chimney Rock Crossing	New York, NY	Q4-16	May-18	71,175	47%	218	326
The Village at Riverstone	Houston, TX	Q4-16	Aug-18	30,638	44%	165	186
The Field at Commonwealth	Metro DC	Q1-17	June-18	44,677	40%	187	239
Pinecrest Place (3)	Miami, FL	Q1-17	Mar-18	16,427	9%	70	235
Mellody Farm	Chicago, IL	Q2-17	Oct-18	97,399	25%	252	387
Total				\$ 366,436	47%	1,270	\$ 289

(1) Includes leasing costs and is net of tenant reimbursements.

(2) Estimated Net Development Costs are reported at full project cost. Our ownership interest in this consolidated property is 53%. Anchor rent commencement date is May-2017. Expected Anchor opening date is Oct-2017.

(3) Estimated Net Development Costs for Pinecrest Place excludes the cost of land, which the Company has leased long term.

The following table summarizes our completed development projects (in thousands, except cost PSF):

Six months ended June 30, 2017

Property Name	Location	Completion Date	Net Development Costs (1)	GLA	Cost PSF of GLA (1)
Willow Oaks Crossing	Charlotte, NC	Q1-17	\$ 13,991	69	\$ 203

(1) Includes leasing costs and is net of tenant reimbursements.

Net cash provided by financing activities:

Net cash flows generated from financing activities increased by \$525.1 million during 2017, as follows:

(in thousands)	Six months ended June 30,		Change
	2017	2016	
Cash flows from financing activities:			
Equity issuances	\$ —	149,788	(149,788)
Repurchase of common shares in conjunction with equity award plans	(18,998)	(7,984)	(11,014)

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Preferred stock redemption	(250,000)	—	(250,000)
Distributions to limited partners in consolidated partnerships, net	(5,891)	(2,214)	(3,677)
Dividend payments	(147,574)	(107,746)	(39,828)
Unsecured credit facilities	285,000	145,000	140,000
Proceeds from debt issuance	1,077,203	20,000	1,057,203
Debt repayment	(250,047)	(44,646)	(205,401)
Payment of loan costs	(11,832)	(292)	(11,540)
Proceeds from sale of treasury stock, net	76	904	(828)
Net cash provided by financing activities	\$ 677,937	\$ 152,810	\$ 525,127

Significant financing activities during the six months ended June 30, 2017 and 2016 include the following:

We raised \$149.8 million during 2016 by issuing 182,787 shares of common stock through our ATM program at an average price of \$68.85 per share resulting in net proceeds of \$12.3 million, and by settling 1,850,000 shares under our forward equity offering at an average price of \$74.32 per share resulting in proceeds of \$137.5 million.

We repurchased for cash a portion of the common stock related to stock based compensation to satisfy employee federal and state tax withholding requirements. The repurchases increased \$11.0 million in 2017 due to the vesting of Equity One's stock based compensation program as a result of the merger.

We redeemed all of the issued and outstanding shares of \$250.0 million 6.625% Series 6 cumulative redeemable preferred stock on February 16, 2017.

Distributions to limited partners in consolidated partnerships, net increased \$3.7 million from a distribution of financing proceeds to a partner during May 2017.

As a result of the common shares issued during 2016 and common shares issued as merger consideration during 2017, combined with an increase in our quarterly dividend rate over the comparable periods, our dividend payments increased \$39.8 million.

We received \$300.0 million in proceeds upon closing a new term loan and used the funds to repay a \$300.0 million Equity One term loan that became due upon merger. We also repaid the outstanding \$15.0 million balance on our Line with proceeds from the June senior unsecured notes discussed below.

The \$1.1 billion of proceeds in 2017 related to the following activity:

In January and June, we issued \$650.0 million and \$300.0 million of senior unsecured public notes, respectively. The notes are in two tranches of which \$425.0 million is due in 2047 and \$525.0 million is due in 2027. The January proceeds of \$648.0 million were used to redeem all of our \$250.0 million Series 6 preferred stock and to repay Equity One's \$250.0 million term loan and Equity One's outstanding Line balance upon the effective date of the merger.

