

CORPORATE PARTICIPANTS

Jim Taylor, Chief Executive Officer

Brian Finnegan, President, Chief Operating Officer

Steven Gallagher, Chief Financial Officer and Treasurer

Mark Horgan, Executive Vice President and Chief Investment Officer

Stacy Slater, Senior Vice President, Investor Relations and Capital Markets

Samantha Strong, Vice President, Investor Relations

PRESENTATION

Samantha Strong

Thank you Operator. And thank you all for joining Brixmor's third quarter conference call. With me on the call today are Jim Taylor, Chief Executive Officer; Brian Finnegan, President and Chief Operating Officer; and Steve Gallagher, Executive Vice President and Chief Financial Officer. Mark Horgan, Executive Vice President and Chief Investment Officer will also be available for Q&A. Before we begin, let me remind everyone that some of our comments today may contain forward-looking statements that are based on certain assumptions and are subject to inherent risks and uncertainties, as described in our SEC filings, and actual future results may differ materially. We assume no obligation to update any forward-looking statements. Also, we will refer today to certain non-GAAP financial measures. Further information regarding our use of these measures and reconciliations of these measures to our GAAP results are available in the earnings release and supplemental disclosure on the investor relations portion of our website. Given the number of participants on the call, we kindly ask that you limit your questions to one per person. If you have additional questions, please re-queue. At this time, it's my pleasure to introduce Jim Taylor.

Jim Taylor

Thanks Sam and good morning everyone. This third quarter was yet another quarter of outstanding performance, with increased expectations for 24, and, importantly, excellent visibility on continued growth in 25 and beyond. Collectively, these results that Steve and Brian will talk about in more detail, reflect the momentum and durability of our proven plan, the transformation of our portfolio, and the strength of our team.

Our outstanding performance is reflected across every observable metric, from record occupancy and rate, continued strength in customer traffic, sector leading leasing spreads, continued delivery of accretive reinvestments, and a ramping external growth pipeline that continues to cluster our portfolio, while we efficiently harvest and redeploy capital from centers where we see limited upside. We also have proven again, as Brian will discuss, our ability to capitalize on tenant disruption as an opportunity to drive value by bringing in better tenants at better rents. And, of course, we continue to deliver strong bottom-line FFO growth, which we expect to be 5% for the second consecutive year.

As noted in our earnings release last night, during the quarter, we implemented a regional realignment that combines our North and Midwest regions and moves Texas into our South region. These changes enable us to realize the benefits of our clustering strategy and the efficiencies of scale across these markets, while also investing in talent closer to the real estate. In conjunction with realignment, we recognized a one-time severance cost of about \$2.5 million, which we expect to more than offset in annual savings as we move forward.

We are very pleased with the acceleration of our capital recycling efforts. Our patience over the last few years positioned us to now pivot and take advantage of our improved cost of capital and the dry powder we have built, including through \$143 million of dispositions year to date. During the quarter, we completed \$64 million of acquisitions, with \$81 million completed year to date. In addition to Fresh Market Shoppes in Hilton Head, which closed during the quarter, we also closed on the acquisition of Acton Plaza, which is located in a very affluent suburb of Boston and grows our portfolio there to seven assets. Acton is anchored by a highly productive Roche Bros. grocer and we are confident we can leverage our position in the market to drive NOI growth at that asset. Importantly, we have over an additional \$250 million of value-add acquisitions under control. Look for us to share more about these exciting acquisition opportunities in the coming quarters.

At the same time, we have continued our focus on driving value through accretive reinvestments, delivering \$33 million at a 10% yield in the quarter, with our in process pipeline over \$500 million at a 9% expected yield. Importantly, these projects highlight our valuable tenant partnerships as we bring in and invest in our centers alongside thriving grocers including Trader Joe's, Whole Foods, Aldi, and Sprouts.

We are even more excited as we look to the future. Our signed but not yet commenced pipeline sits at \$59 million, even with the commencement of \$18 million of ABR in the quarter, of which we will see the full benefit in the coming quarters. These stacking rent commencements, of which we have commenced \$47 million year to date, combined with improving contractual rent steps, accretive reinvestment deliveries, a robust forward leasing pipeline, and, of course, our attractive rent basis provide us great visibility on continued growth and value creation in 2025 and beyond.

