UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2017

Commission File No. 1-12504

THE MACERICH COMPANY

(Exact name of registrant as specified in its charter)

MARYLAND	**95-4448705**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

401 Wilshire Boulevard, Suite 700, Santa Monica, California 90401
(Address of principal executive office, including zip code)

(310) 394-6000
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 twelve (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 ninety (90) days.

YES x NO o

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

YES x NO o

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

Large accelerated filer x	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o
			Emerging growth company o

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

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

YES o NO x

Number of shares outstanding as of November 2, 2017 of the registrant's common stock, par value $0.01 per share: 140,772,872 shares

THE MACERICH COMPANY

FORM 10-Q

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THE MACERICH COMPANY

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except par value)

(Unaudited)

	September 30, 2017	December 31, 2016
ASSETS:		
Property, net	$ 7,164,649	$ 7,357,310
Cash and cash equivalents	71,088	94,046
Restricted cash	50,736	49,951
Tenant and other receivables, net	111,153	136,998
Deferred charges and other assets, net	439,495	478,058
Due from affiliates	81,184	68,227
Investments in unconsolidated joint ventures	1,688,606	1,773,558
Total assets	$ 9,606,911	$ 9,958,148
LIABILITIES AND EQUITY:		
Mortgage notes payable:		
Related parties	$ 172,810	$ 176,442
Others	3,910,864	3,908,976
Total	4,083,674	4,085,418
Bank and other notes payable	966,757	880,482
Accounts payable and accrued expenses	69,617	61,316
Other accrued liabilities	302,082	366,165
Distributions in excess of investments in unconsolidated joint ventures	88,569	78,626
Co-venture obligation	59,118	58,973
Total liabilities	5,569,817	5,530,980
Commitments and contingencies		
Equity:		
Stockholders' equity:		
Common stock, $0.01 par value, 250,000,000 shares authorized, 140,918,189 and 143,985,036 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	1,409	1,440
Additional paid-in capital	4,503,670	4,593,229
Accumulated deficit	(758,758)	(488,782)
Total stockholders' equity	3,746,321	4,105,887
Noncontrolling interests	290,773	321,281
Total equity	4,037,094	4,427,168
Total liabilities and equity	$ 9,606,911	$ 9,958,148

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share amounts)

(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenues:				
Minimum rents	$ 144,991	$ 154,018	$ 443,439	$ 457,514
Percentage rents	2,806	3,871	6,784	9,279
Tenant recoveries	72,897	74,447	214,257	230,568
Other	11,701	12,048	40,484	42,985
Management Companies	10,056	8,983	31,955	28,925
Total revenues	242,451	253,367	736,919	769,271
Expenses:				
Shopping center and operating expenses	75,598	76,310	222,527	229,544
Management Companies' operating expenses	22,046	23,285	76,779	75,484
REIT general and administrative expenses	5,287	6,930	21,208	23,240
Depreciation and amortization	83,147	86,976	249,463	259,097
	186,078	193,501	569,977	587,365
Interest expense:				
Related parties	2,175	2,224	6,567	6,752
Other	41,090	37,759	120,320	114,202
	43,265	39,983	126,887	120,954
Gain on extinguishment of debt, net	—	(5,284)	—	(1,709)
Total expenses	229,343	228,200	696,864	706,610
Equity in income of unconsolidated joint ventures	23,993	11,261	56,772	37,537
Co-venture expense	(3,150)	(3,006)	(11,150)	(9,507)
Income tax (expense) benefit	(2,869)	(905)	178	(2,736)
(Loss) gain on sale or write down of assets, net	(11,854)	(19,321)	37,234	426,050
Net income	19,228	13,196	123,089	514,005
Less net income (loss) attributable to noncontrolling interests	1,730	(534)	9,710	34,138
Net income attributable to the Company	$ 17,498	$ 13,730	$ 113,379	$ 479,867
Earnings per common share—net income attributable to common stockholders:				
Basic	$ 0.12	$ 0.09	$ 0.79	$ 3.25
Diluted	$ 0.12	$ 0.09	$ 0.79	$ 3.25
Weighted average number of common shares outstanding:				
Basic	141,299,000	143,923,000	142,188,000	147,504,000
Diluted	141,310,000	144,036,000	142,223,000	147,630,000

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENT OF EQUITY

(Dollars in thousands, except per share data)

(Unaudited)

	Stockholders' Equity						
	Common Stock						
	Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at January 1, 2017	143,985,036	$ 1,440	$ 4,593,229	$ (488,782)	$ 4,105,887	$ 321,281	$ 4,427,168
Net income	—	—	—	113,379	113,379	9,710	123,089
Cumulative effect of adoption of ASU 2016-09	—	—	—	6,484	6,484	—	6,484
Amortization of share and unit-based plans	87,632	1	30,436	—	30,437	—	30,437
Employee stock purchases	20,443	—	986	—	986	—	986
Stock repurchases	(3,627,390)	(36)	(135,176)	(86,216)	(221,428)	—	(221,428)
Distributions declared ($2.13) per share	—	—	—	(303,623)	(303,623)	—	(303,623)
Distributions to noncontrolling interests	—	—	—	—	—	(25,110)	(25,110)
Conversion of noncontrolling interests to common shares	452,468	4	15,191	—	15,195	(15,195)	—
Redemption of noncontrolling interests	—	—	(608)	—	(608)	(301)	(909)
Adjustment of noncontrolling interests in Operating Partnership	—	—	(388)	—	(388)	388	—
Balance at September 30, 2017	140,918,189	$ 1,409	$ 4,503,670	$ (758,758)	$ 3,746,321	$ 290,773	$ 4,037,094

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

(Unaudited)

	For the Nine Months Ended September 30,	
	2017	**2016**
Cash flows from operating activities:		
Net income	$ 123,089	$ 514,005
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on early extinguishment of debt, net	—	(1,709)
Gain on sale or write down of assets, net	(37,234)	(426,050)
Depreciation and amortization	253,793	263,514
Amortization of net premium on mortgage notes payable	(2,799)	(3,082)
Amortization of share and unit-based plans	25,159	27,643
Straight-line rent adjustment	(7,502)	(3,449)
Amortization of above and below-market leases	(408)	(9,115)
Provision for doubtful accounts	3,806	2,460
Income tax (benefit) expense	(178)	2,736
Equity in income of unconsolidated joint ventures	(56,772)	(37,537)
Distributions of income from unconsolidated joint ventures	—	5,607
Co-venture expense	11,150	9,507
Changes in assets and liabilities, net of acquisitions and dispositions:		
Tenant and other receivables	838	2,370
Other assets	11,743	(6,100)
Due from affiliates	(13,004)	14,729
Accounts payable and accrued expenses	11,263	(6,459)
Other accrued liabilities	(23,094)	(17,983)
Net cash provided by operating activities	299,850	331,087
Cash flows from investing activities:		
Development, redevelopment, expansion and renovation of properties	(90,758)	(153,131)
Property improvements	(34,425)	(24,638)
Proceeds from repayment of notes receivable	628	3,361
Deferred leasing costs	(25,045)	(21,326)
Distributions from unconsolidated joint ventures	226,152	411,405
Contributions to unconsolidated joint ventures	(80,332)	(404,283)
Proceeds from sale of assets	168,471	696,716
Restricted cash	(785)	(13,978)
Net cash provided by investing activities	163,906	494,126

THE MACERICH COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(Dollars in thousands)

(Unaudited)

	For the Nine Months Ended September 30,	
	2017	**2016**
Cash flows from financing activities:		
Proceeds from mortgages, bank and other notes payable	510,000	2,716,138
Payments on mortgages, bank and other notes payable	(424,439)	(2,024,965)
Deferred financing costs	(2,586)	(8,822)
Payment of finance deposits	(8,600)	(7,200)
Proceeds from share and unit-based plans	986	834
Payment of debt extinguishment costs	—	(12,028)
Stock repurchases	(221,428)	(800,018)
Redemption of noncontrolling interests	(909)	(30)
Settlement of contingent consideration	—	(10,012)
Dividends and distributions	(328,733)	(667,785)
Distributions to co-venture partner	(11,005)	(13,654)
Net cash used in financing activities	(486,714)	(827,542)
Net decrease in cash and cash equivalents	(22,958)	(2,329)
Cash and cash equivalents, beginning of period	94,046	86,510
Cash and cash equivalents, end of period	$ 71,088	$ 84,181
Supplemental cash flow information:		
Cash payments for interest, net of amounts capitalized	$ 124,686	$ 113,187
Non-cash investing and financing transactions:		
Accrued development costs included in accounts payable and accrued expenses and other accrued liabilities	$ 30,706	$ 29,777
Mortgage notes payable assumed in exchange for investments in unconsolidated joint ventures	$ —	$ 997,695
Mortgage note payable settled by deed-in-lieu of foreclosure	$ —	$ 37,000
Conversion of Operating Partnership Units to common stock	$ 15,195	$ 10,720

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

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, except per share amounts)

(Unaudited)

1. Organization:

The Macerich Company (the "Company") is involved in the acquisition, ownership, development, redevelopment, management and leasing of regional and community/power shopping centers (the "Centers") located throughout the United States.

The Company commenced operations effective with the completion of its initial public offering on March 16, 1994. As of September 30, 2017, the Company was the sole general partner of and held a 93% ownership interest in The Macerich Partnership, L.P. (the "Operating Partnership"). The Company was organized to qualify as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code").

The property management, leasing and redevelopment of the Company's portfolio is provided by the Company's management companies, Macerich Property Management Company, LLC, a single member Delaware limited liability company, Macerich Management Company, a California corporation, Macerich Arizona Partners LLC, a single member Arizona limited liability company, Macerich Arizona Management LLC, a single member Delaware limited liability company, Macerich Partners of Colorado LLC, a single member Colorado limited liability company, MACW Mall Management, Inc., a New York corporation, and MACW Property Management, LLC, a single member New York limited liability company. All seven of the management companies are collectively referred to herein as the "Management Companies."

All references to the Company in this Quarterly Report on Form 10-Q include the Company, those entities owned or controlled by the Company and predecessors of the Company, unless the context indicates otherwise.

2. Summary of Significant Accounting Policies:

Basis of Presentation:

The accompanying consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. They do not include all of the information and footnotes required by GAAP for complete financial statements and have not been audited by an independent registered public accounting firm.

The Company's sole significant asset is its investment in the Operating Partnership and as a result, substantially all of the Company's assets and liabilities represent the assets and liabilities of the Operating Partnership. In addition, the Operating Partnership has investments in a number of variable interest entities ("VIEs").

The Operating Partnership's VIEs included the following assets and liabilities:

	September 30, 2017	December 31, 2016
Assets:		
Property, net	$ 300,149	$ 307,582
Other assets	70,881	68,863
Total assets	$ 371,030	$ 376,445
Liabilities:		
Mortgage notes payable	$ 130,403	$ 133,245
Other liabilities	77,272	75,913
Total liabilities	$ 207,675	$ 209,158

All intercompany accounts and transactions have been eliminated in the consolidated financial statements.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

2. Summary of Significant Accounting Policies: (Continued)

The unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the consolidated financial statements for the interim periods have been made. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The accompanying consolidated balance sheet as of December 31, 2016 has been derived from the audited financial statements but does not include all disclosures required by GAAP.

Recent Accounting Pronouncements:

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, "Revenue From Contracts With Customers," which outlines a comprehensive model for entities to use in accounting for revenue arising from contracts with customers. ASU 2014-09 states that "an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services." While ASU 2014-09 specifically references contracts with customers, it may apply to certain other transactions such as the sale of real estate or equipment. ASU 2014-09 is effective for the Company beginning January 1, 2018, with early adoption permitted beginning January 1, 2017. The Company has evaluated each of its revenue streams and related accounting policies under the standard. The standard will initially apply to the Company's recognition of management companies and other revenues. This standard will not apply to the Company's recognition of tenant recoveries until January 1, 2019, when it adopts ASU 2016-02, "Leases (Topic 842)", as discussed below. Upon adoption of the standard, the Company has determined that the pattern of revenue recognition for management companies and other revenues will not change. Additionally, the Company will account for its joint venture in Chandler Fashion Center and Freehold Raceway Mall (See Note 10—Co-Venture Arrangement) as a financing arrangement. As a result, the Company will replace the co-venture obligation on its consolidated balance sheet with a financing arrangement liability. The financing arrangement liability will be recorded at fair value upon adoption with any subsequent changes in fair value recognized as interest expense in its consolidated statements of operations.

In February 2016, the FASB issued ASU 2016-02, which sets out principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The standard requires that lessors expense, on an as-incurred basis, certain initial direct costs that are not incremental in negotiating a lease. Under existing standards, certain of these costs are capitalizable and therefore this new standard may result in certain of these costs being expensed as incurred after adoption. Additionally, under the standard, certain common area maintenance recoveries must be accounted for as a non-lease component. The Company will evaluate whether bifurcating common area maintenance will affect the timing or recognition of such revenues.

Under ASU 2016-02, lessees apply a dual approach, classifying leases as either finance or operating leases. A lessee is required to record a right-of-use asset and a lease liability for all leases with a term of greater than twelve months, regardless of their lease classification. The Company is a lessee on ground leases at certain properties, on certain office space leases and on certain other improvements and equipment. ASU 2016-02 will impact the accounting and disclosure requirements for these leases. ASU 2016-02 is effective for the Company under a modified retrospective approach beginning January 1, 2019. The Company is evaluating the impact of the adoption of this standard on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, "Compensation-Stock Compensation (Topic 718)," which amended the accounting for share-based payments, including the income tax consequences, classification of awards and classification on the statement of cash flows. The Company's adoption of this standard on January 1, 2017 under the modified retrospective method resulted in the recognition of excess tax benefits of $6,484 as a cumulative effect adjustment, which reduced its accumulated deficit and increased its deferred tax assets by the same amount.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

2. Summary of Significant Accounting Policies: (Continued)

Recent Accounting Pronouncements: (Continued)

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash flows (Topic 230)," which amended the accounting for the statement of cash flows by providing guidance on how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The Company's adoption of this standard on January 1, 2017 resulted in the reclassification of $12,028 of debt extinguishment costs from operating activities to financing activities on its consolidated statement of cash flows for the nine months ended September 30, 2016.

On November 17, 2016, the FASB issued ASU 2016-18, “Restricted Cash,” which requires that the statement of cash flows explain the change during a reporting period in the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. This standard states that transfers between cash, cash equivalents, and restricted cash are not part of the entity’s operating, investing, and financing activities. Therefore, restricted cash should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 is effective for the Company beginning January 1, 2018 with early adoption permitted. The Company does not believe that the adoption of ASU 2016-18 will have a significant impact on its consolidated statements of cash flows.

On January 5, 2017, the FASB issued ASU 2017-01, “Business Combinations,” which clarifies the definition of a business. The objective of the standard is to add further guidance that assists entities in evaluating whether a transaction will be accounted for as an acquisition of an asset or a business. The guidance requires an entity to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. If so, the set of transferred assets and activities are not a business. The guidance also requires a business to include at least one substantive process and narrows the definition of outputs. ASU 2017-01 is effective for the Company beginning January 1, 2018 with early adoption permitted using a prospective transition method. The Company does not believe that the adoption of 2017-01 will have a significant impact on its consolidated financial statements.

In February 2017, the FASB issued ASU No. 2017-05, “Other Income-Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets,” which clarifies the scope of asset derecognition and adds further guidance for recognizing gains and losses from the transfer of nonfinancial assets in contracts with non-customers. The Company is required to adopt ASU 2017-05 beginning January 1, 2018 with early adoption permitted. The Company does not believe that the adoption of ASU No. 2017-05 will have a significant impact on its consolidated financial statements.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

3. Earnings per Share ("EPS"):

The following table reconciles the numerator and denominator used in the computation of EPS for the three and nine months ended September 30, 2017 and 2016 (shares in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Numerator				
Net income	$ 19,228	$ 13,196	$ 123,089	$ 514,005
Net income attributable to noncontrolling interests	(1,730)	534	(9,710)	(34,138)
Net income attributable to the Company	17,498	13,730	113,379	479,867
Allocation of earnings to participating securities	(193)	(170)	(567)	(586)
Numerator for basic and diluted EPS—net income attributable to common stockholders	$ 17,305	$ 13,560	$ 112,812	$ 479,281
Denominator				
Denominator for basic EPS—weighted average number of common shares outstanding	141,299	143,923	142,188	147,504
Effect of dilutive securities(1):				
Share and unit-based compensation plans	11	113	35	126
Denominator for diluted EPS—weighted average number of common shares outstanding	141,310	144,036	142,223	147,630
Earnings per common share—net income attributable to common stockholders:				
Basic	$ 0.12	$ 0.09	$ 0.79	$ 3.25
Diluted	$ 0.12	$ 0.09	$ 0.79	$ 3.25

(1) Diluted EPS excludes 90,619 and 138,759 convertible preferred partnership units for the three months ended September 30, 2017 and 2016, respectively, and 90,619 and 138,759 convertible preferred partnership units for the nine months ended September 30, 2017 and 2016, respectively, as their impact was antidilutive.

Diluted EPS excludes 10,324,376 and 10,666,565 Operating Partnership units ("OP Units") for the three months ended September 30, 2017 and 2016, respectively, and 10,479,806 and 10,773,029 OP Units for the nine months ended September 30, 2017 and 2016, respectively, as their impact was antidilutive.

4. Investments in Unconsolidated Joint Ventures:

The Company has made the following recent investments and dispositions in its unconsolidated joint ventures:

On January 6, 2016, the Company sold a 40% ownership interest in Arrowhead Towne Center, a 1,197,000 square foot regional shopping center in Glendale, Arizona, for $289,496, resulting in a gain on the sale of assets of $101,629. The sales price was funded by a cash payment of $129,496 and the assumption of a pro rata share of the mortgage note payable on the property of $160,000. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes, which included funding the Special Dividend (See Note 12—Stockholders' Equity). Upon completion of the sale of the ownership interest, the Company no longer has a controlling interest in the joint venture due to the substantive participation rights of the outside partner. Accordingly, the Company accounts for its investment in Arrowhead Towne Center under the equity method of accounting.

On January 14, 2016, the Company formed a joint venture, whereby the Company sold a 49% ownership interest in Deptford Mall, a 1,040,000 square foot regional shopping center in Deptford, New Jersey; FlatIron Crossing, a 1,432,000 square foot regional shopping center in Broomfield, Colorado; and Twenty Ninth Street, an 847,000 square foot regional shopping center in Boulder, Colorado (the "MAC Heitman Portfolio"), for $771,478, resulting in a gain on the sale of assets of $340,734. The sales price was funded by a cash payment of $478,608 and the assumption of a pro rata share of the mortgage notes payable on the properties of $292,870. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes. Upon completion of the sale of the ownership interest, the Company no longer has a controlling interest in the joint venture due to the substantive participation rights of the outside partner. Accordingly, the Company accounts for its investment in the MAC Heitman Portfolio under the equity method of accounting.