A portion of the June proceeds of \$305.1 million was used to retire approximately \$112.0 million of loans secured by mortgages with interest rates ranging from 7.0% to 7.8% on various properties and to reduce the outstanding balance on the Line. We intend to use the remainder of the proceeds to redeem all of our \$75.0 million Series 7 preferred stock in August and for general corporate purposes.

We received proceeds of \$122.5 million from mortgage loans and \$1.6 million from development construction draws, all within consolidated real estate partnerships.

We paid \$250.0 million to repay or refinance mortgage loans and pay scheduled principal payments as compared to \$44.6 million in 2016.

In connection with the new debt issued above, including expanding our Line commitment, we incurred \$11.8 million of loan costs.

Investments in Real Estate Partnerships

The following table is a summary of the unconsolidated combined assets and liabilities of these co-investment partnerships and our pro-rata share:

(dollars in thousands)	Combined		Regency's Share ⁽¹⁾	
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
Number of Co-investment Partnerships	12	11		
Regency's Ownership	20%-50%	20%-50%		
Number of Properties	115	109		
Assets	\$2,905,230	2,608,742	\$1,003,851	878,977
Liabilities	1,668,624	1,404,588	569,165	473,255
Equity	1,236,606	1,204,154	434,686	405,722
less: Negative investment in US Regency Retail I, LLC ⁽²⁾			\$8,376	—
add: Basis difference			44,143	1,382
add: Restricted Gain Method deferral			(30,902) (30,902
less: Impairment of investment in real estate partnerships			(1,300) (1,300
less: Net book equity in excess of purchase price			(78,203) (78,203
Investments in real estate partnerships			\$376,800	296,699

⁽¹⁾ Pro-rata financial information is not, and is not intended to be, a presentation in accordance with GAAP. However, management believes that providing such information is useful to investors in assessing the impact of its investments in real estate partnership activities on our operations, which includes such items on a single line presentation under the equity method in our consolidated financial statements.

⁽²⁾ During the first quarter of 2017, the USAA partnership distributed proceeds from debt refinancing in excess of Regency's carrying value of its investment resulting in a negative investment balance, which is recorded within Accounts payable and other liabilities in the Consolidated Balance Sheets.

Our equity method investments in real estate partnerships consist of the following:

(in thousands)	Regency's Ownership	June 30, 2017	December 31, 2016
GRI - Regency, LLC (GRIR)	40.00%	\$198,995	201,240
New York Common Retirement Fund (NYC) ⁽¹⁾	30.00%	57,726	—
Columbia Regency Retail Partners, LLC (Columbia I)	20.00%	7,488	9,687
Columbia Regency Partners II, LLC (Columbia II)	20.00%	13,960	14,750
Cameron Village, LLC (Cameron)	30.00%	12,129	11,877
RegCal, LLC (RegCal)	25.00%	21,022	21,516
US Regency Retail I, LLC (USAA) ⁽²⁾	20.01%	—	13,176
Other investments in real estate partnerships ⁽¹⁾	20.00% - 50.00%	65,480	24,453
Total investment in real estate partnerships		\$376,800	296,699

⁽¹⁾ Includes investments in real estate partnerships acquired as part of the Equity One merger, which was effective on March 1, 2017.

⁽²⁾ During the first quarter of 2017, the USAA partnership distributed proceeds from debt refinancing in excess of Regency's carrying value of its investment resulting in a negative investment balance of \$8.4 million, which is recorded within Accounts payable and other liabilities in the Consolidated Balance Sheets.

Notes Payable - Investments in Real Estate Partnerships

Scheduled principal repayments on notes payable held by our investments in real estate partnerships were as follows:
(in thousands)

Scheduled Principal Payments and Maturities by Year:	June 30, 2017			Total	Regency's Pro-Rata Share
	Scheduled Mortgage Principal Payments	Unsecured Loan Maturities	Unsecured Maturities		
2017	\$10,016	—	19,635	29,651	7,559
2018	21,059	67,022	—	88,081	28,422
2019	19,852	73,259	—	93,111	24,448
2020	16,823	222,199	—	239,022	86,167
2021	10,818	269,942	—	280,760	100,402
Beyond 5 Years	10,580	819,000	—	829,580	286,440
Net unamortized loan costs, debt premium / (discount)	—	(10,898)	—	(10,898)	(3,512)
Total	\$89,148	1,440,524	19,635	1,549,307	529,926