With that, I'll turn the call over to Brian for a more detailed discussion of our operating results. Brian?

Brian Finnegan

Thanks Jim and good morning everyone. Our results this quarter once again demonstrate how our team continues to capitalize on a positive environment for open-air retail, our transformed portfolio, and industry leading platform. Supply remains as tight as it's ever been, while demand from a broad range of retailers to be in our centers remains strong. This supply demand imbalance is enabling our team to not only drive rents across our portfolio, but to upgrade our merchandising mix with the best operators that are looking to expand their open-air footprint. But it's the unique combination of the low rent basis across this portfolio and the track record of our team that truly sets Brixmor apart and is once again evident in our results.

That begins with leasing as our team executed 1.1 million square feet of new and renewal leases at a blended cash spread of 22%, including record new small shop base rent of \$31 per square foot. The new leasing activity, along with low move outs, led to another quarter of record overall, anchor, and small shop occupancy at 95.6%, 97.7%, and 91.1% respectively.

The best-in-class tenants that drove these results during the quarter included three new grocer leases, highlighted by Trader Joe's backfilling a former Bed Bath box in suburban Denver, increasing our percentage of ABR from grocery-anchored centers to 81%. We also added new locations with Aldi, Burlington,

Boot Barn, Skechers, and ULTA Beauty, while continuing to capitalize on great demand from outparcel tenants like Chase Bank, Fifth Third Bank, Shake Shack, and Cava.

The team is also well on its way to accretively backfilling space we are in the process of recapturing, including from Big Lots, with seven boxes already resolved in markets like Nashville, Houston, and Fort Lauderdale at spreads of more than 50% with great tenants in the grocery, value apparel, fitness, and home furnishing segments. The recapture of these spaces has long been anticipated and a focus internally, and our team is welcoming the opportunity to upgrade merchandising and do it at much higher rents. And while we may see some short-term fluctuation in occupancy as we recapture this space, we're excited with the traffic driving tenants we'll be adding to our centers over the next several quarters, many of which we expect to start paying rent in late 25 and 2026.

Switching to reinvestment, included within the \$36 million of new projects we added during the quarter was the expanded scope of the Company's first Whole Foods redevelopment in the Philadelphia suburbs, where we were able to capitalize on that lease and a new Barnes & Noble that opened last month to add a new multi-tenant outparcel with Chipotle and First Watch, driving rents in the mid-\$70s. On the stabilization front, we were excited to open another Sprouts Famers Market location, in suburban Tampa, in a former Bed Bath box which we executed last year at close to 3.5x the prior rent.

As we approach the end of the year, we remain as confident as we ever have in our business plan. The list of retailers that want to grow with us continues to expand, which not only gives us good forward visibility on growth, but acknowledges the work our team has done in transforming this portfolio. With that, I'll turn the call over to Steve for a more detailed review of our financial results. Steve?

Steve Gallagher

Thanks Brian. I'm pleased to report on another quarter of strong execution across our platform as we continue to position the Company for long-term sustainable growth. NAREIT FFO was \$0.52 per share in the third quarter driven by same property NOI growth of 4.1%. Base rent growth contribution to same property NOI growth accelerated from 380 basis points last quarter to 520 basis points this quarter, reflecting strong commencement activity, continued strong leasing spreads, and growth in billed occupancy. In addition, net expense reimbursements contributed 80 basis points driven by our growth in billed occupancy. As discussed on the last call, we expected revenues deemed uncollectible to be a headwind to same property NOI growth in the second half of the year due to lower out of period cash collections and the impact of current quarter bankruptcies. Accordingly, during the quarter, revenues deemed uncollectible detracted 200 basis points from growth. We still expect revenues deemed uncollectible to end the year at 50 to 75 basis points of total revenues, reflecting the continued improvement in credit strength of our tenants.