On March 1, 2016, the Company, through a 50/50 joint venture, acquired Country Club Plaza, a 1,001,000 square foot regional shopping center in Kansas City, Missouri, for a purchase price of $660,000. The Company funded its pro rata share of the purchase price of $330,000 from borrowings under its line of credit. On March 28, 2016, the joint venture placed a $320,000 loan on the property that bears interest at an effective rate of 3.88% and matures on April 1, 2026. The Company used its pro rata share of the proceeds to pay down its line of credit and for general corporate purposes.

On March 17, 2017, the Company's joint venture in Country Club Plaza sold an office building for $78,000, resulting in a gain on sale of assets of $4,580. The Company's pro rata share of the gain on the sale of assets of $2,290 was included in equity in income from joint ventures. The Company used its share of the proceeds to fund repurchases under the 2017 Stock Buyback Program (See Note 12—Stockholders' Equity).

On September 18, 2017, the Company's joint venture in Fashion District Philadelphia sold an office building for $61,500, resulting in a gain on sale of assets of $13,426. The Company's pro rata share of the gain on the sale of assets of $6,713 was included in equity in income from joint ventures. The Company used its share of the proceeds to fund repurchases under the 2017 Stock Buyback Program (See Note 12—Stockholders' Equity).

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

4. Investments in Unconsolidated Joint Ventures: (Continued)

Combined and condensed balance sheets and statements of operations are presented below for all unconsolidated joint ventures.

Combined and Condensed Balance Sheets of Unconsolidated Joint Ventures:

	September 30, 2017	December 31, 2016
Assets(1):		
Property, net	$ 9,058,868	$ 9,176,642
Other assets	655,905	614,607
Total assets	$ 9,714,773	$ 9,791,249
Liabilities and partners' capital(1):		
Mortgage and other notes payable(2)	$ 5,311,238	$ 5,224,713
Other liabilities	438,235	403,369
Company's capital	2,166,954	2,279,819
Outside partners' capital	1,798,346	1,883,348
Total liabilities and partners' capital	$ 9,714,773	$ 9,791,249
Investments in unconsolidated joint ventures:		
Company's capital	$ 2,166,954	$ 2,279,819
Basis adjustment(3)	(566,917)	(584,887)
	$ 1,600,037	$ 1,694,932
Assets—Investments in unconsolidated joint ventures	$ 1,688,606	$ 1,773,558
Liabilities—Distributions in excess of investments in unconsolidated joint ventures	(88,569)	(78,626)
	$ 1,600,037	$ 1,694,932

(1) These amounts include the assets of $3,120,534 and $3,179,255 of Pacific Premier Retail LLC (the "PPR Portfolio") as of September 30, 2017 and December 31, 2016, respectively, and liabilities of $1,878,719 and $1,887,952 of the PPR Portfolio as of September 30, 2017 and December 31, 2016, respectively.

(2) Included in mortgage and other notes payable are amounts due to an affiliate of Northwestern Mutual Life ("NML") of $484,716 and $265,863 as of September 30, 2017 and December 31, 2016, respectively. NML is considered a related party because it is a joint venture partner with the Company in Macerich Northwestern Associates—Broadway Plaza. Interest expense on these borrowings was $4,903 and $2,775 for the three months ended September 30, 2017 and 2016, respectively, and $12,992 and $14,133 for the nine months ended September 30, 2017 and 2016, respectively.

(3) The Company amortizes the difference between the cost of its investments in unconsolidated joint ventures and the book value of the underlying equity into income on a straight-line basis consistent with the lives of the underlying assets. The amortization of this difference was $4,227 and $4,988 for the three months ended September 30, 2017 and 2016, respectively, and $12,451 and $14,114 for the nine months ended September 30, 2017 and 2016, respectively.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

4. Investments in Unconsolidated Joint Ventures: (Continued)

Combined and Condensed Statements of Operations of Unconsolidated Joint Ventures:

	PPR Portfolio	Other Joint Ventures	Total
Three Months Ended September 30, 2017			
Revenues:			
Minimum rents	$ 35,052	$ 123,663	$ 158,715
Percentage rents	903	3,953	4,856
Tenant recoveries	12,015	47,841	59,856
Other	1,713	12,329	14,042
Total revenues	49,683	187,786	237,469
Expenses:			
Shopping center and operating expenses	10,591	60,394	70,985
Interest expense	16,890	33,214	50,104
Depreciation and amortization	25,449	62,958	88,407
Total operating expenses	52,930	156,566	209,496
Gain on sale or write down of assets, net	—	13,426	13,426
Net (loss) income	$ (3,247)	$ 44,646	$ 41,399
Company's equity in net income	$ 620	$ 23,373	$ 23,993
Three Months Ended September 30, 2016			
Revenues:			
Minimum rents	$ 33,332	$ 121,109	$ 154,441
Percentage rents	1,117	4,228	5,345
Tenant recoveries	11,933	48,540	60,473
Other	987	11,697	12,684
Total revenues	47,369	185,574	232,943
Expenses:			
Shopping center and operating expenses	9,897	61,335	71,232
Interest expense	16,688	32,126	48,814
Depreciation and amortization	27,091	70,030	97,121
Total operating expenses	53,676	163,491	217,167
Loss on sale or write down of assets, net	—	(343)	(343)
Net (loss) income	$ (6,307)	$ 21,740	$ 15,433
Company's equity in net (loss) income	$ (871)	$ 12,132	$ 11,261

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

4. Investments in Unconsolidated Joint Ventures: (Continued)

	PPR Portfolio	Other Joint Ventures	Total
Nine Months Ended September 30, 2017			
Revenues:			
Minimum rents	$ 100,633	$ 373,931	$ 474,564
Percentage rents	1,854	7,817	9,671
Tenant recoveries	34,827	141,875	176,702
Other	4,141	36,857	40,998
Total revenues	141,455	560,480	701,935
Expenses:			
Shopping center and operating expenses	30,062	181,475	211,537
Interest expense	50,291	98,469	148,760
Depreciation and amortization	76,527	187,927	264,454
Total operating expenses	156,880	467,871	624,751
(Loss) gain on sale or write down of assets, net	(35)	18,005	17,970
Net (loss) income	$ (15,460)	$ 110,614	$ 95,154
Company's equity in net (loss) income	$ (1,376)	$ 58,148	$ 56,772
Nine Months Ended September 30, 2016			
Revenues:			
Minimum rents	$ 95,389	$ 347,146	$ 442,535
Percentage rents	2,219	8,605	10,824
Tenant recoveries	35,828	138,635	174,463
Other	4,514	34,801	39,315
Total revenues	137,950	529,187	667,137
Expenses:			
Shopping center and operating expenses	28,997	173,563	202,560
Interest expense	47,957	91,130	139,087
Depreciation and amortization	81,971	187,327	269,298
Total operating expenses	158,925	452,020	610,945
Loss on sale or write down of assets, net	—	(343)	(343)
Net (loss) income	$ (20,975)	$ 76,824	$ 55,849
Company's equity in net (loss) income	$ (3,845)	$ 41,382	$ 37,537

Significant accounting policies used by the unconsolidated joint ventures are similar to those used by the Company.

5. Property, net:

Property, net consists of the following:

	September 30, 2017	December 31, 2016
Land	$ 1,578,877	$ 1,607,590
Buildings and improvements	6,412,728	6,511,741
Tenant improvements	613,854	622,878
Equipment and furnishings	184,379	177,036
Construction in progress	342,539	289,966
	9,132,377	9,209,211
Less accumulated depreciation	(1,967,728)	(1,851,901)
	$ 7,164,649	$ 7,357,310

Depreciation expense was $69,343 and $68,792 for the three months ended September 30, 2017 and 2016, respectively, and $207,663 and $206,870 for the nine months ended September 30, 2017 and 2016, respectively.

The (loss) gain on sale or write down of assets, net was $(11,854) and $(19,321) for the three months ended September 30, 2017 and 2016, respectively, and $37,234 and $426,050 for the nine months ended September 30, 2017 and 2016, respectively.

The (loss) gain on sale or write down of assets, net for the nine months ended September 30, 2017 includes a gain of $59,698 on the sale of Cascade Mall and Northgate Mall (See Note 14—Dispositions) offset in part by a loss of $10,138 on the write down of an investment in non-real estate assets.

The (loss) gain on sale or write down of assets, net for the nine months ended September 30, 2016 includes a gain of $101,629 on the sale of a 40% ownership interest in Arrowhead Towne Center (See Note 4—Investments in Unconsolidated Joint Ventures), a gain of $340,734 on the sale of a 49% ownership interest in the MAC Heitman Portfolio (See Note 4—Investments in Unconsolidated Joint Ventures), a gain of $24,894 on the sale of Capitola Mall (See Note 14—Dispositions), a loss of $3,066 on the sale of a former Mervyn's store (See Note 14—Dispositions) and a loss of $12,180 on an adjustment to contingent consideration (See Note 13—Acquisitions).

The (loss) gain on sale or write down of assets, net also includes impairment losses of $12,036 on Southridge Center for the three and nine months ended September 30, 2017, $23,335 on Promenade at Casa Grande for the three and nine months ended September 30, 2016 and $7,188 on The Marketplace at Flagstaff for the nine months ended September 30, 2016. The impairment losses are due to the reduction of the estimated holding period of the properties.

The following table summarizes certain of the Company's assets that were measured on a nonrecurring basis as a result of impairment charges recorded for the three and nine months ended September 30, 2017 and 2016 as described above:

	Total Fair Value Measurement	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Unobservable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2017	$ 11,500	$ —	$ 11,500	$ —
2016	$ 66,000	$ —	$ —	$ 66,000

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

5. Property, net: (Continued)

The fair value relating to impairment assessments were based upon a discounted cash flow model that includes all cash inflows and outflows over a specific holding period, or the negotiated sales price, if applicable. Projected cash flows are comprised of contractual rental revenues and forecasted rental revenues and expenses based upon market conditions and expectations for growth. Terminal capitalization rates and discount rates utilized in these models are based on a reasonable range of current market rates for each property analyzed. Based upon these inputs, the Company determined that its valuations of properties using a discounted cash flow model are classified within Level 3 of the fair value hierarchy.

The following table sets forth quantitative information about the unobservable inputs of the Company's Level 3 real estate recorded as of September 30, 2016:

Terminal capitalization rate	7.0% - 8.0%
Discount rate	8.0% - 9.5%
Market rents per square foot	$5.75 - $20.00

6. Tenant and Other Receivables, net:

Included in tenant and other receivables, net is an allowance for doubtful accounts of $2,559 and $1,991 at September 30, 2017 and December 31, 2016, respectively. Also included in tenant and other receivables, net are accrued percentage rents of $1,866 and $9,509 at September 30, 2017 and December 31, 2016, respectively, and a deferred rent receivable due to straight-line rent adjustments of $62,182 and $56,761 at September 30, 2017 and December 31, 2016, respectively.

On March 17, 2014, in connection with the sale of Lake Square Mall, the Company issued a note receivable for $6,500 that bore interest at an effective rate of 6.5%, which was collateralized by a trust deed on Lake Square Mall and that was to mature on March 17, 2018. At September 30, 2017 and December 31, 2016, the note had a balance of $6,245 and $6,284, respectively. On October 20, 2017, the note was repaid in full. The Company used the proceeds from the repayment for general corporate purposes.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

7. Deferred Charges and Other Assets, net:

Deferred charges and other assets, net consist of the following:

	September 30, 2017	December 31, 2016
Leasing	$ 232,443	$ 239,983
Intangible assets:		
In-place lease values	112,994	140,437
Leasing commissions and legal costs	27,621	32,384
Above-market leases	171,156	181,851
Deferred tax assets	44,964	38,301
Deferred compensation plan assets	49,430	42,711
Other assets	59,358	72,206
	697,966	747,873
Less accumulated amortization(1)	(258,471)	(269,815)
	$ 439,495	$ 478,058

(1) Accumulated amortization includes $75,818 and $88,785 relating to in-place lease values, leasing commissions and legal costs at September 30, 2017 and December 31, 2016, respectively. Amortization expense of in-place lease values, leasing commissions and legal costs was $4,206 and $8,983 for the three months ended September 30, 2017 and 2016, respectively, and $15,755 and $26,033 for the nine months ended September 30, 2017 and 2016, respectively.

The allocated values of above-market leases and below-market leases consist of the following:

	September 30, 2017	December 31, 2016
Above-Market Leases		
Original allocated value	$ 171,156	$ 181,851
Less accumulated amortization	(61,000)	(57,505)
	$ 110,156	$ 124,346
Below-Market Leases(1)		
Original allocated value	$ 128,750	$ 144,713
Less accumulated amortization	(57,314)	(58,400)
	$ 71,436	$ 86,313

(1) Below-market leases are included in other accrued liabilities.

8. Mortgage Notes Payable:

Mortgage notes payable at September 30, 2017 and December 31, 2016 consist of the following:

	Carrying Amount of Mortgage Notes(1)						
	September 30, 2017		December 31, 2016				
Property Pledged as Collateral	Related Party	Other	Related Party	Other	Effective Interest Rate(2)	Monthly Debt Service(3)	Maturity Date(4)
Chandler Fashion Center(5)	$ —	$ 199,885	$ —	$ 199,833	3.77%	$ 625	2019
Danbury Fair Mall	105,448	105,448	107,929	107,928	5.53%	1,538	2020
Fashion Outlets of Chicago(6)	—	199,218	—	198,966	2.90%	457	2020
Fashion Outlets of Niagara Falls USA	—	113,534	—	115,762	4.89%	727	2020
Freehold Raceway Mall(5)(7)	—	217,379	—	220,643	4.20%	1,132	2018
Fresno Fashion Fair	—	323,208	—	323,062	3.67%	971	2026
Green Acres Commons(8)	—	107,446	—	—	3.96%	312	2021
Green Acres Mall	—	293,004	—	297,798	3.61%	1,447	2021
Kings Plaza Shopping Center	—	449,709	—	456,958	3.67%	2,229	2019
Northgate Mall(9)	—	—	—	63,434	—	—	—
Oaks, The	—	197,875	—	201,235	4.14%	1,064	2022
Pacific View	—	125,136	—	127,311	4.08%	668	2022
Queens Center	—	600,000	—	600,000	3.49%	1,744	2025
Santa Monica Place(10)	—	215,508	—	219,564	2.99%	1,004	2018
SanTan Village Regional Center	—	125,470	—	127,724	3.14%	589	2019
Stonewood Center(11)	—	94,994	—	99,520	1.80%	640	2017
Towne Mall	—	21,266	—	21,570	4.48%	117	2022
Tucson La Encantada	67,362	—	68,513	—	4.23%	368	2022
Victor Valley, Mall of	—	114,602	—	114,559	4.00%	380	2024
Vintage Faire Mall	—	265,195	—	269,228	3.55%	1,256	2026
Westside Pavilion	—	141,987	—	143,881	4.49%	783	2022
	$ 172,810	$ 3,910,864	$ 176,442	$ 3,908,976			

(1) The mortgage notes payable balances include the unamortized debt premiums (discounts). Debt premiums (discounts) represent the excess (deficiency) of the fair value of debt over (under) the principal value of debt assumed in various acquisitions and are amortized into interest expense over the remaining term of the related debt in a manner that approximates the effective interest method. Debt premiums (discounts) consist of the following:

Property Pledged as Collateral	September 30, 2017	December 31, 2016
Fashion Outlets of Niagara Falls USA	$ 2,862	$ 3,558
Stonewood Center	246	2,349
	$ 3,108	$ 5,907

The mortgage notes payable balances also include unamortized deferred finance costs that are amortized into interest expense over the remaining term of the related debt in a manner that approximates the effective interest method. Unamortized deferred finance costs were $12,810 and $12,716 at September 30, 2017 and December 31, 2016, respectively.

(2) The interest rate disclosed represents the effective interest rate, including the debt premiums (discounts) and deferred finance costs.

(3) The monthly debt service represents the payment of principal and interest.

(4) The maturity date assumes that all extension options are fully exercised and that the Company does not opt to refinance the debt prior to these dates. These extension options are at the Company's discretion, subject to certain conditions, which the Company believes will be met.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

8. Mortgage Notes Payable: (Continued)

(5) A 49.9% interest in the loan has been assumed by a third party in connection with a co-venture arrangement (See Note 10—Co-Venture Arrangement).

(6) The loan bears interest at LIBOR plus 1.50% and matures on March 31, 2020. At September 30, 2017 and December 31, 2016, the total interest rate was 2.90% and 2.43%, respectively.

(7) On October 19, 2017, the joint venture replaced the existing loan on the property with a new $400,000 loan that bears interest at 3.90% and matures on November 1, 2029 (See Note 19—Subsequent Events).

(8) On September 29, 2017, the Company placed a new $110,000 loan on the property that bears interest at LIBOR plus 2.15% and matures on March 29, 2021. The loan can be expanded, depending on certain conditions, up to $130,000. At September 30, 2017, the total interest rate was 3.96%.

(9) On January 18, 2017, the loan was paid off in connection with the sale of the underlying property (See Note 14—Dispositions).

(10) On October 13, 2017, the Company entered into a loan commitment with a lender to replace the existing loan on the property with a new $300,000 five-year floating rate loan. The new loan is expected to close in the fourth quarter of 2017. The Company expects to use the excess proceeds to pay down its line of credit (See Note 19—Subsequent Events).

(11) On November 1, 2017, the Company paid off the loan on the property (See Note 19—Subsequent Events).

Most of the mortgage loan agreements contain a prepayment penalty provision for the early extinguishment of the debt.

The Company's mortgage notes payable are secured by the properties on which they are placed and are non-recourse to the Company.

The Company expects that all loan maturities during the next twelve months will be refinanced, restructured, extended and/or paid-off from the Company's line of credit or with cash on hand.

Total interest expense capitalized was $3,428 and $2,707 for the three months ended September 30, 2017 and 2016, respectively, and $9,405 and $7,572 for the nine months ended September 30, 2017 and 2016, respectively.

Related party mortgage notes payable are amounts due to an affiliate of NML. See Note 16—Related Party Transactions for interest expense associated with loans from NML.

The estimated fair value (Level 2 measurement) of mortgage notes payable at September 30, 2017 and December 31, 2016 was $4,112,364 and $4,126,819, respectively, based on current interest rates for comparable loans. Fair value was determined using a present value model and an interest rate that included a credit value adjustment based on the estimated value of the property that serves as collateral for the underlying debt.

9. Bank and Other Notes Payable:

Bank and other notes payable consist of the following:

Line of Credit:

The Company has a $1,500,000 revolving line of credit that bears interest at LIBOR plus a spread of 1.30% to 1.90%, depending on the Company's overall leverage level, and matures on July 6, 2020 with a one-year extension option. The line of credit can be expanded, depending on certain conditions, up to a total facility of $2,000,000.