At June 30, 2017, our investments in real estate partnerships had notes payable of \$1.5 billion maturing through 2031, of which 98.7% had a weighted average fixed interest rate of 4.7%. The remaining notes payable float over LIBOR and had a weighted average variable interest rate of 2.7%. These notes payable are all non-recourse, and our pro-rata share was \$529.9 million as of June 30, 2017. As notes payable mature, we expect they will be repaid from proceeds from new borrowings and/or partner capital contributions. We are obligated to contribute our pro-rata share to fund maturities if they are not refinanced. We believe that our partners are financially sound and have sufficient capital or access thereto to fund future capital requirements. In the event that a co-investment partner was unable to fund its share of the capital requirements of the co-investment partnership, we would have the right, but not the obligation, to loan the defaulting partner the amount of its capital call.

Management fee income

In addition to earning our pro-rata share of net income or loss in each of these co-investment partnerships, we receive fees, as shown below:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Asset management, property management, leasing, and investment and financing services	\$6,318	5,981	12,851	12,594

Recent Accounting Pronouncements

See note 1 to Consolidated Financial Statements.

Environmental Matters

We are subject to numerous environmental laws and regulations as they apply to our shopping centers pertaining to chemicals used by the dry cleaning industry, the existence of asbestos in older shopping centers, and underground petroleum storage tanks. We believe that the tenants who currently operate dry cleaning plants or gas stations do so in accordance with current laws and regulations. Generally, we use all legal means to cause tenants to remove dry cleaning plants from our shopping centers or convert them to more environmentally friendly systems. Where available, we have applied and been accepted into state-sponsored environmental programs. We have a blanket environmental insurance policy for third-party liabilities and remediation costs on shopping centers that currently have no known environmental contamination. We have also placed environmental insurance, where possible, on specific properties with known contamination, in order to mitigate our environmental risk. We monitor the shopping centers containing environmental issues and in certain cases voluntarily remediate the sites. We also have legal obligations to remediate certain sites and we are in the process of doing so.

As of June 30, 2017 we and our Investments in real estate partnerships had accrued liabilities of \$10.7 million for our pro-rata share of environmental remediation. We believe that the ultimate disposition of currently known environmental matters will not have a material effect on our financial position, liquidity, or results of operations; however, we can give no assurance that existing environmental studies on our shopping centers have revealed all potential environmental contaminants and liabilities; that any previous owner, occupant or tenant did not create any material environmental condition not known to us; that the current environmental condition of the shopping centers will not be affected by tenants and occupants, by the condition of nearby properties, or by unrelated third parties; or that changes in applicable environmental laws and regulations or their interpretation will not result in additional environmental liability to us.

Inflation/Deflation

Inflation has been historically low and has had a minimal impact on the operating performance of our shopping centers; however, inflation may become a greater concern in the near future. Substantially all of our long-term leases contain provisions designed to mitigate the adverse impact of inflation. Most of our leases require tenants to pay their pro-rata share of operating expenses, including common-area maintenance, real estate taxes, insurance and utilities, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation. In addition, many of our leases are for terms of less than ten years, which permits us to seek increased rents upon re-rental at market rates. However, during deflationary periods or periods of economic weakness, minimum rents and percentage rents typically decline as the supply of available retail space exceeds demand and consumer spending declines. Occupancy declines resulting from a weak economic period will also likely result in lower recovery rates of our operating expenses.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes from the quantitative and qualitative disclosures about market risk disclosed in item 7A of Part II of our Form 10-K for the year ended December 31, 2016.