We continue to capitalize on the strong leasing environment as we ended the quarter with a 370 basis point spread between leased and billed occupancy, a 30 basis points decrease from last quarter despite commencing approximately \$18 million of annualized base rent in the quarter. Our signed but not commenced pool totaled \$59 million, which includes \$52 million of net new rent. The size of our signed but not commenced pool over the last year has provided a strong foundation for growth. We expect that growth to continue into 2025 as this rent commences ratably over the next year at an average rent per square foot of \$22.12, which is 27% higher than our current in place rent.

From a balance sheet perspective, we took advantage of our improved cost of capital and transacted under our ATM for the first time since 2022, raising \$20 million in equity at an average gross price of \$27.92. At September 30, we had total liquidity of \$1.7 billion and debt to EBITDA, on a current quarter annualized basis, was 5.7x, leaving us well positioned to execute on our business plan.

In terms of our forward outlook, we have increased our same property NOI growth to a range of 4.75% to 5.25%, comprised of a 450 to 500 basis point contribution from base rent. In conjunction with the increase in our same property NOI expectation, we have raised our guidance for 2024 Nareit FFO to a range of \$2.13 to \$2.15 per share. Our continued outperformance has positioned us to raise our dividend to an annual rate of \$1.15, an increase of 5.5%, while maintaining a conservative payout ratio.

Looking forward to 2025, we expect same property NOI growth to exceed 4.0%, driven by the cumulative impact of 2024 and 2025 rent commencements, embedded rent growth, and continued strong renewal spreads. We are excited about the visibility we have into our future growth as our transformation has positioned us with a significant signed but not commenced pipeline and value accretive reinvestments that will stabilize in the coming year.

And with that I turn the call over to the operator for Q&A.

QUESTION AND ANSWER

Juan Sanabria – BMO

Good morning and thank you for the time. Just hoping you could comment a little bit about the investments market. You've raised some ATM like you said for the first time since 2022, so just curious if that is a sign that you're seeing more opportunities or just if you could talk a little bit more about the rationale for raising some equity at this point if it's not for future acquisitions?

Jim Taylor

Thank you Juan. We do see an improving outlook in terms of external growth. We, as I mentioned in my remarks, have about \$250 million of assets under control that are accretive, and importantly, that further cluster our investments in our key markets.

Mark Horgan

As far as the overall market, it's very healthy for open-air retail currently. You've certainly seen some core buyers stretch into the fives for certain assets, but it does really feel like the need of that market is well into the sixes specifically for the assets that we've been looking and the assets we've been transacting on. I think what's most striking about the market today is that you're certainly seeing a lot more institutional interest in open-air retail today. And I think that's really driven by the performance of platforms like Brixmor over the last few years. I think the institutional investors kind of missed the boat early on open-air retail and they're rushing in to try and get additional access. And I think that's very healthy for our space today.

Jim Taylor

And I think what's also important to recognize is the investments we're looking at really do leverage our platform to drive continued growth and outperformance. And so as we look at that we see some very accretive opportunities, including through issuance under our ATM.

Viktor Fediv - Scotia

I just wanted to ask a follow-up question on your signed not occupied pipeline contribution. And in general, kind of whether tenants are pushing out their expected lease commencements. So in terms of 2025, is this contribution from signed not occupied pipeline evenly distributed through 2025 or more back half weighted?

Brian Finnegan

Just, first of all, I guess on the second part of your question, we're not seeing tenants really push things out. If anything, we're seeing kind of more demand, particularly in that box category. In terms of store openings, 2025 is getting fairly full for tenants at this point. The deals we're talking about, which is really encouraging, are starting for 2026 on the box side. Look, as it relates to the signed but not commenced pool, it was \$59 million at the end of the quarter, despite commencing \$18 million in the quarter. I mean, that speaks to the leasing that we continue to add to that and as Jim touched on, it gives us really good visibility on future growth. So, in terms of the overall environment and conversations with tenants, we remain really encouraged, but also good to see the growth in the signed but commenced pool.