Based on the Company's leverage level as of September 30, 2017, the borrowing rate on the facility was LIBOR plus 1.45%. As of September 30, 2017 and December 31, 2016, borrowings under the line of credit, were $970,000 and $885,000, respectively, less unamortized deferred finance costs of $8,176 and $10,039, respectively, at a total interest rate of 3.01% and 2.40%, respectively. The estimated fair value (Level 2 measurement) of the line of credit at September 30, 2017 and December 31, 2016 was $960,233 and $865,921, respectively, based on a present value model using a credit interest rate spread offered to the Company for comparable debt.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

9. Bank and Other Notes Payable: (Continued)

Prasada Note:

On March 29, 2013, the Company issued a $13,330 note payable that bears interest at 5.25% and matures on May 30, 2021. The note payable is collateralized by a portion of a development reimbursement agreement with the City of Surprise, Arizona. At September 30, 2017 and December 31, 2016, the note had a balance of $4,933 and $5,521, respectively. The estimated fair value (Level 2 measurement) of the note at September 30, 2017 and December 31, 2016 was $5,067 and $5,786, respectively, based on current interest rates for comparable notes. Fair value was determined using a present value model and an interest rate that included a credit value adjustment based on the estimated value of the collateral for the underlying debt.

As of September 30, 2017 and December 31, 2016, the Company was in compliance with all applicable financial loan covenants.

10. Co-Venture Arrangement:

On September 30, 2009, the Company formed a joint venture, whereby a third party acquired a 49.9% interest in Freehold Raceway Mall, a 1,671,000 square foot regional shopping center in Freehold, New Jersey, and Chandler Fashion Center, a 1,318,000 square foot regional shopping center in Chandler, Arizona.

As a result of the Company having certain rights under the agreement to repurchase the assets after the seventh year of the venture formation, the transaction did not qualify for sale treatment. The Company, however, is not obligated to repurchase the assets. The transaction has been accounted for as a profit-sharing arrangement, and accordingly the assets, liabilities and operations of the properties remain on the books of the Company and a co-venture obligation was established for the amount of $168,154, representing the net cash proceeds received from the third party. The co-venture obligation is increased for the allocation of income to the co-venture partner and decreased for distributions to the co-venture partner. The co-venture obligation was $59,118 and $58,973 at September 30, 2017 and December 31, 2016, respectively.

11. Noncontrolling Interests:

The Company allocates net income of the Operating Partnership based on the weighted average ownership interest during the period. The net income of the Operating Partnership that is not attributable to the Company is reflected in the consolidated statements of operations as noncontrolling interests. The Company adjusts the noncontrolling interests in the Operating Partnership at the end of each period to reflect its ownership interest in the Company. The Company had a 93% ownership interest in the Operating Partnership as of September 30, 2017 and December 31, 2016. The remaining 7% limited partnership interest as of September 30, 2017 and December 31, 2016 was owned by certain of the Company's executive officers and directors, certain of their affiliates and other third party investors in the form of OP Units. The OP Units may be redeemed for shares of stock or cash, at the Company's option. The redemption value for each OP Unit as of any balance sheet date is the amount equal to the average of the closing price per share of the Company's common stock, par value $0.01 per share, as reported on the New York Stock Exchange for the 10 trading days ending on the respective balance sheet date. Accordingly, as of September 30, 2017 and December 31, 2016, the aggregate redemption value of the then-outstanding OP Units not owned by the Company was $555,597 and $733,141, respectively.

The Company issued common and preferred units of MACWH, LP in April 2005 in connection with the acquisition of the Wilmorite portfolio. The common and preferred units of MACWH, LP are redeemable at the election of the holder. The Company may redeem them for cash or shares of the Company's stock at the Company's option and they are classified as permanent equity.

Included in permanent equity are outside ownership interests in various consolidated joint ventures. The joint ventures do not have rights that require the Company to redeem the ownership interests in either cash or stock.

12. Stockholders' Equity:

2015 Stock Buyback Program:

On September 30, 2015, the Company's Board of Directors authorized the repurchase of up to $1,200,000 of the Company's outstanding common shares over the period ending September 30, 2017, as market conditions warranted.

On November 12, 2015, the Company entered into an accelerated share repurchase program ("ASR") to repurchase $400,000 of the Company's common stock. In accordance with the ASR, the Company made a prepayment of $400,000 and received an initial share delivery of 4,140,788 shares. On January 19, 2016, the ASR was completed and the Company received delivery of an additional 970,609 shares. The average price of the 5,111,397 shares repurchased under the ASR was $78.26 per share. The ASR was funded from proceeds in connection with the financing and sale of a 40% ownership interest in the PPR Portfolio.

On February 17, 2016, the Company entered into an ASR to repurchase an additional $400,000 of the Company's common stock. In accordance with the ASR, the Company made a prepayment of $400,000 and received an initial share delivery of 4,222,193 shares. On April 19, 2016, the ASR was completed and the Company received delivery of an additional 861,235 shares. The average price of the 5,083,428 shares repurchased under the ASR was $78.69 per share. The ASR was funded from borrowings under the Company's line of credit, which had been paid down from the proceeds from the financings and sale of ownership interests in Arrowhead Towne Center and the MAC Heitman Portfolio (See Note 4—Investments in Unconsolidated Joint Ventures).

On May 9, 2016, the Company entered into an ASR to repurchase the remaining $400,000 of the Company's common stock authorized for repurchase. In accordance with the ASR, the Company made a prepayment of $400,000 and received an initial share delivery of 3,964,812 shares. On July 11, 2016, the ASR was completed and the Company received delivery of an additional 1,104,162 shares. The average price of the 5,068,974 shares repurchased under the ASR was $78.91 per share. The ASR was funded from borrowings under the Company's line of credit, which had been paid down from the proceeds from the financings and sale of ownership interests in Arrowhead Towne Center and the MAC Heitman Portfolio (See Note 4—Investments in Unconsolidated Joint Ventures).

2017 Stock Buyback Program:

On February 12, 2017, the Company's Board of Directors authorized the repurchase of up to $500,000 of its outstanding common shares as market conditions and the Company’s liquidity warrant. Repurchases may be made through open market purchases, privately negotiated transactions, structured or derivative transactions, including ASR transactions, or other methods of acquiring shares and pursuant to Rule 10b5-1 of the Securities Act of 1934, from time to time as permitted by securities laws and other legal requirements.

During the period from February 12, 2017 to September 30, 2017, the Company repurchased a total of 3,627,390 of its common shares for $221,428, representing an average price of $61.01 per share. The Company funded the repurchases from the net proceeds of the sale of Cascade Mall and Northgate Mall (See Note 14—Dispositions), its share of the proceeds from the sale of office buildings at Fashion District Philadelphia and Country Club Plaza (See Note 4—Investments in Unconsolidated Joint Ventures) and from borrowings under its line of credit.

Special Dividends:

On October 30, 2015, the Company declared two special dividends/distributions ("Special Dividend"), each of $2.00 per share of common stock and per OP Unit. The first Special Dividend was paid on December 8, 2015 to common stockholders and OP Unit holders of record on November 12, 2015. The second Special Dividend was paid on January 6, 2016 to common stockholders and OP Unit holders of record on November 12, 2015. The Special Dividends were funded from proceeds in connection with the financing and sale of ownership interests in the PPR Portfolio and Arrowhead Towne Center (See Note 4—Investments in Unconsolidated Joint Ventures).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

12. Stockholders' Equity: (Continued)

At-The-Market Stock Offering Program ("ATM Program"):

On August 20, 2014, the Company entered into an equity distribution agreement with a number of sales agents (the "ATM Program") to issue and sell, from time to time, shares of common stock, par value $0.01 per share, having an aggregate offering price of up to $500,000 (the “ATM Shares”). Sales of the ATM Shares could have been made in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an “at the market” offering, which included sales made directly on the New York Stock Exchange or sales made to or through a market maker other than on an exchange. The Company agreed to pay each sales agent a commission that was not to exceed, but could have been lower than, 2% of the gross proceeds of the ATM Shares sold through such sales agent under the distribution agreement. The ATM program expired by its term in August 2017. No shares were sold under the program.

13. Acquisitions:

Fashion Outlets of Chicago:

On October 31, 2014, the Company purchased the outside ownership interest in its consolidated joint venture in Fashion Outlets of Chicago for $69,987. The purchase price was funded by a cash payment of $55,867 and the settlement of the balance on notes receivables of $14,120. The purchase agreement included contingent consideration based on the financial performance of Fashion Outlets of Chicago at an agreed upon date in 2016. On August 19, 2016, the Company paid $23,800 in full settlement of the contingent consideration obligation.

14. Dispositions:

The following are recent dispositions of properties:

On April 13, 2016, the Company sold Capitola Mall, a 586,000 square foot regional shopping center in Capitola, California, for $93,000, resulting in a gain on the sale of assets of $24,894. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On May 31, 2016, the Company sold a former Mervyn's store in Yuma, Arizona, for $3,200, resulting in a loss on the sale of assets of $3,066. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On July 15, 2016, the Company conveyed Flagstaff Mall, a 347,000 square foot regional shopping center in Flagstaff, Arizona, to the mortgage lender by a deed-in-lieu of foreclosure and was discharged from the mortgage note payable. The loan was non-recourse to the Company. As a result, the Company recognized a gain on the extinguishment of debt of $5,284.

On January 18, 2017, the Company sold Cascade Mall, a 589,000 square foot regional shopping center in Burlington, Washington; and Northgate Mall, a 750,000 square foot regional shopping center in San Rafael, California, in a combined transaction for $170,000, resulting in a gain on the sale of assets of $59,698. The proceeds were used to pay off the mortgage note payable on Northgate Mall and to repurchase shares of the Company's common stock under the 2017 Stock Buyback Program (See Note 12—Stockholders' Equity).

15. Commitments and Contingencies:

The Company has certain properties that are subject to non-cancelable operating ground leases. The leases expire at various times through 2098, subject in some cases to options to extend the terms of the lease. Certain leases provide for contingent rent payments based on a percentage of base rental income, as defined in the lease. Ground lease rent expense was $2,589 and $2,395 for the three months ended September 30, 2017 and 2016, respectively, and $7,757 and $7,312 for the nine months ended September 30, 2017 and 2016, respectively. No contingent rent was incurred during the three and nine months ended September 30, 2017 or 2016.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

15. Commitments and Contingencies: (Continued)

As of September 30, 2017, the Company was contingently liable for $60,927 in letters of credit guaranteeing performance by the Company of certain obligations relating to the Centers. The Company does not believe that these letters of credit will result in a liability to the Company.

The Company has entered into a number of construction agreements related to its redevelopment and development activities. Obligations under these agreements are contingent upon the completion of the services within the guidelines specified in the agreements. At September 30, 2017, the Company had $62,609 in outstanding obligations which it believes will be settled in the next twelve months.

16. Related Party Transactions:

Certain unconsolidated joint ventures have engaged the Management Companies to manage the operations of the Centers. Under these arrangements, the Management Companies are reimbursed for compensation paid to on-site employees, leasing agents and project managers at the Centers, as well as insurance costs and other administrative expenses.

The following are fees charged to unconsolidated joint ventures:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Management fees	$ 4,749	$ 4,271	$ 13,914	$ 13,240
Development and leasing fees	3,385	2,952	11,376	10,149
	$ 8,134	$ 7,223	$ 25,290	$ 23,389

Certain mortgage notes on the properties are held by NML (See Note 8—Mortgage Notes Payable). Interest expense in connection with these notes was $2,175 and $2,224 for the three months ended September 30, 2017 and 2016, respectively, and $6,567 and $6,752 for the nine months ended September 30, 2017 and 2016, respectively. Included in accounts payable and accrued expenses is interest payable on these notes of $721 and $736 at September 30, 2017 and December 31, 2016, respectively.

Due from (to) affiliates includes unreimbursed and/or prepaid costs and fees from unconsolidated joint ventures due to (from) the Management Companies. As of September 30, 2017 and December 31, 2016, the amounts due from (to) the unconsolidated joint ventures was $4,905 and $(6,809), respectively.

In addition, due from affiliates at September 30, 2017 and December 31, 2016 included a note receivable from RED/303 LLC ("RED") that bears interest at 5.25% and matures on May 30, 2021. Interest income earned on this note was $66 and $81 for the three months ended September 30, 2017 and 2016, respectively, and $204 and $294 for the nine months ended September 30, 2017 and 2016, respectively. The balance on this note was $4,998 and $5,593 at September 30, 2017 and December 31, 2016, respectively. RED is considered a related party because it is a partner in a joint venture development project. The note is collateralized by RED's membership interest in the development project.

Also included in due from affiliates is a note receivable from Lennar Corporation that bears interest at LIBOR plus 2% and matures upon the completion of certain milestones in connection with the development of Fashion Outlets of San Francisco. Interest income earned on this note was $621 and $583 for the three months ended September 30, 2017 and 2016, respectively, and $1,839 and $1,629 for the nine months ended September 30, 2017 and 2016, respectively. The balance on this note was $71,281 and $69,443 at September 30, 2017 and December 31, 2016, respectively. Lennar Corporation is considered a related party because it is a joint venture partner in Fashion Outlets of San Francisco.

17. Share and Unit-Based Plans:

Under the Long-Term Incentive Plan ("LTIP"), each award recipient is issued a form of units ("LTIP Units") in the Operating Partnership. Upon the occurrence of specified events and subject to the satisfaction of applicable vesting conditions, LTIP Units (after conversion into OP Units) are ultimately redeemable for common stock of the Company, or cash at the Company's option, on a one-unit for one-share basis. LTIP Units receive cash dividends based on the dividend amount paid on the common stock of the Company. The LTIP may include both market-indexed awards and service-based awards.

The market-indexed LTIP Units vest over the service period of the award based on the percentile ranking of the Company in terms of total return to the stockholders (the "Total Return") per common stock share relative to the Total Return of a group of peer REITs, as measured at the end of the measurement period.

On January 1, 2017, the Company granted 66,079 LTIP Units with a grant date fair value of $70.84 per LTIP Unit that will vest in equal annual installments over a service period ending December 31, 2019. Concurrently, the Company granted 297,849 market-indexed LTIP Units ("2017 LTIP Units") at a grant date fair value of $47.15 per LTIP Unit that vest over a service period ending December 31, 2019. The fair value of the 2017 LTIP Units was estimated on the date of grant using a Monte Carlo Simulation model that assumed a risk free interest rate of 1.49% and an expected volatility of 20.75%.

On March 3, 2017, the Company granted 134,742 LTIP Units at a fair value of $66.57 per LTIP Unit that were fully vested on the grant date.

On May 30, 2017, the Company granted 25,000 non-qualified stock options with a grant date fair value of $10.02 that will vest on May 30, 2019. The Company measured the value of each option awarded using the Black-Scholes Option Pricing Model based upon the following assumptions: volatility of 30.19%, dividend yield of 4.93%, risk free rate of 2.08%, current value of $57.55 and an expected term of 8 years.

On June 1, 2017, the Company granted 1,522 LTIP Units with a grant date fair value of $58.31 per LTIP Unit that will vest in equal annual installments over a service period ending May 29, 2020. Concurrently, the Company granted 6,714 market-indexed LTIP Units at a grant date fair value of $39.66 per LTIP Unit that vest over a service period ending May 29, 2020. The fair value of the market-indexed LTIP Units was estimated on the date of grant using a Monte Carlo Simulation model that assumed a risk free interest rate of 1.45% and an expected volatility of 21.40%.

The following summarizes the compensation cost under the share and unit-based plans:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
LTIP Units	$ 5,269	$ 5,204	$ 24,892	$ 27,752
Stock awards	—	—	—	20
Stock units	1,002	965	4,947	5,339
Stock options	34	4	53	12
Phantom stock units	185	212	545	1,010
	$ 6,490	$ 6,385	$ 30,437	$ 34,133

The Company capitalized share and unit-based compensation costs of $983 and $750 for the three months ended September 30, 2017 and 2016, respectively, and $5,278 and $6,490 for the nine months ended September 30, 2017 and 2016, respectively. Unrecognized compensation costs of share and unit-based plans at September 30, 2017 consisted of $5,554 from LTIP Units, $4,338 from stock units, $208 from stock options and $466 from phantom stock units.

The following table summarizes the activity of the non-vested LTIP Units, phantom stock units and stock units:

17. Share and Unit-Based Plans: (Continued)

	LTIP Units		Phantom Stock Units		Stock Units	
	Units	Value(1)	Units	Value(1)	Units	Value(1)
Balance at January 1, 2017	322,572	$ 58.18	5,845	$ 81.47	148,428	$ 78.53
Granted	506,906	55.33	8,439	68.34	86,426	66.47
Vested	(134,742)	66.57	(8,166)	71.85	(80,804)	75.67
Forfeited	—	—	—	—	(2,695)	69.57
Balance at September 30, 2017	694,736	$ 54.48	6,118	$ 76.20	151,355	$ 73.32

(1) Value represents the weighted average grant date fair value.

The following table summarizes the activity of the stock appreciations rights ("SARs") and stock options outstanding:

	SARs		Stock Options	
	Units	Value(1)	Units	Value(1)
Balance at January 1, 2017	284,146	$ 53.85	10,565	$ 56.77
Granted	—	—	25,000	57.55
Exercised	—	—	—	—
Balance at September 30, 2017	284,146	$ 53.85	35,565	$ 57.32

(1) Value represents the weighted average exercise price.

18. Income Taxes:

The Company has made taxable REIT subsidiary elections for all of its corporate subsidiaries other than its qualified REIT subsidiaries. The elections, effective for the year beginning January 1, 2001 and future years, were made pursuant to Section 856(l) of the Code. The Company's taxable REIT subsidiaries ("TRSs") are subject to corporate level income taxes which are provided for in the Company's consolidated financial statements. The Company's primary TRSs include Macerich Management Company and Macerich Arizona Partners LLC.

The income tax provision of the TRSs are as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Current	$ —	$ (68)	$ —	$ (154)
Deferred	(2,869)	(837)	178	(2,582)
Income tax (expense) benefit	$ (2,869)	$ (905)	$ 178	$ (2,736)

The net operating loss carryforwards are currently scheduled to expire through 2035, beginning in 2024. Net deferred tax assets of $44,964 and $38,301 were included in deferred charges and other assets, net at September 30, 2017 and December 31, 2016, respectively.

The tax years 2013 through 2016 remain open to examination by the taxing jurisdictions to which the Company is subject. The Company does not expect that the total amount of unrecognized tax benefit will materially change within the next twelve months.

THE MACERICH COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollars in thousands, except per share amounts)

(Unaudited)

19. Subsequent Events:

On October 13, 2017, the Company entered into a loan commitment with a lender to replace the existing loan on Santa Monica Place (See Note 8—Mortgage Notes Payable) with a new $300,000 five-year floating rate loan. The new loan is expected to close in the fourth quarter of 2017. The Company expects to use the excess proceeds to pay down its line of credit.