Item 4. Controls and Procedures

Controls and Procedures (Regency Centers Corporation)

Under the supervision and with the participation of the Parent Company's management, including its chief executive officer and chief financial officer, the Parent Company conducted an evaluation of its disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, the Parent Company's chief executive officer and chief financial officer concluded that its disclosure controls and procedures were effective as of the end of the period covered by this quarterly report on Form 10-Q to ensure information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms. These disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by the Parent Company in the reports it files or submits is accumulated and communicated to management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

On March 1, 2017, we completed the Merger with Equity One, whereby Equity One merged with and into the Parent Company with the Parent Company continuing as the surviving corporation. As permitted by SEC guidance for newly acquired businesses, we excluded Equity One from our assessment of internal control over financial reporting, which represented total assets acquired of \$6.7 billion (approximately 60% of Company's Total assets) as of June 30, 2017. We are in the process of integrating Equity One's operations into our internal control structure. None of these integration activities are expected to have a material impact on our system of internal control over financial reporting. There have been no changes in the Parent Company's internal controls over financial reporting identified in connection with this evaluation that occurred during the second quarter of 2017 and that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Controls and Procedures (Regency Centers, L.P.)

Under the supervision and with the participation of the Operating Partnership's management, including the chief executive officer and chief financial officer of its general partner, the Operating Partnership conducted an evaluation of its disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and 15d-15(e) promulgated under the Exchange Act. Based on this evaluation, the chief executive officer and chief financial officer of its general partner concluded that its disclosure controls and procedures were effective as of the end of the period covered by this quarterly report on Form 10-Q to ensure information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms. These disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by the Operating Partnership in the reports it files or submits is accumulated and communicated to management, including the chief executive officer and chief financial officer of its general partner, as appropriate, to allow timely decisions regarding required disclosure.

On March 1, 2017, we completed the Merger with Equity One, whereby Equity One merged with and into the Parent Company with the Parent Company continuing as the surviving corporation. As permitted by SEC guidance for newly acquired businesses, we excluded Equity One from our assessment of internal control over financial reporting, which represented total assets of \$6.7 billion (approximately 60% of Company's Total assets) as of June 30, 2017. We are in the process of integrating Equity One's operations into our internal control structure. None of these integration activities are expected to have a material impact on our system of internal control over financial reporting. There have been no changes in the Operating Partnership's internal controls over financial reporting identified in connection with this evaluation that occurred during the second quarter of 2017 and that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are a party to various legal proceedings that arise in the ordinary course of our business. We are not currently involved in any litigation nor to our knowledge, is any litigation threatened against us, the outcome of which would, in our judgment based on information currently available to us, have a material adverse effect on our financial position or results of operations.

After the announcement of the merger agreement on November 14, 2016, a putative class action was filed on behalf of a purported stockholder in the Circuit Court for Duval County, Florida, under the following caption: Robert Garfield on Behalf of Himself and All Others Similarly Situated vs. Regency Centers Corporation, Martin E. Stein, Jr., John C. Schweitzer, Raymond L. Bank, Bryce Blair, C. Ronald Blankenship, J. Dix Druce, Jr., Mary Lou Fiala, David P. O'Connor, and Thomas G. Wattles, No. 16-2017-CA-000688-XXXX-MA, filed February 3, 2017.

The class action alleged, among other matters, that the definitive joint proxy statement/prospectus filed by Regency and Equity One with the Securities and Exchange Commission (the "SEC") on January 24, 2017 (the "Joint Proxy Statement/Prospectus") omitted certain material information in connection with the Merger. The complainant sought various remedies, including injunctive relief to prevent the consummation of the Merger unless certain allegedly material information was disclosed and sought compensatory and rescissory damages in the event the Merger was consummated without such disclosures.

On February 17, 2017, the defendants entered into a stipulation of settlement with respect to the class action, pursuant to which the parties agreed, among other things, that Regency would make certain supplemental disclosures. The supplemental disclosures were made by Regency in the Current Report on Form 8-K filed by Regency with the SEC on February 17, 2017.

Item 1A. Risk Factors

The following represent new, emerging or updated risk factors, and should be read together with the risk factors disclosed in item 1A. of Part I of our Form 10-K for the year ended December 31, 2016:

Risks Relating to Our Industry and Real Estate Investments

The integration of bricks and mortar stores with e-commerce retailers may have an adverse impact on our revenue and cash flow.