Todd Thomas – KeyBanc

Good morning. I just wanted to go back to the questions around the investment environment and the ATM issuance. Again, I'm just curious, should we expect the Company to keep utilizing the ATM at current levels? And then relative to the comments about having \$250 million tied up or in advanced negotiations, should we assume an increase in net acquisition activity from a more balanced position that we've seen over the last number of years? Or should we expect an increase in disposition activity to match those acquisitions as you further look toward your clustering strategy?

Jim Taylor

I think our primary source of funding for external growth will continue to be capital recycling. And we look to opportunities under the ATM to match fund acquisitions that we nonetheless believe will be accretive given our cost of equity. So, it's going to vary quarter by quarter, but expect over several quarters for us to be relatively balanced. Obviously, we've gone into the year being a net seller of about \$150 million of assets with \$80 million of acquisitions. But we do expect to see a ramp up in acquisition activity that will be funded again through a mix of dispositions and, if appropriate, ATM issuance.

Jeffrey Spector – Bank of America

Just one follow-up on the transaction market. With rates rising, potentially less cuts going forward, do you think that puts a damper on the transaction market or has something really changed here that is sparking sellers to come to the market or, again, that buyer seller gap has narrowed and you expect that to continue?

Mark Horgan

Yeah. When I say about the overall market today you're seeing a little slower market, but that's really not driven by rate movement, that really driven by the election. I think a lot of folks wanted to be in the market earlier this year and be out of the market right now and certainly as we build towards, for example the December ICSC, we're getting tons and tons of inbounds on get ready assets are coming. So, I do think you're going to continue to see a pretty healthy investment market going forward, particularly for smaller assets. That's really where we've been able to take advantage of selling assets into the small asset market and recycling assets pretty attractively. So, we're not really seeing a slowdown today in the market other than again that small pop around the election that we expected.

Floris van Dijkum – Compass Point

My question is on the capital raising. It's sort of been addressed a couple of times. But let me ask you a question on the leasing front and on the operations front. Obviously, you still have a pretty substantial SNO pipeline. Maybe you can talk about the split between the anchor and shop in that pipeline? And also where do you see, how much more room, everybody is pushing occupancy to record levels and beyond, how much more room do you see in your occupancy, particularly in your shop side, where your occupancy is probably a little bit lower than some of your peers?

Jim Taylor

We continue to see opportunity for upside in occupancy, but I think a key differentiator of our growth strategy is that we're also driving spreads. So we're bringing in a lot of new ABR, not just simply through gain in occupancy, but by replacing lower rents with better rents and better tenants. That continues to drive, importantly, the momentum that we're seeing in the small shop space and we fully expect that to continue to grow and have great visibility on its growth because of the drag of what we have in our reinvestment pipeline.

The other thing I would just highlight with respect to that SNO pipeline is it's stacking growth. As I mentioned in my remarks, we commenced \$47 million of new ABR in the first three quarters. We expect that trend to continue in the fourth quarter, which we won't see the full benefit of from a growth perspective until 2025 and 2026. So, it's both elements. It's not only driving better occupancy, but even more importantly, driving better rate. It's part of what gives us confidence in being able to outperform over the long-term, not simply through lease up alone.

Brian Finnegan

I would just add to your question on the breakout in SNO pipeline, about \$27 million of the \$59 million is in anchor. It's even more encouraging as those

anchor rents at \$16 a foot, which would be a record in terms of where we signed those over the last year and is well in excess of the \$9 and change anchors that are expiring without options over the next three years. So, we remain encouraged in terms of that overall SNO pipeline, but even more so the quality of the tenants and the rents in which we're signing them at.

Ki Bin Kim - Truist

In terms of your total redevelopment pipeline of about \$500 million, what is the total pre-leased percentage? And second question to that is what is a sustainable level of the redevelopment pipeline going forward?

Jim Taylor

I'll let Brian take the first part. But the second part, we see great visibility on \$150 million to \$200 million of reinvestment over the next several years. We have \$500 million underway today, which is going to take us through a good part of 2026. But as Brian highlighted in his remarks, we're backfilling the pipeline with incredibly exciting reinvestment projects such as the addition of Whole Foods at Barn Plaza. So, we have several years of reinvestment opportunity. And that, as we've talked about many times before, it's really driven by that lease expiry pipeline, which limits the amount that we can get out in any one year.