On October 19, 2017, the Company's joint venture in Chandler Fashion Center and Freehold Raceway Mall (See Note 10—Co-Venture Arrangement) replaced the existing loan on Freehold Raceway Mall with a new $400,000 loan that bears interest at 3.90% and matures on November 1, 2029. The Company used its share of the net proceeds to pay down its line of credit and for general corporate purposes.

On October 24, 2017, the Company announced a dividend/distribution of $0.74 per share for common stockholders and OP Unit holders of record on November 10, 2017. All dividends/distributions will be paid 100% in cash on December 1, 2017.

On November 1, 2017, the Company paid off in full the mortgage loan payable on Stonewood Center (See Note 8—Mortgage Notes Payable). The Company funded the repayment of the mortgage loan payable from borrowings under its line of credit.

On November 2, 2017, the Company entered into a loan commitment with a lender to place an $88,000 ten-year floating rate loan on Inland Center. The financing is expected to close in the fourth quarter of 2017. The Company expects to use the loan proceeds to pay down its line of credit.

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

IMPORTANT INFORMATION RELATED TO FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q of The Macerich Company (the "Company") contains or incorporates statements that constitute forward-looking statements within the meaning of the federal securities laws. Any statements that do not relate to historical or current facts or matters are forward-looking statements. You can identify some of the forward-looking statements by the use of forward-looking words, such as "may," "will," "could," "should," "expects," "anticipates," "intends," "projects," "predicts," "plans," "believes," "seeks," "estimates," "scheduled" and variations of these words and similar expressions. Statements concerning current conditions may also be forward-looking if they imply a continuation of current conditions. Forward-looking statements appear in a number of places in this Form 10-Q and include statements regarding, among other matters:

- expectations regarding the Company's growth;
- the Company's beliefs regarding its acquisition, redevelopment, development, leasing and operational activities and opportunities, including the performance of its retailers;
- the Company's acquisition, disposition and other strategies;
- regulatory matters pertaining to compliance with governmental regulations;
- the Company's capital expenditure plans and expectations for obtaining capital for expenditures;
- the Company's expectations regarding income tax benefits;
- the Company's expectations regarding its financial condition or results of operations; and
- the Company's expectations for refinancing its indebtedness, entering into and servicing debt obligations and entering into joint venture arrangements.

Stockholders are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company or the industry to differ materially from the Company's future results, performance or achievements, or those of the industry, expressed or implied in such forward-looking statements. Such factors include, among others, general industry, as well as national, regional and local economic and business conditions, which will, among other things, affect demand for retail space or retail goods, availability and creditworthiness of current and prospective tenants, anchor or tenant bankruptcies, closures, mergers or consolidations, lease rates, terms and payments, interest rate fluctuations, availability, terms and cost of financing and operating expenses; adverse changes in the real estate markets including, among other things, competition from other companies, retail formats and technology, risks of real estate development and redevelopment, acquisitions and dispositions; the liquidity of real estate investments, governmental actions and initiatives (including legislative and regulatory changes); environmental and safety requirements; and terrorist activities or other acts of violence which could adversely affect all of the above factors. You are urged to carefully review the disclosures we make concerning these risks and other factors that may affect our business and operating results, under "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016, as well as our other reports filed with the Securities and Exchange Commission (the "SEC"), which disclosures are incorporated herein by reference. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. The Company does not intend, and undertakes no obligation, to update any forward-looking information to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, unless required by law to do so.

Management's Overview and Summary

The Company is involved in the acquisition, ownership, development, redevelopment, management and leasing of regional and community/power shopping centers located throughout the United States. The Company is the sole general partner of, and owns a majority of the ownership interests in, The Macerich Partnership, L.P. (the "Operating Partnership"). As of September 30, 2017, the Operating Partnership owned or had an ownership interest in 48 regional shopping centers and seven community/power shopping centers aggregating approximately 54 million square feet of gross leasable area. These 55 regional and community/power shopping centers are referred to hereinafter as the "Centers," unless the context otherwise requires. The Company is a self-administered and self-managed real estate investment trust ("REIT") and conducts all of its operations through the Operating Partnership and the Management Companies.

The following discussion is based primarily on the consolidated financial statements of the Company for the three and nine months ended September 30, 2017 and 2016. It compares the results of operations for the three months ended September 30, 2017 to the results of operations for the three months ended September 30, 2016. It also compares the results of operations and cash flows for the nine months ended September 30, 2017 to the results of operations and cash flows for the

nine months ended September 30, 2016. This information should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

Acquisitions and Dispositions:

The financial statements reflect the following acquisitions, dispositions and changes in ownership subsequent to the occurrence of each transaction.

On January 6, 2016, the Company sold a 40% ownership interest in Arrowhead Towne Center, a 1,197,000 square foot regional shopping center in Glendale, Arizona, for $289.5 million, resulting in a gain on the sale of assets of $101.6 million. The sales price was funded by a cash payment of $129.5 million and the assumption of a pro rata share of the mortgage note payable on the property of $160.0 million. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes, which included funding the Special Dividend (See "Other Events and Transactions"). Upon completion of the sale of the ownership interest, the Company no longer has a controlling interest in the joint venture due to the substantive participation rights of the outside partner. Accordingly, the Company accounts for its investment in Arrowhead Towne Center under the equity method of accounting.

On January 14, 2016, the Company formed a joint venture, whereby the Company sold a 49% ownership interest in Deptford Mall, a 1,040,000 square foot regional shopping center in Deptford, New Jersey; FlatIron Crossing, a 1,432,000 square foot regional shopping center in Broomfield, Colorado; and Twenty Ninth Street, an 847,000 square foot regional shopping center in Boulder, Colorado (the "MAC Heitman Portfolio"), for $771.5 million, resulting in a gain on the sale of assets of $340.7 million. The sales price was funded by a cash payment of $478.6 million and the assumption of a pro rata share of the mortgage notes payable on the properties of $292.9 million. The Company used the cash proceeds from the sale to pay down its line of credit and for general corporate purposes. Upon completion of the sale of the ownership interest, the Company no longer has a controlling interest in the joint venture due to the substantive participation rights of the outside partner. Accordingly, the Company accounts for its investment in the MAC Heitman Portfolio under the equity method of accounting.

The sale of ownership interests in the Arrowhead Towne Center and the MAC Heitman Portfolio are collectively referred to herein as the Joint Venture Transactions.

On March 1, 2016, the Company through a 50/50 joint venture, acquired Country Club Plaza, a 1,001,000 square foot regional shopping center in Kansas City, Missouri, for a purchase price of $660.0 million. The Company funded its pro rata share of $330.0 million with borrowings under its line of credit.

On April 13, 2016, the Company sold Capitola Mall, a 586,000 square foot regional shopping center in Capitola, California, for $93.0 million, resulting in a gain on the sale of assets of $24.9 million. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On May 31, 2016, the Company sold a former Mervyn's store in Yuma, Arizona, for $3.2 million, resulting in a loss on the sale of assets of $3.1 million. The Company used the proceeds from the sale to pay down its line of credit and for general corporate purposes.

On January 18, 2017, the Company sold Cascade Mall, a 589,000 square foot regional shopping center in Burlington, Washington; and Northgate Mall, a 750,000 square foot regional shopping center in San Rafael, California, in a combined transaction for $170.0 million, resulting in a gain on the sale of assets of $59.7 million. The proceeds were used to payoff the mortgage note payable on Northgate Mall and to repurchase shares of the Company's common stock under the 2017 Stock Buyback Program (See "Other Transactions and Events").

On March 17, 2017, the Company's joint venture in Country Club Plaza sold an office building for $78.0 million, resulting in a gain on sale of assets of $4.6 million. The Company's pro rata share of the gain on sale of assets of $2.3 million was included in equity in income from joint ventures. The Company used its share of the proceeds to fund repurchases under the 2017 Stock Buyback Program (See "Other Transactions and Events").

On September 18, 2017, the Company's joint venture in Fashion District Philadelphia sold an office building for $61.5 million, resulting in a gain on sale of assets of $13.4 million. The Company's pro rata share of the gain on sale of assets of $6.7 million was included in equity in income from joint ventures. The Company used its share of the proceeds to fund repurchases under the 2017 Stock Buyback Program (See "Other Transactions and Events").

Financing Activities:

On January 6, 2016, the Company replaced the existing loan on Arrowhead Towne Center with a new $400.0 million loan that bears interest at an effective rate of 4.05% and matures on February 1, 2028, which resulted in a loss of $3.6 million on the early extinguishment of debt. Concurrently, a 40% interest in the loan was assumed by a third party in connection with the sale of a 40% ownership interest in the underlying property (See "Acquisitions and Dispositions").

On January 14, 2016, the Company placed a $150.0 million loan on Twenty Ninth Street that bears interest at an effective rate of 4.10% and matures on February 6, 2026. Concurrently, a 49% interest in the loan was assumed by a third party in connection with the sale of a 49% ownership interest in the MAC Heitman Portfolio (See "Acquisitions and Dispositions").

On March 28, 2016, the Company's joint venture in Country Club Plaza placed a $320.0 million loan on the property that bears interest at an effective rate of 3.88% and matures on April 1, 2026. The Company used its share of the proceeds to pay down its line of credit and for general corporate purposes.

On May 27, 2016, the Company's joint venture in The Shops at North Bridge replaced the existing loan on the property with a new $375.0 million loan that bears interest at an effective rate of 3.71% and matures on June 1, 2028. The Company used its share of the excess proceeds to pay down its line of credit and for general corporate purposes.

On July 6, 2016, the Company modified and amended its line of credit. The amended $1.5 billion line of credit bears interest at LIBOR plus a spread of 1.30% to 1.90%, depending on the Company's overall leverage level, and matures on July 6, 2020 with a one-year extension option. Based on the Company's leverage level as of the amendment date, the initial borrowing rate on the facility was LIBOR plus 1.33%. The line of credit can be expanded, depending on certain conditions, up to a total facility of $2.0 billion.

On August 5, 2016, the Company’s joint venture in The Village at Corte Madera replaced the existing loan on the property with a new $225.0 million loan that bears interest at an effective rate of 3.53% and matures on September 1, 2028. The Company used its share of the excess proceeds to pay down its line of credit and for general corporate purposes.

On October 6, 2016, the Company placed a $325.0 million loan on Fresno Fashion Fair that bears interest at an effective rate of 3.67% and matures on November 1, 2026. The Company used the proceeds to pay down its line of credit and for general corporate purposes.

On February 1, 2017, the Company's joint venture in West Acres replaced the existing loan on the property with a new $80.0 million loan that bears interest at an effective rate of 4.61% and matures on March 1, 2032. The Company used its share of the excess proceeds to pay down its line of credit and for general corporate purposes.

On March 16, 2017, the Company's joint venture in Kierland Commons replaced the existing loan on the property with a new $225.0 million loan that bears interest at an effective rate of 3.98% and matures on April 1, 2027. The Company used its share of the excess proceeds to pay down its line of credit and for general corporate purposes.

On September 29, 2017, the Company placed a new $110.0 million loan on Green Acres Commons that bears interest at LIBOR plus 2.15% and matures on March 29, 2021. The loan can be expanded, depending on certain conditions, up to $130.0 million. At September 30, 2017, the total interest rate was 3.96%. The Company used the proceeds to pay down its line of credit and for general corporate purposes.

On October 13, 2017, the Company entered into a loan commitment with a lender to replace the existing loan on Santa Monica Place with a new $300.0 million five-year floating rate loan. The new loan is expected to close in the fourth quarter of 2017. The Company expects to use the excess proceeds to pay down its line of credit.

On October 19, 2017, the Company's joint venture in Chandler Fashion Center and Freehold Raceway Mall replaced the existing loan on the Freehold Raceway Mall with a new $400.0 million loan that bears interest at 3.90% and matures on November 1, 2029. The Company used its share of the net proceeds to pay down its line of credit and for general corporate purposes.

On November 1, 2017, the Company paid off in full the $95.0 million mortgage loan payable on Stonewood Center. The Company funded the repayment of the mortgage loan payable from borrowings under its line of credit.

On November 2, 2017, the Company entered into a loan commitment with a lender to place an $88.0 million ten-year floating rate loan on Inland Center. The financing is expected to close in the fourth quarter of 2017. The Company expects to use the loan proceeds to pay down its line of credit.

Redevelopment and Development Activities:

The Company's joint venture is proceeding with the development of Fashion District Philadelphia, a redevelopment of an 850,000 square foot shopping center in Philadelphia, Pennsylvania. The project is expected to be completed in 2018. The total cost of the project is estimated to be between $305.0 million and $365.0 million, with $152.5 million to $182.5 million estimated to be the Company's pro rata share. The Company has funded $111.7 million of the total $223.4 million incurred by the joint venture as of September 30, 2017.

The Company is currently in the process of redeveloping the 250,000 square foot former Sears store at Kings Plaza Shopping Center. The Company expects to complete the project in 2018. As of September 30, 2017, the Company has incurred $40.4 million in costs and anticipates the total cost of the project to be between $95.0 million and $100.0 million.

Other Transactions and Events:

On September 30, 2015, the Company's Board of Directors authorized the repurchase of up to $1.2 billion of the Company's outstanding common shares over the period ending September 30, 2017, as market conditions warrant. On November 12, 2015, the Company entered into an accelerated share repurchase program ("ASR") to repurchase $400.0 million of the Company's common stock. In accordance with the ASR, the Company made a prepayment of $400.0 million and received an initial share delivery of 4,140,788 shares. On January 19, 2016, the ASR was completed and the Company received delivery of an additional 970,609 shares. The average price of the 5,111,397 shares repurchased under the ASR was $78.26 per share. The ASR was funded from proceeds in connection with the financing and sale of a 40% ownership interest in Pacific Premier Retail LLC (the "PPR Portfolio").

On October 30, 2015, the Company declared two special dividends/distributions ("Special Dividend"), each of $2.00 per share of common stock and per OP Unit. The first Special Dividend was paid on December 8, 2015 to stockholders and OP Unit holders of record on November 12, 2015. The second Special Dividend was paid on January 6, 2016 to common stockholders and OP Unit holders of record on November 12, 2015. The Special Dividends were funded from proceeds in connection with the financing and sale of ownership interests in the PPR Portfolio and Arrowhead Towne Center (See "Acquisitions and Dispositions" and "Financing Activity").

On February 17, 2016, the Company entered into an ASR to repurchase $400.0 million of the Company's common stock. In accordance with the ASR, the Company made a prepayment of $400.0 million and received an initial share delivery of 4,222,193 shares. On April 19, 2016, the ASR was completed and the Company received delivery of an additional 861,235 shares. The average price of the 5,083,428 shares repurchased under the ASR was $78.69 per share. The ASR was funded from borrowings under the Company's line of credit, which had been paid down from the proceeds from the Joint Venture Transactions (See "Acquisitions and Dispositions" and "Financing Activity").

On May 9, 2016, the Company entered into an ASR to repurchase the remaining $400.0 million of the Company's common stock authorized for repurchase. In accordance with the ASR, the Company made a prepayment of $400.0 million and received an initial share delivery of 3,964,812 shares. On July 11, 2016, the ASR was completed and the Company received delivery of an additional 1,104,162 shares. The average price of the 5,068,974 shares repurchased under the ASR was $78.91 per share. The ASR was funded from borrowings under the Company's line of credit, which had been paid down from the proceeds from the Joint Venture Transactions (See "Acquisitions and Dispositions" and "Financing Activity"). The total number of shares repurchased under the $1.2 billion stock buyback program was 15,263,799 at an average price of $78.62.

On July 15, 2016, the Company conveyed Flagstaff Mall, a 347,000 square foot regional shopping center in Flagstaff, Arizona, to the mortgage lender by a deed-in-lieu of foreclosure and was discharged from the mortgage note payable. The mortgage note payable was a non-recourse loan. As a result, the Company recognized a gain of $5.3 million on the extinguishment of debt.

On February 12, 2017, the Company's Board of Directors authorized the repurchase of up to $500.0 million of its outstanding common shares as market conditions and the Company’s liquidity warrant. Repurchases may be made through open market purchases, privately negotiated transactions, structured or derivative transactions, including ASR transactions, or other methods of acquiring shares and pursuant to Rule 10b5-1 of the Securities Act of 1934, from time to time as permitted by securities laws and other legal requirements. During the period from February 12, 2017 to September 30, 2017, the Company repurchased a total of 3,627,390 of its common shares for $221.4 million, representing an average price of $61.01 per share. The Company funded the repurchases from the net proceeds of the sale of Cascade Mall and Northgate Mall (See "Acquisitions and Dispositions"), its share of the proceeds from the sale of office buildings at Fashion District Philadelphia and Country Club Plaza (See "Acquisitions and Dispositions") and from borrowings under its line of credit.

Inflation:

In the last five years, inflation has not had a significant impact on the Company because of a relatively low inflation rate. Most of the leases at the Centers have rent adjustments periodically throughout the lease term. These rent increases are either in fixed increments or based on using an annual multiple of increases in the Consumer Price Index ("CPI"). In addition, approximately 6% to 13% of the leases for spaces 10,000 square feet and under expire each year, which enables the Company to replace existing leases with new leases at higher base rents if the rents of the existing leases are below the then existing market rate. The Company has generally entered into leases that require tenants to pay a stated amount for operating expenses, generally excluding property taxes, regardless of the expenses actually incurred at any Center, which places the burden of cost control on the Company. Additionally, certain leases require the tenants to pay their pro rata share of operating expenses.

Seasonality:

The shopping center industry is seasonal in nature, particularly in the fourth quarter during the holiday season when retailer occupancy and retail sales are typically at their highest levels. In addition, shopping malls achieve a substantial portion of their specialty (temporary retailer) rents during the holiday season and the majority of percentage rent is recognized in the fourth quarter. As a result of the above, earnings are generally higher in the fourth quarter.

Critical Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Some of these estimates and assumptions include judgments on revenue recognition, estimates for common area maintenance and real estate tax accruals, provisions for uncollectible accounts, impairment of long-lived assets, the allocation of purchase price between tangible and intangible assets, capitalization of costs and fair value measurements. The Company's significant accounting policies are described in more detail in Note 2—Summary of Significant Accounting Policies in the Company's Notes to the Consolidated Financial Statements. However, the following policies are deemed to be critical.

Revenue Recognition:

Minimum rental revenues are recognized on a straight-line basis over the term of the related lease. The difference between the amount of rent due in a year and the amount recorded as rental income is referred to as the "straight line rent adjustment." Currently, 50% of the mall store and freestanding store leases contain provisions for CPI rent increases periodically throughout the term of the lease. The Company believes that using an annual multiple of CPI increases, rather than fixed contractual rent increases, results in revenue recognition that more closely matches the cash revenue from each lease and will provide more consistent rent growth throughout the term of the leases. Percentage rents are recognized when the tenants' specified sales targets have been met. Estimated recoveries from certain tenants for their pro rata share of real estate taxes, insurance and other shopping center operating expenses are recognized as revenues in the period the applicable expenses are incurred. Other tenants pay a fixed rate and these tenant recoveries are recognized as revenues on a straight-line basis over the term of the related leases.