The recent announcement of the proposed merger of Amazon.com with Whole Foods Market, Inc has highlighted the increasing impact of e-commerce on retailers and the shopping habits of retail customers. Although no definite conclusions can be made at this time these trends may also have an impact on decisions that retailers make regarding their bricks and mortar stores. Changes in shopping trends as a result of the growth in e-commerce may also impact the profitability of retailers that do not adapt to changes in market conditions. These conditions could adversely impact our results of operations and cash flows if we are unable to meet the needs of our tenants or if our tenants encounter financial difficulties as a result of changing market conditions.

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

There were no unregistered sales of equity securities during the quarter ended June 30, 2017.

The following table represents information with respect to purchases by the Parent Company of its common stock during the months in the three month period ended June 30, 2017.

Period	Total number of shares purchased ⁽¹⁾	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number or approximate dollar value of shares that may yet be purchased under the plans or programs
April 1 through April 30, 2017	380	\$ 65.47	—	—
May 1 through May 31, 2017	756	\$ 60.86	—	—
June 1 through June 30, 2017	35	\$ 62.37	—	—

⁽¹⁾ Represents shares repurchased to cover payment of withholding taxes in connection with restricted stock vesting by participants under Regency's Long-Term Omnibus Plan.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

In reviewing any agreements included as exhibits to this report, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about the Company, its subsidiaries or other parties to the agreements. Each agreement contains representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this report not misleading. Additional information about the Company may be found elsewhere in this report and the Company's other public files, which are available without charge through the SEC's website at <http://www.sec.gov>. Unless otherwise indicated below, the Commission file number to the exhibit is No. 001-12298.

Ex # Description

- Form of Equity Distribution Agreement dated May 17, 2017 among Regency Centers Corporation, Regency Centers, L.P. and the parties listed below (incorporated by reference to Exhibit 1.1 to the Company's Form 8-K filed 1. on May 17, 2017). The Equity Distribution Agreements listed below are substantially identical in all material respects to the Form of Equity Distribution Agreement, except for the identities of the parties, and have not been filed as exhibits to the Company's 1934 Act reports pursuant to Instruction 2 to item 601 of Regulation S-K:
 - a. Equity Distribution Agreement dated May 17, 2017 among Regency Centers Corporation, Regency Centers, L.P. and Wells Fargo Securities, LLC;
 - b. Equity Distribution Agreement dated May 17, 2017 among Regency Centers Corporation, Regency Centers, L.P. and J.P. Morgan Securities LLC;
 - c. Equity Distribution Agreement dated May 17, 2017 among Regency Centers Corporation, Regency Centers, L.P. and Merrill Lynch, Pierce, Fenner & Smith Incorporated;
 - d. Equity Distribution Agreement dated May 17, 2017 among Regency Centers Corporation, Regency Centers, L.P. and BB&T Capital Markets, a division of BB&T Securities, LLC;
 - e. Equity Distribution Agreement dated May 17, 2017 among Regency Centers Corporation, Regency Centers, L.P. and BTIG, LLC;
 - f. Equity Distribution Agreement dated May 17, 2017 among Regency Centers Corporation, Regency Centers, L.P. and RBC Capital Markets, LLC;
 - g. Equity Distribution Agreement dated May 17, 2017 among Regency Centers Corporation, Regency Centers, L.P. and SunTrust Robinson Humphrey, Inc.; and
 - h. Equity Distribution Agreement dated May 17, 2017 among Regency Centers Corporation, Regency Centers, L.P. and Mizuho Securities USA LLC.
- 3. a. Restated Articles of Incorporation of Regency Centers Corporation (amendment is incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on March 1, 2017).
- 3. b. Amended and Restated Bylaws of Regency Centers Corporation (amendment is incorporated by reference to Exhibit 3.2 to the Company's Form 8-K filed on March 1, 2017).