Brian Finnegan

And, Ki Bin, we're generally at 80% pre-leased before we bring those projects on to the pipeline. It's even more encouraging as we brought some of these bigger projects on in the last year, like Naperville in the Chicago suburbs; Davis, California; Roosevelt. Even on those larger projects, we've had them pre-leased with great tenants. So, we've been really excited in terms of our ability to get those projects going and with the leasing activity to ultimately bring them forward.

Craig Mailman – Citigroup

I just want to go back, Steve, maybe to your commentary on same store growth being above 4% for next year. I appreciate that you guys aren't giving guidance yet here, but if it's closer to 4% then where you are today, kind of at 5%, it just feels like the market is anticipating the acceleration for the group next year. Could you just kind of talk about the puts and takes at this point on maybe commencement timing and space coming offline that would keep you from at least kind of hitting where you are this year and maybe exceed that next year as the SNO pipeline starts to deliver?

Jim Taylor

I mean we expect to be above that. We're not going to give guidance for 2025, but it just all points to the rents that are commencing as you talked about, the reinvestment deliveries, the rent steps and the occupancy gains, we think put us above that long-term growth rate, which we've highlighted before, of 4% or better. So, we don't see any slowdown. To the contrary, we see good strength and it's highly visible strength in terms of signed leases, redevelopments that are delivering, and the continued improvement in the intrinsic terms of our leases as we accrete those embedded rent steps. So, when you look collectively, we feel pretty confident not just in our growth in 2025, but in 2026 and beyond given these signed leases, given the pickup in occupancy, and given the better rents with better tenants.

Steve Gallagher

I think just the only thing to add, the other thing just to think about in there is bad debt for the first nine months is well below our historical run rate of 59 basis points of total revenue. So, right, as you're thinking into 2025 obviously that could prove to be a headwind depending on where we ultimately expect bad debt to come out as well.

Alexander Goldfarb – Piper Sandler

Just on the bad debt, Steve, can you just walk through and clarify the 200bps headwind in same store versus the 59bps? I think you said basically 60bps year-to-date and I think you said you still expect the previous range, I think you said it was 75bps to 100bps. Is the 200bps just the year-over-year comp? And it just seems like the tenant credit market remains healthy as ever. So, just trying to understand better the 200bps headwind that's in the same store versus the comments that you just mentioned year-to-date. And then holistically as we think into next year, is there really reason to think that bad debt would get back to the historic range or that's really just sort of a plug, but right now on your watch list you don't really see that happening.

Steve Gallagher

I think the most important way to think about it and how we often talk about it in our guidance, right, is just to think about the bad debt as a percentage of total revenue. That takes some of the comparability from year-over-year out. And as of 9/30, we're sitting at right around 60 basis points of total revenue. Our historical run rate and our expectations coming into the year were 75bps to 110bps, so, well south of that and as I said in my prepared remarks, we still believe that we would end the year at the 50 basis points to 75 basis points that we updated on our last call. I think that hopefully just helps frame where we are within bad debt in the year and we are at historically lower levels than what we've seen. I think you're right on, and when you think about the 200 basis points of headwind that you're seeing in the same property NOI growth, it's really to do with an anomaly in the prior year due to some out-of-period cash collections associated with two larger items headed back all the way to the COVID period. So, that really just created a difficult comp in that year. But so far we're still very impressed with the overall credit worthiness of the portfolio. And then we'll update sort of our expectations on where we think bad debt will end in 2025 when we issue guidance next quarter.

Jim Taylor

I would just add, we continue to see fundamental improvement in the credit quality of the portfolio. And the recent bankruptcies have really proven to be an opportunity for us to recapture space in one of the greatest demand environments we've ever seen. So, it's a source of growth for us going forward.

Samir Khanal – Evercore ISI

Maybe on this sort of this preliminary 4% NOI growth, I know you gave some building blocks there, but help us understand the flow through of the \$59 million of rent commencements, how to think about that over the course of next year?