Property:

Maintenance and repair expenses are charged to operations as incurred. Costs for major replacements and betterments, which includes HVAC equipment, roofs, parking lots, etc., are capitalized and depreciated over their estimated useful lives. Gains and losses are recognized upon disposal or retirement of the related assets and are reflected in earnings.

Property is recorded at cost and is depreciated using a straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	5 - 40 years
Tenant improvements	5 - 7 years
Equipment and furnishings	5 - 7 years

Capitalization of Costs:

The Company capitalizes costs incurred in redevelopment, development, renovation and improvement of properties. The capitalized costs include pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. These capitalized costs include direct and certain indirect costs clearly associated with the project. Indirect costs include real estate taxes, insurance and certain shared administrative costs. In assessing the amounts of direct and indirect costs to be capitalized, allocations are made to projects based on estimates of the actual amount of time spent on each activity. Indirect costs not clearly associated with specific projects are expensed as period costs. Capitalized indirect costs are allocated to development and redevelopment activities based on the square footage of the portion of the building not held available for immediate occupancy. If costs and activities incurred to ready the vacant space cease, then cost capitalization is also discontinued until such activities are resumed. Once work has been completed on a vacant space, project costs are no longer capitalized. For projects with extended lease-up periods, the Company ends the capitalization when significant activities have ceased, which does not exceed the shorter of a one-year period after the completion of the building shell or when the construction is substantially complete.

Acquisitions:

The Company allocates the estimated fair value of acquisitions to land, building, tenant improvements and identified intangible assets and liabilities, based on their estimated fair values. In addition, any assumed mortgage notes payable are recorded at their estimated fair values. The estimated fair value of the land and buildings is determined utilizing an “as if vacant” methodology. Tenant improvements represent the tangible assets associated with the existing leases valued on a fair value basis at the acquisition date prorated over the remaining lease terms. The tenant improvements are classified as an asset under property and are depreciated over the remaining lease terms. Identifiable intangible assets and liabilities relate to the value of in-place operating leases which come in three forms: (i) leasing commissions and legal costs, which represent the value associated with “cost avoidance” of acquiring in-place leases, such as lease commissions paid under terms generally experienced in the Company's markets; (ii) value of in-place leases, which represents the estimated loss of revenue and of costs incurred for the period required to lease the “assumed vacant” property to the occupancy level when purchased; and (iii) above or below-market value of in-place leases, which represents the difference between the contractual rents and market rents at the time of the acquisition, discounted for tenant credit risks. Leasing commissions and legal costs are recorded in deferred charges and other assets and are amortized over the remaining lease terms. The value of in-place leases are recorded in deferred charges and other assets and amortized over the remaining lease terms plus any below-market fixed rate renewal options. Above or below-market leases are classified in deferred charges and other assets or in other accrued liabilities, depending on whether the contractual terms are above or below-market, and the asset or liability is amortized to minimum rents over the remaining terms of the leases. The remaining lease terms of below-market leases may include certain below-market fixed-rate renewal periods. In considering whether or not a lessee will execute a below-market fixed-rate lease renewal option, the Company evaluates economic factors and certain qualitative factors at the time of acquisition such as tenant mix in the Center, the Company's relationship with the tenant and the availability of competing tenant space. The initial allocation of purchase price is based on management's preliminary assessment, which may change when final information becomes available. Subsequent adjustments made to the initial purchase price allocation are made within the allocation period, which does not exceed one year. The purchase price allocation is described as preliminary if it is not yet final. The use of different assumptions in the allocation of the purchase price of the acquired assets and liabilities assumed could affect the timing of recognition of the related revenues and expenses.

The Company immediately expenses costs associated with business combinations as period costs.

Remeasurement gains are recognized when the Company obtains control of an existing equity method investment to the extent that the fair value of the existing equity investment exceeds the carrying value of the investment.

Asset Impairment:

The Company assesses whether an indicator of impairment in the value of its properties exists by considering expected future operating income, trends and prospects, as well as the effects of demand, competition and other economic factors. Such factors include projected rental revenue, operating costs and capital expenditures as well as estimated holding periods and capitalization rates. If an impairment indicator exists, the determination of recoverability is made based upon the estimated undiscounted future net cash flows, excluding interest expense. The amount of impairment loss, if any, is determined by comparing the fair value, as determined by a discounted cash flows analysis or a contracted sales price, with the carrying value of the related assets. The Company generally holds and operates its properties long-term, which decreases the likelihood of their carrying values not being recoverable. Properties classified as held for sale are measured at the lower of the carrying amount or fair value less cost to sell.

The Company reviews its investments in unconsolidated joint ventures for a series of operating losses and other factors that may indicate that a decrease in the value of its investments has occurred which is other-than-temporary. The investment in each unconsolidated joint venture is evaluated periodically, and as deemed necessary, for recoverability and valuation declines that are other-than-temporary.

Fair Value of Financial Instruments:

The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participant assumptions.

Level 1 inputs utilize quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which is typically based on an entity's own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The Company calculates the fair value of financial instruments and includes this additional information in the notes to consolidated financial statements when the fair value is different than the carrying value of those financial instruments. When the fair value reasonably approximates the carrying value, no additional disclosure is made.

Deferred Charges:

Costs relating to obtaining tenant leases are deferred and amortized over the initial term of the agreement using the straight-line method. As these deferred leasing costs represent productive assets incurred in connection with the Company's provision of leasing arrangements at the Centers, the related cash flows are classified as investing activities within the Company's consolidated statements of cash flows. Costs relating to financing of shopping center properties are deferred and amortized over the life of the related loan using the straight-line method, which approximates the effective interest method. The ranges of the terms of the agreements are as follows:

Deferred lease costs	1 - 15 years
Deferred financing costs	1 - 15 years

Results of Operations

Many of the variations in the results of operations, discussed below, occurred because of the transactions affecting the Company's properties described in Management's Overview and Summary above, including the Redevelopment Properties, the Joint Venture Centers and the Disposition Properties (as defined below).

For purposes of the discussion below, the Company defines "Same Centers" as those Centers that are substantially complete and in operation for the entirety of both periods of the comparison. Non-Same Centers for comparison purposes include those Centers or properties that are going through a substantial redevelopment often resulting in the closing of a portion of the Center (“Redevelopment Properties”), those properties that have recently transitioned to or from equity method joint ventures to consolidated assets ("Joint Venture Centers") and properties that have been disposed of ("Disposition Properties"). The Company moves a Center in and out of Same Centers based on whether the Center is substantially complete and in operation for the entirety of both periods of the comparison. Accordingly, the Same Centers consist of all consolidated Centers, excluding the Redevelopment Properties, the Joint Venture Centers and the Disposition Properties for the periods of comparison.

For the comparison of the three and nine months ended September 30, 2017 to the three and nine months ended September 30, 2016, the Redevelopment Properties are the expansion portion of Green Acres Mall, Paradise Valley Mall and Westside Pavilion.

For the comparison of the nine months ended September 30, 2017 to the nine months ended September 30, 2016, the Joint Venture Centers are Arrowhead Towne Center and the MAC Heitman Portfolio. The change in revenues and expenses at the Joint Venture Centers is primarily due to the conversion of Arrowhead Towne Center and the MAC Heitman Portfolio from

consolidated Centers to unconsolidated joint ventures. There are no Joint Venture Centers for the three months ended September 30, 2017 and 2016.

For comparison of the three and nine months ended September 30, 2017 to the three and nine months ended September 30, 2016, the Disposition Properties are Cascade Mall, Northgate Mall, Flagstaff Mall and Capitola Mall.

Unconsolidated joint ventures are reflected using the equity method of accounting. The Company's pro rata share of the results from these Centers is reflected in the Consolidated Statements of Operations as equity in income of unconsolidated joint ventures.

The Company considers tenant annual sales per square foot (for tenants in place for a minimum of twelve months or longer and 10,000 square feet and under), occupancy rates (excluding large retail stores or "Anchors") and releasing spreads (i.e. a comparison of initial average base rent per square foot on leases executed during the trailing twelve months to average base rent per square foot at expiration for the leases expiring during the trailing twelve months based on the spaces 10,000 square feet and under) to be key performance indicators of the Company's internal growth.

Tenant sales per square foot increased from $626 for the twelve months ended September 30, 2016 to $659 for the twelve months ended September 30, 2017. Occupancy rate decreased from 95.3% at September 30, 2016 to 94.3% at September 30, 2017. Releasing spreads increased 15.0% for the twelve months ended September 30, 2017. These calculations exclude Centers under development or redevelopment and property dispositions (See "Acquisitions and Dispositions" and "Other Transactions and Events" in Management's Overview and Summary).

Releasing spreads remained positive as the Company was able to lease available space at higher average rents than the expiring rental rates, resulting in a releasing spread of $7.54 per square foot ($57.71 on new and renewal leases executed compared to $50.17 on leases expiring), representing a 15.0% increase for the trailing twelve months ended September 30, 2017. The Company expects that releasing spreads will continue to be positive for the remainder of 2017 as it renews or relets leases that are scheduled to expire. These leases that are scheduled to expire represent 0.9 million square feet of the Centers, accounting for 11.3% of the gross leasable area ("GLA") of mall stores and freestanding stores, for spaces 10,000 square feet and under, as of September 30, 2017.

During the trailing twelve months ended September 30, 2017, the Company signed 218 new leases and 412 renewal leases comprising approximately 1.1 million square feet of GLA, of which 0.8 million square feet related to the consolidated Centers. The annual initial average base rent for new and renewal leases was $57.71 per square foot for the trailing twelve months ended September 30, 2017 with an average tenant allowance of $18.47 per square foot.

Comparison of Three Months Ended September 30, 2017 and 2016

Revenues:

Minimum and percentage rents (collectively referred to as "rental revenue") decreased by $10.1 million, or 6.4%, from 2016 to 2017. The decrease in rental revenue is attributed to a decrease of $7.0 million from the Redevelopment Properties and $3.7 million from the Disposition Properties offset in part by an increase of $0.6 million from the Same Centers. Rental revenue includes the amortization of above and below-market leases, the amortization of straight-line rents and lease termination income. The amortization of above and below-market leases decreased from $4.9 million in 2016 to $(0.7) million in 2017. The amortization of straight-line rents increased from $0.9 million in 2016 to $2.9 million in 2017. Lease termination income decreased from $7.7 million in 2016 to $3.1 million in 2017.

Tenant recoveries decreased $1.6 million, or 2.1%, from 2016 to 2017. This decrease in tenant recoveries is attributed to a decrease of $1.8 million from the Disposition Properties and $0.4 million from the Same Centers offset in part by an increase of $0.6 million from the Redevelopment Properties.

Management Companies' revenue increased from $9.0 million in 2016 to $10.1 million in 2017. The increase in Management Companies' revenue is primarily due to an increase in development fees from joint ventures.

Shopping Center and Operating Expenses:

Shopping center and operating expenses decreased $0.7 million, or 0.9%, from 2016 to 2017. The decrease in shopping center and operating expenses is attributed to a decrease of $2.6 million from the Disposition Properties offset in part by an increase of $1.5 million from the Same Centers and $0.4 million from the Redevelopment Properties.

Management Companies' Operating Expenses:

Management Companies' operating expenses decreased $1.2 million from 2016 to 2017 as a result of the conversion of Arrowhead Towne Center and the MAC Heitman Portfolio from consolidated centers to unconsolidated joint ventures in 2016 (See "Acquisitions and Dispositions" in Management's Overview and Summary).

REIT General and Administrative Expenses:

REIT general and administrative expenses decreased by $1.6 million from 2016 to 2017.

Depreciation and Amortization:

Depreciation and amortization decreased $3.8 million from 2016 to 2017. The decrease in depreciation and amortization is attributed to a decrease of $2.8 million from the Same Centers and $2.3 million from the Disposition Properties offset in part by an increase of $1.3 million from the Redevelopment Properties.

Interest Expense:

Interest expense increased $3.3 million from 2016 to 2017. The increase in interest expense is attributed to an increase of $2.2 million in interest expense from borrowings under the Company's line of credit and $1.9 million from the Same Centers offset in part by a decrease of $0.6 million from the Disposition Properties and $0.2 million from the Redevelopment Properties.

The above interest expense items are net of capitalized interest, which increased from $2.7 million in 2016 to $3.4 million in 2017.

Gain on Extinguishment of Debt, net:

The decrease in gain on extinguishment of debt, net of $5.3 million is due to the settlement of the mortgage note payable on Flagstaff Mall by a deed-in-lieu of foreclosure in 2016 (See “Other Transactions and Events” in Management’s Overview and Summary) with no comparable gain in 2017.

Equity in Income of Unconsolidated Joint Ventures:

Equity in income of unconsolidated joint ventures increased $12.7 million from 2016 to 2017. The increase in equity in income from unconsolidated joint ventures is primarily attributed to the Company's share of the gain on the sale of an office building at Fashion District Philadelphia in 2017 (See "Acquisitions and Dispositions" in Management's Overview and Summary).

(Loss) Gain on Sale or Write Down of Assets, net:

The loss on sale or write down of assets, net decreased $7.5 million from 2016 to 2017. The decrease in loss on sale or write down of assets, net is primarily due to an impairment loss of $23.3 million on the Promenade at Casa Grande in 2016 offset in part by an impairment loss of $12.0 million on Southridge Center in 2017 and a $2.6 million reduction of a contingent consideration obligation in 2016. The impairment losses on Promenade at Casa Grande and Southridge Center were due to the reduction in the estimated holding periods of the properties.

Net Income:

Net income increased $6.0 million from 2016 to 2017 primarily due to the $7.5 million decrease in loss on sale or write down of assets, net, as discussed above.

Funds From Operations ("FFO"):

Primarily as a result of the factors mentioned above, FFO attributable to common stockholders and unit holders—diluted decreased 9.5% from $160.3 million in 2016 to $145.0 million in 2017. For a reconciliation of FFO attributable to common stockholders and unit holders and FFO attributable to common stockholders and unit holders—diluted to net income attributable to the Company, the most directly comparable GAAP financial measure, see "Funds From Operations ("FFO")" below.

Comparison of Nine Months Ended September 30, 2017 and 2016

Revenues:

Rental revenue decreased by $16.6 million, or 3.5%, from 2016 to 2017. The decrease in rental revenue is attributed to a decrease of $14.3 million from the Disposition Properties, $9.8 million from the Redevelopment Properties and $3.3 million from the Joint Venture Centers offset in part by an increase of $10.8 million from the Same Centers. The amortization of above and below-market leases decreased from $9.1 million in 2016 to $0.4 million in 2017. The amortization of straight-line rents increased from $3.4 million in 2016 to $7.5 million in 2017. Lease termination income decreased from $15.5 million in 2016 to $13.5 million in 2017. The increase in rental revenue at the Same Centers is primarily due to an increase in lease termination income and an increase in leasing spreads.

Tenant recoveries decreased $16.3 million, or 7.1%, from 2016 to 2017. The decrease in tenant recoveries is attributed to a decrease of $7.2 million from the Same Centers, $6.7 million from the Disposition Properties, $1.6 million from the Joint Venture Centers and $0.8 million from the Redevelopment Properties. The decrease in tenant recoveries at the Same Centers is primarily due to a decrease in property tax expense and utility costs.

Management Companies' revenue increased from $28.9 million in 2016 to $32.0 million in 2017. The increase in Management Companies' revenue is due to an increase in development and leasing fees from joint ventures.

Shopping Center and Operating Expenses:

Shopping center and operating expenses decreased $7.0 million, or 3.1%, from 2016 to 2017. The decrease in shopping center and operating expenses is attributed to a decrease of $8.9 million from the Disposition Properties and $0.8 million from the Joint Venture Centers offset in part by an increase of $1.8 million from the Redevelopment Properties and $0.9 million from the Same Centers.

Management Companies' Operating Expenses:

Management Companies' operating expenses increased $1.3 million from 2016 to 2017.

REIT General and Administrative Expenses:

REIT general and administrative expenses decreased by $2.0 million from 2016 to 2017.

Depreciation and Amortization:

Depreciation and amortization decreased $9.6 million from 2016 to 2017. The decrease in depreciation and amortization is attributed to a decrease of $8.4 million from the Disposition Properties, $4.1 million from the Same Centers and $1.5 million from the Joint Venture Centers offset in part by an increase of $4.4 million from the Redevelopment Properties.

Interest Expense:

Interest expense increased $5.9 million from 2016 to 2017. The increase in interest expense was attributed to an increase of $5.8 million in interest expense from borrowings under the Company's line of credit and $4.4 million from the Same Centers offset in part by a decrease of $3.2 million from the Disposition Properties, $0.9 million from the Joint Venture Centers and $0.2 million from the Redevelopment Properties. The increase in interest expense at the Same Centers is primarily due to the new loan on Fresno Fashion Fair in 2016 (See "Financing Activities" in Management's Overview and Summary).

The above interest expense items are net of capitalized interest, which increased from $7.6 million in 2016 to $9.4 million in 2017.

Gain on Extinguishment of Debt, net:

Gain on extinguishment of debt, net decreased $1.7 million from 2016 to 2017. The decrease in gain on extinguishment of debt is due to the gain of $5.3 million on the settlement of the mortgage note payable on Flagstaff Mall by a deed-in-lieu of foreclosure in 2016 (See “Other Transactions and Events” in Management’s Overview and Summary) offset in part by a loss of $3.6 million on the early extinguishment of debt on Arrowhead Towne Center in 2016 (See “Financing Activities” in Management’s Overview and Summary).

Equity in Income of Unconsolidated Joint Ventures:

Equity in income of unconsolidated joint ventures increased $19.2 million from 2016 to 2017. The increase is primarily due to the conversion of Arrowhead Towne Center and the MAC Heitman Portfolio from consolidated Centers to unconsolidated joint ventures in 2016 (See "Acquisitions and Dispositions" in Management's Overview and Summary) and the

Company's share of the gain on the sales of office buildings at Fashion District Philadelphia and Country Club Plaza in 2017 (See "Acquisitions and Dispositions" in Management's Overview and Summary).

Gain on Sale or Write Down of Assets, net:

The gain on sale or write down of assets, net decreased $388.8 million from 2016 to 2017. The decrease is primarily due to the gain on the sale of a 49% interest in the MAC Heitman Portfolio of $340.7 million in 2016, the gain on the sale of a 40% interest in Arrowhead Towne Center of $101.6 million in 2016, the gain of $24.9 million on the sale of Capitola Mall in 2016 and an impairment loss of $12.0 million on Southridge Center in 2017 offset in part by the gain of $59.7 million on the sale of Cascade Mall and Northgate Mall in 2017 (See "Acquisitions and Dispositions" in Management's Overview and Summary) and an impairment loss of $23.3 million on the Promenade at Casa Grande in 2016. The impairment losses on Southridge Center and Promenade at Casa Grande were due to the reduction in the estimated holding periods of the properties.