- a. Supplemental Indenture No. 14, dated as of March 1, 2017, among Equity One, Inc., Regency Centers Corporation, Regency Centers, L.P., and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed on March 1, 2017).
- b. Supplemental Indenture No. 15, dated as of July 26, 2017, among Regency Centers Corporation, Regency Centers, L.P., and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed on July 27, 2017).
- c. Assumption Agreement, dated as of March 1, 2017, by Regency Centers Corporation (incorporated by reference to Exhibit 4.2 to the Company's Form 8-K filed on March 1, 2017)
- a. Term Loan Agreement, dated as of March 2, 2017, by and among Regency Centers, L.P., as borrower, Regency Centers Corporation, as guarantor, Wells Fargo Bank, National Association, as administrative agent, and certain lenders party thereto (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed on March 2, 2017).
- b. Fifth Amendment to Third Amended and Restated Credit Agreement, dated as of March 2, 2017, by and among Regency Centers, L.P., as borrower, Regency Centers Corporation, as guarantor, Wells Fargo Bank, National Association, as administrative agent, and certain lenders party thereto (incorporated by reference to Exhibit 4.2 to the Company's Form 8-K filed on March 2, 2017).
- c. Sixth Amendment to Term Loan Agreement, dated as of March 2, 2017, by and among Regency Centers L.P., as borrower, Regency Centers Corporation, as guarantor, Wells Fargo Bank, National Association, as administrative agent, and certain lenders party thereto (incorporated by reference to Exhibit 4.3 to the Company's Form 8-K filed on March 2, 2017).
- d. Forward Master Confirmation, dated May 17, 2017, by and between Regency Centers Corporation and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 1.2 to the Company's Form 8-K filed on May 17, 2017).
- e. Forward Master Confirmation, dated May 17, 2017, by and between Regency Centers Corporation and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 1.3 to the Company's Form 8-K filed on May 17, 2017).
- f. Forward Master Confirmation, dated May 17, 2017, by and between Regency Centers Corporation and Bank of America, N.A. (incorporated by reference to Exhibit 1.4 to the Company's Form 8-K filed on May 17, 2017).
- g. Forward Master Confirmation, dated May 17, 2017, by and between Regency Centers Corporation and Royal Bank of Canada (incorporated by reference to Exhibit 1.5 to the Company's Form 8-K filed on May 17, 2017).
- h. Amendment to Forward Sale Agreement dated as of March 17, 2016 between Regency Centers Corporation and JPMorgan Chase Bank, National Association, London Branch (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on June 14, 2017).

31. Rule 13a-14(a)/15d-14(a) Certifications.

31.1 Rule 13a-14 Certification of Chief Executive Officer for Regency Centers Corporation.

31.2 Rule 13a-14 Certification of Chief Financial Officer for Regency Centers Corporation.

31.3 Rule 13a-14 Certification of Chief Executive Officer for Regency Centers, L.P.

31.4 Rule 13a-14 Certification of Chief Financial Officer for Regency Centers, L.P.

32. Section 1350 Certifications.

32.1* 18 U.S.C. § 1350 Certification of Chief Executive Officer for Regency Centers Corporation.

32.2* 18 U.S.C. § 1350 Certification of Chief Financial Officer for Regency Centers Corporation.

32.3* 18 U.S.C. § 1350 Certification of Chief Executive Officer for Regency Centers, L.P.

32.4* 18 U.S.C. § 1350 Certification of Chief Financial Officer for Regency Centers, L.P.

101. Interactive Data Files

101.INS XBRL Instance Document

101.SCH XBRL Taxonomy Extension Schema Document

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF XBRL Taxonomy Definition Linkbase Document

101.LAB XBRL Taxonomy Extension Label Linkbase Document

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

*Furnished, not filed.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

August 8, 2017 REGENCY CENTERS CORPORATION

By: /s/ Lisa Palmer

Lisa Palmer, President and Chief Financial Officer (Principal Financial Officer)

By: /s/ J. Christian Leavitt

J. Christian Leavitt, Senior Vice President and Treasurer (Principal Accounting Officer)

August 8, 2017 REGENCY CENTERS, L.P.

By: Regency Centers Corporation, General Partner

By: /s/ Lisa Palmer

Lisa Palmer, President and Chief Financial Officer (Principal Financial Officer)

By: /s/ J. Christian Leavitt

J. Christian Leavitt, Senior Vice President and Treasurer (Principal Accounting Officer)