Steve Gallagher

I think Jim hit on earlier sort of the building blocks of where we think that growth is going to come in, right? It starts with your embedded rent growth in your existing leases. And I think most importantly, what you're starting to see, and Jim just mentioned it, is the compounding impact of that SNO pipeline coming online. So the \$47 million we've commenced year-to-date along with the \$18 million we expect to commence in Q4, that's only really benefiting your growth for a partial point of this year. When you head into next year, you're going to see growth on top of that along with the SNO pipeline that's going to commence in that year. So, that's where you get the layering impact of that SNO pipeline that's been higher for really about a year now coming into the contribution. So, that's why we feel really comfortable that we're going to be in excess of that 4%. And then obviously the significant redev pipeline that we have and the contribution that provides as well into the line item. It's generally the embedded rent bumps, the SNO pipeline commencing, and then the redev pipeline as well.

Dori Kesten – Wells Fargo

You hit on this a bit in a few of your answers, but the rent on your 2025 lease expirations is somewhat low versus the remainder of the portfolio, both on the anchor and the small shop side. Should that be setting you up for particularly strong year for spreads next year, or is there something idiosyncratic to that group of expirations to note?

Brian Finnegan

I would just say broadly, our team has consistently demonstrated the ability to take advantage of the low rent basis across this portfolio. We're going on three years now of renewal growth over 10%. You mentioned those expiries. We've been signing those anchor deals around \$16 a square foot. And as we look out long-term, we continue to see the ability to bring rents to market not just next year but going forward. And it really goes to not just the environment, but what we've done to this portfolio, the tenants that we've added to this portfolio, the percentage of grocers that we added to this portfolio, we're driving traffic at the top of the peer group. So, you put all that together as well as the work our team's been able to do in terms of capturing that upside gives us really good visibility going forward, not just into 2025, but beyond.

Haendel St. Juste - Mizuho

I guess my question is just stepping back and thinking about the near-term and intermediate term opportunity within the core portfolio, right. Curious how we should read some of the dynamics from the quarterly results here. Leasing was robust, but a bit slower than prior quarters. The SNO pipeline is still sizable, but it's down a few quarters in a row here. And your portfolio sitting here at all-time high. So, I guess, curious how we should interpret this that this perhaps suggest that your core growth potential is perhaps peaking this year. And then on the 4% you mentioned for next year, is that base case or more the low end of an expected range?

Jim Taylor

So, the 4%, Haendel thank you, is not guidance. And we've said we expect to be better than that and we'll provide more detail as we provide detailed guidance. But the bottom line is the business continues to fire on all cylinders. And as you look at the leasing, you would expect leasing volumes to moderate a bit as the portfolio approaches full occupancy. But the benefit of the leasing importantly is going to be felt in 2025 and 2026. As you look at the compounding effect of those stacking rents, we commenced over \$18 million of new rent in the quarter, we've commenced almost \$50 million year-to-date, you're going to see the full benefit of that, plus the \$50 million that we have in the signed but not commenced, plus what we have in legal, continuing to provide tremendous visibility along with the delivering reinvestments for growth into 2026 and beyond. So we're very confident in our business model being able to continue to outperform because that growth is not dependent only on growth in occupancy. The biggest driver of it is growth in rate. And we expect, as Dori mentioned in her question, to have a pretty attractive rent basis from which to grow in 2025, 2026 and beyond, particularly as we've transformed the portfolio and also continue to set new records in terms of rent and occupancy. So, we actually like how we're positioned and we like how we will continue to outperform.

Brian Finnegan

And Haendel, I would just add, and Jim alluded to it, that legal pipeline is close to 1 million square feet in new lease GLA today. It's the highest it's been in a year. And we're starting to address some of the boxes that we're taking back here at the end of the year. So, to Jim's point, as occupancy approaches or continues to hit all-time highs, you would expect that new lease volume to moderate a bit. But with the activity that we see in that legal pipeline, we expect it to grow here over the next few quarters.