Net Income:

Net income decreased $390.9 million from 2016 to 2017. The decrease is primarily attributed to the decrease in the gain on sale or write down of assets, net of $388.8 million as discussed above.

Funds From Operations ("FFO"):

Primarily as a result of the factors mentioned above, FFO attributable to common stockholders and unit holders—diluted decreased 7.4% from $461.7 million in 2016 to $427.3 million in 2017. For a reconciliation of FFO attributable to common stockholders and unit holders and FFO attributable to common stockholders and unit holders—diluted to net income attributable to the Company, the most directly comparable GAAP financial measure, see "Funds From Operations ("FFO")" below.

Operating Activities:

Cash provided by operating activities decreased from $331.1 million in 2016 to $299.9 million in 2017. The decrease is primarily due to the changes in assets and liabilities and the results as discussed above.

Investing Activities:

Cash provided by investing activities decreased $330.2 million from 2016 to 2017. The decrease in cash provided by investing activities is primarily attributed to a decrease in cash proceeds from the sale of assets of $528.2 million and a decrease in distributions from unconsolidated joint ventures of $185.3 million offset in part by a decrease in contributions to unconsolidated joint ventures of $324.0 million and a decrease in development, redevelopment and renovation costs of $62.4 million.

The decrease in cash proceeds from the sale of assets is attributed to the sales of ownership interests in Arrowhead Towne Center and the MAC Heitman Portfolio in 2016 and the sale of Capitola Mall in 2016 offset in part by the sale of Cascade Mall and Northgate Mall in 2017 (See "Acquisitions and Dispositions" in Management's Overview and Summary). The decrease in contributions to unconsolidated joint ventures is primarily due to the acquisition of the 50% ownership interest in Country Club Plaza in 2016 (See "Acquisitions and Dispositions" in Management's Overview and Summary).

Financing Activities:

Cash used in financing activities decreased $340.8 million from 2016 to 2017. The decrease in cash used in financing activities is primarily due to a decrease in payments on mortgages, bank and other notes payable of $1.6 billion, a decrease in the repurchases of the Company's common stock of $578.6 million (See "Other Transactions and Events" in Management's Overview and Summary) and a decrease in cash dividends and distributions of $339.1 million offset in part by a decrease in proceeds from mortgages, bank and other notes payable of $2.2 billion.

Liquidity and Capital Resources

The Company anticipates meeting its liquidity needs for its operating expenses, debt service and dividend requirements for the next twelve months through cash generated from operations, working capital reserves and/or borrowings under its unsecured line of credit. The following tables summarize capital expenditures incurred at the Centers (at the Company's pro rata share):

(Dollars in thousands)	For the Nine Months Ended September 30, 2017	2016
Consolidated Centers:		
Acquisitions of property and equipment	$ 19,712	$ 24,638
Development, redevelopment, expansion and renovation of Centers	86,287	113,812
Tenant allowances	9,081	13,752
Deferred leasing charges	19,243	18,745
	$ 134,323	$ 170,947
Joint Venture Centers:		
Acquisitions of property and equipment	$ 6,549	$ 341,053
Development, redevelopment, expansion and renovation of Centers	92,514	73,797
Tenant allowances	4,650	7,740
Deferred leasing charges	4,666	5,619
	$ 108,379	$ 428,209

The Company expects amounts to be incurred during the next twelve months for tenant allowances and deferred leasing charges to be comparable or less than 2016 and that capital for those expenditures will be available from working capital, cash flow from operations, borrowings on property specific debt or unsecured corporate borrowings. The Company expects to incur between $200.0 million and $300.0 million during the next twelve months for development, redevelopment, expansion and renovations. Capital for these major expenditures, developments and/or redevelopments has been, and is expected to continue to be, obtained from a combination of debt or equity financings, which are expected to include borrowings under the Company's line of credit and construction loans.

The Company has also generated liquidity in the past, and may continue to do so in the future, through equity offerings and issuances, property refinancings, joint venture transactions and the sale of non-core assets. For example, the Company's recently completed sale of Cascade Mall and Northgate Mall (See "Acquisitions and Dispositions" in Management's Overview and Summary), sales of office buildings at Fashion District Philadelphia and Country Club Plaza in 2017 (See "Acquisitions and Dispositions" in Management's Overview and Summary) and the Joint Venture Transactions (See "Acquisitions and Dispositions" in Management's Overview and Summary), which included new debt or refinancings of existing debt on the properties (See "Financing Activities" in Management's Overview and Summary). The Company used these proceeds to pay down its line of credit, fund the Special Dividend (See "Other Transactions and Events" in Management's Overview and Summary) and for other general corporate purposes, which included the repurchases of the Company's common stock under the 2015 Stock Buyback Program and the 2017 Stock Buyback Program (See "Other Transactions and Events" in Management's Overview and Summary). Furthermore, the Company has filed a shelf registration statement, which registered an unspecified amount of common stock, preferred stock, depositary shares, debt securities, warrants, rights, stock purchase contracts and units that may be sold from time to time by the Company. The Company expects any additional repurchases of the Company's common stock under the 2017 Stock Buyback Program to be funded by future sales of non-core assets, borrowings under its line of credit and/or refinancing transactions.

The capital and credit markets can fluctuate and, at times, limit access to debt and equity financing for companies. As demonstrated by the Company's recent activity as discussed below, the Company has been able to access capital; however, there is no assurance the Company will be able to do so in future periods or on similar terms and conditions. Many factors impact the Company's ability to access capital, such as its overall debt level, interest rates, interest coverage ratios and prevailing market conditions. In the event that the Company has significant tenant defaults as a result of the overall economy and general market conditions, the Company could have a decrease in cash flow from operations, which could result in increased borrowings under its line of credit. These events could result in an increase in the Company's proportion of floating rate debt, which would cause it to be subject to interest rate fluctuations in the future.

The Company had an equity distribution agreement with a number of sales agents (the "ATM Program") to issue and sell, from time to time, shares of common stock, par value $0.01 per share, having an aggregate offering price of up to $500 million (the “ATM Shares”). Sales of the ATM Shares could have been made in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an “at the market” offering, which included sales made directly on the New York Stock Exchange or sales made to or through a market maker other than on an exchange. The ATM program expired by its term in August 2017. The Company did not sell any shares under the ATM Program.

The Company's total outstanding loan indebtedness at September 30, 2017 was $7.7 billion (consisting of $5.1 billion of consolidated debt, less $229.6 million of noncontrolling interests, plus $2.8 billion of its pro rata share of unconsolidated joint venture debt). The majority of the Company's debt consists of fixed-rate conventional mortgage notes collateralized by individual properties. The Company expects that all of the maturities during the next twelve months will be refinanced, restructured, extended and/or paid off from the Company's line of credit or cash on hand.

The Company believes that the pro rata debt provides useful information to investors regarding its financial condition because it includes the Company’s share of debt from unconsolidated joint ventures and, for consolidated debt, excludes the Company’s partners’ share from consolidated joint ventures, in each case presented on the same basis. The Company has several significant joint ventures and presenting its pro rata share of debt in this manner can help investors better understand the Company’s financial condition after taking into account our economic interest in these joint ventures. The Company’s pro rata share of debt should not be considered as a substitute for the Company’s total consolidated debt determined in accordance with GAAP or any other GAAP financial measures and should only be considered together with and as a supplement to the Company’s financial information prepared in accordance with GAAP.

The Company has a $1.5 billion revolving line of credit facility that bears interest at LIBOR plus a spread of 1.30% to 1.90%, depending on the Company's overall leverage level, and matures on July 6, 2020 with a one-year extension option. The line of credit can be expanded, depending on certain conditions, up to a total facility of $2.0 billion. All obligations under the facility are unconditionally guaranteed only by the Company. Based on the Company's leverage level as of September 30, 2017, the borrowing rate on the facility was LIBOR plus 1.45%. At September 30, 2017, total borrowings under the line of credit were $1.0 billion less unamortized deferred finance costs of $8.2 million with a total interest rate of 3.01%.

Cash dividends and distributions for the nine months ended September 30, 2017 were $328.7 million. A total of $299.9 million was funded by operations. The remaining $28.9 million was funded from distributions from unconsolidated joint ventures, which were included in the cash flows from investing activities section of the Company's Consolidated Statement of Cash Flows.

At September 30, 2017, the Company was in compliance with all applicable loan covenants under its agreements.

At September 30, 2017, the Company had cash and cash equivalents of $71.1 million.

Off-Balance Sheet Arrangements:

The Company accounts for its investments in joint ventures that it does not have a controlling interest or is not the primary beneficiary using the equity method of accounting and those investments are reflected on the consolidated balance sheets of the Company as investments in unconsolidated joint ventures.

Additionally, as of September 30, 2017, the Company was contingently liable for $60.9 million in letters of credit guaranteeing performance by the Company of certain obligations relating to the Centers. The Company does not believe that these letters of credit will result in a liability to the Company.

Contractual Obligations:

The following is a schedule of contractual obligations as of September 30, 2017 for the consolidated Centers over the periods in which they are expected to be paid (in thousands):

	Payment Due by Period				
Contractual Obligations	**Total**	**Less than 1 year**	**1 - 3 years**	**3 - 5 years**	**More than five years**
Long-term debt obligations (includes expected interest payments)(1)(2)	$ 5,750,286	$ 720,004	$ 1,273,406	$ 2,197,113	$ 1,559,763
Operating lease obligations(3)	259,527	11,560	19,253	18,363	210,351
Purchase obligations(3)	62,609	62,609	—	—	—
Other long-term liabilities	300,263	196,300	8,301	13,918	81,744
	$ 6,372,685	$ 990,473	$ 1,300,960	$ 2,229,394	$ 1,851,858

(1) Interest payments on floating rate debt were based on rates in effect at September 30, 2017.
(2) Long-term debt obligations to be repaid in less than one year include an aggregate of $527.7 million of mortgage loan balances on Stonewood Center, Freehold Raceway Mall and Santa Monica Place that have been subsequently paid off, refinanced or covered by a lender commitment to refinance during the fourth quarter of 2017 (See “Financing Activities” in Management’s Overview and Summary).
(3) See Note 15—Commitments and Contingencies in the Company's Notes to Consolidated Financial Statements.

Funds From Operations ("FFO")

The Company uses FFO in addition to net income to report its operating and financial results and considers FFO and FFO-diluted as supplemental measures for the real estate industry and a supplement to GAAP measures. The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from extraordinary items and sales of depreciated operating properties, plus real estate related depreciation and amortization, impairment write-downs of real estate and write-downs of investments in an affiliate where the write-downs have been driven by a decrease in the value of real estate held by the affiliate and after adjustments for unconsolidated joint ventures. Adjustments for unconsolidated joint ventures are calculated to reflect FFO on the same basis.

FFO and FFO on a diluted basis are useful to investors in comparing operating and financial results between periods. This is especially true since FFO excludes real estate depreciation and amortization, as the Company believes real estate values fluctuate based on market conditions rather than depreciating in value ratably on a straight-line basis over time. The Company believes that such a presentation also provides investors with a meaningful measure of its operating results in comparison to the operating results of other REITs. The Company further believes that FFO on a diluted basis is a measure investors find most useful in measuring the dilutive impact of outstanding convertible securities.

The Company believes that FFO does not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to net income as defined by GAAP, and is not indicative of cash available to fund all cash flow needs. The Company also cautions that FFO, as presented, may not be comparable to similarly titled measures reported by other REITs.

Management compensates for the limitations of FFO by providing investors with financial statements prepared according to GAAP, along with this detailed discussion of FFO and a reconciliation of net income to FFO and FFO-diluted. Management believes that to further understand the Company's performance, FFO should be compared with the Company's reported net income and considered in addition to cash flows in accordance with GAAP, as presented in the Company's consolidated financial statements.

Funds From Operations ("FFO") (Continued)

The following reconciles net income attributable to the Company to FFO and FFO-diluted for the three and nine months ended September 30, 2017 and 2016 (dollars and shares in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income attributable to the Company	$ 17,498	$ 13,730	$ 113,379	$ 479,867
Adjustments to reconcile net income attributable to the Company to FFO attributable to common stockholders and unit holders—basic and diluted:				
Noncontrolling interests in the Operating Partnership	1,256	1,272	8,351	35,067
Loss (gain) on sale or write down of assets, net—consolidated assets	11,854	19,321	(37,234)	(426,050)
Add: noncontrolling interests share of (loss) gain on sale or write down of assets—consolidated assets	—	(2,206)	—	(2,206)
Add: gain on sale of undepreciated assets—consolidated assets	727	295	727	2,932
Less: loss on write-down of non-real estate assets—consolidated assets	—	—	(10,138)	—
(Gain) loss on sale or write down of assets— unconsolidated joint ventures, net(1)	(6,712)	171	(8,981)	173
Add: gain (loss) on sale of undepreciated assets—unconsolidated joint ventures(1)	—	—	660	(2)
Depreciation and amortization—consolidated assets	83,147	86,976	249,463	259,097
Less: noncontrolling interests in depreciation and amortization—consolidated assets	(3,717)	(3,759)	(11,325)	(11,184)
Depreciation and amortization—unconsolidated joint ventures(1)	44,493	47,803	132,708	133,319
Less: depreciation on personal property	(3,499)	(3,309)	(10,326)	(9,342)
FFO attributable to common stockholders and unit holders—basic and diluted	145,047	160,294	427,284	461,671
Gain on extinguishment of debt, net—consolidated assets	—	(5,284)	—	(1,709)
FFO attributable to common stockholders and unit holders excluding extinguishment of debt, net—diluted	$ 145,047	$ 155,010	$ 427,284	$ 459,962
Weighted average number of FFO shares outstanding for:				
FFO attributable to common stockholders and unit holders—basic (2)	151,624	154,589	152,668	158,277
Adjustments for impact of dilutive securities in computing FFO-diluted:				
Share and unit based compensation plans	11	113	35	126
FFO attributable to common stockholders and unit holders—diluted (3)	151,635	154,702	152,703	158,403

(1) Unconsolidated joint ventures are presented at the Company's pro rata share.

(2) Calculated based upon basic net income as adjusted to reach basic FFO. Includes 10.3 million and 10.7 million OP Units for the three months ended September 30, 2017 and 2016, respectively, and 10.5 million and 10.8 million OP Units for the nine months ended September 30, 2017 and 2016, respectively.

(3) The computation of FFO—diluted shares outstanding includes the effect of share and unit-based compensation plans using the treasury stock method. It also assumes the conversion of MACWH, LP common and preferred units to the extent that they are dilutive to the FFO—diluted computation.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company's primary market risk exposure is interest rate risk. The Company has managed and will continue to manage interest rate risk by (1) maintaining a ratio of fixed rate, long-term debt to total debt such that floating rate exposure is kept at an acceptable level, (2) reducing interest rate exposure on certain long-term floating rate debt through the use of interest rate caps and/or swaps with matching maturities where appropriate, (3) using treasury rate locks where appropriate to fix rates on anticipated debt transactions, and (4) taking advantage of favorable market conditions for long-term debt and/or equity.

The following table sets forth information as of September 30, 2017 concerning the Company's long-term debt obligations, including principal cash flows by scheduled maturity, weighted average interest rates and estimated fair value (dollars in thousands):

	Expected Maturity Date							
	For the twelve months ended September 30,							
	2018	2019	2020	2021	2022	Thereafter	Total	Fair Value
CONSOLIDATED CENTERS:								
Long-term debt:								
Fixed rate	$ 577,792	$ 371,340	$ 468,317	$ 588,495	$ 361,801	$ 1,420,564	$ 3,788,309	$ 3,804,410
Average interest rate	3.76%	3.58%	3.51%	4.56%	4.09%	3.65%	3.83%	
Floating rate	—	—	200,000	1,080,000	—	—	1,280,000	1,273,254
Average interest rate	—%	—%	2.74%	2.92%	—%	—%	2.89%	
Total debt—Consolidated Centers	$ 577,792	$ 371,340	$ 668,317	$ 1,668,495	$ 361,801	$ 1,420,564	$ 5,068,309	$ 5,077,664
UNCONSOLIDATED JOINT VENTURE CENTERS:								
Long-term debt (at Company's pro rata share):								
Fixed rate	$ 28,281	$ 30,534	$ 38,296	$ 148,993	$ 48,729	$ 2,458,883	$ 2,753,716	$ 2,768,885
Average interest rate	3.67%	3.68%	3.69%	3.80%	3.72%	3.79%	3.79%	
Floating rate	337	9,305	10,126	41,993	15,000	30,000	106,761	102,711
Average interest rate	2.97%	2.99%	2.94%	2.96%	2.44%	2.44%	2.74%	
Total debt—Unconsolidated Joint Venture Centers	$ 28,618	$ 39,839	$ 48,422	$ 190,986	$ 63,729	$ 2,488,883	$ 2,860,477	$ 2,871,596

The consolidated Centers' total fixed rate debt at September 30, 2017 and December 31, 2016 was $3.8 billion. The average interest rate on such fixed rate debt at September 30, 2017 and December 31, 2016 was 3.83% and 3.80%, respectively. The consolidated Centers' total floating rate debt at September 30, 2017 and December 31, 2016 was $1.3 billion and $1.1 billion, respectively. The average interest rate on such floating rate debt at September 30, 2017 and December 31, 2016 was 2.89% and 2.47%, respectively.

The Company's pro rata share of the unconsolidated joint venture Centers' fixed rate debt at September 30, 2017 and December 31, 2016 was $2.8 billion and $2.7 billion, respectively. The average interest rate on such fixed rate debt at September 30, 2017 and December 31, 2016 was 3.79%, and 3.80% respectively. The Company's pro rata share of the unconsolidated joint venture Centers' floating rate debt at September 30, 2017 and December 31, 2016 was $106.8 million and $169.9 million, respectively. The average interest rate on such floating rate debt at September 30, 2017 and December 31, 2016 was 2.74% and 2.44%, respectively.

In addition, the Company has assessed the market risk for its floating rate debt and believes that a 1% increase in interest rates would decrease future earnings and cash flows by approximately $13.9 million per year based on $1.4 billion of floating rate debt outstanding at September 30, 2017.

The fair value of the Company's long-term debt is estimated based on a present value model utilizing interest rates that reflect the risks associated with long-term debt of similar risk and duration. In addition, the method of computing fair value for mortgage notes payable included a credit value adjustment based on the estimated value of the property that serves as collateral for the underlying debt (See Note 8—Mortgage Notes Payable and Note 9—Bank and Other Notes Payable in the Company's Notes to the Consolidated Financial Statements).

Item 4. Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, management carried out an evaluation, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on their evaluation as of September 30, 2017, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) were effective to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is (a) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (b) accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In addition, there has been no change in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15(d)-15(f) under the Securities Exchange Act of 1934) that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

None of the Company, the Operating Partnership, the Management Companies or their respective affiliates are currently involved in any material legal proceedings, although from time-to-time they are involved in various legal proceedings that arise in the ordinary course of business.

Item 1A. Risk Factors

There have been no material changes to the risk factors relating to the Company set forth under the caption "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

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

None

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased		Average Price Paid per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs		Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
July 1, 2017 to July 31, 2017	—		$ —	—		$ 318,343,926
August 1, 2017 to August 31, 2017	592,552	(2)	53.36	592,552	(2)	$ 286,725,059
September 1, 2017 to September 30, 2017	149,465	(3)	53.65	149,465	(3)	$ 278,707,048
	742,017		$ 53.42	742,017		

(1) The average price paid per share is calculated on a trade date basis.

(2) On February 12, 2017, the Company's Board of Directors authorized the repurchase of up to $500.0 million of the Company's outstanding common shares from time to time as market conditions warrant. During the period from August 1, 2017 to August 31, 2017, the Company repurchased a total of 592,552 of its common shares in a series of transactions for approximately $31.6 million, representing an average price of $53.36 per share. The Company funded the repurchases from borrowing under its line of credit.

(3) During the period from September 1, 2017 to September 30, 2017, the Company repurchased a total of 149,465 of its common shares in a series of transactions for approximately $8.0 million, representing an average price of $53.65 per share. The Company funded the repurchases from its share of the proceeds from the sale of an office building at Fashion District Philadelphia (See "Acquisitions and Dispositions" in Management's Overview and Summary) and from borrowing under its line of credit.

Item 3. Defaults Upon Senior Securities

Not Applicable

Item 4. Mine Safety Disclosures

Not Applicable

Item 5. Other Information

On November 2, 2017, in connection with a review of the compensation of the senior executive officers of the Company by the Compensation Committee (the “Compensation Committee”) of the Company’s Board of Directors, the Company’s Board of Directors, acting on the recommendation of the Compensation Committee, approved The Macerich Company Change in Control Severance Pay Plan for Senior Executives (the “Plan”). The Compensation Committee did not recommend any additional changes to the compensation of the Company’s senior executive officers at such time.

The Plan entitles the Chief Executive Officer, President and each Senior Executive Vice President of the Company to certain benefits in the event of certain terminations of employment with the Company within 24 months following a Change in Control, unless such eligible employee is a party to an individual agreement with the Company that provides for greater payments and benefits. The discussion below describes the terms of the Plan and is qualified in its entirety by reference to the copy of the agreement, which is being filed with this Quarterly Report on Form 10-Q as Exhibit 10.1 and is incorporated herein by reference.

Pursuant to the Plan, if an eligible employee is terminated by the Company without Cause or if an eligible employee terminates his or her employment for Good Reason, in either case within 24 months following a Change in Control, such eligible employee will be entitled to receive lump sum cash payments equal to (i) annual salary and other benefits earned and accrued prior to the termination of employment, (ii) three times the sum of (A) the eligible employee's annual base salary in effect immediately prior to termination (or prior to the Change in Control, if higher) plus (B) the average of the annual incentive bonus awarded to the eligible employee in respect of the immediately preceding three years (excluding equity incentive awards granted as part of the Company's long-term equity incentive award program), (iii) a pro-rata cash bonus for the year in which the eligible employee's employment was terminated based on his or her target annual cash bonus and (iv) 36 months of COBRA continuation premiums otherwise payable by the eligible employee as of the date of termination. The eligible employee will also be entitled to (i) vested rights under any equity, compensation or benefit plan, policy, practice or program with the Company, including any acceleration of vesting of equity awards as set forth in applicable equity award agreements and (ii) outplacement services for 12 months. Receipt of these payments and benefits (other than the annual salary and other benefits earned and accrued prior to the termination of employment) is subject to execution by the eligible employee of a general release of claims with the Company.

If any payments and benefits to be paid or provided to an eligible employee, whether pursuant to the terms of the Plan or otherwise, would be subject to "golden parachute" excise taxes under the Internal Revenue Code, the payments and benefits will be reduced to the extent necessary to avoid such excise taxes, but only if such a reduction of pay or benefits would result in a greater after-tax benefit to the eligible employee.

The Compensation Committee may amend, suspend or terminate the Plan at any time prior to a Change in Control without the consent of any eligible employee; provided that any amendment, suspension or termination that reduces or otherwise adversely impairs an eligible employee's benefits under the Plan (i) will not be effective until 12 months after notice of such change is provided to the eligible employees and (ii) will not be effective if a Change in Control occurs during the 12-month notice period.

The terms Cause, Good Reason and Change in Control are specifically defined in the Plan.

Item 6. Exhibits

Exhibit Number	Description
2.1	Master Agreement, dated November 14, 2014, by and among Pacific Premier Retail LP, MACPT LLC, Macerich PPR GP LLC, Queens JV LP, Macerich Queens JV LP, Queens JV GP LLC, 1700480 Ontario Inc. and the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date November 14, 2014).
3.1	Articles of Amendment and Restatement of the Company (incorporated by reference as an exhibit to the Company's Registration Statement on Form S-11, as amended (No. 33-68964)) (Filed in paper - hyperlink is not required pursuant to Rule 105 of Regulation S-T).
3.1.1	Articles Supplementary of the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 30, 1995) (Filed in paper - hyperlink is not required pursuant to Rule 105 of Regulation S-T).
3.1.2	Articles Supplementary of the Company (with respect to the first paragraph) (incorporated by reference as an exhibit to the Company's 1998 Form 10-K).
3.1.3	Articles Supplementary of the Company (Series D Preferred Stock) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date July 26, 2002).
3.1.4	Articles Supplementary of the Company (incorporated by reference as an exhibit to the Company's Registration Statement on Form S-3, as amended (No. 333-88718)).
3.1.5	Articles of Amendment of the Company (declassification of Board) (incorporated by reference as an exhibit to the Company's 2008 Form 10-K).
3.1.6	Articles Supplementary of the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date February 5, 2009).
3.1.7	Articles of Amendment of the Company (increased authorized shares) (incorporated by reference as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).
3.1.8	Articles of Amendment of the Company (to eliminate the supermajority vote requirement to amend the charter and to clarify a reference in Article NINTH) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 30, 2014).
3.1.9	Articles Supplementary of the Company (election to be subject to Section 3-803 of the Maryland General Corporation Law) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date March 17, 2015).
3.1.10	Articles Supplementary of the Company (Series E Preferred Stock) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date March 18, 2015).
3.1.11	Articles Supplementary of the Company (reclassification of Series E Preferred Stock to Preferred Stock) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 7, 2015).
3.1.12	Articles Supplementary of the Company (repeal of election to be subject to Section 3-803 of the Maryland General Corporation Law) (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date May 28, 2015).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference as an exhibit to the Company's Current Report on Form 8-K, event date April 21, 2016).
10.1*	Change In Control Severance Pay Plan for Senior Executives.
31.1	Section 302 Certification of Arthur Coppola, Chief Executive Officer
31.2	Section 302 Certification of Thomas O'Hern, Chief Financial Officer
32.1**	Section 906 Certifications of Arthur Coppola and Thomas O'Hern
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Represents a management contract, or compensatory plan, contract or arrangement required to be filed pursuant to Regulation S-K.

** Furnished herewith.

Signature

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

THE MACERICH COMPANY

By: /s/ THOMAS E. O'HERN

Thomas E. O'Hern

Senior Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

Date: November 3, 2017

Exhibit 10.1

THE MACERICH COMPANY
CHANGE IN CONTROL SEVERANCE PAY PLAN
FOR SENIOR EXECUTIVES

The Macerich Company sets forth herein the terms of its Change in Control Severance Pay Plan for Senior Executives (the "Plan") as follows as of November 2, 2017 (the "Effective Date"):

SECTION 1. PURPOSE

The Board of Directors of the Company (defined below) believes that it is in the best interests of the Company to encourage the continued dedication to the Company of certain of the Company's and its Subsidiaries' employees in the face of potentially distracting circumstances arising from the possibility or occurrence of a change in control of the Company, and the Board (defined below) has established the Plan for this purpose. The purpose of the Plan is to provide severance benefits in the event certain employees incur a Qualified Termination during the Change in Control Period. The adoption of this Plan in no event guarantees any employee severance benefits in the event she/he is terminated by the Company or the Employer prior to a Change in Control.

SECTION 2. DEFINITIONS

(a) "Accrued Obligations" means, with respect to an Eligible Employee, the sum of the Eligible Employee's (i) Base Salary through the Date of Termination to the extent earned and not theretofore paid, (ii) accrued vacation pay and/or personal days to the extent earned and payable in connection with the termination of employment pursuant to the Company's policy, (iii) accrued annual incentive bonus for the fiscal year immediately preceding the year in which the Date of Termination occurs, to the extent such bonus is determined to otherwise have been earned based on the Company's achievement of applicable performance targets but not theretofore paid, and (iv) vested rights under any equity, compensation or benefit plan, policy, practice or program of or any other contract or agreement with the Company or the Employer including, without limitation, any acceleration of vesting of equity awards that shall occur upon a Qualifying Termination as set forth in the applicable equity award agreement and/or equity incentive plan pursuant to which such awards have been granted ("Double Trigger Equity Vesting"). Accrued Obligations described in clauses (i) and (ii) shall be paid in a lump sum in cash within the time required by law but in no event more than 30 days after the Date of Termination. Accrued Obligations described in clause (iii) shall be paid at such time as annual incentive bonuses for such fiscal year are otherwise paid pursuant to the terms of the applicable plan but in no event later than 75 days after the end of such fiscal year. Accrued Obligations described in clause (iv) (including without limitation the Double Trigger Equity Vesting) shall be paid at such time(s) as required under the terms of the applicable plan or program.

(b) "Base Salary" means the annual base rate of compensation payable as salary to the Eligible Employee by the Employer as of the Eligible Employee's Date of

Termination or as of immediately prior to the first day of the Change in Control Period, whichever is higher, before deductions of voluntary deferrals authorized by the Eligible Employee or required by law to be withheld from the Eligible Employee by the Employer, and excludes all other extra pay such as overtime, pensions, severance payments, bonuses, stock incentives, living or other allowances, and other benefits and perquisites.

(c) "Board" means the Board of Directors of the Company.

(d) "Bonus" means, with respect to an Eligible Employee, the average of the annual incentive bonuses awarded to the Eligible Employee in respect of the immediately preceding three years (including, for the avoidance of doubt, the grant date fair value of any annual incentive bonuses awarded in the form of cash and/or equity, but excluding for the avoidance of doubt, any equity incentive awards granted as part of the Company's long-term equity incentive award program, which exists separate and apart from the Company's annual short-term incentive bonus program).

(e) "Cause" with respect to an Eligible Employee, means a termination of service based upon a finding by the Employer, acting in good faith based on upon the information then known to the Employer, that the Eligible Employee:

(i) has failed to perform job duties in a material respect without proper cause; or

(ii) been convicted of or pled guilty or nolo contendere to a felony; or

(iii) committed an act of fraud, dishonesty or gross misconduct which is materially injurious to the Employer or the Company.

Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Applicable Board (as defined below) or upon the instructions of an executive officer of the Company or the Eligible Employee's direct or indirect supervisor, or based upon the advice of counsel or independent accountants for the Employer or the Company shall be conclusively presumed for purposes of this Plan to be done, or omitted to be done, by the Eligible Employee in good faith and in the best interests of the Employer or the Company. For purposes of the definition of Cause, "Applicable Board" means the Board or, if the Company is not publicly-traded, the board of directors of the ultimate parent of the Company.

A termination for Cause shall be deemed to occur on the date on which the Employer first delivers written notice to the Eligible Employee of a finding of termination for Cause; provided, however, that such termination shall only occur following the Eligible Employee's failure to cure, within ten days after receiving notice from the Company of an allegation of an act or failure to act of the kind described in clause (i) or (ii) above, to the extent the Company determines such act or failure to act is curable.

(f) "Change in Control" means any of the following:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (such individual, entity or group, a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 33% or more of either (A) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this definition, the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliate of the Company or successor or (iv) any acquisition by any entity pursuant to a transaction that complies with (f)(iii)(1), (f)(iii)(2) or (f)(iii)(3) below;

(ii) individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board (including for these purposes, the new members whose election or nomination was so approved, without counting the member and her/his predecessor twice) shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its Subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its Subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (1) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets directly or through one or more subsidiaries ("Parent")) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (2) no Person (excluding any entity resulting from such Business Combination or a Parent or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination or Parent) beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the

entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that the ownership in excess of 20% existed prior to the Business Combination, and (3) at least a majority of the members of the board of directors or trustees of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(g) "Change in Control Period" means the period commencing upon the consummation of a Change in Control and ending 24 months after such Change in Control.

(h) "Code" means Internal Revenue Code of 1986, as amended.

(i) "Company" means The Macerich Company, a Maryland corporation, or, from and after a Change in Control, the successor to the Company in any such Change in Control.

(j) "Compensation Committee" means the Compensation Committee of the Board.

(k) "Date of Termination" means, with respect to an Eligible Employee, the effective date of termination of the Eligible Employee's employment with the Employer.

(l) "Eligible Employee" means an employee of the Employer with a title of Chief Executive Officer, President, or Senior Executive Vice President, and who is not a party to an individual agreement with the Employer that provides for greater severance payments and benefits, in the aggregate.

(m) "Employer" means Macerich Management Company or other Subsidiary that employs one or more Eligible Employees, or, from and after the Change in Control, any other subsidiaries of the successor to the Company that employ the Eligible Employees.

(n) "Good Reason" means an action taken by the Employer, without the Eligible Employee's written consent thereto, resulting in a material negative change in the employment relationship. For these purposes, a "material negative change in the employment relationship" shall include, without limitation, any one or more of the following reasons, to the extent not remedied by the Employer within 30 days after receipt by the Employer of written notice from the Eligible Employee provided to the Company within 90 days (the "Cure Period") of the Eligible Employee's knowledge of the occurrence of an event or circumstance set forth in clauses (i) through (v) below specifying in reasonable detail such occurrence:

(i) the assignment to the Eligible Employee of any duties materially inconsistent in any respect with the Eligible Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities, or any other material diminution

in such position, authority, duties or responsibilities (whether or not occurring solely as a result of the Company's ceasing to be a publicly traded entity);

(ii) a change in the Eligible Employee's principal office location to a location further away from the Eligible Employee's home which is more than 30 miles from the Eligible Employee's current principal office;

(iii) the taking of any action by the Employer to eliminate long-term incentive compensation or benefit plans in which the Eligible Employee participated in or was eligible to participate in immediately prior to a Change in Control without providing substitutes therefor, to materially reduce benefits thereunder or to substantially diminish other fringe benefits; provided that if neither a surviving entity nor its parent following a Change in Control is a publicly-held company, the failure to provide stock-based incentive compensation or benefits shall not be deemed Good Reason if compensation or benefits of comparable value, using a recognized valuation methodology, are substituted therefor; and provided further that a reduction or elimination in the aggregate of not more than 10% in aggregate employee benefits in connection with across the board reductions or modifications affecting similarly situated persons of comparable rank in the Employer or a combined organization shall not constitute Good Reason;

(iv) any one or more reductions in the Eligible Employee's Base Salary and/or Target Bonus that, individually or in the aggregate, exceed 10% of the Eligible Employee's Base Salary and Target Bonus, in the aggregate; or

(v) any material breach by the Employer of the Eligible Employee's service agreement (if one exists).

In the event that the Employer fails to remedy the condition constituting Good Reason during the applicable Cure Period, the Eligible Employee's "termination of employment" must occur, if at all, within 120 days of the end of the Cure Period but not later than the last day of the Change in Control Period (such that, for the avoidance of doubt, if an event giving rise to a claim of Good Reason first occurs within 120 days prior to the last day of the Change in Control Period, the Company acknowledges that the Eligible Employee may resign for Good Reason prior to the expiration of the 30-day notice and/or applicable Cure Period, if applicable).

(o) "Pro-Rata Bonus" means a pro-rated annual incentive bonus otherwise payable under the Company's applicable annual incentive bonus plan pursuant to which the Eligible Employee was eligible to earn a bonus for the year of termination, determined by multiplying the Eligible Employee's Target Bonus by a fraction, the numerator of which is the number of days the Eligible Employee is employed in the year of termination and the denominator of which is 365.

(p) "Qualified Termination" means (i) any termination of employment of an Eligible Employee by the Employer (other than for Cause or because of the Eligible Employee's death or Total Disability) during a Change in Control Period, and (ii) any termination of employment by an Eligible Employee for Good Reason during a Change in Control Period.

(q) "Severance Payment" means an amount determined pursuant to Schedule A.

(r) "Subsidiary" means any direct or indirect subsidiary of the Company or The Macerich Partnership, L.P., or, from and after the Change in Control, any other subsidiaries of the successor to the Company or The Macerich Partnership, L.P.

(s) "Target Bonus" means an Eligible Employee's target annual incentive bonus that the Eligible Employee was eligible to earn under the Company's applicable annual incentive bonus plan for the year of termination (or the immediately prior year, if such a target annual incentive bonus has not been determined for the year of termination).

(t) "Total Disability" means a "permanent and total disability" within the meaning of Section 22(a)(3) of the Code and such other disabilities, infirmities, afflictions or conditions as the Administrator by rule may include.

SECTION 3. TERM

This Plan shall be effective during the Change in Control Period; provided, however, that this initial term of the Plan shall be automatically extended, if necessary, so that this Plan remains in full force and effect until all payments required to be made hereunder have been made. References herein to the term of this Plan shall include the initial term and any additional period for which this Plan is extended or renewed.

SECTION 4. SEVERANCE BENEFITS FOLLOWING A CHANGE IN CONTROL

(a) If an Eligible Employee suffers a Qualified Termination, the Employer shall pay the Eligible Employee the Accrued Obligations in accordance with the payment provisions set forth in Section 2(a). In addition, subject to the execution and effectiveness of a Release Agreement substantially in the form set forth in Schedule B, the Eligible Employee shall be entitled to the following payments and benefits:

(i) the Eligible Employee's Severance Payment;

(ii) the Eligible Employee's Pro-Rata Bonus;

(iii) outplacement services pursuant to the Company's outplacement services plan for senior executives, for the period provided in Schedule A;

(iv) a payment equal to the product of (x) the total amount of the COBRA continuation (medical, vision and dental) monthly premium rate that would otherwise be payable by the Eligible Employee for such COBRA continuation for the Eligible Employee and any eligible dependents, as applicable, as of the Date of Termination and (y) 36; and

(v) the amounts payable under Sections 4(a)(i), (ii) and (iv) shall be paid out in a lump-sum within 60 days after the Date of Termination; provided, however, that if

the 60-day period begins in one calendar year and ends in a second calendar year, such amounts shall be paid in the second calendar year by the last day of such 60-day period.

The mere occurrence of a Change in Control shall not be treated as a termination of an Eligible Employee's employment under this Plan, nor shall the mere transfer of an Eligible Employee's employment to and between the Employer and/or any Subsidiary be treated as a termination under this Plan.