Caitlin Burrows – Goldman Sachs

I did have just a follow-up on that last point. I think you were mentioning the term "legal pipeline", which I'm not familiar with. So wondering if you could clarify that. But my real question was on if you could go through the acquisition of Acton Plaza, maybe some details on cap rate, the upside, how quickly you could achieve it, and how competitive the process was? How the deal was sourced, those sorts of details. And maybe what's specific to that property or anything we could take for like the broader market?

Brian Finnegan

Real quick, that legal pipeline for us is leases that we have out for signature, actual leases versus LOIs.

Jim Taylor

And it continues to remain robust. Mark, do you want to talk about Acton?

Mark Horgan

We have an excellent operating platform up in Boston. We've come to market, we have known the assets we'd like to buy in that market. This one was owned by a well-known institution. It came to market through a broker and we thought we had some unique opportunities to drive both near-term and long-term growth through the rents we saw there. And again, we're really leveraging a very excellent operating platform in Boston, a market that is tight, and performs very well. So we did want to add some exposure there. That's really how it came from a competitive perspective. It was a competitively bought asset. Ultimately one of the benefits why we think the seller went with us is because we are an all-cash buyer and that is a great benefit to market because buyers don't worry about us having to fund stuff through the CMBS market or otherwise. And when we say we can close on a date, we do.

Jim Taylor

And similar to our existing portfolio, a lot of below market rents that we believe we can capitalize on, as well as some opportunities to add density.

Michael Mueller – JP Morgan

With billed occupancy moving higher, when do you think the leased to economic occupancy spread can be at normalized levels? Do you think that some point in 2026?

Jim Taylor

I think so. It's out there are a ways when you look at the delivery of what we've signed and are commencing. I think that's fair.

Paulina Rojas Schmidt – Green Street

When talking about Acton, you mentioned that you wanted to increase your exposure to Boston. So, as you think about your clusters, are there any markets where you'd like to increase your exposure? And related to that, have you found a common theme in the areas where you are seeing the most demand from retailers, or is it largely homogeneous across geographies and formats?

Jim Taylor

We've been very pleased with the demand from retailers who are thriving today to be in our portfolio across nearly all of our markets. And we continue to focus on clustering in those markets to capitalize on what we know the demand to be from retailers.

A common theme to our investments strategy is finding assets that are under-rented, under-leased, under-invested in, but nonetheless very well located, where we can capitalize on the platform to drive real long-term value. So, as you look ahead and think about some of the acquisitions we have under control, they're in markets that we have great presence in and know extraordinarily well, such as Florida, coastal Carolinas, the upper northeast and California and Texas.

Caitlin Burrows – Goldman Sachs

Just on the acquisitions and dispositions, it sounds like you guys are expecting to generally be balanced going forward. So I was wondering, just from like a cap rate perspective and what it means for earnings impacts, do you think we're at a point where the acquisition cap rates can be higher than the dispositions? And if so, by how much? Or is the opportunity there more of like longer-term higher growth from the acquisitions versus the dispositions?

Mark Horgan

First of all, year-to-date when you think about what we've sold, we have had a positive spread between acquisitions and dispositions given that we sold Mall at 163rd for an extremely low cap rate. So, year-to-date it's been a positive contributor. As we look forward, what we really focused on is hold IRRs from an investment perspective. So, we really try to sell assets where we think the hold IRR is low and buy assets where the hold IRR is higher. I would expect there may be a slight cap rate difference between those two, but not a material one.

Jim Taylor

So effectively, we look at that on a near-term basis as neutral.

Alexander Goldfarb – Piper Sandler

Brian, question on leasing and on store performance. Obviously, the past few years since COVID have been great for mark-to-market of rents and boosting of occupancy and retailer performance. But as we get into a more normalized environment, do you see that the mark-to-market of rents is more driven by just simply rolling old lower rents to where the market is today? Or do you guys have confidence in the store productivity such that tenancy, the stores continuing to outperform, let's say inflation, such that we can continue to see healthy mark-to-market on rents?