(b) Cause; Other Than for Good Reason. If an Eligible Employee's employment is terminated for Cause during the Change in Control Period or the Eligible Employee voluntarily terminates employment without Good Reason, the Eligible Employee shall be entitled to only her/his Accrued Obligations through the Date of Termination to the extent theretofore unpaid.

SECTION 5. REDUCTION OF CERTAIN BENEFITS

(a) Reduction in Benefits. Anything in this Plan to the contrary notwithstanding, in the event that the receipt of all payments or distributions by the Company or the Employer in the nature of compensation to or for the Eligible Employee's benefit, whether paid or payable pursuant to this Plan or otherwise (a "Payment"), would subject the Eligible Employee to the excise tax under Section 4999 of the Code, the accounting firm which audited the Company prior to the corporate transaction which results in the application of such excise tax, or another nationally known accounting or employee benefits consulting firm selected by the Company prior to such corporate transaction (the "Accounting Firm"), shall determine whether to reduce any of the Payments to the Reduced Amount (as defined below). The Payments shall be reduced to the Reduced Amount *only if* the Accounting Firm determines that the Eligible Employee would have a greater Net After-Tax Receipt (as defined below) of aggregate Payments if the Eligible Employee's Payments were reduced to the Reduced Amount. If such a determination is not made by the Accounting Firm, the Eligible Employee shall receive all Payments to which Eligible Employee is entitled to receive.

(b) Order of Reduction. If the Accounting Firm determines that aggregate Payments should be reduced to the Reduced Amount, the Company shall promptly give the Eligible Employee notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 5 shall be made as soon as reasonably practicable and in no event later than 60 days following the date of termination of employment or such earlier date as requested by the Company and the Eligible Employee. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding on the Company, its Subsidiaries and the Eligible Employee. For purposes of reducing the Payments to the Reduced Amount, the Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Payments that are to be paid or become vested the furthest in time from consummation of the Change in Control: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that all amounts or payments that are not subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c) shall be reduced

before any amounts that are subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c).

(c) Underpayment or Overpayment. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Eligible Employee pursuant to this Plan which should not have been so paid or distributed (the "Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Eligible Employee pursuant to this Plan could have been so paid or distributed (the "Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or a Subsidiary or the Eligible Employee which the Accounting Firm believes has a high probability of success, determines that an Overpayment has been made, the Eligible Employee shall pay any such Overpayment to the Company together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; provided, however, that no amount shall be payable by the Eligible Employee to the Company if and to the extent such payment would not either reduce the amount on which the Eligible Employee is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be paid promptly (and in no event later than 60 days following the date on which the Underpayment is determined) by the Company to or for the benefit of the Eligible Employee together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

(d) Reduced Amount and After-Tax Receipt. For purposes hereof, the following terms have the meanings set forth below: (i) "Reduced Amount" shall mean the greatest amount of Payments that can be paid that would not result in the imposition of the excise tax under Section 4999 of the Code if the Accounting Firm determines to reduce Payments pursuant to this Section 12 and (ii) "Net After-Tax Receipt" shall mean the present value (as determined in accordance with Sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of a Payment net of all taxes imposed on the Eligible Employee with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to the Eligible Employee's taxable income for the immediately preceding taxable year, or such other rate(s) as the Eligible Employee certifies, in the Eligible Employee's sole discretion, as likely to apply to her/him in the relevant tax year(s).

SECTION 6. WITHHOLDING

Notwithstanding anything in this Plan to the contrary, all payments required to be made by the Employer hereunder to an Eligible Employee or her/his estate or beneficiaries shall be subject to the withholding of such amounts relating to taxes as the Employer reasonably may determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts, in whole or in part, the Employer may, in its sole discretion, accept other

provisions for the payment of taxes and any withholdings as required by law, provided that the Employer is satisfied that all requirements of law affecting its responsibilities to withhold compensation have been satisfied.

SECTION 7. NO DUTY TO MITIGATE

An Eligible Employee's payments received hereunder shall be considered severance pay in consideration of past service, and entitlement thereto shall not be governed by any duty to mitigate damages by seeking further employment. In addition, no payments received hereunder shall be offset by any payments or benefits an Eligible Employee may receive from any future employer.

SECTION 8. AMENDMENT, SUSPENSION OR TERMINATION

Prior to a Change in Control, this Plan may be amended, suspended or terminated at any time by the Compensation Committee; provided, however, that, any amendment, suspension or termination that reduces benefits, changes the definition of Eligible Employees or otherwise adversely impairs an Eligible Employee's ability to receive any of the severance payments or benefits that could be provided under this Plan will not be effective until 12 months after notice of any such change is provided to the Eligible Employees. No such amendment, suspension or termination will be effective if a Change in Control occurs during the 12-month notice period and no such amendment, suspension or termination may occur after a Change in Control. This Plan may otherwise be amended, suspended or terminated by the Compensation Committee following the expiration of the Change in Control Period and the satisfaction of all obligations the Company may have to any Eligible Employee under the Plan.

SECTION 9. ADMINISTRATION

The Plan shall be administered by either the Compensation Committee or the person(s) appointed by the Compensation Committee from time to time to administer the Plan (in either case, the "Administrator"). The Administrator shall have the power and authority to interpret the terms and provisions of the Plan, to make all determinations it deems advisable for the administration of the Plan, to decide all disputes arising in connection with the Plan and to otherwise supervise the administration of the Plan, with all decisions and interpretations of the Administrator to be binding on all persons. Notwithstanding the foregoing, however, on and after a Change in Control, all disputes arising in connection with the Plan (including without limitation regarding any determinations, decisions and interpretations of the Plan) shall be subject to dispute resolution as set forth in Section 10, and no decisions or interpretations of the Plan by the Administrator shall be binding on all persons, with any decisions and interpretations to be reviewed *de novo*, in the event of any such dispute.

SECTION 10. GOVERNING LAW; DISPUTE RESOLUTION

(a) This Plan shall be governed by the laws of the United States to the extent applicable and otherwise by the laws of the State of California, excluding the choice of law rules thereof.

(b) On and after a Change in Control, any controversy or claim arising out of or relating to this Plan, its enforcement, arbitrability or interpretation, or because of an alleged breach, default or misrepresentation in connection with any of its provisions, or arising out of or relating in any way to the Eligible Employee's employment or termination of the same or conduct thereafter, including, without limiting the generality of the foregoing, any alleged violation of statute, common law or public policy, shall be submitted to final and binding arbitration, to be held in Los Angeles County, California, before a single arbitrator, in accordance with California Civil Procedure Code §§ 1280 *et seq*. The arbitrator shall be selected by mutual agreement of the parties or, if the parties cannot agree, then by striking from a list of arbitrators supplied by the American Arbitration Association or JAMS/Endispute. The arbitrator shall issue a written opinion revealing, however briefly, the essential findings and conclusions upon which the arbitrator's award is based. The Company will pay the arbitrator's fees and arbitration expenses and any other costs associated with the arbitration hearing. The Company agrees to pay as incurred (within 10 days following the Company's receipt of an invoice from the Eligible Employee), to the full extent permitted by law, all legal fees and expenses that the Eligible Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Eligible Employee or others of the validity or enforceability of, or liability under, any provision of this Plan or any guarantee of performance thereof (including as a result of any contest by the Eligible Employee about the amount of any payment pursuant to this Plan), plus, in each case, interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code. In order to avoid the imposition of taxes and penalties on the Eligible Employee under Section 409A of the Code, (i) in no event shall the payments by the Company under this Section 10(b) be made later than the end of the calendar year next following the calendar year in which such fees and expenses were incurred, and the Eligible Employee shall be required to have submitted an invoice for such fees and expenses at least 10 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred, (ii) the amount of such legal fees and expenses that the Company is obligated to pay in any given calendar year shall not affect the legal fees and expenses that the Company is obligated to pay in any other calendar year, (iii) the Eligible Employee's right to have the Company pay such legal fees and expenses may not be liquidated or exchanged for any other benefit and (iv) the Company's obligations to pay such legal fees and expenses shall apply to amounts incurred during the Eligible Employee's remaining lifetime (or, if longer, through the 20th anniversary of the Effective Date). Nothing in this paragraph shall affect the Eligible Employee's or the Company's ability to seek from a court injunctive or equitable relief.

SECTION 11. <u>SEVERABILITY</u>

If any part of any provision of this Plan shall be invalid or unenforceable under applicable law, such part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of such provision or the remaining provisions of this Plan.

SECTION 12. DISCLAIMER OF RIGHTS

No provision in this Plan shall be construed to confer upon any individual the right to remain in the employ or service of the Employer, or to interfere in any way with any contractual or other right or authority of the Employer either to increase or decrease the compensation or other payments to any individual at any time, to terminate any employment or other relationship between any individual and the Employer or to require the Employer to pay severance for any termination of employment prior to a Change in Control. The obligation of the Employer to pay any benefits pursuant to this Plan shall be interpreted as a contractual obligation to pay only those amounts described herein, in the manner and under the conditions prescribed herein. The Plan shall in no way be interpreted to require the Employer to transfer any amounts to a third party trustee or otherwise hold any amounts in trust or escrow for payment to any participant or beneficiary under the terms of the Plan.

SECTION 13. CAPTIONS

The use of captions in this Plan is for the convenience of reference only and shall not affect the meaning of any provision of this Plan.

SECTION 14. NUMBER AND GENDER

With respect to words used in this Plan, the singular form shall include the plural form, the masculine gender shall include the feminine gender, etc., as the context requires.

SECTION 15. SECTION 409A

(a) Anything in this Plan to the contrary notwithstanding, if at the time of the Eligible Employee's "separation from service" within the meaning of Section 409A of the Code, the Company determines that the Eligible Employee is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Eligible Employee becomes entitled to under this Plan on account of the Eligible Employee's separation from service would be considered "nonqualified deferred compensation" subject to Section 409A(a) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Eligible Employee's separation from service, or (B) the Eligible Employee's death. Each payment under this Plan constitutes a separate payment for purposes of Section 409A of the Code.

(b) The parties intend that this Plan will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Plan is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The parties agree that this Plan may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(c) All in-kind benefits provided and expenses eligible for reimbursement under this Plan shall be provided by the Employer or incurred by the Eligible Employee during the time periods set forth in this Plan. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(d) To the extent that any payment or benefit described in this Plan constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Eligible Employee's termination of employment, then such payments or benefits shall be payable only upon the Eligible Employee's "separation from service." All references to an Eligible Employee's termination of employment under this Plan shall only occur if the same also constitutes a "separation from service" as defined under Section 409A of the Code. The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(e) The Company makes no representation or warranty and shall have no liability to the Eligible Employee or any other person if any provisions of this Plan are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

Schedule A

Severance Payment

Title	Severance Payment	Outplacement Services
Chief Executive Officer President Senior Executive Vice President	3 times the sum of Base Salary and Bonus	The highest level of outplacement benefits provided for under the outplacement services agreement in effect immediately prior to the Date of Termination, for 12 months

Schedule B

Release Agreement

THIS RELEASE AGREEMENT is entered into as of ____________, 20__ (the "Effective Date"), by _____________ (the "Employee") in consideration of the severance payments and benefits (collectively, the "Severance Payment") provided to the Employee by The Macerich Company ("Company") pursuant to The Macerich Company Change in Control Severance Pay Plan for Senior Executives (the "Plan"). All capitalized terms used in this Release Agreement and not otherwise defined shall be as defined in the Plan.

1. Waiver and Release. The Employee, on her/his own behalf and on behalf of her/his heirs, executors, administrators, attorneys and assigns, hereby unconditionally and irrevocably releases, waives and forever discharges Company and each of its affiliates, parents, successors, predecessors, and the subsidiaries, directors, owners, members, shareholders, officers, agents, and employees of the Company and its affiliates, parents, successors, predecessors, and subsidiaries (collectively, all of the foregoing are referred to as the "Employer"), from any and all causes of action, claims and damages, including attorneys' fees, whether known or unknown, foreseen or unforeseen, presently asserted or otherwise arising through the date of her/his signing of this Release Agreement, concerning her/his employment or separation from employment. This release includes, but is not limited to, any claim or entitlement to salary, bonuses, any other payments, benefits or damages arising under any federal law (including, but not limited to, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Employee Retirement Income Security Act of 1974, the Americans with Disabilities Act, Executive Order 11246, the Family and Medical Leave Act, and the Worker Adjustment and Retraining Notification Act, each as amended) and any other federal, state, local or foreign law relating to notice of employment termination or to severance pay; any claim arising under any state or local laws, ordinances or regulations (including, but not limited to, any state or local laws, ordinances or regulations requiring that advance notice be given of certain workforce reductions); and any claim arising under any common law principle or public policy, including, but not limited to, all suits in tort or contract, such as wrongful termination, defamation, emotional distress, invasion of privacy or loss of consortium.

The Employee understands that by signing this Release Agreement she/he is waiving any right to monetary recovery or individual relief should any federal, state or local agency (including the Equal Employment Opportunity Commission) pursue any claim on her/his behalf arising out of or related to her/his employment with and/or separation from employment with the Employer. The Employee understands that this Release Agreement, does not limit or interfere with the Employee's right, without notice to or authorization of the Employer, to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority, or any other self-regulatory organization or any other federal, state or local governmental agency or commission (each a "Governmental Agency"), or to testify, assist or participate in any investigation, hearing or proceeding conducted by a Governmental Agency in the event

Employee file a charge or complaint with a Governmental Agency, or a Governmental Agency asserts a claim on the Employee's behalf, the Employee agrees that the Employee's release of claims in this Release Agreement shall nevertheless bar the Employee's right (if any) to any monetary or other recovery (including reinstatement) with respect to released claims, except that the Employee does not waive: (i) the Employee's right to receive an award from the Securities and Exchange Commission pursuant to Section 21 F of the Securities Exchange Act of 1934, and (ii) any other claims or administrative charges which cannot be waived by law.

The Employee expressly waives the benefits of Section 1542 of the California Civil Code which provides that:

"A general release does not extend to claims which the creditor does not know or suspect to exist in her/his favor at the time of executing the release, which if known by her/him must have materially affected her/his settlement with the debtor."

The Employee, being aware of said code section, understands and acknowledges the significance and consequences of such specific waiver of Section 1542 and agrees to expressly waive any rights Employee may have thereunder, as well as under any other statute or common law principles of similar effect. The Employee hereby assumes full responsibility for any injuries, damages or losses that the Employee may incur as a result of such waiver.

2. Acknowledgments. The Employee is signing this Release Agreement knowingly and voluntarily. She/he acknowledges that:

(a) He or she is hereby advised by the Company to discuss all aspects of this Release Agreement with an attorney before signing this Release Agreement;

(b) He or she has relied solely on her/his own judgment and/or that of her/his attorney regarding the consideration for and the terms of this Release Agreement and is signing this Release Agreement knowingly and voluntarily of her/his own free will;

(c) He or she is not entitled to the Severance Payment unless she/he agrees to and fully complies with the terms of this Release Agreement;

(d) He or she has been given at least [twenty-one (21)] [forty-five (45)] calendar days to consider this Release Agreement (the "Consideration Period"). If she/he signs this Release Agreement before the end of the Consideration Period, she/he acknowledges by signing this Release Agreement that such decision was entirely voluntary and that she/he had the opportunity to consider this Release Agreement for the entire Consideration Period.

(e) He or she may revoke this Release Agreement within seven (7) calendar days after signing it by submitting a written notice of revocation to the Employer. She/he further understands that this Release Agreement is not fully effective until the next business day after the seven (7) day period of revocation has expired without revocation, and that if she/he revokes this Release Agreement within the seven (7) day revocation period, she/he will not receive the Severance Payment;

(f) He or she has read and understands this Release Agreement and further understands that it includes a general release of any and all known and unknown, foreseen or unforeseen claims presently asserted or otherwise arising through the date of her/his signing of this Release Agreement that she/he may have against the Employer; and

(g) No statements made or conduct by the Employer has in any way coerced or unduly influenced her/him to execute this Release Agreement.

(h) Except for the Severance Payment, she/he has been paid all wages, bonuses, compensation, benefits and other amounts that the Employer ever owed to him or her. Further she/he acknowledges and agrees that she/he is not entitled to any other severance pay, benefits or equity rights including without limitation, pursuant to any other severance plan, or program or arrangement.

3. No Admission of Liability. This Release Agreement does not constitute an admission of liability or wrongdoing on the part of the Employer, the Employer does not admit there has been any wrongdoing whatsoever against the Employee, and the Employer expressly denies that any wrongdoing has occurred.

4. Entire Agreement. There are no other agreements of any nature between the Employer and the Employee with respect to the matters discussed in this Release Agreement, except as expressly stated herein, and in signing this Release Agreement, the Employee is not relying on any agreements or representations, except those expressly contained in this Release Agreement.

5. Execution. It is not necessary that the Employer sign this Release Agreement following the Employee's full and complete execution of it for it to become fully effective and enforceable.

6. Severability. If any provision of this Release Agreement is found, held or deemed by a court of competent jurisdiction to be void, unlawful or unenforceable under any applicable statute or controlling law, the remainder of this Release Agreement shall continue in full force and effect.

7. Governing Law. This Release Agreement shall be governed by the laws of the State of California, excluding the choice of law rules thereof.

8. Headings. Section and subsection headings contained in this Release Agreement are inserted for the convenience of reference only. Section and subsection headings shall not be deemed to be a part of this Release Agreement for any purpose, and they shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement as of the day and year first herein above written.

EMPLOYEE:

Exhibit 31.1

THE MACERICH COMPANY

SECTION 302 CERTIFICATION

I, Arthur M. Coppola, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended September 30, 2017 of The Macerich Company;

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

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

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

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

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

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

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

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

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

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

/s/ ARTHUR M. COPPOLA

Chairman and Chief Executive Officer

Date: November 3, 2017

Exhibit 31.2

THE MACERICH COMPANY

SECTION 302 CERTIFICATION

I, Thomas E. O'Hern, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended September 30, 2017 of The Macerich Company;

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

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

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

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

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

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

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

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

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

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

/s/ THOMAS E. O'HERN

Senior Executive Vice President and Chief Financial Officer

Date: November 3, 2017

Exhibit 32.1

THE MACERICH COMPANY

WRITTEN STATEMENT

PURSUANT TO

18 U.S.C. SECTION 1350

The undersigned, Arthur M. Coppola and Thomas E. O'Hern, the Chief Executive Officer and Chief Financial Officer, respectively, of The Macerich Company (the "Company"), pursuant to 18 U.S.C. §1350, each hereby certifies that, to the best of his knowledge:

(i) the Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 of the Company (the "Report") fully complies with the requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: November 3, 2017

/s/ ARTHUR M. COPPOLA

Chairman and Chief Executive Officer

/s/ THOMAS E. O'HERN

Senior Executive Vice President and Chief Financial Officer