Brian Finnegan

Alex, it's a great question and it's both, right. We do have a low rent basis across the portfolio that we expect to be able to take advantage of as we continue to deliver reinvestments, as we continue to add great traffic driving tenants, but our tenants are performing. You look at the tenants in the specialty grocery space, operators like Sprouts and ALDI and Whole Foods and Trader Joe's, you look at the off-price operators which continue to have very strong performance, quick serve restaurant operators, the expansion of wellness and how people think about wellness today and our fitness operators are very strong. You look at that on a whole and then you look at the traffic that we're driving to our shopping centers, we expect to be able to continue to drive rent as our tenants continue to succeed. But then we also have a very low rent basis to take advantage of as well. So you put that together, I think it puts us in a very good position going forward.

Jim Taylor

And what we're also really encouraged by from a productivity standpoint is traffic by banner, which we think compares very favorably across the marketplace, particularly when you think about the in-place rents. So as Brian mentioned, it's really both. It's the rent basis, as well as the productivity of

the tenant, which we're excited about driving even further productivity in the years ahead.

Floris van Dijkum – Compass Point

Getting back to the capital allocation, obviously you raised a tiny bit of equity in the quarter. You're still trading at a marginal discount to where we think your NAV is, but you're getting closer. As you think about equity as a source of capital now, and your peers, some of them already exceeded NAV, by the way, but as you start to be able to consider equity, how much of an opportunity do you see for you to replicate what you've done to your own portfolio on new acquisitions? And how big of a potential pipeline is there out there for you guys to potentially acquire? And would you get more constructive on some of that as your share price continues to move higher?

Jim Taylor

We always are very careful with our equity and recognize that it's precious. And so, when we think about the issuance of equity, it's really with the mind towards what you are saying, which we're seeing, which is attractive acquisition opportunities that can be accretive in terms of a net value-add. And as we look at the pipeline going forward, we're encouraged by some of the opportunities that we're seeing that have been owned by platforms that don't have the redevelopment, national accounts, and leasing and operating strengths that we have as a platform, where we see as we bring these assets onto our platform, we actually outperform our underwriting. So we're excited about, as Mark was talking about, the volume of new opportunities that we're seeing currently, those that we have under control, as well as what we see coming forward.

Mark Horgan

In terms of that pipeline, I think it's important to note that the vast majority of open-air retail is not owned institutionally. It's probably 80% to 85% is not owned institutionally. And so when we look at our current pipeline, for example, we're buying from two institutions that we think we can operate better than clearly. And then we're also buying from two families that have held assets for a very long time that we think will generate some very interesting growth because they've held them for a very long time that are not first-in-class operators. They were just great real estate buyers 50 years ago. So, we're really excited about the future pipeline and believe we can continue to backfill acquisitions when we think the capital markets correct.

Jim Taylor

As we'd like to say, it's more coal for our growth furnace, so we're excited about what we see ahead. But again, Floris, to your point, equity is precious and we'll always be very disciplined.

Conor Peaks – Deutsche Bank

On the uncollectible income, it's been talked about plenty on this call, but if I could ask about the Big Lots specifically and how the announcement pertains to your portfolio and what you see going forward there?

Brian Finnegan

Connor, it's good question. We're very pleased with the activity that we've seen on the Big Lots spaces. These boxes were coming back at a time of historic low box vacancy across the entire industry, as well as the portfolio. But we've got ten that are going to be in our possession by the end of the month, seven of those are already resolved with great tenants at rent spreads that are again in excess of 50%. It kind of remains to be seen. Bankruptcy is a fluid process in terms of how many more we ultimately will get back. I would just say on the whole, though, we're seeing great demand from the boxes with tenants that we've continued to execute a lot of deals with in the specialty grocery, off-price apparel, fitness and wellness space. So, as Jim touched on earlier, this is an opportunity for us. The rents on those boxes are \$7.50 and we've been signing anchors at \$16. So, we're pleased with the progress that we're making out of the gate and look forward to being able to remerchandise these boxes quickly with better tenants at higher rents.

Jim Taylor

And the team really has been playing towards this for a while. It hasn't been a surprise, which is part of why we're already resolved seven of the ten boxes. So, we're excited about the potential to get back more because with that low rent basis we know we're going to deliver a lot of value and accretion. Thank you.

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